

DELIVERING SUSTAINABLE IMPACT

The background of the entire page is a photograph of a large solar farm. The solar panels are arranged in neat rows and are tilted towards the sun. The sky is a mix of light blue and soft orange, suggesting a sunset or sunrise. In the distance, there are mountains and several high-voltage power line towers. The water in the foreground reflects the colors of the sky and the solar panels.

2023 SUSTAINABILITY REPORT

About the Report

2-1, 2-2, 2-3

This report is BDO Unibank's sixth Sustainability Report outlining the Bank's economic, environmental, social, and governance performance from January to December 2023. It is a substantiation of BDO's commitment to the United Nations Sustainable Development Goals (UN SDGs), the principles of the United Nations Global Compact, and the Greenhouse Gas Protocol (GhG) Protocol. This report has been prepared in accordance with the GRI Standards 2021. For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

This report covers the sustainability efforts of BDO Unibank and its subsidiaries and affiliates, including BDO Private Bank, BDO Network Bank, BDO Capital & Investment, BDO Life, BDO Insure, and Dominion Holdings, Inc.

This report should be read in tandem with the 2023 BDO Annual Report and expanded disclosures on the BDO website at www.bdo.com.ph.

BDO 2023 SUSTAINABILITY REPORT

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BDO's Footprint ²⁻¹

BDO is a full-service universal bank in the Philippines, providing a complete array of industry-leading products and services including Lending (corporate and consumer), Deposit-taking, Foreign Exchange, Brokering, Trust and Investments, Credit Cards, Retail Cash Cards, Corporate Cash Management, and Remittances. Through its local subsidiaries, the Bank offers Investment Banking, Private Banking, Leasing and Finance, Rural Banking, Life Insurance, Property and Casualty Insurance Brokerage, and Online and Traditional Stock Brokerage Services.

BDO's institutional strengths and value-added products and services hold the key to its successful business relationships with customers. Its branches remain at the forefront of setting high standards as a sales- and service-oriented, customer-focused force. The Bank has the largest distribution network with over 1,700 operating branches and more than 5,500 teller machines nationwide. BDO has 16 international offices (including full-service branch offices in Hong Kong and Singapore) spread across Asia, Europe, North America, and the Middle East.

The Bank also offers digital banking solutions to make banking easier, faster, and more secure for its clients.

Through selective acquisitions and organic growth, BDO has positioned itself for increased balance sheet strength and continued expansion into new markets. As of December 31, 2023, BDO is the country's largest bank in terms of total resources, customer loans, deposits, assets under management and capital, as well as branch and ATM network nationwide.

BDO is a member of the SM Group, one of the country's largest and most successful conglomerates with businesses spanning retail, mall operations, property development (residential, commercial, hotels and resorts), and financial services. Although part of a conglomerate, BDO's day-to-day operations are handled by a team of professional managers and bank officers. Further, the Bank has one of the industry's strongest Board of Directors, composed of professionals with extensive experience in various fields that include banking and finance, accounting, law, and business.

Corporate Mission

To be the preferred bank in every market we serve.

Corporate Vision

To be the leading Philippine bank and financial services company that empowers customers to achieve their goals and aspirations, combining our entrepreneurial spirit, international perspective, and intense customer focus to deliver a personalized banking experience that is easy, straightforward, and convenient, while taking pride in building long-term relationships and finding better ways to deliver offerings of the highest standard.

Core Values

Commitment to Customers. We are committed to delivering products and services that surpass customer expectations in value and every aspect of customer service, while remaining prudent and trustworthy stewards of their wealth.

Commitment to a Dynamic and Efficient Organization. We are committed to creating an organization that is flexible, responds to change, and encourages innovation and creativity; we are committed to the process of continuous improvement in everything we do.

Commitment to Employees. We are committed to our employees' growth and development and we will nurture them in an environment where excellence, integrity, teamwork, professionalism, and performance are valued above all else.

Commitment to Shareholders. We are committed to providing our shareholders with superior returns over the long-term.

₱262.1 billion

(US\$4.7 billion)

Direct Economic Value Generated

₱2.9 trillion

(US\$51.5 billion)

Gross Customer Loans

₱3.6 trillion

(US\$64.4 billion)

Total Deposits

₱518.6 billion

(US\$9.3 billion)

Capital

₱4.5 trillion

(US\$80.9 billion)

Total Resources

₱73.4 billion

(US\$1.3 billion)

Net Income

₱687.5 billion

(US\$12.4 billion)

Market Capitalization

₱898 billion

(US\$16.2 billion)

Total Sustainable Finance funded

1,722

Total Branches and Banking Offices,
including foreign branches in Hong
Kong and Singapore

5,514

Teller Machines Nationwide
(ATMs, Cash Accept Machines,
Universal Teller Machines, and
Self-Service Teller Machines)

₱1 = US\$55.37



Message from the Chairperson



“As we continue on our sustainability journey, we carry a much greater conviction of our role in empowering more Filipinos to make sustainable choices.”

Dear Clients and Shareholders,

At BDO, we believe that being socially and environmentally responsible is more than just ensuring business continuity and resiliency. As we continue on our sustainability journey, we carry a much greater conviction of our role in empowering more Filipinos to make sustainable choices.

Our products and services helped enhance financial inclusion and well-being, especially for unbanked and underserved Filipinos. Through our sustainable finance initiatives, we supported businesses that promote environmental protection and conservation. We also pursued projects that provide opportunities for the growth and development of individuals and communities through entrepreneurship or employment.

The pioneering BDO Blue Bond raised US\$100 million from the investment of the International Finance Corporation and funded projects that help ensure the availability of clean water in key areas where there is water scarcity, and manage wastewater so that it is recycled and kept from flowing directly to the ocean.

BDO's first ASEAN Sustainability Bond, which successfully raised ₱52.7 billion in 2022, funded the expansion of renewable energy sources; the development of sustainable infrastructure; the creation of job opportunities for displaced, underprivileged, and unemployed Filipinos; and the provision of loans for Micro, Small, and Medium Enterprises (MSME) to increase productivity.

Through MSME financing, we supported women clients who comprise the majority of entrepreneurs we finance. As more women become financially self-reliant, they also become more empowered to participate actively in the economy.

We are able to pursue all these sustainable initiatives with the help of our dedicated BDO employees. To further develop their appreciation for the Bank's sustainability efforts and hone their capacity to better implement its accompanying projects, BDO employees were encouraged to join capacity-building sessions organized by the Sustainability Office, such as workshops on the UN Sustainable Development Goals and sustainable finance trainings in partnership with the International Finance Corporation.

BDO employees also participated in community-building activities through the Bank's employee volunteer program. BDO employees worked hand-in-hand with partner communities and organizations to help in disaster recovery and to promote financial literacy and inclusion. In 2023, we saw an increase in the number of participating employees — they offered 4,402 hours of their time and expertise to promote the Bank's advocacies in 86 volunteer events nationwide. We also forged partnerships with more organizations in order to reach out to more communities, especially those in the more remote areas of the country.

We recognize how immense the challenges are ahead of us. Rather than be daunted, we take these challenges as opportunities to live out our We Find Ways mantra and make our world better for future generations.

Yours truly,

Teresita T. Sy
Chairperson

Message from the President and CEO



“Remaining true to our sustainable finance framework, we believe that ensuring viability of our business goes hand-in-hand with promoting the well-being of our planet and its people.”

Dear Stakeholders,

Another year in our sustainability journey, another year to reflect on our policies and activities, and another year to implement improvements in our approach to sustainability. Our philosophy remains constant, continuous improvement implemented in small steps over time.

In 2023, we upgraded BDO’s sustainability policy into the more comprehensive framework, the Environmental and Social Risk Management System (ESRMS). The upgraded policy reflected our position on social and environmental issues in support of the United Nations Sustainable Development Goals. The ESRMS clearly defined the Bank’s risk appetite on issues such as climate change, the environment, human rights, and disaster risk management and response. In addition, we are increasingly factoring in our business decisions the dependencies and impact on the environment of the organizations we support.

BDO is also active in the market promoting financing instruments in support of sustainability. We issued the Blue Bond for ocean and water projects, the Green Bond for cleaner energy, and the ASEAN Sustainability Bond for economic, environmental, and social development.

We continue to expand the scope of our branches to promote financial inclusion. BDO Network Bank’s branches and loan offices increased by 12% year on year, providing the rural population and Micro, Small, and Medium Enterprises (MSMEs) easier access to financial support to meet their needs and to grow their business. Our loans to MSME grew 30% in 2023.

Through BDO Foundation, we reconstructed our 160th rural health unit in 2023. In partnership with the Philippine Red Cross, we inaugurated our first Blood Center to serve Agusan del Norte and neighboring provinces. We continue to create and nurture partnerships that allow us to conduct disaster response for families gravely affected by disasters and to pursue the advocacies we champion.

These efforts have not gone unnoticed. BDO was named Top Sustainability Advocate in Asia for the third straight year at the 2023 Asia Corporate Excellence & Sustainability (ACES) Awards in Kuala Lumpur, Malaysia. For the 13th consecutive year, The Asset Awards gave BDO the Platinum Award for Excelling in Environment, Social and Governance (ESG) in Hong Kong. BDO received the Best Advance in Sustainability Practices Award at the 14th Annual Retail Banker International Asia Trailblazer Awards in Singapore. The Bank also won the Best Sustainability Bond for Financial Institution in the Philippines at The Asset Triple A Country Awards for Sustainable Finance. In addition, BDO received the Four Golden Arrows rating at the ASEAN Corporate Governance Scorecard (ACGS) Awards for the top publicly-listed Philippine companies in corporate governance.

Remaining true to our sustainable finance framework, we believe that ensuring viability of our business goes hand-in-hand with promoting the well-being of our planet and its people. We celebrate our milestones and I personally thank all BDO bankers for their integral role in ingraining sustainability in everything that we do. With their steadfast dedication, we forge ahead to shape a more sustainable and resilient future for everyone.

Sincerely,

Nestor V. Tan

President and CEO

BDO's Path to Creating Shared Value



Creates jobs

41,647
Employees

75%
Employees are women

59%
Women in senior management (Assistant Vice President and up)

37%
Women in top management (Senior Vice President and up)

Helps businesses grow

₱50.1 billion
Bank-wide outstanding SME Loans

Fosters banking habits

825,414
Lives insured

₱18.8 million
Customers

1,722
Branches and Banking Offices including foreign branches in Hong Kong and Singapore

1,993,044
Total new checking and savings accounts

5,514
Teller Machines Nationwide (ATMs, Cash Accept Machines, Universal Teller Machines, and Self-Service Teller Machines)

Accelerates economic growth

₱37.7 billion
Taxes paid in 2023

Supports customer expenditure

8%
5-year CAGR** in Home Financing

11%
5-year CAGR** in Credit Cards (Cards-in-Force)

**Compounded Annual Growth Rate

Facilitates infrastructure development

₱73 billion
Loans disbursed to national projects

₱18.1 billion
Loans disbursed in the past 5 years for airports

₱31.2 billion
Loans disbursed in the past 5 years for road networks



Promotes community development

160
Rural health units (RHUs) rehabilitated to date

29
RHUs rehabilitated in 2023

861,791
Total beneficiaries of RHUs rehabilitated in 2023

7,831,373
Total beneficiaries of RHUs rehabilitated to date

Champions financial inclusion

26
Financial education videos developed since 2018

6,989,916**
Total beneficiaries reached through financial education programs since 2018

1,951,984
Beneficiaries reached through financial education programs in 2023

12
Partner government agencies

Finances environment-friendly solutions

₱898 billion
Total Sustainable Finance projects funded to date

2,377 MW
Total installed renewable energy capacity in megawatts

4,382,572
Tonnes of carbon dioxide avoided per year

72,466,757
Equivalent tree seedlings grown over 10 years

930,491
Equivalent passenger vehicles taken off roads yearly

59
Renewable Energy Projects funded to date

Volunteers for the community

86
Volunteer activities

1,263
Employee volunteers

4,402
Volunteer hours

* Sustainable Aviation Fuel

** Excludes partner agency data which were not available at the time of reporting.



Sustainability Overview

BDO Sustainability Philosophy

We seek to achieve strategic resilience by incorporating sustainability principles in the way we do business and in everything we do — from making business decisions to assessing relationships to creating products.

Alignment with the United Nations Global Compact Principles

BDO supports the principles of the United Nations Global compact. The Bank upholds:

- Corporate Governance
- Climate-friendly solutions and opportunities for business
- Access to clean, renewable, and reliable energy sources and services
- The adoption of instruments that help quantify, manage, and report the carbon footprint of our businesses
- The responsibility to protect the dignity of every person and uphold human rights
- The recognition of the role of women in achieving economic growth and poverty reduction
- The elimination of all forms of forced, compulsory, and child labor

BDO Sustainability Framework

The Bank's Sustainability Framework defines the strategies that serve as guideposts in its journey towards sustainability.



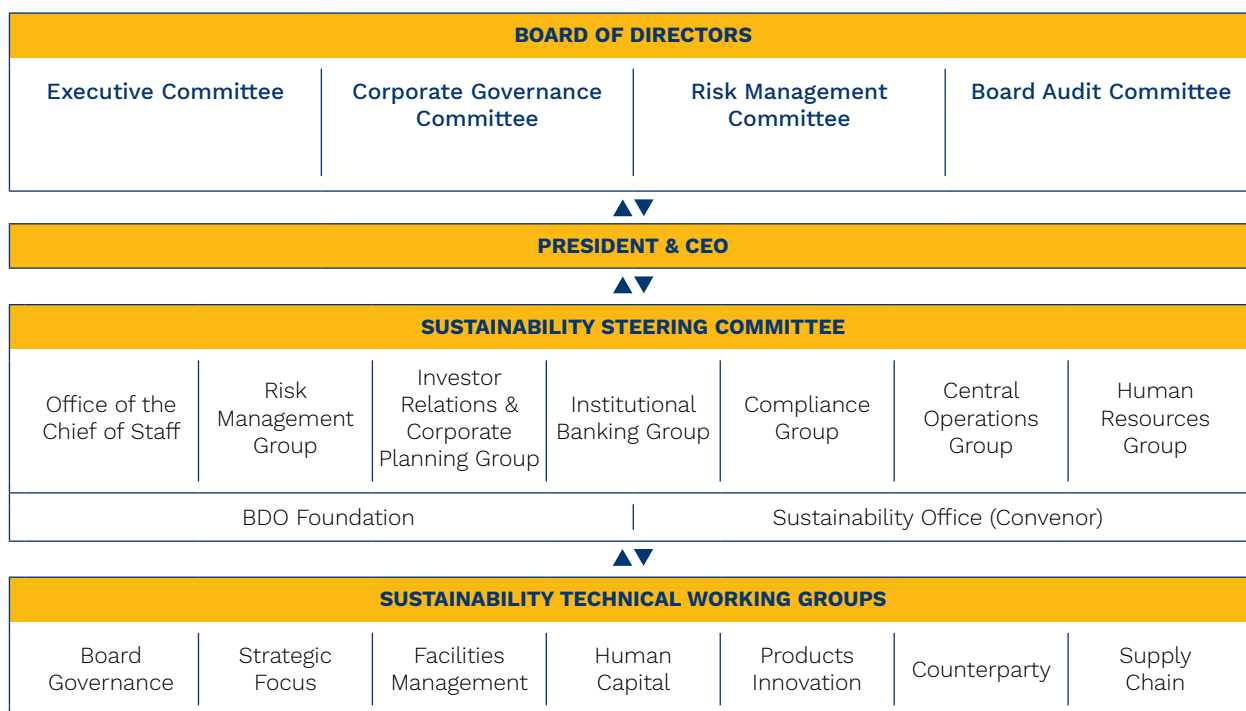
Sustainability Governance ³⁻¹

“Since the release of our first Sustainability Report in 2018, we have kept true to the 17 Sustainable Development Goals outlined by the United Nations. We are constantly striving to infuse sustainability, inclusion, and equity into our corporate culture, products, and services.”

Nestor V. Tan

President and Chief Executive Officer

BDO’s commitment to sustainability is fostered at the Board level, role modeled by senior executive leaders, executed by the business units and subsidiaries, and brought to life by BDO employees. BDO’s sustainable development strategies are anchored on the United Nations Sustainable Development Goals.

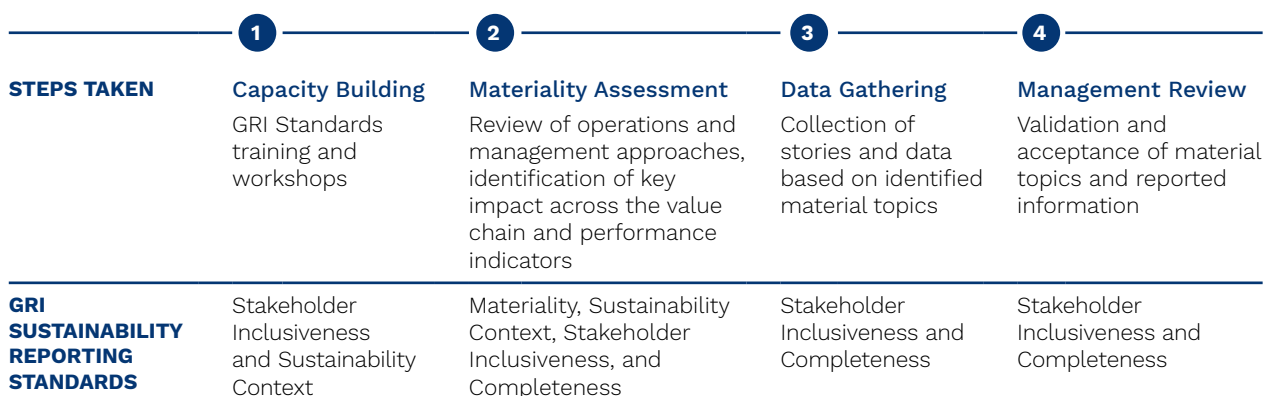


Roles and Responsibilities ³⁻¹

Oversight for sustainability initiatives reside in four BDO Board Committees, aligned to their key responsibilities. The Executive Committee approves all sustainability programs across the BDO Group and their corresponding budgets for implementation. The Corporate Governance Committee oversees sustainability initiatives related to the following: culture change towards a sustainability mindset for the organization; stakeholder communication; progress reporting on programs, metrics, and targets; and sustainability reporting. The Risk Management Committee oversees environmental, social, and governance risks in the Bank’s risk management system, including climate change risks. The Board Audit Committee oversees internal audit reporting on sustainability programs and sustainability reporting, as well as compliance testing against regulatory mandates on sustainability.

Across these four Board Committees, all Board Directors are effectively engaged in various capacities and according to their expertise, in driving the Bank’s sustainability framework across corporate governance, risk management, strategy, and operations. In 2022, the Board Committees’ Terms of Reference were updated to reflect their oversight on sustainability matters. The President and CEO provides high level strategic direction on sustainability — from the articulation of the BDO Sustainability Strategies to key focus areas where the Bank has the most ESG impact. The CEO also approves the Bank’s strategic external partnerships and commitments on sustainability on global, regional, and local levels. He is supported by the Sustainability Transition Steering Committee which oversees the Bank’s policy formulations, programs review, and recommendations from the Sustainability Technical Working Groups, as the Bank transitions into a sustainable finance framework. The Steering Committee is composed of heads of business groups, support groups, and the BDO Foundation, whose work cover corporate governance, risk management, business strategy, operations, and corporate social responsibility. The Steering Committee meets on a quarterly basis, and as needed. Acting as Convenor for the Steering Committee is the Sustainability Office, which oversees and implements the Bank’s Sustainable Finance Framework transition plan through the Technical Working Groups. The Sustainability Office also reports to the Corporate Governance Committee, drives the day-to-day implementation of sustainability initiatives, manages ESG due diligence, produces the annual Sustainability Report, and represents BDO in external forums. The Technical Working Groups are assigned a key Focus Area where BDO has the greatest ESG impact and tasked to review and enhance related policies to embed environmental and social impact principles and criteria, articulate practice into policy, and recommend and implement sustainability programs for the Bank. The Technical Working Groups are composed of representatives from business groups, support groups, and subsidiaries who are chosen for their expertise and experience in their respective fields.

Reporting Process



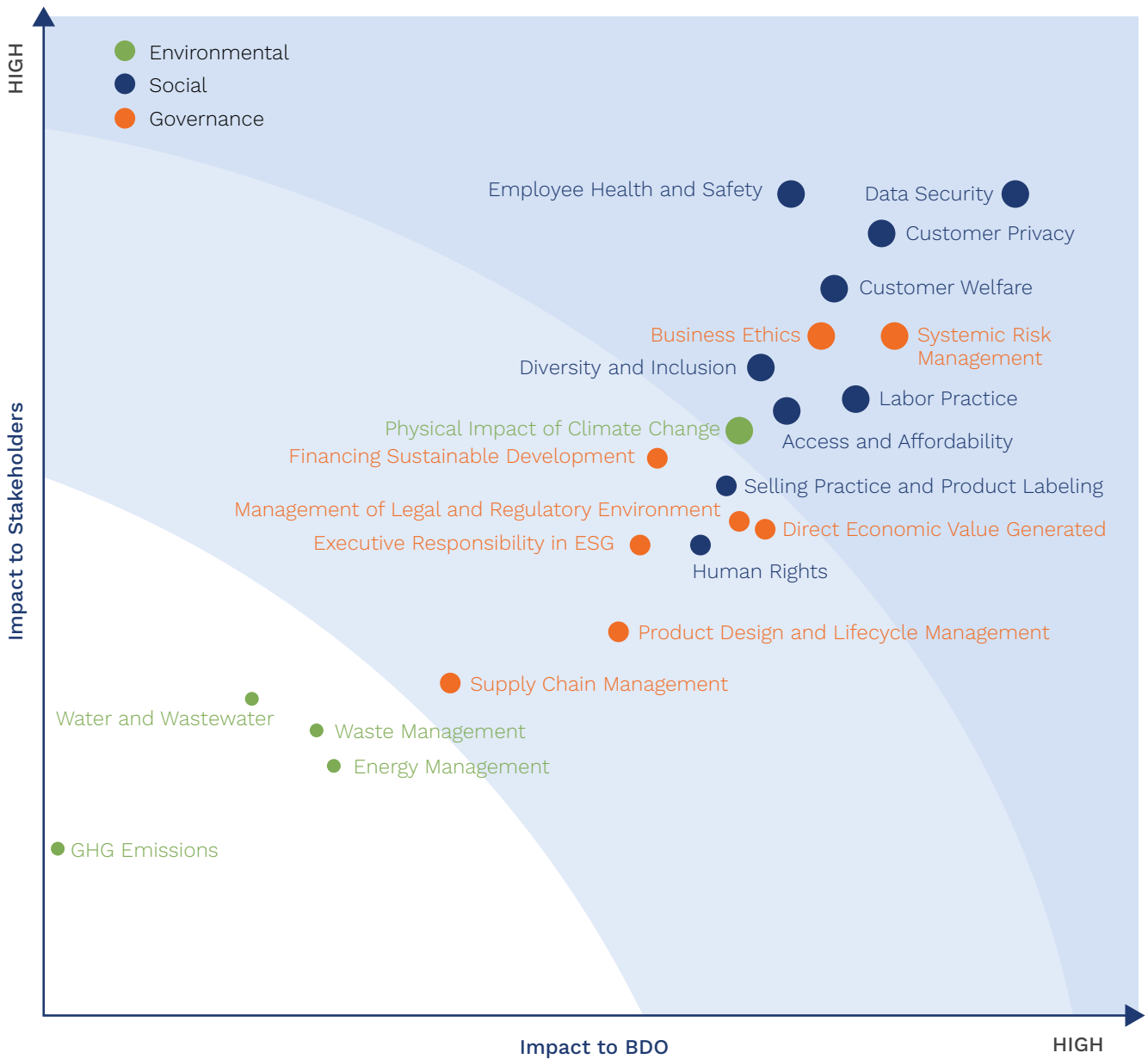
Materiality Topics 3-1, 3-2, 3-3

<p>Data Security How BDO safeguards the privacy and security of financial data against emerging cybersecurity threats and technologies</p> <p>Topic Boundary Within BDO and with regulators and customers</p>	<p>Employee Health & Safety How BDO creates and maintains a safe and healthy workplace environment free of injuries, fatalities, and illness</p> <p>Topic Boundary Within BDO and with employees</p>	<p>Customer Privacy How BDO manages risks related to the use of personally identifiable information and other customer or user data</p> <p>Topic Boundary Within BDO and with regulators and customers</p>	<p>Customer Welfare How BDO manages customer relations to cover customer satisfaction, customer experience, and welfare protection</p> <p>Topic Boundary Within BDO and with customers</p>
<p>Systemic Risk Management How well BDO is positioned to absorb shocks arising from financial and economic stress and meet stricter regulatory requirements</p> <p>Topic Boundary Within BDO and with regulators</p>	<p>Business Ethics How BDO operates on principles of accountability, transparency, integrity, and fairness</p> <p>Topic Boundary Within BDO</p>	<p>Labor Practice How BDO upholds commonly accepted labor standards in the workplace, in compliance with labor laws and internationally accepted norms and standards</p> <p>Topic Boundary Within BDO and with key government agencies and employees</p>	<p>Diversity & Inclusion How BDO ensures that its culture and hiring and promotion practices build a diverse and inclusive workplace that reflects its talent pool and customer base</p> <p>Topic Boundary Within BDO and with employees</p>
<p>Access & Affordability How BDO promotes and practices the financial inclusion of the unbanked, underbanked, or underserved, complemented with financial literacy to ensure that customers make informed financial decisions</p> <p>Topic Boundary Within BDO and with regulators and customers</p>	<p>Physical Impact of Climate Change How BDO incorporates climate change into lending analysis and risk mitigation in its mortgage finance and insurance businesses in order to protect shareholder value</p> <p>Topic Boundary Within BDO and with regulators</p>	<p>Financing Sustainable Development How BDO supports sustainable financing, including financing renewable energy and green facilities, and/or sustainable development for positive social impact</p> <p>Topic Boundary Within BDO and with partners and customers</p>	<p>Selling Practices and Product Labeling How BDO manages its practices in consumer finance selling, mortgage finance lending, and insurance products sales and marketing</p> <p>Topic Boundary Within BDO and with customers</p>
<p>Management of Legal and Regulatory Environment How BDO engages with regulators and complies with legal requirements</p> <p>Topic Boundary Within BDO and with regulators</p>	<p>Direct Economic Value Generated How BDO delivers on sustainable returns to its shareholders, and attains consistent market growth, in support of national economic development</p> <p>Topic Boundary Within BDO and with key stakeholders</p>	<p>Executive Responsibility in ESG How BDO's sustainability governance structure oversees and manages ESG material topics at the Board and senior executive levels</p> <p>Topic Boundary Within BDO and with key stakeholders</p>	<p>Human Rights How BDO manages its direct and indirect impact on human rights in its operations, including its socioeconomic community impact and engagement</p> <p>Topic Boundary Within BDO and with community partners and beneficiaries</p>
<p>Product Design and Lifecycle Management How BDO incorporates environmental, social, and governance factors into the lending process</p> <p>Topic Boundary Within BDO and with regulators and customers</p>	<p>Supply Chain Management How BDO manages environmental, social, and governance risks within its supply chain</p> <p>Topic Boundary Within BDO and with suppliers</p>	<p>Waste Management How BDO manages the hazardous and non-hazardous waste generated by its operations</p> <p>Topic Boundary Within BDO and with key government agencies</p>	<p>Water and Wastewater How BDO manages the impact of its operations on water resources</p> <p>Topic Boundary Within BDO and with key government agencies</p>
<p>Energy Management How BDO manages its environmental impact associated with energy consumption</p> <p>Topic Boundary Within BDO</p>	<p>GHG Emissions How BDO manages its direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions (GHG) generated through its operations, and GHG emissions from lending and financial intermediary activities (Scope 3)</p> <p>Topic Boundary Within BDO and with key stakeholders</p>		

Note: Total of 22 Materiality Topics for BDO

ESG Materiality Matrix ³⁻¹

BDO’s Materiality identified ESG topics using the GRI Sustainability Reporting Standards, the Sustainability Accounting Standards Boards (SASB) framework, and the Task Force for Climate-related Financial Disclosures recommendations, as well as topics reported on by BDO’s peers. S&P Global designed a bespoke stakeholder survey for BDO’s internal and external stakeholder groups to rate the importance of identified material topics to the Bank’s ESG impact on stakeholders, and identify ESG factors that affect the Bank. This enhanced stakeholder group engagement for materiality assessment aims to better prepare BDO to anticipate and mitigate emerging risks to the Bank and to its stakeholders. The resulting matrix shows the intersection of ESG topics most important to both, as ranked by stakeholders in the Philippines and overseas. In 2022, BDO reviewed each material topic and incorporated it in our policies and programs for the bank. Our performance on these material issues are discussed in this report.



Stakeholder Engagement 2-29

Stakeholder Group	Relevance	Channels of Engagement	Relevant Topics	Our Commitment
Shareholder or Investor	<ul style="list-style-type: none"> Providers of resources essential to BDO's goal to deliver results, enhanced economic returns, and shared value 	<ul style="list-style-type: none"> Annual Stockholders' Meeting Investor meetings 	<ul style="list-style-type: none"> Access and affordability Systemic Risk Management 	<ul style="list-style-type: none"> Continue to promote the financial inclusion and financial literacy of the unbanked, underbanked, or underserved Enhance embedded environmental and social criteria in credit risk and operational risk systems
Employee	<ul style="list-style-type: none"> Proponent of BDO's vision, mission, and objectives 	<ul style="list-style-type: none"> Face-to-face meetings Annual performance appraisals 	<ul style="list-style-type: none"> Employee health and safety Customer welfare 	<ul style="list-style-type: none"> Prioritize occupational health and safety at all times Provide timely feedback to customer concerns
Customer or Client	<ul style="list-style-type: none"> Patrons of BDO's products and services 	<ul style="list-style-type: none"> Customer touchpoints Regular visits and briefings 	<ul style="list-style-type: none"> Customer Privacy Data Security Greenhouse Gas Emissions 	<ul style="list-style-type: none"> Provide guardrails to manage risks related to customer or user data Safeguard the privacy and security of financial data against emerging cybersecurity threats and technologies Disclose our Scope 1, 2 and 3 emissions
Creditor	<ul style="list-style-type: none"> Source of assets that support BDO's business 	<ul style="list-style-type: none"> Regular correspondence and updates 	<ul style="list-style-type: none"> Business ethics Financing Sustainable Development 	<ul style="list-style-type: none"> Meet our contractual obligations Continue to support sustainable financing and sustainable development
Service Provider or Supplier	<ul style="list-style-type: none"> Suppliers and service providers vital to BDO 	<ul style="list-style-type: none"> Vendor accreditation process Regular correspondence 	<ul style="list-style-type: none"> Business ethics Supply Chain management 	<ul style="list-style-type: none"> Continue to operate on principles of accountability, transparency, integrity, and fairness Manage ESG risks within our supply chain, in partnership with suppliers
Regulator or Policy Maker	<ul style="list-style-type: none"> Driver of regulations and policies that aid BDO in achieving its goals 	<ul style="list-style-type: none"> Formal and informal correspondence Regular audit 	<ul style="list-style-type: none"> Data Security Access and affordability Business ethics 	<ul style="list-style-type: none"> Safeguard the privacy and security of financial data against emerging cybersecurity threats and technologies Continue to promote the financial inclusion and financial literacy of the unbanked, underbanked, or underserved Continue to operate on principles of accountability, transparency, integrity, and fairness
Community Beneficiary	<ul style="list-style-type: none"> Partners in community development and local economic growth 	<ul style="list-style-type: none"> Community engagement dialogues Meetings for program implementation 	<ul style="list-style-type: none"> Customer Privacy Human rights 	<ul style="list-style-type: none"> Provide guardrails to manage risks related to customer or user data Protect human rights in our operations, including our socioeconomic community impact and engagement
Analyst or Research Organization and Media	<ul style="list-style-type: none"> Partners in accurate reporting, upholding transparency and integrity 	<ul style="list-style-type: none"> Analysts' briefings Media events 	<ul style="list-style-type: none"> Financing Sustainable Development Physical Impacts of Climate Change 	<ul style="list-style-type: none"> Continue to support sustainable financing and sustainable development Incorporate climate change into lending analysis and risk mitigation in our businesses to protect shareholder value



Mainstreaming Sustainable Banking

We develop and enhance products and services that enable our customers to make sustainable financial decisions and practices wherever they are. We manage our environmental and social risks and create opportunities for our clients, communities, and country. We support sustainable development that incorporates financial inclusion and impact financing to help achieve a low carbon economy that is environmentally responsible and socially equitable.



*Sustainable Aviation Fuel

Managing Climate Change and Other Environmental and Social Risks and Opportunities

BDO acknowledges that environmental and social (E&S) risks arising from its activities and those of its clients have significant impact on its operations. The Bank recognizes sustainability as long-term risk management, and seeks to manage these risks by incorporating sustainability in the way it does business. BDO's Sustainability Philosophy aims to embed sustainability principles when making business decisions, assessing relationships, and creating products and services.

Over the years, the Bank has adhered to sustainable finance practices that long incorporated Environmental, Social, and Governance (ESG) in the way that it conducts business as an organization and as a bank committed to sustainability. Since 2010, the Bank has abided by its Social and Environmental Management System (SEMS) Policy, which was co-developed with the International Finance Corporation (IFC) and based on IFC's ESG standards. The SEMS Policy aims to control and address social and environmental risks in the Bank's lending operations by categorizing E&S risks as High, Medium, and Low, based on type (sector/industry), location (proximity to environmentally and socially sensitive areas), sensitivity (potential impact whether irreversible/reversible), and extent of environmental and/or social issues.

The SEMS Policy covered the lending operations, particularly for sustainable finance of renewable energy projects, energy efficiency initiatives, and green buildings. BDO evolved its longstanding SEMS Policy into the more comprehensive Board-approved Environmental and Social Risk Management System (ESRMS) Framework that will help identify, assess and manage E&S risks associated not only in its lending activities, but also its investment activities and administrative operations. This Framework is fully incorporated in BDO's banking policies and procedures and is aligned with the Bank's risk appetite which defines the nature and level of risk that the Bank is willing to take in order to achieve its sustainability strategies. In Q4 2023, BDO started training priority groups of employees on the ESRMS – starting with its Relationship Managers, Credit Analysts, and Facilities Managers – to identify and evaluate potential E&S risks associated with its clients and its administrative operations. The ESRMS Framework will be regularly updated to adapt to any applicable developments in the Bank's commitments and in national legislation.

The Bank is continuously working towards its commitment to develop long lasting relationships with its clients by making sure that its businesses, products, and services are resilient and will be able to adapt to the ever-changing environment that the Bank operates in. In doing so, BDO will be in a better position to promote sustainable growth and achieve strategic resilience in all of its business operations.

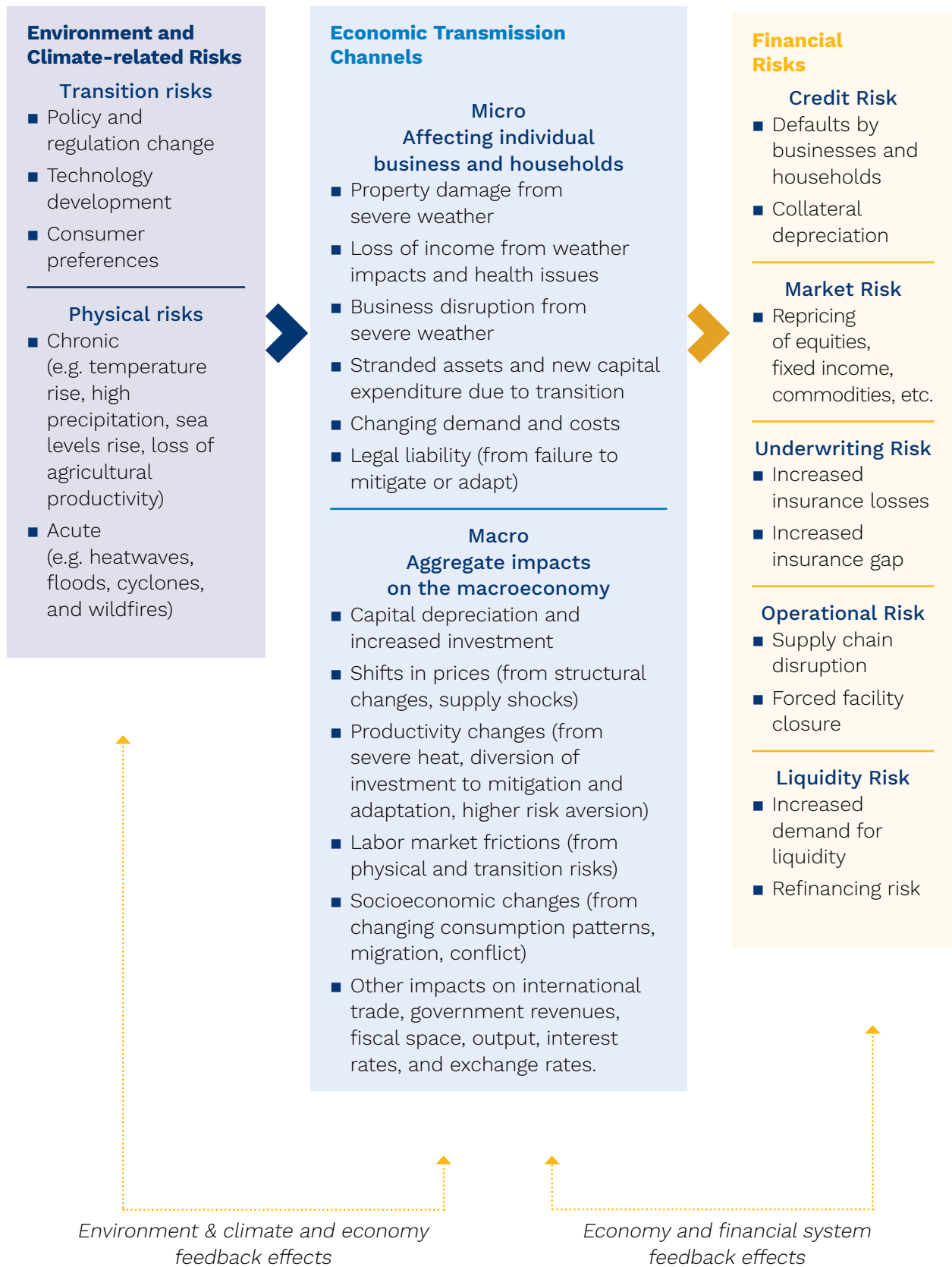
Identifying climate-related Risks

The ESRMS Framework is incorporated in the banking policies and procedures and is aligned with the Bank's risk appetite which defines the nature and level of risk that the Bank is willing to take in order to achieve its sustainability strategies.

There are four main key drivers of E&S risks considered by BDO, which are mainly linked to the characteristics of the Bank's clients, investments, and its operations. These drivers are:

- a) Industry, based on 2019 Philippine Industry Classification System (PSIC);
- b) Location;
- c) Risks in the value chain; and
- d) Identification and management of E&S risks by the business

BDO recognizes that E&S risks can translate to financial risks if left unmitigated.









Physical Impacts of Climate Change

BDO has engaged a third-party consultant to assess the physical impacts of climate change to BDO's operations, including its offices and branches in the Philippines and abroad, and the Bank's lending and investment portfolio.

Integration into enterprise risk management

BDO has started to integrate its wider E&S risk assessment in its existing processes for credit, investments, and operations through the use of an E&S Due Diligence questionnaire developed in-house called the Environment and Social Tool 4 Risk (EAST4R) for scoring E&S risks, where E&S issues are assigned weights considering different factors such as industry issues, and relevant E&S laws and regulations. The environment and climate-related issues considered are climate change physical risk, climate change transition risk, energy use and conservation, water use and conservation, deforestation or site clearance, waste management, and biodiversity loss. The social issues are health and safety, child labor, modern slavery, labor rights, human rights, indigenous peoples' rights, and community rights.

Environmental

-  **Climate change**
(physical risk, transition risks)
-  **Energy** use and conservation
-  **Water** use and conservation
-  **Waste** management
-  **Deforestation** or site clearance
-  **Biodiversity** loss

Social

-  **Health and safety**
-  **Child labor**
-  **Modern slavery**
-  **Labor rights**
-  **Human rights**
-  **Indigenous peoples' rights**
-  **Community rights**

Key Focus Areas

	Climate Change	Environment	Human Rights	Disaster Risk Management and Response
Commitments	Manage the risks associated with climate change (physical, transition risk) and the transition to a low carbon economy today and in future scenarios.	Manage and reduce the Bank's environmental impact in its credit, investments, and operations, recognizing that environmental degradation will exacerbate destruction and loss of life.	Recognize and uphold its role to respect human rights among its stakeholders.	Manage the risks associated with the economy, society, and environment in the aftermath of a disaster. Focus resources to mitigate and adapt to the E&S impact of disasters brought about by climate change and human activities.
Risk Appetite	<p>Low risk appetite for activities that do not support the transition to a low carbon economy. Activities should be in line with the BDO Energy Transition Finance Statement</p> <p>High risk appetite for clean and renewable energy activities</p>	<p>Low risk appetite for client activities that have significant adverse environmental impact</p> <p>No risk appetite for any non-compliance with environmental laws and regulations</p>	<p>No risk appetite for activities that violate human rights in the Bank's workforce, clients, investees, and supply chain</p>	<p>High risk appetite for activities that create opportunities, drive socioeconomic development, and respond to needs of marginalized sectors of society</p> <p>No risk appetite for activities that significantly disrupt bank operations</p>

Climate Change

BDO is committed to managing the risks of climate change, both transition and physical risks, that it is facing today and will face under future scenarios; and managing the risks associated with the strategic commitment to help the Philippines to transition to a low-carbon economy.

Low risk appetite for activities that are not contributing to the transition to a low carbon economy, and should be in line with the BDO Energy Transition Finance Statement released in 2022. The Bank has a high risk appetite for clean and renewable energy sources that emit low greenhouse gas emissions in its value chain.

