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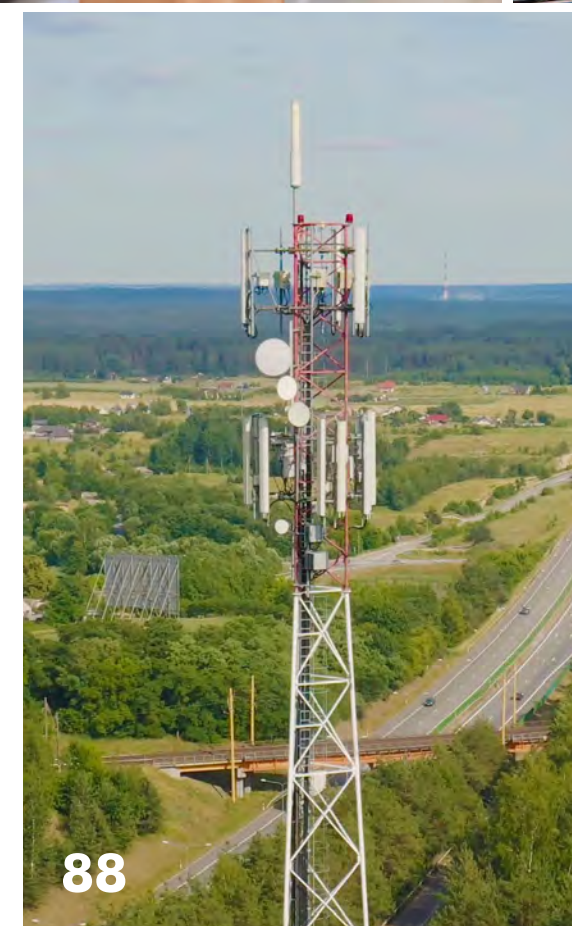


YEARS OF ADVANCING BUSINESS AND COMMUNITIES

ANNUAL AND SUSTAINABILITY REPORT 2020

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About the Theme



Click here to watch our **#Aboitiz100 video**, which shares the story of our first century that has stood the test of time.

Aboitiz & Company (ACO) was officially established as a company in 1920, but the historical roots of the Aboitiz Legacy are traced earlier to a Basque mariner who set sail from his coastal hometown of Lekeitio in the northern region of Spain. Paulino Aboitiz embarked on his journey through the Suez Canal to reach Philippine shores and arrived in Ormoc in the southern province of Leyte in 1870.

Paulino ventured in the trading of abaca, which, at that time, was the booming product for export. Hard work and ambition drove him to become a well-established merchant, transporting and distributing abaca and other commodities to Cebu. He was supported by his son Ramon, who pushed for the purchase of the company's first boat, the Picket, bought in 1907 for PHP7,500 at a government auction. This signaled the start of the Aboitiz shipping business. Ramon also oversaw the establishment of an office in Cebu, then already a bustling port town and central business district, which allowed them to diversify and expand their markets.

The brothers' efforts led to ACO's incorporation in 1920. Unfortunately, a few months later, World War I broke out. The market prices of abaca plummeted due to decreased demand. Business trading, in general, was in shambles. ACO teetered on the edge of bankruptcy, and Ramon was pushed by colleagues to declare bankruptcy in order to escape their debts and to save what was left. But Ramon resisted, and instead, borrowed money from former business associates and a few friends. It took many years to repay all the loans, but Ramon's palabra de honor lifted the company from near dissolution.

"The biggest fortune I have is my word and reputation. Money can be lost and can be recovered, but once your name and reputation are lost, one's word is worthless, and one is truly finished."

Don Ramon Aboitiz

In the decades following ACO's incorporation, the astute leader Ramon — and the presidents who succeeded him — involved the company in other interests. They moved from distributing abaca, copra, and other agricultural produce to selling chemicals, construction materials, industrial equipment, and car parts in the mid-1900s. One of the widely-known investments of the Aboitiz Group was shipping, which was formally incorporated in 1952 through Aboitiz Shipping Corporation. It ventured into sea, land, and air travel, and pioneered containerization in the country. ACO also tapped into businesses that would complement its existing ones: sugar milling and plantations, electricity distribution, financial services, oxygen production, cold storage facilities, and wood preservation, among many others.

In 1994, ACO publicly listed its holding and management company Aboitiz Equity Ventures Inc. (AEV) at the Philippine Stock Exchange. In 2007, Aboitiz Power Corporation also went public. In 2010, AEV divested its shipping business and focused on its other core businesses. Today, the Aboitiz Group continues to evolve, with our time-honored core values of Integrity, Teamwork, Innovation, and Responsibility continuing to compel us to seek ways to translate economic development into the greater good, resonating in actions and decisions to help uplift the lives of the people we serve. What started as Paulino's small family business in Leyte is now a major conglomerate expanding its footprint across Southeast Asia.

ACO marked its 100th year as a corporation in 2020, and we look back to reflect and appreciate the learnings that the previous generations of A-people have put forth to bring us to where we are today. As we energize communities, fulfill the dreams of many, connect ideas, design experiences, or take on evolving challenges, our inclusive understanding of societal needs sustains our purpose and promise to drive change for a better world by advancing business and communities. We look back with fondness on our small-town beginnings in the Visayas while making major strides towards our shared future for our country and region.

Moving on to the next hundred years, we will continue to think long-term and brace for new beginnings, beyond borders, and transcending generations.

About the Report

We are pleased to present, on our 12th year of sustainability reporting, the 2020 Aboitiz Equity Ventures (AEV) Consolidated Annual and Sustainability Report. This Report provides information on financial, operational, governance, social, and environmental performance that are material to AEV's business and stakeholders.

This Report contains a full-year's data—from January 1 to December 31, 2020—and focuses on AEV's five strategic business units: Power, Banking and Financial Services, Food, Infrastructure, and Land. We gathered reports on their performance in the following focus areas: team member engagement and development, corporate social responsibility, customer focus, disaster resilience, carbon emissions reduction, resource efficiency, renewable energy, waste management, and financial growth and returns.

Monetary values in this Report are presented in Philippine Pesos (PHP), which is AEV's functional currency. All information is disclosed to uphold the principles of ethics and transparency, and to communicate vital information to our stakeholders.

For additional information on our previous reports, please refer to the Annual Report Downloads link, which you may access either through this link or QR code:



<https://abotiz.com/investor-relations/latest-annual-report/>

Reporting Boundaries and Standards

This report has been prepared in accordance with GRI Standards: Core option. We provide a summary of how we developed this report, as well as indexes to help readers locate specific information about our policies, programs, and performance.

The Reporting Principles for defining content are:

Materiality: identified economic, social, and environmental issues that impact our business growth and of utmost importance to our stakeholders

Stakeholder Inclusiveness: identified stakeholders and response to their expectations

Sustainability context: identified performance measures in the wider context of sustainability

Completeness: identified material topics that are covered within identified boundaries were ensured to provide sufficient information that reflects the significant economic, social and environmental within the reporting period

These report elements aim to provide a level of comfort among our stakeholders that our information is timely, accurate, reliable, and complete.

Our key performance indicators are aligned with the United Nations Sustainable Development Goals. This indicates our commitment to contribute solutions for poverty reduction, education, climate change, responsible consumption, disaster preparedness, technological innovation, and institutional partnering to achieve these goals.

This Report is in compliance with the Securities and Exchange Commission Memorandum Circular No. 4 Series of 2019: "Sustainability Reporting Guidelines for Publicly Listed Companies."

Reporting Scope

We worked closely with our Environmental, Social, and Governance Technical Working Group and their respective sustainability stewards in business units across the region, using a standardized data collection and monitoring process. The business units covered in this report are:

POWER

- Aboitiz Power Corporation
- AP Renewables, Inc.
- Balamban EnerZone Corporation
- Cebu Private Power Corporation
- Cotabato Light and Power Company
- Davao Light and Power Company, Inc.
- East Asia Utilities Corporation

- Hedcor, Inc.
- Hedcor Sibulan, Inc.
- Hedcor Tudaya, Inc.
- Hedcor Sabangan, Inc.
- Hedcor Bukidnon, Inc.
- LiMA EnerZone Corporation
- Luzon Hydro Corporation
- Mactan EnerZone Corporation
- San Carlos Sun Power, Inc.
- SN Aboitiz Power - Magat, Inc.
- SN Aboitiz Power - Benguet, Inc.
- Subic EnerZone Corporation
- Therma Marine, Inc.
- Therma Mobile, Inc.
- Therma Power Visayas, Inc.
- Therma South, Inc.
- Therma Visayas, Inc.
- Visayan Electric Company, Inc.

BANKING AND FINANCIAL SERVICES

- Union Bank of the Philippines
- City Savings Bank, Inc.
- PETNET, Inc.

FOOD

- Pilmico Foods Corporation
- Pilmico Animal Nutrition Corporation
- Gold Coin Management Holdings Ltd.

INFRASTRUCTURE

- Aboitiz InfraCapital, Inc.
- Apo Agua Infraestructura, Inc.
- Lima Water Corporation
- Republic Cement and Building Materials, Inc.¹

LAND

- AboitizLand, Inc.
- LIMA Land, Inc.²
- Cebu Industrial Park Developers Inc.²

CORPORATE SOCIAL RESPONSIBILITY

- Aboitiz Foundation, Inc.

¹The business unit is not included in the presentation of quantitative sustainability data.

²Legal and Financial Reports are included in the parent company AboitizLand. However, since operational management is done by Aboitiz InfraCapital, Operations Data such as Environment and Social Data is included under Aboitiz InfraCapital.

Materiality Assessment Process

Materiality, as defined by the GRI reporting framework, includes topics and disclosures that reflect the Group's significant economic, environmental, and social impacts, or those that would substantially influence the assessments and decisions of our stakeholders.

Our process involved an internal analysis of the importance of a broad list of sustainability issues related to our core businesses of power, banking and financial services, food, infrastructure, land, and our corporate foundation. At the parent company level, we integrated the common material issues that are within the medium-term horizon of our reporting parameters.

We used our stakeholder dialogues and company-wide feedback channels to inform the selection of these material issues, which were discussed and approved by the Aboitiz Group Management Committee as part of the focus areas of our Aboitiz Sustainability Framework.

Restatements and Improvements

We gathered data for this report using the robust systems and tools currently in place among our participating business units. We remain focused on the continuous improvement of our data collection and analysis processes. Notes on the restatements of key performance indicators are found in the appendix section and in pages where they appear.

Our ABC stories

With our stories, you will learn more about how we are delivering on our brand promise of advancing business and communities (ABC). We will regularly report on our performance through stories told by our stakeholders, with two special topics featured for this Report: the centennial anniversary of our parent company Aboitiz & Company; and the Aboitiz Group's consolidated COVID-19 response.

As part of enriching our ABC narrative, we invite you to share your feedback on this year's Consolidated Annual and Sustainability Report. We welcome your contributions and we thank you for your engagement in the sustainability of our enterprise.

Our Businesses



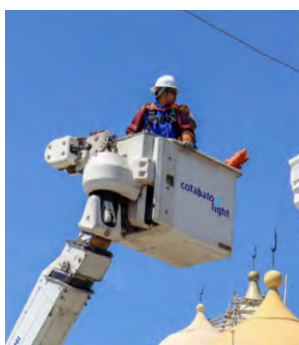
Aboitiz Equity Ventures



Aboitiz Equity Ventures Inc. (PSE: AEV) is the public holding company of the Aboitiz Group with major investments in power, banking and financial services, food, infrastructure, and land.

Today, it is recognized as one of the best-managed companies in the Philippines and in the ASEAN region, consistently cited for its commitment to good corporate governance and corporate social responsibility. With five generations of Aboitiz Group business success behind it, AEV continues to drive change for a better world by advancing business and communities.

Power



Aboitiz Power Corporation (PSE: AP) is a vertically integrated company engaged in power generation, power distribution, and retail electricity services. The company's Generation Business Group harnesses power from a right-mix portfolio of renewable (hydro, geothermal, and solar) and thermal (coal and oil) sources through 47 generation facilities across the Philippines. Its hydro business unit Hedcor is a pioneer in the development of small to medium hydroelectric power plants and has been an industry leader in renewable energy over the past 40 years.

AboitizPower's Distribution Business Group is currently composed of eight utilities, including the country's second and third largest, which supply electricity to high-growth areas in Luzon, Visayas, and Mindanao.

Banking and Financial Services



Union Bank of the Philippines (PSE: UBP) is a publicly listed universal bank that distinguishes itself through superior technology, unique branch sales and service culture, and centralized backroom operations. It is consistently recognized as one of Asia's leading companies, ranking among the country's top universal banks in terms of profitability and efficiency. It is committed to be the Philippines' leading digital bank to best serve the growing needs of Filipinos everywhere.

City Savings Bank, Inc. (CitySavings) is the thrift bank subsidiary of UnionBank that creates shared value through its portfolio of products that target the underserved market. In 2016, it acquired First Agro Industrial Rural (FAIR) Bank to extend micro, small, and medium-sized enterprises (MSME) and microfinance services. It diversified to the motorcycle loans market through the acquisition of Philippine Resources (PR) Savings Bank in 2018. In the same year, it acquired a majority stake of PETNET, Inc., to provide cash and payment-related solutions via its 3,000 and more retail outlets. In 2020, CitySavings acquired rural banks Bangko Kabayan and Progressive Bank to further serve the MSME market.

UBX Philippines (UBX PH) is UnionBank's wholly owned innovation and technology company that began commercial operations in February 2019. It focuses on innovation projects such as investing in financial and information technology companies and platforms, as well as providing technology services to clients. All these are geared towards embedding financial services into people's everyday experiences and connecting communities to promote financial inclusion in the country.

Food



Pilmico Foods Corporation, together with Gold Coin Management Holdings, Ltd., is the integrated agribusiness and food company of the Aboitiz Group. Pilmico comprises four divisions - Flour, Feeds, Farms, and Trading; enabling growth to its partners through consistent quality products and unparalleled support services. Meanwhile, Gold Coin is a pioneer in animal nutrition and in manufacturing scientifically-based animal feed in Asia.

With their combined strength, the Food Group represents one of the largest privately-owned agribusinesses in the region, with over 2,900 partners throughout the multitude of production facilities across 11 countries in Asia.

Infrastructure



Aboitiz InfraCapital, Inc., the infrastructure arm of the Aboitiz Group, aims to transform lives through better and integrated infrastructure facilities and services. It develops fully integrated economic centers as well as water, digital infrastructure, and transport & mobility projects that advance business and communities.

The Aboitiz Integrated Economic Centers, namely LIMA Estate in Batangas, Mactan Economic Zone II, and West Cebu Industrial Park in Cebu, account for 1,000 hectares of industrial business parks that are home to 185 locators and around 90,000 employees.

Apo Agua Infraestructura, Inc. seeks to provide Davao City Water District with over 300 million liters of safe drinking water daily to over 1.5 million residents of Davao City. Lima Water Corporation provides end-to-end water and wastewater solutions for LIMA Technology Center. Balibago Waterworks System, Inc., a privately-owned waterworks utility system based in Pampanga, provides running water to over 235,000 households throughout its franchise area.

Republic Cement, AEV's partnership with global building materials group CRH, operates six facilities nationwide, allowing the business to offer the widest supply footprint to serve the needs of a rapidly developing economy.

Land



For over 25 years, AboitizLand, Inc. has been delivering on its promise of creating better ways to live through innovative concepts translated into thriving residential, commercial, and industrial communities. The real estate arm of the Aboitiz Group began its national expansion efforts in 2014 with the acquisition of LIMA Technology Center in Batangas. Since then, Lima has been evolving into a fully-integrated estate with the addition of commercial components - The Outlets at Lipa and Lima Exchange, and residential development The Villages at Lipa.

Corporate Social Responsibility



Aboitiz Foundation, Inc., the corporate foundation of the Aboitiz Group established in 1988, implements corporate social responsibility projects focused on education, enterprise development, and the environment in communities where Aboitiz companies operate. It highlights the integration and working together of various Aboitiz business units and its partners nationwide in co-creating resilient, empowered, and sustainable communities.

Financial Highlights

(in PHP millions)

REVENUES



EBITDA



NET INCOME TO EQUITY HOLDERS OF THE PARENT



CORE NET INCOME



CASH DIVIDEND PAID TO COMMON



CASH AND CASH EQUIVALENTS



TOTAL ASSETS



EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT



MARKET CAPITALIZATION

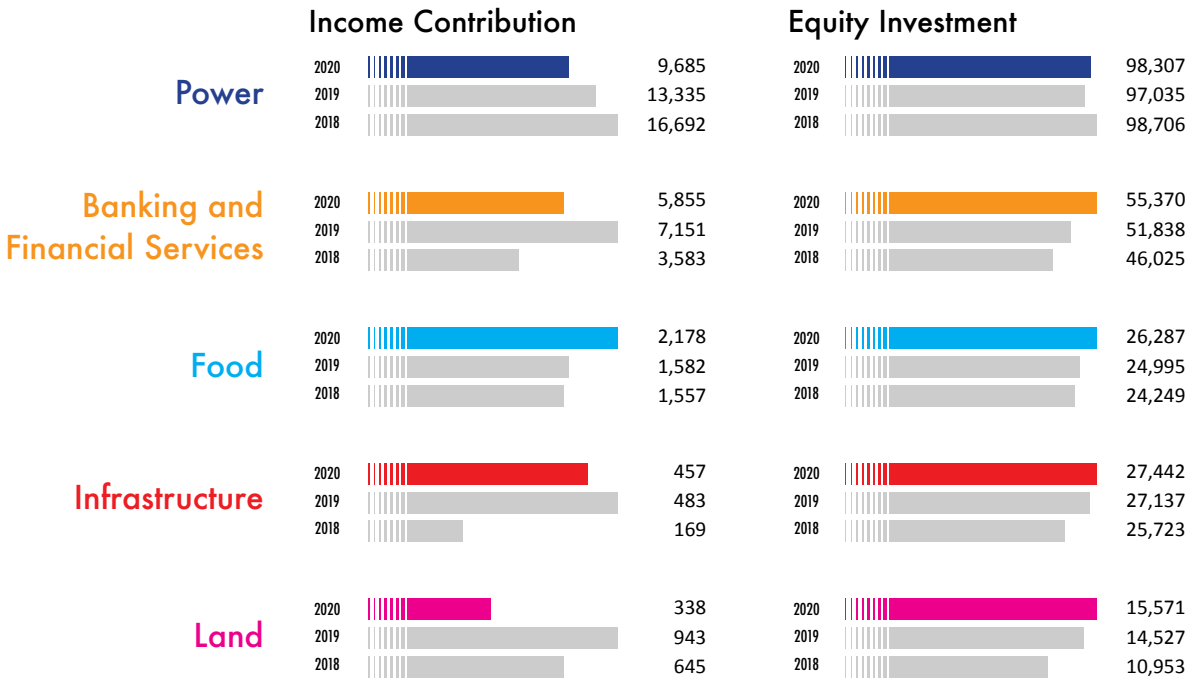


Financial Summary

(in PHP millions)	2018	2019	2020	% Change (2020 vs. 2019)
INCOME STATEMENT				
Revenues	186,943	201,157	186,726	-7%
Operating costs & expenses	(147,781)	(168,502)	(155,252)	
Operating profit	39,162	32,655	31,474	-4%
Equity in net earnings of associates	7,728	11,502	9,019	-22%
Net interest expense	(13,162)	(15,474)	(16,910)	
Other income	1,411	5,518	4,809	-13%
Income before income tax	35,138	34,201	28,392	-17%
Provision for income tax	(3,899)	(4,759)	(7,583)	59%
Net Income before non-controlling interests	31,239	29,442	20,809	-29%
Non-controlling interests	(9,006)	(7,406)	(5,375)	
Net income attributable to equity holders of parent	22,233	22,036	15,434	-30%
EBITDA	60,653	60,157	57,720	-4%
FINANCIAL CONDITION				
Total assets	554,494	588,386	609,156	4%
Total liabilities	336,016	371,191	385,556	4%
Non-controlling interests	43,787	40,714	40,538	0%
Equity attributable to equity holders of the parent	174,691	176,481	183,062	4%
RATIOS				
Per Share (Pesos)				
Earnings	3.95	3.91	2.74	-30%
Book Value	31.02	31.33	32.51	4%
Cash dividend to common	1.28	1.32	1.30	-2%
Return on equity	14.9%	13.0%	9.0%	
Current ratio	1.8	1.3	1.6	
Debt/Equity	1.5	1.7	1.7	
Net debt/Equity	1.0	1.2	1.1	

Breakdown

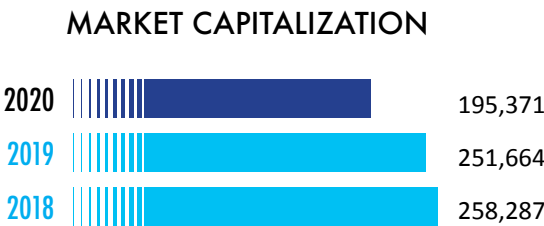
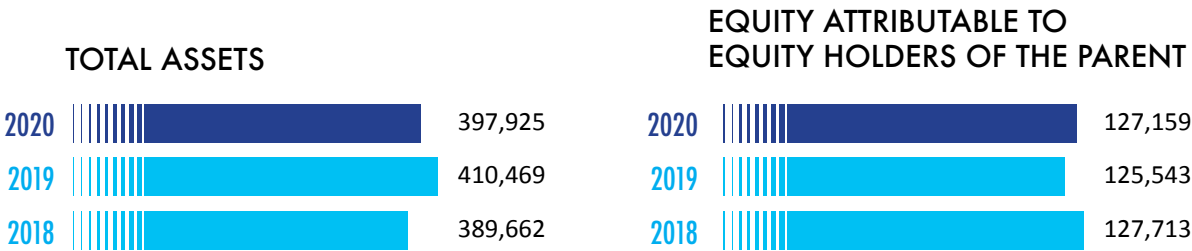
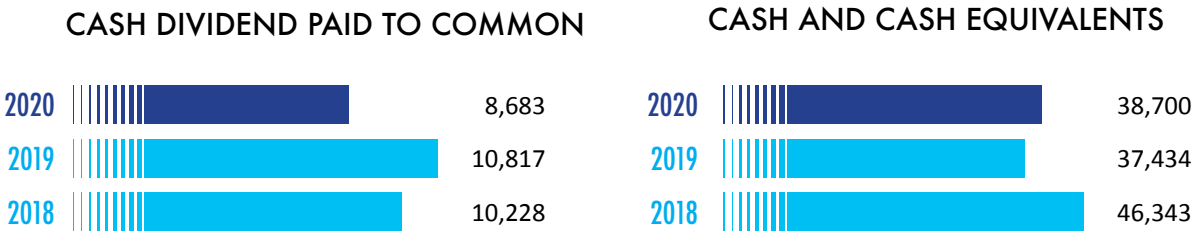
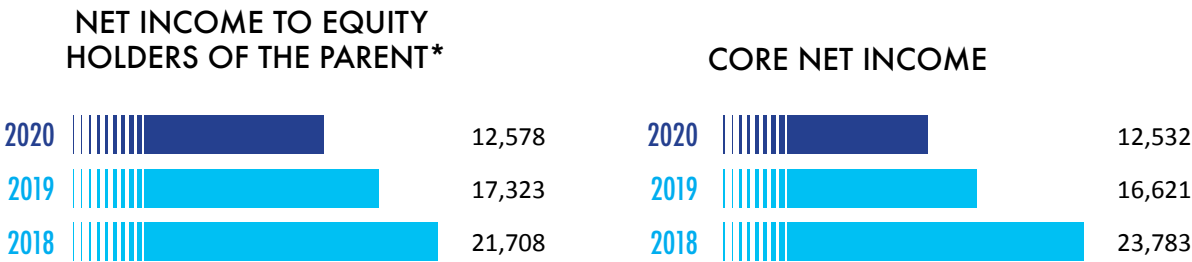
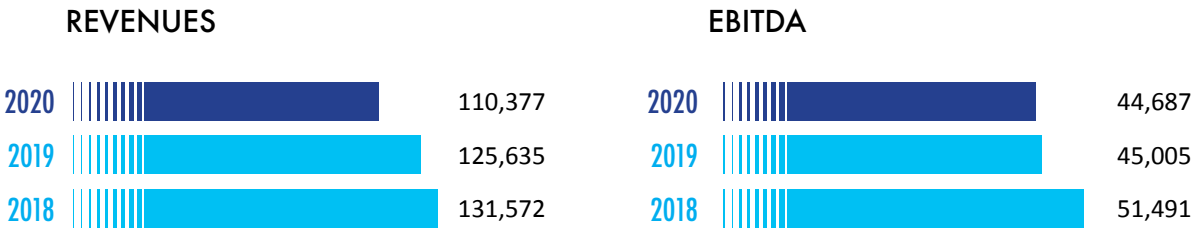
Per Business Segment (in PHP millions)



Aboitiz Power Corporation

Financial Highlights

(in PHP millions)

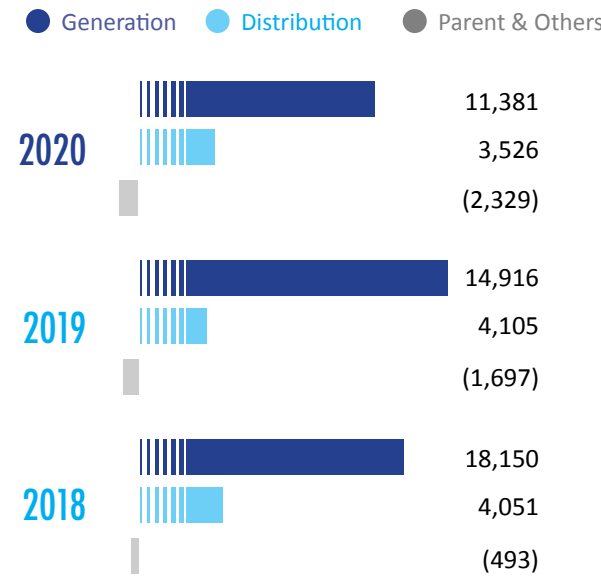


* AboitizPower

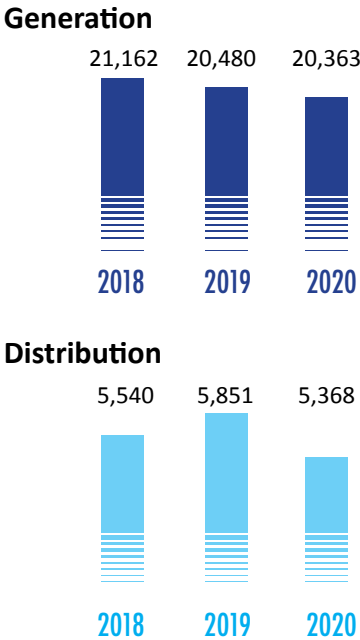
Financial Summary

(in PHP millions)	2018	2019	2020	% Change (2020 vs. 2019)
INCOME STATEMENT				
Operating revenues	131,572	125,635	110,377	-12%
Operating expenses	95,075	96,779	83,497	-14%
Operating profit	36,497	28,856	26,880	-7%
Share in net earnings of associates and joint ventures	4,357	3,814	2,675	-30%
Other income (charges)	(12,494)	(9,273)	(8,672)	-6%
Income before income tax	28,359	23,397	20,883	-11%
Provision for income tax	2,926	3,215	6,062	89%
Net income before non-controlling interests	25,434	20,182	14,821	-27%
Net income attributable to non-controlling interests	(3,726)	2,859	2,244	-22%
Net income attributable to equity holders of the parent	21,708	17,323	12,578	-27%
EBITDA	51,491	45,005	44,687	-1%
FINANCIAL CONDITION				
Total assets	389,662	410,469	397,925	-3%
Total liabilities	253,086	276,826	263,340	-5%
Non-controlling interests	8,864	8,100	7,426	-8%
Equity attributable to equity holders of the parent	127,713	125,543	127,159	1%
RATIOS				
Per Share (Pesos)				
Earnings	2.95	2.35	1.71	
Book Value	17.36	17.06	17.28	
Cash dividend to common	1.39	1.47	1.18	
Return on equity	20%	14%	11%	
Current ratio	1.89	1.50	1.38	
Debt/Equity	1.85	2.07	1.96	
Net debt/Equity	1.21	1.40	1.37	

Income Contribution Breakdown
Per Business Segment (in PHP millions)



Attributable Power Sales
(in GWh)



Sustainability at a Glance

As we continue our sustainability journey, we aspire for excellence in our ESG performance for our triple bottom line.

PEOPLE

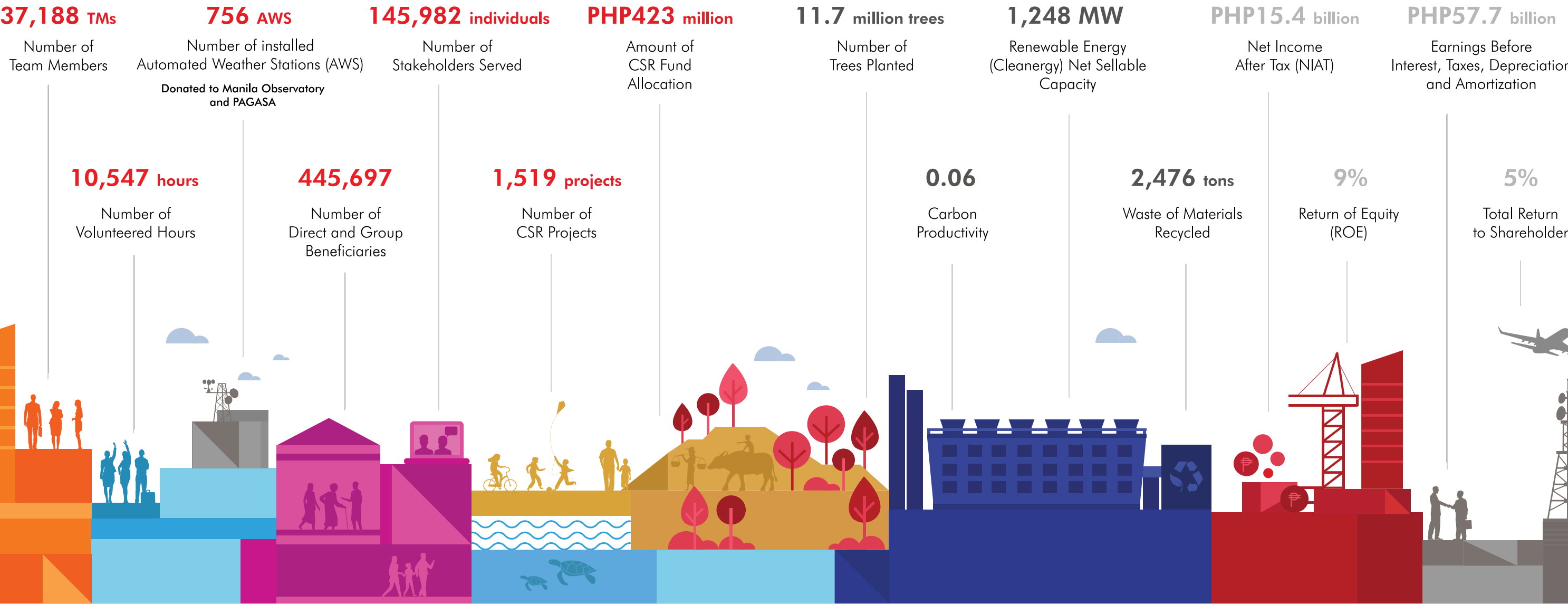
Partner with our stakeholders to create shared value

PLANET

Minimize our environmental impact

PROFIT

Grow Profitably



Chairmen's Message



**Enrique
Aboitiz**
Aboitiz Equity Ventures Inc.



**Erramon
Aboitiz**
Aboitiz Power Corporation

Aboitiz, as a corporation, enters its second century in a wake-up call year. As a family enterprise, we enter our third century in that same wake-up call year. We were awake in many areas but in siesta mode in others. COVID-19 has woken us up completely. We will attend to tighter attention to the fundamentals of our business with the concern of accelerated change and disruption firmly tattooed on our foreheads.

Dear Fellow Stakeholders,

We send you all our warmest greetings.

The year has passed, and we are back to talk to you, our fellow stakeholders, to tell you our story for the quirky year that is behind us. More importantly, we will share with you our best assessment of the year and years to come.

The timely adaptation to change, as a broad philosophical guide for both our thinking and behavior, are ingredients of the culture we are enriching in everything we do, everywhere and always. Adaptation could not have been underlined and placed in bold letters more than by COVID-19. We still see unintended consequences as our most serious threat. COVID-19 reminded us vividly.

The continuous challenge we mentioned to you last year of getting all our fundamentals right as we innovate precisely for the timely adaptation to change is generally being met. The highlight is that our plants are running better. COVID-19, on the other hand, has delayed the entrance into the operation of our single largest investment in a very long time and maybe in our history, our GN Power Dinginin. That is another fundamental that we will get right this year.

COVID-19 will force all of us to operate smarter disruptively and digitally. We were a little ahead of the game here and this enabled us to adapt very quickly. As part of our digital transformation strategy very early on, we dedicated a significant amount of energy and resources into preparing our team for remote working alongside vigilance to cybersecurity risks. These became top concerns in the business world last year but Aboitiz has already put this into practice, which has

really paid off given our seamless experience in shifting our work setup.

Your Boards also met more frequently than usual and took in weekly virtual meetings with the various executive committees to ensure nothing was left to chance under an extremely volatile situation. For a few months, we devoted much discussion on preparing for the worst by monitoring, with management, more of the company more often than usual. We are back to our normal governance schedule but must take the opportunity to applaud the government, particularly Bangko Sentral ng Pilipinas whose quick action ensured the banking system remained liquid and open to lending.

Looking back, our first imperative was the safety of our people. Your management team, particularly at HR, did what it needed to do to ensure the safety of our team members and their families as we moved into working from wherever. Limitations and constraints enhanced the challenge that we met but we kept a holistic approach to protect our people physically, emotionally, and mentally.

As the nationwide lockdown was imposed, we aimed to ensure peace of mind among all team members by releasing their mid-year pay and Christmas bonuses ahead of schedule. Our non-stop information campaign tackled proper health and safety protocols, virtual updates from our technical working group, consultations with experts, to name a few — all to help the Group better understand the dynamics of COVID-19. Aboitiz Academy used the time to train and educate. Vaccination is high on our agenda for both protection and evolution to a newer, better, and smarter way of doing things with caution yet more freedom.

The next imperative was to help our communities through direct interventions and in cooperation with the government and other members of the private sector as the surprise micro-beast that attacked us was one that needed all hands on deck. The disasters of typhoons in the past prepared the private sector to react and help, together with the government. We invite you to read through the COVID-19 section of this report, which provides details on our groupwide initiatives to support



102-14

As we have for the last 100 years, our purpose is to advance business and communities. We continue to do so as we have for a very long time. Being contributing neighbors is the right thing to do and it is through our business — our products and services — where we can make the biggest positive impact on our stakeholders.

our communities and all our stakeholders through this health crisis.

Pressure and difficulty are wonderful wake-up calls. COVID-19 sent up flares in numerous areas from small matters like DocuSign — that we should have executed earlier — to, more seriously, innovative digital solutions to ensure continued availability of our services and the acceleration of more sophisticated cybersecurity controls.

Fortunately, while some of our businesses were affected by the economic slow down caused by the community quarantine, our businesses proved resilient with most back to pre-pandemic levels. We do not have businesses that will take a long time to come back to where they were, if they ever do. We refer to the tourism, hospitality, and transportation businesses that are particularly difficult.

Overall, all sectors are working with profits and positive cash flows for an ever firmer balance

sheet. Our president will give you more details in his report. The system to monitor all operations tighter and more frequently were set up at the governance and management levels. We are lightening the load of the center to evolve into higher levels of openness, agility, and innovation.

The vaccine is upon us and igniting optimism but it is not yet here. Prudence tells us to continue on red alert and never leave it so we are ready for the next surprise.

Aboitiz, as a corporation, enters its second century in a wake-up call year. As a family enterprise, we enter our third century in that same wake-up call year. We were awake in many areas but in siesta mode in others. COVID-19 has woken us up completely. We will attend to tighter attention to the fundamentals of our business with the concern of accelerated change and disruption firmly tattooed on our foreheads.

Our imperatives to increase the efficiencies of our plants, particularly our coal plants, continue. We know that a thermal shift from coal to gas is in front of us. We face the challenge to build our renewable portfolio because it is the right thing to do for our country and for the long-term sustainability of our business.

Most importantly, increased attention is being given to what is beyond the balance sheet — the value produced by our intangibles, particularly our culture. Too much attention was given by the world, and us by osmosis, to compliance and process. While this is important, there is much to get done and we are re-balancing how we invest our time and energy into getting things done better and smarter to remain super competitive.

We are on red alert today. The main ‘beyond the balance sheet’ initiative we have learned and are ingraining into our DNA is that red alert is

the “new normal”. We know a new surprise is coming. In what form and from where we are not sure, but we do know it is in its bacterial stage. Complacency and overconfidence are our enemy.

As we have for the last 100 years, our purpose is to advance business and communities. We continue to do so as we have for a very long time. Being contributing neighbors is the right thing to do and it is through our business — our products and services — where we can make the biggest positive impact on our stakeholders.

We are not going to be a company that rides on to a fad of having a purpose. We had this purpose since we can remember. Ramon Aboitiz built the Cebu Boys’ Town to take care of and train orphans. We modernized the shipping business with our SuperFerries. We brought in one of the first modern sugar mills to Ormoc a little under 100 years ago. In Davao, we did not

just put up more poles to serve more people, we also set up free street lights, the city’s 911 emergency service, the Aboitiz Cleanergy Park for the pawikan, and, in December 2020, launched BEST Bus, its first free electric bus service in the central business district. Go to YouTube and listen to the public — Davao BEST Bus will connect you to what the public says. In banking and financial services, we are leveraging digital technology to elevate lives by promoting greater financial inclusion. We are likewise helping to ensure food security and availability, for example, by training displaced Maranao yellow corn farmers in entrepreneurship and by linking them to potential buyers. Service to our communities and our country goes hand in hand with better business — it always has.

We have always put people first because success is about better people serving our customers in better and smarter ways. Good returns follow happy and returning customers. Aboitiz has always acted understanding the above clearly. It is probably the single most important reason that we have, as a family, been in business all over these islands way before we began life as a corporation. COVID-19 reminded us against any talent management complacency.

There is a fear that our economy will take longer than most to recover. We are hoping that the unmeasured resilience of our people will make up for the deficit of traditional international measures. We are a unique people that have been isolated and insulated in our own little part of Southeast Asia.

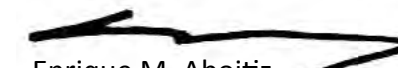
We may not be the best at the pro-active but we are quite good at the reactive. We have faith in the capacity of our people to work together in crisis even some of our more formal institutions fail. Our overseas workers, the heroes of our economy are all firmly there — everywhere they are first to hire and last to fire. Some have

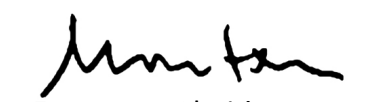
come back, like the cruise ship farers, but far more are still out there helping their families and our economy. We are a spiritual culture that helps each other. That matters in ways few international institutions can measure. We have surprised ourselves before. We will surprise ourselves again.

Not everything that counts, can be counted. we have shown the world this often.

We are optimistic that the economy will recover and reach pre-pandemic levels. Whether that recovery comes this year, the next, or the one after — we are ready! One thing we are positive about is we will come out of this crisis stronger as a business and as a country.

#OneAboitiz!


Enrique M. Aboitiz
Chairman of the Board
Aboitiz Equity Ventures Inc.


Erramon I. Aboitiz
Chairman of the Board
Aboitiz Power Corporation



President & CEO Message



Sabin M. Aboitiz

We took full advantage of the digital route where it made better sense to do so. All throughout, our priority was to ensure the well-being of our team members and that our strategic business units (SBUs) continued to operate at optimal levels, especially as our stakeholders relied on the essential services we provide.

Dear Fellow Stakeholders,

After celebrating our 100th founding anniversary in 2020, the Aboitiz Group begins this next chapter of our history in a world that is still counting the cost of the ongoing COVID-19 pandemic.

As Endika and Montxu mentioned, the Group's senior leaders held more meetings than usual in the past year to make sure we were on the right track amid the multifaceted and volatile challenges of the situation. It was clear early on that we needed to put aside many pre-planned projects, cut down 2020 CAPEX, and conserve cash to protect the goose that is Aboitiz. In trying to see around corners, our focus has been to make decisions that translate to equitable and values-driven action while keeping optimism intact on the path towards recovery.

Aboitiz Group's Pandemic Response

In January 2020, Aboitiz Foundation was in the midst of leading our Taal relief operations when we began to keep a close eye on news coming out of Wuhan in Central China. By the time the World Health Organization had given a name to the virus, our technical working group had already rolled out minimum health standards, preventive measures, travel advisories, and procedures for handling cases. Our business continuity plans — designed to further minimize disruption — were set in motion as the entire country went into enhanced community quarantine or ECQ.



AEV President & CEO Sabin Aboitiz and senior leaders visited SBU facilities to check in with frontliners and see firsthand how they are managing conditions on the ground.

One of the first things we did was implement groupwide work-from-home arrangements and stay-in shifts at our critical infrastructures. We took full advantage of the digital route where it made better sense to do so. All throughout, our priority was to ensure the well-being of our team members and that our strategic business units (SBUs) continued to operate at optimal levels, especially as our stakeholders relied on the essential services we provide.

We were also careful not to confine our response to a one-size-fits-all approach because our own frontliners have varying needs and situations. For example, teams needing to remain at the plants were provided full board and lodging for the entire stay while those who needed to report to the corporate offices had

free shuttle transportation to limit their public contact.

To ensure that all health and safety protocols and government guidelines were easily accessible, we created a dedicated COVID-19 microsite and a 'Return To Work Playbook', both regularly updated with relevant information that everyone must know and be able to understand.

As #OneAboitiz, we rolled out financial assistance schemes, particularly in our host communities. By the end of 2020, we have contributed in value worth PHP2.2 billion to the national pandemic response under a sustained campaign to help address the urgent needs of frontliners and affected communities, especially in Cebu City and Davao City.

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Financial Highlights Review

For the full-year 2020, Aboitiz Equity Ventures (AEV) posted a net income of PHP15.4billion, a 30 % decrease from PHP22.0 billion in 2019. Power accounted for the largest share of the total income contribution from AEV's SBUs. It turned in 52% , followed by the Banking and Financial Services, which increased its contribution to 32%. Our Food SBU contributed 12% while the remainder was covered by Infrastructure and Land SBUs with 2% each.

Aboitiz Power Corporation's (AboitizPower) net income contribution decreased by 27% year-on-year (YoY) to PHP9.7 billion from the previous year's PHP13.3 billion.

Union Bank of the Philippines' (UnionBank) income contribution for 2020 dipped to PHP5.9 billion from PHP7.2 billion in 2019. The decline was due to higher provisions for loan losses in 2020.

AEV's non-listed food subsidiaries reported an income contribution of PHP2.2 billion for 2020, up from PHP1.6 billion in 2019. Strong gains from the Food Group's overseas units were able to offset local declines.

Republic Cement & Building Materials posted an income contribution to AEV of PHP590 million, a 4% decrease from the PHP612 million recorded in 2019. This was due to lower demand for cement due to the decline in construction activities in 2020, particularly during the enforcement of COVID-related community quarantines.

AboitizLand and its subsidiaries reported a consolidated net income of PHP338 million in 2020, 64% lower than the PHP943 million recorded in 2019. The decrease was brought about by fair valuation gains on investment properties recognized in 2019.

We provide more information on these and a review of each SBU's operations in the Results of Operations sections of this report.

Instilling Innovation and Becoming a Data-Driven Organization

As expected, our 2020 results took a hit due, more or less, to the same factors that plagued our economy but we do not allow ourselves to be discouraged by this. Instead, we need to continue learning from this big room for improvement that continues to expand before us. This is why, for the second year in a row, Innovation is our “Value of the Year”. We need to instill this in our teams but achieving that requires consistency and clarity over an extended period of time. It is a slow-and-steady approach, something we truly need to devote time and energy to until it eventually becomes second nature to our everyday thought process. This becomes even more vital as we work to achieve our strategic growth objectives in the post-COVID world.

It is said that innovation is often borne out of disruption but, more and more, we are seeing innovation coming from a sense of urgency. Not surprisingly, the information age reveals the glaring disconnect between the speed of innovation in improving the quality of life and the almost crippling inability of companies,

leaders in business, to adapt them. Obviously, change needs to start with us.

At the core, whatever and however we innovate through our products and services should lead to creating a positive impact on our communities. By embracing Data Science and Artificial Intelligence (DSAI), we open up to new and bigger opportunities to accelerate our productivity, drive business value, and generate new revenue streams. In 2021, we further harness its full potential with the launch of Aboitiz Data Innovation, our new subsidiary under AEV International that will consolidate the #OneAboitiz DSAI operating model across the Group. This company functions as our key enabler of data strategy through its dual role as a service provider and governance center to support the organization.

We envision DSAI to be a permanent aspect of each SBU’s business landscape, including the development and support of our business models and decision-making capabilities. Ultimately, it will be instrumental towards achieving our environmental, social, and corporate governance (ESG) goals.



Though we rely on the government to lead us in finding effective solutions that improve people’s lives, it is also imperative for businesses to do our part in helping alleviate the situation and contribute to the global sustainability goals.

Organizational Resilience

Many aspects of our organizational practice have been much help in navigating the pandemic but at the center of our story are our A-People. The silver lining in 2020 is our team members pulling us through with unparalleled work ethic, agility, and commitment to our stakeholders. They went above and beyond in the past year and it is because of their resilience that we are able to face the future with hope and optimism. Truly, they are the lifeblood of our organization and my confidence rests completely in them.

One stellar example we will not get tired of repeating is how our experience moving operations from a physical environment to the cloud was like flipping a switch.

Prior to the pandemic, we were already either telecommuting or working from home and had corresponding guidelines and tools in place to support its success. This allowed us to continue to engage with our stakeholders despite the constricting effects of the initial lockdown. Last year, we were among a few publicly listed companies in the Philippines that held their annual stockholders’ meetings on time and on a virtual platform.

We also used digital channels in promoting physical and mental wellness for our team members through 24x7 access to teleconsult services, virtual engagement activities, HR pulse checks, and online learning, which had a surge in uptake throughout last year. In 2021, we have added data science, artificial intelligence,

and machine learning to our learning and development curriculum with the aim of creating awareness of data-driven possibilities as part of equipping our people with the skills they need to thrive in the fourth industrial revolution.

It's true that early digitalization has been a tremendous help to our business continuity in the COVID-19 era but we must emphasize that it was, and still is, the passion within our A-People to continuously explore and experiment in new ways of working that sustains us. There is no sophisticated formula behind it either. To an Aboitiz team member, adopting new practices

simply means that our communities can keep their lights on, receive the funds they urgently need, have food on the dinner table, have safe and potable water available, live in homes that are safe and secure, and, above all, rest easy that Aboitiz will always be a good neighbor to them — in spite of a pandemic that none of us initially understood but are equally vulnerable to.

We are grateful that, despite widespread economic disruption, we are able to press on with our plans for growth. But we also recognize the many cracks in our system that need to be fixed and so we will take the

lessons of 2020, embrace failures, and cultivate growth areas. Our next crucial step is to break through the remaining barriers of antiquity and mental bureaucracy or we will be left eating dust. It is a tall order for a company like ours but this ability to balance the old and new is what makes the Aboitiz Way our enduring legacy, the secret sauce to a better and truly future-ready organization.

ESG Performance

The Aboitiz Group recognizes that companies who want to thrive in the new normal must have strong commitment to sustainability. We continue to uphold best practices in our business operations,

focusing on environmental management, social responsibility, and good governance while ensuring long-term value creation, financial growth, and business capability.

In all our business units, we monitor the ESG concerns of our stakeholders and provide guidance on corporate governance, business process improvements, and innovative solutions. We ensure that environmental concerns such as GHG emissions are managed and minimized, waste generation reduced, and the potential recovery of a circular economy and responsible water consumption maximized. We also recognize the equal rights of our team members to a safe working environment and opportunities for learning and development. The Group advances communities' concerns by implementing strategies and programs that help contribute to the United Nations Sustainable Development Goals (SDGs).

Our Group's 10-year ESG Roadmap is part of our sustainability impact journey. AboitizPower achieved significant improvements in their S&P Global Corporate Sustainability Assessment in 2020; UnionBank had its maiden assessment last year, ranking well among local peers. As we account for our impacts on our stakeholders, we aim to further improve our ESG performance for long-term value creation and aspire for greater contribution to the global sustainability goals.

In 2020, the Aboitiz Group, through Aboitiz Equity Ventures (AEV), was the first Philippine company to signify support for the Task Force on Climate-Related Financial Disclosures (TCFD). As a TCFD supporter, we join over 1,700 international organizations in 77 countries aligning with the recommendations to manage climate change risks and opportunities. We view this as our statement declaring that we are taking action to build a more resilient



As a member of the APEC Business Advisory Council (ABAC), the Aboitiz Group leads and participates in meaningful discussions with global economies to enable policy recommendations for regional inclusive development, economic recovery, sustainability, and digital transformation.

It's true that early digitalization has been a tremendous help to our business continuity in the COVID-19 era but we must emphasize that it was, and still is, the passion within our A-People to continuously explore and experiment in new ways of working that sustains us.

financial system through climate-related disclosures. Part of the commitment we are making is a defined governance structure on addressing climate-related risks, defining strategies, targets, and metrics on climate action, and improving our disclosures to provide clear and reliable information to our stakeholders.

