



**2024
SUSTAINABILITY
REPORT**



THE WAY FORWARD

About the Report

This report is BDO Unibank's seventh Sustainability Report outlining the Bank's economic, environmental, social, and governance performance from January to December 2024. 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 – Essential 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. The report was also prepared in reference to the International Financial Reporting Standards (IFRS) 1 and 2, the Task Force for Climate-related Financial Disclosures (TCFD) recommendations, and the Sustainability Accounting Standards Board (SASB) standards.

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 2024 BDO Annual Report and expanded disclosures on the BDO website at www.bdo.com.ph.

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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 5,800 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, 2024, 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 ²⁻¹

To be the preferred bank in every market we serve.

Corporate Vision ²⁻¹

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 ²⁻¹

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.



₱263.8 billion

(US\$4.6 billion)

Direct Economic Value Generated

₱3.2 trillion

(US\$55.8 billion)

Gross Customer Loans

₱3.8 trillion

(US\$65.6 billion)

Total Deposits

₱577.4 billion

(US\$10 billion)

Capital

₱4.9 trillion

(US\$84.3 billion)

Total Resources

₱82 billion

(US\$1.4 billion)

Net Income

₱759.2 billion

(US\$13.1 billion)

Market Capitalization

₱1.04 trillion

(US\$17.9 billion)

Total Sustainable Finance Funded
to date

1,793 ²⁻¹

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

5,815 ²⁻¹

Teller Machines Nationwide
(ATMs, Cash Accept Machines,
Universal Teller Machines)

US\$1=₱57.85



Message from the Chairperson



“We remain steadfast in our mission to support industries and communities that drive national development, economic growth, and resilience.”

Dear Clients and Shareholders,

We recognize that building a more resilient and prosperous future for our country is challenging, but it is within reach when we unite and commit to a shared vision.

Since 2010, BDO has championed sustainable finance to create more opportunities, generate livelihood, and foster a climate-resilient economy in the Philippines. As a pioneer in this space, we have continued to finance large-scale projects for key industries critical to economic development, boosting local economies while contributing to reducing the country’s carbon footprint.

In 2024, we successfully issued our second and third ASEAN Sustainability Bonds under the BDO Sustainable Finance Framework to finance green and social projects, ranging from renewable energy to clean transport and sustainable agriculture and fisheries. The overwhelming support from retail and institutional investors for these financial instruments, issued at record highs of ₱63.3 billion and ₱55.7 billion, respectively, reaffirms confidence in BDO’s leadership and credibility in sustainable finance.

We have supported key environmental and social projects that are intended to help national development:

Empower entrepreneurs through microfinance Through BDO Network Bank, we provide microfinance and salary loan services tailored to small businesses and government employees in urban and rural areas, most of them women-owned and women-led enterprises, enabling women to become financially independent and valued economic contributors.

Offer financial inclusion for all By continuously expanding our physical and digital presence, we have bridged financial gaps for underserved and unbanked communities. Coupled with our financial literacy programs, we equip individuals in various sectors and Micro, Small, and Medium Enterprises (MSMEs) with the knowledge and skills to manage their finances effectively and for the long term.

Expand enhanced community well-being Our investments in essential services and infrastructure have improved quality of life, empowering communities to thrive sustainably. To date, BDO Foundation has rehabilitated 192 rural health units nationwide, improving access to essential healthcare, especially in underserved rural areas, demonstrating our dedication to uplifting health standards across the Philippines. Our large number of BDO employees, through the Employee Volunteer Program, have actively contributed to disaster recovery efforts, alongside supporting poverty alleviation and hunger relief, promoting environmental conservation, advancing education, and financial literacy.

We remain committed in our mission to support industries and communities that drive national development, economic growth, and resilience.

On behalf of BDO, I extend my gratitude to our employees, clients, investors, shareholders, regulators, partners, and other stakeholders for their invaluable contributions to our efforts and shared success. Thank you for your trust and support as we move toward a better, more sustainable future.

Yours truly,

Teresita T. Sy
Chairperson

Message from the President and CEO

Dear Stakeholders,

Our commitment to sustainability is rooted in good, practical and sustainable policies. These principles guide us in integrating sustainability into our business operations and decision-making processes, ensuring that we remain focused on creating shared value for all our stakeholders as part of our day-to-day activities. In BDO, sustainability is not just a concept — it is a way of doing business. We view it as a healthier, more thoughtful approach to achieving long-term growth while contributing positively to society and the environment.

In 2024, we are proud to highlight several initiatives where these principles have been put into action. From financing water infrastructure projects to supporting renewable energy and battery technologies, these investments demonstrate our dedication to supporting industries that drive environmental stewardship and promote resilience. As the leading bank in the country, we strive to lead by example, encouraging other financial institutions and our clients to follow, and take meaningful steps toward sustainability. Last November 15, 2024, we marked a significant milestone with the time capsule-laying ceremony for the new BDO Corporate Center in Makati. Designed with sustainability in mind, the state-of-the-art building is anticipated to be rated Platinum under the Green Mark green building certification scheme created for tropical countries and aligned with the UN Sustainable Development Goals.

The Bank also set benchmarks in sustainability and governance, earning accolades from global organizations. BDO Unibank Inc. (BDO) was named Best Bank in the Philippines and the Best Bank for ESG (Environmental, Social, and Governance) by London-based publication Euromoney for its significant contributions to sustainable finance. For the 15th straight year, BDO received the Platinum Award for Excellence in Environmental, Social, and Governance (ESG) at The Asset ESG Corporate Awards 2024. Notably, BDO became the first Filipino bank to win the Best Sustainability Team award since the category's inception in 2022.

BDO's strong governance practices were further underscored with the prestigious Five Golden Arrow recognition, the highest distinction for corporate governance at the ASEAN Corporate Governance Scorecard (ACGS) Awards for the top publicly listed Philippine companies. In addition, BDO won the Global Good Governance Award for 3G Green Innovation and Solution category for Green Bond Framework, reaffirming the Bank's leadership in sustainability and responsible financing.

Through our efforts, we aim to inspire confidence that sustainability is not only achievable but also integral to our collective success. By continuously applying these principles, we hope to make a meaningful difference today, while laying the groundwork for a greener tomorrow.


We thank our employees, clients, investors, shareholders, regulators, partners, and other stakeholders for being a part of this journey. Together, we can shape a sustainable future.

Sincerely,



Nestor V. Tan

President and CEO



“As the leading bank in the country, we strive to lead by example, encouraging others and our clients to follow, and take meaningful steps toward sustainability.”

BDO's Path to Creating Shared Value

Creates jobs

44,044

Employees

75%

Employees are women

59%

Women in senior management (Assistant Vice President and up)

39%

Women in top management (Senior Vice President and up)

Champions financial inclusion

29

Financial education videos developed since 2018

13,223,698

Total beneficiaries reached through financial education programs since 2018

6,233,782

Total beneficiaries reached through financial education programs in 2024

13

Partner government agencies

3

Financial education games developed

Promotes community development

191

Rural Health Units (RHUs) rehabilitated to date

1,204,668

Total beneficiaries of RHUs rehabilitated in 2024

31

Rural Health Units (RHUs) rehabilitated in 2024

9,036,041

Total beneficiaries of RHUs rehabilitated to date

Volunteers for the community

80

Volunteer activities

2,004

Employee volunteers

8,550

Volunteer hours

Accelerates economic growth

₱36.1 billion

Taxes paid in 2024

Helps businesses grow

₱54.5 billion

Bank-wide outstanding SME Loans





Finances environment-friendly solutions

₱1.04
trillion

Total Sustainable
Finance projects
funded to date

4,767,745

Tonnes of carbon
dioxide avoided
per year

2,679 MW

Total installed
renewable energy
capacity in
megawatts

63

Renewable Energy
Projects funded
to date

Supports customer expenditure

0.7%

5-year CAGR* in
Auto Financing

7%

5-year CAGR* in
Home Financing

9%

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

Fosters banking habits

20.4
million

Customers

1,793

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

5,815

Teller Machines
Nationwide
(ATMs, Cash Accept
Machines, Universal
Teller Machines)

1,039,534

Lives insured

2,087,228

Total new checking
and savings
accounts

Facilitates infrastructure development

₱114.06
billion

Loans disbursed to
national projects

₱46.87
billion

Loans disbursed in
the past 5 years for
airports

₱31.2
billion

Loans disbursed in the
past 5 years for road
networks

* Compounded Annual Growth Rate



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.

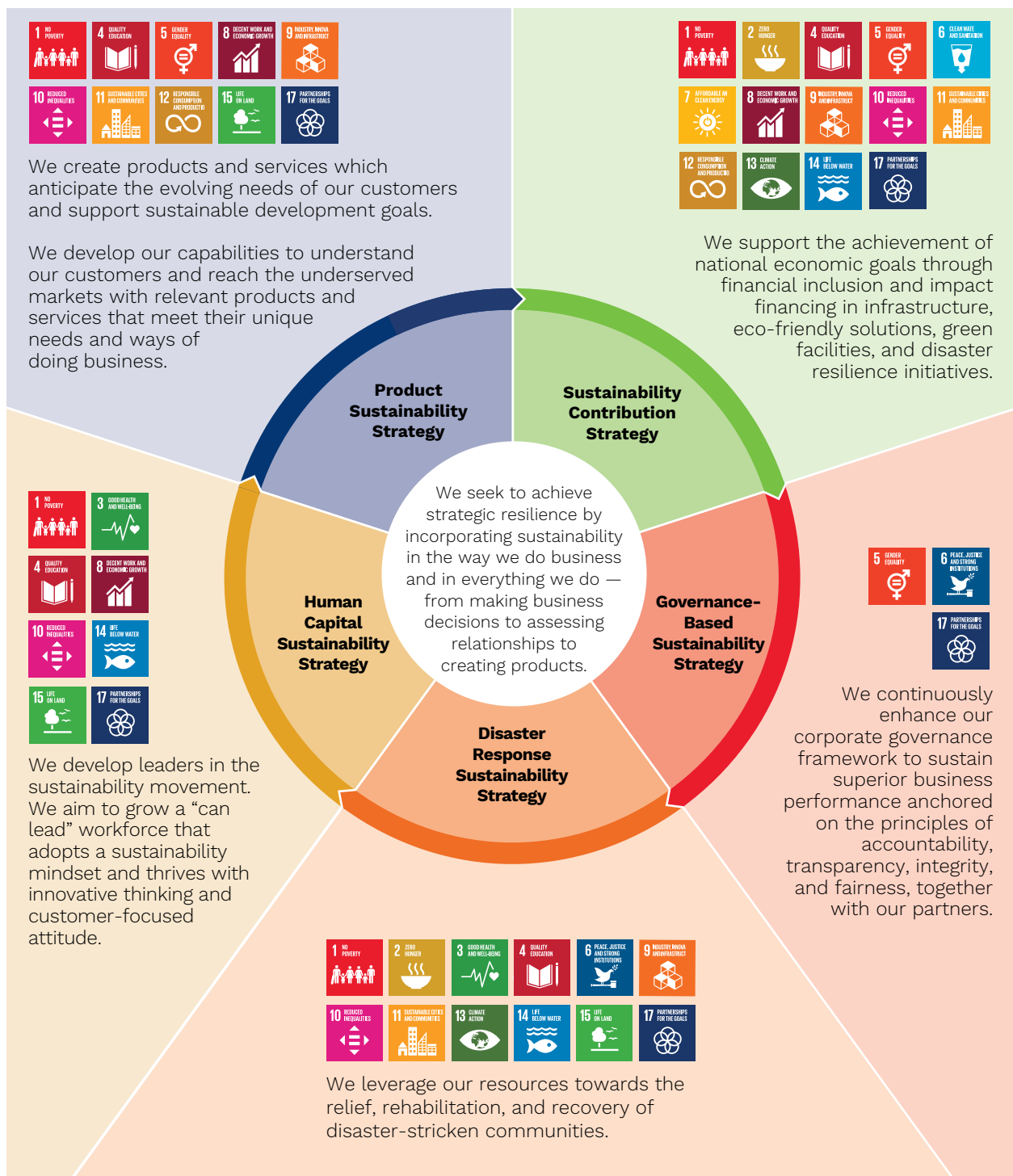
Alignment with the United Nations Global Compact Principles

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

“At BDO, sustainability is not just a concept — it is a way of doing business. We view it as a healthier, more thoughtful approach to achieving long-term growth, while contributing positively to society and the environment.”

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 business units and subsidiaries, and brought to life by employees. In 2024, BDO revised its Sustainability Governance Structure to streamline membership and decision-making and better reflect the Bank’s evolving sustainability initiatives, with key focus on its environmental and social impact and governance (ESG), risks, and opportunities.

Roles and Responsibilities ^{2-12, 2-14}

Oversight for sustainability initiatives reside in four BDO Board Committees, aligned to their key responsibilities. The Executive Committee (ExCom) approves all sustainability programs across the BDO Group and their corresponding budgets for implementation. The ExCom also reviews all new and refinanced client accounts for environmental and social (E&S) risks overlaid on credit risks and decides on approval. 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 enterprise environmental, social, and governance (ESG) 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 2023, the Board Committees’ Terms of Reference were updated to reflect their oversight on sustainability matters and their oversight of activities are disclosed in detail in this report.

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 Steering Committee (SteerCo) — and directly represented by the Chief of Staff in the SteerCo — which oversees the Bank’s policy formulations, programs review, and recommendations from the Sustainability Technical Working Groups, as the Bank continues its transition to a sustainable finance framework. The Steering Committee is composed of heads of business groups and

support groups whose work cover corporate governance, risk management, business strategy, lending, operations, and compliance. In 2024, the SteerCo updated its composition to streamline its membership and decision-making process, with the agreement that heads of business units, support groups, and subsidiaries will be invited to join its meetings based on agenda items that relate and impact them. The Steering Committee meets on a quarterly basis, and as needed. In 2024, the SteerCo met for four (4) times, with a separate special meeting for a review of the Bank’s financed emissions in its operations and lending and investments portfolio.



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 and the various business units, support groups, and subsidiaries of the BDO Group. The Sustainability Office also presents Sustainability updates in every meeting of the Corporate Governance Committee, oversees ESG Governance, 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.

The Business Units, Support Groups, and Subsidiaries have identified sustainability champions who lead the application and implementation of sustainability initiatives in their products, E&S risk assessments, opportunities mapping, and marketing communications to clients.

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

Data Security

How BDO safeguards the privacy and security of financial data against emerging cybersecurity threats and technologies

Topic Boundary

Within BDO and with regulators and customers

Employee Health & Safety

How BDO creates and maintains a safe and healthy workplace environment free of injuries, fatalities, and illness

Topic Boundary

Within BDO and with employees

Customer Privacy

How BDO manages risks related to the use of personally identifiable information and other customer or user data

Topic Boundary

Within BDO and with regulators and customers

Customer Welfare

How BDO manages customer relations to cover customer satisfaction, customer experience, and welfare protection

Topic Boundary

Within BDO and with customers

Systemic Risk Management

How well BDO is positioned to absorb shocks arising from financial and economic stress and meet stricter regulatory requirements

Topic Boundary

Within BDO and with regulators

Business Ethics

How BDO operates on principles of accountability, transparency, integrity, and fairness

Topic Boundary

Within BDO

Labor Practice

How BDO upholds commonly accepted labor standards in the workplace, in compliance with labor laws and internationally accepted norms and standards

Topic Boundary

Within BDO and with key government agencies and employees

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

Topic Boundary

Within BDO and with employees

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

Topic Boundary

Within BDO and with regulators and customers

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

Topic Boundary

Within BDO and with regulators

Financing Sustainable Development

How BDO supports sustainable financing, including financing renewable energy and green facilities, and/or sustainable development for positive social impact

Topic Boundary

Within BDO and with partners and customers

Selling Practices and Product Labeling

How BDO manages its practices in consumer finance selling, mortgage finance lending, and insurance products sales and marketing

Topic Boundary

Within BDO and with customers

Management of Legal and Regulatory Environment

How BDO engages with regulators and complies with legal requirements

Topic Boundary

Within BDO and with regulators

Direct Economic Value Generated

How BDO delivers on sustainable returns to its shareholders, and attains consistent market growth, in support of national economic development

Topic Boundary

Within BDO and with key stakeholders

Executive Responsibility in ESG

How BDO's sustainability governance structure oversees and manages ESG material topics at the Board and senior executive levels

Topic Boundary

Within BDO and with key stakeholders

Human Rights and Community Relations

How BDO manages its direct and indirect impact on human rights in its operations, including its socioeconomic community impact and engagement

Topic Boundary

Within BDO and with community partners and beneficiaries

Product Design and Lifecycle Management

How BDO incorporates environmental, social, and governance factors into the lending process

Topic Boundary

Within BDO and with regulators and customers

Supply Chain Management

How BDO manages environmental, social, and governance risks within its supply chain

Topic Boundary

Within BDO and with suppliers

Waste Management

How BDO manages the hazardous and non-hazardous waste generated by its operations

Topic Boundary

Within BDO and with key government agencies

Water and Wastewater

How BDO manages the impact of its operations on water resources

Topic Boundary

Within BDO and with key government agencies

Energy Management

How BDO manages its environmental impact associated with energy consumption

Topic Boundary

Within BDO

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)

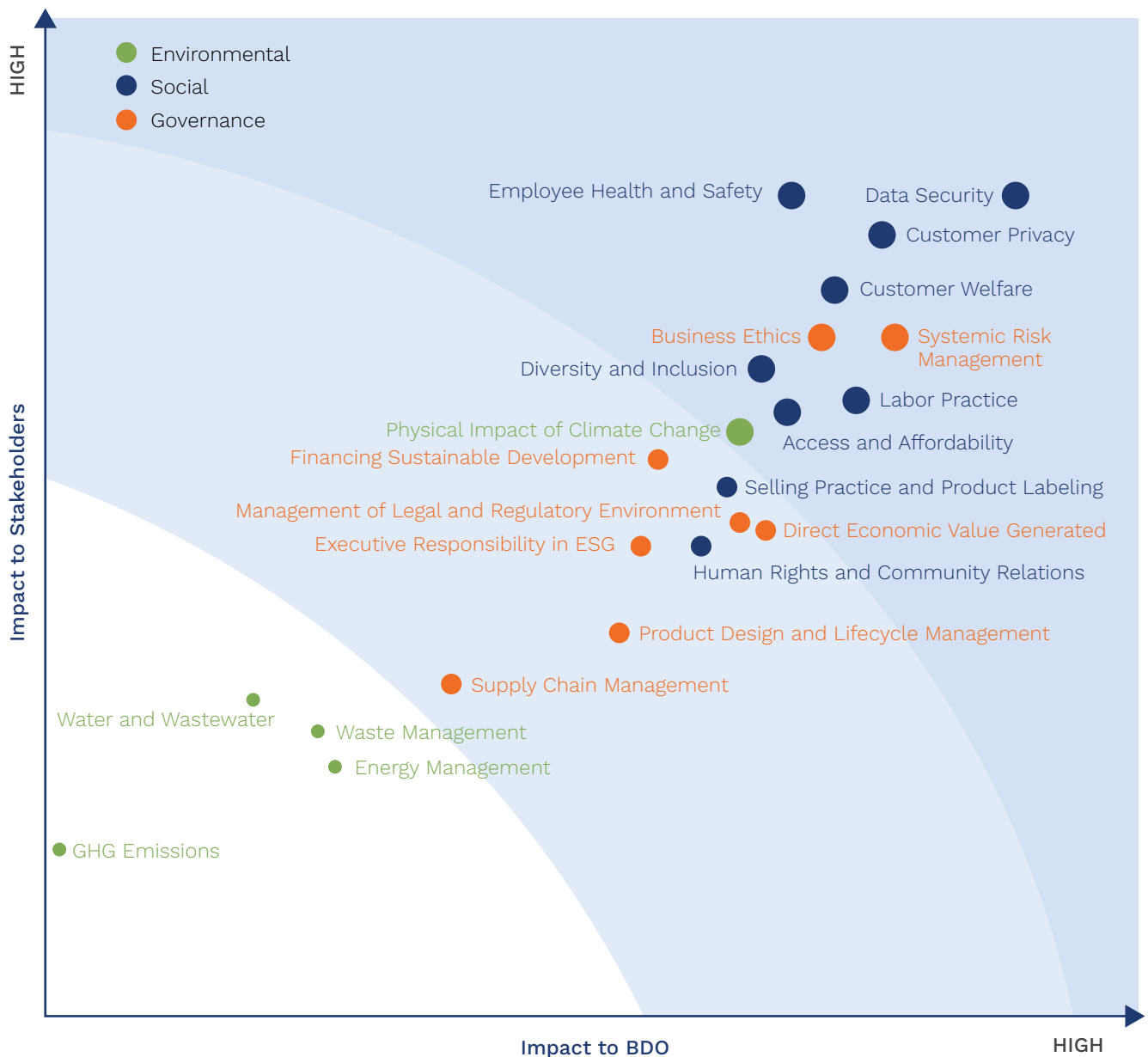
Topic Boundary

Within BDO and with key stakeholders

Note: Total of 22 Materiality Topics for BDO

ESG Materiality Matrix ^{3-1, 3-2}

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.



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 has worked to transition into sustainable banking, embedding Environmental, Social, and Governance (ESG) risk and opportunity considerations 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 ESG in the way that it conducts business as an organization and as a bank committed to sustainability. In 2010, the Bank adopted its Social and Environmental Management System (SEMS) Policy that was co-developed with the International Finance Corporation (IFC) and based on IFC's ESG standards since 2010. The SEMS Policy was designed to control and address social and environmental risks in the Bank's lending operations by categorizing E&S risks for sustainable finance projects.

BDO has since evolved the 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 and opportunities 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.

Implementing the ESRMS involves BDO integrating a 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 by the Sustainability Office, the Environment and Social Tool 4 Risk (EAST4R) for scoring E&S risks, assigns weights to E&S issues 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. (For a more detailed discussion on the ESRMS, see the 2023 BDO Sustainability Report available at www.bdo.com.ph.)

ENVIRONMENTAL AND SOCIAL ISSUES

Environmental



Climate change
(physical risk, transition risks)



Energy use and conservation



Water management



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

In 2024, BDO continued its capability-building on the ESRMS to cover key employees across the whole country, prioritizing 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.



On Enterprise Risk Management

The Risk Management Structure

Risk management at BDO begins at the highest level of the organization.

At the helm of the risk management infrastructure is the Board of Directors, which is responsible for establishing and maintaining a sound risk management system. The Board assumes oversight over the entire risk management process and has the ultimate responsibility for all risks taken. It regularly reviews and approves the institution's tolerance for risks, as well as its business strategy and risk philosophy.

The Board has constituted the Risk Management Committee (RMC) as the Board-level committee responsible for the oversight of the enterprise risk management program. Considering the importance of appropriately addressing credit risk, the Board has also constituted the Executive Committee, responsible for approving credit-specific transactions, while the RMC is responsible for approving risk appetite levels, policies, and risk tolerance limits related to credit portfolio risk, liquidity risk, market risk, interest rate risk, operational risk (including business continuity risk, IT risk, information security and cybersecurity risks, data privacy risk, and social media risk), consumer protection risk, and environmental and social risks, to ensure that current and emerging risk exposures are consistent with the Bank's strategic direction and overall risk appetite.

As part of the enterprise-wide risk management framework, the Risk Management Group, which reports to the RMC, is mandated to adequately and consistently evaluate, manage, control, and monitor the overall risk profile of the Bank's activities across the different risk areas (i.e., credit risk, liquidity risk, market risk, interest rate risk in the banking book, operational risk including business continuity risk, IT risk, information security risk, and data privacy risk, as well as environmental and social risks) to optimize the risk-reward balance and maximize return on capital, in line with the Bank's risk management mission. The Risk Management Group also has the responsibility of recommending, to the appropriate body, risk policies across the full range of risks to which the Bank is exposed.

Applying the Risk Management Process

The evaluation, analysis, and control performed by the Risk Function, in conjunction with the Risk Takers, constitute the risk management process. The risk management process is applied at three levels: the transaction level, the business unit level, and the portfolio level. This framework ensures that risks are properly identified, quantified, and analyzed in the light of their potential effect on the Bank's business. The goal of the risk management process is to ensure rigorous adherence to the Bank's standards for precision in risk measurement and reporting and to make possible an in-depth analysis of the deployment of capital and the returns that are delivered to the shareholders.



The Bank ensures appropriate and effective risk governance consistent with the “three lines of defense” approach in the Corporate Governance Principles for Banks released by the Basel Committee on Banking Supervision. The first line of defense are the business units, which are responsible for identifying and managing the risks inherent in the products, activities, processes and systems for which they are accountable. The second line of defense, which is independent of the first line, comprises the risk management and compliance functions, and support functions including back-office, which measure, monitor and assess the first line's risk control activities. The third line of defense is the internal audit function, which represents the next level of control as it provides independent assurance to Senior Management and the Board of Directors. The three lines of defense are designed to allow clear identification of roles and responsibilities, cultivate functional independence and control, strengthen communication and dialogue, and sustain ongoing risk management activities. This framework allows the Bank to proactively manage risk while remaining focused on achieving its business goals and objectives.

THE THREE LINES OF DEFENSE

Front-Line Operations

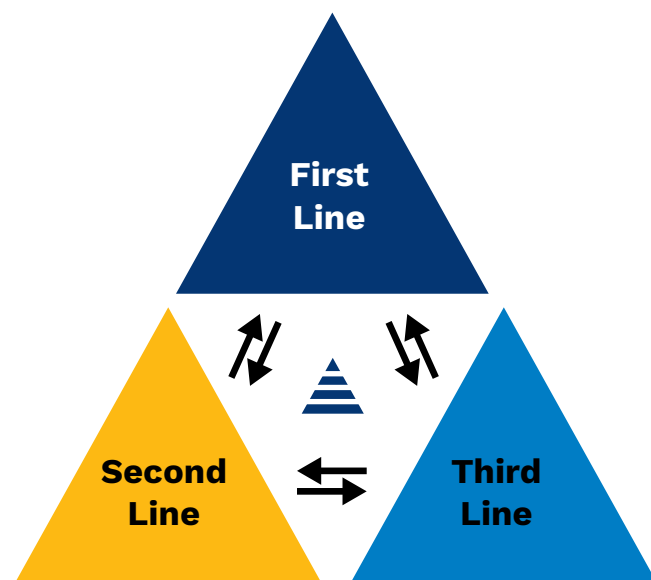
Directly deals with risks in daily activities, identifying, assessing, and mitigating risks in their areas.

Risk Management & Compliance

Establishes policies, monitor risks, and ensures adherence to regulations and internal controls.

Internal Audit

Provides assurance and evaluates effectiveness of risk management and control processes.



On Sustainability and Business Strategy

Approach to Climate Change

BDO incorporates sustainability principles in business strategy to mobilize capital towards the achievement of the UN 17 Sustainable Development Goals and a transition to a low carbon economy, in support of the Paris Agreement of 2015 and the Philippines' Nationally Determined Contribution (NDC) to the agreement.

BDO recognizes that the banking industry plays a critical role in the Philippines' committed transition to a low-carbon economy, and that the transition will require providing access to affordable, reliable, sustainable and clean energy. BDO believes that this transition is a journey that requires adopting a balanced approach: acknowledging 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.

The Bank is investing in the low-carbon transition by providing clients with the products they need to drive change within their businesses or personally. Simultaneously, BDO is committed to managing risks related to climate, natural capital and biodiversity to safeguard its clients' assets and the Bank from the effects of climate change. On the flipside of risk, BDO is also capitalizing on the opportunities presented by the low carbon transition.

BDO'S CLIMATE CHANGE APPROACH



Mitigating Climate-Related Financial Risks

- Deploying innovative investment and financing solutions
- Protecting the assets of our clients and business
 - Reducing exposure to carbon-related assets and assessing vulnerability to climate risks
 - Supporting transition to green business



Advancing a Sustainable Future

- Reducing BDO's carbon footprint
 - Sourcing of electricity from renewable energy sources
 - Managing energy and water consumption to optimize resources
 - Managing materials waste from operations
 - Managing the supply chain to reduce carbon emissions and mitigate climate change impacts

The Bank has a **low risk appetite for activities that are not contributing to the transition to a low carbon economy**, and transition activities 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.

KEY FOCUS AREAS AND RISK APPETITE

COMMITMENT	Climate Change	Environment	Human Rights	Disaster Risk Management & Response
	<p>Manage the risks associated with climate change (physical, transition risk) today and in future scenarios.</p> <p>Manage risk associated with supporting the country's transition to a low carbon economy.</p>	<p>Recognizes that environmental degradation will exacerbate destruction and loss of life.</p> <p>Manage and reduce the Bank's environmental impact.</p>	<p>Recognizes and upholds its role to respect human rights among its stakeholders.</p>	<p>Recognizes its critical role in economic development and social inclusion.</p> <p>Focuses resources to mitigate and adapt to the E&S impact of disasters brought about by climate change and human activities.</p>
RISK APPETITE	Low risk appetite	Low risk appetite	No risk appetite	High risk appetite
	<p>Activities that do not support the transition to a low carbon economy, and in line with the BDO Energy Transition Finance statement.</p> <p>High risk appetite Clean and renewable energy activities.</p>	<p>Client activities that have significant adverse environmental impact.</p> <p>No risk appetite Any non-compliance with environmental laws and regulations it is being monitored.</p>	<p>Activities that violate human rights in the Bank's workforce, clients, investees, and supply chain.</p>	<p>Activities that create opportunities, drive socio-economic development, and responds to needs of marginalized sectors of society.</p> <p>No risk appetite Activities that significantly disrupt bank operations.</p>

Approach to Nature

BDO manages risks and opportunities related to natural capital and biodiversity across the Bank's activities. BDO recognizes the challenges of transitioning towards a society that can meet both human needs, while living within the constraints of natural resources, with the objective of also generating positive outcomes for our natural environment.

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.

Partnerships

BDO partners with stakeholders, including key industry participants and global thought leaders to unite around common goals that can drive climate change action at the national and global scale. In 2024, BDO participated in multi-stakeholder workshop consultations led by the Department of Finance to help craft the Philippines' Climate Finance Strategy. The Bank has also had a three-year partnership with independent media Eco-Business for its annual Unlocking capital for sustainability forums in the Philippines and Singapore that bring financial institutions, regulators, and family offices together to ideate emerging ways of financing mitigation and adaptation projects for climate change. Since 2021, BDO has also been a member of the Asia Transition Finance Study Group (ATF SG) composed of the largest banks in Asia and multilateral financial institutions. The ATF SG has looked at ways to implement transition finance within the Asian context and has issued an annual report on its discussions and recommendations each year.

Climate-related Risks and Opportunities

In 2024, BDO conducted climate scenario analysis to support the Bank's approach to climate stress testing and to assess the impacts of climate change. Physical risks resulting from climate change can be acute, resulting in events such as floods or storms, or chronic, for longer term shifts in climate patterns. Both types may have financial implications for BDO such as damage to assets, interruption of operations, and disruption to the supply chain.

To better understand these risks, a third-party consultant conducted a physical risk assessment on BDO as a corporate entity, as well as the Bank's loan, treasury, and trust portfolios. The physical risk analysis covered eight key hazard types:



The assessment provided a better understanding of BDO's total asset value at physical risk in different medium (>2°C Scenario) and high scenarios (>4°C Scenario). On the other hand, it assessed the three portfolios for physical risk per sector in four scenarios: low (1.3-2.4°C), medium (2.1-3.5°C), Medium-High (2.8-4.6°C), and High (3.3-5.7°C).

A transition risk assessment was likewise conducted for the Bank's corporate operations, along with the loan, treasury, and trust portfolios. The corporate level transition risk assessment looked at policy risk, market risk, and reputation risk. On the portfolio level, the analysis utilized a combination of climate scenarios across in-scope industry sectors. The analysis assessed the impact on aspects of the business between the 2022 to 2050.

BDO will continually refine the Bank's methods for conducting climate scenario analysis. Insights gained on the effects of physical and transition risks across bank lending portfolios and its own operations have helped BDO improve its understanding of risk exposures and potential climate impacts for the short, medium, and long-term.

Metrics to Assess and Manage Climate-related Risks and Opportunities

BDO continues to track progress in providing sustainable finance investments via BDO's sustainability financial instruments. BDO does not currently disclose the proportion of revenue or proportion of assets, capital deployment, or other business activities aligned with climate-related opportunities, including revenue from products and services designed for a low-carbon economy, forward looking metrics consistent with BDO's business or strategic planning time horizons.

Environmental and Social Risks Exposure

BDO Unibank E&S Risk Exposure

Based on its portfolio exposures in lending and investments, BDO Unibank has high E&S risk exposures primarily in the Energy sector, at 10.95% exposure. However, 17% of the Energy sector exposure also represents lending to renewable energy projects. BDO also has minimal E&S risk exposures in the Transportation and Storage sector where it also finances electric and hybrid vehicles (4.17% in 2024 vs 2.6% in 2023), Construction (2.7% in 2024 and in 2023), and Mining and Quarrying sector (0.5% in 2024 vs 1% in 2023). To address these, the BDO ESRMS provides for the Bank's commitment and approach to these high E&S risk sectors. The Bank conducts enhanced due diligence in assessing E&S risks of financed projects in these sectors.

The portfolios per sector of the Bank's overseas branches and subsidiaries BDO Private Bank and BDO Network Bank are also presented in this report. For context, BDO Hong Kong Branch's loan exposure is less than 1% of BDO Unibank's total loan portfolio, while BDO Singapore Branch's loan exposure is about 1.2% of BDO Unibank's total loan exposure.

On the other hand, BDO Private Bank's loan and investment portfolio is less than 1% of the BDO Group's total loan and investment exposure. BDO Network Bank's loan portfolio represents some 3% of the BDO Group's total loan portfolio. The BDONB MSME Loans exposure disclosed in this report is only about 8% of BDO Network Bank's total loan portfolio.

BDO UNIBANK (PARENT BANK)

Portfolio per Sector as of 31 December 2024

Sector (based on Philippine Standard Industrial Classification 2019)	Loan Portfolio (%)	Investment Portfolio (%)	Total Portfolio Exposure (%)
Public Administration and Defense; Compulsory Social Security	0.03%	81.64%	16.67%
Activities of Households as Employers; Undifferentiated Goods-and Services-producing Activities of Households for Own Use	18.01%	0.00%	14.34%
Electricity, Gas, Steam and Air Conditioning Supply	12.99%	2.98%	10.95%
Real Estate Activities	13.19%	1.10%	10.73%
Wholesale and Retail Trade; Repair of Motor Vehicles and Motor Cycles	12.48%	0.24%	9.98%
Financial and Insurance Activities	8.22%	9.51%	8.48%
Manufacturing	9.78%	0.74%	7.94%
Information and Communication	5.23%	1.06%	4.38%
Transportation and Storage	5.07%	0.65%	4.17%
Construction	3.26%	0.53%	2.70%
Other Service Activities	2.82%	0.00%	2.24%
Arts, Entertainment and Recreation	2.63%	0.12%	2.12%
Water Supply; Sewerage, Waste Management and Remediation Activities	1.69%	0.07%	1.36%

Sector (based on Philippine Standard Industrial Classification 2019)	Loan Portfolio (%)	Investment Portfolio (%)	Total Portfolio Exposure (%)
Accommodation and Food Service Activities	1.44%	0.83%	1.32%
Human Health and Social Work Activities	1.25%	0.00%	1.00%
Mining and Quarrying	0.51%	0.53%	0.52%
Agriculture, Forestry and Fishing	0.49%	0.00%	0.39%
Administrative and Support Service Activities	0.31%	0.00%	0.25%
Professional, Scientific and Technical Activities	0.29%	0.00%	0.23%
Education	0.29%	0.00%	0.23%
Total	100.00%	100.00%	100.00%

BDO Hong Kong Branch

BDO Unibank's Hong Kong Branch follows the parent bank's enterprise risk management and its Environmental and Social Risk Management System (ESRMS).

BDO participated in the Hong Kong Monetary Authority's (HKMA) climate stress-testing by signing up to its Physical Risk Assessment Platform (Platform). HKMA, XDI Pty Ltd, and KPMG Advisory (Hong Kong) introduced a tool that mapped physical risk hazards in Hong Kong. This tool assesses Maximum Value-at-Risk (MVAR) for assets under various climate scenarios, including Net-zero 2050, Delayed Transition, Current Policies-Median, and Current Policies-High Range. The MVAR measures potential damage from climate hazards based on asset value and damage probability. The Platform comprises an analytical tool which allows users to assess the potential impact of physical risks on residential and commercial buildings in Hong Kong under different climate scenarios and a database of more than 40 public data or data sources related to physical risk. The assessment focused on the BDO Hong Kong Branch location and clients based in Hong Kong.

BDO Hong Kong Branch portfolio exposure per sector is as follows:

BDO HK Portfolio Exposure per Sector	% Exposure
Financial and Insurance Activities	37.01%
Information and Communication	28.35%
Manufacturing	19.30%
Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles	9.64%
Electricity, Gas, Steam and Air-conditioning Supply	5.70%
Grand Total	100.00%

BDO Hong Kong Branch's loan exposure is less than 1% of the BDO Unibank's total loan portfolio.

BDO will continue to work with the HKMA and align with its environmental risk management guidelines.

BDO Singapore Branch

BDO Singapore adheres to the regulatory requirements of the Monetary Authority of Singapore (MAS) for environmental risk management and has incorporated these in the BDO Unibank Environmental and Social Risk Management System (ESRMS). The Bank actively participates in consultations and technical discussions to improve its environment and social risk management for cross-border transactions in Singapore. Although the focus of the MAS is on environmental risk, the branch takes the approach of the head office and conducts both environment and social risk assessment for its lending portfolio in Singapore. These assessments are also reviewed and audited by the MAS.

BDO assessed the BDO Singapore Branch portfolio for E&S risks, with the following results:

BDO SG Portfolio Exposure per Sector	% Exposure
Electricity, Gas, Steam, and Air Conditioning Supply	32.66%
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle	26.09%
Financial and Insurance Activities	25.82%
Education	13.36%
Construction	2.07%
Grand Total	100.00%

BDO Singapore Branch follows the BDO Unibank ESRMS and risk appetite in managing its exposures to the Energy and Construction sectors. Singapore Branch's loan exposure is about 1.2% of the BDO Unibank's total loan portfolio.

The Bank also participates in industry consultations initiated by the MAS, and provided substantive inputs to the Singapore-Asia Taxonomy's Workshop - Energy Sector in November 2024.

BDO Private Bank: E&S Risks Exposure

BDO Private Bank (BDOPB) and the Sustainability Office assessed BDOPB's loans and investment portfolio to determine its sector exposure to environmental and social risks inherent at the industry level. Sectors with potentially high E&S risks are Energy, Transportation and Storage, and Construction. For BDOPB, the total portfolio exposure in these sectors are relatively low, with 1.07% for the Energy sector and less than 0.5% for other high E&S risk sectors combined. The majority of BDOPB's portfolio exposure (79.11%) is concentrated in the Public Administration and Defense; Compulsory Social Security sector, which is characterized by low E&S risk. BDOPB's loan and investment portfolio is less than 1% of the BDO Group's total loan and investment exposure.

BDO PRIVATE BANK PORTFOLIO PER SECTOR

As of December 31, 2024

Industry (based on PSIC 2019)	Loan Portfolio (8.53% of total)	Investment Portfolio (91.47% of total)	Total Portfolio Exposure
Public Administration and Defense; Compulsory Social Security*		86.49%	79.11%
Financial and Insurance Activities	24.38%	3.62%	5.39%
Real Estate Activities	22.82%	2.95%	4.64%
Accommodation and Food Service Activities	0.00%	3.47%	3.17%
Information and Communication	4.33%	1.81%	2.03%
Activities of Households as Employers; Undifferentiated Goods-and Services-Producing Activities of Households for Own Use	21.40%		1.83%
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	15.97%		1.36%
Electricity, Gas, Steam and Air Conditioning Supply		1.17%	1.07%
Transportation and Storage		0.50%	0.46%
Manufacturing	5.13%		0.44%
Construction	4.77%		0.41%
Agriculture, Forestry and Fishing	0.64%		0.05%
Professional, Scientific and Technical Activities	0.54%		0.05%
Grand Total	100.00%	100.00%	100.00%

* Includes investments in sovereign bonds

The Bank has also assessed its exposure to different physical risk hazards using the government's HazardHunterPH platform. BDOPB wealth centers are located in the metropolitan and emerging metropolitan areas and have varying susceptibility to flooding from storms and typhoons. It mitigates its risk through flood control systems of BDO-owned buildings where the wealth centers are located.

BDO Network Bank: E&S Risks Exposure

As approved by its Board of Directors in October 2023, BDO Network Bank (BDONB) follows a similar ESRMS as its parent bank, as applicable to its microfinance business (loans) and administrative operations.

BDONB follows the key focus areas and risk appetite of its parent bank, which has E&S risk exposure in the same sectors: Construction, Transportation and Storage, Mining and Quarrying, and Energy. BDONB's loan portfolio represents about 3% of the BDO Group's total loan portfolio. The MSME loan exposure is only about 8% of BDONB's total loan portfolio.

BDO Network Bank provides financial access to underserved and unbanked adult Filipinos in provincial and remote areas in the country. Its micro, small, and medium enterprise (MSME) portfolio was assessed for exposure to environmental and social risks at the sector or industry level. Using the same approach for the BDO Unibank ESRMS, a score was assigned 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, 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 social perspective. Results of the E&S risk assessment at an industry level is summarized below:

MSME PORTFOLIO EXPOSURE

Industry (based on PSIC 2019)	Loan Portfolio
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	82.76%
Manufacturing	6.62%
Accommodation and Food Service Activities	4.47%
Construction	1.42%
Other Service Activities	1.13%
Transportation and Storage	0.99%
Agriculture, Forestry, and Fishing	0.65%
Administrative and Support Service Activities	0.60%
Professional, Scientific, and Technical Activities	0.34%
Information and Communication	0.34%
Mining and Quarrying	0.22%
Human Health and Social Work Activities	0.17%
Real Estate Activities	0.12%
Water Supply; Sewerage, Waste Management and Remediation Activities	0.06%
Education	0.04%
Arts, Entertainment, and Recreation	0.03%
Electricity, Gas, Steam, and Air Conditioning Supply	0.01%
Public Administration and Defense; Compulsory Social Security	0.00%
Grand Total	100.00%

Based on this portfolio exposure, BDONB has high E&S risk exposures in the Construction; Transportation and Storage; Mining and Quarrying; and Energy sectors, though the percentage of exposures for these sectors are minimal, at less than 1.5% of the total MSME portfolio.

Sustainable Finance

Financial Instruments for Sustainability

Blue Bond Impact

In 2024, BDO was able to fully allocate the proceeds from its US\$100 million Blue Bond issuance to projects aimed at improving water and wastewater management services, bulk water and operations management, waste and wastewater treatment solutions, and bulk water and distribution facility. These projects are located in densely populated communities near coastal areas which experience water stress and water scarcity due to inadequate supply of water. As a result, the financed projects are able to improve these communities' access to clean water and help prevent pollution from entering the ocean.

In 2023, BDO published a Blue Bond Impact report for a partial allocation of the proceeds to three projects. The Bank will publish an updated impact report for the full allocation of the US\$100 million proceeds, for release in 2025.

ASEAN Sustainability Bonds II and III

In 2024, BDO issued two ASEAN Sustainability Bonds, in January and July, respectively, as part of its 365 billion Bond Program. The net proceeds of both issuances aim to finance and/or refinance eligible assets as defined in the Bank's Sustainable Finance Framework and diversify the bank's funding sources.

The January 2024 issuance raised a record-breaking ₱63.3 billion, surpassing the record set by BDO's first ASEAN Sustainability Bond that raised ₱52.7 billion in 2022. The second bond issuance was nearly 12.7 times higher than the target ₱5 billion, with a 1.5-year tenor and a coupon rate of 6.025 percent per annum. The third and latest ASEAN Sustainability Bond issuance in July 2024, raised ₱55.7 billion and was more than 11 times oversubscribed from the original size of ₱5 billion. It had a similar 1.5-year tenor, but with a coupon rate of 6.325 percent. The offer period for both issuances was shortened by three days to a week, with the strong demand from both retail and institutional investors who placed minimum investments of ₱500,000, with additional increments of ₱100,000.