This is reflected in current commitment to reduce the Bank's thermal coal exposure to 50% by 2033, while imposing a limit of 2% of total loan portfolio by 2033. In addition, the Bank will continue to engage with its clients to determine how best it can support them in their low-carbon transition journey. However, in line with the Bank's Energy Transition Finance Statement, in a situation where the Philippine government implements provisional emergency measures to address an energy crisis, or to the extent that the country's energy resources can no longer meet its energy demand, BDO may reconsider extending capital to coal projects, in the interest of advancing the country's social goals. The Bank anticipates that its position on energy security in general, and on coal-related financing in particular, will evolve along the way in response to the country's economic realities, taking into consideration government's energy-related priorities and programs.

Overall, the Bank aims to:

In its dealings with clients and investees:

- Leverage its BDO Sustainable Finance Framework (SFF) which serves as a guidepost in issuing Green, Social, and Sustainability Bonds and other debt financing instruments that allow the Bank to diversify funding sources and broaden investor base to include ESG-focused investors. Under the BDO SFF, eligible projects are expected to reduce the Philippines' environmental footprint and assist in the energy transition towards a low-carbon economy, as well as drive socioeconomic development nationwide.
- Improve efforts and capability on climate scenario analysis by regularly reviewing its exposures to carbon-intensive sectors to better assess its portfolio resilience under various possible outcomes.
- Advocate and support its clients in their transition to a low-carbon economy through innovative product offerings that promote renewable energy, energy efficiency, green buildings, and transition financing, among such credit and investment opportunities, across all its target markets.

In its own operations:

- Better understand the impacts of climate change by properly identifying and managing the Bank's E&S risk exposures in its operations and third-party service providers (i.e., vendors/suppliers).
- Ensure strict compliance to applicable environmental laws and regulations such as Republic Act (RA) 8749 (Philippine Clean Air Act of 1999).
- Measure, monitor, and report its emissions using monitoring and evaluation tools [e.g., best available technologies (BAT)].
- Advocate and support its stakeholders in their transition to a low-carbon economy through capability building and stewardship.

- Disclose the actions that the Bank is taking or has taken and report the progress to its internal and external stakeholders in a timely manner.
- Keep up-to-date with the latest developments from local and international regulatory and disclosure bodies, such as the following:
 - Securities and Exchange Commission (SEC)
 - Bangko Sentral ng Pilipinas (BSP)
 - Hong Kong Monetary Authority (HKMA)
 - Monetary Authority of Singapore (MAS)
 - Global Reporting Initiative (GRI)
 - Task Force on Climate-related Financial Disclosures (TCFD)
 - International Financial Reporting Standards (IFRS)

Environment

BDO is cognizant that environmental degradation will exacerbate destruction and loss of life. This drives the Bank's commitment in embedding sustainability in its day-to-day operations to reduce its environmental impacts.

In relation to dealings with clients and investments, the Bank has a low risk appetite for events brought on by the client's business that have been determined to have significant adverse environmental impact (e.g., oil spill affecting marine life, tailings dam failure impacting waterways, etc.) or for non-compliance with relevant environmental laws and regulations, specifically on waste, water, and energy, which impact both credit and reputational risk. The Bank has reflected this in its E&S due diligence procedures.

In relation to banking operations, the Bank has no risk appetite for any non-compliance with environmental laws and regulations it is being monitored on.

BDO is cognizant that forests play an essential role in global climate stability, preserving genetic biodiversity, and supporting biological health and well-being. From a financial standpoint, deforestation jeopardizes the long-term stability and growth of various sectors that depend on forest resources. Industries such as agriculture, fisheries, construction, and tourism rely on the ecosystem services provided by forests. Without sustainable forest management, these sectors face increased risks of productivity decline, supply chain disruptions, and heightened vulnerability to natural disasters. The Bank is committed to address deforestation and contribute to the preservation and sustainable management of the Philippines' forest resources. In terms of its lending and investment activities, BDO has a low risk appetite regarding activities that may involve deforestation and will exercise caution and employ strict criteria to evaluate potential clients and investment opportunities by actively screening borrowers and projects to minimize exposure to deforestation practices.

In terms of the Bank's own operations, BDO has no risk appetite for activities that may involve illegal forest clearing operations. The Bank will prioritize sustainable procurement practices and will actively seek vendors and suppliers who demonstrate responsible forest management and sustainable sourcing.

The Bank is committed in ensuring that its operations have reduced impact to the environment in which it operates in. Moreover, the Bank is also committed in improving the lives of its clients, employees, and communities it caters to by effective management of its operational footprint.

WATER MANAGEMENT

- Reducing water consumption in branches and offices through recycling facilities
- Use of best available technologies (BAT) to ensure water use efficiency such as waterless toilets, leak-free and well insulated piping systems to limit water waste

ENERGY MANAGEMENT

- Reducing water and energy consumption in branches and offices by using BAT to ensure energy management such as passive infrared (PIR) motion sensors in bathrooms/toilets, LED lighting, and inverter technology for air-conditioning units
- Switching to renewable/clean energy sources

WASTE MANAGEMENT

- Reducing the amount of paper used in bank operations, aligned with its digitalization initiatives, and where possible, switching to post-consumer recycled paper
- Proper disposal of hazardous wastes [e.g., busted fluorescent lamps (BFL), used lead-acid batteries (ULAB), used oil] and non-hazardous wastes (e.g., food wastes)
- Enhancing its reuse of surplus office equipment and furniture as it continues to expand operations

This Environmental Policy encompasses water, energy, fuel, and waste management and applies to all business operations, including products and services being offered by the Bank to all companies operating across all industry sectors.

Human Rights

BDO is committed to understand and uphold the role of business, and in particular the Bank, in respecting human rights among its stakeholders. The Bank has partnered with the Philippine Commission on Human Rights (CHR) to build BDO's capacity to create and implement its own Human Rights policy across its operations; help BDO create its own Human Rights Impact Assessment Tool that can inform the Bank's risk assessment for social risks; and overall, manage BDO's human rights impact and responsibility to respect the human rights of its stakeholders. As such, the Bank has no risk appetite for activities that violate human rights in the Bank's workforce, its clients and investees and supply chain. Moving forward, the Bank will engage with its stakeholders, including:

EMPLOYEES

The Bank will conduct capability-building and surveys in relation to human rights with its employees, in accordance with its Code of Conduct and Business Ethics, and ensure that any violations are properly resolved through appropriate methods and channels. The Bank will also develop its own Human Rights Impact Assessment Tool as part of its partnership with the Philippine Commission on Human Rights.

CUSTOMERS

The Bank will leverage its Sustainable Finance Framework in its lending activities and will not finance clients that are involved in activities that violate human rights, such as harmful or exploitative forms of forced labor, modern slavery, and child labor.

VENDORS AND SUPPLIERS

The Bank will not engage with vendors and suppliers that have violations in human rights policies and standards. Moreover, the Bank will adhere to its Manual on General Procurement Guidelines that establishes the policies on procurement of products and services and provides a framework of efficient, consistent, transparent, and compliant purchasing practices across all business units of BDO. The Bank reserves the right to terminate any contracts with vendors and suppliers that did not abide by the Manual. The Bank is developing its own Supply Chain Ethical Code patterned after the Bank's Code of Conduct and Business Ethics and ask vendors and suppliers to abide by its provisions.

The BDO Human Rights Policy applies to the BDO Group in the Philippines and in other countries where it operates, the entities that it owns, and the entities in which it holds a majority interest. This policy also applies, to the extent achievable, to the Bank's supply chain through partners, suppliers, and third-party contractors.

Disaster Risk Management and Response

BDO recognizes its critical role in economic development and social inclusion. The Bank is committed to focus its resources to mitigate and adapt to the E&S impact of disasters brought about by climate change and human activities. The Bank has a high risk appetite for activities that create opportunities and initiatives that drive socioeconomic development projects addressing disaster risks and respond to the needs of marginalized sectors of society, especially those affected by disasters brought about by climate change.

In terms of the Bank's own operations, BDO remains true to its commitment to embed sustainability in its day-to-day operations to reduce its environmental impacts that will exacerbate destruction and loss of life brought about by climate change and human activities. As such, the Bank has no risk appetite for activities that would significantly disrupt the Bank's operations. BDO will consistently adhere to, improve, and adapt its established Business Continuity Plan.

The Bank established the BDO Foundation that serves as its corporate social responsibility arm and is responsible for harnessing the strengths and resources of the Bank, including those of its employees for its various programs. The BDO Foundation has laid out a list of target beneficiaries that may benefit from disaster response activities, focusing its resources on the aftermath of such events to immediately provide relief, fund rehabilitation, help advance recovery, and strengthen adaptive capabilities of disaster-stricken communities. The Bank's Employee Volunteer Program (EVP), co-managed by the Foundation with Human Resources and the Sustainability Office, focuses on activities that complement disaster response and adaptation: addressing poverty and hunger, the environment, education, and financial literacy – sustainable development themes in support of the UN SDGs.

E&S Risk Assessment

Part of the risk assessment procedures conducted by BDO includes the assessment of E&S risks inherent at the industry level. For each industry covered in the industry risk assessment, the Bank assigned a score to each identified E&S risk based on the potential level of risk exposure considering the nature of the industry's operations (i.e., low, medium, or high risk). Based on the aggregate scoring for each of the E&S risk inherent under a particular industry, an overall E&S score was determined to identify the exposure from an environmental and a social perspective. Results of the E&S risk assessment at an industry level has been summarized in the next page.

Lending and investments portfolio exposure by sector

Sector	As of March 2023		
	Lending (79% of total)	Investment (21% of total)	Total Portfolio Exposure
Real Estate Activities	23.8%	2.4%	19.4%
Financial and Insurance Activities	16.3%	9.6%	14.9%
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	11.5%	0.2%	9.2%
Electricity, Gas, Steam and Air Conditioning Supply	10.6%	4.2%	9.3%
Activities of Households as Employers; Undifferentiated Goods- and Services-producing Activities of Households for Own Use	9.7%	0.0%	7.7%
Manufacturing	8.8%	0.6%	7.1%
Information and Communication	3.5%	0.9%	3.0%
Construction	3.2%	0.4%	2.7%
Transportation and Storage	3.1%	0.6%	2.6%
Arts, Entertainment and Recreation	3.0%	0.1%	2.4%
Water Supply; Sewerage, Waste Management and Remediation Activities	1.5%	0.1%	1.2%
Accommodation and Food Service Activities	1.3%	0.9%	1.2%
Human Health and Social Work Activities	1.1%	0.0%	0.9%
Other Service Activities	0.9%	0.0%	0.7%
Agriculture, Forestry and Fishing	0.5%	0.0%	0.4%
Mining and Quarrying	0.5%	0.5%	0.5%
Education	0.4%	0.0%	0.3%
Administrative and Support Service Activities	0.2%	0.0%	0.1%
Professional, Scientific and Technical Activities	0.1%	0.0%	0.1%
Public Administration and Defense; Compulsory Social Security*	0.0%	79.4%	16.4%

*Includes investment exposures to government and sovereigns

Key Focus Sectors

Based on its portfolio exposures in lending and investments, BDO has probable high E&S risk exposures primarily in the Energy sector. The bulk of financing for the Energy Sector goes to electric power transmission and distribution infrastructure, followed by electric power generation from renewable energy, coal, and natural gas. To a lesser extent, BDO also has E&S risk exposures in the Transportation and Storage, Construction, and Mining and Quarrying sectors. To address these, the BDO ESRMS provides for the Bank's commitment and approach to these high E&S risk sectors.

Energy Sector

The Bank is committed towards financing more sustainable sources of energy in the Philippines. The Bank recognizes that the banking industry plays a critical role in the Philippines' committed transition to a low carbon economy, a transition that will require providing access to affordable, reliable, sustainable, and clean energy.

The Bank believes that this transition is a journey that requires adopting a balanced approach, which must acknowledge the difficult trade-offs that need to be made along the way between national economic development that depends on affordable and reliable energy, and the relentless pursuit of the broader goal of climate sustainability.

Transportation and Storage Sector

The Bank is committed towards supporting sustainable modes of transportation in the Philippines. The Bank recognizes the critical role the banking industry has in decarbonizing transportation in the Philippines.

Construction Sector

With green buildings, the use of sustainable construction materials and methods are increasingly becoming the standard. The Bank is committed to work closely and support its clients in the construction industry to shift towards becoming sustainable.

Mining and Quarrying Sector

The Bank is committed towards more responsible mining in the Philippines. The Bank recognizes that the banking industry plays a critical role towards responsible mining, as many mining clients have seen the feasibility of a proper E&S management program that is valuable to the environment and communities. The Bank also notes that certain mined metals and minerals are key to green technologies, energy generation, and battery storage.

Additional Due Diligence Applicable to Key Focus Sectors

The Bank will continuously assess the adherence of each client to applicable E&S standards by performing periodic evaluation and review of its projects and operations. In addition, the Bank will assess controversies its clients and investees are a party to, such as issues related to deforestation, pollution/improper waste disposal, biodiversity loss, health and safety, high energy and water use, and violations to indigenous people and community rights.

The sector commitments are subject to periodic review by the Bank and will be revised as needed. The clients, investees, suppliers and employees of the Bank are expected to be guided by these commitments in all their business transactions.

Sustainable Finance

BDO recognizes the value of natural capital, which presents businesses with both risks and opportunities. As a pioneer in sustainable finance in the Philippines, the Bank continues to find ways to protect the environment through innovative financing instruments that contribute to ensuring sustainable use of natural resources. BDO also works to advance inclusive growth through financial inclusion of the underserved and the underbanked.

The Bank's Sustainable Finance Framework serves as the guidepost for BDO's credit and investment activities which takes into account economic, environmental, and social risks and opportunities.

Financial Instruments for Sustainability

Blue Bond

BDO's first Blue Bond issuance helped finance and refinance projects that improved water management in Luzon by increasing the capacity of wastewater treatment facilities, providing access to technologies for reducing non-revenue water (NRW), and constructing sustainable water

19,240

Tonnes of carbon dioxide emissions avoided

supply infrastructure, rain water harvesting and surface water utilization facilities. The projects increased clean water supply for the area, while avoiding groundwater extraction. The three projects that benefitted from the bond issuance saved 60,062,121 cubic meters (m³) of water from groundwater extraction. The projects also avoided 323,939 m³ in water loss. An additional 4,517 m³ of wastewater was also treated annually. All of these water savings are equivalent to 19,240 tonnes of carbon dioxide emissions (CO₂e) avoided. The projects also included technological solutions that ensure efficient water use and prevent water discharge from households to river basins and coastal areas.

323,939 m³
Water loss avoided

60,062,121 m³
Saved from groundwater
extraction

The financing also led to a 14% increase in the number of households with clean water and a 52% increase in the number of establishments whose wastewater were treated before water reuse or discharge to bodies of water. The number of hospitals provided with wastewater treatment also increased by 16% after the financing.

BDO issued its first Blue Bond on May 2022, for US\$100 million from the International Finance Corporation (IFC) as anchor investor. The Blue Bond is the first in Southeast Asia and first to use the IFC's Blue Finance Guidelines. The issuance comes at a critical time for the Philippines, where severe and extreme water scarcity currently exist in parts of Luzon, especially in Greater Metro Manila and nearby provinces. Water availability in the Philippines is only 1,446 m³ per capita per year nationwide, indicating that the country is experiencing water stress — a situation when water supply is from 1,000 to 1,700 m³ per capita per year.

For more details on the 2023 BDO Blue Bond Impact Report, see <https://www.bdo.com.ph/aboutbdo/sustainability/sustainability-reporting>

ASEAN Sustainability Bond

BDO issued its first ASEAN Sustainability Bond in January 2022 and successfully raised ₱52.7 billion for the peso-denominated bond with a tenor of two years and a fixed rate of 2.90% per annum under its ₱365 billion Bond Program. As of September 2023, use of proceeds of the bond has been allocated to 28 projects amounting to ₱35.75 billion which is 68% of the total issuance. Of these 28 projects, 18 are under the green eligible categories, while 10 are under the social eligible categories of the BDO Sustainable Finance Framework (SFF). These projects contributed to the following social and environmental impacts:

- increased access to affordable, safe, nutritious, and sufficient food;
- increased production of Fair-Trade certified products;
- more beneficiaries of agricultural projects;
- creation of jobs and support for micro, small, and medium enterprises (MSME);
- reduction in greenhouse gas (GhG) emissions;
- increased renewable energy generation; and
- water savings

The Bond is the largest issuance for any Philippine financial institution or company to date, and was oversubscribed by over 10 times its original target of ₱5 billion. BDO's use of proceeds for the bond supported a range of sustainability initiatives that improve food security, generate employment, promote renewable energy, develop green buildings, improve sustainable water and wastewater management, enhance resource efficiency, and pollution prevention and control.

For more details on the 2023 BDO ASEAN Sustainability Bond Impact Report, see <https://www.bdo.com.ph/about-bdo/sustainability/sustainability-reporting>

Lending

Pioneering sustainable energy financing: BDO Institutional Banking

For over a decade, BDO Sustainable Finance under the BDO Institutional Banking Group (IBG) has been at the forefront of financing large scale eligible green and social impact projects. This covers a wide range of business activities — from renewable energy, energy efficiency, green building, clean transportation, pollution prevention and control, sustainable management of natural resources and land use, eco-efficient technology, sustainable water and wastewater management, terrestrial and aquatic biodiversity conservation, climate change adaptation, affordable housing, access to essential services, employment generation, and food security. Having pioneered Sustainable Finance since 2010, BDO has built a robust portfolio of large-scale renewable energy projects across the nation and in the region. This extensive experience has led to positive economic, environmental, and social impacts, serving as the foundation for the BDO Sustainable Finance Framework (SFF) for Bond Issuances.

To further expand sustainable finance coverage, the BDO Board approved a new financing type and additional categories (see colored text) for the SFF in 2023:

Green Finance

- Renewable energy
- Green buildings
- Clean transportation
- Resource efficiency and pollution prevention and control
- Environmentally sustainable management of living natural resources and land use
- Sustainable water and wastewater management
- Energy efficiency
- Climate change adaptation

Social Finance

- Employment generation
- Food security
- Access to essential services
- Affordable basic infrastructure
- Affordable housing
- Social and economic empowerment

Blue Finance

- Sustainable water and wastewater management
- Offshore renewable energy
- Ocean-friendly and water-friendly products
- Ocean-friendly chemicals
- Prevention, control, and reduction of waste from entering the coastal and marine environments
- Sustainable fisheries, aquaculture, and seafood value chain
- Ecosystem management, protection and natural resources restoration
- Resource efficiency and circular economy
- Sustainable shipping and port logistics sector projects

Orange/Gender Finance

- Gender responsive products and/or services
- Projects or enterprises with a substantially gender diverse and equitable workforce, and/or gender-inclusive value chains, that ensure gender-pay equity and equal workplace and employment-related rights to all regardless of gender identity
- Women-owned and/or Women-led enterprise
- Financing other ESG or SDG-aligned projects or initiatives that are intentionally designed to substantially and disproportionately have a positive net impact on women, girls or gender minorities

The BDO SFF acts as a guiding principle for issuing Green, Blue, Social, Orange/Gender, and Sustainability Bonds, as well as other debt financing instruments, enabling the bank to diversify funding sources and expand its investor base to include those focused on Environmental, Social, and Governance (ESG) criteria. The Bank actively contributes to the Philippines' Nationally Determined Contribution (NDC) by financing projects that reduce carbon footprints through the financing of Green, Blue, Social, and Orange/Gender Finance projects.

Projects eligible for financing under the BDO SFF are mandated to demonstrate clear environmental benefits, including reduced carbon footprints and enhanced community resilience to climate change. Socially impactful projects must show positive outcomes for impoverished, excluded, marginalized, vulnerable, disabled, undereducated, underserved, and unemployed populations.

The following activities are ineligible for financing:

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under CITES
- Production or trade in weapons and munitions¹
- Production or trade in alcoholic beverages (excluding beer and wine)²
- Production or trade in tobacco³
- Gambling, casinos and equivalent enterprises⁴
- Any business related to pornography and/or prostitution
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded
- Production or trade in unbonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length
- Production or activities involving harmful or exploitative forms of forced labor⁵/harmful child labor⁶
- Commercial logging operations for use in primary tropical moist forest
- Production or trade in wood or other forestry products other than from sustainably managed forests
- Activities involving (i) involuntary resettlement; (ii) risk of adverse impacts on indigenous peoples, (iii) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage, or (iv) significant occupational health and safety risks

As of December 31, 2023, BDO funded ₱898 billion in sustainable finance, including loans to help finance 59 renewable energy projects (see breakdown of RE projects in succeeding pages).

BDO Sustainable Finance continues to catalyze a green recovery by financing innovative projects and pioneering financial instruments, contributing to the development of a sustainable financial value chain.

¹ This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations. Note that the highest contributor to topline revenues determine the industry classification and the Bank's SEMS is mapped to industry classification.

² ICMA Sustainability Bond guidelines

³ Ibid.

⁴ Ibid., 2

⁵ Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty

⁶ Harmful child labor means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

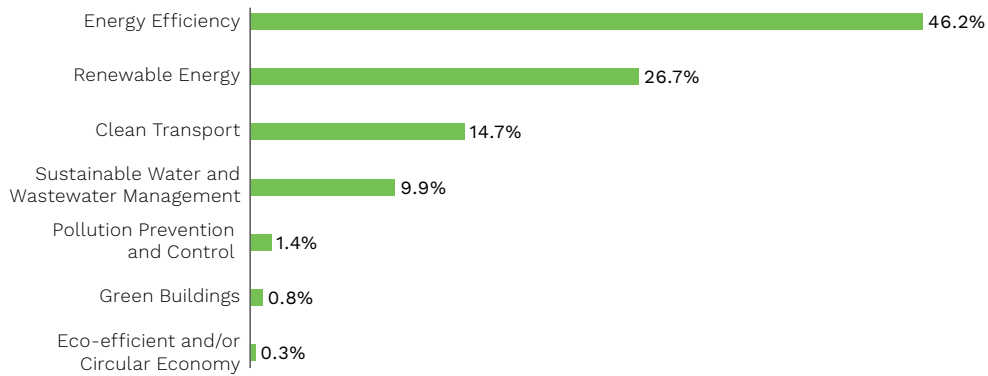
Economic, Environmental, and Social Impact 2-4, 203-1

Description	2022	2023
Total Sustainable Finance Funded	₱781 billion	₱898 billion
Loans disbursed in the past 5 years	National projects - ₱56.7 billion Airports - ₱12.4 billion Road networks - ₱31.2 billion	National projects - ₱73 billion Airports - ₱18.1 billion Road networks - ₱31.2 billion
Road Network Development	167.7km	167.7km
Vehicles Served	138.1 million	138.1 million
Carbon emissions annually reduced through efficient roadways	4,260 tonnes	4,260 tonnes
Total Installed Renewable Energy Capacity	2,252 MW	2,377 MW
Renewable energy projects funded	58	59
Carbon dioxide avoided per year by funded renewable energy projects	4,302,502 tonnes	4,382,572 tonnes
Equivalent passenger vehicles taken off roads yearly	913,491	930,491
Equivalent tree seedlings grown over 10 years	71,142,786	72,466,757
Families Served by Renewable Energy Projects	2,016,602	2,047,480
Biomass/Biogas Capacity	164 MW	164 MW
Geothermal Capacity	1,179 MW	1,179 MW
Mini Hydro Capacity	433 MW	433 MW
Solar Capacity	380 MW	505 MW
Wind Capacity	96 MW	96 MW
Disbursed Loan Amount per RE Technology Type	Biodiesel: ₱137 million Bioethanol: ₱920.9 million Biomass/Biogas: ₱24.9 billion Geothermal: ₱17 billion Hydro: ₱28.2 billion Solar: ₱12.9 billion Wind: ₱3.9 billion	Biodiesel: ₱137 million Bioethanol: ₱920.9 million Biomass/Biogas: ₱24.9 billion Geothermal: ₱17 billion Hydro: ₱28.2 billion Solar: ₱15.7 billion Wind: ₱4.1 billion
Bioethanol Production	44.1 million liters per year	44.1 million liters per year
Biodiesel Production	60 million liters per year	60 million liters per year

In 2023, loans deployed to Energy Efficiency projects accounted for 46.2% of the Bank's Green Finance portfolio. A significant amount funded a Public-Private Partnership for a 900MW Battery Energy Storage System (BESS) commissioned to address energy intermittency challenges in the country.

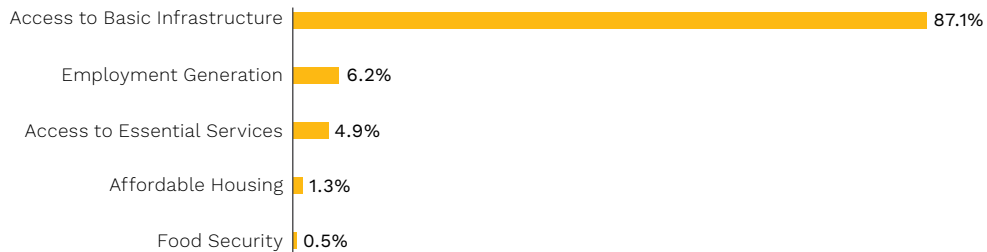
BDO continues to fulfill its commitment to finance other green initiatives including renewable energy, clean transportation, sustainable water and wastewater management, pollution prevention and control, green buildings, and eco-efficient production technologies.

Green Finance



In the same year, BDO's Affordable Basic Infrastructure portfolio accounted for 87% of its Social Financing. Over ₱67.4 billion in loans funded social projects under Affordable Basic Infrastructure, Employment Generation, Access to Essential Services, Affordable Housing, and Food Security.

Social Finance



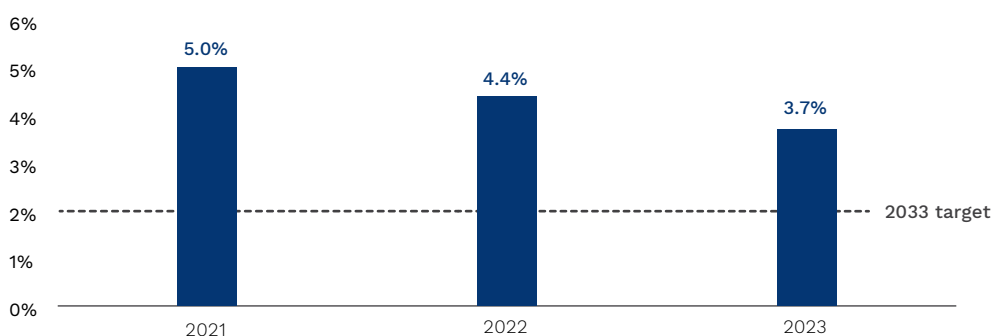
Loan proceeds were used for electrification projects that delivered power to underserved areas, telecommunication equipment, building a major airport, and constructing a mass rail transit for clean transportation. The Bank also financed MSMEs and financial institutions providing access to inclusive financial services, development of low-cost and economic housing, and other initiatives in the health, education, food, and agriculture sectors.

In adherence to BSP Circular 1159 which states the implementing Rules and Regulations of the Mandatory Agriculture, Fisheries and Rural Development Financing under Republic Act (RA) No. 11901 or “The Agriculture, Fisheries and Rural Development Financing Enhancement Act of 2022”, the Bank also ensures responsible evaluation and reporting of Sustainable Finance Projects to the BSP, aligning the Bank’s initiatives with regulatory frameworks and industry standards.

ENERGY TRANSITION FINANCE COMMITMENT

BDO aims to be consistent with its commitment in its Energy Transition Finance Statement in 2022 to cease lending to coal-fired power plant capacity (since 2019) and limit its coal exposure in the lending portfolio to no more than 2% by 2033. For the full Energy Transition Finance Statement, see <https://www.bdo.com.ph/bdo-energy-transition-finance-statement>.

Coal Exposure in Lending Portfolio (Bank-wide)



Sustainable Energy Finance Projects 203-1

Biodiesel

Production capacity 60 ML/Y	Disbursed loan amount ₱137 million	GHG avoidance per year based on Net (in tonnes CO ₂ e) 12,000
GHG avoidance per year based in Gross (in tonnes CO ₂ e) 153,732	Equivalent passenger vehicle off the road per year 32,640	Equivalent tree seedlings grown for 10 years 2,541,996



Bioethanol

Production capacity 44.1 ML/Y	Disbursed loan amount ₱920.9 million	GHG avoidance per year based on Net (in tonnes CO ₂ e) 35,296
GHG avoidance per year based in Gross (in tonnes CO ₂ e) 49,540	Equivalent passenger vehicle off the road per year 10,518	Equivalent tree seedlings grown for 10 years 819,153



Biomass/Biogas

Installed capacity 164 MW	Disbursed loan amount ₱24.9 billion	Net Energy Generation (MWh/year) 1,075,002	Gross Energy Generation (MWh/year) 1,194,447
Value of energy generation per year (Php/year) ₱7 billion	GHG avoidance per year based on Net (in tonnes CO ₂ e) 435,522	GHG avoidance per year based in Gross (in tonnes CO ₂ e) 483,913	
Equivalent passenger vehicle off the road per year 102,743	Equivalent tree seedlings grown for 10 years 8,001,614	No. of households/families (average of 6 persons per family) supplied by RE 228,555	
Amount of agricultural wastes converted to feedstock/power T/Yr 1,572,241	No. of farmers supported 169,745		




Geothermal


Installed capacity 1,179 MW	Disbursed loan amount ₱17 billion	Net Energy Generation (MWh/year) 5,522,758	Gross Energy Generation (MWh/year) 6,136,397
Value of energy generation per year (Php/year) ₱22.1 billion	GHG avoidance per year based on Net (in tonnes CO ₂ e) 2,237,468	GHG avoidance per year based in Gross (in tonnes CO ₂ e) 2,486,075	
Equivalent passenger vehicle off the road per year 527,835	Equivalent tree seedlings grown for 10 years 41,107,779	No. of households/families (average of 6 persons per family) supplied by RE 1,254,032	




Hydro

Installed capacity 433.1 MW	Disbursed loan amount ₱28.2 billion	Net Energy Generation (MWh/year) 1,743,038	Gross Energy Generation (MWh/year) 1,926,950
Value of energy generation per year (Php/year) ₱10.2 billion	GHG avoidance per year based on Net (in tonnes CO ₂ e) 706,167	GHG avoidance per year based in Gross (in tonnes CO ₂ e) 780,677	
Equivalent passenger vehicle off the road per year 165,751	Equivalent tree seedlings grown for 10 years 12,908,653	No. of households/families (average of 6 persons per family) supplied by RE 395,785	

Solar

Installed capacity 504.9 MW	Disbursed loan amount ₱15.7 billion	Net Energy Generation (MWh/year) 656,946	Gross Energy Generation (MWh/year) 729,939
Value of energy generation per year (Php/year) ₱5.2 billion	GHG avoidance per year based on Net (in tonnes CO ₂ e) 291,072	GHG avoidance per year based in Gross (in tonnes CO ₂ e) 323,413	
Equivalent passenger vehicle off the road per year 68,666	Equivalent tree seedlings grown for 10 years 5,347,700	No. of households/families (average of 6 persons per family) supplied by RE 124,722	

Wind

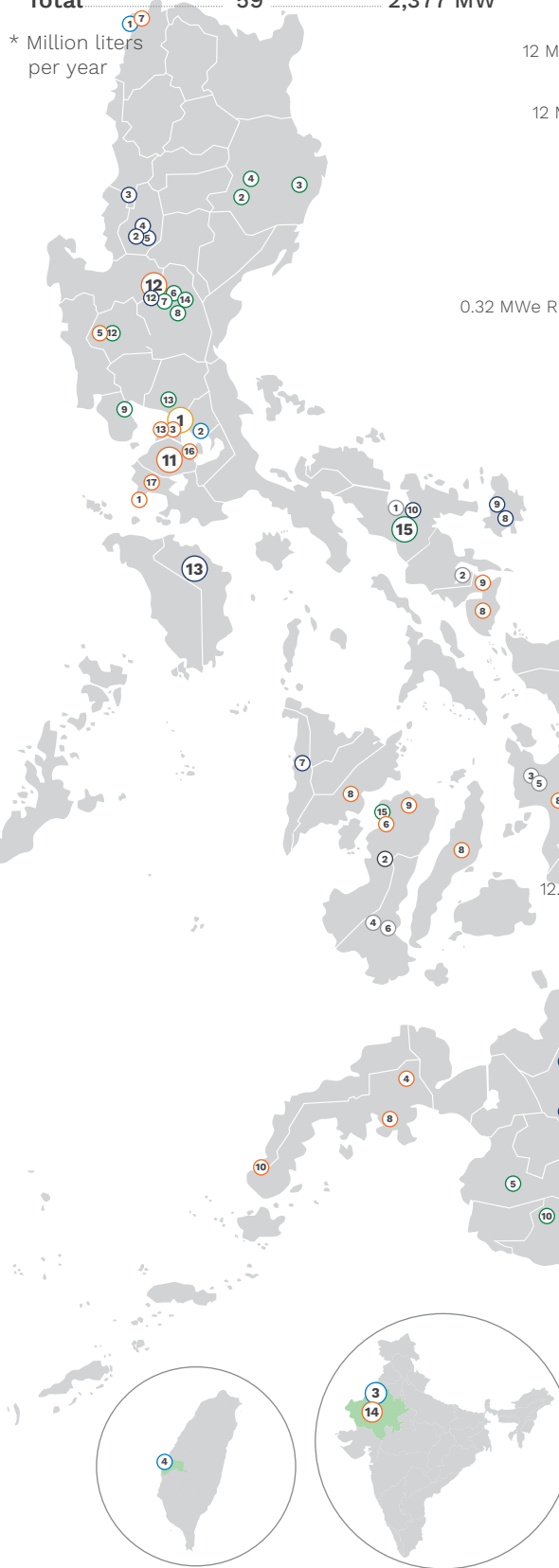
Installed capacity 96 MW	Disbursed loan amount ₱4.1 billion	Net Energy Generation (MWh/year) 224,229	Gross Energy Generation (MWh/year) 237,483
Value of energy generation per year (Php/year) ₱1.8 billion	GHG avoidance per year based on Net (in tonnes CO ₂ e) 99,349	GHG avoidance per year based in Gross (in tonnes CO ₂ e) 105,221	
Equivalent passenger vehicle off the road per year 22,340	Equivalent tree seedlings grown for 10 years 1,739,863	No. of households/families (average of 6 persons per family) supplied by RE 44,386	

BDO Sustainable Energy Finance Project Map

- 1 37.5 MW of 150 MW Wind Power Plant (Burgos, Ilocos Norte)
- 7 6.8 MWp Solar PV Power Plant (Burgos, Ilocos Norte)
- 3 70 MW RoR Hydro Power Plant (Alilem, Ilocos Sur)
- 2 140 MW Hydro Power Plant (Benguet)
- 4 31.8 MW Several RoR Hydro Power Plant (Benguet)
- 5 19 MW Several RoR Hydro Power Plant (Benguet - Hydro Power Plant)
- 6 100 MWp Solar Farm (Tarlac City, Tarlac)
- 12 2 MWe Biomass-Fed Power Plant (Tarlac City, Tarlac)
- 9 12 MWe Biomass-fired Power Plant (Orani, Bataan)
- 3 0.3 MWp Solar Rooftop (Ortigas Center, Pasig City)
- 1 63.29 MWp Solar PV Farm (Calatagan, Batangas)
- 7 8 MW RoR Hydro Power Plant (Bugasong, Antique)
- 11 7 MWe Biomass-fired Power Plant (Brooke's Point, Palawan)
- 4 172.5 MW Geothermal Power Plant (Valencia, Negros Oriental)
- 6 49.4 MW Geothermal Power Plant (Nasulo, Negros Oriental)
- 16 0.38 MWe Biogas plant (Sta. Cruz, Davao del Sur)
- 2 14.12 ML/Y Bioethanol Production Plant (Talisay City, Negros Occidental)
- 1 30 ML/Y Bioethanol Production Plant (La Carlota City, Negros Occidental)
- 15 20.58 MWe Turbogenerator Power Plant (Silay City, Negros Occidental)
- 6 132.5 MWp Solar Farm (Cadiz City, Negros Occidental)
- 9 0.325 MWp Solar Rooftop (Bacolod)
- 10 0.5 MWp Solar PV (Zamboanga City)
- 4 0.32 MWp Solar Rooftop (Zamboanga del Sur)
- 5 15 MWe Biomass-fired Power Plant (Sultan Kudarat, Maguindanao)
- 1 60 ML/Y Biodiesel Production Plant (Bagong Ilog, Pasig)
- 13 1.17 MWp Solar PV Rooftop (Western Bicutan, Taguig City)
- 14 28.76 Mwac Solar PV Plant (Jaisalmer district of Rajasthan, India)
- 14 2.4 MW Mini-hydro Power Plant (Maramag, Bukidnon)
- 3 14.1 MW of 762.8 MW Wind Power Plant (Jaisalmer district of Rajasthan, India)
- 4 20 MW of 640 MW Wind Power Plant (Yunlin, Taiwan)

RE Project	No. of Projects	Capacity
Biodiesel	1	60ML/Y*
Bioethanol	2	44.1ML/Y*
Biomass/Biogas	16	164
Geothermal	6	1,179
Hydro	13	433
Solar	17	505
Wind	4	96
Total	59	2,377 MW

* Million liters per year



- 20 MWe Rice husk-fired Power Plant (Alicia, Isabela)
- 19 MWe Cogeneration Power Plant (San Mariano, Isabela)
- 15 MWe Biomass-fired Power Plant (Burgos, Isabela)
- 12 MWe Rice husk-fired Power Plant Phase 1 (San Jose City, Nueva Ecija)
- 12 MWe Rice husk-fired Power Plant Phase 2 (San Jose City, Nueva Ecija)
- 12 MWe Biomass-fired Power Plant Phase 3 (Llanera, Nueva Ecija)
- 6 MWe Biomass-fired Power Plant (San Jose City, Nueva Ecija)
- 132 MW Hydro Power Plant (Nueva Ecija - Pangasinan)
- 0.32 MWe Rice husk-fired Cogeneration Power Plant (Sta. Maria, Bulacan)
- 24 MW of 54 MW Wind Power Plant (Piliia, Rizal)
- 1.8 MW Mini-hydro Power Plant (Buhi, Camarines Sur)
- 2.1 MW RoR Mini-hydro Power Plant (San Miguel, Catanduanes)
- 1.5 MW RoR Mini-hydro Power Plant (Obi, Catanduanes)
- 5.2 MW Solar Rooftop (Iloilo, Leyte, Cebu and Sorsogon)
- 140 MW Geothermal Power Plant (Manito, Albay)
- 125 MW Geothermal Power Plant (Kananga, Leyte)
- 586.4 MW Geothermal Power Plant (Tongonan, Leyte)
- 12.9 MW of 25.8 MW RoR Mini-hydro Plant (Jabonga, Agusan del Norte)
- 1.6 MW Mini-hydro Power Plant (M. Fortich, Bukidnon)
- 10 MW Hydro Power Plant (Oriental Mindoro)
- 106 MW Geothermal Power Plant (Kidapawan, North Cotabato)
- 28.59 MWp Solar PV Power Plant (Digos, Davao del Sur)
- 6 MWe Biomass-fired Power Plant (Surallah, South Cotabato)
- 5 MWe Biomass-fired Power Plant (Pili, Camarines Sur)
- 1.128 MWp Solar Rooftop (Carmona, Cavite)
- 0.015 MWp Solar Rooftop (Umingan, Pangasinan)
- 10.5 MW Solar power plant (Kibawe, Bukidnon)
- 0.5 MW Solar Rooftop (Sta. Rosa, Laguna)
- 125 MW Solar Power Plant (Tuy, Batangas)

Supporting Evolving Consumer Preferences: Consumer Banking

AUTO LOAN

BDO Auto Loan aims to be the leading and preferred auto loan provider nationwide that recognizes and practices sustainability. BDO Auto Loan incorporates ESG principles into business operations through the adoption of environment friendly initiatives, such as its **Green Mobility Program** which offers affordable rates and special promos to customers who choose to purchase eco-friendly vehicles such as hybrid or electric vehicles. A second initiative is the **Adopt-a-Tree** program in partnership with Haribon Foundation Inc. which plants a tree for every auto loan availed. BDO recognizes how the planting of trees help mitigate the impacts of climate change, help combat deforestation, and reduce greenhouse gas emissions. It also supports biodiversity conservation and enhances the quality of life of local communities.

Women Empowerment

BDO Auto Loan supports gender empowerment by providing various opportunities and benefits for women to access auto loans and purchase their preferred vehicles. In 2023, women make up almost half of the total auto loan portfolio, with a 48% share, which shows their strong presence and influence in the business.

Supporting Overseas Filipino Workers

Overseas Filipino Workers (OFWs) are considered modern-day heroes for their significant economic contributions that account for one third of the Philippine economy. BDO Auto Loan recognizes that vehicle ownership supports the personal and entrepreneurial goals of OFWs. BDO ensures that they have easy access to financing options that suit their unique needs and circumstances. The Auto Loan Team diversifies the vehicle choices and options for OFWs with a wide range of brands, models, and competitive rates. Among such choices, BDO Auto Loan also promotes and encourages environment-friendly and fuel-efficient vehicles. BDO empowers OFWs to fulfill their aspirations of owning a vehicle for personal and business use.

HOME LOAN

BDO Home Loan is primarily engaged in providing end-user financing to various home buyers. BDO Home Loan partners with many of the country's reputable real estate developers in the development and construction of sustainable projects. These developers aim to support the long-term ecological balance of the environment through energy efficiency, use of sustainable materials, waste reduction, and more open-space designs for better health and well-being.

Through BDO Home Loan's **Contract-To-Sell Receivable Financing**, the Bank is able to assist real estate companies in the development and completion of their projects while buyers are still on their equity period and eventually providing end-user financing to these buyers with at least six to 12 months paid equity installments. These developers have likewise created separate business units to cater to low income groups by

991

HEV/EV Units Booked

₱1.4 billion

Amount Booked

5,713

Seedlings Donated

₱2.8 million

Equivalent Amount Donated

48%

Female Auto
Loan Borrowers

25%

OF Auto Loan Borrowers

49%

Female Home
Loan Borrowers

providing affordable housing. The Bank supports these efforts by providing affordable financing, offering flexible payment options, and extended loan terms of up to 25 years.