Meanwhile, as a member of both the United Nations Global Compact and Board of Trustees of Global Compact Network Philippines, we have pledged to align our strategies, culture, and operations with the UN SDGs. We are particularly focused on areas in our business value chain that impact the goals such as SDG 7 by providing access to affordable and clean energy, SDG 2 (zero hunger) by contributing to food security, SDG 6 (clean water), SDG 11 (sustainable communities), and SDG 9 (development of innovative infrastructure) while

at the same time providing decent work (SDG 8) and managing impacts to climate change (SDG 13), life below water (SDG 14), and life on land (SDG 15). Though we rely on the government to lead us in finding effective solutions to the current crisis, it is also imperative for businesses to do their part in helping alleviate the situation and contribute to the global sustainability goals.

Moreover, as a member of the APEC Business Advisory Council, we lead and participate in meaningful discussions with global economies to enable policy recommendations for regional inclusive development, economic recovery, sustainability, and digital transformation.

Moving Forward in the New and Better Normal

Aboitiz & Company's 100th anniversary reminds us that the Group was built and strengthened

over the course of a century, weathering many adversities and overcoming challenges. Our history shows that after every crisis, we survive, build back stronger, and return to stability, an experience that continues to inspire us to persevere.

The Aboitiz Group and other private companies signed a partnership with the national government to bring in the COVID-19 vaccine. Half of these vaccines will be for the government's identified priority sectors, and the other half is for the use of private companies whose employees are economic frontliners. We will align our own internal vaccine roll-out plan with that of the government, and based on their guidelines, we will carefully plan out an efficient and effective deployment process.

For 2021, together with our partners, AEV has allotted PHP48 billion in capital expenditure. This is 69% higher than the PHP29 billion used in 2020. Of this amount, PHP23 billion was earmarked by our Power SBU for the completion of GNPowder Dinginin as well as the battery energy storage projects. In the same manner, our Infrastructure arm set aside most of the PHP15 billion it had budgeted for the construction of its water businesses and its foray into the tower and airport businesses. The Food Group is expecting to utilize PHP4 billion mainly for feedmill expansion. Rounding out the balance are the provisions of the other SBUs: the Banking group will sustain its investment efforts in its digital and branch transformation endeavors while our Land business has allocated capital expenditure for the completion of its residential projects.

AEV and AboitizPower achieved significant improvements in their S&P Global Corporate Sustainability Assessment in 2020; UnionBank had its maiden assessment last year, ranking well among local peers. As we account for our impacts on our stakeholders, we aim to further improve our ESG performance for long-term value creation and aspire for greater contribution to the global sustainability goals.



We have also set our plans to achieve our 10-year EBITDA targets for our SBUs. For AboitizPower, our growth strategy for the next 10 years is to significantly expand our renewables portfolio with a target 50-50 renewable-to-thermal energy mix. UnionBank will continue to leverage its successful digital transformation strategy and pursue customer acquisition and engagement initiatives via digital channels and platforms in response to the increased shift in customer behavior. The Food Group will focus on fast-growing segments like aqua and attractive geographies in the ASEAN region where there is a captive and competitive market. Aboitiz InfraCapital is optimistic about providing better infrastructure and facilities particularly

in the water, digital, and mobility sectors. The integration of AboitizLand's Industrial & Commercial Business Unit supports our vision to further scale the growth of our industrial anchored-Integrated Economic Center project. It will likewise increase efforts in the digital space to convert sales and introduce more competitive payment terms to attract a broader market.

Of course, AEV will continue to support all the SBUs in these growth initiatives mentioned and beyond, supported by a strong ESG program to help us systematically build strength and capabilities that, in turn, will help us achieve our aspirations.



Our history shows that after every crisis, we survive, build back stronger, and return to stability, an experience that continues to inspire us to persevere in creating a positive impact on our communities.

Thanking Our Team

Let me end my letter by offering my sincerest appreciation to some very special people.

On behalf of the organization, I thank Luis Miguel Aboitiz for his 32 years of service to the Aboitiz Group. In various capacities, Miguel has made significant contributions, especially to the growth of our power business. Congratulations and we wish you all the best in your retirement.

Daghang salamat, A-People, for the support you all give me. My first year as your CEO was both a humbling and inspiring experience. I am truly blessed to be in a position to lead an excellent group of individuals who are committed to living our Aboitiz values. There is so much more for us to accomplish and I look forward to emerging from this pandemic together with all of you, stronger than ever.

Thank you to our Boards for your invaluable wisdom and guidance especially all throughout 2020.

Finally, thank you to all our shareholders for your continued trust and support as we work to fulfill the dreams and aspirations of our community of stakeholders across the Group.

#OneAboitiz!

Sabin M. Aboitiz
President and Chief Executive Officer
Aboitiz Equity Ventures Inc.



Luis Miguel Aboitiz

CFOs' Message



**Manuel
Lozano**

Aboitiz Equity Ventures Inc.

**Liza Luv
Montelibano**

Aboitiz Power Corporation



Achieving harmony between sustainability and economic prosperity has been ingrained in the way we do things in Aboitiz. In the Office of the CFO, we strive to take part in driving the company's growth by making sure there is ample support for the company's aspirations here and abroad while aiming to align business activities with best practices.

As the organization sets its sights on the next 100 years, we have been tasked to safeguard our course in the context of the ESG risks and opportunities that may arise as we navigate our way forward.

Dear Fellow Stakeholders,

If we were to pick one learning from last year (and there were many), it is the timelessness of Louie Pasteur's observation that "fortune favors the prepared mind". While he had conjured this thought from a different perspective, it lends itself to a broader application.

What existing mindsets helped us cope from the disruption caused by the pandemic? Four mindsets appear to be: (1) **Risk management** ("It's everyone's job, regardless of function," our risk managers often say); (2) **Health and safety** (fundamentally a way of life, AP achieved a 0.43 injury rate for every 1 million manhours worked in 2020, an exceptional improvement of 69% from its 2015 level when the 1AP Safety Culture program was launched); (3) **Innovation** (which drove larger scale experimentation on today's technologies as early as 2016); and (4) **Corporate social responsibility** (which planted the seeds of the ESG roadmap we have today).

Risk management is run enterprise-wide and strong business continuity plans are in place across the organization. Financial risk management is under the purview of the Office of the CFO. Last year, your finance team was focused on ensuring that your company had sufficient cash to sustain its operations and commitments despite a prolonged lockdown. This entailed cost cutting across our operating and capital budgets, constantly revisiting our assumptions, increasing the frequency of our reforecasting, and, most importantly, creative supplier and customer engagement. We also secured access to cash and made sure we had lines to tap should needs arise.

Capital Raising & Balance Sheet

Our most significant cost cut was in our capital expenditure. We cut about a third of our original budget, but with careful consideration for the impact it might have on our future growth. To fund the remaining projects, we were able to leverage on our strong balance sheet, the unwavering support of our partner banks, and our century old reputation built on our founder's timeless story of paying back all his debts despite great odds.

A number of major financing transactions were completed in 2020.

January saw the completion of Aboitiz Equity Ventures Inc.'s (AEV or Aboitiz Equity Ventures) US\$400 million maiden foreign denominated bond issuance, the first out of Asia for 2020. Soon after that, however, the pandemic escalated, and the quarantines began. And while the markets were tumultuous for the remainder of the year, we found ourselves steadily able to pursue and complete the fundraising initiatives we had planned even pre-pandemic. Aboitiz Power Corporation (AP or AboitizPower) issued the P9.6 billion bond remaining on its shelf registration with the SEC in July, one of the first two bonds filed and issued during the lockdown. AEV also tapped the market in November for P7.5 Bln, completing the refinancing program for its bond maturity. Together with these bond issuances, we tapped the banks for parent-level financing as well as project-level financing and refinancing for other members of the group, such as Hedcor Bukidnon, Inc., and Aboitiz Energy Solutions, Inc.

As a result, AboitizPower's consolidated net debt-to-equity ratio at year end was at 1.4x, unchanged from the previous year's ratio of

1.4x. For AEV, its consolidated net-debt-to-equity at year end 2020 was at 1.1x, compared to the previous year's ratio of 1.2x. Our overall consolidated debt maturity profile remained within the parameters set by the companies to mitigate liquidity and refinancing risk. Furthermore, as a result of our financial planning, our balance sheets continue to be healthy, and our capacity to raise money through the debt markets, strong.

Financial Performance

A strong innovation mindset planted the seeds of digital transformation early on in our organization. The resulting digital infrastructure allowed us to continue operations and deliver on our stakeholder commitments.

Office, branch, and plant operations across the portfolio were run through combinations of work shifts, remote via computers, skeletal workforces, work-from-home, and various flexible work arrangements, while observing COVID health protocols. Throughout all this, our first instinct was to protect the health and safety of our team members. Video-conferencing, being a part of our work arsenal for years up to the board level, became the main mode of communication, including for engaging our team members. Our investments in digital initiatives paid off. Your company was one of the very few who were able to immediately shift the processing of transactions to a purely remote environment from the very first day of the community quarantines. A lot evolved along the way, but we were ready from day one.

Now more than ever, our country needed our energy, financial instruments, food, housing, and water to make it through the difficult times. We were challenged, we rose to the occasion, and thrived.

In 2020, Aboitiz Equity Ventures' consolidated EBITDA (earnings before interest, taxes, depreciation and amortization) dipped by 4% year-on-year (YoY) to PHP57.7 billion. This was primarily due to the challenges that the group faced resulting from the COVID-19 pandemic. Beneficial EBITDA, which represents AEV's proportional share of the EBITDAs of the companies it has investments in, was 3% lower than the previous year at PHP49.2 billion. Accounting for interest, tax and depreciation expenses, consolidated core net income amounted to PHP15.9 billion, 26% lower than last year. This core income resulted in an earnings per share of PHP2.83.

During the year, AEV recognized non-recurring losses, which brought net income to PHP15.4 billion, or 30% lower YoY. This resulted in a return on shareholders' equity of 9%.

Power continued to account for the largest share in earnings contributions to AEV at 52%. The financial services and food SBUs contributed 32% and 12%, respectively, while contributions

from the infrastructure and real estate SBUs stood at 2% and 2%, respectively.

Upon the conclusion of 2020, AEV's consolidated cash balance stood at PHP66.9 billion. This leaves the organization with sufficient liquidity to sustain prolonged community quarantines.

In March 2021, the AEV Board approved a cash dividend of PHP0.91 per share. This accounted for 33% of 2020's consolidated net income and resulted in a dividend yield of 2.1%.

Meanwhile, AboitizPower's recorded consolidated EBITDA amounted to PHP44.7 billion, 1% lower YoY. This was due to AP achieving its target availability for 2020, which offset the reduction in demand resulting from the COVID-related community quarantines. Beneficial EBITDA was 1% higher than last year at PHP43.5 billion. The income tax holidays of several AP business units expired in 2020; taking into account interest, tax and depreciation expenses, consolidated core net income amounted to PHP12.5 billion, or 25% lower than

In 2021, we will continue to explore new insurance markets to lessen placement difficulty, study the viability of non-traditional risk transfer programs to mitigate identified risks, and optimize our captive participation to manage the increase in risk transfer costs.

the previous year. This core income translated to an earnings per share of PHP1.70.

In the same year, AboitizPower recognized non-recurring gains from the revaluation of dollar-denominated debts. AboitizPower recorded a net income of PHP12.6 billion, 27% lower than the previous year.

In March 2021, the AboitizPower Board approved a cash dividend of PHP0.85 per share. This was 50% of the company’s 2020 consolidated net income and resulted in a dividend yield of 3.4%

Stakeholder Commitments

Not only did our digital infrastructure allow us to continue operating, it helped us deliver on our stakeholder commitments.

Last year, our award winning analysts’ briefings operated on full remote on schedule, with no disruption for its audiences which has had the virtual option since 2016. Last year too, our Virtual Annual Stockholders Meeting, a first for us, was one of the few stockholders meetings to be conducted on schedule among publicly listed companies in the Philippines. We also held our first ever Virtual Asset Tours last year, where audiences were able to see first hand the day-to-day operations of the various Aboitiz business units. Across the group, we used our digital platforms to continue to engage our stakeholders - from our team members to our customers.

While too many to mention, and it will likewise be mentioned in other sections of this report, our finance teams worked extra hours to make sure we provided the various financial assistance needed by our team members, suppliers, customers, and communities.

Despite the pressing issues, we also managed to allocate time on projects to help promote the long-term investability of your company. Here are updates on the three commitments we mentioned in our message last year:

- **To improve our ESG ratings and be investment grade over the medium to long term** - As mentioned in our CEO’s message as well in the AboitizPower segment of this report, we achieved significant improvements in our SAM Corporate Sustainability Assessment results percentile rankings for both AEV and AP; while UnionBank has been assessed for the very first time;
- **To explore how we can adopt the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD) over the next three years within the context of our overall strategy** - With the help of MSCI, we have done a first run of our data sets and still carefully vetting the methodologies of this very complex report;
- **To refresh our assessment of material sustainability issues, their supporting programs and metrics; and extend our targets to 10-years, which includes our plan to achieve a 50/50 thermal/renewable mix by the end of the decade** - We commenced our re-assessment last year and target completion in 2021. In parallel, work continues on developing and communicating our energy transition plan, of which the details you will see in other parts of this report.

Risk Finance In A Hardening Insurance Environment

In 2020, the insurance industry saw a steady increase in premium rates, difficulty in placing

100% of risks, and reductions in policy covers or terms. We expect this situation to carry on for the next couple of years and be further aggravated by the impact of the pandemic as insurers try to recover losses incurred across their portfolio.

Compared to 2019, the Aboitiz Group had lower insurance claims losses which is a testament of its improved risk management processes. Though insurance premium rates continued to increase, mitigations on preventing insurance losses resulted in the improvement of the Group’s Total Cost of Insurable Risk (TCOIR), thereby decreasing from 1.30% to 1.27% against revenue. This was driven primarily by lower retained losses incurred in 2020.

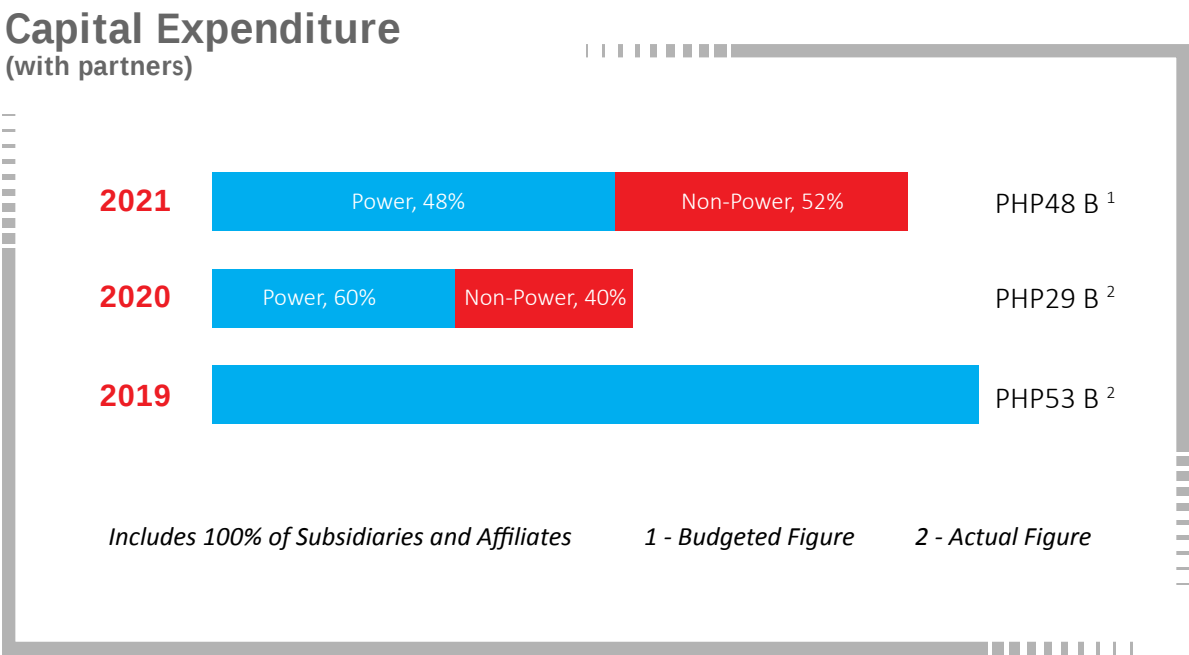
In response to this challenging environment, we focused on improving the Group’s risk profile through the review of our risk exposures adapted to the current needs of the business and addressed areas for improvement identified in our risk engineering surveys. Despite the

limitation in conducting a physical engineering survey due to the pandemic, we were able to design a two-phased implementation plan that was agreed with our insurers.

In 2021, we will continue to explore new insurance markets to lessen placement difficulty, study viability of non-traditional risk transfer programs to mitigate identified risks and optimize our captive participation to manage the increase in risk transfer costs.

Addressing The Needs Of Today and Tomorrow

Achieving harmony between sustainability and economic prosperity has been ingrained in the way we do things in Aboitiz. This is evident in how AboitizPower manages the balance between energy security, energy equity and environmental sustainability to ensure sustainable energy systems. In the Office of the CFO, we strive to take part in driving the company’s growth by making sure there is ample support for the company’s aspirations here and



abroad while aiming to align business activities with best practices.

As the organization sets its sights on the next 100 years, we have been tasked to safeguard our course in the context of the ESG risks and opportunities that may arise as we navigate our way forward.

As a leader in most markets we play, it is our duty to address the country's needs today, while simultaneously investing for tomorrow.

AEV, together with our partners, allocated PHP48.3 billion in capital expenditure for 2021, 69% higher than the PHP28.5 billion used in 2020. From this, PHP23.4 billion was set aside by our Power SBU for the completion of GN Power Dinginin as well as the Battery Energy Storage Projects. Similarly, our Infrastructure arm appropriated most of its PHP14.7 billion budget for the completion of Apo Agua and its entry into the telecommunications tower business. To the same extent, our food business is expecting to employ PHP4.5 billion mainly for feedmill expansions.

Making up the balance are the allotments of the other SBUs. Our real estate business has allocated capital expenditure for land banking and the completion of its residential projects while our Banking business will sustain its investment efforts in the continued enhancement of its digital touchpoints.

In terms of capital raising, the group started 2021 strong. In March, AboitizPower issued P8.0 billion worth of bonds, representing the first tranche of its newly established P30.0 billion shelf registration. The proceeds will be used to refinance maturing debt and prepay existing higher-cost debt, which will be an ongoing

theme for the year. AEV and AP are exploring potentially returning to the bond markets in the second half of the year for more refinancing activities.

In the area of project finance, AP is focused on funding in the renewables space - pursuing the refinancing of various hydro and solar entities.

For food, we are raising capital to fund various domestic and overseas expansion activities to address food security in the region. With regard to our infrastructure business, we are engaging with potential partners to explore and develop bespoke financing for our towers and airports initiatives. Finally, for our real estate arm, we are focused on terming out our existing loans, to take advantage of relatively low long term rates.

This is our commitment as proactive participants in the path to economic recovery as the country rises from the shadow of the pandemic.

Sustainable Finance And The Next 100 Years

In May last year, Bangko Sentral ng Pilipinas (Central Bank of the Philippines), issued a circular outlining its plan to promote sustainable finance in the Philippine banking system. This aligns the country with the global effort to use the financial system as a vehicle to address ESG-risks and advance the sustainable development goals. As a first step, we are delighted that UnionBank is among the first banks in the country to put in place its Sustainable Finance Framework, which identifies what projects it aspires to fund under ICMA's Green, Social, and Sustainability Bond Principles (and all its variants, including for loans). In a direct way, it will now be funding projects that are certified to be promoting environmental sustainability or addressing a social issue.

As the market for sustainable investments gains momentum and scale in the world, we will continue to build our capability to attract and capture funding for our own contributions to solve the world's most pressing issues.

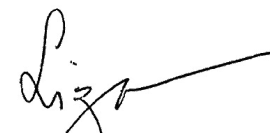
Heading into the future, our drive to capitalize on new opportunities for growth and expansion, not just for the company, but for the countries we operate in, is at its highest. Under the Office of the CFO, we are committed to learning from the past century in order to thrust the organization steadily into the next.

With your continued support, we know we can build the foundations for the next one hundred years of Aboitiz.

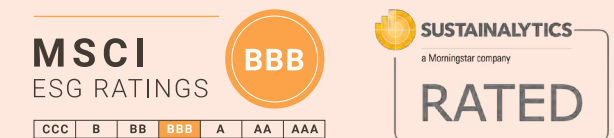
Sincerely yours,



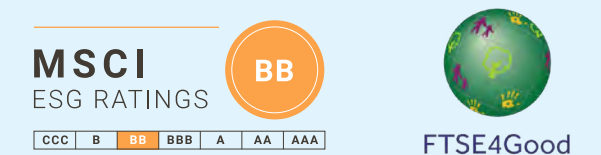
Manuel R. Lozano
Senior Vice President
Chief Financial Officer
Aboitiz Equity Ventures Inc.



Liza Luv T. Montelibano
Senior Vice President
Chief Financial Officer
Aboitiz Power Corporation



In 2020, AEV continued to be recognized as an S&P Global Corporate Sustainability Assessment (formerly ROBECOSAM CSA) constituent company and scored 46% higher with a positive 23 points year-on-year increase that placed it in the 66th percentile rank in the industrial conglomerates peer group, up from 43rd in 2019. AEV also received a rating of BBB in the MSCI ESG Ratings assessment in 2020 while, in March 2021, its Sustainalytics ESG risk rating also improved, lowering its risk rating by 5.1 point momentum compared to the previous year. This placed AEV in the 13th percentile (also ranking 14th out of 104 companies in the Industrial Conglomerate Sector) of the rater's Industrial Conglomerate Universe. AEV also looks into the CDP reporting framework by including it in the company assessments of its ESG initiatives.



AboitizPower's 2020 ESG performance rating S&P Global Corporate Sustainability Assessment rose by 74%, bringing its global peer group percentile ranking up to 54th percentile from 25th percentile in 2019. Since 2018, it has remained a constituent company in the FTSE4Good Index Series, which measures the performance of companies that demonstrate strong environmental, social, and governance (ESG) practices. Also in 2020, AboitizPower retained its BB rating from MSCI's ESG Ratings assessment and gained a Sustainalytics ESG risk rating of 33.9 as result of lowered risk exposure by 3.5 point momentum.

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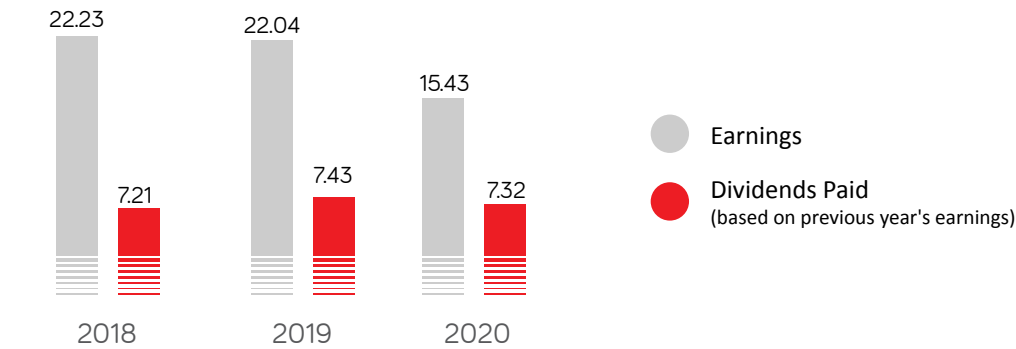
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Shareholder Values

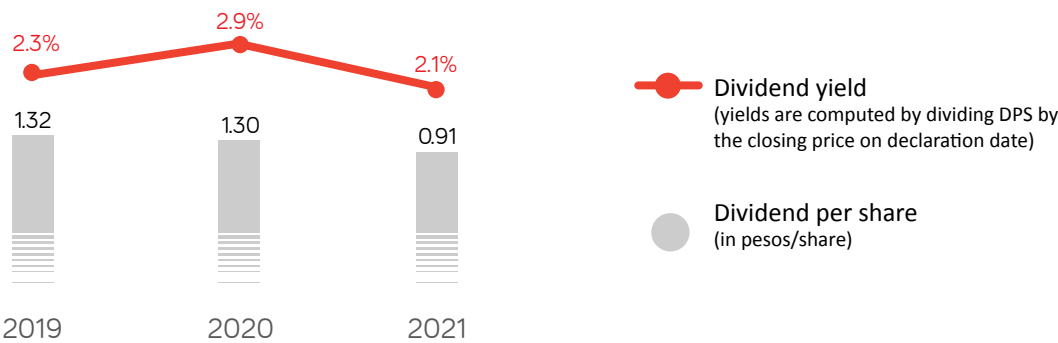
Aboitiz Equity Ventures Inc.

Earnings and Dividends

(in PHP billions)



Dividend Per Share (DPS) and Dividend Yield



Share Price (Peso/Share)		
YEAR	HIGH	LOW
2020	54.00	29.10
2019	67.90	46.70
2018	79.00	44.10

Share Price Performance	
YEAR	2020
AEV	-8%
PSEi	-9%

Total Return to Shareholder (TRS)*

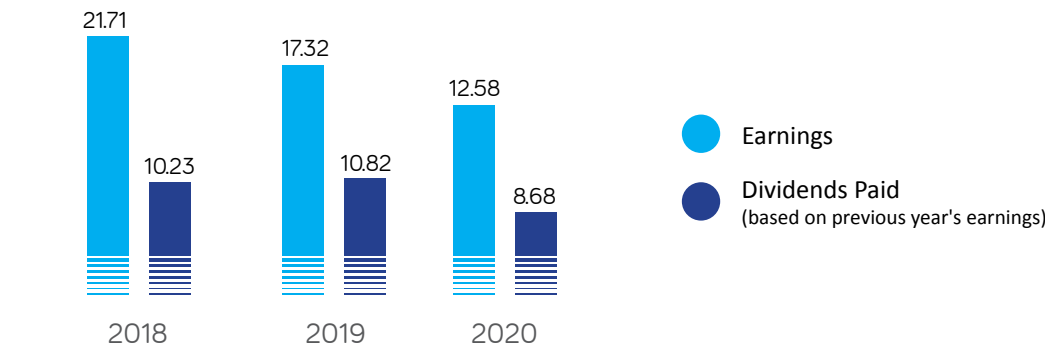


*TRS is computed by combining share price appreciation and dividends paid to show TRS expressed as a compounded annual growth rate (CAGR). Data compiled by Bloomberg.

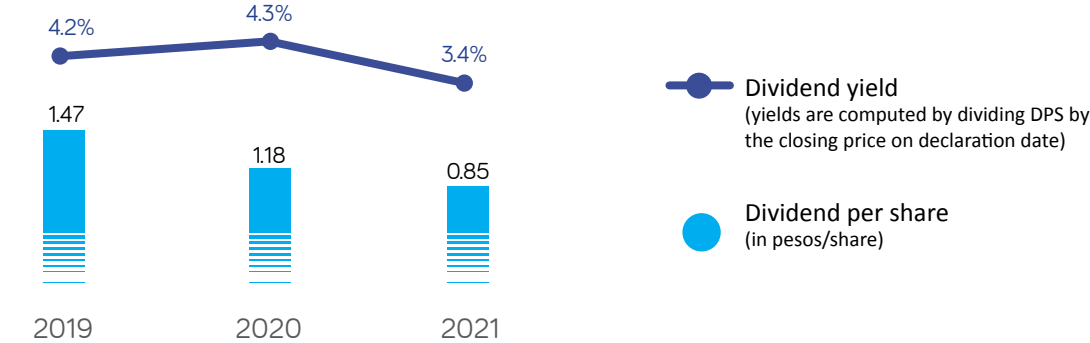
Aboitiz Power Corporation

Earnings and Dividends

(in PHP billions)



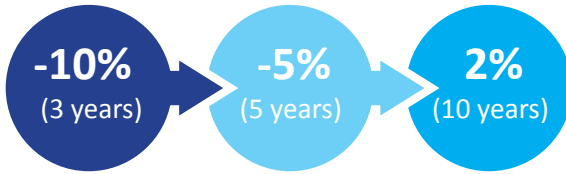
Dividend Per Share (DPS) and Dividend Yield



Share Price (Peso/Share)		
YEAR	HIGH	LOW
2020	35.00	23.45
2019	40.40	33.00
2018	41.80	31.20

Share Price Performance	
YEAR	2020
AP	-22%
PSEi	-9%

Total Return to Shareholder (TRS)*



*TRS is computed by combining share price appreciation and dividends paid to show TRS expressed as a compounded annual growth rate (CAGR). Data compiled by Bloomberg.

While we’ve put trust in the hands of the government to lead us in finding the proper solutions, it is also imperative for businesses to do their part in helping alleviate the situation. In March 2020, Philippine President Rodrigo Duterte declared a state of public emergency following confirmed local cases and transmission of COVID-19. A lockdown in Metro Manila was imposed on March 15, forcing residents to undergo community quarantine.

Through a group-wide virtual conference, Aboitiz Group President and CEO Sabin Aboitiz announced that team members must render work from home. Our early investments in future-proofing Aboitiz have given us a huge advantage in seamlessly transitioning from a physical work set-up to a digital workforce and ensuring all the proper channels and support are in place. Communications, stakeholder management, product sales, financial services, and employee learning were all delivered through online platforms. To ensure the financial security of team members, salaries and bonuses were released early. A select number of essential team members continue to work

in their respective areas to ensure delivery of highly-needed basic services, such as power, banking, and food. To ensure their safety, we provided ample protective resources and basic needs such as testing (rapid tests, RT-PCR), food, clothing, and temporary shelter. Accessible health services are also made available to all our facilities nationwide.

“Our team is focused on understanding COVID-19’s possible ramifications to our businesses. Offhand, the majority of our industries are actually resilient and are not as vulnerable as other sectors. Making sure that we maintain a strong balance sheet, the group has prepared contingency plans and made sufficient adjustments to manage major disruptions. We have prepared scenario plans for our businesses and are working to provide accessible health services to all our facilities nationwide.

Our utmost concern now is the health and safety of our team members. We adopted travel, quarantine, and hygiene measures. All our team members, here and abroad, are constantly reminded of these measures and are given regular updates by our Covid-19 Technical Working Group.

With the group’s effort in digital transformation, the group made great strides to “Future-proof Aboitiz”. This includes equipping team members across the group with digital tools, bringing engagement virtually, and allowing us to adjust to the work-from-home set-up easily.

Aboitiz Group continues to work closely with various stakeholders demonstrating ethical leadership and good governance while creating an enabling environment to serve the interests of people and planet through strengthened cooperation.”

Sabin M. Aboitiz



ABC in the time of COVID-19

Despite the pandemic, we continue to deliver our brand promise of advancing business and communities. Making sure that we maintain a

strong balance sheet, our business units have implemented business continuity plans and financial assistance measures to ensure business-as-usual for our clients and customers who are coming to terms with the new normal.

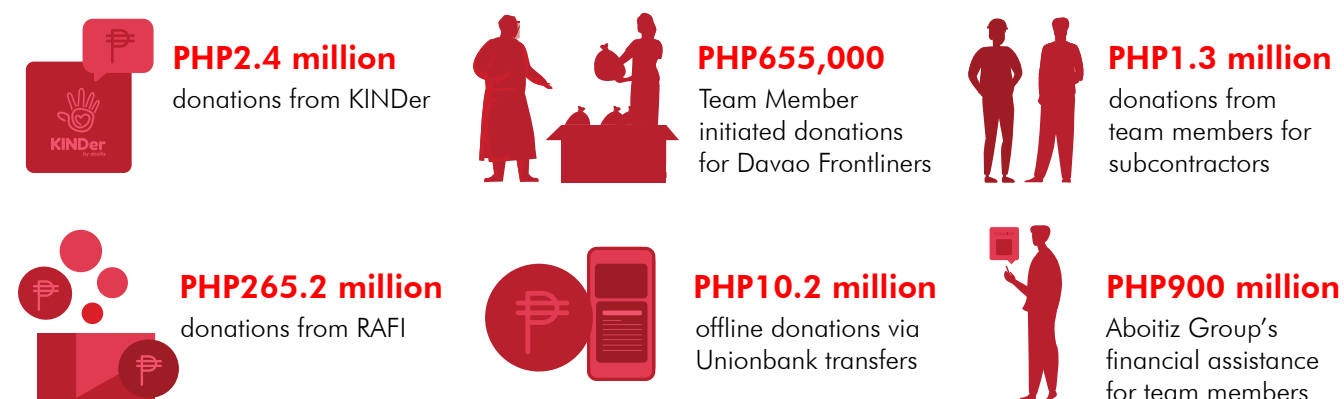
Figures as of March 2021, in PHP

	COVID-19 Funds: Aboitiz Foundation Initiatives	COVID-19 Funds: Direct Business Unit Initiatives
Education	Allocated for continuing programs under Aboitiz Foundation program pillars	1,308,295.00
Environment	192,826,236	16,141,033.14
Enterprise Development	Allocated for continuing programs under Aboitiz Foundation program pillars	700,000.00
Special Projects/Others	Allocated for continuing programs under Aboitiz Foundation program pillars	8,155,894.50
Total	192,826,236	26,305,223.00
Aboitiz Group Consolidated COVID-19 Funds Allocation		219,131,458.64

		
313,258 Beneficiaries	295 Projects	1,187 hours
Number of Direct and Group Beneficiaries	Number of COVID-19 related CSR Projects	Total number of volunteer hours

Other COVID-19 related donations/efforts:

Figures as of March 2021



Power	- Uninterrupted delivery of power supply and service - Safeguards and support for Mission Critical teams, as well as safety protocols with suppliers and business partners - Continued project construction - Payment concessions to customers - PHP671 million worth of ER 1-94 funds made available to host beneficiaries
Banking and Financial Services	- Provided access to liquidity via ensuring availability of branches and ATMs - Enhanced features in digital channels and introduced innovative offerings to proactively serve customers' financial needs - Extended payment due dates, waived online banking fees - Continued to extend credit to mass market segments (e.g., teachers, motorcycle loan borrowers, and MSMEs) - Supported national government agencies (i.e. DSWD) and local government units in the disbursement of social amelioration funds to beneficiaries
Food	- Ensuring food group, both local and overseas, continue to operate while delivering a consistent supply of products for many of our small business partners who depend on us for their livelihood - Provided food and support to COVID-19 frontliners in Tarlac, Iligan, select hospitals, checkpoints, and other frontline groups
Infrastructure	24/7 portable water availability and wastewater treatment to locators and establishments - Provided rental concessions to our mall tenants through discounts and extended payments - Implemented strict health and safety protocols across all developments - Continued full operations of the industrial parks through a skeletal workforce
Land	- Waived rental for mall tenants - Provided considerate payment extensions and waived penalties for tenants and residents - Rolled out its Contactless Homebuying service which empowered sales partners through digital selling and allowed vecinos to conduct transactions safely - Continued house construction under the strict implementation of safety protocols
Corporate Social Responsibility	- Donations to partner stakeholders and communities - Provided opportunities for employment for 1200 skilled workers

A Dose of Hope

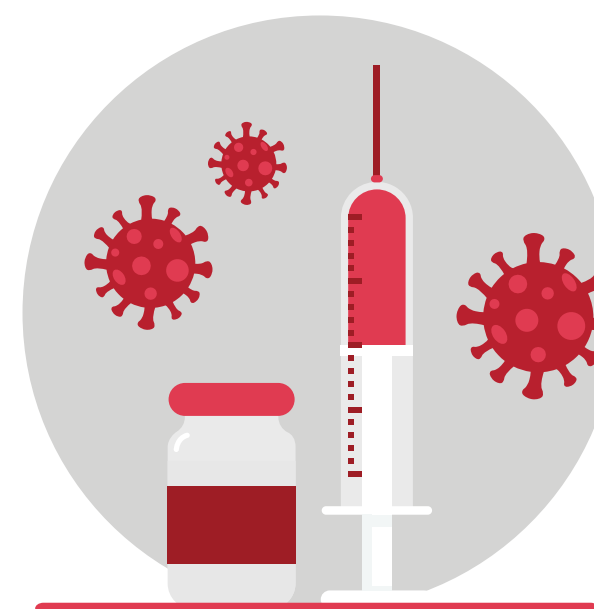
The Aboitiz Group, along with more than 300 private companies and 40 local government units committed to "A Dose of Hope", a tripartite agreement among the private sector, the Philippine government, and British drugmaker AstraZeneca in support of the National Immunization Program. Half of the vaccines purchased will be donations for government frontline workers, while the other half will be for private-sector employees – both regular and contractual – provided they follow the government's priority sectors for distribution.

Through its commitment to A Dose of Hope, the Aboitiz Group will be able to cover the inoculation of all its team members and subcontractors. AstraZeneca COVID-19 vaccines will be offered to more than 30,000 regular employees and subcontractors, to help build the community's immunity against the virus. Each Business Unit will work directly with their respective subcontractor partners on the details of the vaccine rollout.

Availing Aboitiz team members and subcontractors shall be vaccinated in batches, prioritizing frontliners, senior citizens, and those with comorbidities, then the rest of the population. In the ASEAN region and

other countries, Aboitiz team member vaccinations will be driven by various country governments where Aboitiz operates (particularly the Food Group). A vaccinated workforce will allow the Aboitiz Group to lead and significantly contribute to keeping the economy thriving under a better normal.

Over the last hundred years, the Aboitiz Group has proven its resilience to rise above the challenges. It has survived near bankruptcy, world wars, economic crises, and movements between islands, among other challenges. For generations of Aboitiz team leaders and team members, past and present, what remained constant was our commitment to our time-honored values of integrity, teamwork, innovation, and responsibility. We always put our people first and ensure that we push for a balanced pursuit of financial gains and sustainability. Our rich history shows what we have achieved while using our values as our compass, and how these have enabled us to drive change for a better world by advancing business and communities. The COVID-19 pandemic is far from over, but we are certain that together as #OneAboitiz, we will emerge from this crisis better and stronger.



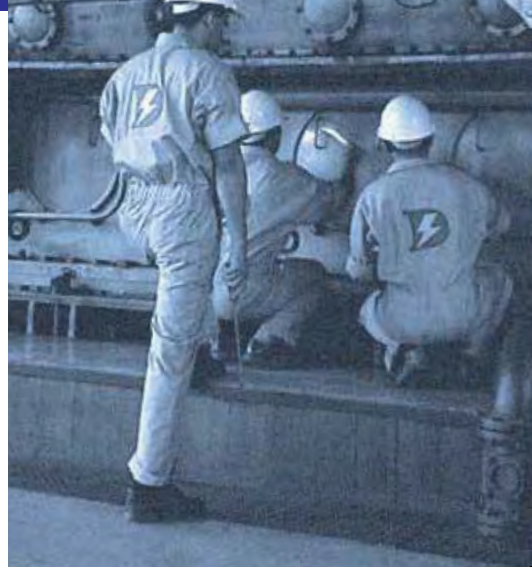
Wave 1:

November 2020, 30 partners*, 2.6 million doses

**Aboitiz was among the first 30 private companies to sign the deal during Wave 1.*

Wave 2:

January 2021, more than 300 partners and 40 local government units, 17 million doses



Power

Result of Operations



“The unprecedented challenges of 2020 were overwhelming, but 1AP powered through and remained steadfast in Advancing Business and Communities. Our experiences and learnings from the past year made us stronger and more resilient than ever, ready to conquer greater heights in the next decade and beyond.”

Emmanuel V. Rubio
President and CEO
AboitizPower

Powering through

2020 marked the achievement of AboitizPower’s strategic goal of 4,000-megawatts (MW) of net attributable capacity, setting the benchmark for bolder and greater goals in the next decade, to continue Advancing Business and Communities for many more years. By the end of the year, AboitizPower already owns 4,429 MW of net attributable capacity with the addition of GNPowr Dinginin to our portfolio.

Then came the COVID-19 pandemic, severely impacting the global economy and posing unprecedented challenges even to well established organizations like AboitizPower. Thanks to our business continuity strategy, we were able to quickly adapt to the situation, ensuring uninterrupted service to our customers

and continued support for our stakeholders, all while securing the safety and health of our team members.

Despite the setbacks brought about by a global health crisis, the company remained resilient and committed to fulfilling its mission of providing energy supply that is reliable, affordable, and sustainable. This endeavor is backed by our strong environmental, social, and governance (ESG) standards and practices, enabling us to operate while managing our impact to create long-term value for all our stakeholders.

For our Generation business, we were able to successfully rehabilitate the Naga Power Plant Complex, operated and managed by our business unit Therma Power Visayas, Inc. (TPVI). The rehabilitation increased the net sellable capacity



PHP9.68 billion
Income contribution to AEV



3,494 MW
Attributable Net Sellable Capacity



Almost **1 million**
DU Customers



Strong ESG
standards and practices



Quality Management System
Re-certification for AP Corp

of the power plant to 39 MW, almost twice its previous output. In the second quarter of 2020, TPVI obtained a Provisional Authority to Operate (PAO) from the Energy Regulatory Commission (ERC), allowing it to proceed with the commercial operations.

The pilot floating solar project of our joint venture, SN Aboitiz Power (SNAP), had proven its viability and had secured approval from the SNAP Board to proceed with the engineering design for 67 MW. While the construction timeline of our GNPowr Dinginin project continues to be challenged by the imposition of lockdowns and travel restrictions, the commissioning of Unit 1 is ongoing and is targeted for commercial operations in August 2021. For Unit 2, the completion and commercial operations dates remain uncertain as of the first week of

Metrics That Matter

AP DU Systems Loss:

Distribution Unit	2020	2019	2018
Visayan Electric	6.84%	6.00%	6.73%
Davao Light	7.88%	7.32%	7.10%
Cotabato Light	8.88%	8.08%	8.46%
Subic EnerZone	3.20%	2.96%	2.71%
Mactan EnerZone	0.93%	0.96%	1.01%
Balamban EnerZone	0.47%	0.42%	0.41%
LiMA EnerZone	5.37%	5.24%	4.58%
SFELAPCO	4.86%	4.86%	4.78%
Government-mandated Cap in 2020: 6.50%			

April 2021 due to the ongoing community quarantines and travel restrictions, thus limiting the mobilization of foreign technical experts required to commission certain equipment and systems, and subsequently impacting our construction timeline. An update on the completion of Unit 2 will be provided once the travel bans are lifted.

In 2020, AboitizPower also embarked on its foray into battery technology, with pre-construction and development activities for SNAP’s 20-MW battery energy storage system (BESS) in Ramon, Isabela and Therma Marine, Inc.’s (TMI) 49-MW hybrid BESS in Maco, Davao de Oro. These are among the 12 BESS projects with a total capacity of 248 MW that AboitizPower is targeting to develop in the next 10 years to ensure the stability and security of the Philippine power grid.



Meanwhile, our Distribution business continued keeping the lights on for our customers and communities. Even with the quarantine measures in place, efforts were made to do meter readings for the majority of our customers and various initiatives were implemented to make bills payment safer and more convenient amid challenging times. All our distribution units have complied with the applicable guidelines and advisories from the Department of Energy (DOE) and ERC despite its impact on our collection efficiency and cashflow.

Among the key achievements of our Distribution Group in 2020 was the franchise renewal of Davao Light and Power Company. RA 11515 was signed into law effective December 26, 2020 to renew the Davao Light franchise for another 25 years once it expires in September 2025.

As part of our commitment to continuously improving our services, Davao Light also launched its new Calinan substation, Davao City's first digital substation located within the district. Cotabato Light and Power Company also upgraded its Malagapas substation. These upgrades provide our distribution utilities with an increased energy capacity, ensuring the reliability and better delivery of power supply across our franchise areas.

The two 50-MW transformers of Malvar Enerzone Corporation were successfully energized and started supplying the energy needs of the various locators of the 212-hectare Light Industry & Science Park IV (LISP IV) in Malvar, Batangas.

These operational developments, both in our Generation and Distribution businesses, are well aligned with our availability and reliability targets to ensure the continued delivery of our energy products and services to the customers and communities we serve.

Positive energy

At the core of AboitizPower's 2020 milestones was the positive energy that gave our 1AP team a boost up, along with our 1AP culture of high performance, owner's mindset, learning and growth, atmosphere, and our values of integrity, teamwork, innovation, responsibility, and service excellence.

With this positive energy, all our team members — onsite, in the field, and working from home — contributed to our strategic objectives and helped ensure that these remain relevant to our stakeholders. Even while grappling with the impact of the pandemic themselves, our 1AP team went the extra mile to support one another and worked together to fulfil our ABC.



Hedcor's FLS Hydro (6.4 MW, gross capacity) located in Bakun, Benguet

We were able to sustain our corporate social responsibility (CSR) efforts for our customers and host communities. We continued to be stewards of our environment through various conservation initiatives. We remained steadfast and always ready to lend a helping hand to typhoon-stricken areas, as well as communities that needed support in the fight against COVID-19.

In 2020, AboitizPower was also not short of accomplishments in terms of our ESG performance. AboitizPower has continued to be recognized as a constituent company in the FTSE4Good Index Series for three years in a row, affirming our long-standing commitment to sustainability. We have also seen an improvement in our score in the Corporate Sustainability Assessment (CSA), from 69th place in 2019, we now rank 47th in this global benchmarking index.

With our invaluable experiences and learnings from 2020, AboitizPower is well positioned to carry out our growth strategy in the next 10 years and support the country's economic growth and recovery.

Our key strategy remains the same, which is to aggressively expand our Cleanergy portfolio, aiming for a 50:50 balance between our Cleanergy

AboitizPower is a pioneer of renewable energy in the Philippines and today, together with our partners, we are the country's largest owner and operator of renewable energy based on installed capacity.

While we continue to help address the country's energy trilemma of energy security, energy equity, and environmental sustainability, we will also pursue our international aspirations, focusing on wind, hydro, and solar projects. We will also explore gas as an addition to our portfolio in an effort to serve our ever-increasing baseload energy demand.

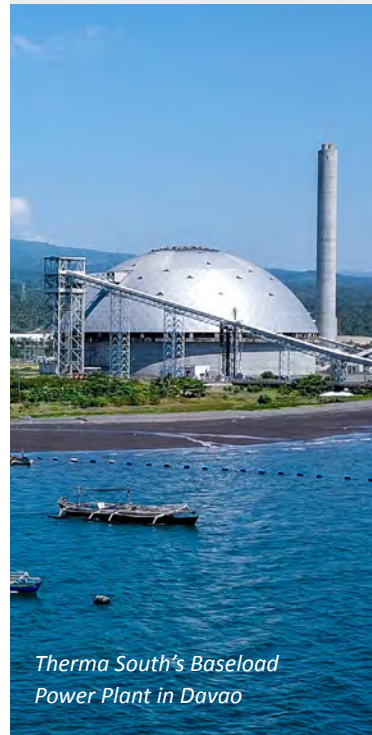
We are bullish about the future of AboitizPower and of the country as the economy is slowly getting back on track and with the government's well thought out roadmap for the power sector. With the unwavering support of our 1AP team and our strong partnerships with our stakeholders, we trust that AboitizPower will be able to sustain the positive energy and continue to add value to the Aboitiz Group's 100 years of Advancing Business and Communities.