ASEAN Sustainability Bond I Impact Report

The full allocation of proceeds from BDO's first ASEAN Sustainability Bond benefitted a total of 37 projects financed with the ₱52.7 billion raised from bond proceeds. Of the 37 projects, 23 are from green eligible categories, while 14 are from 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;
- water savings; and
- improved access to mass transportation system

BDO issued its first ASEAN Sustainability Bond in January 2022, with a target of ₱5 billion for the peso-denominated bond with a tenor of two years and a fixed rate of 2.90% per annum. The Bond was the largest issuance for any Philippine financial institution or company at the time, closing at ₱52.7 billion and oversubscribed by over 10 times its original target. 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, and enhance resource efficiency, and pollution prevention and control.

For more details, the 2024 BDO ASEAN Sustainability Bond Impact Report is available at the [bdo.com.ph](https://www.bdo.com.ph/about-bdo/sustainability/sustainability-reporting) website at <https://www.bdo.com.ph/about-bdo/sustainability/sustainability-reporting>.



Lending

Advancing sustainable financing: BDO Institutional Banking Group

Since the inception of the Sustainable Finance program in 2010 under the Institutional Banking Group (IBG), BDO has built a robust portfolio of renewable energy projects, as well as numerous large-scale eligible green and social impact projects across the nation and in the region. This long experience laid down the foundation for the BDO Sustainable Finance Framework (SFF) developed in 2019 and further expanded from 10 to 29 eligible categories in 2023, both for existing projects in the IBG lending portfolio and in anticipation of new projects that may be eligible for sustainable financing.

BDO offers clients innovative products and services in lending and financing to facilitate their transition to a low-carbon economy. BDO's comprehensive SFF outlines the Bank's strategy to link sustainability goals with financial market access through diverse funding instruments. In its dealings with clients and investees, BDO leverages the 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.



In 2024, BDO engaged Morningstar Sustainalytics to review the Bank's expanded SFF and provide a Second-Party Opinion (SPO) on the Framework's environmental and social credentials. After a comprehensive review, Sustainalytics affirmed in its SPO that the BDO Sustainable Finance Framework is "credible and impactful and aligned with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Social Bond Principles 2023, Green Loan Principles 2023, Social Loan Principles 2023, ASEAN Sustainability Bond Standards 2018, ASEAN Green Bond Standards 2018, and ASEAN Social Bond Standards 2018."

The expanded SFF and SPO allow BDO to finance or refinance more projects that contribute to nature and biodiversity protection, ocean health, social well-being, and community development. The BDO SFF also added a separate financing category for Gender Financing to encourage more economic participation from women in owning and/or leading enterprises. (see how BDO Empowers Women as Consumers and Entrepreneurs on page 76)

The 29 eligible categories defined in the Framework are the most extensive in the Philippines to date.

SUSTAINABLE FINANCE FRAMEWORK

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

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
- Sustainable Tourism in the Vicinity of Marine Conservation Areas

Social Finance

- Employment Generation
- Food Security
- Access to Essential Services
- Affordable Basic Infrastructure
- Affordable Housing
- Social and Economic Empowerment

Orange/Gender Finance

- Gender-Responsive Products
- Gender-Diverse and Equitable Workforce
- Women Empowerment
- Gender-Responsive Supply Chain
- Gender-Responsive Services

Eligible categories for Green financing under the BDO SFF are mandated to demonstrate clear environmental benefits, including reduced carbon footprints and enhanced community resilience to climate change. Blue financing focuses on the sustainable use of water and ocean resources and securing clean water and sanitation. Socially impactful projects must show positive outcomes for the impoverished, excluded, marginalized, vulnerable, disabled, undereducated, underserved, and unemployed populations. Lastly, eligible Orange/Gender categories promote gender equality and women's empowerment through various initiatives that not only benefit women, but also lead to more resilient and sustainable communities.

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, climate change adaptation, affordable housing, access to essential services, employment generation, and food security.

Identifying Exclusion Activities

In addition to the eligible categories, the BDO SFF also specifies the following activities as ineligible for sustainable 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 munitions.¹
- Production or trade in alcoholic beverages (excluding beer and wine).²
- Production or trade in tobacco.¹
- Gambling, casinos and equivalent enterprises.¹
- 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 labor³ /harmful child labor.⁴
- 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 (a) involuntary resettlement; (b) risk of adverse impacts on indigenous peoples, (c) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage, or (d) significant occupational health and safety risks.

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 Environmental & Social Risk Management System is mapped to industry classification.

² ICMA Sustainability Bond guidelines

³ Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty

⁴ 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

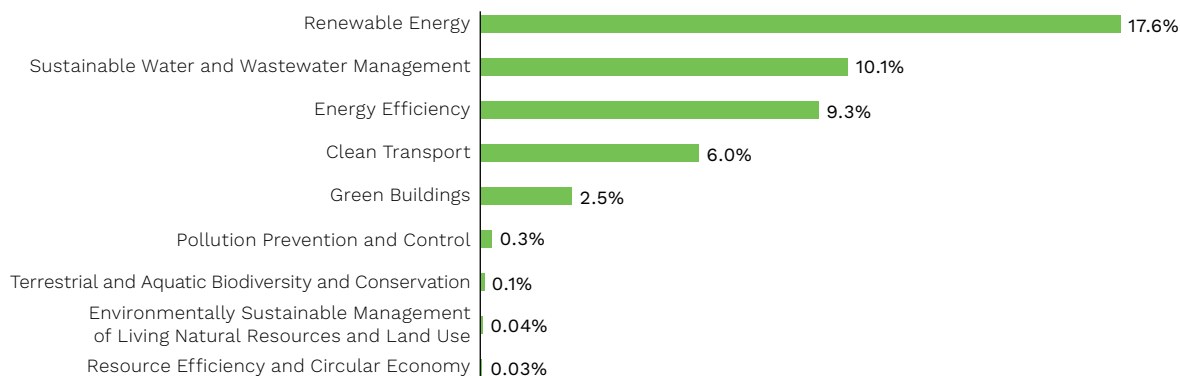
Economic, Environmental, and Social Impact 2-4, 203-1

As of December 31, 2024, BDO funded ₱1.04 trillion in sustainable finance to date and continues to support innovative projects and pioneer sustainable financial instruments in the Philippines.

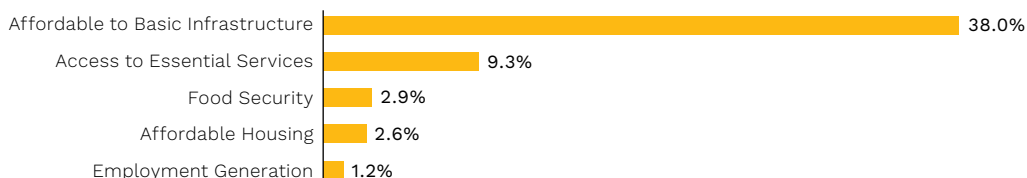
Description	2023	2024
Total Sustainable Finance Funded	₱898 billion	₱1.0 trillion
Loans Disbursed in the Past 5 Years	National Projects - ₱73 billion Airports - ₱18.1 billion Road Networks - ₱31.2 billion Railways - ₱7.3 billion	National Projects - ₱114.1 billion Airports - ₱46.9 billion Road Networks - ₱31.2 billion Railways - ₱15.7 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	2,377 MW	2,679 MW
Renewable Energy Projects Funded	59	63
Carbon Dioxide Avoided per year by Funded Renewable Energy Projects	4,382,572 tonnes	4,767,745 tonnes
Equivalent Passenger Vehicles Taken Off Roads Yearly*	930,491	1,012,270
Equivalent Tree Seedlings Grown Over 10 years*	72,466,757	78,835,672
Families Served by Renewable Energy Projects	2,047,480	2,232,107
Biomass Capacity	164 MW	164 MW
Geothermal Capacity	1,179 MW	1,179 MW
Hydro Capacity	433 MW	598 MW
Solar Capacity	505 MW	642 MW
Wind Capacity	96 MW	96 MW
Disbursed Loan Amount per RE Technology Type	Biodiesel: ₱137 million Bioethanol: ₱920.9 million Biomass: ₱24.9 billion Geothermal: ₱17 billion Hydro: ₱28.2 billion Solar: ₱15.7 billion Wind: ₱4.1 billion	Biodiesel: ₱137 million Bioethanol: ₱920.9 million Biomass: ₱25.4 billion Geothermal: ₱17 billion Hydro: ₱38.2 billion Solar: ₱21 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

* from the United States Environmental Protection Agency's Greenhouse Gas Equivalencies Calculator

Green Finance



Social Finance



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 44.12 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

Gross Energy Generation (MWh/year)
1,194,447



Installed capacity 164 MW	Disbursed loan amount ₱25.4 billion	Net Energy Generation (MWh/year) 1,075,002
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

Gross Energy Generation (MWh/year)
6,136,397




Installed capacity 1,179 MW	Disbursed loan amount ₱17 billion	Net Energy Generation (MWh/year) 5,522,758
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 598.1 MW	Disbursed loan amount ₱38.2 billion	Net Energy Generation (MWh/year) 2,394,962	Gross Energy Generation (MWh/year) 2,661,069
Value of energy generation per year (Php/year) ₱12.4 billion	GHG avoidance per year based on Net (in tonnes CO ₂ e) 970,285	GHG avoidance per year based in Gross (in tonnes CO ₂ e) 1,078,095	
Equivalent passenger vehicle off the road per year 228,897	Equivalent tree seedlings grown for 10 years 17,826,519	No. of households/families (average of 6 persons per family) supplied by RE 546,570	

Solar

Installed capacity 641.9 MW	Disbursed loan amount ₱21 billion	Net Energy Generation (MWh/year) 835,202	Gross Energy Generation (MWh/year) 928,002
Value of energy generation per year (Php/year) ₱6.49 billion	GHG avoidance per year based on Net (in tonnes CO ₂ e) 370,051	GHG avoidance per year based in Gross (in tonnes CO ₂ e) 411,168	
Equivalent passenger vehicle off the road per year 87,297	Equivalent tree seedlings grown for 10 years 6,798,749	No. of households/families (average of 6 persons per family) supplied by RE 158,564	

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

20 MW
- Alicia, Isabela
- 2

70 MW
- Alilem, Ilocos Sur
- 3

0.3 MW
- Bacolod
- 4

60 ML/Y
- Bagong Ilog, Pasig City
- 5

140 MW
- 6

31.8 MW
- 7

19 MW
- NEW
- Benguet
- 8

7 MW
- Brooke's Point, Palawan
- 9

8 MW
- Bugasong, Antique
- 10

1.8 MW
- Buhi, Camarines Sur
- 11

6.8 MW
- 12

37.5 MW
- Burgos, Ilocos Norte
- 13

15 MW
- Burgos, Isabela
- 14

132.5 MW
- Cadiz City, Negros Occidental
- 15

63.3 MW
- Calatagan, Batangas
- 16

1.1 MW
- Carmona, Cavite
- 17

28.6 MW
- Digos, Davao del Sur
- 18

5.2 MW
- Iloilo, Leyte, Cebu and Sorsogon
- 19

12.9 MW
- Jabonga, Agusan del Norte
- 20

28.8 MW
- 21

14.1 MW
- Jaisalmer district of Rajasthan, India
- 22

125 MW
- Kananga, Leyte
- 23

10.5 MW
- Kibawe, Bukidnon
- 24

106 MW
- Kidapawan, North Cotabato
- 25

30 ML/Y
- La Carlota City, Negros Occidental
- 26

12 MW
- Llanera, Nueva Ecija
- 27

125 MW
- NEW
- Lumbangan Plant, Tuy, Batangas
- 28

72 MW
- NEW
- Luntal Plant and Lumbangan Plant, Tuy, Batangas
- 29

1.6 MW
- M. Fortich, Bukidnon
- 30

140 MW
- Manito, Albay
- 31

2.4 MW
- Maramag, Bukidnon
- 32

49.4 MW
- Nasulo, Negros Oriental

RE Project	No. of Projects	Capacity
Biodiesel	1	60ML/Y*
Bioethanol	2	44.1ML/Y*
Biomass/Biogas	16	164
Geothermal	6	1,179
Hydro	14	598
Solar	20	642
Wind	4	96
Total	63	2,679 MW

* Million liters per year



- 33

45 MW
- Negros Occidental
- 34

5 MW
- New San Roque, Pili, Camarines Sur
- 35

132 MW
- Nueva Ecija - Pangasinan
- 36

165 MW
- Nueva Vizcaya, Aurora
- 37

1.5 MW
- Obi, Catanduanes
- 38

12 MW
- Orani, Bataan
- 39

10 MW
- Oriental Mindoro
- NEW

40

20 MW
- Orion, Bataan
- 41

0.3 MW
- Ortigas Center, Pasig City
- 42

0.4 MW
- Panacan, Davao City
- 43

24 MW
- Pililia, Rizal
- 44

12 MW
- 45

12 MW
- 46

6 MW
- San Jose City, Nueva Ecija
- 47

19 MW
- San Mariano, Isabela
- 48

2.1 MW
- San Miguel, Catanduanes
- 49

20.6 MW
- Silay City, Negros Occidental
- 50

0.3 MW
- Sta. Maria, Bulacan
- 51

0.5 MW
- Sta. Rosa, Laguna
- 52

15 MW
- Sultan Kudarat, Maguindanao
- 53

6 MW
- Surallah, South Cotabato
- 54

14.1 ML/Y
- Talisay City, Negros Occidental
- 55

100 MW
- 56

2 MW
- Tarlac City, Tarlac
- 57

586.4 MW
- Tongonan, Leyte
- 58

0.02 MW
- Umingan, Pangasinan
- 59

172.5 MW
- Valencia, Negros Oriental
- 60

1.2 MW
- Western Bicutan, Taguig City
- 61

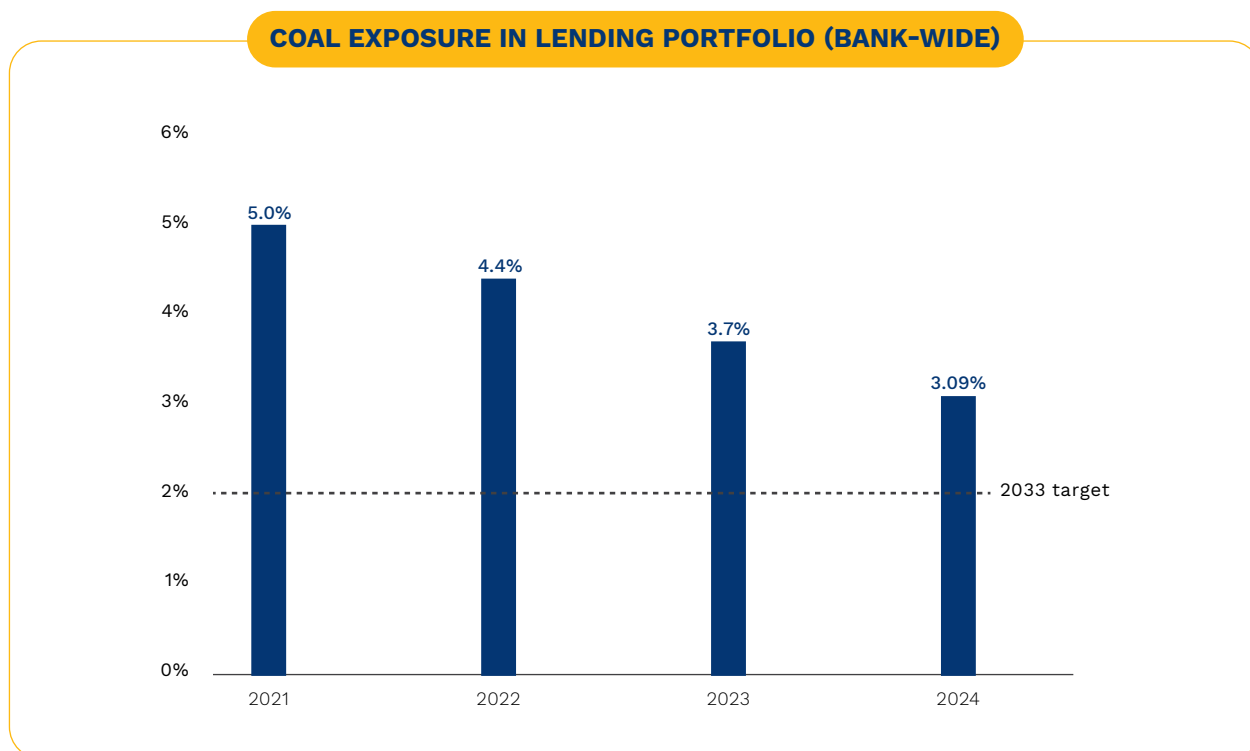
20 MW
- Yunlin, Taiwan
- 62

0.5 MW
- Zamboanga City
- 63

0.3 MW
- Zamboanga del Sur

Energy Transition Finance Commitment

BDO will continue its current practice of not lending to new coal-fired power plant capacity, a practice in place since 2019. In its Energy Transition Finance Statement of 2022, BDO committed to cease lending to new coal-fired power plant capacity and reduce its coal exposure by 50% by 2033, while ensuring that its coal exposure does not exceed 2% of its total loan portfolio by 2033. New coal exposure refers to exposure to new capacity, while coal exposure refers to the term loans and does not include short term working capital. Ultimately, BDO does not intend to finance any new capacity that will increase harmful greenhouse gas (GHG) emissions in the environment.



However, 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 for 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.

BDO will continue to apply enhanced Environmental and Social risk assessment and due diligence of customers with coal and fossil fuel investments among their businesses. 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.

The Bank will likewise continue to fund more renewable energy projects under its Sustainable Finance program. As part of its whole of ecosystem approach, the Bank also commits to provide access to finance to individuals and communities that will be impacted by the energy transition. For the full Energy Transition Finance Statement, see <http://www.bdo.com.ph/bdo-energy-transition-finance-statement>.

Supporting Evolving Consumer Preferences: Consumer Banking Group

AUTO LOAN

Affordable and Accessible Energy Vehicles

Since the inception of the Green Mobility Program last year, BDO Auto Loans continued to spread awareness of the environmental benefits and advantages of energy vehicles to the market. In October 2024, BDO launched a special on-ground event at the SM Mall of Asia on alternative transport energy, a focused “Deals on Wheels” car showcase featuring the latest electric vehicles (EV) and hybrid electric vehicles (HEV) models, giving customers a chance to explore energy-efficient vehicle options. The showcase successfully attracted attention from a diverse audience of buyers and made alternative energy vehicles more accessible to the public by offering exclusive promotional rates to assist in lowering the financial barriers associated with EV and HEV purchases and promoting more sustainable transportation options in support of Republic Act 11697 or the Electric Vehicle Industry Development Act (EVIDA) of 2022. EVIDA aims to popularize the development of an EV industry and promote the use of zero and ultra-low emission vehicles through tax incentives and other non-fiscal benefits for better sustainable transport solutions. According to the Land Transportation Office, newly registered electrified vehicles totaled 10,001 units in the first half of 2024, compared to 10,388 units for the whole year of 2023, showing increased consumer interest in switching to EVs and HEVs.

Community Marketing to Underserved Areas

This year also marked more aggressive marketing initiatives to reach out to underserved communities outside Metro Manila and the National Capital Region. Auto Loan participated in the Provincial Community Marketing Program to promote sustainable financial inclusion in identified underserved locations. The program initially started in June 2024 covering areas in Northern Luzon, followed by a marketing caravan for various events in the Visayas region, specifically in Bacolod province. The program is an ongoing initiative which aims to cover underserved areas nationwide.

During the marketing caravans, Auto Loan offered affordable vehicle financing packages targeting individuals in the regions who are in the market for a vehicle acquisition for their first car purchase or an upgrade purchase to meet their growing family needs. Auto Loan also offers credit facilities for small and medium enterprises (SMEs) and corporations that need to expand their transport vehicle needs. These events highlighted BDO’s diverse financial services and commitment to local economic development. The Provincial Community Marketing Program bridges financial gaps, empowering individuals and businesses to thrive and contribute to local economies. It reinforces Auto Loan’s dedication to building financially inclusive and sustainable communities.

2,428
HEV/EV Units Booked

₱3.6 billion
Amount Booked

46%
Female Auto Loan
Borrowers

26%
Overseas Filipino
Auto Loan Borrowers

Tree Planting

One of the landmark initiatives of Auto Loan's Green Mobility Program was the tree-planting and reforestation activity in partnership with Haribon Foundation, an environmental conservation organization. In September 2024, the Auto Loan group traveled to Barangay Salazar in Nueva Ecija province to personally plant over 600 seedlings that mark a long-term commitment to environmental preservation, community empowerment, and a greener future. In 2023, BDO Auto Loan donated 5,713 seedlings that were planted by the Barangay Salazar Indigenous People Cooperative, marking ensured sustainability and economic support for the community. Nueva Ecija is home to 73 endemic bird species and reforestation protects the birds and other endemic species from the negative impacts of climate change.

5,713
Seedlings Donated
to date

₱2.78 million
Equivalent Amount
Donated to date



HOME LOAN

Sustainable Living

BDO Home Loan continues to offer financing to home buyers and collaborates with reputable developers on sustainable projects. These developers focus on energy efficiency, sustainable materials, waste reduction, and open-space designs for ecological balance and well-being. In 2024, Home Loan added the acquisition and installation of solar panels for new or existing home loan as an eligible purpose for a BDO Home Loan. This makes it easier for BDO clients to invest in sustainable energy solutions. With this eco-friendly option, Home Loan enables clients to directly reduce their energy costs and contribute to the energy transition.

Sustainable Awarding

The Home Loans Credit Cycle Mid-year awarding recognizes the milestone achievements of its employees. In 2024, the team chose the event theme One Earth and One Home in support of BDO sustainability campaigns. Applying sustainable events standards, the Events Committee distributed digital certificates instead of paper certificates to awardees. They also gave away various vegetable seeds to all attendees, sourced from the Bureau of Plant Industry which gave these away for free.

49%
Female Home
Loan Borrowers

₱75.8 billion
Home Loan Bookings

₱48.4 billion
Home Loan Bookings for
First-Time Owners

Solar Panels
Acquisition and
Installation added
as Eligible Purpose
for Home Loans

MULTIPURPOSE LOAN

The Multipurpose Loan (MPL) team, formerly the Small Medium Enterprise or SME team, provides flexible loan facilities that support sustainable financing. The name change from SME Loans to MPL was implemented on October 1, 2024 to make the product more retail- and consumer-oriented.

The Term Loan feature provides a one-time disbursement, enabling quick access to funds for various purposes such as business expansion, personal projects, or unexpected expenses. With competitive interest rates and customizable repayment plans, the Term Loan offers the flexibility required to manage financial commitments effectively. This feature ensures clarity in borrowing amounts and facilitates straightforward monthly repayment planning.

The Ready Check feature is a revolving credit facility that offers renewable credit extensions, ensuring continuous access to funds as needed. Ideal for managing cash flow, Ready Check allows for drawing funds at convenience and repaying them flexibly. This feature eliminates the need for reapplying for new loans, making it an efficient solution for handling unforeseen expenses.

Key Benefits of Ready Check:

- **Flexibility:** Tailored repayment plans and renewable credit options to suit varying financial needs.
- **Convenience:** Quick access to funds with minimal paperwork and a streamlined application process.
- **Competitive Rates:** Attractive interest rates that make borrowing cost-effective.

Capability-building and Continuous Improvement

The MPL Team was the first team to attain 100% compliance in the sustainability workshops offered by the Sustainability Office, designed to instill knowledge and understanding of the UN SDGs, align work and deliverables with BDO's Sustainable Finance Framework, and ensure compliance with the capacity-building requirements of the Bangko Sentral ng Pilipinas. The team also attends external training sessions and workshops to enhance the team's understanding of sustainability issues and equip them with the skills needed to better implement sustainable practices effectively. Feedback mechanisms are in place to continuously improve the team's sustainability initiatives, and underscores the commitment of MPL, including the Product Development and Business (PDB) unit, to align its business practices with the UN SDGs and BDO sustainability strategies.

46%
Multipurpose
Loan Bookings Increase

100%
Compliance in Sustainability
Capability-building

PERSONAL LOAN

BDO's Personal Loan provides a range of financing solutions catered to a customer's specific need. Whether planning for home improvement, preparing for school expenses, or dreaming of a vacation, this multipurpose loan option can assist in managing personal finances and life goals more effectively over flexible periods of time. Customers who avail of a personal loan can benefit from low interest rates and affordable fixed monthly installment repayments for up to 36 months which makes budgeting much easier.

BDO's wide network of branches, which is strategically located in both urban areas and underserved rural communities, enables the Bank to reach a wide range of customers across various socio-economic backgrounds – from young professionals starting their careers to entrepreneurs launching or expanding their businesses. Loan offerings range from as low as ₱10,000 to as much as ₱2 million, ensuring a solution for every customer, regardless of their financial needs or life stage.

CARDS ISSUING

BDO is the leading credit card issuer in the Philippines with a card in force count of 3.8M (8% higher vs. previous year). Growth in issuance is driven by BDO's focus on providing consumers with unsecured loan products that give financial flexibility, whenever, wherever. A significant share of newly issued cards was for first-time credit cardholders, aligned with BDO's financial inclusion thrust.

In line with BDO's digitization efforts, the Cards Issuing team's Customer Relationship Management (CRM) online card application platform launched in 2023 continues to provide customers with a more seamless, faster and convenient way to apply for a BDO credit card. Online application is as easy as clicking the "apply now" button at the BDO website or scanning a QR code available at bank branches, partner merchants, and BDO pop-up booths nationwide. Card application processed through the CRM platform also achieves operational efficiency through 1) reducing the consumption of paper, 2) faster paperless processing, and 3) digital storage of approximately 40,000 credit card applications monthly. Cards Issuing proactively provides customers with good credit standing the additional products and services to enhance their lifestyle in the form of additional credit or spend limit in order to participate in the promos; card upgrade for better benefits; and supplementary cards to share the credit facility with family.

In the ongoing efforts to transition from paper and manual transactions to digital, the Bank has continuously encouraged credit card clients to shift from printed to electronic statements of account (eSOA), which not only eliminates paper use, but also provides better personal safety and more convenience to customers. To date, 97% of card customers who have usage are 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. To reduce paper consumption, the

67%

Client Growth

37%

Female Personal Loan Borrowers

48%

Clients from Provincial Areas

3.8 million

Cards in Force

60%

Female Credit Cardholders

97%

Cardholders Enrolled in eSOA

Cards Acceptance Unit implemented process changes that eliminate printing and allow digital distribution and approval of requests related to additional card, annual enhanced due diligence review, as well as processing of requests for employee and secured cards.

To reduce carbon footprint, the team has allowed employees to work at BDO alternate sites that are close to their home. Finally, as part of corporate social responsibility and through the Bank's sustainability-themed employee volunteer program, team members volunteered for the Brigada Eskwela public school clean-ups and coastal clean-up drives.

CONSUMER BANKING GROUP (CBG) MARKETING

Transition to Recyclable Card Material

Upholding to the group's commitment to sustainability, CBG Marketing started to transition its card plastic material to 100% recycled plastic in 2024 with the relaunch of BDO ShopMore Mastercard. It is made of repurposed plastic from packaging and printing waste, resulting to a decrease in the production of new plastic. As of October 31, 2024, around 77,000 credit cards have been issued using this sustainable alternative. The group aims to extend this initiative by converting the rest of its credit card products to 80% recyclable material by 2026 as part of its effort to embed sustainability in its business footprint.

44%

Credit Cards issued are made from 100% Recycled Plastic

Partnerships that drive Solar Energy Use

In 2024, CBG Marketing partnered with a full-service solar provider for residences to make the switch to solar energy more accessible and affordable to credit cardholders, allowing for 0% interest installment plans for up to 36 months. With a mature solar panel distribution and secondary market compared to five years ago, panels are now cheaper and can achieve return on investment (ROI) in as early as three to four years, compared to six to eight years ROI before the pandemic. CBG Marketing promotes embracing solar energy as a powerful step toward social and environmental responsibility through harnessing clean, renewable energy that promotes cleaner air and healthier communities for everyone.



Shift to Digital Communications

CBG Marketing team shifted 80% of its ad placement allocations to digital, leaving only 20% for printed billboards placements. Digital ads greatly reduced the need for printing large format one-time use polyethylene tarpaulins. This is a continuation of the group's initiative to convert marketing materials from print (such as flyers, brochures and more) to digital, uploaded through the BDO website. This strategy allows flexibility and broader reach while decreasing the carbon footprint that printed materials would leave.

Investments

Enriching financial wellness by turning savers to investors: BDO Trust and Investments Group

BDO Trust and Investments Group (TIG) continued its strong financial literacy efforts in 2024, remaining true to its advocacy in promoting inclusive financial growth and wellness among Filipinos. Its dedicated team of certified investment trainers conducted 10 free financial education seminars attended by 708 participants from different audiences, teaching financial budgeting, wise investing habits and retirement planning. BDO TIG recognizes that financial literacy is essential to enable Filipinos to make sound plans and decisions to achieve financial independence at whatever stage in their lives. The goal is to 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. The use of technology enabled BDO TIG to reach participants across the country, carrying out its training and educational activities seamlessly.

EASY INVESTMENT PLAN

To make financial independence a reality, BDO TIG believes that investments should be affordable, easy and simple to access. The BDO Easy Investment Plan (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 affordable investment amounts of ₱1,000 (US\$200 for dollar UITFs) per month, providing them easy 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.

EASY INVESTMENT PLAN BY THE NUMBERS



₱3.6 billion

Assets under Management

22,539

Number of EIP Clients

27,989

Number of EIP Accounts



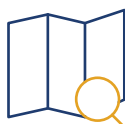
Gender Distribution of EIP Clients

41%

Male

59%

Female



Geographical Area

40%

Metro Manila

35%

Provincial

25%

Invest Online

Note: Data as of end-December 2024

PERSONAL EQUITY AND RETIREMENT ACCOUNT (PERA)

BDO TIG believes that long-term planning is vital for ensuring financial stability during retirement, particularly in the Philippines where pension for retirees from the existing mandatory government social security often falls short of covering their living and medical expenses during retirement years. Retirement planning is covered in one of the four modules of the BDO TIG financial literacy program to help Filipinos be financially prepared in facing the cost of living beyond their employment years.

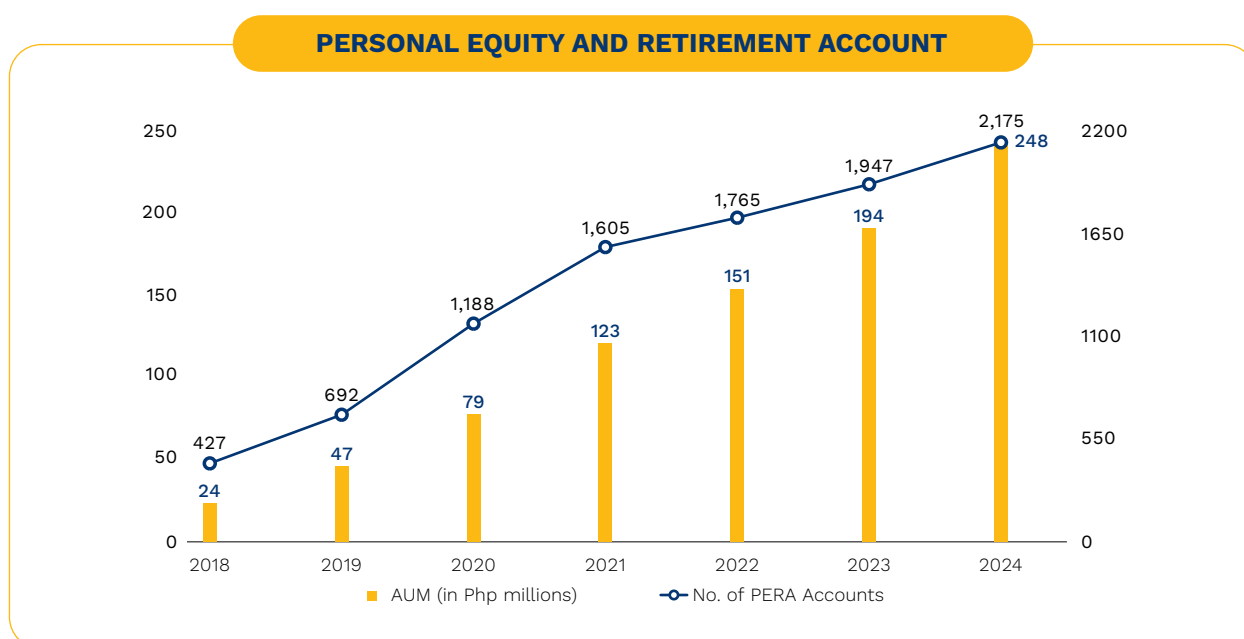
BDO TIG is the first trust entity to be accredited by the BSP and the Bureau of Internal Revenue to be an administrator of the Personal Equity and Retirement Account (PERA), a long-term voluntary retirement investment program aimed to augment future individual retirement benefits from the Social Security System, the Government Service Insurance System and/or from the employer's retirement plan. PERA boasts of generous exclusive tax benefits, such as a yearly tax credit of 5% of PERA contributions made, income tax exemption on investment earnings, and estate tax exemptions. BDO PERA instills the mindset of long-term planning for retirement for Filipinos.

₱248 million

PERA Total Assets Under Management

12%

Increase in PERA contributors



Since PERA's launch in 2016, BDO TIG remains at the forefront in making PERA accessible to more Filipinos, as the first to make PERA available online. 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 makes PERA funds of different fund providers accessible online, 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 was increased from ₱100,000 to ₱200,000 for local Filipinos and ₱200,000 to ₱400,000 for Overseas Filipinos, which helped attract PERA contributors to invest more.

Also, BDO TIG continues to support PERA's objective of improving Filipinos' lives by encouraging employers to sponsor PERA for their employees. BDO has done several roadshows to various employers who have shown desire in giving more, recognizing the value of their long-time employees. Through BDO, employers are able to find a retirement program that is not only affordable but also cost efficient through the exclusive tax savings offered by PERA. In addition, employers also see PERA as a valuable rewards and retention employee program for their companies. As a reliable partner, BDO TIG helps employers alleviate retirement concerns of their employees. BDO TIG's partnership with employers is not just a business strategy that is aimed at increasing PERA participation in the country, it also reflects BDO's advocacy to help in the overall financial well-being of Filipinos through financial wellness and inclusion.

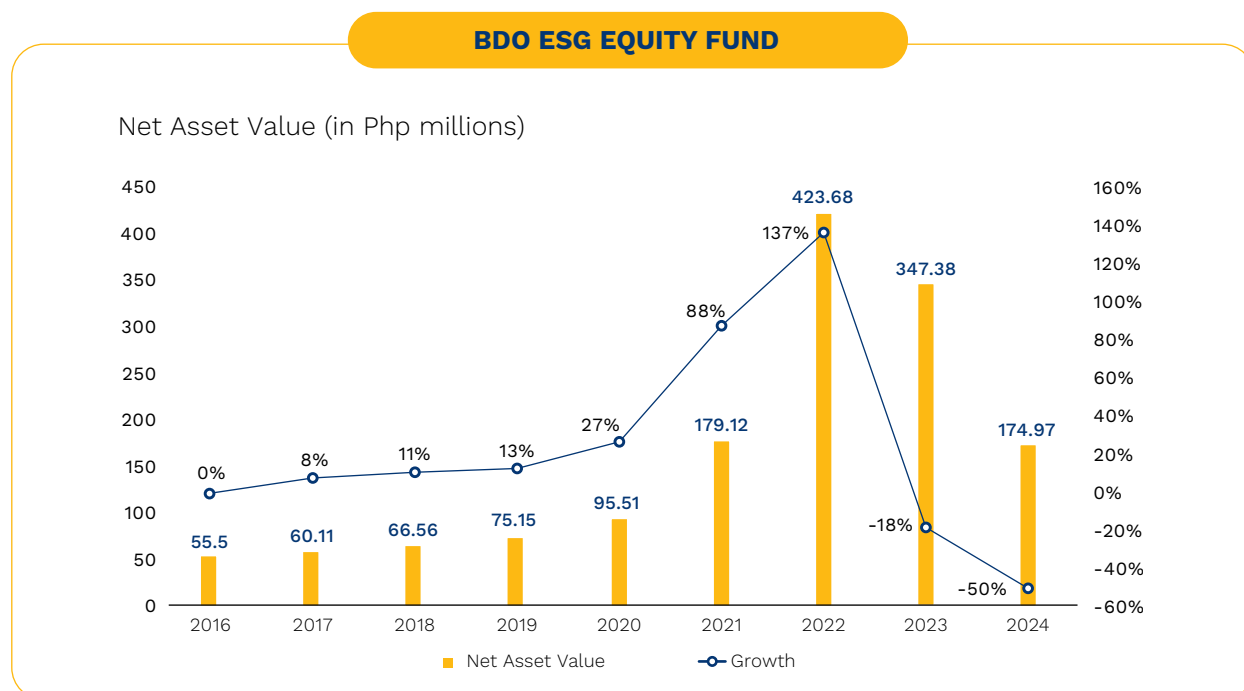
As of end 2024, PERA AUM increased by 28% or ₱54 Million, bringing the total PERA Assets under Management (AUM) to ₱248 Million. Total number of PERA contributors also increased by 12% YTD, which brings the total number of PERA contributors to 2,175. BDO continues to see high growth rates in both AUM and number of contributors as Filipinos become more aware of what PERA can offer to help them augment their retirement pay.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) EQUITY FUND

BDO TIG is the first in the country to directly integrate environmental, social and governance (ESG) 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 are supportive of societal and sustainability goals primarily defined through exemplary ESG attributes – factors that measure the sustainability and ethical impact of an investment.

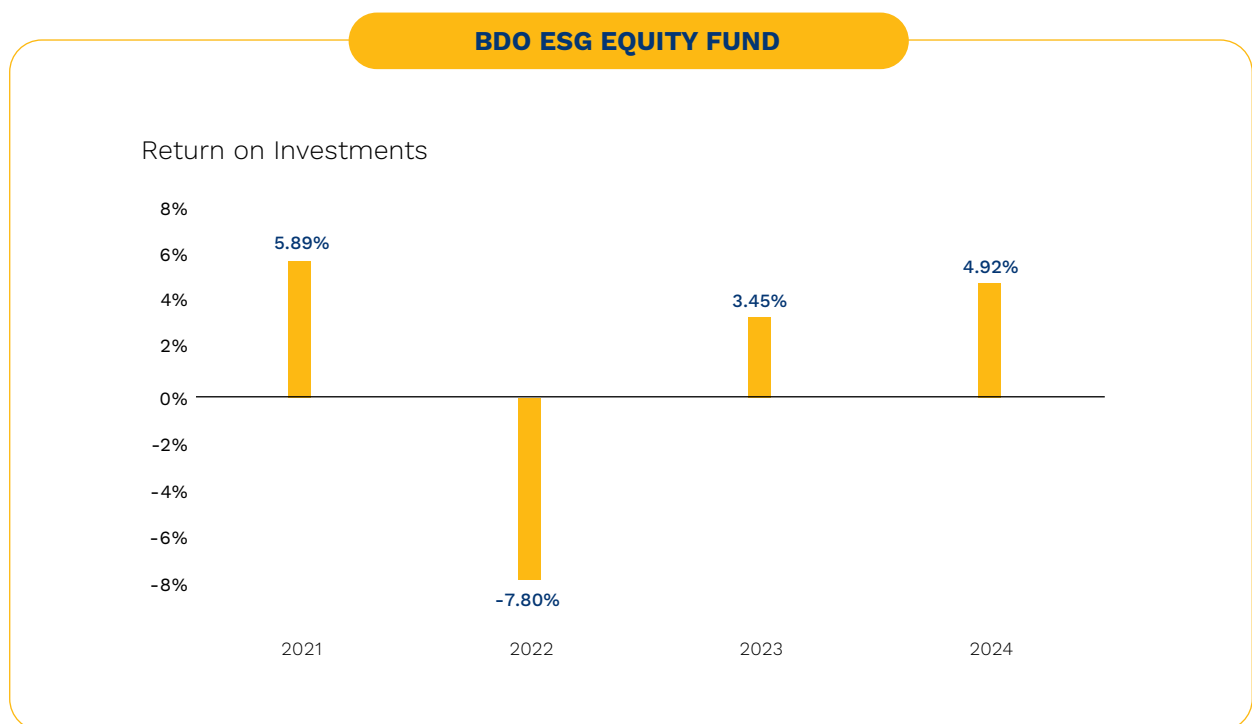
BDO ESG Equity Fund subscribes to specific guidelines set by the International Finance Corporation (IFC) for ESG investing. The Fund does not invest in companies with primary businesses of selling alcohol or tobacco, or engaging in gaming, mining and oil exploration, power companies deriving 5% or more 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.

As of end 2024, the Fund's net asset value (NAV) stands at ₱174.97 million. The decline in NAV was primarily affected by the general investor sentiment on the equities market brought about by high inflation and high interest rates macroeconomic environment. Nevertheless, the BDO ESG Equity Fund posted positive returns year-to-date, consistently outperforming the PSEi. Since the Fund's launch, the Fund provided robust long-term returns, outperforming the PSEi by more than 13.68% in a 5-year period and by 12.20% since its inception. The Fund also posted 0.97% CAGR since its inception compared to the benchmark CAGR of -0.34%.



Past 3-Year Return on Investment	0.08%
vs. Philippine Stock Exchange Index	(vs -8.34%)

BDO TIG continues to implement a more active approach in promoting the Fund to both retail and especially institutional clients. Schools, foundations, religious organizations, associations, and other non-profit organizations in particular seek for a long-term investment portfolio that is consistent with the institution’s values and purpose. 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 our clients, we believe that this will yield significant social return on investment in the long run.



Investing in ESG: BDO Treasury Group

The BDO Treasury Group reinforced its commitment to the Bank’s Sustainable Finance Framework by actively growing its investment pool in green, social, and sustainability-linked bonds across the sovereign, financial, technology, and energy sectors. In 2024, despite key maturities over the past year, Treasury successfully expanded its portfolio of labelled bond investments to 14, up from 12 in 2023.

Treasury Group continued to prioritize issuers with strong adherence to globally-recognized ESG standards driving the achievement of UN SDGs in the use of proceeds, project evaluation and selection, reporting, and external ESG reviews. It ensured that the use of proceeds remained dedicated to advancing initiatives in renewable energy, clean transportation, biodiversity conservation, sustainable agriculture and forestry, climate change adaptation, green and affordable infrastructure, essential services access, food security, inequality reduction, employment generation, sustainable water management, socioeconomic empowerment, pollution control, and energy efficiency, among other critical areas.

The Group also intensified efforts to ensure overall portfolio resilience. In line with the Bank's commitment to rigorously assess all investments for sustainability risks, Treasury sought to improve its capability by teaming up with the Sustainability Office on environmental and social risk assessment of investment accounts. Simultaneously, the Group also conducted a comprehensive E&S review of its bond portfolio. Going beyond the bond-level, all current bond issuers are undergoing a thorough E&S risk evaluation using an internally-developed rating tool where issuers' progress vs. their stated ESG targets and compliance were evaluated. This review ensures that all investments align with the Bank's defined ESG risk parameters and tolerance levels per industry.

Looking ahead, the Group remains committed to broadening its universe of ESG-compliant issuers. Additional candidates, including those from financial, manufacturing, and technology sectors, are undergoing internal sustainability assessments. With increased confidence in the resilience of its portfolio to sustainability risks, the Group is poised to accelerate the expansion of its ESG-labeled investments.

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, BDO Unibank, in developing a system for managing its environmental and social (E&S) risks. As such, BDOPB follows the BDO Unibank Environmental and Social Risk Management System (ESRMS) that will help identify, assess, and manage E&S risks associated with its lending and investment activities, as well as its day-to-day operations.