Existing residential real estate property owners also have the opportunity to go green via **BDO Home Loan Equity Loan** financing for the construction and renovation of their homes. BDO supports the sustainability initiatives of the real estate industry and finds ways to use digital innovations to make home loan financing more accessible for Filipinos in the country and abroad.

SME LOAN

BDO SME Loan provides flexible loan facilities that support sustainable financing. **SME Ready Check** is a revolving credit line facility that provides for working capital requirements, such as for inventory build-up and management of collections and payables to suppliers. The **SME Term Loan** is ideal for investments in fixed assets such as purchase and upgrade of equipment and machineries, process engineering, construction of commercial or industrial buildings, and property acquisitions.

In 2023, SME Loan financed various enterprises engaged in sustainable businesses: suppliers/traders of solar panels, providers of energy-saving power systems and equipment, and small companies in wastewater management and climate smart agriculture (e.g., hydroponic farming). For end-users, a number of loan releases went to the acquisition of green office spaces.

Since sustainability and sustainable financing are still uncommon concepts among SMEs, BDO continues to create awareness and direct application of green financing in the business — starting with training the Bank's salesforce front liners on Green Finance for SMEs from experts from the International Finance Corporation, in partnership with the Bank. *For more details on this training, refer to the section on Pursuing Partnerships for Impact.*

PERSONAL LOAN

BDO's Personal Loan is a financial product designed with flexibility to cater to diverse individual needs. As a multi-purpose cash loan facility, a customer may use the funds depending on their requirements, whether for tuition fees, medical-related expenses, or debt payment. Customers who avail of a Personal Loan are able to enjoy longer and lighter payments through its installment feature, along with competitive interest rates. BDO enables customers to access financial solutions while ensuring responsible lending.

₱72.6 billion
Home Loan Bookings

₱42 billion
Home Loan Bookings for
First time Owners

17%
SME Loan Booking Increase

₱22.3 billion
Outstanding SME Loans for
Consumer Banking Group

₱1.7 billion
Outstanding SME Loans
by women-owned sole
proprietorship for Consumer
Banking Group

153%
Client Growth

48%
Female Personal Loan
Borrowers

42%
Clients in Provincial Areas

CARDS ISSUING

BDO is the leading credit card issuer in the Philippines with 3.5 million cards in force (30% higher vs. previous year). Growth in card issuance is driven by BDO's goal to provide our consumers an unsecured loan product that provides financial flexibility, whenever, wherever needed. A significant share of BDO's newly issued cards are to first-time credit cardholders, aligned to BDO's financial inclusion thrust to the underserved.

In line with BDO's digitization efforts, the Cards Issuing Group launched the Customer Relationship Management (CRM), a new online card application platform which provides customers a more seamless, faster, and convenient way to apply for a BDO credit card. Customers can simply click on the "apply now" button at the BDO website or scan a Quick Response (QR) code available at BDO bank branches, partner merchants, and BDO pop-up booths nationwide. Card application processed through the CRM platform not only allows for a better onboarding journey for our customers but also achieves operational efficiency through paperless processing, significantly reduced paper consumption, and digital storage of applications. In 2023, Cards Issuing processed an estimated 37,000 credit card applications in a month through the CRM.

BDO Cards Issuing has also encouraged credit card clients to shift from printed to electronic statements of account (eSOA) to provide customers with better data protection and convenient access, along with eliminating paper use. In 2023, 97% of customers who have usage enrolled in eSOA. For card delivery, customers were given the option to pick up their credit card from BDO branches and courier hubs, particularly for those who reside or work in areas which cannot be reached by couriers or those in calamity-stricken areas.

Exploring New Cards

In June 2021, Mastercard introduced their Sustainable Card Certification Program where Issuers can choose from a range of independently verified Sustainable Card products, from a range of vendors and in a variety of materials. Aligned with this approach, BDO is exploring ways to identify environmentally friendly cards, while still ensuring consumer protection.

3.5 million

Cards in Force

60%

Female Credit
Card Holders

Investments

Financial wellness by turning savers to investors: BDO Trust and Investments

BDO Trust and Investments Group (TIG) advocates financially inclusive growth and responsible investing through its educational programs and investment product offerings. BDO TIG recognizes that financial literacy is essential to enable Filipinos to make sound plans and decisions to achieve financial independence. The goal is to first encourage Filipinos to save, then transform them from being savers into investors by improving their financial know-how, and consequently lead them to be more financially prepared for the future. BDO TIG's dedicated team of certified investment trainers conduct free financial education seminars to a varied audience, covering topics such as financial budgeting, basics of investing and retirement planning attuned to their level of investment needs and experience. In 2023, BDO TIG conducted a total of 26 seminars attended by 1,310 participants. In the future, it expects higher demand for financial literacy programs, as household income normalizes with the expected decline in inflation and the continued growth of the Philippine economy.

26
Financial Education
Seminars Conducted

1,310
Participants of Financial
Education Seminars

EASY INVESTMENT PLAN

To make financial independence a reality, financial literacy should be coupled with affordable, easy, and simple access to investments. For this reason, BDO TIG developed the BDO Easy Investment Plan (EIP). The EIP allows individuals to automatically and consistently invest their hard-earned savings in Unit Investment Trust Funds (UITFs), instilling the discipline and habit of regular investing to build their wealth and achieve their life goals in the future. The EIP gives its participants the flexibility and convenience of investing at lower minimum investment amounts of ₱1,000 (US\$200 for dollar UITFs) per month, providing them access to a diversified pool of financial securities like bonds or equities, which typically require higher minimum transaction amounts. The EIP provides ordinary Filipinos opportunities to start investing and participate in the long-term financial growth through an affordable investment plan with their chosen UITF.

57%
Females Enrolled in Easy
Investment Plan

PERSONAL EQUITY AND RETIREMENT ACCOUNT (PERA)

BDO TIG recognizes the need for Filipinos to prepare ahead to ensure their financial security and social protection upon retirement and hopefully achieve a comfortable life during their senior years. For this reason, BDO TIG prides itself as the first trust entity to be accredited by the Bangko Sentral ng Pilipinas (BSP) and the Bureau of Internal Revenue as an administrator of the Personal Equity and Retirement Account (PERA), a voluntary retirement savings account aimed to supplement future individual retirement benefits from either SSS, GSIS, and/or from the employer's retirement plan. BDO PERA instills the mindset of planning for retirement early, as well as enables customers to take advantage of the tax benefits offered exclusively to PERA contributors.

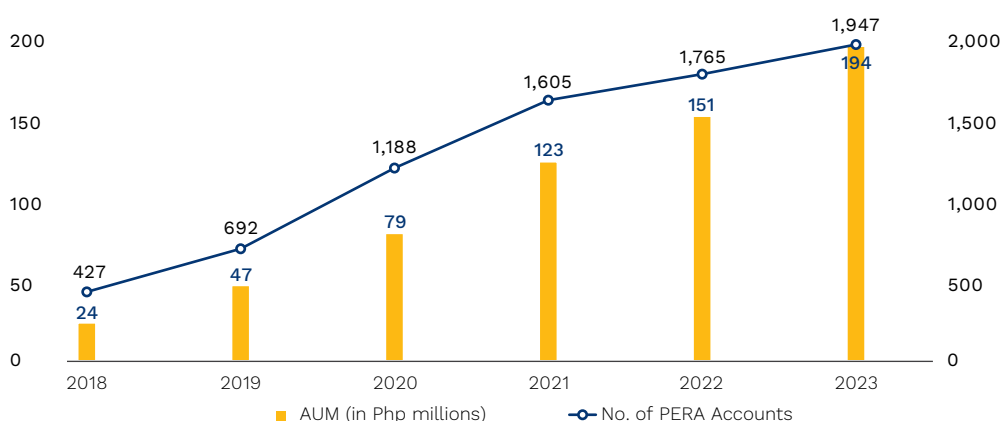
Since PERA's launch in 2016, BDO TIG continues to be at the forefront of bringing PERA more accessible to Filipinos. In 2017, BDO TIG rolled out the country's first PERA Online facility which provided ease and convenience in onboarding new PERA clients. BDO also became the very first participant in Seedbox, a digital platform that allows one to invest in PERA funds online from different fund providers, making BDO PERA UITFs available to a wider market. BDO's participation in Seedbox's online platform as the sole PERA Product Provider was instrumental to the BSP's launch of its Digital PERA initiative in September 2020.

In 2023, the allowable PERA contribution limit of ₱100,000 increased to ₱200,000 for local Filipinos and ₱200,000 to ₱400,000 for Overseas Filipinos, which help attract PERA contributors to invest more. We continue to see high growth rates in both assets under management (AUM) and number of contributors as Filipinos become more aware of the need to augment their retirement pay through PERA.

In addition to its own series of financial literacy sessions, BDO TIG maintains active participation in various events and roadshows organized by the BSP, other industry organizations and media partners, held in various locations and attended by clients and other stakeholders. These include the four-week feature on Net 25's Ano Sa Palagay N'yo? talk show, partnership with the BSP in a Trust Officers Association of the Philippines (TOAP) webinar organized for the families and members of the Overseas Filipinos Negros Occidental Federation, Inc. (ONOFI), and participation as resource speaker in BSP's Economic and Financial Learning Office – PERA Roadshow held in Cagayan de Oro. BDO TIG plays a pivotal role and holds the distinct privilege in the industry in promoting PERA to the public, aligned to BDO's advocacy of financial inclusion and literacy. The consistent promotion of PERA through various channels helps spread PERA awareness throughout the country.

BDO TIG believes in instilling the investment discipline of EIP and the retirement planning aspect of PERA to Filipinos. Driven by the We Find Ways philosophy, BDO TIG took a major step to redefine corporate pension planning with Pension 360®, a first-of-its-kind integrated pension plan solution. Pension 360 incorporates TIG's corporate pension fund management services with complimentary investor education tools and programs such as financial literacy sessions, savings and investment programs such as EIP and PERA tailored to sync with the business goals of the employer and financial goals of the employees.

Personal Equity and Retirement Account



ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) EQUITY FUND

BDO TIG also integrates environmental, social, and governance factors in its investment offerings to clients through the BDO ESG Equity Fund, the first ESG-themed UITF in the Philippines that aims to support and promote local companies that exhibit noteworthy and credible ESG performance.

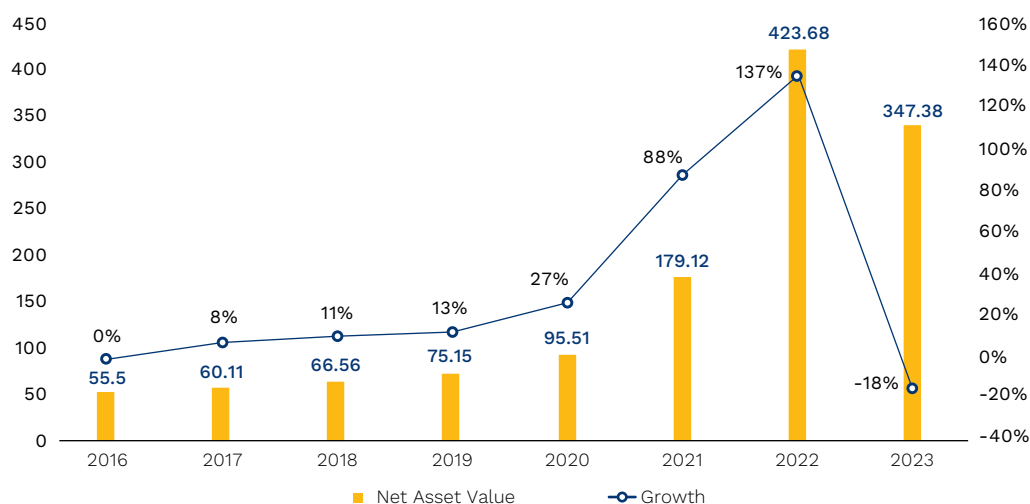
In the evaluation and monitoring of the Fund’s investments, BDO TIG adheres to its rigorous investment process, with the added layer of assessment that takes into account the Bank’s sustainable finance framework. The Fund follows a negative screening process to exclude companies with primary businesses associated with alcohol or tobacco, gaming, mining and oil exploration, power companies deriving 5% or more of total capacity from coal power plants, and companies with unethical business practices, among others. The Fund’s investments are reviewed monthly to ensure underlying investments are in strict compliance with the ESG criteria.

The Fund ended the year with a net asset value (NAV) of ₱347.4 million, experiencing its first annual decline in NAV since its inception in 2015. The decline in NAV was primarily affected by the general investor sentiment on the equities market brought about by high inflation and high interest rate environment, as evidenced by the negative returns posted by the Philippine Stock Exchange Index (PSEi) in 2023. Given this macroeconomic scenario, investors took profits from their investment in the Fund from the past years and opted to invest in the safety of time deposits and other fixed income outlets which offered attractive yields throughout the years. Nevertheless, the BDO ESG Equity Fund posted positive returns in 2023, consistently outperforming the PSEi. Since its launch, the Fund has provided robust long-term returns, outperforming the PSEi by more than 11.4% in a 5-year period and by 8.25% since its inception.

Moving forward, BDO TIG will continue to manage the Fund to provide long-term capital appreciation by looking for growth opportunities in the local stock market through companies that exemplify ESG principles in their business operations. Through the BDO ESG Equity Fund, BDO TIG also strives to provide both retail and institutional clients with a values-driven investment product that upholds their own ESG principles. By supporting the sustainability initiatives of the Bank and its clients, BDO TIG believes that this will yield significant social return on investment in the long run.

BDO ESG Equity Fund

Net Asset Value (in Php millions)



Managing Wealth for Future Generations: BDO Private Bank

BDO Private Bank (BDOPB) finds ways to maximize sustainability initiatives available to it, keeping in mind the nature of its products and services and the profile of its clients. In achieving its sustainability goals, the Bank ensures that it is fully aligned with its parent bank. BDOPB follows BDO Unibank’s Environmental and Social Risk Management System (ESRMS) that helps identify, assess, and manage E&S risks associated with its lending and investment activities, as well as its day-to-day operations.

In order to achieve its E&S goals, BDOPB's approach is three-fold: through internal policies and processes; through products and services; and through clients.

Internally, BDOPB has embedded processes to manage and reduce the carbon footprint of the business and its operations, reduce its energy, water, and fuel consumption, minimize the production of all types of waste, especially paper, and drive the reuse and recycling of non-hazardous waste, and the safe and proper disposal of hazardous waste in all its offices. BDOPB tracks and reports its energy and water consumption to the parent bank. Employees are also encouraged to take part in sustainability activities through volunteerism and in-house recycling and waste segregation initiatives.

On the business side, through its open architecture platform, BDOPB is able to make available to its clients green, social, and sustainability-related financial instruments. At present, the clients of the Bank have invested about ₱3 billion in various green and sustainability bonds traded in the Philippines.

BDOPB communicates sustainability topics to its clients by including informative articles in its in-house client magazine, *Managing Wealth*. In past issues, BDOPB featured its parent bank's ESG activities as well as a variety of inspiring articles on ecotourism, conservation, and businesses which promote sustainability.

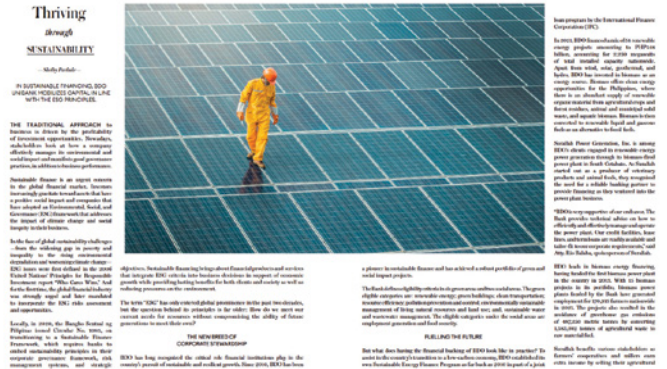
With its strategy, BDOPB will be in a better position to promote sustainable growth and achieve strategic resilience, anchored on good governance, and guided by the principles of accountability, transparency, integrity, and fairness.

In 2023, BDOPB celebrated its 20th anniversary. Throughout its 20 years, BDOPB has been determined to adapt and grow with the shifting financial landscape, staying ahead of the curve with cutting edge practices. Driven by a culture of trust and integrity, BDO Private Bank is set up not only to take care of families, but to serve entire generations of Filipinos.

Investing in ESG: BDO Treasury

Following the Bank's Sustainable Finance Framework, BDO Treasury Group has accumulated a modest amount of green, social, and sustainability bonds in the sovereign, financial institutions, and energy sector. Treasury intends to diversify and grow this portfolio as opportunities for investment become available. In 2023, Treasury was invested in a total of 12 labeled bonds which adhere to ESG-compliance practices relating to or involving achievement of UN sustainable goals, environmental and social risk assessment in the use of proceeds, project evaluation and selection, reporting, and external ESG reviews. Specifically, Treasury has invested in bonds with use of proceeds that span across advancement of renewable energy, clean transportation, conservation of biodiversity, agriculture and forestry, climate change adaptation, green and/or affordable basic infrastructures, access to essential services, food security, reduction of inequalities, employment generation, sustainable water management, socioeconomic advancement and empowerment, pollution prevention and control, and energy efficiency among others.

Treasury is keen to expand this investible universe of ESG-compliant issuers, having obtained favorable ESG risk assessment from the BDO Sustainability Office for additional investments in the telecom, logistics, mining, real estate, and healthcare sectors, and one sovereign. Likewise, annual reviews now incorporate ESG risks, as well as the entity's progress versus their stated ESG targets.



Underwriting

Financing Sustainability through the Capital Markets: BDO Capital

The global sustainable finance market was valued at US\$5.8 trillion in 2022 based on the World Investment Report 2023 issued by United Nations Conference on Trade and Development (UNCTAD). The sustainable finance market remains a key driver of change in the way companies implement their investment strategies. ESG risks and opportunities are becoming increasingly relevant in equities and fixed income underwriting and management, loan syndication, project financing, and advisory services.

BDO Capital & Investment Corporation (BDO Capital) integrates ESG factors into its underwriting, arrangement, and advisory services, particularly on the environmental, social, and governance performance of companies it underwrites, and the impact of transactions that it brings to the market. BDO Capital promotes green and sustainable finance initiatives through its underwriting of green and social bonds, advisory for projects that promote investments in renewable energy, green buildings, and other infrastructure to support the Philippines' transition to a more sustainable mode of economic development.

BDO Capital has been recognized by local and international recognition bodies for this approach. It was named as the country's Project Finance House of the Year for the 6th time (2017-2021 and 2023) at The Asset Triple A Sustainable Infrastructure Awards 2023. BDO Capital also won the Green Project Deal of the Year for real estate developer Arthaland Corporation's ₱3 billion green bond issue, where a large part of the proceeds will fund the company's investment in new certified sustainable residential projects.

Apart from these two awards, BDO Capital received from The Asset in 2023 the Telecom Acquisition Deal of the Year for Frontier Towers Associates Philippines' ₱50 billion debt facilities, for having supported the largest telecom tower sale and leaseback transaction closed in the country in 2022. It is among the largest telecom-related financing packages signed within said year.

BDO Capital jointly managed and underwrote the maiden ₱10 Billion ASEAN Fixed-Rate Green Bonds of energy company ACEN Corporation (ACEN) issued in 2022. The Green Bonds complies with ASEAN Green Bond Standards and is aligned with the International Capital Market Association's Green Bond Principles, which require proceeds to be used exclusively for the funding of eligible green projects. Proceeds will be used to finance ACEN's various solar energy projects in northern and central Philippines. The deal was awarded the 2023 Best Green Bond of the Year (Philippines) by Alpha Southeast Asia and Best Fixed Income Deal by the Investment House Association of the Philippines (IHAP).

BDO Capital acted as Joint Global Coordinator, Lead Local Underwriter, and Joint Bookrunner for the ₱6.4 billion initial public offering (IPO) of Citicore Energy REIT, Corp. (CREIT) listed in 2022. CREIT is a Real Estate

₱3 billion

Green Bond for
Green Building

₱50 billion

Telecom Tower Sale
and Leaseback

₱10 billion

ASEAN Fixed-Rate
Green Bond

₱6.4 billion

Initial Public Offering for
an investment trust in
renewable energy real estate

₱100 billion

Term Loan Facility for Mass
Rail Transit

Investment Trust (REIT) formed primarily to own and invest in income-generating renewable energy real estate properties of the Citicore Group. The IPO was CREIT's debut into the capital markets and a pioneer for the Philippine Capital Markets as the first renewable energy and non-real estate player to list via REIT in the PSE. Proceeds from the primary offer were used by CREIT to acquire Citicore's Bulacan and South Cotabato solar plants. Cicero Green rated these companies as Dark Green - the highest rating by Cicero's Shades of Green Assessment. Meanwhile, proceeds from the secondary offer were reinvested by the Citicore Group to fund additional renewable energy projects. The deal was named in 2023 Best IPO (Philippines) by The Asset, Best Equity Deal, and Deal of the Year by IHAP.

In May 2023, BDO Capital jointly arranged a ₱100 billion term loan facility for San Miguel Corporation's Mass Rail Transit 7 Inc., with proceeds to partially finance the design, construction, testing, commissioning, operation, and maintenance of an integrated rail-based mass transportation system consisting of the following:

- A 22-kilometer open road segment of the system, consisting of at least six (6) vehicular lanes from the Bocaue, Bulacan interchange of the North Luzon Expressway to an intermodal transportation terminal,
- An intermodal transportation terminal built adjacent to the Mass Rail Transit System (MRTS) station terminal, and
- The MRTS, including the depot and rolling stock.

The project aims to significantly improve the transportation system in the Luzon region, allowing for a more efficient and faster flow of commuters, travelers, goods and services, as well as reduce emissions, when MRTS becomes operational.

FIRST GENDER BOND IN THE COUNTRY

In July 2023, BDO Capital, in partnership with Landbank of the Philippines, jointly arranged a ₱5 billion first-ever Gender Bond issue in the country for ASA Philippines Foundation Inc. (ASA), a non-profit engaged in microfinance, micro loans and other financial services to underprivileged and underserved communities. The proceeds will be used for working capital to fund ASA's lending program that specifically targets women of the lower income sector engaged in microenterprises as principal borrowers. The transaction supports the United Nations' SDG 5.a that aims to "undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance, and natural resources, in accordance with national laws".

PHILIPPINE SOVEREIGN BOND ISSUANCE

BDO Capital continues to support the Retail Treasury Bond (RTB) and Retail Dollar-Denominated Bond (RDB) issuances of the Philippine government as part of the latter's proactive strategy to finance key initiatives and programs in the areas of food security, infrastructure, education, and healthcare. At the same time, RTB and RDB issuances aim to promote financial literacy and inclusion, the value of saving for the future, and smart investing in safe and relatively higher earning investments, among the country's general population. In pursuit of these

₱5 billion
First-ever Gender Bond
Issuance in the Philippines

US\$1.26 billion
Retail Dollar-Denominated
Bond

₱283.7 billion
Retail Treasury Bond
Joint Issue Manager

goals, BDO Capital acted as joint issue manager for the ₱283.7 billion 29th RTB and the US\$1.26 billion second RDB issuances of the Republic of the Philippines via the Philippine Bureau of the Treasury in 2023, making sovereign-risk rated, high yielding investment instruments widely available to small savers all over the country for subscription amounts as low as ₱5,000 for the RTBs and US\$200 for the RDBs.

Insurance

Leaving a lasting legacy for future generations: BDO Life

Life insurance is a financial instrument that not only protects breadwinners' dependents from unforeseen financial risks; it also enables them to secure a lasting legacy for those they leave behind, helping them accomplish their dreams for the future. In 2023, BDO Life launched initiatives to make life insurance simple, easy, accessible, and sustainable for breadwinners.

AWARENESS IS WHERE IT ALL BEGINS

Among the principal reasons why people don't buy life insurance is the lack of awareness and understanding of what life insurance can do for their families. A 2023 research study conducted by BDO Life revealed that real life experiences of life insurance beneficiaries, coupled with guidance from financial advisors, are the main factors that help customers understand and realize the need for financial protection. Guided by these insights, BDO Life launched two ad campaigns that featured true stories of families who were able to benefit from the program. The first story illustrated how life insurance proceeds were utilized to support children's education. The second demonstrated how proceeds enabled the family to pay off loans and keep their home. Both are real life financial issues that surface when a family's primary income provider prematurely passes away. BDO Life also utilized its digital presence by employing short posts on social media that feature simple and informative content to address common life insurance misconceptions, aimed particularly at primary breadwinners.

FINANCIAL PROTECTION FOR ALL

In addition to offering micro-insurance plans to underserved communities through BDO Network Bank (BDONB), BDO Life participated in the World Teachers' Day event organized by the Department of Education (DepEd) in partnership with BDONB. In this event, BDO Life and BDONB provided 1,190 teachers with the "Kabalikat Plan," free micro-insurance coverage against accidental death and disability, on top of in-hospital income benefits. The plan provides valuable social protection at no cost for public school teachers, a majority of whom are breadwinners for their families.

1,190
Teachers Provided with Free
Micro-Insurance Coverage

ENHANCED CUSTOMER EXPERIENCE, REDUCED ECOLOGICAL FOOTPRINT

Recognizing the significant environmental impact of paper consumption, BDO Life embarked on digitalizing its processes. Apart from promoting operational efficiencies and improving customer experience, BDO Life's digitalization efforts will significantly minimize the organization's ecological footprint.

- **ePolicies.** Clients are provided an electronic copy of their policy contract. Electronically distributed policies offer a more efficient way of delivering policy contracts, while reducing courier expenses and paper consumption by 39%.
- **eReceipts.** Similar to ePolicies, clients now receive electronic copies of their official receipts via email. This initiative allows clients to receive their receipts in a timely manner while ensuring secure personal information. Over time, eReceipts will help cut mailing costs and reduce paper consumption by 60%.
- **Sales Tool.** To improve customer experience and make the sales process more efficient and engaging, BDO Life is digitalizing its entire customer onboarding process. With the sales tool, Financial Advisors can help customers identify their financial needs, explore insurance options, walk them through product benefits, and purchase their life insurance plan, all with a few taps on the screen. Once rolled out, the sales tool is expected to reduce BDO Life's use of paper products by 80% and cut backroom operational processes by 23%.
- **Customer Portal.** Clients can conveniently access their policy details, update their contact information, pay premiums, and make policy-related service requests online. The web-based customer portal minimizes the need for manual interventions from financial advisors and customer service representatives.

Driving stronger awareness for the value of life insurance, finding ways to protect the underserved, and taking steps to shift to a paperless operational environment – these initiatives form part of a broader effort by BDO Life to improve customer experience and make life insurance more sustainable and accessible for all.

De-risking business and individual activities: BDO Insure

Insurance products and programs play a crucial role in supporting the SDGs and aligning with environmental, social, and economic sustainability in several ways.

First, insurance helps mitigate risk associated with climate change and environmental disasters in support of SDG 13 on Climate Action, by providing coverage for property damage, business interruption, and liability resulting from environmental events. Insurers incentivize businesses to adopt sustainable practice and build resilience against climate-related risk.

Second, insurance fosters economic stability and poverty, aligning with SDG 1 on No Poverty and SDG 8 on Decent Work and Economic Growth. Microinsurance programs can empower low-income individuals by offering financial protection against unforeseen events, enabling them to invest in income-generating activities without fear of losing everything.



Insurance contributes to SDG 3 on Good Health and Well-being by providing health insurance coverage. Access to healthcare services becomes more affordable and widespread, positively impacting the well-being of individuals and communities.

Climate change is a significant challenge facing the insurance industry, and insurance brokers are no exception. Brokers can expect to see an increase in claims costs and underwriting losses, reduced availability and affordability of insurance coverage, and increased regulatory scrutiny. However, climate change also presents some new opportunities for brokers, such as helping clients to identify and manage their climate change risks, developing strategies to adapt to the impacts of climate change, and supporting clients to develop and implement sustainable business practices. Insurance is also a form of adaptation measure that increases resilience and protects the businesses from the increasing number of risks like climate change physical risk.

When designed with sustainability in mind, insurance products and programs become powerful instruments in advancing the SDGs and supporting BDO's sustainability strategies. They will not only protect against risk but also promote responsible business practices, economic development, and social well-being.

INSURANCE AND SUSTAINABILITY

BDO Insurance Brokers, Inc. (BDO Insure) program offerings are designed to provide comprehensive coverage while adhering to sustainability principles and encompassing risk mitigation, financial inclusion, and alignment with BDO's sustainability strategies. This involves offering innovative policies that integrate environmental, social, and governance (ESG) considerations.

The program caters to a diverse audience, including businesses seeking sustainable risk management solutions and individuals desiring inclusive and eco-conscious insurance options. BDO targets markets where there is a growing awareness of sustainability, appealing to environmentally-conscious consumers and responsible corporate entities. Collaborations with stakeholders amplify the impact, creating a synergy between the insurance program and BDO's broader sustainability initiatives.

In 2023, BDO Insure successfully launched ESG-integrated policies, emphasizing climate resilience and social impact. The program expanded its reach, penetrating new markets, and witnessing increased adoption of sustainable insurance practices. Collaborations with key partners further enhanced the program's effectiveness. Among its milestones are:

- Notable improvement on paperless transactions within BDO Insure such as E-policy, Risk Engineering Survey Reports, and other internal reports transactions. At least 22% reduction of paper consumption from 5,896 reams in 2022 to 4,615 reams in 2023.
- Successful claims settlement of Acts of Nature such as the damages caused by Typhoon Odette in December 2021. This shows that BDO Insure fully understands the effect of climate change prior to insurance inception.
- Proactively participated in bidding for Property Insurances on renewable energy such as a hydro power plant, wind power plant, and solar power plant. As a part of the property insurance program, BDO Insure also includes coverages for sewage treatment plants and chemical treatment plants.
- Risk Advisor to critical businesses such as mining, petrochemical plants, and steel manufacturing. BDO Insure provides inputs on their loss mitigation program on potential incidents that may lead to environmental liabilities. Examples of these are insurance cover for floating solar panels, construction of a client's own sewage treatment plant, tailing storage facilities (TSF), and establishing their own Materials Recovery Facility (MRF).

RISK MANAGEMENT ADVISORY

BDO Insure strengthened economic resilience through risk mitigation and support for businesses in navigating uncertainties. It also facilitated economic growth by promoting responsible investment and financing initiatives aligned with sustainability goals. In terms of environmental impact, the company reduced environmental risks by encouraging clients to adopt eco-friendly practices through specialized insurance offerings such as shifting to e-policy and electronic Risk Engineering Survey Reports to clients, insurance, and reinsurance companies.

BDO Insure provides advisory to clients through Risk Management Reports on:

- Good housekeeping, to prevent further losses due to fire, typhoon, flood, and earthquake
- Loss Control Recommendation (LCR) to clients most especially to natural hazards and construction such as the implementation of preventive maintenance program to vital equipment fire protection and detection system, LPG, sewage treatment plant, drainage system, and a materials recovery facility
- Premises liability of clients on environmental issues such as effluent discharge, carbon emission, noise, and ambient air
- Establishment of proper chemical storage practices

BDO Insure promotes enhanced financial inclusion by providing accessible insurance solutions to underserved communities, as well as improved public health by offering health insurance options, ensuring affordable access to quality healthcare services.

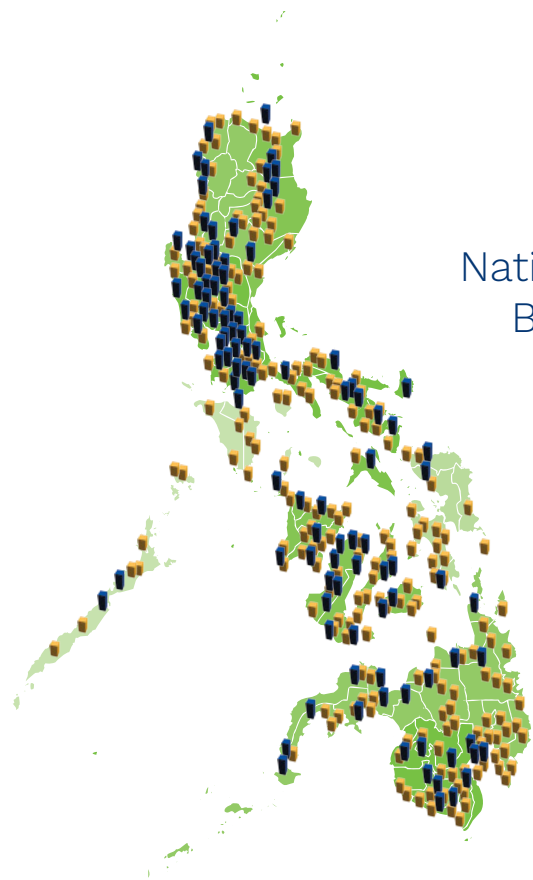
CASE STUDY:

Parametric Insurance to manage climate risk

In 2023, BDO Insure added Parametric Insurance Cover in its product portfolio. Initially provided by the Department of Finance (DOF) and the Government Service Insurance System (GSIS) in support of SDG 11 on Sustainable Cities and Communities, parametric insurance supports faster response to severe natural disasters. BDO Insure's Parametric Insurance coverage is tailored to the insured's needs, based on specific risks triggered by certain events.

The impacts of climate change have become evident with the increasing shocks that communities and individuals face. Parametric insurance may cover natural events such as earthquake, cyclone, flood, storm surge, and hail. The insurance may also cover shocks within the supply chain like construction interruption and other risks associated with natural capital. The insurance may also cover wind power volatility and the agriculture sector in cases where there is excess precipitation leading to crop loss.

Financial Services Reach and Value



Nationwide presence through branches:
BDO Unibank and BDO Network Bank

BDO Branches Nationwide

■ BDO Unibank	1,206 branches
■ BDO Network Bank	393 branches

Biodiversity index based on provisioning services



Phygital Strategy

Establishing frontline client relationships: BDO Branch Banking

As a universal bank, BDO continues to find ways to enable access to financial services, both in person and online as it recognizes that to be inclusive is to provide different types of services for the different financial needs of the community.

Branch Banking supports the SDGs by fostering innovation aligned with SDG 9 and promoting responsible consumption and production aligned with SDG 12. To cater to BDO clients who still prefer in-person transactions in branches because they enjoy dealing with another person, BDO combines the warmth of human interaction with the benefits of digital technology through its Phygital Banking strategy. Phygital comes from the words Physical and Digital, describing the domains in which banks operate to reach its clients. BDO pursues a Phygital Strategy which recognizes the value of integrating the expansion of its digital reach, with the continuous growth of its physical reach through its network of branches and offices nationwide and abroad.

- Through BDO's Branch Online Booking portal, clients also have the option to book an appointment online for their branch visits, receive a QR code to be scanned on the Queue Management System (QMS) scanner once they reach the branch, and immediately fall in queue. Access at <https://www2.sam.bdo.com.ph/>

100%
Branches with Queue Management System

- BDO branches introduced self-service technologies as part of its digital transformation efforts to make its service delivery more efficient and to promote customer satisfaction across all its channels

- The **account opening** and **self-service stations** inside bank branches enable clients to input their transaction details before talking to a branch employee. This eliminates the need for manual form-filling and allows bank personnel to focus more on building relationships with clients, instead of processing paper transactions.
- BDO's ATMs are the first in the country to be equipped with **QR and biometric technology** that allows for cardless cash withdrawal.
- The **Universal Teller Machine**, a combined Automated Teller Machine (ATM) and Cash Deposit Machine (CDM) with additional features is now available in selected branches. Clients now enjoy the following new features: Check Deposits, Passbook updates, Biometric-enabled transactions, and more.

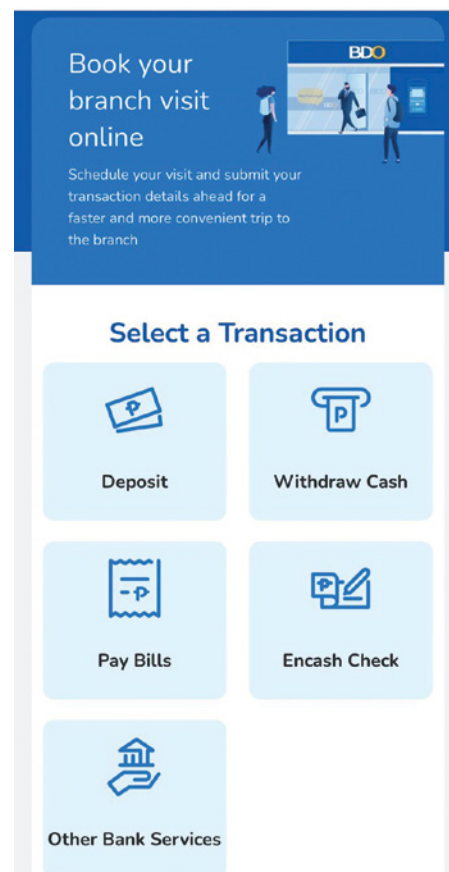
BDO recognizes that building trust is important in digitization and provides in-branch assistance to encourage individuals to perform financial transactions in digital format. This helps eliminate the clients' fear of making mistakes that may result in loss of access or loss of funds in their account. The Bank has cascaded guides in Taglish or a combined vernacular Tagalog and conversational English language format to bank employees so that customers entering the branch may feel more comfortable rather than intimidated.

AVAILABILITY IN TIME OF NEED

With more than 1,200 branches nationwide and extended hours and weekend banking availability, BDO Branch Banking ensures it remains as accessible as possible to both existing and potential customers. BDO recognizes that having more branches require more resources but given the country's high vulnerability and exposure to disaster risk, the Bank continues to expand and provide convenient access to products and services nationwide, more so during times of emergency. To manage resources at the branch, employees are issued reminders for business continuity requisition, ensuring ample supply while also limiting the request for forms depending on the nature of the transactions received in the branch. Branch personnel also encourage paperless transactions processing through a kiosk inside the branch to reduce the use of paper.

BDO branches aim to provide services to its clients at the soonest opportune time to ensure that cash is available when and where it is needed by the community. During natural disasters (i.e. typhoons, flooding, earthquakes), advisories are released by Branch Banking Group to guide employees on proper handling of safety reminders and instructions during such situations, including assistance to be provided to our clients.

Whenever there are unusual/hazardous circumstances happening within the branch premises (e.g. vehicular accident which destroyed the façade of the branch, foul smell caused by sewer pipe leak, lithium ion battery fire incident of nearby establishment, etc.), the branch bankers are trained to handle safety and security. Concerned branch is also advised to go on early closure/branch closure depending on the gravity of the



1,993,044
Total New CASA (Current Accounts/Savings Accounts)

18.8 million
Number of Customers Served

situation. To ensure that banking operations will not be compromised, a buddy branch nearest the concerned branch is announced where clients can proceed to fulfill their banking transactions.

To ensure that clients visiting the branch are reminded about the safety banking tips to protect clients from fraud-related activities, branch personnel are trained to discuss Anti-Scam Tips and refer them to the BSP 1140 Advisory material displayed on the branch counters.

PARTNERSHIP WITH SM MALLS

Some 44% of adult Filipinos remain unbanked according to the most recent survey of the BSP. To further the reach of its financial inclusion efforts, the Bank has partnered with SM Supermalls, also a member of the SM Group, to be able to serve clients in urban areas and in provinces. When SM opens a new mall, a BDO branch in the mall opens for clients as well, making it a one-stop shop where bank clients can conveniently transact with BDO while also enjoying the mall attractions, even during weekends. Families of Overseas Filipino Workers, for example, are BDO clients who are also frequent visitors at SM Malls.

Ensuring availability of cash: BDO Cash Services

BDO supports access to financial services by helping ensure the availability of fit banknotes and coins needed by the Bank's branches, automated teller machines, and clients. BDO Cash Services operates a logistics network with cash centers in more than 60 strategic locations nationwide to reach not just urban areas, but also remote municipalities.

Aside from the circulating fit banknotes and coins, BDO also supports the Clean Note and Coin Policy of the BSP by helping ensure that:

- Fit banknotes/coins are properly segregated from unfit banknotes/coins;
- Only fit currency is re-circulated, as well as loaded in automated teller machines;
- Unfit currency is removed from circulation; and,
- Measures that deter unacceptable practices, such as, among others, stapling and writing on currencies, and excessive folding, are in place to extend the life of banknotes and coins.

BDO also supports the efforts of the BSP in making the circulation of currency more efficient through the Cash Service Alliance.

AUTOMATED TELLER MACHINES

The Bank's focused expansion of new branches mainly in provincial areas is supplemented by Automated Teller Machines (ATMs), digital channels, and agency banking, as well as increased market coverage of the unbanked and underserved segments of the population to broaden financial inclusion. These initiatives have allowed BDO to generate and widely distribute economic value, supporting economic activity across the country.

5,514

Teller Machines Nationwide (ATMs, Cash Accept Machines, Universal Teller Machines, and Self-Service Teller Machines)

99%

Municipalities and Cities Deployed with ATMs and CAMs

CASE STUDY:

BDO and the Cash Service Alliance

The Cash Service Alliance (CSA) is a cash circulation mechanism designed by the BSP to allow banks to service requirements for fit Philippine currency of other banks from their available cash holdings. Before the CSA was implemented, banks sourced their requirements for fit banknotes and coins exclusively from the BSP and deposited excess currency holdings only to the BSP. With the CSA, BDO supplied other banks with their cash requirements, while it also rationalized its cash services by reducing armored car trips to and from BSP branches.

The Bangko Sentral ng Pilipinas (BSP) named BDO as one of its outstanding institutional partners during its 2023 Outstanding BSP Stakeholders Appreciation (OBSAC) ceremony held in Manila on 27 October 2023. BDO was recognized for serving as the primary source of fit banknotes, in terms of amount, among all CSA participants in the Greater Manila Area.

