



2019 SUSTAINABILITY REPORT



**Shaping
Futures**

About the Report 102-54

This report is BDO Unibank, Inc.'s (BDO) second Sustainability Report outlining the Bank's economic, environmental, social, and governance performance from January to December 2019. It is a substantiation of BDO's commitment to the United Nations Sustainable Development Goals (SDGs), the principles of the United Nations Global Compact (UNGC), and the Greenhouse Gas (GHG) Protocol. This report has been prepared in accordance with the GRI Standards: Core option. It has completed the GRI Materiality Disclosures Service, which confirms that the GRI content index (see pages 60 to 63) is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.



2019 SUSTAINABILITY REPORT

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Corporate Mission

To be the preferred bank in every market we serve.

Corporate Vision

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

Core Values

Commitment to Customers

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

Commitment to a Dynamic and Efficient Organization

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

Commitment to Employees

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

Commitment to Shareholders

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

BDO's Footprint

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

BDO's institutional strengths and value-added products and services hold the key to its successful business relationships with customers. On the front line, its branches remain at the forefront of setting high standards as a sales and service-oriented, customer-focused force. BDO has the largest distribution network with over 1,400 operating branches and more than 4,400 ATMs nationwide.

Through selective acquisitions and organic growth, BDO has positioned itself for increased balance sheet strength and continuing expansion into new markets. As of December 31, 2019, 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.

127

New Branches and
Banking Offices

1,436

Total Branches and
Banking Offices

4,466

Automated Teller
Machines (ATMs)

562

Cash Deposit Machines

Over
₱3 trillion

(US\$63 billion)
Total Resources

₱44.2 billion

(US\$873 million)
Net Income

₱692.3 billion

(US\$13.7 billion)

Market Capitalization

₱158.8 billion

(US\$3.15 billion)

Total Sustainable Finance Funded
to Date



₱183.0 billion

(US\$3.6 billion)

Direct Economic Value
Generated

₱2.2 trillion

(US\$43.6 billion)

Gross Customer Loans

₱2.5 trillion

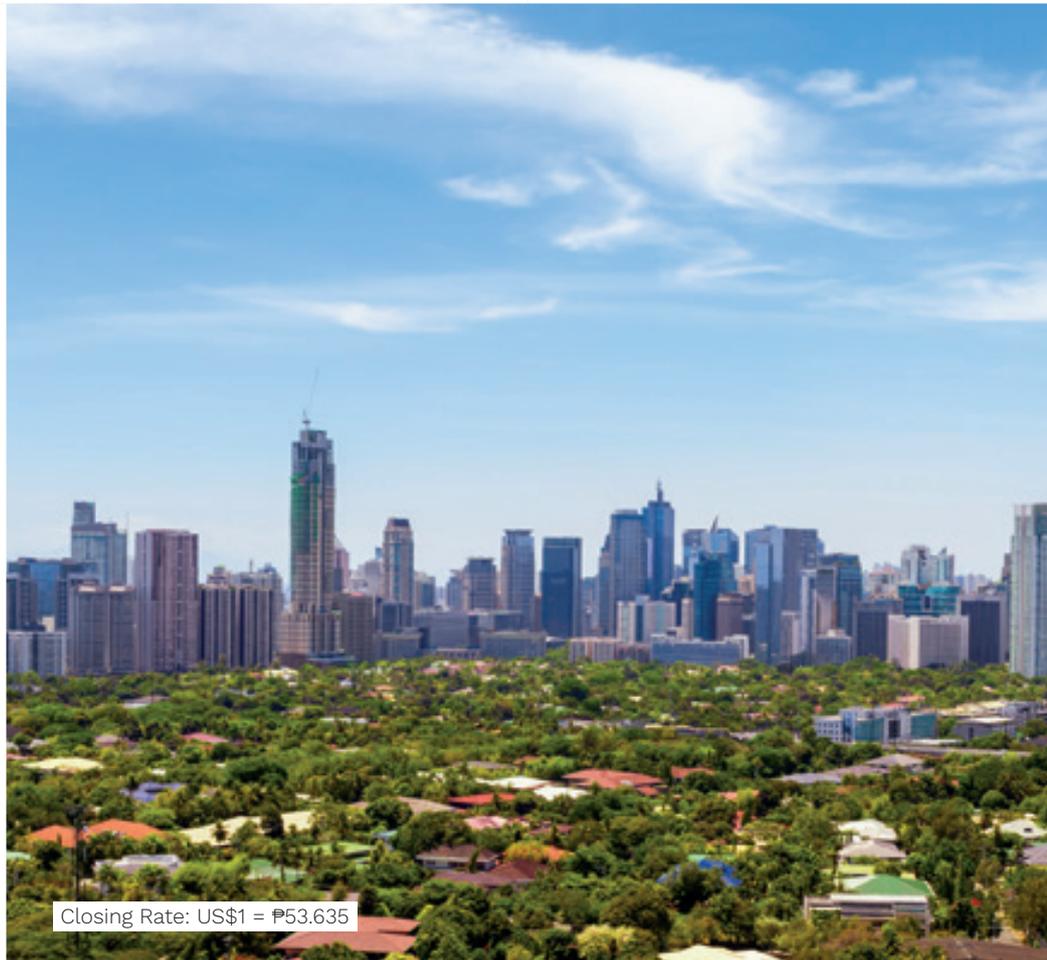
(US\$49.1 billion)

Deposit Liabilities

₱370.6 billion

(US\$7.3 billion)

Capital Base



Closing Rate: US\$1 = ₱53.635

A woman with short dark hair, wearing a dark blue blazer over a white top and dark trousers, stands in a modern office hallway. She is looking directly at the camera with a slight smile. The hallway has large windows on the left and a glass railing. The lighting is bright and even.

MESSAGE FROM THE
CHAIRPERSON

“The target to achieve global goals requires a strategic shift in the banking industry’s orientation on risks and opportunities. Sustainable finance requires environmental, social and governance (ESG) factors in valuating investments.”

Dear Stakeholders,

The global push towards sustainable development brings a rising expectation for corporates to adopt an integrated approach to business. At BDO, we have long recognized the importance of this. Our business and priorities are aligned to help drive holistic social and economic inclusion wherever we operate.

The Philippines maintained steady economic growth this year, even amidst rising global uncertainties, with private consumption as the main driver along with business sector expansion and public sector investments for the future.

To continue this long-term development and also ensure it results in inclusive growth, financial institutions must play a critical role both in supporting customers and in shaping investments, while prioritizing the values of sustainability in the decision-making process.

Facilitating Inclusive Growth

As the largest bank in the country, we optimize BDO's network and influence in promoting responsible investments which facilitate financial inclusion, climate resilience, and sustained economic growth.

A strong foundation for inclusive economies is having a robust banking system which can provide multiple platforms that encourage consistent banking transactions and integrate unbanked segments into the financial system.

We continue to invest in expanding our physical and digital networks, augmenting our consumer loan portfolios, promoting wealth management and pioneering ground-breaking banking products such as *Cash Agad* to serve remote areas of the country.

We recognize the value that small and medium enterprises (SMEs) bring to a developing economy like the Philippines. We encourage entrepreneurs to grow their businesses with us while we challenge ourselves to provide services that expedite their lines for their capital needs, offer banking convenience, simplify financial management and nurture long-term partnerships.

On our road to climate resilience, the construction of critical infrastructure and the installation of renewable energy sources are vital in facilitating a shift to low-impact industries. We support targeted investments in national infrastructure projects such as airports and road networks which are requisites to accelerate economic trade and activities.

Furthermore, we close the financing gap for sustainable projects, serving as the leader in sustainable finance, as we strive towards a healthy balance between optimal development and environmental protection.

Financing a Sustainable Future

The target to achieve global goals requires a strategic shift in the banking industry's orientation on risks and opportunities. Sustainable finance requires environmental, social and governance (ESG) factors in valuating investments.

The Philippine Development Plan (PDP) 2017-2022 outlined by the National Economic and Development Authority (NEDA) articulates the country's core development priorities of enhancing social fabric, inequality reducing transformation, and increasing growth potentials. The achievement of these pillars is essential in attaining a resilient Filipino society and a globally-competitive Philippine economy.

Through this journey, we are firm in our commitment to transform both our society and economy while involving all our stakeholders in the financial value chain to create a more equitable and sustainable future.

Yours truly,



Teresita T. Sy
Chairperson



MESSAGE FROM THE
**PRESIDENT AND CHIEF
EXECUTIVE OFFICER**

“The Bank’s Sustainability Framework does not only serve as a guidepost in achieving our commitment, but reflects how we intend to do business.”

Dear Stakeholders,

Every year, we move closer to our objective of aligning our sustainability goals with our way of doing business. Sustainability is not about the activity, but the mindset. Sustainability should be part and parcel of how we do business; it should be part of our consciousness in everything we do.

Consequently, the Bank's **Sustainability Framework** does not only serve as a guidepost in achieving our commitment, but reflects how we intend to do business. We are proud to showcase our progress and share our journey to being a responsible corporate steward.

As part of our **Product Sustainability Strategy**, we create products and services that anticipate the evolving needs of our customers, as well as expand the breadth of our offerings to new markets, particularly the underserved segments of our society. We supported the aspirations of our underserved customers through financial inclusion, protection products, and MSME loans. Through BDO Foundation, we also drive financial literacy and financial inclusion programs for the underprivileged and underserved sectors of society.

Our **Sustainable Contribution Strategy** allows us to perform a critical role in the national development agenda – accelerating sustainable financing in support of projects aligned with the pillars of the Philippine Development Plan. We have been a consistent supporter of infrastructure and renewable energy projects.

Aligned with our **Human Capital Sustainability Strategy**, we not only continue to focus on the growth and development of our employees, but also drive a culture of excellence in the workplace. Our programs nurture a “can-lead” workforce that help propel our sustainability strategies within our organization and within the communities we operate in as well.

We recognize that the vulnerability of Filipinos is deeper than just our country's susceptibility to the effects of climate change. This is the reason why we leverage resources towards our **Disaster Response Sustainability Strategy**. BDO Foundation is geared to provide relief operations, as well as build health units, school buildings, and resettlement homes in predominantly rural areas.

We uphold a **Governance-Based Sustainability Strategy**, and consistently protect the interest of all our stakeholders by evolving our corporate governance practices to support the requirements of the changing business landscape, and complying with new regulations and aligning with international best practices. We are proud to have received three Golden Arrows from the Institute of Corporate Directors (ICD) during the ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Recognition ceremonies.

More recently, we saw the impact of COVID-19 on the global economy and financial markets. As an institution, we have designed and adjusted our operations to withstand challenging situations such as this. As an essential industry, we remain committed to support the economy during this difficult time while ensuring we maintain a safe working environment and remain mindful of the health of our employees.

We take this opportunity to thank our customers, communities, regulators, and partners for their continued trust and support. We also thank our Board of Directors, officers, and employees for their efforts and contributions towards creating a sustainable future for BDO, the customers we serve, and the community we are part of.