INTEGRATING SUSTAINABILITY PRINCIPLES

In order to better integrate sustainability principles and 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. To this end, BDOPB has undertaken various measures, including tracking and reporting of its energy and water consumption to its parent bank. Employees are also encouraged to take part in sustainability activities through volunteerism and in-house recycling and waste segregation initiatives.

BDO Private Bank supports sustainable national development through its investments in sovereign bonds. According to BloombergNEF's report on the Philippine Sustainable Debt Issuance Market as of December 31, 2024, the Republic of the Philippines accounts for 40% of overall issuances in the country, having raised US\$5.9 billion to date, primarily through its Sustainable Finance Framework to finance the Government's green and social projects.

On the business side, through its open architecture platform, BDOPB is able to make green, social and sustainability-related financial instruments available to its clients. In 2024, clients' investments in various green and sustainability bonds increased to ₱20 billion, compared to ₱3 billion in 2023). BDOPB clients were among the retail investors in BDO's oversubscribed second and third ASEAN Sustainability Bond issuances in January and July of 2024. The ASEAN Sustainability Bond proceeds are earmarked for renewable energy, green buildings, energy distribution infrastructure, water management projects, employment generation, and food security projects, among others.

₱20 billion
In Client Investments in Green and Sustainability Bonds

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.

Underwriting

Working Towards Sustainable Capital Markets: BDO Capital & Investment Corporation

Investment banks have traditionally focused on capital-raising activities either through equities or debt with the primary objective of maximizing shareholder value. While this remains to be their bread-and-butter, investment banks are now integrating ESG principles into how they structure their deals to provide clients with sustainable financing solutions without compromising their target returns.

Capital market transactions now offer labels including, among others, clean and renewable energy, transportation and logistics with reduced carbon emission, and water and waste-water treatment projects. From plain vanilla bonds, it is not uncommon nowadays to come across green bonds, blue bonds, social bonds, gender bonds, and sustainability-linked bonds with the common objective of promoting sustainable development.

The increasing trend in issuing sustainability-related instruments was evident in the ASEAN market where a total of US\$56.50 billion of ASEAN-labelled Green, Social, Sustainability, and Sustainability-linked Bonds were successfully launched in the region as of September 30, 2024, up 37% from year-ago levels. The Philippines remained the second largest issuer accounting for 27% of the total with US\$15.04 billion, 50% higher than the previous period's volume.⁵

For its part, BDO Capital & Investment Corporation (BDO Capital) continues to integrate ESG factors into its underwriting, arrangement and advisory services, particularly on the environmental, social and governance impact of transactions that it brings to the market. BDO Capital promotes green and sustainable finance initiatives through its underwriting of green,



blue and social bonds, advisory for projects that promote investments in renewable energy, green buildings, and other infrastructure to support the country's transition to a more sustainable mode of economic development.

BDO Capital has significantly contributed to pioneering GSS+ Bonds, arranging, managing and/or underwriting many “firsts” in the local market, including the ₱5 billion Gender Bonds of ASA Philippines Foundation, Inc., awarded as Best Gender Equality Bond by The Asset; the ₱10 billion ASEAN Green Bonds of Energy Development Corporation; the ₱15 billion Blue Bond of Maynilad Water Services, Inc., and the ₱6 billion Sustainability-linked Bond of Ayala Land, Inc.

BDO Capital's other notable transactions in 2023 and 2024 that support sustainability strategies comprise of the following:

2024

- **Sustainable Infrastructure:** New Ninoy Aquino International Airport's Infra Corporation's ₱28 billion (Tranche 1) and ₱52 billion (Tranche 2) Term Loans
- **Renewable Energy:** Citicore Renewable Energy Corporation Advisory and ₱5.3 billion IPO
- **Clean Energy:** Energy Development Corporation's ₱10 billion Bonds
- **Renewable Energy:** Alternergy Holdings Corporation's ₱2 billion Green Loans

2023

- **Wind Energy Farm:** Alternergy Holdings Corporation's ₱1.62 billion Initial Public Offering (awarded Best Equity Deal and Deal of the Year-Small-Medium Cap by the Investment House Association of the Philippines or IHAP)
- **Renewable Energy:** ACEN Corporation's ₱25 billion Preferred Shares (awarded Best Equity Deal by The Asset; Best Equity Deal Award Highly Commended by the Finance Asia; Green Deal of the Year - PH by Asian Banking & Finance; and Best Equity Deal (Large Cap) by IHAP)
- **Financial Literacy and Inclusion/Nation Building:** Republic of the Philippines' US\$1.26 billion Retail Dollar Bonds (awarded Best Fixed Income Deal-Large Cap by IHAP)
- **Telecommunications:** Frontier Tower Associates Philippines Inc.'s ₱50 billion Term Loan (awarded 2023 Telecom Acquisition Deal of the Year by The Asset; Project Infrastructure Finance Deal of the Year by Asian Banking & Finance)
- **Sustainable Transportation:** SMC Mass Rail Transit 7 Inc.'s ₱100 billion Term Loan (awarded Best PPP and Blended Financing Infra Deal of the Year by Alpha Southeast Asia; Transport Deal of the Year by The Asset; Project Infrastructure Deal of the Year - PH by Asian Banking & Finance; and Deal of The Year-Large Cap and Best Project Finance Deal by IHAP)
- **Battery Energy Storage System:** SMGP BESS Power Inc.'s ₱40 billion Term Loan (awarded Renewable Energy Deal of the Year-Battery by The Asset)

In previous years, BDO Capital has supported the fund-raising efforts of ArthaLand Corporation via Green Bonds, with proceeds of which were used for the development of new green buildings, and acquisition and renovation of completed buildings, both commercial and residential, that are compliant following ALCO's Green Finance Framework.

BDO Capital has also provided advisory services to its parent bank BDO for all of the latter's Sustainability Bond issuances. Recently, BDO issued its third ASEAN Sustainability Bonds which raised ₱55.7 billion — 11x times oversubscribed from the initial ₱5 billion offer. Proceeds from the offer will finance or refinance eligible assets as defined in BDO's Sustainable Finance Framework.

CASE STUDY:

Supporting renewables through the Alternergy IPO

BDO Capital was engaged as one of the joint issue managers and joint lead underwriters for Alternergy Holdings Corporation's (AHC) ₱1.62 billion (~US\$30 million) initial public offering (IPO) of its common shares on the Main Board of the Philippine Stock Exchange (PSE) in 2023.

Proceeds from the IPO were used by AHC for the following:

- Development and construction of the Solana Solar and Lamut Hydro projects;
- Payment of accrued liabilities on the acquired Kirahon Solar Energy Corp. shares;
- Pre-development expenses of pipeline projects, namely Ibulao Hydro project, Tanay Wind project, Alabat Wind project, Calavite Offshore Wind project and Tablas Strait Offshore Wind Project;
- General corporate requirements, and
- Working capital to operationalize Retail Electricity Supply

The IPO received favorable demand from institutional investors and trading participants of the PSE, as the first equity issuance to debut on the local bourse in 2023 and one of the few pure renewable power companies listed at the PSE, during a turbulent and high-interest rate environment.

AHC was unique in its Triple Play approach where it has stakes across solar, hydro, and wind projects without any exposure to coal. This approach was carefully envisioned and carved out by its founders to provide AHC the ability to navigate through various weather and seasons of the Philippines allowing them to leverage on varying types of renewable energy that matches the season, providing a natural hedge against fluctuations to their energy output relative to rainy or dry season. The transaction was awarded Best Equity Deal and Deal of the Year-Small-Medium Cap by the Investment House Association of the Philippines.



Apart from the IPO, AHC issued a ₱2 Billion Green Loan Facility in May 2024. The proceeds were used by AHC to partially finance the development and construction of several renewable energy projects including, among others, the 101.4 MW Tanay Wind Power project and 62.4 MW Alabat Wind Power project. Both projects are under the Department of Energy's Green Energy Auction Program and aligned with AHC's Green Finance Framework, which has been evaluated by DNV (Thailand) Co., Ltd in its Second-Party Opinion.



Brokering and Trading for Financial Investments: BDO Securities

BDO Securities Corporation (BDO Securities) is a Securities and Exchange Commission-licensed securities broker/dealer and a Trading Participant of the Philippine Stock Exchange and Philippine Dealing and Exchange Corporation. BDO Securities offers brokerage services for both online/mobile app trading and broker-assisted/traditional trading, providing clients access primarily to local equities such as common shares, preferred shares and real estate investment trusts, as well as local and global mutual funds and fixed-income securities (Philippine peso and US dollar-denominated corporate and government bonds, money market and multi-asset securities).

To promote financial literacy and assist existing and prospective clients make informed decisions, BDO Securities provides daily, weekly, and monthly research reports on market insights and relevant metrics on companies it covers. In addition, BDO Securities makes available market learning resources such as webinars and tutorials to guide novice and savvy investors on how to navigate the market; corporate series that talks about the plans and prospects of PSE-listed companies; and reading materials available at the Company's website for those who wish to learn more about stock market investing.

The TradeTalks webinars conducted by BDO Securities are designed to be accessible to investors with varying levels of experience by providing a more interactive venue for clients to learn more about the market. Guest speakers and hosts talk about timely topics, answer questions, as well as get direct feedback from attendees. For beginner investors, the Tutorial Series covers the basics of formulating investing strategies (risk and return, asset allocation, and diversification), technical analysis, and navigating the BDO Securities platform. The Outlook Series provides the latest updates and outlook on the Philippine stock market and specific sectors from the Research Team of BDO Securities. Meanwhile, the Corporate Series gives clients the opportunity to get to know PSE-listed companies straight from their management team as they talk about their company's plans and prospects.

TradeTalks Tutorial Series

<p>February 28, 2024</p> <p>Investing in IPOs and How to Read the Prospectus</p> <p>Learn everything you need to know about investing in Initial Public Offerings (IPOs), from understanding the basics of IPOs to analyzing the prospectus and making informed investment decisions.</p>	<p>May 15, 2024</p> <p>Technical Analysis for Beginners</p> <p>Learn when to take a position and when to let go using Technical Analysis.</p>
<p>May 22, 2024</p> <p>Selecting Stocks Made Simple</p> <p>Learn how to filter through market data and be guided on how to pick stocks that fit into your investment strategy using Fundamental Analysis.</p>	<p>June 26, 2024</p> <p>Basics of Fundamental Analysis</p> <p>Learn about the basics of Fundamental Analysis from one of parent BDO Capital's seasoned investment bankers and see how you can apply this in your stock investing strategy.</p>
<p>August 15, 2024</p> <p>What Type of Trader Are You</p> <p>Are you a momentum trader, a swing trader, a day trader, or have yet to figure it out? Learn more about the different types of traders and what fits you best in this webinar.</p>	<p>September 4, 2024</p> <p>Beginner's Guide to Investing</p> <p>Learn about trading with BDO Securities and gain the knowledge you need to navigate the stock market and the BDO Securities online trading platform.</p>

TradeTalks Corporate Series

January 23, 2024 ACEN Corporation (ACEN) Learn from ACEN management team on the latest developments about the company.	May 27, 2024 Citicore Renewable Energy Corporation (CREC) Get to know CREC, their plans and prospects in relation to their IPO.
October 2, 2024 Alternergy Holdings Corporation (ALTER) Hear from ALTER’s management team as they talk about the latest developments about their business and the renewable energy space.	

As a broker/dealer of securities, BDO Securities relies on securities available in the market which may or may not promote sustainability. While this may be the case, BDO Securities ensures that it aligns itself with the ESG initiatives that its parent bank BDO advocates. Through financial literacy seminars, BDO Securities is helping both its clients and prospective clients learn more about diversifying their investments from the traditional “deposit-and-withdraw” scheme to the more sophisticated stock market and fixed income and funds investing where they will have the opportunity to earn more from a portfolio of securities vs. a single asset investment. In addition, by placing their eggs in different baskets, clients are able to ride through inherent volatilities in the markets.

Insurance

Leaving a Lasting Legacy for Future Generations: BDO Life

Breadwinners are the lifeline of every family: they work hard to provide for their loved ones, and often sacrifice their personal comfort and well-being to meet their family’s needs and provide a comfortable lifestyle. Yet, no matter how strong and resilient they appear to be, breadwinners remain susceptible to life’s unforeseen risks that threaten the financial security of those who rely on them for financial support. Despite an increase in insurance penetration in the country, from 1.63% in 2023 to 1.71% in 2024, majority of Filipino breadwinners are still left without adequate insurance protection to shield their loved ones when unforeseen risks occur. To help address this massive social protection gap, BDO Life continues to create campaigns and initiatives aimed at driving awareness and appreciation for the value of life insurance, while making affordable protection solutions available through various BDO channels.

26%
Growth in Unique
Insured Lives

59%
Women Customers
Availing Insurance

PROVIDING A PLAN B FOR EVERY PLAN A

Most breadwinners are conscious of formulating and executing a Plan A towards achieving financial independence. What excites people about having a Plan A is that it ensures a comfortable lifestyle, a dream home, a reliable car, and a continuing income that can sustain one's self beyond retirement, along with other life aspirations and preparations for the future. BDO's products and services make it possible for the breadwinner to achieve financial independence and attain all these. However, there will always be a need to prepare for life's uncertainties, such as critical illness, accidents, or premature death — all of which can put the breadwinner's Plan A at risk. When this happens, BDO Life can serve as the breadwinner's Plan B, injecting much-needed cash at a most appropriate time to keep the family going. To date, BDO Life has grown its count of unique insured lives by 26% from 2023, covering 1,039,534 Filipinos. Among customers with tailored, individual insurance solutions, 59% are females, underscoring the organization's increasing focus on ensuring equal financial stability for women, many of them sole breadwinners for their families.

BDO Life has also partnered with BDO's business units such as the Branch Banking Group, Transaction Banking Group, BDO Remit, and BDO Network Bank (BDONB) to bundle Plan B solutions as an add-on benefit to enhance the Bank's products and services. This bundling strategy solidifies the value proposition offered by BDO, empowering customers to realize their Plan A while enjoying the financial security offered by a Plan B.

- **Continuing Income** – BDO payroll clients are offered add-on Group Yearly Renewable Term Insurance (GYRT) or Group Personal Accident Insurance (GPA) that provides, in case of death, three months of adjustment income to the family. To date, this initiative covers over 100 BDO payroll accounts and 93,000 unique insured members.
- **Liquidating Debt** – Life insurance is bundled with BDO loan products – home loans, small business loans, personal loans, and others – to pay off any remaining loan balances in case of death, terminal illness, or total and permanent disability. This allows families to keep their home; small business funded through personal loans and small business loans are preserved; and seafarers' loans and OFW's Pabahay (housing) loans are liquidated, shielding their loved ones from having to deal with any financial fallouts.
- **Settling Final Expenses** – To protect overseas Filipino workers who regularly utilize BDO Remit's facilities to provide for their families back home and who maintain a healthy account balance, BDO Kabayan Savings enhanced its product offering with a free Group Yearly Renewable Term Insurance (GYRT). In the unlikely event of premature death, this program provides a "clean-up fund" to deal with final expenses that the family will incur.

Apart from overseas workers, BDO Life, in partnership with BDONB, offers simple and affordable life insurance to the underserved through BDO Life's Kabalikat Plan. For as little as ₱500 per year, should an insured member pass away or become disabled due to an accident, Kabalikat Plan will provide adequate cash to fund one's final expenses. This spares the family from financial worries at their time of grief. Additional benefits are provided for accidents while taking public transport, plus a modest hospital allowance benefit per day of hospital confinement. A ₱10,000 Burial Assistance Benefit is extended upon death due to any cause, as a



81,000
Lives Covered

₱500
Affordable Kabalikat Annual
Premium for Death or
Disability Insurance with
Hospitalization Benefits

way to further help ease the financial burden resulting from their loss. Since its launch in 2021, BDO Life's Kabalikat Plan has covered over 81,000 lives as of year-end 2024, with 81 burial assistance claims paid, 89 hospital income claims released, and 8 accidental deaths covered.

With these initiatives in place, BDO Life customers are assured of easy, accessible, and affordable life insurance programs that enable their loved ones to preserve family unity and to maintain their financial dignity.

FINDING WAYS TO EDUCATE ON SOCIAL PROTECTION

With the advent of TikTok, today's social media audiences have grown to prefer shorter, fast-paced, and eye-catching content over traditional, long-form media. With this in mind, BDO Life launched two 15-second ad campaigns that successfully showed how life insurance can serve as the family's financial safety net — or Plan B — through simple, everyday situations, while using relatable, everyday language like “May Plan B ka na ba?” (Do you already have a Plan B?) to effectively communicate its advocacy.

All digital campaign materials lead audiences to BDO Life's Get a Quote website, a page where they can browse through easy-to-understand life insurance products and get immediate quotes on their chosen plans. When they're ready, clients can visit their preferred BDO branch to complete their application. This approach enables more Filipinos to better understand how life insurance solutions can best work for them, while providing greater access to insurance products that can be tailored to their budget.



To further strengthen its Plan B advocacy, BDO Life launched Project Revitalize, an on-the-ground culture building internal campaign across all BDO branches where frontliners are trained to engage qualified customers with a simple Plan B question preparatory to endorsing them to a BDO Life Financial Advisor in the branch.

De-risking Business and Individual Activities: BDO Insure

By actively engaging in various activities, BDO Insurance and Reinsurance Brokers, Inc. (BDOI) recognizes its potential to be a catalyst for sustainable practices, bringing clients along BDO's sustainability journey to foster economic development, environmental responsibility, and social inclusion and equity.

- **Advisory Role** – guides clients toward insurance products that promote sustainability, such as coverage for business that adopt environmentally friendly practices and social protection coverage.
- **Encouraging Risk Assessment** – emphasizes the importance of risk management strategies that consider environmental and social factors, helping clients understand their options and impact on sustainability.
- **Supporting Sustainable Business** – helps sustainable business access insurance to manage their risks, facilitate their growth, and contribute to economic development and responsible consumption.
- **Collaborating with Insurers and Reinsurers** – works hand-in-hand with its partners to develop tailored insurance solutions that address specific sustainability challenges faced by industries or communities.
- **Due Diligence of Sustainability Practices** set by each insurance and reinsurance company that BDOI works with.



INSURANCE AND SUSTAINABILITY

In navigating the complexities of today's rapidly changing world, BDOI is emerging as a vital focal point at the intersection of insurance and sustainability. Fast growing awareness of environmental challenges and social responsibility is reshaping client expectations and industry standards alike. The BDOI team provides both coverage and advisory services that help clients understand risks and their financial goals, while also educating them on the profound impact of their choices on the environment and society.

In 2024, BDO Insure collaborated with its insuring partners to drive sustainable insurance practices:

- **Secured license for Reinsurance Broker services.** At recent Singapore International Reinsurance Conference (SIRC), BDO Insure collaborated with foreign reinsurance partners to provide ready facility support coverage for Natural Catastrophic Cover for clients in the Philippines. This led to larger facilities support, both local and foreign insurance support, that the local market may not provide, especially on emerging risk.
- **Engaged clients in All Risk coverage.** The BDO Insure Package includes products aimed at shielding assets and businesses from the risks associated with climate change. For exposures that are not adequately addressed by traditional insurance, BDO Insure offers alternative solutions like Parametric Insurance to bridge the coverage gap.
- **Conducted risk assessment that cover climate change physical risk exposures** to determine clients' hazard risk and operational risk and mitigate the current exposure of clients' facilities.
- **Facilitated Electric Vehicle motor coverage including charging equipment** in cooperation with insurance partners Standard and Pioneer Insurance.
- **Served as lender insurance advisor to financial institutions** - BDO Insure collaborated with other BDO business groups for any property risk assessment for insurance purposes. Acted as advisor on construction and manufacturing risks, including how raw materials are sourced, manufactured and made, and if the process being used actually minimized carbon emission. BDO Insure offers insurance adequacy review for BDO Clients to comply with their lender's requirement. This is for their resiliency against fire, natural perils, environmental liability, and financial loss.

Internally, BDOI reduced its paper consumption by 15.6%, from 4,615 reams in 2023 to 3,931 reams in 2024. The team also launched a storage disk drive clean up across all BDOI business units, reducing the disk usage from 98% (7.1 terabytes) to 57% (4.7 terabytes) by deleting all non-critical files. The cleanup led to cost savings from additional file storage in terra bytes and additional database warehouse for BDOI files. It also eliminated heat emissions from storage due to very large files in the server. BDOI also implemented the use of existing online tools to monitor internal reports and drive paperless operations.

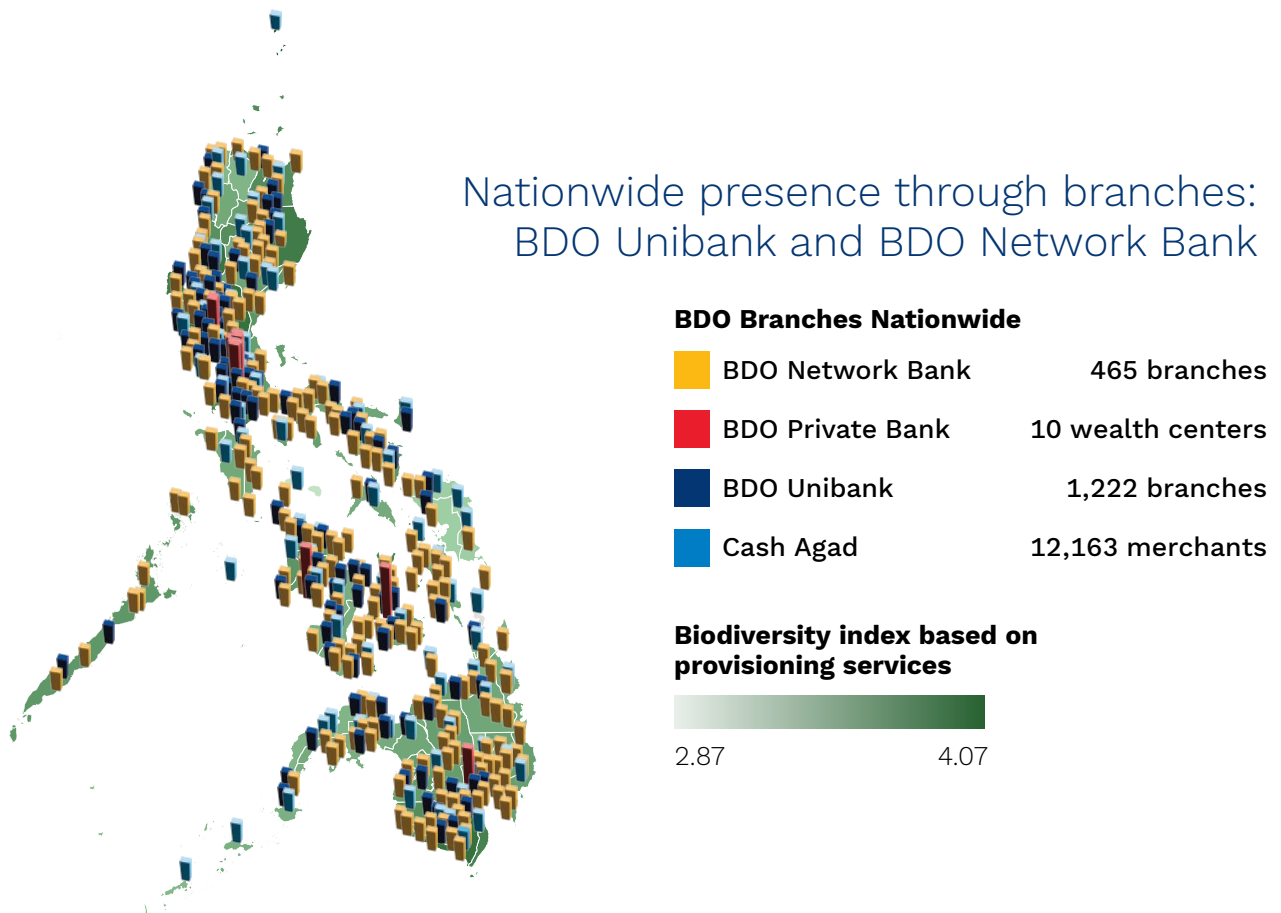
RISK MANAGEMENT ADVISORY

BDOI also plays an increasingly crucial role in risk management advisory. This synergy between risk management and sustainability development is both an opportunity and a responsibility for insurance professionals, setting the stage for advisory to clients through Risk Management Reports:

1. **For high-risk industries,** BDOI's Risk Management team engages heavily in loss mitigation programs to seek full support and secure insurance programs for clients.
2. **For Renewable Energy construction,** the team advises on recovery and treatment of all materials installed during renewable energy construction e.g. solar panel disposal and recovery of electronic vehicle part and battery, solar inverters, and chemicals (Cadmium, Lithium, HCL, organic solvents).
3. **Interprets risk exposures at initial stage of construction** into insurance language, such as:
 - Design and installations of fire protection facilities
 - Design and installations of vital machinery and equipment
 - Compliance to local government, and applicable government agencies' environmental and safety requirements, etc.
 - Minimum design and other requirements for:
 - Sewage Treatment Plant
 - Materials Recovery Facility
 - Hazardous Waste Storage and Disposal
 - The required Pollution Control Officer interview

4. Conducts onsite risk assessment on Operations, Renewable Energy: performs broad analysis of client's existing hazards and recommends solutions to reduce and mitigate them. Operation specific recommendations include proper and regular maintenance of equipment and utilities that can reduce carbon footprint and improve quality of wastewater discharge. Recommendations are also in accordance with the most current Department Administrative Orders of the Department of Environment and Natural Resources (DENR). BDOI also provides insurance risk assessment support for clients engaged in renewable energy: solar, biomass, and hydroelectric power stations.

Financial Services Presence and Impact



Advancing the Phygital Banking Strategy: Branch Banking Group

Phygital = Physical and Digital
combining domains where banks operate to reach its clients

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 Group (BBG) supports BDO clients who still prefer transacting in branches because they enjoy dealing with another person. BDO combines the warmth of human interaction with the benefits of digital technology through Phygital Banking. 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.

Branch innovations and self-service technologies for improved customer experience are part of BDO's digital transformation efforts to make its service delivery more efficient across all its channels:

- **Secured Way of Customer Identification** – the use of Customer Authentication Solution (CAS) as the new customer onboarding system, allows various digital authentication methods such as face identification, fingerprint, card+PIN when onboarding existing bank customers. These methods enhance account security to protect customers from unauthorized access to their accounts.
- **Self-Service Technology**
 - **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 paperwork processing.
 - **BDO ATMs are the first in the country to be equipped with QR and biometric technology** that allows for cardless money withdrawal.
 - **Deployment of more Universal Teller Machines (UTM)**, a combined ATM and Cash Deposit Machine (CDM), as an alternative channel for clients to accomplish financial transactions such as deposit, withdrawal (withdrawals via QR code or biometrics), bills payment, check deposit and smart passbook update. Clients can transact with UTMs rather than wait in line at the branch. This also lessens the branch lobby traffic and allows our employees to focus on more complex transactions.
 - The **Smart Passbook** allows customers to conveniently update their passbooks without the need to queue and wait in line at the branch, saving time for both the customer and the branch.
- **Instant Access to Debit Card Issuance** – The ATM Card Onsite Printer Machine will soon enable branches to print debit cards onsite, allowing customers to receive their cards instantly without needing a return visit to the branch.
- **Product Specialist on Demand** called BDO Connect, a platform allowing customers to immediately speak to a Product Specialist via live video call on-demand, to inquire on and/or avail of BDO products and services. The goal is to always put customer first, to be able to address and service our customers' need when they visit the branch and provide them with the information they need on the Bank's products.
- **BDO Connect** caters to the following products and services 1) CBG Secured Loans for Auto, Home, Multi-Purpose; 2) CBG Unsecured Loans for Credit Cards and Personal Loan; 3) Wealth Investment products for BDO Private Bank and BDO Securities; 4) Non-life Insurance, and 5) Transaction Banking Group-Cash Management Services-Small Medium Enterprise (CMS-SME).
- **My Buddy, Convenient Access to Internal Policies** – BBG built its own Knowledge AI Assistant named BUDDY to enhance employee access to its vast Policy Database. It is a chatbot-style AI tool that allows branch employees to type frequently asked questions and get immediate responses. The AI tool allows branches to effectively perform their daily functions faster.

1,222

Branches in the Philippines

1 Minute per Transaction

Time Saved per Transaction from Service Assist Machines

1,219

Branches with Service Assist Machines

BDO recognizes that building trust is important in digital transactions 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 by digital technology.

FINANCIAL INCLUSION

BDO Basic Account was made available in all BDO branches in 2024. BDO Basic is a deposit account designed for financial inclusion of the unbanked sector by offering a deposit product with no initial deposit requirements. BDO Basic is offered to clients as a source or destination account for financial transactions done through electronic channels (i.e., New Digital Banking and BDO Pay applications) making the product very affordable and flexible for clients.

Zero
Initial Deposit for
BDO Basic

BBG supports the partnership of BDO Foundation and Don Bosco-One TVET Philippines, Inc., in incorporating financial education in Don Bosco's curriculum, to encourage technical vocational students to save for their financial goals. Selected BDO branches may open a savings account for students endorsed by Don Bosco-One TVET. They are also warmly welcomed by branch personnel, ensuring that the features of the savings account are properly explained. To practice what they learned in school and instill the habit of saving, the students are encouraged to maintain the required maintaining balance after a year. BBG also coordinates with BDO Foundation in conducting online financial literacy for college students of National University.



In 2024, BBG branches spearheaded the Community Marketing initiative, a group-wide marketing and business development activity in specific communities, meant to capture various market segments and advocate financial literacy and inclusion. The activities include social media campaigns culminating in a BDO Fiesta event, where there is an opportunity to cross-sell different BDO products and services. For the underserved sector of many communities, the opportunity to join in the culminating activity enables them to take a closer look at what the Bank can offer in a festive setting that is more familiar to them and less intimidating than visiting actual bank premises.

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.

AVAILABILITY IN TIMES 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. It is a testament to BDO's commitment to provide convenient access to meaningful products and services to clients nationwide. This extends to adapting to the country's high vulnerability and exposure to disaster risk. The Bank continues to expand its presence on the ground and provide convenient access to cash and financial services, more so during times of unusual or hazardous circumstances happening within or near the branch premises:

- **Typhoons** - Adverse weather conditions disrupt services to the customers, cause operational delays, and affect overall productivity. BBG ensures continuity of service and operations through activation of Business Continuity Plans (BCP), such as:
 - **Advisories** - Released to employees on proper handling of safety reminders and instructions during emergency situations, including assistance to be provided to clients.
 - **Buddy Branch** - Deployment of manpower to identified nearest buddy branch to support client servicing.
 - **Call Tree** - Periodic testing of hierarchical communication model used to notify group members in the event of an emergency and recovery.
 - **Split Operations Support** - Ensure uninterrupted operations by deploying teams at 2 sites: BDO Towers Valero and BDO Corporate Center Ortigas.
- **Unusual Incidents** - may involve vehicular accidents which may destroy the façade and lobby of the branch, foul smell caused by sewer pipe leak, fire incident of nearby establishment, etc. 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 situation.
- **Crowdstrike Disruption** - System downtime experienced across the Bank triggers rapid root cause analysis and cascade of resolution and restoration efforts. BBG and IT created a Task Force group chat to support branches.

In addition, clients visiting the branch are reminded about safety banking tips to protect clients from fraud-related activities. Branch personnel are trained to discuss Anti-Scam Tips and refer them to the Bangko Sentral ng Pilipinas (BSP) 1140 Advisory material displayed in the branch counters.

RESPONSIBLE BRANCH OPERATIONS

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 limit paper consumption, clients are encouraged to request for soft copies of statements of accounts (SOA) by email. Printing of paper SOA is an exception and done only upon the client's request.

Working with the Facilities team, BDO branches have started using the decentralized disposal process in disposing of their furniture, fixtures, and equipment (FFE) due to wear and tear, obsolescence, or being beyond economic repair. Items for disposal include fax machines, typewriters, calculators, poster frames, permit holders, office chairs, and electric fans. These items are then sold to scrap buyers for recycling, or reuse.

2,087,228

Total New CASA
(Current Accounts/
Savings Accounts)

Ensuring availability of Cash: BDO Cash Services

BDO Cash Services ensures the availability of fit banknotes and coins needed by the Bank's branches, automated teller machines, and clients. The Cash Services team operates a logistics network of 63 cash centers nationwide. An additional 9 cash centers are being built in the provinces to reach more remote areas.

Cash Services also manages the distribution of Cash Deposit Machines (CDMS) that can cater to the clients' cash deposit requirements and spare them time in queuing at the branch. The team likewise deploys Universal Teller Machines (UTMs) to provincial areas to offer other bank services such as check acceptance and passbook printing that further make banking easier. In terms of operations, the machines contribute to BDO's energy savings initiative as they significantly lower average power consumption to just 180 watts per machine during idle time, compared to 300 watts when in use.

Aside from the circulating fit banknotes and coins, BDO also supports the Clean Note and Coin Policy of the Bangko Sentral ng Pilipinas (BSP) by helping make sure 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
- 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 bank notes and coins.

BDO AND THE CASH SERVICE ALLIANCE

BDO also supports the efforts of the BSP in making the circulation of currency more efficient through the Cash Service Alliance (CSA), 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 bank notes and coins exclusively from the BSP and deposited excess currency holdings only to the BSP. With the establishment of the CSA, BDO was tapped to supply other banks with their cash requirements, while it also rationalized its cash services by reducing armored car trips to and from BSP branches, resulting in lower gas emissions.



For the second consecutive year, the BSP named BDO as one of its outstanding institutional partners during its 2024 Outstanding BSP Stakeholders Appreciation ceremony held at the BSP Headquarters in Manila in August 2024. 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. As the BSP extended the CSA implementation to provinces, BDO has likewise signed up for participation in target provincial regions in 2024 and further in 2025.

Facilitating access and inclusion: BDO Digital

DIGITAL BANKING

BDO's digital channels enjoyed a 20% increase in users in 2024 compared to 2023, as the Bank continues to add enhancements for better security and upgraded features. These features primarily enable BDO to reduce its carbon emissions and transition to paperless practices. Information is now disseminated online through apps, online platforms, and on the website, and transactions that were mostly performed over the counter are now increasingly happening digitally.

20%
Increase in
Digital Banking Users
in 2024

BDO ONLINE

The BDO Online app continued to launch new transactional features in 2024. The US dollar to Philippine peso transfer feature empowers Overseas Filipinos (OFs) to seamlessly remit money to their beneficiaries. Together with BDO-to-BDO transfers, InstaPay, PESONet, and the use of QR codes, customers now have more ways to send money.

To further enable interoperability with other financial institutions and support BSP's roadmap, BDO also launched multi-proxy services for customers to link a mobile number to their account in order to receive money from other banks. The app also offers access to transaction history, electronic statements, and other account information, which reduce the need to call the contact center, visit the branch, or print statements, leading to reduced paper consumption and the overall carbon footprint.

All these were coupled with up-to-date security features that deter hackers and scammers from account takeovers. The new features for the BDO Online make it easier for BDO clients — whether in the big cities or rural areas — to view and manage all their BDO accounts and cards anytime, anywhere.



BDO PAY AND BASIC ACCOUNT

The BDO Pay app now allows customers to avail of various installment offers straight from the app, giving them flexibility in their day-to-day expenses. BDO Rewards was also integrated into the app, which reduces the need for physical card printing and chip consumption. Customers can access their Rewards Cards with a tap, and are able to redeem vouchers and other gifts directly on the app. Interoperability through QR Ph also allows the use of BDO Pay across different stores and merchants nationwide, giving customers even more choices when they pay.

The BDO Basic Account, an account that requires no minimum maintaining balance or initial deposit, can now be opened in BDO branches or online via the BDO Pay app. Through the BDO Basic Account and the BDO Pay app, both existing and new customers of the Bank can enjoy a simplified way to make payments and perform transactions with just a few taps on their phone.



BDO CHECKOUT AND MERCHANT PARTNERSHIP

Merchant Partnerships (MP) is actively working towards sustainability goals by implementing various features in its products services and maintaining safe and secure payment transactions:

- 1. BDO Checkout:** Offers safe and secure digital payment solutions to all types of merchant partners.
- 2. BDO Mini Point of Sale (POS):** This new payment device eliminates the need for thermal rolls, significantly reducing paper waste.
- 3. No Signature Program:** By avoiding the need for cardholder signatures, this program reduces the use of ink.
- 4. Reduction of Printed Sales Slips:** The number of printed sales slips has been reduced from three to two copies. Merchants are now required to retain the sales slips, eliminating the need for separate submissions to BDO. Additionally, BDO uses paperless slips and refers to digital images.
- 5. Use of Android POS:** Implementing Android POS systems contributes to more efficient and sustainable operations.
- 6. Electronic Cash Register (ECR) Integration:** The integration of ECRs with card payments supports reduced use of paper and ink, further promoting sustainability.
- 7. Mobile/Cashless Payment:** Enabled our physical devices and online platforms to accept cashless payments, especially for everyday spend and small-ticket transactions, further promoting sustainability.



The implementation of BDO mini-POS and Android POS systems offers customers the convenience of modern, digital payment solutions, making transactions smoother and more accessible. The Mobile/Cashless Payment options cater to the increasing demand for contactless payments, providing a safer and more hygienic way to conduct transactions, especially in the post-pandemic era. Offerings such as BDO Checkout, Web, and Electronic Sign-Ups facilitate paperless transactions, reducing the need for physical documentation, and making the process more streamlined and user-friendly. This not only enhances the overall customer experience but also demonstrates BDO's commitment to innovation and sustainability, which can foster greater customer loyalty and trust.

These sustainability initiatives significantly enhance customer satisfaction in several ways. Reducing the need for paper and ink through the No Signature Program and the Reduction of Printed Sales Slips help customers experience faster and more efficient transactions. More importantly, these align with growing consumer preference for ecofriendly practices, both for individual consumers and businesses that are increasingly conscious of their environmental impact. On the other hand, the cost impact of these initiatives is significant, as they reduce operational costs associated with paper and ink, and enhance efficiency through digital processes.

SHIFT TO DIGITAL COMMUNICATIONS

The team shifted 80% of its ad placement allocations to digital channels, leaving only 20% for printed billboards placements. Digital ads reduced the need for printing on one-time use materials such as polyethylene tarpaulins. The initiative converts marketing materials from print such as flyers, brochures, among others, to digital formats uploaded through the BDO website and BDO social media accounts. This strategy allows flexibility and broader reach, while decreasing the carbon footprint that printed materials, particularly plastic, would leave. While banks are excluded from the Extended Producers Responsibility Act of 2022 which requires large companies to adopt and implement policies for the proper management and recovery of plastic packaging wastes, BDO's shift to digital ads contributes to less plastic use from ads and marketing collaterals.

80%

of ad placements moved to digital channels

CASH AGAD AGENCY BANKING

Agency Banking's Cash Agad aligns closely with the sustainability goals of the Bank, particularly in promoting economic growth and fostering sustainable communities through its network of over 12,163 cash agent sites nationwide. BDO's Cash Agad solution is one of the earliest proponents of financial inclusion in the country, either extending or complementing BDO's reach in areas where bank branches and ATMs are scarce. 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. These agents, located in both urban centers and rural areas, play a crucial role in reaching the underserved populations. With presence in 100% of provinces and 95% of municipalities across the Philippines, Cash Agad significantly increases the Bank's outreach.

12,163

Cash Agad
Partner Agent Sites

124 million

Cash Withdrawal
Transactions

₱532 billion

Total Cash Withdrawn

100%

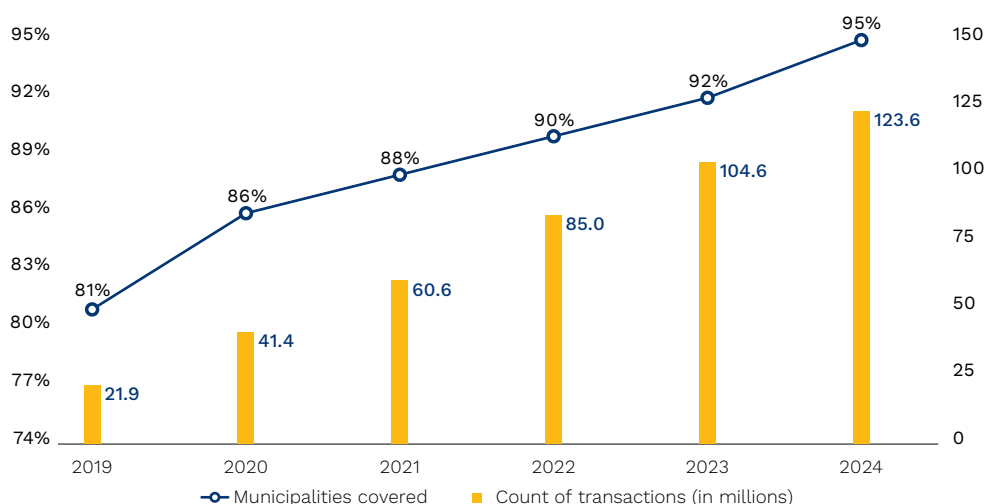
Provinces Covered

95%

Municipalities Covered

To date, Cash Agad has successfully processed 124 million withdrawal transactions, totaling P532 billion in cash withdrawn. In a strategic move to enhance agent capabilities within local communities, Agency Banking has expanded its product offerings to include cash-in and bill payment services. Customers can now easily fund their BDO Unibank, BDO Network Bank, or other bank accounts, as well as pay utilities, credit cards, loans, and various bills at these agents.

CASH AGAD COVERAGE AND TRANSACTION COUNT



To further establish cash agents as vital financial hubs in their communities, Agency Banking has launched initiatives such as Agent Barangayans and Cash Agad Partner Agents Days. These events actively promote the agents in their respective areas through flyer distribution, store booth setups, and giveaways. Collaborating with BDO Remit and BDO Network Bank, representatives engage in account solicitation during these two-day gatherings at the agents' locations. From October to mid-November 2024, these efforts resulted in approximately 2,000 new savings accounts with an initial deposit value of ₱1.9 million, with 90% being Kabayan Savings Accounts aimed at Overseas Filipinos and their beneficiaries.

By bringing banking services closer to customers through cash agents, residents in barangays no longer need to travel to urban centers for their financial needs. This accessibility saves time, money, and energy while also reducing the community's carbon footprint. Cash agents benefit from transaction fees, which help them grow their businesses and increase their customer base, driven by the foot traffic generated by the Cash Agad initiative.

CASE STUDY:

AJ General Merchandise Cash Agent Days

One of the most successful Cash Agent Day events in 2024 was in Kadingilan, Bukidnon, where 179 new accounts were opened. The store, owned by a married couple, is situated in a strategic location across the Kadingilan Public Market and offers a wide array of merchandise, from groceries to household goods. The couple are recognized as pillars in their community since they also operate another long-standing store in the area, a furniture shop, and a farming business. The new accountholders included local market store owners, their employees, government workers, and regular market patrons, with remittances primarily coming from the Middle East and Japan. The BDO branch nearest to Kadingilan is in the next municipality, 40 kilometers away.



Enabling businesses towards cashflow management and financial inclusion: BDO Cash Management Services

BDO Cash Management Services (CMS) has long been essential to businesses, helping them streamline their finances, enhance liquidity, and improve overall efficiency. In recent years, the role of the Bank's CMS has expanded beyond simple financial management to now align more closely with global sustainability goals and the push for financial inclusion. By optimizing cash flow resulting to enhanced operational efficiency, reducing waste, and promoting more accessible financial systems, cash management services are increasingly becoming a key tool in fostering both economic and environmental sustainability.

The environmental benefits of CMS also go beyond corporate's internal operations. Through the adoption of digital cash management tools, CMS enables clients to contribute to broader sustainability targets. As the Bank moves businesses towards digital transactions, CMS significantly cuts down on the environmental costs associated with producing and distributing physical money. In addition, by automating processes like payroll, invoicing, and vendor payments, CMS also enables clients to minimize the need for energy-intensive manual processes and shift to more efficient, lower overall energy consumption in financial operations.