According to Rosabel B. Guerrero, Managing Director, Regional Operations Sub-Sector of the BSP, “the BSP lauds CSA-participating banks like BDO for working together to develop innovative means to ensure unhampered service to the public. The CSA has resulted in concrete benefits, including reduced cash verification activities of the BSP and maximized use of fit banknotes in circulation. The BSP is keen to continue working together with the industry, including BDO, for worthwhile endeavors that benefit the Filipino people.”

The CSA initiative of the BSP was cited as the “Best Currency Initiative Implemented in Response to the COVID-19 Pandemic (Central Banks Category)” by the International Association of Currency Affairs (IACA) in 2021. It was also one of the recipients of the Presidential Lingkod Bayan Award conferred by President Ferdinand Romualdez Marcos Jr. during the awards rites on 8 March 2023 in Malacañang Palace.

Facilitating access and inclusion: BDO Digital

BDO’s Phygital Strategy continues to create banking relationships in person and online, to reach the underserved and the unbanked, and provide access to financial services for all, wherever and whoever they may be. BDO digital banking serves as a strategic complement and alternative for in-branch banking transactions and addresses client needs on multiple levels:

- **Accessibility and convenience.** Customers can transact anytime (24/7), anywhere.
- **Security.** BDO digital channels make use of technology such as biometrics, multi-factor authentication, and other fraud management tools for secure transactions.
- **Individual health and safety.** Digital platforms enable access to basic financial services through personal digital devices, eliminating exposure to health and safety hazards.
- **Reduced carbon footprint.** Decreases the need for travel for bank transactions.

BDO ONLINE

In 2023, BDO relaunched its new BDO Online application, with an improved user interface and experience, for smoother bank transactions similar to experiencing it inside a BDO branch or through a customer contact center. With the addition of security features such as personal identification number (PIN) and biometrics transaction confirmation, account notifications, and the ability to view and manage their accounts according to their preferences, the app saw a 22% growth in new users and a 9% increase in the volume of digital transactions compared to the previous year.

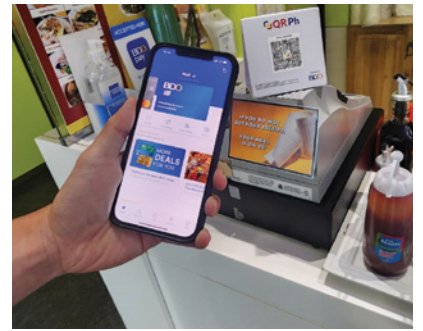
22%
Growth in New Users

9%
Growth in Transaction Amount

BDO PAY, BDO PAY ACCOUNT

The new BDO Pay app was relaunched in November 2023 and positioned as the everyday e-wallet application that provides BDO customers different ways to pay for purchases, as well as send and receive money anywhere, making financial transactions even easier. Payments are made simple with the option to choose the source of payment between their linked debit and credit cards. This makes purchases, utility payments, and other bills payment even more convenient, especially with the app's compatibility with QR Ph, the Philippines' national Quick Response (QR) code standard. The app also makes it easy for customers to find exciting and exclusive deals available for their BDO cards and accounts.

Together with BDO Pay, the BDO Pay Account allows non-BDO customers to open an account anywhere and anytime through the app. With zero initial deposit and zero minimum maintaining balance requirements, BDO Pay Account is the easiest way to start banking with BDO without visiting a branch. It supports the digital transformation roadmap of the BSP to provide bank accounts to 70% of Filipinos by 2023.



41%
Growth in New Users

130%
Growth in Transaction Amount

BDO CHECKOUT

BDO's merchant partners avail of BDO Checkout, an online payment solution that gives businesses of all sizes the capability to accept credit card, debit card, and mobile wallet payments, even without a website or outside of large and established e-commerce platforms. This is especially helpful to micro, small, and medium-sized businesses, as they seek to grow through offering convenient payment options to their own customers. BDO Checkout also enables large businesses to simplify and confirm online transactions with clients in a few very easy steps, compared to other online payment solutions in the market.

67%
Growth in Merchants

151%
Growth in Transaction Amount

BDO Pay, the BDO Pay Account, and BDO Checkout offer a suite of digital innovations that enable familial, friendly, and business relationships to thrive online and do business easier, more so when used in combination with the strength and reach of BDO's largest and ever-growing network of bank branches, automated teller machines (ATMs), and partner agencies nationwide.

CASH AGAD AGENCY BANKING

BDO's Cash Agad mobile banking solution is one of the earliest proponents of digital financial inclusion in the country, either extending or complementing the reach of the Bank in the rural areas where bank branches and ATM channels are scarce. The accredited Cash Agad agent-stores in communities provide ATM cardholders direct access to their bank accounts by allowing balance inquiry and cash withdrawal services at their stores.

With 9,764 Cash Agad agents nationwide in 2023, the agents cover 100% of provinces and 92% of the municipalities in the Philippines. The thriving community of neighborhood customers which grew even more during the pandemic is a perfect example of bringing to life the Bank's focus on financial inclusivity and economic growth of micro, small, and medium enterprises (MSMEs). The Cash Agad partners fulfill the need for access to financial services in underserved markets. The agents, in turn, earn additional income from convenience fees paid by the customers, while their stores also benefit from sales as first use of cash withdrawn by the same customers. The withdrawal service in itself, recycles the money at the store by letting these be withdrawn by the customers, while the Bank credits the agent's account the next banking day. It is a cost effective and efficient solution that lets the agent flourish as more transactions are processed. Best of all, the money remains in the community and helps the local economy grow.

From the time of its launch in 2015, Cash Agad has cumulatively processed over 105 million withdrawal transactions. This translates to ₱448 billion worth of total cash withdrawn. Customers in the countryside comprise of cash grant recipients of the government's Pantawid Familyang Pilipino Program (4Ps), payroll employees of private and local government units, beneficiaries of Overseas Filipinos, pensioners, and business owners. Customers are serviced by equally diverse Cash Agad agents ranging from pawnshops, cooperatives, and micro to small businesses. These include sari-sari stores, pharmacies, mini-groceries, gasoline stations, and other high traffic establishments in the community.

9,764

Cash Agad Partner Agents

105 million

Cash Withdrawal Transactions to date

₱448 billion

Total Cash Withdrawn to date

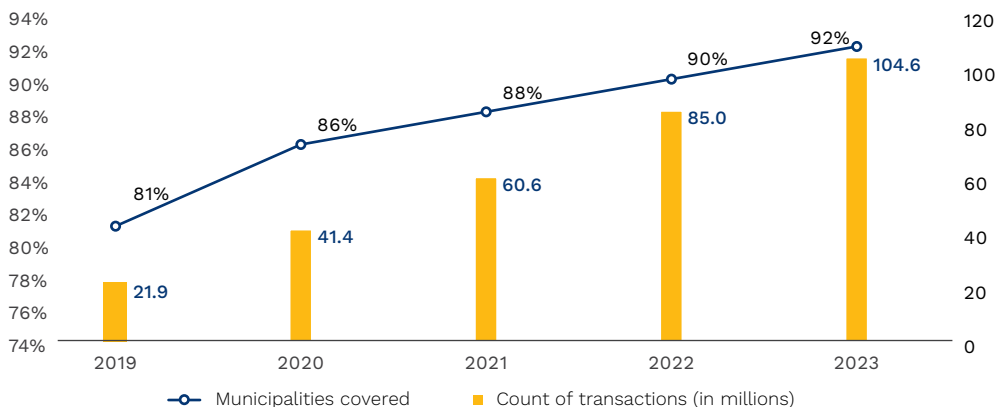
92%

Philippine Municipalities Covered

100%

Philippine Provinces Covered

Cash Agad Coverage and Transaction Count



CASE STUDY:

Uplifting women entrepreneurs

Among Agency Banking’s progressive partner agents is a group of mothers who are beneficiaries of the 4Ps program in Barangay Siana, Mainit, Surigao del Norte in the Mindanao region. As regular customers themselves, the mothers were familiar with the Cash Agad service works at partner stores. They eventually approached BDO in exploring the viability of having Cash Agad as a business upon learning that an agent generates extra income from the service fees. The women pooled their resources and founded the Siana Golden Mothers Association which was accredited as a Cash Agad partner agent and now operates a remittance and photocopy center. From being financial assistance beneficiaries to Cash Agad customers to women partner agents, the group have become empowered women entrepreneurs. Cash Agad became an opportunity for them to enrich their lives towards a future of financial stability.



Cash Management

BDO Cash Management Services (CMS) provides financial services and strategies to help emerging start-ups, large-scale businesses, and organizations effectively manage their cash flow, liquidity, and financial resources. These services include managing cash balances, analyzing and forecasting cash flow, optimizing working capital, and ensuring efficient cash utilization. While BDO CMS is deeply committed to enable clients to achieve their goals, the Bank is equally committed to promoting sustainable business practices among its clients. Among the green banking solutions that CMS offers are paperless statements, electronic record-keeping, and electronic payments that reduce the need for physical cash and checks, which require paper, ink, and transportation. By reducing paper usage and promoting digital alternatives, businesses can reduce their carbon footprint and contribute to environmental conservation efforts.

Optimal cash management through efficient cash handling practices also helps businesses minimize the excess cash on hand, reduces the need for physical storage, and lessens security risks associated with moving large amounts of cash. For cash services, BDO CMS often partners with armored car services to provide secure transportation for cash. Armored vehicles are equipped with advanced security systems, including GPS tracking, surveillance cameras, and bulletproof exteriors. Trained professionals ensure the safe transfer of cash between locations. The Bank also provides Corporate Deposit Machines typically located in the clients’ facilities. These depositories are designed to provide maximum security against theft and include features such as controlled access, vaults with multi-layered security systems, and video surveillance.

On the digital front, BDO Business Online Banking (BOB), the online cash management portal of BDO, enables businesses to transfer funds and receive payments electronically. This minimizes opportunities for theft or loss related to cash handling. BOB uses multiple authentication and strong encryption technology to protect sensitive financial data. It ensures that payment information remains secure and reduces the risk of unauthorized access. Regular data backups and robust disaster recovery measures are also in place. These serve as protection against loss of financial data due

₱17 trillion
CMS Transactions Processed

136 million
CMS Transaction
Volume

27% billion
CMS Deals Growth

to technical failures, natural disasters, or cyber-attacks. Critical financial information is well-designed to be retrievable, reducing the risk of irretrievable or lost cash.

CMS' digital payment solutions also play a crucial role in promoting financial inclusion and improving access to financial services. By enabling mobile wallets, online payment platforms, and electronic fund transfers, start-ups and small scale businesses are able to access financial transactions digitally, even without traditional banking services. This technology bridges the gap and provides convenient access to financial services for those in geographically or economically disadvantaged areas, where physical access to banks or financial institutions may be limited.

BDO Cash Management Services process a total transaction volume of 136 million, with a value of ₱17.4 trillion, for both collections and payments. The Bank implements around 56,000 deals per year, an equivalent 33% growth in estimated annual revenue. Total client base is more than 123 thousand, with 84% coming from small and medium enterprises.

CASE STUDY:

GrowSari: Transforming the Ubiquitous Sari-sari Store

GrowSari is a B2B ordering and store solution platform for the Philippines' over one million sari-sari stores (mom-and-pop stores or MSMEs). GrowSari equips the sari-sari stores with both the infrastructure and tools they need to transform themselves from simple outlets of fast moving consumer goods to comprehensive service hubs for the nation's grassroots communities.

GrowSari started in 2016 as an ordering platform that services sari-sari stores in three cities. Today, GrowSari powers the management, growth, and analytics infrastructure across 24 key cities in more than 400 municipalities in the Philippines. In addition to providing affordable and on-demand inventory, it also enables store owners to buy now and pay later through ELista effectively overcoming cash flow constraints and empowering store owners to keep their shelves well-stocked and grow their businesses without financial strain. GrowSari has also integrated multiple micro services such as telco load, bills payment, e-commerce, Wi-Fi, and other e-services. These micro services allow store owners to maximize their capital in one wallet and easily expand their business.

GrowSari has been a BDO Cash Management client since 2018. Last year, the Electronic Payment Facility via Application Programming Interface (API) was enabled with GrowSari's platform. This straight-through digital payment aligns with BDO CMS' objective to support clients in increasing business security and addressing operational concerns when customers pay in cash. Furthermore, with the E-Payment Facility, the settlement and payment consolidation are done more efficiently, translating to faster sales fulfillment and revenue growth for GrowSari.

The Electronic Payment Facility is meant to augment the existing payment channels that the Bank made available to GrowSari, namely over-the-counter (OTC) in all BDO branches and regular fund transfer via BDO Personal Online Banking (POB). BDO CMS also provides



Deposit Pick-up services to GrowSari to collect and consolidate cash payments made by sari-sari stores from various GrowSari warehouses. “GrowSari aims to empower and transform one million sari-sari stores through technology by providing them affordable products, E-businesses and financial assistance. We are happy that our partnership with BDO Cash Management Services enables us to do this by providing not just collection and payment services, but more importantly determining the best structure of payments and accounts to optimize our cash flow and working capital,” says Joseph Dultra Jr., Treasury Head of GrowSari.

Leasing for increased resilience: BDO Finance

As the leasing and financing arm of the BDO Group, BDO Finance Corporation (BDOFC) provides financing alternatives not offered by BDO Unibank through various products such as finance leases, mortgage loans, factoring, installment papers purchase, floor stock financing, and amortized commercial loans. Through leasing and amortized commercial loans, BDOFC is able to finance its customers’ capital equipment requirements at affordable terms.

With leasing, customers are able to acquire the equipment they need without worrying about budget constraints. For example, companies in the construction industry are able to immediately mobilize new equipment for infrastructure and real estate development projects. BDOFC also continues to support its customers in the transport sector in the replacement of old vehicles and trucks with new, more energy and fuel-efficient units that will help reduce carbon emissions. Leasing enables trucking and logistics companies to modernize and expand their fleet to accommodate growing demands in the transport sector and e-commerce. Companies engaged in specialized industries such as plastic recycling and waste disposal are likewise supported through leasing of plants and heavy machinery.

BDOFC’s working capital lines such as factoring, which enables companies to obtain immediate cash by selling local trade receivables to BDO. This enables supporting the funding requirements of both large, medium, and small companies even in the absence of hard collaterals, allowing underserved markets to avail of credit facilities to support their growth.

BDOFC is one with BDO in understanding and anticipating the customers’ evolving needs and in developing relevant products and services that will answer and address these requirements.

CASE STUDY:

Solar Rooftop installations

In 2023, BDOFC launched a pilot Leasing Program for Solar Rooftop installations to the officers of the BDO Group. This program aims to not only promote sustainability within the BDO community, but also resilience and preparedness in the face of increasing power costs and the looming energy crisis. With this program, BDOFC is able to highlight the importance of renewable energy and how using solar power can provide savings in electricity bills, and contribute any excess power generated to the grid for other people’s consumption.



Immediately after its launch through the Bank's E-Newsgram, BDOFC received overwhelming inquiries on the program from bank officers, some coming from as far as Mindanao. Buoyed by the response, BDOFC will develop a similar solar leasing program for commercial and retail clients this 2024. BDOFC shall also continue to pursue and partner with more vendors to be able to reach a bigger market and accelerate growth in various industries.

Financial Inclusion

Serving the Unbanked: BDO Network Bank

At a public gathering, BSP Governor Eli M. Remolona Jr. went on record for his expectations for 70% of adults in the country to have a bank account by end of 2023. This goal hopes to bring down the number of unbanked Filipino adults to 30% from the 44% cited in the BSP's latest financial inclusion survey in 2021.

As the country's largest community bank and a subsidiary of BDO Unibank targeted for the micro, small, and medium enterprise (MSME) segment, BDO Network Bank (BDONB) contributes to this national target through its continuous network expansion across the Philippine archipelago and its wide range of banking products that includes loans, deposits, remittances, micro-insurance, bills payments and other banking services.

In 2023, BDONB branch expansion was at a total of 506 branches and loan offices, up by 12% compared to last year. To enable easy financial access to its clients, BDONB accounts are able to use the BDO Group's combined 5,514 teller machines nationwide (ATMs, Cash Accept Machines, Universal Teller Machines, and Self-Service Teller Machines) around the country, along with the 9,764 Cash Agad Merchants among MSMEs. BDONB has also deployed Field Tellers, bank personnel who make the rounds of MSME clients unable to leave their stores to attend to their banking needs. Field Tellers provide secure account withdrawals and deposits which extends the reach of branches.

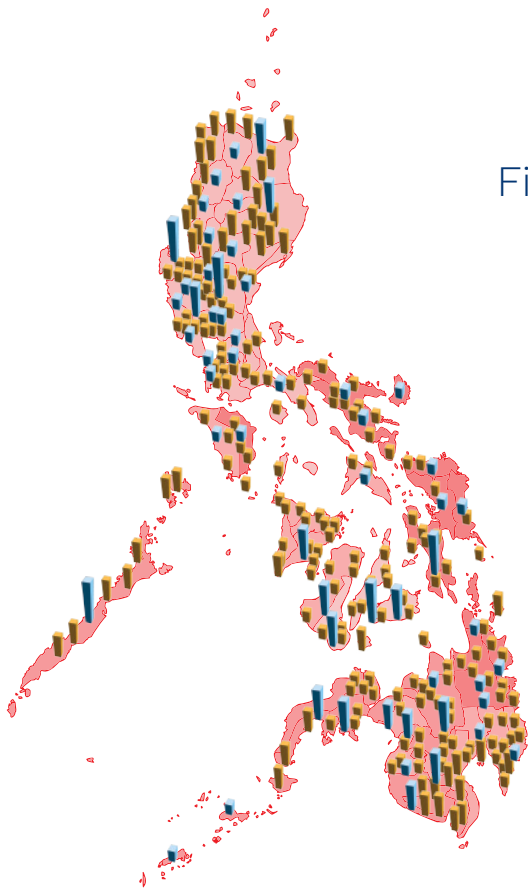
BDONB is physically present in easily accessible locations and works on extended banking hours to cater to more clients. Following the phygital strategy of the parent bank, BDONB also complements its branches with its digital presence in social media and its own website. BDONB has a low minimum initial deposit to encourage more people to open accounts and to save. It also offers micro-insurance that provides hospitalization allowance for beneficiaries from age 18 to 80 years old. For the micro-insurance it has a compounded annual growth rate of 28%. The average age of insured clients is 41 years, with females at 59% of the total.

In 2023, BDONB was present in 92% of total provinces in the country, with the goal of covering 95% of the provinces in the next year. The loan products of the Bank are not just for the sake of lending, but also capital buildup to help clients improve their lives, and for the communities to accelerate economic growth. BDONB values its clients, understands their needs, and strengthens relationships with them through ease of access via physical and virtual presence. As a result, BDONB posted a 16% increase in volume from the previous year.

16%
Growth in Volume

92%
Coverage of
Provinces
Nationwide

Consumers and Entrepreneurs



Finding ways to drive financial access: BDO Network Bank and Cash Agad

BDO Presence

- Cash Agad Agents 9,764 agents
- BDO Network Bank 393 branches

Poverty Incidence in the Philippines



Reference: 2023 Preliminary Poverty Statistics, Philippine Statistics Authority

MSME Financing

Development of the MSME market segment is important for BDONB. MSME Teams not only sell loans, but also advise their clients on how to improve and expand their businesses, reinforce the importance of savings and financial literacy, and connect them to the Bank to help them manage their finances well. With this approach, MSME loan bookings grew by 30% from 2022 figures, with female clients accounting for 68% of the total bookings. BDONB’s expanded offices resulted in 6% increase in the number of offices offering MSME loans.

30%
Loan Booking Growth

68%
Female availeds of MSME loan

Salary Loans for Government Employees

In 2023, teachers in Mindanao accounted for 43% of the total salary loan releases of the Bank. Loan balance grew by 32%. Loan releases for 2023 matched the releases in 2022. The Customer Base of BDONB grew by over 22% as it continues to expand to more rural areas nationwide, with salary loans reach up by 34%. Personnel servicing this segment increased by 8% allowing for more people to serve financial needs of government employees. The Bank has also determined that 79% of its total active clients for Salary Loans are female.

79%
Female availeds of Salary Loan

Other Support Services for Clients

The Bank believes in further empowering its clients by organizing Financial Literacy discussions to help them manage their money and to use their loan wisely whether it be in schools, government offices or for public market vendors. The Bank has also run over 25 Negosyante Days which helps businessmen and entrepreneurs to avail of financial literacy talks. BDONB also works closely with the Department of Education by annually supporting its Brigada Eskwela (School Brigade) and Balik-Eskwela (Back to School) programs where bank employees distribute school supplies to beneficiary schools. BDONB also works closely with both the BDO Foundation for the schools and the SM Foundation as partner in Medical and Dental missions to areas that need health service support. The Bank also works closely with SM Supermalls, as a venue to reach more clients and showcase its products to entrepreneurs during Sunday Market at the malls.

Negosyante Days

BDO Network Bank provides opportunities for its clients to meet during what they call as Negosyante Days, where everyone can all learn about financial literacy and the new products and services that may be availed through BDONB. During one of the Negosyante Days, a junkshop owner met a rag maker who can supply retazos or rags for the junkshop's use. In another Negosyante Day, a poultry raiser met an ihaw-ihaw (grilled food) business owner and initiated talks to supply meat. Through BDONB's value added programs for its clients, the Bank is able to connect and bring value to business owners.

Customer Focus: BDONB Personalized Services

- BDONB tapped a Cash Agad Partner from Ilocos Sur to be the first touchpoint of borrowers for loan inquiry, computations, and applications. This channel helps teachers in the remote areas of the country to have access to loan facilities offered by BDONB. The program adds additional revenue to accredited Cash Agad partners and help improve value proposition and stickiness of the relationship with the Bank. The Cash Agad Partner was grateful to be a BDONB Loan Partner as it gives her additional income from service fees she collects from loan referrals. Other active partners are in Calatagan, Batangas, Caramoan and Garchitorena, Camarines Sur, and San Jacinto and San Pascual, Masbate
- Sevilla Sobaida is a Principal of LR Sebastian Elementary School, Cotabato City, and a long-time borrower at BDONB. Late last year, her house in Cotabato was completely burned down in a fire accident and her family was sent to a temporary evacuation area. To provide for her family's basic necessities, she applied for a salary loan with BDONB. She was very thankful for the quick and timely loan processing and the personalized service from BDONB's account officers, which included fetching her from the evacuation center and back for her loan application. It was a big relief for her that BDONB is always there in time of need.
- The St. Elizabeth Community Development Program, Inc. (SECDEP), a microfinance non-government organization, has been a BDONB depositor for nearly 10 years. As of September 2023, SECDEP had 10,000 clients dispersed across its nine provincial branches, but depositing collections have never been a challenge. SECDEP partnered with BDONB because it is reputable and well-established in the communities where they operate. In addition, financial transactions such as deposits and loans are also easier to release because they can be accessed through internet banking at any time and from any location, while clients may obtain their loan proceeds with convenience through ATMs. Apart from that, they are grateful to BDONB for supporting their special events, such as the annual Medical and Dental Missions, which are aimed at the customers they serve. SECDEP General Manager Luzviminda Carado, expressed her gratitude to BDONB for the unwavering support and service and for being always there.

Building relationships with Overseas Filipinos and families: BDO Remit

BDO Remit continued its efforts to scale up its services and relationships with Overseas Filipinos (OFs) and their families by expanding its grassroots marketing to the provinces of Bataan, Palawan, Leyte and Samar, notably increasing its reach to a total of 35 provinces across the country in 2023. This expansion, in partnership with BDONB, strategically enhanced access to remittance services in provincial and far-flung areas.

Widening customer reach

BDO Remit focused its efforts on enhancing the financial inclusion of OFs and their beneficiaries through an expanded partnership with SM Supermalls, particularly in provincial areas where their families are often located. Year 2023 marked the full resumption of BDO Remit's participation in SM's 3-Day Sale, mall openings and local festivals.

In December, BDO Remit and SM Supermalls held their 12th Pamaskong Handog holiday celebration that showcased exciting in-mall activities, special performances from actor and long-time endorser Piolo Pascual with some of the country's up-and-coming artists, and exclusive discounts from affiliates under the SM Group. Since 2012, BDO Remit committed to make OFs and their families feel valued and appreciated through its events and year-round offers exclusive for BDO Kabayan and BDO Network Bank Kabayan Savings account holders. In the provinces, major events at key OF hometowns are also opportunities for BDO Remit to join as OF families' have strong affinity to festivities. Among these events were the Panagbenga flower festival in Baguio, the Dinagyang cultural and religious festival in Iloilo, and the MassKarra Festival merrymaking in Bacolod. These initiatives allowed BDO Remit to set up information booths inside the malls providing an additional channel to address customer inquiries as a direct response to the need for accessible and convenient banking.

Increasing access to financial services through partnerships

While BDO Remit intensified its partnership with SM, it likewise extended the synergy of the two institutions to include government and non-government partners in its efforts. In honor of the economic contributions of the OFs and to promote their families' welfare, BDO Remit joined the nationwide celebrations of Migrant Workers' Day with the Overseas Workers Welfare Administration (OWWA) and the Department of Migrant Workers (DMW) in June. Celebrations were held at various SM Supermalls particularly in North EDSA, Tuguegarao, Bacolod, Iloilo, Puerto Princesa, and Davao, along with other locations in Baguio, Cavite, Camarines Sur and Pampanga.

Sharing the same goal of empowering families with financial education, BDO Remit widened its network by partnering with the Catholic Bishops Conference of the Philippines (CBCP). BDO Remit joined CBCP in its own celebration of Migrant Workers Day in 2023, which served as an additional channel to reach new clients.

4%

Growth in Total Remittance Transaction Count

2%

Growth in Total Remittance Transaction Volume

5,769

Domestic and International Financial Literacy Lessons Conducted

238,701

Domestic and International Financial Literacy Lesson Participant

OF families have been the main beneficiaries in the following initiatives of BDO Remit in the Philippines:

- School supplies donation to the children in Bacolod whose parents lost their jobs due to the pandemic, in partnership with the OFW Negros Occidental Federation, Inc. (ONOFI).
- Stress management workshops for Filipinos who are about to leave the country to help in their mental and emotional preparation for culture change and life in their country of assignment, together with OWWA and partner recruitment agencies.
- Financial literacy seminars for the wives of seafarers, working with a religious organization.
- Employment opportunities at BDO for OWWA scholars and interns, with some of them hired on-the-spot during OWWA's 41st Anniversary Job Fair.

Overseas, BDO Remit intensified its efforts to reach more Filipinos in Italy by partnering with various remittance partners and transforming their locations into OF hubs where BDO bankers can attend to client inquiries on Kabayan Savings and other BDO products and services. BDO Remit likewise held a series of community caravans and financial literacy talks in collaboration with key Filipino groups and NGOs in the United Arab Emirates. In Japan, BDO participated in the Philippine Expo, a 3-day major event that served as an avenue for OFs, remittance partners and the Philippine embassy to gather and re-establish rapport for the first time since the pandemic. BDO Remit also conducted several Post-Arrival Orientation Seminars (PAOS) for newly-arrived Filipinos in Japan to guide them on their finances and employment rights.

Moving past challenges in a changing market

Adapting to clients' evolving financial behaviors in the post-pandemic landscape was a challenge that BDO Remit addressed by proactively enhancing its client offerings. This involved introducing a diversified portfolio of products, including loans and insurance options, tailored to the specific needs of Kabayan account holders and their families. By broadening the range of financial services, BDO Remit provided its clients with more tools to manage their finances effectively and gave more value to their relationship with the Bank. These strategic cross-selling efforts fostered greater financial security and empowerment among clients.

Empowering Women as Consumers and Entrepreneurs



Bank accounts opened through online account application

61%



Access to credit card facility

60%

of Credit Cards Issued



Investment plans availed by women

57%

of Easy Investment Plans



Individual loans availed by women

49%

of Home Loans

50%

of First-time Home Loaners

48%

of Auto Loans

55%

of Mortgage Loans

55%

of Car Leases

48%

of Personal Loans

79%

of Salary Loans

63%

of Micro/ Small/Medium Enterprise Loans

41%

of Outstanding SME Loans by sole proprietors for Consumer Banking Group



Individual insurance availed by women

59%

of Ordinary Life Insurance

59%

of Variable Life Insurance

47%

of Accident Insurance

63%

of Health Insurance

59%

of Total Insured Lives



Strengthening Business Resilience

We consciously manage our environmental and social impacts through good governance that sustains superior business performance anchored on accountability, transparency, integrity, and fairness. We develop BDO bankers with a sustainable mindset who thrive on finding ways to innovate, find solutions to sustainability challenges, and live up to the Bank's sustainability commitments.



Economic Impact

BDO has solidified its position as the nation’s leading full-service bank, dedicated to meeting the diverse banking needs of every Filipino. The Bank reinforced its business franchise through continued market expansion especially in underserved areas, broadening financial inclusion. The Bank also continues to enhance its digital capabilities to provide customers with easy and seamless 24/7 access to the Bank’s products and services. With a nationwide network offering a wide range of financial products and services, BDO supports the country’s economic growth, allowing it to generate and distribute economic value.

Economic Value Relief Table

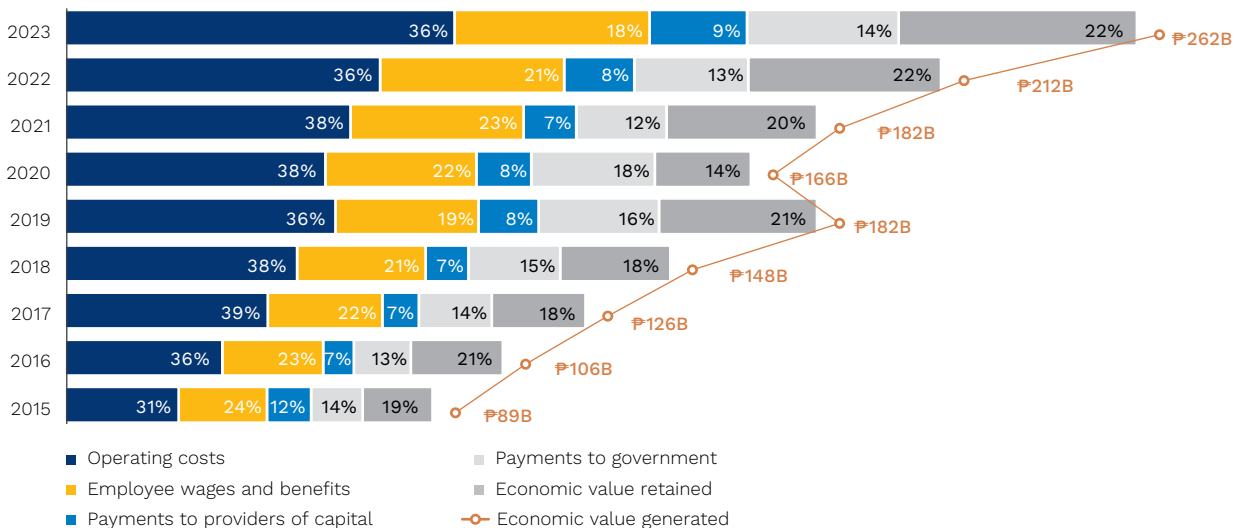
BDO’s direct economic value generated (DEVG) increased by 24% year-on-year to ₱262 billion in 2023 on the back of sustained economic growth and improved consumer and business activities. The 2023 performance, the strongest growth since the pandemic in 2020, lifted the Bank’s DEVG five-year compounded growth rate to 12%.

The Bank distributed 78% of the economic value it generated, or ₱205 billion, 24% higher than the previous year. Of the direct economic value distributed, ₱48 billion was for the wages and benefits to BDO’s over 41,000 employees, fueling consumer spending and supporting the overall economy. In addition, other operating expenses increased by 25% to ₱94 billion.

Total tax payments amounted to ₱38 billion, contributing to the government’s tax revenues to stimulate economic growth. Meanwhile, total community investments more than doubled to ₱216 million on the efforts of BDO Foundation, the corporate social responsibility arm of BDO, to boost financial education programs, relief operations in disaster-stricken communities, and the rehabilitation and rebuilding of rural healthcare delivery systems.

Economic Value Table

Figures in %



Good Governance to Create a Sustainable Future

Corporate governance in BDO is about effective oversight, strict compliance with regulations, and sustainable value creation to promote the best interest of its various stakeholders.

BDO Unibank, Inc. affirms its deep commitment to the highest standards of corporate governance practice firmly anchored on the principles of accountability, fairness, integrity, transparency, and performance consistently applied throughout the institution. BDO's market reputation has been built on the solid foundation of an ethical corporate culture and responsible business conduct, underpinned by a well-structured and effective system of governance.

BDO complies with the Securities & Exchange Commission (SEC) Code of Corporate Governance for Publicly-Listed Companies and with the Enhanced Corporate Governance Guidelines for Bangko Sentral ng Pilipinas (BSP)-Supervised Financial Institutions. It follows relevant international best practices of corporate governance issued by globally recognized standards-setting bodies such as the Organisation for Economic Co-operation and Development (OECD) and the ASEAN Corporate Governance Scorecard (ACGS) which serve as essential points of reference.

The Bank, as a financial institution, recognizes the importance of addressing climate change and supporting the country's transition towards a low carbon economy. Through its Board and Senior Management, BDO is committed to advancing its sustainability commitments and achieving strategic resilience by consistently incorporating sustainability in the way it conducts business. The Board, being the highest governance body, plays a crucial role in ensuring that sustainability is embedded in the Bank's compliance, corporate governance, and risk management frameworks. The Board sets the tone at the top by promoting an enterprise-wide culture that continually fosters environmentally and socially responsible business decisions. The Bank endeavors to contribute to the country's sustained growth by financing economic activities that nurture the environment, empower Filipino consumers, and promote the best interest of the Bank's various stakeholders. Consistent with the UN SDGs, the UN Global Compact, and the government's Sustainable Finance Roadmap, the Bank constantly strives to create lasting, net positive impact through delivery of various banking products and services that are sustainable, inclusive, equitable, environment-friendly, and socially relevant.

Our Board of Directors and Governance Structure

Responsibility for good governance lies ultimately with the Board. It is responsible for providing effective leadership and overall direction to foster the long-term success of the Bank. It oversees the business affairs of the Bank, reviews the strategic plans and performance targets, financial plans and budgets, key operational initiatives, capital expenditures, acquisitions and divestments, annual and interim financial statements, and corporate governance practices. It also periodically reviews the Bank's corporate mission and vision and ensures their continuous alignment with the Bank's strategic plans. It oversees management performance, the enterprise risk management, internal control systems, financial reporting and compliance, related party transactions, continuing director education, and succession plans for the Board, the President and Chief Executive Officer (CEO), and senior management. It considers sustainability issues related to the environment, social, and governance factors as part of its sustainable banking practices.

Board Composition 2-9, 2-11

The Board is composed of eleven (11) members and aided by five (5) advisors. It is led by a Non-Executive Chairperson with six (6) Independent Directors, three (3) Non-Executive Directors, and one (1) Executive Director who is the President and CEO.

The present composition of the Board exceeds the minimum regulatory standards which require that independent and non-executive directors account for the majority. Independent and Non-Executive Directors of the Bank comprise 91% (10 of 11) of the Board. With six (6) of 11 Board seats occupied by independent directors, the Bank goes beyond the 1/3 minimum requirement of the BSP and the SEC.

Independent directors chair eight (8) of nine (9) Board-level Committees, namely Risk Management, Board Audit, Corporate Governance, Related Party Transactions, IT Steering, Nominations, Compensation, and Trust. This provides independent, objective, and balanced judgment on significant corporate matters and ensures that key issues and strategies are objectively reviewed, constructively challenged, thoroughly discussed and rigorously examined.

The Board advisors are considered as integral parts of the Board whose views are considered by the Board. Their opinions and recommendations are taken into consideration by the Board members. The presence of a female Board advisor provides an independent view of the Bank and complements the three (3) female non-executive directors in the Board, one of whom is an independent director.

On October 25, 2023, former Senator Franklin M. Drilon was appointed Independent Director to fill in the vacancy due to the untimely demise of former Vice Chairperson Mr. Jesus A. Jacinto.

For more details, see BDO 2023 Annual Report.

BOARD COMPOSITION



Teresita T. Sy

Nestor V. Tan



Dioscoro I. Ramos

George T. Barcelon



Estela P. Bernabe

Vipul Bhagat



Franklin M. Drilon

Vicente S. Pérez, Jr.



Jones M. Castro, Jr.

Josefina N. Tan



Walter C. Wassmer

Screening of Directors

The Board is responsible for the screening of new directors through the Nominations Committee. It leads the process of identifying and evaluating the nominees for directors. Using the Bank’s Board Diversity Policy as primary reference, the Nominations Committee evaluates the balance, skills, knowledge and experience of the existing Board membership and the requirements of the Bank before the Annual Stockholders’ Meeting. The result of the evaluation determines the role and key attributes an incoming director should have. The Nominations Committee receives recommendations for potential candidates and uses, to the extent possible, external search firms or external databases (i.e., Institute of Corporate Directors List of Members) in selecting the pool of candidates for the new members of the Board as done with the election of one (1) new independent director in 2023. The Nominations Committee recommends the most suitable candidate to the Board for appointment or election as director.

For reelection of incumbent directors, the Nominations Committee also considers the results of the most recent annual evaluation of the performance of the Board and Board-level Committees facilitated by an independent third-party evaluator, attendance record in meetings, participation in Board activities and overall contribution to the functioning of the Board.

Board Diversity ⁴⁰⁵⁻¹

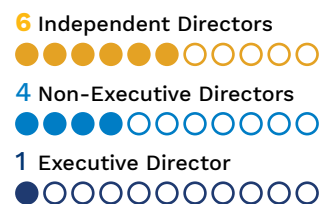
The Bank’s Board Diversity sets out approaches to promote diversity in membership of the Board of Directors of BDO Unibank, Inc. (BDO). The Bank recognizes that diversity in skills, experience, gender, sexual orientation or preference, age, education, race, religion, business and other related expertise among its directors will foster critical discussion and promote balanced decision by the Board. It views diversity as an essential element in maintaining strong corporate governance through a strong and effective Board.

The Board commits to continually promote and observe diversity in its membership. As a whole, the Board, through its members, should possess all of the necessary skills, experience and functional expertise to oversee the strategic direction of the Bank. In determining the optimum composition of the Board and in filling vacancies, the Nominations Committee should consider all aspects of diversity in its Diversity Policy in order to maintain an appropriate balance of skills, background, experience, and knowledge in the Board composition, as well as the important role of women with appropriate and relevant skills and experience.

In evaluating the suitability of an individual board member and promoting diversity in the composition of the Board, the Nominations Committee annually reviews the Board and Board-level Committee composition to ensure appropriate balance of skills, competencies, experience in its membership, and diversity to assure alignment with the new regulations. The Committee recommends to the Board of Directors the slate of candidates nominated by the stockholders for election to the Board of Directors during the Bank’s annual stockholders’ meeting. The Committee

Board Snapshot

DIRECTOR INDEPENDENCE



DIRECTOR DIVERSITY



DIRECTOR AGE



BOARD SKILL DIVERSITY



takes into account the relevant qualifications of every candidate nominated for election, with competence and integrity as the primary factors.

The present members of the Board have extensive experiences in banking, credit management, investment management, accounting and finance, insurance, legal management, business management, strategy formulation, bank regulations including anti-money laundering, information technology, sustainability, and risk management, both globally and locally. More than half of the board members have significant international education and/or work experiences, which bring global perspectives to the board.

In 2023, an independent director, with extensive experience in the private and public sectors, including in the legal field, joined the Board, thus further enhancing diversity in the Bank's Board.

Considering the growth, complexity and scope of the Bank's business, the Board believes that its current size and composition provide sufficient diversity among its directors and enable it to bring about effective leadership and maintain strong corporate governance.

Selection and Appointment of Senior Executive Management

The Board is also responsible for approving the selection and appointment of a competent executive management led by the President and CEO including the heads of units who exercise control functions i.e. Chief Compliance Officer, Chief Risk Officer, and Chief Internal Auditor. Fit and proper standards are applied in the selection of key officers and utmost consideration is given to their integrity, technical expertise, and banking industry experience.

Review of Bank's Mission, Vision, and Strategic Plans ²⁻¹⁶

The Board, being the highest governance body, is responsible for approving and updating the Bank's mission, vision, objectives and strategies on a continuing basis and in overseeing management's implementation thereof, taking into account the Bank's long-term financial interests, its level of risk tolerance, and ability to manage risks effectively. It is actively engaged in the affairs of the Bank, keeps up with material changes in the Bank's business and regulatory environment and ensures that the Bank has beneficial influence on the economy. The Board similarly oversees the implementation of policies governing major areas of the Bank's operations and holds special meetings to discuss strategic matters and critical concerns.

During the year, the Board approved, reviewed, and oversaw the Bank's financial budget and capital funding, business targets and strategies, quarterly declaration of dividends, and the release of the 2022 audited financial statements within 58 days from year end.

Its oversight functions include the review of operational and financial performance of senior management and work of the various committees in accordance with their Terms of Reference.

The Board also discussed macroeconomic outlook including the impact of the global inflation. In 2023, it approved the merger of the Bank with SM Keppel Land, Inc., with BDO as surviving entity.

Sustainability Initiatives

The Board also oversaw matters related to sustainability. It approved the Bank's Environmental and Social Risk Management System (ESRMS) which guides BDO bankers to identify, assess, and manage E&S risks and opportunities associated with the Bank's credit, investments and administrative operations. The Board also approved the additional categories for the green, social, and blue finance and a new category on orange/gender financing in the Bank's Sustainable Finance Framework to broaden the projects eligible for sustainable finance. The Head of the Sustainability Office regularly reports on Sustainability Updates in the Corporate Governance Committee meetings, and also reports to the Risk Management Committee on E&S risk management and opportunities (four updates).

The Bank's Blue Bond issuance in May 2022 helped the Bank expand its Sustainable Finance Framework to include projects supporting the country's blue economy, while establishing a new asset class in the Philippine debt market. In the Blue Bond Impact Report released in December 2023, the proceeds from the issuance have been allocated to two water management companies for water conservation and one waste management company for water reuse and recycling, preventing the direct flow of wastewater to rivers and other bodies of water that eventually lead to the ocean.

