



BDO

2020 Sustainability Report

**Impact
& Commitment**

About the Report

102-54

This report is BDO Unibank Inc.'s third Sustainability Report outlining the Bank's economic, environmental, social, and governance performance from January to December 2020. It is a substantiation of BDO's commitment to the United Nations Sustainable Development Goals (SDGs), the principles of the United Nations Global Compact, 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 88-91) is clearly presented and references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

This report features three Special Sections: **A Decade of Sustainable Finance**, which marks a milestone in the Bank's risk-based impact financing initiatives; **Finding Ways through a Pandemic**, which details BDO's COVID-19 business continuity response to the pandemic in 2020; and **Driving Digitalization**, on enhancing digital banking.



2020 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 offices 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 31 December 2020, BDO is the country's largest bank in terms of consolidated 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, resorts/hotel), 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.



₱3.4 trillion

(US\$70.3 billion)

Total resources

₱28.2 billion

(US\$588 million)

Net income

1,472

Total branches and banking offices, including foreign branches in Hong Kong and Singapore

4,439

Automated Teller Machines (ATMs)

599

Cash Deposit Machines

₱468.2 billion

(US\$9.8 billion)

Market capitalization

₱2.6 trillion

(US\$54.4 billion)

Deposit Liabilities

₱166 billion

(US\$3.5 billion)

Direct Economic Value Generated

₱393 billion

(US\$8.2 billion)

Capital Base

₱2.3 trillion

(US\$47 billion)

Gross Customer Loans

₱400.9 billion

(US\$8.35 billion)

Total Sustainable Finance funded



US\$1 = ₱48.023
Closing Rate



MESSAGE FROM THE

CHAIRPERSON

“We recognized the crucial role we played in ensuring accessibility to banking services at a time when they are needed the most.”

Dear Stakeholders,

Sustainability has always been an integral part of our business. Long before the call for the global business community to adopt it, we have been observing the principles of Environmental, Social, and Corporate Governance (ESG) in our product development, network expansion, financial support, strategic partnerships, and customer engagements.

At the onset of the COVID-19 pandemic, we swiftly activated our business continuity plans and with our employees' unwavering support, found ways to keep our products and services available to our clients amid the lockdowns. We also set aside pre-emptive provisions to help cushion the blow to our bottom-line, keeping in mind how the pandemic would affect the economy as well as our partners and clients.

We look back at the way we survived and thrived in 2020 as a testament to our 10 years of commitment to sustainable development.

SUPPORTING NATIONAL RECOVERY

The year tested our “We Find Ways” philosophy. With banking considered an essential service, we had to think clearly and quickly, and work harder than usual. We recognized the crucial role we played in ensuring accessibility to banking services at a time when they are needed the most.

We kept key branches open at shortened hours in adherence to Enhanced Community Quarantine (ECQ) regulations. We also launched ATM on Wheels and, while observing safety protocols, went out of our way to bring our services on foot to the underserved and unbanked who lived in remote areas.

When the ECQ was lifted in June, BDO was one of the first banks to open its doors and resume full operations. The lockdown took a toll on the economy and we had to do our part, starting with providing financial support to large corporations and small and medium enterprises (SMEs).

We are leveraging the strength and convenience of our channels, and are providing digital solutions so our customers can bank safely from home.

As we adjusted to a new normal of finding ways for our clients, we worked hand-in-hand with national and local government, the banking industry, and the communities we are part of to help our country recover.

BDO Foundation was front and center in our corporate social responsibility efforts: from embarking on donation drives, providing equipment in support of the RapidPass System, and distributing relief goods to donating RT-PCR test kits, funding pilot pooled testing in the Philippines, and sponsoring vaccine donations to medical frontliners.

The government and our fellow Filipinos can keep counting on our support as we rise together from this pandemic.

BUILDING A SUSTAINABILITY LEGACY

Throughout our decade-long sustainability journey, we have marked many milestones. We have financed several green projects in different parts of the country to help reduce our carbon footprint. We introduced the first Green Bond in the Philippines and East Asia Pacific, and built an energy-efficient and environment-friendly corporate office in Ortigas.

Our efforts do not stop on this watershed year as we continuously find opportunities to apply ESG into the way we make decisions, plan our strategies, and serve our clients. We recognize that it is only by doing so that we can truly future-proof our company, and be able to make a meaningful, transformative impact on our country's environmental, societal, and economic fronts as we grow together with you, our stakeholders.

Yours truly,



Teresita T. Sy
Chairperson



MESSAGE FROM THE

PRESIDENT AND CHIEF EXECUTIVE OFFICER

“We continue to manage the Bank under the principles of our Sustainability Framework – driven by our commitment to the customers we serve, to the communities we are a part of, to the officers and staff who make up our Bank, and to the shareholders and investors who expect nothing less from us.”

Dear Stakeholders,

Slowly but steadily, we have made progress on our sustainability objectives aligned to the United Nations Sustainable Development Goals. With the challenges of 2020, notwithstanding, we continue to manage the Bank under the principles of our Sustainability Framework – driven by our commitment to the customers we serve, to the communities we are a part of, to the officers and staff who make up our Bank, and to the shareholders and investors who expect nothing less from us.

BDO's Sustainability Framework is strongly anchored on five key pillars: Product Sustainability, Sustainability Contribution to National Economic Goals, Human Capital Sustainability, Disaster Response Sustainability, and Governance-based Sustainability. Allow me to touch on a few of the 2020 highlights in each of these pillars.

Over the last few years, we have embarked on major initiatives to ensure **Product Sustainability** – that our products are able to meet and anticipate the needs of the market in features, performance, value, and accessibility. Nowhere is that commitment more critical than to the underserved. We have invested heavily in the last 3-5 years in our micro-SME and rural banking businesses, our life insurance products for OFWs, and our digital infrastructure. These investments have become cornerstones of our ability to drive our financial inclusion advocacy; and fittingly enough, such preparations became invaluable to those affected by the COVID-19 pandemic. Access to financing was critical to the underserved during the lockdown periods. Life and health insurance for the middle class became the lifeline of those affected by critical illnesses. Digital banking became the preferred alternative for health and mobility reasons. These are but a few of the steps we have taken to ensure that we remain relevant and provide added value to our customers.

As the country's largest bank, we have a stake in the country's national development, hence our **Sustainability Contribution** to National Economic Goals. We continue to be a major financier to public and private projects in infrastructure, telecommunications, energy, financial inclusion, and health care facilities. We continued to engage and lend to our customers, providing them liquidity relief and access to capital for investments when needed. True to our calling as an essential industry, in 2020 we made sure we are able to operate through the pandemic to support the economy and its population, even if it meant simply being available and accessible during their times of financial need.

Our **Human Capital** strategy can be summed up in our efforts in recruitment, retention, and development of a diverse and inclusive workforce, where everyone is valued for their contributions to the Bank's success and encouraged to have a sustainability mindset. Also covered by this

strategy is our provision of a healthy work environment conducive for our employees to be always at their best and perform well, free of fear and health concerns. While we operated in BAU (business as usual) mode following this holistic approach, 2020 saw in full display the Bank's response to the pandemic. We retrofitted the workplace to meet the occupational safety standards for infection prevention, put in place COVID testing facilities and tested all our workers regularly, established COVID Care - a tele-medical consulting service for our employees and their families, and provided health kits for all of our staff. To top it all off, we completed our CBA (Collective Bargaining Agreement) later in the year to give our staff one less thing to worry about during these uncertain times.

Our strategy on **Disaster Response** is probably best personified by our response to the misfortunes that befell the country in 2020 – from natural disasters to the lingering issues associated with the pandemic. We are able to assist in the economic recovery of areas hard-hit by the Taal Volcano eruption and the number of typhoons and accompanying floods that devastated the Philippines. Together with our officers and staff, BDO Foundation, and government agencies, we were able to respond in a variety of ways. From fund-raising activities to donations of test kits and vaccines, to mobilization of relief goods, to vaccine procurement, BDO was at the forefront of these activities.

Our **Governance-Based Sustainability** strategy, for its part, guarantees that all of the Bank's sustainability initiatives are aligned with business performance and managed following the principles of transparency, fairness, integrity, accountability, and disclosed performance. We continue to be recognized as one of the top practitioners in corporate governance in the country and the region.

The year 2020, dominated by natural disasters and the pandemic, tested us to the limit. It is with great pride that our organization, our officers and staff have been able to respond commendably. While we are still a work in progress, I can truly say that we are on the right path towards achieving our sustainability objectives.

I want to extend my appreciation to our employees whom I call our bank heroes, to our customers and investors for their continued trust, and to our communities for supporting our operations all over the country.

Sincerely,



Nestor V. Tan
President and Chief Executive Officer

BDO's Path in Creating Shared Value

Finances environment-friendly solutions

2,184 MW

Total installed renewable energy capacity in megawatts

4,170,744 tonnes

Carbon dioxide avoided per year

68,953,558

Equivalent tree seedlings grown over 10 years

₱400.9 billion

Total sustainable finance projects funded to date

885,381

Equivalent passenger vehicles taken off roads yearly

50 Renewable Energy projects funded to date

Promotes community development

34 School buildings with 124 classrooms constructed

33,358

Student beneficiaries to date

100 Rural Health Units rehabilitated

5.7 million

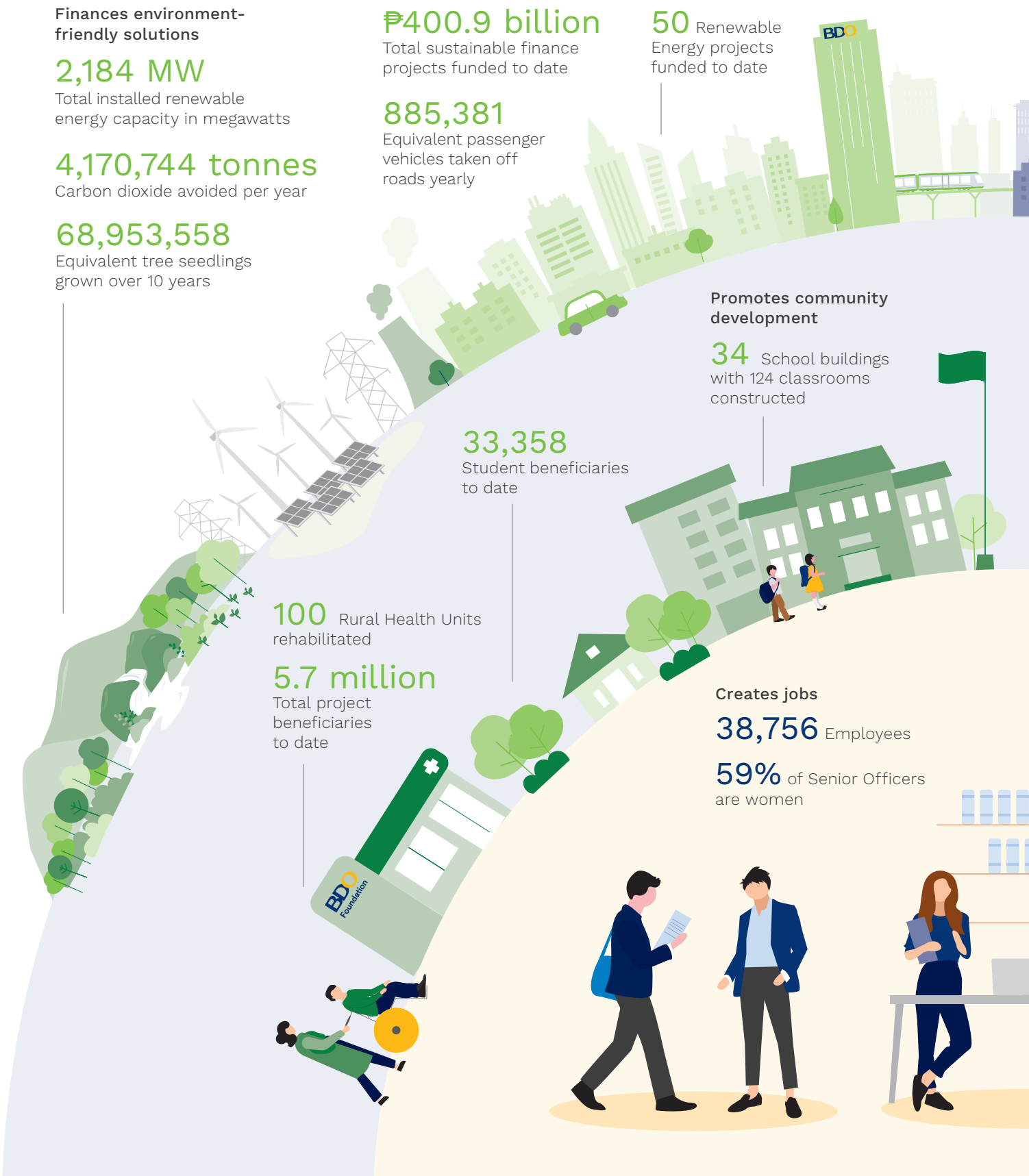
Total project beneficiaries to date

Creates jobs

38,756 Employees

59% of Senior Officers are women

BDO Foundation



Fosters banking habits

311,798

Insurance policy holders

1,472

Branches and banking offices

18.6 million

Customers

4,439

Automated Teller Machines (ATM)

1.1 million

Total new checking and savings accounts in 2020

Facilitates infrastructure development

636

Resettlement homes built

₱32.9 billion

Loans disbursed in the past 5 years for national projects

₱12.4 billion

Loans disbursed in the past 5 years for airports

₱18.4 billion

Loans disbursed in the past 5 years for road networks

Supports consumer expenditure

- 13% 5-year CAGR* in auto-financing
- 15% 5-year CAGR* in home financing
- 7% 5-year CAGR* in credit cards

Helps businesses grow

₱44 billion

Outstanding SME loans

Accelerates economic growth

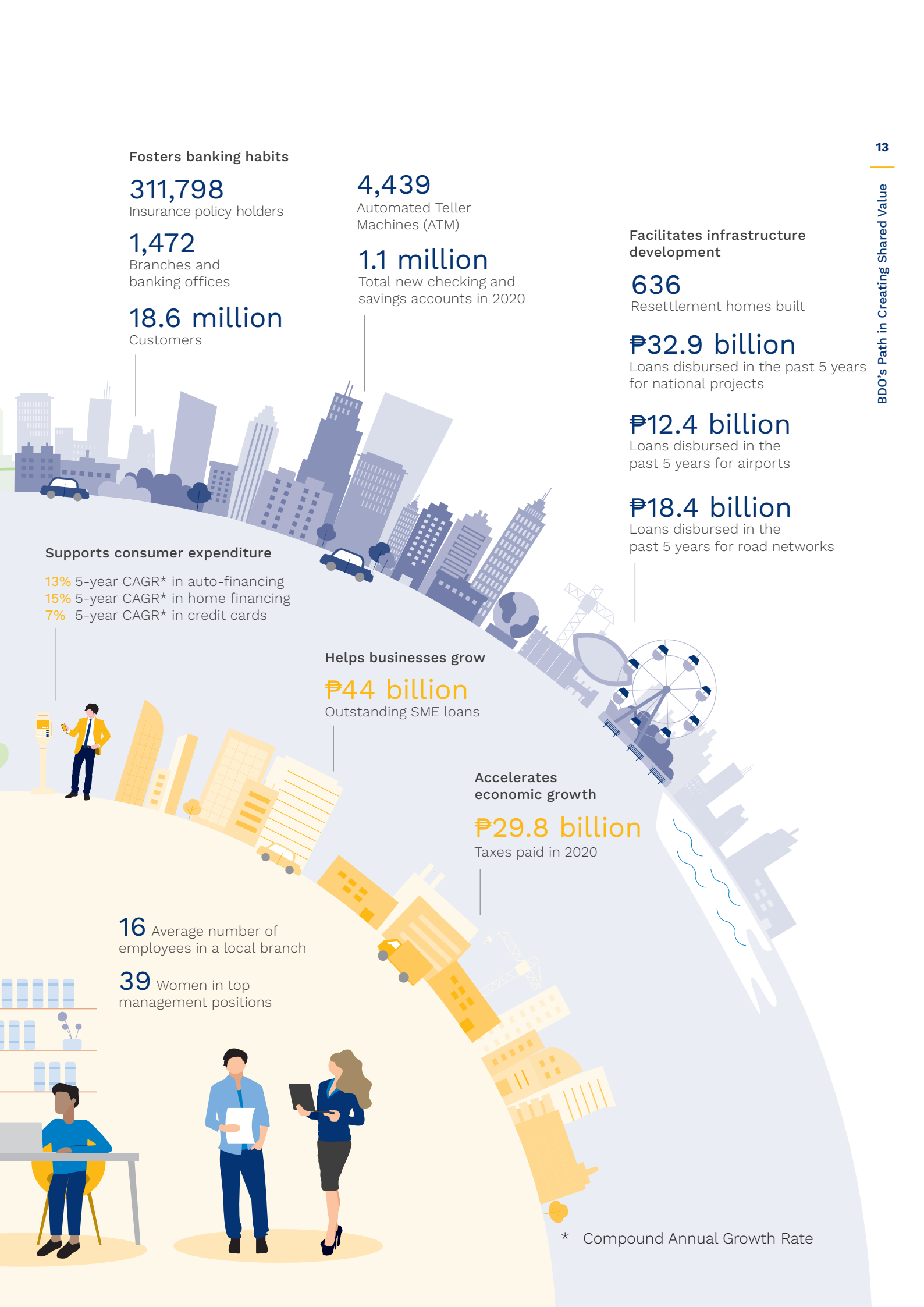
₱29.8 billion

Taxes paid in 2020

16 Average number of employees in a local branch

39 Women in top management positions

* Compound Annual Growth Rate



Supporting the United Nations Sustainable Development Goals

Achievements and Targets:



₱29.8 billion
in government
taxes in 2020

Target 1.a: Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions.



₱16.4 billion
in loans to agribusiness
projects

Target 2.3: By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment



100 Rural Health Units
rehabilitated to benefit
5.7 million individuals

Target 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.



Financial education programs for 24 million students and 800,000 teachers and non-teaching personnel in 47,000 public schools nationwide

Target 4.7: By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development



59%
female representation in senior leadership

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.



63.8 million
liters of water recycled
by BDO Corporate Center
Ortigas in 2020

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



₱76.9 billion
in funding for Renewable
Energy projects with total
installed capacity of 2,184 MW,
representing 30% of the
Philippines' current installed
capacity for renewable energy
generation

Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.



38,756

employees in the Philippines and abroad

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



₱400.9 billion
in 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.



₱14.3 billion
in salary loans for teachers pursuing higher education released 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



₱156.3 billion
in financing for Green Building, Energy Efficiency, Clean Transport, and Pollution Control projects

Target 11.a: Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning



Publication of the 2020 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



4,170,744
tonnes of carbon dioxide avoided by funded Renewable Energy projects, in support of Republic Act 9513 or the Renewable Energy (RE) Act of 2008

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



₱364 million
in financing for Aquatic Biodiversity projects

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



3,000
smallholder farmers, 47 public webinars conducted on vegetable farming

Target 15.3: By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world



Platinum Award for the 11th consecutive year from The Asset's 2020 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.



New partnerships with the Bureau of Fire Protection, Bureau of Fisheries and Aquatic Resources, and Philippine National Police to institutionalize financial education in capacity building initiatives for firefighters, fisherfolk, and police personnel nationwide.

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



Our Commitment to 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

“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

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

BDO 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 Palaganas Vice President Corporate Affairs and Sustainability Group, SM Investments Corporation
POLICY DEVELOPMENT	Group Heads, Subsidiary Presidents, and CEOs	
IMPLEMENTATION TEAM	Federico P. Tangcongco Senior Vice President and Chief Compliance Officer Marla Garin-Alvarez Vice President Sustainability Officer	
SUPPORT UNITS	Compliance Group Sustainable Finance Desk—Institutional Banking Group Investor Relations and Corporate Planning Group Marketing Communications Group	

Reporting Process 102-46

	1	2	3	4
STEPS TAKEN	Capacity Building GRI Standards training and workshops	Materiality Assessment Review of operations and management approaches, identification of key impact across the value chain and performance indicators	Data Gathering Collection of stories and data based on identified material topics	Management Review Validation and acceptance of material topics and reported information
GRI REPORTING PRINCIPLES APPLIED	Stakeholder Inclusiveness and Sustainability Context	Materiality, Sustainability Context, Stakeholder Inclusiveness, and Completeness	Stakeholder Inclusiveness and Completeness	Stakeholder Inclusiveness and Completeness

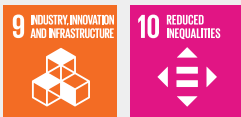
BDO Sustainability Framework

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

Product Sustainability Strategy

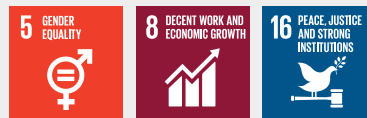
We create products and services which anticipate the evolving needs of our customers and support sustainable development goals.

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.



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.



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.