Sincerely,



Nestor V. Tan

President and Chief Executive Officer

BDO's Path in Creating Shared Value

Creates jobs

38,510 Employees

60% of Senior Officers are women

16 Average number of employees in a local branch

39 Women in top management positions



Finances environment-friendly solutions

2,168 MW

Total installed renewable energy capacity

3,922,454 tonnes

Carbon dioxide avoided per year

64,858,598

Equivalent tree seedlings grown over 10 years

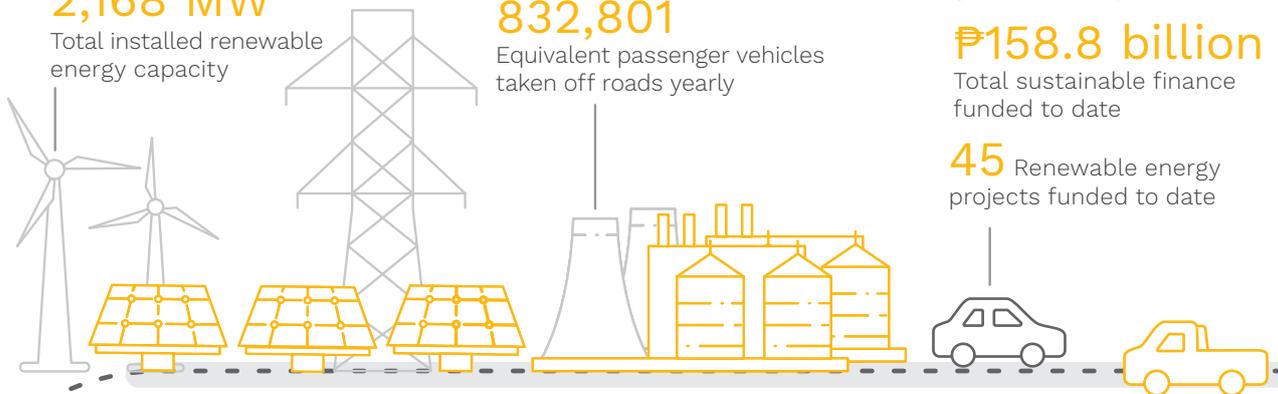
832,801

Equivalent passenger vehicles taken off roads yearly

₱158.8 billion

Total sustainable finance funded to date

45 Renewable energy projects funded to date



Promotes community development

83 Rural health units rehabilitated

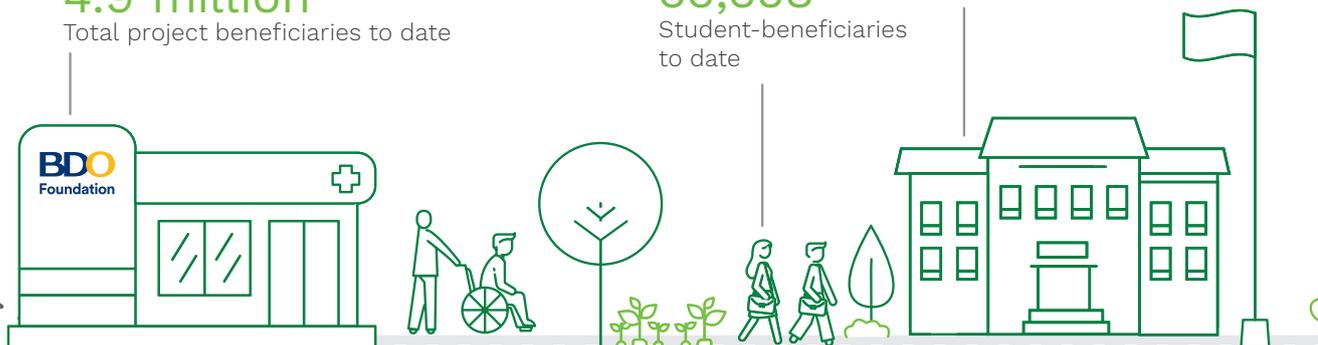
4.9 million

Total project beneficiaries to date

33,358

Student-beneficiaries to date

34 School buildings with 124 classrooms constructed



Fosters banking habits

265,851

Insurance policy owners

1,436

Branches and banking offices

4,466

Automated Teller Machines (ATMs)

562

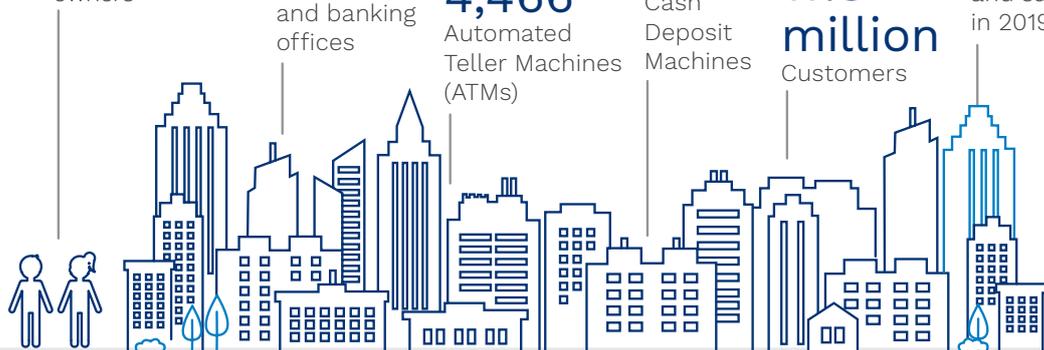
Cash Deposit Machines

17.8 million

Customers

2 million

Total new checking and savings accounts in 2019



Supports consumer expenditure

Helps businesses grow

₱51.5 billion

Outstanding SME loans

17% 5-year CAGR* in auto financing
17% 5-year CAGR* in home financing
10% 5-year CAGR* in credit cards

2.5 million Credit cards

Accelerates economic growth

₱28.7 billion

Taxes paid in 2019



576

Resettlement homes built

Facilitates infrastructure development

₱32.1 billion

Loans disbursed in the past 5 years for national projects

₱12.4 billion

Loans disbursed in the past 5 years for airports

₱17.6 billion

Loans disbursed in the past 5 years for road networks



* Compound Annual Growth Rate

Supporting the United Nations Sustainable Development Goals

| | | | |
|--|---|---|--|
| <p>1 NO POVERTY</p> <p>₱28.7 billion in government taxes in 2019</p> <p>Target 1.1: By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than US\$1.25 a day.</p>  | <p>2 ZERO HUNGER</p> <p>20,000 Smallholder farmers trained by BDO-financed agriculture initiatives</p> <p>Target 2.1: By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.</p>  | <p>3 GOOD HEALTH AND WELL-BEING</p> <p>83 Rural health units rehabilitated</p> <p>Target 3.3: By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases.</p>  | <p>4 QUALITY EDUCATION</p> <p>124 Classrooms built</p> <p>Target 4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant effective learning outcomes.</p>  |
| <p>5 GENDER EQUALITY</p> <p>60% of BDO leaders are women</p> <p>Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</p>  | <p>6 CLEAN WATER AND SANITATION</p> <p>60 million Liters of water recycled by BDO Corporate Center Ortigas in 2019</p> <p>Target 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.</p>  | <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>2,168 MW Total Installed Renewable Energy Capacity funded by BDO</p> <p>Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.</p>  | <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>48% of employees part of Collective Bargaining Agreement</p> <p>Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p>  |

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

₱158.8 billion
Total Sustainable Finance projects funded to date

Target 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.



10 REDUCED INEQUALITIES

₱17.67 billion
Funding released for teachers in Mindanao

Target 10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.



11 SUSTAINABLE CITIES AND COMMUNITIES

9
Housing projects with 576 resettlement homes built

Target 11.3: By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Publication of 2019 BDO Sustainability Report

Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.



13 CLIMATE ACTION

3,922,454
Tonnes of carbon dioxide mitigated by funded Renewable Energy projects yearly

Target 13.2: Integrate climate change measures into national policies, strategies and planning.



14 LIFE BELOW WATER

₱20.3 million
Funds raised for World Wide Fund for Nature (WWF) through ATM donations to date

Target 14.2: By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.



15 LIFE ON LAND

5,000
Farmers no longer dependent on slash-and-burn farming in Palawan

Target 15.2: By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Platinum Award for *The Asset's* 2019 ESG Corporate Awards. BDO ranks among the country's Top 20 publicly listed companies scoring highest in corporate governance based on the ASEAN Corporate Governance Scorecard

Target 16.6: Develop effective, accountable and transparent institutions at all levels.



17 PARTNERSHIPS FOR THE GOALS

New partnerships with the Department of Education, Overseas Workers Welfare Administration, Civil Service Commission, and the Armed Forces of the Philippines to institutionalize financial education among teachers, students, overseas workers, civil servants, and soldiers

Target 17.16: Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries.



Banking on Sustainability

BDO Sustainability Philosophy

We seek to achieve strategic resilience by incorporating sustainability in the way we do business. We aim to embed sustainability principles when making decisions, assessing relationships, and 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's commitment to sustainability is fostered at the Board level. It anchors its sustainable development strategy to the United Nations Sustainable Development Goals (SDGs).

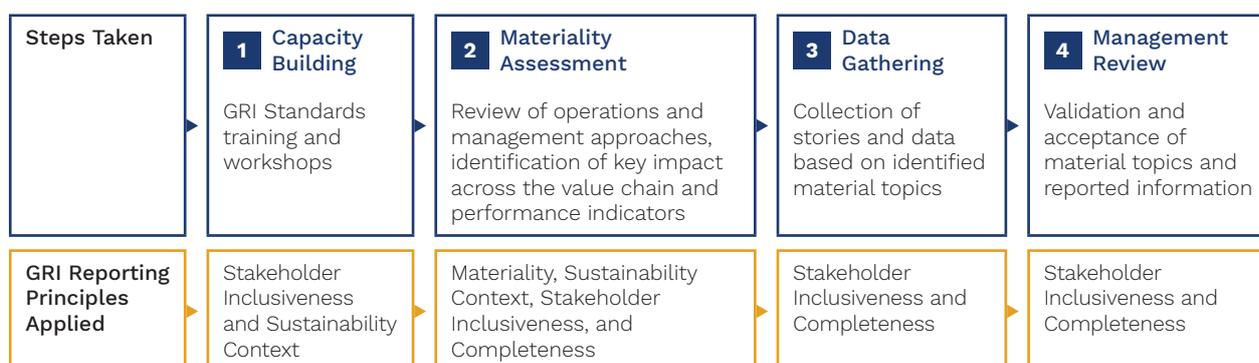
BDO's Sustainability Leadership Team

| | | |
|---------------------------------|--|--|
| Board Oversight | Executive Committee | |
| | Teresita T. Sy Jesus A. Jacinto, Jr. Nestor V. Tan Josefina N. Tan | Antonio N. Cotoco Guia C. Lim Edmundo S. Soriano |
| Advisors | Vicente S. Pérez, Jr. Independent Director | |
| | Mario A. Deriquito President BDO Foundation | |
| | Kristin Koleen D. Palaganas Vice President Corporate Affairs and Sustainability Group SM Investments Corporation | |
| Policy Development | Group Heads, Subsidiary Presidents, and CEOs | |
| Implementation Team Lead | Federico P. Tancongo Senior Vice President Chief Compliance Officer | |
| | Maria Carmela M. Guerrero First Vice President Chief Sustainability Officer | |
| Support Units | Compliance Office | |
| | Investor Relations and Corporate Planning Group | |
| | Marketing Communications Group | |

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

Nestor V. Tan
President and
Chief Executive Officer

Reporting Process 102-46



BDO Sustainability Framework

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

Product Sustainability Strategy

We create products and services which anticipate the evolving needs of our customers and support sustainable development goals.



We develop our capabilities to understand our customers and reach the underserved markets with relevant products and services that meet their unique needs and ways of doing business.

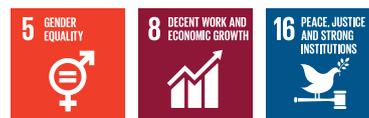
Sustainability Contribution Strategy

We support the achievement of national economic goals through financial inclusion and impact financing in infrastructure, eco-friendly solutions, green facilities, and disaster resilience initiatives.



Human Capital Sustainability Strategy

We develop leaders in the sustainability movement. We aim to grow a “can lead” workforce that adopts a sustainability mind-set and thrives with innovative thinking and customer-focused attitude.



Disaster Response Sustainability Strategy

We leverage our resources towards the relief, rehabilitation, and recovery of disaster-stricken communities.



Governance-Based Sustainability Strategy

We continuously enhance our corporate governance framework to sustain superior business performance anchored on the principles of accountability, transparency, integrity, and fairness, together with our partners.