The Corporate Governance Committee noted various sustainability updates, including progress on the 2022 BDO Sustainability Report, the Environmental, Social, and Governance (ESG) Dashboard, and the Environmental and Social Risk Management System (ESRMS). Other updates were on the benchmarking results related to TIME World's Best Companies 2023, and Brand Finance ranking for the Philippines and the financial sector as well as local and international recognitions: The Retail Banker International Asia Trailblazer Award 2023, Asian Banking & Finance Whole Banking Awards 2023, Asia Corporate Excellence & Sustainability (ACES) Awards 2023, The Asset ESG Corporate Awards 2022 & 2023, and Qorus-Accenture Banking Innovation Awards 2023.

Improving Board Effectiveness 2-18

Board Performance

A yearly self-assessment is conducted focusing on the performance of the Board, directors, Committees and senior management, through the Corporate Governance Committee. The assessment is facilitated by an external firm annually, more than the regulatory requirement of every three (3) years. The performance evaluation process begins with sending out customized Board Evaluation Questionnaires to each director and advisor who are required to complete them and explain the rationale of their response. The results are independently tabulated and assessed by the external facilitator.

The Bank engaged Isla Lipana & Co./PwC Philippines (PwC) anew as external facilitator for the Bank's 2022 Board Effectiveness Evaluation (BEE). The results of the director and board advisor assessment show that the Board has healthy and positive dynamics, indicating that the Board works well as a group. The Board is also diverse in terms of expertise, experience and perspectives especially with the addition of a new independent director, which is key for a well-governed bank. The results further indicate strong oversight and engagement by the Board with senior management.

The Chairperson, Vice-Chairperson, Lead Independent Director, and the President and CEO also demonstrated strong leadership in their respective roles. The Board-level Committees, on the other hand, generally exhibited high level of engagement with and oversight of senior management. Evaluation results also demonstrate strong leadership by the Board-level Committee chairpersons. The inclusion of global trends in banking technology and generative artificial intelligence as topics for the annual corporate governance training held on August 2, 2023 addressed the recommendation of PwC to consider continuous training programs that address emerging trends in disruptive technology/digitalization and cybersecurity threats.

In 2023, the Corporate Governance Committee endorsed to the Board the continuous engagement of an external facilitator for its yearly self-assessment. To the Committee, engaging an independent party every year, rather than

every three years as recommended by the Securities and Exchange Commission, provides more governance inputs to the Board and allows comparability and continuity. The Bank reappointed PwC as external facilitator for the 2023 Board Effectiveness Evaluation (BEE). PwC will facilitate a peer and self-evaluation process on the Board, Board-level Committees, and individual directors, with additional insights from selected senior management officers.

Continuing Education for Directors and Senior Management

The continuing education program for directors is an ongoing process to ensure the enhancement of their skills and knowledge. Every year, all directors and key officers are given updates and briefings, and are required to attend a corporate governance seminar on appropriate topics to ensure that they are continuously informed of the developments in the business and regulatory environments, including emerging opportunities and risks in the banking industry.

Directors of BDO Unibank complied with the annual corporate governance training requirement of four (4) hours in 2023. All incumbent directors of BDO Unibank, along with members of senior management, attended its in-house corporate governance seminar held on August 2, 2023. Gartner, Inc. provided insights on global trends in banking technology and how BDO is fairing against these trends. They emphasized the importance of understanding the needs of customers through contextual engagement, as well as the increasing adoption of the “phygital (physical and digital) strategy” and generative artificial intelligence (AI) in enhancing customer experience, which are aligned with BDO’s strategic plans. On the other hand, Boston Consulting Group (BCG) shared their insights about Generative AI and its disruptive impact in businesses. They examined risks posed by generative AI and highlighted the crucial role of people in transforming the business.



Apart from the in-house corporate governance training, the following external training programs were also attended by other directors: Anti-Money Laundering Council (AMLC) Registration and Reporting Guidelines (ARRG) Course; Institute of Corporate Directors’ ASEAN Corporate Governance Scorecard (ACGS) for Publicly Listed Companies, Raging 2023 Technology, and the Maharlika Investment Fund: Its Impact on the Philippine Business Landscape; 10th Annual Securities and Exchange Commission – Philippine Stock Exchange Corporate Governance Forum; and SGV & Co.’s Corporate Governance Seminar. Some members of the senior management also received external training on corporate governance, internal audit quality assurance, reinsurance and reinsurance brokerage operations, and signature verification, in addition to the regulatory/mandatory online courses available in the Bank’s eLearning portal.

Chairperson of the Board

The Chairperson is primarily responsible for leading the Board and ensuring its effectiveness. She provides leadership to the Board, fosters constructive relationships between directors, promotes an open environment for critical discussions and constructive debate on key issues and strategic matters, and ensures that the Board of Directors exercises strong oversight over the Bank’s business and performance of

senior management. She takes a lead role in ensuring that the Board provides effective governance of the Bank and continues to operate at a very high standard of independence with the full support of the Directors.

Independent and Non-Executive Directors' Meeting

Regular meetings are held by Independent and Non-Executive Directors (INED) with the heads of the control functions (i.e. Chief Risk Officer, Chief Compliance Officer, and Chief Internal Auditor) as well as the external auditor, without the presence of management or any bank executive, to discuss various matters or issues outside the Board Audit Committee and Risk Management Committee meetings. The INED also meet with the heads of business and operating units to understand further and engage in deeper discussions with the Bank management. The meetings are chaired by the Lead Independent Director.

In 2023, the INED conducted three (3) sessions and the results of these sessions were discussed with the Bank's Executive Directors in three (3) separate sessions. The INED also asked for the presentation by the Bank's IT Group, particularly by the Chief Information Officer, updates on the Bank's NextGen IT Project and modernization of IT back-end systems and on creating a seamless customer experience, harnessing data via Application Programming Interfaces (APIs) and Generative Artificial Intelligence (AI), data governance, and cybersecurity.

Board Committees

The Board has established nine (9) committees to help in discharging its duties and responsibilities. These committees derive their authority from and report directly to the Board. Their mandates and scopes of responsibility are set forth in their respective Terms of Reference, which are subjected to annual review and may be updated or changed in order to meet the Board's needs or for regulatory compliance. The number and membership composition of committees may be increased or decreased by the Board as it deems appropriate, consistent with applicable laws or regulations specifically on the majority membership and chairmanship of independent directors in various committees. As of December 31, 2023, eight (8) of nine (9) board-level committees are chaired by Independent Directors.

The Board of Directors

- Responsibility for good governance lies with the Board.
- It is responsible for providing effective Leadership and overall direction to foster the Long-term success of the Bank.
- It oversees the business affairs of the Bank, reviews the strategic plans and performance targets, financial plans and budgets, key operational initiatives, capital expenditures, acquisitions and divestments, annual and interim financial statements, and corporate governance practices.
- It oversees management performance, the enterprise risk management, internal control systems, financial reporting and compliance, related party transactions, continuing director education, and succession plans for the Board and CEO.
- It considers sustainability issues related to the environment and social factors as part of its sustainable banking practices.

Executive Committee

- Exercises oversight over the Bank's sustainability program.
- Exercises power of the Board in the management and direction of the affairs of the Bank.
- Acts as main approving body for loans, credits, advances or commitments and property-related proposals.
- Reviews and recommends for Board approval credit and investment proposals beyond its authority; major credit policies and amendments, including delegation of credit approval limits; establishment of branch/ extension offices and domestic/foreign subsidiaries; and amendments to the Bank's Articles of Incorporation and/ or By-Laws.

Board Audit Committee

- Oversees the financial reporting process, system of internal control and risk management systems, internal and external audit functions, and compliance with governance policies, applicable laws and regulations.
- Reviews the integrity of the reporting process to ensure the accuracy and reliability of financial statements and compliance with financial reporting standards and disclosure requirements set for publicly-listed companies.
- Monitors and evaluates the adequacy, soundness and effectiveness of the Bank's established internal control and risk management systems, policies and procedures including implementation across all units of the Bank.

Corporate Governance Committee

- Oversees the Sustainability initiatives of the Bank, particularly key processes, standards and strategies designed to manage environmental and social impact and governance.
- Assists the Board in formulating the governance policies and overseeing the implementation of the governance practices of the Bank as well as its subsidiaries and affiliates.
- Conducts annual performance evaluation of the Board of Directors, its committees, executive management, peer evaluation of directors, and conducts a self-evaluation of its performance.
- Oversees the continuing education program for directors and key officers and proposes relevant training for them.
- Recommends a suitable induction and orientation process for new directors.

Trust Committee

- Reviews and approves transactions between trust and/or fiduciary accounts, accepts and closes trust and other fiduciary accounts, and approves the investment, reinvestment and disposition of funds or property.
- Evaluates trust and other fiduciary accounts at least once a year.
- Reviews Trust and Investment Group's overall performance, profile of funds and assets under its management, industry position, and the risk management reports.
- Approves offering of new products and services, establishment and renewal of lines and limits with financial institutions, and investment outlets and counterparties.

Risk Management Committee

- Responsible for the oversight of the enterprise risk management program, including the environmental and social risk management, of the Bank.
- Responsible for approving risk appetite levels, risk management policies, risk tolerance Limits and approves the appropriate strategies for managing and controlling risk exposures, including preventing and/or minimizing impact of losses if risk becomes real.
- Oversees the implementation and review of the risk management plan including the system of limits of discretionary authority delegated by the Board of Directors to management under its purview and ensures that immediate corrective actions when limits are breached.
- Responsible for evaluating the continued relevance, comprehensiveness and effectiveness of the risk management framework.

Nominations Committee

- Reviews and approves the interlocking positions of Directors in other entities and ensure its compliance with the Bank's Interlocking Policy.
- Leads process of identifying candidates for election and appointment of directors and all other positions requiring appointment of the Board of Directors, giving full consideration to succession planning and the leadership needs of the Group. In particular, this process includes the profiling of the skills and competencies of the currently serving directors, the gaps in skills and competencies identified and the search for candidates who are aligned with the Bank's directions to fill the gaps. It then makes appropriate recommendations to the Board.
- Makes recommendations to the Board on the composition and chairmanship of the various committees.
- Reviews structure, size and composition of the Board, including the balance of skills, knowledge and experience and the independence of the non-executive Directors, and makes recommendations to Board with regard to any changes.

Compensation Committee

- Provides oversight on directors' compensation and remuneration of senior management and other key personnel, ensuring that the compensation scheme is consistent with the Bank's culture and strategy, effectively aligned with prudent risk taking and commensurate with corporate and individual performance.
- Ensures consistency of the compensation policies and practices across the Group.

Information Technology Steering Committee

- Provides oversight and governance over the Bank's IT functions, including approvals of information technology-related policies and practices of the Bank and applicable guidelines.
- Informs the Board of both internal and external IT-related developments and activities, potential challenges and risks, progress vs. strategic objectives.
- Approves and endorses to the Board IT-related best practices, strategic plans, policies and procedures.
- Responsible for understanding, managing and mitigating technology risks that confront the Bank and its subsidiaries, ensuring that the risks are properly managed and mitigated, and monitoring of IT performance including status of major IT projects and issues.

Related Party Transactions Committee

- Assists the Board in its oversight of the conduct of all Related Party Transactions (RPTs) to protect the interests of the Bank and its stakeholders.
- Ensures proper disclosure of all approved RPTs in accordance with applicable legal and regulatory requirements and confirmation by majority vote at the Annual Stockholders' meeting of the Bank's significant transactions with related parties.

Further information regarding BDO's Board and Board-level Committees can be found in the Annual Report and at www.bdo.com.ph.

Independent Control Functions

Compliance

BDO's Compliance Group, through the Chief Compliance Officer (CCO), oversees the design of the Bank's compliance system and the overall compliance framework executed through a Compliance Program, and promotes their effective implementation. BDO Compliance Group reports to and is under the direct supervision of the Board Audit Committee. It is responsible for overseeing, coordinating, monitoring and ensuring compliance of the Bank with existing laws, rules and regulations through the implementation of the overall compliance system and program in accordance with the requirements of the BSP and other regulatory agencies, including but not limited to the identification and control of compliance risks, prudential reporting obligations as well as compliance training.

BDO's Compliance System forms the processes, people, policies and other components that, as an integral unit, ultimately drive the Bank's initiatives to conform to industry laws, regulations and standards. With the increasing regulatory focus on sustainability and resilience, the Sustainability Office and the Regulatory Compliance Department which both report to the Compliance Group also keep abreast on regulatory issuances and mandates from regulators pertaining to sustainability and sustainable finance, among others. In line with the Bank's initiatives is its commitment to ensure that activities of the Bank and its personnel are conducted in accordance with all applicable banking laws and regulations and industry standards, and this commitment to compliance serves to protect the Bank and its stakeholders. BDO's Compliance Group, as provided in its Charter, conducts independent compliance tests and reports to the Board Audit Committee any significant compliance issues or breaches.

The Anti-Money Laundering Department (AML) under the Compliance Group, together with the Anti-Money Laundering Committee (AMLCom), focuses on the enforcement of the Bank's Anti-Money Laundering (AML) Counter-Terrorist Financing (CTF) Program, and Combating Proliferation Financing (CPF), in accordance with the Anti-Money Laundering Law as amended; Terrorism Financing Prevention and Suppression Act, and Anti-Terrorism Act (ATA) and their respective Implementing Rules and Regulations (IRRs). The Bank also adheres with BSP and Anti-Money Laundering Council (AMLC) Rules, Regulations and Directives. The AML Program of the Bank is articulated in the Bank's Board-approved Money Laundering and Terrorist Financing Prevention Program (MTPP) Manual, which covers AML/CTF/CPF policies and information such as: (i) customer on-boarding, (ii) customer risk assessment and due diligence, (iii) handling and monitoring of clients and their transactions, (iv) Covered and Suspicious transactions reporting, (v) record-keeping, (vi) AML/CTF training (vii) AML System and technology platforms, and (viii) Institutional Risk Assessment. AMLD likewise oversees the investigation of suspicious transactions under the auspices of the AMLCom that is comprised of select key senior officers of the Bank.

The Compliance Group and its compliance program endeavors to protect the Bank's franchise, manage compliance risks and simultaneously supports the business goals and growth of the institution by providing appropriate compliance insights and regulatory guidance to safeguard the Bank and its stakeholders.

Internal Audit 2-24, 403-8

The Internal Audit Function covers the entire Group including foreign and local subsidiaries and offices. It adheres to the principles required by the ISPPA (International Standard for the Professional Practice of Internal Auditing), COSO Internal Control Integrated Framework, COBIT (Control Objectives for Information and Related Technology), the Internal Audit Definition and Code of Ethics.

It provides assurance and a systematic, disciplined approach to evaluate and improve effectiveness of risk management, internal control, and governance processes. On sustainability-related matters, the Internal Audit Function performs review on BDO Group's adherence to BDO Sustainable Finance Framework, regulatory issuances, and regulatory reporting requirements.

The Internal Audit provides assurance and a systematic discipline approach as required from best practices and global standards applied to the entire BDO Group including foreign and local subsidiaries and offices. It provides value to senior management and governing bodies as source of independent advice by keeping abreast of relevant changes and updates in regulations and Group's sustainability initiatives in compliance with but not limited to the following:

- BSP Circular No. 1085 series of 2020 - Sustainable Finance Framework
- BSP Circular No. 1128 series of 2021 - Environmental and Social Risk Management Framework
- BSP Circular No. 1149 series of 2022 - Guidelines on the Integration of Sustainability Principles in Investment Activities of Banks
- SEC Memorandum Circular No. 4 series of 2019 - Sustainability Reporting Guidelines for Publicly-Listed Companies
- Global Reporting Initiative (GRI) Sustainability Reporting Standards

Internal Audit reports to the Board of Directors through the Board Audit Committee (BAC) of the parent bank and respective subsidiaries. It seeks BAC approval for the annual audit plan, provides updates on accomplishments, reports results of audit conducted, and tracks resolution of audit findings. In its year-end closing report, Internal Audit attests to the fulfillment of its mandated responsibilities and provides overall assurance on the effectiveness of internal control, risk management, and governance processes.

Compliance with the SEC Code of Corporate Governance

Publicly-listed companies are advised to disclose in their Annual Report the company's compliance with the Code of Corporate Governance and where there is non-compliance, to identify and explain the reason for such issue. We confirm that as of December 31, 2023, the Bank has substantially complied with the recommendations of the Code except for the following:

- 1 Policy on retirement age of directors, and
- 2 Disclosure of executive remuneration on an individual basis. For a more detailed discussion on the matter, please refer to the BDO Annual Report.

Corporate Policies and Practices

BDO Code of Conduct and Business Ethics

As a financial institution, BDO believes that practicing right conduct and ethical behavior inspires and strengthens the confidence of all our stakeholders. The BDO Code of Conduct and Business Ethics (the Code) outlines the principles and policies that govern the activities of the Bank and sets forth the rules of conduct in the workplace and the standards of behavior of its directors, officers and employees in their activities and relationship with external stakeholders.

The Bank upholds the virtues of honesty and integrity among its employees and instills a sense of commitment toward duty and responsibility. All employees are expected to observe discipline

in attending to their jobs and in interacting with co-workers. Supervisors and managers are expected to foster self-discipline and serve as role models to their subordinates. Bank officers are expected to intelligently and consistently apply the accepted principles of people management. All cases/violations must be reported. Failure to do so either by oversight or deliberate cover up is subject to appropriate disciplinary action. The Human Resources Group is responsible for overseeing the implementation of the Code across the BDO Group. It receives reports of violations and activates the process for undertaking a confidential investigation. As necessary, it may endorse the handling of the investigation to the Cases Review Secretariat for the appropriate action and recommendation.

The Board Audit Committee, at its discretion, may periodically report the Code of Conduct and Business Ethics cases to the Board of Directors. The Compliance Office will address lapses in compliance with regulatory requirements arising from the administrative cases due to the violation of this Code.

Internal Fraud, Breach of the Code, or other Unethical/Illegal Activities 205-1

BDO believes that the key to long-term sustainability and success largely depends on having a good name and solid reputation in the industry. Any director or employee who becomes aware of any violations of law, regulations, or policies should report the same to appropriate authorities, with protection from reprisal and discrimination. Reporting of violations should be done in good faith and without malice. This is embodied in the BDO Policy of Disclosure of Sensitive/Confidential Matters to management that governs the policies and procedures in the handling of whistleblower cases.

Acceptance/Solicitation of Gifts, Bribery, Corruption, and Anti-Competitive Behavior 205-1,

205-2, 205-3, 206-1, 415-1

The Bank has zero tolerance for the solicitation and acceptance, directly or indirectly, of any gift (including entertainment services or activities), gratuity, commission or any form of payment from clients, business partners, suppliers and third-party service providers in connection to a service that may, in any way, influence the Director's, Officer's or employee's decision-making in exchange for any unnecessary favorable treatment. Likewise, BDO commits to comply with anti-corruption and bribery laws in all jurisdictions where it operates.

In 2023, there were four minor instances of cash abstraction (internal fraud) involving Bank employees who were then dismissed from employment from the Bank, consistent with the existing labor laws. The Bank filed legal cases against the erring employees to demonstrate its zero-tolerance policy on fraud. Also in the same year, there were no public legal case involving bribery and corruption brought against BDO and its employees.

BDO prohibits making any political donations to prevent any attempt to encourage favorable treatment of BDO and/or its directors and employees. The Bank reaffirms that it adheres to the no political contributions policy.

BDO is not involved in any anti-competitive behavior and has no violations of existing anti-trust and monopoly laws. No legal actions, pending or completed, pertaining to anti-competitive and anti-trust behavior were filed against the Bank.

99.6%

Employees who have taken the Code of Conduct and Business Ethics Training in the past two years

Anti-Money Laundering, Counter-Terrorist Financing, and Counter-Proliferation Financing ²⁻²³

BDO's Anti-Money Laundering (AML), Counter-Terrorist Financing (CTF), and Counter-Proliferation Financing (CPF) compliance programs are approved by its Board of Directors. The Board Audit Committee and the Board of Directors receive monthly reports on AML compliance and monitoring from the Anti-Money Laundering Department (AMLDD) of the Compliance Group. AML concerns are escalated to the AML Committee, a management group whose main duty is to oversee the Bank and its affiliates' effective and correct compliance with anti-money laundering laws and the Bank's AML/CTF/CPF program. The AML Committee, which consists of representatives from Compliance, Corporate Governance, Legal, Branch Banking, and HO Senior Officer, meets every three months or more frequently as needed.

The AMLDD is in charge of ensuring that the Bank's Anti-Money Laundering, Terrorist Financing and Proliferation Financing Prevention Program (MTPP) is implemented correctly and efficiently. This involves using a risk-based approach to implement KYC policies and procedures, record retention policies, a system for promptly capturing and reporting covered transactions, investigating suspicious alerts and reporting as necessary, and creating and conducting specialized training.

The dedicated Compliance Units in specific business areas, such as Trust, Remittance, and Global Operations, as well as Unit Compliance Coordinators in various Head Office units and branches, are also under the supervision of the AMLDD. Through each Compliance Officer, it also oversees the AML compliance of its domestic and foreign businesses.

BDO's local and international branches and subsidiaries are subject to Philippine AML laws, rules and regulations and its overseas foreign branches and subsidiaries abide by AML jurisdiction-specific requirements. The AML/CTF/CPF policies and practices are audited by an independent third-party annually.

AML Risk Assessment

BDO risk assessment determines risk classification to assess the AML/ Financial crime risk by looking into the country, products, business activity or industry, client's profile, delivery channels, ownership structure and affiliation.

The Bank does not engage with shell companies/businesses and virtual exchange companies. The same rule applies to Financial Action Task Force (FATF) and Office of Foreign Assets Control (OFAC) sanctioned nations unless additional due diligence reveals that the customer, even if they are citizens of a sanctioned nation, is not on the list of nations with which no business should be conducted. Such nationals are nevertheless regarded as high risk and are subject to annual enhanced due diligence (EDD). The Bank's policy outlines a list of high-risk clients and industries as well as foreign and domestic geographic locations that have been designated as such based on a sanction list.

Additionally, the Bank conducts a bi-annual enterprise-wide risk assessment.

The Bank has a "one-touch" KYC policy which eliminates repetitive KYC process for clients with multiple transactions with various business units within the BDO Group.

BDO categorizes its clients based on the overall risk they pose who undergo the corresponding Customer Due Diligence (CDD). For clients who pose normal risk, average due diligence is carried out, while EDD is used for clients who pose higher AML risk.

BDO complies with targeted financial sanctions laws, regulations and directives of the OFAC, FATF, and United Nations Security Council (UNSC) and those issued by the Bangko Sentral ng Pilipinas and the Anti-Money Laundering Council, and the Bank performs watchlist name-screening on all its customers against the watchlists issued by these regulatory bodies/agencies.

BDO actively monitors unusual and potentially suspicious activity which results in alerts on potential money laundering transactions. For possible suspicious transaction reporting, alerts are reviewed and investigated by the concerned business unit/branch of account, as well as by a dedicated team in the AMLDD. BDO protects the confidentiality of Suspicious Transaction Report (STR) filings and any other information that could lead to the discovery of an STR.

AML Training

BDO offers customized face-to-face AML training to frontliners and relationship managers in order to communicate significant policies, new laws, and regulations. All bank employees are required to complete e-learning courses with exams after completing training every two years. The training includes identification and reporting of transactions that must be reported to government authorities, examples of different types of money laundering involving the Bank's products and services, and internal policies to prevent money laundering for employees who are relevant to reporting.

After the lifting of the Covid-19 lockdown in the Philippines, face-to-face trainings resumed and for the year 2023 alone, at least 26 customized classroom-type trainings have been conducted by AMLD which increased AML engagement and awareness within the Bank.

Anti-Online Sexual Abuse and Exploitation of Children

Aligned with its Human Rights Policy to protect and respect human rights in the workplace, the Bank has recognized the increasing risk posed by online sexual abuse and exploitation of children (OSAEC) and has implemented measures and controls to mitigate risks arising from this crime. It has reinforced an ongoing monitoring process in its alert scenario parameters under its transaction monitoring system to effectively detect human trafficking and child exploitation activities. The Bank's screening process has been strengthened by including the customers involved in suspicious transaction reports in its Negative List Database System (NLDS) and this has been articulated in the Bank's MTPP. Moreover, the Bank has defined appropriate turn-around time for alerts disposition and improved procedures on alerts investigation and review to ensure timely resolutions and the quality of investigation.

The Bank has developed training specific to OSAEC with AMLA 109 – Combating Online Sexual Exploitation of Children (OSEC). The training is required for client-facing personnel to ensure awareness of the ML/TF risk exposure from OSAEC and related activities and appropriate AML/CFT controls which they need to comply with to address or mitigate risks arising from this crime.

Tax Governance 207-1, 207-2, 207-3

BDO has a full compliance tax strategy and transparency policy in all the territories where it engages in business. BDO commits to contribute to the nation building of the territories, through the timely payment of taxes due on the Bank's income, products, and services to their respective government. BDO recognizes that the timely tax payment enables governments to finance a sustainable economic, environment, and socially responsible nation. This in turn leads to job creation and demand for the services and products of the Bank.

The BDO Comptrollership Group is responsible for the timely payment of the correct taxes due to the government, and reports directly to the BDO President and CEO. The organization has implementing units that are responsible for the timely payment of taxes on the different transactions of the organization and a Tax Compliance Unit that provides advisory services and announcements on the latest tax regulations that need to be complied with. The implementing units are subject to internal and external audits.

BDO engages its stakeholders on concerns related to tax in various forms. The Bank maintains formal communications to the tax authority on a need requirement basis. BDO also engages the tax authority through the Bankers' Association of the Philippines for industry-related issues.

40,902
Employees Trained

26
Bespoke (Face to Face) Training

8
Courses Available in e-Learning Module (AML 101-108)

The Bank discloses adverse material tax findings and material claims for tax refunds, if any, in its Audited Financial Statements and before the Philippine Stock Exchange.

The Bank's tax jurisdictions where the entities included in the organization's audited consolidated financial statements, or in the financial information filed on public record, are resident for tax purposes in the Philippines, Hong Kong, Singapore and other parts of the world (United States of America, Japan, Canada, the Netherlands, and the United Kingdom).

Country-by-country Reporting ²⁰⁷⁻⁴

BDO Unibank, Inc. and Subsidiaries

Geographical Segment Reporting

As of December 31, 2023

(in Php millions)

	The Group				Total
	Philippines ^{1/}	Singapore Branch ^{2/}	Hong Kong Branch and Hong Kong Subsidiary ^{3/}	Rest of the World ^{4/}	
Net Interest Income	184,613	1,045	849	(120)	186,387
Fee and commission income	47,375	221	136	167	47,899
Other non-interest income	35,860	5	124	129	36,118
Total Income	267,848	1,271	1,109	176	270,404
Total Expenses	155,810	325	419	273	156,827
Impairment Losses	16,052	81	263	—	16,396
Profit before Tax	95,986	865	427	(97)	97,181
Income tax expense	23,262	150	208	1	23,621
Net Profit	72,724	715	219	(98)	73,560
Attributable to:					
Shareholders of the Parent Bank	72,575	715	219	(98)	73,411
Non-controlling Interests	149	—	—	—	149
	72,724	715	219	(98)	73,560
Total assets before goodwill and intangibles	4,373,222	50,840	40,198	2,042	4,466,302
Goodwill and intangibles	11,356	3	—	—	11,359
Total Assets	4,384,578	50,843	40,198	2,042	4,477,661
Non-current assets	2,706,142	25,629	21,254	1,658	2,754,683

^{1/} Net profit reported under Parent Bank (excluding BDO Hong Kong and Singapore Branches) and Subsidiaries operating in the Philippines

^{2/} Net profit reported under the Singapore Branch

^{3/} Net profit reported by the Hong Kong Branch and the Hong Kong Subsidiary

^{4/} Net profit reported by the foreign subsidiaries in United Kingdom, USA, Canada, Japan and the Netherlands

Building Trust on Technology ⁴¹⁸⁻¹

The World Economic Forum Global Risk Report 2023 identified widespread cybercrime and cyber insecurity risks as the 8th risk in a 2-year and 10-year scenario of global risks that exacerbate social inequality. BDO recognizes that trust must go hand-in-hand with technology development and takes strong steps in ensuring the safety and security of data and information entrusted by its customers in the Bank, while educating customers on scams and building confidence on the Bank's platforms.

Data Privacy and Protection

To ensure strict compliance with the Data Privacy Act, BDO follows its Data Privacy Management Program (DPMP) that lays down the rules on governance, information processing activities, data protection measures, breach management, third-party management, inquiry and complaints

handling, among others. It serves as the framework for protecting the data privacy rights of the Bank's data subjects and ensuring compliance with the National Privacy Commission's (NPC) Five Pillars of Data Privacy Accountability and Compliance.

1. **Appointment of Data Protection Officer (DPO).** The Bank appointed a Data Protection Officer (DPO) whose registration was renewed with the NPC last September 2023.
2. **Conduct of Privacy Impact Assessment (PIA).** PIA is a requirement for all new and existing programs, projects, processes or measures that have privacy impact. All business units of the Bank are required to perform and update their privacy impact assessments annually.
3. **Privacy Management Program and Privacy Manual.** The Bank's DPMP serves as a reference for all units of the Bank in complying with the Data Privacy Act of 2012. It has been further enhanced to intensify its data protection provisions in March 2023.
4. **Implement Data Privacy and Protection Measures.** BDO, in its commitment to data privacy and protection, adheres to the general principles, Transparency, Legitimate purpose, and Proportionality, in processing personal and sensitive personal information of its customers in all phases of the data life cycle.
 - Transparency. The Bank provides its customers clear and concise privacy provisions incorporated in its bank forms/documents, such as, the BDO Group Data Privacy Statement and the BDO Group Data Privacy Consent, to ensure that they are well-informed on the purposes of data processing, the parties involved, and the rights of individuals.
 - Legitimate Purpose. All data processing activities of the Bank are aligned with the declared purposes communicated to its customers whether it is for loan avancement, branch banking transactions, regulatory compliance requirements, and/or any other services or transactions requested, allowed, or authorized by them.
 - Proportionality. The Bank only processes personal data that are relevant, adequate, and not excessive to the declared and specified purposes in its commitment and dedication to respecting the rights of individuals and limiting data processing to what is only essential.

Likewise, a regular Compliance Officer for Privacy (COP) data privacy forum is being conducted by the DPO to teach all COPs the step-by-step framework in resolving any privacy issue / concern referred to them by their respective business units, review the DPA principles and breach reporting procedures, apprise them with new and relevant NPC circulars and decisions.

5. **Exercise of Breach Reporting Procedures.** To increase awareness on NPC's breach reporting procedures, the DPO conducts trainings on the following topics, among others: (a) mandatory conditions of reportable data breaches, (b) things to do when there is breach, and (c) the data breach reporting procedure.

The Risk Management Committee (RMC) is also regularly updated with respect to the progress of the Bank's compliance to the Data Privacy Act.

Cybersecurity

BDO Unibank, Inc. is committed to safeguarding its clients' information and assets entrusted to it. Cybersecurity is a top priority at BDO and is an essential part of its business to help clients achieve their financial goals. As part of this commitment, BDO continues to invest in cybersecurity and fraud management technologies to give its clients the confidence that they would expect from the largest bank in the Philippines.

BDO strongly supports the Bangko Sentral ng Pilipinas (BSP) in its mandate to keep abreast with the adoption of technologies that will strengthen the BSP framework for risk supervision. The Bank commits to provide accurate and timely information to BSP for a responsive and effective banking supervision.

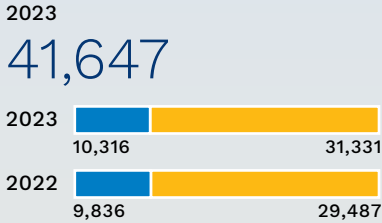
The cybersecurity program of BDO, based on the Information Security Strategic Plan, serves as the roadmap in enabling the business and provides assurance that its direction and intent are reflected in the cybersecurity posture of BDO. It utilizes a structured approach following international standards and industry best practices such as ISO 27001 and NIST Cybersecurity Framework in implementing its cybersecurity program.

Recognizing the significant role of BDO in the development of the country, and that it is a key target for both nation-state and independent threat actors, BDO supports the cybersecurity initiatives of the Philippines in protecting critical infrastructure by making BDO cyber-resilient and raising awareness on the importance of cybersecurity amongst its clients.

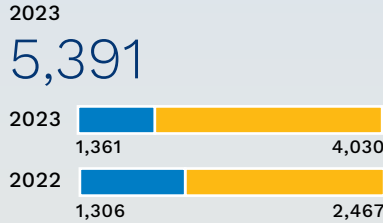
Employee Profile

■ Male ■ Female

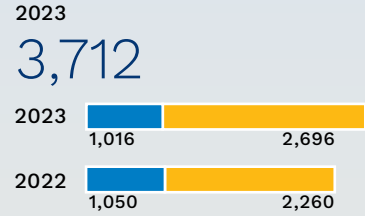
Employee Count



New Hires



Employee Separations



Leave Availments

Parental Leave (out of total availments)



Vacation Leave

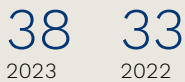


Sick Leave

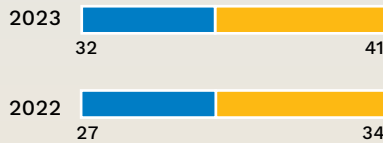


Training and Development

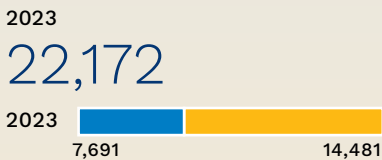
Average Training Hours Per Employee



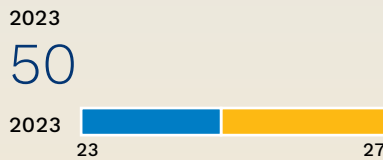
By Gender



Sustainability Training Hours



Transition Assistance Programs



Skills Upgrade

Officership Development Program (ODP)



Management Development Program (MDP)



Relationship Manager Training Program (RMTP)



99.6%
Anti-Corruption Training

99.6%
Code of Conduct and Business Ethics Training

86%
Occupational Health and Safety Training

100%
Return to Work Rate (after Parental Leave)

44%
Employees covered by Collective Bargaining Agreement

59%
Female Senior Officers

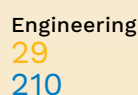
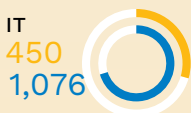
100%
Remain to be employed 12 months after return to work from Parental Leave

99%
Senior Officers hired from local community

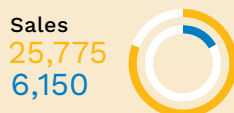
Ratio of standard entry level wage compared to local minimum wage
Male 1.1 : 1
Female 1.1 : 1

Employee Functions

STEM-Related



Revenue-Generating



Workers who are not employees

Janitorial services **1,942** Security personnel **5,189**

100%
Percentage of security personnel that received formal training on occupational health and safety

By Location

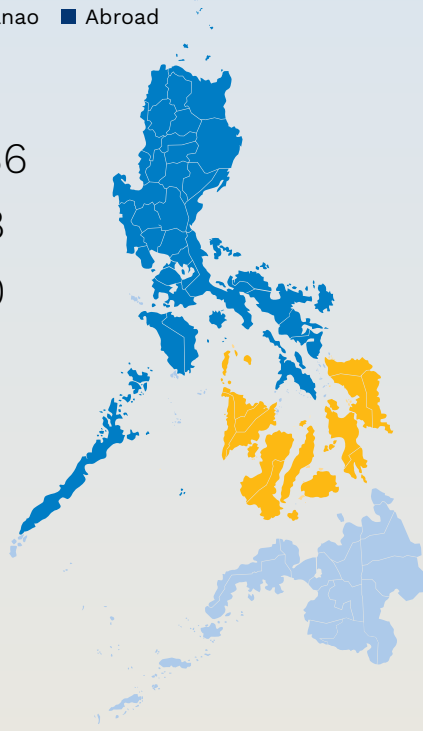
■ Luzon ■ Visayas ■ Mindanao ■ Abroad

Employee Count

2023	2022
32,466	30,636
4,180	3,888
4,887	4,680
114	119

New Hires

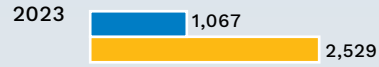
2023	2022
4,153	2,702
651	517
559	526
28	28



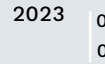
Occupational Health and Safety

■ Male ■ Female

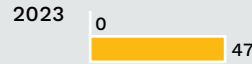
Incidents of work-related ill-health



Fatality as a result of work-related injury



Lost-time injury (hours)



Safe man hours



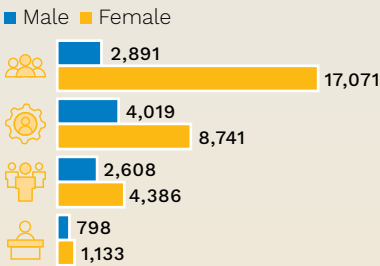
Total hours worked



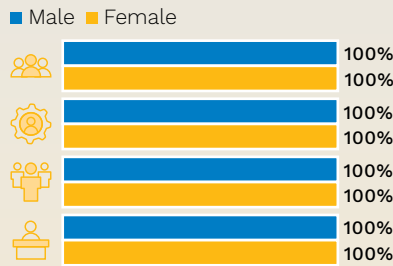
2023
37 Number of safety drills conducted for the year

By Level

2023 Gender Diversity



Employee Appraisal

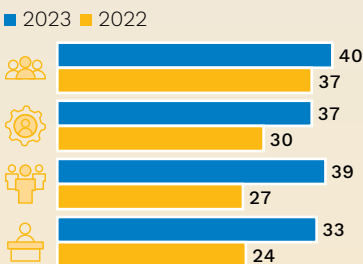


Employee Appraisal

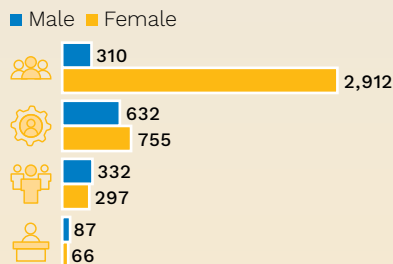
100%
Of Total Eligible Employees

- Rank and File**
- Junior Management:** First line managers or supervisors
- Middle Management:** Managerial roles below senior management
- Senior Management:** Assistant Vice President and up

Average Training Hours

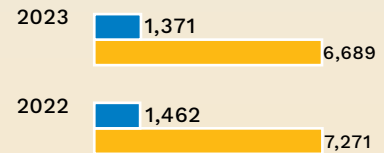


New Hires



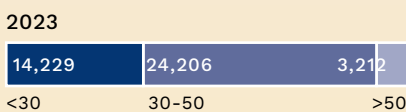
Promotions

■ Male ■ Female



By Age Group

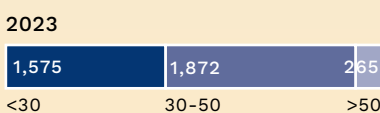
Employee Count



New Hires



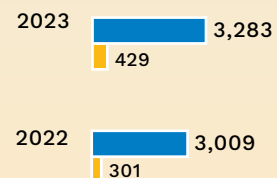
Employee Separations



By Type

■ Voluntary ■ Involuntary

Employee Separations



Human Capital Development 201-1,202-2,

401-1,401-3,404-1,404-2,404-3,405-2

A human-centered culture and organization: BDO Human Resources

We Find Ways is at the heart of BDO’s culture of service, excellence, and innovation and a key factor in achieving BDO’s objective to grow a “can lead” workforce that adopts a sustainability mind-set and thrives with innovative thinking and a customer-focused attitude.

BDO’s C-O-R-E values are well aligned with the Bank’s goal to develop leaders in the sustainability movement:

- **Customer-focused.** Everything each BDO banker does is in the service of the customer’s financial objectives and interests. This redefines the Bank’s role beyond simply being a provider of financial services, to a driver of financial inclusion. The Bank reaches out to current clients and the large number of unbanked and underserved Filipinos, and partners with them to fulfill their aspirations towards a more sustainable future.
- **Out-of-the-box Thinking.** Every BDO banker is encouraged to challenge conventional banking practices, beliefs, and processes for a better way to achieve the clients’ objectives, without compromising quality, ethics, or good governance. As the country’s largest bank, innovation and ideation are born out of the Bank’s drive to think differently and from diverse perspectives.
- **Right Attitude.** All BDO bankers are encouraged to go the extra mile to meet the client’s objectives. This is demonstrated in every BDO banker’s commitment to excellent customer service and strong customer relationships. Incorporated in BDO’s human resource trainings is the development of values such as integrity, team spirit, hard work, and service. Complementing BDO’s commitment to build long-term relationships with customers is the bank’s efficient business processes and user-friendly digital tools.
- **Excellent Execution.** As the largest full-service financial institution in the Philippines, BDO is committed to doing it right, on time, and according to expectations each and every day.



Driving Equal Opportunity Employment

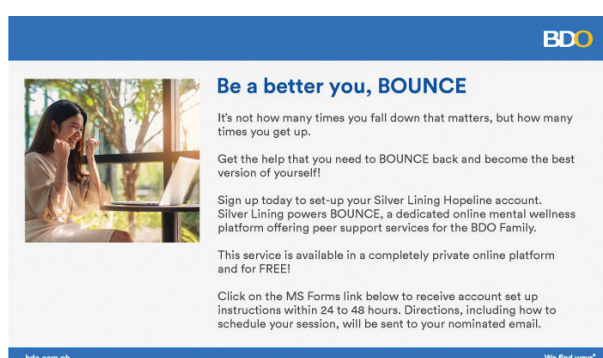
BDO is committed to promote a work environment that fosters diversity, equity, and inclusion, where everyone receives fair and equal treatment, equal rights and opportunities regardless of gender, ethnicity, race, age, religion, sexual orientation, and disability, and are valued for their unique contributions to BDO’s success. The Bank ensures that employment practices and policies are in compliance with labor laws, regulations, and standards in countries where it operates. BDO seeks the best talents who are selected, engaged, compensated, and promoted, as the case may be, based on merit and performance.

