EMPERADOR INC.

Building on Time-Honored Heritage

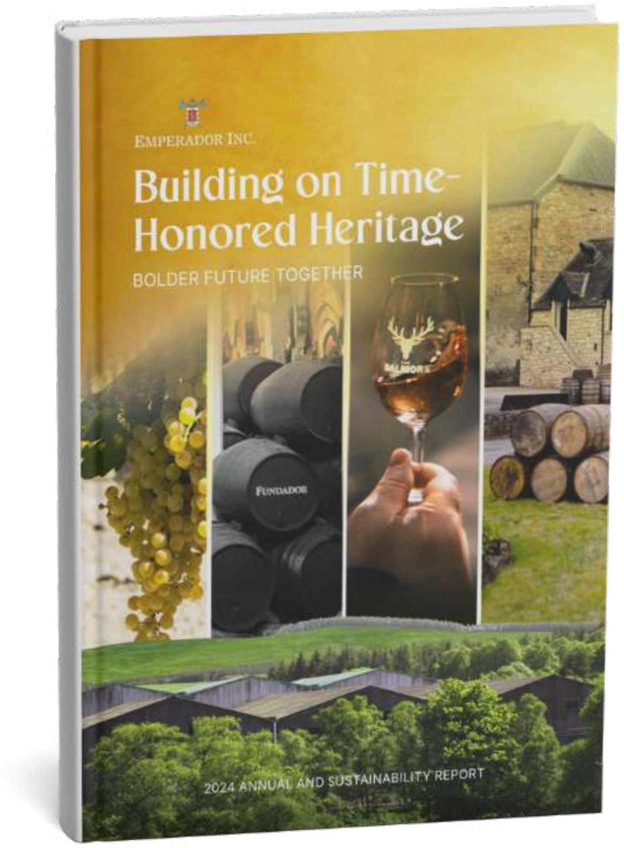
BOLDER FUTURE TOGETHER

2024 ANNUAL AND SUSTAINABILITY REPORT

Table of Contents

About the Cover

The cover design for Emperador Inc.'s 2024 Annual and Sustainability Report brings to life the theme "Building on Time-Honored Heritage" through rich, evocative visuals that pay tribute to its deep-rooted legacy in brandy and whisky craftsmanship. Imagery of ripened grapes, aging barrels, and hand-poured spirits narrates a story of heritage preserved and passed down through generations.



At the heart of this tribute is the 150th anniversary of Fundador, whose excellence since 1874 continues to shape the company's journey.

This historic milestone, alongside a decade of shared growth with Whyte and Mackay, reinforces Emperador's role as a steward of time-honored brands and practices.

Visually anchored in a vertical collage, the design echoes the form of a bar graph—symbolizing Emperador's year-on-year growth, development, and sustained performance. Each panel, varying in height and detail, serves as a visual "data point" that reflects both legacy and progress. The raised glass of Dalmore whisky becomes a focal point of celebration and continuity, while the distillery rooftops below ground the narrative in place and purpose. Altogether, the composition bridges heritage and aspiration in a single, refined visual statement.

About the Report

2-1

This Annual and Sustainability Report (ASR) for the Financial Year 2024 provides stakeholders with a comprehensive overview of Emperador Inc.'s ("EMI", "the Company") performance across financial, operational, and sustainability dimensions. The report conveys EMI's sustainability strategy, commitments, achievements, and areas for improvement, allowing investors, customers, employees, and other stakeholders to make informed decisions.

This report covers the significant economic, environmental, and social impacts of EMI and its subsidiaries. It includes operations across Emperador Distillers, Inc. (EDI), Grupo Emperador Spain S.A.U. (GES), and Whyte and Mackay Group Limited (WMG), encompassing their key entities and activities as disclosed. Unless otherwise indicated, all financial and sustainability data presented in this report refer to the consolidated operations of EMI and its subsidiaries.

This report covers the period from January 1, 2024, to December 31, 2024. Prepared in accordance with the Global Reporting Initiative (GRI) Standards, and adheres to the Philippine Securities and Exchange Commission (SEC) Sustainability Reporting Guidelines for Publicly Listed Companies, demonstrating EMI's commitment to rigorous disclosure standards and accountability. The Company has also identified and aligned disclosures with the United Nations Sustainable Development Goals (UN SDGs), reinforcing its global responsibility in sustainability practices.

EMI follows an annual reporting cycle for its ASR, highlighting its commitment to transparency, good governance, and continuous improvement in sustainability performance.

EMI urges stakeholders' insights to continuously enhance the quality and relevance of its sustainability reporting. For feedback or queries regarding the content of this 2024 Annual and Sustainability Report, please contact:

Kenneth Nerecina
Tel. No.: +632 8709-2222
investorrelations@emperadordistillers.com
Website: www.emperadorinc.com

“Beyond our environmental goals, we continue to prioritize our people and the communities we serve. We remain committed to supporting a work environment that promotes well-being, upskilling, and retention. We have strengthened employee development programs and increased support for local initiatives, recognizing that long-term success is rooted in inclusive and responsible growth.”

Andrew Tan
Chairman

Message from the Chairman

2-22

Building on Time-Honored Heritage

2024 was a year of proud milestones for Emperador Inc. It was a year when we celebrated historic achievements, honored our rich legacy, and laid down strong markers for a dynamic and sustainable future. Our story this year is one of celebration and forward momentum.

We celebrated Fundador’s 150th anniversary, a milestone that reflects not only the longevity of the world-renowned Spanish brandy but also the strength of craftsmanship that has withstood the test of time. Fundador stands as a symbol of our rich heritage and excellence in brandy-making. This celebration reminds us of our roots while inspiring us to keep moving forward.

In the same spirit, we celebrated Whyte and Mackay’s 10th year with Emperador. Within this period, Whyte and Mackay reached new heights and is now among the top single malt Scotch whisky companies. As we look forward to the next milestone, our culture of innovation rooted in tradition and our shared ambition will continue to fuel our journey.

In 2024, we generated PHP 61.65 billion in revenues, demonstrating that Emperador stood strong even as markets were pressured by economic challenges and shifting consumer landscapes. We adapted with agility, gained a deeper understanding of our products and customers, and pivoted when and where necessary. Our mission of bringing fantastic drinks to consumers around the world remains at our core.

In 2024, we celebrated major milestones in our sustainability journey. We installed additional solar panels across our Philippine facilities, reinforcing our commitment to renewable energy. At Whyte and Mackay, the completion of the Jura Biomass Boiler and the Bioenergy Center in Invergordon marked significant steps forward, which puts Whyte and Mackay firmly on track to achieve carbon neutrality by 2030.

We are excited for the path ahead. We will continue to provide the best drinks for our customers, deliver value to our stakeholders, advance our sustainability goals, and build on our time-honored heritage.

About Emperador Inc.

2-1, 2-2, 2-6, 2-24

Emperador Inc. (EMI) is a leading global manufacturer, bottler, and distributor of brandy, Scotch whisky, and other alcoholic beverages. As a holding company with subsidiaries in the Philippines, the United Kingdom, Spain, and Mexico, EMI maintains a strong international presence, with its products available in over 100 countries. It is listed on both the Philippine Stock Exchange, Inc. (PSE) and the Singapore Exchange Securities Trading Limited (SGX-ST).

Its subsidiaries include Emperador Distillers, Inc. (EDI), which is based in the Philippines and engaged in the manufacturing and distribution of alcoholic beverages; Whyte and Mackay Group Limited (WMG), headquartered in the United Kingdom and known for its portfolio of premium single malt and blended whiskies; Grupo Emperador Spain, S.A.U. (GES), a prominent Spanish producer and distributor of brandy and other spirits that also includes Bodegas Fundador; and Domecq Bodegas Las Copas (Domecq BLC), a joint venture equally owned by GES and González Byass of Spain.

EMI is a subsidiary of Alliance Global Group, Inc. (AGI), one of the Philippines' largest publicly-listed conglomerates, with diversified interests in property development, food and beverage industry, quick-service restaurants, and tourism estates.

Our Vision

To bring world-class products to the Philippines, and Emperador products to the rest of the world.

Our Mission

To deliver fantastic, superb, and iconic drinks to consumers from all walks of life, across the globe.

Our Values

Loyalty – Commitment to the company, our people, and the consumers we serve.

Integrity – Acting with honesty, transparency, and accountability in all our dealings.

Hard Work – Putting in the effort to exceed expectations and drive continuous improvement.

Excellence – Consistently pursuing quality and striving to be the best in everything we do.

Passion – Infusing energy, pride, and enthusiasm into our work and our brands.

History

Throughout its 45 years, EMI has successfully embedded its brand within Filipino culture. Its products have become an icon in most Filipino households due to their quality and accessibility. As the years go by, EMI continues to elevate and expand its brand of premium liquor in both the Philippines and around the world

1979

EMI was founded by Dr. Andrew L. Tan

1990

Launch of Emperador Brandy, the Philippines' first homegrown brandy label

2013

EMI listed on the Philippine Stock Exchange, Inc. (PSE)

2014

Acquired Whyte and Mackay Group Ltd.,

2015

Acquired Bodegas Fundador

2017

Acquired Casa Pedro Domecq in Mexico through Bodegas Las Copas

2022

Completed a secondary listing on the Singapore Exchange Securities Trading Limited (SGX-ST),

2024

EMI celebrates the 150th anniversary of Fundador, honoring its legacy in the global brandy industry.

Our Businesses

2-1, 2-2, 2-6

Emperador Inc. (EMI) is a global brandy and whisky conglomerate engaged in the production, marketing, and distribution of a diverse portfolio of alcoholic beverages. Its product range spans brandy, Scotch whisky, sherry, wine, vodka, gin, and rum, with brandy and whisky comprising the majority of its business. EMI products are available in over 100 countries across six continents.

Emperador holds market leadership in several regions. Emperador Brandy remains the No. 1 brandy by volume in both the Philippines and the world. Terry is the leading brandy brand in Spain, while Presidente holds the top brandy position in Mexico. Fundador, the flagship brand of Bodegas Fundador, is the first and largest Brandy de Jerez company, playing a key role in driving the premiumization of Spanish brandy.

EMI's Scotch whisky portfolio, under Whyte and Mackay Group Limited (WMG), is gaining strong global momentum. The Dalmore, Jura, and Tamnavulin rank among the world's top 20 single malts by both volume and value. Jura and Tamnavulin are also leading brands in the UK market. WMG's whiskies are widely distributed across Asia, Europe, the US, and other major global markets.

Subsidiaries and Operations

Emperador Distillers, Inc. (EDI),

Premium Brandy, Proudly Filipino

EDI is EMI's Philippine-based manufacturing arm, producing a range of alcoholic beverages including brandy and flavored gin. Emperador Brandy was the country's first local brandy label and has grown into the world's largest-selling brandy. Other brands under EDI's portfolio include Smirnoff Mule, Zabana, So Nice, and The Bar. EDI also owns and operates a glass manufacturing facility, supporting its bottling operations.

With distribution in over 81 countries, EDI's international presence continues to grow, especially in the UAE and North America. Its products are widely accessible across the Philippines, from major supermarkets to neighborhood stores. EDI continues to innovate, offering accessible and premium products to meet the diverse preferences of consumers globally.

Whyte and Mackay Group Limited (WMG),

World-Class Whisky Makers

Whyte and Mackay, a wholly owned subsidiary of EMI, is a multi-awarded Scotch whisky producer headquartered in Scotland. The company operates five distilleries—including four malt and one grain distillery—and produces a wide portfolio of blended and single malt whiskies. Its brands include Whyte & Mackay, Shackleton, John Barr, and Claymore, alongside global single malt leaders The Dalmore, Fettercairn, Jura, and Tamnavulin.

With nearly two centuries of whisky-making heritage, Whyte and Mackay is a top whisky supplier in the UK. A world-renowned single malt company, Whyte and Mackay continues its goal of global expansion with its strong presence across Europe, Asia, and the Americas.

Grupo Emperador Spain (GES)

Historic Wines, Heritage Brandy

Based in Spain, GES oversees EMI's European operations. Its core asset is Bodegas Fundador (BF), the oldest and largest Brandy de Jerez company, established in 1730.

Fundador became the first Spanish brandy brand in 1874 and remains a pillar of the GES portfolio. Other brands include Terry, Tres Cepas, Garvey, and Harveys, which blend centuries of craftsmanship with modern innovation.

BF's brandy products are primarily distributed across Asia-Pacific, Latin America, and Africa, while its sherry offerings are strongest in the Middle East and Asia-Pacific. BF also holds historic distinction as the former official winemaker of Spanish royalty.

GES also includes Domecq Bodegas Las Copas (Domecq BLC), a joint venture with González Byass. Domecq BLC produces leading Mexican brandies including Presidente, Don Pedro, and Azteca De Oro, solidifying EMI's footprint in Latin America.

Board of Directors

2-9, 2-10, 2-11, 2-13

Andrew L. Tan
Chairman of the Board

Winston S. Co
Director and President

Kendrick Andrew L. Tan
Executive Director

Kevin Andrew L. Tan
Director

Enrique M. Soriano III
Lead Independent Director

Jesli A.Lapus
Independent Director

Ho Poh Wah (Jason Ho)
Independent Director

2024 at a Glance

Financial Highlights

PHP 61.6B
CONSOLIDATED REVENUES

PHP 36.4B
BRANDY REVENUES

PHP 25.3B
WHISKY REVENUES

PHP 18.8B
GROSS PROFIT

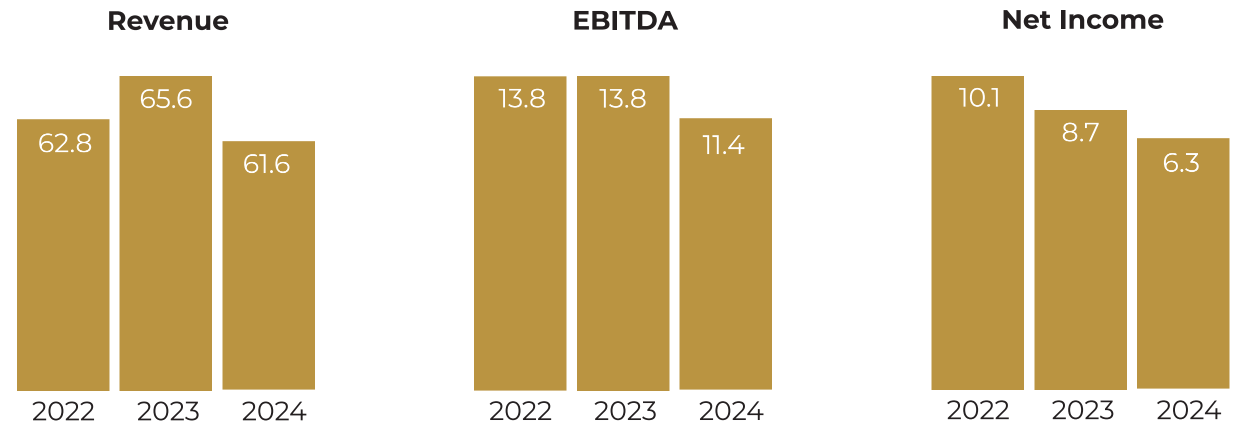
PHP 6.3B
NET PROFIT

59%
BRANDY REVENUE SHARE

41%
WHISKY REVENUE SHARE

3- Year Trend

(in Php Billion)



Economic Contributions

EMI views strong financial performance as essential to business continuity, employee well-being, and broader economic growth. As a global conglomerate with expanding operations, EMI continuously assesses its performance through regular planning, target setting, and KPI reviews to ensure resilience and value creation. The company also maintains robust relationships with key stakeholders—suppliers, investors, governments, employees, and communities—recognizing their integral role in generating lasting economic and social impact.

CPI Strategy

Emperador Inc.'s growth journey is guided by a strategic framework that ensures its relevance in an ever-evolving global market. This framework reflects the company's commitment to evolving with consumer preferences, elevating product quality, and expanding its international reach. Each pillar—Contemporize, Premiumize, and Internationalize—supports EMI's ambition to not only lead the global brandy and whisky markets but to also deliver world-class drinking experiences that resonate across cultures and generations. As the company grows its global footprint, the CPI Strategy remains a cornerstone in shaping its innovation pipeline, marketing approach, and market penetration initiatives.

Contemporize
Our Offering

Since consumer tastes constantly change, Emperador contemporizes its offerings to cater consumer preferences.

Premiumize
Our Portfolio

Emperador premiumizes its portfolio to upgrade consumers' drinking experiences and produce top-quality products.

Internationalize
Our Business

Through its internationalization strategy, Emperador works toward its ambition to bring its products to the rest of the world.

Empire of Legacy: 150 Years of Fundador's Timeless Brandy Craft

A Monumental Year for Bodegas Fundador

In 2024, Fundador celebrates an extraordinary achievement—150 years of unwavering commitment to excellence in Spanish Brandy. Since 1874, Fundador has been at the heart of the industry, shaping its legacy through generations of craftsmanship, heritage, and innovation. This milestone is a powerful reflection of everything the brand stands for: time-honored tradition elevated by enduring vision.

To commemorate this landmark year, Fundador unveiled a limited edition spirit that embodies the depth of its story. The Fundador 150 Aniversario Fine Brandy contains precious drops from its original 150-year-old foundational solera. Each bottle captures the spirit of the brand—refined, meaningful, and masterfully created to honor both history and craft.

Further enriching the anniversary is the launch of a commemorative book, Fundador. The first Spanish brandy, chronicling the evolution of the bodegas from its origins to the present day. It is a tribute to the artistry, perseverance, and cultural influence that have defined Fundador through every era.

Honoring the Past. Embracing the Future.

As it reflects on a century and a half of legacy, Fundador continues to move forward with the same passion that shaped its beginnings. Anchored in authenticity and fueled by innovation, the brand reaffirms its role in leading Spanish Brandy into the future—expanding its reach while staying true to its identity.

This anniversary is a celebration of endurance, excellence, and the meaningful moments that have shaped Fundador's journey. With 150 years behind it, the brand steps confidently into the next chapter—ready to inspire, lead, and craft the future of brandy for generations to come.

New Products

Brandy

Fundador 150 Anniversary Special Edition

Whisky

Dalmore Luminary No. 2 2024 Edition The Rare

- 2nd release in the Luminary Series
- 49 Year Old single malt
- Born of a collaboration between Melodie Leung, of internationally acclaimed design studio, Zaha Hadid Architects, and our Master Whisky Maker Gregg Glass
- Matured in American white oak ex-Bourbon casks, The Rare was finished with an unparalleled combination of rare casks – Port Colheita 1963, 30 year old Apostoles sherry, and select Bourbon – then completed in a 1951 virgin oak hybrid cask, which was air-dried and hand-toasted by Gregg Glass himself
- Auctioned at Sotheby's for $117,400

Whisky

Dalmore Luminary No. 2 2024 Edition

- Matured in American white oak ex-Bourbon casks, the single malt is finished in Graham's Tawny Port pipes and 30 year old Apostoles Sherry casks, with the lightest touch of exceptionally rare peated Dalmore.

Whisky

Dalmore Cask Curation Series – The Port Edition

- Second chapter in the series that celebrates The Dalmore's whisky making artistry and the role played by exquisite casks sourced from the world's finest winemakers, in the creation of the iconic Single Malt Scotch Whiky.
- A trio of Single Cask Single Malts celebrating The Dalmore's long-standing partnership with the finest winemakers of Portugal, Grahams Port
- Set of 3 – 27, 30, 43 year old

Whisky

Jura 15YO Sherry Cask

- Polished amber in colour, this smooth and elegant single malt has soft fruity flavours of aromatic citrus, roasted pineapple and plum with notes of dark chocolate for a rich finish.

Certifications, Awards, and Recognitions

Emperador Inc.'s commitment to crafting premium, world-class spirits continues to gain recognition on the global stage. In 2024, EMI and its subsidiaries garnered numerous prestigious awards across the world's leading spirits competitions—affirming the exceptional quality, craftsmanship, and innovation embedded in its portfolio.

WHISKY CATEGORY

International Wine & Spirit Competition

Gold 95
- Glayva

International Spirit Challenge

Gold
- Dalmore 12YO Sherry Cask
- Dalmore 14YO
- Dalmore 18YO
- Dalmore 25YO
- Dalmore Portwood
- Fettercairn 16YO
- Fettercairn 16YO (2023 Limited Edition Release)
- Fettercairn 18YO
- Jura 10YO
- Jura 21YO Time
- Jura 12YO Sherry Cask
- Jura Winter Edition
- Tamnavulin Double Cask
- Tamnavulin Red Wine Cask American Cabernet Sauvignon
- Tamnavulin Red Wine Cask French Cabernet Sauvignon
- Tamnavulin Sherry Cask
- Tamnavulin White Wine Cask

World Drink Awards

Gold
- Jura 15YO Sherry Cask

BRANDY AND SHERRY CATEGORY

International Wine & Spirit Competition

Gold Medal
- Harveys VORS Palo Cortado
- Fundador Supremo 15YO Amontillado Sherry Cask

Silver Medal
- Harveys VORS Amontillado
- Harveys VORS Oloroso
- Harveys VORS Pedro Ximénez
- Fundador Supremo 12YO Pedro Ximénez Sherry Cask
- Fundador Supremo 18YO Oloroso Sherry Cask

Trophy Winner
- Harveys VORS Palo Cortado

Bronze Medal
- Terry 1900
- Decanter World Wine Awards
- Platinum Medal
- Harveys VORS Amontillado

Platinum Medal
- Harveys VORS Amontillado

Gold Medal
- Harveys VORS Pedro Ximénez

Silver Medal
- Harveys VORS Palo Cortado
- Harveys VORS Oloroso

International Spirit Challenge

Gold Medal
- Fundador Sherry Cask Triple Madera
- Fundador Supremo 18YO Oloroso Sherry Cask

Silver Medal
- Fundador Sherry Cask Solera
- Fundador Sherry Cask Doble Madera
- Fundador Supremo 12YO Pedro Ximénez Sherry Cask
- Fundador Supremo 15YO Amontillado Sherry Cask

San Francisco World Spirit Competition

Double Gold Medal
- Fundador Sherry Cask Solera
- Fundador Sherry Cask Doble Madera
- Fundador Sherry Cask Triple Madera
- Fundador Supremo 18YO Oloroso Sherry Cask

Gold Medal
- Fundador Supremo 15YO Amontillado Sherry Cask

Silver Medal
- Fundador Supremo 12YO Pedro Ximénez Sherry Cask
- Terry 1900

China Wines & Spirits Awards

Double Gold Medal
- Fundador Sherry Cask Doble Madera

Gold Medal
- Fundador Sherry Cask Triple Madera
- Fundador Supremo 12YO Pedro Ximénez Sherry Cask
- Fundador Supremo 15YO Amontillado Sherry Cask

Gold Medal "Brandy of the Year 2024"
- Fundador Supremo 18YO Oloroso Sherry Cask

Bronze Medal
- Fundador Sherry Cask Solera

Sustainability Highlights

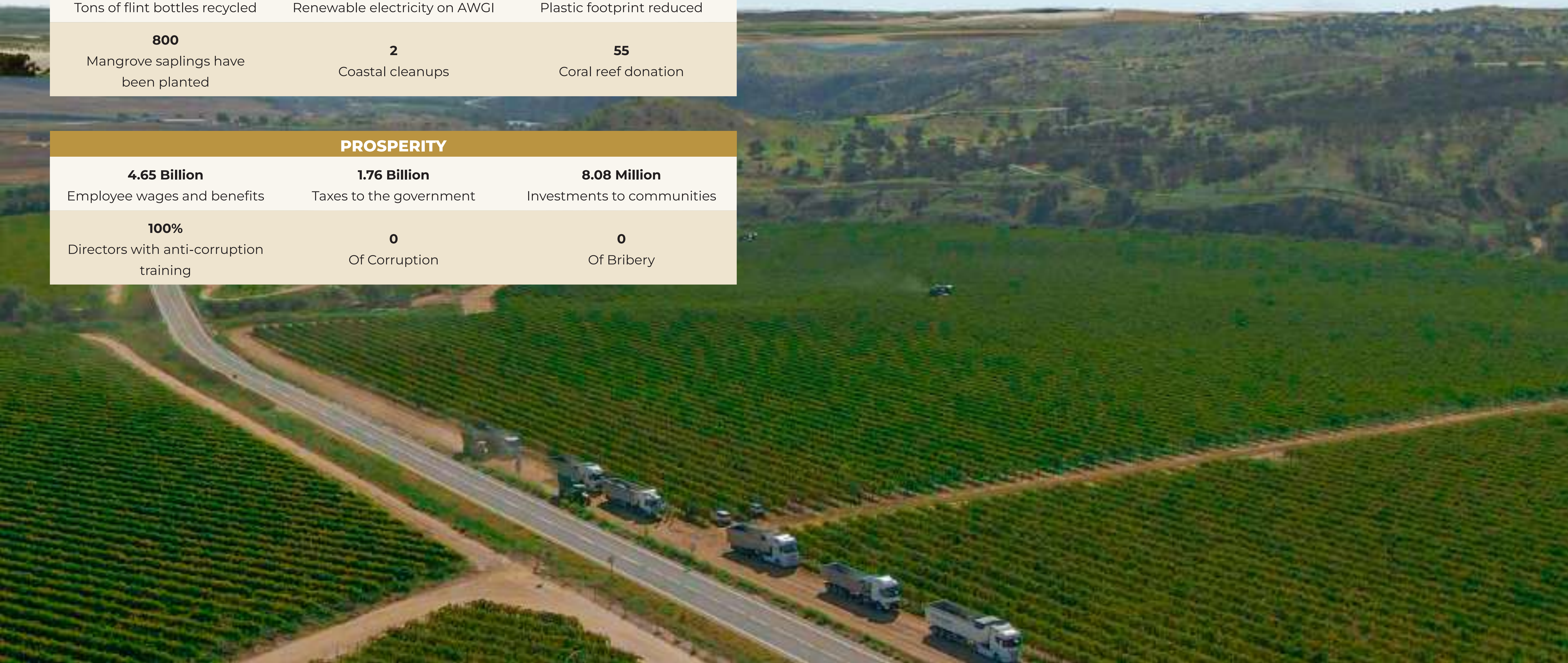
PEOPLE		
2,285,343 Safe Man-Hours	**0 cases** of Work-related injuries, fatalities, and ill-health	**27** Safety drills conducted
525 New employee hires	**85,672.40** Total training hours	**28.85%** Female employees

PLANET		
43.45 Tons of flint bottles recycled	**100%** Renewable electricity on AWGI	**12%** Plastic footprint reduced
800 Mangrove saplings have been planted	**2** Coastal cleanups	**55** Coral reef donation

PROSPERITY		
4.65 Billion Employee wages and benefits	**1.76 Billion** Taxes to the government	**8.08 Million** Investments to communities
100% Directors with anti-corruption training	**0** Of Corruption	**0** Of Bribery

Sustainability Strategy

EMI believes that achieving a sustainable future requires integrating sustainability into every aspect of its operations. The Company's sustainability strategy centers on three key areas: People, Prosperity, and Planet. This approach aims to create a positive impact on both the environment and local communities while promoting economic growth. As part of the renowned conglomerate AGI, EMI is committed to these principles.



Sustainability Strategy

Emperador Sustainability Statement

"Our purpose is to participate in and enrich the celebration of life's special occasions. At the same time, we make viable efforts at contributing to the protection of the environment, deepening social interactions, and improving prudence in governance."

Sustainability Strategy

At Emperador Inc. (EMI), sustainability is more than a responsibility—it is essential to the company's long-term success. As a global leader in the spirits industry, EMI acknowledges that its growth is deeply connected to the well-being of its employees, the health of the environment, and the strength of the communities it serves. By embedding sustainability across its value chain, EMI ensures that its operations generate positive and lasting impacts on people, the planet, and economic prosperity.

Each of EMI's subsidiaries actively upholds these sustainability principles through corporate social responsibility (CSR) programs and ESG-driven initiatives. From its distilleries in Scotland and Spain to its manufacturing and distribution hubs in the Philippines, EMI remains committed to continuous improvement, responsible business practices, and sustainability-driven innovation.

Strengthening Sustainability Through Alignment

EMI continues to strengthen its sustainability commitments, aligning its strategy with its parent company, Alliance Global Group, Inc. (AGI), under the SustainAGIlity framework. This strategic alignment ensures that sustainability is deeply embedded across EMI's entire value chain, integrating economic growth, environmental responsibility, and social well-being into its business operations.

Building on previous efforts, EMI has evolved its sustainability strategy to focus on three interdependent pillars—People, Planet, and Prosperity. These pillars serve as the foundation for driving long-term value creation, fostering responsible innovation, and ensuring sustainable business growth while addressing key environmental, social, and governance (ESG) concerns that impact its business and stakeholders.

Pillar 1: People

EMI places a strong emphasis on its workforce, customers, and the communities it serves, fostering a safe, inclusive, and thriving environment where employees are empowered through competitive benefits, training programs, and health & safety policies. The company actively supports local communities through corporate social responsibility (CSR) initiatives, while also prioritizing customer satisfaction, responsible marketing, and product safety. By ensuring high-quality offerings and ethical consumer engagement, EMI strengthens trust in its brands while promoting responsible drinking in the global spirits industry.

Employee Wellness & Empowerment

Employment & Benefits, Diversity & Training, Employee Health & Safety, Labor Relations, Human Rights & Security Practices

- Strengthening employee training and development programs, ensuring career growth and skill enhancement.
- Upholding workplace safety standards across all facilities, promoting employee well-being and mental health.

Community Transformation

Community Impact

- Engaging in community-based projects, including education programs, livelihood initiatives, and local partnerships.

Customer Care

Responsible Drinking & Marketing, Customer Health & Safety, Data Privacy

- Advocating for responsible drinking and consumer safety, ensuring that EMI's brands uphold ethical marketing practices.

Pillar 2: Planet

As a global spirits company, EMI is aware of its environmental footprint and is committed to mitigating climate impacts, optimizing resource efficiency, and advancing responsible waste and materials management. This commitment extends across its distilleries, vineyards, and production facilities worldwide, ensuring that sustainability is integrated into every stage of the production process.

Carbon Neutrality

GHG Emissions, Ecological Impact

- Reducing GHG emissions through energy efficiency programs, clean energy transitions, and sustainable production practices.

Resource Efficiency

Waste Management, Energy Use & Efficiency, Water & Wastewater Management, Materials Management

- Implementing waste reduction and circular economy strategies, ensuring responsible disposal and increased use of recycled materials.
- Enhancing water conservation efforts by improving wastewater treatment and optimizing industrial water use.

Pillar 3: Prosperity

EMI continues to drive financial success, responsible governance, and sustainable business practices to ensure long-term market leadership. Through transparent corporate governance, ethical business operations, and a sustainable supply chain, the company maintains a resilient and adaptable business model that fosters global expansion and market leadership.

Impact Growth

Economic Performance, Market Presence

- Expanding market presence through strategic investments, innovative products, and global brand positioning.

Good Governance

Enterprise Risk Management, Business Ethics & Integrity, Supply Chain Environmental & Social Management, Regulatory Compliance

- Strengthening enterprise risk management and business ethics to ensure compliance with global regulations and sustainability standards.
- Integrating ESG-driven supply chain practices, ensuring responsible sourcing, environmental protection, and ethical labor practices.

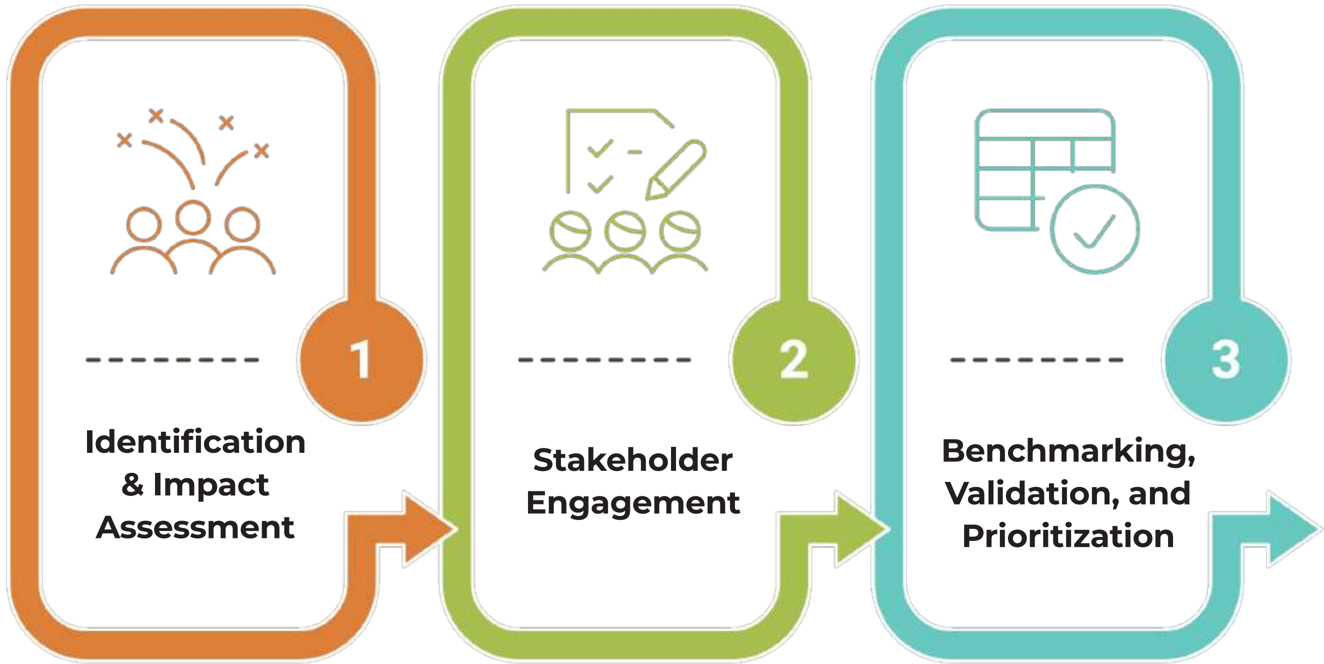
EMI reinforces its sustainability journey by integrating global best practices, regulatory compliance, and stakeholder-driven initiatives to drive meaningful and measurable impact. Through strategic ESG initiatives, responsible innovation, and collaborative partnerships, EMI continues to shape a sustainable future for the spirits industry—one that ensures business success while advancing environmental stewardship and social progress.

Materiality

3-1, 3-2

A deep understanding of key sustainability priorities is fundamental to EMI's responsible business strategy. To ensure that its sustainability efforts are strategically aligned with both business goals and stakeholder expectations, EMI undertakes regular materiality assessments. These assessments help the Company to identify, assess, prioritize and manage its most significant economic, environmental, and social impacts. EMI follows international best practices, aligning its materiality process with globally recognized standards such as the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) for the alcoholic beverage industry.

Key steps in the process included:



A thorough review of topics that influence the economy, environment, and society. Positive impacts are recognized as achievements already experienced, while potential risks are flagged for proactive management.

Multiple channels of consultation ensure that feedback is integrated into decision-making, reinforcing EMI's commitment to inclusiveness and responsive management.

Benchmarking, Validation, and Prioritization: By comparing its topics against industry standards and historical performance, and validating them with the Green Council and senior management, EMI refines a materiality matrix that prioritizes issues based on their impact and stakeholder relevance.

Unified Impact: An ESG Blueprint

As part of its ongoing effort to strengthen sustainability reporting, Emperador Inc. refined its material topics in 2024 to enhance clarity and coherence across its disclosures. This refinement reinforces alignment with the SustainAGIlity Pillars of People, Planet, and Prosperity, which guide how the Company manages and communicates its environmental, social, and governance (ESG) performance.

In this update, Ecological Impact and Enterprise Risk Management—previously addressed within broader discussions—have been elevated as standalone material topics under the Planet and Prosperity pillars, respectively, reflecting their growing relevance in business strategy and long-term value creation.

The topic of Responsible Ingredient Sourcing has been streamlined under Supply Chain Environmental and Social Management, offering a more integrated view of sourcing within broader supply chain practices. Likewise, Customer Satisfaction and Customer Health and Safety are now unified under Customer Management, presenting a more cohesive representation of Emperador's approach to consumer well-being and product stewardship.

These refinements aim to ensure that each material topic is represented with greater focus and clarity, enabling the Company to more effectively communicate its sustainability priorities while responding to evolving stakeholder expectations. The refined mapping of topics under

People	Planet	Prosperity
· Employment and Benefits · Employee Diversity, Training and Development · Workforce Health and Safety · Labor Management Relations · Human Rights Assessment · Security Practices · Responsible Drinking and Marketing · Customer Management · Data Privacy and Security · Community Impact	· GHG Emissions · Ecological Impact · Waste Management · Energy Use and Efficiency · Water and Wastewater Management · Materials Management	· Economic Performance · Market Presence · Enterprise Risk Management · Business Ethics and Integrity · Supply Chain Environmental and Social Management · Regulatory Compliance

Stakeholder Engagement

2-29

At Emperador Inc. (EMI), engaging with stakeholders is a continuous process that helps the Company better understand the people, communities, and partners it impacts. By maintaining open and constructive dialogue, EMI is able to respond more thoughtfully to evolving needs, align its actions with stakeholder expectations, and improve how it operates across markets. These exchanges also support the Company's broader goals around sustainability and responsible business, helping guide decisions that contribute to long-term value creation while keeping pace with global ESG standards.

Stakeholder Group	Concerns	Channels of Communication	Actions Taken
Customers (Retail consumers, global distributors, trade partners)	· Product quality and safety · Responsible marketing, data privacy · Availability of goods	· Email · Surveys · Social media · Quality assurance assessments	· Adherence to Global Food Safety Initiative and FDA requirements; · Implementation of marketing code; · Customer complaint tracking and zero valid complaints for wine and brandy
Employees	· Fair wages and benefits · Training and development · Work-life balance · Labor rights · Diversity and inclusion	· Employee feedback surveys · Training assessments · Town halls · CBA negotiations	· Rollout of leadership programs, Corporate Induction, training platforms (e.g., GBKnowit); · ED&I program updates based on feedback · Grievance redress via CBAs and internal communications
Suppliers and Contractors	· Ethical sourcing · Timely payments · Compliance with standards	· Supplier accreditation · Audits · Meetings · Sustainability questionnaires	· Environmental/social audits · Submission of certifications (ISO 14001, FSC/PEFC) · Compliance with local regulations · Streamlining of supplier assessment forms
Investors	· ESG integration · Economic performance · Transparency · Risk management	· Investor briefings · Annual/quarterly reports, · ASMs · Regulatory disclosures	· Materiality assessment aligned with SASB industry standards and GRI principles · Regular risk assessments and materiality reviews · Transparent financial disclosures
Communities and Society	· Local employment · Environmental stewardship · CSR visibility · Cultural sensitivity	· Barangay consultations · Outreach events · Educational partnerships	· CSR programs (e.g., tree planting, cleanup drives, blood drives) · Oenology center launch with Jose Rizal University · Localized engagement by subsidiaries
Regulatory Bodies	· Compliance with laws · Reporting accuracy · Public safety and health	· Joint inspections · Regulatory filings · Public hearings	· Full regulatory compliance (e.g., DOLE, FDA, COMAH in UK) · Advance notice protocols for operational changes · Active industry participation

UN SDG Contributions

As a global company, Emperador and its subsidiaries can further progress towards the United Nations' Sustainable Development Goals (UN SDGs) on multiple fronts. Through the UN SDGs, organizations around the world can work together to achieve sustainable development for all.

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
GHG Emissions Reducing emissions is essential for EMI as it helps to align with global climate goals and reduce environmental footprint.	GRI 305: Emissions	· Clean energy · Equipment Testing · Air Monitoring · Records energy usage and carbon emissions	· Increased carbon emissions · Investment cost for clean energy · Discrepancy on recorded data · Equipment failures · Air pollution	· Energy efficiency measures · Enhancing emissions and monitoring control systems · Regular maintenance and testing of equipment · Implementing air quality control measures	
Ecological Impact Managing ecological impact is crucial	N/A	· Tree Planting · Carbon absorbing plant · Peatland Restoration	· Negative impacts on local ecosystems and biodiversity · Potential monoculture that could reduce biodiversity	· Conducting environmental impact assessments · Diverse species selection and forest management practices · Careful planning and management of restoration projects	
Waste Management Effective waste management reduces environmental impact and support regulatory compliance	GRI 306: Waste	· Solid Waste Management Programs · Training on Handling Wastes · Segregation of Wastes	· Improper waste disposal leading to pollution and health hazards	· Strict waste management polices	
Energy Use an Efficiency Improving energy efficiency reduces costs and lowers environmental impact	GRI 302: Energy	· LED Lights · Renewable Energy · Preventive Maintenance for Vehicle and Forklifts	· High energy consumption leading to increased emission and costs	· Adopting energy efficient technologies	

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Water and Wastewater Management It is crucial to have efficient water uses and proper wastewater treatment as it ensures sustainable water use and preserves local water resources.	GRI 303: Water and Effluents	· Testing of wastewater · Tracking and comparison of data · Water recycling and conservation programs · Recirculating water system	· Excessive water usage · Pollution from untreated wastewater	· Strict water recycling programs · Treatment of wastewater before discharge	6 Clean Water and Sanitation 12 Responsible Consumption and Production
Materials Management Responsible materials management allows EMI to minimize its environmental impact, reduce waste, and ensure sustainable use of resources which is crucial to environmental and government compliance	GRI 301: Materials	· EPR Law Awareness · Responsible Material Usage campaigns and information · Sustainable Packaging Guidelines	· Overuse of materials · Scarcity of materials	· Implementing responsible material usage	12 Responsible Consumption and Production
Employment and Benefits It is essential to have and maintain a productive, engaged and a positive workforce.	GRI 401: Employment GRI 402: Labor/ Management Relations	· Fair hiring	· Burnout · Disengagement among employees	· Implementing wellness programs · Equitable growth within the company	3 Good Health and Well-Being 8 Decent Work and Economic Growth
Employee Diversity, Training and Development In order to meet the current and future demands, career progression and upskilling is essential for job satisfaction of the employees	GRI 404: Training and Education GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination	· Training and upskilling programs · Leadership programs · Transition assistance programs · Prioritize and promote equitable growth	· Skills gaps leading to inefficient and inabilities to adapt market changes	· Providing training according to the needs of employees · Enhancing leadership and development programs · Assistance to adapt to changing job rolesFair and inclusive hiring practices	4 Quality Education 8 Decent Work and Economic Growth
Employee Health and Safety EMI ensures a safe working environment for all employees by preventing accidents and hazards to promote employees well-being	GRI 403: Occupational Health and Safety	· Occupational health and safety polices · Conducts hazard identification risk assessments and control	· Workplace accidents causing high costs and regulatory penalties	· Implementing strict health and safety policies	3 Good Health and Well-Being 8 Decent Work and Economic Growth

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Labor Management Relations EMI promotes strong labor-management relations by ensuring open communication and supporting structured consultation processes to maintain workplace harmony and operational continuity.	GRI 402: Labor/ Management Relations	· Internal communication and proper communication channels	· Decreased productivity · Employee Dissatisfaction · Increased turnover	· Maintaining clear labor practices · Regular Internal Communication · Proper Channels for Consultation and Negotiation	8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Human Rights Assessment EMI ensures compliance with labor laws and supports ethical practices to enhance operational stability and reputation.	GRI 408: Child Labor GRI 409: Forced or Compulsory Labor	· Mediation training · Fair labor practice	· Violations of labor rights	· Conducting human rights assessments	8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Security Practices EMI enhances security practices by ensuring that all security personnel are properly trained on human rights principles, company policies, and ethical conduct to protect people, assets, and operations.	GRI 410: Security Practices	· Promoting safe and secure working environments · Upholding human rights	· Improper conduct or lack of training may lead to human rights violations, safety risks, or conflicts with employees	· Enhancing security practices · Conducting regular training on ethical behavior and human rights	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Responsible Drinking and Marketing EMI upholds responsible drinking by enforcing a strict marketing and labelling code that ensures transparency, legal compliance, and the promotion of safe consumption practices across all product communications.	GRI 417: Marketing and Labelling	· Marketing code · Protecting consumers through accurate and responsible product information.	· Inadequate marketing controls may lead to misinformation · Encourage excessive consumption · Posing health and reputational risks	· Strict marketing and labelling standard · Reviews all product labels for legal and ethical compliance	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Customer Management EMI focuses to provide high standards of product safety and customer satisfaction.	GRI 416: Customer Health and Safety GRI 418: Customer Privacy	· Quality control process · Promoting responsible consumption · Compliance with Global Food Safety · Initiative and Food and Drug Authority	· Health hazards · Loss of customer trust	· Ensure quality control	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Data Privacy and Security EMI ensures that the customers are protected against data breaches and privacy violations.	GRI 418: Customer Privacy	· Strict implementation of provisions · Proper handling of personal data	· Data breaches	· Updating data protection protocols · Training on data privacy	12 Responsible Consumption and Production 9 Industry, Innovation and Infrastructure
Community Impact EMI ensures positive impacts to the communities through its corporate social responsibility and community engagement.	GRI 413: Local Communities	· Community partnership · Community programs	· Neglecting community needs · Community expectations	· Engaging in meaningful community programs · Respecting the communities	1 No Poverty 11 Sustainable Cities and Communities 17 Partnerships for the Goals
Economic Performance EMI ensures that the company is profitable, which will benefit employees, shareholders, and the community	GRI 201: Economic Performance GRI 203: Indirect Economic Impacts	· Business continuity growth and planning	· Economic fluctuations and downturns	· Focusing on sustainable economic performance	8 Decent Work and Economic Growth
Market Presence EMI demonstrates strong market presence by generating local employment, providing fair compensation, and supporting economic development in the communities where it operates.	GRI 202: Market Presence	· Creating job opportunities · Investing in local talent · Promoting inclusive economic participation.	· Rapid market expansion	· Regularly reviews employment policies to align with labor laws	8 Decent Work and Economic Growth
Enterprise Risk Management Operations are sustainably and ethically managed to reduce operational risks.	N/A	· Risk assessment strategies	· Supply disruptions · Market fluctuations · Unforeseen crisis	· Supplier risk management · Crisis risk and management plans	9 Industry, Innovation and Infrastructure

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Business Ethics and Integrity All business transactions are transparent and accountable fostering a trustworthy business while ensuring legal compliance and competitive advantage.	GRI 205: Anti-corruption GRI 206: Anti-competitive Behavior	· Fair and ethical manner · Compliance with regulations	· Corruption and unethical practices	· Strict compliance with anti-corruption policies · Compliance training · Transparency in operations	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Supply Chain Environmental and Social Management EMI assesses the environmental and social practices of suppliers to ensure they meet the company's standards for labor rights, fair practices and promotes sustainability across the supply chain.	GRI 204: Procurement Practices GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment	· Supply chain sustainability · Supplier social and environmental assessment	· Non compliance with environmental and social standards · Exploitation of workers and poor working conditions within the suppliers	· Environmental certification from suppliers · Environmental and social audits	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Regulatory Compliance EMI upholds strong regulatory compliance by adhering to all applicable laws, standards, and industry regulations to ensure ethical and lawful business operations.	N/A	· Supply chain sustainability · Promoting accountability, transparency, and respect in all business activities	· Non-compliance in regulatory matters can result in legal penalties, reputational damage, and loss of stakeholder trust.	· Regular audits · Employee training · Continuous monitoring to ensure adherence to all regulatory requirements.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

PLANET: Protecting the Environment & Resources

Environmental impacts are inevitable byproducts of the production process. To alleviate its impact on the planet, EMI has implemented several programs to minimize and offset its effects on the environment and prevent any degradation of resources.

Carbon Neutrality
- GHG Emissions
- Ecological Impact

Resource Efficiency
- Waste Management
- Energy Use and Efficiency
- Water and Wastewater Management
- Materials Management

Carbon Neutrality

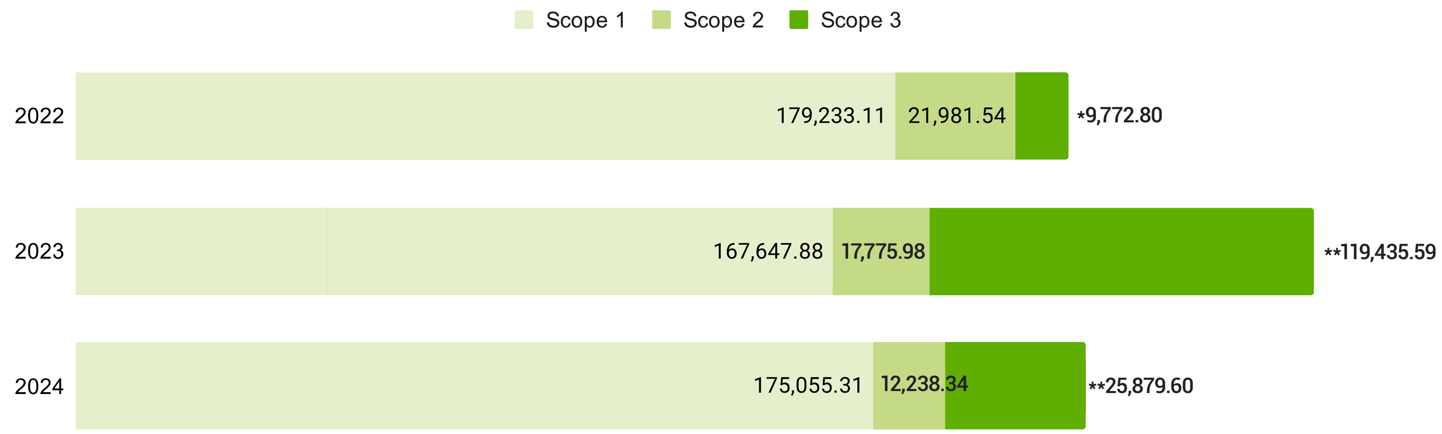
Carbon neutrality is one of the important topics explored at Emperador. As a global manufacturer with numerous production sites, Emperador recognizes the impact of its production to the environment. To mitigate and minimize this impact, Emperador and its subsidiaries have implemented numerous programs and initiatives to reduce and even eliminate carbon from its production.