FOCUS ON FINANCIAL INCLUSION AND SMES

One of the significant barriers to financial inclusion is the lack of access to traditional banking. In providing more accessible payment and financial solutions, CMS enables businesses and individuals to manage their finances through mobile apps, online platforms, and digital wallets. This helps the unbanked to enter the financial system with more ease and convenience so they can send and receive money, pay for goods and services, and save using mobile-friendly tools.

BDO CMS also offers various service packages to provide SMEs with the tools they need to manage their finances effectively. These include BDO Business Online Banking (BOB), BDO's online cash management portal, for payments, payroll with additional benefits, and easier access to financial services for the SME employees. All these reduce barriers to entry for entrepreneurs who might not have access to traditional financial services. CMS accelerates long-term economic growth by making financial services more accessible to SMEs and their employees and in the process, contribute to job creation and poverty reduction in underserved areas.

In 2024, BDO Cash Management Services processed a total transaction volume of 142 million, with a value of ₱19 trillion, for both collections. The Bank implemented around 66,000 new cash management deals, a 20% increase from last year. Total client base was at 168,552 with 96% of new clients coming from the sector of small and medium enterprises. CMS onboarded around 41,000 new SME clients in 2024, comprising 85% of CMS customer base by year-end 2024.

₱19 trillion
CMS Transactions Processed

142 million
CMS Transaction Volume

20%
CMS Deals Growth

CASE STUDY:

BDO Usapang Negosyo



Small and medium enterprises (SMEs) play a vital role in driving the local economy, contributing both to employment and economic growth. BDO Cash Management Services' thrust to help SMEs efficiently manage their cashflow and serve as an important financial inclusion tool was brought to life with the series of Usapang Negosyo (Business Talks) forums held in several areas in the country in 2024.

Usapang Negosyo forums were part of the Bank's community marketing program in 2024. These were first held in Laoag, Ilocos Norte (July); followed by Vigan, Ilocos Sur (August); La Union (October); and wrapped up with two sessions in Bacolod (November) through the joint efforts of Transaction Banking Group and Branch Banking Group. The forums gave the Bank a perspective on what SMEs need in each area, while SMEs learned ways to streamline their payments and collections. Majority of SMEs still go through time consuming manual processing for their payrolls, while their employees are unbanked and unfamiliar with banking services. CMS service packages include the creation of payroll accounts for the client's employees, with zero maintaining balance requirement. These accounts also become automatic savings accounts for employees, who are assured that their savings are safe and secured.

The forums also became a networking event where business owners met with other business owners and developed new acquaintances. BDO helped the local supply chain community to work better together.

Taking Sustainability to the Next Level: BDO Finance

BDO Finance Corporation (BDOFC) serves as the leasing and financing arm of the BDO Group and provides financing alternatives not offered by BDO Unibank. Among these financial alternatives are 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 for them to acquire trucks, motor vehicles, machinery, and equipment they need without worrying about budget constraints.



In 2024, BDOFC stepped up its sustainability advocacy initiatives among its clients.

Account Officers (AOs) intensified the promotion of electric vehicles (EVs) to top tier clients as an energy-efficient and environment-friendly alternative over fossil-fueled cars. They successfully leased to senior executives from top construction, manpower services, food manufacturers, distributors of premium food brands, marine management services, and global technology and consulting companies who elected to acquire EVs.

A common physical risk for Philippine cities is flooding due to prolonged rains during typhoons, which in turn, brings about both health problems and waste management problems to affected communities. BDOFC supported waste management and disposal service providers by extending leasing facilities so they can procure garbage compactor trucks and vacuum trucks that can efficiently collect and treat waste, and ensure the safe disposal of waste materials. This prevents clogging of drainage systems, esteros or canals, and waterways, and avoids community exposure to health problems and diseases brought about by stagnant water and waste.

BDOFC also granted leasing facilities to a prime hospital to acquire a brand new medical linear accelerator, angiography system, and anesthesia machine as the hospital upgraded its medical facilities to improve services for the treatment of cancer and heart diseases, two of the top causes of death in the country.

With increasing power costs coupled by reduced prices of solar panels, tapping the renewable power of the sun has become a very viable low carbon energy source option for many corporates. A wholly-owned Philippine subsidiary of an international company was approved a leasing facility to purchase and install solar rooftop mounted panels on a hospital in Iloilo City to generate 535 kW of electricity. Similarly, one of the leading manufacturers and distributors of construction chemicals and high-quality adhesives for automotive and construction industry was granted a lease facility for a 164 kW grid tied roof mounted solar panel system.

Another example of its sustainability advocacy is BDOFC's Leasing Program for solar rooftop installations to BDO Group officers. The team is currently monitoring a lease for the installation of solar panels in one officer's home as a showcase to demonstrate the benefits of the program.

CASE STUDY:

Timeless Green, Inc.

Timeless Green, Inc. (TGI) is a renewable energy developer and a wholly owned subsidiary of Timeless Green (TG) Sdn Bhd headquartered in Malaysia. TG, the parent company, has completed environmental and power projects including solar, hydro, and biomass, and to date, has delivered projects with a total capacity of 35,800 kW. TG expanded its renewable energy operations to Southeast Asia and incorporated TGI in the Philippines in 2018. TGI engages in the establishment, maintenance, and ownership of equipment and machinery to generate renewable energy for lease to its customers.



TGI embarked on a number of significant renewable energy projects in the Philippines, including the installation of solar panels on a hospital in Cagayan de Oro City that generates 200 kW of electricity, and on another hospital in Cavite with an 80 kW capacity. Its latest project is a 180-bed hospital in Iloilo City for the installation of solar panels to generate 535 kW peak electricity. TGI is sub-leasing the solar panel system to the hospital via a lease-to-own arrangement over 15 years. BDOFC extended a lease facility for the project payable over 60 months.

To further diversify its portfolio, TGI engages universities, shopping malls, commercial spaces, and government agencies for similar solar panel system undertakings. BDOFC will continue to be a strategic partner for TGI for these vital sustainable finance projects.

Financial Inclusion

Serving the Unbanked: BDO Network Bank

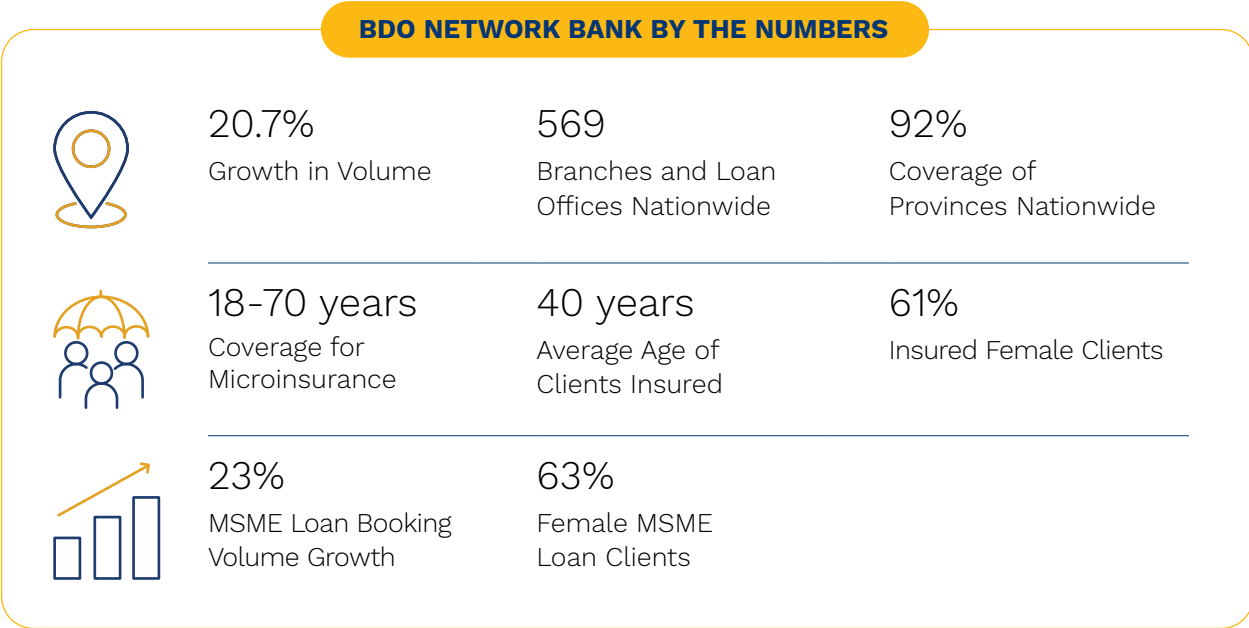
As the country's largest community bank and a subsidiary of BDO Unibank, BDO Network Bank (BDONB) serves the micro, small, and medium enterprise (MSME) segment, as well as government employees and the general public, particularly in the rural areas. BDONB brings modern, innovative, and relevant banking products and services to various underserved and unbanked communities in the country.

In 2024, BSP figures noted that 56% of adult Filipinos have a bank account, marking a considerable increase from just 23% in 2021. BDONB continues to provide financial inclusion through its network expansion across the Philippine archipelago by bringing its wide range of banking products that includes loans, deposits, remittances, microinsurance, bills payments, and other banking services.

In 2024, BDONB network expansion counted 569 branches and loan offices, an 11% increase from 2023. The Bank has reach and access to 4,923 BDO ATMs around the country — some located within BDONB branch premises and others in strategic high traffic areas that provide easy financial access to its clients. It also benefits from the 12,164 Cash Agad agents and 112 field tellers who provide secure account withdrawals and deposits services that extends the reach of branches. BDONB is currently present in 92% of total provinces in the country, with plans to add more presence in other provinces to reach and serve more people. In pursuit of a more paperless, more secured, and a more efficient system for sales and collections, BDONB also started its deployment and use of digital tablets for its personnel on the ground. This makes data collection and information updating more user friendly for clients. Following BDO's phygital strategy, BDONB's physical presence in strategic locations is complemented by its digital presence in social media and the BDONB website.

BDONB loan products are not just for the sake of lending, but also for capital buildup that help clients improve their lives and support communities to accelerate economic growth. BDONB values its clients, understands their needs, and strengthens relationships with them. As a result, BDONB posted a 23.6% increase in volume from the previous year.

BDONB also offers a low minimum initial deposit to encourage more people to open accounts and save. It cross-sells microinsurance that provides hospitalization allowance for clients ranging from 18 to 70 years old. The average age of clients insured is at 40 years, and 61% of those insured are female.



MSME FINANCING

In 2024, BDONB’s MSME loan bookings grew by 31% from 2023 figures based on volume, with a 5% increase in number of offices offering MSME loans. Female clients accounted for 63% of its total bookings. The MSME Teams not only sell loans but they likewise 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.

SALARY LOANS FOR GOVERNMENT EMPLOYEES

Teachers in Mindanao accounted for 38% of the total salary loan releases in 2024. Loan balance grew by 18%, even as BDONB’s customer base grew by 13% as it continues to expand to more rural areas nationwide. Salary loans reach was at 38%, with additional bank personnel servicing this segment up by 10%, allowing more people to serve the financial needs of government employees. The bank counts 79% of its total active clients for Salary Loans as female.

OTHER SUPPORT SERVICES FOR CLIENTS

BDONB continues to organize Financial Literacy discussions to help clients manage their money and to use their loan wisely, whether it be for school teachers and personnel, government employees, or public market vendors. For businessmen and entrepreneurs, BDONB has run over 30 Negosyante Days that focus on financial literacy talks. BDONB also works closely with the Department of Education (DepEd) and annually participates in its Brigada Eskwela (School Brigade) and Balik-Eskwela (Back to School) programs. For Brigada Eskwela, BDONB employee volunteers clean and rehabilitate public school classrooms and its environs in time for the opening of classes, while the bank provides school supplies to beneficiary schools for Balik-Eskwela. Together with DepEd, BDONB also supports Teacher’s Day Month and World Teacher’s Day celebrations in October. In 2024, BDO Foundation supplemented school provisions in order to reach more provincial public schools. BDONB also partners with the SM

Foundation to continuously bring medical and dental missions to areas that need health service support. The Bank also works closely with SM Supermalls to showcase its product offerings and financial literacy discussions through the weekly Sunday Market and its SM for MSMEs events.

CUSTOMER FOCUS: BDONB BAYANIHAN

With the theme “Bayanihan Para sa Matatag na Paaralan” (Volunteerism for a Steadfast School), BDONB community events reflected the understanding that a strong school is built not just on bricks and mortar, but on the collective effort of everyone involved.

- In July 2024, BDO employee volunteers and other stakeholders held a Brigada Eskwela clean-up at Changco Elementary School in Barangay Siguel, General Santos City to join hands in revitalizing the school and create a brighter learning environment for its students. BDONB donated paints, painting materials, clocks, umbrellas, and other items. The BDO Support Team also led a Tree Planting activity, where each tree planted represented a promise of progress, growth, and resilience.
- The Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) may have seemed daunting at first, but the BDONB Support Team quickly discovered a warm and welcoming community for Brigada Eskwela at the Bangsamoro Stand Alone Senior High School in Cotabato City. From painting classrooms to planting of trees, members of the community lent a helping hand to pave the way for a welcoming and conducive educational environment for incoming BARMM students.

CASE STUDY:

The Growth of S&D Scrap Trading

At the height of the pandemic in 2020, Deme Jay Alinab left his job as a medical representative to establish S&D Scrap Trading, a buy and sell business for scrap metal and other usable materials. With family members in a similar business, his familiarity with the scrap trading industry gave him an opportunity to build a business that could address the growing demand for collecting and transporting scrap metal while supporting his local community in Cebu.



Locally, scrap metal collection begins with informal workers, such as junk collectors who scour neighborhoods, construction sites, and industrial areas for discarded metal to sell to local junk shops for cash. This grassroots system provides the most basic livelihood opportunities but is often limited by the collectors' capacity to transport and process materials. S&D Scrap Trading bridged the gap between these informal collectors and large-scale processing plants.

The business began with a single ten-wheeler truck, servicing local junk shops and delivering scrap materials to metal processing plants. Despite limited resources, Deme Jay's drive

and business acumen led to rapid growth. Within months, he expanded his fleet and operations, eventually managing forty containers and two branches in Cebu. Recognizing the need for significant capital to sustain and grow his business, he sought financing from BDO Network Bank.

The partnership with BDONB provided the financial support necessary for Deme Jay to scale his operations effectively. With the loan, he expanded his collection space and acquired additional resources to accommodate increasing volumes of scrap metal. This growth allowed S&D Scrap Trading to establish itself as a reliable intermediary between local collectors and processing plants.

The business also became a vital contributor to the local economy. From an initial workforce of three employees, it now provides jobs to 24 individuals from the surrounding community. Additionally, S&D Scrap Trading engages 30 canvassers who collect scrap metal from nearby areas. By accepting even small quantities of scrap, the company not only amplifies the reach of informal workers but also ensures their efforts contribute to a more structured and sustainable supply chain.



The business also became a family enterprise, with Deme Jay's mother handling the day-to-day finances, book-keeping and manpower, while Deme Jay focused on high-level operations. The long-term vision for S&D Scrap Trading includes expansion into northern Philippines and ensuring the family business remains financially secure for future generations.

BDO's support has been instrumental in helping S&D Scrap Trading grow responsibly while addressing the capital-intensive nature of the scrap trading industry. By providing the necessary resources to scale operations, BDO has enabled the business to thrive, create jobs, and positively impact the community. S&D Scrap Trading's success exemplifies how strategic financial support and advisory, and a clear vision can transform a small venture into a thriving enterprise that benefits not only the entrepreneur but also the people and communities it serves.

CASE STUDY:

Cel Store - Resilience and Growth in Cebu's Wholesale Industry

Cel Store stands as a compelling example of how strategic financial support, determination, and smart business practices can transform a small venture into a thriving enterprise. Founded by Jocelyn Maribao Tejas, a former overseas Filipino worker (OFW), the wholesale soft drink supplier has grown into a cornerstone business in Cebu, thanks in part to its financial partnership with BDO Network Bank.

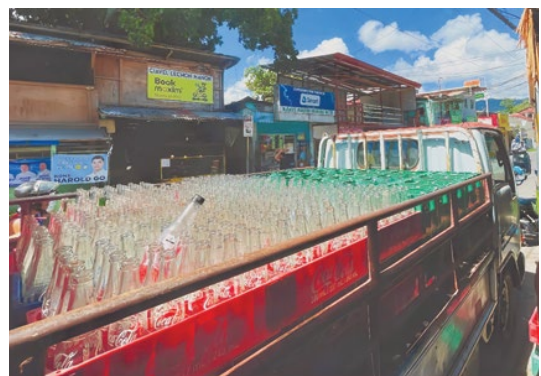


Jocelyn's entrepreneurial journey began in 2004 when she and her husband returned to the Philippines to raise their growing family. Initially working as butchers selling pork in local markets, they soon realized that the physically demanding nature of the job made it difficult to balance work and family life. Seeking a more sustainable livelihood, they pivoted to the soft drink supply business in 2008. Starting small with just ten crates of soft drinks, they steadily reinvested their earnings, gradually expanding their operations. Through persistence and effective reinvestment, Cel Store grew to secure area contracts with major beverage companies, including Coca-Cola. The business scaled operations, acquiring delivery trucks and building a reputation as a reliable supplier for local stores.

In 2021, Typhoon Odette devastated Cebu, causing structural damage, delayed stock deliveries and halted local operations. Compounding this, a nationwide sugar crisis reduced the availability of soft drinks for several months, further straining operations. To recover and stabilize operations, Jocelyn turned to BDO Network Bank for a loan.

The loan proved to be a turning point. With financial support, Cel Store quickly resumed operations, restocked inventory, and addressed rising demand during annual events such as Christmas and the Sinulog Festival, a yearly cultural and religious festival held on the third Sunday of January in Cebu. This infusion of capital not only ensured business continuity but also allowed Jocelyn to maintain her workforce, invest in three delivery trucks, and expand her customer base.

Today, Cel Store employs eight workers and two drivers and serves as a reliable supplier for numerous stores in Cebu. Jocelyn credits her business success to her pragmatic financial management and her belief in the value of people. Drawing from her OFW experience, she prioritizes treating her employees fairly, fostering loyalty and dedication that directly contribute to the company's efficiency and reputation. For her, employees are the backbone of the business, and ensuring their well-being is key to the long-term sustainability of the business.



While content with the current scale of Cel Store, Jocelyn envisions a future where her daughter could continue steady growth and expand the business, building on its strong foundation. Cel Store's journey is a powerful example of how strategic decisions, perseverance, and community-focused values can lead to sustained success, even in the face of adversity.

Building a stable financial future for Overseas Filipinos and families: BDO Remit

Dedicated to empowering dreams and securing futures, BDO Remit, through innovation and personalized service—Alagang Kabayan—simplifies banking to help OFs manage their money securely and confidently support loved ones back home.

BEYOND REMITTANCE: FINANCIAL LITERACY AND COMMUNITY ENGAGEMENT

BDO Remit seizes every opportunity to help educate, engage and uplift its clients. The organization actively engages with communities to drive-up financial literacy and inclusion through initiatives such as the BDO Fiesta—a nationwide marketing caravan that combines fun with education. BDO Fiesta is designed to bring financial knowledge straight to the heart of the communities through localized festivities, games, and educational sessions. More than just an event, it serves as a fun and informative way to make banking products accessible, reinforcing BDO's role in the financial journey of OFs and their families.



EXPANDING REACH, STRENGTHENING TRUST

In 2024, BDO Remit revitalized its community marketing efforts, extending its reach to remote areas to engage and connect with customers wherever they are. These initiatives aim to foster lasting relationships with Kabayans while reinforcing the trust they place in BDO. For existing account holders, the Bank strengthens these connections by offering tailored financial solutions designed for the OF market. Additionally, BDO Remit continues to collaborate with SM malls by participating in SM 3-Day Sale activities. This partnership allows clients to conveniently open accounts and inquire about other bank products and services. Since SM is a key location where OF families gather, these mall activations remain to be both strategically sound and highly effective.

BDO Remit has also strengthened its partnership with the Overseas Workers Welfare Administration (OWWA) by enhancing its financial literacy modules for OFs during Pre-Departure and Post-Arrival Orientation Seminars (PDOS/PAOS). Apart from savings and basic banking, these modules now cover insurance, investments, responsible borrowing, and fraud awareness, equipping OFs with practical financial management tools to navigate financial challenges confidently.

12%

Growth in Average Deposit of a Kabayan Customer

11%

Growth in Average Savings in Kabayan Accounts

9,367

Domestic and International Financial Literacy Lessons Conducted

288,124

Domestic and International Financial Literacy Lesson Participants

BRINGING BANKING CLOSER TO OVERSEAS FILIPINOS

Beyond being a trusted remittance partner, BDO Remit embraces the rich diversity of the global Filipino diaspora. From Tokyo to Kuwait, France to the UAE; it remains deeply connected with OFs by actively participating in community events such as Philippine Independence Day and Taste of Manila celebrations. Over the years, these engagements reaffirm BDO Remit's commitment not just to celebration but to meaningful service. Last year, BDO Remit deployed roving expats to Italy, Canada, and Malaysia, who are knowledgeable in financial literacy and with a deep understanding of the unique needs of OFs in their respective regions. The expats help the clients facilitate their savings accounts, guide them on digital bank platforms like BDO Online and BDO Pay, and empower them to manage their finances securely and independently, regardless of the time zone. Through BDO Remit, the OFs, wherever they may be in the world, remain meaningfully connected to the Philippines.

EXPANDING SOCIAL PROTECTION AND WELL-BEING

Through its collaboration with BDO Insure - the Bank's non-life insurance arm - BDO Remit provides free personal accident insurance for new Kabayan Savings account holders. Clients are then referred to insurance experts for affordable medical plans. BDO Remit also supports OFs' mental preparedness through Stress Management Workshops led by former OWWA Administrator Carmelita S. Dimzon, especially for domestic helpers headed to the Middle East. These workshops help them prepare mentally, emotionally, and culturally, giving them the confidence to work abroad and complete their contracts successfully.

EMPOWERING OFs THROUGH BUSINESS OPPORTUNITIES

BDO Remit works closely with BDO Network Bank, Cash Agad, and other units of the Bank to encourage OFs to open accounts, granting them access to other banking products and services. Recognizing that many OFs aspire to start businesses, BDO Remit and BDO Network Bank have launched collaborative cross-selling initiatives to offer tailored financing through Kabayan Loan, which can be used to start small business ventures such as online selling and retail businesses; and Negosyante Loan, which empowers microbusiness owners by providing funds to scale up their operations. This collaborative service extends beyond Metro Manila with strong take-up in rural provinces and underserved areas like Isabela, Ilocos, Cebu, Negros, and Davao, helping OFs build sustainable livelihoods through entrepreneurship and contribute to economic resilience.



GIVING BACK TO THE OVERSEAS FILIPINO FAMILIES

BDO Remit ensures that their sacrifices also come with added rewards. Through its synergy with SM Supermalls, BDO Remit has elevated the Kabayan Savings experience with Kabayan First Tuesday—an exclusive discount program for BDO Kabayan and BDO Network Bank Kabayan Savings account holders at selected SM affiliates nationwide.

COMMITMENT TO FINANCIAL INCLUSION

Championing financial inclusion through impactful marketing and community outreach programs:

- **Pamaskong Handog:** On its 13th year, this annual Christmas event for OF families, held in partnership with SM Malls spreads joy and connections
- **Community Marketing Roadshows:** Organized alongside BDO Network Bank, bringing financial services closer to underserved communities
- **Partnership celebrations:** Supporting DMW and OWWA's Migrant Workers' Day, Family Day and Model Overseas Filipino Worker Family of the Year Award (MOFYA)



Scan to watch the heartwarming highlights of the 13th BDO Pamaskong Handog festivities

CASE STUDY:




Transforming OFs into Entrepreneurs

In a groundbreaking effort to advance financial inclusion, BDO Remit partnered with the Department of Migrant Workers (DMW) and OWWA to create opportunities for OFs who went home to rebuild their lives through Balik Kabayan Bazaar, a livelihood generation program to support them as they reintegrate into the local economy. BDO Remit supplied modular booths for OFs to sell products at the DMW headquarters, while DMW granted each participant with initial capital to launch their own business. BDO Remit also donated essential facilities needed for DMW's Balik Manggagawa (Returning Workers) area. Fostering self-sufficiency for OF families and economic resilience, this public-private partnership helps them build brighter, stable future.





Empowering Women as Consumers and Entrepreneurs

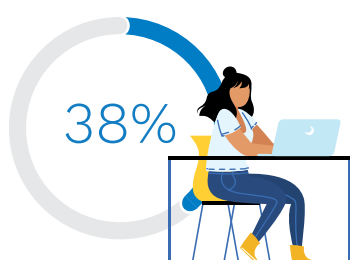
Individual loans availed by women

	49% of Home Loans	50% of First-time Home Loaners	56% of Mortgage Loans
	46% of Auto Loans	37% of Personal Loans	51% of Car Leases
	79% of Salary Loans	63% of Micro/ Small/Medium Enterprise Loans	44% of Outstanding Multipurpose 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	



Bank accounts opened through online account application



Access to credit card facility



Investment plans availed by women



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.

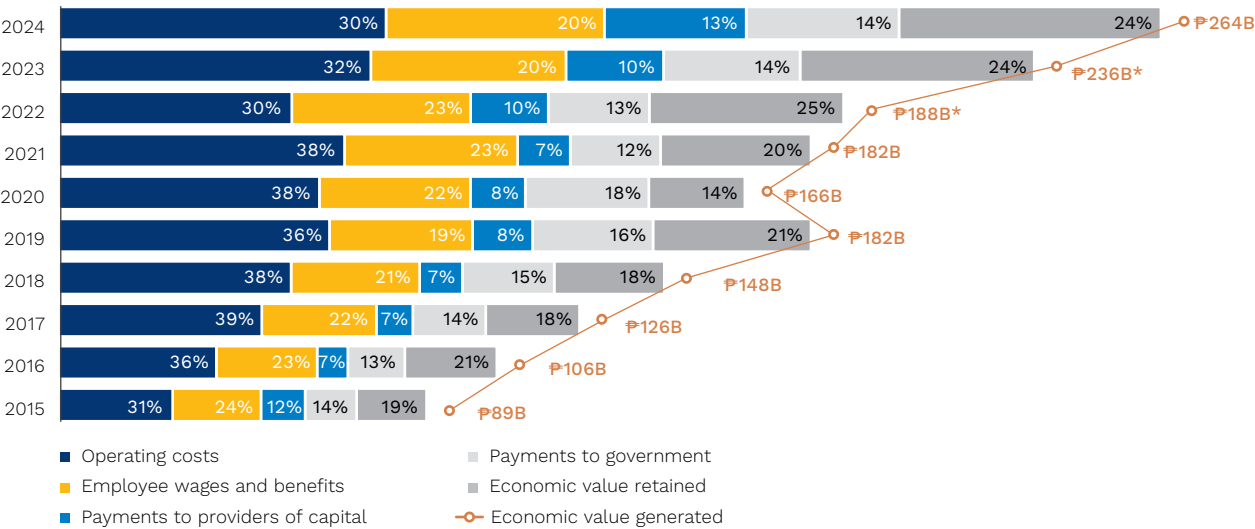


Economic Impact 2-4, 201-1

BDO has strengthened its position as the country’s leading full-service bank, committed to serve the diverse banking needs of every Filipino. The Bank continues to expand its network, particularly in underserved areas, to broaden financial inclusion. Additionally, it enhanced its digital capabilities to improve the accessibility and ease of use of the Bank’s products and services. These initiatives have allowed BDO to generate and distribute economic values, supporting economic activity across the country.

Economic Value Table 201-1

Figures in %



* Adjustments were made to make the 2024 financial statements more comparable to regional standards per auditors’ recommendation, with 2022 and 2023 numbers restated. The SEC Financial Statements are basis for the table above.

Economic Value Table 2-4, 201-1

In 2024, BDO’s direct economic value generated (DEVG) increased by 12% year-on-year, reaching ₱264 billion. This growth was driven by increased consumer and business activities arising from sustained economic expansion.

The Bank distributed 76% of its generated economic value, amounting to ₱202 billion, 13% higher than the previous year. Of the distributed value, 20% or ₱53 billion was allocated to wages and benefits for BDO’s workforce of over 44,000 employees, which in turn boosted consumer spending. Additionally, other operating expenses rose by 5% to ₱79 billion.

BDO’s total tax payments reached ₱36 billion, contributing to the government’s tax revenues and supporting economic growth. The company’s community investments totaled ₱212 million, which was used to support financial education programs, provide relief to disaster-stricken communities, and rehabilitate and rebuild rural healthcare delivery systems through BDO Foundation, the Bank’s corporate social responsibility division.

Good Governance to Create a Sustainable Future

Corporate governance in BDO Unibank, Inc. (BDO) encompasses effective oversight, strict regulatory compliance and sustainable value creation. These core values are designed to safeguard and promote the best interest of all stakeholders, ensuring a balanced, ethical, and forward-looking approach to business operations and governance.

BDO's steadfast commitment to the highest standards of corporate governance is applied across the institution through consistent implementation of the principles of accountability, fairness, integrity, and transparency. This approach has built BDO's market reputation on the solid foundation of an upstanding corporate culture and responsible business conduct, underpinned by a well-structured and effective system of governance.

BDO complies with the SEC Code of Corporate Governance for Publicly Listed Companies and with the Enhanced Corporate Governance Guidelines for BSP-Supervised Financial Institutions. It applies 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 corporate governance, risk management, and compliance 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 the delivery of various banking products and services that are sustainable, inclusive, equitable, environment-friendly, and socially relevant.

Our Board of Directors and Governance Structure

The responsibility for good governance ultimately rests with the Board. It is tasked with providing effective leadership and overall direction to ensure the long-term success of the Bank. It oversees the business affairs of the Bank, including review of the strategic plans, performance targets, financial plans and budgets, key operational initiatives, capital expenditures, acquisitions and divestments, annual and interim financial statements, and corporate governance practices. The Board periodically reviews the Bank's strategic objectives ensuring their continuous alignment with the Bank's corporate mission and vision. It is also responsible for overseeing management performance, enterprise risk management, internal control systems, financial reporting and compliance, related party transactions, and the continuing education of directors. Additionally, the Board manages the succession planning for itself, the Chief Executive Officer (CEO), and senior management.

In its commitment to sustainable banking practices, the Board considers sustainability issues related to the environment, social, and governance factors. This holistic approach ensures that the Bank achieves financial success, while contributing positively to society and the environment.

Board Composition 2-9, 2-11

The Board is composed of eleven (11) members and aided by four (4) advisors. It is led by a Non-Executive Chairperson with seven (7) Independent Directors, three (3) Non-Executive Directors including the Chairperson, and one (1) Executive Director who is the President and CEO.

With Independent and Non-Executive Directors of the Bank comprising 91% (10 of 11) of the Board, its current composition surpasses the minimum regulatory standards for independent and non-executive directors to form the majority. As seven (7) of the eleven (11) Board seats are currently occupied by independent directors, the Bank goes beyond the 1/3 minimum requirement of the Bangko Sentral ng Pilipinas (BSP) and the Securities and Exchange Commission (SEC). Independent, objective, and balanced judgment on significant corporate matters is attained and sustained as independent directors chair eight (8) of nine (9) board-level committees, namely Board Audit, Corporate Governance, Risk Management, Related Party Transactions, IT Steering, Nominations, Compensation, and Trust. This ensures that key issues and strategies are objectively reviewed, constructively challenged, thoroughly discussed and rigorously examined.

Board advisors are considered integral to the Board, with their opinions and recommendations highly valued by the Board members. The four (4) advisors are experts in their own fields and provide valuable insights and independent perspectives to the Board. The presence of a female Board advisor complements the three (3) female non-executive directors in the Board, one of whom is an independent director.

2024 Update: On August 31, 2024, former Department of Trade and Industry Secretary and University of the Philippines President Alfredo E. Pascual was appointed Independent Director enhancing the Board's diversity and insight. He filled in the vacancy due to the resignation of former director Walter C. Wassmer.

BOARD COMPOSITION



Teresita T. Sy



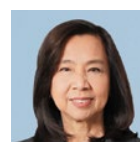
Nestor V. Tan



Dioscoro I. Ramos



George T. Barcelon



Estela P. Bernabe



Vipul Bhagat



Franklin M. Drilon



Alfredo E. Pascual



Vicente S. Pérez, Jr.



Jones M. Castro, Jr.



Josefina N. Tan

Screening of Directors 2-10

The Board, through the Nominations Committee, is responsible for screening and evaluating new director nominees. In line with the Bank's Board Diversity Policy, it leads the process of identifying and assessing potential candidates against determined roles and key attributes that would balance the skills, knowledge and experience of the existing Board membership and the requirements of the Bank. The Nominations Committee also receives recommendations for potential candidates, and to the extent possible, engages external search firms or external databases (i.e., Institute of Corporate Directors List of Members) in selecting a pool of candidates for the new members of the Board. The Nominations Committee then recommends the most suitable candidate to the Board, for appointment or election as director. This process was followed with the election of the new independent director in 2024.

For re-election 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 function of the Board.

Board Diversity 405-1

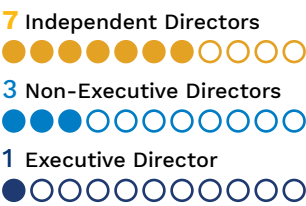
BDO views diversity as an essential element in maintaining strong corporate governance through an active and effective Board. The Bank's Board Diversity Policy reflects its recognition that diversity in skills, experience, gender, sexual orientation or preference, age, education, race, religion, business, and other related expertise among its directors will foster representation, critical discussion, and balanced decisions by the Board. As a whole, the Board, through its members, should possess all the necessary skills, experience and functional expertise to oversee the fulfillment of the strategic direction of the Bank. The Nominations Committee uses the Bank's Diversity Policy as primary reference to maintain and annually review an appropriate diverse and inclusive balance in the Board composition.

The present members of the Board have extensive experiences in banking, credit management, investment management, accounting and finance, insurance, legal management, business management, and 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.

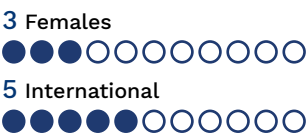
2024 Update: The addition to the Board of Director Alfredo E. Pascual, a new independent director elected in 2024 who has extensive experience in the private, public, and academic sectors, further enhanced the diversity in the Bank's Board. The Board believes that its current size and composition provide sufficient diversity among its directors. Such composition will enable the Board to bring about effective leadership and maintain strong corporate governance that is attuned with the Bank's growth, complexity, and scope of business.

Board Snapshot

DIRECTOR INDEPENDENCE



DIRECTOR DIVERSITY



DIRECTOR AGE



BOARD SKILLS DIVERSITY



Selection and Appointment of Senior Executive Management

The Board is also responsible for approving the selection and appointment of a competent senior 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 Audit Executive. Fit and proper standards are applied in the selection of key officers and utmost importance is considered on 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, approves and updates the Bank's mission, vision, objectives and strategies on a continuing basis. It also oversees management's implementation, 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 and keeps up with material changes in the Bank's business and regulatory environment to ensure that the Bank has beneficial influence on the economy. The Board similarly governs the implementation of policies relating to major areas of the Bank's operations and holds special meetings to discuss strategic matters and critical concerns.

Improving Board Effectiveness 2-18

Board Performance

The Corporate Governance Committee oversees the conduct of an annual Board assessment that focuses on the performance of the Board, directors, Committees and senior management. The annual assessment is facilitated by an external firm which is more than the regulatory requirement for an assessment every three (3) years. To the Committee, engaging an independent party every year, rather than every three years as recommended by the SEC, provides more governance inputs to the Board and allows a more effective comparability and continuity on Board performance. The Bank re-engaged Isla Lipana & Co./PwC Philippines (PwC) as external facilitator for the Bank's 2023 Board Effectiveness Evaluation (BEE) through questionnaires. PwC also facilitated and conducted a peer and self-evaluation process on the Board, Board-level Committees and individual directors, with additional insights from selected senior management officers.

Based on the assessment report by PwC, the Board has proactive involvement in crucial governance area and Board members bring varied skills and perspectives, enabling comprehensive analysis and robust strategic guidance leading to effective governance and sustainable business practices. The results further indicate strong oversight and engagement by the Board with senior management. The Chairperson and CEO consistently demonstrate exceptional leadership and competence effectively implementing board decisions and fostering a culture of excellence and innovation. The Board-level Committees, were assessed to have generally strong performance of their mandates. They also consistently demonstrate a high-level of engagement and oversight with senior management which ensures that strategic objectives are met, and that the organization remains on course. Evaluation results also highlight the strong leadership exhibited by the Board-level Committee chairpersons, who effectively guide their respective committees, foster collaboration, and drive impactful decision-making. Their leadership is instrumental in maintaining the Board's overall effectiveness and ensuring robust governance practices.

2024 Update: A new category was introduced in the 2023 questionnaire on the topic of Board Oversight of Sustainability/ESG, which will be carried forward in the next iterations of the BEE. Since 2018, the Board has actively performed oversight and provided directions on Environmental, Social, and Governance (ESG) initiatives, including comments/suggestions on further enhancing ESG and sustainability practices.

Continuing Education for Directors and Senior Management ²⁻¹⁷

To ensure the enhancement of directors' skills and knowledge, the Board undergoes a continuing education program. Each year, all directors and key officers are updated, briefed and required to attend a corporate governance seminar on relevant topics to ensure that they are attuned with the developments in the business and regulatory environments, including emerging opportunities and risks in the financial industry. All incumbent directors of BDO Unibank complied with the annual corporate governance training requirement of four (4) hours in 2024.

2024 Update: Directors attended the in-house Corporate Governance Seminar held on July 26, 2024 along with members of the Bank's senior management, directors, and key officers of entities in the BDO Group. Global consulting and service partners of the Bank provided updates and insights on banking trends, emerging computer systems capabilities or intelligence and cyber threat landscape for banks and financial services, and insurance. The topic highlighted Resilience, Productivity and Synergies as the top strategic technology trends for 2024 and underscored how a collective governance approach may address the risks and concerns that come with these new developments and future proof the Bank. The seminar also highlighted the emerging major global cyber threats for financial industries, their impact on the business and provided insights on the available digital risk protection that can be considered in strengthening security measures that are already in place.

Chairperson of the Board ²⁻¹¹

The Chairperson holds the pivotal role of guiding the Board, ensuring its optimal performance through visionary leadership, cultivating productive relationships among directors, and fostering an environment conducive to open, critical discussions and constructive debates on key issues and strategic matters. The Chairperson also ensures that the Board of Directors maintains a robust oversight of the Bank's operations and the performance of senior management. Additionally, the Chairperson spearheads efforts to uphold the Board's high standards of governance and independence, with unwavering support from all directors.

Independent and Non-Executive Directors' Meeting

Independent and Non-Executive Directors (INED) regularly convene meetings with the heads of the control functions (i.e. Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive) as well as the external auditor. These meetings are held without the presence of management or any bank executive, allowing for candid discussions on various matters outside the formal Board Audit Committee and Risk Management Committee meetings. Additionally, the INED engage with the heads of business and operating units to gain deeper insights and foster more comprehensive discussions with the Bank's management. These meetings are chaired by the Lead Independent Director, ensuring structured and effective dialogue.

2024 Update: In 2024, the INED conducted three (3) sessions, and the results of these sessions were discussed with the Bank's Executive Directors in two (2) separate sessions. Recognizing the vital role of branch banking and consumer banking businesses to the Bank's success, the INED held a focus session with the Group Heads of these units of the Bank to discuss, among others, the strategy of the Bank for addressing digitalization challenges and taking advantage of growth opportunities. The INED also asked for updates on: new accounting regulations; developments on audit management systems and enterprise AML system; manpower resources, succession/transition; Internal Audit Group (IAG)'s priorities/focus areas, challenges, and initiatives; overview of the Bank's Risk Management Group (RMG) framework, function, plans and initiatives; and, Financial Action Task Force (FATF) grey list/Hong Kong and Macau Anti-Money Laundering (AML) practices.

Board-level Committees 2-12, 2-16

The Board, in aid of discharging its duties and responsibilities, has established nine (9) committees. 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, 2024, eight (8) of nine (9) board-level committees are chaired by Independent Directors.

For the functions and composition of the standing committees of the Board, please refer to the 2024 BDO Annual Report,

Executive Committee (ExCom)

2024 Update: ExCom approved the following:

- loans and credit facilities for clients for their various financing requirements.
- proposals to resolve/remediate problem accounts.
- leases and acquisitions of branch sites in support of the Bank's expansion and operational efficiency.

On sustainability oversight, the Executive Committee required an environmental and social risk assessment for all new and refinanced accounts for lending and investment, as an overlay on current credit risk assessment, following the Bank's ESRMS policy. The E&S risk assessments will be done in phases until all client accounts are covered. The ESRMS guides BDO bankers to identify, assess, and manage E&S risks and opportunities associated with the Bank's credit, investments and administrative operations.

Board Audit Committee (BAC)

2024 Update: The BAC conducted a comprehensive self-assessment of its performance for the year 2023, in accordance with its Terms of Reference and ensuring that all aspects of its mandate were evaluated. The BAC assessment indicated that the Bank's internal controls, financial reporting processes and systems are generally adequate and effective.

Corporate Governance Committee (CorGov)

2024 Update:

■ Annual Continuing Education of Directors

The Corporate Governance Committee ensured that all incumbent Board members successfully met the SEC's mandatory 4-hour requirement for the 2024 Annual Corporate Governance Seminar. The seminar was also well-attended by the respective directors and key officers of BDO's subsidiaries, reflecting the Bank's commitment to inclusive and comprehensive governance education across its entire corporate structure. The seminar received an above-average rating of 4.82 (with 5 as highest) from participants, indicating its effectiveness. Topics discussed were on generative AI concerns in banking, major cyber threats, and the evolution of ransom ware and its impact to the Bank. Presenters highlighted collective governance for efficient and effective risk mitigation.

■ Adherence to Corporate Governance Standards

Throughout the year, the Corporate Governance Committee implemented several initiatives to elevate corporate governance standards. The Committee approved the 2023 Integrated Annual Corporate Governance Report and the Bank's report on compliance with leading governance practices, which were incorporated into the 2024 Information Statement (SEC Form 20-IS). The

Committee endorsed the revised 2023 ASEAN Corporate Governance Scorecard (ACGS) Self-Assessment Document, providing guidance for ACGS assessors to identify the Bank's disclosures aligned with ACGS recommendations. Demonstrating its unwavering commitment to exemplary corporate governance, the Bank was honored with the prestigious Five (5) Golden Arrows Recognition from the Institute of Corporate Directors (ICD) on September 19, 2024 for its 2023 corporate governance practices.

■ **Revision of key governance documents**

The CG Committee approved and endorsed several revisions to key governance documents. For more details on the revisions to these documents, please refer to the 2024 BDO Annual Report.

- BDO Code of Conduct and Business Ethics
- Personal Trading Policy
- Interlocking Positions Policy
- Corporate Governance Manual
- Board Level Committees Terms of Reference

■ **Sustainability Oversight** 2-12

The Corporate Governance Committee reviewed the Bank's key initiatives for sustainable finance and BDO operations with sustainability impact. Sustainability Matters is a permanent agenda item in every CorGov Committee meeting and the Head of the Sustainability Office presented in all seven (7) CorGov meetings in 2024. Among the matters discussed were: the status of implementation of the Environmental and Social Risk Management System (ESRMS); the engagement with a third party provider to account for the Bank's carbon emissions on projects financed by the Bank and reporting such based on the recommendations of the Task Force for Climate-based Financial Disclosures (TCFD); the contents of the 2023 BDO Sustainability Report; and, the Bank's Environmental, Social, and Governance (ESG) Dashboard. The Committee also tackled updates on the benchmarking results of BDO with other companies in terms of its sustainability progress and initiatives and the several global and regional awards and recognitions that the Bank received. Other updates were on the benchmarking results related to the Bank's inclusion in TIME World's Best Companies 2023; Brand Finance's ranking for the most valuable brands in the Philippines and the financial sector, including the brand valuation of BDO's sustainability brand. CorGov was also updated on local and international recognitions received related to sustainability /ESG: The Retail Banker International Asia Trailblazer Award 2024, the Euromoney Excellence Awards 2024, Asia Corporate Excellence & Sustainability (ACES) Awards 2024, The Asset ESG Corporate Awards 2024, and the Five Golden Arrows from the ASEAN Corporate Governance Scorecard Awards, among many.