Labor Relations 2-30

In 2023, BDO concluded the negotiation of economic benefits for the covered members of the Bank's Union, which shall take effect from 2024 to 2025. Out of the Bank's total population, 44% are Union members. The negotiating panel, which is composed of male and female representatives from Management and the Labor Union, agreed to come up with package that is mutually beneficial to the employees and to the Bank in strengthening industrial relations, peace, and harmony.

Promoting Employee Health and Well-being 403-6

As bank operations fully transitioned out of pandemic conditions, BDO HR continued to prioritize employees' health and well-being. The Bank's dedicated online mental wellness platform marked its second year with a sustained bank-wide information campaign. The program continues to provide counseling and peer support services to employees who are faced with work-related struggles or personal challenges, not necessarily related to the pandemic.



BDO

Be a better you, BOUNCE

It's not how many times you fall down that matters, but how many times you get up.

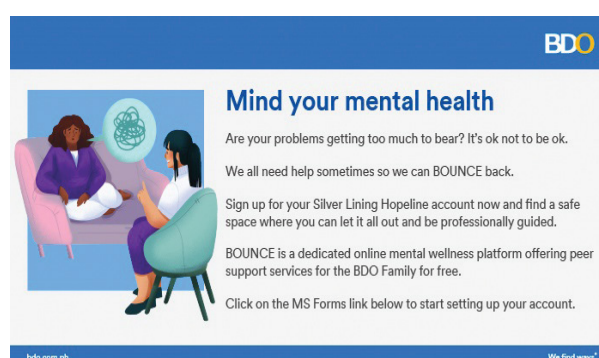
Get the help that you need to BOUNCE back and become the best version of yourself!

Sign up today to set-up your Silver Lining Hopeline account. Silver Lining powers BOUNCE, a dedicated online mental wellness platform offering peer support services for the BDO Family.

This service is available in a completely private online platform and for FREE!

Click on the MS Forms link below to receive account set up instructions within 24 to 48 hours. Directions, including how to schedule your session, will be sent to your nominated email.

bdo.com.ph We find ways®



BDO

Mind your mental health

Are your problems getting too much to bear? It's ok not to be ok.

We all need help sometimes so we can BOUNCE back.

Sign up for your Silver Lining Hopeline account now and find a safe space where you can let it all out and be professionally guided.

BOUNCE is a dedicated online mental wellness platform offering peer support services for the BDO Family for free.

Click on the MS Forms link below to start setting up your account.

bdo.com.ph We find ways®

Monthly health and wellness sessions focusing on various health topics were conducted to promote a culture of appreciation for overall physical and mental wellness. Activities that were implemented to cater to various employee groups included:

- Access to Flu and Cervical Cancer vaccination at preferred pricing for employees and family members
- On-premise bloodletting activity to leverage on employee donor's health benefits in the blood donation process
- 'Stretch and Flex', a 3-5-minute break for employees to avert work-related physical strain

Sustaining a Safe Work Environment 403-1, 403-2, 403-2, 403-4. 403-5. 403-6, 403-7, 403-8, 403-9, 403-9

BDO's Health and Safety Policy provides for a safe and healthy work environment for employees and mandates the identification, assessment, and mitigation of health and safety hazards in the workplace. The policy covers a wide range of workplace safety aspects, such as the Bank's strategies for Emergency Preparedness to ensure readiness for any unforeseen circumstances that could interfere with daily operations. The policy also includes instructions for safety orientations for new hires to set expectations on the necessary safety procedures. The Bank performs regular safety checks and upkeep of the Bank's facilities and reviews specific guidelines on electrical safety and building safety.

Safety Officers, along with emergency response teams and fire marshals, are assigned at BDO facilities to ensure smooth implementation of safety protocols in case of emergencies. At the same time, communication is maintained with the Facilities Engineer, HR Officer, and Business Unit (BU) Heads which allows for the discussion and resolution of any health and safety concerns within the BU.

BDO has a Hazard Identification Risk Assessment and Control (HIRAC) framework in place to identify work-related hazards and assess their risks, in compliance with the Occupational Safety and Health Law, also known as Republic Act 11058, which mandates the conduct of risk assessments in the workplace. Safety Officers accredited by the Department of Labor and Employment (DOLE) primarily identify these hazards through risk assessments and regular safety inspections at least twice a year. Members of the evacuation team, fire marshal, facilities engineers, and security guards are also involved in identifying hazards. They continuously monitor workplace safety and promptly report any identified hazards to the Safety Officers. The Health and Safety Committee, composed of senior officers from different business and support groups, i.e. Human Resources, Branch Banking Group, Consumer Banking Group, Security and Investigation Department, Procurement and Supply Management Department, Risk Management Group and the employees' labor union), meets regularly to monitor the implementation progress of Occupational Safety and Health (OSH) programs and address OSH issues. The DOLE and BSP routinely audit the OSH programs of the Bank.

Nurturing Learning and Development

Sustainability Capacity-building

BDO HR created and launched the Sustainability at BDO e-course in 2023 to promote a sustainability mindset among employees and engage employees as responsible corporate stewards. The 12-minute e-course was made part of the mandatory onboarding courses for new hires.

The BDO Sustainability Office conducted several capacity-building sessions among employees across the BUs, subsidiaries, and affiliates in 2023. The overall objective was to generate awareness, understanding, and action on the Bank's Sustainability Framework, the Board-approved Environmental & Social Risk Management System (ESRMS), and the importance of auditable data in sustainability reporting. HR Training helped track the attendance and feedback from all participants, mostly from Metro Manila and Luzon offices and branches. In 2024, the Sustainability Office will conduct similar sessions for employees in the Visayas and Mindanao regions.

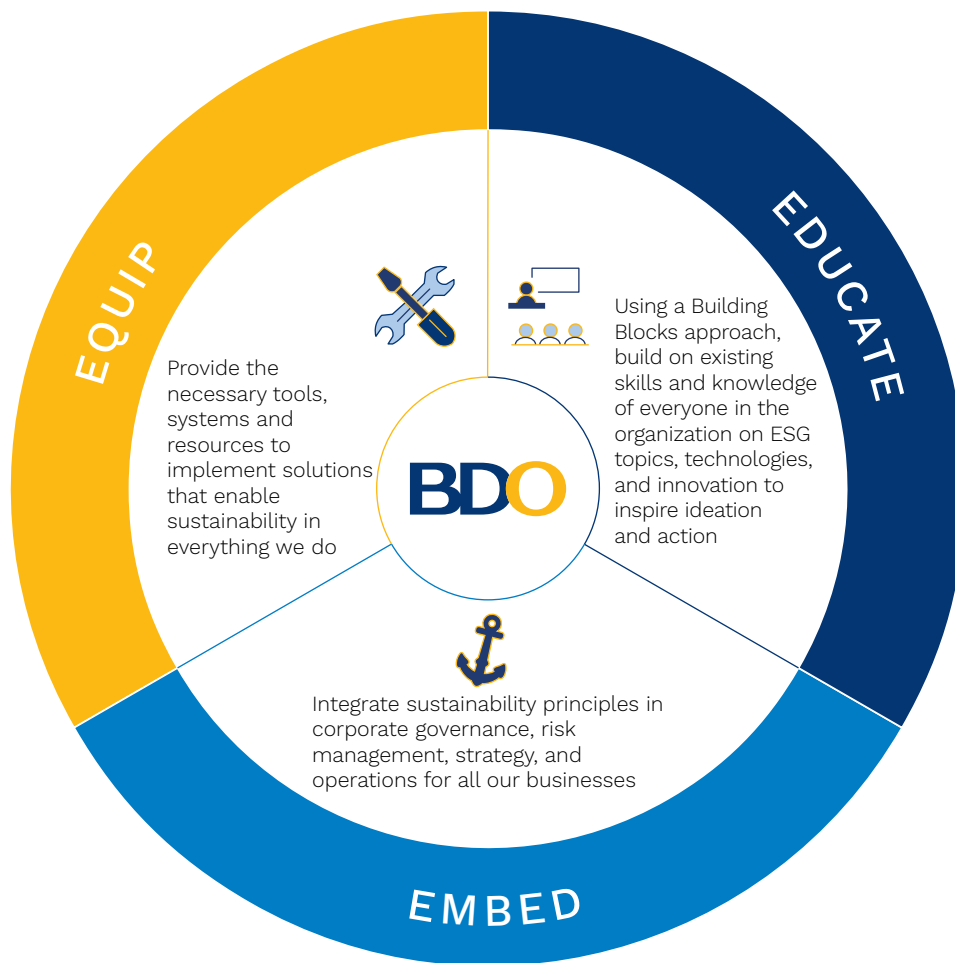
In partnership with the International Finance Corporation, the Sustainability Office also arranged for special trainings for key business units and subsidiaries on Green Finance for Small and Medium Enterprises (SMEs), Transition Finance, and Impact Investing. To know more about the partnership, see the section on Pursuing Partnerships for Impact in this report.

8,347
Employees
Trained on
Sustainability

22,172
Hours Spent on
Sustainability Trainings



Capability-Building in Environmental, Social, and Governance (ESG) and Sustainability



Business Upskilling

Throughout the year, business skills training courses continued to be a priority across the Bank's different business units. Employees are equipped with the latest trends in the market through relevant and updated external training programs aligned to their roles. Trainings on products, services, systems and processes form part of the overall learning solution. These are complemented by courses and programs on wealth management, credit, and sales management.

BDO also successfully delivered flagship programs on communication, problem-solving, and critical thinking. Consultative selling and sales workshops were part of the learning offerings to enable client-facing learners the necessary skills to offer appropriate financial solutions to our clients. BDO also built leadership programs to develop our next generation leaders and designed development programs for our employees who aspired to transfer to roles they would also like to grow their career in.

A key challenge in learning is in reaching the widely geographically distributed BDO workforce. This was addressed by a mix of learning modes made available for employees. Face-to-face trainings for relevant courses were preferred and organized in areas nearer the employee work areas for convenience and a smaller carbon footprint. At the same time, the Bank provided options for virtual training and on-demand training through the iLearnHub courses.

Overall, these learning solutions are aligned with BDO's We Find Ways culture and continue to empower employees to effectively perform their respective roles in supporting the business and responding to customers' need.

Driving Talent Development

The Bank continues to implement its cycle of Talent Development Programs such as the Officers Development Program for junior officers and the Management Development Program for mid-managerial levels. Targeted career development programs were launched for specialized skills and professional enhancements such as the Career Accelerator Program to fast-track staff development, Relationship Manager Training Program to prepare for full-fledged relationship management role, and Branch Management Training Program for potential Branch Officers.

These programs enable employee skills enhancement, foster career growth, contribute to employee engagement and retention, and support succession planning by identifying high-potential employees and preparing them for leadership roles. By nurturing talent from within, business units are enabled with a pipeline of qualified employees ready to take on higher responsibilities, thus, sustaining inherent institutional knowledge and work culture synergy while reducing “new hire” adaptability risks as well as external recruitment costs.

557

Participants
Management
Development Program

1,092

Participants Officer
Development Program

19

Participants
Relationship Manager
Training Program

Improving the Employee Experience through Digital Transformation

To keep in step with the digital transformation across the enterprise, BDO continues its digitization of internal human resource processes aimed at increasing operational efficiency and creating a better employee experience:

- Provision of electronic copies of BIR Form 2316 (Certificate of Compensation Payment or Income Tax Withheld) provided secure and ready access to Bureau of Internal Revenue (BIR) Form 2316 and paperless transaction for approximately 19,000 BDO staff employees. Encryption ensured confidentiality and averted data privacy risk. Process-wise, approximately 15 mandays were avoided that were previously spent on preparation, sorting, and release of hard copy BIR forms to employees and individual scanning for submission as required by the BIR.
- Online employee exit feedback for resigning employees reduced the need for printing paper forms and minimized the use of transportation with fuel consumption when delivering these forms to different BDO locations. Manpower hours allocated for these activities were also shortened leading to more efficient and real time release/submission of forms.
- Enhanced job application experience featured improved data collection in the Career Website and allowed for greater ease and convenience in the application process via:
 - Ease in navigating for targeted job roles in the career website
 - Online completion of applicant’s basic informationAt the back-end, once hired, the candidate’s data is pushed to the BDO database, allowing for less encoding time.
- Online nomination for career development programs provided ease and convenience for People Leaders with nominees in their respective teams, reduced paper usage and related ancillary services such as mail and courier expenses, and brought efficiencies in encoding time and resource.

Performing to Sustainability Commitments

To support BDO's commitment to the achievement of its sustainability goals, BDO HR worked with the Sustainability Office to incorporate three (3) Behavioral Norms statements as part of the performance assessment of all employees in 2023. Employees were rated not only on the achievement of deliverables, but also on their adherence to the Bank's sustainability principles and embedding its value in the organization through the work that they do. A series of communications were cascaded bank-wide to create further awareness and will be reinforced in 2024 through a mandatory e-Learning course for all employees.

Clearly stating behavioral norms aligned to the Bank's sustainability commitments in individual performance met strong positive response from employees. It resulted in a significant increase in employee interest, participation in, and championship of the Bank's sustainability initiatives. It also resulted in great demand and attendance in sustainability trainings and briefings, as well as volunteer activities nationwide through the BDO Employee Volunteer Program (EVP).

Employee Volunteer Program

BDO HR, the Sustainability Office, and the BDO Foundation, supported by the Marketing Communications Group, continued to work closely together for the implementation of the BDO EVP to promote employee engagement and involvement in BDO's corporate citizenship initiatives. The program committed to pursue initiatives in the areas of poverty and hunger, the environment, education, financial inclusion, and human rights. The EVP is championed by the BDO Board whose members also approved the sustainability focus areas for the volunteer opportunities. For more details on the EVP, see the section on Pursuing Partnerships for Impact in this report.

CASE STUDY:

BDO Job Fair in partnership with OWWA

BDO HR and BDO Remit partnered with the Overseas Workers Welfare Administration (OWWA) for a one-day job fair for OWWA's scholars and interns as part of OWWA's culminating activities in celebration of its 41st anniversary in 2023. The event also supported OWWA's commitment to provide access to education up to employment for its scholars who are children of Overseas Filipino Workers. BDO is the largest provider of remittance services for overseas Filipinos. The event served as an opportunity for the scholars and interns to match their knowledge and skills to open positions at BDO.

Among the scholars and trainees who were successfully hired for a banking role was OWWA scholar Joshua Glenn. He related how he listened to speakers from OWWA and BDO as they shared their insights on life after graduation, employment in the Philippines, and opportunities made accessible by the job fair partnership.

Joshua graduated as a Magna Cum Laude from the University of the Philippines, the country's state university, with a degree of Bachelor of Science in Electronics Engineering. With his impressive academic credentials, Joshua Glenn was hired as IT Security Architect at BDO. He felt fortunate to be working at the largest bank in the Philippines in a role that is perfectly aligned with his career aspirations as an engineering graduate.



He advised other OWWA scholars to “learn to take initiative in opportunities, regardless of whether they guarantee success. Taking initiative is why our loved ones become OFWs and step out of their comfort zones for their families. I believe this applies not only to employment but also to seeking value, learning new skills, and bolstering advocacies, all contributing to a meaningful life.”

Michelle Rabino was an OWWA intern and a graduating student whose goal was to get a job immediately after graduation. She is now building her career as a Marketing Assistant for BDO Network Bank. Michelle finds that working in the banking industry is not easy, but appreciates that BDO provides various trainings and seminars that help employees improve their personal and professional lives.

“I could not contain the happiness that my family and I felt when the HR personnel of BDO told me that I passed the assessment and got accepted for a role at BDO, one of the companies that I’ve always wished to work for. I will be forever grateful to OWWA for the opportunity to be part of the BDO family,” she related.

“The job opportunity from BDO helps me build my confidence as a career woman. I was once a full-time housewife and a stay-at-home mom before I entered the corporate world, and luckily, BDO accepted me and trusted my abilities. I am able to help my husband with all our expenses, and we can now save enough for the future. I have become more generous to my family and somehow capable enough to help other people who are in need. Thanks to BDO, an employer who is generous enough to provide the best benefits an employee could ever ask for, the competitive compensation packages, comprehensive benefits, and the people I worked with contributed a lot to my positive and fulfilling employment. I am truly blessed, and I know I could be a blessing.”



Environmental Impact

Energy and Emissions 302-1,302-2,302-3,303-4,303-5

BDO recognizes that its facilities require a significant amount of energy to meet the Bank’s operational requirements. This may result in increasing costs, operational inefficiencies, and heightened carbon emissions if not managed properly. In 2023, the Bank implemented a comprehensive approach aimed at the well-rounded energy management of its operational footprint. The BDO Central Operations Group’s Facilities and Procurement units implemented a two-pronged approach to energy: managing consumption and shifting to cleaner energy sources.

BDO conducted an energy audit of nine of its largest offices in various regions in the country. While the energy audit in compliance with the Department of Energy’s (DOE) Energy Efficiency and Conservation Act or Republic Act 11285, it also aligned with the Bank’s sustainability initiatives to identify a baseline for BDO’s electricity usage. The energy audit facilitated the development of strategies and action plans in the short, medium, and long-term to improve the Bank’s energy efficiency. The findings from the audit also highlighted opportunities for significant reductions in the Bank’s energy usage.

To reduce electricity consumption, BDO continued to roll out its best practices in more facilities and branches nationwide, such as retrofitting with energy-efficient lighting and equipment, optimizing air-conditioning and heating systems, and encouraging employees to conserve energy through awareness campaigns.

The Bank is in the process of creating a bank-wide Energy Policy to set guidelines for energy-efficient practices across its facilities, and identify and monitor energy performance indicators over time.

In terms of shifting to cleaner energy sources, BDO consumed 10,728 megawatt hours (MWh) of electricity sourced from renewable energy, representing 10.8% of its energy sourcing from five of its largest buildings with the highest energy consumption. Majority of this energy was derived from a geothermal energy source. The success of this pilot initiative will pave the way for the Bank to expand and scale the approach to other BDO buildings in the coming years.

Managing Our Resources



Out of 1,686 branches audited

1,424 or 84%

are installed with inverter air-conditioners

Out of 147 buildings surveyed

85%

use modernized air-conditioning system (e.g. inverter air-conditioners, variable-frequency drives)

14%

use a combination of conventional and modernized air-conditioning system

1%

are installed with conventional air-conditioners



Out of 1,686 branches audited

1,576 or 93%

fully use LED lighting

Out of 147 buildings surveyed

60%

fully use LED lighting

38%

use a combination of LED lighting and conventional lighting

2%

fully use conventional lighting

CASE STUDY:

Energy Efficiency Upgrade

Investing in air-conditioning system in Data Centers

The air-conditioning system for one of the BDO Data Centers had cooling equipment and back-up air-conditioners that were over 15 years old and near their end-of-life. Their efficiency had significantly decreased over time and maintenance costs have started to escalate. Recognizing the need for an upgrade, BDO initiated an energy efficiency project amounting to ₱14 million in the fourth quarter of 2022 that was completed in the third quarter of 2023. With new units installed, the improvement was immediate and substantial. Required energy output dropped from 205.8 kW in 2022 to 152 kW in 2023. Looking ahead, we anticipate further energy efficiency gains and significant reductions in maintenance costs.

₱14 million

Investment for New Air-Conditioning Units

₱4.8 million

Savings from energy-efficient technology

Converting fluorescent light bulbs to LED

Replacing conventional fluorescent bulbs with more energy-efficient LED lights in the parking areas of the BDO Corporate Center Ortigas led to substantial energy savings. The retrofit took five months to complete and resulted in a decrease of 15,564 kWh in consumption. This translated into savings of ₱129,153 in 2023, compared to the same five-month period in 2022. The total cost of the retrofit was over ₱412,000, which will be offset by the energy savings over time.

₱412,000

Investment for LED Bulbs

CASE STUDY:

Retrofitting for a Retro Building

BDO Dasmariñas - Binondo Building in Manila is one of the oldest BDO facilities which has seen significant reductions in energy consumption through retrofitting of LED lights and the modernization of its elevators.

4.9%

Decrease in Energy Consumption

In 2018, the building consumed an average of 144,993 kWh per month, among the top five BDO buildings with the highest consumption. Recognizing the urgent need for electricity reduction, the Bank's Facilities Unit started to retrofit the building's lighting system with LEDs in 2019. This modification led to a considerable drop in the monthly energy usage to an average of 137,867 kWh, marking a 4.9% decrease from the previous year. There was also substantial cost savings of over ₱800,000 compared to the previous year's expenditure.

₱800,000

Savings from Energy-efficient Technology

The following year, its traditional elevators were replaced with smart elevators, which further lowered the monthly average in 2021 to 131,000 kWh. This represented a significant 10% reduction in energy usage over time, when measured against 2018 figures, and generated substantial cost savings of ₱1,970,000 compared to 2019's electricity expenses.

These case studies show that the Bank actively finds ways to improve energy efficiency in BDO facilities. Through these initiatives, the Bank not only made the BDO Dasmariñas - Binondo Building more energy-efficient, but also provided a remarkable example for other offices to follow.

Water Consumption, Discharge, and Effluents 303-1, 303-2, 303-3, 303-4, 303-5

BDO recycled 96 million liters of water in 2023, an increase from the previous year's 65.1 million liters. BDO Corporate Center Ortigas, which is equipped with a state-of-the-art rainwater and condensate harvesting facility, leads the way among the Bank's buildings in water recycling for office use. There is an increase in recycled water utilization which is attributed to improvements in water pump system, resulting in higher utilization rate of non-potable water.

BDO buildings are installed with septic tanks and sewage treatment facilities to process and filter wastewater before discharge. Some buildings are also connected to external services that collect and treat wastewater before it is released into lakes or freshwater outlets. The Bank also engages third-party services to siphon its septic tanks annually.

96
million liters
Amount of Water Recycled

Fuel Consumption

Diesel consumption is driven by generators in each of the Bank's branches and corporate offices, on standby as emergency power supply source to ensure that power remains ready and reliable for branch operations. In order to avoid downtime, generators that run on diesel are regularly run and tested as part of preventive maintenance. The Bank's LPG consumption comes from the supply provided to the tenants in the cafeteria that provide food to the Bank's employees. Shuttle service to and from BDO corporate offices in Ortigas and Makati are provided to encourage personnel carpooling instead of individual bank car to save on rising cost of fuel and minimize carbon footprint.

Materials and Waste 301-1,301-2,301-3, 306-1,306-2, 306-3,306-4,306-5

BDO's Waste Management Technical Working Group (TWG) continuously implements circularity measures to minimize waste across its operations and throughout its value chain—effectively managing significant waste-related impacts. This commitment is demonstrated through a variety of initiatives aimed at reducing waste generation and promoting resource conservation. These initiatives prioritize waste prevention, reuse, recycling, and composting over landfill disposal. The Bank ensures compliance with local waste management laws, rules, and regulations, and promotes a culture of environmental responsibility among its employees. Efficient and cost-effective waste management practices are implemented to further this commitment.

The Bank strictly adheres to the Republic Act No. 9003, also known as the Ecological Solid Waste Management Act of 2000, which mandates waste segregation, collection, and disposal at the source. The Bank's waste management initiatives, such as the BDO Waste Busterrr campaign, are designed to educate employees about the importance of waste segregation and encourage them to reduce, reuse, and recycle waste both at work and at home.

BDO ensures that the treatment and disposal of hazardous waste are aligned with RA 6969 by contracting only with DENR-accredited haulers.

The Bank's janitorial service provider collects non-hazardous waste for segregation in our materials recovery facility. Collected waste is turned over to the appropriate and accredited haulers by the Bank's janitorial service provider. Hazardous waste produced and collected by the Bank include used oil of generators, busted lights, and e-waste. They are kept safe in a storage area for hauling by third-party vendors accredited by DENR.

Recyclable waste is turned over to an accredited hauler. Third-party vendors recycle the paper, issue certificates on the amount recycled, and plant trees on behalf of the Bank, in exchange for the collected waste. Third-party vendors convert carton and paper waste to bond papers or seed papers, while plastic and other packaging waste are converted to different types of products such as clothes hangers, pallets, furniture, trash bins, trays, among others.

The Bank ensures reliability through collection of waste, waste-related data, and waste monitoring and tracking that is conducted by engineers, technicians, housekeeping, security, and a third-party recycler.

Managing Internal Consumption

The Bank also works with its suppliers to manage their environmental footprint. BDO has conducted an internal assessment of the materials that the Bank consumes in its operations, papers and toners/cartridges. On the supply side, BDO has lease arrangements on printers where BDO pay only for the use of new/remanufactured toners/cartridges, where empty toners/cartridges are pulled-out by supplier for refill and reuse.

BDO has also implemented the DigiCur project. This has resulted to a 15% decrease in volume of paper bank-wide consumption for 2023 versus 2022.

On the demand side, the procurement office started the digitization of requisition in 2008 using Electronic Forms Management System (eForms) and purchase order processing via Electronic Purchase Order and Delivery System (EPODS). The eForms is for internal clients to submit their requests for purchase. The system consolidates and creates purchase orders per supplier for items/services with standard unit cost. Suppliers are able to view and service orders in EPODS as well as create billing statement for requests completely served. Through the system, the Bank has reduced the use of hardcopy general requisition form, purchase order, and invoices. The suppliers are now required and able to bill multiple served requests in one invoice. The Bank has also reduced the transportation demand for suppliers who can view and process their invoice online.

Circularity in Operations

The Bank promotes circularity through refurbishing or repairing our assets to reuse them for the same or different purpose. The Bank redistributes its reusable Furniture, Fixtures, and Equipment (FFEs) or other resources, where feasible, to prolong the lifespan of our assets and avoid purchasing new assets.



1,186,299.88 kg of paper recycled through paper mill with **₱4,142,859.79** income and **135 trees** planted, with Certificate of Tree Growing, in behalf of BDO



317 units of open type shelves and **12 units** of whiteboard from DigiCur Project at BDO North Tower were recycled/re-allocated to various branches



4,634 requests of **16,502 IT** items, **22,764 FFE** items, **10,327** consumable items processed disposal through accredited service provider for recycling, re-use and re-sale



463 units of various accessories from BDO buildings and warehouse, such as lights, glass doors, counters, panelboard were refurbished, repaired or cleaned and re-allocated to different BDO buildings



450 units from Unibank and **230 units** from Subsidiaries IT FFE – various computer sets, printer, laptop, IP phone, headsets, scanners, LFD monitor, mobile phones, switches, tablets, and webcam were re-allocated/re-issued



4,224 acrylic desk dividers from branches and Head Office were converted to trays and accessory boxes which were either sold to employees or sent as institutional gifts to clients. Proceeds from the sales are given to the BDO Foundation for the rehabilitation and reconstruction of schools and rural health units.

34 units of ATM enclosure and **23 units of CDM** enclosure were refurbished and re-allocated to offsite and within BDO branches ATMs
214 sets of workstations were reused

Partnership with BDO Foundation

FFEs in good working condition are donated to BDO Foundation's beneficiaries.

- 253 non-IT FFEs including various chairs, tables, sofa and cabinets were donated to various Regional Health Centers project of BDO Foundation.
- 503 non-IT FFE and IT equipment combined items donated to various Health Centers and schools.
- 1,000 Acrylic Dividers from Branches were donated to local Cooperatives thru BDO Foundation to be re-produced to other product/items.
- A percentage of the sale of every BDO Exclusive item is donated to the BDO Foundation for the construction of classrooms nationwide.

CASE STUDY:

Waste Busterrr: Reduce, Reuse, Recycle

The BDO Waste Busterrr campaign, launched in the fourth quarter of 2022, is a testament to the Bank's commitment to environmental stewardship. In the second phase of the project, BDO expanded the scope of the campaign to include 22 buildings. This expansion was a significant step forward in the commitment to sustainability and demonstrated BDO's dedication to making a positive impact on a larger scale. Since the launch of this project, the Bank has invested over ₱2.2 million and now span across 26 facilities in Luzon, Visayas, and Mindanao.

The Bank's Facilities Unit is responsible for the day-to-day waste management activities. This team oversees the operations of waste management within the Bank's facilities, ensuring that procedures for waste handling and disposal comply with local, regional, and national laws. They coordinate waste collection and disposal, ensuring proper segregation and handling of waste per type. DENR-accredited third-party service providers are engaged for waste collection and disposal, and periodic audits are conducted to ensure correct waste segregation. This information is collected and reported to the Sustainability Office as necessary.

The Bank measures its performance through data analysis and strategic meetings that assess the strengths, weakness, opportunities, and threats in the implementation of the program. The Facilities Unit also reviews operations to identify opportunities for waste reduction at the source. Properly labelled and color-coded waste bins are made accessible in some pantry areas and common areas within the Bank's facilities to create an enabling environment for the employees to observe proper recycling.

₱2.2 million
Investment in
Waste Management

26 facilities
Nationwide Implementing
Waste Busterrr: Reduce,
Reuse, Recycle Waste
Management Program



The Bank enjoins its employees in the effort to segregate waste at source. Non-hazardous waste generated in the workplace is segregated and disposed of through the Bank's accredited third-party service providers of waste management. The three types of wastes are (i) recyclable dry papers; (ii) recyclable plastics, metals, and glass; and (iii) non-recyclables including food waste and soiled packaging. Designated trash bins for recyclables and non-recyclables are placed in common areas, while trash bins for hazardous and infectious waste are placed in restrooms. Trash bins provided in personal workstations are intended only for recyclable dry paper waste.

The Waste Busterrr campaign encourages employees to become champions of waste management by reducing, reusing, and recycling waste both at work and at home. Through multimedia communication channels, employees have been able to share their tips and best practices, fostering a sense of community and shared responsibility towards the environment. The campaign also includes mandatory e-learning videos for all employees located at select buildings and branches, further emphasizing the Bank's commitment to building a culture of sustainability. Since its inception, the Campaign has trained 7,702 employees on proper waste management through its e-learning course.

By promoting waste management best practices, the Waste Busterrr campaign contributes to these goals by promoting eco-friendly solutions.

By year-end 2023, the Bank was able to collect 7,143 kilograms of recyclable waste across all included facilities.

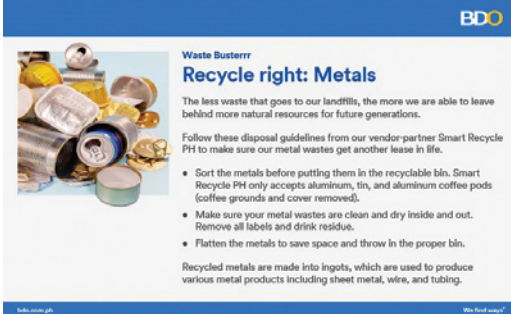


7,702 employees

Trained on Proper
Waste Management

Recycle Right

The TWG worked with the Marketing Communications Group to include a recycle right series. The program aims not only to teach its employees to reuse, reduce, and recycle, but also to recycle in the correct manner to lessen waste directed to disposal.



Waste Busterrr
Recycle right: Metals

The less waste that goes to our landfills, the more we are able to leave behind more natural resources for future generations.

Follow these disposal guidelines from our vendor-partner Smart Recycle PH to make sure our metal wastes get another lease in life.

- Sort the metals before putting them in the recyclable bin. Smart Recycle PH only accepts aluminum, tin, and aluminum coffee pods (coffee grounds and cover removed).
- Make sure your metal wastes are clean and dry inside and out. Remove all labels and drink residue.
- Flatten the metals to save space and throw in the proper bin.

Recycled metals are made into ingots, which are used to produce various metal products including sheet metal, wire, and tubing.



Waste Busterrr
Recycle right: Paper

Contribute to a greener future by recycling paper.

Follow these tips from Smart Recycle PH to recycle right and save more trees.

- Smart Recycle PH only accepts white paper, colored Kraft papers, and chipboards.
- Laminated or paper contaminated with food and drink residues cannot be recycled.
- Remove tapes, staple wires, stickers, plastics, and solid residues.
- Flatten them to save space and throw in the proper bin.

Recyclable papers collected by Smart Recycle PH are converted into eco-friendly bond paper by Papel ni Juan, a local paper recycling company.



Waste Busterrr
Recycle right: PET bottles

Recycling helps protect the environment, but only if we observe the proper way of disposing of recyclable materials so these don't end up in our landfills.

Here are some tips from Smart Recycle PH, our partner in promoting sustainability through recycling and upcycling.

- Make sure your PET bottles are clean and dry inside and out. Remove all labels and drink residue.
- Smart Recycle PH only accepts clear or colorless PET bottles. Kindly place colored PET bottles in the non-recyclables as well.
- Flatten PET bottles before throwing them in the proper bin to save space during storage and transportation.

Recycled PET bottles are turned into plastic pellets, which are used to produce many products that would otherwise require new plastic.

CASE STORY:

X-Trash Challenge

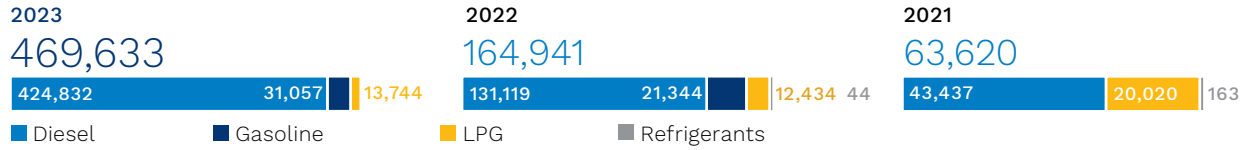
Another significant initiative that underscores BDO's commitment to waste management is its participation in the X-Trash Challenge. This competition, sponsored by the Philippine Business for Social Progress (PBSP) and Basic Environmental Services Technology (BEST), brings together various Philippine companies in a collective effort to reduce waste. The challenge involves collecting recyclable materials such as paper, plastic, and metal wastes. BDO has been a proud participant in the X-Trash Challenge since 2021, consistently achieving podium finishes each year.

In 2023, the initiative resulted in the collection of 10,519.34 kilograms of recyclables, which were exchanged for 30,798.64 environmental points. BDO plans to donate these points to a worthy cause. In previous years, the winnings from the challenge have been used to support underprivileged families. In 2021, BDO partnered with Samahan ng Nagkakaisang Pamilya ng Pantawid (SNPP) to purchase food packs and groceries for priority families in Cavite, Makati, and Muntinlupa cities. In 2022, BDO collaborated with the Addition Hills Integrated School in Mandaluyong City, using the proceeds to purchase food packs for priority families in Metro Manila.

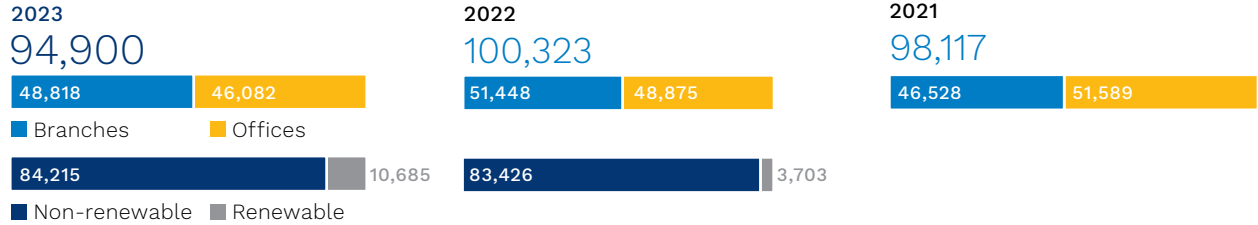
Overall, the BDO Waste Busterrr Program, X-Trash Challenge and recycling initiative are more than just a waste management initiative. This reflects the Bank's commitment to sustainability, financial inclusion, and environmental stewardship. BDO is not only influencing employees to rethink their waste in the office but also the waste at home by bringing them in the drop-off areas. BDO holistic materials and waste management contributes to the achievement of national economic goals in waste reduction and sets a benchmark for other organizations in the industry.

BDO Resource Consumption 2-4

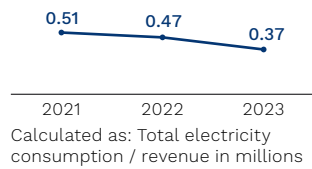
Fuel Consumption (in liters)



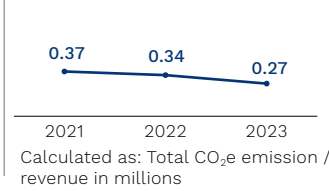
Electricity Consumption (in '000 kWh)



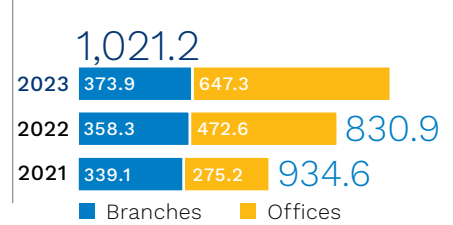
Energy Intensity (in total electricity consumption, MW / total employee count)



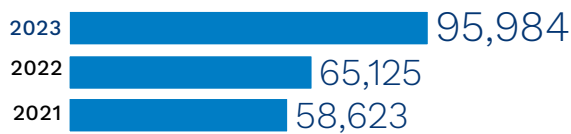
Carbon Intensity (in tonnes CO₂e/£1 million in revenue)



Water Consumption (in '000 cu.m.)



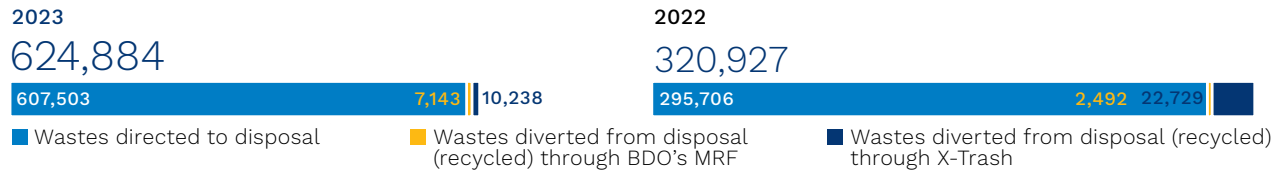
Recycled Water (in cu.m.)



Water Discharge (in cu.m.)*



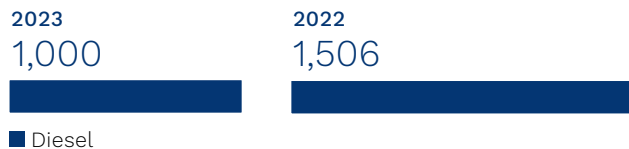
Non-hazardous Waste (in kg)



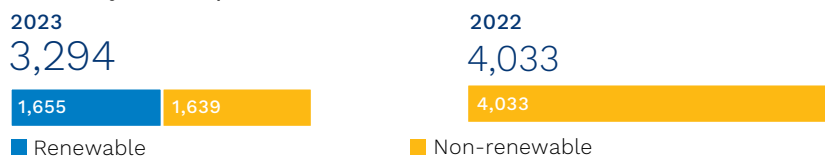
Hazardous Waste (in kg)



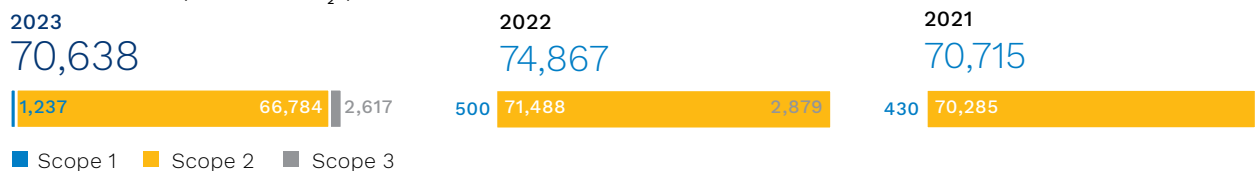
Fuel Consumption of Tenants (in liters)



Electricity Consumption of Tenants (in '000 kWh)



GHG Emissions (in tonnes CO₂e)



The overall emissions reported above includes Dominion Holdings' fuel, electricity, and water, as well as its greenhouse gas emissions.

Breakdown of BDO Emissions for Scope 1, 2, 3

	Luzon	Visayas	Mindanao	Abroad	Total
Within BDO					
Fuel Consumption (liters)					
Diesel					
Generator sets	108,969	16,932	15,147	-	141,048
Transport vehicles	212,501	4,257	67,026	-	283,784
Gasoline	2,177	7,736	21,144	-	31,057
Heating and Cooking: LPG	13,744	-	-	-	13,744
Scope 1 emission (in metric tonnes)					
CO ₂	887.5	74.3	268	-	1,229.8
CH ₄	3.3	0.3	1	-	4.6
N ₂ O	1.9	0.2	0.6	-	2.6
Total CO ₂ e	890.2	77.8	277.1	-	1,237
Electricity consumption (MW)					
From non-renewables	67,731,713	5,546,619	6,354,129	155,999	79,788,460
From renewables	10,685,175	-	-	-	10,685,175
Scope 2 emission (in metric tonnes)					
CO ₂	57,324.7	4,233.8	5,141.9	83.7	66,784.1
CH ₄	-	-	-	-	-
N ₂ O	-	-	-	-	-
Total CO ₂ e	57,324.7	4,233.8	5,141.9	83.7	66,784.1
Outside BDO					
Fuel and electricity consumption and waste disposed					
Diesel (liters)					
Generator sets	1,000	-	-	-	1,000
Electricity (MW)					
From non-renewables	1,638,964	-	-	-	1,638,964
From renewables	1,654,852	-	-	-	1,654,852
Non-hazardous waste (kg)					
Directed to disposal	600,648	4,260	2,595	-	607,503
Diverted from disposal	15,581	578	1,222	-	17,381
Scope 3 emission (in metric tonnes)					
CO ₂	2,611.7	3.2	2.1	-	2,617.0
CH ₄	0.01	-	-	-	0.01
N ₂ O	0.01	-	-	-	0.01
Total CO ₂ e	2,611.7	3.2	2.1	-	2,617.0

Consumer Protection Practices 416-1

BDO's financial consumer protection framework is anchored on disclosure and transparency, protection of client information, fair treatment, effective recourse, and protection of consumer assets against fraud and misuse. The framework ensures that consumer protection practices are embedded in BDO's operations and considered in the development and implementation of the Bank's products and services.

Customer Experience Philosophy

At BDO, we proudly embrace a We Find Ways mindset, weaving it into the fabric of our Customer Experience Philosophy. This principle amplifies our commitment to foster a banking experience that goes beyond mere transactions, offering diverse products, and providing personalized services to customers through deep understanding of their financial goals and life circumstances.