GHG Emissions

3-3, 305-5

Emissions by Scope (in tCO2e)

[305-1, 305-2, 305-3]



**Coverage: AWGI, BF, WMG*
***Coverage: AWGI, BF, WMG and Sta. Rosa Plant*

GHG Emissions Intensity

[305-4]

Disclosure	2022	2023	2024
Scope 1 + Scope 2			
tCO2e per revenue (tCO2e/revenue)	3.21	2.82	3.05
Scope 3			
tCO2e per revenue (tCO2e/revenue)	0.16	1.82	0.42
Organization specific metric (revenue, in million PhP)	62,767.07	65,643.76	61,645.65

Due to the nature of liquor production, liquor companies contribute to GHG emissions by using fossil fuels to power the manufacturing processes. To prevent detrimental environmental effects, Emperador and its subsidiaries must manage and minimize the negative impacts of their energy consumption and subsequent emissions. Additionally, Emperador maintains compliance with regulatory requirements by thoroughly testing and monitoring its emissions.

EDI remains committed to lowering its greenhouse gas (GHG) emissions and air pollutants by shifting to cleaner fuels and energy sources. This effort fights climate change and minimizes the risks of pollution and related health issues at the Sta. Rosa and Biñan plants, energy reduction efforts and clean energy usage are managed by testing equipment and monitoring ambient air in both locations.

Aside from lowering emissions, EDI is also looking into alternative sources of energy to fully lessen its emissions. In line with this, solar panels are set to be installed in EDI manufacturing plants. This project is aimed to complete a 40 kilowatt-peak (kWp) facility that is expected to generate approximately 832,798 kWh of clean energy annually. An estimate of 593.12 metric tons is predicted to be reduced from EDI's carbon footprint. This is equivalent to more than 27,242 trees planted and 2.36 million kilometers reduced in vehicle travel per year. In addition, one of its subsidiaries, AWGI, has fully transitioned to using renewable energy in partnership with Team Philippines Energy Corporation (TPEC) as of 2024.

This partnership allows AWGI to enhance its environmental sustainability by sourcing electricity that is 100% backed by an International Renewable Energy (RE) Certificate (I-REC) from a domestic renewable energy plant.

GES and its subsidiaries manage their emissions following emissions controls for boilers used in its distilleries as specified by their legal requirements and the Environmental Management System (EMS). Pollutants such as SO_2, CO_2, and CO, among others, are monitored through emissions controls and regular maintenance conducted in accordance with established procedures and periodic reviews. BF also uses biogas and used fuel in the distillery to reduce its emissions impact. Meanwhile at Pedro Domecq, energy consumption data is tracked using the Greemko Platform. This platform performs emissions calculations, which guides Pedro Domecq in its emission-reducing strategies. The Company aims to control and reduce its emissions by prioritizing the optimization of its equipment utilization. Forklifts and vehicles are strategically deployed from the company fleet to reduce unnecessary runs. Preventive and corrective programs are also in place to further mitigate emissions.

Lastly, WMG is on track to complete its goal of having carbon-neutral sites by 2030 and net-zero emissions by 2040 due to the completion of its sustainability projects. The Company abides by the various reporting schemes mandated by the UK and Scottish governments and its voluntary emissions reduction program. As of 2023, energy used to power its distilleries contributes to more than 90% of WMG's CO_2 emissions, leaving much room for emission reduction. WMG has begun shifting to cleaner energy sources by using carbon-neutral fuels such as green gas sourced from biomass and liquid biofuels to address this. Instead of relying on offsetting measures, WMG is focused on directly reducing its emissions.

These initiatives are implemented and assessed by monitoring the Company's monthly energy usage and carbon emissions during management and quarterly executive meetings. This ensures that WMG is updated on the performance of its current projects towards its goal of achieving carbon neutrality.

WMG Road to Carbon-Neutral Energy and Electricity
2024 was a fruitful year at WMG, as it witnessed the completion of several key sustainability projects that are aligned with its vision of a carbon neutral future. These projects range from transitioning to cleaner power sources to capturing carbon by-products from its production processes. The completion of these projects is a testament to WMG's commitment to proving that its goal of net zero carbon emissions by 2030 is not only possible, but ultimately inevitable.

Private Electricity for Invergordon Distillery
In line with WMG's goal of reaching Carbon Neutrality by 2030, the Invergordon Distillery has successfully implemented its project of installing a private electric line to the facility. This project effectively disconnected the distillery from the national grid lines and gave it direct access to locally sourced renewable electricity supplied by a local business.

Bioenergy Centre - Anaerobic Digestion Plant
The Bioenergy Centre is another project included in WMG's goal of becoming carbon neutral by 2030. This anaerobic digestion plant located in the Invergordon Distillery uses the by-product from the whisky-making process and converts it into green gas. The facility can produce biogas by processing spent wash, pot ale, and draff under anaerobic conditions, which will then be upgraded to biomethane used to power distilleries in the north of Scotland, contributing to carbon neutrality objectives. This project is projected to have a 60% reduction in carbon emissions across the business.

Carbon Capture at Invergordon
Aside from shifting to green energy sources, WMG aims to decrease and eventually eliminate carbon emissions. Carbon storage tanks were installed in the Invergordon Distillery to reach this goal in collaboration with Carbon Capture Scotland. These tanks capture and store carbon dioxide produced during the fermentation stage of the whisky-making process. The captured carbon dioxide will, in turn, be used in local industry, with the excess reserved in geological stores, resulting in permanent carbon removal. It is projected that these carbon capture tanks will be able to capture 8,500 tons of carbon annually.

Harnessing Renewable Energy with Jura's Biomass Boiler
Successfully navigating the logistical challenges of transporting a 40-ton boiler across the rough seas to Jura Island, the Jura Biomass Boiler has been installed at the distillery and has already produced its first steam. This shift to renewable fuel is set to reduce emissions by 5,000 tonnes of CO2, making the Jura Distillery carbon neutral.
The wood pellets used are produced through a carbon-neutral process, and the supplier is dedicated to replanting four trees for every pellet used, holding Forest Management (FSC) accreditation.

Progreen's Biofuel Transition
In addition to a new bagasse shed and biogas digester, Progreen has transitioned from using coal to power its distillery operations into two renewable biofuels: methane and bagasse. Both alternative options are natural byproducts produced during Progreen's manufacturing process. This shift to biofuels has yielded an 83.65% reduction in the Company's coal consumption. To counter the adverse effects of bagasse particles on the health and physical property of its nearby community, Progreen has installed bagasse nets and closely monitors dust particles within the vicinity to mitigate any potential adverse effects of its strategies.

Ecological Impact

Emperador is committed to its role as a planet-steward. As a result, the company is dedicated to projects that promote restoration and protection of biodiversity and environmental stewardship.

Coastal Clean-up Activities and Restoring Marine Ecosystems

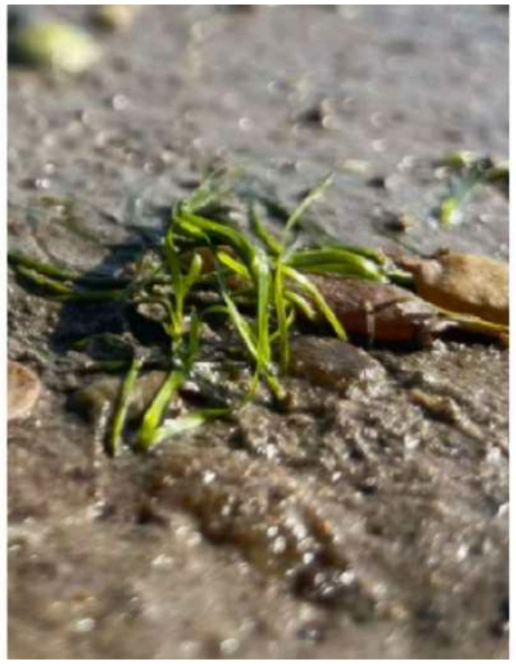
In cooperation with the local government units, EDI and Progreen participated in the International Coastal Cleanup (ICC) Drive held within their local communities. ICC is an annual global effort to remove trash from the world's beachways and waterways. During this excursion, EDI and Progreen volunteers collected 200 bags of garbage.

Progreen carries on its Adopt a River program initiative. Cleanup drives were organized along the adopted river in Brgy. Gimalas, Balayan. This program aims to promote and preserve the river's cleanliness and maintain its water quality. The result is a revitalized river system that can benefit the local community by serving as a source of clean water for household use. Progreen is also involved in promoting the protection of marine sanctuaries by donating and fabricating artificial reefs. These artificial reefs serve as habitats for marine species while also supporting the growth of sustainable reefs made from bio-materials. For 2024, Progreen donated 55 artificial coral reefs for this initiative.

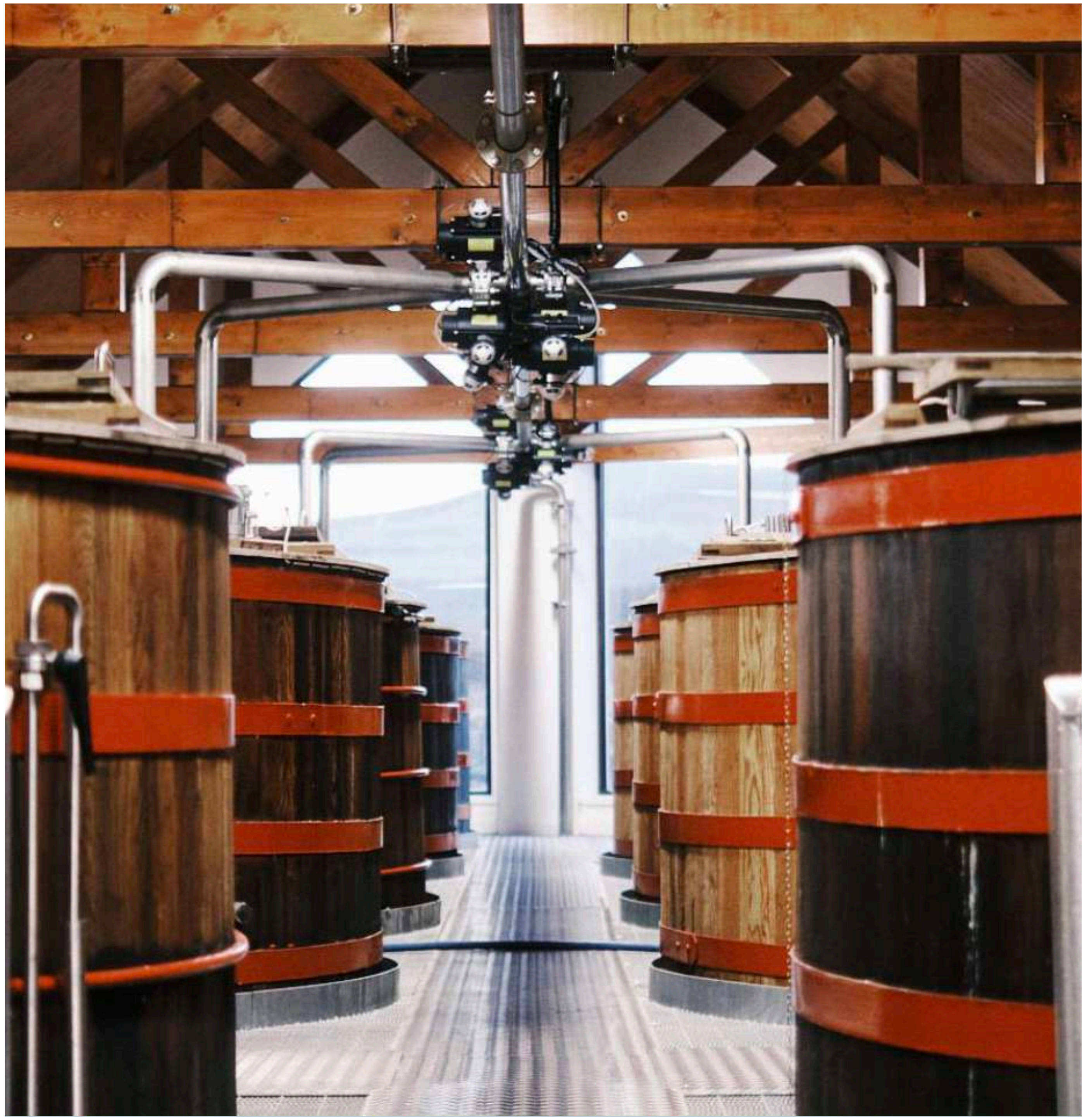
In addition to artificial reefs, Progreen also participated in a Mangrove Tree Planting program in Barangay Papaya, Nasugbu, Batangas, in cooperation with the Pollution Control Association of the Philippines, Inc. During this event, more than 800 mangrove saplings were planted.

Seagrass Restoration in Cromarty Firth

With two of its distilleries in Cromarty Firth, WMG is actively involved in restoration initiatives at the highlands port. In cooperation with the Scottish Association for Marine Science (SAMS), WMG has volunteered to cultivate a seagrass nursery in Cromarty Shores. This effort is projected to improve the area's marine life and water quality. It can also be used for carbon neutrality efforts as a healthy seagrass system can capture and store carbon dioxide from the atmosphere.



Resource Efficiency



Waste Management

3-3, 306-1, 306-2

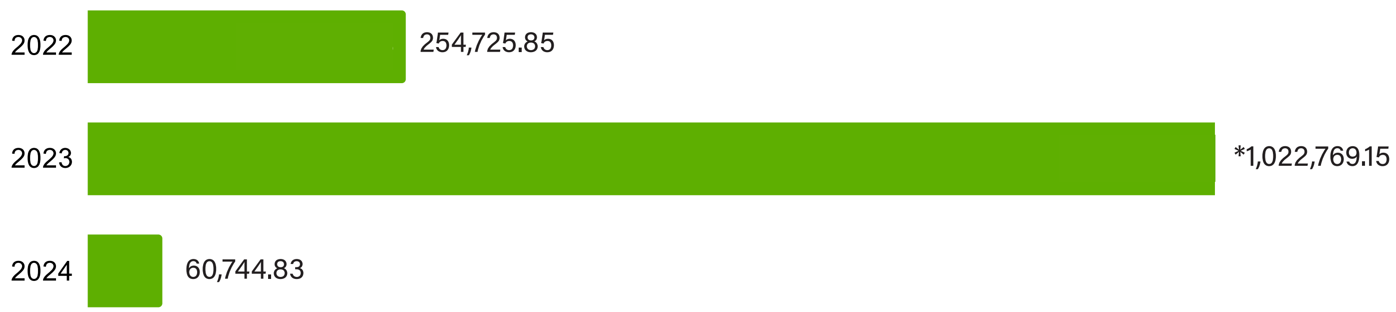
Waste generation (in metric tonnes, MT)

[306-3]

Non-hazardous waste

Hazardous waste

Total waste generated



**This figure includes approximately 100 MT of hazardous waste generated at the Sta. Rosa Plant which is scheduled for hauling in 2024.*
***Restatement: Hazardous waste figures have been updated.*

Waste Management (in MT)

[306-4, 306-5]

Disclosure	2022	2023	2024
Waste diverted from disposal	**21,592.29**	**684,295.09**	**12,850.17**
Non-hazardous	21,421.62	684,287.26	12,663.07
Reusable	*2,574.93	197,354.80	616.42
Recovery	-	-	187.18
Recyclable	*18,817.45	14,297.85	11,859.47
Other	29.24	472,634.62	-
Hazardous	170.67	7.83	187.11
Reusable	14.81	2.76	0.02
Recovery	-	-	181.56
Recyclable	150	-	1.09
Landfill diversion	-	-	2.03
Other	5.86	5.07	2.41
Waste directed to disposal	**233,133.56**	**338,474.06**	**47,894.66**
Non-hazardous	232,799.81	338,175.43	1,311.42
Residuals/ Landfilled	295.04	71.99	1,311.42
Incineration	10.26	234.44	-
Other	232,494.51	337,869.00	-
Hazardous	333.75	298.63	56,583.24
Residuals/ Landfilled	-	2.87	42,786.56
Incineration	-	-	3,780.00
Other	333.75	295.76	16.68

**Restatement: 2022 figures for Reusable and Recyclable waste have been updated*

Emperador uses various strategies to collect and dispose of its waste and manage its resources efficiently. Though its supply chain may contain products and substances that have little value after the manufacturing process and may have unfavorable environmental effects, the group still finds ways to improve its waste management systems. KPIs are then used to evaluate the effectiveness of these waste management strategies.

Waste Management Initiatives at EMI

Emperador is determined to reduce the amount of waste from its subsidiaries that ends up in landfills. This vision is propelled by initiatives that focus on reducing the waste generated from production and devising creative ways to reuse and recycle waste byproducts into useful articles.

At EDI's Sta. Rosa Plant, an existing solid and hazardous waste management program is enforced to ensure proper segregation, collection, transport, storage, and disposal of solid and hazardous waste. Notably, EDI reduced its residual waste disposed of in landfills from 0.7% in 2023 to 0.5% in 2024.

In line with this, a waste production program in EDI's Biñan Plant also focuses on recycling and reusing production waste. Its recycling methods include using second-hand bottles for production. Through its efforts, EDI reduced its plastic footprint by 13% compared to 2023. Employees are also encouraged to practice proper segregation of paper waste in offices, resulting in collecting and recycling 1.2 metric tons of paper waste.

Meanwhile, AWGI has continued its collaboration with Megaworld Lifestyle Malls to reduce glass bottle waste that goes to landfills. Through this initiative, AWGI collected and processed 43.45 tons of flint glass bottles from Megaworld Lifestyle Malls in its cullet recycling plant. Aside from cullets, AWGI also recycles scrap wood pallets into armchairs for donation. These armchairs, paver bricks made from recycled cullets and trash bins made from scrap metal drums are donated to partner schools.

Progreen's waste management initiative programs are focused on converting solid waste generated during mill production into mudpress, a soil conditioner. Mudpress can be used to preserve soil productivity and fertility contributing to sustainable agricultural practices. These mudpress are donated to farmers to help them cultivate their land in preparation for planting. Currently, Progreen is exploring ways to use bagasse, another waste product generated from production.

At GES, the concept of circular economy is at the core of its waste management efforts. In line with this vision, GES has added distillery wine sludge as fertilizer for one of its vineyards, the Majuelos Vineyards. Wine sludge, when treated properly, can be an effective fertilizer, especially for vineyards where the soil tends to have a very low organic matter content. GES also successfully reduced its plastic consumption and generation by 5% per box produced compared to its plastic footprint in 2023.

Lastly, WMG has 0% landfill-bound waste across all sites. This is the result of its several initiatives that are regularly reviewed and updated according to monthly site-specific reports. Its Green Print Strategy highlights the concept of Mindful Consumption, wherein behavior change and coordination with waste service providers are key topics. In this strategy, WMG provides its staff with education and training on mindful consumption and the 5 R's of waste hierarchy: reduce, reuse, recycle, repair, and recover. To support this vision, all distilling sites were moved to a new contractor during previous years.

Energy Use and Efficiency

3-3, 302-4

Energy is one of Emperador's key resources. Due to its widespread operations, the company places great importance on the efficient management of its energy resources to maintain production of its quality products and deliver them to global consumers. As a result, numerous programs and initiatives are deployed in all of Emperador's subsidiaries to ensure that energy is used efficiently and sustainably.

Energy Consumption within the Organization

(in gigajoules, GJ) [302-1]

Disclosure	2022	2023	2024
Renewable fuels	**634,276.14**	**1,097,764.39**	**1,041,638.71**
Fuels	**1,570,028.16**	**1,175,573.32**	**2,204,249.70**
Natural gas	417,498.60	415,717.07	419,906.60
Fuel oil	357,706.89	281,628.24	226,070.20
LPG	253,855.88	240,073.50	215,923.28
Diesel	102,249.60	96,430.11	82,547.77
Gas oil	60,975.86	77,602.57	63,128.09
Coal	375,261.99	61,344.93	*1,195,167.89
Petrol	2,124.20	2,110.03	623.60
Gasoline	355.14	666.87	789.62
Burning Oil	-	-	92.65
Electricity	**153,725.26**	**133,098.99**	**82,279.92**
Renewable Electricity**	**106.17**	**8,975.12**	**40,367.03**
Total Energy Consumption within the Organization	**2,358,135.73**	**2,415,411.82**	**3,368,535.36**

**Discrepancies were observed in 2024 energy data, notably for coal. Due to lack of confirmation, coal figures are excluded pending validation.*
***Renewable electricity values presented may be understated. A significant portion of electricity already classified under the general "Electricity" category includes renewable electricity sources that have not yet been separately tracked or categorized due to system limitations across some subsidiaries.*

Energy Consumption outside the Organization

(in gigajoules, GJ) [302-2]

Disclosure	2022	2023	2024
Upstream	**103,888,709.96***	**6,595,247.32**	**-**
Delivery of raw materials and in-process materials	95,110,955.09	772,061.67	-
Retrieval of cullet	3,975,284.00	2,639,518.56	-
Delivery of fuel	1,914,821.61	1,529,119.68	-
Shuttle service	1,455,223.57	770,112.43	473.17
Delivery of MRO supplies	236,984.35	20,308.50	-
Diesel transportation	1,195,441.34*	864,126.49	642
Downstream	**17,342,721.63***	**1,522,862,492.98**	**-**
Movement of finished goods	2,317,233.45	1,503,913,337.15	-
Diesel transportation by trucks and ship	15,025,488.18*	18,949,155.83	14,390
Total energy consumption outside the organization	**121,231.43**	**1,529,457.74**	**15,505.17**

Note: This table does not include indirect energy consumption data from business travel (air and land), electricity transmission and distribution, and hotel stays for WMG, which are included in calculations for Scope 3 emissions.

Energy intensity

[302-3]

Disclosure	2022	2023	2024
Energy intensity ratio within the organization (GJ/million PhP)	37.57	36.80	54.64
Energy intensity ratio outside the organization (GJ/million PhP)	1.93	23.30	0.25
Organization specific metric (revenue, in million PhP)	62,767.07	65,643.76	61,645.65

Emperador utilizes huge amounts of energy to power its operations. From growing raw materials to distributing its products globally, the Company recognizes the importance of reducing its energy usage's impact on the environment. As a result, Emperador carefully monitors and manages its energy consumption while looking into renewable energy alternatives.

EDI prioritizes energy management, especially within its Biñan and Sta. Rosa production plants. This initiative helps manage energy costs while decreasing the company's reliance on non-renewable energy sources. EDI implements various energy and fuel conservation strategies and programs to enhance energy efficiency. For example, unused facilities are shut down to lessen operational energy consumption. EDI also uses environment-friendly lighting fixtures and LEDs as an alternative to mercury vapor lamps. The Company follows the framework specified by the Philippine Agenda on Sustainable Development for its mitigation and adaptation strategies while also following environmental regulations of the Philippines. EDI continuously monitors and improves its energy management initiatives by conducting monthly KPI meetings.

GES and its subsidiaries have implemented programs under its Environmental Policy to manage its energy consumption. These strategies aim to reduce the dependency of its distilleries on non-renewable gas. Aside from looking into renewable energy sources, the group is also engaged in exploring energy-saving practices among its distilleries.

Meanwhile, WMG anchors its energy management strategies according to the Green Print Sustainability Strategy. This strategy points the group towards the goal of carbon-neutral sites by 2030 and net zero emissions by 2040. A key part of this goal is the transition from fossil fuels to cleaner biofuels. This is seen throughout WMG's distilleries, with each distillery exploring alternative options to nonrenewable energy sources to power its operation.

As a key Scotch Whisky Association (SWA) member, WMG contributes to industry sustainability discussions and helps set energy targets. All WMG sites regularly monitor their respective energy consumption targets with focus groups to track and enhance energy efficiency.

Improved Energy Use and Efficiency

Energy Conservation Efforts

Small steps eventually become big leaps as Emperador takes small initiatives to decrease its energy consumption. By using energy-efficient lighting fixtures and variable-speed drives, among other programs, EMI is keen on conserving energy on all fronts through big and small programs.

VFD and Photovoltaic System at AWGI

Aside from installing a variable frequency drive (VFD) unit at its site, AWGI has also constructed a 2-megawatt peak solar photovoltaic (PV) system on its production and warehouse rooftops. VFDs are an efficient energy-saving cooling technology. They operate their electric motor's speed to match the required load, thereby saving energy when full power isn't needed. Meanwhile, the photovoltaic system initiative has generated 2,352 MWh of clean power, which provided 15% of the company's electric needs.

Energy Conservation at EDI

At the EDI Sta. Rosa Plant, replacing incandescent bulbs with LED bulbs contributed to decreased electric consumption. High bay lights were converted into LED, and automatic on and off sensors were installed for the RMP and FG warehouses. Through this initiative, the plant aims to optimize energy usage both during plant operations and downtime

EDI has also installed steam traps to reduce steam leakage, which reduces energy consumption within its facilities. This minimizes steam waste and also helps optimize boiler efficiency. This effort to improve boiler efficiency also leads to decreased diesel consumption in the plant, thereby reducing the consumption of non-renewable sources in the plant.

Efficient Energy Consumption at Pedro Domecq

Pedro Domecq prioritizes reduced fuel consumption during production by complying with preventative maintenance programs for its vehicle fleet and forklifts to guarantee fuel efficiency. The company monitors its energy consumption through Greemko, a platform used for evaluating environmental performance.

Water and Wastewater Management

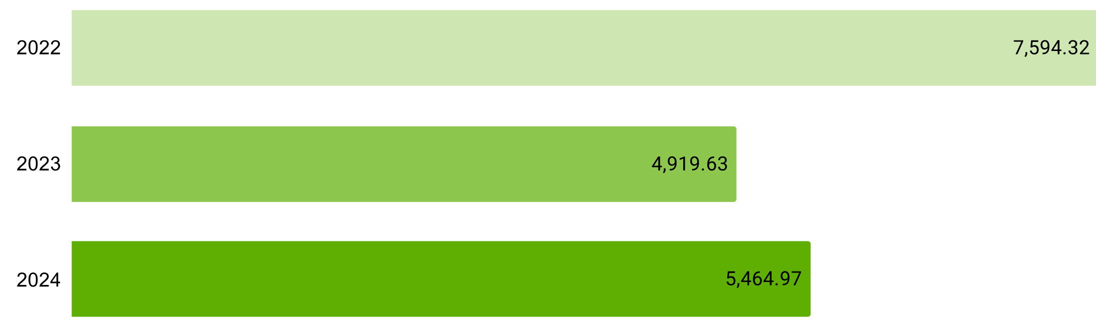
3-3, 303-1, 303-2

Water can be considered as the life of Emperador's operation processes. It serves not just as a key ingredient in all of Emperador products, but also as an indispensable resource during day to day operations. Thus, Emperador has made water and effluent management a top priority by actively monitoring its water usage and strictly adhering to related legislations and regulations pertaining to water and effluent storage and disposal.

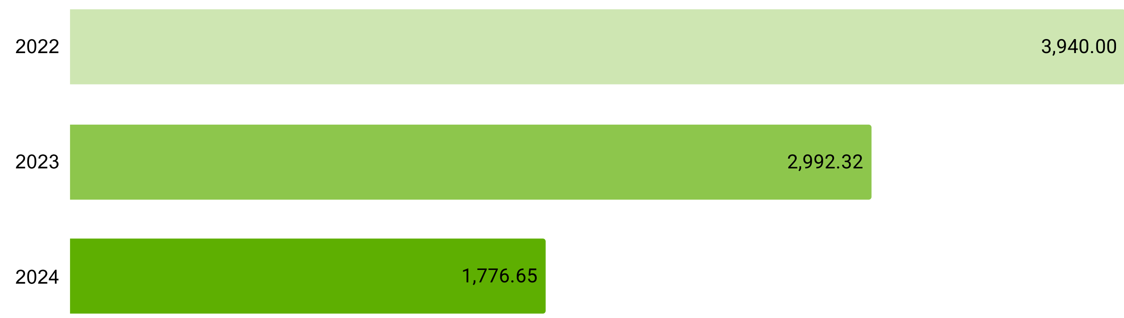
Water and Effluents

(in Megaliters, ML) [303-3, 303-4, 303-5]

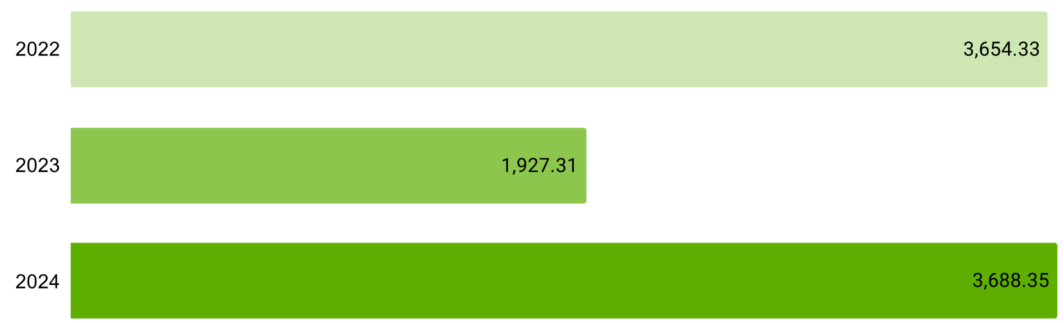
Water withdrawal



Water consumption



Water discharge



Disclosure	2022	2023	2024
Water recycled and reused	134.75	296.99	382.74

As an alcoholic beverage company, water is a considerable factor in Emperador's supply chain. Water is one of the main ingredients for beverage products and an important component for running machinery. Emperador manages its water usage through conservation systems and proper treatment methods. It also treats its effluents to ensure that they do not negatively impact the environment or people's health.

EDI is committed to responsible water usage and meticulous effluent management to protect water resources and communities. Wastewater at the Sta. Rosa and Biñan plants are treated in compliance with Water Quality Guidelines, General Effluent Standards, and the Philippine Clean Water Act before discharge. Wastewater from the Sta. Rosa plant is tested monthly by an accredited laboratory, while wastewater from Biñan undergoes quarterly effluent analysis. Management at both plants ensures that designated officers monitor water quality before discharge. In addition, monthly KPI meetings are conducted to evaluate water and effluent management.

Water reduction goals are outlined under the existing environmental policy at GES. This policy includes specified procedures for waste treatment plans, analytical methods, and legal compliance. Water and wastewater management programs are annually assessed under ISO 14001 and CSR certifications, with periodic management reviews to identify improvements relating to water use. GES and its subsidiaries also ensure that its effluents undergo careful treatment to meet required environmental regulations. Bodegas Fundador's Jerez plant discharge improvement plants minimize organic wastewater loads through a solid separation before they are delivered to the public council wastewater treatment plant. Additionally, monthly reports are submitted to local authorities with access to discharge point meters. For the Tomelloso Distillery, anaerobic and aerobic systems are used for effluent treatment. These processes are guaranteed to meet legal standards before discharge to the city treatment plant. Onsite analytical wastewater checks are also conducted biweekly under local regulatory bodies.

As one of the pillars of Scotch Whisky's storied legacy, WMG places water resource protection as one of its top priorities. Water consumption is carefully managed throughout its sites by mapping water usage, developing water charters for distilleries, instituting shutdown periods during potential water stress months, and using cooling towers to reduce water basin abstraction. Daily withdrawal and discharge data are recorded daily by the distilleries and shared weekly and monthly among primary users. This data is validated through coordination with suppliers, and it is also measured against annual budgets. WMG also strictly complies with government and Scotch Whisky Association (SWA) water consumption targets. It also aligns its intensity targets with the Green Print strategy, with weekly, monthly, and annual monitoring data to identify sites that meet the targets and those that need improvement.

Advancing Water Conservation at Emperador
Recycling Water at EDI

EDI recognizes the significance and demand for water conservation across all its operations. At EDI's Biñan Plant, processed water from production is recycled for use in comfort rooms to support effective sanitation programs. Meanwhile, AWGI has installed a sump pump water line at its scrappers 1 and 2 to maximize the use of recycled water in the facility.

New Pipelines, Reduced Consumption at GES

The installation of osmosis equipment at the Jerez Plant has led to a significant decrease in water consumption. Meanwhile, new pipes aimed to increase water reuse were constructed at Tomelloso. These initiatives highlight Bodegas Fundador's commitment to developing strategies to improve water efficiency, with the goal of satisfying reduction objectives. Additionally, GES has reduced its water consumption by 10,000m^3 by reusing washing water from the distillery's must rectifier.

Materials Management

3-3

Material management is a key aspect of maintaining a global operation with such a large supply chain. For example, these materials cover bottling materials and packaging tools. These materials seem like small components of production, but they can have huge impacts on the company's sustainability targets. Thus, having an efficient materials management system within the organization leads to reduced operational costs and carbon emissions which benefit both the company and the environment.

As a global manufacturer, Emperador must regulate its resources and materials to control its operational costs and reduce carbon emissions as a global manufacturer. The Company ensures that the materials used in its production yields high-quality products while reducing its carbon footprint.

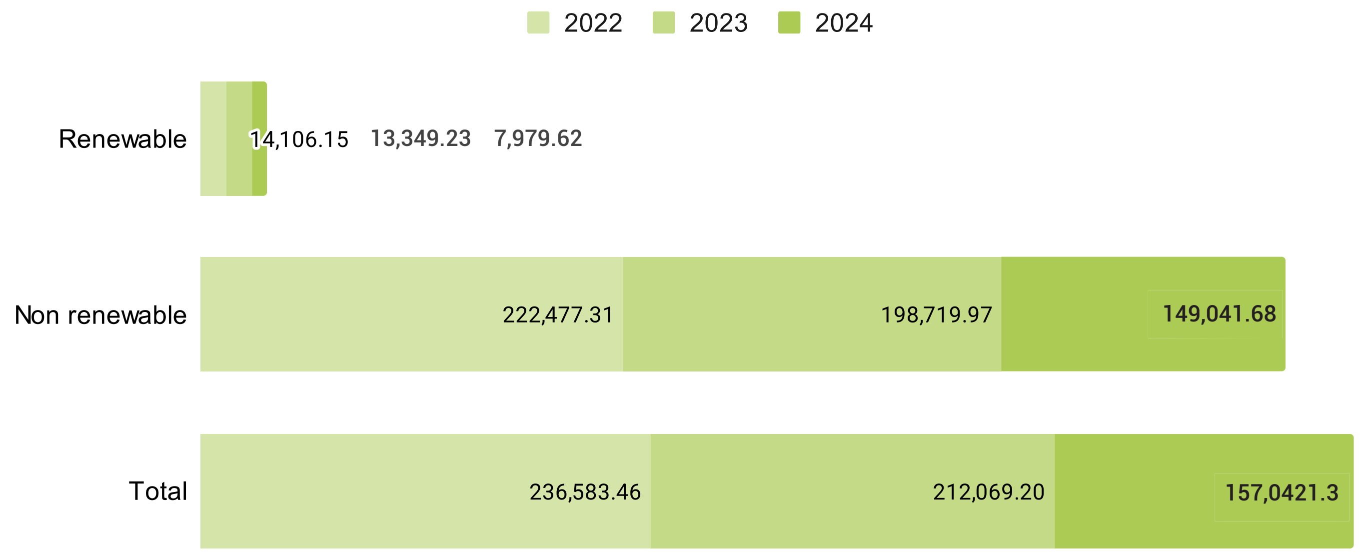
EDI utilizes recycled and recyclable materials in its production processes. It also monitors the status of raw materials to ensure that product quality is maintained while reducing waste. Its plants comply with the Extended Producers' Act (EPR Law) regarding plastic usage and strives to incorporate more renewable and reclaimable materials. The Company also assesses its material-related indicators through monthly KPI meetings. Employees are also trained on the EPR Law to raise awareness and promote responsible plastic usage.

Meanwhile, GES has integrated material recycling into its daily operations through its environmental policy. At Bodegas Fundador, The Environmental Management System (EMS) Manager oversees material management to ensure alignment with annual targets and ISO 14001-certified EMS standards. Meanwhile, Pedro Domecq manages material status through inspections upon receipt and utilizes quality indicators to maintain a high-quality level for received batches. Both subsidiaries conduct regular KPI meetings to monitor their initiatives and assess any points of improvement or concern in their strategies.

Under WMG's Green Print strategy, awareness of resource usage and environmental impacts are essential components of its Mindful Consumption vision. In line with Scotch Whisky Association guidelines, WMG aims for all new packaging to be recyclable and reusable by 2025. Through its Sustainability Team, WMG conducts annual reviews of packaging materials to identify compliance with evolving legislation, directing necessary changes to relevant teams. As a producer, WMG complies with governmental reporting requirements on materials sent to market and pays levies on unsustainable materials, such as the UK plastic tax. The Company also complies with the Extended Producer Responsibility scheme, which discloses the total volumes of all materials put to market each year.

Materials used by the organization

(in metric tonnes, MT) [301-1]



Recycled input materials used [301-2]

Disclosure	2022	2023	2024
% of recycled input materials used to manufacture the organization's primary products and services*	27.38	23.17	14.78

**Applies to BF and WMG only*

PEOPLE: Empowering Stakeholders & Society

At EMI, people and society are key stakeholders. EMI believes that excellent relations within its employees and the communities lead to the development of excellent products. As a result, EMI maintains its commitment to the well-being and empowerment of its employees, customer care, and community transformation through various programs and initiatives across all of its subsidiaries.

Employee Wellness & Empowerment
- Employment and Benefits
- Employee Diversity, Training and Development
- Workforce Health and Safety
- Labor Management Relations
- Human Rights Assessment
- Security Practices

Customer Care
- Responsible Drinking and Marketing
- Customer Management
- Data Privacy and Security

Community Transformation
- Community Impact

Employee Wellness & Empowerment

As a good employer, Emperador recognizes its duty to provide a safe working environment for all its subsidiaries. The Company actively promotes and adheres to labor laws and programs that enrich employees' physical, mental, and emotional well-being while ensuring their professional and personal growth.

Employment and Benefits

3-3, 2-7, 2-8, 401-1, 401-2, 401-3

Emperador places great importance on increasing employment opportunities within its communities. It also provides equitable compensation and benefits to employees in compliance with laws and regulations, supporting their livelihoods and well-being.

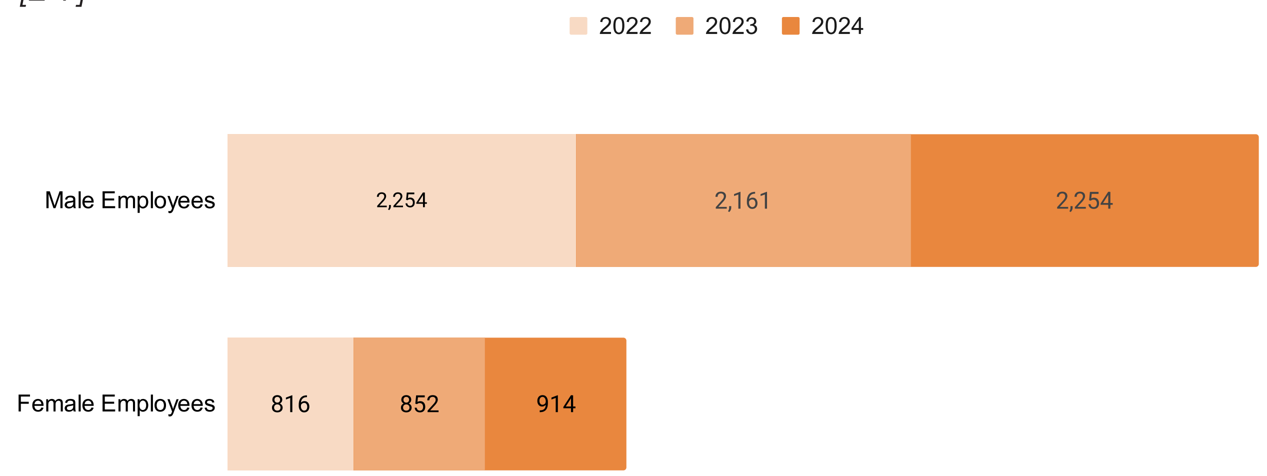
At EMI, employee rights and benefits are top priorities. This is evident in policies and programs that the company enforces in order to ensure that its employees are afforded their rights and benefits as mandated by the law.

Across its subsidiaries, EMI also ensures its commitment to providing the right benefits to its employees. At Grupo Emperador Spain, the group is fueled by its goal of creating and cultivating quality employment through employment policies that advocate for fair labour relations, efficient recruitment processes, equality, non-discrimination, provision of stable and quality jobs, and creation of value for employers and employees. GES aims to attract, develop, and retain talent while prioritizing the well-being of its professionals. This includes providing a pleasant and stimulating work environment and supporting its employees' professional and personal development.

At Whyte and Mackay, a vacancy and application management platform to improve efficiency and transparency while encouraging greater diversity in its applicant pools was implemented in 2024. The group also has a policy in place to ensure gender representation in initial selection pools by its gender pay report action plan is practiced. Preferred suppliers are also reviewed to ensure that the company's agencies and partners meet ethical standards. WMG is also strict with its compliance to employment legislation regarding equity for temporary and part-time employees. These practices and policies are continuously updated by Source Managers and recruiting partners for further improvement.