Materiality 102-46, 102-47

| | Material Topic | Topic Boundary |
|--|---|---|
| | Economic Performance How BDO delivers sustainable returns to its shareholders and attains consistent market growth | Within BDO and with key stakeholders |
| | Banking Network and Access How BDO's wide reach and online services provide convenient and reliable access to its customers | |
| | Innovative Customer-Focused Products and Services How BDO innovates to meet the needs of its customers and unbanked members of society | |
| | Development of Commercial Banking Products and Services How BDO provides a full range of banking products and services to help grow and expand businesses | |
| | Development of Investment Banking Products and Services How BDO provides access to capital and anticipates clients' funding requirements thereby helping address the private sector's need for capitalization | Within BDO and with customers |
| | Development of Wealth Management and Advisory Products How BDO meets its fiduciary obligations and helps promote financial wellness and literacy to its customers | |
| | Development of Insurance Services How BDO helps its clients achieve financial security and peace of mind by offering accessible insurance solutions to protect their assets and productive capacity | |
| | Green Financing How BDO provides financing in eco-friendly solutions and green facilities to promote clean energy | Within BDO and with partners and customers |
| | Financing for Developmental Projects How BDO facilitates funding to large-scale development projects that support national economic growth | |
| | MSME Financing How BDO creates financial products to help micro, small, and medium enterprises grow | Within BDO and with partners, customers, and regulators |
| | Employee Integrity and Development How BDO develops a "can lead" mind-set able to innovate and maintain a customer-focused attitude | |
| | Employee Development and Training How BDO retains and develops employees, recognizes achievements, and provides long-term professional growth | Within BDO |
| | Community Involvement How BDO uplifts the lives of its communities through social development and disaster resilience programs | Within BDO and with host communities |
| | Regulatory and Legal Compliance How BDO complies with legal requirements and other relevant regulatory bodies | Within BDO and with regulators |
| | Corporate Governance and Business Ethics How BDO operates on principles of accountability, transparency, integrity, and fairness | Within BDO |
| | Customer Rights, Privacy, and Welfare How BDO protects the information of its customers, complies with the Data Privacy Act, and protects the welfare of its customers | Within BDO and with regulators and customers |

Materiality Matrix



We monitor our progress on the material issues which are most relevant to our stakeholders, measuring our impact to the economy, the environment and society.

Our performance on the top three material issues raised are discussed in this report.

Key Themes

- Customer Rights, Privacy, and Welfare
- Regulatory and Legal Compliance
- Corporate Governance and Business Ethics
- Innovative Customer-Focused Products and Services
- Banking Network and Access
- Employee Development and Training
- Employee Integrity Development
- Green Financing
- Economic Performance
- Community Involvement
- Micro, Small and Medium Enterprises (MSME) Financing
- Development of Commercial Banking Products and Services
- Financing for Developmental Projects
- Development of Investment Banking Products and Services
- Development of Wealth Management and Advisory Products
- Development of Insurance Services

Stakeholder Engagement 102-40, 102-42, 102-43, 102-44

| 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"> ■ Economic Performance | <ul style="list-style-type: none"> ■ Provide transparent and timely disclosures |
| 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 Integrity and Development | <ul style="list-style-type: none"> ■ Roll out leadership development programs, awards, and recognition for employees |
| 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"> ■ Banking Network and Access ■ Customer Rights, Privacy, and Welfare | <ul style="list-style-type: none"> ■ Constantly monitor and upgrade systems and provide timely feedback to customer concerns |
| 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"> ■ Corporate Governance and Business Ethics ■ Financing for Developmental Projects | <ul style="list-style-type: none"> ■ Meet contractual obligations |
| 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"> ■ Corporate Governance and Business Ethics | <ul style="list-style-type: none"> ■ Uphold policy on supplier accreditation |
| 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"> ■ Regulatory and Legal Compliance ■ Corporate Governance and Business Ethics | <ul style="list-style-type: none"> ■ Comply with applicable laws and regulations, provide regulators with timely disclosures, and ensure quality of financial reports |
| 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"> ■ Community Involvement ■ Banking Network and Access | <ul style="list-style-type: none"> ■ Engage host communities in the design and implementation of social development programs |
| 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"> ■ Economic Performance ■ Innovative Customer-Focused Products and Services | <ul style="list-style-type: none"> ■ Provide transparent and timely disclosures and updates |

Economic Impact

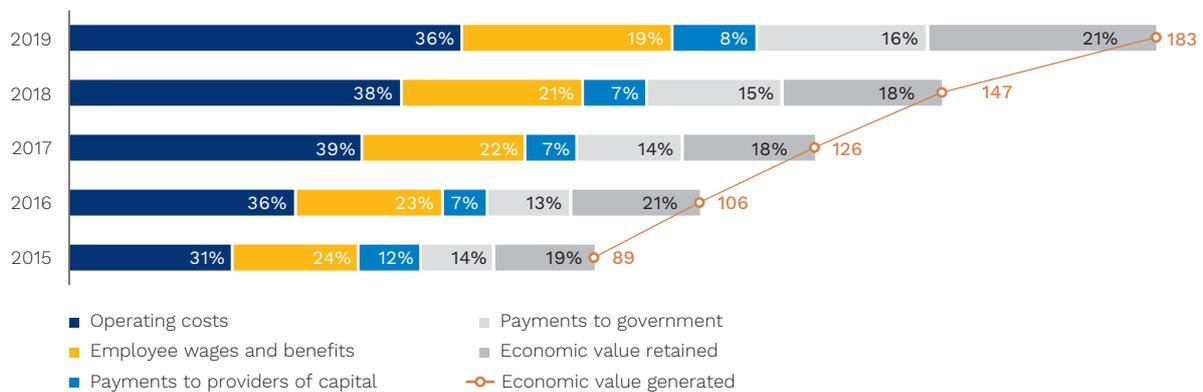
Through the years, BDO has strengthened its position as the country’s leading full-service bank with capabilities to serve every Filipino’s banking needs. The Bank continues to expand its business franchise through sustained branch expansion focused on provincial areas, as well as increased market coverage to cover the unbanked and underserved segments of the population in support of financial inclusion. These initiatives have allowed BDO to increase the economic value it generates, boosting economic activity in the country.

Economic Value Table Brief

BDO’s direct economic value generated grew from ₱89 billion in 2015 to ₱183 billion in 2019, for a CAGR* of 20%. A large share of the economic value distributed in 2019 was accounted for by wages and benefits, totalling ₱35 billion, benefitting the Bank’s more than 38,000 employees and supporting their professional and personal development. The Bank concurrently increased its payments to the government from ₱12 billion in 2015 to ₱29 billion in 2019, duly contributing its share in nation-building. Further, payments to suppliers and third-party service providers (embedded in other operating costs) generate positive social and economic contribution to the communities where these businesses operate.

Economic Value Table

Figures in %



* Compound Annual Growth Rate

Sustainability Strategies and Performance



Product Sustainability Strategy



Photo by Joel Escala, BDO employee

We create products and services which anticipate the evolving needs of our customers and support sustainable development goals.

We develop our capabilities to understand our customers and reach the underserved markets with relevant products and services that meet their unique needs and ways of doing business.

BDO makes banking easier to help Filipinos reach their aspirations. We listen closely to our clients to constantly develop our capabilities and better reach underserved markets, offering relevant products and services which meet their unique business needs.

To achieve this, the Bank introduced innovative practices such as extended banking days and hours to meet the needs of business owners and entrepreneurs, lowered minimum initial deposits to encourage more people to engage in banking transactions, offered affordable and flexible consumer loan packages to support consumer spending, established bank branches in malls for customer convenience, and promoted digital and mobile banking to save paper while making bank transactions faster and more convenient.

But more work needs to be done. Despite making great strides with such innovations, 49% of Filipinos remain unbanked. BDO continues to take a creative and out-of-the-box approach to champion financial inclusion and serve this untapped segment.



Financial Inclusion for Smallholder Farmers: Escaping the Loan of Death

BDO's Sustainable Finance promotes financial inclusion by funding and supporting agricultural value chains. The Bank works with agribusiness companies in close contact with farmers, cooperatives, and indigenous people to create positive environmental, social and economic impacts.

One of its beneficiaries is Julhadi Titté, who toiled for decades to pay off a debt he had little to do with.

He's not alone. Thousands of farmers in Palawan and other Philippine provinces are trapped in a cycle called *patay-sangla*, Tagalog for the loan of death.

Through this system, smallholder farmers borrow money from traders at around ₱100,000 (US\$2,000) per hectare, usually for unexpected medical emergencies. Traders then lend money in exchange for farm produce – essentially taking over the land and whatever crops its original farm owners can grow seasonally. The cycle ends only when farmers pay off the principal amount completely, an uphill battle which can take years.

Julhadi's family was indentured for three generations, mere caretakers of the land they once owned.

Today, Julhadi brings his two kids to school in a brand-new tricycle, has renovated his home, and has gotten clean water access thanks to the better income provided by Cardinal Agri Products, Inc. (CAPI), financed by BDO. CAPI is a diversified agribusiness enterprise which aims to uplift Filipino farming communities while offering responsibly grown, fully traceable, and 100% organic products to a global client base. CAPI offers Farmer program such as Emergency Loans, Mortgage Loans, Pre-harvest Cash Advances, Harvest Insurance, and even free specially formulated organic fertilizer.

Moreover, the program directly stops deforestation, as former slash-and-burn or *kaingin* farmers earn more than enough to stop illegally cutting down and burning lowland and mountain forests.

From working as indentured servants for below minimum wage, almost 5,000 farmers across 6 municipalities in the Philippines now have better incomes and access to government benefits such as social security systems, health insurance, and home development mutual funds.

Julhadi is lucky, but thousands of Filipino farmers are still working to pay off their versions of the loan of death. BDO aims to change this paradigm by championing agriculture value chain finance, empowering farmers while boosting rural growth which is both sustainable and inclusive.

Reaching the Underserved Markets* through *Cash Agad*

Philippine Landscape

With the Philippines being the world's second-largest archipelago next to Indonesia, accessibility to products and services remain a cause for inequality in remote parts of the country. Around 43% live in the Visayas and Mindanao while more than half are in NCR and Luzon. At the periphery, mobility is a challenge with inadequate road networks, transportation services, and commercial development. Thriving in these areas are micro enterprises like 'sari-sari' stores.

BDO Innovation

Harnessing the Bank's 'can-do' mindset, it focused on optimizing available platforms to introduce the habit of banking to the communities in the farthest regions of the country. Launched in 2014, *Cash Agad* is a mobile banking solution which allows debit and prepaid cardholders to perform banking transactions through the use of point-of-sale (POS) terminals deployed to the BDO's partner agents. This innovation also raises entrepreneurship capacities of local micro businesses such as 'sari-sari' stores, pawnshops, local grocery stores and other similar establishments, by serving as accredited partner agents.

Cash Agad



8,206

Partner agents nationwide



21.9 million

Transactions and counting



Present in

81%

of 1,488 municipalities



₱94.1 billion

Total cash withdrawn and counting



108 million

Filipinos

52.8 million

Unbanked Filipinos

10.8 million

Underserved Filipinos

* An Underserved market is one where there are few providers who are delivering solutions to that market's set of known gaps.

Enhancing Customer Service through Digital Banking

We enhance customer convenience by expanding our mobile and digital banking services. A growing range of banking transactions may be done online which indirectly saves time and resources. For our bank operations, there has been a significant decrease in the use of paper for receipts and documents, which is in line with BDO's initiative to implement environmentally-friendly alternatives to our value chain.



Providing Excellent BDO Experience for Overseas Filipino Workers

BDO caters to the unique needs of Overseas Filipino Workers (OFWs), enabling them to establish long-term financial security beyond the culmination of their overseas contracts.

Through the BDO Kabayan Savings Account, OFWs enjoy seamless transactions for their families. Moreover, the Bank provides complementing financial literacy and management orientations to help OFWs build sound financial habits like saving, investing in insurance and understanding various platforms for investments. The Bank also organizes Pre-Departure Orientation Seminars and Post-Arrival Orientation Seminars.



3+ million
Registered online banking users in 2019



63 million
Digital transactions processed in 2019



39%
Growth in transaction volume from previous year



₱125 billion
Total bills paid in 2019



12 million
Bills paid online in 2019



351
Remittance partners



2.4 million
BDO Kabayan Savings account holders



22
International offices



2.2 million
Overseas Filipino Workers

200

Countries with OFW presence



OFW regional origin

10% NCR

56% Balance Luzon

16% Visayas

18% Mindanao

Empowering the Filipino Consumer

To help accelerate economic activity and augment the financial capabilities of the middle market, BDO modified various standard bank products to give customers more flexible options. The Bank forged tie-ups with car dealerships, home developers, and retail stores to offer competitive rates and faster service.