Board and Management Oversight on Customer Concerns

The Board is primarily responsible in maintaining an effective oversight on the Bank's consumer protection policies and programs. Senior management implements the Board-approved strategies and ensures that control mechanisms are in place. The governance and oversight functions are reinforced by the various roles that own, manage, oversee, or provide independent assurance over Consumer Protection activities such as:

- **Senior Management:** Senior Management ensures that the approved Consumer Protection policies and procedures are clearly documented, properly understood, and consistently implemented across all levels and business units.
- **Compliance and Internal Audit:** The Compliance Office and Internal Audit, both of which take their authority from the Board's Audit Committee, support the BOD in overseeing the Bank's adherence to the Consumer Protection policies as well as in ensuring the effectiveness of its application/implementation across all financial product and service offerings.
- **Operational Risk Management Unit (ORMU):** ORMU is responsible for assisting management in embedding the operational risk culture, awareness, framework, and implementation throughout the Bank. Top complaint drivers and subsequent corrective/preventive actions are reported to the Board on a quarterly basis to ensure that Consumer Protection related risks and/or concerns are mitigated, Consumer Protection standards and requirements are complied with, and other material developments that will impact the Bank's consumers are disclosed.

Enforcement and Monitoring of the Customer Assistance Management System (CAMS) 2-25

BDO enforces and monitors the Consumer Assistance Management System or CAMS through a combination of established policies, streamlined processes, and dedicated teams. This system aims to deliver customer satisfaction through compliance with regulations.

- **Internal policies:** Consumer Protection policies are outlined in the CAMS Manual. These policies define how consumer assistance is managed, including complaint resolution procedures, escalation protocols, and customer communication standards.
- **Dedicated Teams:** The Bank has specialized teams, such as Customer Service and complaint resolution or service fulfillment teams, responsible for implementing and overseeing CAMS. These teams handle consumer inquiries, requests, and complaints, working in coordination with one another to address issues properly, promptly, and efficiently.
- **Monitoring and Reporting:** A tracking system is in place to record and monitor client interactions, complaints, and resolutions. This allows the Bank to identify trends, measure service level performance, and address emerging issues. Regular reports help management assess the effectiveness of CAMS.
- **Continuous Improvement:** BDO regularly reviews and updates CAMS based on feedback, changing regulations, and industry best practices. Continuous improvement ensures that the system remains relevant and effective in meeting customer needs and addressing concerns.

Process for Handling of Customer Concerns 2-25

BDO prioritizes efficient customer concern resolution. Upon receipt of a complaint, the Bank's frontliners acknowledge and record the concern. If the issue can be addressed at point of contact, immediate resolution is provided to the client. Otherwise, the concern is endorsed to the appropriate unit for investigation. Once the root of the problem is identified, the team works to find a suitable resolution which may involve refunds, corrections, and/or explanations. Clear communication and transparency are crucial throughout the process, ensuring customers feel heard and satisfied with the resolution.

Training for Customer Assistance 2-25

BDO employees, particularly the frontliners are required to take the Financial Consumer Protection eLearning course to familiarize themselves with the concept of CAMS, its procedures, customer service standards, and relevant regulatory requirements. The training material is anchored on the Consumer Protection Standards of Conduct which sets the expected behavior from Bank employees when dealing with customers.

Listening to Customers' Needs 2-25,2-26

In order to deliver exceptional banking services, we collect and utilize valuable inputs from customers, understanding their needs, and continuously improving their overall experience. We have a robust and comprehensive engagement and feedback mechanism, employing multiple channels to ensure that the voice of the customer resonates throughout our operations.

- **Multi-faceted Customer Service:** Our dedicated customer service teams, which may be reached via call, email, and social media private messaging, have been pivotal in addressing any product, process, or system-related inquiries and providing timely resolution to concerns. The direct communication channels allow us to promptly respond to concerns and offer personalized support.
- **Branch-level Interaction:** Physical branches serve as touchpoints for direct engagement. This brick and mortar approach allows us to establish deeper relations with the public at large and strengthens our understanding of a locale's wants, needs, and concerns.

- Website: The Bank’s web page offers a secure messaging system where clients can provide feedback, report issues, and seek customer service support. Please visit <https://www.bdo.com.ph/contact-us>.
- Social Media Engagement: Active monitoring of social media platforms enable us to promptly address customer concerns. Our commitment to social media listening reflects our agility in responding to emerging trends and issues within the digital landscape.

Customer Contact Center ²⁻²⁶

In compliance with the BSP Circular 1160, particularly under the Protection of Client Information standard, and in support of the Bank’s Data Privacy policy, BDO’s Customer Contact Center (CCC) sees to it that any and all customer-related data are obtained, stored, and used only and specifically to carry out its function of effectively assisting customers with timely responses and appropriate solutions to their queries or concerns.

To this end, the Customer Contact Center strictly adheres to the Bank’s physical, organizational, and technical controls to maintain the confidentiality, integrity, and availability of personal data. CCC has been closely involved in the Bank’s aggressive push for modernization not only of its systems, but processes as well. In doing so, the Customer Contact Center recognizes that the shift to digitalization comes with certain risks especially with the threat of data leaks or hacks. Close coordination and cooperation among the CCC, Cybersecurity, and Fraud Management is constantly strengthened to protect customer information and prevent unauthorized access.

BDO has included security-related spiels in the Contact Center protocols so our Customer Service Officers can seamlessly incorporate advice regarding protecting personal details, such as passwords and account information, into their conversations.

CCC also takes the opportunity during verification processes to remind clients about the importance of keeping their information secure by briefly explaining the verification steps and advising against sharing of sensitive details to random/unknown/suspicious individuals.

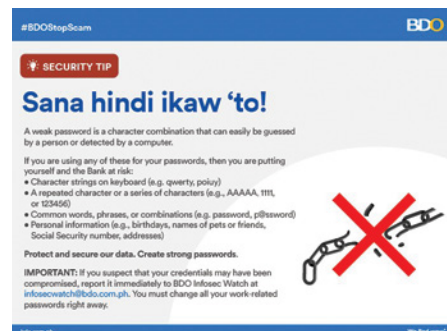
In 2023, Customer Assistance Management System logged some 8 million customer cases of which only 7% were problem-related in nature. Majority of the cases were inquiries at 4.9 million and requests at 2.9 million.

CASE STUDY:

#BDOSTopScam Customer Awareness Campaign

Scam cases have been rising in recent years. The surge in online scams globally underlines the need for continuous public awareness campaigns and fraud prevention education to equip account holders with knowledge against ever-evolving scam tactics.

Scams can be persuasive because scammers can exploit on the reality that for many customers, the concept of an online Personal Identification Number or PIN is new and customers have a tendency to believe official-looking online advisories. Scammers bank on either



voice, email, or SMS channels to trick customers into sharing sensitive account information such as their PIN.

Under the premise that uninformed customers are more susceptible to be victims of scams, customer communication is considered a critical tool to risk management. BDO Fraud Management under the Consumer Banking Group created an anti-scam campaign which hopes to bring across the following important key points:

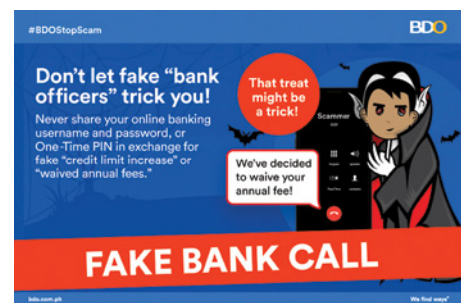
1. The importance of watching out for the red flags that indicate a scam and keeping themselves updated on the latest scam tactics
2. The importance of staying vigilant — scams target all individuals, regardless of their age, education, or profession
3. Enabling customer to proactively report these scams to immediately address possible new types of attacks

The BDO StopScam campaign aims to inform customers with a savings and/or current account, a credit card, and a frequent user of online banking as they are the ones who are most commonly victimized by scammers via different forms of phishing, a type of cyberattack that tries to trick people into revealing their personal or financial information or installing malware that acquires personal information such as PINs or passwords.

BDO Fraud Management's awareness campaign strategy is to reach the customer through multimedia channels to ensure vast coverage in pushing anti-fraud key messages across. Examples of channels used are SMS, email, Viber, social media, complimented by the use of traditional media through radio and newspapers. The top 3 key messages are:

1. Do not click links
2. Do not share your password and username
3. Do not share your OTP or One Time PIN

In 2023, the campaign sent anti-fraud advisories to an estimated 9.5 million customers and only encountered 1% fraud incidents compared to last year. The results show the effectiveness of the campaign among the Bank's customers. At the same time, the campaign promotes confidence in using BDO's online platforms.



Supply Chain and Approach to Procurement

204-1,408-1, 409-1,414-1,414-2

BDO sources 97% of its supplies from a local supply chain. The Bank follows a Manual on General Procurement Guidelines that establishes the policies on procurement of products and services and provides a framework of efficient, consistent, transparent, and compliant purchasing practices across its Business Units (BU). The Bank accreditation process for its suppliers starts with verifying legitimacy through government standards and certifications. After confirming compliance, the Bank assesses the suppliers' capability to provide the required items or services. In addition to standard regulatory requirements, certifications such as hazardous waste disposal registration, compliance with

Department of Labor and Employment (DOLE) regulations, and proof of payment of wages and statutory benefits for custodial services are necessary. Billing or invoices from service providers involved in labor cases may be partially or wholly suspended by the Bank until the issues are resolved.

Vendor Engagement

Following the Board approval of the ESRMS, the Bank started to assess the environmental and social maturity of the top 20% of BDO vendors based on spend and company size. The Supply Chain Technical Working Group (TWG) released a survey on sector-related E&S risks of the identified vendors. The survey results showed varying levels of awareness and action on E&S matters, with majority at the initial stages of their sustainability journey. In 2024, BDO will implement its 3Es approach to capacity-building: Educate, Embed, and Empower its vendors to help them manage their E&S risk. The Supply Chain TWG also aims to finalize its draft Supply Chain Ethical Code, for senior management review in 2024.



Pursuing Partnerships for Impact

We value collaboration and partnerships where we can make best use of our expertise and resources to scale collective impact. We engage with our stakeholders to ensure that we bring everyone along in our sustainability journey.



Scaling and Mainstreaming Financial Inclusion: BDO Foundation

Guided by BDO’s We Find Ways philosophy and a strong sense of corporate citizenship, BDO Foundation marked 2023 as its 5th year driving financial inclusion in the service of Filipinos. In 2023, the corporate social responsibility arm of BDO Unibank expanded its implementation of major initiatives in financial education in various communities, mindful of its commitment to sustainable development and nation-building.

Partnerships with Government Agencies

In line with its financial inclusion advocacy and the National Strategy for Financial Inclusion of the Bangko Sentral ng Pilipinas (BSP), BDO Foundation continued to implement financial education programs in partnership with the BSP and other government agencies:

Partners	Achievements in 2023
Agricultural Credit Policy Council (ACPC)	<ul style="list-style-type: none"> ■ Development of KITA Mo Na! financial education game and trainer’s manual ■ Conduct of train-the-trainers sessions
Armed Forces of the Philippines (AFP)	<ul style="list-style-type: none"> ■ Publication and turn-over of trainer’s manual to the AFP and BSP
Bureau of Fire Protection (BFP)	<ul style="list-style-type: none"> ■ Development of the BFP Trainer’s Manual
Bureau of Fisheries and Aquatic Resources (BFAR)	<ul style="list-style-type: none"> ■ Conduct of training sessions for beneficiaries using Fish N’ LEarn financial education game kits and BFAR Trainer’s Manual
Civil Service Commission (CSC)	<ul style="list-style-type: none"> ■ Roll-out of the program through training of trainers sessions conducted by the Civil Service Institute
Department of Education (DepEd)	<ul style="list-style-type: none"> ■ Conduct of writeshops (writing workshops) by the BSP and DepEd’s Bureau of Curriculum Development ■ Integration of financial literacy concepts into the teaching of Mathematics, Science, Araling Panlipunan (Social Studies), Entrepreneurship, and other subjects
Department of Migrant Workers (DMW) / Overseas Workers Welfare Administration (OWWA)	<ul style="list-style-type: none"> ■ Conduct of Pre-Departure Orientation Seminars for migrant workers as part of the Pinansyal na Talino at Kaalaman or PiTaKa program on financial knowledge and awareness
Department of Trade and Industry (DTI)	<ul style="list-style-type: none"> ■ Pre-production of three financial education videos for micro, small, and medium enterprises (MSMEs)
Philippine National Police (PNP)	<ul style="list-style-type: none"> ■ Development of modules and the PNP Trainer’s Manual
Technical Education and Skills Development Authority (TESDA)	<ul style="list-style-type: none"> ■ Development of online learning modules for technical-vocational (tech-voc) students
Securities & Exchange Commission (SEC)	<ul style="list-style-type: none"> ■ Development of program that promotes financial literacy, investor protection, and scam prevention

Technical working groups composed of BDO Foundation managers, officers of BSP’s Economic and Financial Learning Office, and representatives from partner government agencies worked closely to implement the programs and integrate financial education into the existing initiatives of government agencies for the economic well-being of their respective target audiences.

The lessons covered topics such as saving, budgeting and financial planning, avoiding scams, debt management, entrepreneurship, insurance, and retirement planning. Beneficiaries included students, teachers and non-teaching personnel, Overseas Filipino Workers (OFWs), government workers, armed forces personnel, police personnel, firefighters, fisherfolks, farmers, technical-vocational learners, and micro, small, and medium-sized enterprises (MSMEs).

BDO Foundation

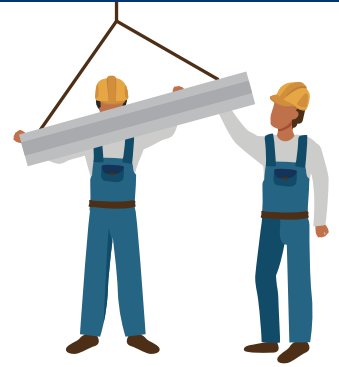


Relief Operations

Beneficiaries to date
805,261 families
2023 beneficiaries
43,500 families

Classrooms Built

63 in Elementary schools
60 in High schools
4 in College

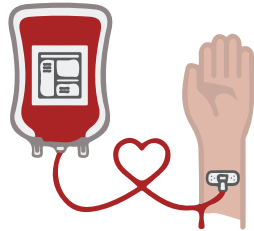


Tech-Voc Training Facilities

1,006 Beneficiaries per year
6 Classrooms built
3 Workshops built

Blood Center

1,328 Population covered



School Buildings Built

19 Elementary schools
15 High schools
1 College

Beneficiaries per Year

15,800 Elementary students
16,788 High school students
1,589 College students



Handog sa 'Yo ng BDO Foundation Food Assistance

Beneficiaries to date
99,900 families
2023 beneficiaries
30,000 families



Rural Health Units (RHUs)

160 Rehabilitated RHUs to date
29 Rehabilitated RHUs in 2023
7,831,373 Population covered to date
861,791 Population covered in 2023



Financial Education

Beneficiaries to date
5,630,262 Students
112,892 Teachers and Non-teaching Personnel
994,699 Overseas Filipino Workers (OFWs)
7,844 Civil Servants
37,468 Armed Forces
7,278 Fisherfolks
60 Farmers
199,413 Members of the General Public

2023 beneficiaries
1,680,262 Students
33,892 Teachers and Non-teaching Personnel
3,197 Civil Servants
30,793 Armed Forces
4,367 Fisherfolks
60 Farmers
199,413 Members of the General Public
26 Financial education videos developed



Online Financial Education Course

To make financial education accessible to more people, BDO Foundation and BSP signed a memorandum of agreement for the development of a free online course on personal finance. The project is in line with the BSP's thrust to promote broad, convenient, and informed access to high-quality financial services among Filipinos through financial education partnership programs.

Nine interactive modules, each one 20 to 30 minutes long, will cover lessons on financial planning, saving and budgeting, debt management, basics of investing, fraud and scam prevention, financial consumer protection, digital financial literacy, Personal Equity and Retirement Account (PERA), and relevant economic indicators. The modules will teach financial literacy lessons through videos, interactive activities, and end-of-session assessments. Slated for release in early 2024, the modules will initially be uploaded on the online learning platforms of BDO and the BSP. Eventually, the learning resources will be made available on demand to partners, stakeholders, beneficiaries, and the public. Users will be able to access the financial education e-learning modules using personal computers, laptops, and mobile devices.

Based on an agreement signed by BDO Foundation, TESDA, and BSP in 2023, TESDA will be the first partner to use the modules. The course will be uploaded on the TESDA Online Learning Program and required for technical-vocational learners.

BDO Foundation and BSP hope to change the financial education landscape by making learning digital, borderless, and accessible to all Filipinos whether they are in the country or abroad. Through the financial education e-learning modules, the partners hope to cultivate a financially healthy and economically empowered citizenry that can actively contribute to nation-building.

BDO Foundation also participated in the BSP Financial Education Stakeholders Congress, where the financial education e-learning modules were launched. The Fin-Ed Congress also marked the ceremonial turn-over of the AFP Financial Education Trainer's Manual and featured a learning session on financial education best practices by the Foundation and its partners.

For all these collaborative activities, BSP Governor Dr. Eli Remolona Jr. and BSP Deputy Governor Bernadette Romulo-Puyat presented a certificate of appreciation to the Foundation at the Outstanding BSP Stakeholders Appreciation Ceremonies in December 2023. BSP lauded the Foundation for working with stakeholders to institutionalize financial education in capacity building programs, uplift the economic well-being of the public, and improve the financial literacy of the Filipino citizenry.

Recognition for Fisherfolk Program

For developing and implementing the financial education program for fisherfolk, BDO Foundation earned international recognition conferred at virtual and in-person ceremonies by the Asian Banking & Finance (ABF) Retail Banking Awards, Asiamoney Banking Awards, and Asia Responsible Enterprise Awards. Locally, the initiative was also awarded by the League of Corporate Foundations (LCF) CSR Guild Awards.

9

Interactive modules on financial literacy topics



The award-giving bodies acknowledged BDO Foundation for its efforts to help improve the financial literacy, productivity, and income-generating capability of fishers all over the country. They also cited the Foundation for its contributions to the creation of Fish N' LEarn, a gamified teaching tool designed to make financial literacy lessons engaging for the target beneficiaries. Co-developed by BDO Foundation, BFAR, USAID Fish Right, and BSP, the training intervention covers lessons on the conservation of marine resources, saving, budgeting and financial planning, entrepreneurship, insurance, and debt management.

The initiative helps fishers and their families break the cycle of poverty and supports the Department of Agriculture's goal to attain a food-secure and resilient Philippines with empowered and prosperous farmers and fisherfolk.

Private Sector and LGU Partnerships

In 2023, BDO Foundation also organized several financial literacy sessions for various beneficiaries, in collaboration with non-governmental organizations as well as public and private sector partners:



Partners	Beneficiaries
Asia Pacific College	College students
Association of Foundations	NGO professionals
Don Bosco One TVET (integration into curriculum)	Technical-vocational learners
Empower and Transform and DepEd	Teachers and non-teaching personnel
Empower and Transform	De La Salle University student athletes
Iloilo City government and Uswag Negosyo Academy	Iloilo market vendors
Iloilo City government Public Employment Service Office (PESO)	PESO trainers
National University	College students and faculty
Iloilo City government	Local Government Unit (LGU) trainers

To help empower Filipino educators and learners, BDO Foundation, in partnership with Huawei Philippines and the Knowledge Channel Foundation, launched a new set of educational videos designed to make the study of Mathematics more engaging, interesting, and interactive for Grade One students. In support of Knowledge Channel's MathDali initiative, the Foundation and Huawei funded the development of the five curriculum-based videos on early numeracy. Knowledge Channel produced the learning resources in consultation with the DepEd. The videos will be made available for viewing on the channel's on-air, online, and offline platforms.

Knowledge Channel is a non-profit organization that aims to improve the quality of education in the Philippines through media and technology. Huawei is the global leader in information and communications technology infrastructure and smart devices. BDO Foundation has previously partnered with both organizations for other education-related initiatives.

Training Program for MSMEs and Persons with Disabilities

In 2023, BDO Foundation signed a memorandum of agreement with LINK Center for the Deaf for a training program aimed at enhancing the capabilities of MSMEs. The training will help aspiring and existing micro-entrepreneurs—including persons with disabilities—pursue business ventures that are responsive to current social and economic challenges.

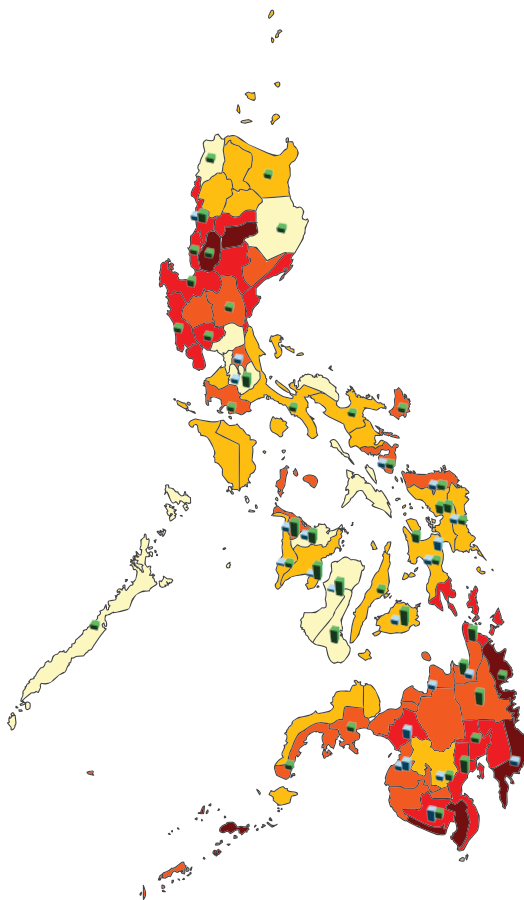
Funded by BDO Foundation, the program will cover eight modules on business planning, marketing strategies, financial management, customer relations, and other aspects of operating successful small businesses. The Foundation will also sponsor a series of train-the-trainers sessions for interested implementing partners such as local governments, NGOs, church groups, and other institutions serving the MSME sector.

LINK is a non-governmental organization that supports the holistic development of people who are deaf, by providing sign language training, teacher enhancement, educational support, and enterprise development programs.

8
modules for MSMEs
and persons
with disabilities

Disaster Response

BDO leverages its resources towards building better in the aftermath of a disaster through relief, rehabilitation, and recovery of disaster-stricken communities.



Increasing adaptation of communities: Rehabilitating RHUs and building classrooms

- 2 New Learning Facilities
- 38 Learning Facilities Constructed since 2012
- 29 Newly Rehabilitated Rural Health Units
- 160 Rural Health Units Rehabilitated since 2012

Health and Education Facilities Rehabilitated and Built

- Rural health units
- Classrooms

Combined Risk to Geophysical Disasters

- Very High
- High
- Medium
- Low
- Very Low

Rehabilitation of Rural Health Units

BDO Foundation achieved another major milestone as it rehabilitated its 160th rural health unit (RHU) in 2023 to help improve the health and well-being of Filipinos in disadvantaged communities. The Foundation's previous record was at 131 RHUs in 2022.

As in previous years, the Foundation renovated health centers, particularly their exteriors, layout and interior design, lobbies and waiting areas, offices, birthing clinics, consultation rooms, treatment rooms, and pharmacies. Using available space, it built breastfeeding stations for nursing mothers, play areas for children, and waiting lounges for senior citizens. It installed new signages, furniture, and fixtures to help health workers accommodate more patients in environments conducive to good health and well-being. The improvement of facilities empowers doctors, nurses, and midwives to provide quality primary healthcare services more often and more efficiently to their constituents. The initiative benefits mothers, infants and children, persons with disabilities, senior citizens, and indigenous peoples living in remote areas.

BDO Unibank and BDO Network bank branch officers also recommended health centers in need of assistance. The initiative was backed by the Department of Health (DOH), local government leaders, and health officers, who provided guidance on the renovation of RHUs. Through the rehabilitation program, BDO Foundation helped health centers receive high assessment scores in healthcare delivery from the DOH and accreditation from PhilHealth, the country's national health insurance provider. The Foundation helped improve the healthcare delivery system in the country, one of the goals under the Philippine Health Agenda.



Construction of a Blood Center

BDO Foundation also constructed a facility that serves blood donors and patients. The Philippine Red Cross (PRC) Agusan del Norte - Butuan City Chapter Blood Center supports the mission of the PRC as well as the International Red Cross and Red Crescent Movement to provide life-saving services for Filipinos in vulnerable situations. The blood center benefits patients in Agusan del Norte and neighboring provinces in the Caraga Administrative Region in Mindanao who need safe, adequate, and high-quality blood and blood products. Funded by BDO Foundation and contributions from BDO employees, the construction of the building provided for basic equipment, furniture, and fixtures.



Construction of School Buildings

BDO Foundation and the Philippine Geothermal Production Company (PGPC), another company under the SM Group, completed the construction of a three-classroom school building in Baybay Elementary School in Catarman, Northern Samar. The partnership with PGPC addressed the shortage of classrooms and provided teachers and students a conducive learning environment. PGPC is a pioneering geothermal energy company that provides clean, reliable, and renewable energy. BDO Foundation previously collaborated with PGPC for the construction of school buildings in Northern Samar and Albay provinces as part of post-Super Typhoon Yolanda (international name: Haiyan) rebuilding efforts in 2014 and 2015.

The project in Catarman supported the partners' shared advocacy to aid communities affected by disasters. In recent years, the municipality was also severely affected by Super Typhoon Odette and other disasters. Supportive of the DepEd's Adopt-A-School program, the construction of the building in Baybay Elementary School included the provision of blackboards, tables, chairs, and electric fans.

A similar structure was built for students in Cebu. In support of Don Bosco's mission to educate, evangelize, and capacitate Filipino youth, BDO Foundation constructed a training facility for the Don Bosco Technical Vocational Education and Training (TVET) Center in Balamban, Cebu province. Senior high school students now use the facility with its new furniture, tools, and equipment to learn technical-vocational livelihood skills through classroom instruction and workshops. The Balamban facility is the third built by BDO Foundation for Don Bosco, after similar facilities were constructed in 2019 and 2021 respectively, in Mati City, Davao Oriental and Dumangas, Iloilo. Don Bosco's TVET Centers educate out-of-school youth and prepare them for gainful employment in the Philippines and abroad.



Relief Operations

BDO Foundation continued to mount relief operations for Filipinos in provinces placed under a state of calamity, mobilizing volunteers for the immediate distribution of relief goods or hygiene kits in affected communities. In the spirit of bayanihan or community volunteerism, employee volunteers visited evacuation sites and distributed packs containing food, rice, and drinking water to families displaced by typhoons, earthquakes, volcanic eruptions, fire, and an oil spill incident.

The disaster response efforts were made possible by partners, which included parishes, diocesan social action centers, non-governmental organizations, local government units, the military, and the police. The relief operations were also supported by BDO Unibank and BDO Network Bank branch employees, who helped BDO Foundation assess emergency situations in affected areas and coordinate logistics. Backed by the BDO Unibank community and its partners, the Foundation has effectively reached out to disaster-affected Filipinos in their time of need.



A Vegetable Garden for Food Security

Building better includes long-term initiatives to help communities address basic needs such as food security and hunger. BDO Foundation and East-West Seed Foundation (EWSF) successfully established a vegetable garden as a livelihood opportunity in a community in Lian, Batangas through a partnership project. Project Gulayamanan is a clever play on the Filipino words for gulay (vegetable) and yaman (wealth) to best describe its goals to provide additional food supply to the community and promote wealth through the cultivation of vegetables. EWSF is a non-governmental organization that empowers disadvantaged farmers and promotes proper nutrition through improved vegetable consumption.



In 2023, BDO Foundation and EWSF, in partnership with the local government unit, celebrated the graduation of 50 residents, who successfully completed nine training sessions on vegetable gardening. The graduation also served as a harvest festival, which gave the farmers an opportunity to market and sell their first full harvest. Prior to their graduation, the beneficiaries learned lessons on how to manage their earnings through a financial literacy training session conducted by BDO employee volunteers.

Christmas Gift-Giving Program

For the fourth consecutive year, BDO Foundation provided food assistance for communities all over the country through its Christmas gift-giving initiative dubbed Handog sa 'Yo ng BDO Foundation. It distributed food packs to help poor families celebrate the season. The Foundation tapped previous partner non-governmental organizations (NGOs) Caritas Philippines and Tanging Yaman Foundation. In 2023, the Foundation engaged two additional NGOs, Ako Ang Saklay and Ako Bakwit, to include more beneficiary communities.

BDO Foundation has previously partnered with Ako ang Saklay for relief operations in areas affected by the Marawi Siege in 2017, earthquakes in various parts of Mindanao in 2019, and Typhoon Karding in 2022. A Catholic organization, Ako ang Saklay cares for the sick and provides aid for differently abled individuals and disaster survivors. It also organizes outreach missions to indigenous peoples.

Ako Bakwit, on the other hand, promotes the rights and welfare of internally displaced persons in the country. During the pandemic, Ako Bakwit helped BDO Foundation distribute food assistance to beneficiary families in Metro Manila and the province of Rizal.



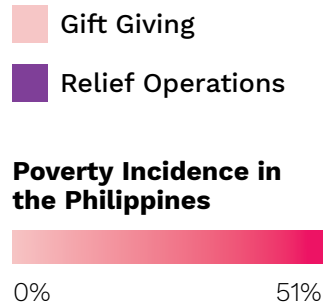
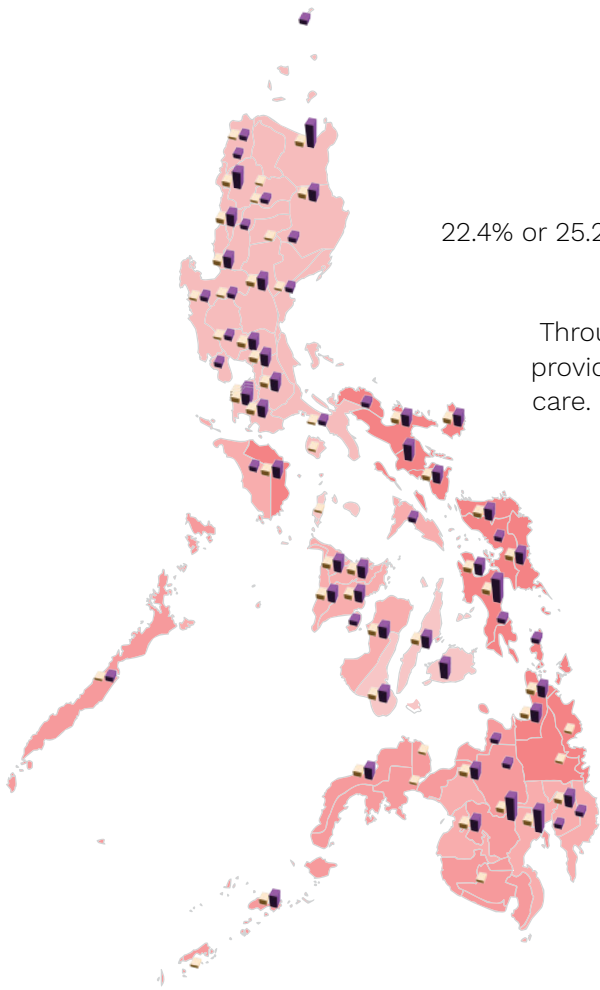
Gift giving and relief operations

16.4% or 4.51 million families experienced poverty.

22.4% or 25.24 million Filipinos' per capita income is not sufficient to meet their basic food and non-food needs.

Through gift giving and relief operations, the Bank helps to provide access to basic services such as food and medical care. By 2023, BDO Foundation has given food packages to 99,900 low-income families during its gift giving and 805,261 families through relief operations.

Reference: 2023 Preliminary Poverty Statistics, Philippine Statistics Authority



Promoting A Sustainability Mindset: BDO Employee Volunteer Program

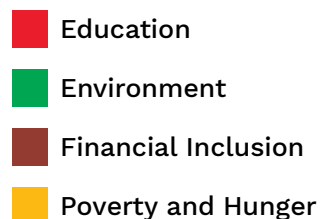
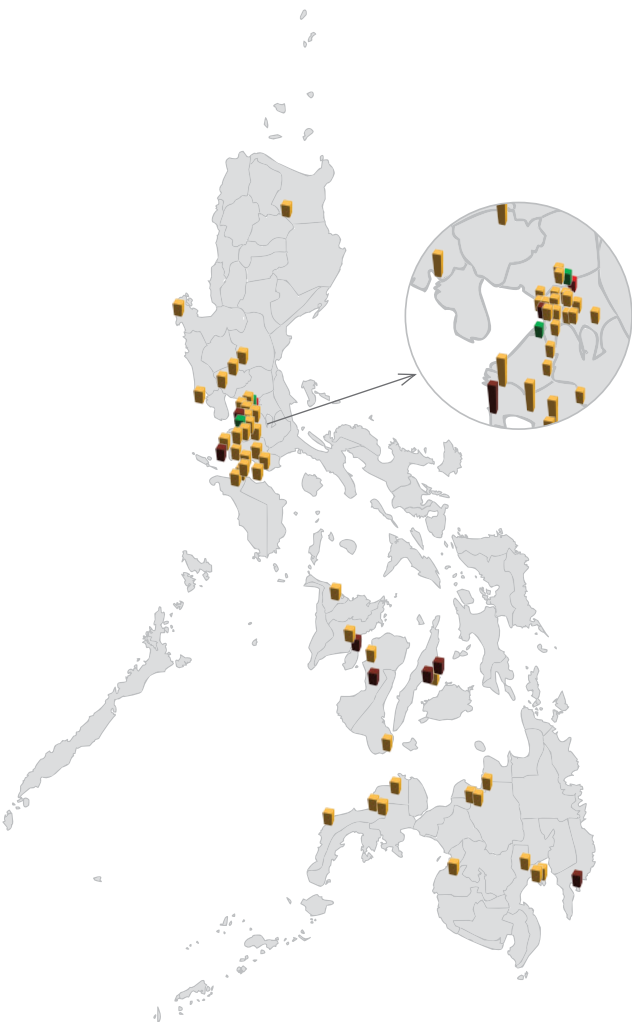
Employee Volunteer Program Map

Milestones in 2023:

86 volunteer activities nationwide

1,263 volunteers nationwide

4,402 total volunteer hours



In 2022, BDO launched its Employee Volunteer Program (EVP) to promote a sustainability mindset and engage employees as sustainability advocates in BDO's sustainability commitments and initiatives. The EVP Core Team is led by the Human Resources (HR), the Sustainability Office (SO), and BDO Foundation, supported by the Marketing Communications Group (MCG), and championed by the Corporate Governance Committee which has oversight on employee engagement in sustainability.

These activities contributed to the achievement of the Sustainable Development Goals (SDGs) and specific targets in the areas of poverty, hunger, the environment, education, and financial inclusion, all underpinned by protection and respect for human rights. The EVP gives all BDO employees nationwide opportunities to champion the SDGs and give back to the community by contributing their time, effort, and skills in the volunteer events of BDO Foundation and external partner organizations, which have existing volunteer activities aligned with the EVP SDG themes.

Poverty and Hunger. BDO Foundation started the Handog sa 'Yo ng BDO Foundation in 2020 as part of efforts to aid economically disadvantaged communities during the Christmas season. In the program's 2023 run, a total of 531 BDO volunteers present in 69 sites nationwide helped in distributing Christmas food packs to 30,000 indigent families, families from indigenous communities, and families of persons with disabilities.

The distribution sites were in Aklan, Batangas, Benguet, Bulacan, Cagayan, Camarines Sur, Cavite, Cebu, Cotabato, Davao del Sur, Eastern Samar, Iloilo, Isabela, La Union, Laguna, Lanao del Sur, Leyte, Maguindanao del Norte, Metro Manila, Misamis Oriental, Negros Occidental, Negros Oriental, Nueva Ecija, Pampanga, Pangasinan, Rizal, Sultan Kudarat, Tarlac, Zambales, and Zamboanga del Norte.

Environment. BDO employee volunteers joined a two-day clean-up of the Las Piñas-Parañaque Critical Habitat and Ecotourism Area (LPPCHEA), a protected area that is home to 41 species of migratory birds and one of the few remaining mangrove forests in Metro Manila.

The employees collected waste along LPPCHEA's southwest portion called Long Island. This activity aimed to raise awareness among BDO employees on proper waste management with the hope of saving and preserving critical areas like LPPCHEA. Based on a 2021 study conducted by Meijer et al¹, the Philippines accounts for 36% of the total plastic dumped into the ocean, making it the largest contributor to plastic pollution in the ocean globally. This activity was an opportunity for BDO volunteers to act firsthand on the issue of plastic pollution.

Volunteers were provided an orientation on the different kinds of waste that could be found along coasts and instructions on the segregation and collection methods. The collective efforts of 300 BDO employees resulted in the collection of more than 2,200 kilograms of waste from the coast, which were then segregated and disposed properly through the local government unit.



¹ Meijer, et al. Science Advances. 30 April 2021. More than 1000 rivers account for 80% of global riverine plastic emissions into the ocean. Available at <<https://www.science.org/doi/10.1126/sciadv.aaz5803>>

In September, 150 BDO employees joined the reforestation of the La Mesa Watershed through seed germination and tree planting activities in partnership with officers of ABS-CBN Foundation Bantay Kalikasan. BDO adopted one hectare of forest, where 50 volunteers planted 400 White Lauan trees. The other volunteers participated in seed germination and planted 500 seedlings of Makaasim tree in preparation for the planting season which will begin in June 2024.

At the same event, BDO employee volunteers participated in an environmental awareness lecture facilitated by officers of ABS-CBN Foundation Bantay Kalikasan. The lecture focused on the importance of the La Mesa Watershed since it supplies water to Metro Manila residents and serves as the “Green Lung of Metro Manila,” absorbing three to five percent of the city’s carbon emissions.

Education. BDO participated in the Department of Education’s (DepEd) Brigada Eskwela 2023, a nationwide school maintenance program, which encourages local governments, communities, businesses, non-governmental organizations, and individuals to help in the public school clean-up before the opening of classes. A total of 163 employee volunteers consisting of BDO employees, senior officers, and one independent Board director volunteered their time and skills at Commonwealth Elementary School. This particular public school is considered as one of the most populous elementary schools in Southeast Asia, with an average enrollment of eight thousand students annually.

Conducted two weeks before the official start of the school year, Brigada Eskwela allowed the volunteers to help parents and teachers of the school’s incoming 900 Grade Two students prepare for the school year. Volunteers painted and cleaned 10 classroom walls, ceilings, tables, and chairs, while others were at the Gulayan sa Paaralan for vegetable gardening of eggplants and chili pepper seedlings. BDO also donated laptops, computer tables, televisions, and projector screens to Commonwealth Elementary School.

Financial inclusion. A total of 125 BDO employee volunteers served as financial literacy trainers for 1,599 participants of 13 financial literacy sessions conducted nationwide throughout the year. Participants were taught the basic concepts of saving, budgeting, and financial planning as well as the benefits of safekeeping their money in a bank account.

Participants of the financial literacy sessions included junior high school students, senior high school students, students currently undergoing their on-the-job training (OJT), students of alternative learning system (ALS), teachers, and non-teaching staff, farmers, and members of marginalized families.

In order to conduct the 86 volunteer activities throughout the year, BDO strategically partnered with key organizations and institutions and identified volunteer opportunities aligned with the EVP themes.

In 2023, BDO partnered with the following organizations and ensured diversity among the beneficiaries of its volunteer activities:

- **ABS-CBN Foundation**, a non-profit organization that aims to improve the lives of disadvantaged Filipino families in the Philippines and globally. It is the public service arm of The Filipino Channel (TFC) and oversees all corporate social responsibility activities of ABS-CBN, one of the country’s biggest media conglomerates



- **Ako Ang Saklay Inc.**, a non-profit organization dedicated to empowering and developing women, youth, and persons with disabilities
- **Ako Bakwit Inc.**, a non-government organization that works towards promoting and protecting the rights and welfare of internally displaced persons
- **Caritas Philippines**, the humanitarian, development, and advocacy arm of the Catholic Church in the Philippines
- **Department of Education**, the national government agency responsible for ensuring access to, promoting equity in, and improving the quality of basic education
- **Don Bosco One TVET**, the technical-vocational center of the Salesian Society of St. John Bosco in the Philippines
- **East-West Seed Foundation Philippines**, the corporate social responsibility arm of East-West Seed Philippines, dedicated to empowering Filipino farmers with good seeds and greater knowledge
- **Tanging Yaman Foundation**, a non-profit organization that links donors with various beneficiaries among the most underprivileged in the Philippines
- **Upskills+ Foundation Inc.**, a non-profit organization working with communities, families, and individuals who are informal settlers experiencing extreme poverty and high unemployment in the Philippines
- **World Wide Fund for Nature – Philippines**, the national organization of the World Wide Fund (WWF) network that focuses on improving the lives of Filipinos by addressing climate change, promoting sustainable livelihood programs, and conserving the country’s marine and land habitats

As proof of strong demand for volunteer opportunities, the Bank currently holds the record of full online registration for multiple events nationwide, merely 20 minutes after its announcement. As the demand for volunteer opportunities for employees continues to grow, the Bank looks forward to expand its advocacy with its current partners and to enlist more organizations to be part of the initiative in the coming years.

Stakeholder Communication Campaign 2-29

BDO implemented a comprehensive communication plan to generate awareness and understanding on how the Bank’s sustainability initiatives help stimulate economic growth, protect the environment, build better communities in the aftermath of disasters, and create positive environmental and social impact in the country.