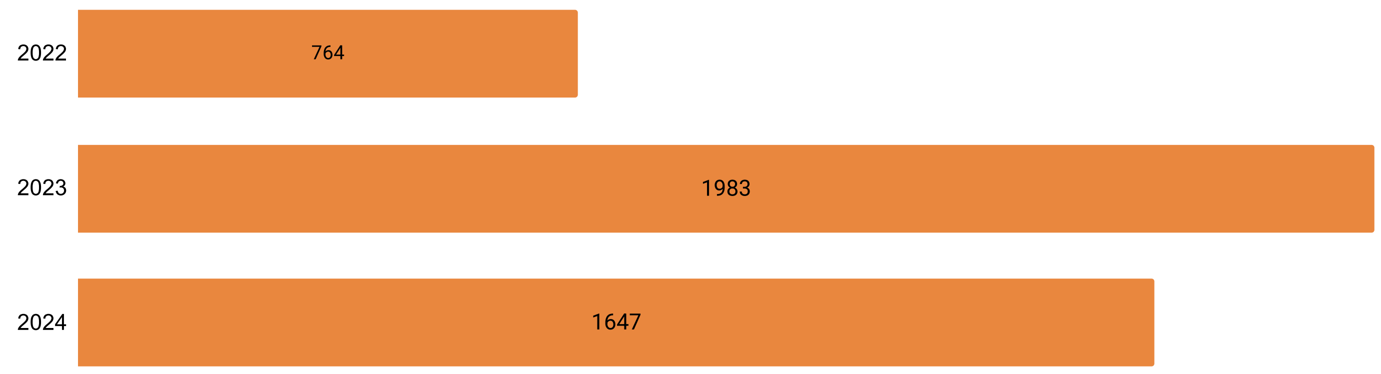
Employee Breakdown

[2-7]



Workers who are Not Employees

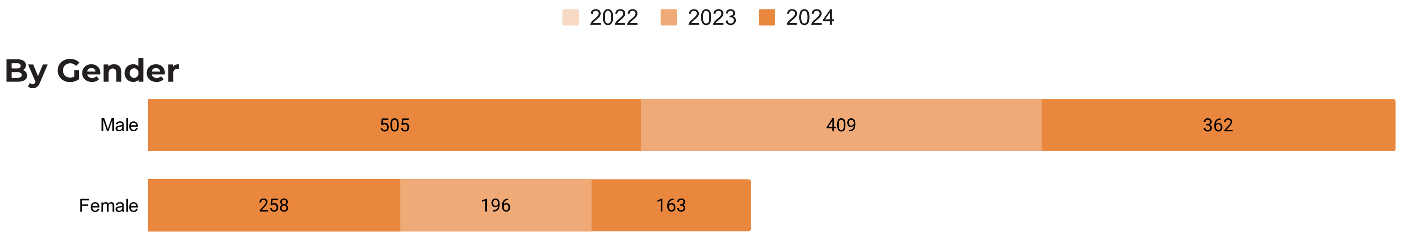
[2-8]



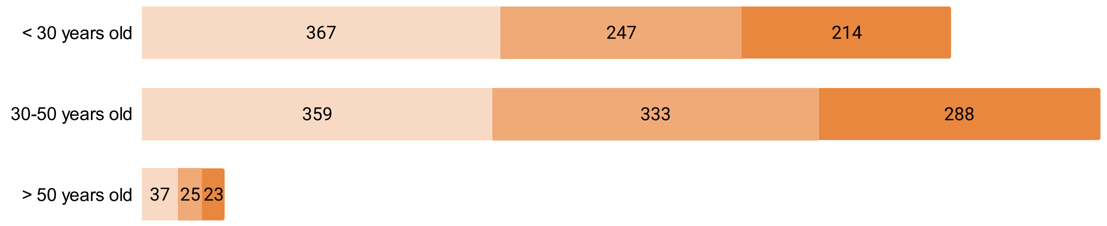
New Employee Hires*

[401-1]

By Gender



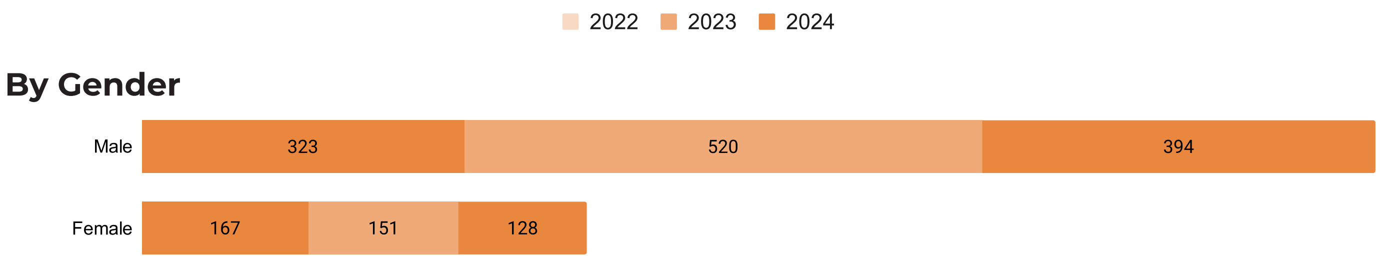
By Age Group



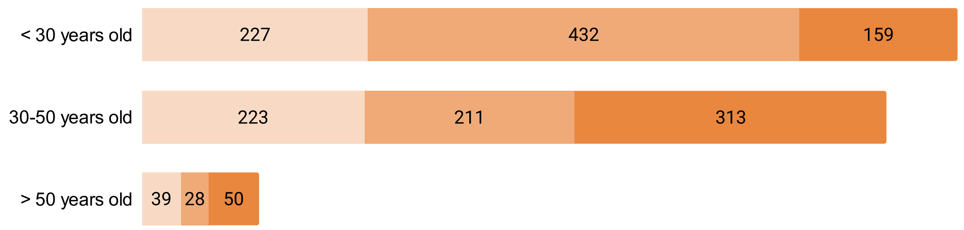
Employee Turnover*

[401-1]

By Gender



By Age Group



**Restatement: Turnover Rate 2022–2023 figures updated as a result of error correction. The previous calculation did not apply the correct formula (turnover / average headcount)*

Employees who Availed Benefits (in %)

[401-2]

List of Benefits	2022		2023		2024	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**
SSS	22.04	5.06	27.76	23.59	19.61	24.07
PhilHealth	10.77	2.80	23.60	20.31	9.72	16.63
Pag-ibig	19.99	4.0	30.17	23.94	21.07	20.90
Parental leaves	1.13	0.62	0.93	1.06	0.80	1.97
Vacation leaves	10.05	7.31	26.19	24.30	27.24	33.26
Sick leave	7.11	1.30	14.81	11.15	18.37	22.87
Life insurance	3.93	7.11	12.40	15.85	11.54	13.89
Medical benefits (aside from PhilHealth)	29.94	13.02	61.45	44.60	44.19	46.28
Disability and invalidity coverage	-	-	0.00	0.00	0.04	0.11
Housing assistance (aside from Pag-ibig)	0.14	0.00	0.00	0.00	0.00	0.00
Retirement fund (aside from SSS)	0.31	0.10	0.56	0.70	0.35	0.22
Telecommuting	19.0	13.88	3.98	8.69	4.35	11.93
Flexible-working Hours	1.61	1.50	1.57	5.40	1.86	6.35
Further Education Support	0.14	0.00	0.00	0.00	0.00	0.00
Others (Savings Fund)	-	-	-	-	3.19	6.46

Parental Leave [401-3]

[401-3]

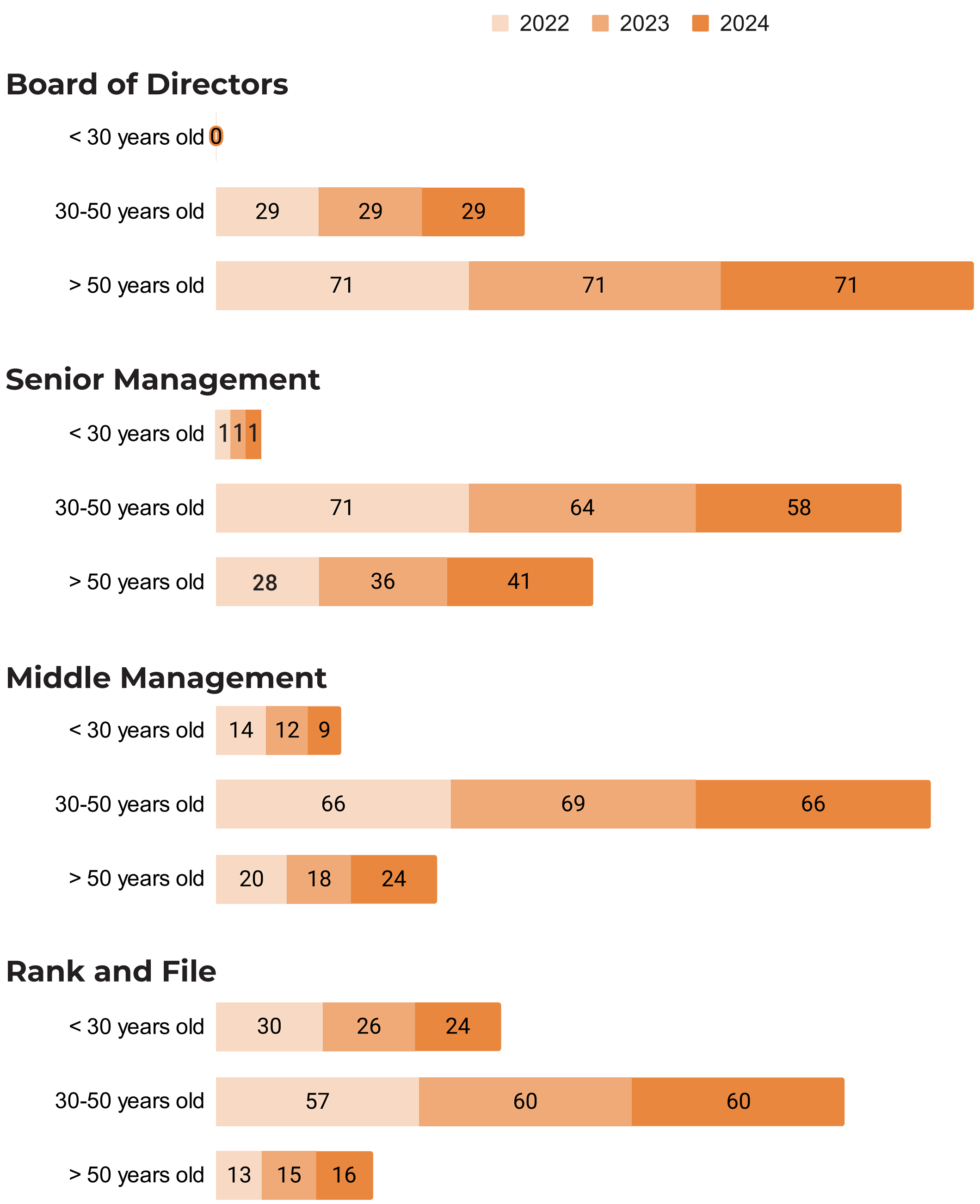
Reporting Period & By Gender	Entitled to Parental Leave	Took Parental Leave	Returned to Work after Parental Leave Ended	Returned to work after parental leave ended who were still employed 12 months after their return to work	Returning from parental leave in the prior reporting period	% Return to Work Rate	≈
FY 2024							
Male	248	41	41	18	18	100	100%
Female	117	33	28	19	19	85	95%
FY 2023							
Male	129	44	33	36	36	75	100%
Female	11	32	21	14	14	66	100%
FY 2022							
Male	292	41	42	35	35	100	100%
Female	104	24	19	18	19	79	95%

Employee Diversity, Training and Development

3-3, 404-1, 404-2, 404-3, 405-1

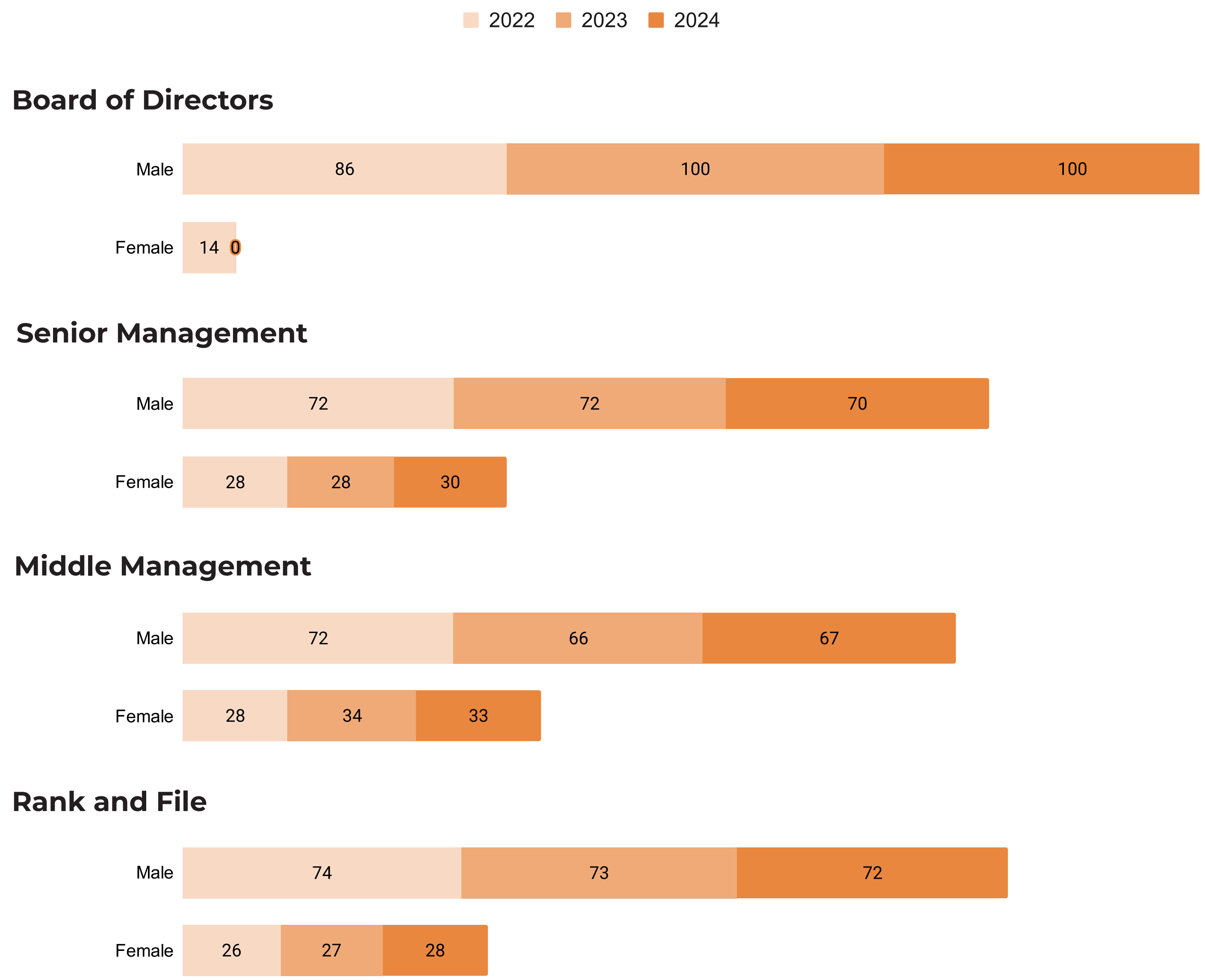
Diversity across Organizational Levels by Age (in %)

[405-1]



Diversity Across Organizational Levels by Gender (in %)

[405-1]



Generally, EMI's employees from Senior Management to Rank and File employees are predominantly male. However, there is still some female representation in the workforce, especially in the Middle Management and Rank and File categories. Majority of EMI's Senior Management are aged 50 and above while middle management and rank and file employees are mostly aged between 30 and 50. EMI strives to improve its current employee demographic as it remains true to its commitment to increasing diversity within its workforce through numerous programs, initiatives, and policies across all subsidiaries.

Emperador recognizes that innovation thrives in a diverse environment. As such, the Company follows a non-discrimination policy when hiring its talents. EMI provides equal opportunities to all of its employees regardless of ethnicity, age, or gender. The Company also implements policies on anti-discrimination that are focused on addressing complaints or monitoring the diversity of the new hires and employee compensation.

Aside from ensuring diversity among its talent pool, Emperador is also keen on hiring resources based on their skills and competence. The Company strives to maintain a work environment wherein all of its employees are encouraged to respect their individuality as long as it does not impede productivity. As a result, employees have been very receptive about this inclusive approach.

Meanwhile at GES, a comprehensive framework to standardize recruitment and selection procedures to ensure impartiality in the selection process is in place. The objective of this framework is to eliminate biases in processes related to selection, recruitment, labor relations management, and professional training and promotion. These efforts demonstrate GES's commitment to maintain labor relations based on equal opportunity and non-discrimination.

Lastly, WMG strictly adheres to legislation and implements its internal policies on diversity and equal opportunities. In line with new UK laws, WMG has launched its own Sexual Harassment and Bullying policy, starting with manager education which will also be cascaded into all employee levels. The insights gathered from the Sexual Harassment Risk Assessment conducted at each level of implementation will be used to create action plans for 2025. This policy supplements WMG's pre-existing Equality & Inclusivity (E&I) Charter which aims to reduce the gender pay gap and encourage diversity within its hiring process.

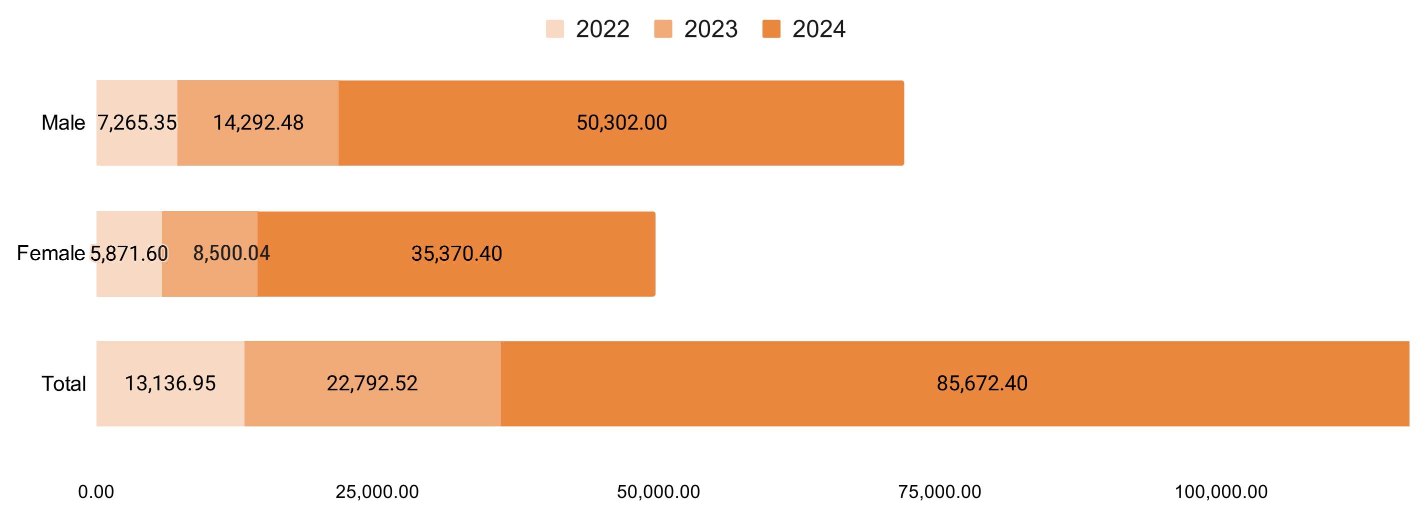
The Company provides training that enhances skills, inspires employee rapport, and equips employees with disaster preparedness knowledge. These initiatives support personal and professional growth while ensuring a safe and resilient workplace.

In 2024, EMI implemented several programs and initiatives across its subsidiaries to further its commitment to providing sufficient training and education to its employees. These programs include the use of learning platforms such as GBKnowit that employees can use for self-learning. There are also dedicated teams and management for creating comprehensive training and development plans for employees.

In total, there have been approximately 35,000 hours of training provided to female employees while 50,000 hours were supplemented for the male percentage of EMI's workforce. This increase in training hours is brought by the expanded training programs across all of EMI's departments along with the aid of its online learning platform.

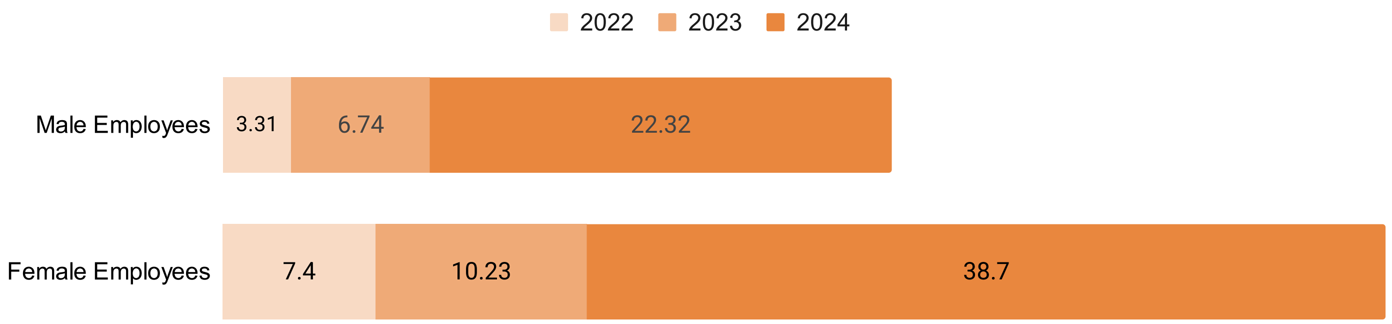
Employee Training Hours [404-1]

[404-1]



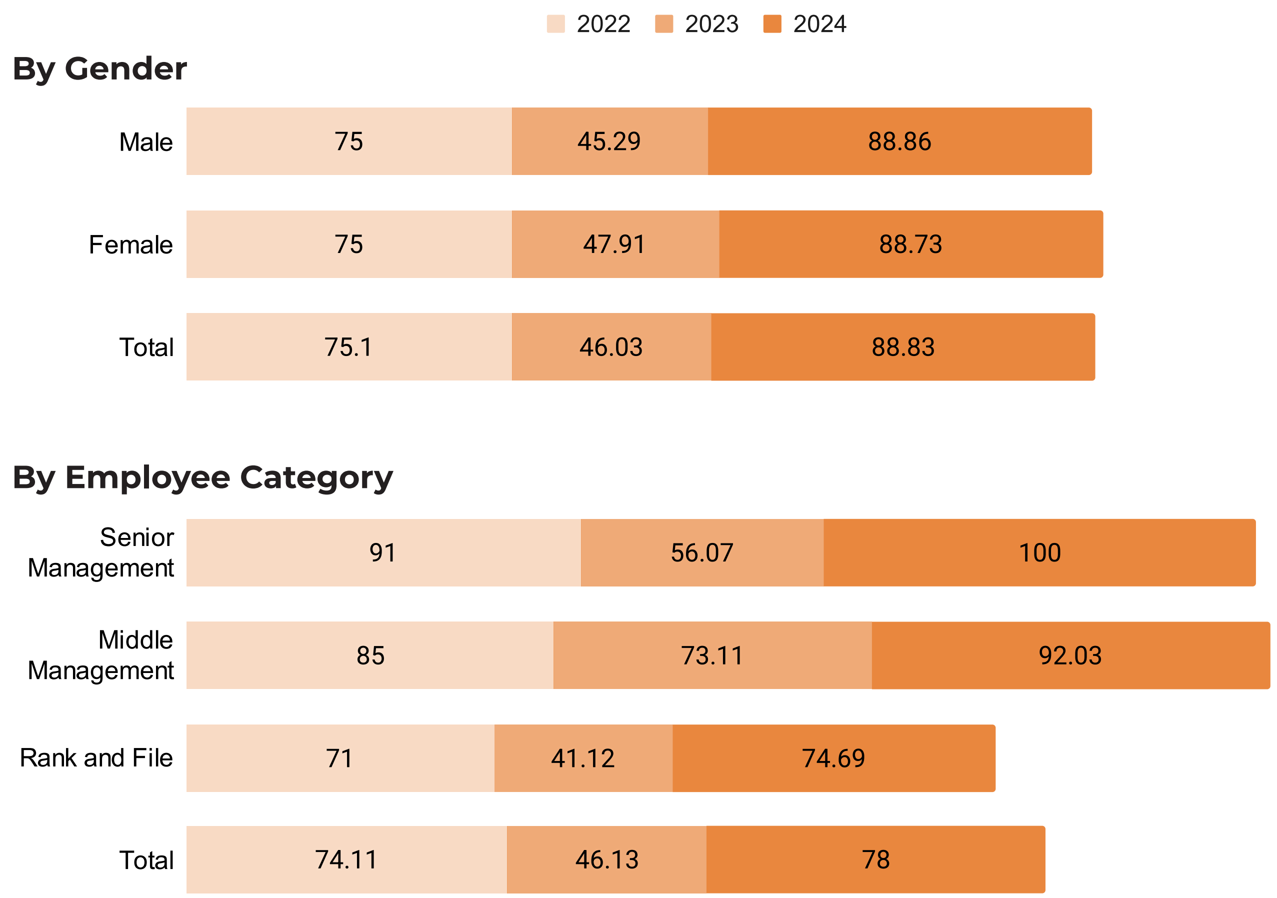
Average training hours

[404-1]



Performance reviews by gender (in %)

[404-3]



At EDI, training and employee education are considered basic human resource functions. The Company recognizes the positive effect of sufficient resource development on overall company productivity. These programs are updated based on employee needs and feedback, often through training effectiveness forms and surveys. EDI is also earnest in maintaining zero incidents of discrimination and remains true to its credo of hiring talents based on their abilities and competencies, regardless of their background. This is reinforced through training and seminars organized by the company such as the Introduction to SOGIESC Seminar held on June 14, 2024.

Meanwhile at GES and its subsidiaries, diversity and equal opportunity are promoted. GES recognizes its benefits for social welfare and the economy – driving learning, innovation, productivity, and environmental protection. It supports a fair and respectful work environment for all, ensuring that the rights of its stakeholders are upheld. The organization strictly follows policies on equal opportunities. These policies aim to develop labor relations with a focus on equality, particularly between genders, and non-discrimination. In GES, a comprehensive framework has been established to standardize selection and recruitment procedures, ensuring that they are objective and impartial. Furthermore, processes related to recruitment, labor relations, training, and promotion are free from biases, upholding the organization's commitment to its equitable principles. GES also prioritizes the personal and professional growth of its employees as seen in programs such as GBKnowit platform, a global learning ecosystem for professional development and training, and product courses, and security and quality management courses in Pedro Domecq's Ensenada location. Leadership programs are also offered to employees, specifically to middle management staff and managers.

Developing people is a critical strategy for improving company productivity and reducing costs is also a cornerstone at Whyte and Mackay. By offering opportunities for growth and advancement, WMG not only retains talent but also builds a more adaptable workforce that can adapt to dynamic business needs and meet company goals and targets. WMG places great importance on employee development, with health and safety training being an essential part of ensuring the well-being of all employees.

WMG is focused on providing comprehensive training and development to equip its employees with the necessary training, including technical and leadership competencies. Its L&D and Senior Management teams work hand in hand to create a comprehensive training and development plan that the Directors will then approve. In addition to these training plans, employees are offered core training initiatives. These core training initiatives include a cultural change program in the supply chain, functional capability programs, and mandatory online training modules. Aside from technical skill development, WMG is also keen on developing the professional development of its employees through leadership courses, as seen in its in-house program for all its people managers. Meanwhile, new hires participate in a Corporate Induction Programme, and a newly-enhanced Talent and Career Development Programme that aim to cultivate inclusive behaviors throughout the organization.

To monitor the effectiveness of its programs, WMG uses the following metrics: attendance, employee feedback, turnover, internal promotions, and training hours. Employee feedback affects the learning strategy, leading to a stronger focus on team communication and working methods. Additionally, several functional learning workshops in 2024 were introduced in 2024. These training offerings are diverse, from job-specific technical training, compliance, and safety training to leadership coaching. These trainings are conducted through classroom sessions, workshops, e-learning, and on-the-job coaching.

WMG also continues its support toward diversity and equal opportunities through its continuous commitment to its DEI (Diversity, Equality, and Inclusion) Charter. A new Sexual Harassment and Bullying Policy was also implemented per recent UK legislation. These actions maintain WMG's commitment to creating a safe and diverse working environment for its employees.

Employee Health and Safety

3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8

EMI recognizes that providing a safe and secure working environment is one of its primary responsibilities. The Company safeguards its workforce's physical and mental health by implementing protocols to prevent accidents, injuries, and occupational illnesses. Emperador maintains a working environment where employees are nurtured and supported, cultivating far-reaching benefits for both individuals and the Company.

In line with its goal of providing a safe and healthy working environment for its employees, EDI has organized numerous trainings, seminars, and programs to further educate its employees on health and safety practices in the workplace. During the first quarter of 2024, EDI conducted programs on Pulmonary Tuberculosis, Hepatitis, STI, HIV, and AIDS in the workplace, Pertussis Awareness, Workplace Breastfeeding, Responsible Parenthood and Reproductive Health Awareness, and the ABC's of Diabetes. During the second quarter, Hypertension Consciousness, Smoking Cessation, Food and Waterborne Diseases, Sexual Health Awareness, and Health and Safety during the rainy season were discussed. Employees were also given training for medical emergencies such as Cardiovascular incidents (heart attack, stroke, chest pain, and difficulty in breathing), profuse bleeding, coughing up or vomiting blood, and fainting or loss of consciousness. Health lecture sessions on standard first aid training and bloodletting were also conducted within this period.

Simultaneously, EDI has also implemented workplace safety training and orientations to reinforce the safety of its employees. These training sessions covered topics such as Workplace Ergonomics, Basic Fire Safety and Emergency Response, Fire and Earthquake Safety, Safety Orientation for Truckers, Forklift Safety, Safety Orientation for Security, Electrical Safety Training, and Fire Safety and Fire Drill Training.

EDI also provided employees with training activities and courses on workplace organization to further inform its workers on best practices for maintaining an optimal working environment. These activities include Trainings on Data Privacy, 5S and GMP, ISO 50001:2018 Energy Management System Course, ISO 9001:2015 Quality Management System Training, and Internal Auditor's Training. These initiatives showcase EDI's commitment to providing a safe and optimal workplace while prioritizing the health of its employees.

At GES, a safe and healthy working environment for its employees is a top priority. The group aims to prevent injuries and work-related health issues among its staff. As such, the Company abides by the provisions listed in OHS legislation, which are discussed in its Compliance Policy, which is available on the Grupo Emperador website. Occupational health and management systems have also been implemented in its subsidiaries, Bodegas Fundador and Pedro Domecq. Training programs, Use Personal Protective Equipment (PPE), and the 5S methodology (Sort, Set in Order, Shine, Standardize, Sustain) are at the core of the Group's occupational safety strategy system. This system maintains the quality of processes and the competency of the people executing them through continuous training and internal audits. The results of these audits and the NOM-035 Organizational Health Surveys are used to track process outcomes and drive improvements in the occupational health management system. The Joint Commission walks enhance workers' understanding of facility processes and promote safety and efficiency.

A good example of this strategy is the mitigation of explosive atmosphere risk during brandy production. This risk was identified through a Fire Protection Document commissioned from an external specialized company. To mitigate this risk, BF installed ATEX-compliant designs that were integrated into risk zones. These ATEX classifications indicate the likelihood of an explosion in a certain zone. This action proactively addressed the explosion risk, maintaining a safe working environment for BF employees.

Whyte and Mackay Group prioritizes the safety of employees, workers, visitors, and the local community. This commitment reflects the comprehensive occupational health and safety management system the Company implements across its subsidiaries. The system is designed based on established regulations and guidelines, including the Management of Health and Safety Regulations (MHSWR) 1999.

WMG's Occupational Health and Safety (OHS) system is maintained by Health & Safety Teams stationed at various locations to promote and audit OHS compliance. These teams are supported by managers and Safety Champions who convene monthly to review all OHS matters and facilitate effective communication between colleagues and management.

The group conducts preventive measures for OHS issues by facilitating regular health screenings, checks, and comprehensive OHS training for employees. WMG offers a free Employee Assistance Program accessible via phone and online channels, providing confidential support for emotional, financial, and physical health concerns, along with a 24/7 counseling helpline. Programs focused on the wellbeing of employees are also present through Academic training such as IOSH Working Safely and IOSH Managing Safely, as well as Display Screen Equipment assessments and stress management awareness for managers. The Company also hosts various events to raise awareness of specific topics like alcohol awareness, healthy eating, mindfulness, yoga, and stress management.

Using its Q-Pulse system, WMG analyzes data to identify and address OHS risks. Its Safety Improvement Record Card (SIRC) system interprets trends and performs risk profiling. Participation in OHS industry forums facilitates sharing best practices and benchmarks for progress against industry peers. Contractors and suppliers also undergo screening for safety records and must adhere to WMG site safety rules to maintain their supplier status. WMG also enforces a Stop the Job policy for all its employees, visitors and crew members. This policy empowers them to immediately stop any action on site that they deem dangerous to themselves, others or the environment.

WMG's distilling sites, classified as lower-tier COMAH, undergo regular visits and interventions from the UK Health & Safety Executive as per COMAH regulations. Close collaboration with regulators ensures compliance and endeavors to exceed regulatory standards, ensuring a safe working environment for all.

OHS Performance

[403-9, 403-10]

Disclosure	2022	2023	2024
Safe-Man Hours*	2,182,812	2,683,225	**2,285,343
Work-related injuries	17	23	47
Work-related fatalities	0	0	0
Work related ill-health	8	8	13
Safety drills	35	30	27

**Coverage: GES, EDI (Sta Rosa and Biñan Plant, AWGI and Progreeen), WMG (Distilling division only)*
***Does not include WMG*

Labor Management Relations

3-3

Collective bargaining agreements (in %) [2-30]

Disclosure	2022	2023	2024
Employees covered with collective bargaining agreements	29.69	49.76	48.84

Note: Data does not include EDI as they are not unionized.

Minimum notice periods regarding operational changes

[402-1]

Disclosure	Minimum Notice Period Before Implementation
Anglo Watsons Glass Inc. (AWGI)	4 weeks
Progreen	Minimum of 3 days
Bodegas Fundador	15 days
Pedro Domecq	4 weeks
Whyte And Mackay Group	12 weeks
The World's Finest Liquor (TWFL)	Depend on the forecast/monthly requirement of Top Management

EMI recognizes the importance of maintaining good labor and management relations to ensure a safe and productive working environment for its management and employees. Labor and Employment Education sessions were conducted to educate employees on their labor and employment rights. This effort demonstrated EMI's commitment to being a responsible employer that allows its employees to know and exercise their labor rights. Emperador also encourages dialogue between management and employees to address any workforce concerns or grievances. EMI management and its employees utilize collective bargaining agreements to maintain positive labor-management relations. By honouring the terms agreed upon and outlined in such contracts, EMI continues to cultivate amicable labor relations between management and staff. Open communication between management and staff is also encouraged to support collaboration and address concerns effectively. This dynamic is exemplified at AWGI, one of EMI's subsidiaries. Due to the open line of communication between the Labor Union and management, all provisions of the CBA and labor laws were upheld, resulting in zero labour complaints and labour cases for the year of 2024.

An example of this open communication can also be seen in Bodegas Fundador. At BF, employees must receive fifteen days' advance notice before significant operational changes are implemented, with the provisions for consultation and negotiation specified in the CBA. Additionally, as of 2024, a new collective agreement covering the grapevine industry in Cadiz is being negotiated.

Meanwhile WMG is committed to maintaining pleasant employee relations (ER) to encourage high employee engagement and uphold its reputation as a good employer. The group believes that proactively managing ER complaints saves time and resources, allowing allocation to other company pursuits. Four of WMG's operational sites have established trade unions (TUs) and maintain collective bargaining agreements (CBAs), while other sites continue exploring similar avenues.

However, due to the higher inflation of the economy in 2024, there is a demand for higher awards and warnings of industrial actions from TUs. As a result of prolonged wage negotiations, WMG experienced industrial actions. Since then, WMG has reviewed its TU recognition and collective bargaining agreements to improve ER and mitigate possible disputes among operational sites. Feedback from its Great Place to Work survey is also considered in improving communication at the local site level. Interactive screens with company information circulated across shifts were installed at local sites, and notice boards were also reviewed and improved. Furthermore, Strategy Cascade, its Equality, Diversity, and Inclusion (ED&I) initiative and training was also updated according to feedback. WMG also collaborated with stakeholders to fix its Collective Grievance Resolution as a testament to its response and commitment to improving Employee Relations.

Human Rights Assessment

3-3

Operations and suppliers at significant risk for incidents of forced or child labor

[408-1, 409-1]

Disclosure	2022	2023	2024
No. of legal actions or employee grievances involving forced or child labor	0	0	0

Emperador promotes and upholds human rights and labor rights within the company. It safeguards these rights throughout its supply chain by strictly implementing company policies, complying with labor laws, conducting human rights assessments, and providing training sessions to employees about their rights. In line with this vision, EMI has sought the cooperation of the Department of Labor and Employment - Laguna Provincial Office to conduct a lecture for employees regarding the following topics: RA 9692: Anti-Violence Against Women and their Children Act of 2004, RA 9710: An Act Providing for the Magna Carta of Women, RA 8972: Solo Parent's Welfare Act of 2000, and RA 11313: The Safe Space Act (Bawal ang Bastos Law). In 2024, Emperador reported zero cases of labor law or human rights violations.

As a global company, EMI also ensures that its foreign subsidiaries are compliant to the human rights policies and labor laws in their respective countries. At GES, all of its subsidiaries (Bodegas Fundador and Pedro Domecq) maintain policies and statements that explicitly prohibit child labor and forced labor, as outlined in their respective Codes of Conduct.

For Pedro Domecq, despite the minimum working age stipulated by the Labor Federal Law in Mexico being 15 years, the group upholds its Code of Business Conduct, which sets the minimum working age at 18. Pedro Domecq also ensures that all individuals engaged in its business activities receive fair compensation by the rights outlined in the Labor Federal Law. Its suppliers also undergo assessments to verify compliance with company policies and legal requirements. In 2024, Pedro Domecq reported zero cases of labor law or human rights violations.

Meanwhile, WMG upholds labor and human rights policies in line with established guidelines and best practices of the UK Government. Part of this commitment ensures that any individual under the age of 18 in its workforce is employed only through approved training schemes, such as apprenticeships. Additionally, WMG maintains a confidential whistleblowing line accessible to all employees and workers. The group has strengthened its commitment to preventing labor exploitation by including specific terms in all supplier agreements, requiring a Modern Slavery declaration from every supplier.

In 2024, WMG hosted a Supplier Conference to discuss collective actions that can address this important topic. The company also took the extra precaution of verifying that employees receive their salaries through their personal bank accounts. Through these measures and its comprehensive policies on labor laws and human rights, WMG dedicates itself to protecting human rights in all interactions with employees, suppliers, contractors, and other third parties as a responsible employer.

Security Practices

3-3

Security personnel trained in human right policies or procedures (in %)

[410-11]

Disclosure	2022	2023	2024
Security personnel trained	100	100	87.50

EMI guarantees that all of its security personnel and third-party security suppliers are regularly trained on human rights policies and procedures to ensure they are familiar with the company's policies and procedures on human rights. These trainings empower the Company's security personnel to handle Emperador's diverse stakeholders adequately when they visit Company sites. This goal can be seen through all of EMI's subsidiaries, be it through training and orientations given to staff or through careful security planning strategies.

EDI recognizes the importance of implementing stringent security systems to protect its stakeholders and mitigate any negative social, environmental, and economic impact. In line with this, EDI ensures that its security staff are equipped with the necessary training and orientation to perform their function. An example of this is a Safety Orientation conducted last July 8 for Security personnel. This practice is also cascaded to subsidiaries under EDI. At Progreen, company practices are developed following ethical standards to contribute to sustainable, human rights-affirming outcomes by assessing operations and business relationships. Transparency, due diligence, and responsible sourcing are key strategies for creating security policies that minimize adverse economic, environmental, and human rights effects. Meanwhile, Progreen ensures its policies are communicated efficiently while building a culture of accountability. These policies are updated and improved by conducting post-mortem reviews to ensure that insights from any incident are captured and implemented effectively. The Company also conducts regular system tests, policies, and plans to cover any weaknesses.

For GES and its subsidiaries, third-party security personnel are required to attend human rights training sessions. Additionally, there are training sessions organized regularly to ensure effective management of security actions. An internal team audits these processes.

Security plans developed by WMG aim to protect its products and liabilities. These plans encompass all security aspects. WMG regularly assesses security within its distilleries by constantly evaluating existing measures and identifying key areas for improvement. The group investigates with the Scotch Whisky Association members and Counterterrorism Police for any concerns or incidents. CCTV systems and intruder alarms are also installed at all sites and are regularly manned by security personnel. WMG also monitors and researches on security activity and incidents across the whisky industry and beyond to improve its security practices.

Customer Care

Responsible Drinking and Marketing

3-3, 417-1

Fair and responsible marketing as well as accessible information about the composition, proper use, and disposal of products contribute to the decision-making of consumers. As a liquor beverage company, Emperador ensures that the labeling and marketing of its products provide adequate information.

Emperador places great importance on upholding ethical standards and promoting customer health and safety through responsible drinking, marketing, and labeling practices. The Company advocates for consumer awareness and responsible behavior by implementing company policies and regulations on marketing and labeling, enhancing trust in its brands across all its subsidiaries.

At EDI, the standards and regulations on labeling and marketing practices enforced by the Food and Drug Administration (FDA) and Ad Standards Council (ASC) are strictly followed. The Company also ensures that its management and employees are educated and reminded of existing laws about marketing and labeling alcoholic beverages. EDI guarantees that its marketing strategies do not involve the exploitation of women, children, or vulnerable groups. Customers and stakeholders may raise their concerns or suggestions about the company's marketing and labeling practices at any given time through EDI's official website.

For GES, strict compliance to current legislations pertaining to labeling and product designation are prioritized to avoid any penalties for violations. The Company's policies cover various parts of product labeling, such as component sourcing, product content, safe usage guidelines, and disposal instructions. GES ensures that these policies are strongly adhered to across all product categories during the product development process (NPD) under the examination of the legal, technical, and logistics teams as well as the General Manager before they are approved.

Likewise, WMG also strictly complies with the extensive industry codes and legal labeling restrictions based on local legislation and the Scotch Whisky Association (SWA). Legislative changes are also monitored to ensure the Company's current labelling practices and prevent violations. The Company follows its Marketing Code, which specifies acceptable topics for its marketing activities. Lastly, its brand redesigns are carefully monitored and recorded to maintain compliance with its marketing standards and policies.

Incidents of non-compliance concerning product and service information and labeling

[417-12]

Disclosure	2022	2023	2024
Incidents of non-compliance resulting in fine or penalty	0	0	1
No. of substantiated complaints on marketing and labeling	0	0	0

Customer Management

3-3, 416-1

The Customer Health and Safety standard pertains not only to the topic of customer health and safety, but also to the organization's efforts and initiatives to address health and safety throughout the lifecycle of its products. This covers the adherence to customer safety regulations and codes at every step of the production process, from sourcing raw materials to distributing products.

As a global manufacturer of an alcoholic beverage, Emperador prioritizes the safety and health of its customers when creating and marketing its products. The Company ensures the safety and quality of its offerings by complying with food safety regulations, assigning quality assurance teams, and undergoing audits and certifications for good manufacturing practices across all of its subsidiaries.

Food and Drug Administration (FDA) regulations are strictly followed by EDI to ensure product quality and consumer safety. EDI registers new and existing products with the FDA to ensure ongoing compliance with its standards. The Biñan and Sta. Rosa plants have also received Good Manufacturing Practice (GMP) Certificates, demonstrating their commitment to delivering quality products safe for customer consumption. The Company's production plants also house a Quality Assurance department assigned to monitor adherence to standards and policies. EDI promptly addresses product complaints, prioritizing resolution.

GES also follows a comprehensive set of food safety standards to ensure the quality and safety of its products. These standards range from compliance with existing legislation to certifications in the Global Food Safety Initiative (GFSI) Standards. Management and the Quality Manager ensure that these regulations are met and set annual improvement objectives for food safety. Good Manufacturing Practices (GMPs) are also set to mitigate food safety issues by monitoring areas such as pest control, water management, traceability, sanitation, and maintenance. At Bodegas Fundador, food safety and quality certificates are regularly renewed and undergo eight internal and external audits annually. Its Quality and Lab Departments monitor and ensure that key performance indicators (KPIs) for food safety are met daily. Meanwhile Pedro Domecq aims to receive only one valid complaint for objective wines each year and 10 for brandy. Once it identifies a nonconforming product, the Company monitors it for up to one year. There are also anonymous channels for reporting incidents of non-compliance.

For WMG, a wide range of strict quality control procedures are implemented that are aimed to prevent health and safety risks. The group also conducts regular reviews and assessments of customer and consumer complaints to evaluate the effectiveness of these strategies. The feedback gathered from its customers serves as valuable insight in improving WMG's product safety measures.

Incidents of Non-Compliance Concerning Health and Safety Impacts of Products and Services

[416-2]

Disclosure	2022	2023	2024
Incidents of non-compliance resulting in fine or penalty	0	0	0
Incidents of non-compliance resulting in a warning	0	0	0
Incidents of non-compliance with voluntary codes	0	0	0

Data Privacy and Security

3-3

Emperador values the personal information of its stakeholders as a key aspect of its corporate responsibility. The Company is keen on its commitment to uphold the security of stakeholder information. This is seen through its adherence to data privacy regulations, implementation of cybersecurity training programs for employees, and rigorous enforcement of comprehensive policies pertaining to data privacy.

Complaints concerning breaches of customer privacy and losses of customer data

[418-1]

Disclosure	2022	2023	2024
No. of substantiated complaints on customer privacy	0	0	0
Complaints from regulatory bodies	0	0	0
Total number of customers, users and account holders whose information is used for secondary purposes	0	0	0
Total number of identified leaks, thefts, or losses of customer data	0	0	0

At EDI, the privacy and data security of its consumers, employees, and other stakeholders are safeguarded by its compliance with the Data Privacy Act of 2012 and its existing Data Privacy Manual. Security policies are also regularly reviewed to protect personal data under the company's control and custody. Existing data processing systems within EDI also undergo registration and renewal with the National Privacy Commission (NPC) as required. Data Sharing and Outsourcing Agreements are also implemented to preserve data integrity within the company.

EDI also has programs for its management and employees to train and educate them on the importance of data privacy and protection, building a culture of privacy within the organization. The contact details for EDI's Data Protection Officer can also be found on the company's official website, and privacy notices are available for customers who wish to raise any concern or suggestion related to the Company's Privacy Policy.

The same concept also applies to GES as it enforces protocols and policies to ensure proper management of personal information. Security cameras are installed to ensure that personal information remains secure and confidential. These include strict measures such as restricted and secured access, employee training, individual user accounts and passwords, backup procedures, protocols for handling data breaches, and the appointment of a designated data protection officer. Regular system reviews are conducted to improve data privacy management, along with procedure tests to comply with the mechanics specified in the General Data Protection Regulation (GDPR) of the EU, national regulations such as Spain's Organic Law on Protection of Personal Data and Guarantee of Digital Rights (LOPDGDD), the National Security Scheme, recommendations from national control authorities, and international best practices such as ISO27001. GES also publishes regular updates of their data usage and privacy policies on its official websites for customer knowledge.

Lastly, WMG also maintains strict compliance with the General Data Protection Requirements (GPDR) on data protection and management. The CFO guarantees compliance with the GDPR and ensures all non-shop floor staff have received training on GDPR. The Company implements policies on data use and retention, and external auditors review its data management plan.

Community Transformation

Emperador counts the community as one of its stakeholders. As such, the company does not forget to include programs and initiatives that benefit the community in its goals. EMI considers the growth of the communities within its subsidiaries as part of its sustainability goals

Community Impact

3-3, 413

EMI recognizes its responsibility to contribute to the livelihood, health, and well-being of the local communities within its subsidiaries. This is seen through infrastructure projects, cleanup drives, tree planting, and medical missions organized by EMI. The Company also engages with communities to address any concerns or grievances immediately.

Uplifting Communities through Engagement

EMI is committed to empowering and engaging with the communities within its locations through various initiatives in cooperation with its subsidiaries. Such initiatives include medical missions, community donations and bloodletting activities. In cooperation with EDI, Progreen has conducted a supplemental immunization activity for the benefiting community in Sta. Rosa. An initiative called Family Planning and Breastfeeding Awareness Month Celebration – Buntis Congress was also spearheaded by EDI and Progreen for benefit families, mothers, and infants within their local communities. EMI is also involved with providing free medical treatment and service to the community's unsheltered or underprivileged population.

Turning Waste into Worth

EMI has a number of repurposing initiatives wherein scraps or byproducts from production are repurposed into useful materials that can be donated to the community. An example of this initiative is the donation of upcycled wood pallets as wooden chairs to schools. This initiative not only supports the community but is also aligned with EMI's efforts in managing and reducing waste. As a result, these scraps were turned into useful articles that are used by the community. EMI also supports community livelihood projects by donating containers and mud presses to farmers or planters. These mud presses are byproducts of the mill operations and help in the cultivation process and soil enhancement.

Towards a Greater Community

For EMI, growth does not only pertain to the elevation of the company, but also the development of its surrounding communities. As one of its stakeholders, EMI also places great importance on the growth of its communities. These initiatives are pursued through community clean-ups and food distribution programs conducted every quarter. EMI, through Bodegas Fundador, also sought the partnership and cooperation of local associations to preserve cultural traditions and enhance the vitality of the downtown Jerez area.

PROSPERITY: Driving Economic Growth & Innovation

An organization's prosperity is not just measured through its financial performance. As a global corporation, EMI's prosperity is gauged through its economic and market impact and good governance within the organization. This demonstrates EMI's commitment leaving a positive impact on the economy.

Impactful Growth

- Economic Performance
- Market Presence

Good Governance

- Enterprise Risk Management
- Business Ethics and Integrity
- Supply Chain Environmental and Social Management
- Regulatory Compliance

Impactful Growth

As a global company, EMI's operations have impacts on the environment, society, and economy. It is important that these aspects of growth are monitored not just to gauge immediate financial gain, but to also ensure that the company's expansion is sustainable for future generations.

Economic Performance

3-3, 201-2

Economic performance includes the economic value generated and distributed (EVG&D) by the company. The metrics included in gauging economic performance include the following: defined benefit plan obligations, the financial assistance it receives from any government, and the financial implications of climate change.

Direct economic value generated and distributed (In Philippine Peso millions, Php millions)

[201-1]

Economic Value Generated	2022	2023	2024
Revenue	**62,767,070,369**	**65,643,761,074**	**61,645,652,583**
Direct Economic Value			
Operating costs	39,702,200,408	41,161,266,9970	39,707,330,343
Employee wages and benefits	3,763,949,026	4,552,727,174	4,646,457,034
Payments to suppliers, other operating costs	6,771,911,2440	7,349,354,106	7,326,393,269
Dividends given to stockholders and interest payments to loan providers	610,430,573	6,073,697,644	5,601,404,268
Taxes given to government	1,624,642,622	2,058,281,560	1,755,065,505
Investments to community (e.g. donations, CSR)	13,180,069	2,427,600	8,084,470

EMI's revenue for the year of 2024 saw a decrease compared to its revenue in 2023. However in spite of this, Employee wages and benefits maintained the upward from Php 4.5 billion in 2023 to Php 4.6 billion in 2024 . This is aligned with EMI's commitment to its role as a good employer by providing an optimal compensation system for its employees. Operating costs also saw a decrease compared to 2023, from Php 41.1 billion to Php 39.7 billion. Its payments to suppliers and other operating costs remained almost the same. This shows a decrease in the company's expenses. Meanwhile, dividends given to stakeholders and interest payments to loan providers witnessed a downturn, from Php 6.1 billion in 2023 to Php 5. 6 billion in 2024. Due to the contraction in some areas of EMI's revenue, its tax contributions also softened from Php 2.1 billion in 2023 to Php 1.8 billion in 2024.

One aspect of financial economic impact that saw a significant increase in 2024 is its investments to the community, which boomed from Php 2.4 million in 2023 to Php 8.1 million in 2024. This demonstrates EMI's pledge in investing and giving back to the community as one of the company's key stakeholders. By increasing its spending on community-focused initiatives, EMI proves that their vision for creating a positive impact to the community is also partnered with actions.

Financial implication due to climate change

Governance	Disclosure
Governance	**Board Oversight:** The Board of Directors, through the Board Risk Oversight Committee (BROC), oversees the integration of climate-related risks into the Enterprise Risk Management (ERM) framework. The BROC, composed mainly of independent directors, ensures that strategic decisions consider sustainability and resilience. Annual reviews of risk exposures, including those linked to climate, are conducted in line with the Manual of Corporate Governance. **Senior Management Role:** Management executes climate-related strategies through operational policies on energy efficiency, resource optimization, and business continuity. Units overseeing manufacturing, supply chain, and regulatory compliance contribute to identifying climate risks and opportunities. Sustainability actions, including renewable energy deployment and water efficiency programs, are monitored and reported to the Board.
Strategy	**Key Climate-related Risks and Opportunities:** • Physical Risks: Natural disasters (e.g., typhoons, floods) can damage assets, disrupt supply chains, and affect operations. • Transition Risks: Changing environmental regulations may require costly compliance or technological upgrades. • Other Business Risks: Market shifts (e.g., sustainability preferences), resource scarcity, and supplier instability may impact production. **Opportunities / Response Measures:** • Renewable energy integration (e.g., solar installations) • Energy and water efficiency programs • Sustainable procurement and packaging solutions • Community and stakeholder engagement to support local resilience and regulatory alignment

Governance	Disclosure
Risk Management	**Risk Identification & Assessment:** Risks related to climate are assessed within the ERM system and reviewed annually. This includes hazards (natural events), regulatory developments, and supply chain disruptions. **Control Measures:** • Emergency preparedness and business continuity protocols • Regular policy compliance reviews across business segments • Supplier diversification and price benchmarking • Environmental risk assessments embedded in operational planning
Metrics and Targets	**Indicators Tracked:** • Energy use and efficiency • GHG emissions • Water consumption and wastewater quality • Waste reduction and materials management **Progress and Next Steps:** • GHG emissions reduction initiatives are underway but no formal targets disclosed yet for the total group • Actual impacts tracked via internal sustainability performance metrics • Future goals expected as data collection and analytics mature

Market Presence

3-3, 202

Emperador is a globally-recognized brand, famous for being the world's best-selling brandy. Its liquor portfolio includes the industry's top-performing producers, with operations and manufacturing lines in Europe, Asia, and Mexico. Currently, the company has a brand footprint in six continents and over 100 countries and is best known for its variety of products that satisfy both mainstream and luxurious tastes. Aside from maintaining its excellent portfolio, Emperador also set its sights on expanding its operation, with production facilities in the Philippines, Spain, Mexico, and the United Kingdom for global distribution through its subsidiaries, Grupo Emperador Spain (GES) and Whyte and Mackay Group (WMG).