The Corporate Governance Committee also discussed the Impact Report on the full allocation of the Bank's first ASEAN Sustainability Bonds (ASB) proceeds and provided recommendations for effectively communicating these impacts to stakeholders for succeeding impact reports. See details of the ASB Impact Report in the section on Mainstreaming Sustainable Banking in this Sustainability Report.

■ **Board Effectiveness Evaluation**

The Corporate Governance Committee engaged PricewaterhouseCoopers (PwC) as the independent assessor for the 2023 Board Effectiveness Evaluation (BEE). The executive summary of the 2022 BEE results provided the Committee valuable insights on the strengths and areas of improvements of the Board, Board Committee, Directors and Senior Management as whole. Preliminary results of the 2023 BEE were discussed during the Committee meeting on August 28, 2024, highlighting areas of strength and opportunities for improvement. The Board's performance was evaluated in ten (10) areas, namely: (i) Board responsibilities, (ii) Board composition, (iii) Board conduct, (iv) Board interaction and communication, (v) Chairperson, (vi) Chief Executive Officer, (vii) Board administration process, (viii) strategic Board meeting sessions, (ix) Board oversight of risks, and the new category on (x) Board Oversight of Sustainability/ESG.

Trust Committee (TrustCom)

2024 Update: Significant matters taken up by the Committee in 2024 included, among others, the Trust and Investment Group's (TIG) investment outlook and business strategy; financial targets for the year; business performance evaluation; institutional accounts opened and closed, funds flow, the conduct of account, product and administrative reviews. See the 2024 BDO Annual report for more details.

Risk Management Committee (RMC)

2024 Update: In accordance with its mandate, the Committee conducted regular discussions on the Bank's exposures to various risks, i.e., credit portfolio risk, liquidity risk, market risk, interest rate risk in the banking book, operational risk (including business continuity risk, IT risk, information security risk, data privacy risk and social media risk), as well as consumer protection risk and environmental & social risks, including mitigation strategies, where necessary and applicable.

Regular discussions of the Committee covered large exposures and credit risk concentrations, asset quality, results of credit stress tests and its impact on capital adequacy, results of the BSP-mandated stress tests (i.e. BSP Uniform Stress Test and Real Estate Stress Test); updates on compliance to BSP Circulars 1159 and 1174 on the implementing rules and regulations and prudential reports relative to the mandatory Agriculture, Fisheries & Rural Development (AFRD) Financing Enhancement Act of 2022; environmental & social risk management system (ESRMS) exposures; country risk exposures; liquidity gaps and results of liquidity stress tests; regulatory reports on Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR); macroeconomic and market updates and forecasts; mark-to-market of the investment portfolio, trading portfolio exposures, asset & liability management (ALM) exposures, Value-at-Risk (VAR), Earnings-at-Risk (EAR), results of market risk and interest rate risk stress tests and impact on capital adequacy; results of performance monitoring of all implemented risk management models; operational risk profile of the Bank, significant operational risk incidents, operational losses and impact on capital adequacy, results of Business Continuity Plan (BCP) testing, any information on security breaches, cybersecurity updates, and any data privacy incidents in relation to Republic Act No. 10173, otherwise known as the Data Privacy Act (DPA); Trust risk management reports; general profile of client inquiries/requests/complaints and resolutions/actions taken in compliance with BSP Circular 857 on Consumer Protection; and social media risk report in compliance with BSP Circular 949 on the Guidelines on Social Media Risk Management.

The Committee also tackled in detail the sustainable financing and investments of the Bank which can be applied as its compliance with the mandatory credit allocation that is required under Republic Act 11901 or "The Agriculture, Fishing and Rural Development (AFRD) Financing Enhancement Act of 2022." The Head of the Sustainability Office worked with Regulatory Compliance Department and business units to identify green and social financing that may qualify for compliance based on the government's sustainable finance taxonomy and framework.

Nominations Committee (NomCom) 2-10

2024 Update: The Nominations Committee reviewed the profiles of various individuals as directors for the term 2024-2025, including incumbent regular and independent directors. Notably, this exercise included the evaluation of Mr. Alfredo E. Pascual, prior to his election as BDO's newest Independent Director. These nominations bring diverse expertise and perspectives to the board, essential for robust governance and strategic decision-making. Additionally, the Committee approved the interlocking and concurrent positions of certain directors, ensuring that their roles in other entities do not conflict with their responsibilities at BDO Unibank. See the 2024 BDO Annual Report for more details on key senior leadership appointments.

Compensation Committee (CompenCom)

2024 Update: To enhance governance, the Committee approved and endorsed a revised Terms of Reference (TOR) to the Board of Directors. The revision allows the appointment of Advisors to provide independent, expert advice. Advisors must have relevant education, skills, and experience, and will not have voting rights. They must recuse themselves from discussions with potential conflicts of interest to ensure adherence to best governance practices while maintaining independence and integrity.

Information Technology Steering Committee (ITSC)

2024 Update: In 2024, the IT SC made several key decisions to enhance the Bank's IT infrastructure, security measures, and overall operational stability. They approved and endorsed revised Terms of Reference, defining the roles and participation of advisors. The ITSC also focused on Technical Contingency Plan (TCP) testing and resolving audit findings to maintain the Bank's readiness to promptly address issues and enhance IT operations' stability. These decisions improved IT governance, infrastructure, and security at the BDO Group, reflecting the ITSC's commitment to maintaining high standards of operational stability and reliability.

Related Party Transactions Committee (RPTC) 2-15

2024 Update: The RPTC conducted a meticulous review and approval process for various material credit and non-credit related party transactions, endorsing them for Board approval. This rigorous oversight ensured that all transactions were thoroughly evaluated, maintaining arms-length transactions with related parties, transparency and compliance with regulatory standards. The Committee also reviewed all non-material related party transactions annually before Board confirmation, ensuring that even minor transactions met the necessary governance standards. See the 2024 BDO Annual Report for more details on related party transactions.

Compliance with the SEC Code of Corporate Governance

Publicly listed companies (PLCs) are advised to disclose in their Annual Report the company's compliance with the Code of Corporate Governance. In cases of non-compliance, PLCs shall identify and explain the reason for such an issue. The Bank confirms that as of December 31, 2024, it has substantially complied with the recommendations of the Code, with two exceptions: 1) Policy on retirement age of directors and 2) Disclosure of executive remuneration on an individual basis.

On the retirement age of directors, the Board does not have a Board retirement age policy since it recognizes that chronological age is not the primary determinant of a director's effectiveness in fulfilling their duties and responsibilities. The wisdom and experience of senior directors are invaluable assets which continue to benefit the Board, while also adhering to the legal standards that prohibit age discrimination. This balanced approach allows the Board to leverage the expertise of all its members, ensuring effective governance and compliance with anti-discrimination laws.

On the disclosure of executive remuneration on an individual basis, the Bank presents the figures for key executives in aggregate. This approach addresses potential security and competition issues that may arise from disclosing individual remuneration details.

By adhering to these principles, the Bank ensures that it maintains a balance between transparency and the protection of its directors and executives, while continuing to uphold the highest standards of corporate governance.

Independent Control Functions

Compliance

BDO's Compliance Group, led by the Chief Compliance Officer (CCO), oversees the design and implementation of the Bank's compliance system and framework through a comprehensive compliance program, and promotes their effective implementation. Reporting directly to the Board Audit Committee, the Compliance Group ensures that the Bank adheres to all relevant laws, rules, and regulations, as mandated by the BSP and other regulatory bodies. This includes managing compliance risk, fulfilling prudential reporting obligations and providing compliance training.

The compliance system integrates processes, people and policies to ensure that the Bank's operations align with industry standards, regulatory and legal requirements. This commitment to compliance safeguards the Bank and its stakeholders. As outlined in its Charter, the Compliance Group conducts independent compliance tests and reports any significant issues or breaches to the Board Audit Committee.

The Anti-Money Laundering Department (AMLDD) under the Compliance Group, together with the Anti-Money Laundering Committee (AMLC), focuses on the enforcement of the Bank's Anti-Money Laundering (AML), Counter-Terrorist Financing (CTF) and Combating Proliferation Financing (CPF) program, 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 to BSP and Anti-Money Laundering Council (AMLC) rules, regulations and directives. The AML Program of the Bank is articulated and carried out through its Board-approved Money Laundering, Terrorist Financing and Proliferation Financing Prevention Program (MTFP) Manual, which covers AML/CTF/CPF policies, giving special focus on the five (5) pillars of AML/CTF/CPF compliance namely: (i) customer onboarding, risk assessment and due diligence, (ii) customer/transaction monitoring, (iii) regulatory reporting such as Covered and Suspicious Transaction Reporting, (iv) record-keeping, and (v) AML/CTF/CPF training.

The Bank's Board Audit Committee receives monthly reports on AML compliance and monitoring from the AML Department (AMLDD), and all material AML concerns are escalated to the AML Committee, a management group comprised of select key senior officers of the Bank whose main duty is to oversee the Bank and its affiliates' effectiveness in complying with anti-money laundering laws, regulations and the Bank's AML/CTF/CPF program.

The Sustainability Office (SO) also reports to the Chief Compliance Officer, aligned with its role to lead ESG governance with oversight on sustainable finance transition, ESG risks and opportunities, compliance, policy formulations and programs oversight, and sustainability advisory across the BDO Group. The SO produces the Bank's annual Sustainability Report aligned with global reporting standards, and collaborates with external partners on strategic sustainability projects supporting the Bank's Sustainable Finance Framework and the UN Sustainable Development Goals. The SO works across all levels of the organization from the Board to employees in order to execute BDO's sustainability strategies. The SO is also tasked with stakeholder communication on behalf of the Corporate Governance Committee, and in this role, articulates the Bank's sustainability initiatives to stakeholders in various external channels and forums.

The Compliance Group, through its comprehensive compliance program, strives to protect the Bank's franchise, and manage compliance risks. Simultaneously, it supports the Bank's business goals and growth by offering valuable compliance insights and regulatory guidance. This dual focus ensures safeguarding of the Bank and its stakeholders, fostering a secure and compliant operational environment.

Internal Audit 2-24, 403-8

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

IA 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 of the BDO Group's adherence to the BDO Sustainable Finance Framework, regulatory issuances, and regulatory reporting requirements.

IA provides value to senior management and governing bodies as a source of independent advice by keeping abreast of relevant changes and updates in regulations and the Group's sustainability initiatives in compliance with, but not limited to the following:

- Bangko Sentral ng Pilipinas (BSP) Circular No. 1085, series of 2020 – Sustainable Finance Framework
- BSP Circular No. 1128, series of 2021 – Environmental and Social Risk Management System (ESRMS)
- BSP Circular 1149, series of 2022 – Guidelines on the Integration of Sustainability Principles in Investment Activities of Banks
- Securities & Exchange Commission (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, report 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.

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.

Disclosure of Sensitive/Confidential Matters to Management (Whistleblowing)

BDO firmly believes that long-term sustainability and success are deeply rooted in maintaining a strong reputation and good name in the marketplace. To achieve this, the Bank is dedicated to upholding the highest standards of ethical values, integrity, honesty, accountability and transparency in all business operations.

The Bank's Policy on Disclosure of Sensitive/Confidential Matters to Management ensures that any incident, situation, circumstance or problem involving fraud and/or policy violation is promptly reported for further investigation. This policy aims to prevent or mitigate monetary loss and protect the Bank's image.

Reports can be made through various channels, including SMS text, letter, email or phone call directly to the Office of the President (OP) or the appropriate Head of the Unit concerned. If the concern involves the President and the other Executive Directors, the report should be directed to the Board of Directors through the Office of the Chairperson. For issues on Related Party Transactions (RPT), any report should be addressed to the Chairman of Related Party Transactions Committee.

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 2024, there were 12 decided cases of cash abstraction (internal fraud) involving six (6) Bank employees who were then dismissed accordingly, consistent with the existing labor laws, all under BDO Unibank Inc. The Bank undertook to file legal cases against these 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.

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

BDO's Anti-Money Laundering (AML), Counter-Terrorist Financing (CTF), and Counter-Proliferation Financing (CPF) compliance program is 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 responsible for oversight on 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 is composed of representatives from Compliance, Corporate Governance, Legal, Branch Banking, and a Head Office Senior Officer who meet every three months or more frequently as needed.

The AMLDD is in charge of ensuring that the Bank's Money Laundering, Terrorist Financing and Proliferation Financing Prevention Program (MTFP) 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 AML Department. 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 ²⁻²³

BDO's 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 asset service providers. The Bank prohibits transactions with designated individuals and/or entities included in the sanctions lists of the United Nations Security Council (UNSC), the Office of Foreign Assets Control (OFAC) and the Philippines' Anti-Terrorism Council. The same rule applies to countries identified as High-Risk Jurisdictions subject to a Call for Action by the Financial Action Task Force (FATF) (i.e. "Black list") and likewise to jurisdictions subject to comprehensive sanctions by the OFAC. BDO complies with the directives of OFAC, FATF, and UNSC sanctions rules and subjects all its clients, including beneficial owners of its juridical customers, to mandatory watchlist name screening process.

BDO categorizes its clients based on the overall risk they pose as they undergo the corresponding Customer Due Diligence (CDD). For clients who pose normal risk, average due diligence is carried out, while enhanced due diligence (EDD) is employed for clients who classify as high risk. The Bank's MTFP outlines a list of high-risk clients and industries which are subject to close monitoring and annual EDD.

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 AML Department. BDO protects the confidentiality of Suspicious Transaction Report (STR) filings and any other information that could lead to the discovery of an STR.

The Bank conducts a bi-annual enterprise-wide Institutional Risk Assessment (IRA) which identifies and assesses the Bank's ML/TF/PF and operational landscape together with the level of controls

which the company has, to address the management of ML/TF/PF risks. The IRA serves as the Bank's reference to enhance and adopt appropriate AML/CFT/CPF controls that are commensurate with the identified ML/TF/PF risks and ensure compliance with the Anti-Money Laundering Act (AMLA) of the Philippines, its Implementing Rules and Regulations (IRR) and BSP Circular No. 706, as amended by BSP Circular No. 950 and BSP Circular No. 1022.

AML Training 2-23

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 validation 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 typologies of money laundering involving the FI'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 lockdowns in the Philippines, face-to-face trainings resumed and beginning 2023, at least 37 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 (OSAEC)

The Bank recognizes the increasing risk posed by OSAEC and implements measures and controls to mitigate risks arising from this crime. It has reinforced its ongoing monitoring process for its alert scenario parameters under its transaction monitoring system to effectively detect human trafficking/ 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 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 also developed training specific to OSAEC (AMLA 109 – Combating Online Sexual Abuse and Exploitation of Children (OSAEC) and made the trainings mandatory for client-facing units. The goal is to ensure awareness of the ML/TF risk exposure from OSAEC and related activities and appropriate AML/CFT controls which bank employees 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, environmental, 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

29,349

Employees trained
in 2024

11

Courses Available
in e-Learning Module
(AML 101-111)

AMLA 109

Combating Online Sexual
Abuse and Exploitation of
Children (OSAEC)

AMLA 110

Combating Money Mules

AMLA 111

Designated Non-Financial
Businesses and Professions

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. 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, 2024** **(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	184,696	1,153	876	(129)	186,596
Fee and commission income	55,292	336	115	173	55,916
Other non-interest income	21,577	43	70	132	21,822
Total Income	261,565	1,532	1,061	176	264,334
Total Expenses	145,257	575	488	293	146,613
Impairment Losses	14,062	(17)	(15)	—	14,030
Profit before Tax	102,246	974	588	(117)	103,691
Income tax expense	21,225	154	92	—	21,471
Net Profit	81,021	820	496	(117)	82,220

Attributable to:

Shareholders of the Parent Bank	80,820	820	496	(117)	82,019
Non-controlling Interests	201	—	—	—	201
	81,021	820	496	(117)	82,220

Total assets before goodwill and intangibles	4,734,837	76,122	51,747	2,113	4,864,819
Goodwill and intangibles	11,230	1	—	—	11,231
Total Assets	4,746,067	76,123	51,747	2,113	4,876,050
Non-current assets	3,015,070	28,316	35,009	1,616	3,080,011

^{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 2024 identified cyber insecurity risks as the 4th risk in a 2-year scenario and 8th risk in a 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

The Data Privacy Management Program (DPMP) serves as the framework for protecting the data privacy rights of the Bank's data subjects and ensuring compliance to Republic Act No. 10173, otherwise known as the Data Privacy Act (DPA) of 2012. This framework is based on the National Privacy Commission's (NPC) Five Pillars of Data Privacy Accountability and Compliance as follows:

- 1. Appointment of Data Protection Officer (DPO).** The Bank has a Data Protection Officer (DPO) who is registered with the NPC.
- 2. Conduct of Privacy Impact Assessment (PIA).** PIA is conducted for all new and existing programs, projects, or processes that have privacy impact. All business and support units of the Bank are required to perform and update their PIAs at least on an annual basis.
- 3. Privacy Management Program and Privacy Manual.** The Bank's DPMP is contained in the Bank's Data Privacy Manual which serves as a reference manual for all units of the Bank in complying with the DPA.
- 4. Implementation of Data Privacy and Protection Measures.** BDO, in its commitment to data privacy and protection, adheres to the general principles of Transparency, Legitimate Purpose, and Proportionality, in processing personal and sensitive personal information of its customers in all phases of the data life cycle as follows:
 - **Transparency.** The Bank provides its customers clear and concise privacy provisions as incorporated in its bank forms/documents, such as the BDO Group Data Privacy Statement and the BDO Group Data Privacy Consent, to ensure that customers are well-informed of the purposes of data processing, the parties involved, and the rights of individuals.
 - **Legitimate Purpose.** The Bank's data processing activities are aligned with the declared purposes communicated to its customers for services or transactions requested, allowed, or authorized by them.
 - **Proportionality.** The Bank only processes personal data that is relevant, adequate, and commensurate with the declared and specified purposes, consistent with its commitment and dedication to respecting the rights of individuals and limiting data processing to what is only essential.

Each business and support unit has its own Compliance Officer for Privacy (COP) which coordinates with the DPO to ensure the proper implementation of the Bank's DPMP across the BDO Group.

- 5. Data Privacy Breach Reporting Procedures.** The Bank has a data privacy breach reporting procedure in place. The DPO conducts training on a regular basis to enhance the Bank's awareness on data privacy risks, which includes breach reporting procedures consistent with regulatory requirement of NPC.

The Risk Management Committee (RMC) has oversight over data privacy risk. The DPO updates the RMC with respect to the Bank's compliance to the Data Privacy Management Program on a regular basis.

Cybersecurity

Cybersecurity is a top priority for BDO Unibank, as it is an essential part of its business to help clients achieve their financial goals. With this priority, the Bank is committed to safeguarding its clients' information and assets entrusted to it, by continuing to invest in cybersecurity and fraud management technologies to give its clients the confidence they would expect from the largest bank in the Philippines.

The Information Security Strategic Plan (ISSP) outlines the overall cybersecurity direction for the bank. The Information Security Program (ISP) aligns with the business strategy of the bank and details the strategic programs, operations, technologies and resources needed to ensure alignment to ISSP. Both ISSP and ISP support the business and provide the assurance that its direction and intent are reflected in the cybersecurity posture of BDO.

The Bank utilizes a structured approach following international standards and industry best practices such as ISO 27001 and NIST Cybersecurity Framework in implementing its cybersecurity program. BDO continuously conduct security testing and drills to adhere to the regulatory requirements set forth by the Bangko Sentral ng Pilipinas (BSP).

Oversight for cybersecurity resides in three key groups which report to senior management and the Board. The Information and Cybersecurity Office (ICSO) is responsible for the effective implementation and oversight of the ISSP and ISP. The Risk Management Group (RMG) manages and reports the risks, while the Information Technology Group (ITG) handles the implementation and monitoring of the technical controls.

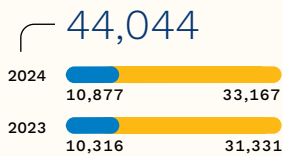
BDO strongly supports the Bangko Sentral ng Pilipinas (BSP) in its mandate to keep abreast with the adoption of technologies that will strengthen the BSP framework for risk supervision. The Bank continuously commits to providing accurate and timely information to BSP for a responsive and effective banking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

Employee Profile

■ Male ■ Female

Employee Count

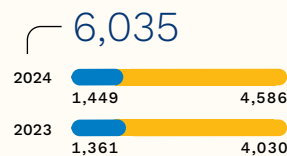
(Permanent)



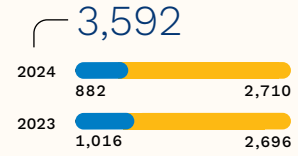
(Fixed-Term)



New Hires

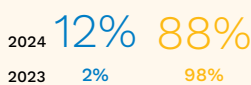


Employee Separations

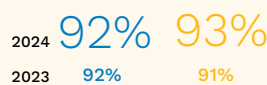


Leave Availments

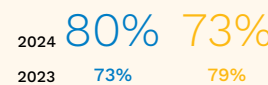
Parental Leave (out of total availments)



Vacation Leave

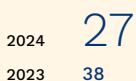


Sick Leave



Training and Development

Average Training Hours Per Employee*



Sustainability Training Hours

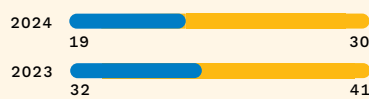


84%
Anti-Corruption Training

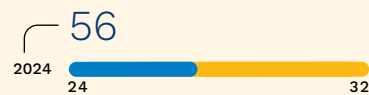
100%
Return to Work Rate (after Parental Leave)

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

By Gender



Transition Assistance Programs



99.7%
Code of Conduct and Business Ethics Training

43%
Employees covered by Collective Bargaining Agreement

99%
Senior Officers hired from local community

Skills Upgrade

Officership Development Program (ODP)



Management Development Program (MDP)



Relationship Manager Training Program (RMTP)

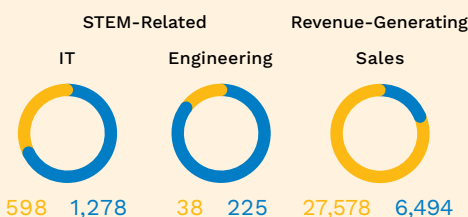


20.7%
Occupational Health and Safety Training

59%
Female Senior Officers

9.4%
Open Positions Filled by Internal Candidates

Employee Functions



Workers who are not employees



Ratio of standard entry level wage compared to local minimum wage

Male 1.04:1
Female 1.04:1

By Location

■ Luzon ■ Visayas ■ Mindanao ■ Abroad

EMPLOYEE COUNT

(Permanent)

2024

34,286

4,480

5,129

149

2023

32,466

4,180

4,887

114

(Fixed-Term)

2024

52

1

0

0

NEW HIRES

2024

4,733

614

645

43

2023

4,153

651

559

28



Occupational Health and Safety

■ Male ■ Female

Incidents of work-related Injuries

403-9

2024

10

0 Fatality as a result of work-related injury

Lost-time injury (hours)

2024

264 384

Safe man hours

Based on 1 million hours worked

2024

3,696,000 2,808,000

Total hours worked

Based on 1 million hours worked

2024

14,000,000 54,000,000

2024

38 Number of safety drills conducted for the year

By Level

	Employee Count (Permanent)	Employee Count (Fixed-Term)	Employee Appraisal	New Hires
Rank and File	2,916 17,807	4 49	97% 97%	411 3,403
Junior Management: First line managers or supervisors	4,184 9,379	0 0	97% 98%	622 792
Middle Management: Managerial roles below senior management	2,912 4,748	0 0	98% 98%	328 319
Senior Management: Assistant Vice President and up	865 1,233	0 0	97% 99%	88 72

Employee Appraisal

97%

Of Total Eligible Employees



By Age Group

Employee Count (Permanent)

14,834 25,713 3,497

<30

30-50

>50

Employee Count (Fixed-Term)

53 0 0

<30

30-50

>50

New Hires

4,625 1,358 52

<30

30-50

>50

Employee Separation

1,700 1,615 277

<30

30-50

>50

Promotions

■ Male ■ Female

1,371

6,689

2023

1,704

6,919

2024

By Type

■ Voluntary ■ Involuntary

Employee Separations

3,283

428

2023

3,127

465

2024

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

BDO is well-known for its “We find ways” mantra, which lies at the heart of BDO’s culture of service, excellence, and innovation. It is also 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.

In 2024, the Bank’s Human Resource Group continued to cultivate a sustainability mindset among its employees through performance management, various HR programs, trainings, and seminars ensuring that a positive and inclusive culture exists.

Labor Relations 2-30

The Bank's Collective Bargaining Agreement (CBA) with its labor union covers staff level employees, except those as expressly excluded in the Agreement. The Agreement is effective for a period of two (2) years from 1 November 2023 to 31 October 2025. The Union is affiliated with Associated Labor Unions (ALU).

The Bank has not suffered any labor strikes in the past 31 years and considers the maintenance of harmonious relations with its employees and the Union as one of its key human capital agenda.

Driving Career Progression

The Fast Track Program that was launched in 2016 aimed to support Business Groups to retain, develop, and accelerate qualified and high performing Staff and Junior Assistant Manager employees. In 2024, the Fast Track Program was relaunched as the Career Accelerator Program (CAP) and was enhanced to run for an 8-month period instead of the previous 16-month period. The accelerated program provides for a streamlined Talent Development Program for high potential Junior Managers. In its pilot run, CAP yielded 45 successful graduates from various business groups. This was a marked 200% increase from the previous year's 15 graduates under the Fast Track Program. Through CAP, the Bank maintains its thrust to develop, nurture and sustain talented and high-performing employees, creating a skilled workforce that drives innovation and productivity enabling future leaders to emerge.

Other Talent Development Programs that continued to be implemented in 2024 were the following:

- Officers Development Program for junior officers, with 830 female graduates and 160 male graduates
- Management Development Program for mid-managerial level, with 379 female graduates and 211 male graduates
- Relationship Manager Training Program to prepare for full-pledged relationship manager role
- Branch Manager 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. This also enables the Bank to sustain inherent institutional knowledge and work culture synergy, while reducing "new hire" adaptability risks and external recruitment costs.

Building HR Capability

Looking at internal capability, HR launched its HR Learning Sessions during lunch breaks across HR teams to discuss key information on business products and services, as well as revenue generation by each business. The goal of the HR Learning Sessions was to hone the team's business acumen and better anticipate the business' human capital needs.

86%

Of CBA members are female

45

graduates from the Career Accelerator Program

990

graduates from the Officers Development Program

590

graduates from the Management Development Program


Value Proposition in Employee Performance and Promotion Management

As part of the continuing efforts to enhance employee experience, the Bank's online Performance Assessment platform called PARonline was upgraded to allow for easier navigation and more intuitive access to performance assessment records for individuals and teams. Behavioral norms were reinforced in the performance management process in support of incorporating the Bank's Sustainability goals in employee mindset and behavior. Parameters for promotion recommendations were revisited to ensure substantiated promotions are implemented into meaningful expanded roles.

Promoting Employee Health and Well-being 403-6

The Bank ensures that employee health and well-being are among its topmost priorities in creating a safe, healthy and positive work environment. In 2024, several programs were administered in response to this:

1. Regular release of Health Watch advisory via eNewsgram that provides information and guidance on health-related issues and offering recommendations
2. Monthly Health Webinars conducted by medical experts on a variety of health conditions and topics
3. Immunization Programs for employees and their dependents
4. Annual Medical Check Ups with BDO On Premise Personalized Laboratory Services (PALS) Program where an out-patient blood extraction, as prescribed by the doctor, is available at BDO In-house Clinics
5. Mobile Blood Donation Drive in partnership with the Philippine Red Cross






Learn how psychological first aid can help people cope with trauma


When someone experiences a traumatic event such as a natural calamity, injury from an accident, life-threatening illness, or sudden loss of a loved one, it's important they can cope well in the aftermath. Psychological first aid helps to provide safety and stability in order to help them carry on with life and care for their mental well-being. Dra. Irene Carmelle Tan from ValuCare will be leading an online session to teach more people this useful skill.

Join the webinar
October 22, 2024 (Tuesday)
12:00 pm to 1:00 pm
Use these credentials on Microsoft Teams or click the link provided below
Meeting ID: 494 204 842 942
Passcode: Q74qZ7

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We find ways®





BDO Health Watch

Breathe easy and stay away from pneumonia

Pneumonia is a lung infection caused by bacteria, fungi, or viruses like COVID-19. It can spread through coughing, sneezing, and talking.

Watch out for symptoms like coughing, fever, chest pain, fast heart rate, chills, and difficulty in breathing.

If you have these symptoms, are immunocompromised, or were previously diagnosed with Chronic Obstructive Pulmonary Disease (COPD) or emphysema, see a doctor immediately.

Stay strong by practicing good hygiene, updating your vaccination, and breathing fresh air. Keep your lungs happy and clear!

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Understanding the symptoms of Monkeypox

Early detection of the monkeypox (Mpox) virus can help protect both yourself and the people around you. Here's how you can tell if the symptoms you are experiencing are signs of Mpox.

	1 to 21 days Start of symptoms	2 to 4 weeks Recovery period (May last longer for someone with a weakened immune system)
Cause	Monkeypox virus	Chickpox virus
How it spreads	Physical contact	Close contact
Rash symptom		
Appearance	Clearly defined and deep red lesions	Itchy, fluid-filled blisters
Development	Slow	Fast
Distribution	More dense on face, present on palms and soles	More dense on back, absent on palms and soles
Other symptoms		
Fever	1 to 3 days before rash	1 to 2 days before rash
Crook when you wake up and/or the appearance of swollen lymph nodes	Present	Absent
Death	Up to 10%	Rare

If you are diagnosed with Mpox, here are tips to prevent transmission:

- Stay at home if you have symptoms
- Consult with your doctor immediately
- Wash your hands often with soap and water
- Avoid touching items in shared spaces
- Avoid crowded places

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We find ways®





Nobody is too old to be vaccinated

Getting vaccinated as an adult is as important as getting vaccinated as a child.

Vaccines may offer protection in the following ways:

- Prevention of diseases and possible complications for you and your family
- Boosting of community immunity
- Compliance with workplace and travel safety measures

To learn more about adult vaccination, join the webinar on April 23, 2024, 12:00PM to 1:00PM, with guest speaker Dr. Nicole Hernandez of ValuCare.

To join, use these credentials or click on the link provided below.
Meeting ID: 490 832 236 154
Passcode: JRFwQS

bdo.com.ph

We find ways®

Alongside physical health, mental health is also crucial to employees' overall well-being. The Bounce Program for mental health wellness continued to offer free online peer support for employees, facilitated by professional counselors and mental health professionals. Bounce offers a safe space for employees to have someone to talk to or turn to for help. The program was originally launched in response to mental health challenges brought about by the pandemic.

Promoting Employee Engagement

Relaunched in 2024 post-pandemic, the BDO Sportsfest is a chance to promote physical and mental health, teamwork, and collaboration among employees who gather together as teams to compete in various sports against other business units. The BDO Sportsfest relaunch was held at the Mall of Asia Arena with approximately 9,000 participating employees. Much like a mini-Olympics, the program launch featured a parade of teams, a team muse contest, and a street dance competition. The Sports leagues were divided into four tournament categories for basketball, badminton, volleyball, and bowling, with games that ran from June to September 2024.



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

BDO's Health & 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) 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 conduction 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 (Human Resources, Branch Banking Group, Consumer Banking Group, Security & Investigation Division, Premises and Security Management Department, Risk Management Group and the employees' labor union), meets regularly to monitor the implementation progress of OSH programs and address OSH issues. The DOLE, BSP, and Bureau of Fire Protection routinely audit the OSH programs of the Bank.

New Policy on Confidentiality of HR Information

The HR Confidentiality Policy was approved on 25 July 2024 to establish guidelines in handling and protecting confidential HR information in response to queries, requests and surveys received by the Bank from a non-BDO person or entity. The creation of the HR Confidentiality Policy ensures all employee information assets are preserved against possible loss, theft, destruction, or unauthorized use.

Best Employer Brand for 2024 LinkedIn Talent Awards

In 2024, the Bank was honored as the Philippines' Best Employer Brand at the annual LinkedIn Talent Awards. LinkedIn is the world's largest social platform for professionals who want to learn, connect, and hire/be hired. Its Talent Awards recognizes companies that have demonstrated exceptional talent management practices by leveraging on data and technology that drive positive talent experience and promote talent engagement. The award reflects the Bank's unwavering commitment to provide employees with opportunities for professional growth, career development, and innovation, ultimately cultivating a healthy, positive, and inclusive workforce.



Q&A with Graduates of the 2024 BDO Career Accelerator Program

The Career Accelerator Program or CAP fosters career development, long-term professional growth, and employee engagement. Graduates of the 2024 CAP share their insights and experiences:

HOW DID YOU BECOME PART OF THE CAREER ACCELERATOR PROGRAM (CAP)?

Alvin M. Agravante, Trust and Investments Group: I became part of the Career Acceleration Program largely thanks to my supervisors, who recognized my potential and nominated me for this opportunity. I was incredibly grateful for their support and excited to take on the challenge for learning and growth.



Angelica C. Canlas, Branch Banking Group Nueva Ecija Munoz Branch: My manager asked me to participate in the Program. She explained the details to me and informed me that if I passed, I would be promoted to an officer position. Initially, I was hesitant and doubted if I can pass, as it required a high passing rate of 90%. However, I was also grateful for being offered such an opportunity. It means a lot to know that someone believes in my capabilities and trusts me to take on this challenge, so I seized the opportunity.



Laura Melissa P. Saquing, Transaction Banking

Group – Cash Management Services: My former boss, who consistently supported my professional growth, nominated me for the program, recognizing my potential and commitment to my role. When I found out I'd been selected, I felt a mix of excitement and gratitude. Being chosen for CAP fueled my motivation to push myself even further.



DESCRIBE YOUR EXPERIENCE WITH THE PROGRAM.

Alvin: The Program was an intensive and rewarding experience. Over the course of eight months, the participants worked closely with one another through group projects, individual and group presentations, and discussions. I felt like I was back at school, but with a real-world focus on practical skills and knowledge that could be immediately applied in my current role. It deepened my skills and connected me with colleagues from across the BDO community, giving me a broader perspective on the Bank's synergy and the reason why it is a leading financial institution.

Angelica: I found it to be a challenging opportunity that required me to step out of my comfort zone and perform at my very best in every activity it offered. With the high passing rate, the program demanded a high level of commitment and effort to succeed.

Laura: CAP was an intense yet highly rewarding journey that was really transformative for me. It's not just a program you complete—it's one that challenges you to look at your role, and even your career, in a new light. Each session brought unique insights, from strategic decision-making to enhancing our analytical mindset. We engaged in practical exercises that pushed us beyond our comfort zones, encouraging us to apply what we learned directly to our roles. Each session built on the last, helping me connect the dots between our team's daily work and the Bank's strategic goals. My supervisor's guidance throughout the training was very helpful and encouraging throughout.

WHAT HAVE YOU LEARNED THAT YOU THINK WILL IMPROVE YOUR ROLE AND CONTRIBUTE TO YOUR TEAM'S PERFORMANCE, AND OVERALL, TO THE BANK?

Alvin: I gained valuable skills in collaboration, adaptability, and leadership that will directly enhance my role and my team's performance. Overall, CAP equipped me with a stronger skill set that will help me contribute to BDO's business performance better.

Angelica: The Program taught me valuable lessons on becoming an effective and efficient supervisor. As a staff member, my primary focus was contributing to the branch's targets. However, the program helped broaden my perspective, giving me the knowledge and skills to lead a team effectively.

Laura: CAP enhanced my skills in strategic thinking and project management, which I'm already applying to my work. For instance, in our current data project, I now focus on planning with long-term impact in mind. The program also emphasized the importance of correlating external factors to our clients' needs, a skill that I now use to anticipate challenges and propose proactive solutions.

WHAT ADVICE CAN YOU GIVE TO YOUR COLLEAGUES?

Alvin: Wholeheartedly embrace the opportunity with an open mind and a willingness to learn. Engage actively with your peers, as collaboration is a key element and crucial to the experience. Don't hesitate to share your perspectives and insights, since the diverse experiences of your colleagues can greatly enrich your learning journey. Lastly, savor the experience; it's a fantastic chance to grow your skills and expand your professional network!

Angelica: The journey is not easy, but it is worth it. Do not hesitate to step out of your comfort zone and embrace the challenge. The 90% passing rate should not deter you; if you believe in your abilities, are willing to improve, and are committed to growth, then seize this opportunity. It is a once-in-a-lifetime chance, so make the most out of it.

Laura: Dive in and embrace it. CAP will push you, but it's worth every challenge. Approach the program with a willingness to learn and to stretch yourself. Prioritize open communication with your mentors and peers and approach each session with curiosity. CAP is as much about networking and learning from others as it is about personal development. It is a chance to grow into someone who drives meaningful impact within your role and the BDO organization.

Nurturing Learning and Development

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. Various trainings on products, services, systems and processes continued to form part of the overall learning solution for the Bank. 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.

To address a key challenge in reaching the geographically widely distributed BDO workforce, the Bank continued to explore a mix of learning modes: face-to-face trainings for relevant courses were preferred, and these were organized in areas nearer the employee work areas for convenience and a smaller carbon footprint. The Bank also provided options for virtual training and on-demand training through the iLearnHub courses. The Bank continues to find ways for the best learning solutions to empower employees to effectively perform their respective roles in supporting the business and responding to customers' needs.



Pilot Integration of Sustainability Key Result Areas

Consumer Banking Group's Multipurpose Loan (MPL) Unit was the first to develop and integrate sustainability metrics into the Key Result Areas (KRA) of all employees within the MPL team. By embedding sustainability into their performance metrics, MPL ensures that every team member contributes to the Bank's overarching sustainability objectives.

The KRA framework for MPL employees has been meticulously designed to include specific sustainability targets. These targets are aligned with BDO's Sustainable Finance Framework and the UN SDGs. Each employee's performance is evaluated based on their contribution to sustainability initiatives, ensuring that the Bank's commitment to sustainable practices is a shared responsibility across the team.

Key Areas of Focus

- 1. Environmental Impact:** Employees are assessed on their efforts to reduce the environmental footprint in operations. This includes initiatives such as promoting paperless transactions, reducing energy consumption, and supporting green projects.
- 2. Social Responsibility:** This KRA includes metrics related to community engagement and social impact. Employees are encouraged to participate in community outreach programs, support financial inclusion efforts, and contribute to social development projects.
- 3. Governance and Compliance:** Adherence to sustainability-related regulations and internal policies is a critical component of the KRA. Employees are evaluated on their compliance with environmental, social, and governance (ESG) standards, ensuring that BDO operations are conducted ethically and responsibly.

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

Sustainability Capability-building

Throughout 2024, the BDO Sustainability Office (SO) conducted numerous workshops on sustainability and ESG among employees across the business units, subsidiaries, and affiliates nationwide and in its branches in Singapore and Hong Kong. The overall objective remained the same: to generate awareness, understanding, and application of the Bank's Sustainability Framework, the Board-approved Environmental & Social Risk Management System (ESRMS), and auditable ESG data in sustainability reporting. HR Training helped track the attendance and feedback from all participants from offices and branches in Metro Manila, South Luzon, Visayas, and Mindanao. Given the 44,000-plus workforce, the SO team prioritized relationship managers, account officers, credit analysts, and senior managers for the workshops. At the same time, the SO team also conducted workshops for participants from specific business units and support groups, such as BDO Private Bank and Internal Audit for more focused discussions on the ESRMS application for their groups.

Apart from formal workshops, the SO team also conducted targeted briefings on the Bank's Board-approved Environmental & Social Risk Management System (ESRMS) to the management teams of business units and branch officers in Hong Kong and Singapore.

36

Number of Workshops Conducted

2,161

employees trained on Sustainability Workshops



Executive Briefing Series



In 2024, the SO launched the Sustainability Executive Briefing Series, a monthly one-hour discussion for senior BDO executives with external experts on key and emerging sustainability topics. The Executive Briefings aimed to provide senior leaders with a comprehensive understanding of sustainability at a strategic level, from local, regional, and global external experts with valuable insights, best practices, and real-life experience on the field. The series focused on environmental, social, and governance risks and opportunities that influence decisions on credit, investments, underwriting, insurance, and administrative operations. The Briefings aligned with BDO's commitment to integrate sustainability principles in all aspects of its business, from decision-making to relationship-building to product creation.



The Briefings covered the following topics, as speakers became available:

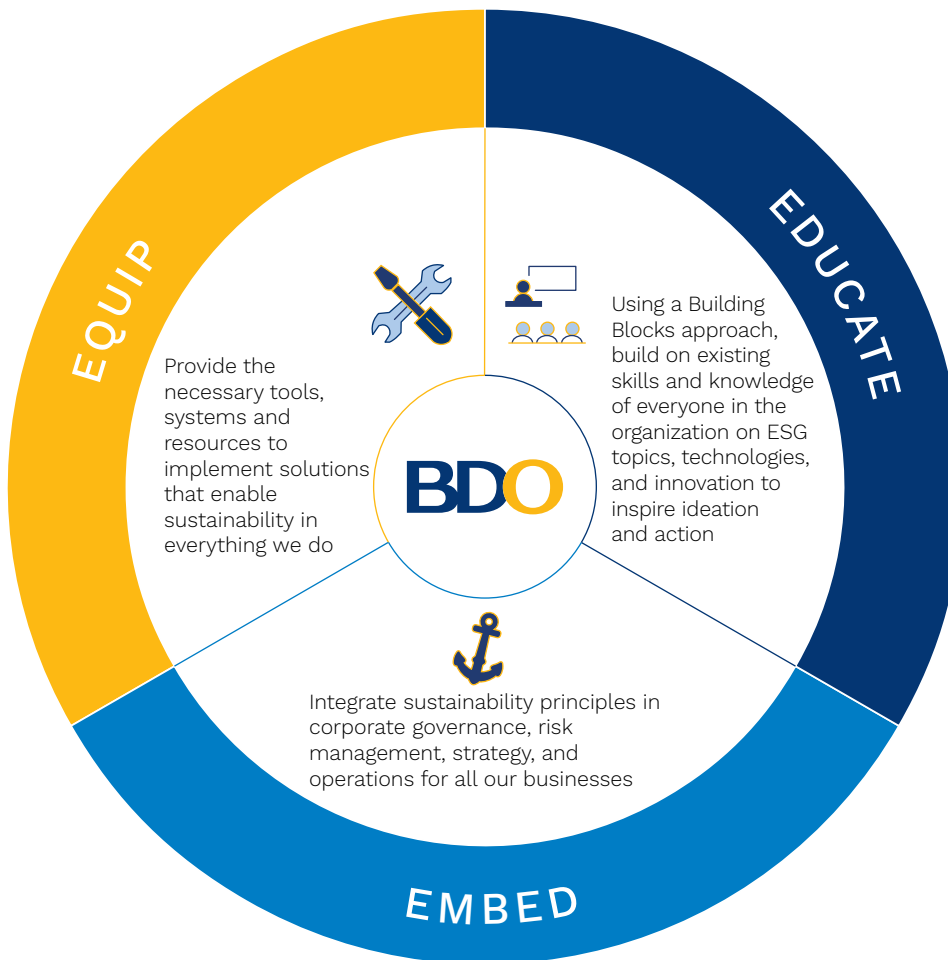
- **Nature and Biodiversity Loss** - S&P Global
- **Nuclear Energy: Microgrids and Peaceful Uses** - Philippine Nuclear Research Institute
- **Offshore Wind Technology** - Copenhagen Infrastructure Partners
- **Blue Finance for the Blue Economy** - International Finance Corporation
- **National Adaptation Plan** - Government of the United Kingdom and Boston Consulting Group
- **Carbon Markets and Carbon Credits** - Pollination Group
- **Philippine Space Strategy and Technology** - Philippine Space Agency

Members of the BDO Management Committee and key senior officers attended the Briefings which were conducted in hybrid format – in person and online to accommodate officers nationwide. The Executive Briefings align with mandate set by the BSP to bolster the capabilities of financial institutions' senior management in effectively assessing and managing E&S risks and identifying business opportunities.