17%

5-year CAGR in auto financing

33,200

First-time car buyers who availed of BDO services



17%

5-year CAGR in home financing

17,800

First-time home owners who availed of BDO services



2.5 million

Credit cards

26,800

Retail partners in 0% schemes

Compound Annual Growth Rate (CAGR)

Cultivating the Culture of Responsible Investing

Environmental, Social, and Governance

As the global approach to investing focuses more on sustainability, BDO strives to raise the same consciousness for the Philippine market. In 2015, the Bank launched the country's first ESG-themed Unit Investment Trust Fund (UITF) which substantially invests in listed companies with good Environmental, Social, and Governance (ESG) practices.

₱10,000

Minimum investment

677

Investors

₱79 million

Assets Under Management

Impact Investor Award for pioneering this fund

Subscribes to the International Finance Corporation guidelines for ESG

Focusing on Financial Inclusion



BDO is deeply committed to promoting financial inclusion. The Bank helps Filipinos increase their savings through a string of high-impact partnerships.



Making Their Sacrifices Count: Financial Education for OFWs

“When I’m tired and lonely, one thought tides me through – my family,” shares Airagrace Lactaoen, who works as a nurse in the United Arab Emirates. Like millions of Overseas Filipino Workers (OFWs), Airagrace wants a better life for her family back in the Philippines. But despite years of working abroad, 60% of OFW families are still mired in poverty, due mainly to poor financial habits.

To address this, BDO Foundation launched a financial education program for OFWs in partnership with the Overseas Workers Welfare Administration (OWWA) and Bangko Sentral ng Pilipinas (BSP). As part of the program, the partners developed financial education videos and training modules for OFWs and their families.

The Bank helps conduct mandatory Pre-Departure and Post-Arrival Orientation Seminars (PDOS and PAOS) nationwide, sharing financial literacy tips while offering convenient savings platforms like BDO’s Kabayan Savings Account, for OFWs like Airagrace to help realize their dreams when they return.

“I have no idea if I’ll be able to work abroad again, so I want to do it right. As an OFW and BDO Kabayan Savings Account holder, I want to know where each centavo I remit goes, because I have sacrificed a lot. But my plan doesn’t end abroad, because when I return after 2 or 3 years, I can finally start my dream of being a businesswoman.”

By embedding financial literacy and entrepreneurship into the lives of over 2.3 million OFWs and their families, BDO ensures that their sacrifices count.

Embedding Financial Education in the K to 12 Curriculum

Philippine Landscape

According to a study by Standard and Poor's, the Philippines registered a low adult financial literacy rate of 25%, lower than the global average of 33%. This gap is indicative of the vulnerability of millions of Filipinos during times of calamities, emergencies, and other untoward incidents. It also leads to poor budget management and prioritization.

BDO Innovation

Through BDO Foundation, the corporate social responsibility arm of BDO Unibank, the Bank has taken a systemic approach in addressing the root-cause of this problem. In partnership with the Bangko Sentral ng Pilipinas (BSP) and the Department of Education (DepEd), BDO launched the largest financial education program in the country by strengthening the financial literacy component of the K to 12 public school curriculum.

Moreover, BDO has taken a creative approach in the design of the teaching materials and methods, utilizing the power of music and audio-visual presentations.

BDO Foundation, DepEd and BSP developed 10 financial education videos and discussion guides for teachers, non-teaching personnel, and students. The modules and materials developed under the partnership are now part of DepEd's regular learning resources uploaded on its online learning portal.

16

Financial education videos with discussion guides produced

600,000

Students engaged by BDO Foundation

12,000

Teachers engaged by BDO Foundation

500

OWWA trainers on financial literacy





Embedding the Discipline of Financial Management for Armed Forces Personnel

Philippine Landscape

The Armed Forces of the Philippines (AFP) is comprised of 140,000 men and women in uniform. Due to the hazardous nature of their occupation and unfaltering service to the Filipino nation, these devoted servicemen and women have a vulnerability risk rate. While public insurance and pension funds are in place, many of these public servants support extended families.

BDO Foundation, the AFP and Bangko Sentral ng Pilipinas (BSP) launched a financial education program to help the armed forces make sound financial decisions and ultimately achieve financial independence. The partners developed financial education videos and training modules for soldiers and their families as well as the civilian personnel of the AFP.

BDO Innovation

Through BDO Foundation, the Bank's corporate social responsibility arm, the Bank takes a systemic approach in closing this socio-economic gap. BDO has deployed 40 trainers to help incorporate financial literacy and management in various training programs of the AFP. Furthermore, in partnership with the Civil Service Commission, the Bank is working to enhance the financial literacy levels of government personnel in various public offices.

Sustainability Contribution Strategy



We support the achievement of national economic goals through financial inclusion and impact financing in infrastructure, eco-friendly solutions, green facilities, and disaster resilience initiatives.

BDO supports the transition to clean and renewable sources of energy while promoting efficiency in farming, manufacturing, transportation, and other sectors. The Bank funds climate-smart infrastructure to promote sustainable development.



Photo by Joel Escala, BDO employee

Planting the Seeds of Hope: A Focus on Agribusiness

Our farmers, despite working ceaselessly to feed us, sometimes don't have enough to eat. This is because 34% of the country's 11 million farmers live below the poverty line. Many earn just enough to survive or worse, to pay off ever-growing debts.

To improve yields and bottom-lines of farmers, there is a need to embrace and promote innovative farming practices. These advancements can alleviate poverty, provide income for more than just subsistence, and instill better hopes for a brighter future.

BDO's Sustainable Finance work cuts across different industries and pays particular attention to this largely unsung sector. Fully aligned with BDO's strategic objectives in Sustainable Finance in the smart agricultural sector is BDO's financing for East-West Seed Company, Inc., a vegetable seed production and distribution company.

The company promotes innovative and sustainable agriculture by providing high-quality vegetable seeds to smallholder farmers in 5 countries including the Philippines. Farmers are trained to make organic mixes to enhance soil health, while embracing climate-smart technologies like drip irrigation, which uses 90% less water than conventional systems. Enhanced efficiency increases farmer profits.

Over 15,000 Philippine smallholder farmers underwent East-West Seed Company's Seed Knowledge Transfer training in 2019, 65% of them women. Through this and other sustainable finance initiatives, our farmers can finally reap the rewards of their labor.

Reducing Travel Time and Carbon Emissions

Efficient roadways are the veins of strong economic growth. Metro Manila is the center of the nation's economic, social, and political developments while serving as a hub to connect northern and southern Luzon. However, the continued influx of people coupled with economic growth has created transportation challenges, slowing down the passage of people and goods. The construction of road networks in strategic locations has therefore been identified as a priority.

BDO advanced the construction of the 18.3-kilometer Metro Manila Skyway Stage 3 (MMSS-3) aimed at connecting 2 of the country's busiest gateways, the South Luzon Expressway (SLEX) and the North Luzon Expressway (NLEX). The objective of the project is to decongest Metro Manila and stimulate the growth of trade and industry in southern, central, and northern Luzon, necessary to support an anticipated upturn in the logistics industry and the growth of import and export businesses. The new road greatly benefits Metro Manila's residents as travel time from Balintawak to Buendia can be reduced from 2 hours to just 15 minutes, curbing traffic while reducing carbon emissions.

BDO is the lead facilitator of the ₱11.5-billion development of an 88.5-kilometer road from Tarlac to La Union, augmenting and effectively lengthening NLEX. The Tarlac-Pangasinan-La Union Expressway (TPLEX) now serves as a vital link to the northernmost provinces of the Philippines.

Connecting the provinces of Cavite and Laguna south of Metro Manila is the new Cavite-Laguna Expressway (CALAX), a 47-kilometer long highway which connects CAVITEx with SLEX. It is expected to ease traffic for both Cavite and Laguna, reducing both travel time and GHG emissions, while stimulating business through faster and more fluid access.

141.69 km

Road network development

15 minutes

Travel time from Balintawak to Buendia courtesy of MMSS-3

₱15.3 billion

Financing facilitated

2.56 billion

Vehicles served

15,234 tonnes

Carbon emissions annually reduced through efficient roadways

Accelerating Sustainable Development

BDO is leading in instituting sustainable finance in the Philippine banking industry and is a pioneer in issuing Green Bonds. Sustainable Finance is financing and investing in business activities which integrate environmental, social, and governance considerations. It catalyzes economic growth while protecting the environment and uplifting the lives of the underserved segment.

From 2018 to 2019, BDO's Sustainable Finance Desk greatly expanded its scope from financing renewable energy projects to financing and promoting all forms of sustainable practices such as energy efficiency, climate-smart agriculture, green infrastructure, clean transportation, pollution control, sustainable natural resource management and land use, eco-efficient technologies, sustainable water and waste water management, terrestrial and aquatic biodiversity conservation, climate change adaptation, affordable housing, efficient manufacturing, access to essential services, employment generation, and food security.

BDO Sustainable Finance is leading renewable energy development, financing a running total of 2,168 MW of renewable energy. This has provided electricity for 1,944,479 families while reducing GHG emissions by 3,922,454 tonnes, equivalent to removing 832,801 passenger vehicles off the road for a year or growing 64,858,598 tree seedlings over a 10-year period.

Scaling up Clean Energy

Situated along the Pacific typhoon belt, the Philippines remains one of the nations most vulnerable to climate change. With impacts ranging from extreme weather events such as super-typhoons and sustained droughts, climate change has become a daily reality that millions of Filipinos must contend with.

In the context of sustainable development and efforts to address environmental concerns, BDO serves as one of the pioneers in instituting sustainable energy finance in partnership with the International Finance Corporation (IFC) as an effective approach to harnessing clean energy. BDO's IFC-invested Green Bond was the first in the country and the region, providing US\$150 million to fund renewable energy projects while establishing a foundation for other financial institutions to issue their own green bonds.

Sustainable Finance strategies to address environmental concerns include:

- Reinforcing current Social and Environmental Management System (SEMS) Policy in lending operations
- Integrating environmental risk management in responsible finance
- Accelerating low carbon energy through Green Finance based on the Bank's Sustainable Finance framework

Renewable Energy Projects and Installed Capacity



158 MW



1,189 MW



421 MW



338 MW



62 MW

2,168 MW Total capacity funded

Environmental and Social Impacts

The Sustainable Finance Desk of the Institutional Banking Group is capacitating lending and credit officers by conducting various trainings such as Sustainable Finance, Environmental Risk Management, Sustainable Energy Finance 101, and plant visits.