With the Philippines' first brandy label, the Emperador brandy lines, under its portfolio, EDI has become a staple brand in Filipino drinking culture. Its engaging and flexible marketing strategies have ensured that EDI products are integrated into Filipino drinking culture and are well-loved across generations. EDI distributes its products globally to over 61 countries, including its biggest consumer bases in the UAE and North America. The company continues to innovate, holding onto its signature products while securing opportunities for new product development to keep up with changing consumer preferences.

GES has cemented its status as a global brandy and sherry company with distribution channels to 25 countries in Europe and a presence in more than 60 countries around the world for both its trademarks and private labels. Among these, brandy has the most reach in Asia-Pacific, Latin America, and Africa, while sherry has the most reach in the Asia-Pacific and Middle East. GES strives to grow its market further through distribution partners.

WMG is a top Scotch whisky company based in Glasgow, Scotland. The group is famous for its multi-award-winning collections of Single Malt and contemporary whiskies. Thanks to its strong marketing strategies and product innovation, WMG has become a major Scotch whisky exporter to 100 countries.

As a global brand, Emperador is widely known for offering the world's best-selling brandy. The company's liquor portfolio covers the industry's top producers, with several operations spanning across Europe and Asia. Emperador has made its mark of excellence and quality products that cater to various tastes across the globe.

Ratios of standard entry level wage by gender

[202-1]

Disclosure	2022	2023	2024
Ratio of lowest paid employee against minimum wage	N/A	N/A (AWGI 1, BF 1.5)	N/A (GES 1.39, BF 1.35, WMG 1.05:1, AWGI 1)

Good Governance

Enterprise Risk Management

3-3, 2-16, 2-23

The Company operates its risk management and compliance processes and procedures under a formal risk management policy. This policy is focused on protecting shareholder value to manage risks and minimize potential negative impacts on the Company's operating performance and financial health.

The Company's Board of Directors is directly in charge of risk management, and the Management carries out risk management policies approved by the Board. The Management identifies risks, evaluates reports, monitors significant risks, and submits appropriate recommendations. Following these processes, the Board adopts formal guidelines for overall risk management and written policies covering specific areas, such as foreign exchange, credit, and liquidity risks.

Emperador's risk management strategies are reviewed and improved annually by the Risk Committee. This Committee is responsible for recommending and improving key elements of the risk policy's processes and procedures. When the Committee submits this feedback, the Committee submits feedback; the Board reviews it and the overall risk management system.

Risk Policy

Company

RISK EXPOSURE	RISK MANAGEMENT	OBJECTIVE
FINANCIAL RISKS	• Maintain a financial strategy that ensures that scheduled principal and interest payments are well within the Company's ability to generate cash from its business operations • Maintain adequate capital at all times to meet shareholders' expectations, withstand adverse business conditions, and take advantage of business opportunities	• Protect its investments in case of significant fluctuations in the exchange rate • Manage liquidity and adhere to the following: • Ensure that adequate funding is available at all times; • Meet commitments as they arise without incurring unnecessary costs; and • Access funding when needed at the least possible cost. The long-term strategy is to sustain a healthy debt-to-equity ratio.
OPERATIONAL RISKS	• Remain prepared for any event that may trigger a material business impact or modify the existing risk profile	• Protect its investments in the event there are significant events with material impact on the Company's operations

Group

RISK EXPOSURE	RISK MANAGEMENT	OBJECTIVE
HAZARDS, NATURAL CATASTROPHES, AND OTHER CATASTROPHES	· Have an emergency response plan or plan of action	· Allow different business segments to continue operations even during natural disasters or calamities.
REGULATORY DEVELOPMENTS	· Review of new laws and regulation	· Ensure the different business segments are compliant with all laws and regulations
MONEY LAUNDERING	· Constant security checks and monitoring, check and balance system	· Minimize situations where these
SUPPLY OF RAW MATERIALS AND PACKAGING MATERIALS	· Maintain a diverse group of suppliers · Get at least three quotations from suppliers	· Prevent overdependence on a single supplier · Ensure the best price possible
CONSUMER TASTE, TRENDS, AND PREFERENCES	· Market study and analysis	· Maintain awareness of trends and preferences that can open avenues for developing new products or adapting existing strategies.
COMPETITION	· Market study and analysis · Maintain a diversified earnings base · Constant product innovation	· Maintain awareness of trends and preferences, as they may present new opportunities for developing new products or adapting existing strategies · Revenue and property diversification
PHILIPPINE ECONOMIC AND POLITICAL CONDITIONS	· Review of the business and political situation	· Ensure the different business segments can immediately adapt to changes in economic and political conditions and devise strategies to meet these changes

CONTROL SYSTEM SET

RISK EXPOSURE	RISK MANAGEMENT	OBJECTIVE
FINANCIAL RISKS	· Monitor potential sources of risk through the monitoring of investments, assets, and projected cash flows from operations · Maintain a financial strategy that ensures that scheduled principal and interest payments are well within the Company's ability to generate cash from its business operations	· Monitoring of financial trends · Keeping track of the Company's capital position and assessing of business conditions to ensure early detection and determination of risks and their adverse impacts · Measures to mitigate risks are adopted as deemed necessary and appropriate
OPERATIONAL RISKS	· Review of new laws and regulations	· If they occur, detected operational risks are brought to the attention of the Risk Committee and addressed therein, together with input from corporate officers. The findings and recommendations are then brought to the Board for approval
PHILIPPINE ECONOMIC AND POLITICAL CONDITIONS	· Review of business and political situation	· Ensure the Company can immediately adapt to changes in economic and political conditions and devise strategies to meet these changes
LIQUIDITY	· Minimize exposure to financial markets	· Actively secure short- to medium-term cash flow

Committee

COMMITTEE/UNIT	CONTROL MECHANISM; DETAILS OF ITS FUNCTIONS
BOARD AUDIT COMMITTEE	Provides oversight over the Company's and its subsidiaries, affiliates, and business segments risk management process, financial reporting process, and internal audit
BOARD RISK OVERSIGHT COMMITTEE	Responsible for the oversight of the Company's Enterprise Risk Management system to ensure its functionality and effectiveness

Business Ethics and Integrity

3-3, 206-1

EMI operates with ethics and integrity at its core. Its Board of Directors embodies a strong culture of ethical practices and transactions within the Company, which is codified through its Code of Business Conduct and Ethics, which everyone must abide by.

Under the Code of Business Conduct and Ethics, directors, officers, and employees (stakeholders) are not allowed to receive gifts and other favors from third parties that may compromise their integrity or affect the performance of their duties. To ensure fair business transactions, stakeholders are also required to avoid conflicts of interest or participate in activities that conflict with their responsibilities. Stakeholders are encouraged to report any unethical or questionable business practices in the Company without the risk of retaliation.

Supply Chain Environmental and Social Management

3-3, 308, 414

Emperador safeguards human rights and promotes environmentally sound practices by evaluating its suppliers' social and environmental performance and compliance. The Company also makes deliberate efforts to select suitable and competent suppliers by sourcing from ethical, environmentally responsible, and financially stable providers.

For EDI and its subsidiaries, the Company mandates that each supplier submits the necessary accreditation forms, such as "Suppliers Business Ethics & Integrity," "Supplier's Accountability & Liability," and "Pre-Assessment Questionnaire." These forms assess suppliers' capabilities and financial capacities, allowing AWGI to establish strong and mutually beneficial business relationships.

In line with its internal policies, GES and its subsidiaries such as Bodegas Fundador abstain from collaborating with any company that fails to comply with European regulations. All new supplier contacts must undergo assessment and validation by the Supply Chain and General Director before any engagement. The Company also requires its primary suppliers to provide annual sustainability reports. BF thoroughly screens all new suppliers for social criteria to ensure that none had significant social impacts as per the Company's supplier accreditation policy.

Meanwhile, WMG aligns with its Green Print strategy to maintain a sustainable supply chain. As a result, WMG suppliers must undergo audits and are asked if they have earned credentials relating to compliance and environmental techniques, such as the Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), or ISO certifications. Currently, WMG is looking to add environmental screening to its audit and supplier onboarding processes in the future.

Regulatory Compliance

3-3, 2-27, 205, 206

As a dominant player in its industry, Emperador Distillers, Inc. (EDI) places importance on fair and open competition and business practices that comply with competition law. Stakeholders are prohibited from participating or engaging in any actions or transactions considered unfair practices or anti-competitive conduct. Stakeholders must seek advice from the company's legal department to confirm whether a business arrangement or any activities are prohibited conduct. Engaging in anti-competitive behaviors will violate competition law and can have legal and regulatory consequences, including civil or criminal liability.

To handle mergers and acquisitions inside and outside of the Philippines, EDI engages professional advisers and antitrust experts to ensure that transactions align with competition law and other regulatory requirements, to assess the overall structure of mergers and acquisitions agreements, and to anticipate or remediate any issues that may arise.

In Spain, Bodegas Fundador (BF) remains committed to promoting fair and free competition in the market to benefit customers and consumers. Grupo Emperador Spain (GES) and its subsidiaries follow a Code of Ethics that includes fair competition and defense of competition as some of its market-related principles. On the other hand, the Conduct Code of Bodegas Fundador defines the general principles and basic rules of corporate governance that cover its activities. BF has an internal communications channel to prevent offenses and infringements. Its indicators for how it successfully manages this topic include a lack of complaints regarding pricing concerns from Public Administration or a similar entity in any market where its products are sold.

Meanwhile, WMG abides by the laws on anti-competitive behavior in its markets. The group also enforces its internal Bribery and Whistleblowing policies. Emperador maintains ethical business practices through its subsidiaries' various internal policies and strict implementation. These company policies include the Code of Business Conduct and Ethics, whistleblowing, and anti-bribery policies.

EDI enforces a zero-tolerance approach towards corruption-related practices among employees and suppliers, such as bribery, fraud, and embezzlement, as specified in its Code of Conduct and Business Ethics Policy. Any complaint of corruption is immediately investigated through the company's whistleblowing mechanism. EDI is proactive in addressing actions against suppliers found to be in violation, such as blocklisting, imposing penalties, and initiating criminal or civil proceedings based on the severity of the offense. In line with this, employees are subject to penalties, including possible termination, depending on the circumstances if they are found guilty of any corruption practices. Individuals involved in fraudulent activities may sometimes face civil or criminal charges.

EDI has also implemented a process to screen customers and perform supplier assessments through the Know-Your-Customer (KYC) process. The Purchasing Department and the Accreditation Committee oversee this program.

At GES, its Criminal Compliance Policy and Ethics Code is strictly implemented to prevent illegal activities. The company conducts additional measures to strengthen its anti-corruption efforts, including reviewing the Compliance Mailbox and establishing template clauses for future contracts with suppliers and customers.

It also maintains policies on gifts, hospitality, sponsorships, and donations. These policies aim to provide a comprehensive overview of the crime prevention model and to train and sensitize all professionals within the company regarding potential criminal risks.

The group's crime prevention and control model is entrusted to a legal body with autonomous powers of initiative and control. This body is composed of both internal Grupo Emperador personnel and external experts. It oversees the compliance system, approves internal controls to ensure policy adherence, and engages with a compliance expert for legal advice. BF incorporates the Anti-corruption Policy into its Code of Conduct and conducts employee training on this topic. The Compliance Mailbox is also available to employees, customers, and other stakeholders.

For Pedro Domecq under GES, anti-corruption efforts are prioritized to ensure fair and ethical business conduct in alignment with all policies and guidelines. The Company also operates an open contact line for reporting anti-corruption cases.

Lastly, WMG strictly adheres to anti-corruption laws in all its markets. The Company implements an internal anti-corruption guideline that applies to all operations and personnel, and compliance with this policy is monitored by both global and local management. WMG also maintains a cross-functional team managing a Tax Risk Register, which records corruption-related risks and responses.

GRI 205: Anti-corruption

Communication and training on anti-corruption policies and procedures (in %)

[205-2]

Disclosure	2022	2023	2024
Employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	100	100
Business partners to whom the organization's anti-corruption policies and procedures have been communicated to	N/A	100	100
Directors to whom the organization's anti-corruption policies and procedures have been communicated to	100	100	100
Employees that have received anti-corruption training	100	100	100

Confirmed incidents of corruption and actions taken

[205-3]

Disclosure	2022	2023	2024
Number of incidents in which directors were removed or disciplined for corruption	0	0	0
Number of incidents in which employees were dismissed or disciplined for corruption	0	0	0
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	0	0

Since 2022, EMI has demonstrated a strong commitment to anti-corruption policies and procedures, achieving 100% communication of these policies to employees and directors, as well as ensuring all directors and employees received anti-corruption training. However, communication with business partners was only reported in 2023 and 2024, with 100% coverage, while no data was available for 2022. This indicates a potential area for improvement in maintaining consistent communication with business partners.

Regarding confirmed incidents of corruption, EMI reported zero incidents across all categories in 2024. This includes no directors being removed or disciplined, no employees being dismissed or disciplined, and no contracts with business partners being terminated due to corruption. This clean record suggests that EMI's anti-corruption measures have been effective in preventing corruption within the organization.

Emperador maintains high standards in its production processes as a world-class company. EMI upholds its credo of creating quality liquor without compromising environmental impact. Complying with local and international regulations is crucial to Emperador, and government regulators are some of the Company's key stakeholders. The group has systems to monitor compliance to ensure that it follows regulations.

EDI and its subsidiaries operate under an environmental policy that is aligned with Philippine laws. Its Pollution Control Officer oversees all matters related to environmental compliance. EDI also maintains close communication with its local communities regarding concerns about the impact of its operations on the local environment. The Company also monitors complaints or penalties related to non-compliance to assess its environmental compliance status. EDI enforces a policy of immediate action should there be any violations to prevent production disruptions. At Progreen, one of EDI's subsidiaries, Environmental Protection and Waste Management Department ensures compliance with environmental laws and regularly submits reports to monitor its effectiveness. The Company also ensures that any environmental grievances and complaints are promptly addressed to prevent further damage to the environment and the Company.

Board of Directors

2-9, 2-10, 2-11, 2-13

Emperador Inc.'s Board of Directors provides strategic leadership and oversight to ensure the Company's long-term success and stakeholder value creation. The Board is composed of a mix of executive, non-executive, and independent directors with diverse expertise and industry knowledge. Their collective experience strengthens governance, risk oversight, and decision-making at the highest level. Board committees are established to support compliance with regulatory requirements and enhance the effectiveness of governance practices, particularly in audit, risk management, corporate governance, and related party transactions. The composition reflects a commitment to accountability, independence, and the principles of good corporate governance.

Board Members	Position	Gender	Committee Membership
Andrew L. Tan	Chairman of the Board	M	
Winston S. Co	Director and President	M	
Kendrick Andrew L. Tan	Executive Director	M	Board Risk Oversight (Member)
Kevin Andrew L. Tan	Director	M	Audit (Member)
Enrique M. Soriano III	Lead Independent Director	M	Audit (Chairman) Corporate Governance (Chairman) Related Party Transactions (Chairman) Board Risk Oversight (Member)
Jesli A. Lapus	Independent Director	M	Board Risk Oversight (Chairman) Audit (Member) Corporate Governance (Member) Related Party Transactions (Member)
Ho Poh Wah	Independent Director	M	Corporate Governance (Member) Related Party Transactions (Member)

Andrew L. Tan

Chairman of the Board
74, Male, Filipino

Date of First Appointment: August 2013
Length of Service (as of December 31, 2024): 11 years

Mr. Tan was first elected as Director and Chairman of the Board on August 28, 2013. He holds position in the following other listed companies:

Listed Company	Position	Date First Elected	Date Last Elected	No.
Alliance Global Group, Inc	Chairman of the Board	September 2006	June 2024	18
	Chief Executive Officer	September 2006	September 2017	11
	Vice Chairman of the Board	August 2003	September 2006	3
Megaworld Corporation	Chairman and President	August 1989	June 2023	34
	Chairman	August 1989	May 2024	35
Global-Estate Resorts, Inc. (subsidiary of Megaworld	Chairman and CEO	January 2011	June 2024	13
Empire East Land Holdings, Inc. (subsidiary of Megaworld	Chairman	July 1994	June 2024	30

He is also the Chairman of Emperador Distillers, Inc. since its incorporation in 2003. He pioneered the live-work-play-learn model in the real estate development through the Megaworld Corporation's integrated township communities, fueling the growth of the business process outsourcing ("BPO") industry, food and beverage, and quick service restaurants industries. Mr. Tan is concurrently the Chairman of the Board and President of Progreen Agricorp, Inc., Zabana Rum Company, Inc., Megaworld Land, Inc., Megaworld Globus Asia, Inc., Manila Bayshore Property Holdings, Inc., Mactan Oceanview Properties and Holdings, Inc., Twin Lakes Corporation, Richmonde Hotel Group International Limited, The Bar Beverage, Inc. and Yorkshire Holdings, Inc.

He is also the Chairman of Megaworld Newport Property Holdings, Inc., Alliance Global Group Cayman Islands, Inc., Alliance Global Brands, Inc., Suntrust Properties, Inc., Adams Properties, Inc., Cocos Vodka Distillers Philippines, Inc., Consolidated Distillers of the Far East, Inc., Megaworld Cayman Islands, Inc., Eastwood Cyber One Corporation, Gilmore Property Marketing Associates, Inc., Megaworld Central Properties, Inc., Raffles & Company, Inc. and Townsquare Development, Inc. He is the Chairman and Treasurer of The Andresons Group, Incorporated and sits in the boards of Travellers International Hotel Group, Inc., Alliance Global-Infracorp Development, Inc., Megaworld Cebu Properties, Inc., Fairways & Bluewater Resort Golf & Country Club, Inc., Anglo Watsons Glass, Inc. and Alcazar De Bana Holdings Company, Inc.

He is also the Vice-Chairman and Treasurer of Golden Arches Development Corporation and Golden Arches Realty Corporation and a Director and Treasurer of Andresons Global, Inc. Mr. Tan graduated Magna Cum Laude from the University of the East with a degree of Bachelor of Science in Business Administration and was conferred Doctor of Philosophy in Humanities (Honoris Causa) in 2011 by the same university.

Winston S. Co

Director and President
66, Male, Filipino

Date of First Appointment: August 2013
Length of Service (as of December 31, 2024): 11 years

Mr. Co was first elected as Director and President on 28 August 2013. He is also a Director and President of Emperador Distillers, Inc. since 2007 and Chairman of TWFLI since 2022. His field of expertise is in finance and marketing of consumer products. He is concurrently Chairman and President of New Town Land Partners, Inc.; Chairman of Anglo Watsons Glass, Inc.; Director and President of Cocos Vodka Distillers Philippines, Inc. and Alliance Global Brands, Inc., Director and Treasurer of Raffles & Company, Incorporated; Director of The Bar Beverage, Inc.; and Senior Vice President of The Andresons Group, Incorporated. Mr. Co is a Magna Cum Laude graduate of Jose Rizal College with a Bachelor of Science in Commerce.

Kendrick Andrew L. Tan

Executive Director
43, Male, Filipino

Date of First Appointment: August 2013
Length of Service (as of December 31, 2024): 11 years
Committee Membership: Board Risk (Member)

Mr. Tan was first elected as Director on 28 August 2013. He is the Corporate Secretary and Executive Director of Emperador Distillers, Inc., and also its Vice President for New Products & Innovation and the Head for Research & Development. He is concurrently Chairman and President of Alcazar De Bana Holdings Company, Inc., Globaland Holdings, Inc., and Altavision Resources, Inc.; Director and President of The World's Finest Liquor, Inc., Director and Treasurer of Anglo Watsons Glass, Inc., and Le Bristol Holdings, Inc.; Trustee and Executive Director of Megaworld Foundation, Inc., Director and Corporate Secretary of Progreen Agricorp, Inc., Emperador Brandy, Inc. and Newport World Resorts Properties, Inc.; Director of The Bar Beverage, Inc., Alliance Global Brands, Inc., The Andresons Group, Incorporated, Yorkshire Holdings, Inc., Andresons Global, Inc., Cocos Vodka Distillers Philippines, Inc., Consolidated Distillers of the Far East, Inc., New Town Land Partners, Inc., Raffles & Company, Incorporated, and Zabana Rum Company, Inc. Mr. Tan graduated from Southern New Hampshire University with a degree in Bachelor of Science in Accountancy

Kevin Andrew L. Tan

Director
44, Male, Filipino

Date of First Appointment: October 24, 2017
Length of Service (as of December 31, 2024): 7 years
Committee Membership: Audit (Member)

Mr. Tan has over 11 years of experience in retail leasing, marketing and operations. Prior to being the Executive Director, Executive Vice President and Chief Strategy Officer of Megaworld Corporation where he is in charge of developing corporate strategies, expansion and new opportunities as well as investor and stakeholder relations, he was the head of the Commercial Division which markets and operates the Megaworld Lifestyle Malls, including Eastwood Mall and The Clubhouse at Corinthian Hills in Quezon City, Venice Piazza at McKinley Hill, Burgos Circle at Forbestown Center, and Uptown Mall, all in Fort Bonifacio, Newport Mall at Resorts World Manila in Pasay City, and Lucky Chinatown Mall in Binondo, Manila. He is the Chairman of Travellers International Hotel Group, Inc., Chairman and CEO of Agile Digital Ventures, Inc., Chairman and President of Alliance Global-Infracorp Development, Inc., Asia Finest Cuisine, Inc.,,and Newport World Resorts Properties, Inc., among others, Director and President of Townsquare Development, Inc., and Adams Properties, Inc.; Director and Corporate Secretary of Alliance Global Brands, Inc., ERA Real Eastate, Inc., and Paseo Center Building Administration, Inc., Director and Treasurer of Consolidated Distillers of the Far East, Inc., Asiagroup Holdings, Inc., Eastin Holdings, Inc., Festivewalk Cinemas, Inc., and Uptown Cinemas, Inc., Chairman of Megaworld Foundation, Inc., and Director of Emperador Distillers, Inc., Anglo Watsons Glass, Inc., Yorkshire Holdings, Inc., The Bar Beverage, Inc., Emperador Brandy, Inc., New Town Land Partners, Inc., Eastwood Cyber One Corporation, Twin Lakes Corporation, Alcazar De Bana Holdings Company, Inc., Cocos Vodka Distillers Philippines, Inc., Zabana Rum Company, Inc., Luxury Global Malls, Inc., Choice Gourmet Banquet, Inc., Dew Dreams International, Inc., Global Estate Properties, Inc., and The Andresons Group Incorporated, among others. He holds a degree in Bachelor of Arts Major in Humanities with Professional Certificate in Management, from the University of Asia and the Pacific

Mr. Tan, was first elected as Director on 04 October 2017. He holds position in the following other listed companies:

Listed Company	Position	Date First Elected	Date Last Elected	No.
Alliance Global Group, Inc	Chief Executive Officer	June 2018	June 2024	6
	President & CEO	June 2024	-	-
	Vice Chairman	Sept 2018	June 2024	6
	Director	April 2012	June 2024	12
	Executive Director	Sept 2016	Sept 2017	1
Megaworld Corporation	Executive Vice President and Chief Strategy Officer	Nov 2018	June 2024	6
	Executive Director	Oct 2024	-	-
MREIT, Inc.	President and CEO	Oct 2020	June 2024	4
Global-Estate Resorts, Inc.	Director	June 2014	July 2024	10
Empire East Land Holdings, Inc.	Director	June 2015	June 2024	9

Enrique M. Soriano III

Lead Independent Director
56, Male, Filipino

Date of First Appointment: May 16, 2016
Length of Service (as of December 31, 2024): 8 years
Committee Membership: Audit (Chairman), Corporate Governance (Chairman), Related Party Transactions (Chairman), Board Risk Oversight (Member)

He is also an Independent Director of MREIT Fund Managers, Inc. Travellers International Hotel Group, Inc., P.A. Properties and GGTT Realty Corporation. He is currently the Executive Director of the Wong + Bernstein Group, an Asia Pacific based Strategic Advisory Firm that specializes on Family Governance and Next Generation Leadership, and of Family in Business Strategic Coaching, Inc. He is also a Senior Fellow on Governance at the IPMI International Business School in Jakarta and a Member of the Singapore Institute of Directors. He also sits as a Director and/or Board advisor to 25 UHNW (ultra-high net worth families) in the ASEAN region. He is also a Columnist and Book Author.

He is a former World Bank/ International Finance Corporation Governance Consultant, Dean of Education at the Manual L. Quezon University, Senior Professor of Service and Global Marketing at the Ateneo Graduate School of Business, and Country President of Electronic Realty Associates (ERA Philippines.). His advocacy related to Real Estate Innovation, Strategic Management and Corporate Governance has made him a sought-after Senior Advisor to family owned businesses in Asia and resource speaker in international conferences in the US, Canada, UK, ASEAN and Africa. Due to his strategic advocacies, he has been recognized and invited to lecture and deliver talks at dozens of universities in Asia and North America, notably Harvard University and University of San Francisco. He writes a business column in several Philippine newspapers, in the US and a couple of business magazines in the EU and the Middle East. He is currently finishing his third book on Family Governance and Succession following his bestselling book entitled “Ensuring the Family Business Legacy: Powerful Insights About Leadership and Succession.”

He holds a B.A. in History, minor in Economics degree from the University of the Philippines, an MBA from De La Salle University, Doctorate Units at the UP National College of Public Administration and has an Executive Diploma in Directorships at the Singapore Management University. He also pursued Post Graduate Education specializing on Behavioral Finance at Harvard Kennedy School of Government and at the National University of Singapore Business School focusing on Asian Family Businesses. He was conferred Certified Professional Marketer by the Marketing Institute of the Philippines in 2016

Mr. Soriano was first elected as Independent Director of the Company on May 16, 2016. He holds position in the following other listed company:

Listed Company	Position	Date First Elected	Date Last Elected	No.
Alliance Global Group, Inc	Independent Director	June 202	June 2024	3

Jesli A. Lapus

Independent Director
74, Male, Filipino

Date of First Appointment: May 2021
Length of Service (as of December 31, 2024): 3 years
Committee Membership: Board Risk Oversight (Chairman), Audit (Member), Corporate Governance (Member), Related Party Transactions (Member)

Dr. Lapus is currently Chairman and Director of STI Education Services Group, Inc. since 2013 and Chairman and Director of LSERV Corporation since 2012. He is a Governor of Information and Technology Academy (iAcademy) since 2010, Independent Director of Philippine Life Financial Assurance Corporation since 2012, and Attenborough Holdings, Inc. since 2015, Director of STI Education Systems Holdings, Inc. since 2013 and STI West Negros University, Inc. since 2022. He is a former Chairman of the Board of Investments, Philippine Exports Zone Authority, National Development Corporation, Export Development Council, Export Development Council, Micro, Medium and Small Enterprises Council (MSMED), Summer Institute of Linguistics (SIL) and Manila Tytana Colleges. He is a former Board Member of Metrobank, Land Bank of the Philippines, Philippine Airlines, Meralco, and Union Bank of the Philippines; former Governor/Trustee of the Asian Institute of Management, Management Association of the Philippines, and Bankers Association of the Philippines; and former Advisor of Philplans First, Inc.

As a top executive in the private sector, he has successfully managed celebrated firms and a universal bank in attaining industry leadership. As the youngest President and CEO of the Landbank of the Philippines at 42 years old, Lapus steered the bank from number 18 to become the 3rd biggest in the banking industry. As the first Filipino and the youngest Managing Director of the German multinational company Triumph International (Phils.), Inc. from 1979-1985, he led it to become the biggest manufacturing operation of its kind in the world making it a top Philippine exporter and employer. At 23, he was the Chief Finance Officer (CFO) of the Ramcar Group where he engineered mergers and acquisitions which established Ramcar as the undisputed market leader in the country. At age 20, he was Auditor-in-Charge and Management Consultant at SGV & Co., CPA's (1969-1973).

Dr. Lapus has the distinction of having served in the cabinets of three (3) Philippine Presidents in the following capacities: Secretary of the Department of Trade and Industry, Secretary of the Department of Education, President and CEO of The Land Bank of the Philippines, and Undersecretary of the Department of Agrarian Reform. He had been elected member of the Philippine Congress for three consecutive terms in 1998-2007 where he spearheaded many famous legislation such as the 2005 Fiscal Reform Measures (EVAT, Sin Taxes, Tax Amnesty and Attrition Law).

Dr. Lapus has been elected by the 180-country international organization, the United Nations Educational and Scientific Council (UNESCO) in Paris, France as a member of its Executive Board. He also served as the President of the South East Asian Ministers of Education Council (SEAMEO).

Dr. Lapus received his Doctor of Public Administration (Honoris Causa) from the Polytechnic University of the Philippines and his Master in Business Management from the Asian Institute of Management and is a Certified Public Accountant. He also pursued his Post Graduate Studies in Investment Appraisal and Management from Harvard University, USA; Management of Transfer of Technology from INSEAD, France; Project Management from BITS, Sweden; Personal Financial Planning from UCLA, USA; and Cursos Internacionales from the Universidad de Salamanca, Spain.

Ho Poh Wah (Jason Ho)

Independent Director
61, Male, Singaporean

Date of First Appointment: May 2023
Length of Service (as of December 31, 2024): 1 year
Committee Membership: Corporate Governance (Member, Related Party Transactions (Member)

Mr. Ho, a resident of Singapore, was first elected as Director on May 15, 2023. He is an experienced Board Member and senior executive with years of experience as group chief human resources officer and global business leader in banking and finance industry. His areas of expertise are human capital strategy, business transformation, vision and mission advocacy, executive coaching, talent acquisition, corporate governance, risk management, shareholder relations, market alignment and regulatory compliance.

He is a Board Member of the Leap Philanthropy and Daughters of Tomorrow (DOT) since 2024. He was a Board member of the Institute of Human Resources Professionals from 2016 to 2022, OCBC Property Service Ltd. from 2020 to 2022 and MAS HR Industry Group Committee from 2021 to 2022. He was also the Group Chief Human Resources Officer (CHRO) from 2015 to 2022, Executive Vice President from 2015 to 2022, and Global Head – Asset and Liability Management from 2013 to 2014, of OCBC Bank Singapore. He also served as Treasurer of KBC Bank, Singapore from 1999 to 2012. Prior to these, he was also employed by Standard Chartered Bank, Volvo Group Treasury and Citibank.

Mr. Ho earned his Bachelor of Business Administration from the National University of Singapore and Master of Applied Finance from Macquarie University in Sydney, Australia

EMI is guided by its Board of Directors in order to maintain its commitment to good corporate governance, financial integrity, crucial operations, and sustainability. Using its Manual on Corporate Governance, the Board is entrusted to enforce transparency, accountability, and sustainable growth. The Board creates decisionsthat are in line with EMI's business goals along with management, employees, partners, and shareholders while protecting the trust of its stakeholders and furthering its sustainability initiatives.

Audit Committee

The Audit Committee manages financial reporting, operational efficiency, internal audit performance, and compliance with applicable laws and regulations.

Chairman: Enrique M. Soriano III
Members: Jesli A. Lapus, Kevin Andrew L. Tan

Corporate Governance Committee

The Corporate Governance Committee assists the Board in performing its corporate governance responsibilities. These responsibilities include the following: overseeing the implementation and review of the corporate governance framework; coordinating the Board's periodic performance evaluation; and adopting and reviewing corporate governance policies, among others.

Chairman: Enrique Ms. Soriano III
Members: Jesli A. Lapus, Ho Poh Wah

Related Party Transactions Committee

The Related Party Transactions Committee supervises topics pertaining to related party transactions to ensure compliance with the Company's policies.

Chairman: Enrique M. Soriano III
Members: Jesli A. Lapus, Ho Poh Wah

Board Risk Oversight Committee

The Risk Oversight Committee is in charge of the implementation and review of the Enterprise Risk Management Framework to guarantee that the Company identifies, monitors, assesses, and manages key business risks in an adequate manner.

Chairman: Jesli A. Lapus
Members: Enrique M. Soriano III, Kendrick Andrew L. Tan

Financial Performance

EMPERADOR INC.

7F 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez Jr. Avenue,
Bagumbayan 1110, Quezon City, Philippines Tel: 8709-2038 to 41 Fax: 8709-1966

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of ***Emperador Inc. and Subsidiaries*** (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, 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 misstatement, whether due to fraud or error.

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

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

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

Punongbayan & Araullo, the independent auditors appointed by the stockholders, have audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audits.

ANDREW L. TAN
Chairman of the Board

WINSTON S. CO
President/ Chief Executive Officer

DINA D.R. INTING
Chief Financial Officer

Signed this 28th day of April 2025

SUBSCRIBED AND SWORN to before me this APR 29 2025 affiants exhibiting to me their Passport/ SSS No., as follows:

Names	Passport No./ SSS No./ DL No	Date	Place of Issue
Andrew L. Tan	P9281984A	Oct 24, 2018 to Oct 23,2028	Manila
Winston S. Co	N01-80-016240	valid until Jan. 31, 2033	Manila
Dina D.R. Inting	SSS 03-5204775-3		

Doc. No. 244
Page No. 51
Book No. I
Series of 2025

ATTY. MA. JESSICA ANTONETTE A. GUEVARRA
NOTARY PUBLIC
ROLL NO. 85934
QUEZON CITY, PHILIPPINES

ATTY. MA. JESSICA AMURAO GUEVARRA
Notary Public for Quezon City
Until December 31, 2025
Adm Mattar No. NP. 201 I Roll No.: 85934
IBP No.: 496810, 01/03/2025, Quezon City
PTR No.: 6782632, 01/03/2025, Quezon City
MCLE Compliance No. VIII-0019088, valid until 14 April 2028

P&A Grant Thornton

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors

The Board of Directors and Stockholders
Emperador Inc. and Subsidiaries
(A Subsidiary of Alliance Global Group, Inc.)
7th Floor, 1880 Eastwood Avenue
Eastwood City CyberPark
188 E. Rodriguez, Jr. Avenue
Bagumbayan, Quezon City

Opinion

We have audited the consolidated financial statements of Emperador Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

P&A Grant Thornton

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Impairment Assessment of Goodwill and Trademarks with Indefinite Useful Lives

Description of the Matter

Under Philippine Accounting Standard 36, *Impairment of Assets,* the Group is required to annually test the carrying amounts of its goodwill and trademarks with indefinite useful lives for impairment. As of December 31, 2024, goodwill amounted to P10.2 billion, while the trademarks with indefinite useful lives amounted to P21.5 billion. We considered the impairment of these assets as a key audit matter because the amounts of goodwill and trademarks are material to the consolidated financial statements. Additionally, management's impairment assessment process involved significant judgment and high estimation uncertainty based on the assumptions used. The significant assumptions include the determination of the discount rate, growth rate and cash flow projections used in calculating the value-in-use of the trademarks and goodwill, as well as the cash-generating units to which the goodwill was allocated. Management's assumptions are generally influenced by expected future market and economic conditions.

The Group's policy on impairment assessment of goodwill and trademarks with indefinite useful lives is more fully described in Note 2 to the consolidated financial statements; the estimation uncertainty on impairment of non-financial assets, including trademarks and goodwill with indefinite useful lives, is presented in Note 3 to the consolidated financial statements; while their corresponding carrying amounts are presented in Note 10 to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to the goodwill and trademarks with indefinite useful lives included, among others, the following:

- Evaluated the appropriateness and reasonableness of methodology and assumptions used in determining the value-in-use of cash-generating units attributable to the trademarks and goodwill, which include the discount rate, growth rate and the cash flow projections, by comparing them to external and historical data, with assistance from our Firm's valuation specialists;

- Tested the calculation of valuation model for mathematical accuracy, validated the appropriateness and reliability of inputs and amounts used and recomputed the value-in-use of cash-generating units attributable to the trademarks and goodwill; and,

- Performed independent sensitivity analysis of the projections and discount rate using the valuation model used to determine whether a reasonably possible change in assumptions could cause the carrying amount of cash generating units to exceed the recoverable amount.

P&A Grant Thornton

- 3 -

(b) Revenue Recognition

Description of the Matter

Revenue is one of the key performance measures used to assess business performance of the Group. There is a risk that the revenues reported in the consolidated financial statements is higher than what was actually earned by the Group. In 2024, revenue from sales amounted to P60.7 billion, representing 99% of the Group's total revenues. Revenue from sales is recognized when control over the goods has been transferred at a point in time to the customer, generally when the customer has acknowledged receipt of the goods.

Revenue recognition is significant to our audit due to its material impact on the consolidated financial statements. It also involves voluminous transactions, requires strict cut-off procedures, and affects the Group's profitability.

The Group's disclosures about its revenues and related receivables, and revenue recognition policies are included in Notes 2, 6 and 18.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to revenue recognition included, among others, the following:

- Tested the design and operating effectiveness of the Group's processes and controls over revenue recognition, approval and documentation, including the implemented information technology general and application controls over automated systems that process and record the revenue transaction with assistance from our IT specialists;
- Evaluated the appropriateness of the Group's revenue recognition policy in accordance with the requirements of PFRS 15, *Revenue from Contracts with Customers*;
- Tested sales transactions on a sample basis, including sales invoices, delivery receipts and cash receipts throughout the reporting period to verify the occurrence of sales;
- Confirmed trade receivables using positive confirmation, on a sample basis, and performed alternative procedures for non-responding customers, such as, examination of evidence of subsequent collections, or corresponding sales invoices and proof of deliveries;
- Tested sales invoices and delivery receipts immediately before and after the reporting period to determine whether the related sales transactions are recognized in the correct period; and,
- Performed substantive analytical review procedures over revenues, including yearly and monthly analyses of sales per product/brand and location, and sales mix composition based on our expectations and following up variances from our expectations; and, verified that the underlying data used in the analyses are valid.

P&A Grant Thornton

- 4 -

(c) Existence and Valuation of Inventories

Description of the Matter

As of December 31, 2024, inventories amounted to P48.6 billion, representing 30% of the Group's total assets. Inventories are valued at the lower of cost and net realizable value (NRV). The Group's core business is influenced by market factors that directly affect the demand for alcoholic beverages such as consumer purchasing power, competition, and other market-related elements. Future realization of inventories is affected by price changes and the costs necessary to complete and sell the products. Given the significant volume of transactions, and the carrying amount of inventories, and the high estimation uncertainty in determining its NRV, we considered the existence and valuation of inventories as significant to our audit.

The Group's disclosures on accounting policy, estimation uncertainty on determination of NRV of inventories, and Inventories account are presented in Notes 2, 3, and 8, respectively, to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to the existence and valuation of inventories included, among others, the following:

On existence of inventories:

- Observed physical inventory count procedures, and tested the design and operating effectiveness of processes and controls over inventory count;
- Obtained relevant cut-off information and count control documents, and verified inventory movements between the actual count date and reporting date to test the quantities of inventory items as of the end of the reporting date; and,
- Performed substantive analytical review procedures over inventory-related ratios, such as inventory turnover and current period's components of inventories, and verified the validity of underlying data used in the analyses.

On valuation of inventories:

- Tested the design and operating effectiveness of processes and controls over inventory costing, reconciliation, data entry and review, including IT general and application controls over automated systems that process and record the inventory transaction, with assistance from our IT specialists;
- Evaluated the appropriateness of the method used by management for inventory costing and valuation at the lower of cost and NRV, and assessed the consistency of their application from period to period;
- Performed inventory price tests on a sample basis, by examining purchase contracts, invoices and relevant importation documents, and by verifying movements affecting the inventory costing;
- Performed detailed analysis of the Group's standard costing of inventories through analytical review procedures, comparing actual costs during the current period against the budgeted standard, and tested significant actual costs, on a sample basis, by agreeing with contracts and invoices; and,
- Evaluated the appropriateness and sufficiency of the amount of allowance for inventory write-down by testing the reasonableness of key assumptions used on the expected realization of inventories.

P&A Grant Thornton

(d) Consolidation Process

Description of the Matter

The Group's consolidated financial statements comprise the financial statements of Emperador Inc. and its subsidiaries, as discussed in Note 1 to the consolidated financial statements, after the elimination of material intercompany transactions. The Group's consolidation process is significant to the audit because of its complexity. It also involves translation of foreign currency denominated financial statements of certain subsidiaries into the Group's functional and presentation currency, and identifying and eliminating several intercompany transactions and balances, to properly reflect the consolidated financial position of the Group and its consolidated financial performance and consolidated cash flows in accordance with PFRS Accounting Standards.

The Group's policies on the basis of consolidation and translation of foreign currency denominated financial statements of foreign subsidiaries are more fully described in Note 2 to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement arising from the consolidation process included, among others, the following:

- Obtained an understanding of the Group structure and its consolidation policy and process, including restructuring done during the year and the procedures for identifying intercompany transactions and reconciling intercompany balances;

- Tested the mathematical accuracy of the consolidation done by management and verifying financial information used in the consolidation based on the audited financial statements of the components of the Group and evaluating the consistency of the accounting policies applied by the entities within the Group;

- Tested the accuracy and appropriateness of intercompany elimination entries, the translation of the financial statements of foreign subsidiaries of the Group, and other significant consolidation adjustments;

- Performed analytical procedures at the consolidated level; and,

- Evaluated the sufficiency and adequacy of disclosures in the Group's consolidated financial statements in accordance with PFRS Accounting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditors' report.

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

P&A Grant Thornton

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Certified Public Accountants
Punongbayan & Araullo (P&A) is the Philippine member firm of Grant Thornton International Ltd.

P&A Grant Thornton

- 7 -

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audits resulting in this independent auditors' report is Ramilito L. Nañola.

PUNONGBAYAN & ARAULLO

By: Ramilito L. Nañola
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 10465911, January 2, 2025, Makati City
BIR AN 08-002511-019-2023 (until December 10, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-009 (until August 12, 2027)

April 28, 2025

Certified Public Accountants
Punongbayan & Araullo (P&A) is the Philippine member firm of Grant Thornton International Ltd.

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(Amounts in Philippine Pesos)

	Notes	2024	2023
A S S E T S			
CURRENT ASSETS			
Cash and cash equivalents	5	**P 9,739,188,511**	P 10,513,125,613
Trade and other receivables - net	6	**20,199,924,248**	19,097,681,408
Financial assets at fair value through profit or loss	7	**543,477,409**	355,505,670
Inventories - net	8	**48,649,145,978**	46,393,208,336
Prepayments and other current assets	11.1	**3,169,170,956**	3,099,233,593
Total Current Assets		**82,300,907,102**	79,458,754,620
NON-CURRENT ASSETS			
Property, plant and equipment - net	9	**40,906,530,431**	34,211,767,973
Intangible assets - net	10	**31,692,812,706**	30,985,814,991
Investment in a joint venture	12	**3,640,406,308**	3,504,392,773
Retirement benefit asset - net	21.3	**440,192,427**	241,317,197
Deferred tax assets - net	22	**389,625,744**	209,113,132
Other non-current assets	11.2	**156,825,996**	98,057,885
Total Non-current Assets		**77,226,393,612**	69,250,463,951
TOTAL ASSETS		**P 159,527,300,714**	P 148,709,218,571
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Interest-bearing loans	14	**P 679,108,834**	P 900,555,535
Trade and other payables	16	**17,157,695,057**	19,720,624,174
Lease liabilities	9.3	**232,830,824**	164,031,838
Income tax payable		**2,114,512,029**	2,565,374,355
Total Current Liabilities		**20,184,146,744**	23,350,585,902
NON-CURRENT LIABILITIES			
Interest-bearing loans	14	**32,753,446,587**	25,066,748,570
Lease liabilities	9.3	**844,538,141**	447,170,215
Provisions	17	**180,866,410**	306,194,770
Deferred tax liabilities - net	22	**5,037,395,096**	4,130,626,820
Total Non-current Liabilities		**38,816,246,234**	29,950,740,375
Total Liabilities	30	**59,000,392,978**	53,301,326,277
EQUITY	24		
Equity attributable to owners of the parent company		**99,395,903,383**	93,924,858,639
Non-controlling interest		**1,131,004,353**	1,483,033,655
Total Equity	30	**100,526,907,736**	95,407,892,294
TOTAL LIABILITIES AND EQUITY		**P 159,527,300,714**	P 148,709,218,571

See Notes to Consolidated Financial Statements.

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023	202
REVENUES AND OTHER INCOME	18	**P 61,645,652,583**	P 65,643,761,074	P 62,7(
COSTS AND EXPENSES				
Costs of goods sold	19	**41,959,005,518**	43,346,168,289	41,5
Selling and distribution expenses	20	**7,151,983,463**	6,758,279,313	6,2
General and administrative expenses	20	**2,699,374,268**	3,022,236,234	2,6
Interest expense	9.5, 14, 21.3	**1,710,651,171**	1,372,370,985	6
Other charges - net	7	**6,244,409**	203,455,451	(
		53,527,258,829	54,702,510,272	51,0.
PROFIT BEFORE TAX		**8,118,393,754**	10,941,250,802	11,7
TAX EXPENSE	22	**1,632,967,373**	1,997,373,601	1,4
NET PROFIT		**6,485,426,381**	8,943,877,201	10,2
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will be reclassified subsequently to profit or loss				
Translation gain (loss)		**1,813,019,675**	2,593,026,410	(3
Items that will not be reclassified subsequently to profit or loss				
Net actuarial gain (loss) on retirement benefit plan	21	**190,465,801**	(287,497,627)	(4
Tax income (expense) on remeasurement of retirement benefit plan	22	**(47,616,451)**	71,874,407	1
		142,849,350	(215,623,220)	(3
Total Other Comprehensive Income (Loss)		**1,955,869,025**	2,377,403,190	(7
TOTAL COMPREHENSIVE INCOME		**P 8,441,295,406**	P 11,321,280,391	P 9,4
Net profit attributable to:				
Owners of the parent company	25	**P 6,322,070,571**	P 8,705,726,613	P 10,0
Non-controlling interest		**163,355,810**	238,150,588	1
		P 6,485,426,381	P 8,943,877,201	P 10,2
Total comprehensive income (loss) attributable to:				
Owners of the parent company		**P 8,793,324,708**	P 11,035,730,629	P 9,2
Non-controlling interest		**(352,029,302)**	285,549,762	1
		P 8,441,295,406	P 11,321,280,391	P 9,4
Earnings Per Share for the Net Profit Attributable to Owners of the Parent Company - Basic	25	**P 0.40**	P 0.56	P
Earnings Per Share for the Net Profit Attributable to Owners of the Parent Company - Diluted	25	**P 0.39**	P 0.53	P

See Notes to Consolidated Financial Statements.