Disaster Response Sustainability Strategy

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



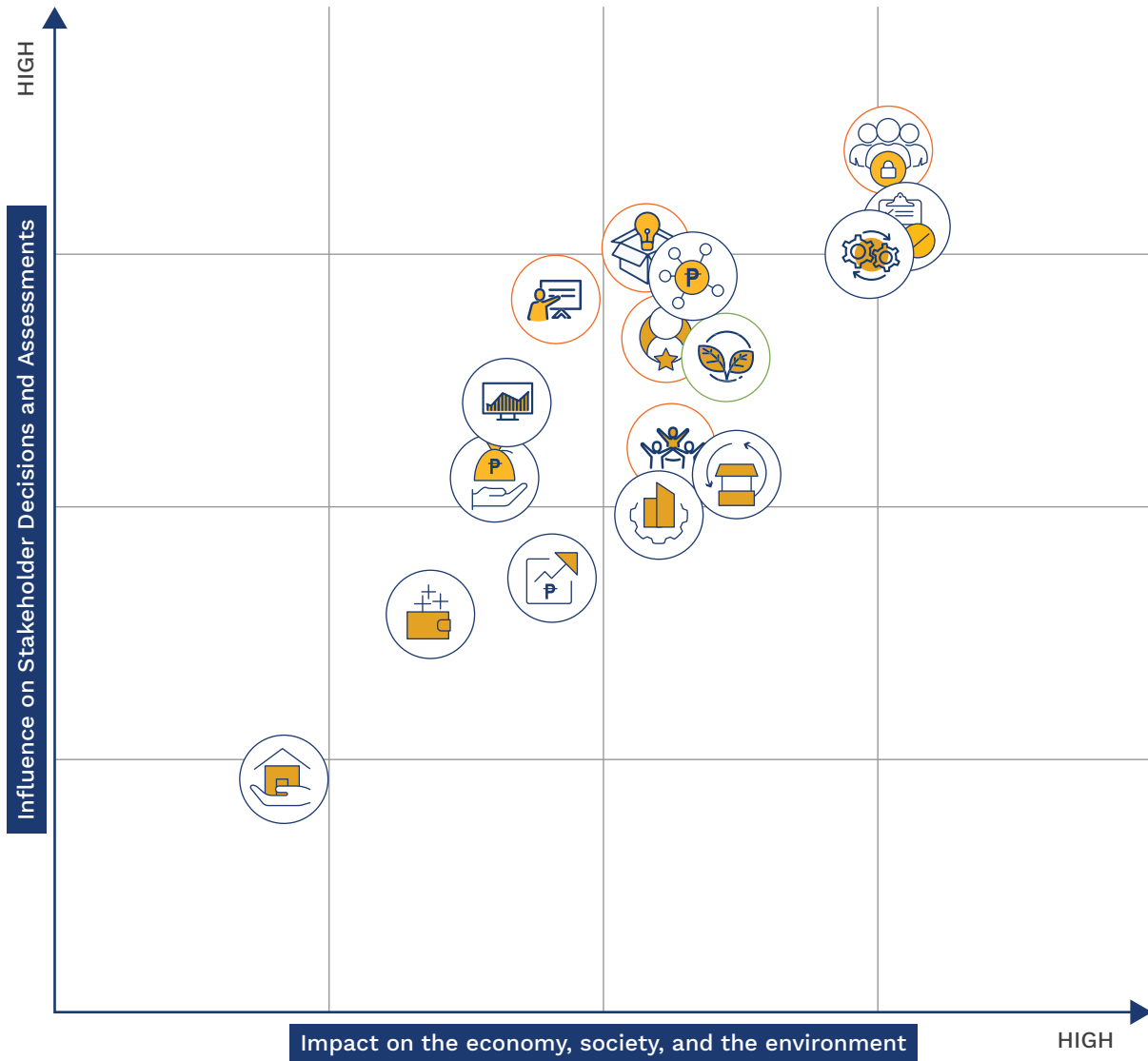
Governance-Based Sustainability Strategy

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.



Material Topic	Topic Boundary
 <p>Economic Performance How BDO delivers sustainable returns to its shareholders and attains consistent market growth</p>	Within BDO and with key stakeholders
 <p>Banking Network and Access How BDO’s wide reach and online services provide convenient and reliable access to its customers</p>	
 <p>Innovative Customer-Focused Products and Services How BDO innovates to meet the needs of its customers and unbanked members of society</p>	
 <p>Development of Commercial Banking Products and Services How BDO provides a full range of banking products and services to help grow and expand businesses</p>	
 <p>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</p>	Within BDO and with customers
 <p>Development of Wealth Management and Advisory Products How BDO meets its fiduciary obligations and helps promote financial wellness and literacy to its customers</p>	
 <p>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</p>	
 <p>Green Financing How BDO provides financing in eco-friendly solutions and green facilities to promote clean energy</p>	Within BDO and with partners and customers
 <p>Financing for Developmental Projects How BDO facilitates funding to large-scale development projects that support national economic growth</p>	
 <p>MSME Financing How BDO creates financial products to help micro, small, and medium enterprises grow</p>	Within BDO and with partners, customers, and regulators
 <p>Employee Integrity and Development How BDO develops a “can lead” mind-set able to innovate and maintain a customer-focused attitude</p>	Within BDO
 <p>Employee Development and Training How BDO retains and develops employees, recognizes achievements, and provides long-term professional growth</p>	
 <p>Community Involvement How BDO uplifts the lives of its communities through social development and disaster resilience programs</p>	Within BDO and with host communities
 <p>Regulatory and Legal Compliance How BDO complies with legal requirements and other relevant regulatory bodies</p>	Within BDO and with regulators
 <p>Corporate Governance and Business Ethics How BDO operates on principles of accountability, transparency, integrity, and fairness</p>	Within BDO
 <p>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</p>	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 102-44

-  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



BDO has over the years 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, supplemented by Automated Teller Machines (ATMs), digital channels and agency banking, as well as increased market coverage to include the unbanked and underserved segments of the population in support of financial inclusion. These initiatives have allowed BDO to generate and distribute economic value, supporting economic activity in the country.

Despite the unprecedented impact of the COVID-19 pandemic on the economy, business enterprises and consumers as well as the Bank's operations and earnings in 2020, BDO sustained its support to employees, clients and communities.

Economic Value Table Brief

The Bank's direct economic value generated declined by 9% to ₱166 billion in 2020 due to the impact of the pandemic. Over the last five years, however, direct economic value generated grew by 13% on a Compound Annual Growth Rate (CAGR) basis.

Even as revenues from operations declined in 2020, the Bank kept direct economic value distributed steady at ₱144 billion, representing 86% of direct economic value generated.

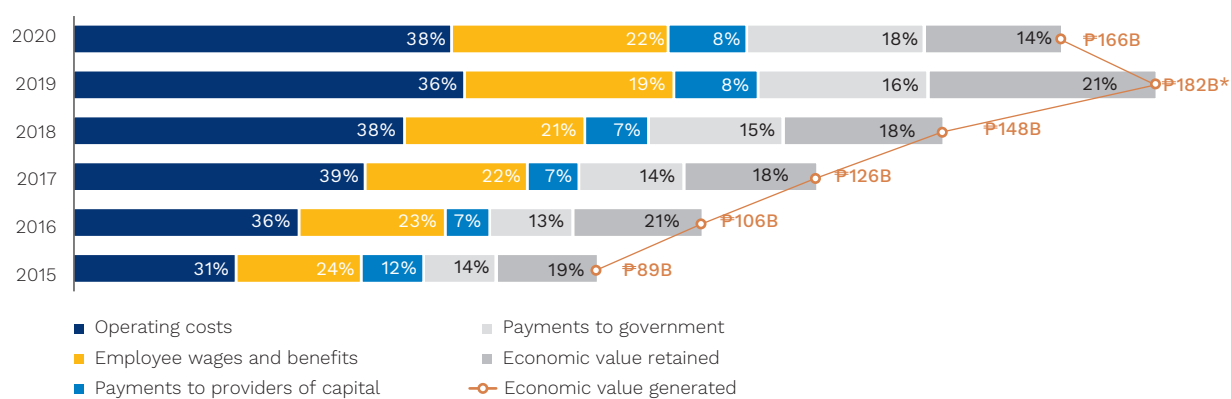
Wages and benefits accounted for over a fifth of total economic value distributed with ₱37 billion, up 6% year-on-year, effectively benefitting the Bank's over 38,000 employees, none of whom were laid off during the health crisis.

Other operating costs amounted to ₱63 billion, including expenses incurred to ensure a safe and virus-free environment both for customers and employees. These included regular disinfection of Bank branches and offices; retrofitting of work places in accordance with new occupational safety and health standards; distribution of health kits, face masks and face shields to all employees; meals, accommodation and shuttle service assistance for employees who reported for work during the Enhanced Community Quarantine (ECQ); periodic testing of employees to minimize infection in the workplace; and teleconsulting medical service for BDO employees and household members.

Further, BDO contributed its share to the national government's recovery efforts from the COVID-19 pandemic through tax payments totaling ₱30 billion, even as the Bank increased its community investments (which include donations) by 25% to ₱137 million. In addition, the Bank's corporate social responsibility arm, BDO Foundation, responded to the immediate needs of communities and sectors affected by the health crisis through the donation of food packs to 101,400 affected underprivileged families nationwide, and the distribution of Personal Protection Equipment (PPEs), medical supplies and medicines to hospitals and frontliners.

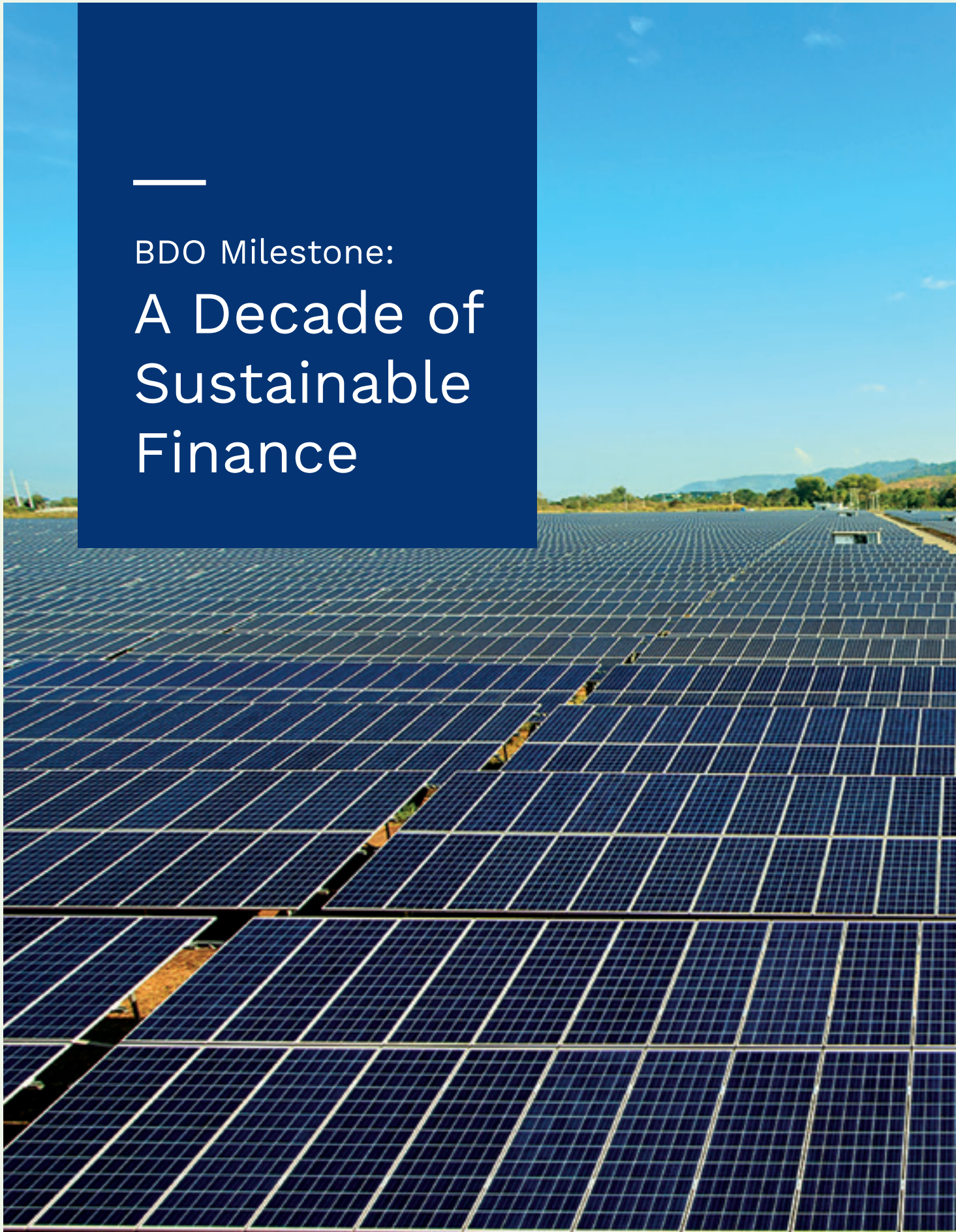
Economic Value Table

Figures in %



* Source: 2020 BDO Notes to Financial Statements, with 2019 figure restated

BDO Milestone:
A Decade of
Sustainable
Finance



A Decade of Sustainable Finance

BDO's strong commitment to Sustainable Finance is proven by its track record in leading the Philippine banking industry in four key areas—financing groundbreaking renewable energy projects, pioneering innovative funding channels, forging sustainable partnerships with international financial institutions, and the early integration of environmental and social, climate and transition risks in the lending practice for the past 10 years.

BDO has long recognized and practiced sustainability in its business operations to achieve stability and resilience in the financial value chain.

In 2010, BDO instituted its Sustainable Energy Finance (SEF) Program in partnership with the International Finance Corporation (IFC), a member of the World Bank group, to leverage on its global experience in green finance particularly in the technical evaluation of renewable energy, energy efficiency and green building projects. The partnership led to the establishment of BDO's Social and Environmental Management Systems (SEMS) which focused on an environmental and social risk categorization, integrated in the credit risk system based on IFC standards.

In the same year, BDO created the Sustainable Energy Finance (SEF) Desk to strengthen its internal capabilities in financing opportunities within the spectrum of sustainable energy projects and provide value-added technical advisory to clients to ensure the projects' viability.

“In 2010...BDO’s Social and Environmental Management System (SEMS) focused on an environmental and social risk categorization integrated in the credit risk system, based on International Finance Corporation standards.”



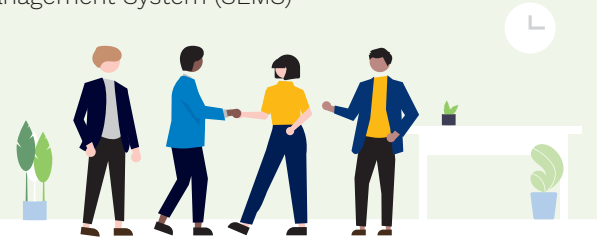
First Feed-in-tariff (FIT) qualified biomass plant in the country financed by BDO

Milestones: Pursuing Sustainability in the Financial Value Chain

2010

Inception of SEF* Program in partnership with the International Finance Corporation (IFC)

Establishment of Social and Environmental Management System (SEMS)



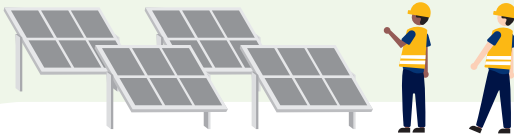
2016

Financed 63.29MW Solar Farm in Calatagan, Batangas

Financed 1st state of the art 2MW Biogas in Tarlac

3rd Partnership with IFC

₱19.3B SEF Loan



2015

Financed 8MW Mini Hydro in Antique

Financed 140 MW Geothermal in Albay

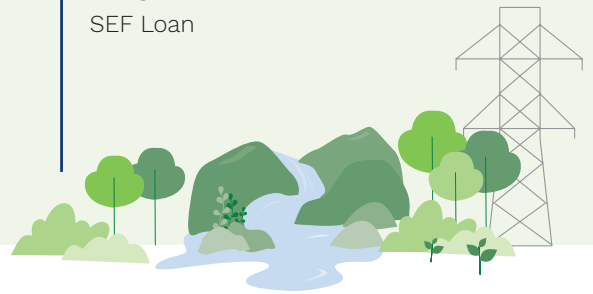
Financed 112.5 MW Geothermal in Leyte

Financed 192.5 MW Geothermal in Negros Oriental

Financed 300 kW Solar Rooftop in Ortigas

₱18B

SEF Loan



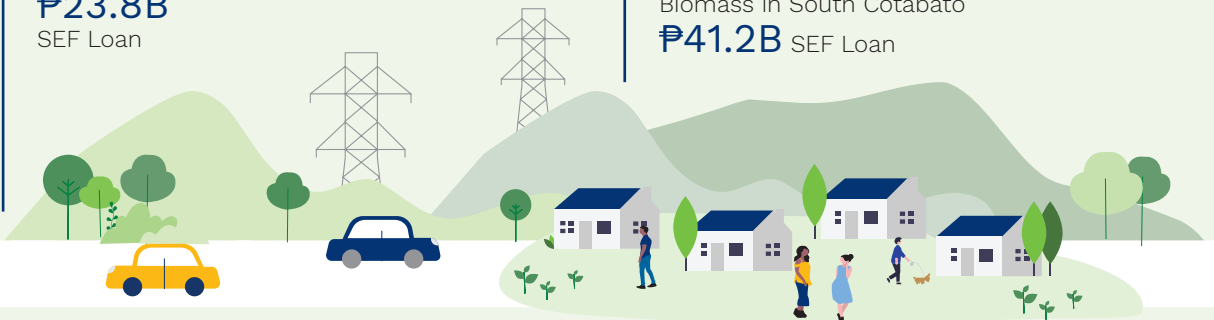
2017

First Green Bond Issuance (US\$150M)
(First in the Philippines and East Asia Pacific for Banking Sector)

Financed 12 MW Rice Husk Biomass San Jose (Phase 2) in Nueva Ecija

₱23.8B

SEF Loan



2018

First Green Bond Proceeds Report (7 projects)*

Financed 20MW Rice Husk and Corn Biomass in Cagayan

Financed 15 MW Rice Husk and Coco Biomass in Maguindanao

Financed 1st 6MW Multi Feedstock Biomass in South Cotabato

₱41.2B SEF Loan

* Sustainable Energy Finance

2011

Capacity building of Bank Officers (Relationship Managers and Branch Heads) and Clients

Financed 19MW (megawatts) Cogeneration Plant in Isabela

₱4.3B SEF Loan



2012

Financed first Green Building in Makati

Financed Energy Efficiency project (Cold Storage of Onions)

Financed 0.318 MW Rice Husk Biomass in Nueva Ecija

₱5.1B
SEF Loan



2014

BDO participated in Syndicated Loan for Burgos 150MW Wind Project

Financed 20MW Rice Husk Biomass in Isabela

BDO participated in Syndicated Loan for 54MW Pililla Wind Project

₱11.9B SEF Loan



2013

Financed Star Mall Alabang retrofit, winner of the United Nations Framework Convention for Climate Change (UNFCCC) Energy Efficiency Project Award

Financed 12MW Rice Husk Biomass San Jose, Nueva Ecija (Phase 1)

2nd partnership with the IFC

₱8.9B SEF Loan



2019

Environmental Risk Management Guidelines and Capacity Building

Financed 12MW Biomass in Nueva Ecija

Financed 12 MW Biomass in Bataan

₱110.2B SEF Loan

₱158.8B SF Loan



2020

BDO financed 2.2 Gigawatt (2,184 MW) of the Philippines' total installed renewable energy capacity

Sustainable Finance Framework certified by Sustainalytics

WWF Partnership for Climate Risk Assessment Tools

₱119.4B SEF Loan

₱400.9B SF Loan



* https://www.ifc.org/wps/wcm/connect/news_ext_content/ifc_external_corporate_site/news+and+events/news/impactstories/green-bond-philippines



The Zuellig Building, first green building at the heart of the Makati City Central Business District

2011

SEF Desk commenced intensive capacity building among BDO lending, credit, and branch officers to raise awareness on the economic, environmental, and social benefits of financing sustainable energy projects. The trainings built the knowledge and confidence of branch officers and staff to engage clients in looking into their business operations and finding opportunities to improve energy savings through options such as retrofitting buildings, adapting energy efficient lighting and air-conditioning systems, and pursuing renewable energy projects.

A 19 MW (megawatts) Cogeneration Power Plant in Isabela Province was the first SEF program eligible project financed by BDO with a disbursed loan value of ₱4.3 billion.

2012

BDO financed the construction of the Zuellig building, the first green building in the Philippines to earn a Leadership in Energy and Environmental Design (LEED)[®] Platinum certification and first green building in Makati City, at the heart of the country's Central Business District. The building's features include energy and water efficiency, indoor environment quality, and materials and resources such as double glazed Low Emission (Low E) glass, rainwater harvesting facilities, low-flow plumbing fixtures.

2013

The past three years of scaling up clients' awareness on Sustainable Energy Finance resulted in recognition for two of the Bank's flagship projects in energy efficiency and renewable energy. Starmall Alabang, a member of the Starmall chain of malls, received a global award for its successful energy efficient project by the United Nations Framework Convention on Climate Change (UNFCCC). BDO financed a ₱330 million loan to retrofit Starmall's old HVAC system to a newer, more energy-efficient and water-cooled centralized system. This translated to over ₱3 million in monthly cost savings for the mall's electricity bill, and contributed to an estimated GHG avoidance of 3,774 tonnes of carbon dioxide (CO₂) per year. The improved airconditioning resulted in better air quality, that in turn led to increased daily customer traffic and better business for the mall's tenants.



Another significant project financed by BDO was the 12 MW Rice Husk-fired Biomass Power Plant in Nueva Ecija province, considered the central rice granary of the Philippines. It is the country's first rice husk-fired biomass power plant that became eligible as a beneficiary under the Feed-in-Tariff program launched by the Department of Energy under Republic Act 9513, also known as the "Renewable Energy Act of 2008." The project addressed the province's disposal problem for rice husks, a waste product from rice milling. Establishing a biomass electric plant fueled by rice husks solved the disposal problem and generated profit for the millers, generating 74,880 MWh (megawatt-hour) per year. This is equivalent to the average energy use of close to 2,600 homes annually. The plant also contributes to the global effort of reducing greenhouse gasses with an estimated greenhouse gas (GHG) avoidance of 31,000 tonnes of CO₂ a year.