3Es Strategy

The Sustainability Office continued to apply the 3Es Strategy in engaging the organization to integrate sustainability principles within the Bank. The team developed internal sustainability workshops, while simultaneously availed of available learning resources offered by its partner organizations and institutions. With the rapid evolution of sustainability topics, information, and technologies, the 3Es strategy provides a recurring and ever-changing cycle of knowledge development and practical application.



Environmental Impact

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

As the largest bank with the widest network of branches, facilities, data centers, and corporate offices nationwide, BDO recognizes the significant amount of energy required to support its daily operations. In aligning its operations risk management with its sustainability goals, the Bank has prioritized energy efficiency as a pillar of its operational sustainability strategy.

BDO has sought to diversify its energy sources by integrating cleaner and renewable energy into its energy mix. In 2022, BDO began sourcing renewable energy to partially support its daily energy requirements. At present, five of the Bank's largest buildings with the highest energy consumption are supplied with renewable energy, derived from both geothermal and solar energy sources. By the end of 2024, the Bank sourced 12,002 MWh of renewable energy, which is 24% of its operational requirements, and equivalent to meeting the energy demands of two of

12,002
MWh of Renewable
Energy Sourced for
Operations

24%
Of Electricity Consumption
Sourced from Geothermal
and Solar Sources

the Bank’s largest buildings. BDO will continue to explore other opportunities through discussions with retail electricity suppliers, as it identifies more sites that can be switched to Retail Competition and Open Access (RCOA) and/or installed with solar panels. As part of its commitment for sustainable operations, the Bank is committed to transition more buildings to use renewable energy in the coming years.


For the past five years, the Bank already broadly integrated energy-efficient practices across its facilities, including the use of energy-efficient lighting and equipment, and resourceful use of air conditioning and heating systems in order to optimize resource consumption, while maintaining operational effectiveness. In 2024, the Bank implemented retrofitting programs with the replacement of aging air-conditioning units with inverter models and end-of-life light fixtures with LED technology, all aimed at improving electricity consumption across offices and branches.

Driving Energy Management Across Operations

Alongside internal energy efficiency programs, BDO proactively complies with applicable existing and emerging environmental laws and regulations. In 2024, the Bank engaged a third-party consultant on energy and engineering to develop an Energy Management System (EnMS) framework in compliance with the implementing guidelines of Republic Act (RA) 11285 or the Energy Efficiency and Conservation Act currently enforced by the Department of Energy (DOE). Developing the Bank’s Energy Management System (EnMS) Framework included the creation of an EnMS Manual and Energy Policy that outlines clear objectives, energy-saving targets, and energy-efficient practices for implementation across all operations. Beyond compliance, the Bank submits increasingly more comprehensive annual reports to the DOE for applicable facilities, providing transparency on its energy consumption.


In 2024, BDO engaged a third-party consultant to expand its energy audits to additional large facilities with energy consumption of at least 50,000 kWh, as required by the DOE’s expanded provisions. These audits identified consumption patterns and opportunities for further energy savings. The Bank will commence integrating EnMS methodologies to streamline data collection and enhance energy performance in 2025.

MANAGING OUR RESOURCES



Airconditioning Retrofitting


BDO Unibank (1,222 branches): 1,022 have full inverter AC out of 1,076 branches with owned AC (95%)
BDONB (569 branches and loan offices): 533 out of 536 branches with owned AC (94%)



Out of 1,752 branches audited

1,740

use LED lighting



Out of 1,612* branches audited

96%

are installed with inverter air-conditioners

Out of 141 buildings surveyed

86%

use LED lighting

Out of 145 buildings surveyed

65%

are installed with inverter air-conditioners

LED Conversion

BDO Unibank: 1,213 out of 1,222 branches (99%)
BDONB: 527 out of 569 branches and loan offices (93)%

14%

use a combination of LED and conventional bulbs

35%

are installed with a combination of inverter and conventional air-conditioners

* Note: 1,612 branches only include those with BDO-owned AC units.

108

CASE STUDY:

Solar Panel Installation at BDO Corinthian Gardens

In the fourth quarter of 2024, BDO worked on the installation of a solar panel system at its BDO Corinthian Gardens building, with a large stand-alone branch near a commercial and residential area in Metro Manila. The solar power system was designed to supply 95kWp of renewable energy to the branch for the next 25 years, aligning with BDO's energy efficiency and emissions reduction objectives. Acquired at the cost of ₱5.3 million, with a projected payback period of 4.11 years, this investment demonstrates both environmental and economic value. The BDO Corinthian Gardens building is set to implement a net metering system, which will enable surplus energy generated by the solar panels to be fed back into the national energy transmission grid, further optimizing energy use and cost savings. This pilot initiative is expected to serve as a benchmark for broader implementation across BDO's facilities, with insights and data gained from this project meant to inform the expansion and scaling of solar energy solutions to at least 10 other facilities in 2025.

₱5.3 Million

investment in solar panel system

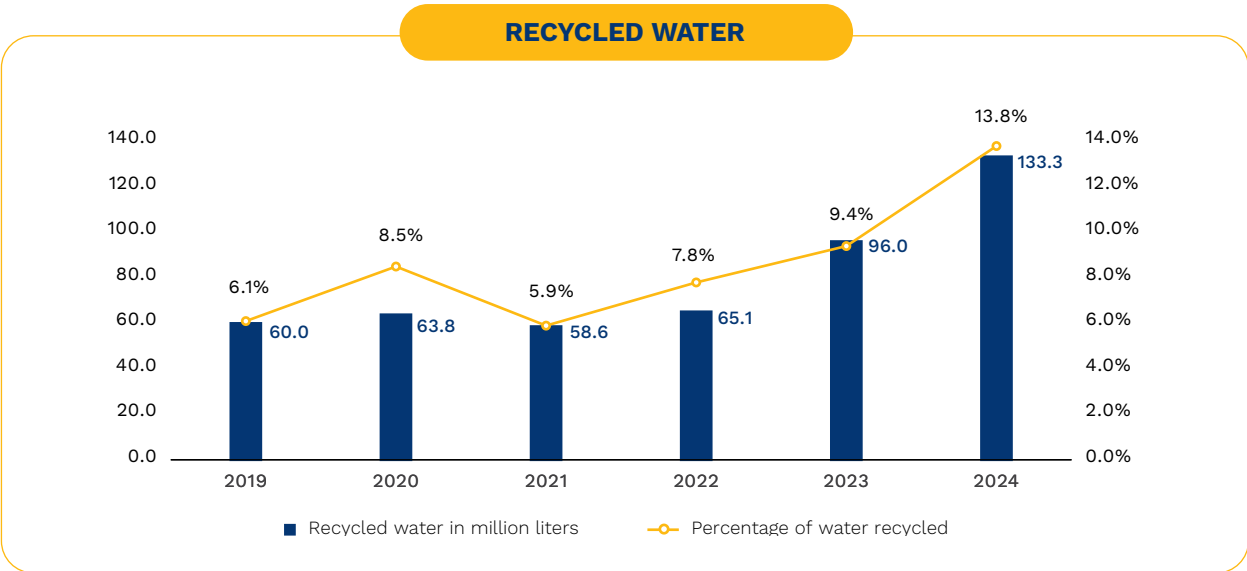
4.11 years

payback period



Water Consumption, Discharge, and Effluents

BDO recognizes the importance of responsible water management to minimize environmental impact and ensure sustainable operations. BDO Corporate Center Ortigas (CCO) features rainwater and condensate harvesting systems, which recycle significant volumes of water for office use. In 2024, BDO CCO recycled 133,304 million liters of water, marking a 39% increase from 96 million liters in 2023.



Elsewhere, the Bank sources its water primarily through local water districts, drawing from freshwater resources to meet operational needs. Conservation efforts include the installation of waterless urinals in select buildings, effectively reducing water usage. To address water discharge impacts, BDO implemented water effluents systems across its facilities to manage effluents responsibly. Buildings are equipped with septic tanks and sewage treatment facilities to process and filter wastewater prior to discharge. Some facilities are also connected to external services that treat wastewater before releasing it into lakes or freshwater outlets. For facilities where such services are not available, BDO engages third-party services to siphon and maintain septic tanks annually, ensuring compliance with environmental standards. Looking ahead, the Bank is committed to integrating more advanced and efficient water conservation mechanisms in its future flagship facilities, reinforcing its dedication to environmental stewardship and resource efficiency.

133.3
million liters
of Water Recycled

39%
Increase in Volume of
Water Recycled

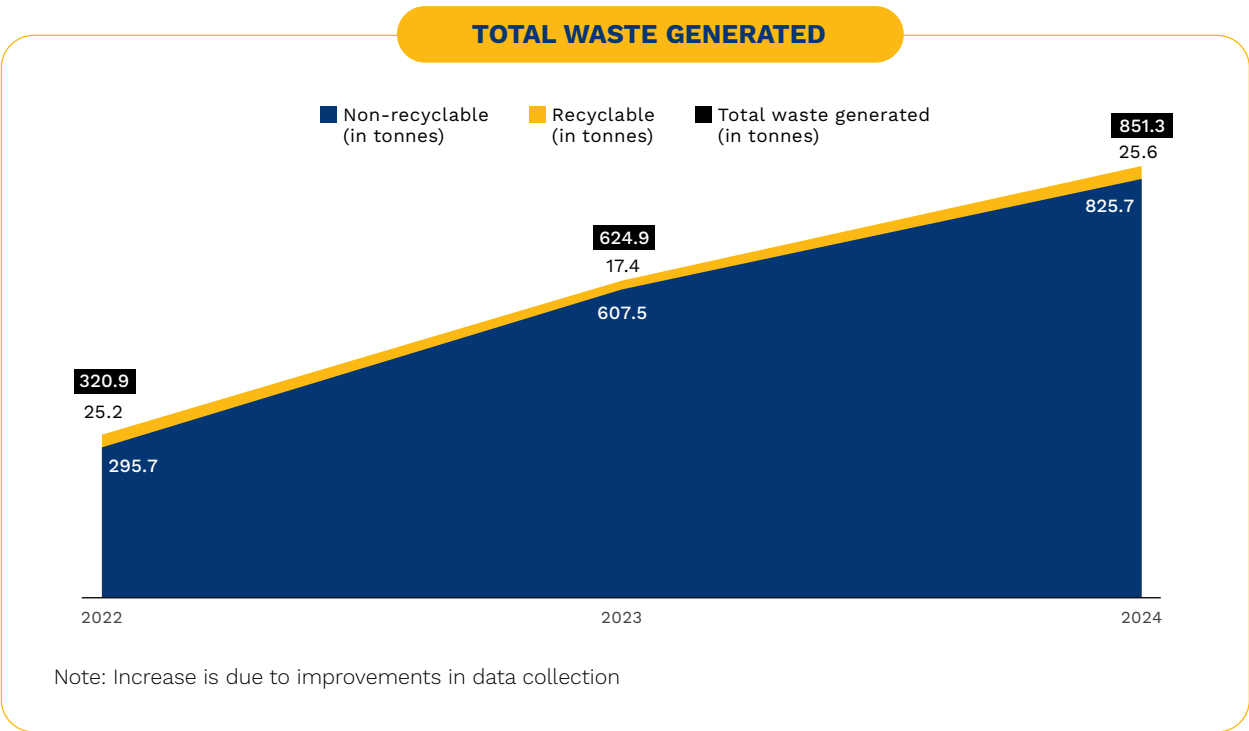
Fuel Consumption

Diesel consumption is driven by generators in each of the Bank’s branches and corporate offices. The generators are on standby as an 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 activities. The Bank’s liquid petroleum gas (LPG) consumption comes from the supply provided to the tenants in the cafeterias which provide food to the Bank’s employees. Shuttle service to and from BDO corporate offices in Ortigas and Makati are also provided by the Bank to encourage personnel carpooling instead of using individual bank cars 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

Led by its Facilities Unit, BDO implements a structured waste management program which oversees daily operations to ensure compliance with local, regional, and national laws such as Republic Act 9003 or the Ecological Solid Waste Management Act. Facilities coordinates waste collection and segregation at source, and disposal through third-party service providers. Proper waste segregation at source is enforced through designated bins in common areas and personal workstations. Non-hazardous waste is categorized into recyclable dry papers, plastics, metals, and glass, as well as non-recyclables like food waste and soiled packaging. Hazardous waste, such as used generator oil, busted lights, and e-waste are safely stored until collected by DENR-accredited haulers for proper treatment and disposal in alignment with RA 6969 or the Toxic Substances and Hazardous & Nuclear Wastes Control Act of 1990. Random inspections are conducted to maintain cleanliness and ensure proper waste handling. Waste management performance is periodically reviewed during weekly Technical Working Group (TWG) meetings to identify opportunities for reduction and recycling.

Waste segregation and monitoring are carried out by third-party janitorial service providers, who weigh and record the volume of waste collected. These records are maintained by the assigned facilities managers for each site. In 2024, BDO generated 825.7 tonnes of non-recyclable waste and 25.6 tonnes of recyclable waste. This shows an increase of 36% in non-recyclables and increase of 47% percent of recyclable from the previous year. The increase in recyclables may be attributed to sustained program initiatives for the Waste Busterrr campaign and the X-trash Challenge. BDO continues to enhance its waste management practices through education initiatives such as the Waste Busterrr campaign, which encourages employees to adopt waste management habits. The Bank remains dedicated to reducing waste generation, maximizing recycling efforts, and aligning with national guidelines to minimize environmental impact.



The Bank's janitorial service provider also manages the upkeep and segregation of the Bank's materials recovery facility, ensuring waste is handed over to accredited haulers. Recyclable materials are processed by third-party vendors who convert paper waste into bond papers or seed papers and transform plastics into products like furniture, pallets, and trash bins. In exchange for these materials, vendors issue recycling certificates and plant trees on behalf of the Bank. These measures help divert and minimize waste from landfills, supporting the Bank's commitment to bring down its contributions to landfill emissions from methane, a greenhouse gas responsible for an estimated 30% of the rise in global temperatures since the Industrial Revolution.¹

825.7

Tonnes of Non-recyclable
Waste Generated

25.6

Tonnes of Recyclable Waste
Generated, up 47% from
2023

CASE STUDY:

BDO and DHL as Partners in Sustainability

BDO partnered with DHL for its GoGreen Flyer Recycle Box program as part of our commitment to managing wastes for sustainable operations. This initiative is not just about reducing our environmental footprint; it is also about creating a positive impact on our partner communities.

GoGreen Flyer Recycle Boxes were placed in the following BDO offices:

1. BDO Juan Luna
2. BDO Corporate Center Ortigas
3. BDO Salcedo Tower
4. BDO Towers Valero

BDO employees drop used DHL pouches in these boxes which DHL collects to create Ecobricks made from plastic bottles stuffed with used plastic pouches. The Ecobricks are then donated by DHL to chosen beneficiaries, for use in their construction or gardening needs. By partnering with DHL, the Bank also lessens its greenhouse gas emissions. Every 1 kilogram (kg) of plastic that is recycled through this program prevents the release of 3.1 kg of carbon dioxide into the atmosphere.



¹ Understanding methane emissions: Global Methane Tracker 2023, Analysis, International Energy Agency, <https://www.iea.org/reports/global-methane-tracker-2023/understanding-methane-emissions>

Managing Internal Consumption

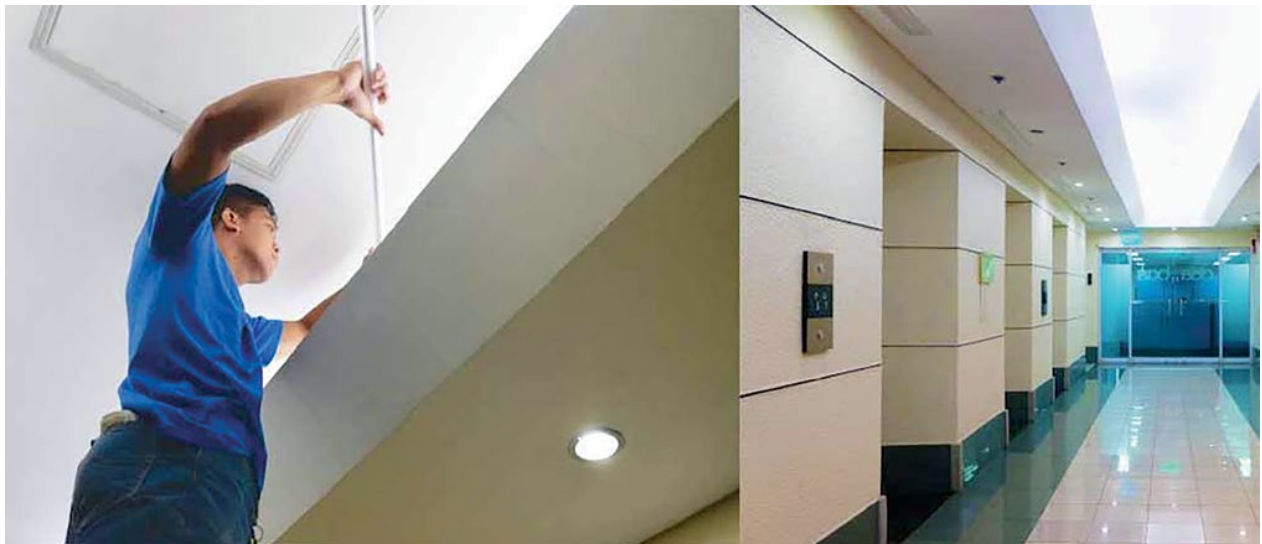
To manage the footprint of internal consumption of materials such as papers, toners and cartridges, BDO initiated the digitization of its procurement process through the Electronic Forms Management System (eForms) and the Electronic Purchase Order and Delivery System (EPODS). These platforms streamlined the procurement process by allowing internal clients to lodge purchase requests for items and services using standardized unit costs.

EPODS further improves efficiency by consolidating and creating purchase orders per supplier. Suppliers benefit from the system's ability to facilitate real-time viewing of orders, provide updates on service status, and generate billing statements for completely served requests. By minimizing the reliance on hardcopy requests, the system reduces paper usage and simplifies transactions. Suppliers are also required to consolidate multiple requests served into a single invoice to further optimize the use of resources.

In line with the Bank's commitment to sustainability, the procurement of energy efficient items has been prioritized. Key milestones include the acquisition of inverter type air-condition units in 2010, led monitors in 2013, LED light fixtures in 2014, and energy efficient inverter refrigerators in 2015. In addition, the Bank encourages more efficient resource utilization through reallocation of returned to warehouse standard furniture, fixtures, and equipment (FFE) in good condition to its subsidiaries or donates the to the BDO Foundation's beneficiaries.

Sustainable printing practices are implemented through printer leasing, where payments are made only for the use of new or remanufactured toners, and cartridges, which are pulled out by the suppliers for refill and reuse. Used batteries are traded in with accredited suppliers for proper disposal. Since 2012, annual employee giveaways have featured BDO-branded items, with a peso donated to BDO Foundation for every item purchased by employees. In the past three years, giveaway options have included recycled materials such as multipurpose boxes made from acrylic shields and dividers used during the pandemic.

Electronic delivery of Statement of Accounts (SOA) for BDO Credit Cards and BDO Securities is pursued to further reduce printing and delivery via courier. In 2024, printing and delivery of credit card SOA was further reduced by 14.8% while BDO Securities by 11.3%.



Circularity in operations

₱3,612,743.19

total earned from recycling

₱47,380,801.37

total in cost avoidance



Paper

1,028,399.50

kilos for recycling
by paper mill



120

trees planted on
behalf of BDO at Cebu
Province

FFEs/IT Equipment

100,633

disposal requests for 50,685 IT items and
Furniture, Fixtures, and Equipment (FFE) items



45,178

consumable items processed through accredited
service provider for recycle, reuse and resale

Non-IT FFE and IT equipment



1,966

items donated to various
health centers and schools via
BDO Foundation

40

non-IT FFEs (ex. sofa and
chairs) donated to various rural
health units

3,129

various non-IT FFEs reissued
to BDO Unibank

₱8,490,694.14

total cost avoidance

398

various non-IT FFEs allocated
to subsidiaries

₱1,527,745.18

total cost avoidance

326

workstations and accessories
reallocated to BDO Unibank

₱5,483,472

total cost avoidance

26

equipment reallocated to BDONB

₱694,648

total cost avoidance

788

units of IT equipment reissued
to BDO Unibank

₱20,216,967.05

total cost avoidance

58

units of IT equipment
reallocated to BDO Life

16

units of IT equipment reallocated
to BDO Finance

4

units of IT equipment reallocated
to BDO Insurance

12

units of IT equipment reallocated
to BDO Private Bank

5

units of IT equipment reallocated
to BDO Securities

71

units of ATM enclosures, 19 units of
Cash Deposit Machine enclosures
refurbished and reallocated to
offsite and within BDO branches

8

units of various accessories (ex.
glass door and panels, wood door,
transaction counter, insulation, fire
exit stairs) cleaned/refurbished/
repaired and reallocated to
different BDO buildings

₱1,180,000

total cost avoidance

6

units of vault doors
reused to various
BDO branches

₱549,000

total cost avoidance

13

units of air-condition reused by
various BDO and BDONB branches

₱1,161,275

total cost avoidance

14

units of generator sets reused by
various BDO and BDONB branches

₱8,077,000

total cost avoidance

CASE STUDY:

Update on the Waste Busterrr Program 2024

The BDO Waste Busterrr campaign, launched in the fourth quarter of 2022, is a testament to the Bank's commitment to environmental stewardship. This initiative, aimed at educating employees about the importance of waste segregation, has not only fostered a culture of sustainability within the organization but also contributed to the Bank's broader Sustainability Contributions Strategy.

This campaign encourages employees to become waste management champions by segregating waste at source and 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 included 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.

This initiative aligns seamlessly with the bank's Sustainability Contributions Strategy, which supports the achievement of national economic goals through financial inclusion and impact financing in infrastructure, eco-friendly solutions, green facilities, and disaster resilience initiatives. By promoting waste management best practices, the Waste Busterrr campaign contributes to these goals by promoting eco-friendly solutions. By year-end 2024, the Bank was able to collect 7.47 tonnes of recyclable waste across all included facilities.

Waste Busterrr supports the Bank's paperless campaign by encouraging employees to take tangible steps towards reducing its paper usage and transitioning towards more sustainable workplace practices. Through this campaign, BDO is not only making a positive impact on the environment, but also contributing to the achievement of national economic goals and setting a benchmark for other organizations in the industry.

26

Facilities and
Branches Covered

26

Materials Recovery Facilities
(MRFs) Constructed

7.47 tonnes

Recyclable Waste Collected
through Waste BusteRRR
Program



CASE STUDY:

Update on X-Trash Challenge 2024

Since the X-Trash Challenge's launch in 2021, BDO continues to be an active competitor along with other local companies in collecting recyclable materials such as paper, plastic, and metal wastes. The competition, sponsored by the Philippine Business for Social Progress (PBSP) and Basic Environmental Services Technology (BEST), aims to foster a collaborative mindset with local businesses to reduce waste at scale. Over the years, BDO has consistently achieved podium finishes every time, reflecting the Bank's dedication to environmental stewardship and commitment to reducing waste.

In 2024, BDO encouraged its employees to participate by bringing their recyclable wastes from their homes to select BDO offices. This call to action complements the current Waste Busterrr campaign which reinforces the discipline of segregating and disposing trash properly through employee education. The Bank's efforts resulted in the collection of 18.1 tonnes of recyclables, with 1,604kg or 8.9% of total from the efforts of employees.

The recyclables were exchanged for a total of 55,703 environmental points, which will be donated to BDO's chosen partner community. In 2023, the donated proceeds were used in support of BDO Foundation and East-West Seed Foundation's (EWSF) partnership project called Gulayamanan (a word play on Filipino words for vegetables and riches). The converted points went to the purchase of various construction materials to build a meeting area and shelter for the Lian Vegetable Growers Association (LGVA) community in Batangas province. The Gulayamanan project, which started in 2022, aims to develop vegetable gardens in economically disadvantaged communities in the Philippines. This initiative aims to bolster food supply within those communities while creating income-generating opportunities for residents who lack access to stable employment.

18.1 tonnes

Recyclable Waste Collected
through X-Trash Challenge

55,703

Environmental Points
Earned and Donated



BDO Resource Consumption

Fuel Consumption (in liters)

Diesel (in liters)



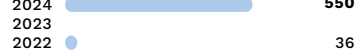
Gasoline (in liters)



LPG (in kg)



Refrigerants (in kg)



Electricity Consumption 302-1 (in '000 kWh)

61,090

2024

Branches



Offices



Non-renewable



Renewable



Electricity Consumption of Tenants and Leased Assets (in '000 kWh)

2024 60,344

Renewable

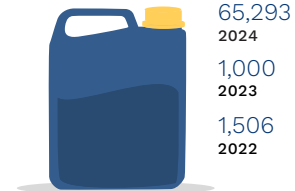


Non-renewable



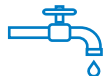
Fuel Consumption of Tenants and Leased Assets

Diesel (in liters)



Water Consumption 303-5 (in '000 cu.m.)

965.7



■ Branches ■ Offices

Recycled Water 303-4 (in '000 cu.m.)

133.3



Gasoline (in liters)



Hazardous Waste 3-3, 301-1 to 3, 306-1 to 5 (in tonnes)

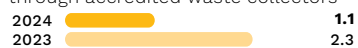
1.1

2024

Wastes directed to disposal



Wastes diverted from disposal (recycled) through accredited waste collectors



Non-hazardous Waste 3-3, 301-1 to 3, 306-1 to 5 (in tonnes)

851.3

2024

Wastes directed to disposal



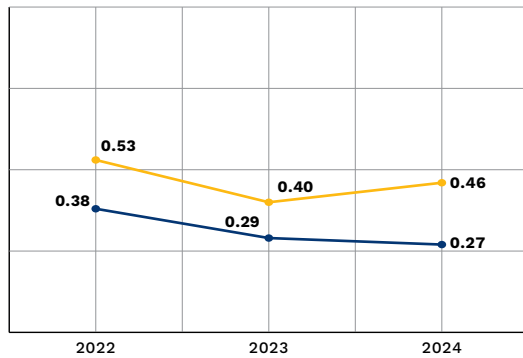
Wastes diverted from disposal (recycled) through BDO's MRF



Wastes diverted from disposal (recycled) through X-Trash



Carbon and Energy Intensity 302-3



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

Energy Intensity
(in MW/£1 million
in revenue)*

* Restated due to adjustments
in reported revenue

GHG Emissions (in tonnes CO₂e)

2024 **72,562** 2023 70,638
2022 74,867

Scope 1

2024 **2,276**
2023 1,237
2022 500

Scope 2

2024 **35,377**
2023 66,784
2022 71,488

Scope 3

2024 **34,909**
2023 2,617
2022 2,879

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

BDO Network Bank Resource Consumption

Fuel Consumption (in liters)

2024 **42,130**

Diesel (in liters)

2024 **42,130**

Electricity Consumption (in '000 kWh)

2024 **1,243**

Offices

2024 **1,243**



Non-renewable

2024 **1,243**

GHG Emissions (in tonnes CO₂e)

2024 **1,172**

Scope 1

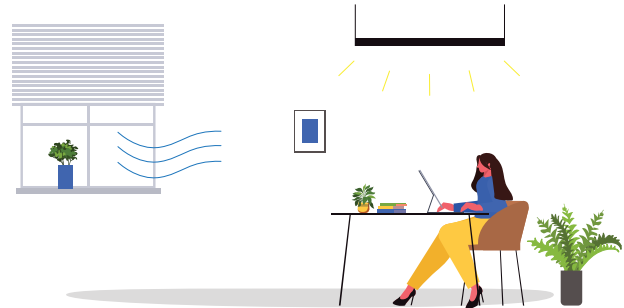
2024 **113**

Scope 2

2024 **1,055**

Scope 3

2024 **4**



Water Consumption (in '000 cu.m.)

2024 **18.5**



Offices

2024 **18.5**

Non-hazardous Waste (in tonnes)

2024 **7.9**

Wastes directed to disposal

2024 **6.8**

Wastes diverted from disposal (recycled) through BDO's MRF

2024 **1.1**



Breakdown of BDO Emissions for Scope 1, 2, 3

	Luzon	Visayas	Mindanao	Abroad	Total
Within BDO					
Fuel Consumption					
Diesel (in liters)					
Generator Sets	88,889.8	9,392.8	10,431.4	-	108,714.0
Transport Vehicles	218,448.1	1,627.3	40,134.8	-	260,210.2
Gasoline (in liters)	48.0			-	48.0
Heating and Cooking: LPG (in kilograms)	8,061.5			-	8,061.5
Refrigerants (in kilograms)					
R-410A	455.5	-	-	-	455.5
R-134A	94.5	-	-	-	94.5
Scope 1 Emission (in metric tonnes)					
CO ₂	1,845.8	29.5	135.3	-	2,269.6
CH ₄	3.2	0.1	0.5	-	4.0
N ₂ O	1.8	0.1	0.3	-	2.4
Total CO₂e	1,850.7	29.7	136.1	-	2,276.0
Electricity consumption (MW)					
From non-renewables	41,096.2	3,387.2	4,603.6	-	49,087.1
From renewables	12,002.8	-	-	-	12,002.8
Scope 2 emission (in metric tonnes)					
CO ₂	29,104.4	2,349.0	3,923.2	-	35,376.6
CH ₄	-	-	-	-	-
N ₂ O	-	-	-	-	-
Total CO₂e	29,104.4	2,349.0	3,923.2	-	35,376.6
Outside of BDO					
Fuel and electricity consumption and waste disposed					
Diesel (liters)					
Generator sets	51,058.1	6,181.2	8,053.9	-	65,293.2
Gasoline (in liters)	86.9	258.6	-	-	345.5
Electricity (MW)					
From non-renewables	42,250.8	3,446.2	2,130.8	176.0	48,003.8
From renewables	12,319.0	-	-	-	12,319.0
Non-hazardous waste (kg)					
Directed to disposal	795,557.9	15,600.0	15,693.0	-	826,850.9
Diverted from disposal	24,023.5	391.0	1,145.0		25,559.5
Scope 3 emission (in metric tonnes)					
CO ₂	30,521.3	2,416.1	1,846.7	94.2	24,908.1
CH ₄	0.5	0.1	0.1	-	0.7
N ₂ O	0.3	0.04	0.05	-	0.4
Total CO₂e	30,522.1	2,416.2	1,846.8	94.2	34,909.2

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

The Bank is committed to embodying a We Find Ways mindset as an integral part of its Customer Experience Philosophy. This principle underscores BDO's dedication to creating a banking experience that extends beyond basic transactions, by offering a diverse range of products and providing personalized services. This is achieved through a comprehensive understanding and anticipation of its customers' financial objectives and life circumstances.

Board and Management Oversight on Customer Concerns 2-26

The Board is primarily responsible for maintaining an effective oversight of the Bank's consumer protection policies and programs. Senior management is tasked with implementing strategies approved by the Board and ensuring that appropriate control mechanisms are in place. Governance and oversight functions are further reinforced through the various roles that involve ownership, management, or provision of independent assurance regarding 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, along with the corresponding corrective and preventive measures, are reported to the Board on a quarterly basis. This ensures that Consumer Protection-related risks and concerns are mitigated, compliance with Consumer Protection standards and requirements is maintained, and any other significant developments affecting the Bank's consumers are disclosed.

Consumer 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 established specialized teams, including Customer Service, complaint resolution or service fulfillment teams, tasked with implementing and supervising CAMS. These dedicated teams manage consumer inquiries, requests, and complaints, collaborating to address issues accurately, promptly, and efficiently.
- **Monitoring and Reporting:** A tracking system is established to record and oversee client interactions, complaints, and resolutions. This enables the Bank to identify trends, evaluate service level performance, and address emerging issues. Regular reports provide management with insights to assess the effectiveness of CAMS.

- **Continuous Improvement:** BDO regularly reviews and enhances the CAMS, incorporating feedback, adapting to regulatory changes, and aligning with industry best practices. This commitment to ongoing improvement ensures that the system remains relevant and effective in addressing customer needs and 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 are required to complete the Financial Consumer Protection eLearning course. This training is designed to acquaint them with the concept of CAMS, its procedures, customer service standards, and applicable regulatory requirements. The training is based on the Consumer Protection Standards of Conduct, which outlines the expected behavior of Bank employees when interacting with customers.

Listening to Customer Needs 2-25,2-26

To deliver exceptional banking services, we collect and utilize valuable input 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 resolutions 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.
- **Social Media Engagement:** Active monitoring of social media platforms enables 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 accordance with BSP Circular 1160, particularly under the Protection of Client Information standard, and in alignment with the Bank's Data Privacy policy, BDO's Customer Contact Center (CCC) ensures that all customer-related data are collected, stored, and utilized solely for the purpose of effectively assisting customers with timely responses and appropriate solutions to their inquiries 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 digitalization 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.

As part of BDO's ongoing commitment to enhancing customer experience, the Bank implemented a new customer service hotline number, 8888-0000, effective July 2024. The introduction of additional self-service options within the Interactive Voice Response (IVR) menu, along with other modernization efforts, has contributed to a significant improvement in the Contact Center's answer rate during the last quarter of the year. This enhancement has been positively noted by customers, who have shared their feedback on various social media platforms.

In 2024, CAMS logged some 8 million customer cases of which only 7% were problem-related in nature. The majority of the cases were inquiries at 4.1 million and requests at 3 million.

8888-0000

New Customer Service
Hotline

Supply Chain and Approach to Procurement 204-1, 408-1, 409-1, 414-1, 414-2

All procurement suppliers go through the standard accreditation process which ensures legitimacy according to compliance with standard government registration or certification and supplier capability to provide the established needs of BDO. While the Bank does not implement a specific policy in favor of sourcing from local suppliers, 95% or 1,533 out of 1,610 of BDO's suppliers are local.

95%

of suppliers are local

To maintain company standards during the vendor accreditation process, suppliers are screened on their environmental and social impact. Each supplier is required to submit standard regulatory registrations alongside additional certifications to ensure compliance. Service providers handling hazardous waste must be accredited by the Department of Environment and Natural Resources (DENR), with certifications verified through the DENR website. Outsourced manpower providers must comply with the Department of Labor and Employment (DOLE) requirements and submit certificates verified via DOLE's registry of contractors. Security providers are also required to submit proof of payment of wages and statutory benefits for personnel deployed to BDO. Any issues regarding labor violations, such as delayed or unpaid wages, lead to a suspension of services until the matter is resolved.

To further streamline operations, BDO has digitalized its procurement process through a web-based catalog requisition to payment system that consolidates requests of Bank units per supplier and location, reducing redundancy and increasing efficiency. Requisition schedules are tailored to the needs of different locations, with weekly schedules for head office units and quarterly schedules for satellite offices and co-located head office units. For provincial units, suppliers deliver items to accredited forwarders for consolidation and shipping to Metro Manila. Once served, suppliers bill and invoice BDO using a consolidated order and single-invoice process, eliminating inefficiencies.

SPECIAL REPORT

Sustainable demolition paves way for construction of landmark BDO Corporate Center Makati

On November 15, 2024, BDO Unibank marked the beginning of construction of the new BDO Corporate Center Makati (CCM) at the heart of the Philippines' premier business district. The Makati complex is one of three BDO main office complexes, alongside the existing BDO Corporate Center Ortigas in Mandaluyong City and the nearing-completion structure of BDO Corporate Center Cebu in the Visayas region.

Faithful to the Bank's commitment to "integrate sustainability principles in everything we do," sustainability is a key priority to the building concept, design, and execution. Construction of BDO CCM will drive practices that not only address environmental concerns, but also enhance human comfort. This project is expected to reduce operational costs and contribute to a more resilient structure which will be enjoyed by future generations of BDO bankers and customers.

All these thoughtful considerations contribute to the Bank's efforts to mitigate climate change and create healthier and more inclusive communities.

Combining five separate prime plots into a unified business campus on Paseo de Roxas Avenue corner Villar, Valero, and H.V. Dela Costa Streets, BDO CCM will be comprised of two towers and an annex building. Both towers will feature an innovative exoskeleton structure, allowing open, flexible spaces without the need for conventional pillars. Embodied carbon and whole lifecycle carbon management have been integrated into the design. The lightweight structural system will not only reduce the concrete content of the buildings by over 65,000 tonnes; it will also simultaneously improve safety performance given the country's seismic environment.



In addition, operational energy will be reduced by more than 40 percent, with radiant cooling systems drastically reducing energy demands. Over 70 percent of potable water will be recycled and reused on site with its own water management system, a similar feature at BDO Corporate Center Ortigas. The overall design features 75% of its rooftops covered in greenery. There is also an urban farm, an auditorium, and event areas — all of which contribute to making the center a positive and inclusive addition to the city of Makati.

With the building's flexible office spaces, trading floors, and business hubs, its workspaces inside will encourage collaboration and interaction. BDO CCM will also include areas for client engagement to facilitate a more personalized approach.

Designed by British architectural firm Foster + Partners, known for their sustainable approach to architecture, all the structural and environmental engineering, landscaping, and



“The goal is to recover as much embodied carbon emissions as possible through the recycling process.



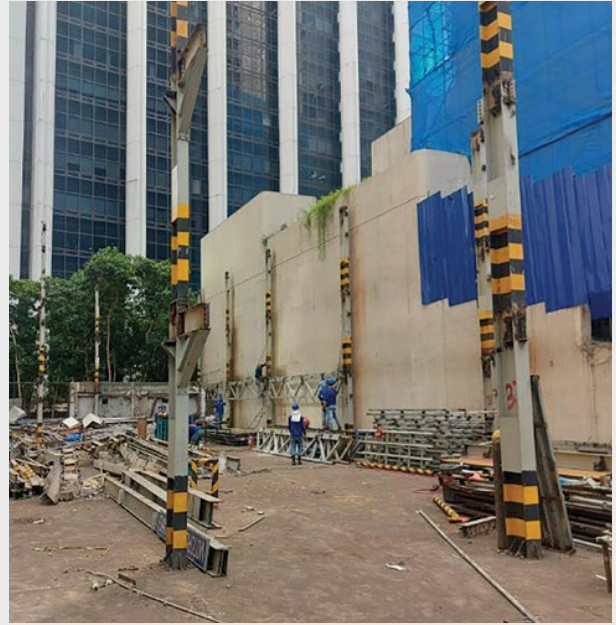
interiors support the vision of a structure that will be carried into the future. Construction is led by DATEM, a Philippine firm known for its experience with green buildings.

The new BDO Corporate Center Makati represents its commitment to creating physical spaces that support clients, employees, and the surrounding community.

Foster + Partners' Sustainable Design for BDO

BDO CCM is tailored to meet the Bank's current and future needs. Departing from the typical model of air-conditioned high-rise office towers in the city, the design learns from vernacular architecture that relates to the local environment and culture and is highly responsive to the humid tropical climate of the Philippines. The project makes a positive contribution to Makati City by transforming five separate urban plots into a singular integrated campus. Following multiple studies, the site's existing buildings were demolished, as it would result in a higher amount of embodied carbon to strengthen and retain them.

The process of demolishing the former BDO North and South towers — along with the lower rise Gercon Building — began in 2021 and was completed in 2024. Working closely with the demolition contractor, Foster + Partners ensured that salvageable materials were carefully sorted and weighed on site for recycling. Each salvage truck was weighed before and after loading to ensure accurate measurement of the materials being



recycled. Materials, especially metals, were carefully collected, removed, and sorted into different categories. This meticulous process ensured that valuable materials were recovered efficiently.

It is estimated that the construction of the three buildings produced 22,403 tonnes of embodied carbon emissions. The goal is to recover as much carbon as possible through the recycling process. However, some materials such as concrete, lose their structural properties during demolition, meaning that the carbon used to create them cannot be recovered. Despite these challenges, the aim was to recover approximately 3,177 tonnes of carbon, which is equivalent to powering the new campus for eighteen months. In addition, 35% of the building's concrete was recycled as part of BDO's ambition to achieve Green Mark Platinum status for the project. Recycling efforts resulted in many innovative methods of recycling the buildings' materials, such as using demolished concrete debris for new roads in Pasig City. The steel carpark next to BDO South Tower was taken down piece by piece and fully reassembled and recreated elsewhere, rather than demolished and turned to scrap metal. Laminated glass from the North and South towers were used to build small structures on the building site, such as an office for the project management team and a pavilion.



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.



BDO Foundation

Beneficiaries in 2024 Beneficiaries to date

Handog sa 'Yo ng BDO Foundation Christmas Gift-Giving Initiative

50,000 families

149,900 families



Blood Center

1,328 population covered



School Buildings Built

19 in Elementary schools
15 in High schools
1 in College

Classrooms Built

63 in Elementary schools
60 in High schools
4 in College

Beneficiaries per year

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



Financial Education

5,448,671 students
523,359 OFWs
225,308 teachers and non-teaching personnel
8,246 members of the general public
16,181 armed forces
5,227 fisherfolks
298 civil servants, CSC and LGU personnel
3,126 firefighters
1,956 relocatees
810 farmers



326 lesson exemplars uploaded in DepEd's learning portal

Photo c/o BSP

Relief Operations

72,282 families
154 schools

877,543 families
164 schools
2,086 students
47 school employees
27 elderly



Tech-Voc Training Facilities

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

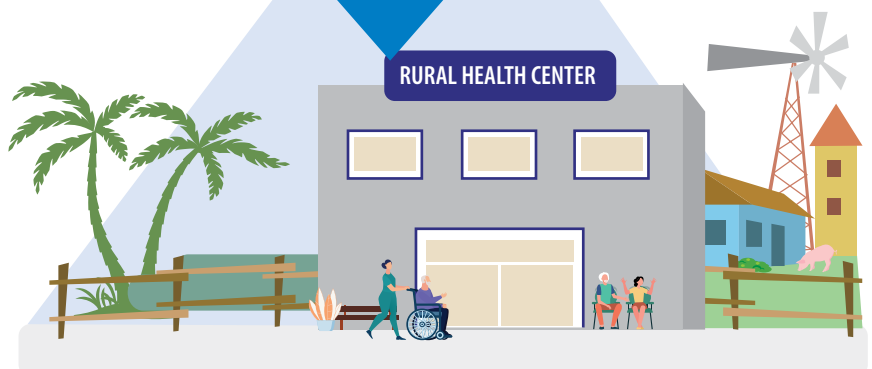


Rural Health Units (RHUs)

11,078,933 students
1,518,058 OFWs
338,200 teachers and non-teaching personnel
207,659 members of the general public
53,649 armed forces
12,505 fisherfolks
3,017 civil servants, CSC and LGU personnel
4,379 firefighters
1,956 relocatees
870 farmers

31 rehabilitated RHUs
1,204,668 population covered

191 rehabilitated RHUs to date
9,036,041 population covered



Scaling and Mainstreaming Financial Inclusion: BDO Foundation

Guided by its mission to support sustainable development, BDO Foundation continued to make significant strides in 2024, helping Filipinos in need and implementing initiatives that contributed to the achievement of Sustainable Development Goals (SDGs). Working with partners in the public and private sectors as well as BDO branches and business units, the corporate social responsibility arm of BDO Unibank embarked on programs in the areas of financial inclusion and disaster response, rehabilitation, and rebuilding.