Milestones

- Posted an income contribution to AEV of PHP9.68 billion, down by 27% year-on-year from PHP13.33 billion in 2019
- Remitted PHP671 million in ER 1-94 funds for COVID-19 response and relief to 130 host beneficiaries
- Smoothly transitioned to Work-From-Home (WFH) and 14-day Facility Quarantine (FQ) set-up without any COVID 19-related business interruption
- Rolled out a 1AP-wide Operational Technology (OT) Security Minimum Standard, and deployed Continuous Threat Detection (CTD) System for OT assets in Therma Visayas, Inc. (TVI) and Visayan Electric, to manage cybersecurity risks
- Developed a Safety, Health, and Environment (SHE) maturity model and index designed to ensure an objective, evidence-based SHE culture assessment of every facility and business unit
- Achieved a 0.43 injury rate for every 1 million manhours worked in 2020, a remarkable 69% improvement from when the 1AP safety culture was launched in 2015
- Achieved Quality Management System (QMS) re-certification for holding company, Aboitiz Power Corporation

Generation Business Group

- AboitizPower owned 4,429 MW of net attributable capacity with the addition of GNPower Dinginin supercritical coal-fired power plant in Bataan to our portfolio
- Scatec ASA (formerly Scatec Solar ASA), a Norwegian company and a major global power player with extensive experience in renewable energy development and operation, signed a binding agreement to acquire 100% of SN Power, our partner in MORE and its subsidiaries
- Renewable and Oil Business Units exceeded their availability targets and surpassed their 2019 performance
- SNAP plants demonstrated an excellent operating performance despite the twin impacts of COVID-19 and the drought; Commercial availability reached 98.9% and combined trading efficiency reached 95%
- Therma South, Inc. (TSI) Unit 2 in Toril, Davao City, returned to service in May and planned outages were executed as scheduled despite challenges brought about by COVID-19
- Ancillary Services (AS) Certification was secured for Unit 2 of TVI in Toledo City, Cebu; Ancillary Services Procurement Agreement (ASPA) - Contingency Reserve (CR) Compliance of Pagbilao Units 1 and 2 in Quezon Province has significantly improved in the fourth quarter
- Contracted an Embedded ASPA with the National Grid Corporation of the Philippines (NGCP) for the 145-MW Therma Mobile, Inc. (TMO) in Navotas City
- Commenced the operation of Hedcor's Southern Mindanao Regional Control Center
- Started the commercial operations of the 39-MW Therma Power Visayas, Inc. power plant in Naga, Cebu
- Completed the modified steam turbine design and ongoing manufacture of turbine for the AP Renewables, Inc. (APRI) Makban Geothermal Plant Unit 1 Steam Path Upgrade in Laguna
- Commenced the make-up well drilling activities at APRI Tiwi Geothermal Plant in Albay, where one 12-MW production well successfully flowed and was put into service
- Issued a Notice to Proceed (NTP) to Wartsila and Aboitiz Construction for the 49-MW Therma Marine, Inc (TMI) Battery Energy Storage System (BESS) Hybrid Project in Maco, Davao de Oro
- Completed the technical and commercial viability testing of the pilot floating solar project in Isabela; Started formal feasibility study for a floating solar plant in Magat Reservoir with a potential capacity of 150 MW
- Oil Business Unit secured its Energy Management System Certification ISO 50001 - the first of its kind across AboitizPower
- Coal Business Unit has achieved 8.1 million safe manhours since 2016
- Kicked off SNAP's Data Acquisition, Reporting, and Analytics (DARNA) data science and artificial intelligence (AI) program
- Implemented the Process Safety Program to provide an objective, evidenced-based gauge of the operations and maintenance of critical safety equipment in a facility



Therma South's Baseload Power Plant in Davao



Distribution Business Group

- RA 11515 was signed into law effective December 26, 2020 to renew the Davao Light franchise for another 25 years once it expires in September 2025
- Energization of the new Malvar Enerzone (Malvez) 50 MVA substation
- Performance on the System Average Interruption Duration Index (SAIDI) and resolution of emergency troubles within 1.5 hours have significantly improved compared to 2019 levels; Visayan Electric, Cotabato Light, and the Enerzone Group were able to respond to emergency calls within 30 minutes at 96% of the time
- Overall Customer Satisfaction Index of all Distribution Utilities is at 91% despite constrained mobility of team members brought about by community quarantines
- Increased roll out of digital solutions to enhance customer convenience and safety: (1) MobileAP for customers to view their electricity bills anytime, anywhere; (2) electronic billing (eBill); (3) Meter Reader App; and (4) electronic Master Service Contract (eMSC) for new service applications
- Additional cashless payment channels such as automatic debit arrangements (ADA) were rolled out in Visayan Electric and Subic Enerzone, and UBP online and over-the-counter modes of payment have been extended to Lima Enerzone — bringing the total number of customers availing of cashless payment transactions to 103,239
- With the massive slowdown of economic activity at the height of the pandemic, peak demand significantly dropped to -25% versus 2019 levels but gradually picked up in the succeeding months and ended the year at -6%
- All Distribution Utilities successfully passed the Surveillance Audit for the Environmental Management System (EMS) ISO 14001 and Occupational Health and Safety Management System (OHSMS) ISO 45001, with zero non-compliance
- Visayan Electric and Davao Light successfully passed the recertification with zero non-compliance, while Cotabato Light and the Enerzone Group passed the Surveillance Audit for Quality Management System (QMS) ISO 9001
- Public Safety performance metrics were put in place to ensure that all actions that could prevent third-party electrocution incidents are accounted for and improved

Outlook

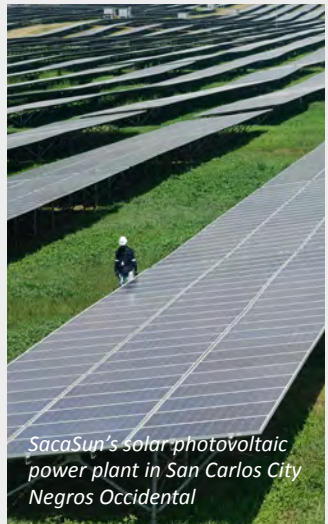
- Participation in the Green Energy Auction Program (GEAP), the competitive bidding process for the procurement of renewable energy supply
- Deployment of Continuous Threat Detection (CTD) System for all other Business Units
- Implementation of vaccination program for team members

Generation Business Group

- Commissioning and full commercial operations of Unit 1 of the 2x668-MW GNPower Dinginin supercritical coal-fired power plant in Bataan
- Commissioning and commercial operations of the 49-MW TMI BESS project by the fourth quarter of 2021 and first quarter of 2022, respectively, to boost TMI's capability to support the Mindanao grid
- Construction of the Magat BESS project is targeted in the second half of 2021 while commercial operations are targeted to commence in 2023. In connection with the project, SNAP is also looking at upgrading the Magat-Santiago transmission line, which is now included in the Transmission Development Plan of NGCP
- Start construction of a 50-MW solar project in Luzon within the second half of 2021
- Securing of ASPA Contract for Therma Power Visayas Inc
- Energization of Sacasun Southline by March 2021, that will allow the 59-MWp San Carlos Sun Power Inc (SACASUN) utility-scale solar photovoltaic power plant in San Carlos City, Negros Occidental to connect to the grid
- Based on the results of the pre-feasibility studies, phase one of the SNAP Magat Floating Solar project in Ramon, Isabela, will be for 67 MW with a plan to install up to 150 MW, depending on the final technical solution and layout

Distribution Business Group

- 100% completion of rural electrification projects
- Fully Digital 50MVA Ponciano Substation of Davao Light and two units of 33MVA Paknaan Substation of Visayan Electric
- Elevated Metering Centers in the Cotabato Light service areas
- Expansion of Advanced Metering Infrastructure (AMI) communication coverage
- Deployment of (1) eBill-through-SMS (2) MobileAP v2.0 with additional features on registration, login, and payment; and (3) Prepaid 2021 for prepaid electric service, which covers enhancements, fixes and support, as we onboard more customers
- Re-certification of Visayan Electric and Davao Light on the Environmental Management System (EMS) ISO 14001 and Occupational Health and Safety Management System (OHSMS) ISO 45001
- Re-certification of Cotabato Light and Enerzone Group on the Quality Management System (QMS) ISO 9001



SacaSun's solar photovoltaic power plant in San Carlos City Negros Occidental



AboitizPower gives much needed boost in local pandemic response



Experts have been warning of a pandemic for several decades already, and while developments in the field of medical science are far more advanced today than it was 30 years ago, nobody expected the effects of COVID-19 across all facets of life to be this dire.

Economies across the globe, even the most developed ones, were not spared from the health crisis. Businesses are still reeling from the repercussions of extended lockdowns and the staggered rollout of vaccines has left communities in developing countries vulnerable.

The Aboitiz Group's power arm, AboitizPower, had its share of organizational challenges brought about by the pandemic in 2020, but these did not hinder the company from fulfilling its promise of advancing business and communities.

At the onset of local quarantines in the country, the Department of Energy (DOE) issued a circular allowing communities that host power generation projects to use their revenue shares from these facilities under the Energy Regulations No. 1-94 (ER 1-94) program to help combat the effects of COVID-19.

"Given the severity of the COVID-19 crisis, we at the DOE came up with the necessary circular that would enable host LGUs to use their available ER 1-94 funds to augment their COVID-19 response funding," DOE Secretary Alfonso G. Cusi said.

"We are pleased to learn that our vision is being fully realized. Malayo ang nararating ng bawat tulong sa panahon nitong pandemya (Every help goes a long way during this pandemic)," he added.



AboitizPower's #PositiveEnergy spreads to public and private sector partners in helping our host communities combat the impact of COVID-19

AboitizPower President and Chief Executive Officer Emmanuel V. Rubio welcomed this move, saying this development was a push in the right direction as it was expected to aid in strengthening local government response to the ongoing health crisis.

"This is our contribution to the government's efforts to ensure that all LGUs have enough resources to help contain, mitigate, and eventually eliminate the spread of COVID-19 in their areas," Rubio added.

As of December 2020, the AboitizPower group and the DOE have remitted a total of P671 million in direct benefits to around 130 host communities all over the Philippines, helping them stay afloat during these trying times.

The ER 1-94 Program is a policy under the DOE Act of 1992 and the Electric Power Industry Reform Act of 2001 (EPIRA), which stipulates that host communities will get a share of one centavo for every kilowatt-hour (P0.01/kWh) generated by power plants operating in its area.

The fund can be used by host beneficiaries for the electrification of areas or households that have no access to power, development and livelihood programs, as well as reforestation, watershed management, health, and environmental enhancement initiatives.

The circular covering ER 1-94 funds allows host LGUs to use their shares to help manage their COVID-19 response in accordance with the Bayanihan to Heal as One Act.

Initiatives that were implemented by AboitizPower's host LGUs include holding areas or distribution centers, medical and PPE supplies, facility decontamination, and relief goods to feed low-income households during the prolonged quarantine period.

AboitizPower has been at the forefront of social development in its host communities throughout the years and will even be more so as the nation continues to face this health crisis.

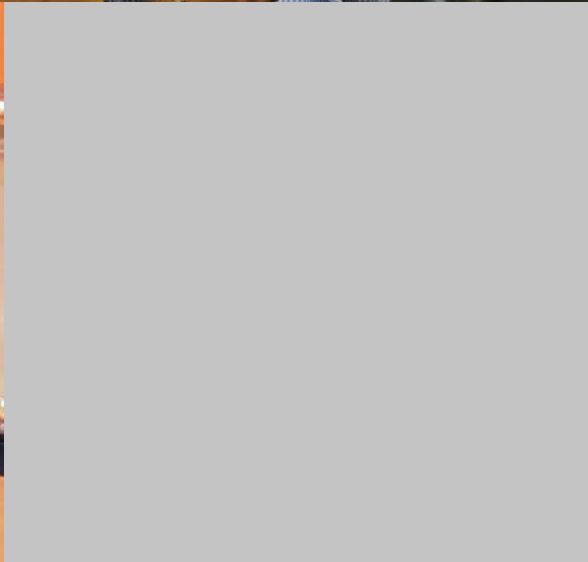
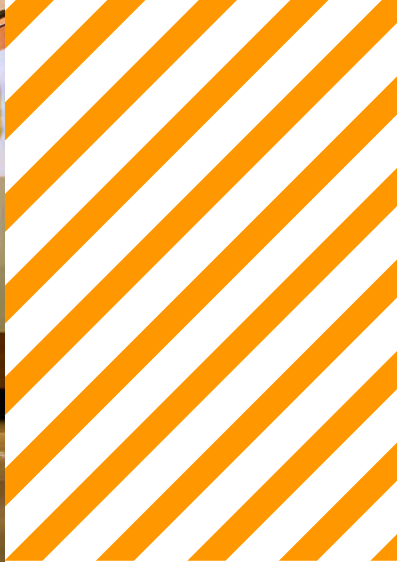
In strategic collaboration with our partner organizations and local governments, we will pursue our brand promise of advancing business and communities even more implicitly as the nation continues to face this global health crisis.



Target 3.3 End epidemics of communicable disease (Covid 19)



7.1 Ensure universal access to affordable, reliable and modern energy services



Banking and Financial Services



Result of Operations



“It was a challenging year due to COVID-19, yet UnionBank emerged resilient with above-industry profitability and a strong balance sheet. With the pandemic fast-tracking the digital tipping point, we will continue to accelerate our digital strategy and initiatives. We remain committed in promoting digital transformation to our customers and partners, in line with our mission to Tech Up Pilipinas!”

Edwin R. Bautista
President and CEO
UnionBank

Weak consumer and investor sentiment, high unemployment rate, and a slowdown in business activity are among the adverse economic effects of the COVID-19 crisis. These factors led to dampened demand for credit and the rise of non-performing loans in the banking industry.

As of end-2020, the Philippine banking industry registered lackluster asset growth of 6% year-on-year (YoY), while total loans declined by 1%. The industry's net income also declined by 33%, mainly due to the 4.2 times increase in credit reserves set aside by most banks as loan quality deteriorated similar to the 2008 Global Financial Crisis.

In response to the effects of the pandemic, UnionBank also increased loan loss reserves by 4.5 times to PHP8.4 billion. But despite the

unusually high provisions, the Bank recorded a net income of PHP11.6 billion and posted a return on equity of 11.5%, higher than the industry's 6.6%.

UnionBank's topline revenues remained strong. Net revenues were at an all-time high at PHP42.1 billion. Net interest income increased by 29% to PHP28.7 billion as margins increased by 76 basis points (bps) to 4.7%. Our higher margins were due to: the record-high current account and savings account (CASA) deposit growth of 24% to PHP258.7 billion; continued expansion of high-yielding consumer, SME, and commercial loans; and reduced funding cost amid the low interest rate environment in 2020. Strong trading gains amounting to PHP8.9 billion also gave topline revenues a boost.

Metrics That Matter



PHP11.6 billion net income in 2020
11.5% Return on Equity



Registered **2.2 million-plus** UnionBank Online App users and more than **17,000** corporates in The Portal



Signed up close to **150,000** MSMEs across UBX' platforms i2i, BUX, Sentro, SeekCap



Upskilled **80,000** public school teachers through HEROES 2021 program supporting DepEd's blended learning initiative for 22 million students

Moreover, growth in our operating expenses was kept at single digit as increases in volume-related expenses were partially offset by lower controllable costs.

Our capital ratios also remained above regulatory requirements with common equity tier 1 (CET1) ratio at 15.0% and capital adequacy ratio (CAR) at 17.0%. Overall, we were able to withstand the impacts of the crisis while maintaining a strong balance sheet.

UnionBank: 2nd Most Helpful Bank in the Asia Pacific

In June, UnionBank was recognized as the 2nd Most Helpful Bank in Asia Pacific during the COVID-19 crisis — and the only Philippine bank to place in the list's top 20 — according to the BankQuality™ Consumer Survey and Rankings. This not only affirmed our commitment to

deliver superior service to customers but also demonstrated our capability to operate smoothly despite various pandemic-related restrictions.

On Day 1 of the enhanced community quarantine, all critical functions remained operational despite having 80% of head office employees working from home. Our teams, equipped with the necessary digital tools, have on-demand access to the bank's cloud-based systems and applications.

Majority of UnionBank's branches remained open with full banking services and ATMs were constantly loaded to support our customers' liquidity needs. Our 5G-enabled Bank-on-Wheels banking kiosks served distant areas with large transaction requirements while our call center also continued to provide 24/7 customer assistance.



Moreover, our online banking channels — the UnionBank Online app for retail, The Portal for corporate cash management solutions, and SME Banking App for MSMEs — were up and running so that customers could perform banking functions whenever, wherever.

We also heeded our customers' call to alleviate their financial burden. Through Bayanihan Acts 1 and 2, we extended loan payments without penalties or additional fees. We were also among the first to waive online fund transfer fees and extended this well into 2021. Most importantly, we continued to extend credit to sectors that needed them the most, such as MSMEs and our mass market customers.

With a culture that is agile and adaptive, we were quick to introduce new features in our UnionBank Online app to promote safe and secure banking from home. For instance, we were able to launch the app's 'send money to remittance centers' feature after only three weeks from the time our project squad decided to add it. We also rolled out our online check deposit functionality, expanded our list of billers, introduced foreign exchange capabilities, and enabled subscriptions to investment products. Moreover, our customers could already deposit to their accounts via the 11,000 ECPay partners, which include 7-11, LCC, RD Pawnshop, Tambunting, and Czarina Money Exchange — all with outlets nationwide.

UnionBank also collaborated with the public sector to assist in relief efforts and fulfill shared goals. We partnered with the Department of Social Welfare and Development (DSWD) for the distribution of Social Amelioration Program funds to the 1.3 million-plus beneficiaries allocated to us. EON, our digital mass market brand, was also tapped by several LGUs such as Parañaque City and Imus City, and institutions like LIGHT Microfinance and Public Safety Savings and Loan Association, Inc. (PSSLAI), which needed assistance in disbursing cash and loans to constituents.

Lastly, UnionBank launched an app-based blockchain-enabled distribution system for the Bureau of the Treasury's (BTr) retail treasury bonds called Bonds.ph with digital KYC (Know Your Customer) identity check

capabilities. A first in Asia, Bonds.ph is not only a convenient way of investing without needing to go to a bank branch, it has also, ultimately, helped the country in raising additional funds for the national government's pandemic response.

Digital Gaining Traction; Time for Acceleration

Philippine digital banking certainly took flight as a result of COVID-19. By end-2020, PESONet and InstaPay have recorded triple-digit increases — at 376% and 460%, respectively — in terms of volume of electronic fund transfers compared to end-2019. The banking industry also ramped up digital transformation plans while the Bangko Sentral ng Pilipinas (BSP), as a testament to the role of digital in achieving

financial inclusion, laid out its 3-year digital payments transformation roadmap and its framework for setting up pure digital banks.

In the same manner, UnionBank experienced impressive digital traction during the pandemic. As of February 2021, UnionBank Online app users breached 2.2 million-level while the number of corporate customers in The Portal has topped 17,000, majority of them onboarded during the pandemic. Of this, 25% or more than 560,000, opened their accounts digitally, 23x times higher than the figures in 2019. Digital transactions such as fund transfers, bills payments, and online check deposits were also at all-time highs with monthly volume reaching 5.5 million in February 2021, 4.1 times higher than in 2019.



UnionBank was hailed as the 2nd Most Helpful Bank in Asia Pacific amid the COVID-19 crisis

UBX platforms in 2020



181 Financial Institutions

signed-up in the i2i blockchain-based financial platform



More than 95,000 MSME

signups in BUX, a payment gateway for E-Commerce merchants



More than 40,000 Business Owners

onboarded on GlobalLinker, a networking platform with business management tools for MSMEs



Close to 30,000 sign-ups for Sentro

a digital online shop builder embedded with logistics services



Over 23,000 MSME

signups in SeekCap online lending marketplace

Our technology and innovation subsidiary, UBX, also posted substantial growths in MSMEs onboarded across its platforms with signups doubling to 181 financial institutions in the i2i financial platform; E-Commerce merchant signups more than 95,000 in BUX payment gateway and near-30,000 in Sentro online shop builder; and beyond 23,000 signups in the SeekCap online lending marketplace.

Given the pronounced shift of customer behavior towards digital, UnionBank is going full throttle in its transformation journey.

We will fast track our long-term plans starting with accelerating the onboarding of

customers onto our digital channels. We shall ramp-up data science-backed digital marketing initiatives to encourage digital account opening among prospects.

UBX will continue to grow MSME communities in i2i, Sentro, BUX, and SeekCap platforms, while CitySavings will ramp up expansion of its motorcycle and pension loan customers to further diversify its credit portfolio.

Following this, we shall maximize customer engagement through enhanced features across our digital channels. We will continue to leverage data science and artificial intelligence to churn out our next

best offers and go full speed ahead on our retail and MSME lending initiatives.

To support these growth aspirations, we are further beefing up our back-end capabilities. We accelerated our Cloud Transformation Program for the 100% migration of our systems and applications to a hybrid public cloud infrastructure. Moreover, we will be complementing Agile Ways of Working with DevSecOps. This aims to shorten the timeframe between testing and deployment of applications, providing continuous delivery without compromising quality, as we move towards addressing customer needs at the exact moment of truth.

The Bank also intends to keep its lead in the space of innovation. With the emergence of the new regulations on open banking and digital banking, UnionBank is already gearing up to keep up with the entry of purely digital banks and shift towards an open finance environment for when adoption intensifies.

Moreover, we will continue to explore and experiment on new technologies, keeping a close watch on how banking will evolve in the future. One such area is in Distributed Ledger Technology (DLT), where we pioneered bond tokenization for the issuance of retail bonds on a blockchain platform co-created with SC Ventures. We also aim to increase participation in the trade finance market via a blockchain platform, being one of the processes that are most relevant for blockchain disruption. Furthermore, UBX will continue to test emerging business models via building its own startups or investment in fintechs or strategic partners.

Now, more than ever, UnionBank shall boost its “Tech Up Pilipinas” efforts focused on promoting digital transformation. As we co-create innovations and empower more individuals and organizations with digital capabilities, we shall emerge more resilient from this crisis.



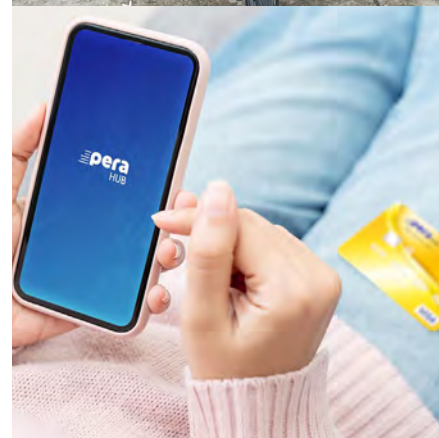
Milestones

UnionBank

- Acquired more than 432,000 new customers via the digital account opening functionality in UnionBank Online App in 2020 alone
- Enhanced UnionBank Online App features to include online check deposit, send money to remittance centers, real-time redemption of credit card rewards, subscription to/redemption of UITFs, soft launch of the quick loan salary via the app, and foreign exchange
- Launched SME Business Banking App with features including digital account opening for savings and checking account, account viewing, fund transfers, mobile check deposit, and bills payment
- Enhanced features of The Portal to include mobile check deposit and checkwriter services
- Introduced cash deposit capability via ECPay partners' (7-11, LCC, RD Pawnshop, Tambunting, Czarina Foreign Exchange, etc.) over 11,000 outlets nationwide
- Launched the Lazada e-commerce credit and debit card enabling customers to shop in the Lazada marketplace with exclusive discounts and promos while earning points
- Launched Bonds.ph, Asia's first app-based blockchain-enabled distribution of retail treasury bonds
- Supported DSWD in the distribution of cash assistance to beneficiaries and constituents
- Successfully completed the proof of concept for the issuance of retail treasury bonds on a digital platform leveraging on blockchain technology for bond tokenization, in partnership with SC Ventures
- Awarded '2nd Most Helpful Bank in Asia Pacific' during COVID-19 by BankQuality.com; 'Bank of the Year 2020' by The Banker; and 'Digital Bank of the Year 2021' by The Asset Triple A for the fourth year in a row
- Developed the refreshed sustainability roadmap and transition plan complying ahead of the requirement of BSP Circular 1085
- Launched the sustainable finance framework that makes UnionBank ready to pursue ESG (environmental, social, and governance) bonds ahead of BSP's 2023 target

CitySavings

- Launched Loan Ranger Mobile, its own mobile banking application
- Rolled out Visa debit card for enhanced account functionality
- Grew motorcycle dealership partner network to 1,153 locations nationwide



- Expanded salary loans partner network to 363 non-DepEd accredited institutions
- Launched the Project Agile learning series on online teaching
- Awarded 'Best Employer Brand – Philippines 2020' by the Employer Branding Institute – India
- Recognized as the Philippines' 'Fastest Growing Savings Bank' for 2019 at the Global Business Outlook Awards
- Added eight international and domestic remittance partners to Petnet's retail network, namely: Transfast, iRemit, Cebuana Lhuillier, Metrobank, BPI, LANDBANK, USSC Super Padala, and Smart Padala
- Petnet continued to forge partnerships with fintech players such as Stellar & Chynge to utilize counters and our digital platforms to reach more and offer more services
- Petnet launched new branch services which includes: Dengue Protect Plus microinsurance, Pera Payapa Micromemorial insurance, Paymaya Cash In, and GCash Cash Out

UBX

- Awarded 'Fastest Growing Fintech Company in Southeast Asia 2020' by Global Brands Magazine
- Signed up more than 95,000 MSMEs in BUX, a payment gateway for E-Commerce merchants
- Grew BUX's over-the-counter payments to 14 including 7-11, DA5, Posible, Pay&Go, etc. with more than 50,000 outlets nationwide
- Introduced BUX E-Money Account enabling MSMEs to perform online payments and fund transfers
- Recorded close to 30,000 sign ups in Sentro, a free online shop builder with a pre-integrated payment gateway (BUX) and logistics services
- Expanded the i2i platform member network with 181 financial institutions signed up
- Launched i2i's Mobile ATM service, in partnership with Fexco, and now has 25 partners consisting of merchants and rural banks, bringing the basic ATM services such as cash withdrawal and balance inquiry to various communities
- Registered more than 23,000 signups in online lending marketplace, SeekCap

Outlook

- Maintain a strong balance sheet with proactive risk management procedures and effective collection and recovery efforts
- Ramp up retail digital customer acquisition and engagement by leveraging on data science for targeted marketing
- Boost retail and MSME loan portfolio with the help of digital alternative credit scoring models and AI-assisted collections engine
- Continue to diversify CitySavings' loan portfolio by growing its motorcycle, pension, and other salary loan products (LGUs, private companies, etc.)
- Implement DevSecOps, complementary to agile ways of working, to speed up testing and deployment of products and applications



ABC Story

Tech Up Pilipinas! Leveraging UnionBank's digital transformation for social good



UnionBank is embracing digital to ensure financial inclusion among Filipinos



The intersection of newer financial tools and technology is creating an enormous impact that can help unleash a sustainable development revolution. Among the country's pioneers in banking innovation is UnionBank and we are stepping up our efforts for Tech Up Pilipinas.

Tech Up Pilipinas is the natural result of the bank's digital transformation over the years. From a "brick-and-mortar" model, we are moving into the "tech-firm-with-banking-capabilities" model, which is the building block of our own brand of sustainability. It is driven by investments and partnerships that enable and empower people to co-create innovations for a better world.

Financial technology for Filipinos

Pandemic or not, we have always envisioned a bank that will allow more Filipinos, especially the unbanked and marginalized, to adopt digital banking services and enable them to become active partners of our Tech Up Pilipinas mission.

Launching UBX as our tech arm is just the beginning. We are activating units that are geared towards financial inclusion and social empowerment. Our SME business banking unit has intensified the campaign to onboard more Filipino entrepreneurs into the GlobalLinker. This is a digital platform designed for the 350,000 members globally so they are connected and provided with the right knowledge and tools to accelerate the growth of their businesses. One such tool is the recently launched SME Business Banking App, focused on providing online banking services and marketplace solutions with speed, ease, and trustworthiness as our key competitive advantage.

Moreover, to help MSMEs convert to the online platform, UBX offers the payment gateway BUX and digital shop builder Sentro. BUX can be integrated into an online

seller's platform while Sentro helps entrepreneurs set their online shops. Sentro has built-in protections for both the sellers and buyers, as well as logistics services. There are more than 95,000 users of BUX and close to 30,000 sign-ups for Sentro.

Meanwhile, SeekCap, the Philippines' first same-day approval lending marketplace, supports MSMEs by providing them with sources of credit without having to fill in lengthy loan applications. To date, we have recorded more than 23,000 sign-ups and disbursed loans over PHP100 million.

Redefining sustainability, the UnionBank way

We have set in place UnionBank's sustainable finance framework in order to facilitate issuances of green bonds, social bonds, and even tech bonds. In line with the Bangko Sentral ng Pilipinas, we recognize that our main contribution to sustainable development and social good is in ensuring that financial capital is invested in responsible organizations and customers whose businesses aim to improve quality of life and the planet. We believe that by supporting the development of people's digital and innovation capabilities, we can collectively improve products and services that will have less toll on our planet.

In UnionBank's case, we envision our sustainable financing program to enable our clients and partners to co-design with us innovative solutions and technology that create better products and services while contributing to sustainability targets. These targets include socioeconomic advancement and empowerment, access to essential services, employment generation, renewable energy, energy efficiency, and pollution prevention technology, among others.

We already have products and platforms in place that promote socio economic advancement and empowerment as evidenced by UBX and its various financially-inclusive initiatives developed in just a year. Meanwhile, our mass market arm and subsidiary CitySavings Bank is also in a sweet spot

to carry out sustainable financing activities as its portfolio is aligned to social sustainability.

Our corporate social responsibility (CSR) is serving as an incubator of ideas with a pointed focus towards sustainability. Through this new kind of CSR, we have the ability to create more, reach more, and make a bigger impact by doing what we do best – innovate and accelerate.

For instance, one of our CSR initiatives led to the nationwide campaign to build the digital skills of 800,000 public school teachers through the timely and innovative idea of our employee volunteers to design on-demand, easy-to-use, and engaging learning modules. This has been adopted by the national government and is being implemented by the Department of Education across the country.

The ABC story goes on

With the same spirit of Ubuntu – that sense of being part of a community – and a compassion for others in need, we at UnionBank can leverage our DNA of innovation and digital tools to make a difference. Whether using digital platforms like Sentro and Bux to build online presence, SeekCap to raise funds, or mobile apps like Bonds.ph, technology can be used by a bank to truly create social good. Our goal is to fully align our digital transformation strategy with sustainable value creation. This is an opportunity for us to join the very clear call of advancing business and communities and we will do this by co-creating innovations for a better world.



Target 9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances



Target 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors



Food

Food

Result of Operations



“

As challenging as it was, I believe that 2020 brought out the best in our team members. The resilience they demonstrated can be seen in the group's growth, overall, amidst a rapidly changing market and environment.

We owe our resilience to our Aboitiz values which played a crucial role in how we managed the twin pandemics and how we adjusted our strategies to take advantage of opportunities where they emerged.

Truly, 2020 is a testament to what we can do together as One Food Group - to fulfill our mission of feeding humanity and advancing business and communities.

”

Sabin M. Aboitiz
President and CEO
Food Group

Powering through disruption with a strong, values-driven culture

2020 brought much complexity to our operations and the Food Group relied on our strong, values-driven team to keep us on track with our goals and objectives. Foremost of these is ensuring an unhampered supply of food products for 20% of Filipinos and other ASEAN markets that depend on us for their livelihood.

We are proud of the exceptional teamwork that enabled us to play a bigger role in creating solutions for our customers' rapidly evolving needs. Pandemic or not, it was a year of growth for the Food Group as we broke ground on several major expansions:

- Operationalized our Tarlac Meat Masters, a Triple-A meat cutting facility with a capacity to process over 80,000 kilos worth of meat per day. This is a big step in our effort to reach “the last mile” while gaining efficiency in our meat production.
- Commissioned our third Feedmill line in Iligan, adding a capacity of 20TPH to support the growing demand for feeds in the Visayas and Mindanao region.
- Pre-commissioning of our Fish Feed Line in Ha Nam, North Vietnam, with a capacity of 5TPH designed to cater to the increasing fish feeds demand.

Metrics That Matter



Income contribution to AEV
PHP2.5 billion



Operationalized two new facilities:
Pilmico's Triple-A meat-cutting facility, **Tarlac MeatMasters, and Bakery Solutions Co. (BASCo)**
a one-stop bakery supplies distribution center.



Extensive geographical presence with
29 production facilities
operating across 9 countries in Asia Pacific.



Presence across
9 countries



29 production
facilities



4th largest homegrown
SEA Player with feeds
capacity of c.4.2 mm MT



c.6,000
employees

- Ongoing construction of a 5TPH Fish Feed Line in West Port, Malaysia expected to commission by the end of the first half of 2021. Progress amid challenging landscapes.

Diversifying into aquaculture and pet food

Many of our plans, which were originally spread over a three-year period, were accelerated in 2020.

In response to rising protein consumption in the region, we are further exploring new opportunities for an integrated aqua business and to expand into additional protein-rich

products such as shrimp, leveraging our existing production and distribution network.

With the notable shift in the lifestyles among pet owners, we are building our pet food business in Southeast Asia with capital-light production methods that maximize our existing assets while pursuing potential acquisitions in the largest pet food industry — China.

Capitalizing on Innovation

Innovation remains a core focus value for the Food Group and we define this as small, incremental changes that positively impact how we do things.



In 2016, Pilmico was the testing ground for the Aboitiz Group's digital transformation. We were the first to introduce an agile workplace, telecommuting, harnessing the digital space to enhance customer experience, and many more. Those same investments in systems and people have brought gains for the Food Group in 2020 through our utilization of data dashboards in decision making, e-commerce to increase customer reach, and virtual platforms to shift support services online.

Strengthening customer relationships through digitalization

We took full advantage of digital channels and social media in order to continue consultations and customer visits with partners in the Philippines. These same channels carried our learning cascades and webinars, which turned out to be much more beneficial as more participants were able to join each session.

Concentrate Plus, a similar initiative in Indonesia, provided online solutions to customers including group chat consultations with veterinary experts. Through it, the Indonesia team strengthened customer relationships and even created new markets.

Our supply chain management remained intact through the implementation of flexible collection and payment methods while some essential CAPEX pushed through to protect the bottom line.

The pocket innovations led by our team members are key to our continued market management and have paved the way for building more meaningful relationships with our customers despite the physical limitations of the COVID-19 pandemic.



The Food Group targets growth for its Pet Food business in Southeast Asia.

The shift to e-commerce

With the changes in retail consumers' buying behavior and in available dining options, we launched our e-commerce initiatives to bring our Maxime premium dog food brand and The Good Meat top-quality farm products directly to homes via Lazada and Shopee.

We will further support our long-term outlook in the Food and Agri space by activating more dynamic brand and marketing strategies to increase market presence and awareness.

Advancing business and communities through values

The twin pandemics of African swine fever and COVID-19 would have been insurmountable if not for the resilience and agile response of our

people. Whether it was our team in China who explored alternative raw materials amid logistical challenges at the height of the health crisis or our team in Vietnam who took advantage of their raw material storage capacity when the market share was up for grabs, our teams acted swiftly and came through when it would have been easier to call it a day.

Taking the many lessons from 2020, we are determined to become the industry leader in the region's integrated agribusiness space with a focused commitment to our stakeholders. As One Food Group, we will advance business and communities by providing quality and innovative products and services that add value to people's lives.

My obsession: People

While the growth of the company is definitely a good thing, how we take care of our team members is what truly matters. And for all of us, 2020 could not have been a better year of showcasing our appreciation to our number one priority - Our People.

When you make your people feel valued and supported, success follows. This is why we believe in the power of conversations - making sure team members are heard and listened to. We will continue communicating and enabling them with the right tools so they are equipped to overcome challenges they may face along the way.

I would like to take this opportunity to thank every team member in the Food Group - from our veterinarians, sales and marketing teams, to our finance, HR, admin and operation teams - 2020 was not easy but we still succeeded because of all your hard work. Know that I continue to be inspired by your resilience and I will do everything I can to support you.

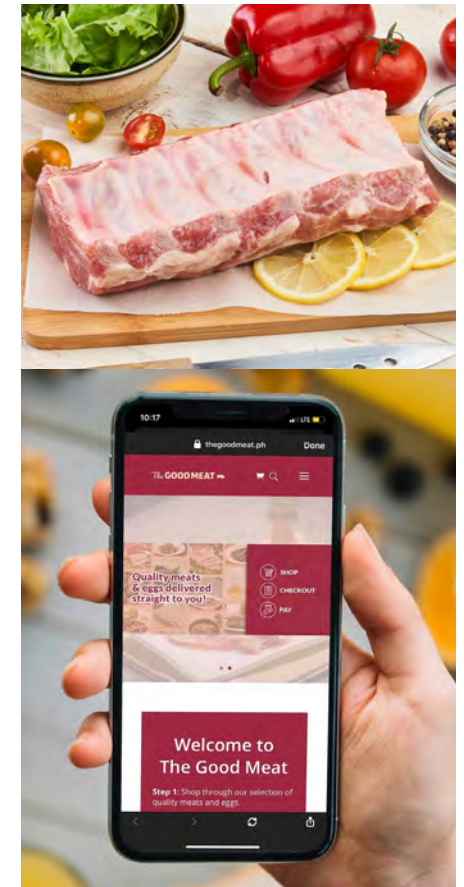
With a strong, values-driven team and innovative solutions already in place as we steered through the uncertainties of 2020, we face 2021 stronger and better equipped to successfully navigate the shifting market dynamics of the new normal.



In response to the pandemic, Pilmico further strengthens its capacity-building programs for team members.

Milestones

- Recorded net income of PHP2.5B in 2020
- Broke ground on three rearing houses in Tarlac. This will double our egg volume from the current 4M monthly egg production to 15M eggs starting 2023
- Launched Tarlac MeatMasters, Pilmico's triple-A meat cutting facility that can process up to 1,000 heads per day or approximately 80,000 kilos of meat
- Started construction on a third feed mill in Iligan last November 2020, giving an additional 125,000 MT to our total Philippine feed production capacity
- Increased annual feed mill capacity across production facilities in the Philippines (125K MT), China (356K MT), and Vietnam (31K MT)
- Created more synergies through the continued growth of our commodity trading business in Asia
- Operationalized Bakery Solutions Company (BASCo), a one-stop bakery supplies distribution center in Batangas catering to small and medium bakeries
- Successfully launched The Good Meat's own online shop www.thegoodmeat.ph that accepts online orders of meat and meals from customers in Metro Manila
- Made Maxime Prime Dog Diet and Salto Gamefowl Feeds available on popular e-commerce sites Lazada and Shopee, bringing our products closer to consumers



Outlook

- Increase annual feed mill capacity in Malaysia (31K MT) by Q1 2021
- Expand layer farm operations in the Philippines towards an annual output of 181 million eggs by 2023
- Capital-light-option (leasing) of expansion in Guangxi, China to serve customers from Guizhou province
- Implement Pea Cleaning & Pigeon Feed Mixing System in China
- Diversify and expand the product portfolio of the Pet Food category
- Continue building agile workplaces and exploring digital solutions
- Pursue more R&D and solution-focused initiatives that will enable the Food Group to develop products that will move the business forward to the value chain



Capiz fisherfolk reap benefits from Pilmico fish farm training



Early in 2020, fisherfolk in Capiz received technical assistance through Pilmico's Bangon Capiznon initiative following the onslaught of Typhoon Ursula in Capiz.

This same aid has consistently helped them weather the challenges brought by the COVID-19, allowing them to earn more and post better fish growth amid the health crisis.



In February 2020, the Pilmico Aqua Feeds team turned over 1.3 million bangus fry to help Capiz fishermen rebuild their typhoon-depleted fish stocks. They, along with fish cage owners, gained technical knowledge about fish feeds ratios, proper use and scheduling of feeds variants, and fish cage specifications to promote a better fish-growing environment.

Additional earnings, faster and better growth

From February to October 2020, the beneficiaries have been earning an additional PHP10 to PHP15 per kilo — thanks to increased fish growth and performance — and avoiding additional losses from inefficient feeding practices. Compared to other brands, Pilmico's aqua feeds result in faster and better growth, with an average of 15 to 20 days earlier harvesting time. The Bangon Capiznon beneficiaries have harvested 15 tons of fish or approximately 13,607 kilograms.

"I'd say it was the right timing to receive assistance from their team. The business partnership with Pilmico helped small-time fishermen and fish cage



owners (Nasa tamang timing talaga kasi yung business partnership na yan kay Pilmico, natulungan yung mga small-time na fisherman dito at ang mga fish cage owners din)," said Moreno Gonzaga, a fisherman and beneficiary of Bangon Capiznon.

Pilmico's flexible feed payment terms is helping to speed up business recovery while the Pilmico Aqua Feeds team is helping to close technical knowledge gaps in proper fish cage management and aqua feeds ratios. The team's consistent technical support and regular, almost-daily visits — according to Gonzaga — have greatly helped in proper fish growth monitoring.

Reliability of supplies and services

Gonzaga shares that what sets Pilmico apart is reliability, which helped them with feed efficiency.

"Before we started using Pilmico feeds, other brands always ran out of stock. When that happens, we had to switch to a different feed brand mid-season. When we change fish feeds, what happens is their growth is affected. This is because they are not used to the new brand introduced (Dati [nung hindi pa Pilmico], palaging nauubusan ng supply yung ibang feeds brand. Kaya ang nangyayari, kalagitnaan ng season ng isda, nagpapatit kami ng brand ng feeds. Kapag ganun

na nag-iiba ng pakain, hindi sanay ang isda, ang nangyayari ay naapektuhan ang paglaki nila)," he said.

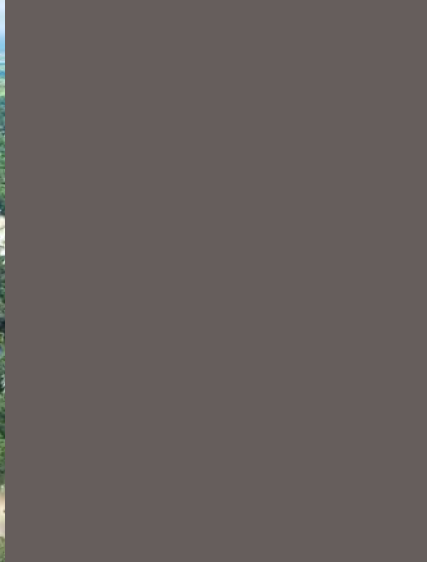
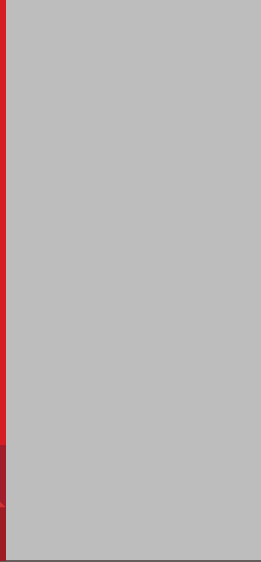
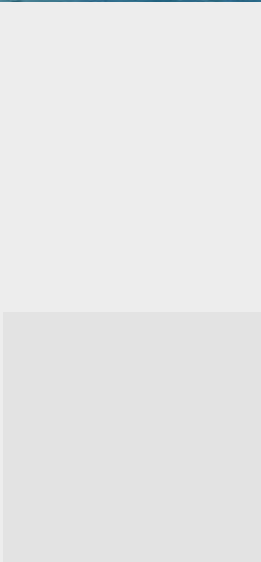
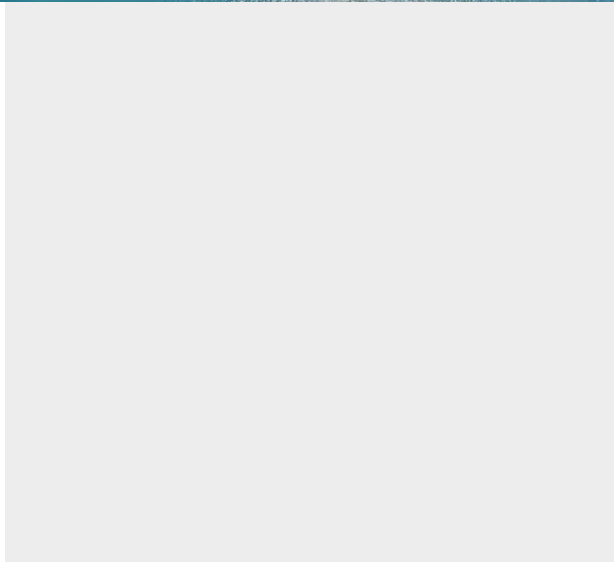
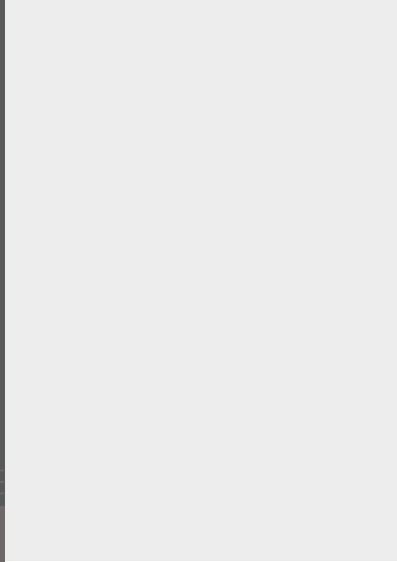
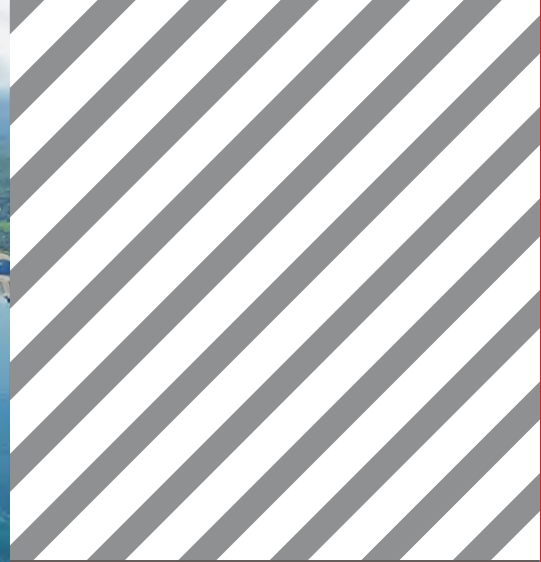
He regards Pilmico as a reliable brand because of its uninterrupted supply of feeds and services.

Richard Rafio, Pilmico Feeds Category Manager for Aqua, confirmed that amid the pandemic restrictions, their team has been consistent in delivering services to Bangon Capiznon beneficiaries.

"In the last few months since we launched this initiative, our team has been working with the Roxas City government and we also got endorsements from the BFAR [Bureau of Fisheries and Aquatic Resources]," shared Rafio. "We acknowledge the hard work that our team members on site have been putting in, and this was complemented by essential support from the government."



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



Infrastructure

Infrastructure

Result of Operations



“

The spirit of the Aboitiz Group's enduring 100-year legacy resonates in the tremendous resilience of Aboitiz InfraCapital and Republic Cement in 2020. We stand ready to support the government by investing in the development of sustainable infrastructure projects and growing our industrial estates. We believe public and private sector collaboration will be crucial in helping rebuild our economy from the impacts of the COVID-19 pandemic.

”

Cosette V. Canilao
President and CEO
Aboitiz InfraCapital

In 2020, Aboitiz InfraCapital (InfraCap) was set to harvest the seeds it planted in previous years with a number of projects expected to either launch operations or receive final approval from the government. However, like much of the Aboitiz Group and many other companies, we faced a number of headwinds largely caused by COVID-19.

Amid the challenging period for economies and businesses around the world, we remained true to our commitment to uplift lives by continuing to push for enabling infrastructure. We quickly shifted gears by activating the Business Continuity Plans of our operating business units and reviewing our project proposals to ensure viability in the next few years. Leveraging existing Aboitiz Group assets, we also launched a new business unit to support telecommunication companies (telcos) and

Internet Service Providers (ISPs) at a time when people rely on the internet the most.

Today, we continue to pursue key initiatives to support the government in implementing strategic infrastructure programs and deliver on projects that provide value-adding facilities and services to Filipinos.

Keeping the water flowing

Along with other Aboitiz business units in Southern Luzon, Lima Water Corporation (LWC) experienced disruption at the onset of 2020 with the eruption of the Taal Volcano in January. Operations at the LIMA Technology Center (LTC) were limited during the immediate aftermath as the Aboitiz teams worked together to clear the industrial park of ash fall and offer assistance to the affected communities. Less than two



Income contribution to AEV
PHP 457 million



15,360 meters
of pipes laid for Apo Agua's
Davao City Bulk Water Supply Project



1,000 hectares
of industrial business parks
currently being operated



100,000 sqm.
Gross Leasable Area of commercial
retail spaces in Cebu and Batangas



90,000 jobs
generated across Central Visayas
and Southern Luzon through Aboitiz
Integrated Economic Centers



16,947,914
total man-hours for Republic Cement

months later, the national government imposed Enhanced Community Quarantine (ECQ) in Luzon, which further impacted operations at LTC. LWC continued to operate during this period to ensure continuous water supply for all the skeleton workforce at LTC.

While LWC's average billed volume dipped in the first half of 2020, it has since posted pre-ECQ levels by the third quarter as locators recovered losses from the first half of the year. To offer relief and convenience to locators, we extended initial payment due dates and introduced new alternative payment channels during the lockdown.

In June 2020, LWC was officially accredited by the Department of Environment and Natural Resources (DENR) as one of its Recognized Environmental Laboratories and the first and only industrial park water services provider to become such. This license allowed us to extend laboratory services to locators in LTC in

September and, later, to locators from nearby industrial parks. During the lockdown, we also took the opportunity to implement production efficiency programs to improve power usage in our deepwell facilities.

Meanwhile, the lockdown in Davao City meant Apo Agua Infraestructura, Inc. (Apo Agua) had to temporarily suspend construction activities for the Davao City Bulk Water Supply Project (DCBWSP), our joint venture with J.V. Angeles Construction Corporation (JVACC).

Construction eventually resumed in mid-May, with JVACC working on the Raw Water Facility, Water Treatment Plant, and Treated Water Pipeline. Our focus centered on ensuring workers' health and well-being amidst the pandemic as JVACC imposed work clustering, social distancing protocols, and other safety measures in accordance with government guidelines. To mitigate dire impact, JVACC has been implementing an aggressive manpower

ramp-up, simultaneous work and extended hours on different worksites, and subcontracting works. Round-the-clock pipe fabrication supplements all these efforts to fast-track the project. While we are continuously reassessing how COVID-19 affects our construction program, we remain focused on achieving first drop of water by December this year.

InfraCap maintains its minority stake of 15.94% in Balibago Waterworks Systems, Inc. (BWSI), allowing us to further participate in serving the water needs of over 235,000 households spanning 11 regions.

Enhancing PH's digital infrastructure

Our mission to help improve the country's digital infrastructure continues especially with the pandemic underscoring the increased demand for cellular and internet access.

We have ongoing discussions with mobile network operators Globe Telecom, DITO Telecommunity, and PLDT-Smart for the lease of build-to-suit tower sites and other passive telecommunications infrastructure. Onsite surveys and acquisitions restarted following the lifting of ECQ. In September 2020, we were granted our provisional registration as an Independent Tower Company by the Department of Information and Communications Technology (DICT).

Heeding the government's urgent call to help improve the country's information and communications technology infrastructure by the end of the year, we started to offer our existing small cell sites in key urban cities to telcos and ISPs, officially launching it as InfraCap's newest business unit. We soon entered into partnership agreements with Globe Telecom and DITO Telecommunity for the deployment of their small cell attachments in Cebu and Davao.

A small cell network is a series of small low-powered, short-ranged antennas that provide coverage and capacity, meant to work in conjunction with macro cell towers. Small cells are expected to play a key role in the deployment of 5G, which requires antenna density to deliver larger quantities of data at higher speeds.

We are looking at growing our small cell sites footprint as we anticipate increasing demand within the next two years. We are most keen on expanding in other key cities in Visayas and Mindanao where network congestion is a primary issue that hampers service quality.

A gateway to recovery

In the face of the unprecedented impact of COVID-19 on the air travel and airport business, we remain committed to pursuing our

unsolicited proposals for the Bohol Panglao International Airport and Laguindingan Airport. We believe that these projects are vital to reviving the economy and are aligned with our objective to support regional growth centers outside of the National Capital Region. InfraCap's discussions with the government continue to take place, both parties assessing the most prudent way to move forward with the projects.