2014-2016

With clear eminent economic, environmental and social benefits from its flagship projects, BDO significantly increased its financing of key renewable energy projects such as wind, geothermal, mini-hydro, biomass and solar energy. Among these were:

54 MW

Wind Farm in Pililla, Rizal

112.5 MW

Geothermal Power Plant in Leyte

150 MW

Wind Project in Burgos

63.29 MW

Solar Farm in Calatagan, Batangas
The first state-of-the-art

140 MW

Geothermal Power Plant in Albay Province

192.5 MW

Geothermal Plant in Negros Oriental

8 MW

Mini-hydroelectric Plant in Antique

2 MW

Biogas Plant in Tarlac, first state-of-the-art

2017

With the success of the SEF Program, BDO pioneered the issuance of a US\$150 million Green Bond, then an innovative financial instrument in the banking sectors of the Philippines and East Asia Pacific. It was the first for banks and a landmark transaction in the country, with IFC as sole anchor investor, that aimed to catalyze financing eligible renewable energy projects.

With the IFC as sole anchor investor, it was the first for banks and a landmark transaction in the country that catalyzed financing eligible renewable energy projects.

The BDO green bond issuance in December 2017 inspired other financial institutions and corporations to follow BDO's lead and release their respective green bonds. It significantly influenced local and regional financial markets to increase its risk appetite and capital funding towards sustainable energy projects.



2018

The US\$150 million Green Bond proceeds were fully utilized and allocated to seven sustainable energy projects of various technology types, strategically located nationwide with a total installed capacity of 95MW. These renewable energy projects which consist of four biomass (53MW), two mini-hydro (27MW) and one wind (15MW) reduced greenhouse gas emissions by more than 270,000 tonnes per year. This is equivalent to taking 57,800 passenger vehicles off the road and growing nearly seven million trees for 10 years.

BDO continued to finance major biomass projects, among them were:

US\$150M

First Green Bond for banks in the Philippines and East Asia Pacific

95 MW total

installed renewable energy capacity from 7 financed projects

270,000 tonnes

CO₂ emissions avoided

equivalent to

57,800 vehicles off the road, 7 million trees grown in 10 years

2019

In 2019, there were various global movements on ESG integration in the credit assessment of financial institutions. In response, the SEF Desk performed a Sustainable Finance assessment across all sectors and reinforced the emphasis on E&S risk in the current SEMS Policy to further integrate the risk perspective in the credit system.

BDO utilized both global and national metrics and parameters of regulatory agencies to provide guidelines in managing and monitoring E&S risks in its funded projects. In addition to Environmental Compliance Certification submission, clients exposed to medium-high risk business activities were required to provide additional risk mitigation documents.

In the same year, the Sustainable Energy Finance (SEF) Desk was renamed the Sustainable Finance (SF) Desk as it expanded its scope to all industries with environmental and social impacts. The SF Desk authored the BDO Sustainable Finance Framework that aims to achieve strategic resilience of financial products and services in accordance with BDO's 5 Sustainability Strategies aligned with UN Sustainable Development Goals (UN SDGs).

Sustainable Finance achievements and milestones were incorporated in the first BDO Sustainability Report issued in May 2019.

In 2019, BDO financed two more biomass power plants — a 12 MW Biomass Plant in Nueva Ecija and another 12MW Biomass Plant in Bataan.

2020

After a decade of pursuing and practicing Sustainable Finance, BDO has financed 2.2GW (2,184 MW) of the Philippines' total installed renewable energy capacity (Department of Energy, 2020). BDO supports the Philippine Development Plan 2017-2040 that aims to reduce 70% of the country's greenhouse gas (GHG) emissions by 2030 and form part of the Nationally Determined Contributions to the 2015 Paris Agreement.

The BDO Sustainable Finance Framework was certified and endorsed by Sustainalytics, a leading and independent Environmental, Social, and Governance (ESG) research and ratings provider based in New York. Sustainalytics expressed that in their opinion "BDO's Sustainable Finance Framework is credible and impactful, and aligns with the Sustainability Bond Guidelines of 2018, Green Loan Principles 2020, and the ASEAN Sustainability Bond Standards 2018."

To strengthen climate risk mitigation, the SF Desk facilitated internal webinars for the Bank's risk management officers on World Wildlife Fund (WWF)'s Climate/Physical Risk Assessment tool, HazardHunterPh. The tool enables risk identification of areas in the event of typhoons, earthquakes, floods, and drought.

The Sustainable Finance Desk ended 2020 with a greatly expanded scope and ₱400.9 billion in funded projects, up from ₱158.8 billion in 2019.



“BDO’s Sustainable Finance Framework is credible and impactful, and aligns with the Sustainability Bond Guidelines of 2018, Green Loan Principles 2020, and the ASEAN Sustainability Bond Standards 2018.”

***– Sustainalytics
Second Party Opinion***

CASE STUDY:

A Wind Farm in Pililla, Rizal

Alternergy Wind One Corporation launched the 54 Megawatt (MW) Pililla Rizal Wind Farm at the Northeastern tip of Metro Manila in 2014. Today, the wind farm generates 146,642 MWh each year and avoids greenhouse gas (GHG) emissions of 64,927 tonnes of carbon dioxide (CO₂) a year, equivalent to 62.8 million pounds of coal burned. The Wind Farm provides clean energy to 66,000 households, and creates various business, infrastructure, learning, and tourism opportunities for its immediate community.

BDO was one of a group of banks that supported a loan syndication process for the Pililla Wind Farm and played a key role in coming up with a project finance structure appropriate for a wind farm. The Bank guided Alternergy throughout the entire process of negotiations, drafting of contracts, and signing of the loan agreement under BDO's Sustainable Energy Finance (SEF) program. Leveraging on BDO's advisory partnership with the International Finance Corporation (IFC) for the SEF program, the Bank's project officers were equipped with the knowledge to properly evaluate the wind farm as a renewable energy project and assist Alternergy in the project development process.



Alternergy found its partner in BDO, as it works to ensure that the project can financially sustain itself over the project lifecycle as one of the first beneficiaries of the government's Feed-in-Tariff (FIT) system. FIT was designed to encourage the investment and development of renewable energy resources through guaranteed access to the power grid, long-term contracts for the electricity produced, and fixed contract purchase prices.

BDO is proud to support the Pililla Wind Farm as one of its flagship and pioneering projects for renewable energy generation in the Philippines.

(From "Energized: Insights from our Partners in Sustainable Energy Finance". IFC Financial Institutions Group, Sustainability and Climate Business Unit, June 2014)



146,642

megawatt-hour (MWh) of renewable energy generated each year



64,927

tonnes CO₂/year in Greenhouse Gas avoidance equivalent to 62.8 million pounds of coal burned



66,000

households that benefit from renewable wind energy

CASE STUDY:

Exquadra Tower is a pandemic-ready Green Building

Sustainable finance is key to addressing the significant environmental impact of large office buildings – from materials used to water and electricity consumption to waste disposal and Greenhouse Gas (GHG) emissions.

A “green building” is defined as “one that incorporates environmental and health concerns and resource efficiency throughout its life cycle – from siting and design to operation and maintenance, all the way through to deconstruction” (United Nations Environment Programme, Green Buildings and the Finance Sector, February 2010).

Financing green buildings is one way for banks to ensure a resilient financial value chain that can anticipate and withstand climate-driven disasters.

Exquadra Tower, a 38-storey premium commercial Green Building by Exquadra Inc. was built before the pandemic, but with sustainable features that meet, among others, health safety protocols for COVID-19. Exquadra Tower is LEED® pre-certified Gold and aiming for Platinum certification.

Exquadra’s fresh air exchange system ensures constant pre-cooled and dual filtered fresh air exchange every 8.5 minutes. It also offers contactless building features such as facial ID detection for turnstiles and elevator access, as well as an automated elevator assignment system to limit the number of passengers inside each car. These features made it immediately compliant with COVID-19 prevention health and safety protocols.



Exquadra was designed with sustainable technology features, eco-friendly materials, mobility, communication, and connectivity for companies and corporations that value efficiency and sustainability.

BDO financed the construction of Exquadra Tower as a green building project, one of many opportunities that the Bank and its client can both pursue sustainable finance to mitigate climate change.

double-glazed glass reflects heat and lowers internal building temperature

energy efficient light fittings, aircondition equipment, and appliances

waste recycling facilities for paper, plastic, and water for re-processing or re-use

water efficient plumbing fixtures reduce potable water consumption, use of rainwater harvesting for landscape irrigation

Sewage Treatment Plant for gray water reuse for flushing of toilets

ensures 100% electricity supply during electricity interruptions.

parking equipped with a **facial recognition software and under chassis cameras** for better security

electric vehicle-ready public parking slots

CASE STUDY:

The resilience and adaptability of Exponent-Konka

At the height of the COVID-19 pandemic in 2020, Exponent-Konka Group, Inc. provided critical transport and logistics services to logistics companies, restaurants, financial institutions, and key businesses for the delivery of food, basic essentials, documents, and parcels. Its safe and affordable motorcycles allowed frontliners in various industries to get to workplaces, to hospitals, and wherever else they needed to be.

Exponent-Konka is a 100% Filipino-owned company that designs, engineers, manufactures, assembles, distributes, finances, and provides after-sales



20%

increase in motorcycle sales



50%

increase in truck sales



10%

increase in employees hired



4,000

employees' families supported



services for motorcycles and imported rebuilt trucks. It maintains five assembly plants for motorcycles and trucks, 376 branches, and over 4,000 regular employees all over the Philippines.

Early in the year, however, Exponent-Konka's business could have taken a sharp downturn due to strict lockdown measures under the Enhanced Community Quarantine from March to May 2020. The company was forced to close, resulting in zero collections and revenues for two and a half months. Partnering with a bank that practices and promotes sustainable finance turned the pandemic into an opportunity for Exponent-Konka. BDO provided Exponent-Konka with business advice and financial support to settle its obligations. BDO's extensive online system enabled the company to easily transfer salaries to employees' accounts, revolving funds for branch use, rental and utility payments, supplier payments, and other expenses nationwide.

Once the lockdown level was relaxed and the company resumed operations, Exponent-Konka ramped up production capabilities to serve the high demand for motorcycles. The company offered its customers free helmets, face masks, face shields, and PPEs for every motorcycle sale, along with zero down payment and easy installment terms. Customers on financing plans were given a flexible grace period without interest or additional charges. Logistics companies were provided with a steady supply of motorcycle units so they can continue to service even far-flung rural areas. Both motorcycles and trucks were sold at the most cost efficient prices possible.

Internally, Exponent-Konka provided employees with free COVID-19 tests and complete protective equipment. It assumed responsibility for medicine and medical care, as well as isolation and quarantine space for infected employees until they fully recovered and were cleared to return

to work. The company kept all its employees and even absorbed laid-off workers from two competitor companies that were forced to close down.

By the end of 2020, Exponent-Konka recorded a 20% increase in motorcycle sales, 50% increase in truck sales, and 10% increase in the number of employees. The company is most proud of four accomplishments: providing steady employment and income to over 4,000 families; assuring the safety and peace of mind of individual customers

CASE STUDY:

Sustainable Logistics with LBC Express

Disruptions in the supply chain directly affect business operations and expose companies to serious financial and social risks. Companies and their suppliers that give emphasis to economic, social, and environmental responsibility, and practice these at every level of the supply chain are better able to withstand such disruptions, and recover faster than competitors.

This proved to be the case with LBC Express, the Philippines' largest express courier, cargo, and remittance service company. Throughout the COVID-19 pandemic, LBC continued to operate its over 1,500 branches and 220 facilities nationwide and enabled providers of basic goods to get their products to where they needed to be despite the lockdown. The company participated and contributed to the



using quality and affordable motorcycles; contributing to the mobility and survival of its enterprise customers; and

ultimately, supporting the country's economic recovery throughout the pandemic.



massive government and private sector distribution of safety equipment, face masks, face shields, and disinfectant products for the medical industry across the country. LBC provided essential logistics services to make it possible for the general public to send and receive essential items, from food to medicine and other basic necessities.

At the onset, having a business continuity plan that focused on the impact to employees, customers, and communities where it

operated, greatly assisted LBC's organizational response. Even if a pandemic situation was not among its anticipated scenarios, LBC adjusted accordingly by introducing safety and security protocols in its branches and facilities to meet health safety guidelines and protocols set by the Inter-Agency Task Force (IATF) on Emerging Infectious Diseases. Employees were provided with shuttle services, as well as easy access to doctors, continuous

health monitoring, medical assistance, and paid leaves that included Home Quarantine leaves. LBC retained all its employees throughout the pandemic.

The biggest challenge in LBC's supply chain was the lack of airline cargo space due to limited air traffic movement during the strictest lockdown levels. With land transport as the only viable option, LBC acquired new delivery trucks in various formats and adjusted its distribution network and timelines to keep its service level commitments.

LBC worked closely with BDO as its banking partner. BDO financed LBC's increased capital expenses (CAPEX) to ensure funding

for its evolving business requirements. LBC locations and facilities complemented BDO's own extensive network of branches nationwide, both for operating requirements and for day-to-day banking needs.

BDO's sustainable finance support enabled LBC to increase its business streams and segments to include the electronics, ecommerce, and medical supplies industries. LBC experienced significant increase in door-to-door traffic and a 30% increase on household deliveries during the pandemic. Today, BDO continues to support LBC as it builds a new facility and plans to expand with 100 additional branches to support operational activities.



30%

increase in household deliveries



Electronics, ecommerce, and medical supplies industries as new business streams



100

additional branches in 2021

BDO Special
Report:
COVID-19
Response





Finding Ways through a Pandemic

At no time in its history was BDO's corporate philosophy of "We Find Ways" tested and proven true than in the actions that it pursued to address the multiple disruptions brought about by the COVID-19 pandemic. The Bank's COVID-19 response was driven by two key principles. First, it practiced ethical corporate governance that upheld global best practices in transparency, disclosure, and

compliance. Second, the Bank had a great sense of social responsibility to its employees, customers, and the country. BDO leveraged its long experience in disaster recovery and reconstruction to continuously operate safely within health protocols, and bring the Bank, literally and digitally, within the socially distanced reach of Filipinos.

Response: Proactively Mitigating Disruptions

On March 16, 2020, an Enhanced Community Quarantine (ECQ) to control the spread of COVID-19 was enforced in the Philippines' entire Luzon region which included 16 major cities in Metropolitan Manila. The ECQ meant everyone was required to stay home and a lockdown was imposed on businesses, offices, and public spaces. The only exceptions were for services and businesses that performed essential functions to arrest the spread of the virus and provide for people's basic needs.

Parallel to the critical role of the health sector during the pandemic, banks were also classified as essential players in ensuring that financial resources are available to support the economy and serve the day-to-day financial transactions of individuals, communities, and businesses during the lockdown.

Ahead of the pandemic, the Bank's senior executives and Board were already apprised in detail of the COVID-19 virus' spread, through proactive briefings that identified early warning triggers of escalating risks in the region and its potential impact to bank operations. As the first COVID-19 case was reported in the country, the Bank started to review and put in place its business continuity plans (BCP) and related operational safety and health (OSH) plans. By the time the global pandemic was declared by the World Health Organization (WHO) on March 11 and the Philippine government enforced the ECQ a few days later, the Bank was prepared with its multilevel BCP response—characterized by its adherence to governance, and mitigation of social and environmental impact.

Governance

- Convened the BDO Management Committee (ManCom) for BCP with oversight on governance and with regular updates to the BDO Board of Directors
- Assessed and managed primary risks on Operations, Credit, and Liquidity
- Assessed and managed secondary risks on Cybersecurity and Data Privacy
- Assessed economic impact of office and branch closures and resource availability under ECQ
- Oversaw timely and regular communications from BDO leadership to employees, customers, and investors
- Reached out to government agencies and local government units to ensure compliance with COVID-19 protocols and negotiated operational guidelines for branches and bank employees as essential frontliners

Social

- Identified immediate impact to employees' health and well-being, worked with healthcare providers for health diagnostic options for employees and family members
- Created new guidelines to enable employees to work from home where possible, and for identifying a skeletal workforce based on critical function; initiated discussions on Split Operations strategy as a more permanent solution to ensure continued smooth operations and delivery of essential banking services
- Identified immediate impact to customers' health and well-being, most common products and services needs and transactions
- Assessed immediate impact to and support needed by Communities in NCR

Environmental

- Assessed and implemented health and safety protocols set by the local Inter-Agency Task Force on COVID-19, as well as protocols recommended by a special medical team hired by the Bank, to mitigate virus spread in physical spaces
- Assessed online digital capabilities in anticipation of shift to contactless online presence during lockdown



BDO ensured 95+% availability of cash in its 4,439 automated teller machines (ATMs) nationwide. Branch officers reported for work to regularly load machines with cash, even if the branch was closed.



Relief: Operating Under a Total Lockdown

Given the limitations brought about by ECQ restrictions, only a lean skeletal workforce with critical functions were asked to report to the office to ensure uninterrupted services to customers. BDO provided food rations to teams in corporate offices, while food allowances were given to personnel in branches. Shuttle services were provided to transport employees to/from offices and branches to address the total absence of public transportation and ensure safe access.

Board and lodging near BDO offices were arranged for employees in the skeletal team who lived outside the National Capital Region, to ensure safety and alleviate the difficulty in taking public transportation. Similarly, food rations and sleeping quarters were provided for custodial, and security personnel who chose to stay at the offices and facilities to limit their contact with family members.

Following government-mandated safety protocols, protective materials such as face masks, face shields, and gloves were given to every employee and support personnel. Vitamins and bottles of isopropyl alcohol were also distributed to boost body immunity and prevent the spread of the virus.

The Bank implemented a comprehensive **COVID Management Plan** for all offices and facilities, based on a risk assessment methodology that combined triage and the application of strict controls.

Triage	Controls
Eliminate risks as a primary step	Engineering – structures may be modified
Reduce risk if it cannot be completely eliminated	Administrative – new control policies effected
Protect subject of risk if risk cannot be eliminated or reduced	Tools – physical equipment may be deployed

Immediate control measures for entry required visibly wearing the company ID, wearing of face mask and face shield, use of disinfection mat, hand sanitation using alcohol, and a temperature scan. Non-compliance with any of these barred entry into Bank premises. Signages on health safety protocols were prominently displayed in entrances, lobbies, elevators, and common areas. Other controls included reduced elevator loads, enforced physical distancing of at least one meter apart from each other, limited mail and parcel deliveries to large designated mail room areas, and restricted visitor access by appointment in designated business centers.

On April 1, 2020, BDO launched its telemedicine hotline called COVID Care, initially for employees within the Metro Manila area, and later expanded to include employees and their household members nationwide. This service is the first of its kind launched in the banking industry, and among the first introduced by large corporations. COVID Care connected employees with doctors for virtual medical consultations and tied up with Watsons Pharmacy, also part of the SM Group, to deliver employees' medical prescriptions to their homes. The service not only provided much needed medical care to employees, but also enabled the Bank to track clusters of COVID-19 risks within its population and facilitated faster, more effective contingency planning and response.

BDO's most significant employee health and safety initiative was conducting the first, most extensive and continuous COVID-19 testing of all employees and custodial personnel free of charge, starting from the March 2020 ECQ and continuing well into 2021. Testing facilities and personnel were established within its corporate offices in Makati and Ortigas, where employees got swab-tested and received their results within 20 to 30 minutes. Roving testing teams were also deployed to serve more remote branches and bank locations. In 2020, a total of 212,540 tests were administered nationwide to ensure all employees' safety and enable immediate contact tracing for any positive cases.

For its customers, BDO ensured the availability of cash in its 4,439 automated teller machines (ATMs), with machine availability rates consistently in the 95+% range. Branch officers reported for work to regularly load machines with cash, even if the branch was closed. For preventive maintenance or system repairs, the Bank implemented a next day maximum turnaround time to ensure that ATMs were operational. The Bank also deployed two mobile ATMS in Metro Manila in high usage areas or where ATMs were down.

BDO actively apprised investors and analysts with the ECQ's financial impact, operational matters, and strategic initiatives covering financial inclusion of micro, small, and medium enterprises (MSMEs), wealth management, life insurance, and IT/digital infrastructure. Given mobility restrictions, the Bank conducted virtual conferences, roadshows and briefings, supplemented by conference calls throughout 2020. While other companies and banks opted out, BDO coordinated with third party Environmental, Social, and Governance (ESG) ratings agencies in the assessment and measurement of the Bank's ESG performance. It also maintained public access to material corporate and relevant information on the Bank's punctual regulatory disclosures and periodic website updates. These proactive actions raised investor engagement by 17% year-on-year by the end of the 2020.



COVID Care free Telemedicine Hotline

for all employees and their household members

212,540

COVID-19 tests continuously administered for free to employees, custodial personnel in 2020

95+%

cash availability at

4,439

ATMs nationwide throughout 2020

17%

increase in investor engagement in 2020

BDO reached out to customers and communities by phone and through multimedia channels, to drive engagement virtually and migrate payments and other transactions to the Bank's digital channels. As customers shifted towards online platforms, the BDO Digital Banking Team operated on business-as-usual mode throughout the ECQ,

leading to growth of enrolled users, a more engaged digital banking base, and a sizeable growth in digital transactions.

BDO worked to communicate with customers in compliance with Republic Act 11469 or the Bayanihan to Heal as One (BAHO) Act which provides for a mandatory grace period for loans falling due within the ECQ.