1,944,479

Families served

₱158.8 billion

Total Sustainable Finance funded to date

45

Renewable energy projects funded to date

3,922,454 tonnes

Carbon dioxide avoided per year

832,801

Equivalent passenger vehicles taken off roads yearly

64,858,598

Equivalent tree seedlings grown over 10 years



Solar

Installed Capacity
338 MW

Disbursed Loan Amount
₱10.3 billion

Net Energy Generation
(MWh/year)
389,441

Gross Energy Generation
(MWh/year)
473,496

Value of energy generation
per year
₱1.9 billion

GHG avoidance per year
based on Net
(in tonnes CO₂e)
172,549

GHG avoidance per year
based on Gross
(in tonnes CO₂e)
209,791

Equivalent passenger
vehicles off the road
per year
44,542

Equivalent tree seedlings
grown for 10 years
3,468,936

No. of households/families
(average of 6 persons per
family) supplied by RE
88,428



Wind

Installed Capacity
62 MW

Disbursed Loan Amount
₱2.8 billion

Net Energy Generation
(MWh/year)
171,142

Gross Energy Generation
(MWh/year)
180,149

Value of energy generation
per year
₱838.7 million

GHG avoidance per year
based on Net
(in tonnes CO₂e)
75,828

GHG avoidance per year
based on Gross
(in tonnes CO₂e)
79,818

Equivalent passenger vehicles
off the road per year
16,947

Equivalent tree seedlings
grown for 10 years
1,319,816

No. of households/
families (average of
6 persons per family)
supplied by RE
38,861



Hydro

Installed Capacity

421 MW

Disbursed Loan Amount

₱15.7 billion

Net Energy Generation
(MWh/year)

1,176,435

Gross Energy Generation
(MWh/year)

1,307,150

Value of energy generation
per year

₱5.8 billion

GHG avoidance per year
based on Net
(in tonnes CO₂e)

476,616

GHG avoidance per year
based on Gross
(in tonnes CO₂e)

529,574

Equivalent passenger vehicles
off the road per year

112,437

Equivalent tree seedlings
grown for 10 years

8,756,609

No. of households/
families (average of
6 persons per family)
supplied by RE

267,129



Photo Credit: Sunwest Water and Electric Company

Biomass

Installed Capacity

158 MW

Disbursed Loan Amount

₱10.3 billion

Net Energy Generation
(MWh/year)

977,949

Gross Energy Generation
(MWh/year)

1,161,471

Value of energy generation
per year

₱4.8 billion

GHG avoidance per year
based on Net
(in tonnes CO₂e)

396,202

GHG avoidance per year
based on Gross
(in tonnes CO₂e)

470,554

Equivalent passenger
vehicles off the road
per year

99,906

Equivalent tree seedlings
grown for 10 years

7,780,703

No. of households/families
(average of 6 persons per
family) supplied by RE

222,059

No. of farmers supported

158,251

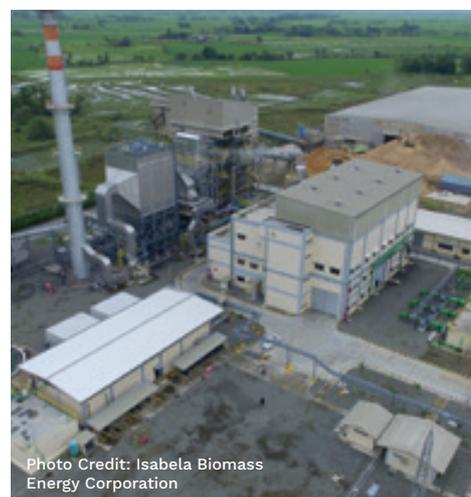


Photo Credit: Isabela Biomass Energy Corporation

Geothermal

Installed Capacity
1,189 MW

Disbursed Loan Amount
₱4.3 billion

Net Energy Generation
(MWh/year)
5,848,520

Gross Energy Generation
(MWh/year)
6,498,356

Value of energy generation
per year
₱28.7 billion

GHG avoidance per year
based on Net
(in tonnes CO₂e)
2,369,446

GHG avoidance per year
based on Gross
(in tonnes CO₂e)
2,632,717

Equivalent passenger
vehicles off the road per year
558,969

Equivalent tree seedlings
grown for 10 years
43,532,534

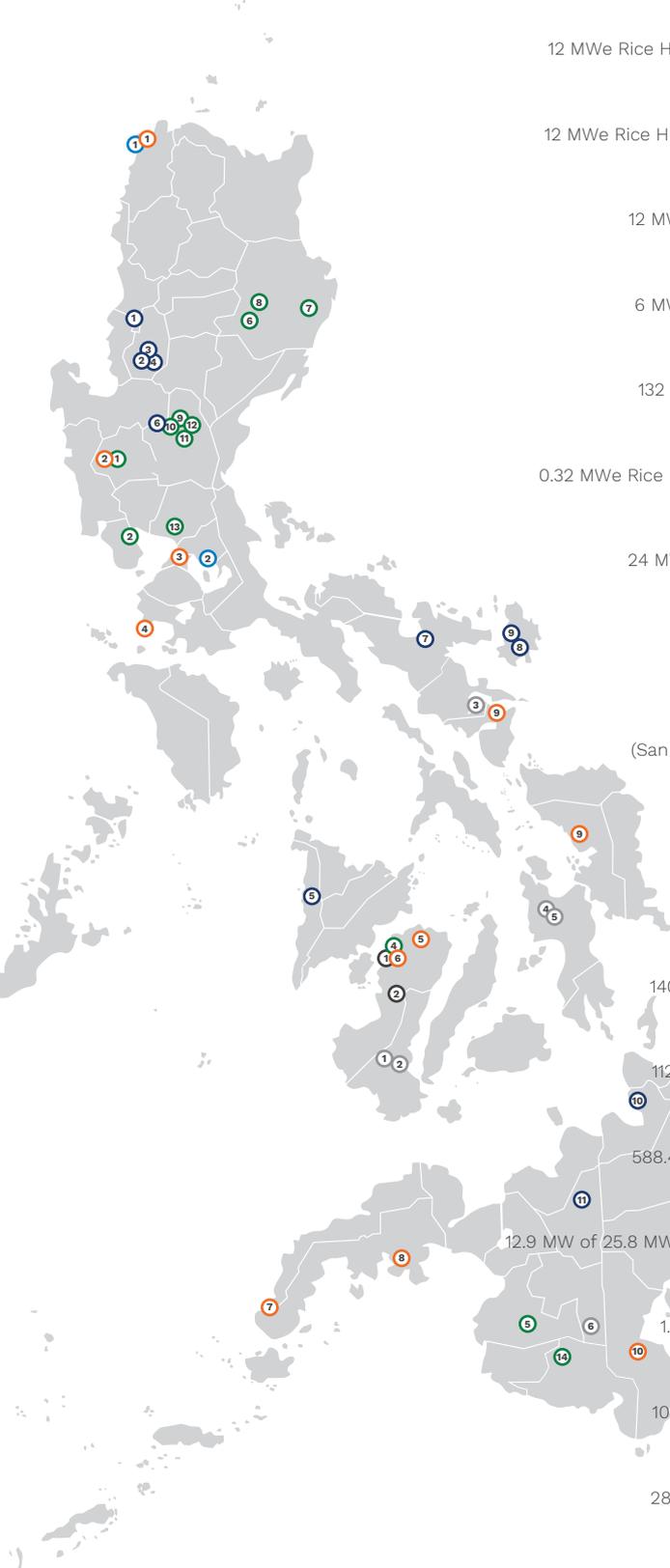
No. of households/families
(average of 6 persons per
family) supplied by RE
1,328,002



BDO Sustainable Energy Finance Project Map

- 1 37.5 MW of 150 MW Wind Power Plant (Burgos, Ilocos Norte)
- 1 6.8 MWp Solar PV Power Plant (Burgos, Ilocos Norte)
- 1 70 MW RoR Hydro Electric Plant (Alilem, Ilocos Sur)
- 2 140 MW Hydro Electric Plant (Benguet)
- 3 31.8 MW Several RoR Hydro Projects (Benguet)
- 4 19 MW Several RoR Hydro Projects (Benguet)
- 2 100 MWp Solar Farm (Tarlac City, Tarlac)
- 1 2 MWe Biogas-Fed Power Plant (Tarlac City, Tarlac)
- 2 12 MWe Biomass-Fired Power Plant (Orani, Bataan)
- 3 0.3 MWp Solar Rooftop (Ortigas Center, Pasig City)
- 4 63.29 MWp Solar PV Farm (Calatagan, Batangas)
- 5 8 MW RoR Hydro Electric Plant (Bugasong, Antique [Villasiga])
- 3 7 MWe Biomass-Fired Power Plant (Brooke's Point, Palawan)
- 1 192.5 MW Geothermal Power Plant (Valencia, Negros Oriental)
- 2 49 MW Geothermal Plant (Nasulo, Negros Oriental)
- 1 14.12 Million liters per year, as per DOE (Talisay City, Negros Occidental)
- 2 30 Million liters per year, as per DOE (Negros Occidental)
- 4 20 MW Turbogenerator (Silay City, Negros Occidental)
- 5 133 MWp Solar Facility (Cadiz City, Negros Occidental)
- 6 0.325 MWp Solar Rooftop (Bacolod)
- 7 0.5 Solar PV (Zamboanga City)
- 8 0.32 MWp Solar Rooftop (Zamboanga del Sur)
- 5 15 MWe Biomass-Fired Power Plant (Sultan Kudarat, Maguindanao)

| RE Project | MW Capacity |
|-----------------|--------------|
| Bioethanol | N/A |
| Biomass | 158 |
| Geothermal | 1,189 |
| Hydro | 421 |
| Solar | 338 |
| Wind | 62 |
| Total MW | 2,168 |



- 20 MWe Rice Husk-Fired Power Plant (Alicia, Isabela) 6
- 19 MWe Cogeneration Plant (San Mariano, Isabela) 7
- 15 MWe Biomass-Fired Power Plant (Burgos, Isabela) 8
- 12 MWe Rice Husk-Fired Power Plant Phase 1 (San Jose City, Nueva Ecija) 9
- 12 MWe Rice Husk-Fired Power Plant Phase 2 (San Jose City, Nueva Ecija) 10
- 12 MWe Biomass-Fired Power Plant (Llanera, Nueva Ecija) 11
- 6 MWe Biomass-Fired Power Plant (San Jose City, Nueva Ecija) 12
- 132 MW Hydroelectric Power Plant (Nueva Ecija - Pangasinan) 6
- 0.32 MWe Rice Husk-Fired Cogeneration Plant (Sta. Maria, Bulacan) 13
- 24 MW of 54 MW Wind Power Plant (Pililla, Rizal) 2
- 1.8 MW Mini-Hydro Project (Buhi, Camarines Sur) 7
- 2.1 MW RoR Mini Hydro Plant (San Miguel, Catanduanes [Solong]) 8
- 1.5 MW RoR Mini Hydro Plant (Obi, Catanduanes [Hitoma]) 9
- 5.2 MWp Solar Rooftop (Ormoc and Sorsogon) 9
- 140 MW Geothermal Power Plant (Manito, Albay) 3
- 112.5 MW Geothermal Power Plant (Tongonan, Leyte) 4
- 588.4 MW Geothermal Power Plant (Tongonan, Leyte) 5
- 12.9 MW of 25.8 MW RoR Mini Hydro Electric Plant (Jabonga, Agusan del Norte) 10
- 1.6 MW Mini-Hydroelectric Plant (M. Fortich, Bukidnon) 11
- 106 MW Mindanao Power Project (Kidapawan, North Cotabato) 6
- 28.59 MWp Solar PV Power Plant (Digos, Davao del Sur) 10
- 6 MWe Biomass-Fired Power Plant (Surallah, South Cotabato) 14

BDO Sustainable Corporate Initiatives



Photo by Giancarlo S. Valera, BDO Camera Club

130%

More efficient energy usage compared to similarly occupied buildings

22%

of construction materials used had recycled content

67%

of construction materials sourced locally

60 million

Liters of water recycled and used in 2019

88%

Less dependent on external water sources compared to older buildings

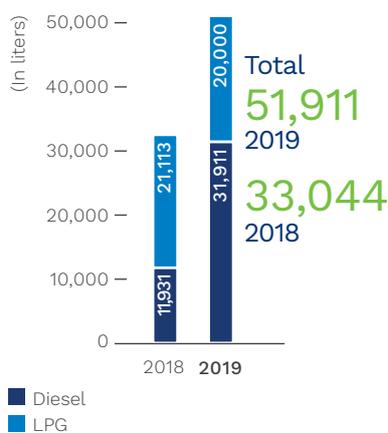
Equipped with state-of-the-art rainwater and condensate harvesting facilities, sensor-triggered cooling systems and energy-efficient lighting, the BDO Corporate Center Ortigas (CCO) earned a certification on Leadership in Energy and Environmental Design (LEED) in 2017, making it the first high-rise office-commercial building in the Philippines to achieve a LEED Gold Certification under the “New Construction Category.” Various sustainable methods were used in its construction, such as concrete partially made from recycled materials, double-glazed glass walls which let light in while keeping heat out, plus automated monitoring and control systems. CCO also has its own sewage treatment facility.