Partnerships with Government Agencies, Local Governments

Financial Education Programs

In support of the National Strategy for Financial Inclusion of the Bangko Sentral ng Pilipinas (BSP), the Foundation pursued efforts to continuously raise financial literacy levels in the country, improve the economic well-being of beneficiaries, and contribute to nation-building.

The financial literacy lessons covered in BDO Foundation's partnership programs with the BSP include saving, budgeting and financial planning, fraud and scams, debt management, investments, entrepreneurship, insurance, and retirement planning. Beneficiaries included students, teachers and non-teaching personnel, overseas Filipino workers (OFWs), civil servants, armed forces personnel, police personnel, firefighters, fisherfolk, farmers, technical-vocational learners, micro-entrepreneurs, and families displaced by railway projects.

BDO Foundation participated in the BSP Financial Education Congress, which gathered partners and stakeholders in the public and private sectors. The Congress served as a platform for its participants to build a network of financial inclusion advocates and promote programs and lessons.

The two-day event held at the Philippine International Convention Center was highlighted by the Sustainable Finance Practices session, which featured BDO Vice President and Head of the Sustainability Office Marla Garin-Alvarez among the panelists. Another panel session, titled Empowering Individuals and Communities through Tailored Financial Education Programs for Financial Independence and Resilience, was moderated by financial inclusion advocate and business journalist Salve Duplito, who was sponsored by BDO Foundation.

Following a ceremonial launch at the BSP Financial Education Congress in 2023, BDO Foundation and BSP continued to develop the Financial Education E-learning Modules in 2024 to make learning resources accessible to more people. The online courses on personal finance will be available on-demand for free and in engaging formats that include videos, interactive activities, and end-of-session assessments. The E-learning Modules hope to change the financial education landscape by making learning digital, borderless, and accessible to all Filipinos in the country and abroad. Enrollees will go through a pre-test and a post-test exercise, and course completion will automatically generate an e-certificate.

Nine modules are grouped into three batches:

1. Financial planning, saving and budgeting, and debt management
2. Basics of investing, fraud and scam prevention, and financial consumer protection
3. Digital financial literacy, Personal Equity and Retirement Account (PERA), and relevant economic indicators

In 2024, the partners launched batch one in an event witnessed by BDO Foundation trustees and BSP senior officials. At the launch, BSP announced the availability of the first three modules in the BSP E-Learning Academy or BELA, an online platform with courses on personal finance, economics, and central banking. The Technical Education and Skills Development Authority (TESDA) also made the first three modules available to its personnel and technical-vocational education and training

learners through the TESDA Online Program, the agency’s web-based platform for training courses. The next six modules will be released in 2025 initially through the online learning platforms of the BSP and BDO. All modules will eventually be made available to target beneficiaries and the public through partner government institutions. Users will be able to access courses using personal computers, laptops, and mobile devices.

For all its efforts to contribute to the achievement of the National Strategy for Financial Inclusion and work together with public and private sector partners, BDO Foundation was recognized by the BSP at the 2024 Outstanding BSP Stakeholders Appreciation Ceremony. BSP Governor Dr. Eli Remolona Jr. and BSP Deputy Governor Bernadette Romulo-Puyat presented a certificate of appreciation to the Foundation in an event witnessed by Central Bank officials.

In 2024, the Foundation signed a memorandum of agreement with Niras Asia Manila — an organization deputized by the Department of Transportation (DOTr) and contracted by the Asian Development Bank — for the implementation of Kitabuhayan, (wordplay on “income-livelihood” in Filipino) a financial education program that benefits communities relocated due to DOTr’s railway projects.

The Foundation also signed an agreement with the Department of Social Welfare and Development (DSWD) and BSP for the integration of financial education into the training programs of the DSWD Academy for the agency’s personnel and social welfare officers of local government units.

In partnership with the BSP, BDO Foundation also continued to collaborate with various government agencies to more widely spread its successful financial education advocacy:

Partners	Achievements
Agricultural Credit Policy Council (ACPC)	<ul style="list-style-type: none"> ■ Production of KITA (Kapital at Ipon Tungo sa Asenso) Mo Na! financial education game kits and trainer’s guides ■ Train the trainers sessions ■ Nationwide rollout of KITA Mo Na!
Armed Forces of the Philippines (AFP)	<ul style="list-style-type: none"> ■ Turnover of training kits with trainer’s manuals ■ Monitoring & Evaluation (M&E) writeshop, a session where subject matter experts gather to develop guidelines that will assess the effectiveness of the program ■ Train the trainers sessions ■ AFP-wide rollout
Bureau of Fire Protection (BFP)	<ul style="list-style-type: none"> ■ Finalization of trainer’s manual ■ M&E writeshop
Bureau of Fisheries and Aquatic Resources (BFAR)	<ul style="list-style-type: none"> ■ Train the trainers sessions ■ Writeshop and consultation with representatives of BFAR regional offices ■ Production of additional and improved Fish N’ LEarn game kits and trainer’s guides; nationwide rollout ■ Observation of fishing community training session in Batanes
Civil Service Commission (CSC)	<ul style="list-style-type: none"> ■ Rollout of financial literacy program within CSC ■ Rollout to other government agencies through CSC’s Civil Service Institute
Department of Education (DepEd)	<ul style="list-style-type: none"> ■ Conduct of financial literacy session for teachers and non-teaching personnel in Camarines Sur, Iriga, and Naga in commemoration of National Teachers’ Month ■ Issuance of DepEd certification authorizing the use of 302 DepEd-BSP-BDOF-developed lesson exemplars containing financial literacy concepts in the teaching of various subjects for all grade levels of K to 12 in all public schools ■ Preparation for the second phase of the partnership to focus on the rollout of fin-ed in the K to 12 curriculum and in the training of teachers and non-teaching personnel

Partners	Achievements
Department of Migrant Workers (DMW) and Overseas Workers Welfare Administration (OWWA)	<ul style="list-style-type: none"> ■ Signing of renewed memorandum of agreement ■ Development of materials for Pre-migration Orientation Seminar and OFW families as part of the Pinansyal na Talino at Kaalaman or PiTaKa program
Department of Transportation (DOTr)/NIRAS	<ul style="list-style-type: none"> ■ Development of Kitabuhayan financial education module ■ Production of Kitabuhayan game kits ■ Conduct of training of trainers sessions for instructors of DOTr, Department of Human Settlements and Urban Development, cooperatives, and non-governmental organizations ■ Initial rollout
Department of Social Welfare and Development (DSWD)	<ul style="list-style-type: none"> ■ Signing of memorandum of agreement ■ Development of modules
Department of Trade & Industry (DTI)	<ul style="list-style-type: none"> ■ Production and launch of three videos for micro-entrepreneurs
Philippine National Police (PNP)	<ul style="list-style-type: none"> ■ Finalization of modules and trainer's manual ■ Development of financial education videos for police personnel ■ Conduct of M&E writeshop
Securities and Exchange Commission (SEC)	<ul style="list-style-type: none"> ■ Development of two investor protection videos
Technical Education and Skills Development Authority (TESDA)	<ul style="list-style-type: none"> ■ Launch of the first batch of three e-learning modules on the TESDA Online Platform (TOP), which forms part of the agency's Massive Open Online Courses that technical-vocational learners can access for free

The Foundation's partnerships also extended to various local government units on improving the financial literacy of LGU personnel, their constituents, and other beneficiaries:

Partner LGUs	Achievements
Municipalities of Alcala, Bautista, Rosales, and Sto. Tomas, Pangasinan (Northern Luzon)	<ul style="list-style-type: none"> ■ Train the trainers session for Municipal Agriculture Office personnel, who will then cascade the lessons to farmers and agricultural workers in partnership with ACPC and BSP ■ Turnover of KITA Mo Na! game kits
Iloilo City (Visayas)	<ul style="list-style-type: none"> ■ Completion of training sessions for trainers of the Local Economic Development and Investment Promotion Center and Public Employment Service Office ■ Rollout of financial literacy sessions for market vendors ■ Provision of cash assistance to market vendors
Odiongan, Romblon (Luzon)	<ul style="list-style-type: none"> ■ Training sessions for LGU trainers assigned to cascade lessons to human resources personnel, MSMEs, agricultural workers, and social welfare beneficiaries
Quezon City	<ul style="list-style-type: none"> ■ Seminars for government employees and communities

Recognition for Financial Inclusion of Armed Forces Personnel

BDO Foundation received the Financial Inclusion Initiative of the Year recognition at the Retail Banking Awards, hosted by Singapore-based Asian Banking & Finance (ABF). The League of Corporate Foundations (LCF) in the Philippines also awarded the Outstanding CSR Project in Financial Inclusion honors to the Foundation at the LCF Corporate Social Responsibility Guild Awards. Both award-giving bodies cited BDO Foundation for its exemplary efforts to help improve the economic well-being of the men and women of the military.

The Armed Forces personnel financial education program is the first of its kind in the country, and supports the AFP Transformation Roadmap to “build a better and stronger armed forces, a world-class organization that is a source of national pride.” BDO Foundation, the AFP, and BSP help improve the financial literacy of Philippine Air Force, Philippine Army, and Philippine Navy personnel.

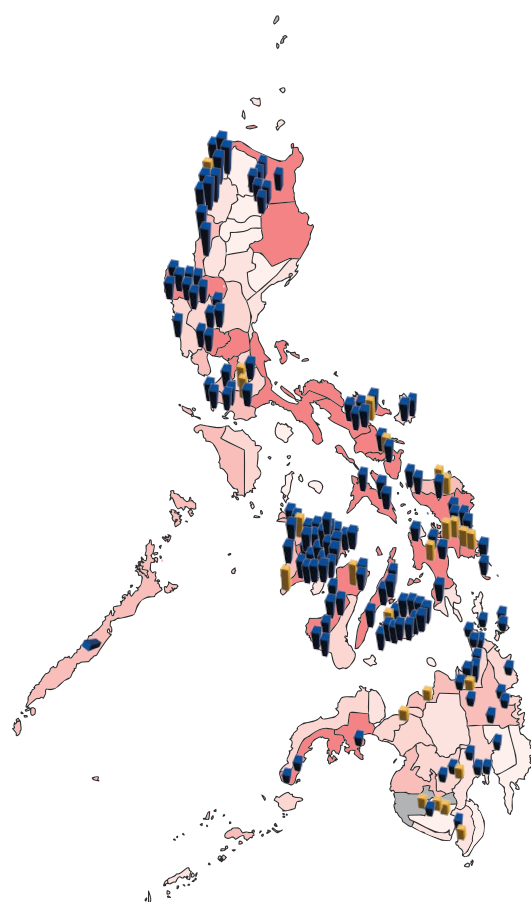
The initiative equips officers, enlisted personnel, and civilian human resources with the knowledge, skills, and tools to make sound financial decisions. It helps the target beneficiaries receive high marks in their personal performance scorecards particularly on the aspect of personal finance. Interventions included the development of discussion guides, integration of financial education modules into AFP career courses, production of six financial education videos, publication of trainer's manual, training of trainers, and establishment of a system for nationwide deployment. These efforts enabled the partners to effectively embed financial education into the military's capacity building programs.

Partnerships with Private Sector and NGOs

The Foundation also collaborated with non-government organizations and private sector institutions as part of its continuing efforts to help develop a financially literate citizenry, in achieving the following:

Partners	Achievements
Don Bosco One TVET	<ul style="list-style-type: none"> ■ Development of financial education subject called Financial Stewardship now offered in all 18 Don Bosco technical-vocational centers nationwide ■ Upload of online course through Don Bosco's learning management system ■ Implementation of arrangement with BDO and BDO Network Bank branches that enables graduating students to open savings accounts with minimal requirements
Knowledge Channel Foundation Inc.	<ul style="list-style-type: none"> ■ Signing of memorandum of agreement ■ Development of 10 new MathDali (Easy Math) curriculum-based videos on early numeracy for Grade One pupils co-funded by BDO Foundation and Huawei Philippines, bringing the total number of videos to 15 ■ Deployment of videos for use by public schools through Knowledge Channel's various delivery channels
LINK Center for the Deaf	<ul style="list-style-type: none"> ■ Development of eight entrepreneurship modules designed to enhance the capabilities of MSMEs including persons with disabilities
National University	<ul style="list-style-type: none"> ■ Integration of financial education into the Entrepreneurial Mindset course for all students ■ Personal finance seminar for teachers facilitated by BSP ■ Financial literacy seminars for students conducted by BDO employee volunteers
People Management Association of the Philippines	<ul style="list-style-type: none"> ■ Four-part webinar series on various financial literacy topics for human resources professionals

Disaster Response



Increasing adaptation of communities: Rehabilitating RHUs and building classrooms

- 35 School Buildings Built to Date
- 127 Classrooms Built to Date
- 34,177 Student Beneficiaries per Year
- 191 Rural Health Units Rehabilitated Since 2012

Health and Education Facilities Rehabilitated and Built

- Rural Health Units
- School Buildings Built

Climate Risk Exposure

- High Exposure
- Medium-High Exposure
- Medium Exposure
- Medium-Low Exposure
- Low Exposure

Relief Operations

Since its inception in 2008, BDO Foundation has consistently provided aid for Filipinos affected by natural or man-made disasters across the country. In line with its disaster response advocacy, the Foundation mounted relief operations in provinces placed under a state of calamity, mobilizing volunteers for the immediate distribution of relief goods in different communities. Volunteers from partner organizations, local government personnel, and BDO employees — working together in the spirit of bayanihan or volunteerism — distributed packs containing food, rice, and drinking water to family beneficiaries in evacuation sites and various barangays affected by typhoons, floods, fire, and an oil spill incident.

The initiative was made possible by employees of BDO and BDO Network Bank branches, who helped BDO Foundation assess situations in affected areas, determine the number of beneficiaries, and coordinate logistics. It was supported by partners including parishes, diocesan social action centers, non-governmental organizations, local government units, the military, and the police.

Rehabilitation of Rural Health Units



From 160 rural health units (RHUs) in 2023, the Foundation completed the rehabilitation of its 191st rural health unit in 2024, as part of continuing efforts to help improve the primary healthcare delivery system in the Philippines.

BDO Foundation renovates health centers, particularly their exteriors, layout and interior design, lobbies and waiting areas, offices, birthing clinics, consultation rooms, treatment rooms, and pharmacies. It installs new signages, furniture, and fixtures to help health workers accommodate more patients. In RHUs with available space, the Foundation builds breastfeeding stations for nursing mothers, play areas for children, and waiting lounges for the elderly. The improvement of facilities empowers and motivates doctors, nurses, and midwives to provide primary healthcare services more efficiently to their constituent communities. The program benefits mothers, infants and children, adolescents, persons with disabilities, senior citizens, and indigenous peoples living in remote areas.

Like other BDO Foundation projects, the rehabilitation of RHUs was supported by officers of BDO and BDO Network Bank branches, who recommended health centers that needed assistance. The program was also made possible in partnership with local government leaders and health officers as well as Department of Health (DOH) provincial areas offices, which provided guidance on the renovation. Working together, BDO Foundation and its partners helped health centers receive better assessment scores from the DOH and accreditation from the Philippine Health Insurance Corporation.

Christmas Gift-Giving Program

BDO Foundation continued to provide Noche Buena food packs for communities all over the country through Handog sa 'Yo ng BDO Foundation, its Christmas gift-giving initiative. For the fifth consecutive year, the Foundation organized the nationwide distribution of food packs to help families celebrate the season. It partnered with non-governmental organizations Ako Ang Saklay, Ako Bakwit, Caritas Philippines, and Tangang Yaman Foundation for the project.



Employee Volunteer Program

BDO Foundation, the Human Resources Group, the Sustainability Office, and the Marketing Communications Group continued to work together for the implementation of the BDO Employee Volunteer Program (EVP) that addresses poverty and hunger, environmental conservation, education, and financial inclusion, underpinned by human rights.

As championed by the Corporate Governance Committee of the Board, the EVP aims to develop BDO employees' sustainability mindset and encourage participation in BDO's corporate citizenship initiatives — all in support of the United Nations Sustainable Development Goals. BDO Directors and senior executives also joined various volunteer activities nationwide conducted in partnership with non-government organizations and other organizations identified by different business units.

Partners	Volunteer events
Ako Ang Saklay, Ako Bakwit, Caritas Philippines, and Tanging Yaman Foundation	Handog sa 'Yo ng BDO Foundation nationwide distribution of Noche Buena food packs
Department of Education	Brigada Eskwela: <ul style="list-style-type: none"> ■ Buhay na Tubig Elementary School, Cavite ■ Quirino High School, Quezon City ■ Vicente Trinidad National High School, Cagayan ■ Mandaue City Central Elementary School, Cebu ■ Daniel R. Aguinaldo National High School, Davao
Guanella Center	Distribution of groceries, food packs, and gifts to disadvantaged children
Haribon Foundation	<ul style="list-style-type: none"> ■ Coastal clean-up in the Las Piñas-Parañaque Wetland Park ■ Native tree nursery activities in Rizal and Zambales
ICCP Group Foundation	Financial literacy sessions for beneficiaries of the Pantawid Pamilyang Pilipino Program (Bridging Program for the Filipino Family) or 4Ps in Batangas and Cebu
National University	Financial literacy sessions for students
Rehoboth Children's Home	Distribution of groceries to orphans
Scholars of Sustenance	Rescue kitchen activities in Quezon City and Manila
St. John Bosco Parish, Makati	■ Distribution of food assistance

BDO Foundation is committed to support the SDGs. Inspired by BDO's We Find Ways philosophy and backed by the BDO community, BDO Foundation will continue to work hard for a sustainable, resilient, and financially inclusive future.

CASE STUDY:

Making Fin-Ed More Engaging for Filipinos

It was a simple solution that proved to be engaging and effective for fisherfolk.

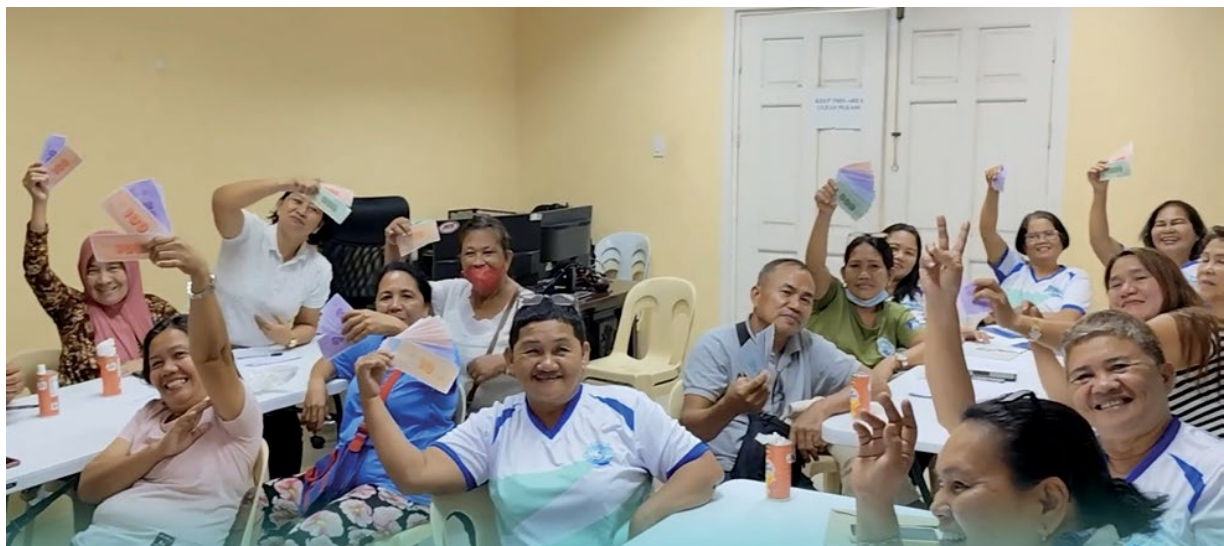
Instead of teaching financial literacy concepts through traditional lectures, a technical working group composed of BDO Foundation, Bureau of Fisheries and Aquatic Resources (BFAR), and Bangko Sentral ng Pilipinas (BSP) officers co-developed Fish N' LEarn, a gamified training intervention that mimics real-life events that influence the financial behaviors of fishers. A designated and trained game master facilitates sessions and enables participants to learn lessons in an experiential manner. Fish N' LEarn lessons cover such topics as saving, budgeting and financial planning, debt management, entrepreneurship, insurance, and the conservation of marine resources.

The gamified learning aims to help improve the financial literacy, productivity, and income-generating capability of an estimated 1.9 million fisherfolk all over the Philippines and contribute to the achievement of SDGs in the areas of financial inclusion, poverty reduction, and environmental protection. Aligned with BSP's National Strategy for Financial Inclusion, the game supports the Department of Agriculture's goal to attain a food-secure and resilient Philippines with empowered and prosperous farmers and fisherfolk.

Although the program is far from reaching all target beneficiaries, Fish N' LEarn is making inroads into fishing communities across the country. According to interviews conducted by BFAR, beneficiaries shared stories of how the game is helping them take steps towards financial independence.

Teresita Gepanao, president of the Malabasa Fisherfolk's Association in Misamis Oriental, said, "I enjoyed learning through Fish N' LEarn. What I liked about it was learning the importance of banking, investments, and insurance as protection against typhoons, fire, and other disasters. I also liked being able to simulate situations that affect us, using play money. I shared the lessons I learned with my children, particularly those about saving for the future and avoiding unnecessary loans," she added. "This is critical because as fishers, our source of livelihood is not guaranteed."

Agripina Montañez, a member of the Lala Fishermen Cooperative in Lanao del Norte, echoed these sentiments, "Without this training, we wouldn't learn about savings and insurance. With this training, we realized that there are different ways we can address challenges to sustain our livelihood. Now, we make it a point to deposit our cooperative's monthly earnings in a bank".



CASE STUDY:

Finding Hope in Health Centers Affected by Disasters

“It’s not only about the renovation of the building. It’s not just about the tables and chairs you gave us. You helped with our mental health. You gave us hope when you rehabilitated our rural health unit,” declared Dr. Reina Jane (RJ) Demandante, Municipal Health Officer of Clarin Primary Care Facility in Bohol, on the occasion of the RHU turnover with BDO Foundation and the people who made the rehabilitation of their health center a reality.

Clarin Primary Care Facility is one of the 191 RHUs BDO Foundation has renovated since 2012. It is also one of the more than 20 RHUs the foundation has turned over in Bohol province alone.

Like many coastal community health centers rehabilitated by the Foundation, the Clarin facility was affected by Typhoon Odette, one of the most devastating typhoons to hit the country in recent history. “The storm surge caused by Odette flooded the building with neck-deep mud. The electricals were soaked in muddy water. The roof was blown off. The records were damaged. The condition of the place really made me cry,” Dr. Demandante recalled.

“While cleaning the RHU, we transferred to a different building, in a small room that we shared with another office. We didn’t have electricity. We didn’t have water. We had no laboratory. It was depressing and demoralizing not to be able to perform our jobs, help people, and provide services to our constituents,” she said.

BDO Foundation learned about the situation in Clarin through Dr. Dewy Demandante, husband to Dr. RJ and municipal health officer of the neighboring Sagbayan Municipal Health Unit, which was also rehabilitated by the Foundation. Guided by Doc RJ and supported by local government leaders, the Foundation rehabilitated both interiors and exteriors, layout, waiting areas, offices, clinics, consultation and treatment rooms for both health workers and patients.

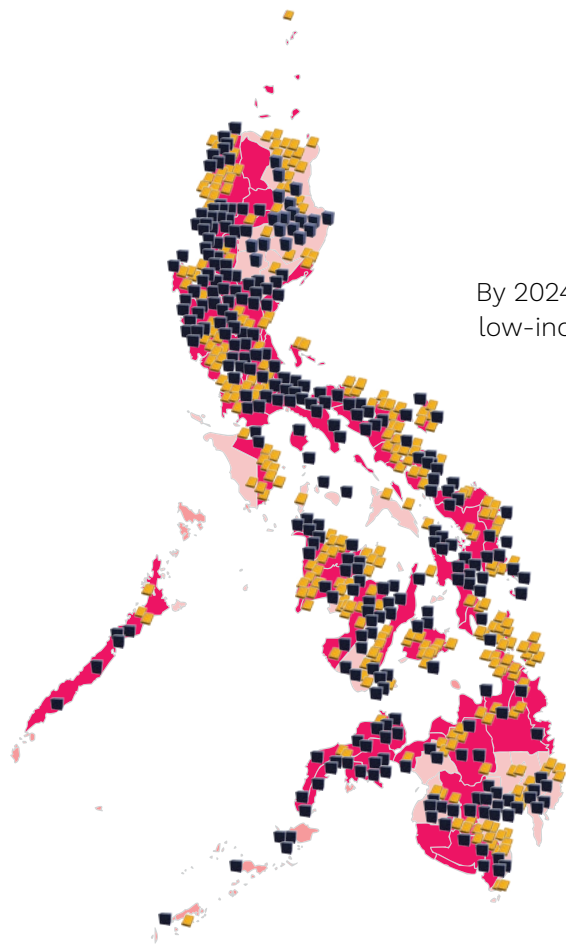
“Patients now feel safe. Persons with disabilities and senior citizens feel comfortable. Victims of abuse who visit the RHU for counselling now have privacy. Children enjoy the play area. My fellow doctors and I extend a warm and sincere thank you to BDO Foundation for making this possible,” the doctor shared. More than 21,000 people in the 24 barangays of the fifth-class municipality stand to benefit from the rehabilitated health center.



BEFORE




AFTER



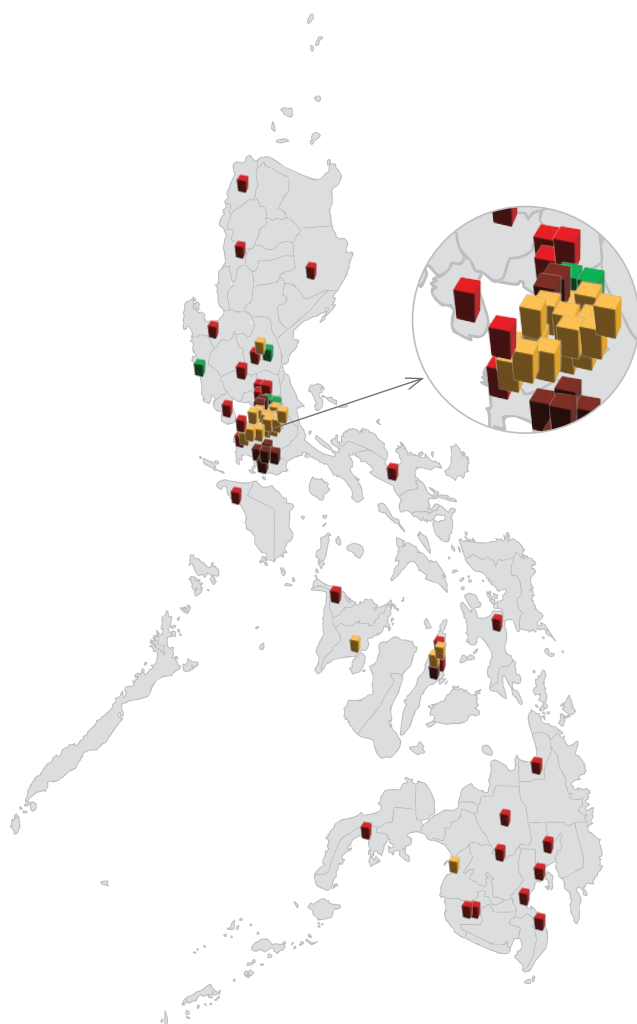
Gift giving and relief operations

By 2024, BDO Foundation has given food packages to 149,900 low-income families during its gift giving and 877,543 families through its relief operations.

 Relief Operations

 Gift Giving

Poverty Incidence in the Philippines



Promoting A Sustainability Mindset: BDO Employee Volunteer Program

Employee Volunteer Program Map

Milestones in 2024:

80 volunteer activities nationwide


2,004 volunteers nationwide

8,550 total volunteer hours

 Education

 Environment

 Financial Inclusion

 Poverty and Hunger

Stakeholder Communication Campaign ²⁻²⁹



BDO fulfills its mandate to widely and effectively communicate and actively encourage its stakeholders to participate in its sustainability journey through storytelling across multiple channels. Stories highlight the Bank's initiatives in financing industries and individuals to drive economic growth, supporting community development, rebuilding communities after disasters, and fostering positive environmental and social impact across the country. Through its commitment to sustainability, BDO aims to inspire a collective effort within its sphere of influence toward creating a better future for people and the planet.

To raise awareness and promote appreciation for sustainability, BDO regularly publishes stories centered on the following themes:

- BDO-financed sustainability projects and clients;
- Sustainability and ESG-related partnerships;
- Thought leadership pieces on sustainability;
- Corporate social responsibilities (CSR) activities; and
- Sustainability and ESG-related awards and recognitions from local and international award-giving organizations.

These stories are strategically shared across traditional and digital platforms to maximize reach. Traditional media include national broadsheets, tabloids, provincial publications, foreign publications, while digital platforms are online news sites, business and consumer blogs, and the Bank's own social media channels, ensuring BDO's messages resonate with its diverse intended audiences.

The Bank also amplifies its efforts through its official website (www.bdo.com.ph) with a Sustainability Section that provides overviews of its Sustainability philosophy and framework, sustainability reports, impact reports, infographics on its sustainability bond issuances, demographic data on client diversity, its materiality matrix, along with its sustainable finance framework.

In 2024, BDO continued to demonstrate its unwavering commitment to sustainability by sharing notable updates and accolades for its sustainability initiatives through external channels. These include:

- BDO Wins Advance in Responsible Finance Award for Blue Bond Initiative
- BDO Wins at the Global Good Governance Awards for Green Innovation
- BDO Holds Sustainability Briefing Series for Its Top Executives
- BDO Expands Sustainable Finance Framework, Gains New SPO Validation
- BDO, Asia's Premier Banks Release New Report to Support Climate Transition

Public disclosure in the form of compelling storytelling also enables the Bank to gather valuable feedback on its initiatives from various stakeholders locally and elsewhere in the world. Examples of sustainability-related feedback are strong interest from the general public on how BDO determines requirements for financing or investing on environmental and social projects, where the proceeds from its bond issuances go, how BDO manages its carbon footprint, what the Bank's commitments are on fossil fuels and renewable energy, how the Bank ensures data security and customer welfare, how it sees its role in addressing the challenges of climate change, among others.

In 2024, BDO had the highest sustainability perceptions value in the Philippines at US\$175 million, according to the Sustainability Perceptions Index by Brand Finance, the world's leading brand valuation consultancy, in association with CSRHub and the International Advertising Association (IAA). Sustainability Perceptions Value is the financial value that is tied to a brand's reputation for acting sustainably.

Both BDO's perceptual and performance scores on environmental sustainability and governance were above the banking sector average in the research. This not only demonstrates strong external awareness of BDO's sustainability efforts and communications, but that the brand's actual performance and reporting on ESG issues supports this perception. Brand Finance's Sustainability Perceptions Index is based on a study of over 150,000 respondents across 40 countries.

BDO believes that sustainability is a shared responsibility and continues to prioritize initiatives that align with its vision of creating long-term value for society. By sharing these compelling stories, BDO hopes to inspire its stakeholders to join hands in creating a meaningful impact on communities, the economy, and the environment.

Sustainability Engagements and Partnerships

Asia Transition Finance Study Group

Public-Private Sector Collaboration to De-Risk Transition Finance

BDO is a member of the Asian Transition Finance (ATF) Study Group, a private-led initiative whose core participants are large 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.

This year, the ATF Annual Report 2024 was created after months of discussion among the core members, composed primarily of commercial banks. Development banks, export credit agencies, public agencies, and finance associations joined as observers and knowledge contributors. Energy and industry players, insurance and guarantee providers, and advisors also participated as guest speakers to share their perspectives.

The ATF Annual Report 2024 describes how transition projects can become feasible and bankable by mitigating and allocating risks through public and private sector collaboration. This fundamental issue, identified during discussions in 2022 and 2023, is crucial for enabling FIs to engage in transition projects. The Study Group considers that understanding the main risks of transition projects and how each risk can be addressed by both public and private sectors would foster coherent collaboration among all stakeholders.

The Asia Transition Finance Annual Report 2024 is available at this link:

<https://www.atfsg.org/report/asia-transition-finance-study-group-atf-sg-annual-report-2024>

Eco-Business Unlocking capital for sustainability (Singapore)

Board Governance – Stewardship for a Global Transition

At the 2024 Unlocking capital for sustainability (Ucfs) Forum in Singapore, Senior Vice President and Chief Compliance Officer Federico P. Tancongo shared how good governance, coupled with a strongly supportive Board of Directors at BDO are key to policies and programs that effectively weigh both enterprise environmental and social risks and drive value creating opportunities for the Bank. He shared that “for many board members, ESG issues have become their personal legacy; sustainability is now about survival and business, and goes beyond risk, compliance, communications, and branding. We have started to embed sustainability in all our decisions, including who we decide to work with.” He added that when it comes to BDO directors, the challenge is always on what else can be done to advance the Bank’s sustainability initiatives and drive a sustainable mindset change within the organization and in the financial sector.



Eco-Business Unlocking capital for sustainability (Philippines)

Investing in the Transition of Critical Sectors: Energy, Infrastructure, Building

The Philippine Ucfs theme focused on “a new era for energy and nature in the country.” Vice President and Head of the Sustainability Office Marla Garin-Alvarez joined the panel on Investing in the Transition of Critical Sectors with representatives from the energy, real estate and banking sectors. The energy transition is often viewed as fraught with risks, losses, and costs for companies, and while these remain valid concerns in various contexts, the panel discussed the opportunity-seeking perspective brought about by innovative technology, evolving responsible consumer preferences, availability of funding locally and internationally, and even lower costs for more sustainable alternatives. One such opportunity cited by panelists was the draft low carbon economy bill, where the Philippines can benefit from the abundance of potential projects for carbon credits, while also conscious of potential negative impacts of using nature for profit and development. BDO shared its recent successes in raising funds for green and social projects through its ASEAN Sustainability Bond issuances which were oversubscribed by over 10 times its target. While such results show strong interest from both retail and institutional investors, the financial viability of projects to lend or invest in remain a key challenge.



Department of Trade and Industry

The Philippines as Smart and Sustainable Manufacturing Hub in Southeast Asia

BDO partnered with the Department of Trade and Industry (DTI) to strengthen the flow of foreign investments into the Philippines, through organizing investments seminars, business matching activities, and industry promotion missions designed to position the Philippines as a prime destination for foreign investments. These initiatives will highlight the country's skilled workforce, growing industries, and strategic position in Asia towards one goal: to attract investments in key sectors such as manufacturing, technology, renewable energy and infrastructure, fostering the creation of new factories, jobs, and innovations that will benefit Filipinos.

DTI Undersecretary and Board of Investments Managing Head Dr. Ceferino S. Rodolfo, underscored the strategic benefits of the partnership. “By combining BDO’s financial expertise and DTI’s investment policy leadership, we can create a more competitive environment for investors. This collaboration ensures that the Philippines is recognized not just as a growing market, but

as a destination for sustainable, long-term investments.” BDO Executive Vice President and Head of Institutional Banking Group Charles M. Rodriguez, emphasized that the investments will contribute to the country’s economic growth, which has consistently ranked among the strongest in the ASEAN region over the past decades.

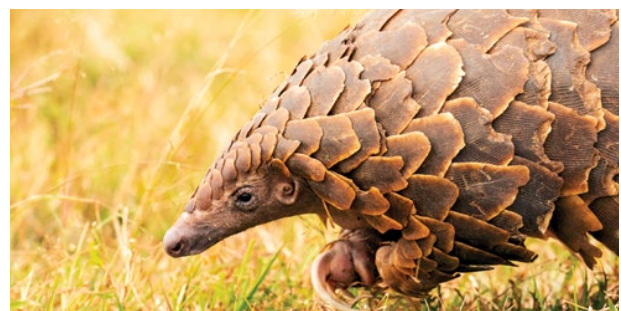


Department of Environment and Natural Resources, SM Malls, and other partners

Save from Extinction Campaign

BDO joined a multi-stakeholder initiative of wild life conservationists led by the Department of Environment and Natural Resources (DENR) and SM Malls for the “Save from Extinction” campaign to protect six threatened wildlife found in the Philippines:

- **The Dugong** (*Dugong dugon*) or sea cow, a gentle marine mammal often seen in warm coastal waters all over the Philippines
- **The Philippine Cockatoo** (*Cacatua haematurus*), also known as the red-vented cockatoo and endemic to Philippine forests
- **The Philippine Eagle** (*Pithecophaga jefferyi*), the country’s national bird known as the largest eagle in the world and at a critically low population
- **The Tamaraw** (*Bubalus mindorensis*), a dwarf buffalo found only on the island of Mindoro
- **The Philippine Pangolin** (*Manis culionensis*), a critically endangered scaly mammal from Palawan



BDO provides donation channels for the campaign through its large network of automated machines (ATMs) nationwide, where ATM users have the option to donate by having it deducted from their account while transacting through BDO ATMs. While waiting for their ATM transactions to come through, ATM users can read onscreen about the six threatened species and how they perform critical roles in maintaining the delicate ecological balance in the country. Donated funds go directly to the non-government organizations that lead conservation efforts for each of the six animals. Other campaign partners are World Wide Fund for Nature, the Forest Foundation Philippines, the Zoological Society of London, the D’Aberville Foundation, the Philippine Eagle Conservation Program, Kultura, and KATALA Foundation.

International Finance Corporation

Ocean Development Forum and Blue Finance Study Tour

Continuing its long partnership with the International Finance Corporation (IFC), BDO representatives from the Sustainability Office and Sustainable Finance Desk participated in the IFC-sponsored 2024 Global Ocean Development Forum and Blue Finance Study Tour for Bankers in Qingdao, China last October 2024.



Under the theme of “Promoting Blue Partnerships for Growth and Sustainability,” the Ocean Development Forum focused on trends and developments shaping the future of the blue economy. Speakers discussed challenges and opportunities in blue financing for China, including initiatives to boost port activities contributing to economic growth. China has some of the world's largest ports, including the Port of Qingdao, the seventh largest globally.

As a side event, the study tour was organized by IFC and the Chinese Academy for Financial Inclusion (CAFI) for invited bankers across the ASEAN region. BDO representatives visited three local blue businesses: Haier Group Corporation, Qingdao Bright Moon Seaweed Group Co., Ltd., and the Port of Qingdao, all IFC clients with projects aimed at ocean preservation. These visits showcased highly automated operations powered by renewable energy, specifically solar and wind. The BDO representatives also participated in roundtable discussions on Blue Finance with local financial institutions and heard from speakers representing various sectors, including blue food, blue carbon, and climate adaptation.

SM Supermalls, Zonta Club of Makati and Environs

Sining Filipina All-Female Art Competition

BDO partnered with SM Supermalls and the Zonta Club of Makati and Environs for Sining Filipina, the first all-female national art competition in the Philippines in celebration of International Women's Month. The initiative aimed to provide a space



“Layers of Experience” by Maria Gemma S. San Jose, first place winner in the Non-Figurative category.



“Pira-pirasong Tela Nang Mga Marias” by Hanna Joy M. Sayam, first place winner in the Figurative category.

for women's creative perspective, while fostering inclusivity and empowerment within the arts community. The competition was opened to women artists of all backgrounds nationwide and invited submissions for its Figurative and Non-Figurative categories to encourage exploration and inspire dialogues of themes related to women's experiences and aspirations. Beyond providing a platform for artistic expression, proceeds from Sining Filipina supported Zonta Club's projects empowering women through education and entrepreneurship. Three winners from each category received cash prizes of ₱250,000 (US\$4,300) each and had their winning artworks exhibited at SM Malls throughout March 2024.

BDO Speaking Engagements: Local, Regional, Global

Throughout 2024, BDO was represented by the BDO President and CEO, the Compliance Group, and the Sustainability Office in various speaking engagements to share the Bank's initiatives on sustainable finance, pioneering sustainable financial instruments, good governance, just energy transition, ESG risk management, sustainability reporting, ESG disclosures, gender empowerment, and diversity and inclusion. Conversely, BDO also gained knowledge from the perspectives and experience of other financial institutions, corporations, regulators, and governments on emerging and fast changing sustainability and ESG matters in the Asian region and the rest of the world.

January

- Nordic Chamber's Joint Economic Briefing: Green and Sustainable Investments
- Forum for the Future: Launch of Responsible Energy Initiative
- UP Women Lawyers Circle, Inc.: ESG Overview, Issues and Relevance to Philippine Businesses

February

- Climate Business Forum: Blue Finance Opportunities for our Oceans and Water Resources (Hong Kong)
- Alliance for Green Commercial Banks Roundtable Discussion (Hong Kong)
- Climate Smart Ventures: Launch of Accelerated Pathways for a Just and Managed Energy Transition in the Philippines

March

- Fair Finance Philippines: Launch of the 3rd Fair Finance Bank Policy Assessment Philippines
- PH Commission on Women & UN Women: Investing in Equality Toward Gender-inclusive Prosperity

April

- Global Good Governance Summit 2024: Innovative Leadership for Sustainable Future
- Financing Energy Transition: Philippine Energy Transition Council Thematic Working Groups Meeting
- SGV Knowledge Institute: Climate Convergence: Actions Towards a Resilient Future
- Negros LGU: Negros Power Summit

May

- UN Environment Programme & UK Government Blue Economy Forum (Maldives)
- International Finance Corporation: Blue Bond Round Table
- US Trade and Development Agency: Indo-Pacific Business Forum
- Philippine ESG Investors Summit: Investing in Climate Action
- Institute for Climate and Sustainable Cities: Tacloban Climate Summit

June

- Diligent: Green or Greenwashing: Publishing climate reports that stand up to scrutiny

July

- Global Reporting Initiative: Sustainability Practices and Reporting Kick-off (SPARK) for MSMEs

August

- S&P Global ESG Score and Peer Benchmarking Webcast for the Philippines and Vietnam
- World Clean Energy Conference Expo: Facilitating a Just Energy Transition
- Eco-Business Unlocking Capital for Sustainability – Philippines

September

- Eco-Business Unlocking Capital for Sustainability – Singapore
- Sustainable Impact Summit: Accessing Financing for Sustainability & ESG Initiatives (Singapore)
- Asia Risk Congress: Managing Risks Associated with ESG Disclosure and Reporting (Singapore)

October

- ASEAN Business & Biodiversity Forum: Financing Nature-based Projects (Kuala Lumpur)

November

- Bangko Sentral ng Pilipinas Financial Education Stakeholders Congress: Embracing Sustainable Finance Principles for Social Empowerment and Inclusion

December

- UN ESCAP Regional Dialogue on Financing the Energy Transition (FET): Progress, Solutions, and Persisting Challenges in Southeast Asia (Bangkok)



GRI Content Index



CONTENT INDEX
ESSENTIALS SERVICE

2025

BDO Unibank, Inc. has reported in accordance with the GRI Standards for the period January 1 to December 31, 2024.