Governance	Social	Environmental
<ul style="list-style-type: none"> ■ Worked with local government units (LGUs) to support reopening of branches as an essential service ■ Coordination with LGUs on use of contact tracing apps, as well as BDO's own QSafe contact tracing app ■ Provision for monthly antigen and antibody testing for all employees and custodials ■ Reviewed employment, health and safety policies to align with pandemic requirements ■ Daily Mancom huddles for updates, decisions, and immediate issue resolution ■ Oversight on Digital Channels Optimization to manage consumer shift to digital platforms, including mitigating fraud-related cases ■ Governance oversight on Digital Workplace program to align IT processes, workflows, tools, collaboration methods, including work-from-home resources to enable employees ■ Compliance with the Bayanihan to Heal as One Act 	<ul style="list-style-type: none"> ■ Appreciation Allowance for employees on skeletal team ■ COVID Care Hotline for employees and families ■ Routine Antigen Test and/or Rapid Antibody Test monthly for employees ■ Automatic PCR Tests for employees showing COVID-19 symptoms as advised by COVID Care doctors, or those with close contact with confirmed positive cases following Department of Health (DOH) guidelines ■ Grant of additional leaves for employees who tested positive ■ Sponsored webinars for employees on Stress Management during COVID-19 ■ High ATM cash dependability nationwide ■ Special accommodation to facilitate inter-branch transactions of customers stranded due to the lockdown ■ Continuous release of senior leadership messages, COVID-19 related advisories on safety practices and protocols, Frequently Asked Questions and Responses on various scenarios 	<ul style="list-style-type: none"> ■ Strict implementation of COVID Management Plan ■ Installation of alcohol dispensers in high traffic and common areas ■ Installation of acrylic panel dividers between desks and branch counters ■ Reconfigured seats for social distancing in all office spaces ■ High touch areas and meeting rooms sanitized hourly; furniture and floors deep cleaned at the end of each day; and building air flushed out each weekend. ■ Air filters installed in branches deemed as high risk/critical due to the high number of customers in the area ■ Weekly disinfection and ventilation of bank branches and sites of concern ■ Continuous ATM sanitation





Recovery: Business-as-Usual in a Redefined Normal

As a result of laying down extensive business continuity measures, BDO was able to immediately return to normal operation levels in June 2020 once the ECQ shifted to a slightly more lenient lockdown and quarantine level. Even as the lockdown remained in place throughout the year, with varying levels of openness in allowing economic activities and individual mobility, BDO continued to operate at full capacity and with even greater agility than before the pandemic.

All BDO branches opened their doors in June, with strict health protocols, as well as social distancing measures that enforced a maximum number of people allowed within premises, marked spaces on floors for queues, and acrylic dividers between employees and clients at counters.

BDO embarked on an ongoing Split Operations strategy that provides for business groups' presence in both corporate hubs at Makati and Ortigas, and other key sites in Metro Manila, as a business continuity measure.

This involved build-out of new offices and facilities; phased physical relocations of office equipment, furniture, and files; employee transfers; and management of employee expectations and needs during massive change. Simultaneously, the Bank's IT group implemented infrastructural upgrades to support new ways of working—shifting from Lotus Notes to MS Outlook, deployment of laptops instead of desktop PCs, strengthening secure VPN access and capacities for virtual collaboration on MS Teams, Webex, and Zoom for both internal and external engagements.

In September, the Bank again worked with customers to comply with Republic Act No. 11494, or the Bayanihan to Recover as One (BARO) Act which directs all banks, along with other public and private financial institutions to grant a 60-day grace period for the payment of loans falling due on or before December 31, 2020 without interests, penalties and other charges. Similar to the previous BAHO law, the BARO Act “allows the extension of the maturity of existing, current and outstanding loans, including but not limited to salary, personal, housing, commercial, and motor vehicle loans, amortizations, financial lease payments, and credit card payments.”

In October, BDO partnered with the Bangko Sentral ng Pilipinas (BSP) and the rest of the banking industry in initiating the Cash Service Alliance, a consortium of banks that aim to sustain the steady availability of banknotes supply in Metro Manila and the rest of the country. In a letter dated February 10, 2021, the BSP acknowledged BDO as its single largest private sector source of fit banknotes for recirculation, with a total of ₱24 billion sourced from BDO, representing 73% of the total CSA volume in 2020.

The BDO Foundation initiated multiple campaigns in support of government projects and communities severely impacted by the pandemic during the extended lockdown.

- Launched the Peso for Peso Donation Drive and invited BDO employees, partners and other stakeholders to send cash donations, matched in equal measure by the Foundation. Raised P9.3 million that financed 8,000 food packs for underprivileged families, and purchased 4,830 test kits donated to hospitals in disadvantaged communities.
- Donated 300 smartphones and 550 power banks to safely scan QR codes for the government's RapidPass System that fast-tracked movement and access for more than 500,000 frontliners at 180 checkpoints during the ECQ.
- Supported ReliefAgad, a web application that accelerated the distribution of financial assistance to beneficiaries of the government's Social Amelioration Program. The Foundation sponsored the use of one-time passwords (OTP) for ReliefAgad app users that enabled millions of underserved Filipinos to receive much needed cash aid in a secure manner.
- Donated 10,000 reverse transcription polymerase chain reaction (RT-PCR) test kits to 10 hospitals located in Metro Manila and the provinces of Bulacan, Cagayan de Oro, Cavite, and Iloilo for frontliners and patients who cannot afford COVID-19 tests.
- Distributed relief goods to 8,000 underserved families and residents of barangays that remained on lockdown in cities with high COVID-19 incidence: Bacoor, Cavite; Caloocan City; San Jose del Monte, Bulacan; and Santa Rosa, Laguna.
- Procured 1,900 hygiene kits, which BDO Remit donated to overseas Filipino workers (OFWs) stranded at the Ninoy Aquino International Airport and passengers at the Paranaque Integrated Terminal Exchange who could not travel back to their provinces due to quarantine restrictions.
- Funded the pilot implementation of pooled RT-PCR testing in the Philippines, in partnership with Go Negosyo, the Cebu Chamber of Commerce, Office of the Presidential Assistant for the Visayas, Philippine Children's Medical Center, Philippine Society of Pathologists, University of Cebu Medical Center, Vicente Sotto Memorial Medical Center and local government units. Launched in Makati City, Cebu City and Mandaluyong City, the pooled testing programs targeted 18,000 market vendors, public utility vehicle drivers and medical frontliners.

BDO
COVID Care continues to serve you 7 DAYS A WEEK!
 We are committed to delivering quality teleconsult services for you.

COVID Care is available from 8:00 AM to 6:00 PM, Sundays to Saturdays. Here are our expanded hotline numbers:

For BBG Employees		For NON-BBG Employees	
Via SMS	Via FB Messenger	Via SMS	
Globe: 0917-517XXXX	Covid Care at BDO	Globe/TM: 21584264	
Smart: 0919-060XXXX		Smart/TNT/Sun: 225654264	
Viber: 0995-459XXXX			

Kindly identify your chief complaint / concern and follow the format below:

ILLNESS	EXPOSURE	RTW	OTHERS
If you are symptomatic or have a PCR+ / Antigen+ result.	If you believe you have been exposed to a COVID+ patient (*Exposure means interaction of at least 15 minutes within a distance of 1 meter)	If you need a Return to Work clearance	For other COVID-related queries.

SAMPLE FORMAT

< Employee's last name and first name >
 < Full employee number (XXXXXXXXXX) >
 < Employee's Business Unit or Group Name / Department >
 < Work location for Non-BBG (e.g. Floor, building) >
 < Employee's contact number's >
 < Chief complaint or need (e.g. illness, exposure, RTW, others) >

SAMPLE MESSAGE FORMAT

For BBG: Della Cruz, Juan 0012345678 BBG 09171234567 EXPOSURE

For Non-BBG: Della Cruz, Juan 0012345678 TBG-CMS CCM, 8F South Tower 09171234567 RTW

*Actual contact numbers were not disclosed in this report for internal confidentiality

We find ways™



₱24 billion

in bank notes sourced by the BSP from BDO, equivalent to 73% of bank notes for recirculation nationwide



₱9.3M

raised for food packs and test kits



10,000

RT-PCR test kits donated to hospitals



Over **500,000**

frontliners' travel through checkpoints facilitated



8,000

families given relief goods



1,900

hygiene kits distributed to OFWs stranded in airports



200,000

vaccine doses donated to government

On November 23, 2020, the Department of Health (DOH) formally adopted pooled RT-PCR testing as an acceptable COVID-19 testing method through the issuance of a Department Memorandum entitled “Interim Guidelines on the Conduct of COVID-19 Pooled Testing.” The results of the pooled testing pilot implementation funded by BDO Foundation served as inputs to this DOH policy decision.

Towards the end of November, BDO Foundation partnered with AstraZeneca, the National Task Force Against COVID-19, Go Negosyo and other companies to procure vaccines for COVID-19 and its emerging variants. Through the Foundation, BDO Unibank funded the donation of 200,000 doses of vaccines, which the government will make available to medical frontliners nationwide. The Bank has also purchased vaccines from various providers for its employees, free of charge, in a consolidated effort with the rest of the SM Group of companies.

Governance	Social	Environmental
<ul style="list-style-type: none"> ■ Implementation of split operations for business continuity ■ Continuous management and mitigation of credit risks ■ Continuous coordination with LGUs to allow branches to remain open ■ Oversight of continuing COVID-19 response 	<ul style="list-style-type: none"> ■ Continuous implementation of health safety protocols, contact tracing, and employee testing ■ Priority lanes for health workers, senior citizens, persons with disability, and pregnant women at branches ■ Multiple social responsibility projects led by the BDO Foundation for communities, medical frontliners, and disadvantaged groups 	<ul style="list-style-type: none"> ■ Continuous sanitation and disinfection of offices and branches ■ Continuous strict implementation of the BDO COVID Management Plan for offices and branches

Resilience: The Sustainable Way Forward

Learning from its COVID-19 Response experience, BDO works to further integrate ESG in its BCP, risk management system, business strategies, and operations. It has already embarked on a conglomerate-wide effort to identify priority actions that will strengthen its sustainability practices and commitments. The Bank also continues to implement its Split Operations Strategy, Digital Channel Optimization, and Digital Workplace Transformation—key programs that will position its business operations to be more agile, even more responsive to customers’ evolving needs, and more connected to stakeholders beyond the pandemic.

Moving into 2021, BDO is well-positioned to clearly define its own path in uncertainty and thrive in adversity, as a steadfast leader in banking services in both the best and most challenging of times.



Wear the right type of face mask and face shield

Protect yourself and the people around you.
Do your share in effectively minimizing infection and transmission of the virus.



✓ ALLOWED

Surgical Face Mask / N95 Mask
Most acceptable and highly recommended types of face mask to use. Ensure that there are no gaps when you wear your mask. Tightly press the nose wire to make it more secure on your face.



Clear Full Face Shield
Wear clear face shields that fully cover your face. Always wear this together with a face mask.



✗ NOT ALLOWED

Face Mask with Valve / Opening
The valve feature may offer protection for the wearer, but air leaving the mask is not being filtered by the valve. This puts people in the surrounding area at risk.



Neck Gaiter / Balaclava
This type of face cover is not recommended for use inside the Bank for safety reasons. Aside from not fully providing protection for the wearer, his/her identity also cannot be recognized with most parts of the face being covered.



Bandana
This accessory is not designed to filter harmful particles. Most bandanas are worn loosely, offering less protection.



Half Face Shield
Half face shields only extend up to the eyes or nose area. They offer less protection compared to full face shields.



Colored Face Shield
Colored face shields do not allow one to be fully recognized. This type of face shield is being discouraged for use inside the Bank for the safety of everyone at work.

BDO's Special Report on COVID-19 Response followed the KPMG approach as discussed in “Sustainability Reporting during COVID-19 Pandemic,” 2020, KPMG



Keeping BDO stakeholders informed, inspired, engaged 102-43

BDO employees are not only the Bank's most important asset, they are also its primary brand ambassadors. As such, communication plays a key role in ensuring that they have sufficient information about the Bank, its products and services, its dynamic leadership, its advocacies, and other key developments.

To keep the workforce well-informed, the Bank uses different internal and external communication channels. Its internal communication channels include an emailer called eNewsgram, its official newsletter called The Wayfinder, and an intranet site called BDO Portal.

The Bank uses eNewsgram to send out official announcements and/or to promote its products and services. In recent years, however, eNewsgrams have also been used by the Bank to foster engagement among its employees. Through eNewsgram, employees are encouraged to share their testimonials, insights, advice, even talent and skills in order to inspire others in the workplace.

One such example is the Bank's MyBankHero campaign. Launched via the eNewsgram at the start of last year's Enhanced Community Quarantine, the campaign encouraged BDO

employees to pay tribute to their hero/es in the Bank, who braved the pandemic to fulfill their duties as frontliners. The campaign ran from March to July last year and gathered hundreds of tributes and testimonials from Bank employees, including its subsidiaries.

The eNewsgram has also been an important channel to keep employees fully informed about the COVID-19 virus and how they can best protect themselves while at the workplace; while commuting; at their own homes; and in public places.

It is also through eNewsgram that employees were informed of the different assistance and precautionary measures implemented by the Bank to help employees cope with the extended lockdown and quarantines. These include distribution of vitamins to frontliners; allocation of surgical masks and face shields to all employees of the Bank and its subsidiaries; availability of shuttles during ECQ and Modified ECQ; regular COVID-19 tests for all employees; and COVID Care, a tele-consultation hotline for employees with COVID-19-like or flu-like symptoms.

During the months in lockdown, employees were kept updated with announcements from senior leadership and HR, new guidelines, and other related COVID-19 information through the BDO Portal, which employees accessed using their phones or personal computers.

The Bank also communicates to employees through its bi-monthly newsletter, The Wayfinder. Formerly called BDO in the News, The Wayfinder took its new name to reflect not only a fresher look but also more engaging content. The newsletter keeps the BDO workforce abreast with key developments in the Bank, and more importantly, promotes the We Find Ways philosophy by featuring group or individual stories of finding ways for clients. In telling these stories, BDO hopes to not only promote its service mindset, but to also inspire and instill pride in its employees.

The Wayfinder has also been a channel for the Bank to promote its sustainability initiatives and how it impacts lives and brings progress by regularly publishing sustainability articles.

A multimedia approach to customers and the general public 102-43

For external communications, BDO's Corporate Communications Team made full use of its established relationship with traditional media, as well as with online news outlets and social media influencers, in conveying the Bank's initiatives to the public amid the pandemic.



BDO Remit senior officers held well-attended live press conferences for its annual “Pamaskong Handog” event for OFWs until 2019, then shifted to virtual in 2020.

In support of BDO Remit's new marketing campaign, BDO Corporate Communications explored creative strategies in engaging overseas Filipinos and their beneficiaries. A virtual press conference—one of the first in the country—gathered reporters, influencers, and even endorser Piolo Pascual for a prescreening of BDO Remit's new videos, with a Question-and-Answer (Q&A) with BDO spokespersons, Piolo, and the creative team behind the videos.

TikTokers, an emerging set of online influencers, were also tapped to start conversations about the BDO Remit videos on the social media platform, and help bring joy to overseas Filipinos and their beneficiaries at home. For further reach, a partnership with talent company Star Magic's Rise Artists Studio allowed Piolo to guest on its “We Rise Together” online show, and get additional support from its online influencer network.

BDO's effective communication efforts in rolling out BDO Remit's campaign were recognized with Excellence and Merit awards at the 18th Philippine Quill Awards by the International Association of Business Communicators-Philippines, which “honor exemplary communication research, programs, skills, and creative work.”

Shortly after the Enhanced Community Quarantine (ECQ) was declared in March, BDO released a statement that allowed for a 60-day payment extension for qualified Credit Card, Auto, Home, Small and Medium Enterprise, and Personal Loan customers with due dates up to April 15, 2020.

In a subsequent statement, BDO similarly announced a 60-day loan reprieve covering loan due dates between September 15 to December 31, 2020 under the Bayanihan to Recover as One or BARO Act.

In another press statement, the Bank also encouraged its clients to use its online banking facility as a contactless option. These statements were uploaded in BDO's website and social media channels and picked up by traditional and online media outlets.

BDO worked with several social media platform owners such as registered financial planner Fitz Villafuerte for advise on how to "COVID-19-proof" finances, or with others who used their respective platforms to warn the public against fraudsters who took advantage of people's anxieties and lack of familiarity with online apps and accounts during the pandemic.

Once the ECQ was lifted, BDO announced that its branches were back at operating at longer banking hours to service the public's needs. Other stories included a press release on behalf of BDO Network Bank on its continued support for public schools as part of its social responsibility initiatives. Another was a story on Market Sense, a monthly webinar series hosted by BDO Trust Group, where guest economist and Marikina City Representative Stella Luz Quimbo called on the government to spend despite the crisis in order to spur economic activity and boost confidence levels of the public, especially businesses.

Such stories were published by national and provincial media, online press, and select bloggers.

Two of the Bank's major pandemic-related stories were also well-received. The first was on BDO Foundation's funding for pooled testing for the City of Mandaluyong. The other was on the efforts exerted by BDO Remit Macau in coordination with key government agencies, to distribute face masks to stranded and repatriated overseas Filipino workers at the Macau International Airport. This was part of an outreach program to assist countrymen in dire need as a result of the pandemic.



BDO's Corporate Communications team was honored for its exemplary communication work for OFWs and their families at the 2020 Philippine Quill Awards by the International Association of Business Communicators-Philippines.

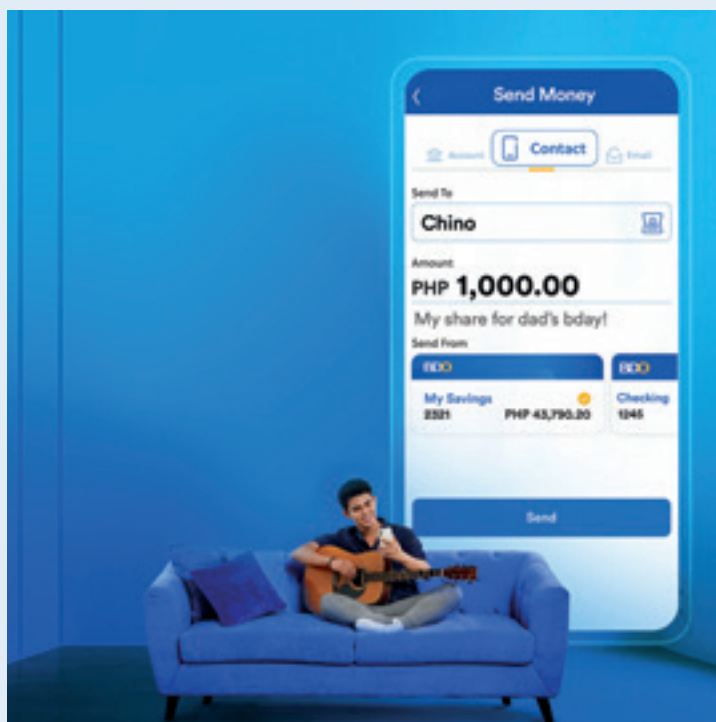
BDO Highlight:

Driving Digitalization

Desire for accessibility, reliability, and convenience in banking services anytime, anywhere is driving the need for banks to upgrade its online platforms and make a massive shift towards digitalization. Globally, banks are investing in digital banking to deliver a faster banking experience, attract more customers, and maintain its competitive edge.

BDO's approach to digitalization is three-fold: enhance the customer experience, enable financial inclusion through technology, and upskill its people to better understand customer data and better manage social impact.





Enhancing customer experience

The pandemic has highlighted the critical role of BDO's digital platform investment. In 2020, lockdowns forced consumer behavior to shift faster towards digital platforms for personal banking services and for commercial transactions online. To leverage this, BDO pushed the usage of digital banking as an alternative to traditional channels through customer education on the use of channels. Examples of customer communication around this were on how to bank safely from home, how to pay utility bills online, how to send money securely, and scheduling online banking transactions during off-peak hours for a smoother banking experience. By yearend,

digital banking showed fast growth in enrolled users, a more engaged digital banking base, and a sizeable growth in digital transactions.

For the past two years, BDO has been working on upgrades to its digital capabilities to transition into a modern architecture platform with much improved speed, reliability, and flexibility---all aimed at enhancing the client experience. BDO's sustained IT investments will provide the Bank with a competitive advantage on scalability and agility, allowing the Bank to swiftly respond to shifts in clients' needs and behavior, and deliver banking services reliably and accessibly even in times of crisis.

Evolving products and services

Financial inclusion forms part of BDO's digital strategy. This involves introducing new products and services to better serve the evolving needs of customers across different target audiences. BDO continues to enhance its mobile app with more features that feels like having one's own BDO branch in one's gadget. Services include sending and receiving money immediately, paying bills online to over 600 listed merchants, and reloading prepaid mobile sims regardless of the telecommunications provider. Another example is the use of QR Code which the

Bank pilot-tested towards the later part of 2020 and has scheduled to launch in early 2021. The QR code allows clients to make card-less, QR Code-based withdrawals from BDO Automated Teller Machines (ATMs), and minimize contact with the ATM surface.

Recognizing the rise of digital wallets, digital payment companies, and fintech companies that compete with traditional financial institutions, BDO initiated a series of IT projects that were supposed to launch in 2020, but were sidelined by the pandemic.

Equipping the organization

BDO's digital journey involves not only upgrading its platform, but digitalizing the processes and practices within the Bank and upskilling employees to implement the following:

- Digital Channels Optimization Project to stabilize the performance and resiliency of the Bank's digital channels
- Digital Workplace Program to align the traditional IT practice and work methods with more effective and modern processes, workflows, tools, and collaboration methods.
- Provisioning of work-from-home resources such as laptops, its own virtual private network, and virtual meeting platforms to enable employees to deliver BAU services more flexibly.
- Streamlining of mobile account enrolment processes to simplify and facilitate transaction processing under pandemic conditions
- Integrating system announcements to handle unexpected volume and address new requirements
- Implementing site and functional redundancy, which involves locating IT personnel in different sites, to prevent central points of failure in the organization.

Rationalizing the branch network

According to BDO President & CEO Nestor V. Tan, in an interview with the company magazine Wayfinder, "Over time, we will see some adjustments in the mix of resources we will use to service clients. As digital picks up, we will probably see a slowdown in our branch expansion. But as we move into the countryside, it is probably premature to say that branches will cease to exist" (Wayfinder, July-August issue 2020). Employing a balancing act, the Bank will continuously assess its branches and adjust the density required for each branch as digitalization initiatives continue.