Key themes for sustainability stories focused on the following:

- Sustainability bond issuances
- Sustainable finance projects
- Corporate social responsibility activities
- Recognitions on sustainability and ESG
- Partnerships to advance sustainability initiatives



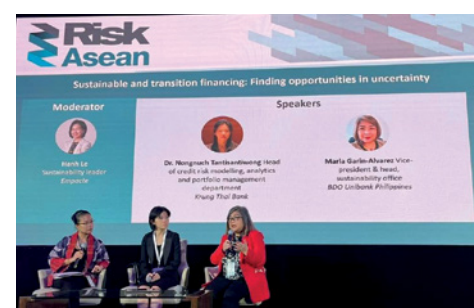
Sustainability stories from BDO, its clients, partners, and stakeholders were shared with traditional media (including national broadsheets, tabloids, and provincial publications), foreign publications, online news sites, and bloggers to reach each channel's respective audiences who are considered the Bank's target market segments. The stories were also widely shared on BDO's own social media accounts on LinkedIn and Facebook.

Through regular updates on the Bank's sustainability initiatives via The Wayfinder, the internal newsletter and call for volunteers via the eNewsgram emailer, employees were encouraged to get more involved in the Bank's sustainability efforts through volunteerism.

BDO seeks to inspire more organizations to adopt sustainability as a way of life. The Bank's executives and representatives from its Sustainability Office participated in various conferences, summits, and roundtable discussions as thought leaders in ESG and sustainability pioneer in the financial industry namely:

- Eco-Business' Unlocking capital for sustainability (UCFS) Philippine forum on "Mobilizing Climate Finance from the 4Ps – Public, Private, and Philanthropic Partnerships"
- UCFS Singapore summit on "Enabling an Equitable Transition"
- Asia Corporate Excellence & Sustainability (ACES) Summit in Kuala Lumpur, Malaysia
- Risk ASEAN forum "Integrating ESG into Business Models" in Bangkok, Thailand
- German-Philippine Chamber of Commerce and Industry's plenary session on "Sustainability Efforts of German and Philippine Companies"
- Risk ASEAN forum "Finding opportunities in uncertainty" in Bangkok, Thailand
- Asian Forum on Entrepreneurship for Society (AFES) "Moving to a Greener, Resilient Fintech"
- 2nd World Clean Energy Philippines Conference Expo 2023 "Facilitating a Just Energy Transition"
- Philippines Renewable Energy Summit "Financing Renewable Energy Projects in the Philippines"
- BusinessWorld's Economic Forum "The Digital Future: Accelerating Business and Sustainability"
- CNN PH's Women's Summit "Role of Gender Equality towards Economic Development"
- Brand Finance ASEAN webinar "BDO's Approach to Sustainability"

Through these engagements, BDO was able to further advocate its Energy Transition Finance Statement and its sustainability plans, initiatives, and desired impact as reflected in its Sustainability Report.



Sustainability Engagements and Partnerships

Eco-Business Unlocking Capital for Sustainability (Singapore)

Transition Finance

At the Unlocking Capital for Sustainability (UCFS) 2023 Forum held in Singapore, Atty. Federico Tancongco, Senior Vice President and Chief Compliance Officer of BDO Unibank said that BDO will support its customers' transition to reduced carbon emissions by providing access to capital so they may invest in innovative technologies or adapt their business to renewable energy alternatives. BDO will also provide access to capital to communities negatively affected by the transition to low carbon.

“We are not talking about a future with climate crisis. We are in a climate crisis.”

Federico P. Tancongco
Senior Vice President and
Chief Compliance Officer



Eco-Business Unlocking Capital for Sustainability (Philippines)

Climate Finance

BDO was part of the plenary, Mobilising climate finance for the Philippines – the role of the 4Ps. The panel discussed how we can create capital while addressing underlying impediments to decarbonising the Philippine economy and the reforms to be implemented in capital markets to ensure that long-term socioeconomic and ecological progress is fully reflected in pricing.

The panel convened decision-makers to discuss the ways that equity and justice can be embedded into the country's transition to a greener and more resilient economy through public, private, and philanthropic partnerships.

Asia Transition Finance Study Group

Transition Finance

BDO is a member of The Asian Transition Finance (ATF) Study Group, a private-led initiative whose core participants are banks with operations in Asia. The ATF Study Group was set up in recognition of the important role that transition finance (TF) will play in helping Asian economies address challenges as they move toward net-zero emissions. Its goal is to create practical recommendations to supplement existing frameworks, including global standards and taxonomies, when financial institutions (FIs) consider and assess TF cases, as well as to understand challenges and explore potential enablers to transition finance.

In 2023, the ATF published its Annual Report 2023 which describes certain advancements in the seven support measures. The Study Group mentions more granular enablers are needed to accelerate transition finance and that making progress in these would merit a coherent collaboration among all stakeholders, especially public authorities, TF receivers, and FIs.

The Study Group will continue with more focus on collaboration with public authorities and TF receivers to deliver FI's views on enablers that supported by experiences as TF practitioners, as well as on peer learnings to bring deeper understanding and practical knowledge about various transition finance guidelines, countries' policies including national taxonomies, and the development of TFFs by FIs.

The Asia Transition Finance Annual Report 2023 is available here: https://www.bdo.com.ph/sites/default/files/Final_ATFSG_Annual_Report_2023.pdf

Brand Finance

Sustainability Brand Value

BDO Unibank has been recognized as the 27th most valuable ASEAN brand and the 9th most valuable brand within the region's banking sector. Closer to home, the Bank ranked second overall among the top 10 Strongest and top 10 Most Valuable brands in the country. BDO ranked as the Most Valuable Brand in the Philippine banking sector, with a 49% increase in brand value at US\$2.2 billion from 2022 figures. BDO's Sustainability brand value ranked third in the country and was valued at US\$175 million. This represents 8% of the Bank's overall brand value, as an indicator of consumer preference for brands most committed to sustainability.

In Brand Finance's first-ever ASEAN Webinar held in October 2023, Marla Garin-Alvarez shared BDO's pursuit of finding the right solutions for its customers by actively catering and anticipating their unique needs and living up to the Bank's We Find Ways philosophy.

International Finance Corporation Pilot Testing for the Alliance for Green Commercial Banks

Transition Finance, Green Finance for M/SMEs

The Alliance for Green Commercial Banks is led by the International Finance Corporation (IFC) as its Secretariat, with the Hong Kong Monetary Institute Authority (HKMA) Alliance Asia Chapter, and currently supported by five cornerstone member banks (Citi, Credit Agricole, Bank of China, and Standard Chartered Bank). BDO Unibank partnered with the IFC for a pilot test of the Alliance's membership framework, which aims to "support commercial banks become green finance leaders and accelerate the green transformation of the banking and finance industry."

In 2023, BDO and IFC successfully completed three workshops for 285 senior- and mid-level management on the topics of Green Finance for M/SMEs, and Transition Finance. With the IFC providing its top experts on the topics, the capacity-building activities provide valuable insights on how the Bank can evolve its sustainable finance offerings. It also supports BDO's 3Es Approach to capacity-building to Educate, Equip, and Embed sustainability principles in everything that the Bank does.



CNN Philippines

Women Empowerment

The Philippines has made progress in promoting gender equality and women's economic empowerment, but more work is needed in opportunities and support for women. While more women are able to pay for major purchases and women-owned micro, small, and medium enterprises (MSMEs) are on the rise, they continue to face significant challenges in accessing financing, technologies, and markets that will allow them to invest in and venture into entrepreneurship.

At the CNN Philippines' #EmbraceEquity Women's Summit, BDO Vice President and Head of Sustainability Office Marla Garin-Alvarez shared insights on how women consumers and entrepreneurs drive the growth of MSMEs in the Philippines.

While women are represented in the workforce and leadership in most industries and companies, there is still a gap in terms of wealth accumulation from the work they do. Women need both financial services and non-financial services such as financial literacy in banking, investments, inheritance, and property ownership to help them build wealth.

BDO recognizes that greater collaboration between the government, financial institutions, and the private sector should be established to create a more enabling environment for women consumers and entrepreneurs. This includes providing access to finance, mentoring, training, and networking opportunities that will help women consumers be more financially independent and women entrepreneurs to start or to scale their businesses. This supports BDO's financial inclusion goals, specific to empowering women as consumers and entrepreneurs.

“We need to ensure that women are able to explore opportunities for them to contribute to the economy. We are proud that we support women as consumers and as entrepreneurs through products and services offered by BDO.”

Marla Garin-Alvarez

Vice President and Head, Sustainability Office

A.S.P.N. Ano Sa Palagay N'yo?

Climate and Sustainability

In partnership with the Net 25 Network's Ano Sa Palagay N'yo? (What do you think?) talk show, BDO co-designed a series of episodes that talk about Climate Change and Sustainability in layman's terms on television. The episodes included discussions with various expert guests on the impact of climate change in the Philippines, the initiatives of the private sector, the efforts of the government, and the role of finance in addressing issues.



HARIBON Foundation

Green Finance

BDO and the HARIBON Foundation for the Conservation of Natural Resources Inc. formed a partnership to reforest protected areas and empower grassroots communities in 2023. Apart from enjoying more affordable loan rates, clients who avail of BDO's special financing program for Electric Vehicles and Hybrid Electric Vehicles, and even regular vehicles will also get to promote a greener environment through BDO's Adopt-A-Tree Program. With the Adopt-A-Tree program, BDO donated one native tree seedling to the HARIBON Foundation's Forests for Life movement for every successful reserved BDO car loan application until August 31, 2023. Each seedling donated to the Forest for Life movement also provides training and additional income to HARIBON partner farmers and rural communities who contribute to maintaining reforestation areas. Applications were submitted at BDO branches or online via the BDO website. Adopt-A-Tree customers have the option to participate in tree planting activities at tree planting sites. HARIBON monitors the sites to ensure the survival of the trees planted.

“Given the increasing environmental challenges that the world is currently facing, it’s a crucial time to take action and get more involved in conservation and sustainability efforts no matter how small or big it is.”

Bremel Peter R. Guiao

First Vice President

Consumer Banking Group Auto Loan Head



Smart Recycle

Responsible Waste Management

BDO recognizes the importance of working with its supply chain in its environmental and social programs. Prior to the launch of the second phase of the Waste Busterrr program, the Bank extended its capability-building to its contracted service providers that deploy housekeeping personnel in BDO facilities nationwide.

In partnership with Smart Recycle, the Bank's vendor recycling partner, BDO completed two trainings for 12 vendors. The training was conducted both in person and online for vendors in other parts of the country, to enable the Bank's housekeeping partners to adopt waste recycling in their operations.



GRI Content Index



CONTENT INDEX
ESSENTIALS SERVICE

2024

BDO Unibank, Inc. has reported in accordance with the GRI Standards for the period January 1 to December 31, 2023.

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

GRI Standard	Disclosure	Page Number(s), Direct Answer, URLs, or Reason for omission
GRI 1: Foundation 2021		
General Disclosures		
GRI 2: General Disclosures 2021	The organization and its reporting practices	
2-1	Organizational details	2, 4-5
2-2	Entities included in the organization's sustainability reporting	2
2-3	Reporting period, frequency and contact point	2, 130
2-4	Restatements of information	No restatements of information for the reporting period
2-5	External assurance	No external assurance
Activities and workers		
2-6	Activities, value chain and other business relationships	4-5, 8-9, 18-62, 64-103, 105-121
2-7	Employees	8-9, 82-88, 122-127
2-8	Workers who are not employees	80
Governance		
2-9	Governance structure and composition	65-74
2-10	Nomination and selection of the highest governance body	67, 82
2-11	Chair of the highest governance body	70
2-12	Role of the highest governance body in overseeing the management of impacts	71-74
2-13	Delegation of responsibility for managing impacts	12-13, 68-69, 71-72
2-14	Role of the highest governance body in sustainability reporting	12-13, 68-69, 71
2-15	Conflicts of interest	72
2-16	Communication of critical concerns	68
2-17	Collective knowledge of the highest governance body	70
2-18	Evaluation of the performance of the highest governance body	69
2-19	Remuneration policies	See 2023 BDO Annual Report, page 29
2-20	Process to determine remuneration	72
2-21	Annual total compensation ratio	We do not disclose this matter due to confidentiality constraints which only allows for disclosure of consolidated compensation of the top five Officers with the highest compensation.
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	6-7
2-23	Policy commitments	8-11, 18-26
2-24	Embedding policy commitments	12-16, 122-127
2-25	Processes to remediate negative impacts	99-102
2-26	Mechanisms for seeking advice and raising concerns	101
2-27	Compliance with laws and regulations	We do not disclose this matter due to confidentiality constraints.
2-28	Membership associations	128
Stakeholder engagement		
2-29	Approach to stakeholder engagement	16, 116-121
2-30	Collective bargaining agreements	80

Material Topics

GRI Standard	Disclosure	Page Number(s), Direct Answer and/or URLs
GRI 3: Material Topics 2021	Disclosures on material topics	
	3-1 Process to determine material topics	13-15
	3-2 List of material topics	14-15
Data Security and Customer Privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	99-103
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	101
Employee Health & Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	82-88
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	83-84
	403-2 Hazard identification, risk assessment, and incident investigation	83-84
	403-3 Occupational health services	83-84
	403-4 Worker participation, consultation, and communication on occupational health and safety	83-84
	403-5 Worker training on occupational health and safety	83-84, 80
	403-6 Promotion of worker health	83-84, 80
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	83-84
	403-8 Workers covered by an occupational health and safety management system	83-84
	403-9 Work-related injuries	90
	403-10 Work-related ill health	90
Customer Welfare		
GRI 3: Material Topics 2021	3-3 Management of material topics	78-79, 100-102
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	78-79, 100-102
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents of non-compliance concerning the health and safety impacts of products and services reported.
Systemic Risk Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	18-26, 65, 73-79
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	64
	201-2 Financial implications and other risks and opportunities due to climate change	18-26
	201-3 Defined benefit plan obligations and other retirement plans	We do not disclose this matter due to confidentiality constraints and competitive information issues related to talent acquisition.
	201-4 Financial assistance received from government	No financial assistance received from the government
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	75-76
	205-2 Communication and training about anti-corruption policies and procedures	74-77
	205-3 Confirmed incidents of corruption and actions taken	75
GRI 207: Tax 2019	207-1 Approach to tax	77-78
	207-2 Tax governance, control, and risk management	77-78
	207-3 Stakeholder engagement and management of concerns related to tax	77-78
	207-4 Country-by-country reporting	78
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Information Unavailable. Information on suppliers at significant risk for incidents of child labor was not provided to the Bank during the reporting period. The Bank will engage closely with suppliers for this information in 2024.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Information Unavailable. Information on suppliers at significant risk on forced and compulsory labor was not provided to the Bank during the reporting period. The Bank will engage closely with suppliers for this information in 2024.

GRI Standard	Disclosure	Page Number(s), Direct Answer and/or URLs
Business Ethics		
GRI 3: Material Topics 2021	3-3 Management of material topics	12-16, 18-26, 74-77, 99-102
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	6-7
	2-23 Policy commitments	8-11, 18-26
	2-24 Embedding policy commitments	12-16, 122-127
	2-25 Processes to remediate negative impacts	99-102
	2-26 Mechanisms for seeking advice and raising concerns	101
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	75
Labor Practice		
GRI 3: Material Topics 2021	3-3 Management of material topics	82-88
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	80
	202-2 Proportion of senior management hired from the local community	80
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	80-81
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	We do not disclose this matter due to confidentiality constraints and competitive information issues related to talent acquisition.
	401-3 Parental leave	80
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	The Bank follows the minimum notice period of one (1) month for operational changes legally mandated by the Department of Labor and Employment.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	80-81
	404-2 Programs for upgrading employee skills and transition assistance programs	80, 85-86
	404-3 Percentage of employees receiving regular performance and career development reviews	81
Diversity & Inclusion		
GRI 3: Material Topics 2021	3-3 Management of material topics	66-68, 82
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	66-68, 80-81
	405-2 Ratio of basic salary and remuneration of women to men	80
Access & Affordability		
GRI 3: Material Topics 2021	3-3 Management of material topics	17-62, 63-103, 104-121
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	48-62
Physical Impact of Climate Change		
GRI 3: Material Topics 2021	3-3 Management of material topics	18-26
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	18-26
Financing Sustainable Development		
GRI 3: Material Topics 2021	3-3 Management of material topics	26-34, 110-111
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	8-9, 122-127
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	8-9, 30-34, 106, 110-111
Selling Practices and Product Labeling, Product Design and Lifecycle Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	91-92, 99-102
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	91-92, 102
	417-2 Incidents of non-compliance concerning product and service information and labeling	No incidents of non-compliance during the reporting period covered
	417-3 Incidents of non-compliance concerning marketing communications	No incidents of non-compliance during the reporting period covered
Management of Legal and Regulatory Environment		
GRI 3: Material Topics 2021	3-3 Management of material topics	73-79, 99-102

GRI Standard	Disclosure	Page Number(s), Direct Answer and/or URLs	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	75-76
	205-2	Communication and training about anti-corruption policies and procedures	74-77
	205-3	Confirmed incidents of corruption and actions taken	75
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	75
GRI 207: Tax 2019	207-1	Approach to tax	77-78
	207-2	Tax governance, control, and risk management	77-78
	207-3	Stakeholder engagement and management of concerns related to tax	77-78
	207-4	Country-by-country reporting	78
GRI 415: Public Policy 2016	415-1	Political contributions	75
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	101
Direct Economic Value Generated			
GRI 3: Material Topics 2021	3-3	Management of material topics	18-26, 65, 73-79
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	64
	201-2	Financial implications and other risks and opportunities due to climate change	18-26
	201-3	Defined benefit plan obligations and other retirement plans	We do not disclose this matter due to confidentiality constraints and competitive information issues related to talent acquisition.
	201-4	Financial assistance received from government	No financial assistance received from the government
Executive Responsibility in ESG			
GRI 3: Material Topics 2021	3-3	Management of material topics	12-13, 71-72
GRI 2: General Disclosures 2021	2-13	Delegation of responsibility for managing impacts	12-13, 71-72
	2-14	Role of the highest governance body in sustainability reporting	12-13, 71-72
Human Rights			
GRI 3: Material Topics 2021	3-3	Management of material topics	26-34, 105-121
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	8-9, 30-34, 106, 110-111
	203-2	Significant indirect economic impacts	8-9, 48, 53, 57-58, 62
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Information Unavailable. Information on security personnel trained in human rights policies or procedures were not provided to the Bank during the reporting period. The Bank will engage closely with Security Personnel providers for this information in 2024.
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	No incidents of violations involving rights of indigenous peoples' rights during the reporting period.
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	105-116
	413-2	Operations with significant actual and potential negative impacts on local communities	No significant actual and potential negative impacts during the reporting period covered
Supply Chain Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	103
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	103
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	103
	308-2	Negative environmental impacts in the supply chain and actions taken	Information Unavailable. BDO did not have sufficient data collection systems in place to collect the relevant data during the reporting period.

GRI Standard	Disclosure	Page Number(s), Direct Answer and/or URLs
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Zero incidents of discrimination and corrective actions taken during the reporting period.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Information Unavailable. BDO did not have sufficient data collection systems in place to collect the relevant data during the reporting period.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	103
	414-2 Negative social impacts in the supply chain and actions taken	103
Waste Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	91-97
GRI 301: Materials 2016	301-1 Materials used by weight or volume	91-92
	301-2 Recycled input materials used	93-95
	301-3 Reclaimed products and their packaging materials	91-96
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	91-96
	306-2 Management of significant waste-related impacts	91-96
	306-3 Waste generated	97
	306-4 Waste diverted from disposal	97
	306-5 Waste directed to disposal	97
Water and Wastewater		
GRI 3: Material Topics 2021	3-3 Management of material topics	91
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	91
	303-2 Management of water discharge-related impacts	91
	303-3 Water withdrawal	97
	303-4 Water discharge	97
	303-5 Water consumption	97
Energy Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	88-91
GRI 302: Energy 2016	302-1 Energy consumption within the organization	97
	302-2 Energy consumption outside of the organization	97
	302-3 Energy intensity	97
	302-4 Reduction of energy consumption	89-91
	302-5 Reductions in energy requirements of products and services	89-91
GHG Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	88-98
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	97-98
	305-2 Energy indirect (Scope 2) GHG emissions	97-98
	305-3 Other indirect (Scope 3) GHG emissions	97-98
	305-4 GHG emissions intensity	97-98
	305-5 Reduction of GHG emissions	88-98
	305-6 Emissions of ozone-depleting substances (ODS)	98
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	98

Supporting the UN Sustainable Development Goals

Product Sustainability Strategy

Mainstreaming Sustainable Banking	
Target	Section, page
1.3	Implement social protection systems
1.4	Equal rights to ownership, basic services, technology and economic resources
4.6	Universal literacy and numeracy
5.7	Equal rights to economic resources, property ownership and financial services
8.2	Diversify, innovate and upgrade for economic productivity
8.3	Promote policies to support job creation and growing enterprises
8.10	Universal access to banking, insurance and financial services
9.3	Increase the access of small-scale industrial and other enterprises to financial services and markets
9.b	Support domestic technology development and industrial diversification
10.2	Promote universal social, economic and political inclusion
10.c	Reduce transaction costs for migrant remittances
11.1	Safe and affordable housing
11.2	Affordable and sustainable transport systems
12.5	Substantially reduce waste generation
12.8	Promote universal understanding of sustainable lifestyles
17.3	Mobilize additional financial resources for developing countries from multiple sources (remittances)

<ul style="list-style-type: none"> ● Sustainable Finance <ul style="list-style-type: none"> ○ Supporting Evolving Consumer Preferences: Consumer Banking <ul style="list-style-type: none"> - Auto Loan, Home Loan, SME Loan, Personal Loan, Cards Issuing, <i>page 35-37</i> ○ Investments <ul style="list-style-type: none"> - Financial wellness by turning savers to investors: BDO Trust and investments, <i>page 38</i> ○ Insurance <ul style="list-style-type: none"> - Leaving a lasting legacy for future generations: BDO Life, <i>page 44</i> - De-risking business and individual activities: BDO Insure, <i>page 47</i> ● Financial Services Reach and Value <ul style="list-style-type: none"> ○ Establishing frontline client relationships: BDO Branch Banking, <i>page 48</i> ○ Ensuring availability of cash: BDO Cash Services, <i>page 50</i> <ul style="list-style-type: none"> - BDO and the Cash Service Alliance, <i>page 51</i> ○ Facilitating transactions through digital banking: BDO Digital, <i>page 51</i> <ul style="list-style-type: none"> - Facilitating access and inclusion: BDO Digital (BDO Online, BDO Pay, BDO Pay Account, BDO Checkout), <i>page 48-52</i> - Cash Agad Agency Banking, <i>page 53</i> - Cash Management, <i>page 54</i> - Leasing for increased resilience: BDO Finance, <i>page 56</i> ● Building relationships with Overseas Filipinos and families <ul style="list-style-type: none"> ○ Widening customer reach, <i>page 60</i> ○ Increasing access to financial services through partnerships, <i>page 60</i> ○ Moving past challenges in a changing market, <i>page 61</i>

Pursuing Partnerships for Impact		
15.A	Increase financial resources to conserve and sustainably use ecosystem and biodiversity	<ul style="list-style-type: none"> ● Sustainability Engagements and Partnerships <ul style="list-style-type: none"> ○ HARIBON Foundation, Green Finance, <i>page 121</i>

Sustainability Contribution Strategy

Mainstreaming Sustainable Banking		
Target		Section, page
1.a	Mobilize resources to implement policies to end poverty	<ul style="list-style-type: none"> ● Managing Climate Change and Other Environmental and Social Risks and Opportunities, <i>page 18</i> <ul style="list-style-type: none"> ○ Identifying climate-related Risks, <i>page 18</i> ○ Key Focus Areas, <i>page 20</i>
1.4	Equal rights to ownership, basic services, technology and economic resources	
1.5, 11.5, 13.1	Build resilience to environmental, economic and social disasters	<ul style="list-style-type: none"> ● E&S Risk Assessment, <i>page 24</i> ● Sustainable Finance <ul style="list-style-type: none"> ○ Financial Instruments for Sustainability <ul style="list-style-type: none"> - Blue Bond Impact Report, <i>page 27</i> - ASEAN Sustainability Bond Impact Report, <i>page 27</i> ○ Lending <ul style="list-style-type: none"> - Pioneering sustainable energy financing: BDO Institutional Banking, <i>page 28</i> - Economic, Environment, and Social Impact, <i>page 30</i> <ul style="list-style-type: none"> ■ Green Finance, <i>page 31</i> ■ Social Finance, <i>page 31</i> ■ Coal Exposure, <i>page 31</i> - BDO Sustainable Energy Finance Projects, <i>page 32</i> ○ Investments <ul style="list-style-type: none"> - Managing Wealth for Future Generations: BDO Private Bank, <i>page 40</i> - Investing in ESG: BDO Treasury, <i>page 41</i> ○ Underwriting <ul style="list-style-type: none"> - Financing Sustainability through the Capital Markets: BDO Capital, <i>page 42</i> ○ Financial Services Reach and Value <ul style="list-style-type: none"> - Serving the Unbanked: BDO Network Bank, <i>page 57</i> - Building relationships with Overseas Filipinos and families, <i>page 59</i> ● Empowering Women as Consumers and Entrepreneurs <ul style="list-style-type: none"> ○ Individual loans availed by women, <i>page 62</i> ○ Individual insurance availed by women, <i>page 62</i>
2.1	Universal access to safe and nutritious food	
2.2	Double the agricultural productivity and incomes of small-scale food producers	
4.4	Increase the number of youth and adults with relevant skills for employment, decent jobs and entrepreneurship	
4.6	Ensure universal literacy and numeracy	
4.7	Ensure education for sustainable development and global citizenship	
5.7	Equal rights to economic resources, property ownership and financial services	
6.1	Achieve universal and equitable access to safe and affordable drinking water for all	
6.3	Improve water quality, wastewater treatment and safe reuse	
6.4	Increase water-use efficiency and ensure freshwater supplies	
6.7	Expand water and sanitation support to developing countries	
7.1	Ensure universal access to affordable, reliable and modern energy services	
7.2	Increase global percentage of renewable energy	
7.3	Double the improvement in energy efficiency	
7.4	Expand infrastructure and upgrade technology for supplying modern and sustainable energy services	
8.2	Diversify, innovate and upgrade for economic productivity	

8.3	Promote policies that support decent job creation, entrepreneurship, creativity and innovation, and formalization and growth of MSMEs, including through access to financial services
8.10	Universal access to banking, insurance and financial services
9.1	Develop sustainable, resilient and inclusive infrastructure
9.3	Increase access to financial services and markets
9.8	Universal access to information and communications technology
10.2	Promote universal social, economic and political inclusion
11.1	Safe and affordable housing
11.2	Affordable and sustainable transport systems
12.5	Substantially reduce waste generation
13.3	Build knowledge and capacity to meet climate change
14.1	Reduce marine pollution
14.4	Sustainable fishing
14.9	Support small scale fishers
17.1	Strengthen domestic resource mobilization to improve domestic capacity for tax and other revenue collection

Strengthening Business Resilience	
4.6	Universal literacy and numeracy
4.a	Build and upgrade inclusive and safe schools
6.3	Improve water quality, wastewater treatment and safe reuse
6.4	Increase water-use efficiency and ensure freshwater supplies
7.2	Increase global percentage of renewable energy
7.3	Double the improvement in energy efficiency
8.2	Diversify, innovate and upgrade for economic productivity
9.1	Develop sustainable, resilient and inclusive infrastructure
12.5	Substantially reduce waste generation

- Environmental Impact
 - Energy and Emissions, *page 88*
 - Water Consumption, Discharge, and Effluents, *page 90*
 - Materials and Waste
 - Managing internal consumption, *page 92*
 - Circularity in operations, *page 93*
 - Partnership with BDO Foundation, *page 94*
 - Case Study: Waste Busterrr: Reduce, Reuse, Recycle, *page 94*
 - Case Story: X-Trash Challenge, *page 96*
 - BDO Resource Consumption, *page 97*
 - Breakdown of BDO Emissions for Scope 1, 2, 3, *page 98*

Pursuing Partnerships for Impact		
5.7	Equal rights to economic resources, property ownership and financial services	<ul style="list-style-type: none"> ● Stakeholder Communication Campaign, <i>page 116</i> ● Sustainability Engagements and Partnerships <ul style="list-style-type: none"> ○ Brand Finance: Sustainability Brand Value, <i>page 117</i> ○ CNN Philippines: Women Empowerment, <i>page 119</i> ○ A.S.P.N. Ano Sa Palagay N'yo?: Climate and Sustainability, <i>page 119</i> ○ Smart Recycle: Responsible Waste Management, <i>page 120</i>
7.2	Increase global percentage of renewable energy	
7.3	Double the improvement in energy efficiency	
8.2	Diversify, innovate and upgrade for economic productivity	
13.3	Build knowledge and capacity to meet climate change	

Human Capital Sustainability Strategy

Strengthening Business Resilience		
Target		Section, page
1.3	Implement social protection systems	<ul style="list-style-type: none"> ● Employee Profile <ul style="list-style-type: none"> ○ Employee Count, New Hires, Leave Availments, Training and Development, Skills Upgrade, Employee Functions, Gender Diversity by location, level, age group, Occupational Health and Safety, <i>page 80-81</i> ● Human Capital Development <ul style="list-style-type: none"> ○ A human-centered culture and organization: BDO Human Resources, <i>page 82</i> ○ Driving Equal Opportunity Employment <ul style="list-style-type: none"> - Labor Relations, <i>page 83</i> - Promoting Employee Health and Well-being, <i>page 83</i> - Sustaining a Safe Work Environment, <i>page 84</i> ○ Nurturing Learning and Development, <ul style="list-style-type: none"> - Sustainability Capacity-building, <i>page 84</i> ○ Capability-Building in Environmental, Social, and Governance (ESG) and Sustainability <ul style="list-style-type: none"> - Business Upskilling, <i>page 85</i> - Driving Talent Development, <i>page 86</i> ○ Improving the Employee Experience through Digital Transformation, <i>page 86</i> ○ Performing to Sustainability Commitments, <i>page 87</i> ○ Employee Volunteer Program, <i>page 87</i>
1.4	Equal rights to ownership, basic services, technology and economic resources	
3.4	Reduce mortality from non-communicable diseases and promote mental health	
3.8	Achieve universal health coverage	
4.4	Increase the number of youth and adults with relevant skills for financial success	
4.6	Universal literacy and numeracy	
4.7	Ensure education for sustainable development and global citizenship	
8.3	Promote policies to support job creation and growing enterprises	
8.5	Achieve full and productive employment and decent work for all	
8.8	Protect labor rights and promote safe working environments	
10.2	Promote universal social, economic and political inclusion	
10.4	Adopt fiscal and social policies that promote equality	
14.1	Reduce marine pollution	
15.2	Restore degraded forests and substantially increase afforestation and reforestation	
Pursuing Partnerships for Impact		
4.7	Ensure education for sustainable development and global citizenship	<ul style="list-style-type: none"> ○ Promoting Sustainability Mindset Through Employee Volunteerism, <i>page 113</i>
17.16	Enhance the global partnership for sustainable development	

Disaster Response Strategy

Strengthening Business Resilience		
Target		Section, page
1.5, 11.5, 13.1	Build resilience to environmental, economic and social disasters	<ul style="list-style-type: none"> ● Sustaining a Safe Work Environment, <i>page 83</i>
Pursuing Partnerships for Impact		
1.4	Equal rights to ownership, basic services, technology and economic resources	<ul style="list-style-type: none"> ● Scaling and Mainstreaming Financial Inclusion: BDO Foundation, <i>page 83</i> ○ Partnerships with Government Agencies <ul style="list-style-type: none"> - Online Financial Education Course, <i>page 105</i> - Recognitions for Fisherfolk Program, <i>page 107</i> ○ Private Sector and LGU Partnerships, <i>page 108</i> <ul style="list-style-type: none"> - Training Program for MSMEs and Persons with Disabilities, <i>page 109</i> ○ Disaster Response ○ Increasing adaptation of communities: Rehabilitating RHUs and building classrooms map, <i>page 109</i> ○ Rehabilitation of Rural Health Units, <i>page 110</i> ○ Construction of a Blood Center, <i>page 110</i> ○ Construction of School Buildings, <i>page 110</i> ○ Relief Operations, <i>page 111</i> ○ A Vegetable Garden for Food Security, <i>page 111</i> ○ Christmas Gift-Giving Program, <i>page 112</i> <ul style="list-style-type: none"> - Gift giving and relief operations map, <i>page 113</i> - Employee Volunteer Program Map, <i>page 113</i>
1.5, 11.5, 13.1	Build resilience to environmental, economic and social disasters	
2.3	Double the productivity and incomes of small-scale food producers	
3.1	Reduce maternal mortality	
3.2	End preventable deaths under 5 years of age	
3.3	Fight communicable diseases	
3.4	Reduce mortality from non-communicable diseases and promote mental health	
4.3	Equal access to affordable technical, vocational and higher education	
4.4	Increase the number of people with relevant skills for financial success	
4.6	Universal literacy and numeracy	
4.a	Build and upgrade inclusive and safe schools	
9.3	Increase access to financial services and markets	
10.2	Promote universal social, economic and political inclusion	
14.1	Reduce marine pollution	
15.2	Restore degraded forests and substantially increase afforestation and reforestation	
16.6	Develop effective, accountable and transparent institutions	
17.16	Enhance the global partnership for sustainable development	

Governance-based Sustainability Strategy

Strengthening Business Resilience	
Target	Section, page
5.5	Ensure full participation in leadership and decision-making
16.2	Protect children from abuse, exploitation, trafficking and violence
16.3	Promote the rule of law and ensure equal access to justice
16.4	Combat organized crime and illicit financial and arms flows
16.5	Substantially reduce corruption and bribery
16.6	Develop effective, accountable and transparent institutions
16.7	Ensure responsive, inclusive and representative decision-making
17.1	Mobilize resources to improve domestic revenue collection
17.16	Enhance the global partnership for sustainable development

- Economic Impact, *page 64*
- Good Governance to Create a Sustainable Future, *page 65*
- Our Board of Directors and Governance Structure
 - Board Composition, Screening of Directors, Board Diversity, Selection and Appointment of Senior Executive Management, Review of Bank's Mission, Vision, and Strategic Plans, Sustainability Initiatives, *page 66-68*
- Improving Board Effectiveness
 - Board Performance, Continuing Education for Directors, Chairperson of the Board, Independent and Non-Executive Directors' Meeting, Board Committees, The Board of Directors, *page 69-73*
- Independent Control Functions
 - Compliance, *page 73*
 - Internal Audit, *page 74*
 - Compliance with the SEC Code of Corporate Governance, *page 74*
- Corporate Policies and Practices
 - BDO Code of Conduct and Business Ethics, *page 74*
 - Internal Fraud, Breach of the Code, or other Unethical/Illegal Activities, *page 75*
 - Acceptance/Solicitation of Gifts, Bribery, Corruption, and Anti-Competitive Behavior, *page 75*
 - Anti-Money Laundering, Counter-Terrorist Financing, and Proliferation Financing (AML Risk Assessment, AML Training, Anti-Online Sexual Abuse and Exploitation of Children, *page 76-77*
 - Tax Governance (including Country-by-country reporting), *page 77*
 - Building Trust on Technology (Data Privacy and Protection, Cybersecurity), *page 78-79*
- Consumer Protection Practices
 - Board and Management Oversight on Customer Concerns, Enforcement and Monitoring of the Customer Assistance Management System (CAMS), Customer Experience Philosophy, Process for Handling of Customer Concerns, Training for Customer Assistance, Listening to Customers Needs, Customer Contact Center, *page 99-102*
- Supply Chain and Approach to Procurement, *page 102*
 - Vendor Engagement, *page 103*

Memberships in Associations

ACI Philippines the Financial Markets Association Inc.

Association of Bank Compliance Officers, Inc.

Association of Bank Remittance Officers, Inc.

Association of Credit Executives in the Tourism Industry Inc.

Association of Philippine Correspondent Bank Officers, Inc.

Australian - New Zealand Chamber of Commerce Phils., Inc.

Bank Marketing Association of the Phils.

Bank Security Management Association of the Philippines Incorporated

Bankers Association of the Philippines

Bankers Institute of the Philippines, Inc.

British Chamber of Commerce of the Philippines, Inc.

Clearing Officers Club, Inc.

Credit Card Association of the Philippines, Inc.

Dutch Chamber of Commerce in the Philippines, Inc.

Employers Confederation of the Phils.

Financial Executives Institute of the Philippines

French Chamber of Commerce in the Philippines - Le Club Inc.

Fund Managers Association of the Phils., Inc. (FMAP)

German-Philippine Chamber of Commerce & Industry Inc.

Information Systems Audit and Control Association, Inc. (ISACA)

Institute of Internal Auditors Philippines, Inc.

International Monetary Conference

IT & Business Process Association of the Philippines, Inc.

Italian Chamber of Commerce in the Philippines, Inc.

Japanese Chamber of Commerce and Industry of Cebu, Inc.

Korean Chamber of Commerce Philippines (KCCP) Inc.

Makati Business Club, Inc.

Malaysia Chamber of Commerce and Industries Philippines, Inc.

Management Association of the Philippines

Money Market Association of the Philippines, Inc. (MART)

National Association of Securities Broker Salesmen, Inc.

Nordic Chamber of Commerce of the Philippines, Inc.

People Management Association of the Philippines, Inc.

Philippine Association of National Advertisers, Inc.

Philippine Association of Stock Transfer and Registry Agencies, Inc.

Philippine Chamber of Commerce & Industry, Inc.

Philippine Payments Management, Inc.

Singapore Philippines Association Inc.

Spanish Chamber of Commerce in the Philippines

The American Chamber of Commerce of the Philippines, Inc. (AMCHAM Philippines)

The Canadian Chamber of Commerce of the Philippines, Inc.

The Japanese Association Manila Inc.

The Japanese Chamber of Commerce and Industry of the Philippines, Inc.

The Philippines-Japan Society, Inc.

Trust Officers Association of the Philippines, Inc.

Sustainability and ESG Awards and Recognition

Platinum Award

(2010–2023)
The Asset ESG Corporate Awards 2022

Top Sustainability Advocates in Asia

(2021–2023)
Asia Corporate Excellence & Sustainability Awards (ACES) 2023

ESG Category – Bronze Award

Qorus Reinvention Awards APAC 2023

Financial Inclusion Initiative of the Year – Philippines

Asian Banking & Finance Retail Banking Awards 2023

Philippines Domestic Health & Wellness Bank of the Year

Philippines Domestic Sustainable Finance Initiative of the Year

Asian Banking & Wholesale Banking Awards 2023

Social Empowerment Category – BDO Foundation

(Financial Education Program for Fisherfolk in the Philippines) 13th Asia Responsible Enterprise Awards (AREA)

BDO Unibank, Asian Excellence awardee

(2011–2023)
Corporate Governance Asia 13th Asian Excellence Award 2023

Best Investor Relations Company (Philippines) awardee

(2011–2023)
Corporate Governance Asia 13th Asian Excellence Award 2023

Best Corporate Communications awardee

(2014–2015, 2017–2023)
Corporate Governance Asia 13th Asian Excellence Award 2023

Asia's Best CSR awardee

(2020–2023)
Corporate Governance Asia 13th Asian Excellence Award 2023

3G Best Corporate Governance Framework Award, BDO Unibank

3G Social Empowerment Award, BDO Foundation
Global Good Governance Awards 2023

Four Golden Arrows

ASEAN Corporate Governance Scorecard (ACGS) 2023 Golden Arrow Awards

Best Advance in Sustainability Practices

Retail Banker International Asia Trailblazer Awards 2023

Telecom Acquisition Deal of the Year

(Frontier Towers Associates Philippines PHP50 billion Debt Facilities; Sole lender: BDO Unibank)
The Asset Triple A Sustainable Infrastructure Awards 2023

Asset Management Company of the Year, Philippines (BDO Trust)

(2018–2023)
The Asset Triple A Sustainable Investing Awards for Institutional Investor, ETF and Asset Servicing Providers 2023

BDO Capital & Investment Corporation

Project Finance House of the Year

(2015, 2017–2021, 2023)
The Asset Triple A Sustainable Infrastructure Awards 2023

Green Project of the Year

(Sole issue manager for Arthaland Corporation's PHP3 billion Green Bond)
The Asset Triple A Sustainable Infrastructure Awards 2023

Telecom Acquisition Deal of the Year

(Mandated lead arranger for Frontier Towers Associates Philippines' PHP50 billion Debt Facilities)
The Asset Triple A Sustainable Infrastructure Awards 2023

Best Corporate and Institutional Adviser – Domestic

(2006–2023)
The Asset Triple A Sustainable Finance Awards 2024

Best Loan Adviser – Domestic

(2015–2023)
The Asset Triple A Sustainable Finance Awards 2024

Best Equity Deal

(Joint issue manager, joint lead underwriter, and bookrunner for ACEN Corporation's PHP25 billion Preferred Shares)

The Asset Triple A Sustainable Finance Awards 2024

Best Corporate Bond

(Joint issue manager, joint lead underwriter, and joint bookrunner for SM Prime Holdings, Inc.'s PHP33 billion Bonds)

The Asset Triple A Sustainable Finance Awards 2024

Best Acquisition Financing

(Joint issue manager, joint lead underwriter, and joint bookrunner for Aboitiz Equity Ventures Inc.'s PHP17.45 billion Bonds)

The Asset Triple A Sustainable Finance Awards 2024

Best Gender Equality Bond

(Joint mandated lead arranger and bookrunner for ASA Philippines Foundation, Inc.'s PHP5 billion Corporate Notes)

The Asset Triple A Sustainable Finance Awards 2024

Best Sustainability-Linked Loan – Storage and Packaging

(Mandated lead arranger and bookrunner for Goodpack's USD790 million Sustainability Linked Loan)

The Asset Triple A Sustainable Finance Awards 2024

Contact Information ²⁻³

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INVESTOR AND SUSTAINABILITY INQUIRIES

BDO Unibank, Inc. welcomes inquiries from analysts, investors, and the financial community.

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The 2023 Sustainability Report can be viewed and downloaded online at www.bdo.com.ph/sustainability-report.

The 2023 Annual Report and the Financial Supplements can be viewed and downloaded online at www.bdo.com.ph/annual-report.

BDO Unibank is regulated by the Bangko Sentral ng Pilipinas. <https://www.bsp.gov.ph>

For concerns, please visit any BDO branch nearest you, or contact us through our 24x7 hotline +63 (2) 8631-8000 or email us via callcenter@bdo.com.ph.

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