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, 171
	2-4 Restatements of information	78
	2-5 External assurance	166-167
	Activities and workers	
	2-6 Activities, value chain and other business relationships	4-5, 8-9, 17-76, 77-124, 125-143, 159-165
	2-7 Employees	8-9, 96-97, 99, 102-103, 159-165
	2-8 Workers who are not employees	96-97
	Governance	
	2-9 Governance structure and composition	80-87
	2-10 Nomination and selection of the highest governance body	81, 87
	2-11 Chair of the highest governance body	83
	2-12 Role of the highest governance body in overseeing the management of impacts	84-87
	2-13 Delegation of responsibility for managing impacts	12-13, 85
	2-14 Role of the highest governance body in sustainability reporting	12-13, 85
	2-15 Conflicts of interest	87
	2-16 Communication of critical concerns	84-88
	2-17 Collective knowledge of the highest governance body	83
	2-18 Evaluation of the performance of the highest governance body	82
	2-19 Remuneration policies	Confidentiality Constraints: Remuneration is considered competitive information and a security risk for bank personnel.
	2-20 Process to determine remuneration	87
	2-21 Annual total compensation ratio	96
	Strategy, policies and practices	
	2-22 Statement on sustainable development strategy	6-7, 11
	2-23 Policy commitments	8-11, 18-28, 37
	2-24 Embedding policy commitments	12-16, 18-28, 85, 87-92, 159-165
	2-25 Processes to remediate negative impacts	89, 98-103, 120-122
	2-26 Mechanisms for seeking advice and raising concerns	120-122
	2-27 Compliance with laws and regulations	Confidentiality Constraints: Compliance with laws and regulations are considered confidential as they may be under review with regulators and may open the Bank to security risks if disclosed.
	2-28 Membership associations	170
	Stakeholder engagement	
	2-29 Approach to stakeholder engagement	16, 138-143
	2-30 Collective bargaining agreements	96

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	14-15
	3-2 List of material topics	14-15
Data Security and Customer Privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	94-95, 120-122
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	121-122
Employee Health & Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	98-104
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	101-102
	403-2 Hazard identification, risk assessment, and incident investigation	101-102
	403-3 Occupational health services	101-102
	403-4 Worker participation, consultation, and communication on occupational health and safety	99, 101-102
	403-5 Worker training on occupational health and safety	96-97, 101-102
	403-6 Promotion of worker health	100-102
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	100-102
	403-8 Workers covered by an occupational health and safety management system	100-102
	403-9 Work-related injuries	96-97
	403-10 Work-related ill health	96-97
Customer Welfare		
GRI 3: Material Topics 2021	3-3 Management of material topics	94-95, 120-122
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	94-95
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Zero (0) 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	18-28, 78-79, 84-87
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	78
	201-2 Financial implications and other risks and opportunities due to climate change	18-28
	201-3 Defined benefit plan obligations and other retirement plans	Confidentiality Constraints: Benefits and Retirement Plans are considered competitive information related to talent acquisition and retention.
	201-4 Financial assistance received from government	₱0.00
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	89-91
	205-2 Communication and training about anti-corruption policies and procedures	91-92
	205-3 Confirmed incidents of corruption and actions taken	12 decided cases of cash abstraction (internal fraud) involving six (6) Bank employees who were then dismissed accordingly, consistent with the existing labor laws, all under BDO Unibank Inc. The Bank undertook to file legal cases against these erring employees to demonstrate its zero tolerance policy on fraud. In the same year, zero (0) public legal cases involving bribery and corruption were brought against BDO and its employees.
GRI 207: Tax 2019	207-1 Approach to tax	92-93
	207-2 Tax governance, control, and risk management	92-93
	207-3 Stakeholder engagement and management of concerns related to tax	92-93
	207-4 Country-by-country reporting	92-93

GRI Standard	Disclosure		Page Number(s), Direct Answer and/or URLs
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Information Incomplete: Zero cases of child labor in the BDO Group, but suppliers are unable to provide information as they did not track this. BDO will require disclosure on this topic during the vendor environmental and risk assessment in 2025.
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Information incomplete: Zero cases of forced or compulsory labor for BDO Group, but suppliers are unable to provide information as they did not track this. BDO will require disclosure on this topic during the vendor environmental and risk assessment in 2025.
Business Ethics			
GRI 3: Material Topics 2021	3-3	Management of material topics	12-16, 65-79, 100-103
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	6-7
	2-23	Policy commitments	8-11, 18-28, 37
	2-24	Embedding policy commitments	12-16, 18-28, 85, 87-92, 150-155
	2-25	Processes to remediate negative impacts	98-103, 120-122, 89
	2-26	Mechanisms for seeking advice and raising concerns	120-122
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	90
Labor Practice			
GRI 3: Material Topics 2021	3-3	Management of material topics	98-107
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	96-97
	202-2	Proportion of senior management hired from the local community	96-97
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	96-97
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Confidentiality Constraints: Benefits are considered competitive information related to talent acquisition and retention.
GRI 402: Labor/ Management Relations 2016	401-3	Parental leave	96-97
	402-1	Minimum notice periods regarding operational changes	4 weeks
	404-1	Average hours of training per year per employee	96-97
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	96-97, 99-100, 102-107
	404-3	Percentage of employees receiving regular performance and career development reviews	96-97
Diversity & Inclusion			
GRI 3: Material Topics 2021	3-3	Management of material topics	98, 80-81, 96-97
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	80-81, 96-97
	405-2	Ratio of basic salary and remuneration of women to men	96-97
Access & Affordability			
GRI 3: Material Topics 2021	3-3	Management of material topics	38-76, 128-137
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	38-76, 125-143, 159-165
Physical Impact of Climate Change			
GRI 3: Material Topics 2021	3-3	Management of material topics	18-28
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	18-28
Financing Sustainable Development			
GRI 3: Material Topics 2021	3-3	Management of material topics	28-39, 45-48
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	28-39, 45-48
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	8-9, 33-36, 126-127, 133

GRI Standard	Disclosure		Page Number(s), Direct Answer and/or URLs
Selling Practices and Product Labeling, Product Design and Lifecycle Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	38-42, 45-46, 55, 111-116
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	111-116, 122
	417-2	Incidents of non-compliance concerning product and service information and labeling	Zero (0) incidents of non-compliance recorded during the reporting period covered
	417-3	Incidents of non-compliance concerning marketing communications	Zero (0) incidents of non-compliance recorded during the reporting period covered
Management of Legal and Regulatory Environment			
GRI 3: Material Topics 2021	3-3	Management of material topics	88-95
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	89-90
	205-2	Communication and training about anti-corruption policies and procedures	87-95, 96
	205-3	Confirmed incidents of corruption and actions taken	12 decided cases of cash abstraction (internal fraud) involving six (6) Bank employees who were then dismissed accordingly, consistent with the existing labor laws, all under BDO Unibank Inc. The Bank undertook to file legal cases against these erring employees to demonstrate its zero tolerance policy on fraud. In the same year, zero (0) public legal cases involving bribery and corruption were brought against BDO and its employees.
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	89-90
GRI 207: Tax 2019	207-1	Approach to tax	92-93
	207-2	Tax governance, control, and risk management	92-93
	207-3	Stakeholder engagement and management of concerns related to tax	92-93
	207-4	Country-by-country reporting	93
GRI 415: Public Policy 2016	415-1	Political contributions	90, ₱0.00
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	121-122
Direct Economic Value Generated			
GRI 3: Material Topics 2021	3-3	Management of material topics	18-28, 78
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	78
	201-2	Financial implications and other risks and opportunities due to climate change	18-28
	201-3	Defined benefit plan obligations and other retirement plans	We do not disclose this matter due to confidentiality constraints and competitive information issues
	201-4	Financial assistance received from government	₱0.00
Executive Responsibility in ESG			
GRI 3: Material Topics 2021	3-3	Management of material topics	12-13, 84-86
GRI 2: General Disclosures 2021	2-13	Delegation of responsibility for managing impacts	12-13, 84-86
	2-14	Role of the highest governance body in sustainability reporting	12-13, 84-86
Human Rights and Community Relations			
GRI 3: Material Topics 2021	3-3	Management of material topics	14, 18, 27, 58, 74-75, 126-139
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	8-9, 33-36, 126-127, 133
	203-2	Significant indirect economic impacts	8-9, 56, 63-64, 76
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Information Unavailable: Third party security personnel unable to provide BDO with this information. BDO will require disclosure on this matter during vendor assessment in 2025.
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Not applicable. The Bank's offices and branches are all strategically located in city or town centers (even in provincial areas) where commercial activities are present.

GRI Standard	Disclosure		Page Number(s), Direct Answer and/or URLs
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	125-141
	413-2	Operations with significant actual and potential negative impacts on local communities	Zero (0) significant actual and potential negative impacts recorded during the reporting period covered
Supply Chain Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	122
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	122
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Information Unavailable: Procurement was unable to track environmental and social risk assessment in 2024. Capacity-building on screening to be conducted in 2025.
	308-2	Negative environmental impacts in the supply chain and actions taken	Information Unavailable: BDO did not have sufficient data collection in place to collect the data during the reporting period.
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Zero incidents of discrimination 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 in place to collect the data during the reporting period.
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Information Unavailable: Procurement was unable to track environmental and social risk assessment in 2024. Capacity-building on screening to be conducted in 2025.
	414-2	Negative social impacts in the supply chain and actions taken	Information Unavailable: BDO did not have sufficient data collection in place to collect the data during the reporting period.
Waste Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	111-119
GRI 301: Materials 2016	301-1	Materials used by weight or volume	112- 119
	301-2	Recycled input materials used	111-118
	301-3	Reclaimed products and their packaging materials	111-118
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	111-118
	306-2	Management of significant waste-related impacts	111-118
	306-3	Waste generated	117-118
	306-4	Waste diverted from disposal	115-118
	306-5	Waste directed to disposal	117-118
Water and Wastewater			
GRI 3: Material Topics 2021	3-3	Management of material topics	110
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	110
	303-2	Management of water discharge-related impacts	110
	303-3	Water withdrawal	110
	303-4	Water discharge	110
	303-5	Water consumption	110, 117-119
Energy Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	107-110
GRI 302: Energy 2016	302-1	Energy consumption within the organization	107-110
	302-2	Energy consumption outside of the organization	107-110, 117-119
	302-3	Energy intensity	117-119
	302-4	Reduction of energy consumption	107-110, 113
	302-5	Reductions in energy requirements of products and services	107-110, 113
GHG Emissions			
GRI 3: Material Topics 2021	3-3	Management of material topics	107-119
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	117-119
	305-2	Energy indirect (Scope 2) GHG emissions	117-119
	305-3	Other indirect (Scope 3) GHG emissions	117-119
	305-4	GHG emissions intensity	117-119
	305-5	Reduction of GHG emissions	107-119
	305-6	Emissions of ozone-depleting substances (ODS)	119
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	119

TCFD Index

Task Force on Climate-Related Financial Disclosures (TCFD) Recommended Disclosures

Topic	Disclosure	Reference
Governance Disclose the organization's governance around climate-related risks and opportunities	a. Describe the Board's oversight of climate-related risks and opportunities	<ul style="list-style-type: none"> ● Sustainability Governance, pp. 12-13 ● Our Board of Directors and Governance Structure, pp. 80-87
	b. Describe management's role in assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none"> ● Message from the President & CEO, p. 7 ● Sustainability Governance, pp. 12-13 ● Managing Climate Change and other Environmental and Social Risks and Opportunities, pp. 18-22
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term	<ul style="list-style-type: none"> ● Managing Climate Change and other Environmental and Social Risks and Opportunities, pp. 18-22 ● On Sustainability and Business Strategy, pp. 21-22 ● Environmental and Social Risks Exposure, pp. 23-28
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	<ul style="list-style-type: none"> ● On Sustainability and Business Strategy, pp. 21-22 ● Environmental and Social Risks Exposure, pp. 23-28
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<ul style="list-style-type: none"> ● Message from the President & CEO, p. 7 ● Sustainability Governance, pp. 12-13 ● Managing Climate Change and other Environmental and Social Risks and Opportunities, pp. 18-20 ● On Sustainability and Business Strategy, pp. 21-22

Topic	Disclosure	Reference
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks	a. Describe the organization's processes for identifying and assessing climate-related risks	● Managing Climate Change and other Environmental and Social Risks and Opportunities, pp. 18-22
	b. Describe the organization's processes for managing climate-related risks	● Managing Climate Change and other Environmental and Social Risks and Opportunities, pp. 18-22
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	● Managing Climate Change and other Environmental and Social Risks and Opportunities, pp. 18-22
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	● On Metrics and Targets, p. 23
	b. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions and related risks	● BDO Resource Consumption, pp. 117-119
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	● On Metrics and Targets, p. 23

SASB Content Index

Sustainability Accounting Standards Board (SASB) Standards

Across multiple standards			
Topic	SASB code	Accounting metrics	Response / Reference
Data Security	FN-CB-230a.1 FN-CF-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	The Bank has an established process in reporting and preventing recurrences of personal data breaches, as detailed in its Data Privacy Manual. The number of data breaches involving our account holders is confidential and proprietary information to the Bank.
	FN-CB-230a.2 FN-CF-230a.3	Description of approach to identifying and addressing data security risks	<ul style="list-style-type: none"> ● Building Trust on Technology: Data Privacy, page 94
	FN-CF-230a.2	Card-related fraud losses from (1) card-not present fraud and (2) card-present and other fraud	<ul style="list-style-type: none"> ● Customer Contact Center, pages 121-122
Employee Diversity & Inclusion	FN-IB-330a.1 FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	<ul style="list-style-type: none"> ● Board Snapshot, page 81 ● Employee Profile, pages 96-97 ● Human Capital Development - Driving Equal Opportunity Employment, pages 98-103
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	FN-IB-410a.1	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of environmental, social, and governance (ESG) factors, by industry	<ul style="list-style-type: none"> ● Environmental and Social Risks Exposure, pages 23-26 ● Sustainable Finance, pages 28-37 ● Environment, Social, and Governance (ESG) Equity Fund, page 45-46
	FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry	<ul style="list-style-type: none"> ● Investing in ESG: BDO Treasury Group, page 47 ● Managing Wealth for Future Generations: BDO Private Bank, pages 47-48 ● Working Towards Sustainable Capital Markets: BDO Capital and Investment, pages 48-50
	FN-IB-410a.3	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	<ul style="list-style-type: none"> ● Managing Climate Change and other Environmental and Social Risks and Opportunities, pages 18-23 ● Investing in ESG: BDO Treasury Group, page 47 ● Managing Wealth for Future Generations: BDO Private Bank, pages 47-48 ● Working Towards Sustainable Capital Markets: BDO Capital and Investment, pages 48-50

Across multiple standards			
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	FN-CB-410a.1	Commercial and industrial credit exposure, by industry	<ul style="list-style-type: none"> ● Environmental and Social Risks Exposure, pages 23-26
	FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	<ul style="list-style-type: none"> ● Managing Climate Change and other Environmental and Social Risks and Opportunities, pages 18-23
	FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability-themed investing, and (3) screening	<ul style="list-style-type: none"> ● Environment, Social, and Governance (ESG) Equity Fund, pages 45-46
	FN-AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investments and/or wealth management processes and strategies	<ul style="list-style-type: none"> ● Managing Climate Change and other Environmental and Social Risks and Opportunities, pages 18-23 ● Managing Wealth for Future Generations: BDO Private Bank, pages 47-48 ● Working Towards Sustainable Capital Markets: BDO Capital and Investment, pages 48-50
Business Ethics	FN-IB-510a.1 FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	<ul style="list-style-type: none"> ● Internal Fraud, Breach of the Code, or other Unethical/Illegal Activities, page 90 ● Disclosure of Sensitive/Confidential Matters to Management (Whistleblowing), page 90
	FN-IB-510a.2 FN-CB-510a.2	Description of whistleblower policies and procedures	<ul style="list-style-type: none"> ● Acceptance/Solicitation of Gifts, Bribery, Corruption, and Anti-Competitive Behavior, page 90
Systemic Risk Management	FN-IB-550a.2 FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	<ul style="list-style-type: none"> ● Refer to BDO's Annual Report Financial Supplements: Capital Management and Regulatory Capital

Commercial banks			
Topic	SASB code	Accounting metrics	Response / Reference
Financial Inclusion & Capacity Building	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	<ul style="list-style-type: none"> • BDO's Path to Creating Shared Value, pages 8-9 • Serving the Unbanked: BDO Network Bank, pages 68-72
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	
Activity Metrics	FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	<ul style="list-style-type: none"> • BDO's Path to Creating Shared Value, pages 8-9 • Supporting Evolving Consumer Preferences: Consumer Banking Group, pages 38-42 • Advancing the Phygital Banking Strategy: Branch Banking Group, pages 56-59 • Serving the Unbanked: BDO Network Bank, pages 68-72
	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	<ul style="list-style-type: none"> • Environmental and Social Risks Exposure, pages 23-26 • Supporting Evolving Consumer Preferences: Consumer Banking Group, pages 38-42 • Advancing the Phygital Banking Strategy: Branch Banking Group, pages 56-59 • Serving the Unbanked: BDO Network Bank, pages 68-72

Consumer Finance			
Topic	SASB code	Accounting metrics	Response / Reference
Customer Privacy	FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	The Bank has a Data Privacy Policy, and Privacy Statements and Notices (found on the website, bank forms, office locations and branches) which detail the process by which it obtains consent and withdrawal of consent, as well as the policies on data sharing and management of third-party personal information processors.
	FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Refer to Privacy Statement, under "Your Data Privacy Rights" section: https://www.bdo.com.ph/privacy-statement
Activity Metrics	FN-CF-000.A	Number of (1) credit card accounts and (2) pre-paid debit card accounts	<ul style="list-style-type: none"> • Cards Issuing, pages 41-42

Investment banking and brokerage			
Topic	SASB code	Accounting metrics	Response / Reference
Professional Integrity	FN-IB-510b.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Acceptance/Solicitation of Gifts, Bribery, Corruption, and Anti-Competitive Behavior, page 90
	FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	<ul style="list-style-type: none"> • Code of Conduct and Business Ethics, page 89 • Acceptance/Solicitation of Gifts, Bribery, Corruption, and Anti-Competitive Behavior, page 90
Activity Metrics	FN-IB-000.A	(1) Number and (2) value of (a) underwriting, (b) advisory, and (3) securitization transactions	• Working Towards Sustainable Capital Markets: BDO Capital and Investment, pages 48-50
	FN-IB-000.B	(1) Number and (2) value of proprietary investments and loans by sector	• Environmental and Social Risks Exposure, pages 23-26
	FN-IB-000.C	(1) Number and (2) value of market making transactions in (a) fixed income, (b) equity, (3) currency, (d) derivatives, and (e) commodity products	• Refer to BDO's Annual Report Financial Supplements

Insurance			
Topic	SASB code	Accounting metrics	Response / Reference
Transparent Information & Fair Advice for Customers	FN-IN-270a.4	Description of approach to informing customers about products and services	<ul style="list-style-type: none"> • Leaving a Lasting Legacy for Future Generations: BDO Life, pages 52-54 • De-risking Business and Individual Activities: BDO Insure, pages 54-56
Environmental Risk Exposure	FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	
Activity metrics	FN-IN-000.A	Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance	

IFRS Index

International Financial Reporting Standards (IFRS) Sustainability Disclosure Standard

IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S2: Climate-related Disclosures

General Requirements		
Reference Paragraph	Disclosure	Response/Reference
S1 59.a	The specific standards, pronouncements, industry practice and other sources of guidance that the entity has applied in preparing its sustainability-related financial disclosures, including, if applicable, identifying the disclosure topics in the SASB Standards	About the Report, page 2
S1 59.b	The industry(s) specified in the IFRS Sustainability Disclosure Standards, the SASB Standards or other sources of guidance relating to a particular industry(s) that the entity has applied in preparing its sustainability-related financial disclosures, including in identifying applicable metrics.	
S1 66	The period covered by the sustainability-related financial disclosures	About the Report, page 2
S1 B58.a	If an entity identifies a material error in its prior period(s) sustainability-related financial disclosures, it shall disclose the nature of the prior period error	Economic Value Table, page 78
S1 B58.b	If an entity identifies a material error in its prior period(s) sustainability-related financial disclosures, it shall disclose the correction, to the extent practicable, for each prior period disclosed	
S1 B58.c	If correction of the error is impracticable, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected	

Governance		
Reference Paragraph	Disclosure	Response/Reference
S1 27.a S1 27.b S2 6.a S2 6.b	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities.	<ul style="list-style-type: none"> ● Sustainability Governance, pages 12-13 ● Managing Climate Change and other Environmental and Social Risks and Opportunities, pages 18-28 ● Continuing Education for Directors and Senior Management, page 83 ● Board Level Committees, pages 84-87 ● Executive Briefing Series, page 106 ● Sustainability Oversight, p. 85

Strategy		
Reference Paragraph	Disclosure	Response/Reference
S1 30.a S2 9	The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects	Managing Climate Change and other Environmental and Social Risks and Opportunities, pages 18-28
S2 10 S2 13	The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain	
	The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan	
	Explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk	
S1 32.a	A description of the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain	Managing Climate Change and other Environmental and Social Risks and Opportunities, pages 18-28
S1 32.b	A description of where in the entity's business model and value chain sustainability-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets)	<ul style="list-style-type: none"> ● Environmental and Social Risks Exposure, pages 23-26 ● Financial Services Presence and Impact, page 56

Strategy		
S1 33.a	How the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making;	Managing Climate Change and other Environmental and Social Risks and Opportunities, pages 18-28
S1 33.b	The progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information	Energy Transition Finance Commitment, page 37
S2 14	Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation.	<ul style="list-style-type: none"> ● Supporting Evolving Consumer Preferences: Consumer Banking Group, pages 38-39 ● Consumer Banking Group (CBG) Marketing, page 42 ● De-risking Business and Individual Activities: BDO Insure, pages 54-55 ● Responsible Branch Operations, page 59 ● Environmental Impact, pages 107-113 ● Special Report: Sustainable demolition paves way for construction of landmark BDO Corporate Center Makati, pages 123-124
S2 22.a	The entity's assessment of its climate resilience as at the reporting date	Climate-related Risks and Opportunities, page 22
S2 22.b	How and when the climate-related scenario analysis was carried out	

Risk Management		
Reference Paragraph	Disclosure	Response/Reference
S1 44 S2 25	The processes and related policies the entity uses to identify, assess, prioritize and monitor sustainability-related risks	<ul style="list-style-type: none"> ● Managing Climate Change and other Environmental and Social Risks and Opportunities, pages 18-28 ● Climate-related Risks and Opportunities, page 22
S2 29.a (i)	Disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO2 equivalent	<ul style="list-style-type: none"> ● Climate-related Risks and Opportunities, page 22

Risk Management		
S2 29.a (ii)	Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions	<ul style="list-style-type: none"> • Environmental and Social Risks Exposure, pages 23-26 • Sustainable Finance, pages 28-37 • Resource consumption, pages 117-119
S2 29.a (iii)	Disclose the approach it uses to measure its greenhouse gas emissions	
S2 29.b	Climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks	
S2 29.c	Climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks;	
S2 29.d	Climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities	
S2 29.e	Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	

Metrics and Targets		
Reference Paragraph	Disclosure	Response/Reference
S1 51 S2 33	information about the targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation	Energy Transition Finance Statement, page 37
S2 35	information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	

Supporting the UN Sustainable Development Goals

Product Sustainability Strategy

Mainstreaming Sustainable Banking		
Target		Section, page
1.3	Implement social protection systems	<ul style="list-style-type: none"> ● Sustainable Finance <ul style="list-style-type: none"> ○ Supporting Evolving Consumer Preferences: Consumer Banking Group <ul style="list-style-type: none"> - Auto Loan, Home Loan, Multipurpose Loan, Personal Loan, Cards Issuing, Consumer Banking Group (CBG) Marketing, <i>page 38-42</i> ○ Investments <ul style="list-style-type: none"> - Enriching financial wellness by turning savers to investors, <i>page 43-46</i> ○ Insurance <ul style="list-style-type: none"> - Leaving a lasting legacy for future generations: BDO Life, <i>page 52-54</i> - De-risking business and individual activities: BDO Insure, <i>page 54-56</i> ● Financial Services Presence and Impact <ul style="list-style-type: none"> ○ Nationwide presence through branches: BDO Unibank and BDO Network Bank, <i>page 56</i> ○ Advancing the Phygital Banking Strategy: Branch Banking Group, <i>page 56-59</i> ○ Ensuring availability of Cash: BDO Cash Services, <i>page 60</i> ○ Facilitating access and inclusion: BDO Digital <ul style="list-style-type: none"> - (Digital Banking, BDO Online, BDO Pay and Basic Account, BDO Checkout and Merchant Partnership, Shift to Digital Communications), <i>page 61-63</i> - Cash Agad Agency Banking, <i>page 63-64</i> - Case Study: AJ General Merchandise Cash Agent Days, <i>page 64</i> ○ Enabling businesses towards cashflow management and financial inclusion: BDO Cash Management, <i>page 65</i> <ul style="list-style-type: none"> - Case Study: BDO Usapang Negosyo, <i>page 66</i> ○ Taking Sustainability to the Next Level: BDO Finance, <i>page 67</i> <ul style="list-style-type: none"> - Case Study: Timeless Green, Inc., <i>page 68</i>
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)	

Sustainability Contribution Strategy

Mainstreaming Sustainable Banking		
Target		Section, page
1.a/ 17.1	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 18-23</i> Environmental and Social Risk Exposure, <i>page 23-27</i> Sustainable Finance <ul style="list-style-type: none"> Financial Instruments for Sustainability <ul style="list-style-type: none"> Blue Bond Impact, <i>page 28</i> ASEAN Sustainability Bond Impact, <i>page 28-29</i> Lending <ul style="list-style-type: none"> Advancing sustainable financing: BDO Institutional Banking, <i>page 30-32</i> Economic, Environment, and Social Impact, <i>page 33</i> <ul style="list-style-type: none"> Green Finance, <i>page 33</i> Social Finance, <i>page 33</i> Sustainable Energy Finance Projects, <i>page 34-35</i> Energy Transition Finance Commitment, <i>page 36</i> Investments <ul style="list-style-type: none"> Investing in ESG: BDO Treasury, <i>page 46-47</i> Managing Wealth for Future Generations: BDO Private Bank, <i>page 47-48</i> Underwriting <ul style="list-style-type: none"> Working Towards Sustainable Capital Markets: BDO Capital, <i>page 48-50</i> Brokering and Trading for Financial Investments: BDO Securities, <i>page 51-52</i> Financial Inclusion <ul style="list-style-type: none"> Serving the Unbanked: BDO Network Bank, <i>page 68-70</i> <ul style="list-style-type: none"> Case Study: The Growth of S&D Scrap Trading, <i>page 70-71</i> Case Study: Cel Store - Resilience and Growth in Cebu's Wholesale Industry, <i>page 72</i> Building a stable financial future with Overseas Filipinos and families: BDO Remit, <i>page 73-75</i> <ul style="list-style-type: none"> Case Study: Transforming OFs into Entrepreneurs, <i>page 75</i> Empowering Women as Consumers and Entrepreneurs, <i>page 76</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	
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, 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	
11.6	Reduce the environmental impact of cities	
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	

Strengthening Business Resilience		
4.6	Universal literacy and numeracy	<ul style="list-style-type: none">● Environmental Impact<ul style="list-style-type: none">○ Energy and Emissions, <i>page 107</i>○ Managing our Resources, <i>page 108</i><ul style="list-style-type: none">- Case Study: Solar Panel Installation at BDO Corinthian Gardens, <i>page 109</i>○ Water Consumption, Discharge, and Effluents, <i>page 110</i>○ Fuel Consumption, <i>page 120</i>○ Materials and Waste, <i>page 111-112</i><ul style="list-style-type: none">- Case Study: BDO x DHL as Partners in Sustainability, <i>page 112</i>- Managing internal consumption, <i>page 113</i>● Circularity in operations, <i>page 114</i><ul style="list-style-type: none">○ Case Study: Update on the Waste Busterrr Program 2024, <i>page 115</i>○ Case Story: Update on X-Trash Challenge 2024 <i>page 116</i>
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	<ul style="list-style-type: none">○ BDO Resource Consumption, <i>page 117-118</i>○ BDO Network Bank Resource Consumption, <i>page 118</i><ul style="list-style-type: none">- Breakdown of BDO Emissions for Scope 1, 2, 3, <i>page 119</i>
Pursuing Partnerships for Impact		
5.7	Equal rights to economic resources, property ownership and financial services	<ul style="list-style-type: none">● Partnerships with Government Agencies<ul style="list-style-type: none">○ Financial Education Programs, Recognition for Financial Inclusion of Armed Forces Personnel, <i>page 128-131</i>● Partnerships with Private Sector and NGOs, <i>page 131</i>
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, Employee Separations, Leave Availments, Training and Development, Skills Upgrade, Employee Functions, Workers Who are Not Employees, Promotions, Gender Diversity by location, level, age group, Occupational Health and Safety, <i>page 96-97</i>● Human Capital Development<ul style="list-style-type: none">○ A human-centered culture and organizations: BDO Human Resources, <i>page 98</i>○ Driving Equal Opportunity Employment, <i>page 98</i><ul style="list-style-type: none">- Labor Relations, <i>page 99</i>- Driving Career Progression, <i>page 99</i>- Building HR Capability, <i>page 99</i>- Value Proposition in Employee Performance and Promotion Management, <i>page 100</i>- Promoting Employee Health and Well-being, <i>page 100</i>- Promoting Employee Engagement, <i>page 101</i>- New Policy on Confidentiality of HR Information, <i>page 102</i>- Best Employer Brand for 2024 LinkedIn Talent Awards, <i>page 102</i>- Q&A with Graduates of the 2024, <i>page 102</i>○ Nurturing Learning and Development<ul style="list-style-type: none">- Business Upskilling, <i>page 104</i>○ Pilot Integration of Sustainability Key Result Areas, <i>page 104</i>○ Capability-Building in Environmental, Social and Governance (ESG) and Sustainability<ul style="list-style-type: none">- Sustainability Capability-Building, <i>page 105</i>- Executive Briefing Series, <i>page 106</i>- 3Es Strategy, <i>page 107</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	
8.6	Reduce proportion of youth not in employment	
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	
Pursuing Partnerships for Impact		
2.1	Universal access to safe and nutritious food	<ul style="list-style-type: none">● Employee Volunteer Program, <i>page 134</i><ul style="list-style-type: none">○ Case Study: Making Fin-Ed More Engaging for Filipinos, <i>page 135</i>○ Case Study: Finding Hope in Health Centers Affected by Disasters, <i>page 136</i>○ Employee Volunteer Program Map, <i>page 137</i>
2.2	End all forms of malnutrition	
4.7	Ensure education for sustainable development and global citizenship	
4.a	Upgrade education facilities	
14.1	Reduce marine pollution	
14.2	Restore marine and coastal ecosystems	
15.2	Restore degraded forests and substantially increase afforestation and reforestation	
17.16	Enhance the global partnership for sustainable development	

Disaster Response Sustainability Strategy

Mainstreaming Sustainable Banking		
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 101</i>
Pursuing Partnerships for Impact		
1.4	Equal rights to ownership, basic services, technology and economic resources	<ul style="list-style-type: none"> ● BDO Foundation Impact, <i>page 126-127</i> ● Scaling and Mainstreaming Financial Inclusion: BDO Foundation, <i>page 128</i> <ul style="list-style-type: none"> ○ Disaster Response <ul style="list-style-type: none"> - Map: Increasing adaptation of communities: Rehabilitating RHUs and building classrooms, <i>page 132</i> ○ Relief Operations, <i>page 132</i> ○ Rehabilitation of Rural Health Units, <i>page 133</i> ○ Christmas Gift-Giving Program, <i>page 133</i> ○ Employee Volunteer Program, <i>page 134</i> <ul style="list-style-type: none"> - Case Study: Making Fin-Ed More Engaging for Filipinos, <i>page 135</i> - Case Study: Finding Hope in Health Centers Affected by Disasters, <i>page 136</i> - Gift giving and relief operations map, <i>page 137</i> - Employee Volunteer Program Map, <i>page 137</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	<ul style="list-style-type: none"> ● Economic Impact, <i>page 78</i> ● Good Governance to Create a Sustainable Future, <i>page 79</i> ● Our Board of Directors and Governance Structure <ul style="list-style-type: none"> ○ Board Composition, Screening of Directors, Board Diversity, Selection and Appointment of Senior Executive Management, Review of Bank's Mission, Vision, and Strategic Plans, <i>page 80-82</i> ● Improving Board Effectiveness <ul style="list-style-type: none"> ○ Board Performance, Continuing Education for Directors, Chairperson of the Board, Independent and Non-Executive Directors' Meeting, <i>page 82-83</i>
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	<ul style="list-style-type: none"> ● Board-level Committees <ul style="list-style-type: none"> ○ Executive Committee (ExCom), Board Audit Committee (BAC), Corporate Governance Committee (CorGov), Trust Committee (TrustCom), Risk Management Committee (RMC), Nominations Committee (NomCom), Compensation Committee (CompenCom), Information Technology Steering Committee (ITSC), Related Party Transactions Committee (RPTC), <i>page 84-87</i> ● Compliance with the SEC Code of Corporate Governance, <i>page 87-88</i> ● Independent Control Functions <ul style="list-style-type: none"> ○ Compliance, <i>page 88-89</i> ○ Internal Audit, <i>page 89</i> ● Corporate Policies and Practices <ul style="list-style-type: none"> ○ BDO Code of Conduct and Business Ethics, <i>page 89-90</i> ○ Internal Fraud, Breach of the Code, or other Unethical/Illegal Activities, <i>page 90</i> ○ Disclosure of Sensitive/Confidential Matters to Management (Whistleblowing), <i>page 90</i> ○ Acceptance/Solicitation of Gifts, Bribery, Corruption, and Anti-Competitive Behavior, <i>page 90</i> ○ Anti-Money Laundering, Counter-Terrorist Financing, and Proliferation Financing (AML Risk Assessment, AML Training, Anti-Online Sexual Abuse and Exploitation of Children, <i>page 91-92</i> ○ Tax Governance (including Country-by-country reporting), <i>page 92-93</i> ○ Building Trust on Technology (Data Privacy and Protection, Cybersecurity), <i>page 94-95</i>

		<ul style="list-style-type: none"> ● Consumer Protection Practices <ul style="list-style-type: none"> ○ Customer Experience Philosophy, Board and Management Oversight on Customer Concerns, Customer Assistance Management System (CAMS), Process for Handling of Customer Concerns, Training for Customer Assistance, Listening to Customers Needs, Customer Contact Center, <i>page 120-122</i> ● Supply Chain and Approach to Procurement, <i>page 122</i>
Pursuing Partnerships for Impact		
16.6	Develop effective, accountable and transparent institutions	<ul style="list-style-type: none"> ● Stakeholder Communication Campaign, <i>page 138-139</i>
16.7	Ensure responsive, inclusive and representative decision-making	<ul style="list-style-type: none"> ○ Asia Transition Finance Study Group - Public-Private Sector Collaboration to De-Risk Transition Finance, <i>page 139</i> ○ Eco-Business Unlocking Capital for Sustainability - Board Governance – Stewardship for a Global Transition, <i>page 140-141</i> ● BDO Speaking Engagements: Local, Regional, Global, <i>page 142-144</i>

Independent Assurance Statement

Introduction

DNV AS Philippine Branch ('DNV'), has been commissioned by BDO Unibank Inc. (Securities and Exchange Commission Identification Number: 34001, hereafter referred to as 'BDO or 'the Company') to undertake an independent assurance of the Company's sustainability/non-financial disclosures reported in its Sustainability Report covering the calendar year 2024 (hereafter referred to as 'Report').

The disclosures have been prepared by BDO:

- in accordance with requirements of Global Reporting Initiative (GRI) sustainability reporting standards 2021
- Task Force on Climate-Related Disclosures (TCFD) recommendations on climate-related financial disclosures
- in reference to the International Financial Reporting Standards (IFRS) 1 and 2
- UN Sustainable Development Goals
- Sustainability Accounting Standards Board (SASB) Standards and
- Greenhouse Gas Protocol: *A Corporate Accounting and Reporting Standard*

DNV has carried out assurance engagement in accordance with DNV's VeriSustain™ protocol, V6.0, which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. DNV's VeriSustain™ Protocol has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's VeriSustain™ protocol, DNV team has also followed ISO 14064-3 - *Specification with guidance for the verification and validation of greenhouse gas statements*; to evaluate indicators of Greenhouse gases.

The intended user of this assurance statement is BDO.

We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period.

Responsibilities of the Management of BDO and of the Assurance Provider

The Management of BDO has the sole responsibility for the preparation of the Report and is responsible for all information disclosed in the Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and also, ensuring the quality and consistency of the information presented in the Report. BDO is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on their website. In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

Scope, Boundary and Limitations

The agreed scope of work included a limited level of assurance of the information on non- financial performance/indicators which were disclosed in the Report prepared by BDO based on the GRI Topic-specific Standards for the identified material topics for the activities undertaken by the Company during the reporting period 01/01/2024 to 31/12/2024. The reported topic boundaries of non-financial performance are based on the internal and external materiality assessment covering Company's operations as brought out in the 'About the Report' section in the report.

Boundary of the assessment covers the performance of BDO's operation in the Philippines that fall under the direct operational control of the Company's Legal structure. Based on the agreed scope with the Company, the boundary of assurance covers 170 offices and 1,222 branches within the Philippines.

Inherent Limitation(s):

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and is free from material mis-statements. The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of $\pm 5\%$ based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV does not take any responsibility of the financial data reported in the Sustainability reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly

mentioned otherwise in this statement.

- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Assurance process

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of BDO. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. We carried out the following activities:

Limited Level of Assurance
Reviewed the disclosures in the report. Our focus included general disclosures, management processes, principle wise performance (essential indicators, and leadership indicators) and any other key metrics specified under the reporting framework.
Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in report.
Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting principles.
Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles.
Interviews with the senior managers responsible for management of disclosures. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
DNV audit team conducted on-site audits for corporate offices and sites. Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
Reviewed the process of reporting as defined in the assessment criteria.

Conclusion

On the basis of the limited level of assessment undertaken, nothing has come to our attention to suggest that the disclosures are not fairly stated and are not prepared, in all material aspects, in accordance with the reporting criteria. Without affecting our assurance opinion, we provide the following observations against the principles of VeriSustain™:

Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders.

The Report explains out the materiality assessment process carried out by the Company which has considered concerns of internal and external stakeholders, and inputs from peers and the industry, as well as issues of relevance in terms of impact for BDO's business. The list of topics has been prioritized, reviewed and validated, and the Company has indicated that there is no change in material topics from the previous reporting period.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

Stakeholder inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

The Report brings out the stakeholders who have been identified as significant to BDO, as well as the modes of engagement established by the Company to interact with these stakeholder groups. The key topics of concern and needs of each stakeholder group which have been identified through these channels of engagement are further brought out in the Report. *Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.*

Responsiveness

The extent to which an organization responds to stakeholder issues.

The Report adequately brings out the Company's policies, strategies, management systems and governance mechanisms in place to respond to topics identified as material and significant concerns of key stakeholder groups.

Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.

Reliability

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.

The Report brings out the systems and processes that the Company has set in place to capture and report its performance related to identified material topics across its reporting boundary. The majority of information mapped with data verified through our assessments with BDO's management teams and process owners at the Corporate Office and sampled sites within the boundary of the Report were found to be fairly accurate and reliable. Some of the data inaccuracies identified in the report during the verification process were found to be attributable to transcription, interpretation, and aggregation errors. These data inaccuracies have been communicated for correction and the related disclosures were reviewed post correction.

Nothing has come to our attention to believe that the Report does not meet the principle of Reliability.

Completeness

How much of all the information that has been identified as material to the organization and its stakeholders is reported?

The Report brings out the Company's performance, strategies and approaches related to the environmental, social and governance issues that it has identified as material for its operational locations coming under the boundary of the report, for the chosen reporting period while applying and considering the requirements of Principle of Completeness.

Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.

Neutrality

The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.

The Report brings out the disclosures related to BDO's performance during the reporting period in a neutral tone in terms of content and presentation, while considering the overall macroeconomic and industry environment.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 – *Conformity assessment – General principles are requirements for validation and verification bodies*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct¹ during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement for internal use of BDO.

Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Company for our work or this report.

For DNV AS Philippine Branch,

Gangwar, Vishal
Digitally signed by
Gangwar, Vishal
Date: 2025.04.14
13:10:32 +08'00'

Vishal Gangwar
Lead Verifier,
Sustainability Services

Kakaraparthi, Venkata Raman
Digitally signed
by Kakaraparthi
Venkata Raman
Date: 2025.04.14
12:22:48 +05'30'

Venkata Raman Kakaraparthi
Assurance Reviewer,
Sustainability Services

Justine Repalam
(Verifier)

¹ DNV Corporate Governance & Code of Conduct - <https://www.dnv.com/about/in-brief/corporate-governance.html>

25/03/2025

DNV AS Philippine Branch is part of DNV, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

Sustainability and ESG Awards and Recognition

Top Sustainability Advocates in Asia

(2021–2024)

Asia Corporate Excellence & Sustainability Awards (ACES) 2024

Best Bank for ESG in the Philippines

Euromoney Awards for Excellence 2024

3G Green Innovation and Solution Award for Green Bond Framework

Global Good Governance Awards 2024

Five Golden Arrows ASEAN Corporate Governance Scorecard (ACGS)

2024 Golden Arrow Awards

Platinum Awardee

(2010–2024)

Best Sustainability Team

The Asset ESG Corporate Awards 2024

Best Advance in Responsible Finance

Retail Banker International Asia Trailblazer Awards 2024

BDO Foundation for Financial Inclusion Initiative of the Year – Philippines

(2023–2024)

Asian Banking & Finance Retail Banking Awards 2024

BDO Unibank, Asian Excellence awardee

(2011–2024)

Best Investor Relations Company (Philippines) awardee

(2011–2024)

Best Corporate Communications awardee

(2014–2015, 2017–2024)

Asia's Best CSR awardee

(2020–2024)

Sustainable Asia awardee

(2020–2024)

Corporate Governance Asia 14th Asian Excellence Award 2024

BEST INVESTMENT BANK

BDO Capital & Investment Corporation

Best Sustainability-Linked Transaction and Best Local Currency Bond Deal of the Year in Southeast Asia

(Joint lead underwriter and joint bookrunner for Ayala Land, Inc.'s PHP6 billion Sustainability-Linked Bond Tranche I and Ayala Land, Inc.'s PHP8 billion Sustainability-Linked Bond Tranche II)

Alpha Southeast Asia 18th Annual Best Deal & Solution Awards 2024

Best Syndicated Loan Deal of the Year 2024

(Issue manager, arranger, and bookrunner for New NAIA Infrastructure Corporation's PHP80 billion Term Loan Facility)

Alpha Southeast Asia 18th Annual Best Deal & Solution Awards 2024

Best Mid-Cap Equity Deal of the Year

(Domestic lead manager and joint bookrunner for Citicore Renewable Energy Corporation's PHP5.3 billion IPO)

Alpha Southeast Asia 18th Annual Best Deal & Solution Awards 2024

Best Blue Bond in Southeast Asia and Most Innovative Deal of the Year 2024

(Joint lead underwriter and joint bookrunner for Maynilad Water Services, Inc.'s PHP15 billion Blue Bonds)

Alpha Southeast Asia 18th Annual Best Deal & Solution Awards 2024

Green Deal of the Year – Philippines

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

Asian Banking & Finance Corporate and Investment Banking Awards 2024

Renewable Energy Deal of the Year – Battery

(Mandated lead arranger and bookrunner for SMGP BESS Power, Inc.'s PHP40 billion Syndicated Term Loan Facility)

The Asset Triple A Sustainable Infrastructure Awards 2024

Transport Deal of the Year

(Mandated lead arranger and bookrunner for SMC Mass Rail Transit 7, Inc.'s PHP100 billion Syndicated Term Loan Facility)

The Asset Triple A Sustainable Infrastructure Awards 2024

Best Infrastructure Deal, Highly Commended, Southeast Asia Best Infrastructure Deal in the Philippines

(Issue manager, arranger, and bookrunner for New NAIA Infrastructure Corporation's PHP80 billion Term Loan Facility)

FinanceAsia Achievement Awards 2024

Memberships in Associations 2-28

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 Philippines, Inc.

Bank Marketing Association of the Philippines

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 Philippines

Financial Executives Institute of the Philippines

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

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

German-Philippine Chamber of Commerce & Industry Inc.

Information Security Officers Group (ISOG) Inc.

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

Institute of Internal Auditors Philippines, Inc.

International Monetary Conference

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.

People Management Association of the Philippines

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.

Shareholders Association of the Philippines, 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.

Corporate Information

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The 2024 BDO Sustainability Report is produced by the Sustainability Office and can be viewed and downloaded online at www.bdo.com.ph/sustainability-report.

The 2024 BDO 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>

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* Effective March 15, 2025.

INVESTOR AND SUSTAINABILITY INQUIRIES

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

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