Mitigating fraud risk and cybersecurity

The growth in digital transactions and more first time digital banking users resulted in greater vulnerabilities to fraud. The most common of these cases were related to phishing and generating One Time Passcode (OTP). The Bank's product validation team worked closely with the fraud team to quickly identify, trace and resolve cases. The teams also amended transaction validation procedures and strengthened measures to prevent fraud. The Bank's marketing team likewise worked closely with the fraud team to quickly warn customers via short messaging service (SMS), electronic direct mail (EDMs), or facebook, and shared educational materials on social media to better equip customers to recognize fraudulent transactions or messages.

4.6 million

enrolled users in 2020

Over 100 million

transactions processed in 2020

75%

growth in transaction volume from previous year

15.7 million

bills paid online in 2020

161.8 billion

total bills paid in 2020



Sustainability Strategies and Performance





Product Sustainability Strategy

BDO creates products and services that anticipate the ever changing needs of customers; make financial inclusion possible for the unbanked and underserved; support the growth and expansion of businesses; contribute to the country's long-term economic development; and ultimately support the UN Sustainable Development Goals.

Following the Bank's customer focus core value, BDO places great importance on relationship building with customers. BDO Bankers listen to customer needs and feedback through various channels and reach out across geographic and virtual divides to provide solutions that meet individual and business needs.

BDO has a long history of pioneering innovative banking solutions that changed the way Philippine banks serve customers. It introduced extended banking days and hours to meet the needs of business owners and entrepreneurs. The Bank lowered minimum initial deposits to encourage more people to engage in banking transactions. Also, it

offered affordable and flexible consumer loan packages to support consumer spending. BDO leveraged the retail experience and reach of SM Malls to establish bank branches in malls for greater customer convenience. It was first to promote digital and mobile banking to save paper while making bank transactions faster and more convenient. BDO was also the first local bank in the country to roll out a debit card with an embedded Europay Mastercard Visa (EMV) chip to protect against electronic banking fraud, as well as first to fully retrofit its Automated Machines (ATM) network to allow EMV chip debit card transactions.

In 2020, the COVID-19 pandemic proved how the Bank's products and services are critical in helping its customers survive quarantines and business lockdowns. BDO's financial inclusion initiatives evolved into practically bringing the Bank to customers through branch employees who redefined what it meant to be frontliners for banking services. BDO operated on business-as-usual mode in the most unusual circumstances to bring its products and services to where they were needed most.



BDO Network Bank Kabuhayan Loan gives new life to MSMEs

Financial inclusion of the underbanked and underserved is the key driver for BDO Network Bank’s Kabuhayan Loan (literally, Livelihood Loan), a business loan specifically designed for micro, small, and medium enterprises or MSMEs, among the sectors hardest hit by the pandemic.

BDO Network Bank (BDO NB), formerly known as One Network Bank, Inc. (ONB), is a subsidiary of BDO Unibank, Inc., with its head office based in Davao City, Southern Philippines.

Kabuhayan Loan offers a loan amount ranging from ₱30,000 (US\$625) up to ₱1 million (US\$20,000), payable in 12 to 24 months. Unlike other loan products, borrowers can avail of the loan without the need for a collateral. This makes it attractive to small businesses that have been in operation and steadily earning for at least three years, particularly

because the loan provides for additional capital for MSMEs to grow their business through buying stocks or inventory, purchasing assets such as delivery vehicles, or expanding the business with additional branches.

Through the Kabuhayan Loan, the Bank has provided funding to thousands of MSMEs across the Philippines, including women-owned MSMEs which make up more than half of its loan portfolio.

In 2020, MSMEs had to adapt their business operations to the limitations of a pandemic situation. The Bank, in turn, quickly implemented COVID-19 safety protocols at work to ensure employees’ safety and continue serving MSMEs despite the lockdowns. Account officers picked up loan document requirements from homes or stores, while closely coordinating access and strictly observing safety

protocols imposed by local government units. For loan contract signing, the BDO NB teams met borrowers halfway, sometimes even at checkpoints or town or city boundaries, if the borrower cannot leave their community due to quarantine restrictions. In 2021, BDO NB aims to help pave the way for national economic recovery by funding and rebooting MSMEs through the Kabuhayan Loan.

Zero collateral

Affordable loans from **₱30k to ₱1M**

Over **50%** MSMEs financed are women-owned



BDO ESG Equity Fund pioneers socially responsible investing

BDO manages the country's first ESG-themed Unit Investment Trust Fund which invests in locally listed companies with good Environmental, Social, and Governance practices—factors that measure the sustainability and ethical impact of an investment.

The Fund allows investors to create value in socially responsible companies as an investment destination for their funds. It also allows clients to invest in one fund that covers several companies, instead of investing separately in every local company that they believe creates a positive contribution to society. Investing in the Fund starts at a minimum amount of only PhP10,000 (US\$208.23 at US\$1=PhP48.023).

The BDO ESG UITF subscribes to specific guidelines set by the

International Finance Corporation (IFC) for ESG investing—another advantage of the Bank's long-time productive partnership with the IFC. The Fund does not invest in companies with the primary business of selling alcohol or tobacco, or engaging in gaming or mining.

In the past five years since it was first launched, the Fund's assets under management has grown consistently from PhP55.5 million in 2015 to PhP99.4 million in 2020. The sudden local stock market downturn in March 2020 took its toll on all equity funds, including the BDO ESG UITF, but the Fund recovered dramatically, posting 19.90% in returns in the past 3 months and 13.95% in the past 6 months, ending in December 2020.

The Fund followed a similar higher return performance

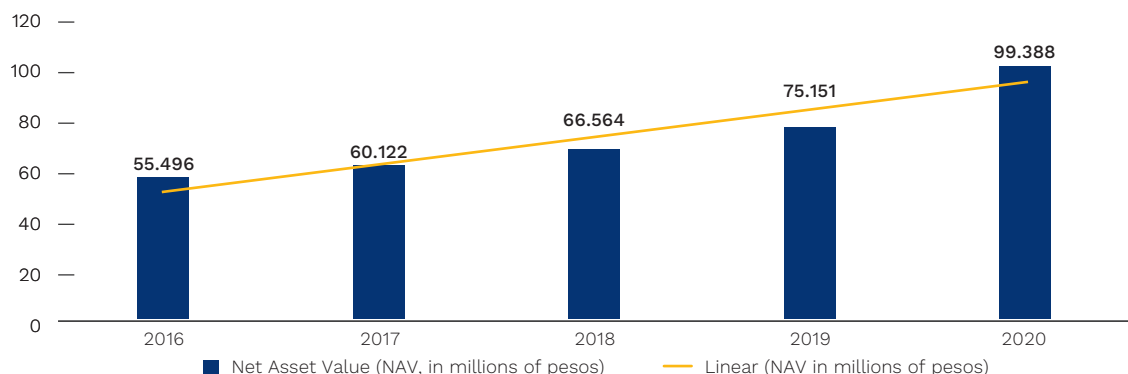
shown by ESG funds globally, proving the importance and resilience of sustainable business practices. While the Fund is still relatively small, it has the potential to grow in size and importance as more investors consciously look for companies that protect the environment, are socially responsible, and practice good governance in a sustainable manner.

1st ESG-themed UITF
in the country

PhP10k starting
investment

5 years of
consistent
fund growth

BDO ESG UITF





Access to cash in the time of COVID-19

Access to cash during the community lockdowns in 2020 was a huge challenge, as local government units restricted mobility and closed their borders to contain the spread of the COVID-19 virus. BDO's Cash Agad (Immediate Cash) banking platform proved to be a boon for individuals, small businesses, and local government units nationwide.

Cash Agad is a banking solution which allows debit and prepaid cardholders to perform banking transactions through point-of-sale (POS) machines deployed to Cash Agad partner agents: sari-sari stores, bakeries, groceries, hardware stores, and other similar establishments rooted in their community. Since its launch in 2014, Cash Agad has facilitated access to funds for people living in areas with limited to non-existent banks and Automated Teller Machines (ATMs).

Since Cash Agad partner agents are strategically located in accessible areas in small communities, this allowed customers to gain access to

cash while reducing risk to their health and allowing for shorter and easier travel. Cash Agad Partner agents earned both from the withdrawal services and sales of essential items such as food, vitamins, and disinfection products subsequently bought from their stores.

Beneficiaries of the government's conditional cash transfer program called the 4Ps (Pantawid Pamilyang Pilipino Program or Bridging the Poverty Gap for Filipino Families Program) were particularly grateful to receive their cash assistance on a regular basis. To make this happen, BDO partnered with local government officials to deploy additional Cash Agad services in municipalities which do not have ATMs. Locals government units enforced order at partner agent sites through scheduling withdrawal services and managing physical distancing. The Bank installed POS terminals and scheduled regular maintenance to avoid downtime. BDO's Marketing

team conducted multiple technical and entrepreneurial trainings for partner agents, and widely communicated the Cash Agad service across the Bank's multiple online and social media channels. By year end, transactions from government-issued cards for the 4Ps and for salaries of government employees posted a year-on-year increase of 117% versus 2019.

The Cash Agad platform was created to address inequity in access to financial services. The pandemic demonstrated that financial inclusion assumes greater importance in times of major health emergencies in order to mitigate devastating economic and social impact.

8,872 partner agents

Presence in
86% of 1,634 municipalities

41.4M transactions

₱176.5B total cash withdrawn

Empowering retirees to better handle their PERA

BDO Trust is the first trust entity in the country to be accredited by the Bangko Sentral ng Pilipinas (BSP) and the Bureau of Internal Revenue (BIR) as an administrator for PERA or the Personal Equity and Retirement Account, a voluntary retirement savings account.

Republic Act No. 9505 or The Personal Equity and Retirement Account (PERA) Act of 2008, is implemented by regulatory agencies such as the BSP, the BIR, the Securities and Exchange Commission (SEC), Department of Finance (DOF), and the Insurance Commission (IC).

PERA provides Filipinos with a tax exempt facility to supplement their future pension benefits from the Social Security System or the Government Service Insurance System and from their own employers. The law also provides employers an opportunity

to support the government's drive to promote savings mobilization and capital market development.

Acting as a PERA Administrator provides BDO with another opportunity to promote financial inclusion, one that helps older clients augment their retirement pay and plan for a comfortable retirement. In addition, BDO Trust, as a PERA Investment Product Provider, has also obtained BSP approval to offer various PERA-qualified Unit Investment Trust Funds (UITFs).

Since 2016, when it was first offered by BDO Trust, the Bank has pushed for PERA through free retirement seminars both to its target customers and the general public. In 2020, the Bank conducted live webinars to carry out its financial literacy activities despite limited mobility and access.

The Bank sees an increasing interest among Filipinos to attend financial education

seminars to better understand how they can improve their financial well-being through investing and proper money management. It will continue to leverage on technology to expand delivery of services to clients and strengthen visibility to assure clients that the Bank is in control of their retirement savings and investments. As of yearend 2020, BDO has serviced 1,188 PERA individual contributors with a total investment of PhP84 million in BDO PERA UITFs.

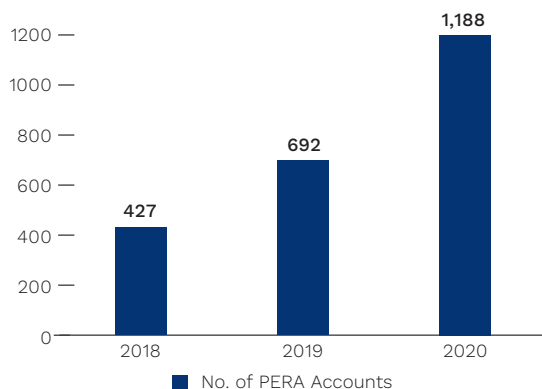
Tax-exempt retirement

savings account

₱84M in UITF investments

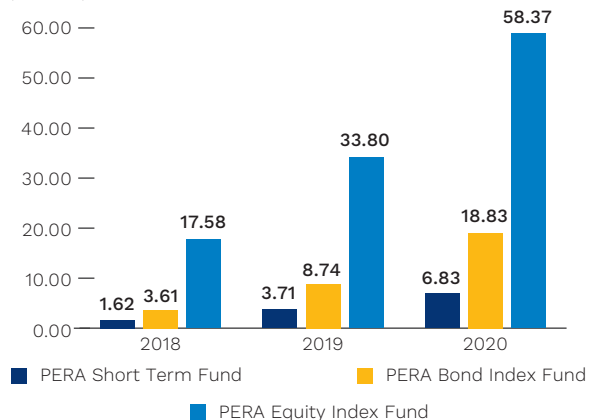
1,188 individual contributors

BDO PERA Accounts



BDO PERA UITFs NAV

(millions)





BDO Remit brings financial security to Overseas Filipinos

For over two million overseas Filipino workers (OFWs) all over the world, sending hard-earned money back to families in the Philippines in a safe, fast, and convenient way is a paramount concern. BDO aims to be the go-to-bank of overseas Filipinos and their beneficiaries by going beyond serving their remittance needs, to helping them achieve their dreams of a better life.

Over the years, the Bank achieved this through one key message: financial literacy in savings and investments leads to financial security. To deliver this message took massive efforts at relationship building and partnerships with overseas Filipino beneficiaries at the grassroots level in key provinces across the country; and with remittance and financial institutions around the world known for trust, reliability, and accessibility.

Financial Literacy

Deployment of OFWs continued in 2020 despite the pandemic. The Overseas Workers Welfare Administration's (OWWA) mandatory Pre-Departure Orientation Seminar (PDOS) shifted from face-to-face lectures to online webinars via Zoom. BDO, through BDO Remit, honored its commitment to OFWs and OWWA by being the only bank to support this new PDOS approach. The Bank provided the internet connection and speakers from the BDO remittance team who stressed the importance of opening a bank account for savings and better financial management. OWWA and BDO's public-private partnership program resulted in 734 online PDOS webinars with over 26,000 participants in 2020.

Strength in partnerships

BDO takes pride in the strategic partnerships it has built over the years that enables its global reach, making remittances convenient and reliable, wherever Filipinos may be. The Bank currently has 360 remittance partnerships in the key regions of Asia, Middle East, North America, and Europe. BDO is a proud partner of the most trusted and biggest banks worldwide, such as Seven Bank in Japan; DBS in Singapore; and Wells Fargo in the United States (US). In the Middle East, BDO is partner to Al Rajhi Bank and the National Commercial Bank (NCB) in Saudi Arabia, the Commercial Bank of Qatar (CBQ), and Emirates NBD in the United Arab Emirates.

BDO also has close ties with the biggest global remittance players: Western Union, MoneyGram, Ria money transfer and WorldRemit, as well as established money transfer companies Xoom & Remitly in the US, and Small World money transfer in Europe. Each partner has its own branches and allows sending money online through its website and mobile app, effectively multiplying BDO's presence in tens of thousands of locations worldwide, as BDO runs remittance 24 x 7. The Bank has 90 marketing representatives and staff stationed in its four key regions, who manage the remittance partnerships, as well as events and promos for Filipino communities abroad. A complete list of BDO remittance partners, overseas branches, and representative offices can be found on bdo.com.ph. OFWs can find out more about remitting money from abroad through BDO Kabayan on facebook, BDO's dedicated facebook page for overseas Filipinos.

Engaging Beneficiaries

Financial literacy geared towards OFW beneficiaries brings BDO's efforts full circle. Banks and their branches can either be too far, too expensive to go to, or too intimidating for OFW family members in the provinces. BDO literally brought the Bank before them.

Since 2014, BDO has held motorcades in public areas such as wet markets, transportation terminals, and municipal offices that ably interweave musical concerts and programs with financial literacy messages and on-site account processing service. Spiels included information on how to receive remittance, save through BDO Kabayan Savings, the Bank's flagship product, and develop a financial planning mentality for their future. These events featured the country's popular entertainers in 21 provinces with the most number of OFW families, and contributed to 166,000 new BDO Kabayan Savings accounts in 2020.

BDO, in partnership with SM Malls, also holds "Pamaskong Handog" an annual Christmas event held exclusively for BDO Kabayan savings account holders. Since 2012, "Pamaskong Handog" has held big shows inside SM Supermalls to welcome OFWs who typically come home during the Christmas season. The Bank leveraged other business units under the SM Group—SM Supermalls, The SM Store, SM Markets, Kultura—to offer exclusive promos that show OFWs and their families the benefits of their account relationship with BDO.

In 2020, BDO held the first-ever online gathering for OFWs with the theme "Sama-sama tayo sa Pasko" (Together at Christmas). It focused on four event pillars: "Save Together | Dine Together | Shop Together | Bond Together" meant to bridge the physical gap between families during the pandemic, while saving with BDO and enjoying heartwarming moments at SM. The online event reached an audience of 540,000, with over 335,000 views, 4,000 reactions and 44,000 comments. No matter the distance, BDO found ways to inspire and honor overseas Filipinos and their families.

Helping Filipinos, supporting the economy

BDO has also waived remittance fees abroad at certain periods, in support of donation drives coursed through various foundations, for survivors of the Taal Volcano eruption, typhoons throughout the year, and the BDO Foundation's Peso for Peso campaign for communities badly affected by COVID-19. BDO Remit's PDOS team also provided hygiene kits to over a hundred repatriated seafarers in Iloilo, while BDO Remit Macau distributed face masks to repatriated OFWs stranded at the Macau International Airport. BDO Remit Spain also launched a donation drive for Taal eruption survivors and remitted 700 Euros to the Philippines.

OFW remittances coursed through BDO creates a regular inflow of foreign exchange into the Philippines which increases the country's foreign exchange earnings and contributes to national economic development. BDO Unibank holds the 2018 Bangko Sentral ng Pilipinas (BSP) award for being the "Commercial Bank that Generated the Largest Overseas Filipino Remittances." In 2017, BSP also awarded BDO the "Gold Hall of Fame" title after winning the award for the same category for three consecutive years from 2013 to 2016. BDO Unibank first received the "Hall of Fame" award in 2010 also after winning the same title for three consecutive years since 2008. As a BSP awardee for more than a decade, BDO Unibank holds the largest overseas Filipino market share for remittances coursed through banks.



360

remittance partners worldwide



10.2 million

total number of Filipinos overseas (Commission on Filipinos Overseas)



2.2 million

total number of Overseas Filipino Workers (Philippine Statistical Authority, as of June 2019)



2.3 million

BDO Kabayan Savings account holders



Php40,000

average savings in BDO Kabayan accounts



26,000

OFW participants in 734 pre-departure financial literacy webinars



#1 Bank in Remittance

with 41% of US\$ volume from BDO's OFW remittances (Bangko Sentral ng Pilipinas)





Sustainability Contribution Strategy

BDO supports the Philippine economic development goals through financial inclusion and impact financing in renewable energy, infrastructure, eco-friendly solutions, green facilities, and disaster resilience initiatives.

BDO contributes to the country’s sustained economic growth through delivering various banking products and services that help create a dynamic business environment, promote local and foreign investments, and accelerate economic activities.

BDO Foundation champions financial inclusion as one of its two key advocacies. The Foundation partners with various institutions to bring financial literacy and scale it to large target sectors, from public school students, teachers and non-teaching personnel to Overseas Filipino Workers to members of the Armed Forces to police personnel nationwide.



Managing Climate Change Risks and Opportunities

BDO recognizes that climate change brought about by accelerated economic growth and globalization is a planetary issue that requires an urgent global, coordinated response. With increased carbon emissions come heightened environmental and social risks—in particular, transition risks and physical risks that can directly impact the Bank’s financial value chain. Shifting to a low carbon economy is critical to sustain the requirement of the world’s population, while protecting the environment and the natural resources that come with it, and mitigating social inequalities to ensure that everyone benefits from these resources.

BDO recognizes that it plays a critical role in the Philippines towards contributing to a global low-carbon economy pathway through its financial resources, extensive

operations and network, and access to millions of Filipinos and their communities.

To do this, the Bank consistently adhered to sustainable finance practices that has long incorporated Environmental, Social, and Governance (ESG) in the way it conducts business as an organization and as a bank committed to sustainability.

Environmental and Social Risk Management

Since 2010, the Bank has put in place its Social and Environmental Management System (SEMS) Policy that risk-categorizes all corporate and commercial borrowing accounts according to their social and environmental impact. The Bank’s SEMS was co-developed with the International Finance Corporation (IFC) and based on IFC’s ESG standards. SEMS categorizes ESG risks as High, Medium, and Low, based on

“Since 2010, the Bank has put in place its Social and Environmental Management System (SEMS) Policy that risk-categorizes all corporate and commercial borrowing accounts according to their social and environmental impact.”

type (sector/industry), location (proximity to environmentally and socially sensitive areas), sensitivity (potential impact whether irreversible/reversible), and extent of environmental/social issues.

The Bank’s SEMS policy prohibits financing of any activity engaged in the following:

- production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements or subject to international bans,

- production or trade in weapons and munitions,
- gambling, online gaming and equivalent enterprises,
- any business related to pornography and/or prostitution,
- production or activities involving harmful or exploitative forms of forced labor/harmful child labor,
- commercial logging operations in primary tropical moist forest,
- production or trade in wood or other forestry products other than from sustainably managed forests.

In 2020, the BDO Sustainable Finance Framework (SFF) was created to ensure the strategic resilience of financial products and services in accordance with BDO's five Sustainability Strategies and aligned with UN Sustainable Development Goals (UN SDGs). BDO's SFF was recently endorsed by Sustainalytics, a leading independent Environmental, Social and Governance (ESG) research and ratings provider based in New York.

Sustainalytics expressed that in their opinion "BDO's Sustainable Finance Framework is credible and impactful, and aligns with the Sustainability Bond Guidelines in 2018, Green Loan Principles 2020, and the ASEAN Sustainability Bond Standards 2018." This further strengthens the Bank's support for targeted and responsible projects that facilitate climate resilience and promote inclusive economic growth. For more information on the BDO Sustainable Finance Framework, visit www.bdo.com.ph/corporate-governance/sustainability or click on Sustainable Finance Framework.