BDO Resource Consumption³

Water Consumption

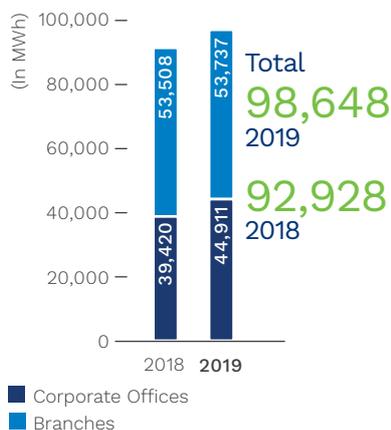


Fuel Consumption

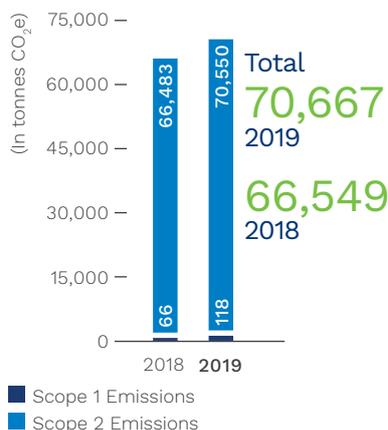


The same consciousness is practiced across BDO offices nationwide, incorporating environment-friendly designs and programs to achieve eco-efficient operations. BDO is committed to measuring its resource consumption and managing its carbon footprint through its continued growth as the country's largest bank.

Electricity Consumption



GHG Emissions^{1,2}

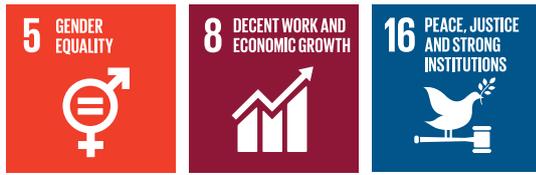


(1) Calculated following the operational control approach of the Greenhouse Gas Protocol. Moreover, Scope 2 emissions were computed using the 2015-2017 National Grid Emission Factors provided by the Department of Energy.

(2) Scope 1 emissions were based on the fuel consumption of the company, while scope 2 emissions were based on the purchased electricity of the company.

(3) The 2018 baseline data were updated to reflect improvements in data gathering methodology for the fuel, electricity, and water consumption of the company's offices and branches. 102-48

Human Capital Sustainability Strategy



We develop leaders in the sustainability movement. We aim to grow a “can lead” workforce that adopts a sustainability mind-set and thrives with innovative thinking and customer-focused attitude.

Employee Profile

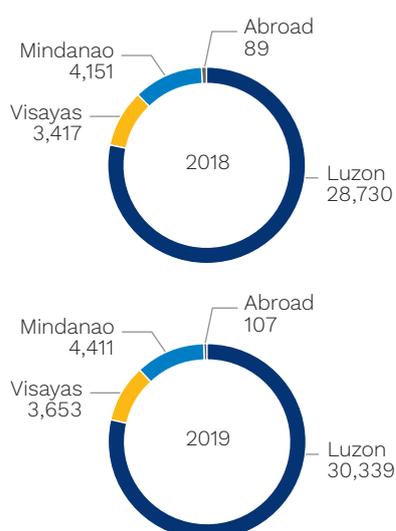
By Gender

| | Employee Count | | New Hires | | Employee Separations | |
|--------------|----------------|---------------|--------------|--------------|----------------------|--------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Male | 8,539 | 9,133 | 1,291 | 1,390 | 533 | 795 |
| Female | 27,848 | 29,377 | 4,015 | 3,921 | 2,098 | 2,380 |
| TOTAL | 36,387 | 38,510 | 5,306 | 5,311 | 2,631 | 3,175 |

By Age

| | Employee Count | | New Hires | | Employee Separations | |
|-------|----------------|--------|--------------------|------------|----------------------|-----------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| <30 | 17,189 | 17,710 | 4,141 | 4,033 | 1,701 | 1,948 |
| 30-50 | 17,230 | 18,656 | 1,132 | 1,251 | 783 | 1,026 |
| >50 | 1,968 | 2,144 | 33 | 27 | 147 | 201 |
| | | | Hiring Rate | 14% | Turnover Rate | 8% |

Employee Count By Region



Employee Count By Employment Status



60%

Female Senior Officers

102-41

48%

Covered by Collective Bargaining

Average Training Hours

| | Per Employee | By Gender | | By Rank | | |
|------|--------------|-----------|--------|---------------|-----------------|-----------------|
| | | Male | Female | Rank-and-File | Junior Officers | Senior Officers |
| 2018 | 46.1 | 57.0 | 57.7 | 68.4 | 67.3 | 49.2 |
| 2019 | 50.9 | 42.1 | 53.7 | 56.7 | 45.6 | 37.4 |

Performance Assessment

| | % over Total Eligible Employees | By Gender | | By Rank | | |
|------|---------------------------------|-----------|--------|---------------|-----------------|-----------------|
| | | Male | Female | Rank-and-File | Junior Officers | Senior Officers |
| 2018 | 99% | 99% | 99% | 97% | 100% | 100% |
| 2019 | 99% | 99% | 99% | 99% | 99% | 97% |

Providing Equal Opportunity

BDO is committed to fair employment practices without undue prejudice to race, gender, ethnic origin, religion, age, or sexual orientation. Employees are treated with respect, dignity, and fairness.

The Bank ensures that employment practices and policies are in compliance with labor laws, regulations, and standards in the countries where it operates. Employees are selected, engaged, compensated, and promoted, as the case may be, based on the merits of qualification and performance.

Employee Rights and Welfare

BDO is committed to promoting the physical, social, and mental well-being of its employees. It maintains a positive, harmonious, and professional work environment with due importance accorded to the occupational health and safety of employees and related external parties.

The Bank abides by all regulations defined by the Department of Labor and Employment (DOLE), including health and safety standards for its employees. BDO completed the DOLE inspection and was found compliant with both the General Labor Standards and the Occupational Health and Safety Standards.

BDO supports the rights of its employees to participate in a Collective Bargaining Agreement (CBA). It enjoys a constructive relationship with its duly recognized employee representative group.

BDO is an apolitical and non-partisan organization. It partners with government agencies and associations as a co-champion in the promotion of social development and environmental sustainability.

Employee Training and Development

BDO pursues an empowering work environment for its employees to demonstrate their full capability and talents. All BDO bankers receive a variety of training opportunities such as the Officer Development Program, Manager Development Program, and other targeted training programs.



Employee Assessment and Professional Advancement

Every year, all BDO bankers undergo an assessment process which encourages open communication between supervisors and team members. The Bank prioritizes internal candidates for opportunities within the organization, including job rotation, to develop the skills necessary for a well-rounded banker.

BDO strives to build long-term relationships with its employees. It offers career development options and provides multiple training opportunities to properly equip its team members for professional advancement.

Cultivating the “Can Lead” Culture of Excellence and Innovation

The capacity of BDO to innovate and anticipate transformations in the banking industry stems from its people’s passion for excellence and innovation. At the core is BDO’s commitment to its customers – to provide them only with the highest level of customer service.

This is summed up in BDO’s service philosophy of “We Find Ways.”

Customer-Focused

Everything each BDO banker does must have the customer’s objective and interest in mind. It redefines the Bank’s role beyond simply providing financial services to fulfilling the objectives of the customers.

Out-of-the-Box Thinking

Every BDO banker is encouraged to challenge conventional banking practices, beliefs, and processes if there is a better way to achieve the client’s objectives, without compromising quality, ethics, or good governance.



6,695

Recipients of the Circle of Excellence Award since 2014

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 customer service attitude. 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 its customers is the Bank's efficient business processes and seamless 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.

Fostering the Spirit of Volunteerism, Social Responsibility, and Environmental Consciousness

The spirit of volunteerism and social responsibility is alive in each BDO banker. Working together, the BDO team has raised funds and has built multi-purpose halls all over the country to promote community spirit and unity.



1,236

Recipients of the Product Excellence Award since 2014

9

Multi-purpose centers built to date

₱19 million

Total funds donated by BDO Group employees to date

947

BDO volunteers mobilized in 2019

8,404

BDO volunteers mobilized to date

₱104 million

Total funds raised in 2019 from various sources

Disaster Response Sustainability Strategy



We leverage our resources towards the relief, rehabilitation, and recovery of disaster-stricken communities.

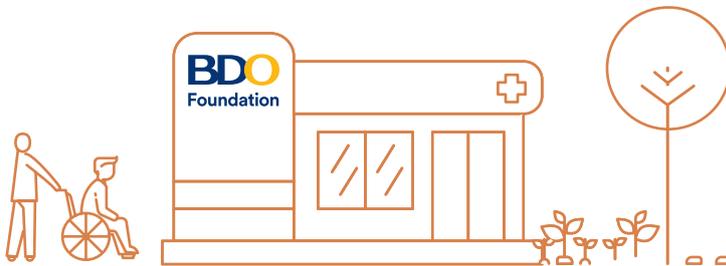
Disaster Response

- 48** Relief operations in 2019
- 288** Relief operations conducted to date
- 69,082** Families served in 2019
- 540,281** Families served to date



Rural Health Units

- 14** Rural health units rehabilitated in 2019
- 83** Rural health units rehabilitated to date
- 453,776** Beneficiaries in 2019
- 4.9 million** Beneficiaries to date



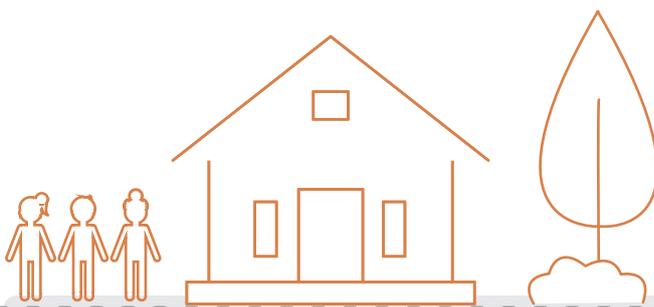
School Buildings

- 8** Classrooms constructed in 2019
- 124** Classrooms constructed to date
- 2** School buildings constructed in 2019
- 34** School buildings constructed to date
- 701** Student beneficiaries in 2019
- 33,358** Student beneficiaries to date



Resettlement Homes

- 60** Housing units completed in 2019
- 9** Housing resettlement projects to date
- 576** Housing units and families benefited





Case Study | Building Better with *Cash Agad*

Roqayyah Mambuay, an entrepreneur from Marawi, managed her own ROQ Business Center, offering printing and photocopying services. The people of Marawi, mostly Maranao traders and craftsmen, helped rebuild the communities. By being a *Cash Agad* partner, she is able to provide out-of-the-box banking transactions to the community, while expanding her own store income. With her stable business, Roqayyah has taken classes on bread production as another possible source of livelihood for her and her family.

BDO promotes financial inclusion to disaster-stricken communities to hasten individual and community socio-economic recovery.

BDO pursues its corporate citizenship initiatives through BDO Foundation, the Bank's corporate social responsibility arm. Backed by the BDO community, the Foundation develops and implements programs designed to address the needs of the underprivileged and underserved members of society. Its advocacies fall under 2 pillars: disaster response, which includes relief, rehabilitation, and reconstruction programs; and financial inclusion.

Relief Operations

In line with its disaster response advocacy, BDO Foundation mounted relief operations in provinces placed under state of calamity, mobilizing volunteers from BDO and BDO Network Bank branches all over the country to distribute relief goods containing food, rice, and drinking water. In areas inaccessible to volunteers, the Foundation's partner NGOs generously extended assistance. In 2019, the Foundation mobilized 947 BDO volunteers for 48 relief operations, benefiting 69,082 families.

Rehabilitation of Rural Health Units

BDO Foundation continued to rehabilitate rural health units across the country through the support of BDO and BDO Network Bank branches. The initiative helps improve the healthcare delivery system in the country, one of the goals under the Philippine Health Agenda. It keeps with UN SDG 3, ensuring healthy lives and promoting the well-being of people of all ages. In 2019, the Foundation completed the rehabilitation of 14 rural health units, benefiting a combined catchment population of 453,776 individuals.

Construction of School Buildings

In 2019, BDO Foundation constructed 2 school buildings in Lake Lanao National High School and Harat Medina Central Elementary School in Marawi City. The new classrooms enabled the schools to accept students displaced by the Marawi siege. An estimated 701 students stand to initially benefit from the initiative, which forms part of BDO



Foundation's contribution to the efforts of DepEd, a member agency of Task Force Bangon Marawi, to rehabilitate public schools in the wake of recent conflict. Through these projects, the Foundation supports DepEd's Adopt-a-School program while addressing the need for more classrooms in the country.