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

Attributable to Owners of the Parent Company

	Capital Stock (see Note 24.1)	Additional Paid-in Capital (see Note 24.1)	Deposit for Future Stock Subscription - ELS (see Note 15)	Treasury Shares (see Note 24.2)	Conversion Options Outstanding (see Note 15)	Share Options Outstanding (see Note 24.4)	Accumulated Translation Adjustments (see Note 2)	Revaluation Reserves (see Note 2)	Other Reserves (see Note 2)	Retained Earnings: Appropriated (see Note 24.5)	Retained Earnings: Unappropriated (see Note 24.5)	Retained Earnings: Total	Total	Non-controlling Interest (see Note 24.6)	Total Equity
Balance at January 1, 2024	P 16,242,391,176	P 23,106,377,832	P 3,443,750,000	(P 4,747,713,903)	P 88,498,401	P 318,710,397	(P 1,017,004,922)	(P 705,719,200)	P 828,321,157	P 1,200,000,000	P 55,167,247,701	P 56,367,247,701	P 93,924,858,639	P 1,483,033,655	P 95,407,892,294
Movements during the year	-	-	-	-	-	-	-	-	481,511,308	-	-	-	481,511,308	-	481,511,308
Issuances during the year	-	-	-	-	-	86,961,825	-	-	-	-	-	-	86,961,825	-	86,961,825
Option forfeited during the year	-	20,478,254	-	-	-	(20,478,254)	-	-	-	-	-	-	-	-	-
Transfer to equity reserves	-	-	-	-	-	-	-	-	24,392,164	-	(24,392,164)	(24,392,164)	-	-	-
Total comprehensive income (loss) for the year	-	-	-	-	-	-	2,328,404,787	142,849,350	-	-	6,322,070,571	6,322,070,571	8,793,324,708	(352,029,302)	8,441,295,406
Cash dividends declared and paid during the year	-	-	-	-	-	-	-	-	-	-	(3,890,753,097)	(3,890,753,097)	(3,890,753,097)	-	(3,890,753,097)
Balance at December 31, 2024	**P 16,242,391,176**	**P 23,126,856,086**	**P 3,443,750,000**	**(P 4,747,713,903)**	**P 88,498,401**	**P 385,193,968**	**P 1,311,399,865**	**(P 562,869,850)**	**P 1,334,224,629**	**P 1,200,000,000**	**P 57,574,173,011**	**P 58,774,173,011**	**P 99,395,903,383**	**P 1,131,004,353**	**P 100,526,907,736**
Balance at January 1, 2023	P 16,242,391,176	P 23,106,377,832	P 3,443,750,000	(P 4,747,713,903)	P 88,498,401	P 260,187,993	(P 3,562,632,158)	(P 490,095,980)	P 435,975,889	P 1,200,000,000	P 51,415,199,973	P 52,615,199,973	P 87,391,939,223	P 1,197,483,893	P 88,589,423,116
Movements during the year	-	-	-	-	-	-	-	-	139,993,042	-	-	-	139,993,042	-	139,993,042
Issuances during the year	-	-	-	-	-	58,522,404	-	-	-	-	-	-	58,522,404	-	58,522,404
Transfer to equity reserves	-	-	-	-	-	-	-	-	252,352,226	-	(252,352,226)	(252,352,226)	-	-	-
Total comprehensive income (loss) for the year	-	-	-	-	-	-	2,545,627,236	(215,623,220)	-	-	8,705,726,613	8,705,726,613	11,035,730,629	285,549,762	11,321,280,391
Cash dividends declared and paid during the year	-	-	-	-	-	-	-	-	-	-	(4,701,326,659)	(4,701,326,659)	(4,701,326,659)	-	(4,701,326,659)
Balance at December 31, 2023	P 16,242,391,176	P 23,106,377,832	P 3,443,750,000	(P 4,747,713,903)	P 88,498,401	P 318,710,397	(P 1,017,004,922)	(P 705,719,200)	P 828,321,157	P 1,200,000,000	P 55,167,247,701	P 56,367,247,701	P 93,924,858,639	P 1,483,033,655	P 95,407,892,294
Balance at January 1, 2022	P 16,242,391,176	P 23,106,377,832	P 3,443,750,000	(P 4,747,713,903)	P 88,498,401	P 183,769,571	(P 3,128,522,733)	(P 159,833,776)	P 142,402,572	P 1,200,000,000	P 41,346,946,733	P 42,546,946,733	P 77,718,065,873	P 1,000,169,494	P 78,718,235,367
Movements during the year	-	-	-	-	-	-	-	-	293,573,317	-	-	-	293,573,317	-	293,573,317
Issuances during the year	-	-	-	-	-	76,418,422	-	-	-	-	-	-	76,418,422	-	76,418,422
Transfer to equity reserves	-	-	-	-	-	-	-	-	-	-	7,376,968	7,376,968	7,376,968	-	7,376,968
Total comprehensive income (loss) for the year	-	-	-	-	-	-	(434,109,425)	(330,262,204)	-	-	10,060,876,272	10,060,876,272	9,296,504,643	197,314,399	9,493,819,042
Balance at December 31, 2022	P 16,242,391,176	P 23,106,377,832	P 3,443,750,000	(P 4,747,713,903)	P 88,498,401	P 260,187,993	(P 3,562,632,158)	(P 490,095,980)	P 435,975,889	P 1,200,000,000	P 51,415,199,973	P 52,615,199,973	P 87,391,939,223	P 1,197,483,893	P 88,589,423,116

See Notes to Consolidated Financial Statements.

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		**P 8,118,393,754**	P 10,941,250,802	P 11,710,177,110
Adjustments for:				
Interest expense	9, 14, 21	**1,710,651,171**	1,372,370,985	610,430,573
Depreciation and amortization	19, 20	**1,564,921,588**	1,453,925,808	1,484,594,487
Interest income	18	**(293,267,490)**	(400,254,627)	(141,756,928)
Impairment losses on inventories	8, 19, 20	**231,007,592**	54,588,118	213,999,092
Impairment losses on trade and other receivables	6, 20	**90,953,844**	120,264,334	7,462,310
Share option benefits expense	24	**86,961,825**	58,522,404	76,418,422
Share in net profit of a joint venture	12	**(77,607,480)**	(111,644,188)	(113,970,450)
Provisions	17	**36,707,116**	34,159,365	41,117,103
Gain on sale of property, plant and equipment	9	**-**	(7,300,670)	(1,100,000)
Amortization of trademarks	10	**-**	538,464	1,615,392
Operating profit before working capital changes		**11,468,721,920**	13,516,420,795	13,888,987,111
Decrease (increase) in trade and other receivables		**(899,903,557)**	4,194,325,883	(2,752,728,750)
Decrease (increase) in financial instruments at fair value through profit or loss		**(169,510,019)**	88,891,007	(272,455,553)
Increase in inventories		**(923,563,848)**	(5,938,000,189)	(4,806,370,343)
Increase in prepayments and other current assets		**(27,039,465)**	(1,120,237,517)	(617,468,642)
Increase in retirement benefit asset		**(32,625,289)**	(53,153,154)	(26,432,465)
Decrease (increase) in other non-current assets		**(58,471,634)**	3,983,658	39,619,264
Increase (decrease) in trade and other payables		**(2,519,415,043)**	(2,241,226,941)	4,006,404,781
Cash generated from operations		**6,838,193,065**	8,451,003,542	9,459,555,403
Cash paid for income taxes		**(1,536,644,991)**	(1,300,999,863)	(1,317,613,954)
Net Cash From Operating Activities		**5,301,548,074**	7,150,003,679	8,141,941,449
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property, plant and equipment	9	**(7,510,353,613)**	(4,784,942,658)	(4,003,136,079)
Interest received	5	**296,432,964**	394,361,781	132,895,174
Proceeds from sale of property, plant and equipment	9	**5,375,245**	17,105,661	448,021,709
Dividends received from a joint venture	12	**-**	-	290,001,250
Net Cash Used in Investing Activities		**(7,208,545,404)**	(4,373,475,216)	(3,132,217,946)
CASH FLOWS FROM FINANCING ACTIVITIES	31			
Proceeds from interest-bearing loans	14	**7,925,241,802**	24,454,462,162	1,846,932,636
Dividends paid	15, 24	**(3,890,753,097)**	(4,701,326,659)	-
Repayments of interest-bearing loans	14	**(1,046,806,584)**	(23,111,368,380)	(2,866,909,770)
Interest paid	31	**(1,692,719,669)**	(1,426,792,902)	(484,805,954)
Repayments of lease liabilities	9	**(161,902,224)**	(216,495,315)	(100,605,609)
Net Cash From (Used in) Financing Activities		**1,133,060,228**	(5,001,521,094)	(1,605,388,697)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(773,937,102)**	(2,224,992,631)	3,404,334,806
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**10,513,125,613**	12,738,118,244	9,333,783,438
CASH AND CASH EQUIVALENTS AT END OF YEAR		**P 9,739,188,511**	P 10,513,125,613	P 12,738,118,244

Supplemental information on non-cash investing and financing activities is fully disclosed in Note 31 to the consolidated financial statements

See Notes to Consolidated Financial Statements.

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

Emperador Inc. ("EMI" or "the Parent Company") was incorporated in the Philippines and registered with the Securities and Exchange Commission ("SEC") on November 26, 2001. It presently operates as a holding company of a global conglomerate in the distilled spirits and other alcoholic beverages business.

EMI is a subsidiary of Alliance Global Group, Inc. ("AGI" or "the Ultimate Parent Company"), a publicly-listed domestic holding company with diversified investments in real estate development, food and beverage, quick-service restaurants, and tourism-entertainment and gaming businesses.

The registered principal office of EMI is located at 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City, where the registered office of AGI is also presently located.

The common shares of EMI and AGI were first listed for trading in the Philippine Stock Exchange (PSE) on December 19, 2011 and April 19, 1999, respectively. The EMI shares were secondary listed and started trading on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on July 14, 2022.

1.1 Subsidiaries

EMI holds beneficial equity ownership in entities operating in an integrated business of manufacturing, bottling and distributing distilled spirits and other alcoholic beverages from the Philippines and Europe (collectively referred to herein as "the Group"), as follows:

Names of Subsidiaries	Explanatory Notes	Percentage of Effective Ownership 2024	2023
EDI and subsidiaries (EDI Group)			
Emperador Distillers, Inc. ("EDI")	(a)	**100%**	100%
Anglo Watsons Glass, Inc. ("AWGI")	(b)	**100%**	100%
Alcazar De Bana Holdings Company, Inc. ("Alcazar De Bana")	(c)	**100%**	100%
Progreen Agricorp Inc. ("Progreen")	(c)	**100%**	100%
Ocean One Transport, Inc. ("OOTI")	(c)	**100%**	100%
South Point Science Park Inc. ("SSPI")	(c)	**100%**	100%
The Bar Beverage, Inc.		**100%**	100%
Tradewind Estates, Inc. ("TEI")	(d)	**100%**	100%
Boozylife Inc. ("Boozylife")	(d)	**87%**	62%
Cocos Vodka Distillers Philippines, Inc.		**100%**	100%
Zabana Rum Company, Inc.		**100%**	100%
The World Finest Liquor Inc. ("World Finest")	(r)	**100%**	100%

- 2 -

Names of Subsidiaries	Explanatory Notes	Percentage of Effective Ownership 2024	2023
EIL and offshore subsidiaries and joint venture:			
Emperador International Ltd. ("EIL")	(e)	**100%**	100%
Emperador Holdings (GB) Limited ("EGB")	(f)	**100%**	100%
Emperador UK Limited ("EUK")	(f)	**100%**	100%
Whyte and Mackay Group Limited ("WMG")	(g), 10	**100%**	100%
Whyte and Mackay Global Limited ("WMGL")	(g), (h)	**100%**	100%
Whyte and Mackay Limited ("WML")	(i)	**100%**	100%
Whyte and Mackay Warehousing Limited ("WMWL")	(j)	**100%**	100%
Emperador Asia Pte. Ltd. ("EA")	(k)	**100%**	100%
Grupo Emperador Spain, S.A. ("GES")	(l), 10	**100%**	100%
Bodega San Bruno, S.L. ("BSB")	(m)	**100%**	100%
Bodegas Fundador, S.L.U. ("BFS")	(l), (n), (o)	**100%**	100%
Grupo Emperador Gestion S.L. ("GEG")	(m)	**100%**	100%
Stillman Spirits, S.L. ("Stillman")	(s)	**100%**	100%
Domecq Bodega Las Copas, S.L. ("DBLC")	(p), 10	**50%**	50%
Bodegas Las Copas, S.L. ("BLC")	(q)	**50%**	50%
Emperador Europe Sarl ("EES")	(t)	**100%**	100%

Explanatory notes:

(a) EDI and its subsidiaries are engaged in businesses related to the main business of EDI in the Philippines. EDI became a wholly owned subsidiary on August 28, 2013 when EMI acquired it from AGI as a condition to AGI's subscription to EMI shares (see Note 24.1). EDI was incorporated in the Philippines on June 6, 2003 to primarily engage in the manufacturing and trading of brandy, wine or other similar alcoholic beverage products. EDI's brands include Emperador brandy, The BaR flavored alcoholic beverage, Andy Player whisky, and So Nice, and Smirnoff Mule (under license). EDI also imports and sells the products of EIL's offshore subsidiaries.

EDI's registered office, which is also its principal place of business, is located at 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City, where its subsidiaries, except Boozylife and Alcazar De Bana's subsidiaries, also have their registered offices and principal places of business.

(b) AWGI is a domestic corporation presently engaged in flint glass container manufacturing and primarily supplies EDI's bottle requirements.

(c) Alcazar De Bana is a domestic holding entity and presently holds 100% ownership interest in Progreen, a domestic corporation engaged in the business of alcohol and alcohol-related products, which in turn holds 100% ownership interest in SSPI, a domestic corporation engaged in management and maintenance of office, commercial, industrial and institutional developments in a certain science park, and 100% ownership interest in OOTI, a domestic corporation engaged in ocean, coastwise and inland commerce, and generally in waterborne commerce.

Alcazar De Bana's registered office and principal place of business is located at 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City.

(d) TEI is a domestic corporation presently engaged in leasing its land and manufacturing complex in Sta. Rosa, Laguna. In 2018, TEI acquired 51% ownership in Boozylife for a total consideration of P45.0 million. The acquired identifiable net assets are not material to the Group's consolidated financial statements. In 2020 and 2024, TEI increased its ownership to 62% and to 87%, respectively [see Notes 3.1(d) and 24.6].

(e) EIL is a foreign entity incorporated in the British Virgin Islands. EIL is presently the parent company of the Group's offshore subsidiaries. EIL is effectively a wholly owned subsidiary of EMI through EMI's 84% direct ownership and EDI's 16% direct ownership.

EIL's registered office is at the offices of Portcullis TrustNet (BVI) Limited, which is currently located at Portcullis Trust Net Chambers, 4th Floor Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands.

- 3 -

(f) EGB is a foreign entity incorporated in the United Kingdom ("UK") to operate as an investment holding entity. It is the ultimate UK parent undertaking and controlling entity. It holds 100% ownership interest over EUK, which in turn holds 100% ownership interest over WMG [see Note 1.1(g)].

EGB's registered office is located at Suite 1, 7th Floor, 50 Broadway, London SW1H 0BL.

(g) WMG is a foreign entity incorporated in the UK on August 7, 2001 and presently operating as an investment holding entity. WMG and its subsidiaries (collectively referred to as "WMG Group") are all engaged in businesses related to the main business of production, marketing and distribution of Scotch whisky, vodka, liqueurs and other alcoholic drinks. On September 5, 2019, the Group's Board of Directors ("BOD") approved WMG's restructuring by transferring its 100% direct ownership in WML and WMWL to its newly-incorporated wholly owned subsidiary, WMGL, through share exchange agreement [(see Note 1.1(h)]. The Group accounted for this business combination under common control using pooling-of-interests method [see Note 2.3(b)]. As a result of the restructuring, WMGL now holds 100% ownership in WML and WMWL while WMG holds 100% ownership in WMGL. EUK acquired WMG from United Spirits (Great Britain) Limited on a deal signed on May 9, 2014 and closed on October 31, 2014 for a total cash consideration of P30.3 billion.

WMG Group's registered office is located at St. Vincent Plaza, 4th Floor, 319 St. Vincent Street, Glasgow G2 5RG, Scotland.

(h) WMGL is a foreign holding company established in 2018 in the UK to effect WMG Group's restructuring in 2019 [see Note 1.1(g)].

(i) WML is a foreign entity incorporated in the UK to carry out the production, marketing and distribution of Scotch whisky, vodka, liqueurs and other alcoholic drinks. WML holds 100% ownership interest in 46 dormant companies, all incorporated in the UK, and one active company, Whyte and Mackay Americas LLC, which handles the distribution of Whyte and Mackay brands within the United States of America.

(j) WMWL is a foreign entity incorporated in the UK to carry out warehousing for WML and third-party customers.

(k) EA is a foreign entity incorporated in Singapore on July 10, 2013 as a limited private company with principal activity as a wholesaler of liquor, food and beverages, and tobacco. It holds 100% ownership interest in GES [see Note 1.1(l)].

EA's registered office is located at 1 Scotts Road, 19-06 Shaw Centre, Singapore.

(l) GES is a foreign entity incorporated on September 28, 2011 as a small limited liability company and subsequently changed to a large liability company on February 5, 2014. GES carries out activities related to the production of wines, fortified wines, brandies, and all types of alcoholic drinks, as well as the purchase, ownership and operations of any type of land, particularly, vineyards.

On November 27, 2015, GES reached a definitive agreement with Beam Suntory Spain, S.L. to purchase its Spanish brandy and sherry business (the Fundador Business Unit) in Jerez de la Frontera (Jerez), the brandy capital of Spain. GES assigned its rights and obligations under the agreement to its direct wholly owned subsidiary, BFS, on January 28, 2016. The purchase was subsequently completed on February 29, 2016 for a total cash consideration of P14.7 billion (see Note 10).

GES's registered office, which is also its principal place of business, is located at Torre Emperador Castellana – Paseo de la Castellana n° 259 D Planta 28, C.P. 28046, Madrid, Spain. GES currently holds direct interests in BSB, BFS, GEG, DBLC, Stillman, and BLC, which were established in Spain with activities similar or related to its main business.

(m) Subsidiaries with registered office and principal place of business located at Torre Emperador Castellana – Paseo de la Castellana n° 259 D Planta 28, Madrid, Spain.

(n) Subsidiaries with registered office located at Torre Espacio – Paseo de la Castellana n° 259 D Planta 28, Madrid, Spain and principal place of business located in Jerez de la Frontera, Cadiz, Spain.

- 4 -

(o) BFS has a wholly owned subsidiary, Harvey's Cellars S.L.U. (changed name from Destilados de la Mancha S.L. on February 12, 2021). On January 1, 2020, Complejo Bodeguero San Patricio SLU ("CBSP"), an existing subsidiary of GES at that time, was merged with BFS through merger by absorption wherein the latter was the absorbent or surviving entity. The Group accounted for this business combination under common control using pooling-of-interests method [see Note 2.3(b)]. CBSP acquired from the previous owners (collectively referred to as "Grupo Garvey") certain tangible assets in Spain, including trademarks of well-known brands ("Garvey Acquisition") on January 19, 2017. The Garvey Acquisition is treated as an asset acquisition [see Notes 2.3(c) and 3.1(d)].

(p) DBLC is a foreign entity incorporated in Spain in later part of 2017 to operate as an investment holding entity with registered office located at Manuel Calle Maria González 12, Jerez de la Frontera, Cadiz, Spain. It presently holds 100% ownership interest in Mexican entities namely: Pedro Domecq S.A. de C.V. ("Pedro Domecq") and Domecq Distribucion De Bebidas S.A. de C.V. ("DDDB"), with registered office at Avenida Presidente Masaryk 275, Colonia Polanco, Alcadia Miguel Hidalgo, C.P. 11560. Ciudad de México, México.

The acquisition of Domecq brand portfolio and its related assets in Mexico ("Domecq Acquisition") was signed by Pernod Ricard with BLC on December 1, 2016 and completed on March 30, 2017 by BLC and its two incorporated Mexican subsidiaries. The acquisition is treated as an asset acquisition [see Notes 2.3(c), 3.1(d) and 24.6]. Pedro Domecq and Bodega Domecq S.A. de C.V. ("Bodega Domecq") are foreign entities created by BLC on March 15, 2017 in relation to the Domecq Acquisition. These entities, together with DDDB, existing subsidiary of BLC, were subsequently transferred to DBLC effectively on September 1, 2017 through spin-off acquisition.

On June 30, 2019, Bodega Domecq was merged by absorption with Pedro Domecq wherein the latter is the absorbent or surviving entity. The Group accounted for this business combination under common control using pooling-of-interests method. On December 15, 2021, Pedro Domecq merged with DDDB with the former as the surviving entity [see Note 2.3(b)].

(q) Jointly controlled entity with registered office located at Torre Espacio – Paseo de la Castellana n° 259 D Planta 28, Madrid, Spain and principal place of business located in Jerez de la Frontera, Cadiz, Spain (see Note 12). BLC presently holds 100% ownership interests in Alcoholera dela Mancha Vinícola, S.L. and Vinedos del Rio Tajo S.L., which are both established in Spain with activities similar and related to the main businesses of GES and BLC.

(r) World Finest was incorporated in 2022 to engage in among others, the business of retailing, merchandising, marketing, warehousing, trading, e-commerce or otherwise dealing with all kinds of products, services, goods, chattels, wares, merchandise and commodities of all kinds, including but not limited to alcoholic and non-alcoholic beverages. World's Finest has started its commercial operations in November 2022.

(s) Stillman is a foreign entity established in Spain on March 20, 2019. Stillman is responsible for carrying the business of GES in the UK, following UK's exit from the European Union.

(t) EES is a foreign entity incorporated in Luxembourg as a private limited liability company, primarily to operate as an investment holding entity.

EES's registered office is located at 17 Boulevard F.W. Raiffeisen L-2411 Luxembourg.

1.2 Approval of the Consolidated Financial Statements

The consolidated financial statements of the Group as of and for the year ended December 31, 2024 (including the comparative consolidated financial statements as of December 31, 2023 and for the years ended December 31, 2023 and 2022) were authorized for issue by the Parent Company's BOD on April 28, 2025.

- 5 -

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these consolidated financial statements are summarized below and in the succeeding pages. The policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards ("PFRS") Accounting Standards. PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council ("FSRSC") from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The consolidated financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Consolidated Financial Statements

The consolidated financial statements are presented in accordance with Philippine Accounting Standard ("PAS") 1, *Presentation of Financial Statements*. The Group presents all items of income, expenses and other comprehensive income or loss in a single consolidated statement of comprehensive income.

(c) Functional and Presentation Currency

These consolidated financial statements are presented in Philippine pesos, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements of the Group are measured using the Parent Company's functional currency (see Note 2.12). Functional currency is the currency of the primary economic environment in which the Parent Company operates.

(d) Prior Year Reclassification of Accounts

In 2024, an adjustment was taken up in the 2023 consolidated statement of financial position due to classification of certain non-current loans amounting to P5.9 billion presented as part of current portion of interest-bearing loans account in the 2023 consolidated statement of financial position. This resulted in retrospective restatements of the current and non-current liabilities in the 2023 consolidated statement of financial position [see Note 14(b)].

The effect of this prior year reclassification of accounts had no impact on the consolidated total assets, total liabilities and equity as at December 31, 2023 and had no impact on the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended December 31, 2023.

The reclassification also had no impact on the consolidated statement of financial position as at January 1, 2023; hence, a third consolidated statement of financial position as at January 1, 2023 is not required and is no longer presented.

2.2 *Adoption of Amended PFRS Accounting Standards*

(a) Effective in 2024 that are Relevant to the Group

The Group adopted for the first time the following amendments to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants
PAS 7 and PFRS 7 (Amendments)	:	Statement of Cash Flow, and Financial Instruments: Disclosures – Supplier Finance Agreements
PFRS 16 (Amendments)	:	Leases – Lease Liability in a Sale and Leaseback

Discussed below and in the succeeding page are the relevant information about these pronouncements.

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no impact on the Group's consolidated financial statements.

(ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants*. The amendments specify that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlements exist at the end of the reporting period for the purpose of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date on which they are contractually required to be tested. The application of these amendments had no impact on the Group's consolidated financial statements.

(iii) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements*. The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The application of these amendments had no impact on the Group's consolidated financial statements.

(iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback*. The amendments clarify the subsequent measurement requirements to the lease liability that arises in the sale and leaseback transaction. The amendments require the seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The application of these amendments had no significant impact on the Group's consolidated financial statements.

(b) Effective Subsequent to 2024 but not Adopted Early

There are amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Group's consolidated financial statements:

(i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

(ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)

(iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The amendments, however, do not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

(iv) PFRS 19 *Subsidiaries without Public Accountability: Disclosures* (effective from January 1, 2027).

(v) PFRS 10 and PAS 28 (Amendments), *Consolidated Financial Statements and Investments in Associate and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely)

- 8 -

2.3 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of EMI, and its subsidiaries as enumerated in Note 1.1, after the elimination of material intercompany transactions. All intercompany balances and transactions with subsidiaries, including income, expenses, dividends and unrealized profits and losses from intercompany transactions that are recognized in assets are eliminated in full on consolidation. Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

The financial statements of subsidiaries are prepared for the same reporting period as that of the Parent Company, using consistent accounting principles. Financial statements of a certain entity in the Group that are prepared as of a date different from that of the date of these consolidated financial statements were adjusted to recognize the effects of significant transactions or events that occur between that date of their reporting period and the date of these consolidated financial statements. Adjustments are also made to bring into line any dissimilar accounting policies that may exist.

Investment in a joint venture is initially recognized at cost and subsequently accounted for using the equity method (see Note 12).

Acquired investment in the jointly controlled entity is subject to the purchase method.

The Parent Company holds interests in various subsidiaries and in a joint venture as presented in Notes 1.1 and 12, respectively.

Business acquisitions are accounted for using the acquisition or pooling-of-interest method of accounting.

(a) Accounting for Business Combination using the Acquisition Method

Business combinations arising from transfers of interests in entities that are not under the common control of the principal stockholder are accounted for under the acquisition method.

(b) Accounting for Business Combination using the Pooling-of-interest Method

Business combinations arising from transfers of interests in entities that are under the common control of the principal stockholder are accounted for under the pooling-of-interest method. Transfers of assets between commonly-controlled entities are accounted for under historical cost accounting; hence, the assets and liabilities are reflected in the consolidated financial statements at carrying values and no adjustments are made to reflect fair values or recognized any new assets or liabilities, at the date of the combination that otherwise would have been done under the acquisition method.

- 9 -

No restatement are made to the financial information in the consolidated financial statements for periods prior to the business combination as allowed under Philippine Interpretations Committee (PIC) Question & Answer (Q&A) No. 2012-01, PFRS 3.2 – *Application of Pooling of Interest Method for Business Combination of Entities under Common Control in Consolidated Financial Statements* (as amended by PIC Q&A No. 2015-01, *Conforming Changes to PIC Q&As – Cycle 2015*, and PIC Q&A No. 2018-13, *Conforming Changes to PIC Q&As – Cycle 2018)*; hence, the profit and loss of the acquiree is included in the consolidated financial statements for the full year, irrespective of when the combination took place. Also, no goodwill is recognized as a result of the business combination and any excess between the net assets of the acquiree and the consideration paid is accounted for as "equity reserves". Also, any pre-acquisition income and expenses of a subsidiary are no longer included in the consolidated financial statements. The Group used this method in accounting for the merger between Pedro Domecq and DDDB in 2021, the merger between BFS and CBSP in 2020, the merger between Pedro Domecq and Bodega Domecq in 2019 and the restructuring of WMG in 2019 [see Note 1.1(g), (o) and (p)].

(c) Accounting for Asset Acquisition

Acquisition of assets in an entity, which does not constitute a business is accounted for as an asset acquisition.

2.4 Segment Reporting

Operating segments (see Note 4) are reported in a manner consistent with the internal reporting provided to the Group's strategic executive committee, its chief operating decision-maker. The strategic executive committee is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Group's product lines, which represent the main products provided by the Group. Each of these operating segments is managed separately as each of these product lines requires different processes and other resources as well as marketing approaches. All intersegment transfers are carried out at arm's length prices.

The measurement policies the Group used for segment reporting under PFRS 8, *Operating Segments,* are the same as those used in its consolidated financial statements. There have been no changes from prior period in the measurement methods used to determine reported segment profit or loss.

- 10 -

2.5 Financial Instruments

(a) *Financial Assets*

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Group commits absolutely to purchase or sell the asset).

(i) *Classification and Measurement of Financial Assets*

The Group's financial assets include financial assets at amortized cost and at fair value though profit or loss.

- *Financial Assets at Amortized Cost*

The Group's financial assets at amortized cost are presented in the consolidated statement of financial position as Cash and Cash Equivalents (see Note 5), Trade and Other Receivables (except Advances to suppliers and Advances to officers and employees) (see Note 6), and Property mortgage receivable and Refundable security deposits [presented as part of Other Non-current Assets (see Note 11.2).

- *Financial Assets at Fair Value through Profit or Loss ("FVTPL")*

Financial assets at FVTPL (see Note 7) are held within a business model whose objective is to realize changes in fair values through the sale of the assets. These include financial assets that are held for trading, which are acquired for the purpose of selling or repurchasing in the near term; designated upon initial recognition as FVTPL; or mandatorily required to be measured at fair value. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

The Group occasionally uses derivative financial instruments, such as foreign exchange forward contracts, to manage its risks associated with fluctuations in foreign currency. Derivative instruments arise from foreign exchange margins trading spot and forward contracts entered into by the Group. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative [see Note 2.5(b)(i)]. The term of these forward contracts is usually one month to one year.

The Group's derivative instruments provide economic hedges under the Group's policies but are not designated as accounting hedges. Consequently, any gains or losses arising from changes in fair value are taken directly to consolidated profit or loss for the period.

- 11 -

(ii) *Impairment of Financial Assets at Amortized Cost*

Since the Group's financial assets measured at amortized cost have no significant financing component, the Group applies the simplified approach in measuring expected credit losses ("ECL"), which uses a lifetime ECL allowance for all trade receivables using provision matrix approach and loss rates approach, as the case may be. The lifetime ECL is estimated based on the expected cash shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. To calculate the ECL, the Group uses its historical experience, external indicators and forward-looking information. The Group also assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, and have been grouped based on the days past due [see Notes 3.1(b) and 27.2].

For the other financial assets measured at amortized cost, the Group applies the low credit risk simplification and measures the ECL on the financial assets based on the credit losses expected to result from default events that are possible within the next 12 months, unless there has been a significant increase in credit risk since origination, in that case, the loss allowance will be based on lifetime ECL.

(iii) *Reclassification of Financial Assets*

The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. A change in the objective of the Group's business model will take effect only at the beginning of the next reporting period following the change in the business model.

There were no reclassifications of financial assets in 2024 and 2023.

(b) *Financial Liabilities*

The categories of financial liabilities relevant to the Group are more fully described below:

(i) *Financial Liabilities at FVTPL*

When the fair value of derivative financial instruments happens to be negative, these are presented as Financial Liabilities at Fair Value Through Profit or Loss account, in the consolidated statement of financial position [see Note 2.5(a)(i)].

(ii) *Financial Liabilities at Amortized Cost*

This category pertains to financial liabilities that are not held for trading or not designated as financial liabilities at FVTPL upon inception of the liability. This includes interest-bearing loans (see Note 14), trade and other payables [except output value-added tax ("VAT") and other tax-related payables] (see Note 16), lease liabilities (see Note 9.3), and dividends payable (see Note 24.3), and is recognized when the Group becomes a party to the contractual agreements of the instrument.

- 12 -

2.6 Inventories

The cost of inventories is determined using the first-in, first-out method.

Net realizable value ("NRV") of finished goods is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. NRV of raw materials is the current replacement cost [see Note 3.2(c)].

2.7 Property, Plant and Equipment

Property, plant and equipment (see Note 9) are carried at acquisition cost and, except for land, less accumulated depreciation, amortization and any impairment losses (see Note 2.13). As no definite useful life for land can be determined, the related carrying amount (which is cost less any impairment losses) is not depreciated.

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows [see Note 3.2(d)]:

Buildings and improvements	25 to 50 years
Machinery and equipment	
(including tools and other equipment)	2 to 20 years
Land improvements	10 years
Transportation equipment	3 to 10 years
Office furniture and fixtures	3 to 10 years

Moulds and dies are depreciated using their expected usage for the period. The total usage during the period multiplied by rate results to depreciation expense for the period. The rate is computed by dividing cost by estimated cases to be produced.

Right-of-use assets ("ROUA") are depreciated over the term of the lease ranging from two to seven years.

Leasehold improvements are amortized over the estimated useful life of the improvements of five to ten years or the lease term, whichever is shorter.

Construction in progress represents properties under construction and is stated at cost. The account is not depreciated until such time that the assets are completed and available for use.

2.8 Intangible Assets

Intangible assets include trademarks and goodwill, which are accounted for under the cost model (see Note 10). Capitalized costs for trademarks with definite lives are amortized on a straight-line basis over their estimated useful lives of ten years. Capitalized costs for trademarks with indefinite useful lives are not amortized. The useful lives are reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment. Changes in the useful life assessment from indefinite to definite, if any, are accounted for as change in accounting estimate.

- 13 -

2.9 Non-current Assets Classified as Held for Sale

Non-current assets classified as held for sale pertain to land and building previously classified as property, plant and equipment that the Group intends to sell within one year, except when delay is caused by events or circumstances beyond the Group's control, from the date of reclassification as held for sale (see Note 13).

Non-current assets classified as held for sale are measured at the lower of their carrying amounts, immediately prior to their classification as held for sale, and their fair value less costs to sell.

2.10 Revenue and Expense Recognition

Revenue arises mainly from the sales of goods and services, and other income such as interest income, dividend income and trading gains (see Note 18).

Revenue from sale of goods are recognized at a point in time, when the customer has acknowledged the receipt of the goods, while services are recognized over time based on the measure of progress of services rendered to the customer. Payment terms for sale of goods on credit vary as to number of days after receipt by the customer.

Revenues and expenses are recognized excluding the amount of value-added tax. As applicable, when the Group is required to refund the related purchase price for returned goods, it recognizes a refund liability for the expected refunds by adjusting the amount of revenues recognized during the period. Also, if applicable, the Group recognizes a right of refund asset on goods to be recovered from customers with a corresponding adjustment to Costs of Goods Sold account. However, there were no contracts that contain significant right of return arrangements that remain outstanding as of the end of the reporting periods.

In obtaining customer contracts, the Group incurs incremental costs. When the expected amortization period of these costs if capitalized would be less than one year, the Group uses the practical expedient by recognizing such costs as incurred. The Group also incurs costs in fulfilling contract with customers (i.e., freight and handling), which are accounted for in accordance with accounting policies related to those assets (see Notes 2.6 and 2.7).

2.11 Leases – Group as Lessee

The Group depreciates the ROUA on a straight-line basis from the lease commencement date to the end of the lease term.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing an ROUA and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the consolidated statement of financial position, ROUA are presented as part of Property, Plant and Equipment while Lease Liabilities are presented as separate line item under the Current and Non-current Liabilities sections.

- 14 -

2.12 Foreign Currency Transactions and Translation

(a) Transactions and Balances

Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income as part of profit or loss.

(b) Translation of Financial Statements of Foreign Subsidiaries

The consolidated operating results and financial position of offshore subsidiaries (see Note 1.1), which are measured using the United States ("U.S.") dollar, British pound sterling ("GBP") and European Union euro ("EUR"), their functional currencies, are translated to Philippine pesos, the Parent Company's functional currency, as follows:

(i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;

(ii) Income and expenses for each profit or loss account are translated at the monthly average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and,

(iii) All resulting translation adjustments are recognized in other comprehensive income and in a separate component of equity under the Accumulated Translation Adjustments account.

When a foreign operation is partially disposed of or sold, such exchange differences are recognized in the consolidated statement of comprehensive income as part of the gain or loss on sale.

The translation of the financial statements into Philippine pesos should not be construed as a representation that the foreign currency amounts could be converted into Philippine peso amounts at the translation rates or at any other rates of exchange.

2.13 Impairment of Non-financial Assets

Property, plant and equipment (see Note 9.1), ROUA (see Note 9.2), intangible assets (see Note 10), investment in a joint venture (see Note 12), and other non-financial assets (see Note 11) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable, except for goodwill and intangible assets with indefinite useful lives, which are required to be tested for impairment annually.

- 15 -

2.14 Employment Benefits

The Group provides post-employment benefits to employees through a defined benefit plan and defined contribution plans, bonus plans, and other employee benefits.

The Group's retirement cost accrual covers all regular full-time employees. The pension plan is tax-qualified, noncontributory and administered by a trustee. The defined benefit obligation is calculated regularly by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows for expected benefit payments using a discount rate derived from the interest rates of zero coupon government bonds, using the reference rates published by Bloomberg using its valuation technology, Bloomberg Valuation ("BVAL"), that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related post-employment liability. BVAL provides evaluated prices that are based on market observations from contributed sources.

The Group also recognizes a liability and an expense for bonuses based on a formula that takes into consideration the Group's profits after certain adjustments. The Group recognizes a provision where it is contractually obliged to pay the benefits, or where there is a past practice that has created a constructive obligation.

2.15 Share-based Employee Remuneration

The Parent Company grants share options to qualified employees of the Group eligible under a share option plan. The services received in exchange for the grant, and the corresponding share options, are valued by reference to the fair value of the equity instruments granted at grant date. This fair value excludes the impact of non-market vesting conditions (e.g., profitability and sales growth targets and performance conditions), if any [see Note 3.2 (i)]. The share-based remuneration is recognized as an expense in the consolidated profit or loss with a corresponding credit to Share Options Outstanding account under the Equity section of the consolidated statement of financial position.

The share-based remuneration expense is recognized during the vesting period based on the best available estimate of the number of share options expected to vest. The estimate is subsequently revised, if necessary, such that it equals the number of share options that ultimately vests on vesting date. No subsequent adjustment is made to expense after vesting date, even if share options expire or are ultimately not exercised.

Upon exercise of share option, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to capital stock with any excess being recorded as additional paid-in capital ("APIC").

Upon expiration of the unexercised share option, the value assigned to the stock option is transferred to APIC.

2.16 Related Party Transactions and Relationships

Transactions, individually or in aggregate, amounting to 10% or more of the total assets based on the latest audited consolidated financial statements that were entered into with related parties are considered material.

All individual material related party transactions shall be approved by at least two-thirds vote of the BOD, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. For aggregate related party transactions within a one year period that breaches the 10% materiality threshold, the same board approval would be required for the transaction(s) that meets and exceeds the materiality threshold covering the same related party.

Directors with personal interest in the transaction should abstain from participating in discussions and voting on the same. In case they refuse to abstain, their attendance shall not be counted for the purposes of assessing the quorum and their votes shall not be counted for purposes of determining approval.

2.17 Equity

Deposit for future stock subscription – Equity-linked securities ("ELS") represents the remaining portion of ELS subject for future issuance of shares (see Note 15).

Conversion options represent the equity component of ELS. This will eventually be closed to APIC upon conversion of the ELS.

Share options outstanding represent the accumulated total of employee share options' amortizations over the vesting period as share-based employee remuneration are recognized and reported in the consolidated statement of comprehensive income (see Note 24.4). These will eventually be closed to APIC upon exercise or expiration.

Accumulated translation adjustments represent the translation adjustments resulting from the translation of foreign currency-denominated financial statements of foreign subsidiaries into the Group's functional and presentation currency [see Note 2.12(b)(iii)].

Revaluation reserves comprise gains and losses due to remeasurements of post-employment defined benefit plan.

Other reserves include legal reserves that represent the statutory requirements in Luxembourg, which comprise of net wealth tax reserve and capital reserve. Certain statutory requirements based on Spanish legislation were also included as part of this account.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Evaluation of Business Model and Cash Flow Characteristics of Financial Instruments

The Group applies the business model test and cash flow characteristics test at a portfolio of financial assets (i.e., group of financial instruments that are managed together to achieve a particular objective) and not on an instrument-by-instrument approach (i.e., not based on intention for each or specific characteristic of individual instrument) as these relate to the Group's investment and trading strategies. The business model assessment is performed on the basis of reasonably expected scenarios (and not on reasonably expected not to occur, such as the so-called 'worst case' or 'stress case' scenarios).

A business model for managing financial assets is typically observable through the activities that the Group undertakes to achieve the objective of the business model.

The Group uses judgment when it assesses its business model for managing financial assets and that assessment is not determined by a single factor or activity. Instead, the Group considers all relevant evidence that is available at the date of assessment which includes, but not limited to:

- how the performance of the business model and the financial assets held within the business model are evaluated and reported to key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and,
- how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

(b) Determination of ECL on Financial Assets at Amortized Cost

The Group applies the ECL methodology, which requires certain judgments in selecting the appropriate method in determining the amount of ECL. In measuring ECL, the Group considers a broader range of information which include past events, current conditions, and reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets. The Group uses loss rates and provision matrix to calculate ECL.

- 18 -

The provision matrix and loss rates are based on the Group's historical observed default rates. The Group's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Group's trade and other receivables are disclosed in Notes 2.5(a)(ii) and 27.2(b).

(c) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option.

Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For leases of bottling plant, warehouses, office spaces, commercial buildings, vehicles, fitting and equipment, the factors that are normally the most relevant are (a) if there are significant penalties should the Group pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased assets.

The lease term is reassessed if an option is actually exercised or not exercised or the Group becomes obliged to exercise or not exercise it. In assessing the enforceability of the option, an entity should consider whether the lessor can refuse to agree to a request from the lessee to extend the lease. Accordingly, if the lessee has the right to extend or terminate the lease unilaterally, there are enforceable rights and obligations beyond the initial non-cancellable period and thus, the parties to the lease would be required to consider those optional periods in their assessment of the lease term.

(d) Distinction Between Business Combination and Asset Acquisition

The Group determines whether an acquisition of an entity constitute a business combination or an asset acquisition. The accounting treatment for the acquisition is determined by assessing whether the transaction involved a purchase of a "business" taking into consideration the substance of the transaction. Failure to make the right judgment will result in misstatement of assets and other accounts that could have been affected by the transactions (see Note 2.3).

The groups of assets acquired in the Domecq Acquisition and Garvey Acquisition do not include an integrated set of activities that are capable of being managed. In addition, the group of assets acquired under the Garvey Acquisition was previously under receivership from various third parties. Accordingly, management has assessed that the Domecq Acquisition and Garvey Acquisition, as disclosed in Notes 1.1(p) and (o), are to be accounted for as asset acquisition since these do not constitute a purchase of business; hence, no goodwill or gain on acquisition was recognized.

- 19 -

Conversely, EUK's purchases of ownership in WMG, EDI's acquisition of full equity ownership in TEI, TEI's acquisition of 51% ownership in Boozylife, and BFS's purchases of Fundador Business Unit as disclosed in Notes 1.1(d), (g), (l) and 10, are accounted for as business combinations using the acquisition method. On initial recognition, the assets and liabilities of the acquired business and the consideration paid for them are included in the consolidated financial statements at their fair values. In measuring fair value, management uses estimates of future cash flows and discount rates. Any subsequent change in these estimates would affect the amount of goodwill if the change qualifies as a measurement period adjustment. Any other change would be recognized in consolidated profit or loss in the subsequent period.

Moreover, the transfers of ownership interest over WML and WMWL from WMG to WMGL, the merger between CBSP and BFS, the merger between Pedro Domecq and Bodega Domecq and the merger between Pedro Domecq and DDDB are accounted for as business combinations using pooling-of-interest method as these are transfers of interests in entities that are under the common control and there is no change of control before and after the restructuring or mergers [see Note 1.1(g), (o) and (p)].

(e) Determination of Control or Joint Control

Judgment is exercised in determining whether the Group has control or joint control over an entity. In assessing each interest over an entity, the Group considers voting rights, representation on the BOD or equivalent governing body of the investee, participation in policy-making process and all other facts and circumstances, including terms of any contractual agreement.

Management considers that the Group has control over DBLC because it holds 50% of the common shares. The Parent Company, through its wholly owned subsidiary, GES, exercises control over the entity because GES has the ability to direct the relevant activities of DBLC through appointment of key management personnel (see Note 1.1).

Management considers that the Group has joint control over BLC because the agreement involves contractually agreed sharing of control and that decisions about relevant activities require the unanimous consent of the parties sharing control.

(f) Classification of Non-current Assets Classified as Held for Sale

The Group classifies an asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Judgment is exercised by the Group by determining whether the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets (or disposal group) and its sale must be highly probable.

In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, except when delay is caused by events or circumstances beyond the Group's control and there is sufficient evidence that the Group remains committed to its plan to sell the asset (or disposal group).

Based on management's assessment, the letters of intent dated December 27, 2022 and 2020, which provided the Group's commitment to sell certain land and buildings to a related party, were the main consideration for classifying these assets as non-current assets classified as held for sale as of December 31, 2022. In 2023, the sale did not materialize due to change in business plans in the use of the assets. Consequently, the assets are reclassified back as part of Property, Plant and Equipment, and adjusted for the amount of depreciation expense that would have been recognized had the asset not been classified as held for sale (see Note 13).

(g) *Recognition of Provisions and Contingencies*

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Judgment is exercised by management to distinguish the difference between provisions and contingencies. Disclosures on relevant provisions and contingencies are presented in Notes 17 and 26.

3.2 Key Sources of Estimation Uncertainty

Presented below and in the succeeding pages are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(a) *Impairment of Financial Assets at Amortized Cost*

In measuring ECL, the Group added significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of counterparties defaulting and the resulting losses), as further detailed in Note 27.2. The Group evaluated impairment based on available facts and circumstances affecting collectability of accounts, including but not limited to, the length of the Group's relationship with the counterparties, counterparties' credit status, age of accounts and collection and historical loss experience. Based on the management's review, appropriate allowance for ECL has been recognized on the Group's financial assets in 2024, 2023 and 2022 [see Notes 2.5(a)(ii) and 6].

(b) *Fair Value Measurement of Financial Instruments*

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

The carrying values and amounts of fair value changes recognized during the years presented on the Group's financial instruments at FVTPL [see Notes 2.5(a)(i) and 2.5(b)(i)] are disclosed in Note 7.

(c) *Determination of Net Realizable Values of Inventories*

In determining the net realizable values of inventories (see Note 2.6), management takes into account the most reliable evidence available at the times the estimates are made. The Group's core business is subject to changes in market factors that directly affect the demand for alcoholic beverages such as purchasing power of consumers, degree of competition, and other market-related factors. Future realization of inventories is affected by price changes in the costs incurred necessary to produce the inventories and make a sale. These aspects are considered as key sources of estimation uncertainty and may cause significant adjustments to the Group's inventories within the next reporting period. A reconciliation of the allowance for inventory write-down is presented in Note 8.

(d) *Estimation of Useful Lives of Property, Plant and Equipment, Right-of-Use Assets and Trademarks*

The Group estimates the useful lives of property, plant and equipment, ROUA and trademarks based on the period over which the assets are expected to be available for use. Certain trademarks were determined to have indefinite useful lives because these brands have been in existence for more than 100 years.

The estimated useful lives of property, plant and equipment, ROUA and trademarks are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets (see Notes 2.7, 2.8 and 2.11). The carrying amounts of property, plant and equipment, ROUA and trademarks are presented in Notes 9.1, 9.2 and 10, respectively.

(e) *Determination of Appropriate Discount Rate in Measuring Lease Liabilities*

The Group measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Group's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(f) *Determination of Realizable Amount of Deferred Tax Assets*

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets recognized as of December 31, 2024 and 2023 will be fully utilized in the subsequent reporting periods. The carrying value of deferred tax assets as of those dates is disclosed in Note 22.

(g) *Impairment of Non-financial Assets*

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Though management believes that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

No additional impairment losses were recognized on non-financial assets in 2024, 2023 and 2022 based on management's assessment.

(h) *Valuation of Post-employment Defined Benefit*

The determination of the Group's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by management and actuaries in calculating such amounts. Those assumptions include, among others, discount rates, salary rate increase, and employee turnover rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment defined benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment defined benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 21.3.

(i) *Fair Value Measurement of Share Options*

The Group estimates the fair value of the share option by applying an option valuation model, taking into account the terms and conditions on which the share option was granted. The estimates and assumptions used are presented in Note 24.4 which include, among others, the option's time of expiration, applicable risk-free interest rate, expected dividend yield, and volatility of the Parent Company's share price. Changes in these factors can affect the fair value of share options at grant date.

Details of the share option plan and the amount of fair value recognized are presented in Note 24.4.

(j) *Determination of Provision for Onerous Lease*

The Group determines the provision for leasehold properties, which are no longer used in the business for which the recoverable amount of the interest in the property is expected to be insufficient to cover future obligations relating to the lease using discounted cash flows and assumptions relating to future sublease income expectations. A significant change in the credit-adjusted risk-free rate used in discounting the estimated cost and sublease assumptions would result in a significant change in the amount of provision recognized with a corresponding effect in consolidated profit or loss.

In 2024, 2023 and 2022, additional provisions for onerous lease were recognized. An analysis of the Group's provision for onerous lease is presented in Note 17.1.

(k) *Determination of Provision for Restoration of Leased Property*

Determining provision for leased property restoration requires estimation of the cost of dismantling and restoring the leased properties to their original condition. The estimated cost was initially determined based on a recent cost to restore the facilities and is being adjusted to consider the estimated incremental annual costs up to the end of the lease term. A significant change in the credit-adjusted risk-free rate used in discounting the estimated cost would result in a significant change in the amount of provision recognized with a corresponding effect in profit or loss.

An analysis of the Group's provisions for leased property restoration cost is presented in Note 17.2.

4. SEGMENT INFORMATION

4.1 Business Segments

The Group is organized into two business segments, the Brandy and Scotch Whisky, which represent the two major distilled spirits categories where the Group operates. Scotch Whisky pertains to the UK operations and the rest fall under Brandy. This is also the basis of the Group's executive committee for its strategic decision-making activities, including the financial performance evaluation of the operating segments or resource allocation decisions. The Group disaggregates revenues recognized from contracts with customers into these two segments that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The same disaggregation is used in earnings releases, annual reports and investor presentations.

4.2 Segment Assets and Liabilities

Segment assets and liabilities represent the assets and liabilities reported in the consolidated statements of financial position of the companies included in each segment.

4.3 Intersegment Transactions

Intersegment transactions, such as intercompany sales and purchases, and receivables and payables, are eliminated in consolidation.

- 24 -

4.4 Analysis of Segment Information

Segment information for the years ended December 31, 2024, 2023 and 2022 (in millions) are presented below.