Continuous Improvement in Sustainable Finance

BDO stays true to its commitment to sustainable finance as it aligns with the Bangko Sentral ng Pilipinas (Central Bank of the Philippines) Circular 1085 issued in April 2020, which mandates all banks to transition to a Sustainable Finance Framework.

The Bank supports the BSP's initiative to integrate sustainability not just in the banks' governance framework and risk management system, but more importantly, in its overall business strategy and operations.

BDO is currently going through an organization-wide gap assessment that will identify its priority activities to transition into a Sustainable Finance Framework as defined by the BSP. Part of this exercise is to review and align the current SEMS Policy, the SFF, and the Bank's Enterprise Risk Management System (ERMS) to create the BSP-mandated Environmental and Social Risk Management System (ESRMS).



BDO Foundation scales Financial Inclusion

Partnership with government institutions in 2020 continued to scale the impact of BDO's financial inclusion initiatives among key target groups in the Philippine population.

Together with the Bangko Sentral ng Pilipinas (BSP), BDO Foundation made significant strides to promote financial inclusion and institutionalize financial education in the training programs of government institutions.

The Foundation implemented financial education programs in partnership with the Department of Education (DepEd), Overseas Workers Welfare Administration (OWWA), Civil Service Commission (CSC) and Armed Forces of the Philippines (AFP). Through these programs, the foundation enabled its partner institutions to conduct financial literacy lessons for public school students, teachers and non-teaching personnel; OFWs and recipients of remittances; civil servants; and uniformed and civilian personnel of the armed forces. Amid the pandemic, the Foundation continued to implement these initiatives through the use of online platforms.

BDO Foundation supported a series of workshops for DepEd officers as part of the financial education program for public schools. Facilitated by consultants from the Asian Development Bank (ADB) headquartered in the Philippines, the workshops enabled participants to develop tools that can effectively measure the impact of the program on its beneficiaries.

BDO Foundation awarded the most outstanding financial literacy videos developed by public school students as part of Sineliksik, the video-making competition of DepEd's annual National Festival of Talents. The contest produced 64 learner-generated and learner-appropriate videos that DepEd will use as part of its learning resources to further promote financial literacy among public schools.

The Foundation and BSP organized training sessions for officials tasked to teach financial literacy lessons to target audiences across the country. This train-the-trainer program helped improve the teaching skills of subject matter experts.

The Foundation also developed a training manual for OWWA's mandatory Pre-Departure Orientation Seminars for all OFWs. Financial education is key to helping OFWs better manage their earnings abroad, which are usually allocated for money to be sent back to the family left behind in the Philippines, debt payment, and local expenses in their country of work.

To further support its training initiatives, BDO Foundation produced 10 new financial education videos in 2020, on top of the previous years' 16 videos. A total of 26 videos developed by the Foundation are now available for use in the training initiatives of its partners.

24 million

student beneficiaries to date

47,000

public schools reached to date

800,000

teachers and non-teaching personnel beneficiaries to date

2.3 million

Overseas Filipino Workers beneficiaries to date

900,000

civil servants beneficiaries across all government agencies to date

140,000

armed forces beneficiaries to date



BDO Sustainable Corporate Initiatives



Photo Credit: Vince Faelnar

The BDO Corporate Center Ortigas (CCO) exemplifies the Bank's commitment to green building design. Among its most prominent features are the efficient use of energy, water and other resources, compared to other similarly occupied buildings. It has state-of-the-art rainwater and condensate harvesting facilities which recycled 63.8 million liters of water in 2020. It also has its own sewage treatment facility. CCO utilizes sensor triggers for its cooling and lighting systems and uses double glazed glass walls all throughout to allow natural light in and keep the heat out.

At 48 storeys high, CCO was designed to maximize 360 degrees views of the Ortigas Business District in Mandaluyong City, as well as the nearby cities of Manila, Makati, Pasig, and Quezon City. Such views stretch as far as Laguna de Bay, the third largest inland body of water in Asia in the southeast; Manila Bay and its world-famous sunset in the west; and the verdant rolling hills of Antipolo City in the north. Inside, its office configurations allow all employees at their desks both expansive views and natural light from its floor to ceiling glass walls.

CCO earned a certification on Leadership in Energy and Environmental Design (LEED)[®] in 2018. It is the first high-rise office-commercial building in the Philippines to achieve a LEED[®] Gold Certification under the "New Construction Category."

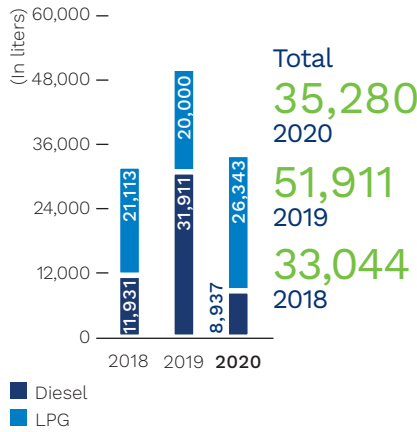
BDO applies this green mindset as it incorporates environment-friendly designs and programs to achieve eco-efficient operations in its corporate facilities and branches nationwide.

BDO Resource Consumption

Water Consumption



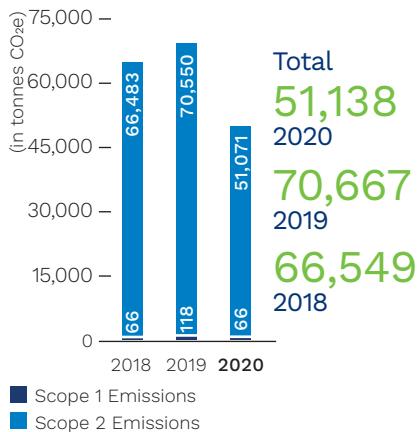
Fuel Consumption



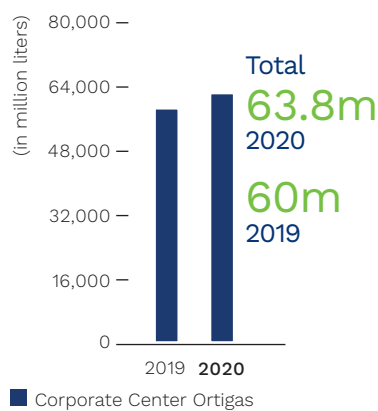
Electricity Consumption



GHG Emissions^{1,2}



Recycled Water



In 2020, BDO's resource consumption was directly affected by the government lockdown to prevent the spread of the COVID-19 virus. The first Enhanced Community Quarantine (ECQ) began on March 15, 2020 in the National Capital Region, covering 16 major cities and one municipality. The ECQ imposed work suspensions and very limited work operations in designated essential sectors. The lockdown remained throughout the year (and continued in 2021) in varying levels of strictness or leniency in community quarantine measures, from the ECQ to the Modified Enhanced Community Quarantine (MECQ), the General Community Quarantine (GCQ), and the Modified General Community Quarantine (MGCQ). It was also enforced in different regions of the country, depending on the number of COVID-19 cases reported.

BDO resumed full operations in its corporate offices and branches nationwide in June 2020. The Bank remains committed to measuring its resource consumption and managing its carbon footprint through its continued growth as the country's largest bank with the most number of branches and corporate facilities.

⁽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

Sustainable Finance for Sustainable Development

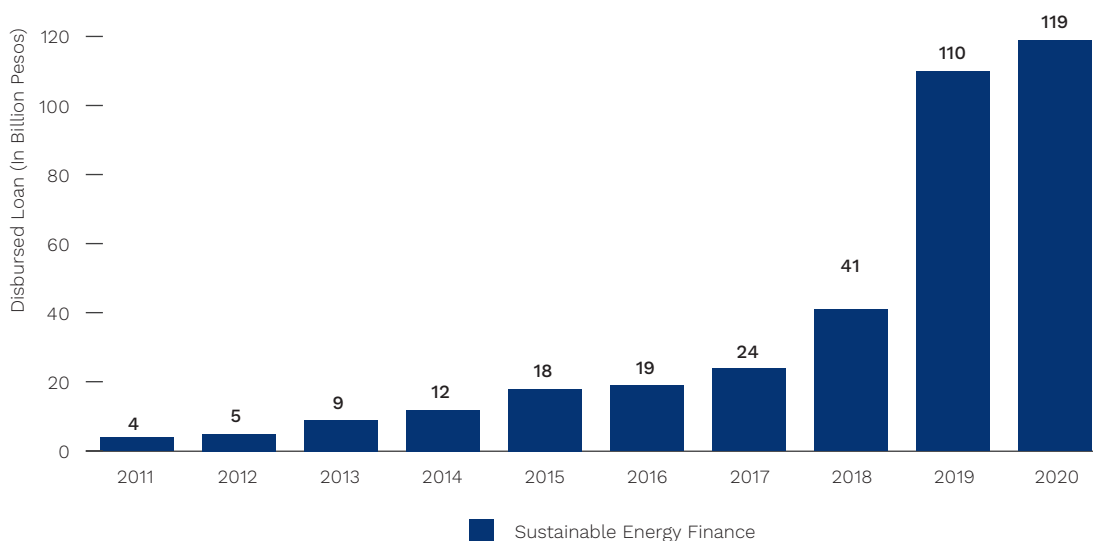
The **Sustainable Finance** (SF) Desk under the Institutional Banking Group manages the Bank's Sustainable Energy Finance (SEF) Program and leads impact financing activities—from capacity building for our lending and credit officers to reviewing projects for sustainable financing to sharing our best practices with the global, regional and local financial communities.

Over the past nine years, the SEF program financed renewable energy, energy efficiency and green building projects. In 2019, the SF Desk greatly expanded its scope, leading to significant increment in loan volume. The SF Desk also began to include Social Impact projects in its portfolio and all these were integrated under the BDO Sustainable Finance Framework.

BDO Sustainable Finance is composed of Green Finance and Social Impact Finance eligible projects. Green Finance is provision of finance to business activities such as renewable energy, energy efficiency, green building, clean transportation, pollution prevention and control, sustainable management of natural resources and land use, eco-efficient technology, sustainable water and waste water management, terrestrial and aquatic biodiversity conservation, climate change adaptation. Social Impact Finance eligible projects are affordable housing, access to essential services, employment generation and food security.

As of end of December 2020, BDO has funded 50 Sustainable Finance projects worth PhP400.9 billion.


BDO Sustainable Energy Finance




Economic, Environmental, and Social Impact

Description	2019	2020
Total Sustainable Finance Funded to Date	₱158.8B	₱400.9B
Total installed Renewable Energy Capacity (SDG 7: Affordable and Clean Energy)	2,168 MW	2,184 MW
Renewable energy projects funded to date	45	50
Carbon dioxide avoided per year by funded renewable energy projects (SDG 13: Climate Action)	3,922,454 tonnes	4,170,744 tonnes
Equivalent passenger vehicles taken off roads yearly	842,223	885,381
Equivalent tree seedlings grown over 10 years	65,592,410	68,953,558
Families Served by Renewable Energy Projects	1,944,479	1,968,067
Loans disbursed in the past 5 years for national projects	₱32.1B	₱32.9B
Loans disbursed in the past 5 years for airports	₱12.4B	₱12.4B
Loans disbursed in the past 5 years for road networks	₱17.6B	₱18.4B
SDG 2: Zero Hunger	20,000 smallholder-farmers trained by BDO-financed agriculture initiatives	3,000 smallholder farmers, 47 public webinars conducted on vegetable farming
SDG15: Life on Land	5,000 farmers no longer dependent on slash-and-burn-farming in Palawan	5,150 farmers no longer dependent on slash-and-burn-farming in Palawan
Road network development	141.69 km	152.23km
Financing Facilitated (Roads)	₱15.3 billion	₱18 billion
Vehicles Served	2.56B	136.9M
Carbon emissions annually reduced through efficient roadways	15,234 tonnes	4,260.09 tonnes
Biomass Capacity	158 MW	164 MW
Geothermal Capacity	1,189 MW	1,189 MW
Mini Hydro Capacity	421 MW	431 MW
Solar Capacity	338 MW	339 MW
Wind Capacity	62 MW	62 MW
Disbursed Loan Amount per RE Technology Type	Bioethanol – ₱95.5M Biomass – ₱10.3B Geothermal – ₱4.3B Hydro – ₱15.7B Solar – ₱10.3B Wind – ₱2.8B	Biodiesel- ₱68.5M Bioethanol – ₱201M Biomass – ₱16.7B Geothermal – ₱4.3B Hydro – ₱15.7B Solar – ₱12.5B Wind – ₱2.9B
Bioethanol Production	44.12 Million liters per year	44.12 Million liters per year
Biodiesel Production	<i>New entry in 2020</i>	60 Million liters per year


Solar

Installed Capacity 339 MW	Disbursed Loan Amount ₱12.6 billion	Net Energy Generation in annual megawatt-hours (MWh/year) 390,811	Gross Energy Generation (MWh/year) 474,937
Value of energy generation per year ₱1.9 billion	GHG avoidance per year based on Net (in tonnes CO ₂ e) 173,156	GHG avoidance per year based on Gross (in tonnes CO ₂ e) 210,430	 <p>Photo Credit: Rodel Diaz, Solar Philippines, Calatagan</p>
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 renewable energy (RE) 88,740	

Wind

Installed Capacity 62 MW	Disbursed Loan Amount ₱2.9 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 CO ₂ e) 75,828	GHG avoidance per year based on Gross (in tonnes CO ₂ e) 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 430 MW	Disbursed Loan Amount ₱15.7 billion	Net Energy Generation (MWh/year) 1,243,397	Gross Energy Generation (MWh/year) 1,375,478
Value of energy generation per year ₱6.1 billion	GHG avoidance per year based on Net (in tonnes CO ₂ e) 503,745	GHG avoidance per year based on Gross (in tonnes CO ₂ e) 557,256	 <p>Photo Credit: Sunwest Water and Electric Company</p>
Equivalent passenger vehicles off the road per year 118,314	Equivalent tree seedlings grown for 10 years 9,214,339	No. of households/families (average of 6 persons per family) supplied by RE 282,333	

Biomass

Installed Capacity 164 MW	Disbursed Loan Amount ₱16.7 billion	Net Energy Generation (MWh/year) 1,013,497	Gross Energy Generation (MWh/year) 1,202,683
Value of energy generation per year ₱4.9 billion	GHG avoidance per year based on Net (in tonnes CO ₂ e) 410,604	GHG avoidance per year based on Gross (in tonnes CO ₂ e) 487,250	
Equivalent passenger vehicles off the road per year 103,451	Equivalent tree seedlings grown for 10 years 8,056,785	No. of households/families (average of 6 persons per family) supplied by RE 230,131	
Amount of agricultural wastes converted to feedstock/power T/Yr 1,583,082	No. of farmers supported 170,915		



Photo Credit: Isabela Biomass Energy Corporation

Geothermal

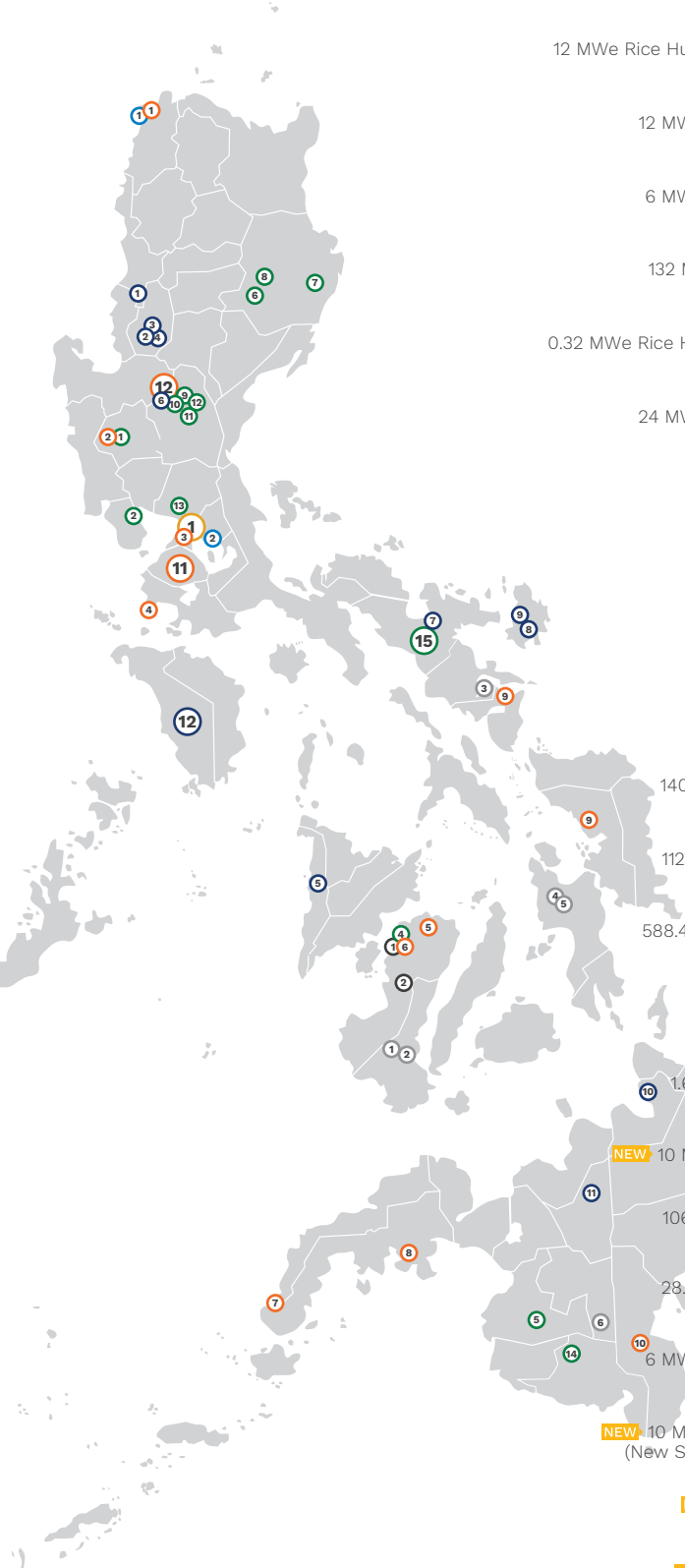
Installed Capacity 1,189 MW	Disbursed Loan Amount ₱4.3 billion	Net Energy Generation (MWh/year) 5,848,520	Gross Energy Generation (MWh/year) 6,498,355
Value of energy generation per year ₱28.7 billion	GHG avoidance per year based on Net (in tonnes CO ₂ e) 2,369,446	GHG avoidance per year based on Gross (in tonnes CO ₂ e) 2,632,717	
Equivalent passenger vehicles off the road per year 558,969	Equivalent tree seedlings grown for 10 years 43,532,535	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)
- 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)
- ① 60 ML/Y Biodiesel Production Plant (NEW) (Bagong Ilog, Pasig)

RE Project	MW Capacity
■ Biomass	164
■ Geothermal	1,189
■ Hydro	430
■ Solar	339
■ Wind	62
Total MW	2,184



- 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) ⑬
- 0.32 MWe Rice Husk-Fired Cogeneration Plant (Sta. Maria, Bulacan) ⑭
- 24 MW of 54 MW Wind Power Plant (Pililla, Rizal) ⑮
- 1.8 MW Mini-Hydro Project (Buhi, Camarines Sur) ⑯
- 2.1 MW RoR Mini Hydro Plant (San Miguel, Catanduanes) ⑰
- 1.5 MW RoR Mini Hydro Plant (Obi, Catanduanes) ⑱
- 5.2 MWp Solar Rooftop (Ormoc and Sorsogon) ⑲
- 140 MW Geothermal Power Plant (Manito, Albay) ⑳
- 112.5 MW Geothermal Power Plant (Tongonan, Leyte) ㉑
- 588.4 MW Geothermal Power Plant (Tongonan, Leyte) ㉒
- 12.9 MW of 25.8 MW RoR Mini Hydro Electric Plant (Jabonga, Agusan del Norte) ㉓
- 1.6 MW Mini-Hydroelectric Plant (M. Fortich, Bukidnon) ㉔
- NEW 10 MW Hydroelectric Power Plant (Oriental Mindoro) ㉕
- 106 MW Mindanao Power Project (Kidapawan, North Cotabato) ㉖
- 28.59 MWp Solar PV Power Plant (Digos, Davao del Sur) ㉗
- 6 MWe Biomass-Fired Power Plant (Surallah, South Cotabato) ㉘
- NEW 10 MW Biomass-Fired Power Plant (New San Roque, Pili, Camarines Sur) ㉙
- NEW 1.128 MWp Solar Rooftop (Carmona, Cavite) ㉚
- NEW 0.015 MWp Solar Rooftop (Umingan, Pangasinan) ㉛

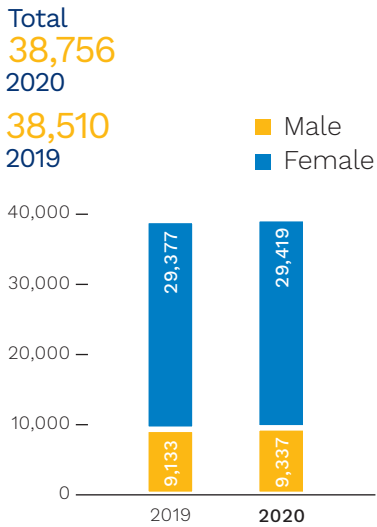


Human Capital Sustainability Strategy

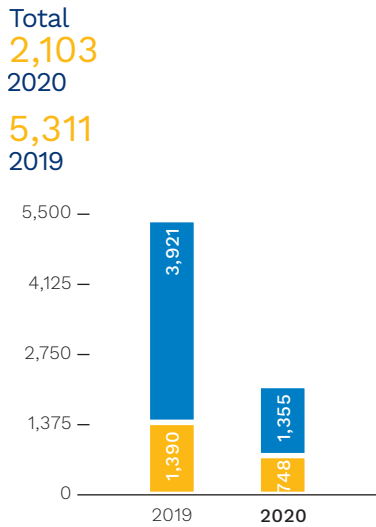
Sustainability is everyone's responsibility at BDO. The Bank aims to develop a "can lead" workforce with a sustainability mindset that BDO bankers can bring to work, at home, and wherever they find themselves in the world. BDO bankers strive to live the core values of customer focus, out-of-the-box thinking, right attitude, and excellent execution with a sustainability perspective embedded in everything they do.