Harnessing natural synergies

With great challenges also came new opportunities. In September 2020, AEV made a strategic decision for InfraCap to take over the industrial and commercial business units (ICBU) of AboitizLand. Apart from allowing AboitizLand to focus on its residential portfolio, this move supports InfraCap's approach in expanding the various businesses and projects around the Group's existing assets and resources, thereby harnessing inherent synergies seamlessly.

The resilient financial performance of ICBU or the Aboitiz Integrated Economic Centers

throughout the year was driven by the recognition of 36 hectares of industrial lots. The industrial business' performance tempered the decrease in revenue contribution from the commercial business, despite rental concessions extended to tenants throughout the pandemic.

We are fortunate that disruption to industrial operations last year was kept to a minimum with a majority of our locators remaining operational through the Taal Volcano eruption and the strictest periods of the lockdown. To ensure continuous operations during the ECQ, we quickly implemented strict COVID-19 protocols at all facilities. We also hold regular virtual meetings with locators and tenants regarding procedures on reporting systems, contact tracing, infection control, and other COVID-19-related matters.

As expected, the local shopping mall industry has been severely challenged by the ongoing pandemic. To support our tenants, we have provided rental concessions in The Outlets at Lipa and Pueblo Verde. We have also instituted programs that



Amid the enhanced community quarantine, Lima Water Corporation ensured continuous water supply for the locators of LIMA Technology Center in Lipa, Batangas.

leverage the open-air format of these malls, which is deemed safer for shopping and dining. These programs include providing alternative purchasing channels, allowing the use of alfresco areas free of charge, and providing safe events for the community, such as outdoor movies, drive thru markets, and a drive-in mass. While foot traffic and tenant sales have begun to do better, we foresee that shopping malls will continue to face challenges in 2021.

To ensure the safety of our mall visitors, strict COVID-19 measures are enforced such as social distancing, hand sanitization, wearing masks and face shields, and technology-aided contact tracing.

Despite the pandemic, exciting things are in store for the Aboitiz Integrated Economic Centers. Capitalizing on the demand for industrial spaces in Batangas and Cebu, we will expand and transform our three economic zones into smart integrated economic centers, supported by a complete ecosystem of infrastructure and the latest digital technology.

Testing cement's resilience

Construction was among the industries heavily affected by the COVID-19 crisis. Coming from a strong start in early 2020, construction activities in Luzon and parts of Visayas and Mindanao stopped for two months during the ECQ. Stricter health protocols and limited transportation availability also contributed to the slowdown. In response, Republic Cement has put in place rigid procedures to mitigate the spread of COVID-19 in the workplace. These include health screening, social distancing, sanitation of work areas, and strict observance of PPE.

Despite the challenges brought by COVID-19, Republic Cement completed and commissioned new mills, adding 2 million tons of capacity to its existing 7.5 MTPA (million tons per annum) capacity. We have also benefited from the kiln debottlenecking done in 2019, which improved cost competitiveness and reduced dependency on imported clinker.

To address challenges in waste management, we officially launched

ecoloop, Republic's resource recovery group. To date, **ecoloop** has partnered with more than 30 LGUs and FMCG companies, with a common goal towards promoting plastic neutrality in the Philippines.

Republic Cement remains focused on serving its key markets throughout the country with high-quality products, while improving efficiencies and reducing costs. Production costs remained in control following the implementation of operational excellence initiatives. In addition, Republic Cement has put in place several cost-cutting and cash optimization measures.

Looking forward, the construction outlook for 2021 is positive. The government is allotting a sizable chunk of the 2021 national budget for infrastructure. Various economists are also projecting the economy to bounce back and grow by over 6%. The economic recovery would drive demand for residential and non-residential segments. Downside risk pertains to the lingering effects of the pandemic on the economic activities, which would also impact construction demand.

Despite this, we will continue our record-breaking performance at Republic Cement in line with our commitment to meet the demands of the local building and construction industry. We will also continue to staunchly support the Philippine government's Buy Lokal, Go Lokal! programs, as an industry leader and proud manufacturer of the country's best quality cement used in building a safer, greener, and stronger Republic.

The next 10 years

Aboitiz InfraCapital has a clearer path forward as we head into 2021. While the pandemic impacted mobility and key industries including transport and retail, it presents a huge opportunity for digital infrastructure initiatives and the integrated economic centers to play key roles in the country's economic recovery and sustainability. Water also remains a vital need for growing communities all over the country.

Our sights are set for the next 10 years. We will build on our water portfolio, further explore the exciting opportunities in digital infrastructure, pursue our transport projects, including our airport proposals, and expand our IECs. With our renewed focus and the support of our team members, we are confident that Aboitiz InfraCapital can steadily grow in 2021 and beyond.

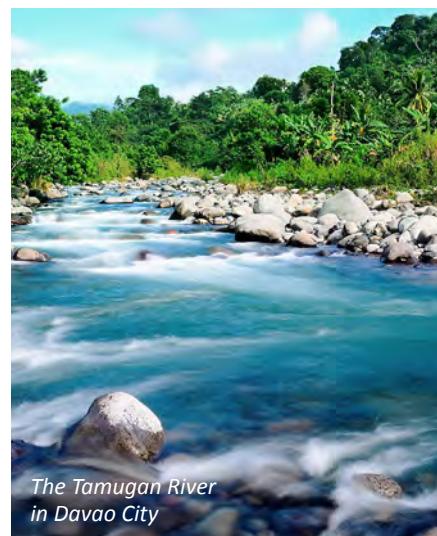


(Left) The Outlets at Lipa leverages its open-air shopping format in support of health and safety protocols; (Right) Nestlé Philippines Chairman & CEO Kais Marzouki and Republic Cement President & CEO Nabil Francis at the signing ceremony of the expanded Plastic Neutrality initiative partnership



Milestones

- Smooth implementation of new business processes and allowing work from home without business interruptions and continuously servicing customers, even throughout the lockdown
- LWC's Laboratory Unit received accreditation by the DENR as one of its Recognized Environmental Laboratories, becoming the first and only industrial park water services provider to be granted such accreditation
- Apo Agua construction in full swing following lockdown with simultaneous construction activities, extended work hours, and specific 24/7 works
- Conducted barangay roadshows in the second and third districts of Davao City to raise awareness about the project, build relationships with the barangay officials, and source local manpower for construction work
- Launched Small Cell Sites Business with MNOs Globe and DITO as first partners
- Launched KonnectTayo with Globe to deploy WiFi sites in underserved communities in Cebu and Davao
- Granted provisional registration as an Independent Tower Company by the DICT
- Welcomed Advance Catamaran to WCIP as its third shipbuilder, strengthening Balamban's position as the Shipbuilding Capital of the Philippines
- Digitalization of industrial estates through virtual tours and e-brochures for contactless selling
- Embarked on master planning efforts for LIMA Estate, Mactan Economic Zone II, and West Cebu Industrial Park's transformation into fully integrated economic centers
- Republic Cement continued to champion health & safety initiatives within the industry with stringent protocols to help mitigate the spread of the COVID-19 virus as well as promoting related best practices among its partners, collaborators, and customers through pioneering events such as the first Virtual Safety Guild and webinars such as RISE UP: Adapting to the New Normal
- Republic Cement's completion and commissioning of new mills, adding 2 million tons of capacity
- Republic Cement benefitted from kiln debottlenecking done in 2019, which improved cost competitiveness and reduced dependency on imported clinker



The Tamugan River in Davao City

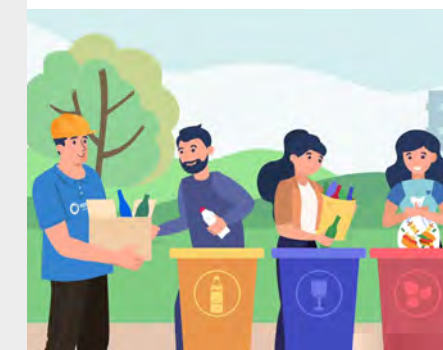


A small cell site



- Officially launched **ecoloop**, Republic Cement's resource recovery group in order to address the nation's challenges in waste management through co-processing. To date, Republic has partnered with more than 30 LGUs and FMCG companies to its goal towards promoting plastic neutrality in the Philippines.
- Republic Cement launched and completed the first year of the TIBAY Innovation Program to promote innovation and ingenuity across the company, providing full support and recognition to the top ideas every quarter. Ideas range from small to big, directly impacting its bottom line (like the relaunch of aggregates line) while promoting cost savings, employee welfare, collaboration, and creativity among teams.
- Republic Cement also provided crucial relief during the height of the pandemic to communities most hard hit by COVID-19 as well as disaster struck Taal and Bicol, amounting to over PHP8.8M in relief

ecoloop



Outlook

- Begin rollout of pilot sites for Common Towers
- Expand footprint of Small Cell Sites
- Secure government approvals for regional airport proposals
- Upgrade of LWC's wastewater facility to comply with new DENR standards
- Reap rewards of LWC's power efficiency programs
- Complete construction at Apo Agua and achieve the first drop of water by 2021
- Operate one of the country's largest bulk water facilities and first water-energy nexus system, utilizing renewable energy to power the water treatment process train in Apo Agua
- 104-hectare expansion of LIMA Estate for additional industrial lot inventory and the transformation of its 30-hectare commercial business district
- The 30-hectare expansion plan of West Cebu Industrial Park to create more opportunities for Western Cebu
- Republic Cement to continue staunch support of the government's Buy Lokal, Go Lokal programs



Regional airport proposed plan



Republic Cement's Norzagaray Plant

ABC Stories

Bayanihan, resilience, and #OneAboitiz



At the start of 2020, the lives of residents of Calabarzon Region and Metro Manila were disrupted by the eruption of Taal Volcano, which resulted in damage to property, forced evacuations, suspension of work, classes, and flights, and worse, more than 30 deaths.

At LIMA Estate, which is about 20 kilometers from the volcano, industrial operations were temporarily ceased the day after the eruption to give way to facility clearing activities. While we were focused on quickly resuming normal operations, LIMA Land coordinated relief efforts for affected team members and communities.

In partnership with Aboitiz Foundation and its locators, LIMA Land donated relief goods, alcohol, and N95 masks to our eight host barangays in Lipa and Malvar who also received evacuees from other towns (i.e San Lucas, Plaridel, Bugtong na Pulo, San Andres, San Fernando, Bagong Pook, Santiago, and Luta Sur.)

We also rolled out the Co-Host Evacuees and Adopt a Colleague Programs, a donation drive at The Outlets at Lipa, and a KINDer fundraising campaign.



The bayanihan spirit moves our team members to step up as #OneAboitiz to help LIMA Land's neighboring communities affected by the Taal eruption.

In the true spirit of #OneAboitiz, our Cebu team members donated cash to fellow employees who were impacted by the calamity. We also extended assistance through donations to the Office of the Provincial Governor.

For InfraCap HR Manager Bernadette Magmanlac, helping her fellow Batangueños was a no brainer. Apart from coordinating the CSR efforts of LIMA Land, she was also among those who temporarily adopted evacuees from a neighboring town. These were 40 people she did not know but gladly helped out. "More than just giving back to our community, I believe helping our neighbors in times like these is the true essence of bayanihan and #OneAboitiz. We're not just here for our host communities in times of joy and success, but we're especially there for them in times of need," she emphasized.



Target 3.3 End epidemics of communicable disease

ABC Stories

Development through #OneAboitiz in Apo Agua



Apo Agua is the Aboitiz Group's first major infrastructure project, which was made possible in 2015 through the government's Public-Private Partnership (PPP) program. Slated to become one of the country's biggest bulk water supply and treatment facilities, Apo Agua is projected to supply over 300 million liters of treated water daily to over 1.5 million Davaoeños.

But even before we are operational, Apo Agua is already delivering value to our host communities. Apart from our numerous Corporate Social Responsibility programs that include Scholarship Programs, Donations, and our Watershed Rehabilitation Partnership with the Davao City Water District, our business operations also result in indirect positive benefits. Most especially for Purok Maligatong in Barangay Tawantawan, the area where our intake weir is located.

In 2019, the road leading to the intake weir was improved and widened by our contractor, JVACC, to allow heavy equipment to access the area. Since then, it has been easier for the purok's residents and visitors to travel to and from the main road.

Additionally, to be able to use electricity during our construction and operations phase, we also needed to connect the intake weir to Davao Light. As a result, in July 2020, electric poles were erected to reach Purok Maligatong. The electric poles were paid for by Davao Light as part of their energization program, while Apo Agua facilitated to manage the



Construction continues for Apo Agua and JVACC's bulk water supply project; above photo shows the intake weir being built at Barangay Tawantawan, Davao City

impacts to the communities in the activities carried out by Davao Light. Purok Maligatong residents can now apply to be energized and connected to the grid, an option they never had before, and also apply with the barangay to set up street lights.

"As someone who has been involved since its conceptualization, negotiation, up to the execution, it was very fulfilling for me to see how this project has materialized. Living up to our purpose to drive change for a better world by advancing business and communities, the Aboitiz Group is committed and true to its promise of improving the lives of the people at Sitio Maligatong through making way for an accessible, affordable and reliable power," said Jeryl Regulacion, Apo Agua Technical Engineer.

The residents in the area have also benefited from employment opportunities. Our contractor has

hired local residents as watchmen to help ensure safety during the construction phase. Apo Agua also looks at the possibility to offer the residents to be watchmen and guards of the area once we become operational.

Indeed, Apo Agua's benefits go beyond supplying water for the residents of Davao City. It also spurs development in the area that will help the community grow in the long-term, enabled by #OneAboitiz.



Target 6.1 Achieve equitable access to safe and affordable drinking water for all.

ABC Stories

Republic Cement launches ecoloop: Co-processing solution to address PH waste crisis



In 2020, our cement business and leading local cement manufacturing and distribution company Republic Cement officially launched **ecoloop**, its resource recovery group that aims to help address the waste management crisis of the country.

Co-processing is the reuse or recovery of thermal and mineral properties of qualified waste materials while manufacturing cement in a single combined operation. Through co-processing and the use of waste, such as plastic or rice husk, as alternative fuels, Republic can manufacture cement with reduced dependence on fossil fuels, such as coal.

Co-processing continues to be a sustainable solution to the rise in the country's waste generation, which remains a major challenge even with the Ecological Solid Waste Management Act (RA No. 9003) in place. The country has observed a steady increase in daily waste generated over the years, from over 37,000 tons in 2012 to 40,000 tons in 2016. In 2018, Metro Manila recorded an average of over 9,000 tons of waste per day. Whereas 85 percent of the total solid wastes were collected, 15 percent ended up in waterways and bodies of water.

An alternative waste management system is of utmost priority and as such, we have taken the opportunity to share the technology and innovation it has been using since the early 2000s for wider scope and greater nationwide impact. "Co-processing is a vital alternative that manufacturing industries can and should take toward the long-term goals of waste management as well as ultimately building our nation's resilience against climate change challenges through sustainable practices," said Angela Edralin-Valencia, **ecoloop** Director.



Republic Cement's co-processing arm, **ecoloop**, aims to tackle the pervasive problem of plastic waste in the country

With **ecoloop**, residual wastes can effectively be diverted away from landfills and waterways, and the plastic pollution crisis can also be addressed by capturing pre- and post-consumer waste in direct partnership with manufacturers including fast-moving consumer goods (FMCG) companies as well as local government units (LGUs). At present, **ecoloop** counts more than 30 public and private partnerships across the country. "As long as these wastes are deemed acceptable for co-processing and acceptable under the guidelines issued by the Department of Environment and Natural Resources (DENR) through DAO 2010-6, co-processing should be prioritized over other unsustainable disposal methods that are more harmful to the environment in the long run," adds Valencia.

While co-processing involves the application of heat to destroy waste, it is distinct from the traditional waste management practice of incineration according to Valencia. **ecoloop** utilizes the cement kiln co-processing method, where emissions are contained and managed within the kiln and any ash produced fully integrated into the stable microstructure of clinker, a key ingredient of cement. On the other hand, some forms of incineration are purely for waste disposal without any energy or material recovery aspects. "There is a higher chance of noxious gases being released into the atmosphere and the ash byproduct usually still ends up in landfills," explains Valencia.

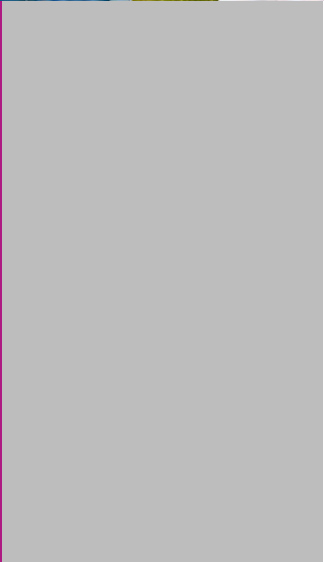
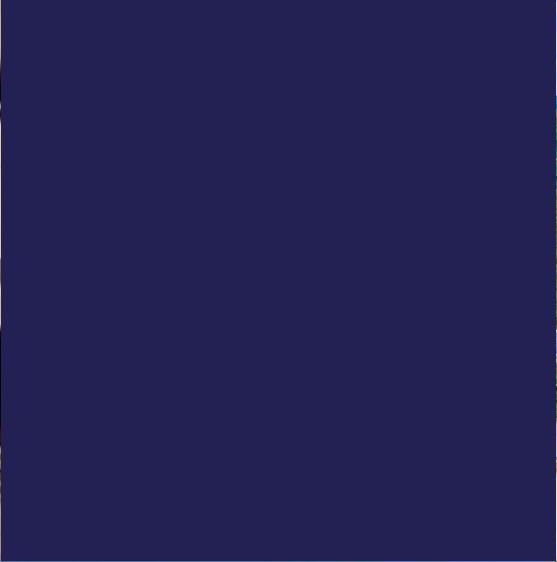
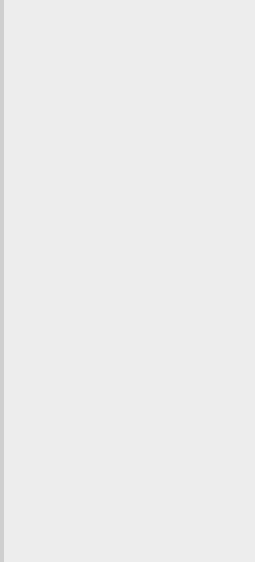
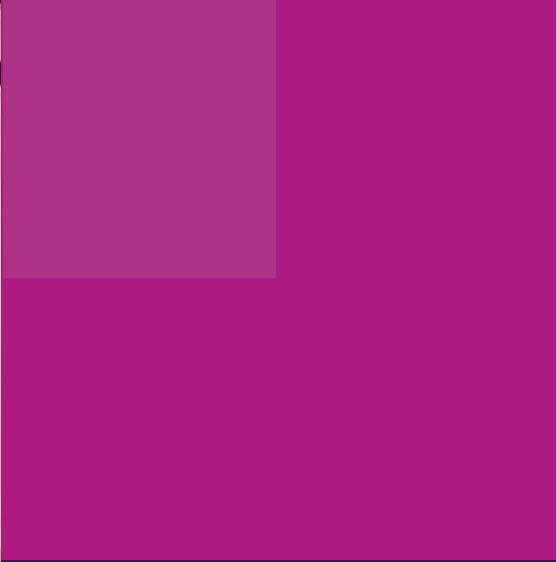
Further, co-processing promotes the conservation of non-renewable energy sources and raw materials. The recovered heat content from the qualified wastes partially replaces the heat from traditional fossil fuels such as coal and petcoke. Recovered minerals similar to the chemical composition of sand and clay also replace raw materials used in cement production.

"In the waste management hierarchy, methods such as prevention, minimization, and recovery of materials through recycling and reusing are still preferred over co-processing. However, when these options are no longer available, co-processing remains preferred over unsustainable methods such as incineration, chemical and physical treatment of waste, and landfilling," adds Valencia.

"Republic is proud to do its part in providing a viable waste management solution while continuously working towards a greener and more sustainable cement manufacturing process. Through this initiative, we are confident that we are on the right path in moving towards a greener, stronger Republic," said Nabil Francis, Republic Cement CEO.



Target 12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse



Land

Result of Operations



“AboitizLand’s story in 2020 has been that of resilience and innovation. We weathered the harshest impact of the pandemic to the business by maintaining an agile, innovative mindset and staying attuned to the evolving needs of the market and our vecinos. This focus on innovation is the same spirit that will see us through as, together with #OneAboitiz, we recover from the COVID-19 crisis and bring AboitizLand to better heights in 2021 and beyond.”

David L. Rafael
President and CEO
AboitizLand

For AboitizLand and many other companies in all industries across the globe, 2020 was a year of disruptions. We began the year facing the challenges brought about by the eruption of Taal Volcano and managing its impact on LIMA, our integrated economic center located in Lipa-Malvar, Batangas, and its residential component, The Villages at Lipa.

The rest of the year would be riddled with more challenges, such as the series of typhoons, which battered and flooded the country in the last quarter of the year, with our developments in Batangas and Central Luzon along the storm path. But no calamity had a bigger and more damaging impact than the health and economic crisis brought about by the COVID-19 pandemic.

The enhanced community quarantine (ECQ), which began in March 2020 forced the lockdown of businesses across the country, severely impacting all aspects of AboitizLand’s operations. OFW remittances, long since one of the key drivers for the property industry, drastically dipped as thousands of overseas workers lost their jobs and had to be repatriated. Unemployed and out-of-business Filipinos struggled to make their loan payments, even after several rounds of moratoriums extended by businesses, and the impact was immediately felt, as our revenue collections took a dip. Overall consumer confidence was extremely low and the business outlook was bleak.

Metrics That Matter



Income contribution to AEV
PHP3.6 billion
with PHP1.1 billion
with coming from the
residential business unit



Achieved **PHP3 billion**
booked sales, surpassing pre-pandemic
performance of PHP2.2B billion in 2019



Achieved a reservation-to-booked
sales conversion rate of **78%**,
an 18% improvement from 2019



Generated **27,153** qualified
leads from digital marketing efforts, directly
resulting to PHP735 million in sales



1,200 sales partners
empowered through our training programs
on digital selling, ensuring they have
livelihood even during the pandemic



Awarded **500%**
more housing units to contractors in
2020 vs the previous year



Onboarded **540%**
more contractors in 2020
vs. the previous year



Constructed **357 homes**
ready for vecinos to move in,
achieving 98% of house
construction targets even
with pandemic restrictions



Turned over **160 homes**
to new vecinos despite
pandemic restrictions



Achieved a **36%**
increase in overall customer
satisfaction score vs. 2019

Managing the pandemic impact through a quick pivot to digitalization

As the rest of the country was reeling from the sudden halt of business, AboitizLand began mobilizing towards a quick pivot to innovative measures to ensure business continuity.

AboitizLand introduced its contactless homebuying service just a few weeks after the enhanced community quarantine was enforced in March. Sensing Filipinos’ urgent need for a good home to serve as a sanctuary for themselves and their family during the pandemic, we were one of the first developers to respond by taking our sales and marketing operations online and offering end-to-end, digital-based homebuying.

From property viewing to unit reservation, we made the entire home acquisition process possible through our digital platforms.

Aside from providing our customers with safer options to conduct their home buying journey, we also made sure our sales force embraced the digital approach to selling through innovative tools, training programs, and incentives. As a result, we began to see our reservation sales levels recover and even exceed pre-pandemic levels in July of 2020. We were able to sustain the sales momentum towards the end of the year, posting 130% gross reservation sales versus budget, with our conversion-to-booked sales rate also surpassing expectations.



Similarly in construction, the series of community quarantines took a toll on our ability to construct and deliver houses to our vecinos on time. For a few critical weeks, operations completely halted as supply chain challenges also mounted.

As authorities began loosening their restrictions, we quickly adapted to the new normal through the strict implementation of the return-to-work playbook, as we also ensured compliance with DOLE and DOH safety protocols as early as April 2020. We aggressively implemented plans to compensate for weeks of lost hours of operations by ramping up house awards through enhanced standard procurement procedures. The construction teams made full use of Agora, the internal digital communications tool in the Aboitiz Group, which became an effective platform to manage progress and performance in our project sites across Luzon and Cebu.

We also turned to digital platforms to ensure our targets for collections were met. The house turnovers were initially hampered by our vecinos' inability to personally accept their units, whether through travel restrictions or due to concerns for their safety. We worked around these limitations by offering virtual house acceptance sessions. With a 96% acceptance rate at the first meeting, our new homeowners appreciated how we have turned a traditionally in-person milestone into a virtual, safe, and efficient experience for them.

Amidst continuously evolving and mounting operational limitations and low consumer confidence at a time of a raging pandemic, AboitizLand showed how an organization's agile and innovative mindset is key to its survival and success in the face of challenges.

A closer focus on the residential business

Agility and innovation played a hand in the strategic decision to integrate our industrial and commercial business units into Aboitiz InfraCapital in the third quarter of 2020. The move supports the Aboitiz Group's vision of ramping up the growth of our integrated economic centers, while at the same time putting a more focused approach to the residential business.

Even in the face of an unprecedented health and economic crisis, the property market remains resilient, with the large unmet demand for housing as its main driver. It also continues to be highly competitive, as Filipinos grow more discerning about what they need and want for their homes. In addition, AboitizLand sits on approximately PHP4 billion in collectible value, as well as PHP24 billion worth of unlocked value in unlaunched inventories and landbank.

This renewed focus on the residential business enables us to deliver maximum value and growth, as we navigate the uncertain post-pandemic market landscape. AboitizLand will continue to improve

operational efficiency in constant pursuit to be a stronger residential developer brand.

Shifting market preferences

Before the pandemic, people in the suburbs and provinces naturally flock to the major urban centers with their high concentration of career and business opportunities. However, COVID-19 has made these megacities highly vulnerable, as social distancing and health protocols brought to light an urgent need for better living spaces.

After a few months of complying with shelter-in-place protocols, Filipinos have developed a renewed appreciation for a good home. Property industry watchers reported a growing shift in homeseekers' preferences towards houses and lots in next-wave cities, as bigger living areas, open spaces, and amenities take priority. Online modes of working, conducting business, and learning have made it possible to choose to live in locations far away from central business districts.

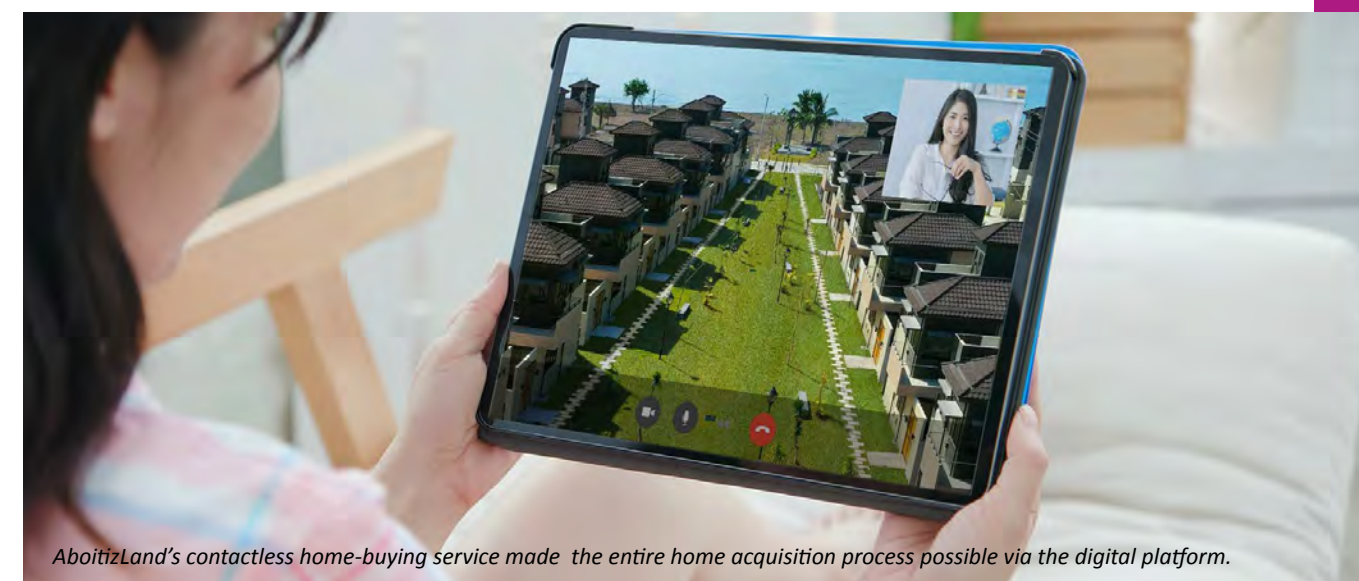
AboitizLand's residential developments, located in emerging growth centers in Central Luzon, Batangas, and Cebu, are far enough from the congestion and noise of the metropolis yet close enough to be able to drive to the familiar sights and sounds of

the city. Our master planned developments, boasting of less density and more open spaces and amenities also answer the market's renewed need for developments that offer better work-life balance and access to creature comforts. In the third quarter of 2020, we ramped up our sales and marketing efforts in order to capitalize on these trends that are now favoring our developments, harnessing our digital tools and platforms to reach as many of our potential customers as possible.

As the real estate market moves into recovery, experts say these new property trends are here to stay. Buoyed by the government's moves to decongest the city centers and funnel growth into the countryside, as well as the continued infrastructure developments connecting these centers with new-wave cities in the provinces, the outlook for AboitizLand's properties is rosy. We have full confidence that our mission to create better ways to live through our thoughtfully planned communities is resonating more and more with an increasingly discerning market.

A bullish outlook for 2021 and beyond

Though 2021 still presents as much uncertainty as the past year, AboitizLand enters its next 25 years with a hopeful



AboitizLand's contactless home-buying service made the entire home acquisition process possible via the digital platform.

outlook and a clear path forward. In 2021, we expect to post a 203% increase in bottomline, with double digit growth anticipated in revenue, gross profit, and net operating profit versus last year. This will be largely driven by stronger house completion from previous years and the robust sales generated in 2020.

We also look to contributing capital to the Aboitiz Group by spearheading the monetization of its land assets.

Operational excellence will be a major focus for 2021, as we embark on a strategic shift in our culture in critical areas. AboitizLand will continue to sharpen its results-driven culture. This involves the organization-wide ownership of wildly important business critical goals, and creating a cadence of accountability focused on rapid and sharp execution of goals. It is a culture of performance and execution that thrives on helping each other succeed.

We plan to put a renewed focus on our customers and continue to embark on our digital transformation journey, a major goal of which is to enhance the customer experience. Our process and technological changes are all focused on meeting and exceeding customer expectations.

We look ahead to fostering stronger organizational cohesion as we adapt an agile work system. Our team members will be able to work from anywhere, have a strong mentorship program to support their growth, and engage in meaningful creation of communities that nurture families and the environment.

We will take the lessons of 2020, and continue our digital transformation journey which will significantly enhance our efficiencies in the major areas of sales and marketing, construction, and collections.

We will maintain a de-risking approach by continuously revisiting our inventory mix and ensuring it is attuned to market demand. From the onset of project planning, our sites and lot cuts are made flexible so that our product mix and portfolio remain diverse and responsive to market needs. As a result, target velocity is achieved or even exceeded, margins are protected, and capital risk is reduced.

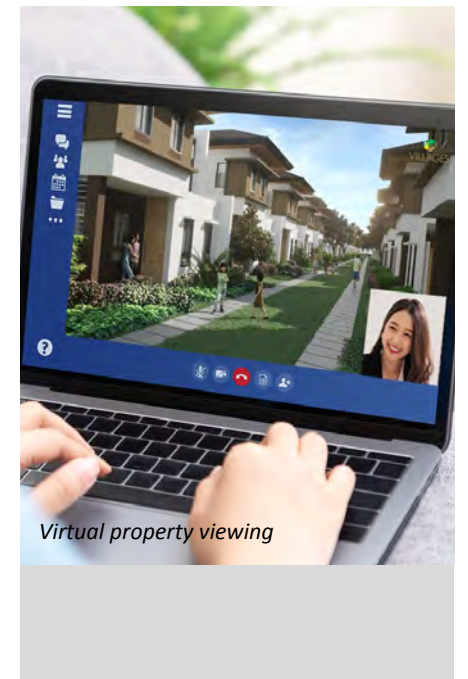
With renewed focus, and with the spirit of innovation buoying forward a cohesive AboitizLand team, we look ahead to fulfilling our promise of creating better ways to live for more Filipino families.



Scenic views await vecinos at the Seafront Residences in San Juan, Batangas

Milestones

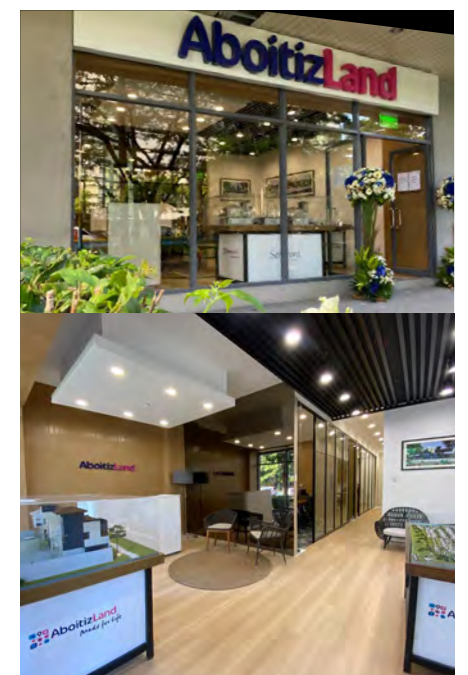
- Contributed a consolidated revenue of PHP3.6 billion to AEV
- Executed a quick pivot to digital-based selling early on in the pandemic, resulting to a strong post-ECQ rebound in reservations sales that was sustained until end of 2020
- Embarked on a more focused and concentrated management of the residential business with the industrial and commercial business moving into Aboitiz InfraCapital's portfolio
- Advanced the organization's digital transformation through digitization programs in major aspects of operations — in sales and marketing, construction, and collections
- Completed construction of 357 homes even with operational restrictions caused by the pandemic.
- Completed 160 house turnovers with a rate of 96% acceptance at first meeting, with the help of virtual meetings
- Launched model houses in Ajoya Cabanatuan and Ajoya Capas and inaugurated sales offices for Seafront and The Villages at Lipa



Virtual property viewing

Outlook

- Achieve a positive bottom line in 2021 with double digit growth seen in revenue, gross profit, and net operating profit versus 2020, largely driven by stronger house completion from previous years and the robust sales generated in 2020
- Provide capital for the Aboitiz Group through the monetization of landbank assets
- De-risk the business by revisiting our inventory mix to ensure it is attuned to market demand
- Expand our customer base in Luzon as we continue building a bustling community in Seafront Residences and start the turnover of houses to vecinos in Ajoya Cabanatuan and Ajoya Capas
- Start reaping the rewards of our investments in digitization, through new systems that support sales and marketing, construction, and collections, which help us achieve operational excellence and provide better customer experience
- Continue to capitalize on opportunities to synergize with other Aboitiz business units, and collaborate with top property developers



Eco-sensitive planning



Guided by our vision of creating better ways to live, AboitizLand believes that nature and its inhabitants must be protected to promote good quality of life for all.

In our third year of partnership with Aboitiz Foundation, the Department of Environmental and Natural Resources (DENR) and the University of the Philippines Diliman Institute of Environmental Science and Meteorology, we continue to work on the Pawikan Conservation Project, a five-year management plan to preserve sea turtle nesting sites at Seafront Residences in Barangay Calubcub II, San Juan, Batangas.

Tagged by the DENR as prime nesting grounds for the endangered olive ridley sea turtles, our 43-hectare beachside development and its shoreline is home to several nests every year. As of December 2020, we have successfully released 1,246 hatchlings back into the ocean since the program started in 2018.

After three years of implementation, we have completed research and profiling of the sea turtles and their nesting sites, categorizing Barangay Calubcub II into beach zones to



The beach along Seafront Residences in San Juan, Batangas is also a nesting ground for endangered olive ridley sea turtles.

identify and evaluate safe areas. Together with the local government, a capacity development training was also conducted to engage locals residing in nearby towns. Pawikan Beach Patrol participants were also oriented to ensure efficient and effective implementation of the program.

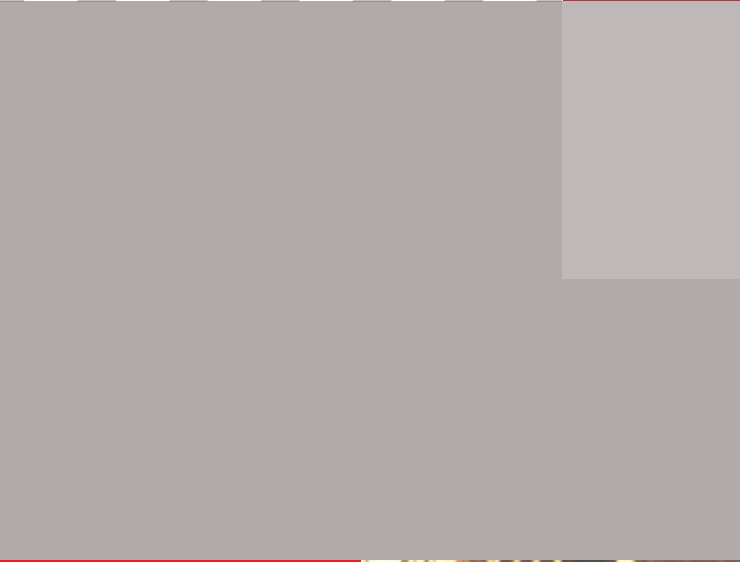
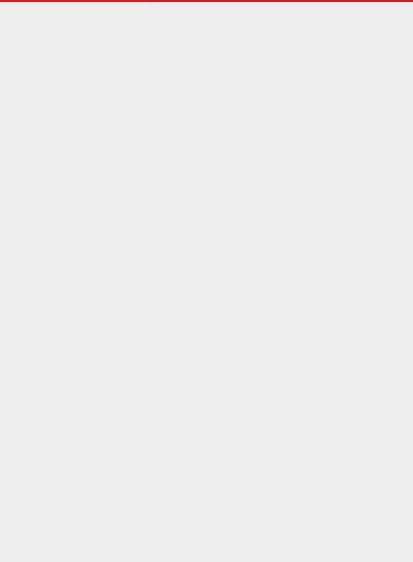
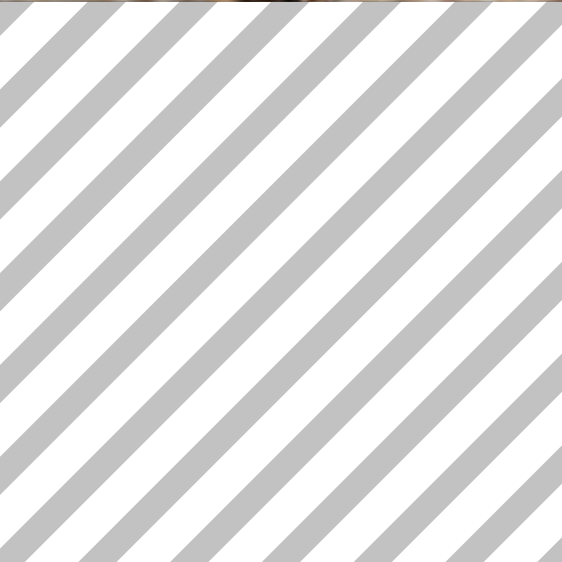
For the next two years, we will be focusing on strategy evaluation and improvement as well as facilities enhancement. In partnership with various government agencies, local government units, and non-government organizations, we are looking forward to the installation of an automated weather station (AWS) at the site which will provide us with data-driven information on rainfall, wind speed and

direction, air temperature, and other physical parameters of the ocean that may affect the sea turtles.

Through this initiative, we remain committed to environment-sensitive planning while delivering sustainable developments and homes that may be passed onto future generations.



Target 14.2 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



Corporate Social Responsibility

Corporate Social Responsibility

Result of Operations



“ Today, we are humbled and grateful to celebrate 100 years of hard-earned wins – only this time, we are celebrating free of formalities and fancies and with a renewed sense of purpose to drive change for a better world. The call to do good has never been greater than it is today. For us in the Aboitiz Foundation, the last 32 years prepared us for a time such as this. While we are grateful to have been given the privilege to help thousands of individuals and communities, there is much work to be done. Filipinos will always wear a smile come rain or shine, mask or no mask. But we would rather see them smiling confidently because they are prepared to overcome challenges. This is why we remain committed to co-creating safe, empowered and sustainable communities. It is always about progress achieved not by one, but many – not in a day, but throughout generations to come. ”

Maribeth L. Marasigan
President and COO
Aboitiz Foundation

Responding to the challenges of the COVID-19 era

As individuals, organizations, and communities around the world rethink their way of life and choices as a result of the pandemic, we found ourselves asking the same question of purpose: how can we make a more significant contribution to the communities we serve?

The Philippines continues to be hammered by COVID-19, ranking second in Southeast Asia for the highest number of confirmed cases and deaths. It strained our healthcare system, exposing decades-old problems in service delivery, manpower and funding. But beyond the case numbers, the impact of COVID-19 rippled across the everyday life of Filipinos.

Self-rated hunger is at its highest since 2014 as a result of job losses or underemployment. Five million or 14.6% of the labor force were either let go by their employers or had to look for additional work to meet their basic needs. In the education sector, enrollment dropped to 89% in both public and private schools combined, which means 2.3 million students are out of school. In urban areas where a large population sees a higher rate of transmission, the urban poor is disproportionately affected — facing hunger, joblessness, lack of access to basic services, and threats to their safety.

COVID-19 has challenged the status quo of corporate social responsibility.



Aboitiz Foundation and Visayan Electric’s COVID-19 response included providing meals for 1,500 frontline workers at Vicente Sotto Memorial Medical Center and other private hospitals in Cebu.

In 2020, three themes stood out that prompted us to rethink our strategy:

The need to address the digital divide.
Before COVID-19, the poorest 40% of households in the Philippines have the lowest access to televisions, radios, mobile phones, and computers. Only 4.35% of this group have a computer at home. Low digital literacy and lack of access to technology created undesirable conditions in the delivery of social services, such as distance learning for students.

Greater focus on inclusive recovery.
We are uniquely positioned to not just serve the community as a whole, but also focus on

tailoring programs for vulnerable groups such as women, children, persons with disabilities, and the elderly. Beyond demographics, there is also a need to help micro and small businesses to find ways to stay afloat especially during these hard times.

Underpin resiliency like never before.
Resilience is more than just having a positive outlook — it is having the ability to prepare ahead and use resources to respond to, endure, and bounce back from unfavorable situations. Disasters have taught us time and again that having a cohesive response and plan of action enable our communities to move the needle between wreck to recovery.



138,490
Number of Beneficiaries



264
Number of Participants in Capacity Building Programs



423,515
Number of Direct and Group Beneficiaries



270,441,450
2020 CSR Fund Allocation



428
Number of CSR Projects



CSR parameters and our success measures

We continue to be guided by our CSR 2.0 parameters to ensure that we achieve inclusive impact. These parameters include the alignment with the Group’s core businesses and the Foundation’s program pillars, scalability, team member engagement, and provision of long-term benefits for our partner-communities.

CSR 2.0 JOURNEY				
YEAR	1.0	1.5	2.0	CSR FUNDS
2017	10%	37%	53%	PHP277 million
2018	7%	39%	54%	PHP261.7 million
2019	10%	49%	41%	PHP267.6 million
2020	46%	15%	15%	PHP270.4 million

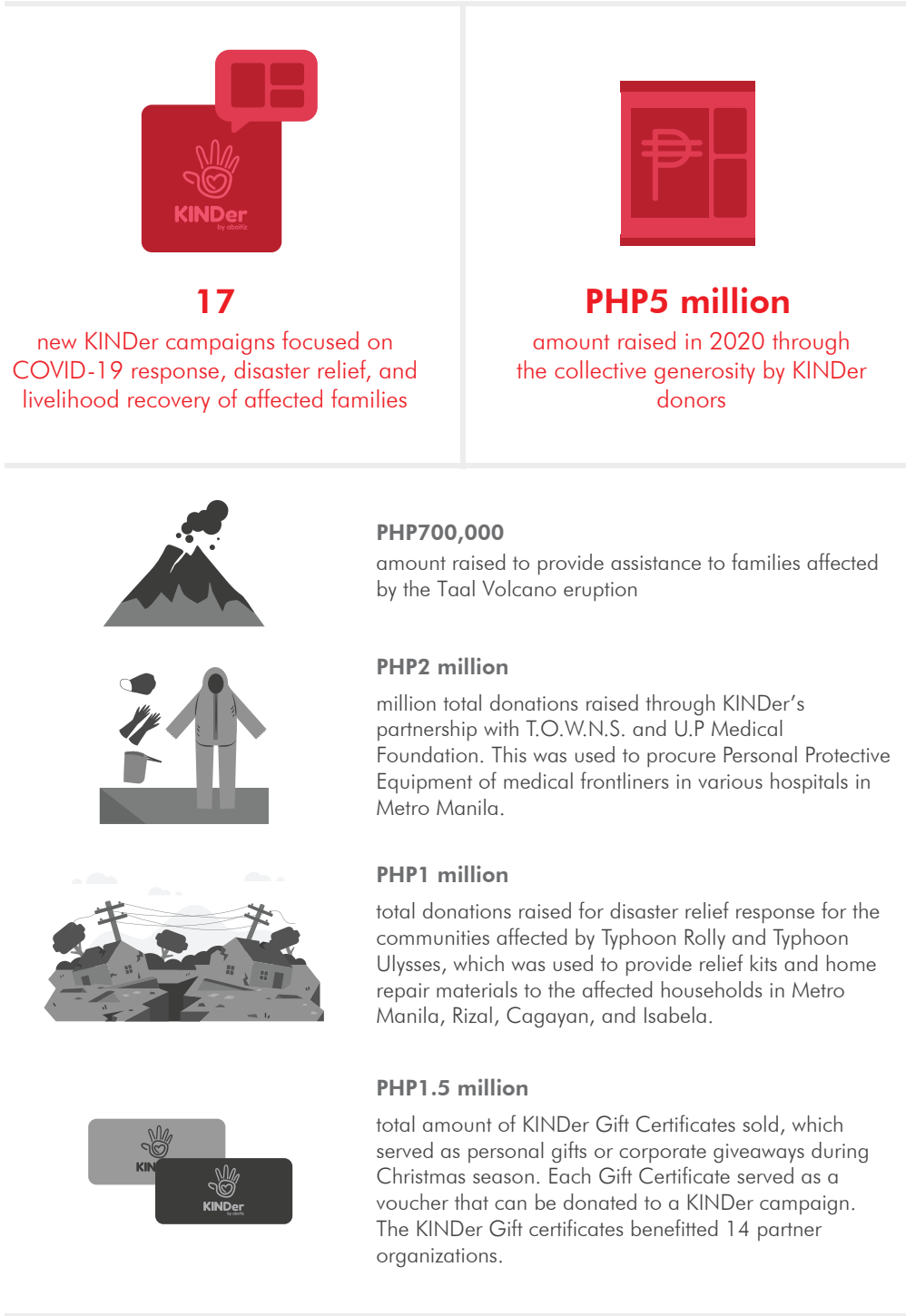
In 2020, we focused our efforts in providing immediate support to the COVID-19 response, especially in providing our frontliners with personal protective equipment and families needing assistance with relief goods. We also made a PHP100 million donation through the Philippine Disaster Resilience Foundation’s Project Ugnayan, which aims to provide assistance by distributing grocery vouchers. This shifted our CSR 2.0 projects from 41% last year to 15% in 2020. Total funds provided by Aboitiz Foundation alone for COVID-19 response reached PHP189 million, which comprises the majority of our CSR 1.0 allocation.

COVID-19 funds allocated by Aboitiz Foundation in 2020

Aside from COVID-19, natural disasters have also impacted the Philippines. While we have had very strong disaster response efforts in the previous years, the ongoing pandemic has made it twice as challenging in 2020.

RELIEF OPERATIONS/RECOVERY			
DISASTERS	AMOUNT	BENEFICIARIES (FAMILIES)	BENEFICIARIES (INDIVIDUAL)
Taal Volcano Eruption	4,359,350	7,909	22,592
Masbate Earthquake	384,900	474	2,370
Manolo Fortich Bukidnon Landslide	78,300	29	145
Typhoon Rolly	6,206,100	9,304	46,475
Typhoon Ulysses	6,810,000	14,400	74,400
TOTAL	17,835,650	32,116	145,982

Due to the community lockdown brought by the pandemic, helping from home was made possible by the crowdfunding platform, KINDer by Aboitiz. Online donation served as the most convenient way to extend a helping hand to the communities in need.



We believe that we can help in many ways. Through supporting other organizations in raising their funds through KINDer we strengthen collaboration and widen resource mobilization.

iCSR: #OneAboitiz in action

As the organization's movements were limited due to the pandemic, the Integrated Corporate Social Responsibility (ICSR) focused its efforts in ensuring that the projects per island region co-implemented by the Regional Councils, were in full swing.

In Luzon, the business units through its integrated project, "Collaboration Towards Disaster Resilience," conducted relief operations to communities in Northern Luzon affected by Typhoon Ulysses and in Bicol Region affected by typhoon Rolly. ICSR Luzon members organized to provide food needs, shelter repair and assistance in re-energization.

In the Visayas, the Regional Council focused its resources in responding to the COVID-19 pandemic, spearheading the relief efforts in Cebu and providing extended assistance to frontliners and patients in Cebu City's quarantine centers, ensuring their immediate needs were addressed.

And finally, the Mindanao iCSR Cacao Agribusiness Project directed its efforts towards strengthening the Apo Farmers

Multipurpose Cooperative (AFAMULCO) through mentoring on financial management and record keeping, and membership management. The adopted community, which is composed of the Bagobo Klata Indigenous People, were also provided other livelihoods to augment income from cacao such as egg-laying machines and assistance in linking to markets for their fruit produce. This effort was joined by 9 Mindanao-based BUs.