	BRANDY			SCOTCH WHISKY			SEGMENT TOTALS		
	2024	2023	2022	**2024**	2023	2022	**2024**	2023	2022
REVENUES AND OTHER INCOME									
External customers	**P 36,390**	P 39,973	P 40,687	**P 25,256**	P 25,671	P 22,080	**P 61,646**	P 65,644	P62,767
Intersegment sales*	**630**	600	609	**331**	486	157	**961**	1,086	766
	37,020	40,573	41,296	**25,587**	26,157	22,237	**62,607**	66,730	63,533
COSTS AND EXPENSES									
Costs of goods sold	**28,190**	29,301	29,717	**13,769**	14,045	11,824	**41,959**	43,346	41,541
Intersegment cost of goods sold*	**331**	486	157	**630**	600	609	**961**	1,086	766
Selling and distribution expenses	**3,144**	3,158	3,147	**4,008**	3,600	3,058	**7,152**	6,758	6,205
General and administrative expenses	**1,664**	1,420	1,325	**1,036**	1,602	1,306	**2,700**	3,022	2,631
Interest expense and other charges	**1,132**	1,253	382	**585**	323	298	**1,717**	1,576	680
	34,461	35,618	34,728	**20,028**	20,170	17,095	**54,489**	55,788	51,823
SEGMENT PROFIT BEFORE TAX	**2,559**	4,955	6,568	**5,559**	5,986	5,142	**8,118**	10,941	11,710
TAX EXPENSE	**582**	999	893	**1,051**	998	605	**1,633**	1,997	1,498
SEGMENT NET PROFIT	**P 1,977**	P 3,956	P 5,675	**P 4,508**	P 4,988	P 4,537	**P 6,485**	P 8,944	P10,212
SEGMENT ASSETS*	**P138,186**	P150,747	P147,349	**P 80,811**	P 67,607	P 58,148	**P218,997**	218,354	205,497
SEGMENT LIABILITIES*	**43,450**	55,604	54,274	**25,201**	17,485	12,994	**68,651**	73,089	67,269
Depreciation and Amortization	**1,205**	1,114	1,163	**360**	341	322	**1,565**	1,455	1,485
Interest Expense	**1,126**	1,210	358	**585**	162	253	**1,711**	1,372	611
Equity Share in Net Income of Joint Venture	**78**	112	114	**-**	-	-	**78**	112	114

**Intersegment accounts are eliminated in consolidation. Numbers may not add up due to rounding off. See reconciliation in Note 4.5 below.*

The Group's revenues and other income in the three years presented range from 59% to 63% from the Asia Pacific, 26% to 28% from Europe and the remaining portion from North and Latin Americas, Middle East and Africa and other countries.

Sales to any of the Group's major customers did not exceed 10% of the Group's revenues in all of the years presented.

4.5 Reconciliations

The reconciliation of total segment balances presented for the Group's operating segments to the Group's consolidated balances as presented in the consolidated financial statements are as follows (in millions):

		Segment Totals		Intercompany Accounts		Consolidated Balances
2024						
Revenues and other income	**P**	**62,607**	**(P**	**961)**	**P**	**61,646**
Costs and expenses		**54,489**	**(**	**961)**		**53,528**
Net profit		**6,485**		**-**		**6,485**
Total assets		**218,997**	**(**	**59,469)**		**159,527**
Total liabilities		**68,651**	**(**	**9,650)**		**59,000**
Other segment information:						
Interest expense		**1,711**		**-**		**1,711**
Depreciation and amortization		**1,565**		**-**		**1,565**
Share in net profit of joint venture		**78**		**-**		**78**

- 25 -

		Segment Totals		Intercompany Accounts		Consolidated Balances
2023						
Revenues and other income	P	66,729	(P	1,086)	P	65,643
Costs and expenses		55,788	(	1,086)		54,702
Net profit		8,944		-		8,944
Total assets		218,354	(	69,645)		148,709
Total liabilities		73,089	(	19,787)		53,301
Other segment information:						
Depreciation and amortization		1,455		-		1,455
Interest expense		1,372		-		1,372
Share in net profit of joint venture		112		-		112
2022						
Revenues and other income	P	63,533	(P	766)	P	62,767
Costs and expenses		51,823	(	766)		51,057
Net profit		10,212		-		10,212
Total assets		205,497	(	64,286)		141,211
Total liabilities		67,269	(	14,647)		52,622
Other segment information:						
Depreciation and amortization		1,485		-		1,485
Interest expense		611		-		611
Share in net profit of joint venture		114		-		114

5. CASH AND CASH EQUIVALENTS

This account includes the following components:

		2024		2023
Cash on hand and in banks	**P**	**3,814,838,178**	P	4,286,286,543
Short-term placements		**5,924,350,333**		6,226,839,070
	P	**9,739,188,511**	P	10,513,125,613

Cash in banks generally earn interest at rates based on daily bank deposit rates. Short-term placements have an average maturity of 30 to 64 days and earn effective annual interest rates ranging from 5.0% to 6.1% in 2024, 5.3% to 6.3% in 2023, and from 0.5% to 5.8% in 2022. Interest earned amounted to P293.3 million, P400.3 million, and P141.8 million in 2024, 2023 and 2022, respectively, and is presented as part of Interest income under the Revenues and Other Income section of the consolidated statements of comprehensive income (see Note 18).

6. TRADE AND OTHER RECEIVABLES

Details of this account are as follows [see Note 2.5(a)(i)]:

	Notes	2024	2023
Trade receivables	23.3	**P 18,271,014,806**	P 14,044,982,841
Advances to suppliers		**2,106,799,926**	4,843,852,140
Advances to officers and employees	23.4	**32,923,698**	359,591,136
Accrued interest receivable		**11,967,593**	15,133,067
Other receivables		**157,019,270**	131,711,247
		20,579,725,293	19,395,270,431
Allowance for impairment	3.2(a)	**(379,801,045)**	(297,589,023)
		P 20,199,924,248	P 19,097,681,408

Advances to suppliers pertain to downpayments made primarily for the purchase of goods from suppliers.

All of the Group's trade and other receivables have been assessed for impairment using the ECL model adopted by the Group [see Notes 2.5(a)(ii), 3.1(b) and 3.2(a)]. Certain trade and other receivables were found to be impaired using the ECL methodology as determined by the management; hence, adequate amounts of allowance for impairment have been recognized (see Note 27.2).

A reconciliation of the allowance for impairment at the beginning and end of 2024 and 2023 is shown below.

	2024	2023
Balance at beginning of year	**P 297,589,023**	P 180,655,094
Impairment losses	**90,953,844**	120,264,334
Write-offs	**(9,785,139)**	-
Translation adjustment	**3,712,635**	4,027,995
Recoveries	**(2,669,318)**	(7,358,400)
Balance at end of year	**P 379,801,045**	P 297,589,023

Impairment losses on trade and other receivables are presented as Impairment losses on financial assets under the General and Administrative Expenses account in the consolidated statements of comprehensive income (see Note 20).

Recoveries pertain to collections of certain receivables previously provided with allowance, which are presented as part of Other income under Revenues and Other Income in the consolidated statements of comprehensive income (see Note 18).

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group's financial instruments at FVTPL pertain to marketable equity securities classified as held for trading and derivative instruments amounting to P543.5 million and P355.5 million as of December 31, 2024 and 2023, respectively [see Note 2.5(a)(i)].

The net fair value gains and dividend income earned on these financial instruments are presented in the consolidated statements of comprehensive income as part of Other income under the Revenues and Other Income section (see Note 18) while the net fair value losses are presented as part of Other charges under the Costs and Expenses section. The Group recognized fair value gain amounting to P30.1 million in 2024, and fair value losses amounting to P63.0 million in 2023 and P25.9 million in 2022.

The fair value of the marketable equity securities and derivative financial instruments at FVTPL are measured through quoted market prices and valuation techniques using the net present value computation, respectively [see Notes 3.2(b) and 29.2].

8. INVENTORIES

The details of inventories which are valued at lower of cost and net realizable value, are shown below [see Notes 2.6 and 3.2(c)].

	Notes	2024	2023
At cost:			
Finished goods	19, 23.1	**P 5,252,984,685**	P 7,265,045,032
Work-in-process	9.1, 19, 21.1	**35,158,144,734**	30,562,603,015
Raw materials	19, 23.1	**4,515,584,449**	5,684,271,416
Packaging materials	19	**511,058,362**	462,510,960
Machinery spare parts, consumables and factory supplies		**449,377,487**	412,219,373
		45,887,149,717	44,386,649,796
At net realizable value:			
Finished goods			
Cost	19, 23.1	**2,615,901,913**	1,816,416,980
Allowance for impairment		**(511,535,642)**	(288,866,970)
Packaging materials			
Cost	19	**768,918,490**	613,129,580
Allowance for impairment		**(111,288,500)**	(134,121,050)
		2,761,996,261	2,006,558,540
		P 48,649,145,978	P 46,393,208,336

WML has a substantial inventory of aged stocks, which mature over periods of up to 60 years. The maturing whisky stock inventory amounting to P29.6 billion and P25.2 billion as of December 31, 2024 and 2023, respectively, is presented as part of work-in-process inventories and is stored in various locations across Scotland.

An analysis of the cost of inventories included in costs of goods sold for 2024, 2023 and 2022 is presented in Note 19.

A reconciliation of the allowance for inventory write-down is shown below.

	Note	2024	2023
Balance at beginning of year		**P 422,988,020**	P 368,399,902
Impairment losses	19	**231,007,592**	54,588,118
Reversal of impairment losses		**(31,171,470)**	-
Balance at end of year		**P 622,824,142**	P 422,988,020

The Group recognized losses on inventory write-down amounting to P231.0 million, P54.6 million and P51.5 million in 2024, 2023 and 2022, respectively, which are presented as Impairment losses under the Costs of Goods Sold account in the consolidated statements of comprehensive income (see Note 19). Also, certain inventories amounting to P162.5 million were impaired in 2022 (nil in 2024 and 2023), and is presented as Impairment losses on inventories under the General and Administrative Expenses account in the 2022 consolidated statement of comprehensive income (see Note 20).

In 2024, the Group reversed P31.2 million inventory write-down made in previous years following its sale during the current year. There were no similar transactions in 2023.

9. PROPERTY, PLANT AND EQUIPMENT

The carrying amount of this account is composed of the following:

	Notes	2024	2023
Property, plant and equipment	9.1	**P 39,909,765,923**	P 33,651,737,301
Right-of-use assets	9.2	**996,764,508**	560,030,672
		P 40,906,530,431	P 34,211,767,973

No impairment losses were recognized in 2024, 2023 and 2022 for the Group's property, plant and equipment. As of December 31, 2024 and 2023, certain ROUA, which are considered as onerous lease were fully impaired through direct offset of portion of provision for onerous lease (see Notes 9.2 and 17.1).

9.1 *Carrying Values of Property, Plant and Equipment*

The gross carrying amounts and accumulated depreciation and amortization of property, plant and equipment at the beginning and end of the reporting periods are shown below.

	Land	Land Improvements	Buildings and Improvements	Leasehold Improvements	Machinery and Equipment	Transportation Equipment	Office Furniture and Fixtures	Moulds and Dies	Construction in Progress	Total
December 31, 2024										
Cost	P 7,685,976,947	P 121,203,472	P19,083,317,322	P 600,204,466	P29,354,969,191	P 1,055,869,194	P 1,174,441,530	P 132,546,027	P 1,647,552,183	P 60,856,080,332
Accumulated depreciation and amortization	-	(63,585,228)	(4,598,701,847)	(200,475,806)	(14,747,785,949)	(566,229,675)	(689,038,100)	(80,497,804)	-	(20,946,314,409)
Net carrying amount	**P 7,685,976,947**	**P 57,618,244**	**P14,484,615,475**	**P 399,728,660**	**P14,607,183,242**	**P 489,639,519**	**P 485,403,430**	**P 52,048,223**	**P 1,647,552,183**	**P 39,909,765,923**
December 31, 2023										
Cost	P 7,794,062,615	P 116,078,648	P15,886,689,753	P 478,838,745	P24,166,733,629	P 776,101,030	P 899,642,018	P 138,507,636	P 2,010,038,003	P 52,266,692,077
Accumulated depreciation and amortization	-	(57,639,829)	(4,089,130,038)	(149,482,423)	(13,159,785,751)	(486,786,220)	(583,164,327)	(88,966,188)	-	(18,614,954,776)
Net carrying amount	P 7,794,062,615	P 58,438,819	P11,797,559,715	P 329,356,322	P11,006,947,878	P 289,314,810	P 316,477,691	P 49,541,448	P 2,010,038,003	P 33,651,737,301
January 1, 2023										
Cost	P 6,941,328,737	P 29,078,186	P13,591,834,971	P 271,522,997	P21,012,556,591	P 743,962,398	P 855,108,227	P 116,062,252	P 1,651,252,196	P 45,212,706,555
Accumulated depreciation and amortization	-	(28,743,792)	(3,326,632,517)	(115,098,005)	(11,872,810,358)	(444,935,098)	(495,652,828)	(69,013,519)	-	(16,352,886,117)
Net carrying amount	P 6,941,328,737	P 334,394	P10,265,202,454	P 156,424,992	P 9,139,746,233	P 299,027,300	P 359,455,399	P 47,048,733	P 1,651,252,196	P 28,859,820,438

A reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the reporting periods is shown below and in the succeeding page.

	Land	Land Improvements	Buildings and Improvements	Leasehold Improvements	Machinery and Equipment	Transportation Equipment	Office Furniture and Fixtures	Moulds and Dies	Construction in Progress	Total
Balance at January 1, 2024, net of accumulated depreciation and amortization	P 7,794,062,615	P 58,438,819	P 11,797,559,715	P 329,356,322	P11,006,947,878	P 289,314,810	P 316,477,691	P 49,541,448	P 2,010,038,003	P 33,651,737,301
Additions	30,796,318	3,674,880	2,002,704,024	121,365,721	4,472,532,430	276,904,962	245,935,339	16,247,419	340,192,520	7,510,353,613
Translation adjustment	67,237,077	973,018	274,417,929	-	315,113,417	(22,412)	11,436,476	-	2,995,366	672,150,871
Disposals	-	-	-	-	(2,915,722)	(60,204)	(2,187,811)	(211,508)	-	(5,375,245)
Reclassifications of construction in progress	-	-	624,483,913	-	81,189,793	-	-	-	(705,673,706)	-
Reclassifications	(206,119,063)	-	206,119,063	(51,997)	51,997	-	-	-	-	-
Depreciation and amortization charges for the year	-	(5,468,473)	(420,669,169)	(50,941,386)	(1,265,736,551)	(76,497,637)	(86,258,265)	(13,529,136)	-	(1,919,100,617)
Balance at December 31, 2024, net of accumulated depreciation and amortization	**P 7,685,976,947**	**P 57,618,244**	**P14,484,615,475**	**P 399,728,660**	**P14,607,183,242**	**P 489,639,519**	**P 485,403,430**	**P 52,048,223**	**P 1,647,552,183**	**P 39,909,765,923**

- 30 -

	Land	Land Improvements	Buildings and Improvements	Leasehold Improvements	Machinery and Equipment	Transportation Equipment	Office Furniture and Fixtures	Moulds and Dies	Construction in Progress	Total
Balance at January 1, 2023, net of accumulated depreciation and amortization	P 6,941,328,737	P 334,394	P 10,265,202,454	P 156,424,992	P 9,139,746,233	P 299,027,300	P 359,455,399	P 47,048,733	P 1,651,252,196	P 28,859,820,438
Additions	604,790,288	4,484,050	813,255,788	207,315,748	2,676,662,296	49,194,753	68,978,828	22,445,384	337,815,523	4,784,942,658
Translation adjustment	41,045,209	1,973,882	457,096,974	-	309,844,358	394,032	(36,759,926)	-	85,153,641	858,748,170
Disposals	-	-	(1,277,080)	-	(8,423,012)	(62,000)	(42,899)	-	-	(9,804,991)
Reclassifications from non-current assets classified as held for sale	206,898,381	57,248,798	697,597,561	-	-	-	-	-	-	961,744,740
Reclassifications of construction in progress	-	-	-	-	64,183,357	-	-	-	(64,183,357)	-
Derecognition	-	-	(945,857)	-	-	-	-	-	-	(945,857)
Depreciation and amortization charges for the year	-	(5,602,305)	(433,370,125)	(34,384,418)	(1,175,065,354)	(59,239,275)	(75,153,711)	(19,952,669)	-	(1,802,767,857)
Balance at December 31, 2023, net of accumulated depreciation and amortization	P 7,794,062,615	P 58,438,819	P11,797,559,715	P 329,356,322	P11,006,947,878	P 289,314,810	P 316,477,691	P 49,541,448	P 2,010,038,003	P 33,651,737,301
Balance at January 1, 2022, net of accumulated depreciation and amortization	P 6,934,892,520	P 3,242,213	P 8,786,112,777	P 130,316,205	P 9,154,094,703	P 170,396,198	P 353,012,719	P 39,493,857	P 1,270,268,607	P 26,841,829,799
Additions	2,800,717	-	1,736,254,644	46,877,701	1,402,516,845	179,645,316	59,805,632	30,307,564	724,677,895	4,182,886,314
Translation adjustment	3,635,500	-	12,254,550	-	(3,682,300)	(1,538,050)	6,272,950	-	116,700	17,059,350
Disposals	-	-	(312,319,607)	(165,338)	(134,035,489)	(372,601)	(28,674)	-	-	(446,921,709)
Reclassifications of construction in progress	-	-	340,328,864	-	3,482,142	-	-	-	(343,811,006)	-
Depreciation and amortization charges for the year	-	(2,907,819)	(297,428,774)	(20,603,576)	(1,282,629,668)	(49,103,563)	(59,607,228)	(22,752,688)	-	(1,735,033,316)
Balance at December 31, 2022, net of accumulated depreciation and amortization	P 6,941,328,737	P 334,394	P10,265,202,454	P 156,424,992	P 9,139,746,233	P 299,027,300	P 359,455,399	P 47,048,733	P 1,651,252,196	P 28,859,820,438

- 31 -

The amount of depreciation and amortization is allocated as follows:

	Notes	**2024**	2023	2022
Costs of goods sold	19	**P 1,042,819,598**	P 1,029,742,303	P 1,131,653,684
General and administrative expenses	20	**231,879,541**	225,321,154	124,800,235
Selling and distribution expenses	20	**89,994,072**	95,275,080	86,925,872
		1,364,693,211	1,350,338,537	1,343,379,791
Capitalized as part of work-in-process inventories	8	**554,407,406**	452,429,320	391,653,525
		P 1,919,100,617	P 1,802,767,857	P 1,735,033,316

The amount capitalized to work-in-process inventory represents depreciation expense on barrels and warehouse buildings wherein the maturing bulk stocks of whisky are held, which can reach periods of up to 60 years.

In 2024, 2023 and 2022, certain property, plant and equipment with carrying amounts of P5.4 million, P9.8 million and P446.9 million, were sold for P5.4 million, P17.1 million, and P448.0 million, respectively. The resulting gain on disposals for 2023 and 2022 amounting to P7.3 million and P1.1 million, respectively, (nil in 2024) was recognized as part of Other income under the Revenues and Other Income section in the consolidated statements of comprehensive income (see Note 18).

9.2 Right-of-use Assets

The Group has leases for certain manufacturing plant, warehouses, building space, commercial building, and vehicles, fittings and equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the consolidated statements of financial position as Right-of-use assets under the Property, Plant and Equipment account and Lease Liabilities account.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the ROUA can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For certain leases, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

- 32 -

The table below describes the nature of the Group's leasing activities by type of ROUA recognized in the consolidated statements of financial position.

	Number of right-of-use assets leased	Range of remaining term	Average remaining lease term	Number of leases with extension options	Number of leases with termination options
December 31, 2024					
Plant	1	2 years	2 years	1	-
Warehouses	31	1 to 9 years	3 year and 3 months	14	9
Building space	8	1 to 1 year and 5 months	1 to 1 years and 5 months	3	-
Buildings	4	1 year to 12 years and 9 months	1 year to 12 years and 9 months	-	1
Vehicles, fittings and equipment	72	1 to 2 years	1 to 2 years	-	-
December 31, 2023					
Plant	1	3 years	3 years	1	-
Warehouses	26	1 to 5 years	2 years and 10 months	3	4
Building space	9	1 to 2 years and 5 months	1 to 2 years and 5 months	1	-
Buildings	4	1 year to 13 years and 9 months	1 year to 13 years and 9 months	-	1
Vehicles, fittings and equipment	72	1 to 3 years	1 to 3 years	-	-

The carrying amounts of the Group's ROUA as at December 31, 2024 and 2023 and the movements during the period are shown below.

	Plant	Warehouses	Building Space	Buildings	Vehicles, Fittings and Equipment	Total
December 31, 2024						
Cost						
Balance at beginning of year	P 140,572,378	P 429,892,410	P 199,052,259	P 635,179,288	P 83,205,714	P 1,487,902,049
Additions	-	82,991,534	457,730,238	26,968,085	74,612,205	642,302,062
Termination	-	(296,754,439)	(165,299,546)	(50,539,057)	-	(512,593,042)
Disposal	-	-	-	-	(57,013,000)	(57,013,000)
Translation adjustment	-	-		2,091,511	23,879,571	25,971,082
Lease modification	(975,330)	-	-	-	-	(975,330)
Balance at end of year	139,597,048	216,129,505	491,482,951	613,699,827	124,684,490	1,585,593,821
Accumulated amortization						
Balance at beginning of year	70,286,189	308,227,213	115,260,660	395,821,471	38,275,844	927,871,377
Termination	-	(296,754,439)	(165,299,546)	(40,877,729)	-	(502,931,714)
Amortization for the year	23,103,620	53,202,955	57,700,613	20,118,112	46,103,077	200,228,377
Disposal	-	-	-	-	(52,164,121)	(52,164,121)
Translation adjustment	-	-	-	764,224	15,061,170	15,825,394
Balance at end of year	93,389,809	64,675,729	7,661,727	375,826,078	47,275,970	588,829,313
Carrying amount at December 31, 2024	**P 46,207,239**	**P 151,453,776**	**P 483,821,224**	**P 237,873,749**	**P 77,408,520**	**P 996,764,508**
December 31, 2023						
Cost						
Balance at beginning of year	P 140,572,378	P 326,740,266	P 199,052,259	P 465,401,794	P 71,235,714	P 1,203,002,411
Additions	-	104,523,688	-	137,985,020	17,080,000	259,588,708
Translation adjustment	-	14,452,174	-	31,792,474	-	46,244,648
Termination	-	(15,823,718)	-	-	(5,110,000)	(20,933,718)
Balance at end of year	140,572,378	429,892,410	199,052,259	635,179,288	83,205,714	1,487,902,049
Accumulated amortization						
Balance at beginning of year	46,857,459	307,141,795	113,009,519	313,697,600	26,095,844	806,802,217
Amortization for the year	23,428,730	2,456,962	2,251,141	58,160,438	17,290,000	103,587,271
Translation adjustment	-	14,452,174	-	23,963,433	-	38,415,607
Termination	-	(15,823,718)	-	-	(5,110,000)	(20,933,718)
Balance at end of year	70,286,189	308,227,213	115,260,660	395,821,471	38,275,844	927,871,377
Carrying amount at December 31, 2023	P 70,286,189	P 121,665,197	P 83,791,599	P 239,357,817	P 44,929,870	P 560,030,672

- 33 -

In 2024, 2023 and 2022, additional onerous lease provisions are recognized and is presented as part of Provisions under General and Administrative Expenses account in the consolidated statements of comprehensive income (see Notes 17.1 and 20).

Provision for dilapidations amounting to P9.1 million and P24.4 million was capitalized as part of ROUA in 2024 and 2023, respectively (see Note 17.2).

The amount of amortization is allocated as follows:

	Notes	2024	2023
Costs of goods sold	19, 23.2	**P 100,896,464**	P 18,714,962
Selling and distribution expenses	20	**37,342,143**	21,023,901
General and administrative expenses	20	**61,989,770**	63,848,408
		P 200,228,377	P 103,587,271

9.3 Lease Liabilities

Lease liabilities are presented in the consolidated statements of financial position as at December 31, 2024 and 2023 as follows:

	2024	2023
Current	**P 232,830,824**	P 164,031,838
Non-current	**844,538,141**	447,170,215
	P 1,077,368,965	P 611,202,053

The use of extension and termination options gives the Group added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Group's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost.

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at December 31 is as follows:

	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
December 31, 2024							
Lease liabilities	P 276,532,366	P 200,095,583	P 176,653,168	P 153,079,863	P 110,580,573	P 349,627,196	P 1,266,568,749
Finance charges	(43,701,542)	(35,250,229)	(32,244,089)	(25,076,290)	(19,216,632)	(33,711,002)	(189,199,784)
Net present values	**P 232,830,824**	**P 164,845,354**	**P 144,409,079**	**P 128,003,573**	**P 91,363,941**	**P 315,916,194**	**P 1,077,368,965**
December 31, 2023							
Lease liabilities	P 177,331,224	P 195,926,449	P 105,596,593	P 74,793,821	P 68,251,957	P 78,260,000	P 700,160,044
Finance charges	(13,299,386)	(37,629,422)	(14,225,863)	(10,415,118)	(7,088,202)	(6,300,000)	(88,957,991)
Net present values	P 164,031,838	P 158,297,027	P 91,370,730	P 64,378,703	P 61,163,755	P 71,960,000	P 611,202,053

- 34 -

9.4 Lease Payments Not Recognized as Liabilities

The Group has elected not to recognize a lease liability for short-term leases or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

The expenses relating to short-term leases and low-value assets in 2024 and 2023 is allocated as follows:

	Notes	2024	2023
Costs of goods sold	19	**P 282,293,374**	P 163,042,094
Selling and distribution expenses	20	**24,763,976**	46,602,302
General and administrative expenses	20	**68,815,233**	11,585,427
		P 375,872,583	P 221,229,823

The future minimum rentals payable of the Group arising from short-term leases amounted to P105.5 million and P71.0 million as of December 31, 2024 and 2023, respectively.

9.5 Additional Profit or Loss and Cash Flow Information

The total cash outflows in respect of lease liabilities amounted to P161.9 million, P216.5 million and P100.6 million in 2024, 2023 and 2022, respectively. Interest expense in relation to lease liabilities amounted to P38.0 million, P43.1 million and P47.8 million in 2024, 2023 and 2022, respectively, and is presented as part of Interest Expense account under the Costs and Expenses section of the consolidated statements of comprehensive income.

10. INTANGIBLE ASSETS

This account is composed of fully amortized trademarks with definite useful lives with cost amounting to P2.2 million as of December 31, 2024 and 2023, respectively, and trademarks and goodwill with indefinite useful lives with the following details:

	Note	2024	2023
Indefinite useful lives	2.8		
Trademarks – net		**P 21,453,858,552**	P 21,125,928,781
Goodwill		**10,238,954,154**	9,859,886,210
		P 31,692,812,706	P 30,985,814,991

The Group's trademarks include those that were acquired by EDI from Consolidated Distillers of the Far East, Inc. ("Condis"), a related party owned by certain stockholders of AGI, to manufacture and sell distilled spirits, particularly brandy, under the brand names "Emperador Brandy" and "Generoso Brandy". The Group also has another trademark for its flavored alcoholic beverage under the brand name "The BaR". In 2013, the Group registered another trademark under the brand name "Emperador Deluxe", which was introduced during the same year.

- 35 -

EUK's purchase of WMG Group in 2014 [see Note 1.1(g),(i),(j)] included the acquisition of trademarks amounting to P4.5 billion and P5.5 billion for "Jura" and "The Dalmore" (collectively, "WMG brands"), respectively, and the recognition of goodwill amounting to P7.7 billion in the consolidated financial statements.

BFS's purchase of the Fundador Business Unit in 2016 [see Note 1.1(l)] in Jerez included the acquisition of four trademarks amounting to P6.7 billion, namely "Fundador Brandy", "Terry Centenario Brandy", "Tres Cepas Brandy", and "Harveys" sherry wine (collectively, "Fundador brands") and tangible assets (mostly inventories and property, plant and equipment) amounting to P6.6 million; and the recognition of goodwill amounting to P1.5 billion in the consolidated financial statements.

The goodwill recognized from the foregoing acquisitions reflects the opportunity to strengthen the Group's position in the global drinks market, the synergies and economies of scale expected from combining the operations of the Group, WMG and Fundador Business Unit, and the value attributable to their respective workforce. The trademarks acquired have indefinite useful lives; hence, no amortization was recognized for these brands for the periods presented. The goodwill recognized is not deductible for income tax purposes.

For purposes of determining the goodwill [see Note 2.3(a)], the Group determined the fair value of the identified net assets as of October 31, 2014 and February 29, 2016 for WMG and Fundador Business Unit, respectively, as presented below.

	WMG	Fundador Business Unit
Cash consideration	P 30,272,934,983	P 14,718,366,134
Identifiable assets:		
Tangible assets	21,723,648,592	6,592,734,082
Intangible assets	9,972,144,142	6,662,974,698
Liabilities	(9,095,752,005)	-
Total identifiable assets	22,600,040,729	13,255,708,780
Goodwill at transaction date	**P 7,672,894,254**	**P 1,462,657,354**

The asset acquisitions from the Domecq and Garvey Acquisitions in 2017 by DBLC and CBSP, respectively [see Note 1.1(o) and (p)], included various trademarks with indefinite useful lives amounting to P3.5 billion. The trademarks acquired by DBLC include certain brands of Mexican brandies: "Presidente", "Azteca de Oro", "Don Pedro" and two Spanish brandies (collectively, "Domecq brands") while trademarks acquired by CBSP include "Garvey Brandy" and well-known sherries including "Fino San Patricio" and two liquors (collectively, "Grupo Garvey brands"). The consideration paid and the purchase price allocated to identifiable assets based on their individual relative fair values, as translated at exchange rate at transaction dates, are presented below.

	Domecq Acquisition	Garvey Acquisition
Tangible assets	P 1,702,112,882	P 1,554,825,243
Intangible assets	3,123,564,000	332,598,228
	4,825,676,882	1,887,423,471
Liabilities	-	(34,361,071)
	P 4,825,676,882	**P 1,853,062,400**

- 36 -

The composition of the intangible assets with indefinite useful lives as of December 31, 2024 is as follows:

	2024	2023
Goodwill breakdown:		
WMG	**P 8,523,243,800**	P 8,172,302,000
GES	**1,715,710,354**	1,687,584,210
	10,238,954,154	9,859,886,210
Trademarks with indefinite useful lives:		
WMG brands	**10,488,494,146**	10,057,460,140
Fundador and other brands	**7,815,561,063**	7,687,438,148
Domecq brands	**3,055,114,932**	3,287,894,338
Grupo Garvey brands - net	**94,688,411**	93,136,155
	21,453,858,552	21,125,928,781
	P 31,692,812,706	P 30,985,814,991

A reconciliation of the carrying amounts of intangible assets with indefinite useful lives at the beginning and end of 2024 and 2023 is shown below.

	Goodwill	Trademarks	Total
Balance at January 1, 2024	P 9,859,886,210	P 21,125,928,781	P 30,985,814,991
Translation adjustments	379,067,944	327,929,771	706,997,715
Balance at December 31, 2024	**P10,238,954,154**	**P21,453,858,552**	**P 31,692,812,706**
Balance at January 1, 2023	P 9,526,228,590	P 20,103,888,129	P 29,630,116,719
Translation adjustments	333,657,620	1,022,040,652	1,355,698,272
Balance at December 31, 2023	P 9,859,886,210	P 21,125,928,781	P 30,985,814,991

The Group has fully amortized trademarks with definite useful lives as of December 31, 2024 and 2023. The Group recognized amortization expense from trademarks with definite useful lives amounting to P0.5 million and P1.6 million in 2023 and 2022, respectively, (nil in 2024) (see Note 20).

The "Emperador Deluxe", "The BaR", and "Emperador Brandy" and "Generoso Brandy" trademarks were fully amortized since 2023, 2018 and 2017, respectively.

The Group monitors goodwill and trademarks with indefinite useful lives on the cash generating units to which these assets were allocated. An analysis of how the value-in-use of each of the cash generating units to which these assets were allocated is presented in the succeeding page (amounts in billions of pesos).

- 37 -

	2024				2023			
	Allocated Intangible Assets*	**Value in Use**	**Terminal Growth Rate**	**Discount Rate**	Allocated Intangible Assets*	Value in Use	Terminal Growth Rate	Discount Rate
Goodwill:								
WMG	**P 8.52**	**P 17.56**	**4.57%**	**7.98%**	P 8.17	P 36.34	3.54%	7.70%
GES	**1.72**	**15.51**	**3.40%**	**6.57%**	1.69	18.11	3.40%	6.21%
Trademarks with indefinite lives:								
WMG brands	**10.49**	**117.01**	**4.57%**	**7.98%**	10.06	237.17	3.54%	7.70%
Fundador brands	**7.82**	**20.82**	**3.40%**	**6.57%**	7.69	16.95	3.40%	6.21%
Domecq brands	**3.06**	**3.99**	**1.50%**	**4.50%**	3.29	3.99	1.50%	4.50%
Grupo Garvey brands**	**0.09**	**0.10**	**0.50%**	**7.65%**	0.09	0.10	0.50%	7.65%

* *Amounts are translated at closing rates as of the end of the reporting periods in accordance with PAS 21, The Effects of Changes in Foreign Exchange Rates.*

** *Management believes that, after the impairment provided for Grupo Garvey brands in 2019, the value-in-use as of December 31, 2024 and 2023 approximates its carrying value.*

The value-in-use of each group of cash generating unit was determined using cash flow projections for five years, and extrapolating cash flows beyond the projection period using a perpetual terminal growth rate. The discount rates and growth rates are the key assumptions used by management in determining the value-in-use of the cash generating units.

Management believes that both the goodwill and trademarks, except for certain trademarks identified above, are not impaired as of December 31, 2024 and 2023 as the Group's products that carry such brands and trademarks are performing very well in the market; hence, no impairment is necessary to be recognized in the periods presented.

No trademarks have been pledged as security for liabilities.

11. OTHER ASSETS

11.1 Prepayments and Other Current Assets

This account is composed of the following:

	2024	2023
Prepaid taxes	**P 2,079,544,002**	P 1,770,166,012
Prepaid expenses	**853,342,059**	1,071,452,939
Deferred input VAT	**76,935,282**	163,328,227
Refundable security deposits	**6,767,203**	16,439,451
Others	**152,582,410**	77,846,964
	P 3,169,170,956	P 3,099,233,593

Prepaid taxes pertain to payments made by the Group for the withholding taxes and other government-related obligations. It also includes purchase of labels and advance payment of excise tax for both the local production and importation of alcoholic beverage products.

Prepaid expenses include prepayments of rentals, insurance and general prepayments.

11.2 Other Non-current Assets

This account is composed of the following:

	Note		2024		2023
Advances to suppliers		**P**	**76,327,239**	P	19,022,978
Refundable security deposits	23.2		**45,885,833**		40,479,622
Deferred input VAT			**17,030,424**		17,437,970
Others			**17,582,500**		21,117,315
		P	**156,825,996**	P	98,057,885

In 2016, the Group purchased from one of its property lessors an outstanding mortgage debt on one of the Group's leased properties. The purchased mortgage asset entitled the Group to full security over the leased property and to the monthly interest payments from the property lessor. However, the Group remained as lessee over the property; hence, it was still required to make monthly lease payments to the property lessor until 2036. Following the adoption of PFRS 16 in 2019, the Group recognized ROUA and lease liabilities from this leased property (see Notes 9.2 and 9.3).

In 2022, the property mortgage receivable was reversed upon the Group's acquisition of the subject property, which was classified as part of Buildings and improvements under Property, Plant and Equipment in the 2022 consolidated statement of financial position (see Note 9.1), and the related ROUA and lease liabilities were also derecognized. The resulting gain on lease termination is presented as part of Other income – net under Revenues and Other Income in the 2022 consolidated statement of comprehensive income (see Notes 9.2, 18 and 31.2).

Refundable security deposits were paid by the Group to various lessors for lease agreements covering certain office spaces, manufacturing facilities and storage tanks for raw materials.

12. INVESTMENT IN A JOINT VENTURE

On February 2, 2014, GES entered into an agreement with Gonzales Byass, S.A. ("Gonzalez"), for the joint control of BLC for 50% equity interest for each venturer. The 50% participation cost of P3.7 billion is based on the fair valuation of the assets. An amount withdrawn from this investment of P858.4 million was used by the Group as part of the 50% capitalization of DBLC in 2017.

BLC was incorporated on March 19, 2013. Its primary business consists of the planting and growing of wine grapes and the exploitation of vineyards, the production, ageing and preparation of wines and vinegars; the production of alcohol; the production, preparation and ageing of brandy, aguardientes, compounds, liquors and in general, all kinds of spirits.

As of December 31, 2024 and 2023, the carrying amount of the investment in a joint venture, which is accounted for under the equity method (see Note 2.3) in these consolidated financial statements, are as follows:

		2024		2023
Acquisition costs	**P**	**2,845,367,065**	P	2,845,367,065
Accumulated share in net profit:				
Balance at beginning of year		**659,025,708**		434,304,054
Share in net profit for the year		**77,607,480**		111,644,188
Balance at end of year		**736,633,188**		545,948,242
Translation gain		**58,406,055**		113,077,466
	P	**3,640,406,308**	P	3,504,392,773

The share in net profit is recorded as Equity in net profit of joint venture in the Revenues and Other Income section of the consolidated statements of comprehensive income (see Note 18).

The summarized financial information of the joint venture as of December 31, 2024 and 2023 and for the years then ended are as follows (in thousands):

		2024		2023
Cash and cash equivalents	**P**	**207,988**	P	85,163
Trade and other receivables		**632,258**		685,289
Financial assets	**P**	**840,246**	P	770,452
Current assets	**P**	**1,854,202**	P	1,642,671
Non-current assets		**2,005,060**		1,997,943
Total assets	**P**	**3,859,262**	P	3,640,614
Current financial liabilities (excluding tax payables and provisions)	**P**	**386,628**	P	52,475
Non-current financial liabilities		**232**		2,229
Financial liabilities	**P**	**386,860**	P	54,704
Current liabilities	**P**	**672,916**	P	439,855
Non-current liabilities		**232**		2,229
Total liabilities	**P**	**673,148**	P	442,084
Revenues	**P**	**1,677,592**	P	1,515,214
Depreciation and amortization	**P**	**31,552**	P	32,516
Net profit for the year	**P**	**155,208**	P	223,288

A reconciliation of the above summarized financial information to the carrying amount of the investment in BLC is shown below (in thousands):

	2024	2023
Net assets of BLC	**P 3,186,114**	P 3,198,530
Proportion of ownership interest by the Group	**50.0%**	50.0%
Ownership share of the Group in net assets of BLC	**1,593,057**	1,599,265
Fair value and translation adjustments	**2,047,349**	1,905,128
Carrying amount of investment	**P 3,640,406**	P 3,504,393

The Group has no commitments or other contingent liabilities with regard to this joint venture or has assessed that the probability of loss that may arise from contingent liabilities is remote.

13. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets classified as held for sale consisted of land and buildings called as "Complejo Bellavista" and "Cerro Viejo Vineyards" previously occupied by a business unit and classified under property, plant and equipment that the Group has discontinued use and, on December 27, 2020, management approved their sale through the signed letter of intent with a related party under common ownership. The letter of intent stated that the assets would be sold at a purchase price of €16.6 million (equivalent to P994.9 million), which was equivalent to the net book value of the property, at any time from the date of signature of the letter of intent until three years after COVID-19 pandemic had ended. On December 27, 2022, the parties renewed their commitment and the term to complete the sale and purchase of properties was set until December 31, 2023. In 2023, the sale did not materialize due to change in business plans in the use of the assets (see Note 23.9). Consequently, the related assets are reclassified back as part of Property, Plant and Equipment, and adjusted for the amount of depreciation expense that would have been recognized had the asset not been classified as held for sale, which is lower than the recoverable amount at the date of subsequent decision not to sell [see Note 3.1(f)].

The carrying value of these assets immediately prior to their classification as held for sale is lower than their fair value less cost to sell. Accordingly, the Group did not recognize any loss in connection with the reclassification of the assets as held for sale. There were also no revenues recognized in 2023, 2022 and 2021 that were associated with the assets. Depreciation expense amounting to €1.0 million (approximately P58.5 million) was incurred prior to reclassification of the assets on December 27, 2020. In 2023, the depreciation adjustment amounted to P56.1 million and is presented as part of General and Administrative Expenses account in the 2023 consolidated statement of comprehensive income (see Note 20).

14. INTEREST-BEARING LOANS

The composition of the Group's outstanding foreign bank loans is shown below [see Note 2.5(b)(ii)].

	2024	[As Restated – see Note 2.1(d)] 2023
Current	**P 679,108,834**	P 900,555,535
Non-current	**32,753,446,587**	25,066,748,570
	P 33,432,555,421	P 25,967,304,105

The summarized terms and conditions of each availed loan as at December 31, 2024 and 2023 are as follows:

Outstanding Balance **2024**	Outstanding Balance 2023	Explanatory Notes	Interest Rate	Security	Maturity date
P 18,909,997,520	P 18,600,000,161	(a)	Margin of 0.825% plus EURIBOR	Unsecured	2028
13,506,215,085	5,881,165,150	(b)	0.8% over SONIA	Secured	2026 to 2028
1,016,342,816	1,486,138,794	(c)	Fixed at 1.6%	Unsecured	2027
P 33,432,555,421	P 25,967,304,105				

(a) In 2023, EIL obtained a €310.0 million unsecured five-year bank loan from a syndicate of foreign financial institutions to pay the balance of its existing loan obtained in 2019. The loan is payable in full at maturity and so is presented under the Non-current Liabilities section of the consolidated statements of financial position.

(b) WMG has an existing asset-based-lending facility with a foreign bank up to April 2028, where it had drawn down P7.5 billion, P5.4 billion and P1.4 billion in 2024, 2023 and 2022, respectively. The loan is secured by way of floating charge against WMG's inventories. The interest and the principal can be paid anytime up to, or balloon payment at maturity, and WMG has made payments during each year.

(c) In 2017, DBLC assumed from BLC unsecured, interest-bearing and foreign-currency-denominated loans totalling P3.0 billion from certain financial institutions relating to Domecq Acquisition (see Note 10). In 2024, 2023, 2022 and 2018, DBLC acquired additional loans amounting to P406.2 million, P464.5 million, P467.9 million and P0.1 million, respectively. In 2024, 2023 and 2022, DBLC paid portion of the loans amounting to P900.8 million, P543.5 million and P636.5 million, respectively.

In 2023, PAI fully paid a short-term unsecured, interest-bearing revolving loan obtained from a local commercial bank at a total amount of P400.0 million for working capital purposes.

Interest expense on loans for 2024, 2023 and 2022 amounted to P1.6 billion, P1.3 billion and P292.8 million, respectively, and is presented as part of Interest Expense account under the Costs and Expenses section of the consolidated statements of comprehensive income.

Accrued interest payable as of December 31, 2024 and 2023 amounted to P92.2 million and P94.5 million, respectively, and presented as part of Accrued expenses under the Trade and Other Payables account in the consolidated statements of financial position (see Note 16).

The Group complied with the financial and non-financial covenants on these loans and borrowings as of December 31, 2024 and 2023.

15. EQUITY-LINKED DEBT SECURITIES

On November 7, 2014, EMI, as the Issuer, entered into a subscription agreement with Arran Investment Private Limited ("Arran" or "the Holder") for the issuance of 1.1 billion common shares at a total subscription price of P12.3 billion (see Note 24.1) and an ELS amounting to P5.3 billion ("Issue Price"). The shares and the ELS were issued on December 4, 2014 ("Issue Date"). The ELS may be converted into a fixed number of common shares ("Conversion Shares").

The ELS bore fixed interest rate compounded annually, which the parties formally agreed to remove on June 15, 2017. The Accrued Interest Payable amounting to P832.3 million was applied as consideration for 122,391,176 common shares ("Accrued Interest Shares") (see Note 24.1).

On December 23, 2019, the parties formally agreed to the following amendments:

(a) The Holder was given the right to request conversion of:

(i) P1,836,250,000 into 253,275,862 shares, which should come from the Parent Company's treasury shares ("Tranche 1 Conversion Shares") ("Tranche 1 Conversion"); and,

(ii) P3,443,750,000 into 475,000,000 shares ("Tranche 2 Shares") ("Tranche 2 Conversion").

(b) The Holder was allowed to transfer the ELS to an affiliate of EMI.

On February 5, 2020, the Holder exercised its right to Tranche 1 Conversion. Pursuant to this conversion (see Note 24.2), the Group also reclassified a portion of the Conversion Options amounting to P47.7 million to APIC in 2020 (see Note 2.17).

On December 3, 2021, the Holder exercised its right to Tranche 2 Conversion. Pursuant to this, EMI derecognized the financial liability component of the ELS and recognized an equity component amounting to P3.4 billion, which is presented as Deposit for Future Stock Subscription – Equity-linked Securities under the Equity section of the consolidated statements of financial position (see Note 2.17).

EMI and the Holder mutually agreed to several conversion periods, which was last agreed to be until February 12, 2025 [subsequently, August 12, 2025 as of this report date (see Note 32)] or such other date as may be mutually agreed in writing between the Holder and EMI. Upon the actual conversion, EMI will reclassify the remaining portion of the Conversion Options amounting to P88.5 million to APIC (see Note 2.17).

The ELS also bears variable interest in an amount equal to the dividend rate applied to the number of Conversion Shares and at same time as when dividends were paid to stockholders. In 2023, EMI and Arran formally agreed and clarified the continuation of Variable Interest on the Tranche 2 Shares effective until end of conversion period or the issuance of the Tranche 2 Shares, whichever comes earlier.

Variable Interest amounting to P114.0 million and P137.8 million were respectively incurred in 2024 and 2023 (no declaration in 2022) and are presented as part of Cash Dividends Declared and Paid in the 2024 and 2023 consolidated statements of changes in equity.

There were no related collaterals on the ELS.

16. TRADE AND OTHER PAYABLES

The breakdown of this account is as follows [see Note 2.5(b)(ii)]:

	Notes	2024	2023
Trade payables	23.1, 23.2(a)	**P 9,702,013,952**	P 7,669,062,776
Accrued expenses	14, 23.2(b)	**6,541,933,839**	10,834,307,832
Output VAT payable		**822,803,768**	887,752,755
Withholding tax payable		**2,956,689**	-
Others		**87,986,809**	329,500,811
		P 17,157,695,057	P 19,720,624,174

Trade payables arise mostly from purchases of raw materials such as alcohol, molasses, flavorings and other supplies.

Accrued expenses significantly include various accruals relating to interest on interest-bearing loans, marketing, operations, and other activities. The accrued interest is expected to be paid subsequently based on the scheduled interest payment date (see Note 14).

17. PROVISIONS

The breakdown of this account as of December 31, 2024 and 2023 is as follows:

	Onerous Lease (see Note 17.1)	Dilapidations (see Note 17.2)	Total
Balance at January 1, 2024	**P 93,790,900**	**P 212,403,870**	**P 306,194,770**
Reversal of provisions	**(152,859,445)**	**(27,605,753)**	**(180,465,198)**
Reclassification to lease liabilities	**57,033,148**	**-**	**57,033,148**
Additional provisions	**36,707,116**	**9,103,036**	**45,810,152**
Utilized amounts	**(34,671,719)**	**(13,034,743)**	**(47,706,462)**
Balance at December 31, 2024	**P -**	**P 180,866,410**	**P 180,866,410**

- 44 -

	Onerous Lease (see Note 17.1)	Dilapidations (see Note 17.2)	Total
Balance at January 1, 2023	P 62,872,465	P 189,335,367	P 252,207,832
Additional provisions	34,159,365	24,430,748	58,590,113
Utilized amounts	(3,240,930)	(1,362,245)	(4,603,175)
Balance at December 31, 2023	P 93,790,900	P 212,403,870	P 306,194,770

17.1 Provision for Onerous Lease

WML has existing non-cancellable lease agreements on leasehold properties located in Glasgow and Edinburgh, Scotland, covering manufacturing plant facilities, buildings and parking spaces, which are vacant or subleased at a discount. The provisions take account of current market conditions, expected future vacant periods, expected future sublet benefits and are calculated by discounting expected net cash outflows on a pre-tax basis over the remaining period of the lease, which as of December 31, 2024 and 2023, is between one to five years and one to six years, respectively.

In 2024, the provision relating to the leasehold properties located in Edinburgh, Scotland was reversed upon surrendering one of its units to the lessor. Consequently, the Group reclassified against lease liabilities the future subtenant rent receivables under the onerous lease amounting to P57.0 million. There was no similar transaction in 2023.

In 2024, 2023 and 2022, the Group recognized additional provision amounting to P36.7 million, P34.2 million and P41.1 million, respectively [see Note 3.2(j)]. The additional provision is presented as Provisions under General and Administrative Expenses account in the consolidated statements of comprehensive income since the related ROUA were fully impaired as of December 31, 2024 and 2023 (see Notes 9.2 and 20).

17.2 Provision for Dilapidations

WML is a party to lease agreements for properties located in Glasgow and Edinburgh, Scotland, which provide for tenant repairing clauses. The lease agreements require the Group to restore the leased properties to a specified condition at the end of the lease term in 2029. A provision was recognized for the present value of the costs to be incurred for the restoration of the leased properties. Additional provisions are capitalized as part of ROUA in 2024 and 2023 (see Note 9.2).