Employee Profile

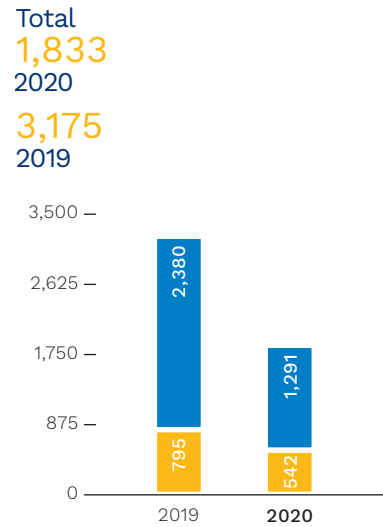
Employee Count



New Hires

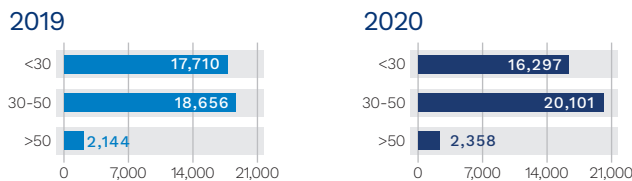


Employee Separations

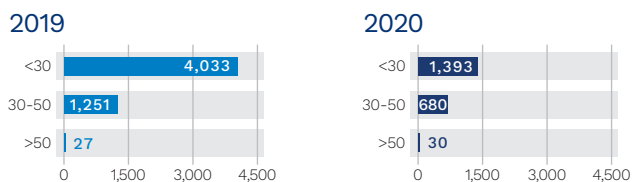


By Age

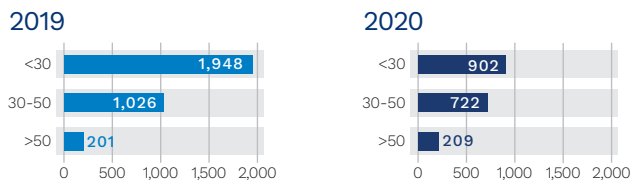
Employee Count by Age



New Hires

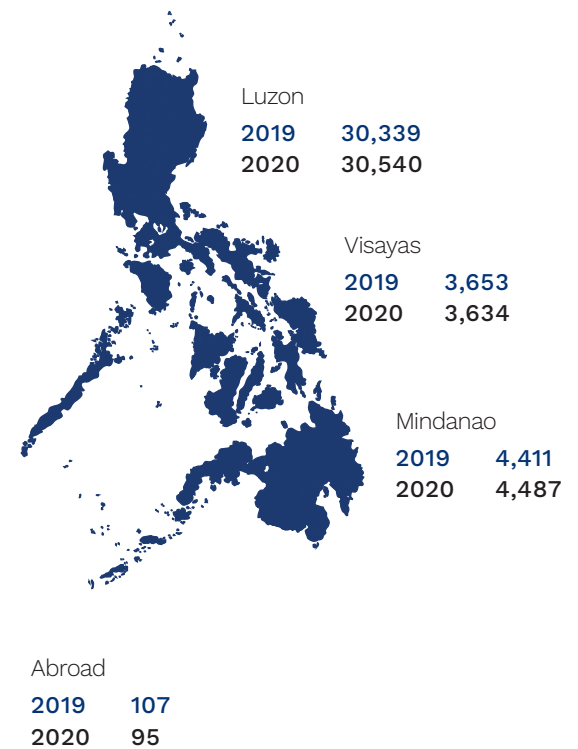


Employee Separations

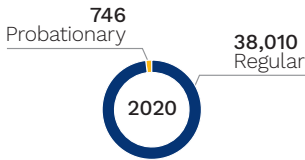
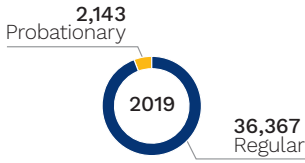


Turnover Rate **4.74%**

Employee Count by Region



Employee Count by Employment Status



59%

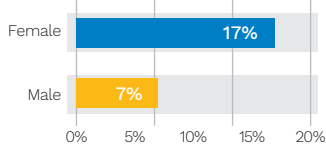
Female Senior Officers

102-41

50%

Employees covered by Collective Bargaining

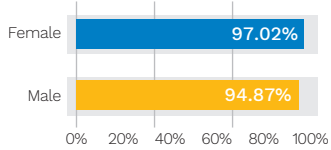
Parental Leaves Availment



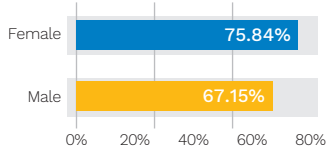
99%

Return to Work Rate (after Parental Leave)

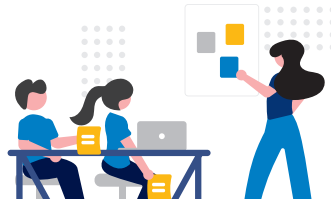
Vacation Leaves Availment



Sick Leaves Availment



Average Training Hours



Per Employee

2019: 50.9
2020: 17.5

By Gender

Male
2019: 42.1
2020: 17.15

Female
2019: 53.7
2020: 17.55

By Rank

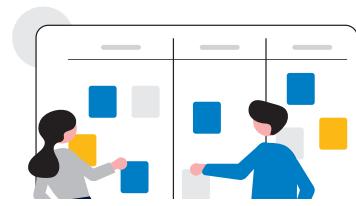
Rank-and-File
2019: 56.7
2020: 17.78

Junior Officers
2019: 45.6
2020: 16.81

Senior Officers

2019: 37.4
2020: 20.28

Performance Assessment



% over Total Eligible Employees

2019: 99%
2020: 98%

By Gender

Male
2019: 99%
2020: 97%

Female
2019: 99%
2020: 98%

By Rank

Rank-and-File
2019: 99%
2020: 98%

Junior Officers
2019: 99%
2020: 98%

Senior Officers

2019: 97%
2020: 97%





Equal Opportunity Employer

BDO is committed to promote a work environment that fosters diversity, equity, and inclusion, where everyone receives fair and equal treatment, equal rights, and opportunities regardless of gender, ethnicity, race, age, religion, sexual orientation, and disability, and are valued for their unique contributions to BDO's success.

The Bank ensures that employment practices and policies are in compliance with labor laws, regulations, and standards in countries where it operates. BDO seeks the best talents who are selected, engaged, compensated, and promoted, as the case may be, based on merit and performance.

BDO Culture and Values

“We find ways” is at the heart of BDO's culture of service, excellence, and innovation. Our employees share and live up to our common C-O-R-E values as BDO bankers.

Customer-Focused

Everything each BDO banker does is in the service of the customer's financial objectives and interests. This redefines the Bank's role beyond simply providing financial services, to a driver of financial inclusion. The Bank reaches out to current clients and the large number of unbanked and underserved Filipinos, and partners with them to fulfil their aspirations toward a more sustainable financial future.

Out-of-the-Box Thinking

Every BDO banker is encouraged to challenge conventional banking practices, beliefs, and processes for a better way to achieve client's objectives, without compromising quality, ethics, or good governance. As the country's largest bank, innovation and ideation are born out of the Bank's drive to think differently and from diverse perspectives.

Right Attitude

All BDO bankers are encouraged to go the extra mile to meet the client's objectives. This is demonstrated in every BDO banker's commitment to excellent customer service and strong customer relationships. Incorporated in BDO's human resource trainings is the development of values such as integrity, team spirit, hard work, and service. Complementing BDO's commitment to build long term relationships with customers is the bank's efficient business processes and user-friendly digital tools.

Excellent Execution

As the largest full-service financial institution in the Philippines, BDO is committed to doing it right, on time, and according to expectations each and every day.

Employee Safety and Well-being

BDO is committed to sustaining the physical, social, and mental well-being of its 38,765 employees in the Philippines and abroad, and prioritizes occupational health and safety at all times. To do this, the Bank promotes a safe, collaborative, and professional work environment, where employees can thrive and continuously challenge their capabilities as individuals and as part of a team.

The Bank abides by all regulations defined by the Department of Labor and Employment (DOLE) and is compliant with both the General Labor Standards and the Occupational Health and Safety Standards.

BDO's Health & Safety Committee is composed of Senior Management Team members from Central Operations Group (Premises and Facilities Management, Security & Investigation Division), Human Resources, Branch Banking Group, Consumer Banking Group, Operations Risk, and the labor union representative. The Health & Safety Committee manages and drives the Health & Safety Program of the Bank. Documents of the Committee activities are submitted on a regular basis to the DOLE, which in turn, audits the Bank with the same regularity.



The Bank's Occupational Safety and Health (OSH) policies and guidelines are in place, anchored on key policies such as the Safety Policy, Health Policy, Emergency Response Procedure, and a Pandemic Management Plan. Health briefings are made available to employees on a regular monthly program, aligned with the focus of the Department of Health (DOH).

BDO also has a Safety Inspection Program for its facilities, to randomly check and monitor actual practice of OSH standards across its branches and facilities. All these sustain the Bank's adherence to Department Order 198, or the implementing guidelines for Republic Act 11058, "An Act Strengthening Compliance with Occupational Safety and Health Standards."

BDO currently has over 1,100 trained Union Steward-employees, designated as Safety Officers in its branches and corporate facilities. Safety officers play a vital role in safety reporting and audit, training and communication, building reviews, DOLE coordination, and regular fire drills.

OSH trainings are available as eLearnings on the BDO Learning Portal.

Employee Rights 102-41

BDO supports the rights of its employees to organize through a Collective Bargaining Agreement (CBA). In 2020, the negotiating panel was well-represented by both men and women from both Management and the labor union. Despite the pandemic, the series of peaceful negotiations proceeded as planned and concluded in the renewal of the CBA for a term of five (5) years. The renewal successfully serves the mutual interest of the Bank and its employees, and strengthens industrial relations towards sustainable organizational performance. The CBA covers 50.19% percent of BDO's employee population.

Employee Training and Development

BDO offers a wide range of trainings for its employees on business processes and operations, products and services, skills development, and soft skills. Among the mandatory courses for all employees that are now available virtually are on the Code of Conduct, Anti-Money Laundering Act, Data Privacy Fundamentals, Operational Risk Management, Business Continuity, and Social Media Awareness.

The Bank has two flagship leadership development programs: the Manager Development Program (MDP) and the Officer Development Program (ODP). The MDP equips leaders with skills that develops high potential employees to take on managerial roles and enhances the productivity of their teams. The ODP is a full-time training program that aims to equip

1,100

trained Union Steward-Safety Officers

50.19%

of employees covered by CBA

5 years

term in CBA renewal



aspiring junior officers with the technical knowledge, as well as leadership, communication, and customer service skills in performing their new role as Junior Assistant Managers in the Bank. It enables individual contributors to develop the mindset and behaviors of a leader. A total of 215 employees graduated from the MDP, while 214 trained for the ODP in 2020.

The Bank had lower average training hours per employee in 2020, due to the pandemic safety protocol for social distancing which restricted most of the classroom-designed programs. The Bank faced two challenges that inhibited its training reach in the first two quarters of the year: the capability to quickly convert face-to-face trainings to digital content, and employees' readiness with tools and infrastructure at home to transition into virtual training.

To address these, HR Training & Development targeted its efforts to developing learning solutions that supported the conduct of business virtually. The first of these solutions was a series on "Working Effectively in a Remote Environment" with three modules: Effective Virtual Meeting Management, Presenting with Impact, and Video Conferencing Apps Walk-through. The Bank also engaged the services of external partners to provide virtual sessions on topics such as virtual selling and intentional communication, in support of the sales teams who needed to reach out online to both existing and potential customers. Members of the Training team completed a 4D for Virtual Trainers Workshop to enable them to convert existing course contents and develop these into online trainings. Throughout the year, the Training team coordinated with the IT team to improve connectivity issues and empower employees to report technical problems for immediate resolution.

These measures enabled the Bank to deploy training more widely in the second half of the year. Upon BDO employees' return to office work in June 2020 and transition to business as usual, training took on a blended approach that provided a more balanced learning experience through more eLearnings, structured learning, supplementary activities, and on-the-job application.

For BDO Network Bank, the blended learning intervention included enabling immediate supervisors to reinforce learning with one-on-one coaching for all employees and hands-on experience for new hires. Coupled with its ability to convert most of its classroom-based trainings to ecourses and virtual sessions, BDO Network Bank successfully completed all its planned and scheduled trainings in 2020.

215

graduates Manager Development Program

214

trained for the Officer Development Program



Employee Assessment and Professional Advancement

BDO bankers go through an annual performance assessment process that tracks goals and deliverables, manages performance, and rewards employee excellence. The Bank prioritizes internal hiring for open positions and employee transfers to provide multiple career paths across the organization and its subsidiaries, and pave the way for employees' professional advancement within the BDO conglomerate. The Bank invests in the career development and professional growth of its employees to nurture a motivated and resilient workforce that is deeply invested in contributing their talents and skills to the Bank's success.

Digitalization at HR

The pandemic accelerated the pace of digitalization of HR processes, leveraging on available technology. In 2020, HR was at the beginning of its transition to an HR Information System designed to capture data and processes of the entire employee life cycle for its 38,756 workforce. Recruitment, training, and online performance assessment quickly made the transition online. The BDO website's Careers section was enhanced to improve navigation and make information easier to find. Candidate interviews were all done through video or phone sessions. Training content designed for a face-to-face interface and non-simulation training for branches were converted for remote delivery. The Bank also pilot-tested an external learning platform for a target population of employees, in preparation for its own Learning Management Center in the future. An internal online Performance Assessment tool that over 90% of employees had access to, was enhanced to improve the user experience.





Wayfinders: Employee Volunteerism at BDO

Employee Contributions. The relief operations conducted by BDO Foundation in response to the Taal volcano eruption, earthquakes, and typhoons were made possible by BDO and BDO Network Bank personnel. Employees helped the Foundation gather data on the communities and beneficiaries that needed assistance. In the months prior to the pandemic, employee-volunteers visited evacuation sites and distributed food packs to families affected by natural disasters.

BDO officers and staff contributed to the relief operations by donating funds to BDO Foundation's fundraising efforts. Responding to the pandemic, employees also contributed significantly to the Bank's Peso for Peso Donation Drive, which raised Php9.3 million and helped finance efforts to provide food packs to underserved families and test kits to hospitals.

Christmas Gift-giving. For the whole week leading up to December 25, 2020, BDO Foundation, supported by BDO Unibank and BDO Network Bank branches, distributed food packs to 18,900 indigent families in overlooked remote communities nationwide as part of the Bank's Christmas Gift-giving Program. Employees across various branches

volunteered for the "Handog sa 'Yo ng BDO" initiative, and turned over the food packs at various barangays and rural health units in 17 provinces, including communities where the health centers were restored by the BDO Foundation. This effort helped address the problem of hunger brought about by natural calamities and the pandemic. It also supports UN Sustainable Development Goal 2 to end hunger, achieve food security and improve nutrition.

In the provincial areas, BDO Network Bank employees volunteered in ways both big and small. In Zamboanga, villages experienced food shortage due to the government-imposed lockdown to contain the COVID-19 virus. Employee volunteers pooled individual and Bank resources to deliver relief goods to families, and at one point, travelled 60 kilometers (37 miles) to a remote community to do so. An area manager in Luzon mobilized a team of volunteers to solicit relief goods and distribute this to some 60 families in his community.

BDO employees found ways to extend help to local communities when and where it was most needed, while complying with safety protocols set by the national and local governments.



Disaster Response Sustainability Strategy

In identifying Disaster Response as one of our key sustainability strategies, BDO takes into consideration the physical risks that come with the geographical location of the Philippines that makes it vulnerable to climate change. Disasters critically impact the safety and well-being of our employees, customers, and communities, and pose disruption and damage to the bank's operations and facilities.

To best mitigate the environmental and social impact of natural and man-made disasters, the Bank chose to focus its resources on the aftermath of such events — to immediately provide relief, fund rehabilitation, and help advance recovery of disaster-stricken communities in the Philippines. This supports the United Nations Sustainable Development Goal 13 on Climate Action — to strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

BDO Foundation: Rebuilding for resilience

BDO effectively engages communities in responding to disasters in a way that strengthens their resilience for similar events in the future. This engagement starts with our employees in BDO branches who are themselves residents of the community. Once they secure the safety and security of their families, BDO employees ensure that the Bank can continue to serve customers' needs, and are among the first to volunteer for relief operations on the ground.

As the Bank's lead institution for corporate citizenship, BDO Foundation provides the high level engagement for affected communities, in partnership with national and local government officials, non-government organizations, church groups, the armed forces, and BDO employees. BDO Foundation creates and executes programs aimed at addressing the needs of the underprivileged and underrepresented sectors of society, with financial inclusion and disaster response as its clear mandates.

BDO Network Bank (BDO NB), formerly known as One Network Bank, Inc. (ONB), is a subsidiary of BDO Unibank, Inc., with its head office based in Davao City, Southern Philippines. BDO NB works closely with BDO Foundation in terms of on the ground coordination and distribution of relief goods, particularly in far-flung areas across the country. BDO Network Bank's long-established relationships with the communities where it operates are key to identifying urgent needs and organizing quick response actions, usually led by branch employees as individuals or as part of the Bank's efforts.

Relief Operations

In 2020, BDO Foundation mounted numerous relief operations in underserved communities affected by the Taal Volcano eruption; earthquakes; and Typhoons Ursula, Pepito, Quinta, Rolly, and Ulysses. Funded by the Bank and supplemented by funds raised by employees, the Foundation worked with BDO Unibank and BDO Network Bank branch employees to organize relief activities and mobilized local partners to distribute hygiene kits and relief packs containing food, rice, and drinking water to calamity survivors.

On the other hand, BDO Network Bank employees were among those who were severely affected by the strong typhoons that passed in succession through the Luzon islands and Metro Manila. BDO NB organized a fundraising campaign called "Sama-Sama sa Pagbangon" (Together, We Rise), an employees-for-employees activity, and raised a significant amount that helped affected colleagues recover from the damage wrought by the typhoons.

Both internal and external campaigns support UN Sustainable Development Goal 2 on Zero Hunger, to 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.

Rehabilitation of Rural Health Units

BDO Foundation reached a milestone in 2020 as it completed the rehabilitation of 100 rural health units that serve to benefit 5.7 million Filipinos in economically-disadvantaged and disaster-affected areas across the country. Since it first started in 2012, this initiative has always supported the improvement of the country's healthcare delivery system, one of the goals under the Philippine Health Agenda. It is also BDO's contribution to the achievement of the United Nations Sustainable Development Goal 3 on Good Health and Well-being, to ensure healthy lives and promote the well-being of all people of all ages.



Rural Health Units rehabilitated by the BDO Foundation include comfortable and well-lighted senior citizens lounge areas.

In 2020 alone, BDO Foundation rehabilitated 17 rural health units that benefit 874,344 Filipinos. The rehabilitation program provides for an overall renovation of each health care unit from repainting to creating more space that allows for good ventilation and natural light to come in. Also included are spaces for a waiting area for children, a waiting area for the elderly, and a private breastfeeding corner. The Foundation likewise provides additional equipment, furniture, and signages to guide health workers and patients.

As a result of the rehabilitation program, the rural health units received high assessment scores from the Department of Health, and accreditation from its PhilHealth agency, which

implements universal health coverage in the Philippines. The added spaces and improved facilities have likewise enabled doctors, nurses, and midwives to more efficiently provide primary and maternal health care services to their patients.

Throughout 2020, the rural health units proved instrumental in efforts to contain COVID-19: as venues for mass testing and as alternative facilities to hospitals overwhelmed with COVID-19 cases. Based on the government's COVID-19 vaccination and immunization plan, rural health units will continue to play a significant role in the deployment and administration of COVID-19 vaccines, particularly in the provinces.



Construction of School Buildings

For school year 2019-2020, 27 million students across all levels resulted in an estimated shortage of 113,000 classrooms nationwide. BDO Foundation supports the Department of Education's Adopt-a-School program to address this recurrent problem. The Bank has funded a total of 124 classrooms to date, serving the needs of 33,358 students. Our classrooms and school buildings are built in rural areas in provinces where they are most needed and where they can benefit students from disadvantaged communities.

BDO Foundation continues to monitor the school buildings to ensure they remain safe and well-maintained. In 2020, major repairs were done on seven previously constructed school buildings severely damaged by typhoons. This initiative supports UN Sustainable Development Goal 4 on Quality Education, to build and upgrade education facilities that are child, disability, and gender sensitive, and provide safe, non-violent, inclusive and effective learning environments for all. It also helps achieve Sustainable Development Goal 11 on Sustainable Cities and Communities, to make cities and human settlements inclusive, safe, resilient and sustainable.

Disaster Relief Work

67

Relief Operations in 2020

355

Relief Operations conducted to date

641,681

Families served to date



Rural Health Units

17 Rural health units rehabilitated in 2020

874,344

Beneficiaries in 2020

100 Rural health units rehabilitated to date

5.7 Million

Beneficiaries to date

Resettlement Homes

9 Housing resettlement projects to date

636 Housing units and families benefited

School Buildings

7 School buildings maintenance and upkeep in 2020

16 School buildings repaired to date

124 Classrooms constructed to date

34 School buildings constructed to date

33,358 Student beneficiaries



BDO Christmas Gift-giving

17 provinces nationwide **18,900** Families benefited





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 to ensure a Sustainable Future

Corporate governance in BDO is about effective oversight, strict compliance with regulations, and sustainable value creation to promote the best interest of its various stakeholders. BDO Unibank, Inc. affirms its deep commitment to the highest standards of corporate governance practice firmly anchored on the principles of accountability, fairness, integrity, transparency and performance consistently applied throughout the institution. BDO's good market reputation has been built on the solid foundation of an ethical corporate culture and responsible business conduct, underpinned by a well-structured and effective system of governance.