Education

Aboitiz Foundation believes that education is an essential sector that must continue amidst the pandemic. Its disruption on access to education has encouraged the innovation of digital solutions, leading to the development of online platforms and activities to keep the Aboitiz scholars engaged and informed. These innovations enhanced the existing education programs, and more importantly, ensured continued access to education in the time of COVID-19.

- Keeping our scholars connected even from a distance is a priority. In 2020, the Aboitiz Scholarship Microsite was launched. It is a one-stop scholarship



Aboitiz Foundation scholars continued to have access to education through online platforms despite the disruptions caused by the pandemic.

hub created exclusively for our scholars nationwide. This app is easily accessible to all scholars nationwide. It contains features such as updating their profile, an advisory page where they can access the latest announcements and guidelines, and e-learning page where they can access webinars and modules that will help them cope with the new normal.

- Holistic support is also important for the scholars in these trying times. Aside from the financial assistance, scholars and other education stakeholders also need to be guided on how to navigate in the new normal. To attain holistic support, Aboitiz Beyond Classrooms (ABC) was put into place. ABC is a virtual learning series which serves as a platform that combines all virtual learning activities targeting various education stakeholders. The learning sessions keep the scholars informed of topics that are relevant to them, and keep them engaged through conversations with guest speakers and the Aboitiz Foundation project team.
- As we fully embrace digital transformation in the new normal, the Aboitiz Scholarship Application Portal was launched. It is an online application system which moves the annual recruitment process from manual to online. The system allowed applicants to apply for the scholarship in just a few clicks, and significantly reduced man hours in terms of screening and reviewing the applications.

BRIDGING EDUCATION TO EMPLOYMENT (2014-2020)

	SCHOLARS	GRADUATES	EMPLOYED BY OTHERS	EMPLOYED BY ABOITIZ	EMPLOYMENT RATE
College	505	517	310	52	70%
Techvoc	672	618	324		52.43%



Enterprise Development

We aim to support our partner cooperatives and MSMEs nationwide to restart their operation and recover from the economic loss and failure brought about by the pandemic. Supporting cooperatives and MSMEs is vital for preserving jobs and productivity. This also includes helping them take advantage of the use of digital tools to continue operating their businesses and providing services to cooperative members.

- Implemented Digital Coops in partnership with UnionBank's GlobalLinker and DTI, transforming our coop-partners into digital coops so they can take advantage of emerging opportunities in e-commerce. The project assisted cooperatives and MSMEs to utilize digital technology for their businesses, specifically for banking transactions, member transactions, e-commerce and e-learning. These were conducted through online training and mentoring sessions, assistance in applying for and utilizing banking products, e-commerce platforms and e-learning portals.
- Provided [re]start support to help communities recover their livelihoods that were affected by COVID-19. Our partner cooperatives/MSMEs received "re-starter" kits such as farm inputs, bakery package and egg laying machine that will help their organization to recover from economic loss and can provide employment opportunities to the community members. The project was implemented in close partnership with the different Aboitiz Business Units where partner cooperatives are located and in collaboration with different government agencies, NGOs, and private entities. The framework of the Restart Program is aligned with the recovery plan of the government which includes financial or capital assistance, supply chain and market linkages for new business, business diversification or reinvention and skills development, and retooling. At the end of the project, partner cooperatives have used the restarter packages to restart their businesses. They have also accessed financing or acquired new skills and suppliers/buyers to help recover their businesses.
- Launched the Community Marketplace Microsite which supported the cooperatives in marketing their products online. This is a one-stop shop where Aboitiz team members can access or avail the products and services of our supported communities nationwide.
- Conducted E-learning Seminars on Cooperative Strengthening, and Business Continuity Planning and Disaster Risk Reduction, in partnership with the Department of Agriculture, Cooperative Development Authority, and Go Negosyo which benefited 264 participants in 9 organizations nationwide. The training conducted aims to strengthen and enhance the management leadership skills of our partner organizations/communities.

Environment

Our Environment program ensures that projects undertaken directly or through partnerships will maintain and enhance the benefits of ecosystem services, build resilient communities, and promote an environment-friendly transport system.

A-Park. In line with the extension of the DENR's Enhanced National Greening Program to 2028, which aims to revitalize what it cited as "the remaining unproductive, denuded, and degraded forestlands nationwide through reforestation initiatives," Aboitiz Group has transcended its target to plant 9-million trees by 2020. As of December 31, 2020, there were 11.73-million trees planted, in partnership with the tree growing project of Ramon Aboitiz Foundation, Inc., the Philippine Business for Social Progress, and the Carbon Sink Management Program of Therma South, Inc. and Therma Visayas, Inc.

Aboitiz Cleanergy Park. In 2020, Aboitiz Cleanergy Park was cited as a birdwatching haven according to a local expert, with its wide variety of animal habitat types combined with the area's relative isolation and secure environment. The eight-hectare park showcases a mangrove reforestation

site, nursery, and botanical garden for the propagation of 29 natives tree species and is home to 100 species of birds. Since 2014, the park has already released more than 4,939 hawksbill hatchlings, planted 13,992 mangrove propagules, and rescued 16 pawikans (sea turtles).

Balabag Wetland Park (Wetland 4).

Even with the onset of the pandemic, rehabilitation efforts continued for the Balabag Wetland Park (Wetland 4) in Boracay, Aklan. The turnover was set for 2021 which saw the conversion of the whole area to an urban linear park, along with these enhancements:

- Installed 5 aerators to improve the water quality.
- Installed 3D Boracay signage which tourists and locals can use for social media photo-ops.
- Completed the community center which serves as an activity area (in front of D'Mall).
- Completed the perimeter landscaping and pavers in the whole area for visitors to walk around and interact with nature.
- Completed the parking area for visitors' proper loading and unloading area.



The Aboitiz Cleanergy Park in Davao City has been cited as a birdwatching haven.

San Juan River Rehabilitation.

In partnership with DENR, the #WOWSanJuanRiver program or the San Juan River (Manila Bay) Rehabilitation Project has continuously conducted stakeholder engagement initiatives involving different government agencies in the development of a working framework, and a model for other Manila Bay tributaries. Part of the pipelined activities with the community is the eco-hub, the purchase of trash traps, and a small boat to clear areas and sections of the river.

Calubcub II: Pawikan Conservation

(Year 3). AboitizLand, in partnership with UP Diliman-Institute of Environmental Science and Meteorology, achieved the company's goals in setting up the facilities for the Pawikan Conservation in Brgy. Calubcub, Batangas. The group continues to research and monitor environmental impacts, conduct conservation operations, capacity-building, and Information, Education and Communication (IEC) activities within the supported locality. And as of end-2020, a total of 1,181 pawikan hatchlings were released in Seafront, Batangas.

The first fully electric, free ride shuttle service in Mindanao was launched in Davao City on December 11, 2020. The **BEST Bus (Business for Environmentally Sustainable Transformation)** has a seating capacity of 30 persons but can only accommodate 15 passengers, in observance of the physical distancing, to curb the coronavirus transmission. The BEST bus would provide a safer and more convenient transport experience and bring Davao City closer to a more sustainable future.

The COVID-19 pandemic has caused an upheaval in social and economic life across the country and the most severely affected are the MSMEs. For these businesses to survive, they must be able to adapt their operations to the new environment. As such, we conducted a **blended e-learning program on DRRM and Business Continuity Planning** for the 99 participants of the Department of Agriculture - Philippine Rural Development Project. Business continuity planning is a component of building business resilience in normal times and is especially critical in cases of large disasters like the pandemic.



Davao City Mayor Sara Duterte (center) during the launch of the BEST Bus.

Creating resilient, empowered, and sustainable communities

As the pandemic left no community unaffected, our focus on resilience is anchored on the need to find solutions that will protect the communities we serve from the crippling impact of disasters. The United Nations expounds on this: "Resilience is about anticipating, planning and reducing disaster risk to effectively protect persons, communities and countries, their livelihoods, health, cultural heritage, socio-economic assets, and ecosystems."

Aboitiz Foundation's long term vision and aspiration is aligned with the government's Ambisyon Natin 2040 – which envisions families that thrive in vibrant, culturally diverse, and resilient communities. While that may still be a long way to go, we commit to begin the work now. For 2021, we direct our focus on these four key strategies:

- *Integrate resiliency as a goal and framework.*
We will consider all the dimensions where we can help prepare and equip individuals and communities we work with; in facing social and economic disruptions.
- *Use digital technology in CSR programming.*
We will help bridge the gap for individuals and communities struggling with access and use of technology. Our programs will help accelerate technology adoption for students, educators, and other members of the community; and assist micro and small businesses to use e-commerce platforms to keep their livelihood thriving.
- *Increase core business interventions.*
Our work in the past three decades in the education, environment, and enterprise development sectors helped establish the portfolio of competencies that we have today as a foundation. We have also created trusted relationships in the communities we work with, and strong ties with partners in the public and private sectors. There is no greater time than now to ramp up our core work in these sectors, and sustain the momentum of the programs we've built.
- *Scale up social impact.*
Our core value of teamwork will always guide how we collaborate in projects with the many business units across the Aboitiz Group. Our people on the ground know best — and as a team, we will create and scale up smart, localized solutions that will yield immediate positive results, where it matters.

We are writing this report at such a time when Filipinos eagerly await for vaccination to begin. A remarkable year has taught us to review the path we charted ourselves to conquer, both as individuals and as an organization. 2020 is also a year that cemented the Foundation's mission to enable more communities to be resilient — bouncing back from adversities because they can; empowered — leveraging technology to create opportunities to thrive; and sustainable — conscious of the finite yet accessible natural resources, and embracing environment-friendly practices.



Milestones

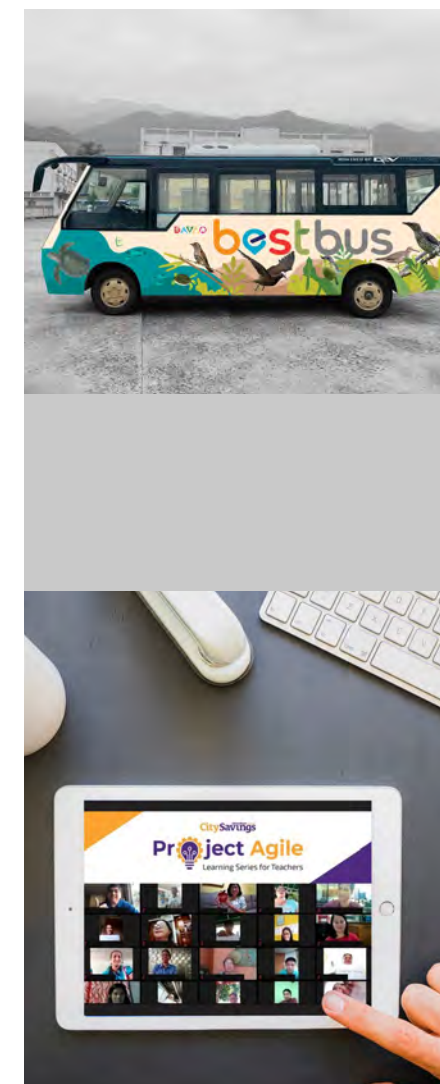
- Launched the Aboitiz Scholarship Microsite, a one-stop scholarship hub created for our scholars nationwide. This app is easily accessible to all scholars nationwide.
- Successfully conducted the Aboitiz Beyond Classrooms, a virtual learning series for Aboitiz Scholars which serves as a platform that combines all virtual learning activities targeting various education stakeholders.
- Launched the Aboitiz College Scholarship Application Online, moving the annual recruitment process from manual to fully digital.
- Successfully implemented the KINDer GC, a project that promotes a KINDer Christmas by encouraging the spirit of giving through KINDer Gift Certificates. From the initial target of PHP200,000 the project reached PHP1.5 million at the end of December 2020.
- Implemented Digital Coops in partnership with UnionBanks' GlobalLinker and DTI, transforming our coop-partners into digital coops so they can take advantage of emerging opportunities in e-commerce.
- Provided [re]start support to help communities recover their livelihoods that were affected by COVID-19.
- Launched the Community Products Microsite which supported the cooperatives in marketing their products online.
- Conducted E-learning Seminars on Cooperative Strengthening, and Business Continuity Planning and Disaster Risk Reduction, in partnership with the Department of Agriculture, Cooperative Development Authority, and Go Negosyo which benefited 264 participants in 9 organizations nationwide.
- Launched the AXIS eLearning for CSR BU Officers, which aims to effectively educate the AXIS users of the system's capability and functions to navigate the system with minimal assistance.
- Launched the CSR Academy Microsite, a platform that provides online courses and modules that the Foundation curated from various sources. Aboitiz CSR Academy responds and executes one of Aboitiz Foundation's strategic pillar Capability Building, to enrich the CSR professionals in the Aboitiz Group so they can effectively deliver their social responsibility mission.
- Conducted CSR 102 and CSR Clinics, activities that emphasizes the details of using AXIS, project documentation and implementation requirements both in accounting and admin systems.
- Partnered with civil society organizations to implement 17 new various donation campaigns on our crowdfunding website, KINDer by Aboitiz.



- Spearheaded several relief operations to include Taal Volcano Eruption, Masbate Earthquake, COVID-19 Response, Typhoon Rolly and Ulysses.
- Implemented post-disaster livelihood rehabilitation projects for Taal Volcano eruption and Masbate earthquake-affected internally displaced people.
- Launched the BEST Bus (Business for Environmentally Sustainable Transformation), the first fully electric, free ride shuttle service in Mindanao, making Davao among the first pilot cities in the country.

Outlook

- Pilot Adopt-a-City to promote disaster resilience via resource-sharing, to properly equip the city in times of emergencies and disasters, and to prepare it in terms of immediate recovery.
- Implement LCF WinS (WASH in Schools) in cooperation with the League of Corporate Foundations (LCF) and other corporate foundations to ensure a clean and safe learning environment as we prepare for the resumption of physical classes across the country.
- Establish Digital Schools or digital learning delivery by building the capability of educators to teach online and to support the Learning Continuity Plan (LCP) of the Department of Education. We will do this by partnering with UnionBank and CitySavings on their implementation of HEROES 2021 and PROJECT AGILE.
- Continue to bridge education to employment by continuing our college and techvoc scholarship programs and pursue existing education projects aligned with our strategy.
- Expansion of Digital Coops Project / E-Commerce in more areas and exploring the use of digital technology in agriculture to help farmers access new markets or facilitate partnerships and processes across value chains.
- Evaluation of the pilot implementation of BEST Bus and explore expansion in other areas.
- Focus on watershed rehabilitation to include protection and conservation practices and agroforestry aside from tree planting.



ABC Story

Aboitiz-supported coop hits PHP100M in assets, gives back to community amid COVID-19



Months before its December 2020 target, Benguet-based Thanksgiving Multi-purpose Cooperative (TMPC) hits 'Php100 million in assets', thanks to the support of the Aboitiz Group.

What was once a small all-women cooperative with an initial membership of 22 and a starting capital of only Php 102,500 has now become an 800-strong membership that owns a total asset of over PHP100 million, including its four-story building along Camp 6, Kennon Road in Tuba, Benguet – a notable milestone amid the challenges brought about by the COVID-19 pandemic.

TMPC is a multi-business cooperative that offers loans, savings, and time deposits, as well as miscellaneous services such as photocopying and bookbinding. In collaboration with Hedcor and Pilmico, we provided financial assistance, capacity-building, as well as livelihood skills training for its members such as dressmaking and baking, among others.

The restrictions of the health crisis saw TMPC's loan applications and payments decline as cooperative members opted not to apply due to payment uncertainties as the majority of them were unable to work upon the imposition of the Enhanced Community Quarantine (ECQ) in the area.

However, these restrictions soon became opportunities as the ECQ prevented other bread suppliers from entering their community. As the only bakery operating in the area, the TMPC bakery operates day and night to meet the demands of the community. This has brought their income to a 117% increase in terms of sales from the month of March and April, compared to January and February of the same year. Their grocery store also saw a 50% sales increase despite the ECQ.



Through Aboitiz Foundation's enterprise development program, the Thanksgiving Multi-purpose Cooperative was able to grow their dressmaking and bakery businesses livelihood.

"Thank you for donating our starter kits for our dressmaking and bakery business which we now enjoy and very much in demand in this time of the pandemic. Again, the officers and members of the Thanksgiving Multi-Purpose Cooperative are very much privileged to be one of your chosen partners in fulfilling your Corporate Social Responsibility (CSR). Without the support extended to us by Aboitiz Foundation, HEDCOR, and Pilmico, we will not be able to reach our status today, a large cooperative with an asset of over Php100M," said Emma Golocan, General Manager of TMPC.

Giving back to the community

With the success of TMPC, the cooperative pays it forward by giving back to the communities it serves. Recently, the cooperative conducted a relief operation in the affected areas of COVID-19.

"What sets us apart from other cooperatives is perhaps our belief that 'in giving, you shall receive'. TMPC donates 10% of its annual net income to the church since the beginning of its operation in 1993. This is a true testament to our faith in the Almighty and with all the unending support of our partner agencies, the officers, and the members, I can say that we made it all possible for TMPC to be where we are now," Golocan added.

TMPC also conducts regular medical and dental missions, participates in community clean-up drives, implements tree planting activities, initiates Brigada Eskwela every start of the school year, and other similar initiatives.

"With all of us working together, we can make more self-reliant organizations like TMPC – able to firmly stand on their own, grow their businesses, and in their own inspiring ways, contribute to co-creating safe, empowered, and sustainable communities," said Maribeth L. Marasigan, Aboitiz Foundation President and Chief Operating Officer.

Through our enterprise development program, we empower cooperative members with effective organizational management and technical skills, financial and infrastructure support, and access to the market to help grow and expand their business. Since its inception, this program has benefited over 53 cooperatives with nearly 16,000 members as of 2019.

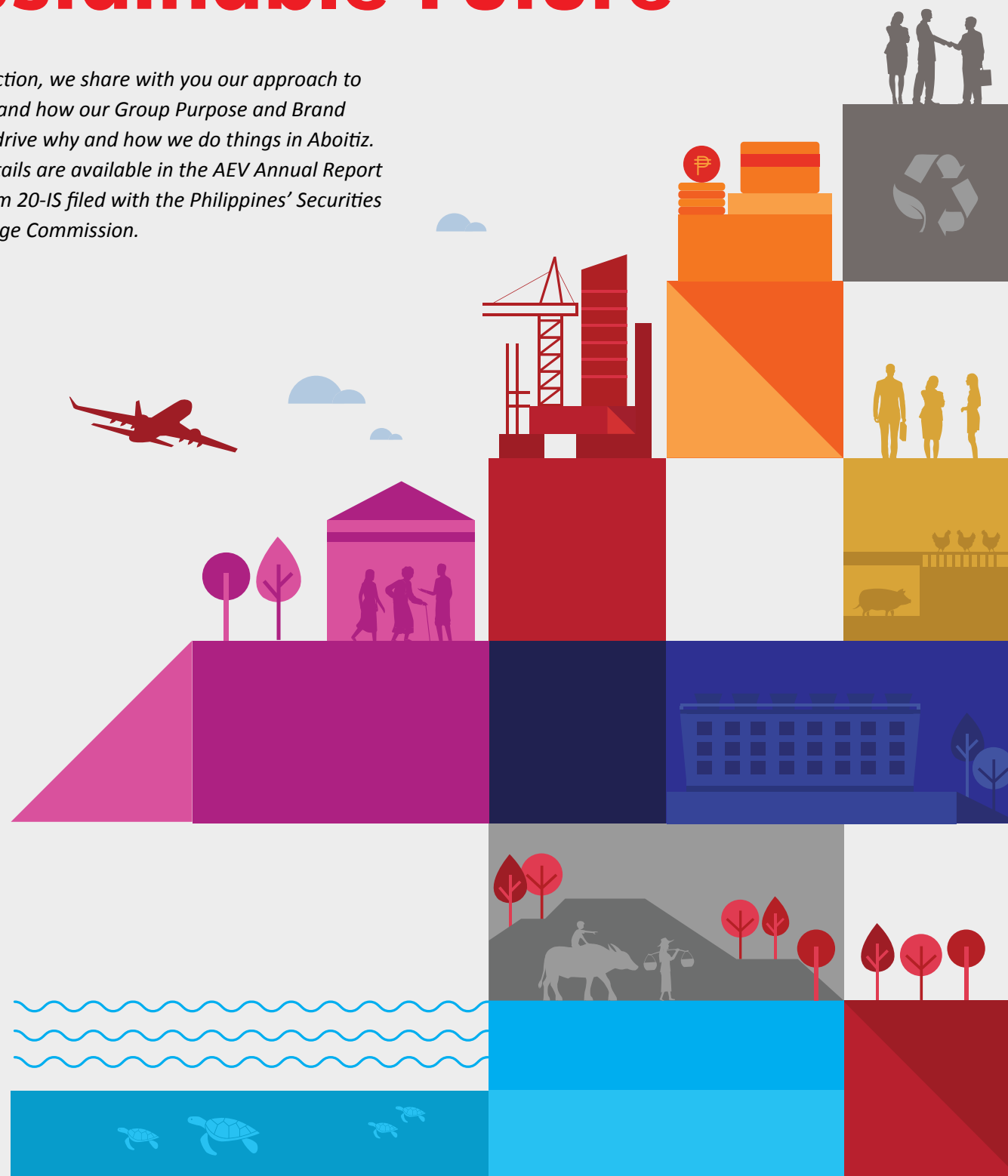


Target 10.2 Empower and promote the social, economic and political inclusion of all

Management Approach:

Ensuring a Sustainable Future

In this section, we share with you our approach to business and how our Group Purpose and Brand Promise drive why and how we do things in Aboitiz. Other details are available in the AEV Annual Report 2020 Form 20-IS filed with the Philippines' Securities & Exchange Commission.



Strengthening Sustainability Leadership

In the 100 years of Aboitiz Group, the singular thread that has connected our past and present is our commitment to leading our business on a sustainable path. Our sustainability journey is guided by strong leadership that promotes the continuous improvement of our environmental, social, and governance (ESG) performance. The year 2020 tested our resilience as the COVID-19 pandemic compounded the impact of natural calamities that afflicted the country such as typhoons and the Taal Volcano eruption, which devastated communities in the Southern Tagalog region. Guided by our time-honored values of integrity, teamwork, innovation, and responsibility, we mobilized sound risk management systems and took advantage of early investments in digital transformation in facing the challenges of a volatile time in our history.

Our commitment to sustainability is demonstrated through our brand promise of advancing business

and communities. As our business grows, our stakeholder communities should equally gain. We define sustainable development as inclusive growth that looks into the dimensions of ESG:

Environment - Conscious of our limited resources, the Aboitiz Group minimizes competition for the communities we operate, and ensures that these can be replenished for future generations.

Social - The Aboitiz Group understands the basic premise that no business shall succeed in failing communities. As such, we implement sound labor practices in the workforce and responsible operations in our host communities.

Governance - The Aboitiz Group operates and manages the interest of its stakeholders, including checks and balances, that enable the Board of Directors to exercise appropriate control and oversight responsibilities on the environmental and social aspects of the business.

We are following this simple equation:

$$\text{Advancing Business and Communities} = \text{Sustainability}$$

$$\text{Sustainability} = \text{Environment} + \text{Social} + \text{Governance}$$

In order to deliver our ESG strategies, we continuously redefine our leadership functions and responsibilities to strengthen the Aboitiz Group's ESG work plans and performance targets.

Business Units and Corporate Service Units:
implements and addresses ESG operational programs; manages data gathering and monitoring

ESG Technical Working Group:
ensures that material issues are discussed, addressed, and reported to the Aboitiz Group Management Committee

Aboitiz Group Management Committee:
responsible for monitoring ESG integration in the company's principles and policies

Environment, Social and Governance Board Committee:
provides direct oversight on sustainability and the ESG framework, ensuring that ESG direction is integrated into the Aboitiz Strategic pillars.

Strengthening our Commitment to a Sustainable Future

The Aboitiz Group commits to a sustainable future and ensures that the company will continue to thrive in the next 100 years. We have established our participation and commitments to the United Nations Global Compact and the Ten Business Principles. Our 2020 Annual and Sustainability Report serves as our Communication of Progress: expressing the Group’s commitments of continued support to UNGC and its principles; aligning disclosures of our relevant policies, procedures, and activities to address Environment, Labor, Human Rights and Anti-Corruption; and measuring our outcomes through the qualitative and quantitative measurements presented herein.

In our first year of participation, we assessed AEV’s alignment with the Ten Principles of the UN Global Compact.

- We are committed to continuously improve our policies, business processes, and initiatives, putting at the forefront our commitment to have an environmentally sound business strategy and relevant processes.
- We uphold human rights by continuously conducting human rights assessment in the different value chain processes of the company.
- We create a safe, engaged, and inclusive labor environment for A-People.
- We operate with high ethical standards of corporate governance and citizenship.

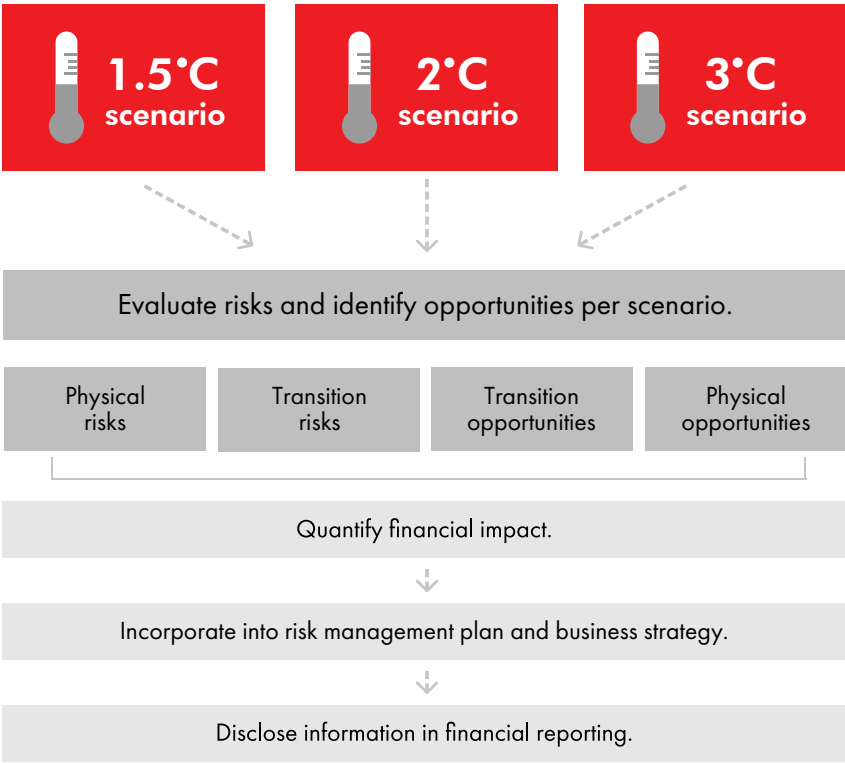
The Aboitiz Group Footprint based on the UNGC 10 Principle Policy and Commitment Alignments			
Principles		Policies/Commitments	Sources
HUMAN RIGHTS	1. Businesses should support and respect the protection of internationally proclaimed human rights.	1. Code of Ethics 2. Suppliers/Contractors Fair Dealing and Selection Policy 3. HR Policies	1. AEV code of Ethics and Business Conduct
	2. Businesses must make sure that they are not complicit in human rights abuses.		
LABOR	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	1. Policy and Disclosure of Collective Bargaining Agreement. 2. Disclosures of Diversity in the workplace (Age, Gender, Locations, etc) 3. HR Labor Policies	1. 2019 Annual Report 2. HR policies
	4. Businesses must ensure the elimination of all forms of forced and compulsory labour.		
	5. Businesses must support the effective abolition of child labour.		
	6. Businesses must eliminate discrimination in respect of employment and occupation.		
ENVIRONMENT	7. Businesses should support a precautionary approach to environmental challenges.	1. Continued transitions to Renewable Energy Sources 2. Environmental Management Systems 3. Compliance as precautionary approach to development 4. Aboitiz APARK and Biodiversity Programs 3. Cleanergy 4. Support on Task Force Climate Related Financial Disclosure	1. 2019 Annual Report 2. Support to TCFD
	8. Businesses must undertake initiatives to promote greater environmental responsibility.		
	9. Businesses must encourage the development and diffusion of environmentally friendly technologies.		
ANTI-CORRUPTION	10. Businesses should work against corruption in all its forms, including extortion and bribery.	1. Anti-corruption Policy 2. Whistleblowing Policy	1. AEV code of Ethics and Business Conduct

Resiliency through Robust Climate Strategy

AEV is the first Philippine Signatory to the Task Force on Climate Financial Disclosure, and we are committed to align our disclosures to its framework as it would provide the company better information and preparedness to the impacts of climate-related scenarios in the business.

Governance	Strategy	Risk Management	Metrics & Targets
The company aligned its governance on climate-related risks and opportunities starting with the inclusion of responsibilities in the Environment, Social and Corporate Governance Board Committee to provide oversight and guidance to the group’s policy and activities.	Assessment of potential impacts of physical and transition risks, and opportunities on three scenarios (1.5, 2, and 3 degree scenarios) on the organization’s business strategy and financial planning.	Integration of climate-related risks and opportunities in our Enterprise Risk Management System through risk assessments and operational risk management planning.	The company has been disclosing its Scope 1 and Scope 2 emissions consolidated from its strategic business unit. The company employs emissions management, and continuously improves its processes to adapt to low emissions technologies. Disclosure of metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.* *In our first year, we are currently undergoing the strategy and risk assessment process; material disclosures on metrics and targets shall be included in the succeeding reports and disclosures.

Our climate scenario analysis process

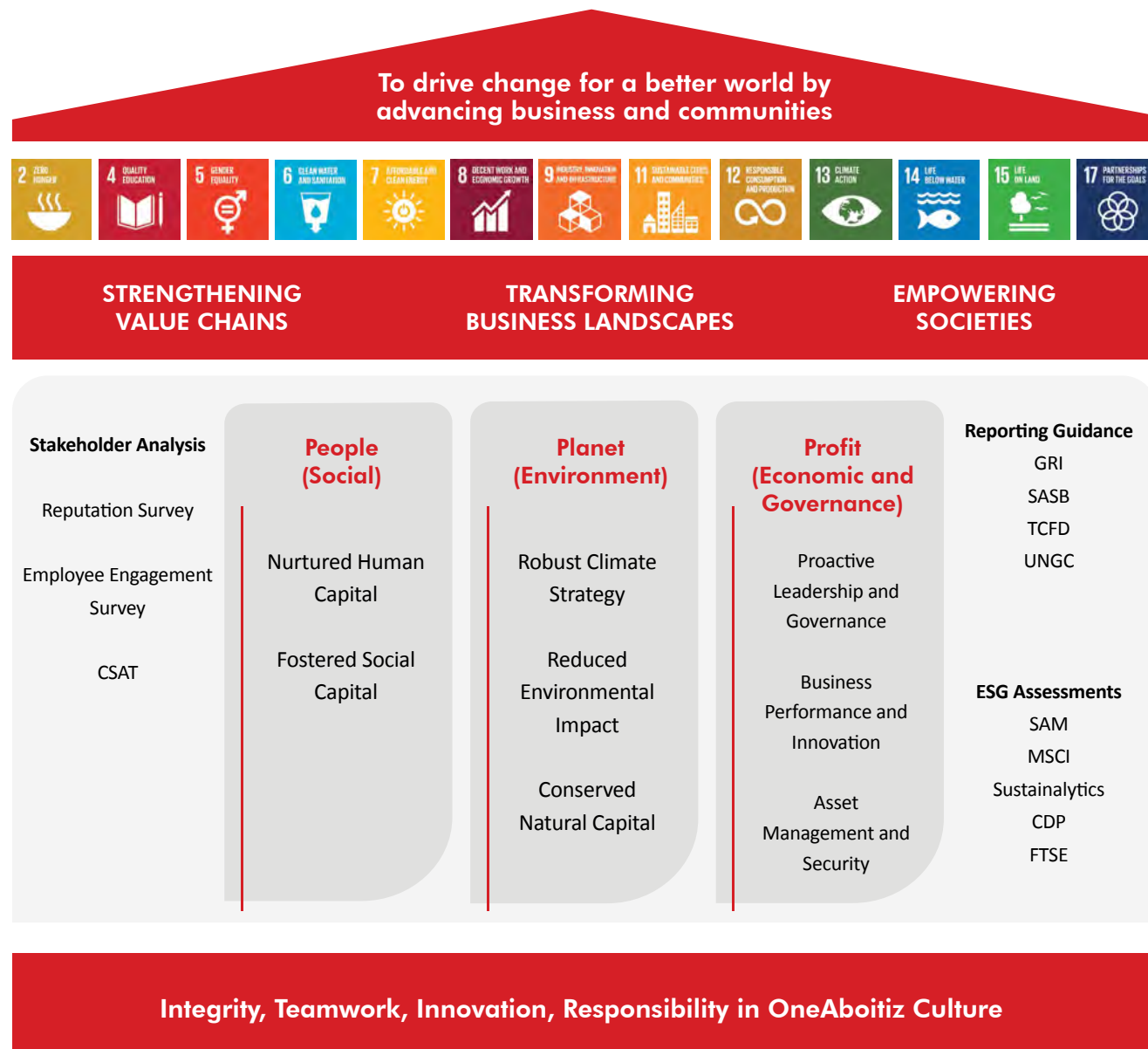


The Aboitiz Group Sustainability Policy and Framework

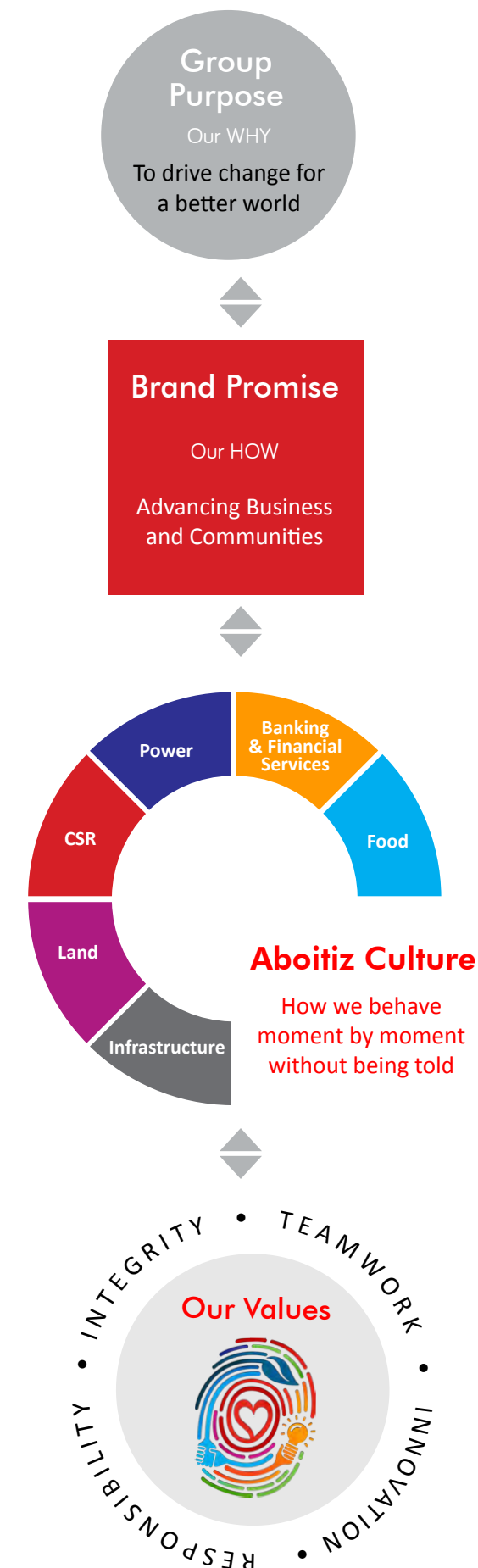
We can do well by doing good, always making the right long-term decisions that balance the interests of people, planet, and profit. We are committed to a mindset that views sustainability not as a cost of doing business, but as a way of doing good business. Sustainability is an integral part of our business strategy. We focus on three key areas where the ESG dimensions are present – our triple bottom line approach of people, planet, and profit. This framework is used to set targets, improve performance, and extend the scope of the value it

creates. Our ESG performance targets are included in each group's accountability and responsibility. In 2020, team members' performance appraisals included a portion for ESG compliance and delivery. We communicate our Sustainability Policy and Framework to our shareholders, employees, vendors, and customers through our various communication platforms. For more information on our Sustainability Policy and Framework, you may visit: <https://aboitiz.com/sustainability/sustainability-at-aboitiz/>

#OneAboitizSustainability Framework



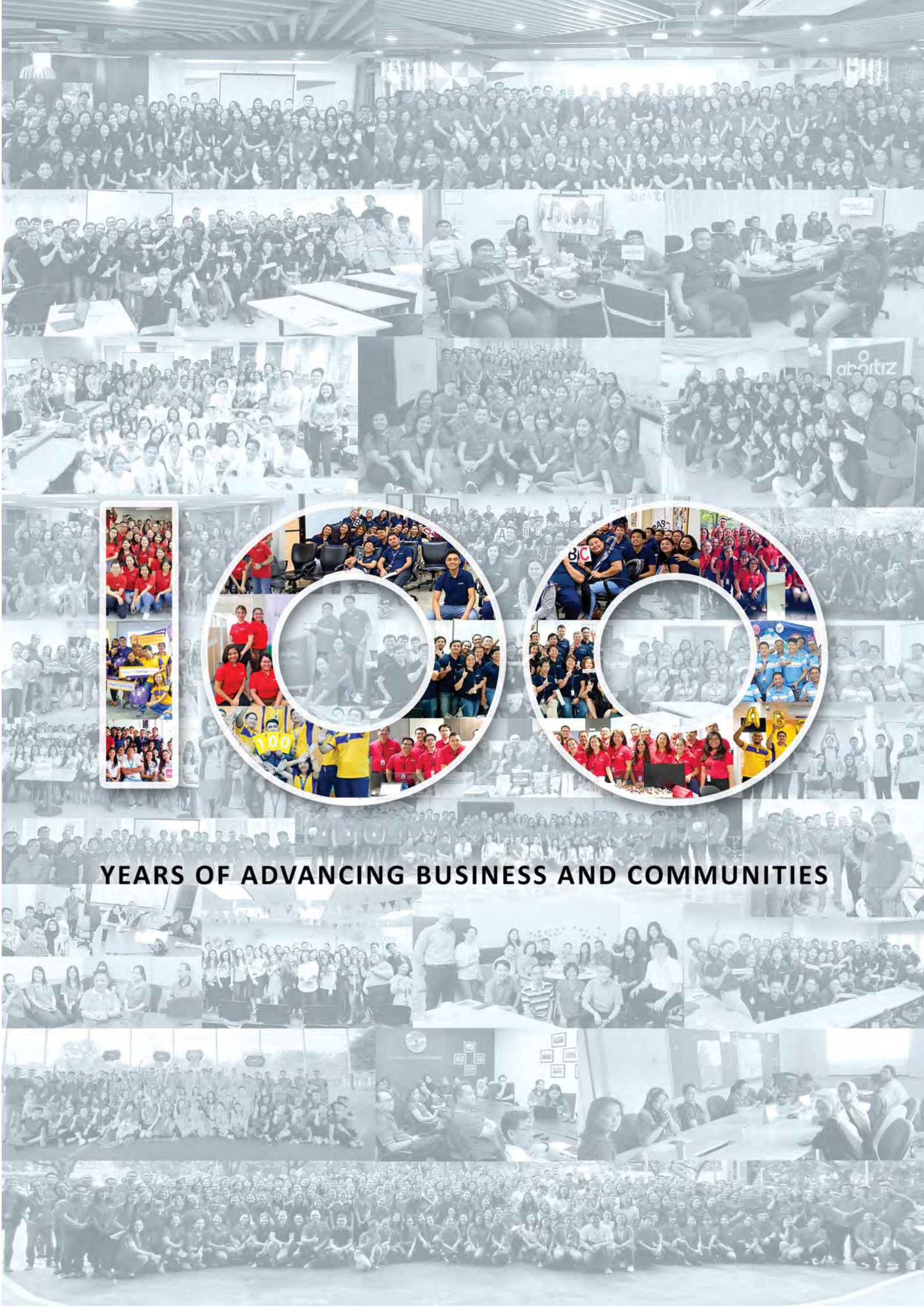
The Aboitiz Way



For over a century, we have been building the Group's legacy of core values, behavior, and beliefs that shape The Aboitiz Way, our unique culture nurtured and strengthened over generations.

Every action and decision we make is anchored on our time-honored values of integrity, teamwork, innovation, and responsibility. These values live through the distinct behavior and traditions in our various business units to form the Aboitiz culture.

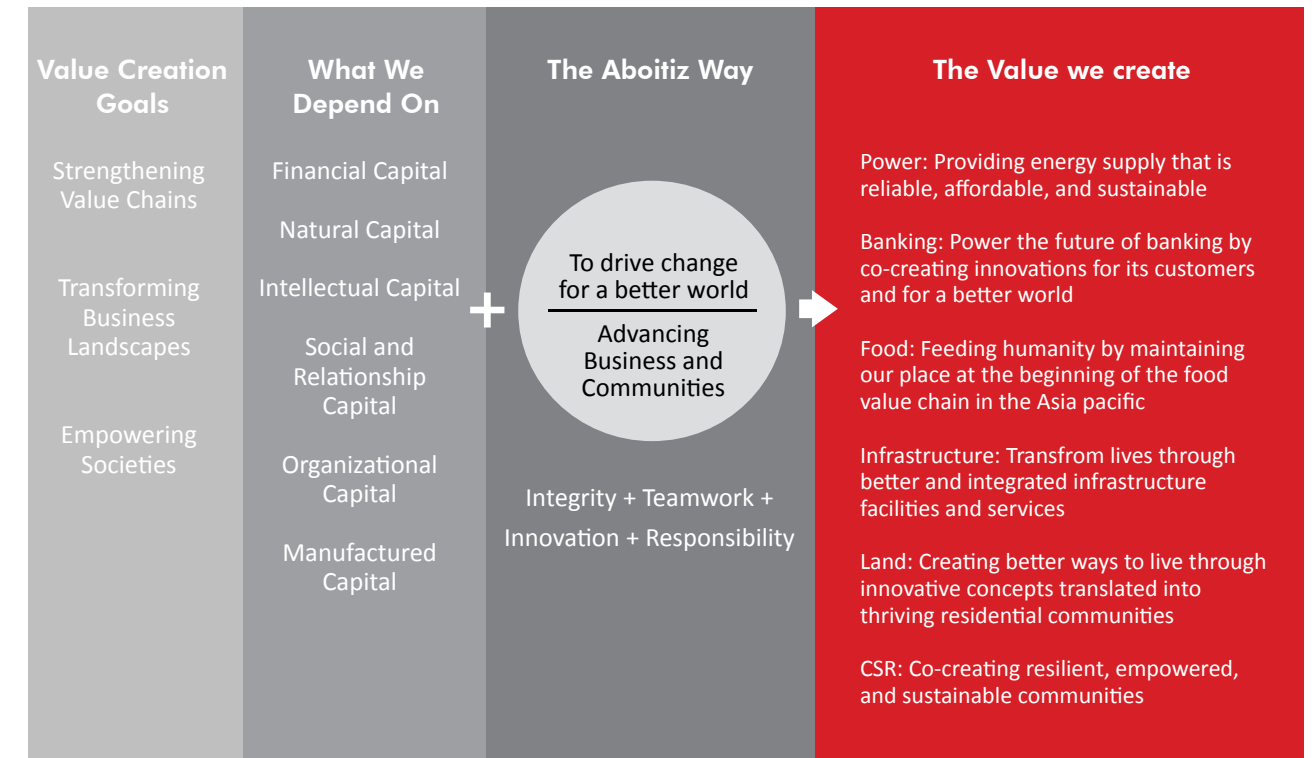
Our values and culture keep us firmly focused on fulfilling our purpose and brand promise: to drive change for a better world by advancing business and communities.



YEARS OF ADVANCING BUSINESS AND COMMUNITIES

Our Value Creation Business Model

We believe that we make the most value to our stakeholders by strengthening our value chains, transforming the business landscape through innovation, and empower societies by having equitable business practices through contributing positive economic value that improves quality of life.



Our Group Strategic Pillars

Our SBUs align to the Aboitiz Group's strategic pillars, namely: grow the business, stakeholder engagement, build human capital, and execution excellence.

In growing the business, we find investments that make sense to us, cover our cost of capital, work within our risk parameters, and create added value. It is fundamental that both our shareholders and stakeholders benefit from our value creation efforts.

We continuously engage with all our stakeholders so they may also progress as our businesses grow.

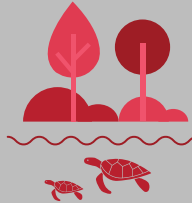
Attracting, optimizing, and retaining top-caliber professionals, who help us manage our business and upgrade the Group's capabilities and skills, are crucial to our success.

We execute our plans in a timely and effective manner, employing best-in-class systems and processes to sharpen our competitive edge.



Our Sustainability Focus Areas and Metrics

To drive sustainability throughout our businesses, Aboitiz focuses on three key areas based on the triple bottom line approach—people, planet, and profit. We set out performance metrics in different focus areas to improve our practices and extend the scope of the value we can make for the Group and all our stakeholders.