In 2024, the provision for dilapidations relating to the surrender of one of the units in the leasehold properties located in Edinburgh, Scotland was also reversed (see Note 17.1). There was no similar transaction in 2023.

- 45 -

18. REVENUES AND OTHER INCOME

The details of revenues and other income are shown below.

	Notes	**2024**	2023	2022
Sale of goods and services	2.10	**P 60,743,035,490**	P 64,498,870,885	P 60,671,033,945
Others:				
Interest income	5, 21.3	**293,267,490**	400,254,627	141,756,928
Equity in net profit of joint venture	12	**77,607,480**	111,644,188	113,970,450
Unrealized foreign currency gains – net		**148,715,443**	-	989,702,796
Other income – net	6, 7, 9.1 23.6	**383,026,680**	632,991,374	850,606,250
		902,617,093	1,144,890,189	2,096,036,424
		P 61,645,652,583	P 65,643,761,074	P 62,767,070,369

19. COSTS OF GOODS SOLD

The details of costs of goods sold for the years ended December 31, 2024, 2023 and 2022 are shown below.

	Notes	**2024**	2023	2022
Finished goods at beginning of year	8	**P 9,081,462,012**	P 7,144,431,089	P 5,574,742,812
Finished goods purchased	23.1	**2,348,869,536**	3,120,744,509	2,532,488,773
Costs of goods manufactured				
Raw and packaging materials at beginning of year	8	**6,759,911,956**	6,555,198,631	4,209,746,983
Net raw material purchases during the year	23.1	**34,055,602,679**	40,378,613,757	37,564,990,740
Raw and packaging materials at end of year	8	**(5,795,561,301)**	(6,759,911,956)	(6,555,198,631)
Raw materials used during the year		**35,019,953,334**	40,173,900,432	35,219,539,092
Work-in-process at beginning of year	8	**30,562,603,015**	25,603,632,966	24,255,660,910
Direct labor	21.1	**1,966,970,268**	1,908,522,779	1,599,672,660
Manufacturing overhead:				
Depreciation and amortization	9.1, 9.2, 23.2	**1,143,716,062**	1,048,457,265	1,218,919,338
Taxes and licenses		**591,212,673**	534,473,819	354,562,526
Repairs and maintenance		**425,077,380**	523,610,200	431,130,827
Communication, light and water		**360,759,744**	386,091,428	551,953,927
Outside services	23.6	**316,852,635**	362,140,147	319,568,784
Labor	21.1	**284,704,907**	276,378,513	239,301,197
Rentals	9.4, 23.2	**282,293,374**	163,042,094	179,002,426
Fuel and lubricants		**241,745,409**	339,579,578	510,611,788
Impairment losses	8	**231,007,592**	54,588,118	51,509,158
Transportation		**187,910,012**	53,386,002	84,488,511
Commission		**117,239,752**	167,987,820	132,760,500
Meals		**109,256,496**	45,270,003	44,487,066
Gasoline and oil		**96,830,003**	59,474,337	60,521,652
Balance carried forward		**P 71,938,132,656**	P 71,700,535,501	P 65,253,690,362

- 46 -

	Note	2024	2023	2022
Balance brought forward		**P 71,938,132,656**	P 71,700,535,501	P 65,253,690,362
Insurance		**89,912,171**	62,275,991	61,223,282
Consumables and supplies		**58,931,745**	168,155,858	211,353,831
Waste disposal		**37,256,419**	41,064,647	73,552,868
Miscellaneous		**1,431,472,311**	753,025,721	612,186,392
Work-in-process at end of year	8	**(35,158,144,734)**	(30,562,603,015)	(25,603,632,966)
		38,397,560,568	42,162,454,703	40,578,373,769
Finished goods at end of year	8	**(7,868,886,598)**	(9,081,462,012)	(7,144,431,089)
		P 41,959,005,518	P 43,346,168,289	P 41,541,174,265

20. OTHER OPERATING EXPENSES

The details of other operating expenses are shown below.

	Notes	2024	2023	2022
Advertising and promotions		**P 4,569,185,306**	P 3,984,658,903	P 3,657,157,560
Salaries and employee benefits	21.1	**2,394,781,859**	2,367,825,882	1,924,975,169
Professional fees and outside services		**546,262,745**	581,728,814	636,031,839
Travel and transportation		**516,446,543**	532,616,404	437,492,251
Depreciation and amortization	9.1, 9.2, 13, 23.2	**421,205,526**	405,468,543	265,675,149
Freight and handling		**319,405,736**	477,553,250	491,265,922
Representation		**167,278,490**	224,433,322	180,616,284
Taxes and licenses		**122,098,132**	60,907,959	126,188,743
Rentals	9.4, 23.2	**93,579,209**	58,187,729	48,775,747
Impairment losses on financial assets	6	**90,953,844**	120,264,334	7,462,310
Repairs and maintenance		**80,496,656**	130,757,757	125,068,566
Other services		**59,975,204**	55,580,481	143,953,103
Supplies		**58,937,628**	64,813,081	59,024,047
Provisions	17.1	**36,707,116**	34,159,365	41,117,103
Communication, light and water		**36,554,385**	39,303,618	32,841,938
Fuel and oil		**36,528,786**	75,723,111	106,330,378
Insurance		**25,195,101**	51,624,349	41,109,267
Meals		**13,830,105**	23,833,707	21,542,293
Amortization of trademarks	10	**-**	538,464	1,615,392
Impairment losses on inventories	8	**-**	-	162,489,934
Others		**261,935,360**	490,536,474	325,522,230
		P 9,851,357,731	P 9,780,515,547	P 8,836,255,225

Others include royalty fees, subscription and association dues, postal services and other incidental expenses under the ordinary course of business.

- 47 -

These expenses are classified in profit or loss in the consolidated statements of comprehensive income as follows:

	2024	2023	2022
Selling and distribution expenses	**P 7,151,983,463**	P 6,758,279,313	P 6,205,108,294
General and administrative expenses	**2,699,374,268**	3,022,236,234	2,631,146,931
	P 9,851,357,731	P 9,780,515,547	P 8,836,255,225

21. EMPLOYEE BENEFITS

21.1 Salaries and Employee Benefits Expense

The expenses recognized for salaries and employee benefits are summarized below.

	Notes	2024	2023	2022
Salaries and wages		**P 4,182,385,289**	P 3,816,782,498	P 3,168,150,371
Post-employment defined contribution		**387,774,759**	326,760,138	255,534,650
Social security costs		**328,965,201**	280,627,234	230,517,804
Share options	21.2, 24.4	**86,961,825**	58,522,404	76,418,422
Post-employment defined benefit	21.3	**38,039,933**	31,610,481	39,385,934
Other short-term benefits		**348,042,591**	672,308,719	512,976,239
	19, 20	**P 5,372,169,598**	P 5,186,611,474	P 4,282,983,420

Other short-term benefits represent other employee benefits that were incurred during the reporting periods in which the employees render the related service.

The amount of salaries and employee benefits expense is allocated as follows:

	Notes	2024	2023	2022
Costs of goods sold (inventoriable costs)	19	**P 2,251,675,175**	P 2,184,901,292	P 1,838,973,857
Selling and distribution expenses	20	**1,408,851,630**	1,304,831,928	1,076,572,376
General and administrative expenses	20	**985,930,229**	1,062,993,954	848,402,793
		4,646,457,034	4,552,727,174	3,763,949,026
Capitalized as part of work-in-process inventories	8	**725,712,564**	633,884,300	519,034,394
		P 5,372,169,598	P 5,186,611,474	P 4,282,983,420

In 2024, 2023 and 2022, salaries and wages, post-employment benefits and other short-term benefits totaling P725.7 million, P633.9 million and P519.0 million, respectively, were capitalized to form part of the work-in-process inventory (see Note 8). Such capitalized amount represents salaries and employee benefits of personnel directly involved in the production of whisky.

- 48 -

21.2 Employee Share Option

Employee share option expense, included as part of Salaries and employee benefits expense under the General and Administrative Expenses account in the consolidated statements of comprehensive income, amounted to P87.0 million, P58.5 million and P76.4 million in 2024, 2023 and 2022, respectively, while the corresponding cumulative credit to Share Options Outstanding account was presented under the Equity section of the consolidated statements of financial position (see Note 24.4).

21.3 Post-employment Defined Benefit Plan

(a) Characteristics of the Defined Benefit Plan

Except for GES, which provides employee benefits through a defined contribution plan, the Group maintains a funded, tax-qualified, noncontributory retirement benefit plan which is being administered by a trustee bank that is legally separated from the Group.

The post-employment plan covers all regular full-time employees of EDI, AWGI, TEI, PAI and certain employees of WMG, and provides a retirement benefit ranging from 85% to 150% of plan salary for every year of credited service.

The normal retirement age is 60 with a minimum of five years of credited service. The plan provides for an early retirement at the age of 50 with a minimum of ten years of credited service and likewise a late retirement age that is not beyond 65, with a minimum of five years of credited service both subject to the approval of the Parent Company's BOD.

(b) Explanation of Amounts Presented in the Consolidated Financial Statements

Actuarial valuations are made regularly to update the post-employment benefit costs and the amount of contributions. All amounts presented below and in the succeeding pages are based on the actuarial valuation reports obtained from independent actuaries.

The amounts of retirement benefit asset recognized in the consolidated statements of financial position are determined as follows:

	2024	2023
Fair value of plan assets	**P 9,920,237,274**	P 10,375,850,622
Present value of the obligation	**(9,480,044,847)**	(10,134,533,425)
	P 440,192,427	P 241,317,197

- 49 -

The movements in the present value of the retirement benefit obligation recognized in the books are as follows:

	2024	2023
Balance at beginning of year	**P 10,134,533,425**	P 9,248,560,136
Benefits paid	**(510,896,922)**	(486,139,743)
Interest expense	**470,292,168**	450,109,565
Foreign exchange adjustment	**416,853,000**	400,434,000
Current service costs	**38,039,933**	31,610,481
Remeasurements –		
Actuarial losses (gains) arising from:		
Changes in financial assumptions	**(1,065,562,672)**	287,757,680
Changes in demographic assumptions	**(26,107,990)**	(328,060,840)
Experience adjustments	**22,893,905**	530,262,146
Balance at end of year	**P 9,480,044,847**	P 10,134,533,425

The movements in the fair value of plan assets are presented below.

	2024	2023
Balance at beginning of year	**P 10,375,850,622**	P 9,748,643,491
Return (loss) on plan assets (excluding amounts included in net interest)	**(878,310,956)**	202,461,359
Benefits paid	**(507,322,666)**	(481,002,500)
Interest income	**476,079,308**	467,886,533
Foreign exchange adjustment	**444,168,250**	436,009,089
Contributions to the plan	**9,772,716**	1,852,650
Balance at end of year	**P 9,920,237,274**	P 10,375,850,622

The net effect of the foreign exchange adjustment in the present value of the retirement obligation and the fair value of plan assets amounted to P27.3 million in 2024 and P35.6 million in 2023.

- 50 -

The composition and the fair value of plan assets as at December 31, 2024 and 2023 by category and risk characteristics are shown below.

	2024	2023
Cash and cash equivalents	**P 89,175,267**	P 93,279,060
Quoted equity securities	**4,272,470,364**	4,468,176,822
Diversified growth fund	**634,135,232**	663,317,760
	4,906,605,596	5,131,494,582
Debt securities:		
Corporate bonds	**1,932,130,785**	2,021,046,300
Liability driven instrument	**1,783,505,340**	1,865,581,200
Index-linked gilts	**733,218,862**	766,961,160
	4,448,854,987	4,653,588,660
Property	**475,601,424**	497,488,320
	P 9,920,237,274	P 10,375,850,622

Other than the fair value of property investment, which is classified as Level 3 in the fair value hierarchy, the fair values of the above quoted securities and instruments are determined based on quoted market prices in active markets; hence, classified as Level 1 in the fair value hierarchy.

Plan assets do not comprise any of the financial instruments of the Group or its related parties, or any of its assets occupied and/or used in its operations.

The components of amounts recognized in profit or loss and other comprehensive income or loss in respect of the retirement benefit asset (obligation) are as follows:

	2024	2023	2022
Reported in profit or loss:			
Current service costs	**P 38,039,933**	P 31,610,481	P 39,385,934
Net interest income	**(5,787,140)**	(17,776,968)	(5,542,974)
	P 32,252,793	P 13,833,513	P 33,842,960
Reported in other comprehensive income or loss:			
Return (loss) on plan assets (excluding amount included in net interest)	**(P 878,310,956)**	P 202,461,359	(6,151,234,894)
Actuarial gains (losses) arising from:			
Changes in financial assumptions	**1,065,562,672**	(287,757,680)	6,067,894,002
Changes in demographic assumptions	**26,107,990**	328,060,840	(562,214,687)
Experience adjustments	**(22,893,905)**	(530,262,146)	205,205,974
	P 190,465,801	(P 287,497,627)	(P 440,349,605)

- 51 -

The amounts of post-employment benefits expense recognized in profit or loss are presented as part of General and Administrative Expenses for current service costs and as part of either Interest Expense or Interest income under the Revenues and Other Income sections for net interest income of the consolidated statements of comprehensive income (see Note 18).

Amounts recognized in other comprehensive income or loss were included within items that will not be reclassified subsequently to profit or loss.

In determining the amounts of the retirement benefit obligation, the following actuarial assumptions were used:

	2024	2023	2022
Discount rate	**5.40%-6.09%**	6.08%-6.12%	7.00%-7.50%
Expected rate of salary increase	**3.30%-5.00%**	4.00%-5.00%	5.00%-6.00%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average remaining working life of an individual retiring at the age of 60 is 22 years for both males and females. These assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to the end of each reporting period by reference to the interest rates of zero coupon government bonds with terms to maturity approximating to the terms of the retirement benefit obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) *Risks Associated with the Retirement Benefit Obligation*

The Group is exposed to actuarial risks such as interest rate risk, longevity risk and salary risk.

(i) *Investment and Interest Rate Risks*

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of reference government bonds will increase the retirement benefit obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan has relatively balanced investment in equity securities and debt securities. Due to the long-term nature of the plan obligation, a level of continuing debt and equity investments is an appropriate element of the Group's long-term strategy to manage the plan efficiently.

(ii) *Longevity and Salary Risks*

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the participants during their employment and to their future salaries. Consequently, increases in the life expectancy and salary of the participants will result in an increase in the retirement benefit obligation.

- 52 -

(d) *Other Information*

The information on the sensitivity analysis for certain significant actuarial assumptions and the timing and uncertainty of future cash flows related to the retirement plan are described below.

(i) *Sensitivity Analysis*

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the retirement benefit obligation as of the end of the reporting periods:

	Impact on Retirement Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
December 31, 2024			
Discount rate	**+0.25%/-0.25%**	**(P 652,460,721)**	**P 726,838,466**
Salary growth rate	**+1.00%/-1.00%**	**208,609,253**	**(200,734,409)**
December 31, 2023			
Discount rate	+0.25%/-0.25%	(P 692,010,626)	P 700,131,690
Salary growth rate	+1.00%/-1.00%	206,011,064	(114,163,919)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the retirement benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the retirement benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the retirement benefit obligation recognized in the consolidated statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) *Asset-liability Matching Strategies*

To efficiently manage the retirement plan, the Group through its Management Committee, ensures that the investment positions are managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the retirement obligations by investing in long-term fixed interest securities (i.e., quoted equity securities and corporate bonds) with maturities that match the benefit payments as they fall due and in the appropriate currency. The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement obligations.

In view of this, investments are made in reasonably diversified portfolio, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of the plan assets as at December 31, 2024 and 2023 consists of quoted equity securities, corporate bonds and other instruments, although the Group also invests in funds.

- 53 -

The expected maturity of undiscounted expected benefits payments within 10 years is as follows:

	2024	2023
Within one year	**P 436,571,774**	P 405,300,076
More than one year but less than five years	**1,174,547,424**	1,100,330,136
More than five years but less than 10 years	**171,429,750**	97,766,014
	P 1,782,548,948	P 1,603,396,226

The weighted average duration of the retirement benefit obligation at the end of the reporting period is nine years.

22. CURRENT AND DEFERRED TAXES

The components of tax expense as reported in the consolidated statements of comprehensive income are as follows:

	2024	2023	2022
Reported in profit or loss			
Current tax expense:			
Regular corporate income tax (RCIT) at 30%, 25%, 19% and 17%	**P 927,687,464**	P 1,561,968,539	P 1,188,912,294
Final tax on interest income at 20% and 15%	**25,343,556**	35,352,149	19,887,193
Minimum corporate income tax (MCIT) at 2% and 1.5%	**1,297,140**	4,804,754	-
	954,328,160	1,602,125,442	1,208,799,487
Deferred tax expense:			
Relating to origination and reversal of other temporary differences	**678,639,213**	395,248,159	289,654,392
	P 1,632,967,373	P 1,997,373,601	P 1,498,453,879
Reported in other comprehensive income or loss			
Deferred tax expense (income):			
Relating to remeasurements of retirement benefit obligation	**P 47,616,451**	(P 71,874,407)	(P 110,087,401)

- 54 -

A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense is as follows:

	2024	2023	2022
Tax on pretax profit at 25%	**P 2,029,598,439**	P 2,735,312,701	P 2,927,544,278
Adjustments in claiming optional standard deduction (OSD)	**(112,539,992)**	(315,071,759)	(212,330,067)
Adjustment for income subjected to different tax rates	**(6,373,121)**	(8,852,683)	(79,244,706)
Tax effects of:			
Non-taxable income	**(1,198,392,058)**	(461,817,030)	(1,122,903,079)
Non-deductible expenses	**945,244,373**	41,508,461	12,927,911
Equity in net income of joint venture	**(19,404,370)**	(27,911,047)	(28,492,613)
Accelerated capital allowances and other short-term temporary differences	**(7,374,487)**	32,202,903	(337,912)
Unrecognized deferred tax asset on net operating loss carry-over (NOLCO)	**2,208,589**	2,002,055	1,290,067
	P 1,632,967,373	P 1,997,373,601	P 1,498,453,879

EMI and its Philippine subsidiaries are subject to the higher of RCIT at 25% in 2024, 2023 and 2022 of net taxable income or MCIT at 2% in 2024, 1.5% in 2023 and 1% in 2022 of gross income, as defined under the Philippine tax regulations

EMI's foreign subsidiaries are subject to income and other taxes based on the enacted tax laws of the countries and/or jurisdictions where they operate.

The deferred tax assets and liabilities as of December 31 relate to the following:

	2024	2023
Brand valuation	**(P 3,703,730,348)**	(P 3,063,799,036)
Lease liabilities	**604,412,149**	639,477,772
ROUA	**(579,086,765)**	(627,897,092)
Fair value adjustment	**(574,447,058)**	(475,193,974)
Short-term temporary differences	**(449,843,404)**	(372,747,454)
Allowance for impairment	**112,295,323**	52,740,218
Retirement benefit asset	**(110,084,608)**	(60,329,300)
NOLCO	**88,227,067**	23,615,923
Capitalized borrowing costs	**(35,511,708)**	(37,380,745)
Net deferred tax liabilities	**(P 4,647,769,352)**	(P 3,921,513,688)

These are presented in the consolidated statements of financial position as follows:

	2024	2023
Deferred tax liabilities – net	**(P 5,037,395,096)**	(P 4,130,626,820)
Deferred tax assets – net	**389,625,744**	209,113,132
	(P 4,647,769,352)	(P 3,921,513,688)

- 55 -

Movements in net deferred tax liabilities for the years ended December 31 are as follows:

	Consolidated Profit or Loss			**Consolidated Other Comprehensive Income or Loss**		
	2024	2023	2022	**2024**	2023	2022
Brand valuation	**P 639,931,312**	P 539,537,547	P 32,269,966	**P -**	P -	P -
Fair value adjustment	**99,253,084**	83,682,052	5,005,059	**-**	-	-
Short-term temporary differences	**77,095,950**	29,137,631	1,297,591	**-**	-	-
NOLCO	**(64,611,144)**	(23,615,923)	-	**-**	-	-
Allowance for impairment	**(59,555,105)**	(30,066,084)	(59,827)	**-**	-	-
ROUA	**(48,810,327)**	558,200,007	(95,026,781)	**-**	-	-
Lease liabilities	**35,065,623**	(552,405,507)	126,848,009	**-**	-	-
Retirement benefit obligation (asset)	**2,138,857**	(207,441,573)	221,100,366	**47,616,451**	(71,874,407)	(110,087,401)
Capitalized borrowing costs	**(1,869,037)**	(1,869,039)	(1,869,036)	**-**	-	-
Unamortized past service costs	**-**	89,048	89,045	**-**	-	-
Deferred tax expense (income)	**P 678,639,213**	P 395,248,159	P 289,654,392	**P 47,616,451**	(P 71,874,407)	(P 110,087,401)

In 2024, 2023 and 2022, the Group opted to claim itemized deductions in computing its income tax due, except for EDI, PAI and AWGI, which opted to claim OSD during the same taxable years.

On December 21, 2024, Spain published Law 7/2024 ("Global Minimum Tax Law"), implementing a 15% global minimum tax on large multinational and domestic groups. This law aligns with the EU Council Directive 2022/2523 and is separate from the existing 25% Corporate Income Tax.

Key provisions include a Domestic Minimum Top-up Tax ("DMTT"), an Income Inclusion Rule ("IIR") retroactive to December 31, 2023, and an Undertaxed Profits Rule ("UTPR") effective December 31, 2024. GES will have to pay a top-up tax on profits from subsidiaries taxed below 15%.

As of the date of approval of the consolidated financial statements, management is continuously monitoring the implementation status of the model rules. While the management anticipates that additional tax liabilities may arise in some jurisdictions where the Group operates, the estimated impact on the Group's effective income tax rate is considered immaterial based on data for the year ended December 31, 2024. In addition, subsequent to the reporting period, the Organization for Economic Co-operation and Development ("OECD") issued an administrative guidance that includes a list of jurisdictions that have transitional qualified status (see Note 32).

23. RELATED PARTY TRANSACTIONS

The Group's related parties include the ultimate parent company, stockholder, officers and employees, and other related parties under common ownership as described below and in the succeeding pages.

The summary of the Group's transactions with its related parties in 2024, 2023 and 2022 and the related outstanding balances as of December 31, 2024 and 2023 are presented below.

Related Party Category	Notes	Amount of Transaction 2024	Amount of Transaction 2023	Amount of Transaction 2022	Outstanding Balance Receivable (Payable) 2024	Outstanding Balance Receivable (Payable) 2023
Ultimate Parent Company:						
Dividends	24.3	**P 3,001,910,544**	P 3,627,308,574	P -	**P -**	P -
Lease of properties:	23.2(a)					
Rentals paid		**27,825,000**	26,500,000	26,500,000	**(14,886,375)**	-
Right-of-use assets		**23,103,620**	23,428,730	23,428,730	**46,207,239**	70,286,189
Lease liabilities		**4,445,179**	2,467,060	3,121,304	**(51,854,803)**	(76,209,954)
Related Parties Under Common Ownership:						
Purchase of raw materials and services	23.1	**1,066,682,699**	1,059,246,855	2,512,076,307	**(61,615,067)**	(177,457,126)
Purchase of finished goods	23.1	**528,991,408**	501,709,679	545,924,474	**(119,602,369)**	(77,051,103)
Sale of goods	23.3	**121,293,414**	120,700,996	249,936,592	**157,017,552**	141,254,679
Lease of properties:	23.2(b, c & d)					
Rentals paid		**113,866,180**	99,982,087	79,914,394	**(7,454,269)**	(1,026,000)
Right-of-use assets		**75,156,583**	74,574,703	76,462,471	**520,408,505**	199,445,728
Lease liabilities		**19,365,123**	8,044,065	9,653,620	**(573,721,313)**	(189,295,176)
Refundable security deposits		**1,434,480**	1,937,585	-	**9,852,753**	8,418,273
Management services earned	23.6	**33,639,250**	32,654,283	23,550,611	**-**	-
Management services incurred	23.6	**-**	-	60,000,000	**-**	-
Advances obtained		**-**	-	3,067,622	**-**	-
Stockholder –						
Advances paid	23.5	**-**	3,070,715	-	**-**	-
Officers and Employees:						
Advances granted (collected)	23.4	**(326,667,438)**	(323,102,705)	579,247,811	**32,923,698**	359,591,136
Employee share option	24.4	**86,961,825**	58,522,404	76,418,422	**-**	-
Key Management Personnel –						
Compensation	23.7	**268,387,925**	293,226,301	236,421,058	**-**	-

The outstanding balances from the above transactions with related parties are unsecured, noninterest-bearing and payable or collectible on demand, unless otherwise stated. No impairment loss was recognized, and none is deemed necessary, in 2024, 2023 and 2022 for the related party receivables.

23.1 Purchase of Goods and Services

The Group imports raw materials such as alcohol, flavorings and other items, and finished goods through Andresons Global, Inc. ("AGL"), a related party under common ownership. These transactions are generally being paid directly to the suppliers within 30 to 90 days. The Group also imports raw materials from Alcoholera dela Mancha Vinicola, S.L., a wholly owned subsidiary of BLC, which is considered a related party under joint control, and finished goods from Great American Foods, Inc. ("GAFI"), a related party under common ownership and the manufacturer of Piknik (see Note 8).

The related unpaid purchases as of December 31, 2024 and 2023 are shown as part of Trade payables under the Trade and Other Payables account in the consolidated statements of financial position (see Note 16).

23.2 Lease of Properties

The Group recognized ROUA and lease liabilities from lease agreements in accordance with PFRS 16, which will be amortized and paid, respectively, over the lease term in lieu of the annual rent expense. Amortization of ROUA and interest expense recognized from the lease liabilities are presented as part of Depreciation and amortization under Costs of Goods Sold account (see Note 19) and as part of Interest Expense account in the consolidated statements of comprehensive income, respectively.

The outstanding ROUA and lease liabilities from these lease agreements are presented as part of Property, Plant and Equipment account and Lease Liabilities account, respectively, in the consolidated statements of financial position (see Note 9).

(a) AGI

AWGI leases the glass manufacturing plant located in Laguna from AGI for a period of 10 years. The amount of rental is mutually agreed upon by the parties at the start of each year, as provided in their lease contract. In 2024, 2021 and 2020, AWGI and AGI agreed to amend the terms in the lease agreement by increasing the amount of annual rent. This is accounted for as a lease modification, which resulted in the remeasurement of ROUA and lease liabilities during the same year.

Amortization of ROUA amounted to P23.1 million in 2024 and P23.4 million in both 2023 and 2022. Interest expense recognized from the lease liabilities amounted to P4.4 million in 2024, P2.5 million in 2023 and P3.1 million in 2022.

AWGI paid P27.8 million in 2024, and P26.5 million in both 2023 and 2022, and the outstanding payable arising from this lease agreement is presented as part of Trade payables under the Trade and Other Payables account in the 2024 consolidated statement of financial position (see Note 16). There was no outstanding liability as of December 31, 2023.

(b) Megaworld Corporation

EDI, PAI and AWGI entered into lease contracts with Megaworld Corporation ("Megaworld"), a related party under common ownership, for their head office spaces for a period of five years, subject to 5% increase in annual rent. In 2024, the lease contracts of PAI were terminated while the lease contracts of EDI and AWGI were transferred to MREIT, Inc., a whole owned subsidiary of Megaworld and a related party under common ownership [see Note 23.2(c)].

Amortization of ROUA amounting to P12.7 million in 2024, and P32.5 million in both 2023 and 2022 are presented as part of Depreciation and amortization under the Costs of Goods Sold account while amortization of ROUA amounting to nil in 2024 and P5.3 million in both 2023 and 2022 are presented under the General and Administrative Expenses account (see Notes 19 and 20). Interest expense from the lease liabilities amounted to P0.4 million, P3.8 million and P7.1 million in 2024, 2023 and 2022, respectively.

The Group paid rentals of P49.5 million in 2023, and P47.1 million in 2022.

The refundable security deposits paid to the lessors are shown as part of Other Non-current Assets account in the consolidated statements of financial position (see Note 11.2).

AWGI and EDI also lease the parking spaces, and World Finest leases the building space of Megaworld, which are considered as low value assets based on the provision of PFRS 16. The related rent expense amounting to P30.3 million, P16.3 million, and P0.1 million in 2024, 2023, and 2022, respectively, is presented as part of Rentals under the General and Administrative Expenses account in the consolidated statements of comprehensive income. The outstanding liability arising from this as of December 31, 2024 and 2023 is presented as part of Accrued expenses under the Trade and Other Payables account in the consolidated statement of financial position (see Note 16).

(c) *MREIT, Inc.*

In relation to the lease contracts entered into by EDI and AWGI with Megaworld in Note 23.2(b), Megaworld transferred, assigned and conveyed the leased properties to MREIT, Inc., including all the former's rights, interest, and obligations under the lease contacts, and extending the lease term to 10 years ending in 2034.

Amortization of right-of-use assets amounted to P27.6 million in 2024 are presented as part of Depreciation and amortization under Costs of Goods Sold in the 2024 consolidated statement of comprehensive income (see Note 19). Interest expense recognized from the lease liabilities amounted to P12.3 million in 2024.

EDI and AWGI paid rentals of P47.2 million in 2024.

(d) *Empire East Land Holdings, Inc.*

EDI entered into a lease contract with Empire East Land Holdings, Inc., a related party under common ownership, for its warehouse both for a period of four years. The lease contract is not subject to any escalation clause.

Amortization of ROUA amounted to P34.9 million, P36.8 million, and P38.7 million in 2024, 2023, and 2022, respectively. Interest expense from the lease liability amounted to P6.7 million, P4.2 million, and P2.6 million in 2024, 2023 and 2022, respectively.

EDI paid rentals of P36.4 million in 2024, P34.2 million in 2023 and P32.1 million in 2022.

23.3 Sale of Goods

The Group sold finished goods to related parties. Goods are sold on the basis of the price lists in force and terms that would be available to non-related parties. The outstanding receivables from sale of goods are generally noninterest-bearing, unsecured and settled through cash within three to six months. These receivables are presented as part of Trade receivables under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 6).

23.4 Advances to Officers and Employees

In the normal course of business, the Group grants noninterest-bearing, unsecured, and payable on demand or subject to liquidation cash advances to certain officers and employees. The outstanding balance arising from these transactions is presented as Advances to officers and employees under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 6).

The movements in the balance of Advances to Officers and Employees account are as follows:

	2024	2023
Balance at beginning of year	**P 359,591,136**	P 682,693,841
Payments	**(906,186,801)**	(1,449,490,013)
Additions	**579,519,363**	1,126,387,308
Balance at end of year	**P 32,923,698**	P 359,591,136

23.5 Advances from Related Parties

AGI and other entities within the AGI Group, and other related parties granted cash advances to the Group for its working capital, investment and inventory purchases requirements. These advances were unsecured, noninterest-bearing and repayable in cash upon demand. The outstanding balance as of December 31, 2022 amounting to P3.1 million was fully paid in 2023.

23.6 Management Services

Progreen has a management agreement with Condis for consultancy and advisory services in relation to the operation, management and development of the distillery plant, which was terminated beginning 2023. This was presented as part of Outside services under the Costs of Goods Sold account in the 2022 consolidated statement of comprehensive income (see Note 19). The outstanding liability as of December 31, 2022 was paid in 2023.

EDI has a management agreement with GAFI for the rendering of management and administration services presented as part of Other income under the Revenues and Other Income section of the consolidated statements of comprehensive income (see Note 18). There was no outstanding receivable arising from this transaction as of December 31, 2024 and 2023.

23.7 Key Management Personnel Compensation

The compensation of key management personnel for employee services is shown below.

	2024	2023	2022
Short-term benefits	**P 236,471,932**	P 239,108,010	P 213,069,672
Share options	**26,901,466**	26,901,466	20,242,399
Post-employment defined benefits	**5,014,527**	27,216,825	3,108,987
	P 268,387,925	P 293,226,301	P 236,421,058

23.8 Retirement Plan

The Group's retirement funds for its post-employment defined benefit plan is administered and managed by a trustee bank. The fair value and the composition of the plan assets as of December 31, 2024 and 2023 are presented in Note 21.3. These plan assets do not include EMI Group's own financial instruments nor any financial instruments issued by its related parties. The retirement fund neither provides any guarantee or surety for any obligation of the Group nor its investments covered by any restrictions or liens.

23.9 Purchase and Sale Commitment

On December 27, 2020, the Group signed a letter of intent with a related party under common ownership, for the sale of its land and building for a total purchase price of €16.6 million, which did not materialize in 2023 (see Note 13).

24. EQUITY

24.1 Capital Stock

Capital stock in 2024 and 2023 consists of:

	Note	Shares	Amount
Common shares – P1 par value			
Authorized – 20.0 billion shares			
Issued		16,242,391,176	P 16,242,391,176
Treasury shares	24.2	(571,399,838)	(4,747,713,903)
Issued and outstanding		**15,670,991,338**	**P 11,494,677,273**

The BOD of the PSE approved the listing of the common shares of the Parent Company on October 16, 2011.

On December 19, 2011, the Parent Company issued through initial public offering ("IPO") an additional 22.0 million shares with an offer price of P4.50 per share. The Parent Company incurred P10.9 million IPO-related costs, P4.2 million of which was charged against APIC and the balance of P6.7 million was recognized as part of other operating expenses. Net proceeds from the IPO amounted to P90.8 million.

On December 27, 2012, the Parent Company issued additional 6.0 million shares with an offer price of P5.50 per share through a private placement.

On June 19, August 27, and September 5, 2013, the Parent Company's BOD, stockholders, and SEC, respectively, approved the increase in authorized capital stock of EMI from P100.0 million divided into 100.0 million shares to P20.0 billion divided into 20.0 billion shares both with par value of P1.00 per share. On July 4, 2013, the Parent Company's BOD approved the issuance of 6.5 million shares at par value to two foreign investors.

On August 28, 2013, AGI and other investors subscribed to an aggregate of 14.9 billion shares. Under the terms of AGI's subscription, the Parent Company acquired all of EDI shares held by AGI.

On September 17, 2013, AGI launched an offering of 1.8 billion EMI shares, which is approximately 12.0% of the total issued shares. The said offering was priced at P8.98 per share. On September 25, 2013, the settlement date, the amount of P11.2 billion out of the net proceeds was directly remitted to EMI as an additional subscription price from AGI under the terms of the amended agreement with AGI; such amount is recorded as APIC in EMI's books. Costs related to the issuances amounting to P176.3 million were deducted from APIC.

On September 25, 2013, AGI beneficially acquired two of EMI's minority corporate stockholders, which held a combined 9.55% of the total issued shares. Thus, AGI beneficially owned 87.55% of EMI as of December 31, 2013.

On December 4, 2014, the Parent Company issued additional 1.1 billion common shares with an offer price of P11.0 per share through private placement (see Note 15). This resulted to a decrease in AGI's ownership from 87.55% to 81.46% as of December 31, 2014. The excess of the subscription price over the par value amounting to P11.2 billion was recorded as APIC.

On November 28, 2017, the Parent Company issued 122.4 million common shares at P6.80 per share in consideration of the accrued interest on ELS amounting to P832.3 million (see Note 15). The excess of accrued interest over the par value amounting to P709.9 million was recorded as part of APIC (see Note 2.17).

On February 5, 2020, the Parent Company issued 253.3 million shares for the Tranche 1 Conversion of the ELS (see Notes 15 and 24.2). Consequently, Conversion Options amounting to P47.7 million was transferred to APIC.

On December 3, 2021, Tranche 2 Conversion of the ELS amounting to P3,443.8 million was transferred into equity with the Tranche 2 shares to be issued in 2023. Consequently, the ELS is reported as Deposit for Future Subscription – Equity-Linked Securities (see Note 15).

On July 14, 2022, the Parent Company secondary listed its shares on the Main Board of the SGX-ST.

As of December 31, 2024 and 2023, the quoted closing price per share is P18.06 and P20.85, respectively, and there are 131 holders in 2024 and 2023, which include nominee accounts, of the Parent Company's total issued and outstanding shares. The percentage shares of stock owned by the public are 20.10% as of December 31, 2024 and 2023.

24.2 Treasury Shares

A series of buy-back programs were authorized by the Parent Company's BOD that lasted from May 16, 2017 up to December 31, 2021. The allotment was fully used up by the end of June 30, 2021.

The Parent Company had spent P6.1 billion, including trading charges, to purchase a total of 759.20 million shares under the buy-back program. Out of these, a total of 253.3 million shares had been issued to Arran for the Tranche 1 Conversion pursuant to the exercise of its right to convert under ELS (see Note 15).

- 62 -

As of December 31, 2024 and 2023, there were 505,919,938 shares costing P4.3 billion that were reported under Treasury Shares account in the consolidated statements of changes in equity. These repurchased shares do not form part of the outstanding shares.

Under the Revised Corporation Code of the Philippines, a stock corporation can purchase or acquire its own shares provided that it has unrestricted retained earnings to cover the cost of the shares to be purchased or acquired. Nevertheless, the Parent Company has sufficient retained earnings available for dividend distribution (see Note 24.3).

There are 65,479,900 shares held by a subsidiary at a total cost of P0.5 billion that are also reported as part of Treasury Shares.

24.3 Declaration of Dividends

The Parent Company's cash dividend declarations in the years reported are as follows:

Date of Declaration	Date of Stockholders' Record	Payable Date	Dividend per Share	Total
April 1, 2024	**May 2, 2024**	**May 24, 2024**	**P 0.2400**	**P3,776,753,097**
March 30, 2023	May 2, 2023	May 25, 2023	0.2900	4,563,567,659

The amount of the Parent Company's retained earnings available for dividend distribution is restricted by the cost of the treasury shares that the Parent Company hold (see Note 24.2).

There were no dividends declared in 2022. There were no unpaid dividends as of December 31, 2024 and 2023 (see Note 32).

24.4 Employee Share Option

On November 7, 2014, the BOD approved an employee share option plan ("ESOP") for qualified employees of the Group. The ESOP was adopted by the shareholders on December 15, 2014 ("Plan Adoption Date"). On August 17, 2021, the BOD approved certain amendments to the plan.

The options shall generally vest on the 60th birthday or the date of retirement of the option holder, whichever is later, provided that the option holder had continuously served as an employee for eleven years after the option offer date or three years from retirement date for option holder who has continuously served for at least 20 years before the option offer date, and may be exercised within five years from vesting date, subject to the terms and conditions of the amended ESOP. The exercise price shall be at most a 15% discount from the volume weighted average closing price of the Parent Company's shares for nine months immediately preceding the date of grant.

On August 17, 2021, the BOD approved an Amended ESOP that further provided: If the option holder aged 50 years and above, the option shall vest whichever comes earlier of (i) after another 11 years of continuous service, or (ii) when he/she has continuous service of at least 20 years before the offer date, after three years from his/her retirement provided that his/her protégé/disciple has remained as a key employee of the Group for three years from date of the holder's retirement.

On September 25, 2024, the BOD approved the extension of the Amended ESOP, to an additional period of three years, i.e. from December 15, 2024 to December 14, 2027, under the same terms and conditions.

- 63 -

Pursuant to this ESOP, on November 6, 2015, share options were granted to certain key executives of EDI to subscribe to 118.0 million common shares of the Parent Company, at an exercise price of P7.00 per share.

On March 15, 2021 and August 25, 2021, share options were granted to certain qualified grantees to subscribe to 20.0 million and 55.0 million common shares of the Parent Company, at an exercise price of P10.10 and P10.65 per share, respectively.

On February 11, 2022, share options were granted to a qualified employee of EDI to subscribe to 5.0 million common shares of the Parent Company at an exercise price of P13.95 per share.

As of December 31, 2024, a total of 16.0 million shares had been cancelled due to resignations. Consequently, share options amounting to P20.5 million were transferred to APIC in 2024.

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP.

The following principal assumptions were used in the valuation:

Average option life	11 - 22 years
Share price at grant date	P8.90 - P22.50
Exercise price at grant date	P7.00 - P13.95
Average fair value of option at grant date	P3.26 - P13.35
Average standard deviation of share price returns	10.24% - 13.13%
Average dividend yield	1.08% - 1.10%
Average risk-free investment rate	4.44% - 5.24%

The underlying expected volatility was determined by reference to historical prices of the Parent Company's shares over a period of one year.

Share option benefits expense, which is included as part of Salaries and employee benefits under the General and Administrative Expenses account, amounting to P87.0 million in 2024, P58.5 million in 2023 and P76.4 million in 2022 was recognized (see Note 21.2), while the corresponding credit to Share Options Outstanding account is presented as part of Equity Attributable to Owners of the Parent Company under the Equity section of the consolidated statements of financial position.

24.5 Appropriation of Retained Earnings

In 2021, the Group appropriated P1,200.0 million for the rehabilitation of furnace and other capital expenditures for the glass manufacturing plant, which are expected to be completed in 2025.

On January 20, 2025, the Group reversed a portion of appropriated retained earnings amounting to P122.0 million (see Note 32).

24.6 Subsidiaries with Non-controlling Interest ("NCI")

The composition of NCI account is as follows:

	Notes	Percentage of Ownership of NCI	2024	2023
DBLC	1.1(p)	50%	**P 1,154,872,626**	P 1,508,248,078
Boozylife	1.1(d)	13% in 2024, 38% in 2023	**(23,868,273)**	(25,214,423)
			P 1,131,004,353	P 1,483,033,655

The summarized information of DBLC, which is considered as material non-controlling interest, before intragroup eliminations, is shown below.

	2024	2023
Current assets	**P 4,806,222,896**	P 5,574,336,420
Non-current assets	**4,050,040,008**	4,350,158,258
Total assets	**P 8,856,262,904**	P 9,924,494,678
Financial Assets	**P 2,546,094,556**	P 3,424,222,295
Current liabilities	**P 3,842,885,816**	P 4,445,531,475
Non-current liabilities	**1,117,970,126**	1,385,222,371
Total liabilities	**P 4,960,855,942**	P 5,830,753,846
Financial liabilities	**P 3,462,149,688**	P 3,881,593,151
Revenues	**P 4,827,295,920**	P 4,976,335,504
Profit for the period attributable to:		
Owners of Parent Company	**P 162,009,660**	P 241,037,454
NCI	**162,009,660**	241,037,454
Profit for the year	**324,019,320**	482,074,908
Other comprehensive income attributable to:		
Owners of Parent Company	**29,066,903**	296,795,015
NCI	**29,066,903**	296,795,015
Other comprehensive income for the year	**58,133,806**	593,590,030
Total comprehensive income for the year	**P 382,153,216**	P 1,075,664,898

No dividends were paid to the NCI in 2024 and 2023.

25. EARNINGS PER SHARE

Basic earnings per share were computed as follows:

	2024	2023	2022
Consolidated net profit attributable to owners of the parent company	**P 6,322,070,571**	P 8,705,726,613	P 10,060,876,272
Divided by the weighted average number of outstanding common shares	**15,670,991,338**	15,670,991,338	15,670,991,338
Basic earnings per share	**P 0.40**	P 0.56	P 0.64

Diluted earnings per share were computed as follows:

	2024	2023	2022
Consolidated net profit attributable to owners of the parent company with dilutive effect	**P 6,322,070,571**	P 8,705,726,613	P 10,060,876,272
Divided by the weighted average number of outstanding common shares and potential dilutive shares	**16,327,991,338**	16,327,991,338	16,334,410,981
Diluted earnings per share	**P 0.39**	P 0.53	P 0.62

In computing for the diluted earnings per share, the Group considered in the weighted average number of issued and outstanding common shares the potential dilutive common shares relating to employee shares options and convertible ELS. The Group granted share options to qualified grantees totaling 118.0 million, 75.0 million and 5.0 million common shares of the Group in 2015, 2021 and 2022, respectively, out of which a total of P16.0 million shares and 9.0 million shares, were cancelled as of December 31, 2024 and 2022, respectively, due to resignations (see Note 24.4). In 2024, 2023 and 2022, the ELS instrument has 475.0 million shares that have not yet been issued (see Note 15).

26. COMMITMENTS AND CONTINGENCIES

Except for those provisions recognized (see Note 17) and commitments disclosed above in the consolidated financial statements, there are other commitments and contingent liabilities that arise in the normal course of the Group's operations which are not reflected in the consolidated financial statements. Management is of the opinion that losses, if any, from these commitments and contingencies will not have material effects on the Group's consolidated financial statements.

27. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to certain financial risks which result from its operating activities. The main types of risks are market risk, credit risk, liquidity risk and price risk. There have been no significant changes in the Group's financial risk management objectives and policies during the period.

The Group's risk management is coordinated with AGI, in close cooperation with the BOD appointed by AGI, and focuses on actively securing the Group's short-to-medium term cash flows by minimizing the exposure to financial markets.

The Group does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described below and in the succeeding pages.

27.1 Market Risk

The Group is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, interest rate risk and certain other price risk which result from its operating, investing and financing activities.

(a) Foreign Currency Risk

Most of the Group's transactions are carried out in Philippine pesos, Euros, U.K. pounds, and U.S. dollars, which are the entities' functional currencies. Exposures to currency exchange rates arise from the Group's foreign currency-denominated transactions at each entity level. The Group has no significant exposure to other foreign currency exchange rates at each entity level, except for U.S. dollars of EDI and foreign subsidiaries and Euros of foreign subsidiaries, since the other foreign currencies are not significant to the Group's consolidated financial statements. EDI has cash and cash equivalents in U.S. dollars as of December 31, 2024 and 2023 while the foreign subsidiaries have cash and cash equivalents, receivables and payables in U.S. dollars. The foreign subsidiaries have cash and cash equivalents, receivables and payables in Euros. To mitigate the Group's exposure to foreign currency risk, non-functional currency cash flows are monitored.

U.S. dollars foreign currency-denominated financial assets and financial liabilities with exposure to foreign currency risk, translated into Philippine pesos at the closing rate, are as follows:

	2024	2023
Financial assets	**P 900,610,804**	P 336,571,093
Financial liabilities	**(1,385,556,823)**	(1,308,929,501)
	(P 484,946,019)	(P 972,358,408)

The table in the succeeding page illustrates the sensitivity of the Group's consolidated profit before tax with respect to changes in Philippine pesos against U.S. dollar exchange rates. The percentage changes in rates have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months at a 68% confidence level.

	Reasonably possible change in rate	**Effect in consolidated profit before tax**	**Effect in consolidated equity**
2024	**4.70%**	**(P 22,792,463)**	**(P 17,094,347)**
2023	5.31%	(P 51,632,231)	(P 38,724,174)

Euro foreign currency-denominated financial assets and financial liabilities with exposure to foreign currency risk, translated into Philippine pesos at the closing rate, are as follows:

	2024	2023
Financial assets	**P 249,644,950**	P 189,755,054
Financial liabilities	**(19,972,574,551)**	(20,118,411,790)
	(P 19,722,929,601)	(P 19,928,656,736)

The table below illustrates the sensitivity of the Group's consolidated profit before tax with respect to changes in Philippine pesos against Euro exchange rates. The percentage changes in rates have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months at a 68% confidence level.

	Reasonably possible change in rate	**Effect in consolidated profit before tax**	**Effect in consolidated equity**
2024	**22.57%**	**(P 4,451,465,211)**	**(P 3,338,598,908)**
2023	9.05%	(P 1,803,543,435)	(P 1,352,657,576)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's foreign currency risk.

(b) Interest Rate Risk

As at December 31, 2024 and 2023, the Group is exposed to changes in market rates through its cash in banks and short-term placements, which are generally subject to 30-day repricing intervals (see Note 5). Due to the short duration of short-term placements, management believes that interest rate sensitivity and its effect on the net results and equity are not significant. The Group's interest-bearing loans are subject to fixed interest rates and are therefore not subject to interest rate risk, except for certain loans that are based on EURIBOR and SONIA (see Note 14). EURIBOR was at a negative rate or a zero rate for several years and it has entered positive territory towards the second quarter of 2022 due to inflation. The sensitivity of the Group's profit before tax on its loans arising from EURIBOR is analyzed based on a reasonably possible change in interest rates of +/-1.81% in 2024 and +/-0.94% in 2023. These changes in rates have been determined based on the average market volatility in interest rates, using standard deviation, in the previous 12 months, estimated at 68% level of confidence.

The sensitivity analysis is based on the Group's financial instruments held at each reporting date, with effect estimated from the beginning of the year. All other variables held constant, if EURIBOR increased by 1.81% and 0.94% in 2024 and 2023, profit before tax would have decreased by P342.3 million and P174.7 million, respectively. Conversely, if the interest rates decreased by the same percentages, profit before tax in 2024 and 2023 would have been higher by the same amounts.