Our Board of Directors and Board Structure

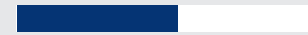
The Board is composed of 11 members and aided by 3 advisors. The members of the Board are all professionals with various expertise in fields relevant to BDO's business and strategic plans such as banking, accounting and finance, law, merchandise marketing, strategy formulation, bank regulations, information 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) as well as meeting global best practice. Non-Executive Directors, which includes Independent Directors, comprise 82% of the 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.

Independent directors chair eight (8) of nine (9) board committees, namely Risk Management, Board Audit, Corporate Governance, Related Party Transactions, IT Steering, Nominations, Compensation, and Trust. The Board Advisors are considered as integral parts of the Board whose influence are akin to a director. Their opinions and recommendations are taken into consideration by the Board members. The presence of a female Board advisor provides an independent view of the Bank and complements the two (2) female non-executive directors. Considering the changes done, complexity and scope of the Bank's business, the Board believes that its current size and composition provide sufficient diversity among its directors that fosters critical discussion and promotes balanced decision-making by the Board. It views diversity at the Board level which includes differences in skills,

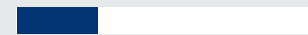
Board Snapshot

DIRECTOR INDEPENDENCE

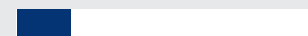
6 INDEPENDENT



3 NON-EXECUTIVE

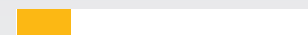


2 EXECUTIVE

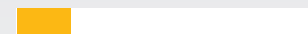


DIRECTOR DIVERSITY

2 FEMALES

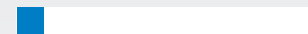


2 INTERNATIONAL

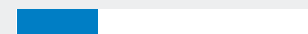


DIRECTOR AGE

1 50-59 YEARS



3 60-69 YEARS



7 70+ YEARS

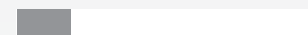


SKILLS, EXPERIENCE & BACKGROUND

7 BANKERS



2 LAWYERS



2 ENTREPRENEURS



experience, gender, sexual orientation or preference, age, education, race, business and other related experience as an essential element in maintaining an effective board for strong corporate governance.

Our 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. In 2020, the Board agreed that the Executive Committee shall be composed of at least five (5) members, three of whom must be Directors and the remaining members may be from senior management. The Board also ensured that the Compensation Committee's composition had a majority in favor of independent directors, consistent with the Association of Southeast Asian Nations (ASEAN) Corporate Governance Scorecard and global best practices.

THE BOARD OF DIRECTORS

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

Executive Committee

- Exercises 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, including delegation of credit approval limits.

Trust Committee

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

Risk Management Committee

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

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.

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

Board Audit Committee

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

Corporate Governance Committee

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

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 the compensation scheme is consistent with the Bank's culture and strategy, effectively aligned with prudent risk taking and commensurate with corporate and individual performance.
- Ensures consistency of the compensation policies and practices across the Group.

Related Party Transactions Committee

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

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.

Supply Chain and Approach to Procurement

BDO sources 99.6% of its supplies from a local supply chain. The Bank follows a Manual on General Procurement Guidelines that establishes the policies on procurement of products and services and provides a framework of efficient, consistent, transparent and compliant purchasing practices across all Business Units (BU) of the Bank. BDO also has an online Vendor Accreditation System (VAS) that serves as the central storage facility of all Bank accredited vendors/suppliers, and contractors. The VAS provides real time status of vendor evaluation for accreditation, allows the upload of required documents for vendor accreditation, and generates reports for monitoring and reference. BDO is currently going through an organization-wide gap analysis that will identify its priority activities to transition into a Sustainable Finance Framework. Part of this gap analysis exercise is to identify policies, commitments, goals and targets, responsibilities, resources, and programs to review Procurement Practices that can identify and mitigate the supply chain's environmental and social impact. The Bank also aims to find ways to build its supply chain's resilience to both natural and man-made disasters brought about by climate change.

Acceptance / Solicitation of Gifts, Bribery, and Corruption

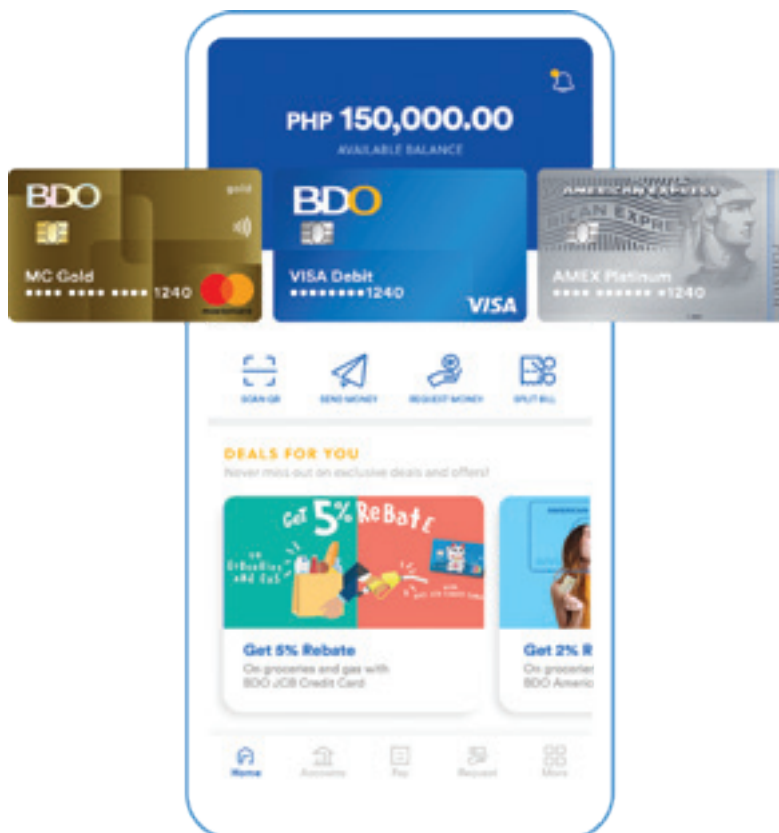
Employees, suppliers, partners, and other third parties must avoid giving or receiving gifts or entertainment if these might improperly influence the recipient's decision-making or might be perceived to do so. They must not also offer or take any form of illegal or improper payment.

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 (MTTP) aligned with Philippine anti-money laundering laws and BSP regulations, with which frontliners and responsible bank officers comply.

Looking Ahead

The Bank is now in the era of digital transformation and we continue to look at ways to optimize the use of the new technologies to strengthen our corporate governance practices while remaining vigilant on the risk of digitization to our business operations. In ensuring that the Bank stays as the market leader in the Philippine financial services industry, we are focused on maximizing the effectiveness of our corporate governance practices as a business enabler and driver of our performance in the proper context of risks and rewards, opportunities and prospects for the Bank. This is essential going forward as we continue to compete and remain relevant to our various stakeholders. Globally, there is also an increasing call for companies to support the UN Sustainable Development Goals as part of sustainable business performance with emphasis on strategies that promote economic growth, environmental protection, efforts that address a range of social needs and a governance model that considers sustainability issues. BDO continues to be mindful of these and creating a positive impact on sustainability as it continues to report annually on its sustainability performance and contribution to the UN Sustainable Development Goals.



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, 25-35, 37-47, 48-50, 52-58, 59-62, 65-69	
102-3	Location of headquarters	99	
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	71-72	
102-9	Supply chain	87	
102-10	Significant changes to the organization and its supply chain	None to report	
102-11	Precautionary principle or approach	59-69	
102-12	External initiatives	14-15	
102-13	Membership in associations	93	
102-22	Composition of the highest governance body and its committees	83-86	
102-23	Chair of the highest governance body	84	
Strategy			
102-14	Statement from senior decision-maker	8-11	
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	5, 73-74, 87-88	
Governance			
102-18	Governance structure	83-86	
Stakeholder Engagement			
102-40	List of stakeholder groups	21	
102-41	Collective bargaining agreements	75	
102-42	Identifying and selecting stakeholders	21	
102-43	Approach to stakeholder engagement	21, 45-46	
102-44	Key topics and concerns raised	20, 21	

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	None	
	102-49 Changes in reporting	None	
	102-50 Reporting period	January to December 2020	
	102-51 Date of most recent report	2019 (published in 2020)	
	102-52 Reporting cycle	Annual	
	102-53 Contact point for questions regarding the report	99	
	102-54 Claims of reporting in accordance with the GRI Standards	Inside front cover	
	102-55 GRI Content Index	89-92	
	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	16-21	
	103-3 Evaluation of the management approach	17	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	22-23	
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	16-21	
	103-3 Evaluation of the management approach	17	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	59-69, 79-82	
	203-2 Significant indirect economic impacts	32-35, 36-44, 48-50, 52-58, 79-82	

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	16-21
	103-3	Evaluation of the management approach	17
GRI 302: Energy 2016	302-1	Energy consumption within the organization	64
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	16-21
	103-3	Evaluation of the management approach	17
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	64
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	16-21
	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	16-21
	103-3	Evaluation of the management approach	17
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	71-72

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	16-21
	103-3	Evaluation of the management approach	17
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	72
	404-2	Programs for upgrading employee skills and transition assistance programs	75-77
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	16-21
	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	28-31, 66-69, 78, 79-82

Sector Disclosures: Financial Services

	Disclosure	Page Number(s), Direct Answer and/or URLs	Reason for Omission
Product Responsibility			
Product Portfolio	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	52-58, 62-69
	FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	24-35, 65-69
Active Ownership	DMA	Disclosure of management approach	16-21
	FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	62, 65-69, 78, 79-82

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.

Best Bank, Philippines

(2010–2016, 2018, 2020)
Alpha Southeast Asia
14th Annual Best Financial Institution Awards

Best Bank in the Philippines

(2010–2020)
FinanceAsia 2020
Country Awards

Best Bank in the Philippines

(2014–2017, 2019–2020)
Global Finance World's Best Bank Awards

Best Bank in the Philippines

(2011, 2013–2020)
The Asset Triple A Country Awards 2020

Best Commercial Bank, Philippines

International Banker
2020 Banking Awards

Best Domestic Bank, Philippines

(2011, 2014–2020)
2020 Asiamoney
Best Bank Awards

Corporate Excellence Award Financial Services Industry

Asia Pacific Enterprise Awards 2020

BEST INVESTMENT BANK

BDO CAPITAL & INVESTMENT CORPORATION

Best Investment Bank in the Philippines

(2013–2014, 2017–2020)
Global Finance World's Best Investment Bank Awards

Best Equity House in the Philippines

(2008, 2013, 2016–2017, 2020)
Alpha Southeast Asia
14th Annual Best Financial Institution Awards

Best Local Currency Bond Deal of the Year Philippines

(SM Investments Corporation's PHP10 billion Fixed Rate Bonds; Joint issue manager, joint lead underwriter and joint bookrunner: BDO Capital & Investment Corporation)
Alpha Southeast Asia
14th Annual Best Deal & Solution Awards 2020

Best Sovereign Bond Deal of the Year

(Republic of the Philippines' PHP516.34 billion 5-Year Retail Treasury Bonds, Tranche 24; Joint issue manager and selling agent: BDO Capital & Investment Corporation)
Alpha Southeast Asia
14th Annual Best Deal & Solution Awards 2020

Best Equity Deal of the Year, Philippines

(Converge's PHP29.1 billion IPO; Joint local underwriter and joint bookrunner: BDO Capital & Investment Corporation)
Alpha Southeast Asia
14th Annual Best Deal & Solution Awards 2020

Best Acquisition Finance & Best Secondary Deal of the Year, Philippines

(Acquisition loan to support the acquisition of Metro Pacific Hospital Holdings, Inc.

by KKR and GIC; Mandated lead arranger and bookrunner: BDO Capital & Investment Corporation)
Alpha Southeast Asia
14th Annual Best Deal & Solution Awards 2020

Green Deal of the Year – Philippines

(Helios Solar Energy Corporation PHP6.50 billion omnibus loan; Role: Sole transaction manager, lead arranger and bookrunner)
Asian Banking & Finance Corporate and Investment Banking Awards 2020

Corporate & Investment Bank of the Year – Philippines

(2018–2020)
Asian Banking & Finance Corporate and Investment Banking Awards 2020

Best Corporate & Investment Bank, Philippines

2020 Asiamoney Best Bank Awards

Best ECM House in the Philippines

(2017, 2020)
FinanceAsia 2020
Country Awards

Best Corporate and Institutional Adviser in the Philippines

(2015–2020)

Best Equity Adviser

(2015, 2017–2020)

Best Loan Adviser

(2015–2020)
The Asset Triple A Country Awards 2020

Best M&A Deal

(KKR consortium US \$1.3 billion acquisition of majority stake in Metro Pacific Hospital Holdings; Mandated lead arranger and bookrunner: BDO Capital)
The Asset Triple A Country Awards 2020

Project Finance House of the Year, Philippines

(2018–2020)
The Asset Triple A Asia Infrastructure Awards 2020

Renewable Energy Deal of the Year – Solar

(Helios Solar Energy Corporation PHP6.50 billion omnibus loan; Sole transaction manager, lead arranger and bookrunner: BDO Capital)
The Asset Triple A Asia Infrastructure Awards 2020

Renewable Energy Deal of the Year – Wind

(Alternergy Wind One Corporation PHP3.71 billion omnibus loan; Transaction manager, lead arranger and bookrunner: BDO Capital)
The Asset Triple A Asia Infrastructure Awards 2020

Green Project of the Year

(AC Energy Finance International US\$410 million CBI-certified climate bonds; Domestic lead manager: BDO Capital)
The Asset Triple A Asia Infrastructure Awards 2020

Asia's Best Local Currency Green Bond

The Asset Triple A Regional Awards 2020

AEV's Bond Issuance, Finance Deal of the Year

5th Annual ALB Philippine Law Awards 2020

Investment House of the Year

(2016–2019)

Best Equity House

(2016–2017, 2019)

Best Fixed Income House

(2015–2019)

Best Project Finance House

(2016–2017, 2019)

Best Advisory House

(2017, 2019)

Best IPO for Small-Medium Cap: Fruitas

(2019)

Investment House Association of the Philippines (IHAP)

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

(2008–2020)

Alpha Southeast Asia 14th Annual Best Financial Institution Awards

Best Domestic Private Bank, Philippines

(2019–2020)

Asiamoney Private Banking Awards 2020

Best for HNW, Philippines

Asiamoney Private Banking Awards 2020

Wealth Management Platform of the Year, Philippines

Asian Banking & Finance Retail Banking Awards 2020

Best Private Bank – Philippines

(2015–2020)

Asian Private Banker 10th Awards for Distinction 2020

Best Private Bank in the Philippines

(2008–2020)

FinanceAsia 2020 Country Awards

Best Private Bank in the Philippines

(2015–2020)

Global Finance Best Private Bank Awards 2020

Best Private Bank, Philippines

(2010–2020)

The Asset Triple A Private Capital Awards for Private Banks, Wealth & Investment Bank Advisers, Solutions and Index Providers

Best Sovereign Bond Deal of the Year

(Republic of the Philippines' PHP516.34 billion 5-Year Retail Treasury Bonds, Tranche 24; Selling agent: BDO Private Bank)
Alpha Southeast Asia 14th Annual Best Deal & Solution Awards 2020

PRODUCTS & SERVICES**Best Cash Management Bank**

(2008–2009, 2015–2020)

Alpha Southeast Asia 14th Annual Best Financial Institution Awards 2020

Cash Management: Market Leader in the Philippines (Asian Banks)

Trade Finance: Best Services in the Philippines (Asian Banks)
2020 Euromoney–Asiamoney Trade Finance Survey

1st for Market Leaders in the Philippines among domestic banks (as voted by corporations)
Asiamoney Cash Management Survey

Domestic Cash Management Bank Of The Year, Philippines (2014–2016, 2018–2020)
Asian Banking & Finance Wholesale Banking Awards 2020

Best Cash Management Solution in the Philippines
(Corporate Cash Deposit Machine (CCDM) across the country)
Alpha Southeast Asia 14th Annual Best Deal & Solution Awards 2020

Best Asset Manager (Fixed Income Funds)
(2019–2020)

Best Online & Mobile Platform (Asset Manager) (2020)

Best Fund Manager for Pension Mandates & Private Retirement Schemes (2020)

Best Fund with the optimal sharpe ratio (2019–2020)
11th Annual Alpha Southeast Asia Fund Management Awards 2020

Asset Management Company of the Year, Philippines

(2018–2020)
The Asset Triple A Sustainable Investing Awards for 2020

Best Investment Management Company, Philippines
(2016–2020)
World Finance Investment Management Awards

Best Wealth Manager, Philippines (BDO Trust)
(2019–2020)
The Asset Triple A Private Capital Awards for Private Banks, Wealth & Investment Bank Advisers, Solutions and Index Providers

Best Bank for Real Estate Services Overall Category, Philippines
(2019–2020)
Euromoney Real Estate Survey 2020

Best FX Bank for Structured Hedging Solutions & Proprietary Trading Ideas
(2019–2020)

Best Corporate Treasury Sales & Structuring Team
(2019–2020)
Alpha Southeast Asia FX & Treasury Awards 2020

Best Foreign Exchange Provider
(2017–2020)
Global Finance Best Foreign Exchange Providers 2020

Best Innovation in Retail Banking, Philippines
(2019–2020)
International Banker 2020 Banking Awards

Rank #2: BDO Unibank, Top Investment House in Asian Local Currency Bonds, Philippines

The Asset Triple A Benchmark Research Awards 2020

Rank #5: BDO Unibank, Top Sell-side Firms in the Secondary Market (PHP Corporate Bonds)
The Asset Triple A Benchmark Research Awards 2020

Rank #2: BDO Unibank, Top Arrangers, Investors' Choice for Primary Issues (PHP Corporate Bonds)
The Asset Triple A Benchmark Research Awards 2020

Best in Treasury and Working Capital-LLCs, Philippines
The Asset Triple A Treasury, Trade, Supply Chain & Risk Management Awards 2020

Best Payments and Collections Solution, Philippines
(Provider: BDO; Client: Petron)
The Asset Triple A Treasury, Trade, Supply Chain & Risk Management Awards 2020

Best Retail Bond
(BDO Unibank PHP36 billion Fixed Rate Bond)
The Asset Triple A Country Awards 2020

Best Sovereign Bond Deal of the Year
(Republic of the Philippines' PHP516.34 billion 5-Year Retail Treasury Bonds, Tranche 24; Selling agent: BDO Unibank)
Alpha Southeast Asia 14th Annual Best Deal & Solution Awards 2020

Best Acquisition Finance & Best Secondary Deal of the Year, Philippines

(Acquisition loan to support the acquisition of Metro Pacific Hospital Holdings, Inc. by KKR and GIC; Sole lender: BDO Unibank)
Alpha Southeast Asia 14th Annual Best Deal & Solution Awards 2020

Best M&A Deal

(KKR consortium US\$1.3 billion acquisition of majority stake in Metro Pacific Hospital Holdings; Sole lender: BDO Unibank)
The Asset Triple A Country Awards 2020

Renewable Energy Deal of the Year – Solar

(Helios Solar Energy Corporation PHP6.50 billion omnibus loan; Lender: BDO Unibank)
The Asset Triple A Asia Infrastructure Awards 2020

Renewable Energy Deal of the Year – Wind

(Alternergy Wind One Corporation PHP3.71 billion omnibus loan; Lender: BDO Unibank)
The Asset Triple A Asia Infrastructure Awards 2020

SUSTAINABILITY AND ESG (ENVIRONMENTAL, SOCIAL, GOVERNANCE)

BDO Foundation, Financial Inclusion Initiative of the Year

Asian Banking & Finance Retail Banking Awards 2020

Asia's Best CSR awardee

Corporate Governance Asia, 10th Asian Excellence Award 2020

BDO Foundation (Category: Social Empowerment)

Enterprise Asia's Asia Responsible Enterprise Awards (AREA) 2020

BDO Unibank, Asian Excellence awardee

(2011–2020)
Corporate Governance Asia 10th Asian Excellence Award 2020

Best Investor Relations Company (Philippines) awardee

(2011–2020)
Corporate Governance Asia 10th Asian Excellence Award 2020

Best Corporate Communications awardee

(2014–2015, 2017–2020)
Corporate Governance Asia 10th Asian Excellence Award 2020

Best Environmental Responsibility awardee

Corporate Governance Asia 10th Asian Excellence Award 2020

Best Investor Relations in the Philippines

FinanceAsia 20th Best Companies in Asia Poll 2020

Ranked 2nd in Best Corporate Governance

FinanceAsia 20th Best Companies in Asia Poll 2020

Platinum Award

(2010–2020)
The Asset ESG Corporate Awards 2020

INDIVIDUAL RECOGNITION

Asia's Best CEO (Investor Relations) awardee: Teresita Sy-Coson, Chairperson

(2013–2020)
Corporate Governance Asia 10th Asian Excellence Award 2020

Asia's Best CEO (Investor Relations) awardee: Nestor V. Tan, President & CEO

(2011–2012, 2016–2020)
Corporate Governance Asia 10th Asian Excellence Award 2020

Asia's Best CFO (Investor Relations) awardee: Dalmacio D. Martin, EVP & Treasurer

Corporate Governance Asia 10th Asian Excellence Award 2020

Best Investor Relations Professional (Philippines) awardee: Luis S. Reyes, Jr., EVP

(2011–2020)
Corporate Governance Asia 10th Asian Excellence Award 2020

Best CEO, Nestor V. Tan

FinanceAsia 20th Best Companies in Asia Poll

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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BDO