PEOPLE	FOCUS AREA	OBJECTIVE	MEASURE	2019 RESULTS	2020 RESULTS	REMARKS
	Team Member Engagement and Development	Attract, optimize and retain team members	Team members (TMs) employed	37,815 TMs	37,188 TMs	
			Percentage of engaged team members	46%	-	No Groupwide Engagement Survey in 2020, thus this data is not available.
			Average training hours per TM	-	17 hours	
			Volunteerism	50,478 hours	10,547 hours	Decline in volunteer hours due to various COVID-19 containment measures in 2020.
			Retention rate (100% less turnover rate)	86%	86%	
	Corporate Social Responsibility	Partner with communities to promote inclusive growth	Number of beneficiaries	747,582 beneficiaries	445,697 beneficiaries	Efforts focused on health care workers (HCWs) and front liners beneficiaries
			CSR fund allocation (PHP)	PHP382 million	PHP423 million	
			CSR projects	1,785 projects	1,519 projects	
	Disaster Resilience	Increase the capability of local government and the public in disaster preparedness	No. of deployed automated weather stations nationwide	756 AWS	756 AWS	All AWS were turned over to Manila Observatory and PAG-ASA
			Number of individual from different stakeholder groups that benefited from capability building and disaster relief and recovery efforts	1,986 individuals	145,982 individuals	Increase in numbers due to inclusion of stakeholders served in disaster relief and recovery efforts.
	Occupational Safety Programs	Provide good and effective occupational health and safety (OHS) programmes to employees and contractors	Lost Time Injury Frequency Rate (LTIFR) - Employees	0.55	1.18	
			Occupational Illness Frequency Rate (OIFR) - Employees	0.00	0.77	
			Lost Time Injury Frequency Rate (LTIFR) - Contractors	1.37	0.41	
	Customer Focus	Provide a commercially sustainable customer experience	Customer satisfaction rating	94%	91%	
			Number of customers served	9,561,417 customers	9,644,126 customers	
PLANET						
	Carbon Emissions Reduction	Reduce Greenhouse Gas (GHG) emissions across facilities	Carbon productivity (PhP million revenue/tCO2e)	0.07	0.06	Decrease is due to lower revenues and addition of Infrastructure and Land data in GHG inventory.
			Cumulative number of trees planted	7.5 million trees	11.7 million trees	
	Resource Efficiency	Manage resources efficiently	Water consumption	5,052,206 m³	2,708,040 m³	
			Energy consumption	772,611 MWh	990,946 MWh	
	Waste Management	Reuse and recycle	Weight of waste materials recycled	1,239 tons	2,476 tons	
	Renewable Energy	Tap other RE sources and strengthen our RE portfolio with the development of more hydropower and geothermal capacity	RE source net sellable capacity	1,242 MW	1,248 MW	
			RE generating net sellable capacity	27% RE, 73% NRE	27% RE, 73% NRE	
PROFIT						
	Financial Return	Grow profitably	Total return to shareholders	22%	5%	
			Return on Equity	13.0%	9.0%	
	Financial Growth	Grow profitably	Net Income After Tax (NIAT)	PHP22.0 billion	PHP15.4 billion	
			Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA)	PHP60.2 billion	PHP57.7 billion	

Embedding Sustainability Environment, Social and Governance (ESG)		Fostering Inclusive Growth and Shared Value Aligning Sustainability and ABC 2020	Redefining our ESG Strategy Thought Leadership in Sustainability 2020-2030
	Governance Goal: Conduct business based on transparency, accountability, responsibility and fairness - Developed our Group purpose and refreshed our brand promise - Developed our ABC roadmap - Aligned and complied the Group's Consolidated Annual and Sustainability Report with GRI Standards - Aligned programs with United Nations Sustainable Development Goals (UN SDG) - Aligned BetterWorld with ABC campaign	- Operationalized our culture, the Aboitiz Way - Developed and implemented 2020 CSR Roadmap across the group through an integrated approach to projects that are innovative, measureable, scalable, and solution-focused - Began preparatory work to align with the integrated reporting framework and participated in the integrated reporting of the country's UN SDG achievements - Institutionalized a culture of information security awareness to further strengthen prevention, detection, and comprehensive response to growing cyber security threats	- Board oversight on ESG material topics and on the management and re-assessment(s) of climate-related risks and opportunities - Conduct materiality re-assessment(s) to align with emerging needs based on the business expansions, sustainability key focus areas, metrics and targets - Enhance our 10-year ESG Roadmap and sustainability maturity of our business units - Advance our sustainability agenda by driving growth in industries and communities and continue to align with UN SDGs and our transitions on embedding on business strategies and risk identification - Continue policy development on ESG material topics and probe on emerging regulatory requirements - Improve implementation of the Ten Principles of the UN Global Compact on Human Rights, Labor, Environment, and Anti-Corruption
	People Goal: Partner with our stakeholders to create shared value - Established strategic partnerships with both the government and private sector to create greater social impact - Launched self-driven career management, and coaching and mentoring programs - Transformed the way we work using digitized systems and processes: - Piloted an agile workplace for better collaboration and teamwork - Launched Agora, our intranet portal, for better engagement among team members - Introduced Always Learning, a self-driven learning platform - Introduced digitalization of our business unit services i.e. UnionBank's The Ark, the first fully digital bank branch in the Philippines	- Expanded existing partnerships with government and private sectors to deepen our social impact - Continued transforming our businesses through digital technology to enhance customer experience, improve operational processes, and create new business models People Experience - Maintained Strategic Business Units operation systems that showed a dashboard of real-time operations, performance of plants and machines - Improved Human Resource Information System, where multiple and repetitive processes were removed Customer Experience - AboitizPower Distribution Group converted from manually responding on social media to generating automated responses on Hootsuite, improving response and resolution rates by 50%. - UnionBank's mobile and online convergent banking improved ease of access through real-time online sign-ups and integration of multiple accounts. - The establishment of Digital Relationship Managers (RM) enabled UnionBank's customers to have a 360-degree view on real-time data from core banking system and historical client data.	- Foster inclusive growth by leveraging partnerships with government and private sectors to expand reach to more communities, and contribute to the country's development goals - Focus on transforming our A-people to become digitally responsive while pursuing digital solutions and operational efficiencies for our expanding customer base across the Group - Explore ways to better harmonize and align benefits across the group to protect and promote the well-being of team members - Continuously improve stakeholder engagements by enhancing key dialogue channels, and protect "whistle-blowers" - Unify the workforce by embedding and living the #OneAboitiz way in sharing knowledge and expertise, resulting in engaged collaborations and streamlined processes within the group
	Planet Goal: Minimize our environmental impact - Increased active discussions on the Aboitiz carbon management program at Group ManCom and Board levels - Upgraded SHEQ standards across the SBUs	- Implemented our carbon management program - Applied international safety, health, environment and quality (SHEQ) standards to our projects	- Completed the committed 9M trees by 2020 with a total of 11.7 M trees planted. Continuation of A-Park programs through program monitoring and evaluation - Scale up GHG accounting tools across the Group - Implement initiatives to maximize recovery, reduction, recycling, reusing, and re-purposing of waste materials, while considering refusal or avoidance of single-use plastics
	Profit Goal: Grow profitably Identified shared value initiatives of the Group: - CitySavings' rural and microfinance banking through its acquisition of First Agro-Industrial Rural Bank and PR Savings Bank - UnionBank's Eureka Forum, providing e-commerce education to MSMEs - Pilmico's sustainable backyard farming through Mahalin Pagkaing Atin - Republic Cement's affordable housing initiative - AboitizLand's environmentally-sensitive residential design introduced in the Seafront Residences project	Harnessed existing shared value products and services, and created new shared value initiatives through our businesses: - Weather Solutions, a social enterprise offering technology-based weather products and services - AboitizPower Distributed Energy, Inc.'s (APX) solar rooftop business - Apo Agua's bulk water supply project powered by a mini hydro - Pilmico's inclusive corn sourcing program with local farmers - UnionBank's Project i2i, a blockchain-based clearing and payment system for rural banks	- Continue to seek for opportunities in the value chain where we can foster inclusive growth - Adopt recommendations from the Task Force on Climate-related Financial Disclosures - Expand our generation portfolio of multi-fuel technology in our goal to drive down cost and improve efficiencies - Continually explore both onshore and offshore acquisition opportunities where they make sense - Support the evolution of our banking business into a technology company that provides ease of service to its customers - Build up recurring income by focusing on opportunities around our current real estate developments - Further improve operational efficiency by scaling up automation or technology implementation (e.g blockchain, artificial intelligence) in internal processes

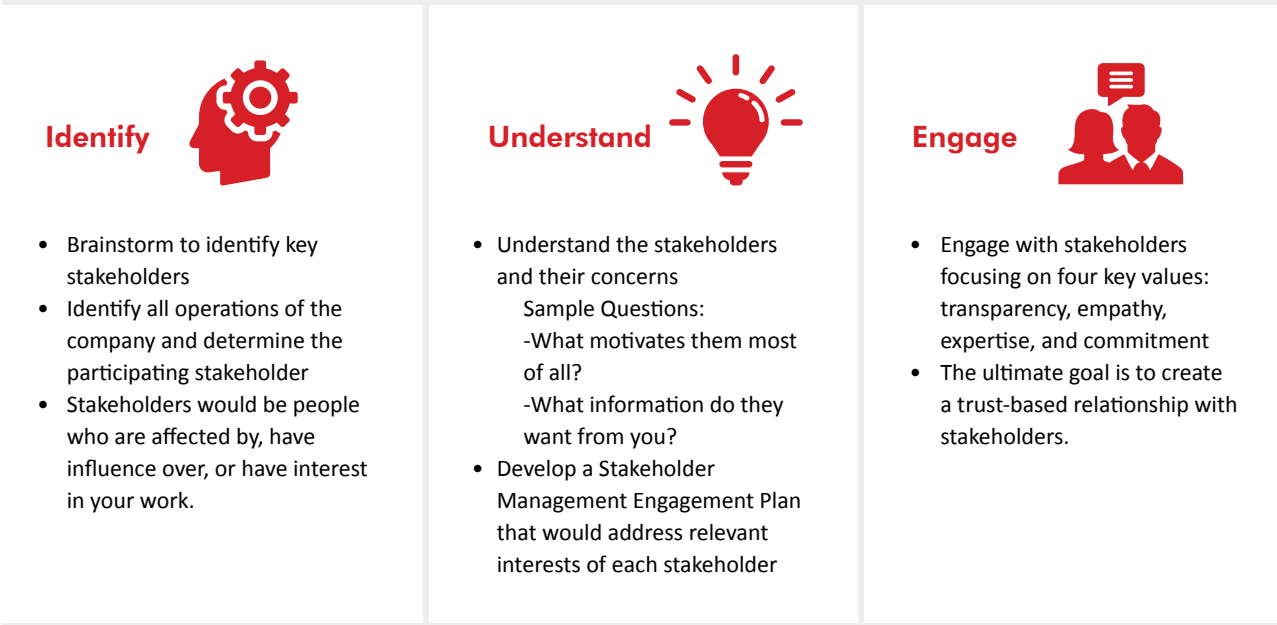
Dialogue and value creation for stakeholders

102-42, 102-43, 102-44

Guided by our value of integrity, we aim to generate trust and sustain good relationships as we engage in meaningful value creation with our internal and external stakeholders – forging cooperation, partnerships, and common aspirations of a better future.

Our stakeholder engagement process maximizes the many communication avenues currently available and shares best practices internally. Team members who work in customer- and community-facing functions undergo training to fully embody the principles and processes of stakeholder relationship management (SRM) and communication.

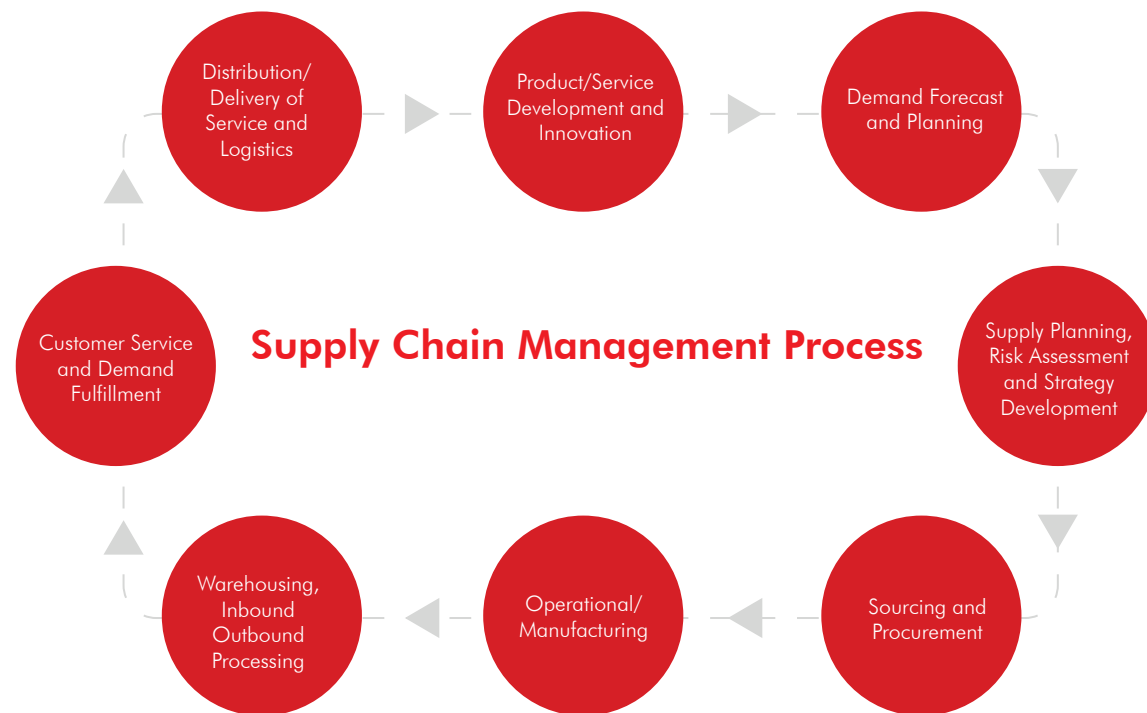
Stakeholder Engagement Process



The Aboitiz Group employs a values-driven approach to engaging with its stakeholders in line with our business and sustainability objectives.

Key Dialogue Channel for Stakeholders

Stakeholder Group and Description	Channels of Engagement	Material Topics
Team Members and Leaders Partners in realizing our Group’s Purpose and Brand Promise	- Events and campaigns - Digital communications channels and employer branding portals - Various learning, development, and mentorship opportunities - Engagement surveys and initiatives - Awards and recognition programs - Volunteer opportunities - Wellness programs	Talent Management: Attraction, retention, and optimization of A-People
Customers Patrons of our product and service offerings	- Various customer engagement initiatives - Product campaigns, caravans, conventions, expos and exhibits - Customer satisfaction surveys	Transparency in: - Products and Services - Client Information - Security/Privacy - Compliance to Regulatory Requirements
Suppliers and Partners Partners in the supply chain that provides us with vital services	- Bidding and orientation process - Digital channels for procurement and supply - Engagement activities and fellowship events	Sustainable supply chain
Shareholders Partners who provide the capital to fuel our growth aspirations	- Annual Stockholders’ Meeting - Analyst and investor briefings - Roadshows, one-on-one meetings, and conference calls - Quarterly reports and disclosures - E-newsletters - ESG ratings and reports	Corporate governance and economic performance
Communities Partners who share in our success	- CSR 2.0 - Training and capability building - Expos and exhibits - Outreach programs (livelihood and feeding programs) - Partnerships and informal conversations	Corporate social responsibility and disaster resilience
Private Sector Partners in realizing our growth aspirations	- Joint Ventures - Board Meetings - Private Sector Partnerships	Corporate Governance
Government and regulatory agencies Partners in compliance and upholding the law	- Public private partnerships - Formal dialogue and roundtable discussions - Audit and compliance	Compliance to regulatory requirements
Academe Partners in enhancing capacities	- Scholarship - Joint research and development - Funding and Grants	Innovation Management Biodiversity Management
Media Partners in communicating our mission and purpose to the larger community	- Regular press briefings, conferences and roundtables - Sponsorship Events - Community and media tours - Journalism workshop - Various engagement activities	Reputation management (communication on business performance and building market presence)



Supply Chain Management

Our investments in power, banking and financial services, food, infrastructure, and real estate enable us to have indirect economic impacts through our supply chain. Our business units adapt best practices in supply chain management and provide opportunities to local suppliers whenever possible. Operational and management plans help us integrate resource efficiency in our supply chain to be more prudent in the volume of materials used in the operations.

Generally, our supply chain management processes look into product/ service innovation, delivering excellent quality, and fulfilling the demands of our customers. ESG risks that are critical in the supply chain are being reviewed based on supplier compliance requirements that may vary depending on the industry sector where our strategic business units belong to.

Significant improvements and innovations in our supply chain

There are ongoing initiatives that promote the local supply chain, such as Food Group PH's partnership with DAR for the local corn sourcing. This would help local farmers for additional revenue and help the company have a more secure supply chain by purchasing locally.

Several digital innovations are undertaken by our supply chain teams in terms of online accreditation and supply chain management process through the use of procurement and supplier accreditation software systems. These innovations help us adapt to the impacts of the pandemic in terms of delivery of supplies and reducing face-to-face meetings with suppliers.

Innovation Management

The COVID-19 pandemic has been a wake-up call for most businesses in terms of digital transformation. The concept of a 'new normal' was borne out of regulations for reduced close-contact interactions and strict travel and hygiene restrictions. This new normal has given rise to new individual behavior and habits, and has pushed businesses to adapt quickly by bringing many of their processes online.

The Aboitiz Group's early investments in digital transformation equipped us well in facing the COVID-19 pandemic. We started this in 2016, recognizing that digital disruption is happening at an accelerated pace globally. This prompted us to establish one of our first major projects, our internal engagement platform called AGORA, powered by Facebook's Workplace platform. AGORA connects Aboitiz Group team members in one single platform for unified communication and collaboration. Apart from this, many other digital transformation initiatives

have been rolled out over the last four years under the following imperatives: improve our revenue streams; embed emerging and relevant technologies, data, and analytics to improve operational efficiencies and decision-making process; create an agile workplace to improve collaboration and productivity of our A-People; and, equip our team members with the right tools to continuously deliver value to our stakeholders.

2020 Innovation Programs

- AboitizPower successfully held their first ever Virtual Annual Stockholders' Meeting, which included the capability of having shareholders vote online and participate in its live proceedings.
- Integrating a data-driven approach in its operation, Therma South, Inc. embedded IoT technology — Digital Twin — into its power plant assets. This allows engineers to predict and accurately diagnose issues, and respond before these negatively impact its assets. This improved balance between reliability, availability, performance, and cost against risks to maximize asset value.
- UnionBank continues to pioneer out-of-the-box solutions in the Group as digital banking became even more relevant as the ECQ was imposed. These solutions include its Bank on Wheels, fully digital bank account opening, and pioneering online check encashments — highlighting how bank branches are becoming less transactional and, instead, more as interactional spaces for today's customers.
- Pilmico launched The Good Meat Shop online, which brings its farm products within easy and convenient reach of its customers. The company also migrated stakeholder engagement discussions to online platforms, including workshops, interest groups, live demos, and consultation sessions.
- Aboitiz InfraCapital launched its corporate website and social media accounts that gave way to enriching online interaction with its customers. The company is also instrumental to enabling innovation with its entry into telecommunications infrastructure. Taking advantage of data science and artificial intelligence, Republic Cement is able to optimize concentrations of raw materials resulting in better resource management and increased operational efficiency.
- AboitizLand introduced contactless homebuying using digital options to help promote staying safe at

home. Potential homebuyers are offered a view of numerous projects through 360-degree virtual tours.

- Contactless entry in offices was explored and implemented through the help of different identification technologies such as facial recognition and QR codes.

Enterprise Architecture

In 2020, AEV and AboitizPower ventured into an Enterprise Architecture (EA) program, which aims to lay the foundations of people, processes, and technology needed to achieve business goals and aspirations. Through EA, we will effectively adopt emerging technologies in exploring business opportunities and leverage data and analytics to sharpen our competitive edge towards becoming a more dynamic and resilient organization.

Once established, the EA program will serve as the master plan to accelerate our business capabilities and innovate our products and services as part of the Aboitiz Group's continuing digital transformation journey. The program is expected to produce initial output this 2021.

Embracing a data-driven approach to a sustainable future

Even prior to the COVID-19 pandemic, the Aboitiz Group had already mapped out a strategy for harnessing the full potential of Data Science and Artificial Intelligence (DSAI) in advancing business and communities. As we embrace innovation further, DSAI will inform every decision, guide every interaction, and drive every process to deliver optimal business outcomes. DSAI will be at the center of every successful Aboitiz business, where our team members are equipped to turn insight into action and deliver data science solutions that would create the best experience for all our stakeholders.

Across the Group, we are seeing gains from our data-driven approach to our sustainability, efficiency, and business objectives. We will continue to build on these gains through demonstration, awareness, enablement, and ecosystem partnership in order to deliver data science solutions that empower our communities towards achieving optimal business outcomes that will drive change for a better world.

Integrated management through better processes and systems

We remain committed to growing our business in a manner that has the least adverse effect on the environment, people, and communities. Our subsidiaries and business units abide by extensive and increasingly stringent safety, health, and environmental laws and regulations. We have designated pollution control officers in our different business units to monitor compliance with these regulations. Upholding the well-being of our team members at all times, we adhere to strict standards and constantly improve the conduct of our operations to ensure a safe workplace.

In the midst of a global pandemic, our strict implementation of COVID-19 safety protocols are aligned with government-mandated minimum health standards. A Return-to-Work playbook has been put together by our COVID-19 Technical Working Group, which consolidates protocols and guidelines that need to be followed in order to protect all our team members across the Group. This playbook is consistently updated and communicated to all team members via existing digital communication platforms.

The Aboitiz Integrated Management System (AIMS) represents our commitment to implement our Information Security Management System (ISMS) and our Quality Management System (QMS). The ISMS safeguards the confidentiality, integrity, and availability of company information, while the QMS makes certain that systems are always updated and improved across our corporate service units.

We, likewise, subscribe to the Department of Energy’s Energy Regulation 1-94 that requires power generation companies to allocate funds for their host communities to protect both the natural environment and the people living in the area.

UnionBank is keeping its promise to integrate environmental sustainability into its operations with 21 of its branches now LEED-certified. LEED, or Leadership in Energy and Environmental Design, is an internationally recognized standard for green buildings that promote healthy, durable, affordable, and environmental practices in building and construction.

For the Food Group, the Pilimco Integrated Management System (IMS) ensures that all team members are guided in their decisions and activities pertaining to quality, information security, halal assurance, as well as HACCP (Hazard Analysis Critical Control Points) food safety and good manufacturing practices.

Occupational Health and Safety (OSH)

As we have emphasized, the health and safety of the team members remains our top priority to ensure a sustainable work environment. The Group is guided by applicable Occupational Health and Safety Standards set by the Department of Labor and Employment (DOLE). Part of our IMS is to recognize and identify health and safety risks, and to set out policies and processes to mitigate and address risks.

AEV and its subsidiaries’ occupational health and safety guidelines cover both organic and contracted employees working in our facilities. Contractors may have no employer-employee relationship but are, nonetheless, covered by the company’s “prevailing influence”. “Prevailing Influence” is when contracted employees are required to adhere to safety rules and regulations laid down by the company or to use methods, processes, or other techniques provided by the company.

Aboitiz employs a process of hazard aspect identification, risk assessment, and setting out of controls (HAIRADC process) through the different Safety and Health, Environment, and Security Teams in the Group. Results of these processes are evaluated and included in our Operational Risk Management Plans.

Health services are made available to our team members whether they are in a work-from-home set-up, reporting to the office, or staying at operations facilities. These are prepared with careful consideration of the impacts of the pandemic in the work conditions. Medical teleconsultations are made available for team members working from home while designated clinics are set-up at our operations facilities. Services covered by the company’s external medical insurance providers are also being utilized and recommended.

The Group ensures continued OSH awareness for its team members by conducting trainings and drill exercises. The Mandatory Eight-hour Safety and Health webinar (MESH) is a DOLE requirement for employers to provide to all of its employees. Topics covered are introduction and understanding of OSH, administrative, statutory and legal requirements, basic safety rules and measures on workplace hazards, HAIRADC, and emergency response. This provides the needed training and increases the awareness of employees on safety, increasing employee engagement as well. Prior to the pandemic, this training was conducted face-to-face, typically at our corporate offices. Converting it to a webinar allowed the course to be taken by more team members across the Group and from all our locations. The training material continues to

be available on-demand for future team members’ training and awareness.

Team member inclusion in OSH discussions is also an important practice. The Aboitiz Safety Committees organized in the corporate headquarters and strategic business units deliver the following:

- Ensure that the occupational safety and health program in the workplace is observed and enforced
- Create avenues to discuss OSH operational guidelines
- Promote and maintain an atmosphere of open and harmonious discussion of safety issues for the prevention of accidents and injuries and control of hazard
- Deliver the OSH trainings, drill exercises and OSH audits
- Conduct monthly office/facility safety inspections

- Develop and deliver training and awareness eLearning modules for office safety as well as acts as Disaster Preparedness Committee during calamities such as typhoons and earthquakes.

In 2020, our strategic business units launched different OSH programs, including AboitizPower’s WATCHApp (Behavior Based Safety Mobile Application Program) used by team members, contractors, and visitors to report safety-related observations. This tool allows the company to monitor and quickly address safety concerns in the workplace. Pilimco, in encouraging and promoting safe workplace behavior, launched its Safety Reward System: Safety Ambassador of the Month program wherein good safety performance and behaviors of employees are recognized on a monthly basis.

Certifications

Power	Power Distribution	
	ISO 9001 - Quality Management System Visayan Electric Company, Inc.; Davao Light and Power Company, Inc.; Cotabato Light and Power Company; Subic Enerzone Corporation; Balamban Enerzone Corporation; Mactan Enerzone Corporation; Lima Enerzone Corporation	
	ISO 45001 - Occupational Health and Safety Visayan Electric Company, Inc.; Davao Light and Power Company, Inc.; Cotabato Light and Power Company; Subic Enerzone Corporation; Balamban Enerzone Corporation; Mactan Enerzone Corporation; Lima Enerzone Corporation	
	ISO 14000 - Environmental Management Visayan Electric Company, Inc.; Davao Light and Power Company, Inc.; Cotabato Light and Power Company; Subic Enerzone Corporation; Balamban Enerzone Corporation; Mactan Enerzone Corporation; Lima Enerzone Corporation	
	Power Generation	
	ISO 9001 - Quality Management System Hedcor, Inc.; Hedcor Sabangan, Inc.; Luzon Hydro Corporation; Hedcor Sibulan, Inc.; Hedcor Tudaya, Inc.; Therma Mobile Inc, Cebu Private Power Corporation; East Asia Utilities Corporation; Therma Marine, Inc.	
	ISO 27001 - Information Security Management Hedcor, Inc; Hedcor Sibulan; Hedcor Tudaya; Hedcor Sabangan; Luzon Hydro Corporation; Therma Mobile Inc, Cebu Private Power Corporation; East Asia Utilities Corporation; Therma Marine, Inc.	
	ISO 45001 - Occupational Health and Safety Hedcor, Inc; Hedcor Sabangan, Inc.; Luzon Hydro Corporation.; Hedcor Sibulan, Inc.; Hedcor Tudaya, Inc.; Therma Mobile Inc, Cebu Private Power Corporation; East Asia Utilities Corporation; Therma Marine, Inc.	
	ISO 14001 - Environmental Management Hedcor, Inc; Hedcor Sabangan, Inc.; Luzon Hydro Corporation.; Hedcor Sibulan, Inc.; Hedcor Tudaya, Inc.; Therma Mobile Inc, Cebu Private Power Corporation; East Asia Utilities Corporation; Therma Marine, Inc.	
	ISO 55001 Hedcor, Inc.; Hedcor Sabangan, Inc.; Luzon Hydro Corporation.; Hedcor Sibulan, Inc.; Hedcor Tudaya, Inc.; Therma Mobile Inc, Cebu Private Power Corporation; East Asia Utilities Corporation; Therma Marine, Inc.	
Banking and Financial Services	ISO 22301 - Business Continuity Management Luzon Hydro Corporation.; Hedcor Sibulan, Inc.; Hedcor Tudaya, Inc.; Therma Mobile Inc, Cebu Private Power Corporation; East Asia Utilities Corporation; Therma Marine, Inc.	
	ISO 50001 - Energy Management Therma Mobile Inc, Cebu Private Power Corporation; East Asia Utilities Corporation; Therma Marine, Inc., Therma Power-Visayas, Inc.	
	ISO 9001- Quality Management Systems PETNET	
Food	ISO 9001 - Quality Management Iligan Flour Plant, Iligan Feeds Plant, Tarlac Feedmill	ISPS Code Certification Pilimco Iligan Port
	Halal (IDCP, MUI, HDIP) Iligan Flour Plant	NMIS (AAA, HACCP) Tarlac Meat Masters
	HACCP Iligan Flour and Feeds, Tarlac Feeds, Tarlac Egg Grading	

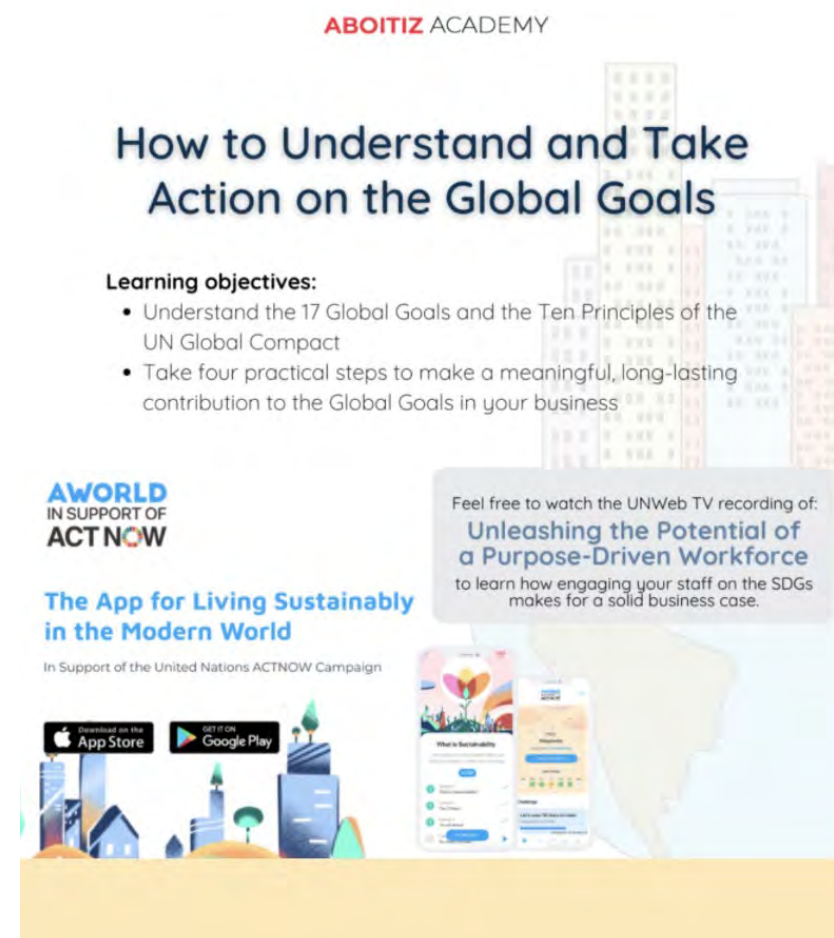
Aboitiz Sustainability Programs

The Aboitiz Group believes in taking serious action towards creating a sustainable future. By aligning with the UN Sustainable Development Goals, we implement and strengthen our sustainability programs that aim to minimize and address the impact of climate change on the environment and society.

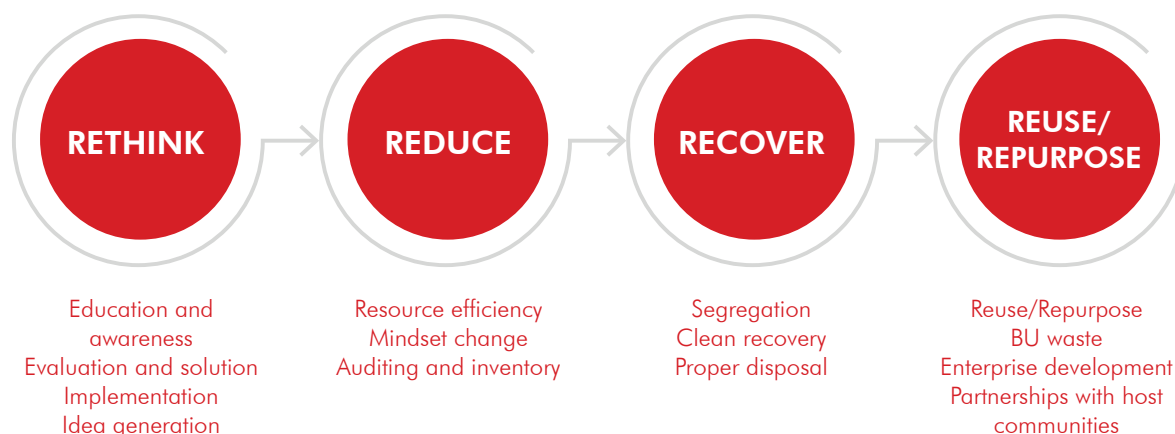
Resource Efficiency and Waste Management

Our Race to Reduce (R2R) programs at our strategic business units have paved the way for addressing concerns related to biodiversity, resource efficiency, and waste management.

In 2020, our team member engagement campaigns continued to promote lifestyle changes that reduce carbon emission and water consumption in daily routines. This includes the Global Goals awareness campaign of the United Nations on UN Day, cascaded through the Aboitiz Academy.



Wealth Out of Waste Framework



Our unified waste management framework called Wealth Out of Waste (WOW) is designed to increase efficiency, engagement, and even revenue. In support of RA 9003 (Solid Waste Management Act) and RA 6969 (Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990), our strategic business units identify waste management plans, develop policies, and implement and audit processes for the management of hazardous solid waste and effluent. Through WOW, we are able to identify gaps and consolidate our existing waste management efforts into a single direction that maximizes positive impact both internally and externally.

Climate-related Action and Programs

A-PARK Program

The Department of Environment and Natural Resources (DENR) extended its National Greening Program to 2028 to revitalize what it cited as the remaining unproductive, denuded, and degraded forestlands in the country through reforestation initiatives. The Aboitiz Group participated in this program and has even transcended its target to plant 9 million trees by 2020. As of December 31, 2020, the group has planted 11.73 million trees in partnership with the tree-growing project of Ramon Aboitiz Foundation, Inc., Philippine Business for Social Progress, and the carbon sink program of Therma South, Inc. and Therma Visayas Inc. Collectively, this is the Group's contribution to help mitigate climate change, making PHP474,494 million in total investments.

Local Climate Change Action Planning (LCCAP) Program

We partnered with the Climate Change Commission in conducting training on Local Climate Change Action Planning to increase capacities of local municipalities. Communities learn to become climate-resilient by identifying risks and vulnerabilities and developing long-term strategies to reduce risk and future losses on livelihood, human settlements, and resources. Coastal Ecosystems.

Ecosystem-based Biodiversity Management

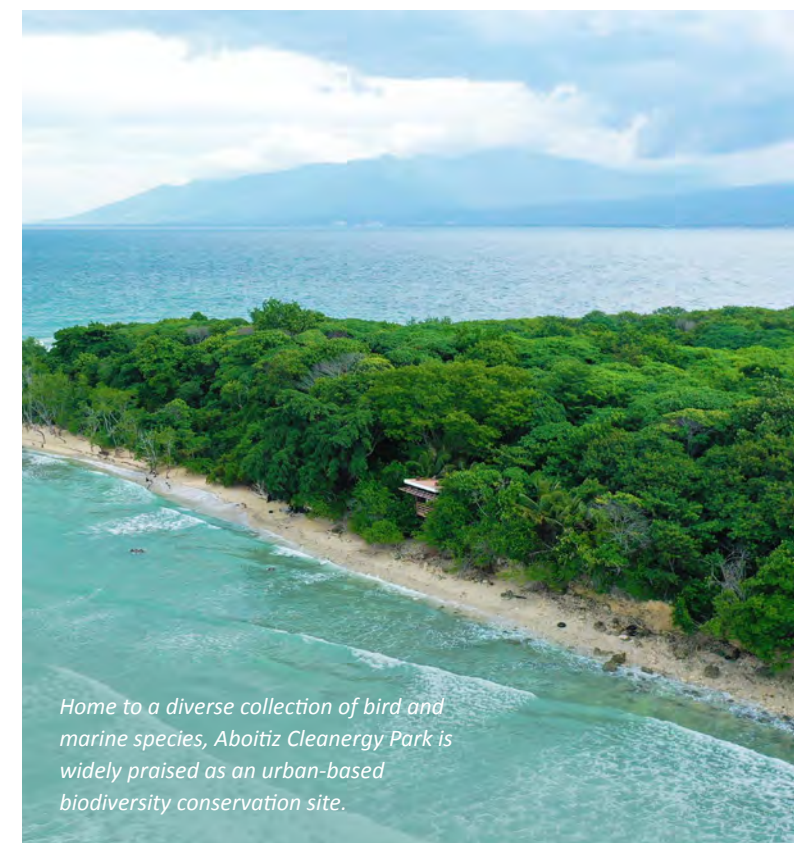
Led by its different strategic business units, the Aboitiz Group initiated programs to manage our impact on Life on Water (SDG 14) and Life on Land (SDG 15). Initial environmental impact assessments for business projects have led to management of different flora and fauna species in different ecosystems adjacent to where our business units operate.

Coastal Ecosystems

In 2020, the Aboitiz Cleanergy Park was cited by a local expert as a birdwatching haven, with its wide variety of animal habitat types combined with the area's relative isolation and secure environment.

The eight-hectare park is home to a mangrove reforestation site, nursery, botanical garden for the propagation of 29 natives tree species, and 100 species of birds. Since 2014, the park has nurtured and released more than 4,939 hawksbill turtle hatchlings, planted 13,992 mangroves, and rescued 16 pawikans (sea turtles).

We also have the Calubcub 2: Pawikan Conservation at AboitizLand's Seafront Residences residential development project in San Juan, Batangas. It was launched to protect local biodiversity, lessen the environmental impact, and create a sustainable and eco-friendly seaside community. The partnership between AboitizLand and UP Diliman-Institute of Environmental Science and Meteorology paved the way towards achieving the company's goals in conducting research, setting up standard facilities for the pawikan, and monitoring & evaluation of environmental impact. It also espoused conservation operations, capacity building, and Information, Education and Communication (IEC) activities within the community of the vecinos, including the barangay. Now in its third year, the program has recorded a total of 1,181 pawikan hatchlings released.



Home to a diverse collection of bird and marine species, Aboitiz Cleanergy Park is widely praised as an urban-based biodiversity conservation site.



Forest Ecosystems

The A-Park program is our nationwide reforestation initiative, under which planted trees play key roles in the Group's overall carbon sequestration thrust and action on climate change, specifically SDG 13 (Take urgent action to combat climate change and its impacts) and SDG 17 (Institutional partnerships to revitalize the global partnership for sustainable development). The program also serves as our contribution to the government's greening efforts in partnership with the DENR.

In 2010, AboitizPower adopted Pangarap, one of the country's few remaining female Philippine eagles. The company allocates funding for food, veterinary care, and shelter maintenance for the 22-year-old eagle, which was captive-bred and raised through a combination of hand- and puppet-rearing. Pangarap remains in the care of the Philippine Eagle Foundation (PEF) in Davao City and continues to symbolize the Aboitiz Group's hopes and dreams both in wildlife conservation and for the Philippines as a country to take flight. Since she was first adopted, Pangarap remains in good health and is one of the few eagles still eligible to reproduce and regrow her species' population.

Wetlands and Rivers

Balabag Wetland Park (Wetland 4)

The pandemic did not halt our continued efforts for the rehabilitation of Balabag Wetland Park in Boracay, Aklan. Set for turnover in 2021, the entire wetland area is being converted to an urban linear park with these enhancements:

- Five aerators to improve the water quality
- A 3D 'Boracay' letter signage as a design feature and point of interest
- Community center in front of D'Mall; to also serve as an activity area
- Perimeter landscaping and pavers covering its entire surrounding
- Parking area for proper loading and unloading of visitors

Among the key upcoming features are a plaza and a boardwalk lined with trees and plants endemic to Boracay to help rebuild the area's biodiversity. These will be constructed by the partner government agency in 2021.

San Juan River Rehabilitation

The partnership between Aboitiz and the DENR for #WOWSanJuanRiver or the San Juan River (Manila Bay) Rehabilitation Project is continuously being implemented through stakeholder engagements involving different government agencies. This involves the development of a working framework and creating a model for other Manila Bay tributaries. Included in the pipeline are 'eco-hubs', trash traps, and a small boat to clear areas and sections of the river.

Sustainability Education

Cleanergy Center, AboitizPower's first energy educational facility, is located in the Admin Compound of MakBan Geothermal Power Plant in Brgy. Bitin, Bay, Laguna. It features basic tools used in power generation, educational videos about the different types of energy sources, a tour of a working geothermal power plant, and an interactive room where visitors can experience simulation activities like making their own wind turbine, charging phones by biking, among others. A total of 56,000 visitors have toured the Center to learn how AboitizPower produces renewable energy and provides energy solutions that leave a lighter impact on our environment and host communities.

In Davao, AboitizPower's **Energy Education Center (EEC)** was opened in 2016 and is located inside Therna South's baseload power plant complex. It features interactive and informative displays on the Philippine energy sector and various power-generating technologies. As of 2020, the center has welcomed about 3,500 visitors.

Other Projects

In partnership with the City Government of Davao, the Aboitiz Group through Davao Light & Power Company (Davao Light) and Aboitiz Foundation, GET Philippines, and QEV Technologies launched the BEST Bus project – the first fully electric, free shuttle service in Mindanao. Likewise, Davao City holds the distinction of being among the project's first pilot locations.

BEST stands for Business for Environmentally Sustainable Transformation and is an initiative advocating to "be green, be digital, and be kind" for the betterment of the community. In significantly reducing harmful emissions, maximizing available new technologies, and encouraging inclusive benefits for all, the BEST Bus project aims to leave a lasting impact on environmental sustainability. A total of seven new fully air-conditioned electric buses that feature an electric ramp and reserved space for PWDs have been made available to the public. The BEST Bus operates daily on two downtown routes that pass through Davao City's major activity centers and with bus stops every 400 meters along the way.

The **Community-Based Disaster Risk Reduction and Management** program is a customized approach that promotes localized decision-making and implementation to reduce vulnerabilities and promote zero casualties in disaster situations.

Through the **Cooperative Business Continuity Plan**, micro, small and medium enterprises conducted business continuity planning to strengthen community enterprise and to reduce their vulnerability to the impacts of unforeseen events, including major emergencies and disasters. In 2020, in lieu of in-person trainings discontinued in the pandemic, e-learning seminars were conducted by Aboitiz Foundation in partnership with the Department of Agriculture, Cooperative Development Authority, and Go Negosyo.



BEST Bus is a fully electric, free-ride shuttle that residents of Davao City are now able to enjoy.

Risk Management: Supporting Business Growth and Sustainability

The Aboitiz Group believes that a balance between business priorities and societal needs is needed for a sustainable future. The AEV Risk Management Team supports the Group's sustainability efforts by ensuring that we have an Enterprise Risk Management program that helps manage sustainability issues and create shared value for our communities. We are able to accomplish this by utilizing a robust risk management process, creating awareness, and building team member capabilities while maximizing available resources and technologies.

The year 2020 underscored the importance of Risk Management in organizations. Our well-established Enterprise Risk Management program, with its Level 4 Risk Maturity rating, backed the Group's resilience during the unprecedented pandemic. Risk Management will continue to take a full organizational approach, integrating with other business functions to drive a clearer understanding of our risks.

Managing Top Risks

To ensure that we are managing risks that are relevant to our business goals, we regularly review

the Risk Management Plans of all Aboitiz Group business units and discuss these with senior management and the Board.

Pandemic Risk

In 2020, one of the major risks that we closely monitored was the Pandemic Risk, which covers communicable diseases such as COVID-19. The virus outbreak triggered a shift in our organization's risk profile. The imposition of the Enhanced Community Quarantine (ECQ) in the Philippines caused limitations in the people's movements, disruptions in project operations, and customers' changing priorities. All these resulted in:

- A decline in the demand and consumption of goods and services.
- Some customers were unable to meet their financial obligations because of the closure of many businesses and increased unemployment.
- Getting project funding was also affected since the decreased economic activity and the anticipated downgrade in credit ratings of companies caused tight market conditions that resulted in lower credit appetite of lenders.

- The shift to a work-from-home setup increased the risk of information security and may have had possible negative effects on the well-being of some team members.
- New regulations and legislations were issued by the government that we had to constantly align to and comply with.

To manage these risks, we put in place different treatment plans and controls such as, but not limited to the:

- Continuous review and update of plans and processes to align with the changing environment and requirements
- Launch of awareness campaigns
- Maximization of digital platforms
- Strict enforcement of health and safety protocols in sites and facilities
- Health and wellness initiatives to protect the psychological and mental health of employees

Apart from the risks enumerated above, we recognized the opportunities that emerged from this pandemic. The disruption in the supply chain accelerated the shift to a hybrid workplace that was already being implemented in some business units. While it has some challenges, this current set-up enabled us to test the effectiveness of our IT capabilities that we had started to develop and roll out pre-pandemic. The delays in project execution and the decline in market demand drove the accelerated planning and implementation of initiatives with minimal or no investment required. We continued nonstop in extending help to communities, re-channeling our resources to align with helping the medical communities and local governments in their COVID-19 response efforts.

Project Risk

Project Risk remains to be one of the Group's top risks. COVID-19 travel restrictions and mandated community quarantines caused delays in the completion of existing projects. While the pandemic affected the operations timeline of some of the Group's projects, it also opened an opportunity for us to explore other initiatives that could be more effective and efficient.



The disruptions caused by the pandemic necessitated a shift in the Group's risk profile

Risk management is the practice of ensuring the stability and success of a project. We carefully evaluate each significant and potential project to gain a more rigorous understanding of the risks involved. Lessons-learned sessions are part of our process for each major milestone, enabling the team to celebrate quick wins, learn from past or current challenges, and seize emerging opportunities from the project. This practice enhances the company's ability to capture opportunities that help define the organization's future.

Regulatory Risk

We give a significant amount of attention to regulatory risks, as the Group is engaged in highly-regulated industries such as power, banking, food, infrastructure, and construction. Each industry has specific regulatory risks, but what is common among them is that regulations are usually challenging and constantly changing. It is therefore imperative for us to keep up with the demands of regulatory compliance, as failure to do so will have negative consequences on both the Group's net income and reputation.

To mitigate regulatory risk, we forecast how regulations and legislation will affect our various



LIVE FROM NAC TOWER, BONIFACIO GLOBAL CITY, TAGUIG
ABOITIZ GROUP ONLINE DISCUSSION ON COVID-19

businesses, and we prepare plans for expected changes, rather than just waiting for new regulations to be imposed. We work closely with the Corporate External Relations and Legal teams in monitoring any changes in laws and regulations. We also participate in consultative processes for more public discussions on the necessity or propriety of specific regulations; their relevance to current business practices; and technology changes that could lead to the development of new regulations and policies that will be beneficial to the Group.

In our efforts to innovate regulatory risk management, we are rolling out the Aboitiz Unified Compliance Management System, based on the Governance, Risk, and Compliance methodology. This system enables us to have better compliance management and oversight because of the availability of more data and information.

Information Security Risk

Information security risk remains as one of the top risks managed by the Group, due to the increasing number of information security breach events happening globally, both for Information Technology (IT) and Operations Technology (OT). The COVID-19 pandemic increased this risk as people work from home and conduct various transactions online.

The Group was able to avoid breaches in 2020, as a result of our efforts in building an information security risk-aware culture that strengthens the prevention, detection, and comprehensive response process of team members. We also continue to strengthen our security and resilience through our Information Security Management System (ISMS) and Operational Technology (OT) Security Governance. It is imperative to enforce these security measures as breaches can have catastrophic implications on the organization's bottom line and reputation.

The Group continues its journey to achieve Level 4 in Cyber Security Maturity, which means having a formal cybersecurity policy that covers all critical systems as well as the means to measure and monitor cybersecurity activities and behavior.

Different IT and OT Teams across the Group together built a roadmap geared towards strengthening our technology, people, and processes.

Talent Risk

Talent risk encompasses the acquisition, retention, and optimization of team members across the Group. In 2020, we revisited the context of this risk as well as the identified treatments to ensure their alignment with the Group's response to the COVID-19 pandemic. We acknowledge that the pandemic has strongly affected the day-to-day life of our team members and will require their adapting to new competencies to support the agility, resilience, and psychological engagement they need to thrive.

The inability to prepare and manage the impact of this risk may cause potential delays in executing various deliverables, which could eventually lead to missed business opportunities. The current situation may also negatively affect the team members' mental, physical, and psychological well-being.

As a response, engagement programs across the different business units were enhanced, and plans for digital learning and development were accelerated to ensure that the ongoing work-from-home set-up will not halt the development of all our team members and leaders.

Enterprise Risk Management (ERM)

To adapt to the changing environment, we revisited the Financial and Supply Chain Risk Management Frameworks and the Group Risk Management Competencies in 2020. In light of the pandemic, we incorporated many revisions and the enhancements in our risk treatment plans. We also started to formalize the Pandemic Risk Management Framework as a guide for current and future occurrences. In collaboration with our external partners, we continued to build the risk management capability of the organization through e-learning and other knowledge-sharing sessions on risk topics.

We will continue to collaborate with the Strategy and Reputation Teams for the sustainability and climate risk-related initiatives of the Group; the output will eventually be integrated into the Risk Management Framework. In 2021, apart from our ERM operational activities, we will start setting up our Risk Management and Risk Finance systems. We will also enhance our existing Risk Framework to better support the management of the Group's top risks and material sustainability issues, including climate-related risks.

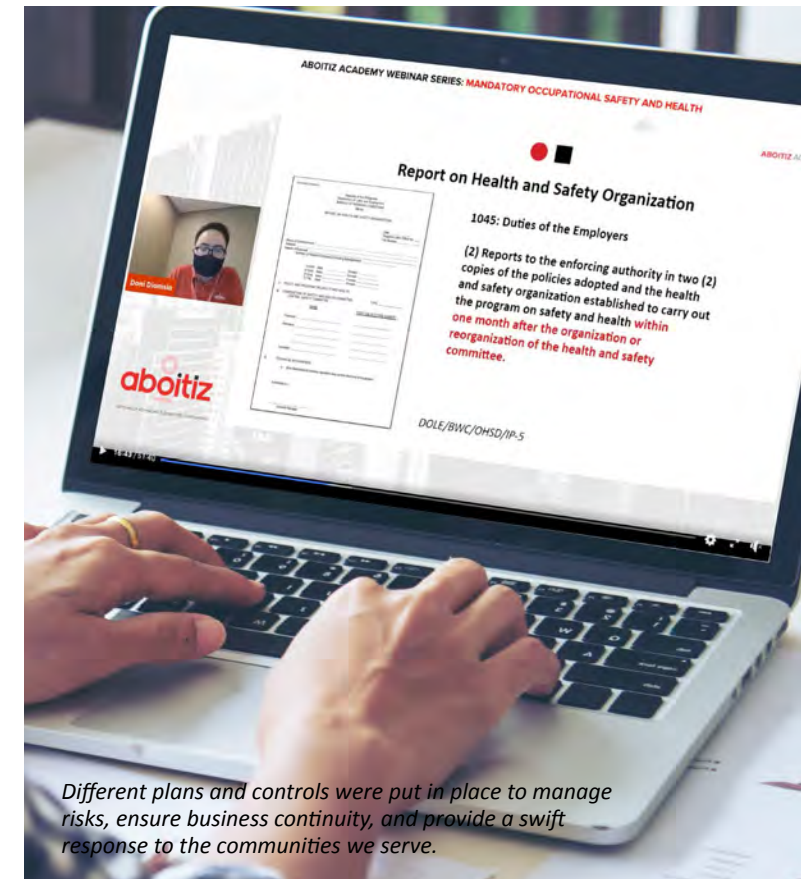
Risk Finance in a Hardening Insurance Market

In 2020, the insurance market continued to harden, resulting in a steady increase in premium rates, difficulty to place 100% of risks, and reductions in policy covers or terms. We expect this situation to be aggravated by the impact of the pandemic and will carry on for the next couple of years. Thus, we focused on continuously improving the Group's risk profile through a regular review of risk treatment and business continuity plans, the implementation of asset management (ISO 55001), and addressing areas for improvement identified in our risk engineering surveys.

In 2021, in aiming to minimize the impact of the hardened insurance market, we will continue to explore new insurance markets to lessen placement difficulty, study the viability of non-traditional risk transfer programs to mitigate identified risks, and optimize our captive participation to manage the increase in risk transfer costs.

Business Continuity Management (BCM)

The successive disruptive events in 2020 – the COVID-19 outbreak, the Taal eruption, and other natural disasters – put to the test not only our existing business continuity plans but also the responsiveness of our organization. We formed Technical Working Groups (TWGs) to actively monitor situations and we activated applicable Business Continuity Plans. Various guidelines, protocols, and initiatives were developed and





Technical Working Groups monitor different situations that may impact the company and initiate business continuity plans when applicable.

maintained in our business units Group-wide, to protect not only the Group's interests but also our people. Despite the ongoing disruptions, we were able to carry on with our BCM maintenance activities. These included completing the Group-wide Incident Management Guidelines, updating our Business Impact Analysis (which aims to allocate and use recovery resources more efficiently), and improving our capability building activities by developing new tools and instructional guides.

In 2021, we will pursue our COVID-19 response initiatives and strengthen our operational resilience through the continuous enhancement of our BCM capabilities. Our frameworks and guidelines will help in the Group's integrated efforts in prevention, preparedness, response, and recovery. We will also look into new scenarios that may develop as a result of climate change.

Part of our business continuity plan review will include a reassessment of the natural catastrophe scenarios that each site is exposed to, their

potential increase in frequency and magnitude and the sufficiency of the current plans in addressing the scenarios. We will continue to educate our people and generate awareness through training, industry benchmarking, and leveraging best practices.