The sensitivity of the Group's profit before tax on its loans arising from SONIA is analyzed based on a reasonably possible change in interest rates of +/-0.65% in 2024 and +/-2.14% in 2023. These changes in rates have been determined based on the average market volatility in interest rates, using standard deviation, in the previous 12 months, estimated at 68% level of confidence. The sensitivity analysis is based on the Group's financial instruments held at each reporting date, with effect estimated from the beginning of the year. All other variables held constant, if SONIA increased by 0.65% and 2.14% in 2024 and 2023, profit before tax would have decreased by P87.8 million and P125.9 million, respectively. Conversely, if the interest rates decreased by the same percentages, profit before tax in 2024 and 2023 would have been higher by the same amounts.

(c) *Other Price Risk*

The Group was exposed to other price risk in respect of its financial instruments at FVTPL, which pertain to marketable equity securities and derivative instruments arising from foreign exchange margins trading spot and forward contracts. These financial instruments will continue to be measured at fair value based on quoted market prices and the index reference provided by certain foreign financial institution and through reference to quoted bid prices, respectively.

For equity securities listed in the Philippines, an average volatility of 36% and 30% has been observed in 2024 and 2023, respectively. If quoted price for these securities increased or decreased by that amount, profit before tax and equity would have changed by P195.7 million and P146.7 million, respectively, in 2024, and P106.7 million and P80.0 million, respectively, in 2023.

The Group believes that the change in foreign exchange rate related to foreign exchange margins trading spot rate and forward contracts will not materially affect the consolidated financial statements. The Group has recognized fair value losses in 2024, 2023 and 2022 (see Note 7).

27.2 Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments arising from granting advances and selling goods to customers including related parties and placing deposits with banks.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

In general, the Group's financial assets are not covered with any collateral or credit enhancement. Accordingly, the Group manages credit risk by setting limits on the amount of risk in relation to a particular customer including requiring payment of any outstanding receivable before a new credit is extended. Such risk is monitored on a regular basis and subject to an annual or more frequent review. Approval for credit limits are secured from the credit manager.

Generally, the maximum credit risk exposure of financial assets is the total carrying amount of the financial assets as shown in the consolidated statements of financial position or in the detailed analysis provided in the notes to the consolidated financial statements, as presented below.

	Notes	**2024**	2023
Cash and cash equivalents	5	**P 9,739,188,511**	P 10,513,125,613
Trade and other receivables – net	6	**18,060,200,624**	13,894,238,132
Refundable security deposits	11.1, 11.2	**52,653,036**	56,919,073
		P 27,852,042,171	P 24,464,282,818

The Group's management considers that all the above financial assets that are not impaired as at the end of reporting period under review are of good credit quality.

(a) *Cash and Cash Equivalents*

The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings. Cash and cash equivalents include cash in banks and short-term placements in the Philippines which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million for every depositor per banking institution, which was increased to P1.0 million effective March 15, 2025.

(b) *Trade and Other Receivables, Property Mortgage Receivable, and Refundable Security Deposits*

The Group applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for all trade receivables and other receivables.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets).

The expected loss rates for trade receivables are based on the payment profiles of sales over a period of 36 months before December 31, 2024 and 2023, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product and inflation rates to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

- 70 -

On that basis, the loss allowance as at December 31 was determined based on months past due, as follows for trade receivables:

	1-30 Days	31-90 Days	Over 90 Days	Total
December 31, 2024				
Expected loss rate	**0%**	**0%**	**100%**	
Gross carrying amount	**P 13,955,489,099**	**P 3,935,724,662**	**P 379,801,045**	**P 18,271,014,806**
Loss allowance	**-**	**-**	**379,801,045**	**379,801,045**
December 31, 2023				
Expected loss rate	0%	0%	100%	
Gross carrying amount	P 10,985,197,790	P 2,762,196,028	P 297,589,023	P 14,044.982,841
Loss allowance	-	-	297,589,023	297,589,023
December 31, 2022				
Expected loss rate	0%	0%	100%	
Gross carrying amount	P 10,522,719,262	P 4,829,677,630	P 180,655,094	P 15,533,051,986
Loss allowance	-	-	180,655,094	180,655,094

In general, the Group's financial assets are not covered with any collateral or credit enhancement. Accordingly, the Group manages credit risk by setting limits on the amount of risk in relation to a particular customer including requiring payment of any outstanding receivable before a new credit is extended. Such risk is monitored on a regular basis and subject to an annual or more frequent review. Approval for credit limits are secured from the credit manager.

For the advances to the ultimate parent company and refundable security deposits, the lifetime ECL rate is assessed at 0%, as there were no historical credit loss experience from the counterparties. The counterparties have low credit risk and strong financial position and sufficient liquidity to settle its obligations to the Group once they become due. With respect to property mortgage receivable, management assessed that these financial assets have low probability of default since the Parent Company is also a lessee over the same property and can apply such receivable against future lease payments.

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery of the financial asset. Indicators that there is no reasonable expectation of recovery include the cessation of enforcement activity and where the value of any assets that the Group may get from the customers is less than the outstanding contractual amounts of the financial assets to be written-off. In 2024, certain trade and other receivables amounting to P9.8 million were written-off. There were no similar transactions in 2023 (see Note 6).

27.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 60-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly.

The contractual maturities of Trade and Other Payables (except for output VAT payable, and withholding tax payables and advances from suppliers under Others) and Interest-bearing Loans reflect the gross cash flows, which approximate the carrying values of the liabilities at the end of each reporting period.

- 71 -

The maturity profile of the Group's financial liabilities as at December 31, 2024 based on contractual undiscounted payments is as follows:

	Current		**Non-current**	
	Within 6 Months	**6 to 12 Months**	**1 to 5 Years**	**More Than 5 Years**
Interest-bearing loans	P 1,108,244,958	P 1,105,528,522	P36,667,959,803	P -
Trade and other payables	16,289,528,800	-	-	-
Lease liabilities	138,266,183	138,266,183	640,409,187	349,627,196
	P17,536,039,941	**P 1,243,794,705**	**P37,308,368,990**	**P 349,627,196**

This compares to the maturity profile of the Group's financial liabilities as of December 31, 2023 as follows:

	Current		Non-current	
	Within 6 Months	6 to 12 Months	1 to 5 Years	More Than 5 Years
Interest-bearing loans [As restated – see Note 2.1(d)]	P 792,735,202	P 790,725,262	P25,453,081,997	P -
Trade and other payables	18,607,154,079	-	-	-
Lease liabilities	88,665,612	88,665,612	444,568,820	78,260,000
	P19,488,554,893	P 879,390,874	P25,897,650,817	P 78,260,000

The Group maintains cash to meet its liquidity requirements for up to seven-day periods. Excess cash funds are invested in short-term placements.

28. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

28.1 Carrying Values and Fair Values of Financial Assets and Financial Liabilities

The carrying values and fair values of the categories of financial assets and financial liabilities presented in the consolidated statements of financial position are shown below.

		2024		2023	
	Notes	**Carrying Values**	**Fair Values**	Carrying Values	Fair Values
Financial Assets:					
Financial assets at amortized cost:					
Cash and cash equivalents	5	**P 9,739,188,511**	**P 9,739,188,511**	P 10,513,125,613	P 10,513,125,613
Trade and other receivables – net	6	**18,060,200,624**	**18,060,200,624**	13,894,238,132	13,894,238,132
Refundable security deposits	11.1, 11.2	**52,653,036**	**52,653,036**	56,919,073	56,919,073
		P 27,852,042,171	**P 27,852,042,171**	P 24,464,282,818	P 24,464,282,818
Financial assets at FVTPL	7	**P 543,477,409**	**P 543,477,409**	P 355,505,670	P 355,505,670
Financial Liabilities:					
Financial liabilities at amortized cost:					
Interest-bearing loans	14	**P 33,432,555,421**	**P 32,350,231,479**	P 25,967,304,105	P 25,077,688,573
Trade and other payables	16	**16,289,528,800**	**16,289,528,800**	18,607,154,079	18,607,154,079
Lease liabilities	9.3	**1,077,368,965**	**1,077,368,965**	611,202,053	611,202,053
		P50,799,453,186	**P 49,717,129,244**	P 45,185,660,237	P 44,296,044,705

See Note 2.5 for a description of the accounting policies for each category of financial instruments including the determination of fair values. A description of the Group's risk management objectives and policies for financial instruments is provided in Note 27.

28.2 Offsetting of Financial Assets and Financial Liabilities

Currently, the Group's financial assets and financial liabilities are settled on a gross basis because there is no relevant offsetting arrangement on them as of December 31, 2024 and 2023. In subsequent reporting periods, each party to the financial instruments (particularly those involving related parties) may decide to enter into an offsetting arrangement in the event of default of the other party.

29. FAIR VALUE MEASUREMENT AND DISCLOSURES

29.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

29.2 Financial Instruments Measured at Fair Value

The Group's financial instruments measured at fair value pertain to the Group's marketable equity securities and derivative instruments (see Note 7). These were presented as financial assets at FVTPL amounting to P543.5 million and P355.5 million as of December 31, 2024 and 2023, respectively.

Marketable equity securities classified as financial assets at FVTPL are included in Level 1 as their prices are derived from quoted prices in the active market that the entity can access at the measurement date.

The derivative instruments, which comprise of foreign exchange spots and forward contracts, are included in Level 2. The fair values of derivative financial instruments that are not quoted in an active market are determined through valuation techniques using the net present value computation.

29.3 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table below summarizes the fair value hierarchy of the Group's financial assets and financial liabilities which are not measured at fair value in the consolidated statements of financial position but for which fair value is disclosed.

	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Cash and cash equivalents	P 9,739,188,511	P -	P -	P 9,739,188,511
Trade and other receivables	-	-	18,060,200,624	18,060,200,624
Refundable security deposits	-	-	52,653,036	52,653,036
	P 9,739,188,511	**P -**	**P 18,112,853,660**	**P 27,852,042,171**
Financial liabilities:				
Interest-bearing loans	P -	P -	P 32,350,231,479	P 32,350,231,479
Trade and other payables	-	-	16,289,528,800	16,289,528,800
Lease liabilities	-	-	1,077,368,965	1,077,368,965
	P -	**P -**	**P 49,717,129,244**	**P 49,717,129,244**

	2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and cash equivalents	P 10,513,125,613	P -	P -	P 10,513,125,613
Trade and other receivables	-	-	13,894,238,132	13,894,238,132
Refundable security deposits	-	-	56,919,073	56,919,073
	P 10,513,125,613	P -	P 13,951,157,205	P 24,464,282,818
Financial liabilities:				
Interest-bearing loans	P -	P -	P 25,077,688,573	P 25,077,688,573
Trade and other payables	-	-	18,607,154,079	18,607,154,079
Lease liabilities	-	-	611,202,053	611,202,053
	P -	P -	P 44,296,044,705	P 44,296,044,705

For financial assets with fair values included in Level 1, management considers that the carrying amounts of those short-term financial instruments approximate their fair values.

30. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to stockholders by pricing products and services commensurately with the level of risk.

- 74 -

The Group monitors capital on the basis of the carrying amount of equity as presented in the face of the consolidated statements of financial position. Capital at the end of each reporting period is summarized as follows:

	2024	2023
Total liabilities	**P 59,000,392,978**	P 53,301,326,277
Total equity	**100,526,907,736**	95,407,892,294
Liabilities-to-equity ratio	**0.59 : 1.00**	0.56 : 1.00

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to stockholders, issue new shares or sell assets to reduce debt.

31. SUPPLEMENTAL INFORMATION ON CASH FLOWS

31.1 Reconciliation of Liabilities from Financing Activities

The Group presents below and in the succeeding page the reconciliation of the Group's liabilities arising from financing activities, which includes both cash and non-cash changes.

	Accrued Interest Payable (see Notes 14 and 16)	**Interest - bearing Loans** (see Note 14)	**Lease Liabilities** (see Note 9.3)	**Total**
Balance as of January 1, 2024	P 94,452,335	P 25,967,304,105	P 611,202,053	P 26,672,958,493
Cash flows from financing activities:				
Proceeds from additional loans obtained	-	7,925,241,802	-	7,925,241,802
Repayment of loans	-	(1,046,806,584)	-	(1,046,806,584)
Repayment of lease liabilities	-	-	(161,902,224)	(161,902,224)
Payment of interest expense	(1,654,686,867)	-	(38,032,802)	(1,692,719,669)
Non-cash financing activities:				
Translation adjustment	-	586,816,098	58,285,759	645,101,857
Additions to lease liabilities in exchange for increased right-of-use assets	-	-	642,302,062	642,302,062
Reclassification of onerous lease (see Note 17.1)	-	-	(57,033,148)	(57,033,148)
Interest amortization on lease liabilities	-	-	38,032,802	38,032,802
Termination of lease	-	-	(14,510,207)	(14,510,207)
Lease modification	-	-	(975,330)	(975,330)
Accrual of interest	1,652,452,850	-	-	1,652,452,850
Balance as of December 31, 2024	**P 92,218,318**	**P 33,432,555,421**	**P 1,077,368,965**	**P 34,602,142,704**

- 75 -

	Accrued Interest Payable (see Notes 14 and 16)	Interest - bearing Loans (see Note 14)	Lease Liabilities (see Note 9.3)	Total
Balance as of January 1, 2023	P 22,041,965	P 23,801,187,435	P 594,378,028	P 24,417,607,428
Cash flows from financing activities:				
Proceeds from additional loans obtained	-	24,454,462,162	-	24,454,462,162
Repayment of loans	-	(23,111,368,380)	-	(23,111,368,380)
Repayment of lease liabilities	-	-	(216,495,315)	(216,495,315)
Payment of interest expense	(1,383,699,509)	-	(43,093,393)	(1,426,792,902)
Non-cash financing activities:				
Translation adjustment	-	823,022,888	(26,269,368)	796,753,520
Additions to lease liabilities in exchange for increased right-of-use assets	-	-	259,588,708	259,588,708
Interest amortization on lease liabilities	-	-	43,093,393	43,093,393
Accrual of interest	1,456,109,879	-	-	1,456,109,879
Balance as of December 31, 2023	P 94,452,335	P 25,967,304,105	P 611,202,053	P 26,672,958,493
Balance as of January 1, 2022	P 42,924,364	P 24,841,430,646	P 1,092,950,054	P 25,977,305,064
Cash flows from financing activities:				
Repayment of loans	-	(2,866,909,770)	-	(2,866,909,770)
Proceeds from additional loans obtained	-	1,846,932,636	-	1,846,932,636
Repayment of lease liabilities	-	-	(100,605,609)	(100,605,609)
Payment of interest expense	(437,013,951)	-	(47,792,003)	(484,805,954)
Non-cash financing activities:				
Translation adjustment	-	(20,266,077)	358,789,223	338,523,146
Additions to lease liabilities in exchange for increased right-of-use assets	-	-	28,644,356	28,644,356
Interest amortization on lease liabilities	-	-	47,792,003	47,792,003
Termination of lease	-	-	(785,399,996)	(785,399,996)
Accrual of interest	416,131,552	-	-	416,131,552
Balance as of December 31, 2022	P 22,041,965	P 23,801,187,435	P 594,378,028	P 24,417,607,428

31.2 Supplemental Information on Non-cash Activities

The following discusses the supplemental information on non-cash investing and financing activities as presented in the consolidated statements of cash flows for the years ended December 31, 2024, 2023 and 2022:

- In 2023, the scheduled sale of Non-current assets classified as held for sale did not materialize due to change in business plans in the use of the assets. Consequently, the related assets amounting to P994.9 million are reclassified back as part of Property, Plant and Equipment, and adjusted for the amount of depreciation expense that would have been recognized had the asset not been classified as held for sale (see Notes 9.1 and 13).

- Share option benefits expense amounting to P87.0 million in 2024, P58.5 million in 2023 and P76.4 million in 2022 was recognized with corresponding credits to Share Options account (see Notes 21.2 and 24.4).

- In 2024, 2023 and 2022, the Group recognized additional ROUA and lease liabilities amounting to P642.3 million, P259.6 million and P28.6 million, respectively.
  In addition, the Group and its lessor have agreed for certain lease modifications pertaining to leased plant by increasing the monthly amount of rentals. Accordingly, the modification resulted in the remeasurement of both lease liabilities and right of-use assets amounting to P1.0 million in 2024. There were no similar transactions in 2023 and 2022 (see Note 9.2).

- In 2022, property mortgage receivable was reversed upon acquisition of the subject property, which was reclassified as part of Buildings and improvements under Property, Plant and Equipment (see Notes 9.1 and 11.2). The related ROUA and lease liabilities were also terminated (see Notes 9.2 and 31.1).

32. EVENTS OCCURING AFTER THE END OF REPORTING PERIOD

The significant events occurring after the end of reporting period are presented below and in the succeeding page.

- On January 15, 2025, the Parent Company's BOD approved the declaration of cash dividends of P0.19 per share out of the available retained earnings of the Parent Company as of December 31, 2024, payable on February 18, 2025 to stockholders of record as of January 31, 2025.

- On January 15, 2025, the OECD issued administrative guidance that includes a list of jurisdictions that have transitional qualified status for the purposes of IIR and DMTT, including Spain, Luxembourg, and the United Kingdom (see Note 22).

  The transitional qualified status confirms that a jurisdiction's Pillar 2 legislation is considered to be largely in line with the OECD Pillar 2 rules, achieves results consistent with the Global Anti-Base Erosion ("GLoBE") rules, and is implemented in that local territory in a manner that is consistent with the GLoBE rules. A qualified status would normally be granted following a full legislative review of the local legislation and ongoing monitoring of the application of the rules by the OECD Inclusive Framework on Base Erosion Profit Shifting. However, due to time considerations, a transitional confirmation mechanism is currently in place.

  The UK, Luxembourg, and Spain each have a transitional qualified status, which confirms that their local Pillar 2 legislation is consistent with the OECD Pillar 2 rules. As none of these territories is the ultimate parent entity jurisdiction for AGI, and the Philippines is yet to introduce the rules, it means that one of these territories will need to undertake the responsibility for preparing and filing the GLoBE Information Return for the Group. This also does not change the other 2024 compliance obligations, such as filing of local returns in some jurisdictions, assessing and paying any top-up taxes due.

- On January 20, 2025, the Group reversed a portion of appropriated retained earnings amounting to P122.0 million (see Note 24.5).

- On January 31, 2025, the Group expands its premium product portfolio with the majority acquisition of 60% of Destileria Los Danzantes S.A. de C.V., through its Mexican subsidiary, Casa Pedro Domecq, a wholly owned subsidiary of DBLC, for 80.0 million Mexican pesos.

- On February 4, 2025, EMI and Arran mutually extended the conversion period for the issuance of the Tranche 2 ELS shares from February 12, 2025 to August 12, 2025 (see Note 15).

P&A Grant Thornton

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Consolidated Financial Statements

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

The Board of Directors and Stockholders
Emperador Inc. and Subsidiaries
(A Subsidiary of Alliance Global Group, Inc.)
7th Floor, 1880 Eastwood Avenue
Eastwood City CyberPark
188 E. Rodriguez, Jr. Avenue
Bagumbayan, Quezon City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Emperador Inc. and Subsidiaries (the Group) for the year ended December 31, 2024, on which we have rendered our report dated April 28, 2025. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) are presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68, and are not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). Such supplementary information are the responsibility of the Group's management. The supplementary information have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Romualdo V. Murcia III

Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 10465911, January 2, 2025, Makati City
BIR AN 08-002511-019-2023 (until December 10, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-009 (until August 12, 2027)

April 28, 2025

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
List of Supplementary Information
December 31, 2024

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
SEC Released Revised SRC Rule 68
Annex 68-J
Schedule A - Financial Assets
December 31, 2024
(Amounts in Philippine Pesos)

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount	Amount Shown in the Consolidated Statement of Financial Position	Value Based on Market Quotation at Statement of Condition Date	Income Received and Accrued
FINANCIAL ASSETS AT AMORTIZED COST				
Cash and cash equivalents		P 9,739,188,511	P 9,739,188,511	P 293,267,490
Trade and other receivables - net		18,060,200,624	18,060,200,624	-
Refundable security deposits		52,653,036	52,653,036	-
TOTAL		**P 27,852,042,171**	**P 27,852,042,171**	**P 293,267,490**
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Marketable equity securities classified as held for trading		P 543,477,409	P 543,477,409	P -
TOTAL		**P 543,477,409**	**P 543,477,409**	**P -**
GRAND TOTAL		**P 28,395,519,580**	**P 28,395,519,580**	**P 293,267,490**

- 1 -

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
SEC Released Revised SRC Rule 68
Annex 68-J
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2024
(Amounts in Philippine Pesos)

Name and designation of debtor	Balance at beginning of period	Additions	Deductions		Ending Balance		Balance at end of period
			Amounts paid (collected)	Amounts written off	Current	Non-current	
Advances to Officers and Employees (under the "Trade and Other Receivables" account)	P 359,591,136	P 579,519,363	(P 906,186,801)	P -	P 32,923,698	P -	P 32,923,698

- 2 -

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
SEC Released Revised SRC Rule 68
Annex 68-J
Schedule C - Amounts of Receivable/Payable from/to Related Parties which are Eliminated During the Consolidation of Financial Statements
December 31, 2024
(Amounts in Philippine Pesos)

TERMS & CONDITIONS:
All receivables/payables are unsecured, noninterest-bearing, collectible/payable on demand, unimpaired and generally settled in cash.

Name and designation of debtor	Affected accounts	Balance at beginning of year	Additions	Deductions		Ending balance		Balance at the end of the period
				Amounts collected	Amounts written off	Current	Non current	
Emperador Distillers, Inc.	Trade and other payables	P 885,165,511	P 1,100,299,094	(P 885,165,511)	P -	P 1,100,299,094	P -	P 1,100,299,094
Emperador Distillers, Inc.	Advances to suppliers	-	176,925,000	-	-	176,925,000	-	176,925,000
Emperador International, Ltd.	Trade and other receivables	885,165,511	923,374,094	(885,165,511)	-	923,374,094	-	923,374,094
Emperador Distillers, Inc.	Trade and other payables	110,682,530	25,365,675	(110,682,530)	-	25,365,675	-	25,365,675
Whyte and Mackay Group Limited	Trade and other receivables	110,682,530	25,365,675	(110,682,530)	-	25,365,675	-	25,365,675
Emperador Distillers, Inc.	Trade and other payables	1,219,381,645	1,082,810,065	(1,219,381,645)	-	1,082,810,065	-	1,082,810,065
Bodegas Fundador S.L.U.	Trade and other receivables	1,219,381,645	1,082,810,065	(1,219,381,645)	-	1,082,810,065	-	1,082,810,065
Emperador Distillers, Inc.	Trade and other payables	409,186,896	-	(78,097,471)	-	331,089,425	-	331,089,425
Anglo Watsons Glass, Inc.	Trade and other receivables	409,186,896	-	(78,097,471)	-	331,089,425	-	331,089,425
Alcazar De Bana Holdings Company, Inc.	Trade and other payables	9,440,728,077	1,285,082,923	(9,440,728,077)	-	1,285,082,923	-	1,285,082,923
Emperador Distillers, Inc.	Trade and other receivables	9,440,728,077	1,285,082,923	(9,440,728,077)	-	1,285,082,923	-	1,285,082,923
Emperador Distillers, Inc.	Trade and other payables	260,577,953	263,053,019	(260,577,953)	-	263,053,019	-	263,053,019
Tradewind Estates, Inc.	Trade and other receivables	260,577,953	263,053,019	(260,577,953)	-	263,053,019	-	263,053,019
Emperador Distillers, Inc.	Trade and other payables	3,131,548,477	-	(3,130,503,955)	-	1,044,522	-	1,044,522
Alcazar De Bana Holdings Company, Inc.	Trade and other receivables	3,131,548,477	-	(3,130,503,955)	-	1,044,522	-	1,044,522
Emperador Distillers, Inc.	Trade and other receivables	129,220,057	204,689,547	(129,220,057)	-	204,689,547	-	204,689,547
Boozylife, Inc.	Trade and other payables	3,294,323	4,000,116	(3,294,323)	-	4,000,116	-	4,000,116
Progreen Agricorp, Inc.	Trade and other payables	3,422,136	3,208,976	(3,422,136)	-	3,208,976	-	3,208,976
Anglo Watsons Glass, Inc.	Trade and other payables	20,638	463,781	(20,638)	-	463,781	-	463,781
The World's Finest Liquor	Trade and other payables	122,482,960	197,016,674	(122,482,960)	-	197,016,674	-	197,016,674
Emperador Distillers, Inc.	Subscription payable	1,875,000	-	-	-	1,875,000	-	1,875,000
The Bar Beverage, Inc.	Subscription receivable	1,875,000	-	-	-	1,875,000	-	1,875,000
Emperador Distillers, Inc.	Subscription payable	1,875,000	-	-	-	1,875,000	-	1,875,000
Cocos Vodka Distillers Philippines, Inc.	Subscription receivable	1,875,000	-	-	-	1,875,000	-	1,875,000
Emperador Distillers, Inc.	Subscription payable	1,875,000	-	-	-	1,875,000	-	1,875,000
Zabana Rum Company, Inc.	Subscription receivable	1,875,000	-	-	-	1,875,000	-	1,875,000
Emperador Distillers, Inc.	Subscription payable	25,270	-	-	-	25,270	-	25,270
Alcazar De Bana Holdings, Inc.	Subscription receivable	25,270	-	-	-	25,270	-	25,270
Emperador Inc.	Trade and other payables	1,282,885,175	55,376,339	-	-	1,338,261,514	-	1,338,261,514
Emperador International, Ltd.	Trade and other receivables	1,282,885,175	55,376,339	-	-	1,338,261,514	-	1,338,261,514
Whyte and Mackay Group Limited	Trade and other payables	101,493,660	132,550,909	(101,493,660)	-	132,550,909	-	132,550,909
Bodegas Fundador S.L.U.	Trade and other receivables	101,493,660	132,550,909	(101,493,660)	-	132,550,909	-	132,550,909
Bodegas Fundador S.L.U.	Trade and other payables	25,319,070	83,381,257	(25,319,070)	-	83,381,257	-	83,381,257
Whyte and Mackay Group Limited	Trade and other receivables	25,319,070	83,381,257	(25,319,070)	-	83,381,257	-	83,381,257
Emperador Distillers, Inc.	Trade and other payables	-	2,750,620,000	-	-	2,750,620,000	-	2,750,620,000
Emperador Inc.	Trade and other receivables	-	2,750,620,000	-	-	2,750,620,000	-	2,750,620,000
Emperador Distillers, Inc.	Trade and other payables	1,906,861	-	(1,906,861)	-	-	-	-
Boozylife, Inc.	Trade and other receivables	1,906,861	-	(1,906,861)	-	-	-	-

- 3 -

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
SEC Released Revised SRC Rule 68
Annex 68-J
Schedule D - Long-term Debt
December 31, 2024
(Amounts in Philippine Pesos)

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption"Current portion of long-term debt" in related balance sheet	Amount shown under caption"Long-Term Debt" in related balance sheet
Interest-bearing loans	P 33,432,555,421	P 679,108,834	P 32,753,446,587

- 4 -

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
SEC Released Revised SRC Rule 68
Annex 68-J
Schedule G - Capital Stock
December 31, 2024

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under the related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Capital stock - P1 par value	20,000,000,000	15,736,471,238	657,000,000	12,573,440,500	8	3,163,030,730

- 5 -

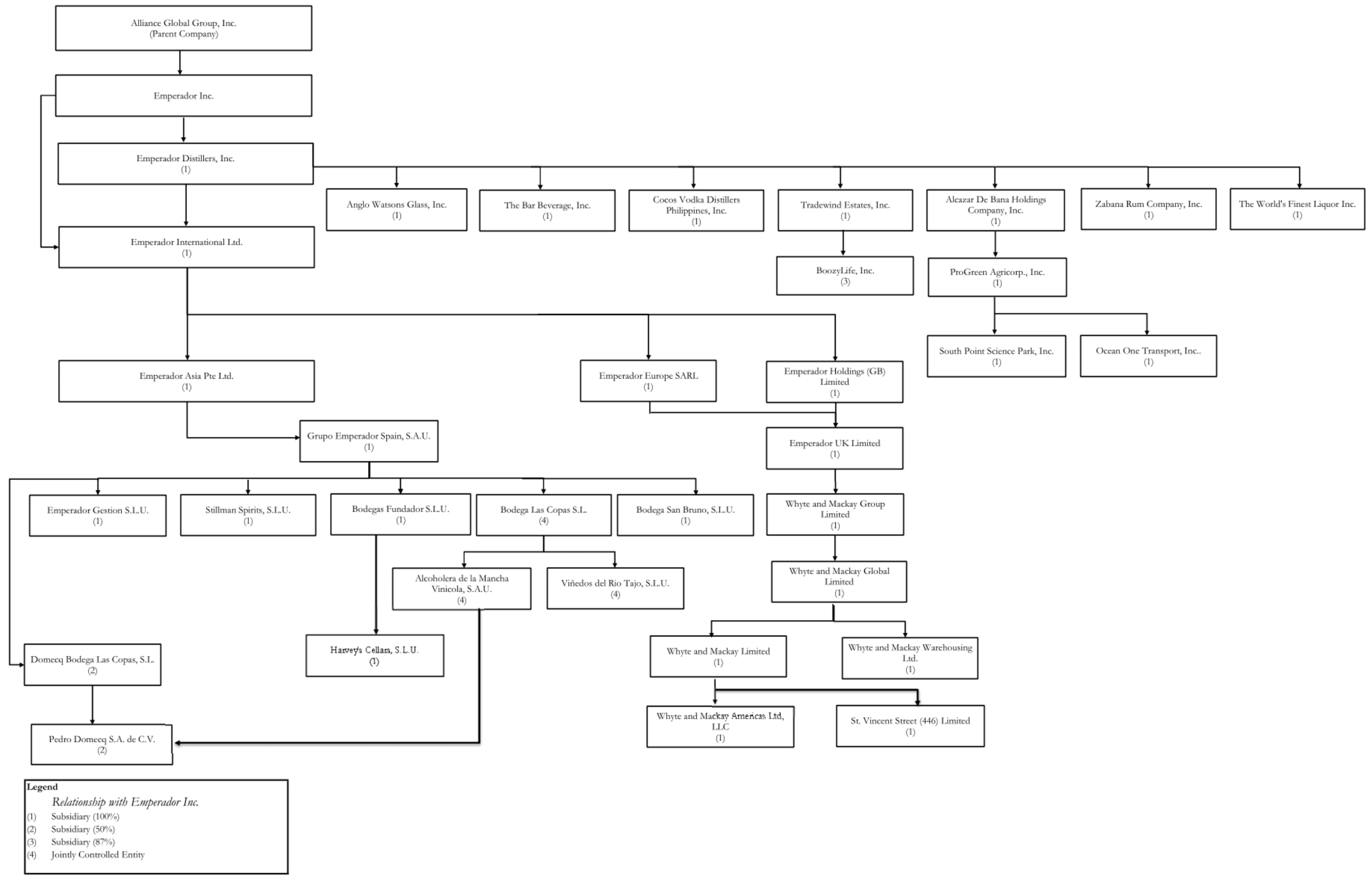
EMPERADOR INC.
(A Subsidiary of Alliance Global Group, Inc.)
7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark
188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City

Schedule H - Reconciliation of Retained Earnings Available for Dividend Declaration
For the Year Ended December 31, 2024

Unappropriated Retained Earnings at Beginning of Year		P 89,106,592
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earning Appropriation/s	P -	
Effect of restatements or prior-period adjustments	-	
Others	-	-
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(3,890,753,097)	
Retained Earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others	-	(3,890,753,097)
Unappropriated Retained Earnings at Beginning of Year, as adjusted		(3,801,646,505)
Add: Net Income for the Current Year		6,881,827,604
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	(30,059,016)	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as result of certain transactions accounted for under the PFRS	-	
Sub-total		(30,059,016)
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-	
Realized fair value gain of investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Sub-total		-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instrument at FVTPL	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-	
Sub-total		-
Adjusted Net Income		6,851,768,588
Balance carried forward		P 6,851,768,588

Balance brought forward		P 6,851,768,588
Add: Category D: Non-actual lossess recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	P -	
Sub-total		-
Add/ Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Sub-total		-
Add/ Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	
Sub-total		-
Unappropriated Retained Earnings Available for Dividend Distribution at End of Year		**P 3,050,122,083**

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
Schedule I - Map Showing the Relationship Between Emperador Inc. and its Related Parties
December 31, 2024



-8-

EMPERADOR INC. AND SUBSIDIARIES

(A Subsidiary of Alliance Global Group, Inc.)

Schedule J - Aging Schedule of Trade and Other Receivables

December 31, 2024

(Amounts in Thousand Philippine Pesos)

Trade Receivables		
Current	P	13,955,489
1 to 30 days		1,300,590
31 to 60 days		1,008,963
Over 60 days		1,626,172
Total		17,891,214
Other receivables		2,308,710
Balance at December 31, 2024	**P**	**20,199,924**

EMPERADOR INC. AND SUBSIDIARIES

(A Subsidiary of Alliance Global Group, Inc.)

Schedule K - Supplemental Schedule of Financial Soundness Indicators

December 31, 2024 and 2023

Ratio	**Formula**	**2024**	Formula	2023
Current ratio	Total Current Assets divided by Total Current Liabilities Total Current Assets 82,300,907,102 Divide by: Total Current Liabilities 20,184,146,744 Current ratio 4.08	**4.08**	Total Current Assets divided by Total Current Liabilities Total Current Assets 79,458,754,620 Divide by: Total Current Liabilities 23,350,585,902 Current ratio 3.40	3.40
Acid test ratio	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities Total Current Assets 82,300,907,102 Less: Inventories 48,649,145,978 Prepayments and Other Current Assets 3,169,170,956 Quick Assets 30,482,590,168 Divide by: Total Current Liabilities 20,184,146,744 Acid test ratio 1.51	**1.51**	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities Total Current Assets 79,458,754,620 Less: Inventories 46,393,208,336 Prepayments and Other Current Assets 3,099,233,593 Quick Assets 29,966,312,691 Divide by: Total Current Liabilities 23,350,585,902 Acid test ratio 1.28	1.28
Solvency ratio	Earnings before interest, taxes, depreciation and amortization ("EBITDA") divided by Total Debt EBITDA 11,393,966,513 Divide by: Total Debt 33,432,555,421 Solvency ratio 0.34	**0.34**	Earnings before interest, taxes, depreciation and amortization ("EBITDA") divided by Total Debt EBITDA 13,768,086,059 Divide by: Total Debt 25,967,304,105 Solvency ratio 0.53	0.53
Debt-to-equity ratio	Total Debt divided by Total Equity Total Debt 33,432,555,421 Divide by: Total Equity 100,526,907,736 Debt-to-equity ratio 0.33	**0.33**	Total Debt divided by Total Equity Total Debt 25,967,304,105 Divide by: Total Equity 95,407,892,294 Debt-to-equity ratio 0.27	0.27
Assets-to-equity ratio	Total Assets divided by Total Equity Total Assets 159,527,300,714 Divide by: Total Equity 100,526,907,736 Assets-to-equity ratio 1.59	**1.59**	Total Assets divided by Total Equity Total Assets 148,709,218,571 Divide by: Total Equity 95,407,892,294 Assets-to-equity ratio 1.56	1.56
Interest rate coverage ratio	Earnings before interest and taxes ("EBIT") divided by Interest expense EBIT 9,829,044,925 Divide by: Interest Expense 1,710,651,171 Interest rate coverage ratio 5.75	**5.75**	Earnings before interest and taxes ("EBIT") divided by Interest expense EBIT 12,313,621,787 Divide by: Interest Expense 1,372,370,985 Interest rate coverage ratio 8.97	8.97
Interest rate coverage ratio	EBITDA divided by Interest expense EBITDA 11,393,966,513 Divide by: Interest Expense 1,710,651,171 Interest rate coverage ratio 6.66	**6.66**	EBITDA divided by Interest expense EBITDA 13,768,086,059 Divide by: Interest Expense 1,372,370,985 Interest rate coverage ratio 10.03	10.03

- 10 -

Ratio	Formula	2024	Formula	2023
Liabilities-to-equity ratio	Total Liabilities divided by Total Equity Total Liabilities 59,000,392,978 Divide by: Total Equity 100,526,907,736 Liabilities-to-equity ratio 0.59	**0.59**	Total Liabilities divided by Total Equity Total Liabilities 53,301,326,277 Divide by: Total Equity 95,407,892,294 Liabilities-to-equity ratio 0.56	0.56
Return on equity	Net Profit divided by Total Equity Net Profit 6,485,426,381 Divide by: Total Equity 100,526,907,736 Return on equity 0.06	**0.06**	Net Profit divided by Total Equity Net Profit 8,943,877,201 Divide by: Total Equity 95,407,892,294 Return on equity 0.09	0.09
Return on assets	Net Profit divided by Average Total Assets Net Profit 6,485,426,381 Divide by: Average total Assets 154,118,259,643 Return on assets 0.04	**0.04**	Net Profit divided by Average Total Assets Net Profit 8,943,877,201 Divide by: Average total Assets 144,960,171,366 Return on assets 0.06	0.06
Net profit margin	Net Profit divided by Total Revenue Net Profit 6,485,426,381 Divide by: Total Revenue 61,645,652,583 Net profit margin 0.11	**0.11**	Net Profit divided by Total Revenue Net Profit 8,943,877,201 Divide by: Total Revenue 65,643,761,074 Net profit margin 0.14	0.14

EMPERADOR INC. AND SUBSIDIARIES
(A Subsidiary of Alliance Global Group, Inc.)
Supplementary Schedule of External Auditor Fee-Related Information
For the Years Ended December 31, 2024 and 2023
(Amounts in Philippine Pesos)

	2024	2023
Total Audit Fees	**P 29,560,072**	P 26,176,538
Non-audit service fees:		
Tax service	**2,865,980**	7,397,600
Other assurance service	**1,219,100**	1,002,000
All other service	**-**	-
Total Non-Audit Fees	**4,085,080**	8,399,600
Total Audit and Non-audit Fees	**P 33,645,152**	P 34,576,138

GRI Content Index

Statement of use	Emperador Inc. has reported in accordance with the GRI Standards for the period January 1, 2024 to December 31, 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	8, 12-15,	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organization's sustainability reporting	5, 8				
	2-3 Reporting period, frequency and contact point	5				
	2-4 Restatements of information	67-68, 84				
	2-5 External assurance	External assurance not conducted in 2024 ASR				
	2-6 Activities, value chain and other business relationships	8, 12-15				
	2-7 Employees	83				
	2-8 Workers who are not employees	83				
	2-9 Governance structure and composition	See Organizational Chart on Emperador Inc's website				
	2-10 Nomination and selection of the highest governance body	See Board Committees on Emperador Inc's website				
	2-11 Chair of the highest governance body	134-135				
	2-12 Role of the highest governance body in overseeing the management of impacts	122, 132				
	2-13 Delegation of responsibility for managing impacts	The Management will coordinate with the governing bodies to settle any unfavorable decisions that may cause disruptions in the operations or penalties. While in the process of the appeal, all necessary mitigating measures should be done at once and documented. Effectiveness of the mitigating measures will also be reviewed by the governing bodies.				
	2-14 Role of the highest governance body in sustainability reporting	122, 132				
	2-15 Conflicts of interest	See Code of Business Conduct and Ethics on Emperador Inc's Website				
	2-16 Communication of critical concerns	122				
	2-17 Collective knowledge of the highest governance body	134-135				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	See Board Committees on Emperador Inc's website				
	2-11 Chair of the highest governance body	134-135				
	2-12 Role of the highest governance body in overseeing the management of impacts	122, 132				
	2-13 Delegation of responsibility for managing impacts	The Management will coordinate with the governing bodies to settle any unfavorable decisions that may cause disruptions in the operations or penalties. While in the process of the appeal, all necessary mitigating measures should be done at once and documented. Effectiveness of the mitigating measures will also be reviewed by the governing bodies.				
	2-14 Role of the highest governance body in sustainability reporting	122, 132				
	2-15 Conflicts of interest	See Code of Business Conduct and Ethics on Emperador Inc's Website				
	2-16 Communication of critical concerns	122				
	2-17 Collective knowledge of the highest governance body	134-135				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	See Board Committees on Emperador Inc's website				
	2-19 Remuneration policies	Payment based on individual				
	2-20 Process to determine remuneration	Annual individual performance assessment and salary grading level according to responsibilities, knowledge and experiences				
	2-21 Annual total compensation ratio	None				
	2-22 Statement on sustainable development strategy	6-7, 34				
	2-23 Policy commitments	122				
	2-24 Embedding policy commitments	110, 123-126, 128-129				
	2-25 Processes to remediate negative impacts	See Code of Business Conduct and Ethics on Emperador Inc's Website				
	2-26 Mechanisms for seeking advice and raising concerns	128-129				
	2-27 Compliance with laws and regulations	128-129				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-28 Membership associations	EDI: Philippine Chamber of Food Manufacturers Inc.; The British Chamber of Commerce of the Philippines AWGI: Glass Manufacturers Association of the Philippines (GMAP) Progreen: Center for Alcohol Research and Development (CARD); Ethanol Producers Association of the Philippines (EPAP) GES: Board of Control of the Denomination of Origin "Jerez-Xéres-Sherry"; Board of Control of the Geographical Indication Brandy de Jerez; Spanish Spirits Federation; Spanish Wine Federation; Wineries Federation of the Jerez area (FEDEJEREZ); Interprofessional Organisation of Wine in Spain (Organización Interprofesional del Vino en España); Spanish Association for Quality (SC) WMG: Scotch Whisky Association; The Wine and Spirit Trade Association; Drinkaware; Portman Group				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	44-45				
	2-30 Collective bargaining agreements	100				
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	41	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	38-40				
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	None	101-1 a, b, c	Not applicable	Not a material topic	
	101-2 Management of biodiversity impacts		101-2 a, b, c, d, e, f			
	101-3 Access and benefit-sharing		101-3 a, b			
	101-4 Identification of biodiversity impacts		101-4 a			
	101-5 Locations with biodiversity impacts		101-5 a, b, c, d			
	101-6 Direct drivers of biodiversity loss		101-6 a, b, c, d, e, f			
	101-7 Changes to the state of biodiversity		101-7 a, b			
	101-8 Ecosystem services		101-8 a, b			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	304-1 a	Not applicable	Not a material topic	
	304-2 Significant impacts of activities, products and services on biodiversity		304-2 a, b			
	304-3 Habitats protected or restored		304-3 a, b, c, d			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		304-4 a			
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	20-21				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	116-117				
	201-2 Financial implications and other risks and opportunities due to climate change	118-119				
	201-3 Defined benefit plan obligations and other retirement plans	None	201-3 a, b, c, d, e	Information unavailable/ incomplete	Challenges in consolidating data	
	201-4 Financial assistance received from government	None	201-4 a, b, c	Information unavailable/ incomplete	Challenges in consolidating data	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION	
GRI 3: Material Topics 2021	3-3 Management of material topics	120				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	121				
	202-2 Proportion of senior management hired from the local community	None	202-2 a	Information unavailable/ incomplete	Challenges in consolidating data	
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	None	203-1 a, b, c	Not applicable	Not a material topic	
	203-2 Significant indirect economic impacts		203-2 a, b	Not applicable	Not a material topic	
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		204-1 a, b,c			
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	128-129, 131				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Emperador Inc. has found no significant risks related to corruption for the reporting period.				
	205-2 Communication and training about anti-corruption policies and procedures	130				
	205-3 Confirmed incidents of corruption and actions taken	130				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION	
GRI 3: Material Topics 2021	3-3 Management of material topics	128-129				
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	128-129				
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics		3-3 a, b, c, d, e, f			
GRI 207: Tax 2019	207-1 Approach to tax		207-1 a			
	207-2 Tax governance, control, and risk management	None	207-2 a, b, c	Not applicable	Not applicable	
	207-3 Stakeholder engagement and management of concerns related to tax		207-3 a			
	207-4 Country-by-country reporting		207-4 a, b, c			
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	78-79				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	79				
	301-2 Recycled input materials used	79				
	301-3 Reclaimed products and their packaging materials	None	301-3 a, b	Information unavailable/ incomplete	Challenges in consolidating data	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	70				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	70				
	302-2 Energy consumption outside of the organization	71				
	302-3 Energy intensity	72				
	302-4 Reduction of energy consumption	73				
	302-5 Reductions in energy requirements of products and services	None	302-5 a, b, c	Information unavailable/ incomplete	Challenges in consolidating data	
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	74				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	76, 77				
	303-2 Management of water discharge-related impacts	76, 77				
	303-3 Water withdrawal	75				
	303-4 Water discharge	75				
	303-5 Water consumption	75				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION	
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	58-59				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	59				
	305-2 Energy indirect (Scope 2) GHG emissions	59				
	305-3 Other indirect (Scope 3) GHG emissions	59				
	305-4 GHG emissions intensity	59				
	305-5 Reduction of GHG emissions	60-63				
	305-6 Emissions of ozone-depleting substances (ODS)	EMI does not produce, import, and/or export ODS.				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	None	305-7 a, b, c	Information unavailable/ incomplete	Challenges in consolidating data	
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 306: Effluents and Waste 2016	306-3 Significant spills		306-3 a, b, c	Not applicable	Not a material topic	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION	
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	69				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	69				
	306-2 Management of significant waste-related impacts	69				
	306-3 Waste generated	67				
	306-4 Waste diverted from disposal	68				
	306-5 Waste directed to disposal	68				
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	127				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	127				
	308-2 Negative environmental impacts in the supply chain and actions taken	127				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION	
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	82				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	84				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	85				
	401-3 Parental leave	86-87				
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	101				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	100				
Occupational health and safety						
GRI 3: Material Topics 2021	403-1 Occupational health and safety management system	96-98				
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	96-98				
	403-3 Occupational health services	96-98				
	403-4 Worker participation, consultation, and communication on occupational health and safety	96-98				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION	
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	96-98				
	403-6 Promotion of worker health	96-98				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	96-98				
	403-8 Workers covered by an occupational health and safety management system					
	403-9 Work-related injuries	99				
	403-10 Work-related ill health	99				
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	3-3 Management of material topics				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	404-1 Average hours of training per year per employee				
	404-2 Programs for upgrading employee skills and transition assistance programs	404-2 Programs for upgrading employee skills and transition assistance programs				
	404-3 Percentage of employees receiving regular performance and career development reviews	404-3 Percentage of employees receiving regular performance and career development reviews				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION	
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	82, 90				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	88,89				
	405-2 Ratio of basic salary and remuneration of women to men	None	405-2 a, b	Confidentiality constraints	Confidential information	
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	None	406-1 a, b	Not applicable	Not a material topic	
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	100-101				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations andsuppliersinwhich the right to freedom of association and collective bargaining may be at risk	Emperador's operations abide by laws and regulations regarding employment and labor rights. None of its operations currently present a risk to the right to freedom of association and collective bargaining.				
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	102-103				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	102				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION	
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	102-103				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	102				
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	104-105				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	104				
Rights of Indigenous Peoples						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	None	411-1 a, b	Not applicable	Not a material topic	
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs					
	413-2 Operations with significant actual and potential negative impacts on local communities					

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION	
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	127				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	127				
	414-2 Negative social impacts in the supply chain and actions taken	127				
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics	None	3-3 a, b, c, d, e, f	Not applicable	Not a material topic	
GRI 415: Public Policy 2016	415-1 Political contributions		415- a, b	Not applicable	Not a material topic	
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	108-109				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	108-109				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	109				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT (S) OMITTED	REASON	EXPLANATION	
Marketing and labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	106-107				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	106-107				
	417-2 Incidents of non-compliance concerning product and service information and labeling	107				
	417-3 Incidents of non-compliance concerning marketing communications	107				
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	110-111				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	110				

Annex

Materials used by the organization (in metric tonnes, MT)

[301-1]

Disclosure	2022	2023	2024
Renewable Materials			
Cardboard and paper stickers	8,941.96	8,979.32	5,002.47
Pallets	4,595.09	3,709.94	2,387.27
Anti-skid sheets, separators	68.16	41.35	56.37
Cork and cork wood covers	6.33	3.82	4.98
Corrugated	478.14	611.01	495.27
Wood	16.47	3.79	33.26
Non-Renewable Materials			
Plastics	126.16	389.92	11.20
Cullet	52,276.33	42,006.10	25,476.38
Glass bottles	166,850.45	152,653.28	108,394.52
Caps and Closures (plastic and aluminum)	1,895.33	1,646.5	1064.61
Labels (paper and plastic)	570.38	1,208.83	769.51
Gift boxes	12.26	10.41	1015.50
Sleeves	23.19	17.09	13.24
Strapping and netting	9.77	10.63	8.49
Glue for labels and cases	33.6 41.2	81.55	19.38 21.67
Metallic covers	409.33	483.48	720.17
Other chemicals	229.31	212.18	11,527.01
Total	**236,583.46**	**212,069.20**	**157,021.30**

EMPERADOR INC.

7F 1880 Eastwood Avenue, Eastwood City CyberPark, Bagumbayan,
Quezon City, Metro Manila 1110, Philippines

emperadorinc.com