In 2019, BDO Foundation constructed a 2-storey technical-vocational facility at the Don Bosco Training Center in Mati City, Davao Oriental. The facility now serves as a workshop where students can learn technical-vocational skills. Around 560 disadvantaged and out-of-school youth in Mindanao stand to benefit from the project in the next 3 years. The corporate citizenship initiative is in line with UN SDG 8, promoting sustained economic growth, full and productive employment, and decent work conditions for all people.

Center for Survivors of Abuse

BDO Foundation completed the construction of the Cameleon Negros Center in 2019. Located in Silay City, Negros Occidental, the center is a facility where abused girls can undergo therapy, study, and receive proper counselling. The center initially accommodated 20 beneficiaries but will continue to accept more survivors of abuse.

Resettlement Homes

In 2019, BDO Foundation and UN-Habitat built 60 resettlement homes for families displaced by Typhoon Yolanda. Located in Tacloban City, the housing units were turned over to members of the Villa de Tacloban Homeowners Association, the beneficiaries of the project. BDO Foundation and UN-Habitat have built a total of 100 houses for the project, the first 40 being turned over in 2018. With new homes, these families stand ready to rise from the rubble of the strongest typhoon ever recorded.

Governance-Based Sustainability Strategy



We continuously enhance our corporate governance framework to sustain superior business performance anchored on the principles of accountability, transparency, integrity, and fairness, together with our partners.

Good Governance for a Sustainable Future

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

The Bank continually enhances its corporate governance framework to sustain superior business performance anchored on the principles of fairness, integrity, transparency, accountability, and performance. These principles are consistently applied throughout the institution to support our corporate objective of delivering long-term value. BDO's strong reputation is built on a culture of ethics and responsible business conduct, underpinned by a well-structured and effective system of governance.

Our Board of Directors

The diversity in skills, experience, gender, sexual orientation or preference, age, education, race, business, and other related experiences is one of the key contributors to our successful Board oversight. We view this wide range of experiences and backgrounds as an essential element in maintaining strategic guidance and perspective for our growing business.

Board Structure

The Board is composed of 11 members aided by 3 advisors. The members of the Board are all professionals with expertise in banking, accounting and finance, law, merchandise marketing, strategy formulation, bank regulations, information technology, sustainability, and risk management. It is led by a Non-Executive Chairperson with 6 Independent Directors, 2 Non-Executive Directors, and 2 Executive Directors who are the Vice Chairman and the President & CEO. Independent Directors comprise the majority (54.50%) members of the Board, thus exceeding the requirement of the Securities and Exchange Commission (SEC) and the Bangko Sentral ng Pilipinas (BSP). Non-Executive Directors including Independent Directors now comprise 82% of Board, more than the requirement of the BSP of at least majority of the Board. This provides independent and objective judgment on significant corporate matters and ensures that key issues and strategies are objectively reviewed, constructively challenged, thoroughly discussed, and rigorously examined.

Board Snapshot

DIRECTOR DIVERSITY



DIRECTOR AGE



SKILLS, EXPERIENCE & BACKGROUND



Board Committees

The Board has established nine (9) committees to help in discharging its duties and responsibilities. These committees derive their authority from and report directly to the Board. Their mandates and scopes of responsibility are set forth in their respective Terms of Reference, which are subjected to annual review and may be updated or changed in order to meet the Board's needs or for regulatory compliance. The number and membership composition of committees may be increased or decreased by the Board as it deems appropriate, consistent with applicable laws or regulations specifically on the majority membership and chairmanship of independent directors in various committees. As of December 31, 2019, eight of the nine board-level committees are chaired by independent directors. These cover Risk Management, Board Audit, Corporate Governance, Trust, Related Party Transactions, Information Technology Steering, Nominations, and Compensation.

THE BOARD OF DIRECTORS

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

Executive Committee

- Exercises power of the Board in the management and direction of the affairs of the Bank.
- Acts as main approving body for loans, credits, advances or commitments and property-related proposals.
- Reviews and recommends for Board approval major credit policies.

Trust Committee

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

Risk Management Committee

- Responsible for development and oversight of risk management program of the Bank.
- Responsible for approving risk appetite levels, policies, risk tolerance limits. Defines appropriate strategies for identifying, quantifying, managing and controlling risk exposures including preventing and/or minimizing impact of losses.
- Oversees implementation and review of the risk management plan on an enterprise-wide basis including the system of limits of discretionary authority delegated by the Board of Directors to management and ensures immediate corrective actions when limits are breached.
- Responsible for evaluating the continued relevance, comprehensiveness and effectiveness of risk management framework.
- Works with Audit Committee in certifying in the Annual Report the adequacy of the Bank's internal control and risk management systems.

Information Technology Steering Committee

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

Board Audit Committee

- Oversees financial reporting process, system of internal control and risk management systems, internal and external audit functions, plus compliance with governance policies, applicable laws and regulations.
- Reviews integrity of the reporting process to ensure accuracy and reliability of financial statements and compliance with financial reporting standards.
- Monitors and evaluates adequacy, soundness and effectiveness of the Bank's established internal control and risk management systems, policies and procedures.

Corporate Governance Committee

- Assists the Board in formulating governance policies and overseeing implementation of governance practices of the Bank as well as its subsidiaries and affiliates.
- Conducts annual performance evaluation of Board of Directors, its committees, executive management, peer evaluation of directors, and conducts a self-evaluation of its performance.
- Oversees continuing education program for directors and key officers and proposes relevant training.

Nominations Committee

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

Compensation Committee

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

Related Party Transactions Committee

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

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

Corporate Policies

CODE OF ETHICS

The BDO Code of Ethics is the ethical standards of the Company's officers and employees in all their activities. It outlines the principles and policies that govern the activities of the institution 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.

DATA PRIVACY

BDO implements strict compliance with data privacy and protection laws. All personal data including sensitive and confidential information obtained in the course of employment, directorship, engagement of services, or other work or business-related relationship with BDO shall not be divulged unless authorized in accordance with internal and regulatory requirements, and shall not be used for any personal or financial gain. This is in compliance with the applicable information security risk policies of BDO and the data privacy and protection laws.

INTERNAL FRAUD, BREACH OF THE CODE, OR OTHER UNETHICAL / ILLEGAL ACTIVITIES

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 whistle blower cases.

**ACCEPTANCE / SOLICITATION OF GIFTS, BRIBERY,
AND CORRUPTION**

Employees, suppliers, partners, and other third parties must avoid giving or receiving gifts or entertainment if these might improperly influence the recipient's decision-making or might be perceived to do so. They must not also offer or take any form of illegal or improper payment.

ANTI-MONEY LAUNDERING AND COUNTER TERRORIST FINANCING

The Bank seeks to prevent money laundering, combat terrorist financing, and stop the flow of illicit funds by detecting and reporting money laundering and terrorist financing red flags, and establishing policies and guidelines as articulated in a Board-approved Money Laundering and Terrorist Financing Prevention Program Manual (MTPP) aligned with Philippine anti-money laundering laws and BSP regulations, with which frontliners and responsible bank officers comply.

GRI Content Index



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

| GRI Standard | Disclosure | Page Number(s), Direct Answer and/or URLs | Reason for Omission |
|--|---|---|---------------------|
| GRI 101: Foundation 2016 | | | |
| General Disclosures | | | |
| GRI 102: General Disclosures 2016 | Organizational Profile | | |
| 102-1 | Name of the organization | 2, 3 | |
| 102-2 | Activities, brands, products, and services | 6-7, 23-31, 32-41 | |
| 102-3 | Location of headquarters | 69 | |
| 102-4 | Location of operations | 6-7 | |
| 102-5 | Ownership and legal form | 6-7 | |
| 102-6 | Markets served | 6-7, 12-13, 14-15 | |
| 102-7 | Scale of the organization | 6-7, 12-13 | |
| 102-8 | Information on employees and other workers | 45 | |
| 102-9 | Supply chain | 58-59 | |
| 102-10 | Significant changes to the organization and its supply chain | None to report | |
| 102-11 | Precautionary principle or approach | 32-41 | |
| 102-12 | External initiatives | 14-15 | |
| 102-13 | Membership in associations | 64 | |
| 102-22 | Composition of the highest governance body and its committees | 54-57 | |
| 102-23 | Chair of the highest governance body | 8-9, 55 | |
| Strategy | | | |
| 102-14 | Statement from senior decision-maker | 8-11 | |
| Ethics and Integrity | | | |
| 102-16 | Values, principles, standards, and norms of behavior | 5, 58-59 | |
| Governance | | | |
| 102-18 | Governance structure | 55-57 | |
| Stakeholder Engagement | | | |
| 102-40 | List of stakeholder groups | 20 | |
| 102-41 | Collective bargaining agreements | 45 | |
| 102-42 | Identifying and selecting stakeholders | 20 | |
| 102-43 | Approach to stakeholder engagement | 20 | |
| 102-44 | Key topics and concerns raised | 20 | |

| GRI Standard | Disclosure | Page Number(s), Direct Answer and/or URLs | Reason for Omission |
|---------------------------|--|---|---------------------|
| Reporting Practice | | | |
| 102-45 | Entities included in the consolidated financial statements | BDO Unibank, Inc. (parent) and Subsidiaries | |
| 102-46 | Defining report content and topic boundaries | 17, 19 | |
| 102-47 | List of material topics | 19 | |
| 102-48 | Restatements of information | 43 | |
| 102-49 | Changes in reporting | None | |
| 102-50 | Reporting period | Inside front cover | |
| 102-51 | Date of most recent report | Inside front cover | |
| 102-52 | Reporting cycle | Annual | |
| 102-53 | Contact point for questions regarding the report | 69 | |
| 102-54 | Claims of reporting in accordance with the GRI Standards | Inside front cover | |
| 102-55 | GRI Content Index | 60-63 | |
| 102-56 | External assurance | No external assurance | |

Material Topics

| GRI Standard | Disclosure | Page Number(s), Direct Answer and/or URLs | Reason for Omission |
|--|------------|--|---------------------|
| Economic Performance | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its boundary | 19 |
| | 103-2 | The management approach and its components | 16-20 |
| | 103-3 | Evaluation of the management approach | 17 |
| GRI 201: Economic Performance 2016 | 201-1 | Direct economic value generated and distributed | 21 |
| Indirect Economic Impacts | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its boundary | 19 |
| | 103-2 | The management approach and its components | 16-20 |
| | 103-3 | Evaluation of the management approach | 17 |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 | Infrastructure investments and services supported | 32-41, 49-53 |
| | 203-2 | Significant indirect economic impacts | 28-30, 49-53 |

| GRI Standard | Disclosure | Page Number(s), Direct Answer and/or URLs | Reason for Omission |
|--|------------|--|---------------------|
| Energy | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its boundary | 19 |
| | 103-2 | The management approach and its components | 16-20 |
| | 103-3 | Evaluation of the management approach | 17 |
| GRI 302: Energy 2016 | 302-1 | Energy consumption within the organization | 43 |
| Water | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its boundary | 19 |
| | 103-2 | The management approach and its components | 16-20 |
| | 103-3 | Evaluation of the management approach | 17 |
| GRI 303: Water 2016 | 303-1 | Water withdrawal by source | 43 |
| | 303-5 | Water consumption | 43 |
| Emissions | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its boundary | 19 |
| | 103-2 | The management approach and its components | 16-20 |
| | 103-3 | Evaluation of the management approach | 17 |
| GRI 305: Emissions 2016 | 305-1 | Direct (Scope 1) GHG emissions | 43 |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | 43 |
| Employment | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its boundary | 19 |
| | 103-2 | The management approach and its components | 16-20 |
| | 103-3 | Evaluation of the management approach | 17 |
| GRI 401: Employment 2016 | 401-1 | New employee hires and employee turnover | 45 |

| GRI Standard | Disclosure | Page Number(s), Direct Answer and/or URLs | Reason for Omission |
|---|------------|--|---------------------|
| Training and Education | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its boundary | 19 |
| | 103-2 | The management approach and its components | 16-20 |
| | 103-3 | Evaluation of the management approach | 17 |
| GRI 404: Training and Education 2016 | 404-1 | Average hours of training per year per employee | 45 |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | 46-48 |
| Local Communities | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its boundary | 19 |
| | 103-2 | The management approach and its components | 16-20 |
| | 103-3 | Evaluation of the management approach | 17 |
| GRI 413: Local Communities 2016 | 413-1 | Operations with local community engagement, impact assessments, and development programs | 49-53 |

G4 Sector Disclosures: Financial Services

| | Disclosure | Page Number(s), Direct Answer and/or URLs | Reason for Omission |
|-------------------------------|------------|---|---------------------|
| Product Responsibility | | | |
| Product Portfolio | G4-DMA | Disclosure of management approach | 16-20 |
| | FS7 | Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose | 23-31, 32-41 |
| | FS8 | Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose | 37-41 |
| Active Ownership | G4-DMA | Disclosure of management approach | 16-20 |
| | FS10 | Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues | 34-35, 37-41 |

Membership in Associations

ACI Philippines

Association of Bank Compliance Officers
(ABCOMP)

Association of Bank Remittance Officers, Inc.