Information Security Management Systems (ISMS) Awareness and Capability Building

In 2020, we strengthened the Group's ISMS Program by improving processes, technology, and most importantly, our people.

People – We rolled out four eLearning modules, including topics such as making our suppliers our partners in securing our information assets, and managing information security incidents. These completed our 24-month roll-out of our ISMS eLearning for the Group. Despite the work-from-home set-up, we were able to push through with activities for the Information and CyberSecurity Awareness Month in November. In partnership with the IT Security Team, we held a series of learning sessions for the whole month. In 2021, we will continue working closely with our partners to ensure a holistic approach to managing information security risks. We will also pursue capability-building activities focusing on information security where there are recorded non-compliances and incidents.

Process – We were able to complete the gap assessment on cybersecurity across the Group in collaboration with AEV IT Security. We enhanced our cyber risk incident management processes by conducting various simulation exercises and we will continue these activities in 2021. We also intensified our compliance efforts for the Data Privacy Act by integrating the monitoring of our Information Security controls with Pillar 4 of Data Privacy.

Technology - Together with the IT Security team, we improved the Group's detection and monitoring systems by using more fit-for-purpose technologies. We also partnered with key vendors who will assist us in global threat intelligence and digital forensics investigation.

Internal Audit in the history of Aboitiz

On February 4, 1920, the Bureau of Commerce and Industry approved the corporation papers of Aboitiz y Compania Incorporada, capitalized at PHP1.25 million and PHP500,000 in paid-up capital. A hundred years later, in 2020, Aboitiz had a capitalization of Php10 billion with PHP5.7 billion paid-up. This is a growth of 8,000% for a company that started over a century ago as a trading business partnership between Paulino Aboitiz and Jose Muertegui.

Aboitiz and Company (ACO) survived many difficult situations, including near bankruptcy and war devastation. Resilience, business acumen, a sense of timing, and the “palabra de honor” of Aboitiz patriarch Don Ramon, steered the business to a path of continued growth and success. This is the Aboitiz Way.

Around thirty years before ACO took Aboitiz Equity Ventures Inc. (AEV) public in 1994, the internal audit function was already recognized as an integral part of the company's operations. Team leaders were committed to implementing effective internal controls, and had placed great importance on the internal audit function. They did these not only because a governing body like the Securities and Exchange Commission required it, but they also recognized the immense value of having an

independent assurance to ensure that the company's risk management, governance, and internal controls are operating effectively.

A quick lookback

- 1960s: The Internal Audit Team was established as a line function of ACO's Accounting Department.
- 1970s: The Internal Audit Team became a separate, independent unit.
- 1980s: Erramon Aboitiz took over the reins of the department.
- 1990s: The Corporate Audit Team (CAT) implemented many process changes and improvements such as adoption of the Peter's matrix format in audit reporting, acquisition of the first version of the Audit Command Language data analytics tool, and introduction of the audit Customer Satisfaction Survey.
- Early 2000s: Process enhancements continued in the next few years with the formalization of the Internal Audit charters, implementation of the Issues Monitoring matrix, introduction of the COSO-based audit rating, and intensified trainings for new auditors;
- 2012: The CAT was rebranded as the Group Internal Audit (GIA). Resident internal audit teams were formed in key business units to expand



Our internal audit team acts as an independent unit that ensures the company's functions and controls in management and governance are operating effectively.

the coverage scope of audit, increase vigilance, and establish expertise in the area of operational controls.

- **Present:** The GIA remains as the core internal audit team for AEV and for subsidiaries that do not have their own resident internal auditors. The team provides general oversight to the internal audit function across the Aboitiz Group.

As the Aboitiz Group continues to grow as one of the largest and most respected conglomerates in the country, our challenge is to ensure that the audit team is in step with this increasing level of excellence.

It is important to look at audit from the perspective that it is a long-term investment for a good night's rest and peace of mind. Internal audit works for the good of the organization — its people, its processes, and all its stakeholders. Each of them relies on auditors and compliance professionals to ensure that the company will maximize the utility expected of them without waste, inefficiency, or fraud. Internal audit's primary roles are:

- To provide assurance to management and the Board about the efficiency and effectiveness of company policies and operations, and the status of compliance with legal and statutory obligations;
- To provide oversight, assess existing controls, and recommend actions on identified gaps and weaknesses; and ultimately,
- To be a business partner and advisor to stakeholders.

The Role of Auditors

As auditors, we do not claim to be experts in everything but our aim is to always add value and venture outside what is comfortable by continuously learning about the different businesses and the external factors that affect them. We fully support the achievement of our organization's business objectives, goals, and mission whether for-profit or non-profit. We do our checks and balances. We ensure that a fair process is followed. We work towards being auditors that are risk-focused, skilled, and business-savvy. In

this ever-changing business landscape, we need to be able to constantly adapt and work towards accelerated competence building. Only then can we be able to truly add and contribute significantly to achieving sustainable shareholder value. Our vision is to be the most trusted partner in value creation in the management of governance, risk, and controls while living our corporate values of integrity, teamwork, innovation, and responsibility.

- **Courageous authenticity.** Our core value of **integrity** allows us to do what we do best—take tough stands, discuss the “undiscussables”, and openly deal with problems. Practicing courageous authenticity is instrumental for our stakeholders to see how well audit can be trusted to walk the talk.

- **Combined assurance.** Our core value of **teamwork** allows us to rely on the work of non-auditors. As internal auditors, we cannot claim to be the sole assurance providers in the organization because we have the ISO team, the quality auditors, the ISMS team, our security personnel, and subject-matter experts. They are the first and second line of defense. All contribute to providing assurance to management. Yet, we always fall into the trap of working in silos — to each his own. We need to combine and coordinate in reporting the output of these various assurance providers to create greater efficiencies and enhance transparency in the organization. Combined assurance, or drawing from the expertise of other assurance providers in the organization, will bring us to a higher level of maturity in risk management and assurance.

- **Continuous auditing.** The seeds have long been planted for us auditors to live our corporate value of **innovation**. We have the tools that allow auditors to leverage technology and perform real-time, continuous monitoring rather than just perform periodic reviews.

- **Source of talent.** Living the value of **responsibility** is to adhere to good corporate governance, advocate sustainability, and care for all our stakeholders. We ensure that they

take a fair share of the value creation that we auditors seek to provide as a trusted partner. A measure of success of a responsible auditor is when one becomes a first-pick, top-of-mind for frontline functions in the business units and departments that have been audited. When the internal audit department becomes a key source of talent, it is a testament to how well we lived the value of responsibility. It is worth noting that many key executives in the Aboitiz Group were once upon a time, auditors.

Our audit road map has been set but it is also fluid. Designed to thrive on change, it allows learning as we go along. We try to bring out the best in the team and to push for changing the organizational mindset to look at and accept audit as a trusted partner. We are not an opponent to be feared or a policeman who will accost and punish you for wrongdoings. We are a partner who supports and works towards improving the design, implementation, and effectiveness of the organization's objectives, programs, and activities. All these we do to help reduce the incidence of institutional fraud and overall operational gaps and weaknesses.

The events that are shaping our world, our personal lives and the way we do business today are unprecedented. Today, it is not about auditors being just objective but being objective with a sense of purpose. It is not about auditors being just independent but being interdependent and finding the best synergies in working with stakeholders. It is living the depth of this role that we play in Aboitiz that translates to helping society. After all, we have to model and live our sustainability mindset of doing well by doing good.

Why do we audit? Why are we in audit? One answer: auditors want to make a positive contribution to the organization—to have a sense of mission about the work we do. As the Aboitiz Group Internal Audit Team, we are poised to do our part in creating a new and future organization by developing a team that is highly visible, proactive, agile, driven, passionate, and ultimately, world-class. Audit has been that way for decades. Aboitiz has been that way for a hundred years. It will be like that for the next hundred. It is simply the Aboitiz way.



Among its many functions, the Group Internal Audit team works to reduce the incidence of fraud and operational gaps within the organization.

VISION

To be the most trusted partner in bridging value creation through meaningful and objective insights

MISSION

To **PARTNER**

Pro-active
Add value
Reliable
Team-player
Neutral
Empowered
Relevant

Talent Management in the Aboitiz Group

“

The Aboitiz Group continues to put people first during this difficult time through our support for the government and our brave medical and security frontliners. We remain committed to supporting our COVID-19 frontliners for the long term, and we hope our assistance makes a difference in this ongoing battle. ”

Aboitiz considers Building Human Capital as one of our four strategic pillars. This means being able to support the execution of the Group's strategies through people. We invest in resources and implement relevant programs that are focused on attracting, optimizing, and retaining the right talent. We also deliver an engaging talent experience through a seamless end-to-end HR service delivery. At the foundation of everything that we do, we create an environment and build a culture centered on our core values of integrity, teamwork, innovation, and responsibility.

The COVID-19 pandemic has largely affected how we do things, including the work landscape. For us in

the Aboitiz Group, the pandemic emphasized what should always be our top priority: our people.

COVID-19 also made us re-look at our talent management framework and strategy. Our strategic goal to attract, retain, optimize, and deliver a seamless talent experience through technology remains relevant. However, we refocused talent strategy to building organizational resiliency and capability to support the Group's long term strategy through resilient people and agile systems. We define resiliency as the demonstration of agility and flexibility to adapt quickly to the changing requirements of the job. It also entails effective execution at an accelerated speed, where needed.

Talent Attraction

Employer Brand

We continue to live our Employer Value Proposition (EVP) which are the key attributes that differentiate the Aboitiz Group as an employer. Despite the physical limitations imposed by the COVID-19 pandemic, we worked on increasing awareness of our EVP by communicating EVP stories on various social media platforms. Stories about how we are supporting team members' health and safety and how we are helping the community during the pandemic have gained much attention from our target audience on different platforms. Our engagement activities with academic institutions such as AIM and universities also continued albeit virtually.

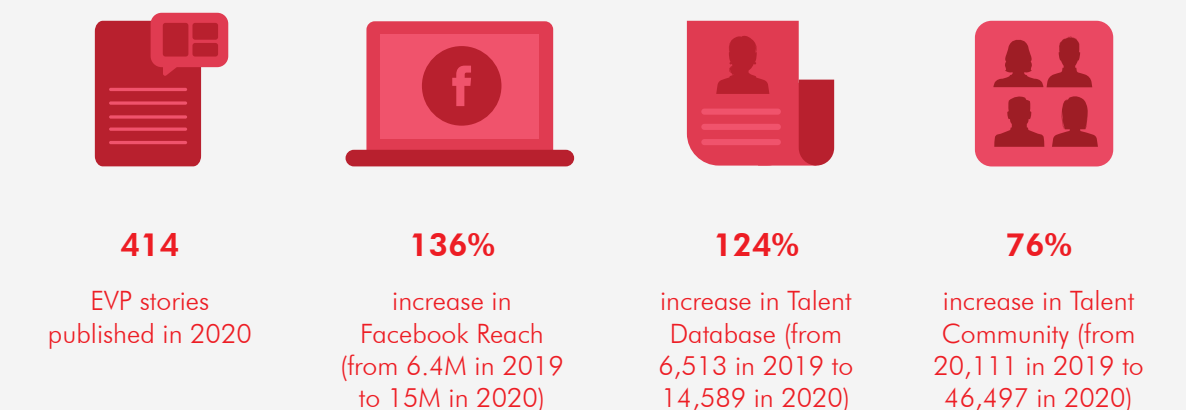


Aboitiz Employer Value Proposition:

A Future Built By You



2020 Highlights





“
In life, you have to plan where you’re going. And then,
wishing is not enough — you have to get your bugsay and row
your way there.”

—words from the late Bobby Aboitiz, talking about the Bugsay mindset

Through MyTX, AEV HR’s information system launched in 2019, we were able to mine talent information and segment the members of the talent community so we can provide personalized career data, job opportunities, and company information. Access to the talent database is given to Aboitiz Group Talent Attraction teams so they may match open positions with team members — providing opportunities for “bugsay” or self-driven development within the Group.

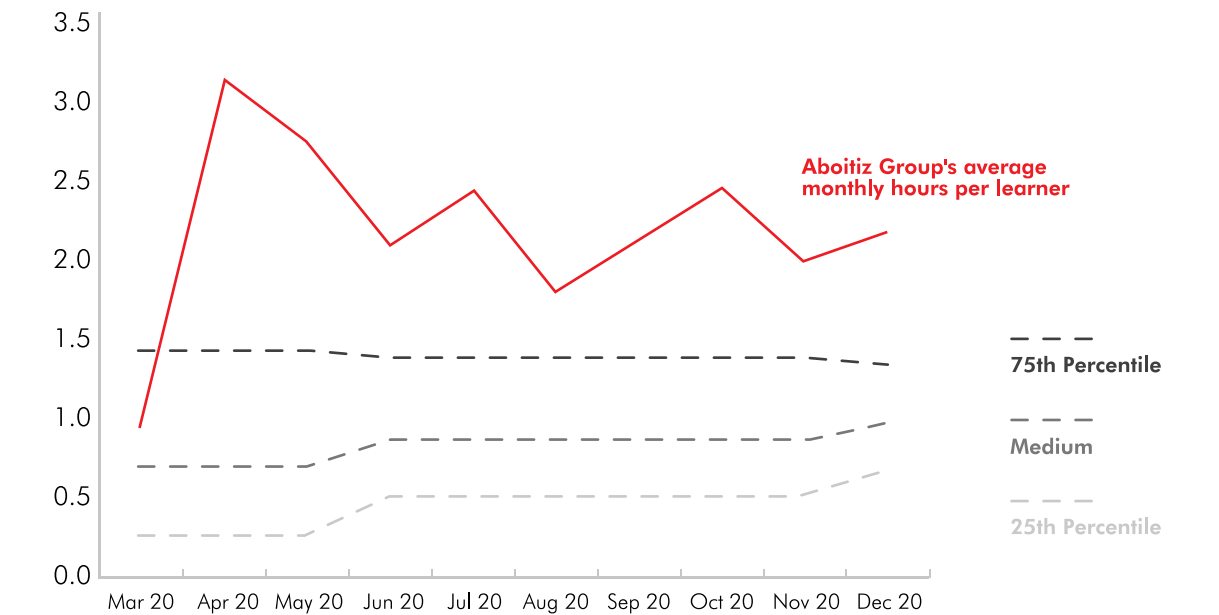
Talent Optimization

Digital Learning & Development
Despite the challenges we faced in 2020, we were steadfast in ensuring that learning and development continue to thrive across the Group. In March 2020, when most team members were deployed to work from home, the Aboitiz Academy

quickly pivoted to digital learning to make sure that there is no disruption in the learning and development of team members.

The Aboitiz Group subscription to LinkedIn Learning, an online educational platform that provides a wide variety of courses from different experts on topics such as leadership, creativity, and technology, started with 100 pilot users at the beginning of 2020. In June 2020, subscribers increased to 305 as business units and more team members started to adapt to online, on-demand learning. LinkedIn Learning users in the Group recorded a total of 3,780 learning hours, which is beyond the 75th percentile benchmark among the companies using the same platform in the Philippines. At the end of 2020, 1,700+ licenses are ready to be activated, signifying that more team members are embracing digital learning.

LinkedIn Learning's average monthly hours per learner



Aside from LinkedIn Learning, we also developed our own e-learning content. E-learning versions of core and compliance courses were developed by internal experts. All other instructor-led training sessions were done virtually using Zoom or Google Meet as platforms. Our learning and development initiatives such as Learning Lunes, Lunch and

Learn, Community Learning Sessions, and Leaders Connect continued and even gained more participation across the Group. The digital execution of these initiatives allowed us to scale up our offerings and invite team members and leaders outside Metro Manila and even in other countries.

e-Learning Course	Number of TMs who completed the course	Total Learning Hours
The Aboitiz Way	1,489	527 hours
Code of Ethics and Business Conduct	3,964	2,444 hours
BCM 101	527	79 hours
Basics of Risk Management	461	55 hours
Data Privacy Act 101	295	49 hours

The Aboitiz Mentoring Partnership Program, which was usually done through face-to-face meetings in the previous years, also shifted to online/virtual meetings. Despite the distance, Mentor-Mentee partnership increased by 19%.

Aboitiz Mentoring Partnership Program	2019	2020
Number of mentors	121	138
Number of mentees	216	288
Mentor-Mentee Partnerships	322	384

Competency Development

To ensure relevance in the changing and increasing complexity of work, the Aboitiz Group team leaders consistently review and update our competency framework. Team Leaders must remain culturally and emotionally connected with the “new normal” of engaging a hybrid workforce. The following were identified as necessary to prepare the organization for the future:

- The right attitude and defined core values
- Strong work ethic
- Strength of character to rise above difficult situations
- Resiliency – agility, flexibility, adaptability
- Technology/digital skills, creativity, innovative mindset

- Interpersonal skills – effective communication, emotional intelligence, empathy

We align our core and elective course offerings to these competencies and ascertain that we support reskilling & upskilling of our workforce. A leadership development program focused on Strategic Thinking and Innovation, Resilience and Leading Change is being developed to accelerate the development of future leaders in the organization.

Succession Management

Through the years, we have continuously improved our succession management processes, focusing on our critical talents across the Group.

The rigorous strategic workforce planning led to a more robust succession plan that helps us identify the leaders and successors that we need to develop and prepare for future roles in the organization. We have set the criteria to map talents and identify the high potentials and high performers across the Group. We have also established metrics to measure if we have a healthy succession plan and leadership pipeline. The two important metrics in succession are (1) Overall Sourcing Ratio, which means counting the number of positions that we fill internally versus positions that are filled by external sources; and (2) Succession Readiness, which is the number of “Ready Now” successors versus the number of positions with identified successors. Using a benchmark of 75% internal vs. 25% external sourcing ratio, we are currently at 76% internal vs. 24% external which is slightly above the benchmark. On succession readiness, the Aboitiz Group is at a satisfactory level based on external standards. By continuously identifying high-potential and high-performing talents, we are able to prepare them for future roles.

Talent Retention

Employee Engagement

Employee engagement is one of the most important goals in Aboitiz Talent Management.



Aboitiz Group President & CEO Sabin Aboitiz speaks at the first SuperDuperCon townhall in January 2020.

404-2

We want to cultivate a culture of values and engage the right talents in the organization to help in talent retention.

Aboitiz Group President and CEO Sabin Aboitiz is at the forefront of building a culture of values and engaging people at all levels. Since the start of his leadership in January 2020, he has communicated to all team members of the Group through a town hall meeting entitled SuperDuperCon (a revamped, group-wide version of SuperCon, which was conducted when he was CEO of Pilmico). SuperDuperCon serves as an opportunity for team leaders to listen to the questions of our team members, give answers, and provide clarity on matters that are unclear yet important to them. During the pandemic, this event was scaled up and live-streamed to different locations in the Philippines and Asia, allowing more team members to participate. We were able to complete a total of 17 episodes with a total of more than 47,000 views.

Aside from SuperDuperCon, our CEO also welcomes new team members through an onboarding activity called Welcome A-Board.

This engagement activity is highly appreciated by new team members and helps elevate their overall employee experience. In addition, small group discussions called UpClose with the CEO were organized to give team members and leaders a venue to get to know the Aboitiz Group CEO, ask him questions, learn more about values and culture, and also ask about company performance and direction. In 2020, there were a total of 14 sessions, participated by 145 team leaders and members across the Group.

Group Team Awards

The Aboitiz Way Group Team Awards was extra meaningful and valuable to team members as it allowed us to celebrate successes despite the challenges of 2020. A total of 43 nominations were received from across all the units in the group, all exemplifying the time-tested Aboitiz values. More than the award and recognition given to the chosen winners, it is the impact that they create that matters – not only to the team members and the organization but also to the communities that we serve.

The winners for the 2020 Aboitiz Group Team Awards came from different business units across the Group:



INTEGRITY

Concentrate Plus by Food Group (Indonesia)



TEAMWORK

Building Solar, Breaking Silos by SN Aboitiz Power



INNOVATION (BREAKTHROUGH)

IPADDS by Davao Light and Power Company



INNOVATION (IMPROVEMENT)

Retail Loans Platform – Mortgage by UnionBank



RESPONSIBILITY

Project Community Latrine by the COAL Business Unit

Health and Wellness

Health and wellness have become the top concern of team members due to the ongoing COVID-19 pandemic. Some team members experienced anxiety because of the virus, some are adjusting to their work arrangements which are sometimes not ideal – with limited or intermittent connection, distractions, inadequate workspace, etc. There is also a perceived increase in workload, increasing time pressure, and more need for leadership support.

To address these issues, all business units implemented mental health and wellness

programs, designed based on the needs of their respective team members:

- Regularly conducted pulse surveys and check-ins with team members
- Communications at different levels and venues (i.e. Teleconsultations, counseling sessions, 24/7 chat lines) were made available so that team member concerns are heard and addressed
- Medical benefits covering mental health and wellness
- Health-related learning sessions through LinkedIn Learning, speakers, newsletters,

and other learning materials

- Online fitness activities such as exercise classes and yoga
- Continuous review and updating of our company guidelines and processes for work from home, hybrid work arrangements, and team member benefits
- The C-Focused Fridays program was introduced in 2020 to provide team members a specific, uniform time block during the week to enhance employee experience and support well-being and development.

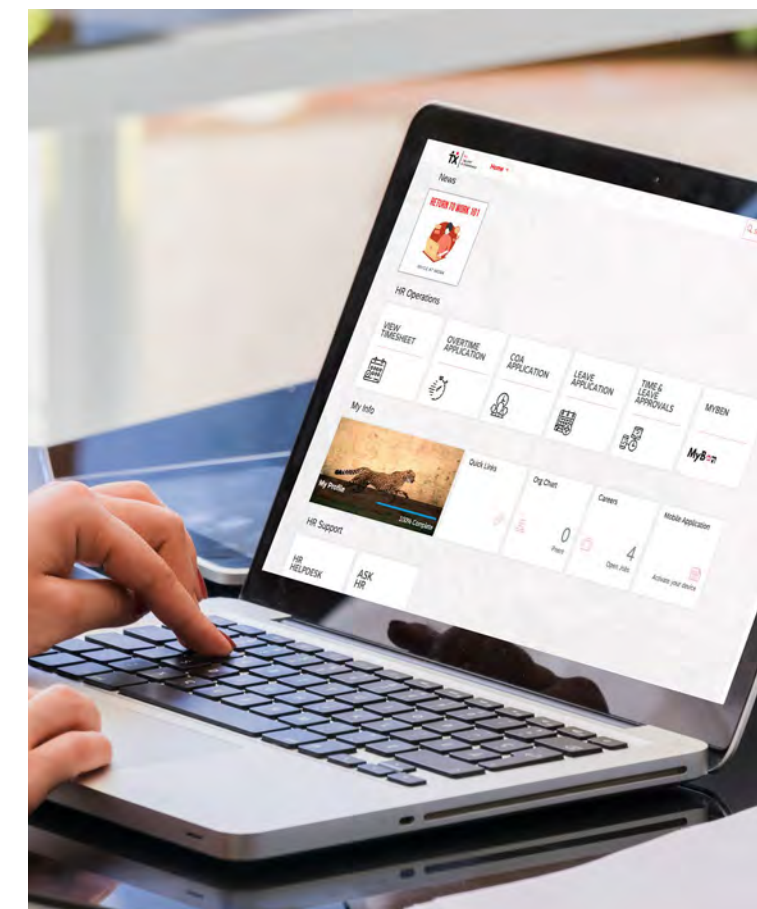
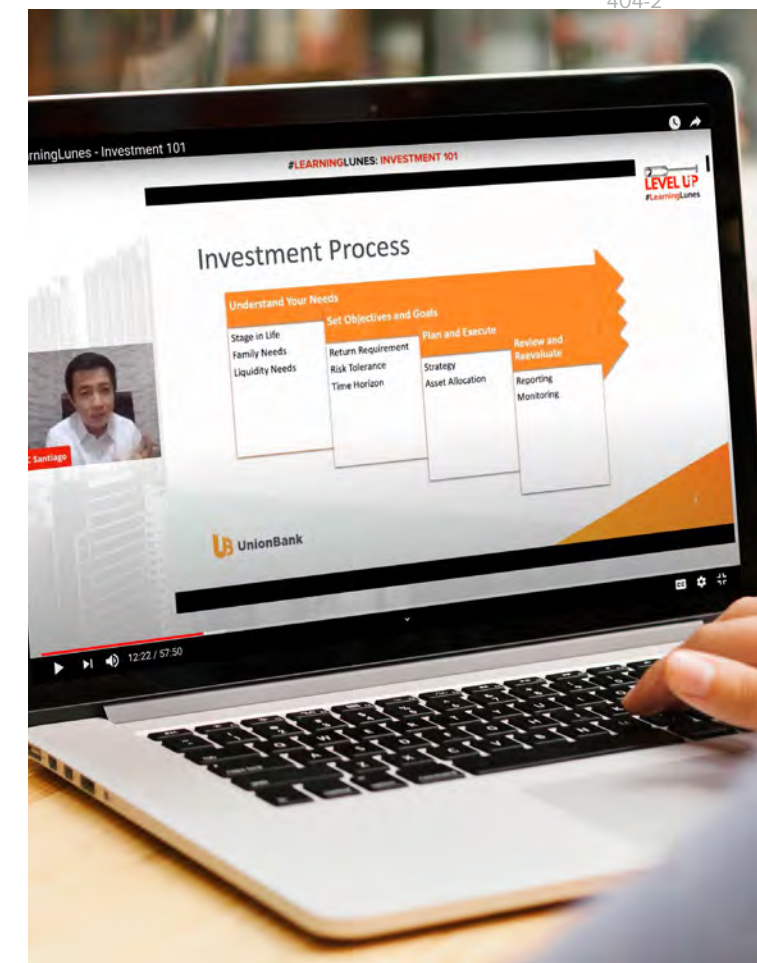
HR Service Delivery

HR service delivery is about ensuring that we provide an engaging talent experience. In 2020, we were able to fully implement the HR information system and MyTX Phase 1 in AEV. It covered the automation of core HR, benefits administration, recruitment, onboarding, and talent relations management.

MyTX Phase 2, which includes strategic HR processes such as performance management, succession management, learning and development, workforce compensation, and people analytics, will be implemented in AEV in 2021.

Apart from MyTX, in 2020, AEV and Aboitiz Infracap also planned and developed the Flexible Benefits (Flexben) program, following the design and system implemented in Pilimico. Flexben allows team members to choose benefits according to their specific needs. This program shall be fully implemented in 2021.

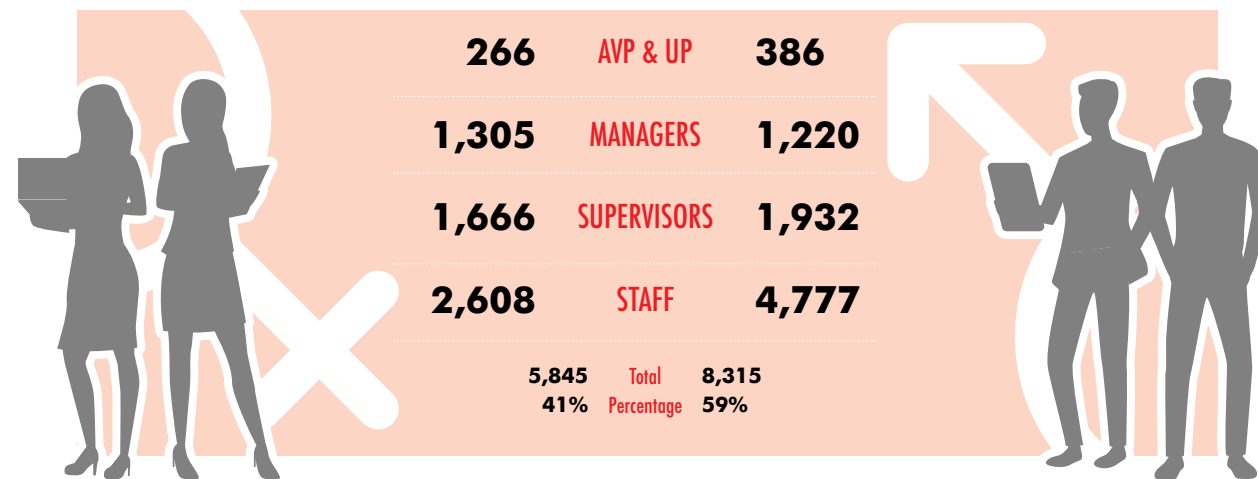
All SBUs will plan the digitization of HR end-to-end processes to ensure continuous improvement of talent experience. A data lake of all people records will enable us to use data analytics to provide us future insights that will be helpful in designing more effective talent management programs.



2020 Talent Analytics

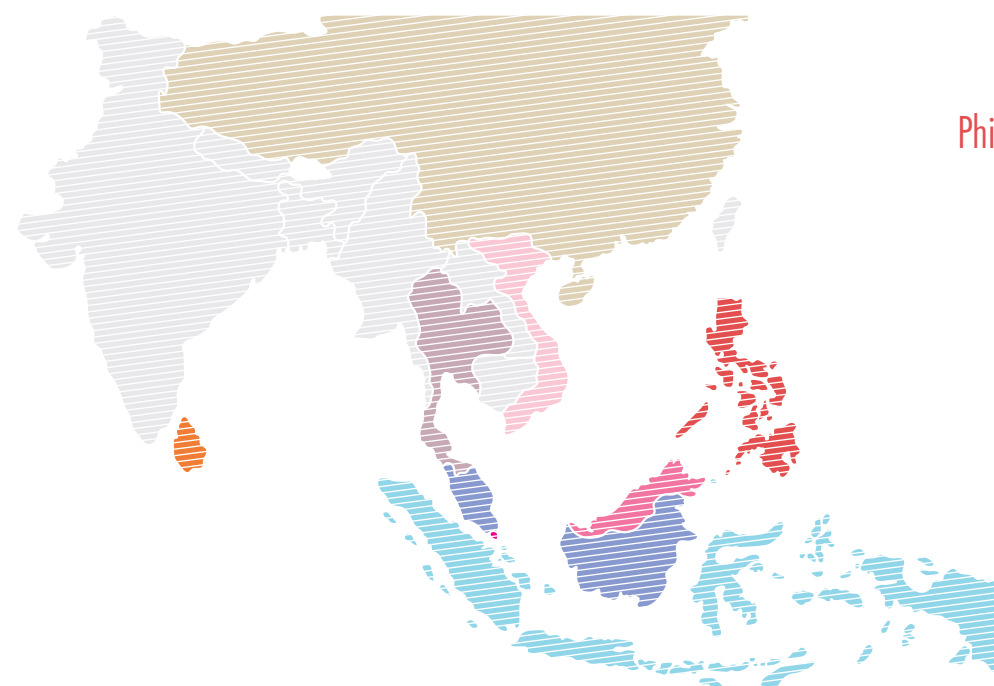
Gender vs. Level

TOTAL NUMBER OF TEAM MEMBERS (TMs) IN THE ABOITIZ GROUP



	Corporate		Power		Banking and Financial Services		Food		Infrastructure		Land	
	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE
Staff	48	44	539	1,339	1,474	1,218	477	2,121	29	44	41	11
Supervisors	22	32	148	466	1,209	893	203	456	24	40	60	45
Managers	42	30	85	199	1,088	798	68	161	12	15	10	17
AVP and Up	30	23	49	115	145	163	30	71	7	10	5	4
Total	142	129	821	2,119	3,916	3,072	778	2,809	72	109	116	77

Region

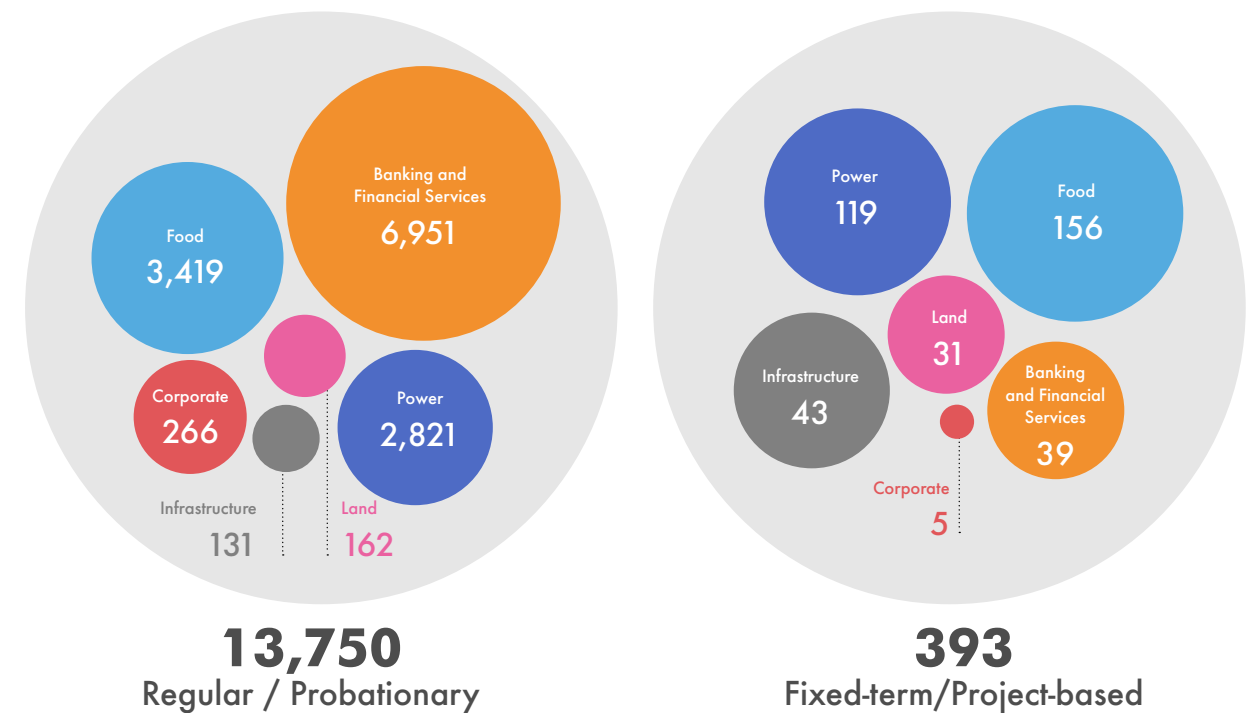


Philippines
Luzon **7,492**
Visayas **2,218**
Mindanao **1,732**

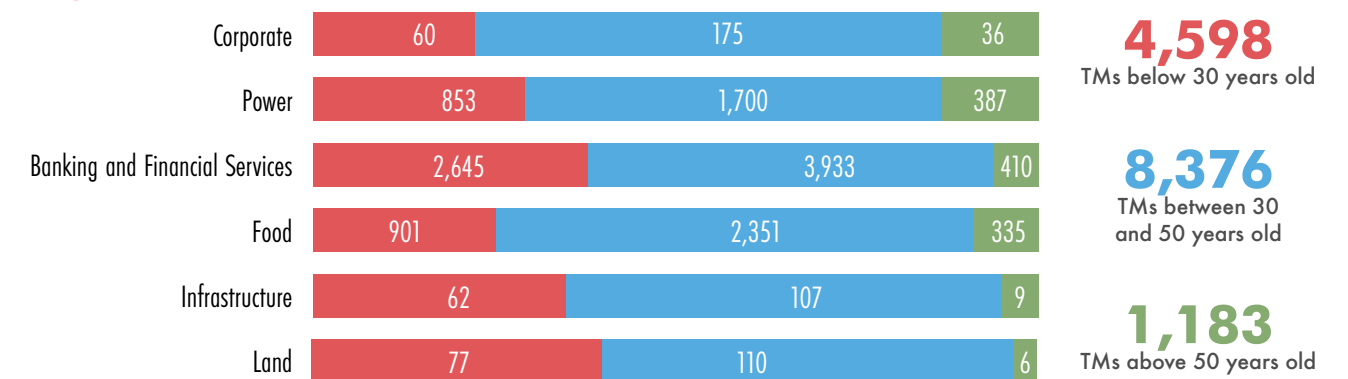
Singapore **29**
China **497**
Indonesia **583**
Malaysia **389***
Vietnam **1,044**
Sri Lanka **85**
Thailand **79**

*Includes Team Members assigned in Brunei

Employment Type



Age



Years of Tenure

Years of Service	Corporate	Power	Banking and Financial Services	Food	Infrastructure	Land	Total
<1	18	268	442	427	25	13	1,193
1-5	120	1,165	3,463	1,554	126	141	6,569
6-10	65	633	1,318	765	17	27	2,825
11-15	31	522	964	440	6	9	1,972
16-20	17	57	303	156	3	2	538
21-25	5	125	303	122	7	1	563
>25	15	170	195	123	0	0	503

Aboitiz 2020

Corporate Governance Report

Ensuring Sound Environmental, Social, and Corporate Governance
Across Generations of Aboitiz Leaders

In 2020, the Aboitiz Group celebrated the 100th anniversary of the incorporation of its parent company, Aboitiz & Company, Inc. (ACO). This historic milestone in the Group's history is a confirmation of its unwavering commitment to the highest standards of corporate governance for over five generations. Beginning from the time-honored philosophy of Don Ramon Aboitiz of Palabra de Honor, the Group now aspires to become a leader in environmental stewardship, social responsibility, good governance, and corporate citizenship. Committed to live by the Aboitiz core values of Integrity, Teamwork, Innovation, and Responsibility, the Group looks toward new horizons to expand in the next 100 years, and to continue to drive change for a better world by advancing businesses and communities.

2020 Scorecard of AEV and AboitizPower Directors:

- Reviewed and affirmed the appropriateness of the Group's purpose and brand promise in addressing the challenges of a global pandemic
- Reviewed and aligned the Group's short-term and long-term business strategies in response to the impact of COVID-19
- Reviewed and ensured the sufficiency of the internal controls system and enterprise risk management framework of AEV and AboitizPower
- Reviewed and approved the key amendments to the Articles of Incorporation and By-Laws of AEV and AboitizPower

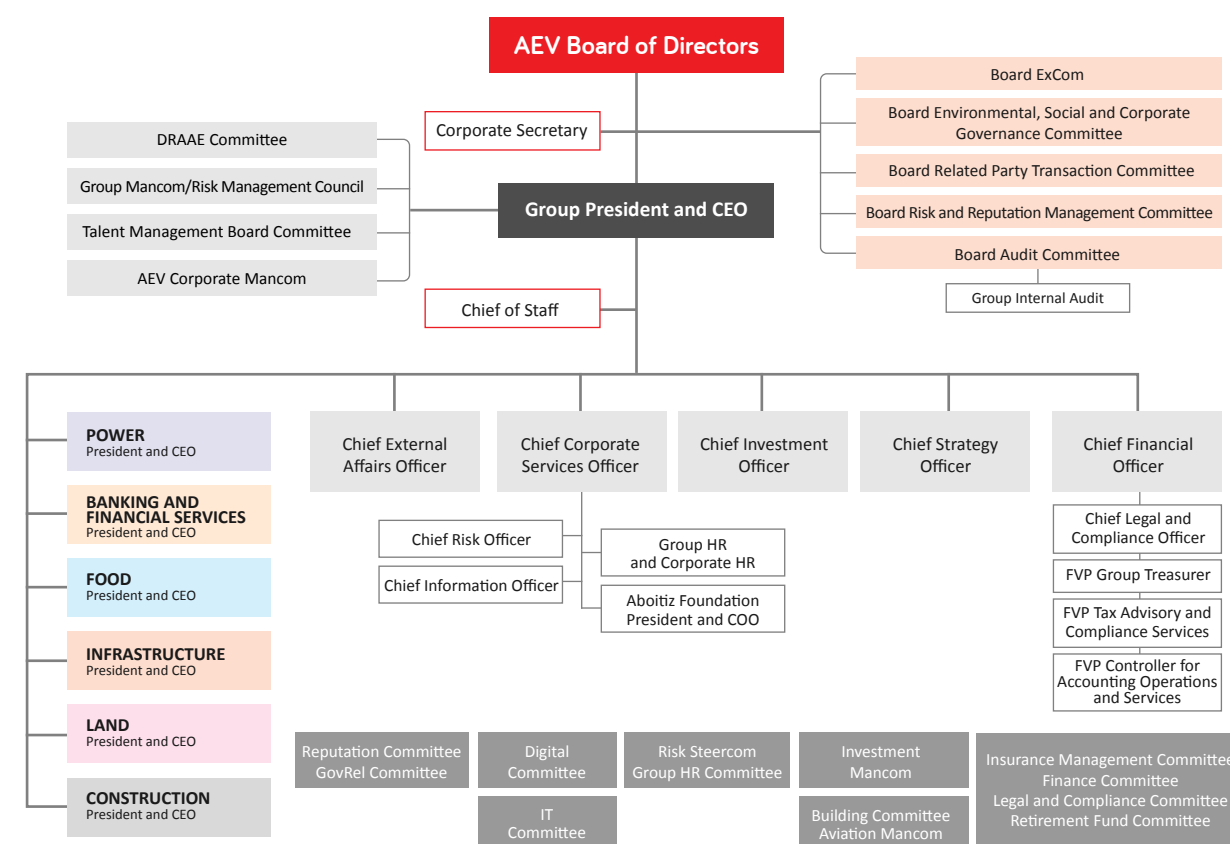
- Authorized and held the first Virtual Annual Stockholders' Meeting for AEV and AboitizPower
- Approved amendments to the Manual on Corporate Governance, Board and Committee Charters, and to the Group-wide Data Privacy Policy
- Established an integrated governance structure to strengthen, promote, monitor, implement, and communicate the Group's ESG-related programs and initiatives
- Conducted regular virtual learning sessions to strengthen the continuous learning program for directors and officers of AEV and AboitizPower
- Conducted the AEV and AboitizPower Board Assessments with the assistance of a third-party facilitator.

GOVERNANCE FRAMEWORK

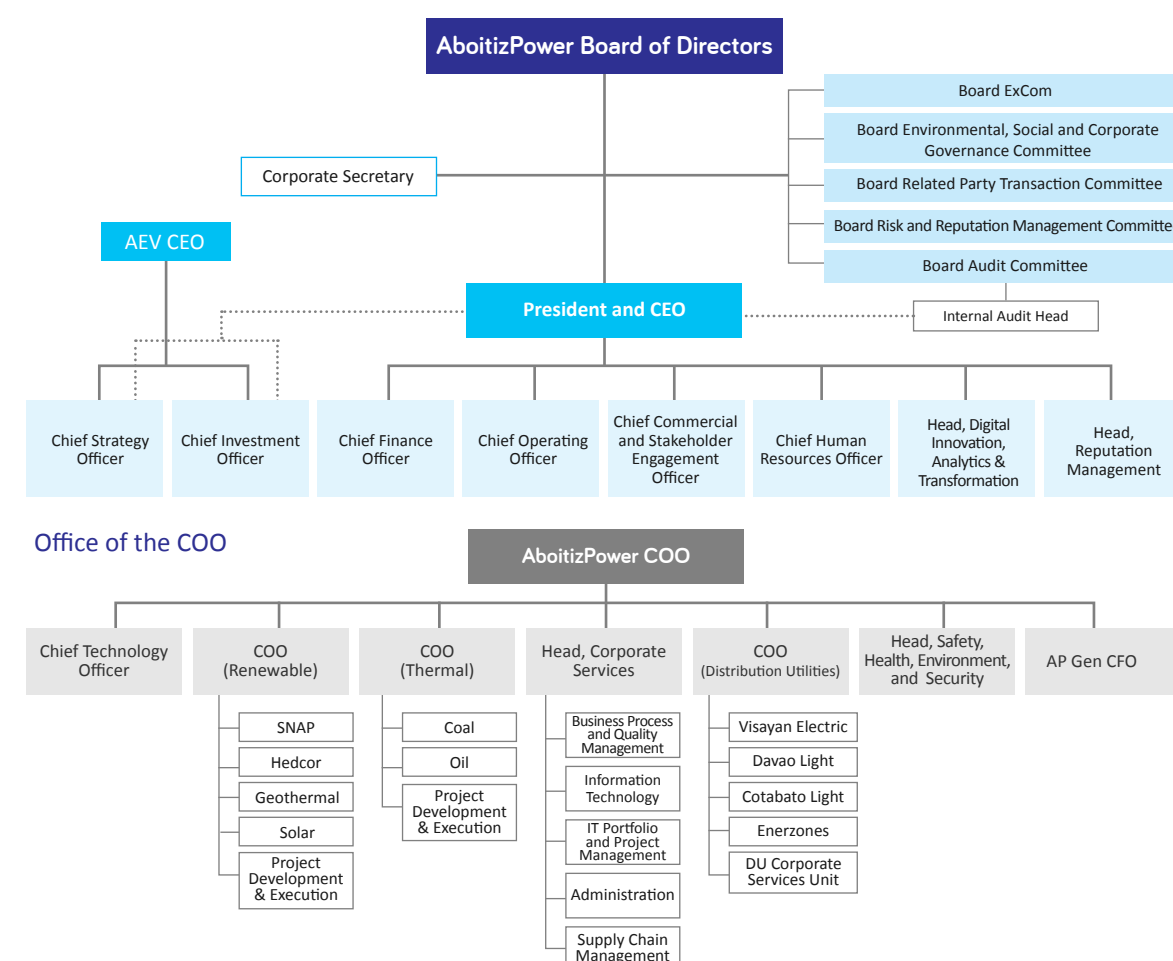
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The Group's corporate governance framework is rooted in the Aboitiz core values, which has been institutionalized in the respective Corporate Governance Manuals (Revised Manual) and Codes of Ethics and Business Conduct of AEV and AboitizPower, as well as in their key company policies and protocols. This governance framework applies to the Group as a whole – led by diverse and competent Boards and Board Committees at AEV and AboitizPower, each supported by capable and accountable management team and empowered team members, united in living the time-honored Aboitiz core values.

AEV has five Strategic Business Units (SBUs): Power, Food, Financial Services, Real Estate, and Infrastructure.



AboitizPower has Business Units (BUs) involved in Power Generation, Power Distribution, Retail Electricity Services, and Distributed Energy.



BOARD OF DIRECTORS

The AEV and AboitizPower Boards of Directors are at the helm of our Group’s corporate governance journey. Independent from management, they are committed to provide each company a strategic roadmap towards long-term growth, competitiveness, and building a sustainable business that, it is hoped, will thrive for another 100 years. Each Board performs the crucial role of articulating and reviewing each company’s purpose, vision and mission, and strategies to carry out its goals. They ensure that the strategic direction of each company’s businesses are well defined, properly managed, and are aligned with the overall strategic goals of the Aboitiz Group.

The Boards of AEV and AboitizPower each have nine members, all of whom come from diverse professional backgrounds. They are composed of

legal and finance professionals, engineers, former or current CEO/COOs, auditors, and accountants. Many of them have management experience in the private and government sectors, as well as in multilateral agencies. AboitizPower has three Independent Directors, three Non-Executive Directors, and three Executive Directors. AEV has three Independent Directors, five Non-Executive Directors, and one Executive Director. The Chairmen of the AEV and AboitizPower Boards are highly experienced, Non-Executive Directors who are not involved in the Group’s day-to-day operations. They therefore remain focused on refining each company’s long-term strategy. The Lead Independent Directors are highly qualified professionals who are familiar with the operations of each company, and the industries it does business in.

In 2020, the members of the AEV and AboitizPower Boards of Directors were the following:

ABOITIZ EQUITY VENTURES INC.’S BOARD OF DIRECTORS					
Director (Age, Nationality)	Designation/ Directorship	Year First Elected	Number of Years Served as Director	Board and Committee Memberships and % of Attendance for 2020	Directorships in Other Listed Companies Outside the Aboitiz Group
ENRIQUE M. ABOITIZ 67 years old Filipino	Chairman of the Board (NED)	May 10, 1999	21	(C) BOD (100%) (C) Risk (100%) (M) ExCom (100%) (M) ESCG (100%)	None
MIKEL A. ABOITIZ 66 years old Filipino	Vice-Chairman (NED)	May 15, 2017	3	(VC) BOD (63%) (M) ExCom (40%) (M) Risk (100%)	None
ERRAMON I. ABOITIZ 64 years old Filipino	Director (NED)	May 9, 1994	26	(M) BOD (100%) (M) ExCom (100%) (M) Risk (100%) (M) AudCom (100%)	None
SABIN M. ABOITIZ 56 years old Filipino	President and CEO (ED)	May 21, 2018	2	(M) BOD (100%) (C) ExCom (100%) (M) ESCG (100%) (M) Risk (100%)	None
ANA MARIA A. DELGADO 40 years old Filipino	Director (NED)	Dec 11, 2018	2	(M) BOD (100%) (M) AudCom (100%)	None
EDWIN R. BAUTISTA 61 years old Filipino	Director (NED)	Sept 1, 2018	2	(M) BOD (100%) (M) ExCom (100%)	None
RAPHAEL P.M. LOTILLA 62 years old Filipino	Lead Independent Director	May 21, 2012	8	(M) BOD (100%) (C) ESCG (100%) (M) Risk (100%) (M) AudCom (100%) (M) RPT (100%)	• ACE Enexor, Inc. (ID) • First Metro Investment Corp. (ID)
JOSE C. VITUG 86 years old Filipino	Independent Director	May 16, 2005	15	(M) BOD (100%) (M) ESCG (100%) (M) Risk (100%) (C) AudCom (100%) (M) RPT (100%)	• ABS-CBN Holdings Corporation (ID)
MANUEL R. SALAK, III 61 years old Filipino	Independent Director	May 21, 2018	2	(M) BOD (100%) (M) ESCG (100%) (M) Risk (100%) (M) AudCom (100%) (C) RPT (100%)	None

*C- Chairman; VC – Vice Chairman; M – Member; ID - Independent Director; NED - Non-Executive Director; Ex - Executive Director; BOD - Board of Directors; ESCG - Board Environmental, Social, and Corporate Governance Committee; ExCom - Board Executive Committee; AudCom - Board Audit Committee; Risk - Board Risk and Reputation Management Committee; RPT - Board Related Party Transactions Committee.