Association of Certified Fraud Examiners -
Philippines Chapter

Association of Credit Executives in the Tourism
Industry, Inc.

Association of Philippine Correspondent
Bank Officers

Australian - New Zealand Chamber of Commerce
Philippines, Inc.

Bank Marketing Association of the Philippines

Bank Security Management Association

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

Dutch Chamber of Commerce in the
Philippines, Inc.

Employers Confederation of the Philippines

Financial Executives Institute of the Philippines
(FINEX)

French Chamber of Commerce and Industry in
the Philippines

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

German Club

German-Philippine Chamber of Commerce &
Industry, Inc.

Healthcare Information Management Association
of the Philippines, Inc.

Hotel and Restaurant Association of Baguio

Information Systems Audit and Control
Association (ISACA)

Institute of Internal Auditors Philippines, Inc.

Israel Chamber of Commerce of the Philippines

IT & Business Process Association of
the Philippines

Italian Chamber of Commerce in the Philippines
(Camera di Commercio Italiana nelle Filippine Inc.)

Korean Chamber of Commerce Philippines

Makati Business Club

Malaysia Chamber of Commerce and Industries
Philippines, Inc.

Management Association of the Philippines

Money Market Association of the Philippines

National Association of Securities Brokers
Salesmen, Inc. (NASBI)

Nordic Chamber of Commerce of the Philippines

People Management Association of the Philippines

Phil. Association of National Advertisers

Phil. Chamber of Commerce & Industry, Inc.

Philippine Association of Stock Transfer and
Registry Agencies, Inc.

Philippine Institute of Certified Public
Accountants

Philippine Payments Management, Inc.

Singapore Philippines Association

The American Chamber of Commerce of
the Philippines

The Canadian Chamber of Commerce of
the Philippines

The Japanese Association Manila, Inc.

The Japanese Chamber of Commerce and
Industry of Cebu, Inc.

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

The Philippine-Japan Society, Inc.

Trust Officers Association of the Philippines (TOAP)

BDO Awards

BEST BANK

BDO UNIBANK, INC.

Bank of the Year, Philippines

(2013, 2017, 2019)

The Banker Bank of the Year Awards 2019

Best Bank in the Philippines

(2007–2008, 2013–2015, 2017–2019)

Euromoney Awards for Excellence 2019

Best Bank in the Philippines

(2010–2019)

FinanceAsia 2019 Country Awards

Best Bank in the Philippines

(2014–2017, 2019)

Global Finance Best Bank Awards

Best Domestic Bank

(2011, 2014–2019)

Asiamoney Best Bank Awards

Best Domestic Bank in the Philippines

(2011, 2013–2019)

The Asset Triple A Country Awards 2019

Strongest Bank in the Philippines

(2018–2019)

The Asian Banker Strongest Banks By Balance Sheet List 2019

BEST INVESTMENT BANK

BDO CAPITAL & INVESTMENT CORPORATION

Best Investment Bank in the Philippines

(2013–2014, 2017–2019)

Global Finance World's Best Bank Awards

Corporate & Investment Bank of the Year – Philippines

(2018–2019)

Asian Banking & Finance Corporate & Investment Banking Awards 2019

BDO Capital, Top Arranger Investors' Choice for Primary Issues (Corporate Bonds – Philippines)

The Asset Triple A Benchmark Research Awards 2019

Best Corporate and Institutional Adviser in the Philippines

(2015–2019)

Best Equity Adviser in the Philippines

(2017–2019)

Best Loan Adviser in the Philippines

(2017–2019)

The Asset Triple A Country Awards 2019

Project Finance House of the Year, Philippines

(2018–2019)

The Asset Triple A Asia Infrastructure Awards 2019

Best Project Finance Deal in Southeast Asia for 2019

(MPCALA Holdings, Inc.'s

PhP24.2 billion Toll Road Financing)

Alpha Southeast Asia 13th Annual Best Deal & Solution Awards 2019

Best LCY Sovereign Bond and Best Retail Bond Offering in Southeast Asia for 2019

(Republic of the Philippines via Bureau of the Treasury's PhP236 billion or US\$4.63 billion Retail Treasury Bonds)

Alpha Southeast Asia 13th Annual Best Deal & Solution Awards 2019

Best Green Bond – Corporate

(AC Energy Finance International US\$410M Multi-tenor CBI Certified Bond)

The Asset Triple A Country Awards 2019

Best Follow-on Offering

(San Miguel Food Beverage PhP39.2 billion Follow-on Offering)

The Asset Triple A Country Awards 2019

PPP Deal of the Year, Philippines

(MPCALA Holdings Php24.2 billion Project Finance Facility)

The Asset Triple A Asia Infrastructure Awards 2019

Transport Deal of the Year – Philippines, Highly Commended

(Cavitex Infrastructure Corporation Php16.2 billion Term Loan Facility)

The Asset Triple A Asia Infrastructure Awards 2019

BEST PRIVATE BANK**BDO PRIVATE BANK****Best Private Bank in the Philippines**

Asiamoney Best Bank Awards 2019

Best Private Wealth Management Bank in the Philippines

(2008–2019)

Alpha Southeast Asia 13th Financial Institution Awards 2019

Best Private Bank – Philippines

(2015–2019)

Asian Private Banker Awards for Distinction 2019

Best Private Bank in the Philippines #1 Asset Management

(2015–2019)

Euromoney Private Banking Survey 2019

Best Private Bank in the Philippines

(2008–2019)

FinanceAsia 2019 Country Awards

Best Private Bank in the Philippines

(2015–2019)

Global Finance Best Private Bank Awards 2019

Best Private Bank, Philippines

(2010–2019)

The Asset Triple A Private Banking, Wealth Management, Investment and ETF Awards 2019

BDO Private Bank, Top Investment House – Private Bank

The Asset Triple A Benchmark Research Awards 2019

Best Philippine Private Bank

Wealth Briefing Asia

Greater China Awards for Banking Excellence 2019

PRODUCTS & SERVICES**Best Cash Management Bank**

(2008–2009, 2015–2019)

Alpha Southeast Asia

13th Annual Best Financial Institution Awards

Best Cash Management Bank in the Philippines

(2011, 2014–2019)

The Asian Banker Transaction Banking Awards 2019

Best Cash Management House

7th Annual Corporate Treasurer Awards 2018

BDO: Philippines Market Leader (Asian Banks only) as voted by corporates, Rank #1

2019 Asiamoney Cash Management Survey

Domestic Cash Management Bank Of The Year

(2014–2016, 2018–2019)

Asian Banking & Finance Wholesale Banking Awards 2019

BDO Nomura Securities, Inc.: Online Securities Platform of the Year – Philippines

Asian Banking & Finance

Retail Banking Awards 2019

Best Overall Asset and Fund Manager**Best Asset Manager (Equity & Fixed Income Funds)****Best Fund with the optimal sharpe ratio**

Alpha Southeast Asia Fund Management Awards 2019

Asset Management Company of the Year, Philippines

(2018–2019)

The Asset Triple A Servicing, Institutional Investor and Insurance Awards 2019

Best Wealth Manager, Philippines

The Asset Triple A Private Banking, Wealth Management, Investment and ETF Awards 2019

Best Investment Management Company, Philippines

(2016–2019)

World Finance Investment Management Awards

Best Bank for Real Estate Services Overall Category, Philippines

Best Bank for Loan Finance Category, Philippines

Euromoney Real Estate Survey 2019

Best FX Bank for Structured Hedging Solutions & Proprietary Trading Ideas

Best Corporate Treasury Sales & Structuring Team

Alpha Southeast Asia FX & Treasury Awards 2019

Best Foreign Exchange Provider

(2017–2019)

Global Finance Best Foreign Exchange Providers 2019

Best Innovation in Retail Banking, Philippines

International Banker 2019 Awards

BDO Unibank, Top Investment House in Local Currency Bonds, Philippines

The Asset Triple A Benchmark Research Awards 2019

Best Service Provider Trade Finance in the Philippines

(2011, 2015, 2019)

The Asset Triple A Treasury, Trade, Supply Chain & Risk Management Awards 2019

Onshore Fund House of the Year in the Philippines

(2016–2019)

Asian Investor Asset Management Awards 2019

Transport Deal of the Year – Philippines, Highly Commended Lender: BDO Unibank

(Cavitex Infrastructure Corporation PhP16.2 billion Loan Facility)

The Asset Triple A Asia Infrastructure Awards 2019

Philippines Capital Markets Deal

(BDO Unibank's PhP35 billion 6.42% bond due 2020)

IFR Asia Awards 2019

Best Local Currency Bond

(BDO Unibank 35 Billion Pesos Fixed Rate Bond)

The Asset Triple A Country Awards 2019

SUSTAINABILITY AND ESG (ENVIRONMENTAL, SOCIAL, GOVERNANCE)

Industry Champion of the Year

Asia Corporate Excellence

& Sustainability (ACES) Awards 2019

BDO Foundation: Corporate Social Responsibility Program of the Year (Gold Award) for the Financial Education Program for Public Schools in the Philippines

(2017–2019)

Asian Banking & Finance Retail Banking Awards 2019

BDO Foundation: Outstanding Financial Education Partner Award

2019 Awards for Stakeholders of the Bangko Sentral ng Pilipinas

BDO Foundation: Financial Education Program for Public Schools in the Philippines

(2017–2019)

Enterprise Asia's Asia Responsible Enterprise Awards (AREA) 2019

Best of Asia Awardee: BDO

(2005–2019)

Corporate Governance Asia 15th Asian ESG Awards 2019

BDO Unibank, Asian Excellence awardee

(2011–2019)

*Corporate Governance Asia
9th Asian Excellence Award 2019*

Best IR Company (Philippines)

(2011–2019)

*Corporate Governance Asia
9th Asian Excellence Award 2019*

Best Corporate Communications

(2014–2015, 2017–2019)

*Corporate Governance Asia
9th Asian Excellence Award 2019*

Platinum Award

(2010–2019)

The Asset Corporate Awards 2019

INDIVIDUAL RECOGNITION**Nestor V. Tan, Banking CEO of the Year in Asia**

International Banker 2019 Awards

Nestor V. Tan, MAP Management Man of the Year 2019

Management Association of the Philippines (MAP)

Asian Corporate Director of the Year awardee:

Teresita T. Sy-Coson, Chairperson

(2008–2019)

15th Asian ESG Awards 2019: Best of Asia

Asian Corporate Director of the Year awardee:

Nestor V. Tan, President & CEO

(2008–2019)

15th Asian ESG Awards 2019: Best of Asia

Asia's Best CEO, Investor Relations:

Teresita Sy-Coson, Chairperson

(2013–2019)

Corporate Governance Asia 9th Asian Excellence Award 2019

Asia's Best CEO, Investor Relations:

Nestor V. Tan, President & CEO

(2011–2012, 2016–2019)

Corporate Governance Asia 9th Asian Excellence Award 2019

Best Investor Relations Professional

(Philippines): Luis S. Reyes, Jr.

(2011–2019)

Corporate Governance Asia 9th Asian Excellence Award 2019

Contact Information

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INVESTOR AND SUSTAINABILITY INQUIRIES

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

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COVER

Three Women with Plants
Anita Magsaysay-Ho, oil on canvas, 1979
From the BDO Art Collection



BDO