ABOITIZ POWER CORPORATION’S BOARD OF DIRECTORS					
Director (Age, Nationality)	Designation/ Directorship	Year First Elected	Number of Years Served as Director	Board and Committee Memberships and % of Attendance for 2020	Directorships in Other Listed Companies Outside the Aboitiz Group
ERRAMON I. ABOITIZ 64 years old Filipino	Chairman of the Board (NED)	February 13, 1998	23	(C) BOD (100%) (M) ExCom (100%) (M) ESCG (100%) (M) AudCom (100%)	None
MIKEL A. ABOITIZ 66 years old Filipino	Vice-Chairman (NED)	February 13, 1998	23	(VC) BOD (100%) (M) ExCom (60%) (M) ESCG (100%)	None
ENRIQUE M. ABOITIZ 67 years old Filipino	Director (NED)	May 18, 2009	11	(M) BOD (100%) (M) ExCom (100%) (C) Risk (100%)	None
EMMANUEL V. RUBIO 56 years old Filipino	President and CEO (ED)	January 1, 2020	1	(M) BOD (100%) (C) ExCom (100%) (M) Risk (100%)	None
JAIME JOSE Y. ABOITIZ, 59 years old Filipino	Chief Operating Officer (ED)	May 18, 2009	11	(M) BOD (100%) (M) ExCom (100%) (M) Risk (100%)	None
DANEL C. ABOITIZ 39 years old Filipino	Chief Commercial and Stakeholder Engagement Officer (ED)	Dec 11, 2018	2	(M) BOD (100%) (M) AudCom (100%)	None
ROMEO L. BERNARDO 66 years old Filipino	Lead Independent Director	May 19, 2008	12	(M) BOD (100%) (C) ESCG (100%) (M) Risk (100%) (M) AudCom (100%) (M) RPT (100%)	• Globe Telecoms, Inc. (D); • Bank of the Philippine Islands (D); • RFM Corporation (ID)
CARLOS C. EJERCITO 75 years old Filipino	Independent Director	May 19, 2014	6	(M) BOD (100%) (M) ESCG (100%) (M) Risk (100%) (C) AudCom (100%) (M) RPT (100%)	• Bloomberry Resorts Corporation (ID); • Century Properties Group, Inc. (ID)
ERIC RAMON O. RECTO 57 years old Filipino	Independent Director	May 21, 2018	2	(M) BOD (100%) (M) ESCG (100%) (M) Risk (100%) (M) AudCom (100%) (C) RPT (100%)	• Philippine Bank of Communications (C) • Atok-Big Wedge Co., Inc (Ex) • DITO CME Holdings Corp. (D) • PH Resorts Group Holdings, Inc. (ID)

*C- Chairman; VC – Vice Chairman; M – Member; ID - Independent Director; NED - Non-Executive Director; ED - Executive Director; BOD - Board of Directors; ESCG - Board Environmental, Social, and Corporate Governance Committee; ExCom - Board Executive Committee; AudCom - Board Audit Committee; Risk - Board Risk and Reputation Management Committee; RPT - Board Related Party Transactions Committee.

Commitment to the Corporate Mission, Vision, and Strategy

The directors of AEV and AboitizPower acknowledge the importance of their role to lead and steer their respective companies as profitable and sustainable enterprises. The Board’s role for each company is to represent and protect the interests of its shareholders - the owners of the business - and other key external stakeholders. Guided by the Aboitiz Group’s purpose, brand promise, mission, and vision, the members of each Board, together with key officers and heads of the Strategic Business Units, participate in an Annual Board Retreat and Strategy Refresh. They review and align the corporate initiatives and strategic roadmaps of the Group’s core businesses with contemporary market

and economic trends, both locally and worldwide. In 2020, this annual engagement was held in a series of online sessions that began on October 29, 2020.

Board Independence

By virtue of the Manuals and their respective Committee charters, the AEV and AboitizPower ESCG (Environmental, Social and Corporate Governance) Committees were tasked to develop and recommend a set of corporate governance principles, aimed to promote the independence of their respective Boards, including standards and guidelines applicable to the selection, contribution, and conduct of Board members.

In 2020, the AEV and AboitizPower Boards were

composed of a majority of Non-Executive Directors. AEV has three qualified Independent Directors and five Non-Executive Directors out of its nine Board members. Meanwhile, AboitizPower has three qualified Independent Directors and three Non-Executive Directors out of its nine Board members. In addition, both Boards have each appointed a Lead Independent Director who serves as an intermediary between the Chairman and the other directors whenever necessary.

Diversity 405-1

The diversity in professional and personal backgrounds (age, ethnicity, culture, skills, competence, gender, knowledge, and expertise) of Board members ensures that no director or group of directors can dominate the deliberation and decision-making process. AEV and AboitizPower can also benefit from the diverse perspectives in formulating sound corporate strategies and advancing towards long-term success. The annual selection process of directors is intended to appoint a diverse mix of highly-competent directors and officers with in-depth knowledge and experience in the core industries where AEV and AboitizPower are involved. Other factors considered are independent-mindedness, ethical behavior, and value contribution.

Recognizing that a sustainable enterprise goes beyond the current generations of leaders, the AEV and AboitizPower Boards appointed Ms. Ana Maria A. Delgado and Mr. Danel C. Aboitiz, respectively, as Directors in 2018. Ana and Danel are part of a new generation of homegrown leaders who add fresh perspectives to each Board's deliberation. Ana is also the first female member of AEV's Board of Directors.

In 2020, the AEV and AboitizPower Boards initiated a process to review the profiles of the current Board members, in relation to an ideal profile, to determine their subjective and objective qualifications that are aligned with the long-term strategic direction of the Group. This initiative is meant to identify areas in which each Board can improve in terms of ensuring its members have complementary competencies and skill sets, and

to assess the qualifications of potential future candidates to each Board.

Term Limits of Independent Directors

AEV and AboitizPower both comply with the requirements of SEC Memorandum Circular No. 19, Series of 2016, prescribing a maximum term of nine years for independent directors, starting from 2012. In the nomination, selection, and election of the members of its Boards, AEV and AboitizPower recognize and respect the inviolable statutory right of each shareholder to vote and be voted as a director. If either AEV or AboitizPower intends to retain an independent director who has served the maximum of nine consecutive years, the shareholders of the relevant company shall be advised and provided with meritorious justifications during the Annual Shareholders' Meeting (ASM) for which the election will take place.

Directorships in Other Listed Companies

The ESCG Committee of AEV and AboitizPower, respectively, selects qualified nominees for election as directors. One consideration is the number of directorships a nominee has in other corporations or organizations. As a corporate practice, AEV and AboitizPower directors, including Independent Directors, are discouraged from sitting as directors in more than five publicly-listed companies (PLCs).

Executive Directors of AEV and AboitizPower do not generally sit on other boards of PLCs outside the Group, unless they have substantial interests in those PLCs or have been elected as independent directors. Both the AEV and AboitizPower Manuals require that the CEO and other executive directors shall submit themselves to a low active limit on membership in other corporate boards. In 2020, none of the AEV and AboitizPower directors sat in more than five PLCs.

Nomination, Selection, and Election of Directors 102-24

The Aboitiz Group believes that the nomination, selection, and election of directors are the fundamental elements of a well-functioning

corporate governance system. AEV and AboitizPower both follow a formal and transparent board nomination, selection, and election process to ensure that the interests of all shareholders are protected. Any shareholder may nominate a director and independent director. The ESCG Committees of AEV and AboitizPower act as the nomination committees and oversee the selection of candidates for their respective independent, executive, and non-executive directors. In determining the right candidates for directors, both AEV and AboitizPower may use professional search firms and external sources of candidates, including director databases and professional organizations in the Philippines or abroad.

The members of the Boards of AEV and AboitizPower comply with the qualifications for directors found in the Revised Corporation Code, Securities and Regulation Code and its Implementing Rules and Regulations, related SEC issuances, and best practices in corporate governance. Considering that AEV and AboitizPower are involved in complex and highly regulated businesses, Board members are identified and nominated based on their wealth of experience, in-depth knowledge, wisdom, and capability to contribute to the long-term success of each company. The ESCG Committees of both companies, after rigorous screening of the candidates, provide the final list of candidates for directors to each company's Corporate Secretary, for inclusion in the ASM agenda. This gives the stockholders the opportunity to assess the background and qualifications of the nominees before the actual ASM.

Every year during the ASMs, AEV and AboitizPower shareholders elect their representatives to the Boards by voting in person, by proxy, and - for the first time in 2020 - by voting in *absentia*. Proxy votes received by the Corporate Secretary of AEV and AboitizPower before the ASM are validated by each of the company's Proxy Validation Committee. The members of the AEV and AboitizPower Proxy Validation Committees include each of the company's compliance officer, its principal

accounting officer, and the head of its internal audit team.

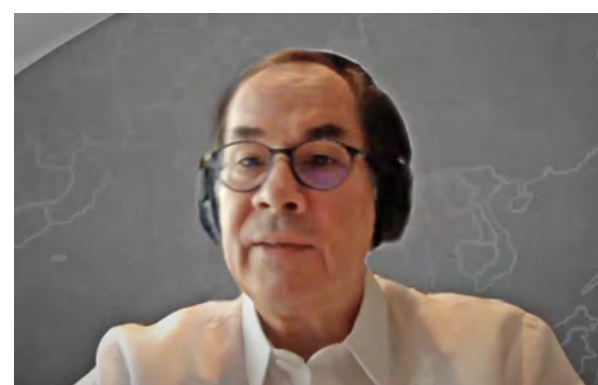
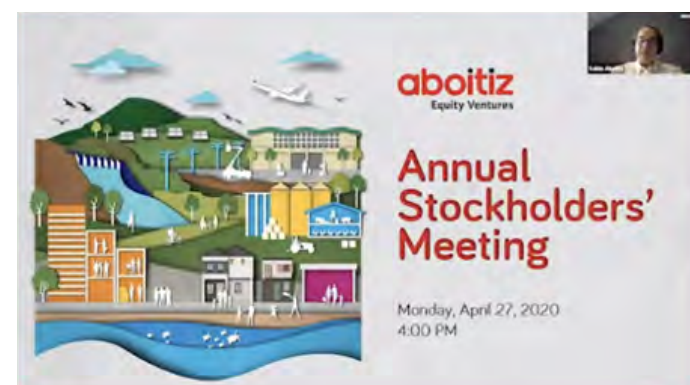
AEV and AboitizPower both follow the rule of One-Share, One-Vote. Under this rule, any minority shareholder can influence the Board composition by individual nomination and by the power of cumulative voting rights. The right to cumulative voting is a statutory right granted by the Revised Corporation Code. A director holds office for one year until his successor is elected at the next ASM, in accordance with the Revised Corporation Code, each company's by-laws, and the relevant SEC guidelines.

Virtual Annual Stockholders Meeting

The year 2020 brought with it the challenge of an unprecedented global pandemic. Business activities worldwide ground to a near standstill as governments imposed tight restrictions on travel and social gatherings to control the spread of COVID-19. Faced with these challenges, AEV and AboitizPower each held - for the first time ever - a Virtual ASM. Despite the difficulties posed by the community quarantine restrictions, both ASMs were held on schedule, and in a business-as-usual manner, without needing to avail of the ASM extension period granted by the SEC to Philippine Companies. The notices for the 2020 ASM, information statements, and the annual reports were also distributed on time to stockholders, through all available channels, including via quick response (QR) code, electronic mail, publication in newspapers of general circulation, and through each company's respective websites.

Driven by its commitment to practice sound corporate governance and guided by its core value of innovation, AEV and AboitizPower were able to provide an accessible and convenient venue for its shareholders to exercise their basic and inviolable right to elect their representatives to the Boards of Directors while remaining in the comfort and safety of their homes.

Corporate Governance Commitments	Innovation - Process Improvements
To protect and promote the shareholders' right to vote by allowing voting in-absentia during the Company's ASM.	Aboitiz Online Voting Portal - AEV and AboitizPower shareholders were allowed to cast their votes online through an internally-developed online voting portal.
To protect and promote the shareholders' right to participate in the Company's ASM by allowing remote participation.	2020 ASM Live Streaming - AEV and AboitizPower shareholders who pre-registered were allowed to participate remotely via a secured online video streaming portal. The ASM proceedings were also streamed live on YouTube.
Timely distribution of the Company's dividends within the period prescribed by best corporate governance practices.	Direct Deposit of Dividend Checks - AEV and AboitizPower shareholders were encouraged and given the option to avail of the direct deposit facility to those with UnionBank accounts to ensure the timely distribution of dividends without compromising their safety.
Timely distribution of complete and necessary information to shareholders in preparation for the ASM. Timely distribution of Annual Reports to shareholders. Commitment to sustainability practices.	Electronic/Paperless Distribution of Reports to Shareholders - AEV and AboitizPower secured the permission from the SEC to distribute the Company's Annual Reports and Information Statements electronically through the use of a QR code.



Aboitiz Equity Ventures Inc.
Total Shares: 1,000,000

1. Approval of minutes of previous stockholders' meeting held last April 22, 2019
☐ Yes ☐ No ☐ Abstain

2. Approval of the 2019 Annual Report and Financial Statements
☐ Yes ☐ No ☐ Abstain

3. Appointment of the Company's External Auditor for 2020
☐ Yes ☐ No ☐ Abstain

4. Election of Directors
 Total Shares: 1,000,000
 Please indicate the exact number of shares above.
 Note: If you wish to divide your shares to all directors please check the checkbox.
☐ Divide my shares to all "YES" ☐ Divide my shares to all "ABSTAIN" ☐ Apply my votes per directors.

James I. Latorre ☐ Yes ☐ No ☐ Abstain

James I. Latorre ☐ Yes ☐ No ☐ Abstain

James I. Latorre ☐ Yes ☐ No ☐ Abstain

James I. Latorre ☐ Yes ☐ No ☐ Abstain

James I. Latorre ☐ Yes ☐ No ☐ Abstain

James I. Latorre ☐ Yes ☐ No ☐ Abstain

James I. Latorre ☐ Yes ☐ No ☐ Abstain

James I. Latorre ☐ Yes ☐ No ☐ Abstain

5. Amendment of the Articles of Incorporation to amend Article I - primary purpose and Article VII to increase the authorized capital stock.
☐ Yes ☐ No ☐ Abstain

6. Ratification of the acts, resolutions and proceedings of the Board of Directors, Corporate Officers and Management from 2019 up to April 27, 2020
☐ Yes ☐ No ☐ Abstain

Companies

Aboitiz Equity Ventures

Meeting: AEV Annual Stockholders' Meeting
 Date of Meeting: Apr 27 2020 04:00 pm
 Total Shares: 1,000,000 shares

My Shares

Shares Per Certificate No.

Show: 10 entries

Certificate No. 8 Company Aboitiz Equity Ventures Inc.

Total Shares Company

Showing 1 to 1 of 1 entries

Previous Next

In 2020, AEV and Aboitiz provided the ASM notice and information on all proposed resolutions, and the rationale and corresponding explanation for each agenda item requiring shareholders' approval, 28 days before the date of the ASM. Notices and the Agenda for the AEV and AboitizPower meetings were published in three national newspapers of general circulation on March 26, 2020. In addition, QR codes for the AEV and AboitizPower Information Statements were published on April 2, 2020 in three newspapers of general circulation.

Minutes of the ASM

The approved shareholders' resolutions with a summary of votes, the results of the organizational meetings, and the minutes of the ASM of AEV and AboitizPower were disclosed and posted on their respective websites the next day, or on April 28, 2020. The minutes can be accessed in the Investor Relations Section of www.aboitiz.com and www.aboitizpower.com.

Conduct and Attendance at Board and Board Committee Meetings

The AEV and AboitizPower Board of Directors are expected to serve with diligence. In order to facilitate their attendance in meetings, the schedule

for the regular Board and committee meetings for the upcoming year is approved and circulated to members before the start of the year. Directors are not only expected to attend meetings but to actively participate by providing valuable professional counsel, strategic guidance, and constructive feedback. The timely distribution of meeting materials within five days before each Board or committee meeting ensures the directors' active participation.

Despite COVID-related travel restrictions in 2020, the AEV and AboitizPower Boards continued to discharge their duties and responsibilities. Board and committee activities remained business as usual. Meetings were conducted through a secure video-conferencing platform that allowed each member to interact and participate remotely. Like in previous years, meeting materials were circulated to Board members through a secure digital platform at least five days before the meeting. Meeting protocols were regularly reviewed and modified for more efficient virtual Board and committee meetings.

Attendance at Board and Committee Meetings:

The table below shows the attendance record of AEV and AboitizPower directors for the Board and Board Committee meetings in 2020:

ABOITIZ EQUITY VENTURES INC.							
	ASM	Board of Directors	Executive Committee	ESCG Committee	Risk & Reputation Management Committee	Audit Committee	RPT Committee
Number of Meetings	1	7	5	2	2	5	2
Enrique M. Aboitiz	C 1/1	C 7/7	M 5/5	M 2/2	C 2/2	-	-
Mikel A. Aboitiz	VC 1/1	VC 5/7	M 2/5	-	M 2/2	-	-
Erramon I. Aboitiz	M 1/1	M 7/7	M 5/5	-	M 2/2	M 5/5	-
Sabin M. Aboitiz	M 1/1	M 7/7	C 5/5	M 2/2	M 2/2	-	-
Ana Maria A. Delgado	M 1/1	M 7/7	-	-	-	M 5/5	-
Edwin R. Bautista	M 1/1	M 7/7	M 5/5	-	-	-	-
Raphael P.M. Lotilla	M 1/1	M 7/7	-	C 2/2	M 2/2	M 5/5	M 2/2
Jose C. Vitug	M 1/1	M 7/7	-	M 2/2	M 2/2	C 5/5	M 2/2
Manuel R. Salak III	M 1/1	M 7/7	-	M 2/2	M 2/2	M 5/5	C 2/2

*C- Chairman; VC – Vice Chairman; M – Member

ABOITIZ POWER CORPORATION							
	ASM	Board of Directors	Executive Committee	ESCG Committee	Risk & Reputation Management Committee	Audit Committee	RPT Committee
Number of Meetings	1	8	5	2	2	5	2
Erramon I. Aboitiz	C 1/1	C 8/8	M 5/5	M 2/2	-	M 5/5	-
Mikel A. Aboitiz	VC 1/1	VC 8/8	M 3/5	M 2/2	-	-	-
Enrique M. Aboitiz	M 1/1	M 8/8	M 5/5	-	C 2/2	-	-
Emmanuel V. Rubio	M 1/1	M 8/8	C 5/5	-	M 2/2	-	-
Jaime Jose Y. Aboitiz	M 1/1	M 8/8	M 5/5	-	M 2/2	-	-
Danel C. Aboitiz	M 1/1	M 7/8	-	-	-	M 5/5	-
Romeo L. Bernardo	M 1/1	M 8/8	-	C 1/2	M 2/2	M 5/5	M 1/2
Carlos C. Ejercito	M 1/1	M 8/8	-	M 2/2	M 2/2	C 5/5	M 2/2
Eric Ramon O. Recto	M 1/1	M 8/8	-	M 2/2	M 2/2	M 5/5	C 2/2

*C- Chairman; VC – Vice Chairman; M – Member

Continuous Learning

102-28, 205-2

AEV and AboitizPower believe that their directors should remain abreast with current industry developments and business trends in order to promote the Group's competitiveness. It is equally important that all directors are aware of their duties and responsibilities, and provided with all the information needed to discharge their functions.

The AEV and AboitizPower Revised Manuals require every director to (i) undergo an initial onboarding session upon first appointment to the Board, and (ii) commit to a continuing professional training program (formal and informal) to be kept updated on recent developments in internal policies, relevant laws and regulations, and various business risks relevant to the Group. The Chairmen of both Boards, with the assistance of their respective Compliance Officer,

ensure that directors and key officers comply with these requirements.

On September 9, 2020, the Aboitiz Group conducted, as scheduled, its Annual In-House Corporate Governance Seminar. The seminar was held virtually for the first time and the online platform provided a safe and convenient venue for the Group's directors and key officers, to listen to and interact with experts from different parts of the globe regarding current and relevant corporate governance issues. The webinar was accredited and the proceedings monitored by representatives from the SEC. In 2020, all of the AEV and AboitizPower directors and officers attended a corporate governance seminar in compliance with the SEC's Code of Corporate Governance.

In 2020, the directors and officers attended the following seminars and learning sessions:

2020 In-house Provided Trainings / Online Learning Sessions	Date
2020 Virtual Annual In-house Corporate Governance Seminar 1. Update on Tourism Industry in the Philippines Hon. Bernadette Romulo-Puyat, Secretary of the Department of Tourism 2. ESG Trends (TCFD and Materiality Assessment) Mr. Michael Salvatico, S&P Global - Asia Pacific ESG Business Development 3. Supply Chain Disruption Mr. Charlie P. Villaseñor, President - Procurement and Supply Institute of Asia 4. Modern Monetary Theory Mr. Justo A. Ortiz, PhD., Director - Union Bank of the Philippines 5. Cost of Equity Mr. Renier Swanepoel, Executive Director - UBS Investment Bank	September 9, 2020 (4 hours)
Power Sector Industry Updates Mr. Marco Andreola, Aboitiz Power Corporation	September 22, 2020 October 9, 2020 (1.5 hours each)
Power Sector Industry Updates Ms. Lee Balangue and Mr. Chris Sangster, Aboitiz Power Corporation	November 3, 2020 (1.5 hours)
Briefing on Cyber Security Mr. Thomas Glocer, Executive Chairman - BlueVoyant	November 24, 2020 (1 hour)
The Future of Employee Assessments Dr. Alan Watkins, CEO and Founder - Complete Coherence	December 17, 2020 (1 hour)

Board Performance Assessment

102-28

The AEV and AboitizPower Boards of Directors conduct an annual performance assessment of their members and key officers. Each director conducts a self-assessment on the individual and the collective performance of each member of the Board and Board committees. In addition, each director evaluates the performance of their respective Chairman, Chief Executive Officer, Internal Audit Head, Risk Officer, and Compliance Officer. In turn, select key officers of AEV and AboitizPower are anonymously asked to evaluate the performance of each of their respective companies' Board directors.

The assessment forms are prepared and regularly reviewed by the Compliance Officers to elicit relevant and valuable insights on the following assessment criteria: (1) compliance with best governance practices and principles; (2) participation and contribution

to the Board and committee meetings; and (3) performance of their duties and responsibilities as provided in the company's Revised Manuals, Charters, Amended Articles, and Amended By Laws.

In addition, AEV and AboitizPower directors are evaluated by their respective key officers based on the following criteria: (1) business acumen, (2) independent judgment, (3) familiarity with the business, (4) active participation and effective challenge, (5) professional expertise and network, (6) value contribution, (7) embodiment of Aboitiz core values, and (8) reputation. Assessment results are presented to the respective ESCG Committees as part of the nomination and selection process of incumbent Board members.

The Corporate Governance Code and the Revised Manuals requires that at least once in every three years, the conduct of the Board performance

assessment must be supported by an independent third party facilitator. In 2020, AEV and AboitizPower engaged the Good Governance Advocates and Practitioners of the Philippines (GGAPP), an independent association of corporate governance practitioners, to support their Board performance assessment exercise. The results of the assessment, as well as the recommendations from GGAPP, were presented and discussed at the ESCG Committee meetings on February 16, 2021.

Remuneration Policy

102-35, 102-36, 102-37, 102-38, 102,39

The ESCG Committees of AEV and AboitizPower ensure that the remuneration for directors and key executives is consistent with the Group's culture, strategy, and business policies. Remuneration rates are also maintained at a level sufficient to attract and retain directors and officers who are needed to successfully run their respective companies. The Group engages the services of independent remuneration consultants to determine the compensation, as well as any annual salary increases, for directors, officers, and team members. Guided by the Aboitiz Compensation Philosophy, factors such as individual and organizational performance, and inflation, among others, are taken into account to ensure that the compensation structure will attract, retain, and engage the best talents to contribute to the success of the business. Each year, the results of the study are presented and discussed during the first meeting of the ESCG Committees of AEV and AboitizPower.

AEV and AboitizPower directors receive a monthly allowance of PHP150,000.00 each, while the Chairman of the Board receives a monthly allowance of PHP200,000.00. In addition, the directors receive a per diem for every Board or Board Committee meeting attended based on the following compensation structure:

Type of Meeting	Directors	Chairman of the Board
Board Meeting	PHP150,000.00	PHP200,000.00

Type of Meeting	Committee Members	Chairman of the Committee
Committee Meeting	PHP100,000.00	PHP130,000.00

In no case has each Board's total yearly compensation exceeded 10% of their respective company's net income before income tax of the preceding year. In 2020, the directors received the following compensation:

Aboitiz Equity Ventures Inc.

Name of Director	Total Gross Compensation in 2020
Enrique M. Aboitiz Chairman of the Board	PHP5,140,000.00
Mikel A. Aboitiz Vice-Chairman	PHP3,050,000.00
Erramon I. Aboitiz Director	PHP4,200,000.00
Sabin M. Aboitiz* Director	PHP4,150,000.00
Ana Maria A. Delgado* Director	PHP3,500,000.00
Edwin R. Bautista* Director	PHP3,600,000.00
Raphael P.M. Lotilla Lead Independent Director	PHP5,160,000.00
Jose C. Vitug Independent Director	PHP5,250,000.00
Manuel R. Salak III Independent Director	PHP5,660,000.00
TOTAL	PHP39,710,000.00

Aboitiz Power Corporation

Name of Director	Total Gross Compensation in 2020
Erramon I. Aboitiz Chairman of the Board	PHP6,360,000.00
Mikel A. Aboitiz Vice-Chairman	PHP2,750,000.00
Enrique M. Aboitiz Director	PHP3,710,000.00
Emmanuel V. Rubio Director	PHP3,370,000.00
Jamie Jose Y. Aboitiz* Director	PHP3,650,000.00
Danel C. Aboitiz* Director	PHP3,200,000.00
Romeo L. Bernardo Lead Independent Director	PHP3,630,000.00
Carlos C. Ejercito Independent Director	PHP4,200,000.00
Eric Ramon O. Recto Independent Director	PHP4,610,000.00
TOTAL	PHP35,480,000.00

*A portion of the monthly allowances was paid to their nominating company.

BOARD COMMITTEES

The **Environmental, Social, and Corporate Governance Committees (formerly the Corporate Governance Committee)** of AEV and AboitizPower are responsible for developing and recommending to their respective Board of Directors the appropriate governance principles applicable to the whole Group. The ESCG Committees also perform the functions of the Nomination and Remuneration Committees. In carrying out their duties and responsibilities, the ESCG Committee is supported by the company's Compliance Officer, Chief External Relations Officer, as well as the Group Chief Human Resources Officer. These officers regularly attend committee meetings to act as resource persons. The chairmen of the ESCG Committees are the Lead Independent Directors.

In 2020, the Board ESCG continued to (1) review and monitor AEV and AboitizPower compliance with new laws and regulations (the Revised Corporation Code, various SEC and BIR issuances, among others); (2) review and update the Revised Manual to align with the best practices in the Integrated Annual Corporate Governance Report and the ASEAN Corporate Governance Scorecard; and (3) ensure that the nomination, selection, election, remuneration, and assessment of each company's directors and officers are aligned with the Revised Manual. In the same year, the committees amended their respective Revised Manuals and Charters to establish a Board oversight and governance framework to promote and integrate the sustainability and corporate governance initiatives of AEV and AboitizPower.

The **Audit Committees** continued to provide oversight over AEV and AboitizPower financial reporting policies, practices and controls, and over the internal and external audit functions necessary for making good audit-related decisions. In 2020, the Audit Committee updated its Charter to improve the Company's control performance by having an adequate and effective control system.

Chaired by independent directors, the Audit Committees are composed of all three independent directors and two non-executive directors. Each company's Chief Financial Officer and Internal Audit Head, who performs the functions of a Chief

Audit Executive, are regular attendees and resource persons at committee meetings.

Sufficiency of Internal Control and Compliance System

The AEV and AboitizPower Audit Committees assist their respective Boards in fulfilling oversight responsibilities over their company's system of internal control. They are responsible for monitoring, overseeing, and evaluating the duties and responsibilities of management, the internal audit activity, and the external auditors as those duties and responsibilities relate to the organization's processes for controlling its operations. In 2020, the President and Chief Executive Officer, Chief Financial Officer, and Internal Audit Head of AEV and AboitizPower attested to the sufficient internal control and compliance system of their respective companies.

Audit and Non-Audit Fees

The Independent External Auditor of AEV and AboitizPower is the accounting firm of SyCip Gorres Velayo & Co. (SGV), with Ms. Maria Veronica Andresa R. Pore as current audit partner who has served since 2017. As a policy, the Board Audit Committee makes recommendations to the Board concerning the choice of external auditor and pre-approves audit plans, scope, and frequency before the audit is conducted. Audit services of external auditors for the years 2020 and 2019 were pre-approved by the Board Audit Committee. The Committee also reviewed the extent and nature of these services to ensure that the independence of the external auditors is preserved. The breakdown of the audit and non-audit fees paid by AEV and AboitizPower to their respective auditors are found in the companies' Information Statements and Annual Reports.

The **Risk and Reputation Committees** exercise oversight functions over each company's (i) enterprise risk management and (ii) reputation management, including their respective corporate brands and communication strategies. In 2020, the Board Risk and Reputation Committees updated their charter to continually identify, monitor, and manage the Group's top risks.

The **Related Party Transactions (RPT) Committees** of AEV and AboitizPower are composed entirely of independent directors. In 2020, these committees approved the Revised RPT Policy and Charter of each company in compliance with the SEC memorandum circular on Material RPTs. In addition, they continued to review and approve each company's CFO Guidelines on the Implementation of the RPT Policy, which requires all directors and officers to execute a certification to identify their related parties to be able to identify potential conflicts of interest.

In 2020, AEV and AboitizPower updated the RPT Certification for Directors and Officers in compliance with the Bureau of Internal Revenue Regulation No. 19-2020 on the reporting guidelines for the transactions of individuals and juridical entities with related parties. The RPT Committees continued to ensure that related party transactions are taken on an arm's-length basis and within market rates, with sufficient documentation, and coursed through the appropriate levels of approval. Except for the presence of the AEV and AboitizPower CFOs as resource persons, management is not invited to and has no participation in the RPT Committee.

The **Executive Committees** of AEV and AboitizPower were organized in May 2018 and are composed of five regular members, with at least two non-executive directors. The committees were formed to assist the Board in the management and oversight of each company's day-to-day operations and strategic decision-making during the intervening period

between full Board meetings. The President and CEO of AEV and AboitizPower are the chairmen of their respective Executive Committees.

GOVERNANCE PRACTICES

Disclosure and Transparency

The Governance and Compliance Team, as well as the Board Secretariat, of AEV and AboitizPower monitor and timely disclose any changes in the share ownership of their respective directors, executives, and key officers. They also ensure that trading blackouts are implemented at the right time and to appropriate individuals.

Every quarter, AEV and AboitizPower disclose a public ownership report detailing the extent of ownership of their respective controlling shareholders, including the shareholdings of subsidiaries and affiliates, and of directors and key officers. In addition, the two companies disclose a list of their top 100 shareholders every quarter. They also disclose their top 20 shareholders, including record and beneficial shareholders owning more than five percent of their respective outstanding capital stock. Both companies, however, have no control over external shareholders who opt to put their shares under nominee holding companies such as the PCD Nominee Corporation, and are thus unable to make any disclosure on the details of beneficial ownership.

Shareholders with at least 5% Beneficial Ownership of AEV as of December 31, 2020		
Shareholder	Number of Shares Owned (Record and/or Beneficial)	% Ownership
Aboitiz & Company, Inc.	2,735,600,915	48.59%
PCD Nominee Corporation (Filipino)	964,280,966	17.13%
Ramon Aboitiz Foundation, Inc.	426,804,093	7.58%
PCD Nominee Corporation (Foreign)	370,452,359	6.58%
Others	1,135,654,224	20.13%
TOTAL	5,630,225,457	100%

Shareholders with at least 5% Beneficial Ownership of AboitizPower as of December 31, 2020		
Shareholder	Number of Shares Owned (Record and/or Beneficial)	% Ownership
Aboitiz Equity Ventures Inc. (AEV)	5,657,530,774	76.88%
PCD Nominee Corporation (Filipino)	1,076,781,005	14.63%
PCD Nominee Corporation (Foreign)	342,501,177	4.65%
Others	281,791,351	3.83%
TOTAL	7,358,604,307	100%

Transactions of Directors and Officers

AEV and AboitizPower disclose the beneficial ownership of their directors and key officers in regular filings of the Statement of Beneficial Ownership and in the Integrated Annual Corporate Governance Report. The Revised General Trading Policies of both companies require the Board of Directors and officers to notify the Office of the Corporate Secretary immediately after they deal in company shares. As of December 31, 2020, the directors and key officers of AEV and AboitizPower own the following shares:

Aboitiz Equity Ventures Inc.

Beneficial Ownership of AEV Directors as of December 31, 2020		Beneficial Ownership of AEV Officers as of December 31, 2020	
Directors	Common Shares	Officers	Common Shares
Enrique M. Aboitiz Chairman of the Board	1,540,500	Manuel R. Lozano Senior Vice President/Chief Financial Officer/ Corporate Information Officer	335,015
Mikel A. Aboitiz Vice-Chairman	95,152,522	Susan V. Valdez Senior Vice President and Chief Corporate Services Officer	940,563
Erramon I. Aboitiz Director	78,024,082	Manuel Alberto R. Colayco SVP-Chief Legal and Compliance Officer/ Corporate Secretary	64,717
Sabin M. Aboitiz Director	25,897,415	Maria Veronica C. So First Vice President and Group Treasurer	9,617
Ana Maria A. Delgado Director	26,358,785	Santanina Apolinaria B. Castro First Vice President – Risk Management	13,414
Edwin R. Bautista Director	1,000	Christine C. Kempeneers Data Privacy Officer	0
Raphael P.M. Lotilla Lead Independent Director	100	Maria Lourdes Y. Tanate Vice President - Group Internal Audit Head	15,784
Jose C. Vitug Independent Director	72,120	Mailene M. de la Torre Assistant Corporate Secretary	0
Manuel R. Salak III Independent Director	100	Sammy Dave A. Santos Assistant Corporate Secretary	0
Total	227,046,524	Total	1,379,110
Total Outstanding Shares	6,630,225,457	Total Outstanding Shares	6,630,225,457
Percentage Over Total Outstanding Shares	4.03%	Percentage Over Total Outstanding Shares	0.02%

Aboitiz Power Corporation

Beneficial Ownership of AboitizPower Directors as of December 31, 2020		Beneficial Ownership of AboitizPower Officers as of December 31, 2020	
Directors	Common Shares	Officers	Common Shares
Erramon I. Aboitiz Chairman of the Board	86,376,415	Liza Luv T. Montelibano Senior Vice President/Chief Financial Officer/Corporate Information Officer	500
Mikel A. Aboitiz Vice-Chairman	23,844,160	Joseph Trillana T. Gonzales FVP-General Counsel and Compliance Officer	62,527
Enrique M. Aboitiz Director	1,138,658	Veronica C. So Group Treasurer	0
Emmanuel V. Rubio Director	89,130	Manuel Alberto R. Colayco Corporate Secretary	0
Jamie Jose Y. Aboitiz Director	10,086,699	Mailene M. de la Torre Assistant Corporate Secretary	5,000
Danel C. Aboitiz Director	4,540,796	Sammy Dave A. Santos Assistant Corporate Secretary	0
Romeo L. Bernardo Lead Independent Director	1,000	Marnie F. Manalac Data Privacy Officer and Vice President For Risk and Organizational Performance Management	0
Carlos C. Ejercito Independent Director	1,000	Saturnino E. Nicanor, Jr. Group Internal Audit Head	26,896
Eric Ramon O. Recto Independent Director	1,000		
Total	126,599,658	Total	94,923
Total Outstanding Shares	7,358,604,307	Total Outstanding Shares	7,358,604,307
Percentage Over Total Outstanding Shares	1.72%	Percentage Over Total Outstanding Shares	0.00%

Key Company Policies 102-33, 205-1, 205-3, 206-1

Manual on Corporate Governance	The Revised Manual is the corporate governance charter of the Company. It is a clear statement by the Company, its Board of Directors, Management, Employees and Shareholders, that corporate governance is a necessary component of sound strategic business management. The Revised Manual was first approved by the AEV and AboitizPower Boards on August 14, 2002. It has since been reviewed and amended by subsequent Board actions in keeping with evolving best practices in the Philippines and the ASEAN Region. In 2020, the members of the AEV and AboitizPower Boards approved the amendments to their respective Revised Manuals to include the principles of ESG and defined each of the company’s governance structure intended to identify, promote, monitor, and communicate their respective ESG commitments.
Code of Ethics and Business Conduct	The Codes of Ethics and Business Conduct (Code) of AEV and AboitizPower guide how team leaders and team members of each company can achieve and maintain ethical standards in their day-to-day operations. The Code summarizes the fundamental principles and directives through the following commitments: 1. Commitment to Compliance: Following both the Letter and the Spirit of the Law and the Company Policies. AEV and AboitizPower team leaders and team members are expected to know, understand, and comply with the laws, rules, and regulations that are applicable to their respective job responsibilities.

Key Company Policies

Code of Ethics and Business Conduct	2. Commitment to Each Other: Dealing with Team Members At AEV and AboitizPower, interpersonal relationships in the workplace must be kept professional and free of bias, harassment, or violence. Team leaders and team members are expected to (i) treat each other with respect and dignity at all times, and (ii) promote a safe and healthy working environment for all employees. 3. Commitment to Our Stakeholders: Dealing with Clients, Suppliers, Business Partners and the Public. In dealing with AEV and AboitizPower external stakeholders, team leaders and team members are expected to act professionally, fairly, and with integrity in all business dealings. In recognition of the invaluable contribution of its clients, business partners, suppliers, and other stakeholders, AEV and AboitizPower are committed to: A. <i>Fair Dealing.</i> Outperform its competition fairly and honestly through superior performance. No one should take advantage of anyone through manipulation, abuse of privileged information, misrepresentation of facts or any unfair dealing practices. B. <i>Gifts and Entertainment.</i> Avoid any actual or perception of inappropriate feeling or expectation of obligation through (i) modesty in giving business gifts or extending hospitality to customers, suppliers, and business partners, and (ii) modesty in receiving gifts or special favors from current and potential business partners. C. <i>Bribery and Corruption.</i> Conduct business in an ethical manner including strict compliance with bribery and corruption laws in jurisdictions where the Group operates. D. <i>Provide Fair and Truthful Disclosures to the Public.</i> In all public communications of AEV and AboitizPower, team leaders and team members are expected to communicate complete, timely, and accurate information in strict compliance with existing laws and regulations. 4. Commitment to the Group: Advancing and Protecting the Interests of AEV and AboitizPower. The Codes mandate that every team leader and team member of AEV and AboitizPower must maintain and protect all proprietary and confidential information in strict confidence. They should: A. Refrain from using Corporate Opportunities for personal gain. B. Ensure and Protect Proprietary and Confidential Information in strict confidence except when it’s disclosed as required by the law. C. Use Company Systems and Assets for legitimate company business and activities only. D. Prevent the Misuse of Inside Information that may have a significant impact to the Company. E. Avoid any activity that can lead to Conflicts of Interest with your responsibility on behalf of the company or its clients. F. Maintain accurate books and records in a timely manner. G. Use of Digital and Social Media in a responsible manner. 5. Commitment to the Environment and our Communities: A sustainable business The Codes mandate that AEV and AboitizPower team leaders and team members must ensure to do their best to minimize any environmental impact and integrate social development and environmental stewardship into the companies’ operations. Both companies ensure that their respective Code is cascaded to new team members as part of their onboarding processes. Team members are also required to annually review the Code and sign an affirmation that they have read and understood it. To support this process, an e-learning module on the Codes was developed and is rolled out every year.

Key Company Policies

Whistleblowing Policy	To support the implementation of their respective Revised Manuals and Codes, each company has a Whistleblowing Policy. Through this policy, allegations of violations of the Manuals, Codes, or of other illegal conduct can be reported through an internal portal or through each company’s website. Matters reported through the whistleblowing platform are discussed by the ESCG Committees and, if necessary, by the entire Board of Directors. Whistleblowers have the option to address complaints to any of the following officers: Chairman of the Board of Directors, President and Chief Executive Officer, Lead Independent Director, Compliance Officer, or Internal Audit Head. It is noteworthy that no corruption-related incidents were reported in 2020. <table><tr><th colspan="6">Summary of Whistleblowing Portal Reports (Group-wide)</th></tr><tr><th>Year</th><th>Reports Received</th><th>Invalid Report</th><th>Valid</th><th>Closed</th><th>Ongoing Investigation</th></tr><tr><td>2020</td><td>14</td><td>2</td><td>12</td><td>12</td><td>-</td></tr><tr><td>2019</td><td>9</td><td>1</td><td>8</td><td>7</td><td>1</td></tr><tr><td>2018</td><td>11</td><td>6</td><td>5</td><td>5</td><td>-</td></tr></table>	Summary of Whistleblowing Portal Reports (Group-wide)						Year	Reports Received	Invalid Report	Valid	Closed	Ongoing Investigation	2020	14	2	12	12	-	2019	9	1	8	7	1	2018	11	6	5	5	-
Summary of Whistleblowing Portal Reports (Group-wide)																															
Year	Reports Received	Invalid Report	Valid	Closed	Ongoing Investigation																										
2020	14	2	12	12	-																										
2019	9	1	8	7	1																										
2018	11	6	5	5	-																										
General Trading Policy	The Revised General Trading Policy supplements the commitment under the Codes to prevent the misuse of inside information, and emphasizes reporting and disclosing material information, and the rule on prohibited insider trading. As listed companies, AEV and AboitizPower are required to report transactions of company shares by their directors and officers. To ensure the strict compliance with this requirement, directors and officers are advised of their disclosure obligations during their onboarding with the Group. The Compliance Officer also sends out a monthly reminder to directors and officers to disclose their transactions. The trading policies of AEV and AboitizPower prohibit any misuse of insider information. All team members are mandated to exercise prudence in handling material non-public information in the course of their work, and in relation to the trading or dealing with AEV and AP securities. Both companies strictly enforce their trading blackout and insider trading policy to curtail opportunistic dealings in company shares. Violations should be reported to the Compliance Officer and the Board ESCG. Since the last amendment of the Trading Policies in 2017, there has been no reported investigation of violation and conviction of insider trading, as well as abusive self-dealing by directors, management, and employees. In 2020, there was no reported incident of non-compliance with the General Trading Policies.																														
Related Party Transactions (RPT) Policy	In October 2019, the AEV and AboitizPower Boards approved the RPT Policy in compliance with the SEC Memorandum Circular No. 10 series of 2019. The new rule focuses and regulates only material RPTs or RPTs amounting to 10% or higher of a company’s total assets. The new rule also specified an approval process for material RPTs and mandated publicly-listed companies to notify the SEC of their RPTs that breach the threshold. AEV and AboitizPower RPT Committees have the mandate to ensure that RPTs are taken on an arms’-length basis and within market rates, with sufficient documentation, and coursed through all appropriate levels of necessary approvals. Each company’s current revised RPT Policy continues to ensure that RPTs are conducted at arm’s length and at market prices, and underwent the appropriate approval process. In 2020, AEV and AboitizPower did not enter into any material RPTs and there was no reported case of non-compliance with the laws, rules and regulations pertaining to significant or material RPTs.																														

Key Company Policies

Conflict of Interest Policy	AEV and AboitizPower believe that it is the duty of the Board of Directors to advance the Group's interests and those of the companies' stakeholders. To this end, the two companies have each adopted a Policy on Conflict of Interest, which promotes an ethical corporate culture and prohibits directors, officers, team leaders, and team members from taking advantage of access to corporate property and proprietary information for personal gain. The policy requires the disclosure of relationships, actions, or transactions that may give rise to a conflict of interest. In addition, AEV and AboitizPower directors are required to abstain or inhibit themselves from any Board discussion or decision that affects or has relevance or relation to their personal, business, or professional interests. The companies' directors are also prohibited from engaging in any business that competes with or is antagonistic to the Group. They must notify the Board, through their respective Corporate Secretaries, before accepting any directorship outside the Aboitiz Group during their term.
Data Privacy Policy	In 2017, the AEV launched its data privacy compliance program, which includes the implementation of the Information Security Management System (ISMS) for the entire Aboitiz Group. Since then, the Group has been able to establish a fundamental awareness of data privacy principles and the related ISMS philosophies, through various learning channels including e-learning modules, face-to-face trainings and forums. AEV and AboitizPower continue to ensure the implementation of Data Privacy Policies, manuals, and supporting guidelines that are aligned with the Data Privacy Act, including its implementing rules and supporting National Privacy Commission (NPC) circulars. In 2020, AEV initiated the integrated approach to information security incident management, which brought together experts in such subject matters as Data Privacy, Information Security, IT Security, Business Continuity, Human Resources, and Legal. This brings a more holistic approach to the handling of information security and data breach incidents. As the Aboitiz Group continues to operate in a highly digital and fast-changing environment, the Data Protection Teams of each Business will strive to keep up with the expectations of their Data Subjects, as well as with the evolving guidelines of the NPC. This constant review of requirements, downloading of information, updating of processes, and testing of capabilities aims to ensure that Aboitiz is able to meet the expectations of stakeholders.
Disclosure Policy	To supplement the implementation of the Codes and in compliance with laws and regulations, AEV and AboitizPower each have a Disclosure Policy that requires complete, timely, and accurate disclosures to the SEC, the PSE, and the PDEx. Each company's Board Secretariat ensures compliance with the disclosure rules. In 2020, there were no reported cases of non-compliance with the disclosure rules of the SEC, the PSE, and the PDEx. In addition, despite the extension provided by the SEC to all PLCs, AEV and AboitizPower submitted and disclosed their Annual Reports, Financial Statements, Sustainability Reports, and Information Statements on their original statutory deadlines.

Economic, Social, and Environmental Impact

102-20, 102-21, 102-29, 102-31, 102-32

The Aboitiz Group remains committed to support economic growth, social development, and environmental stewardship in the conduct of its businesses. The concept of balance between planet, people, and profit is not a new concept on how the Aboitiz Group operates its businesses. Advocacy and adherence to environmental sustainability and care for stakeholders have always been part of the *Aboitiz Way* – living the core value of Responsibility. In 2020, AEV and AboitizPower officially established an ESG governance structure to integrate existing corporate social responsibility, corporate governance, and environmental sustainability programs. The goal is to create an integrated approach in developing, implementing, monitoring, and communicating initiatives and results to the Group’s internal and external stakeholders.

The Aboitiz Integrated Sustainability Report outlines the coordinated efforts of the Group’s sustainability stewards and applying ESG principles to improve the Group’s performance on team member engagement and development, corporate social responsibility, customer focus, disaster resilience, carbon emissions reduction, resource efficiency, renewable energy, waste management, financial growth, and financial returns. The Sustainability Reports of AEV and AboitizPower are available for viewing and downloading at www.aboitiz.com/sustainability and www.aboitizpower.com/sustainability.

Transparency, Communication, and Sustainability Reporting

102-32

The Aboitiz Group’s governance framework includes the timely, complete, and accurate disclosure of all material information regarding AEV and AboitizPower. Information includes earnings results, acquisitions or disposals of assets, Board changes, RPTs, shareholdings of directors, and changes in ownership. In addition, the Group’s Consolidated Annual and Sustainability Report, which is based on GRI Sustainability Reporting standards, sets out its values and governance model. The integrated report links the Group’s strategy and its commitment to a sustainable global economy. Through the report, the Group is able to measure, understand, and communicate its economic, environmental, social

and governance performance. From these, goals can then be set, and change managed more effectively. In 2020, the Board of Directors of AEV and AboitizPower approved the proposed governance framework needed to organize, cascade, manage, and communicate the Group’s ESG initiatives to its internal and external stakeholders.

Rights of Shareholders

102-21, 102-29

Shareholder rights are of paramount importance in the AEV and AboitizPower By-laws, Codes, and Revised Manuals. The goal is to ensure the protection of shareholder interests and concerns through the free exercise of shareholder rights. Among the rights of shareholders, regardless of the number of shares they own, are: to receive notices of and to attend shareholders’ meetings; to participate and vote on the basis of the one-share, one-vote policy; nominate and elect Board members (including via cumulative voting); inspect corporate books and records; vote in person or *in absentia* through proxy; receive dividends; and ratify corporate action.

AEV and AboitizPower believe that the rights and interests of minority shareholders are aligned with those of the controlling shareholders, not only in terms of returns on their investments, but also in the sustainability of the Group’s businesses. Both companies ensure the timely disclosure to shareholders regarding their respective businesses, and that shareholders receive dividends in accordance with established dividend policies. The Board Secretariat has adopted certified Board protocols and procedures under the ISO 9001:2015 Management Board and System to ensure the effectiveness of Board and shareholders’ commitments. This includes coordination with stock transfer agents to ensure appropriate responses and the timely resolution of shareholders’ queries and requests.

Right to Dividends

Every year, AEV and AboitizPower pay dividends in an equitable and timely manner. All shareholders are treated equally, receiving an amount of dividends per share that is proportionate to their shareholdings. The period for payment of dividends is based on trading requirements or constraints of the SEC and PSE.

In the last five years, AEV has paid the following dividends:

	Declaration Date	Record Date	Payment Date	Dividends per share	Total Dividends Declared (Final Amount)
2020	March 6, 2020	March 20, 2020	April 3, 2020	PHP1.30 (Regular)	PHP7.32bn
2019	March 7, 2019	March 21, 2019	April 5, 2019	PHP1.32 (Regular)	PHP7.44bn
2018	March 8, 2018	March 22, 2018	April 12, 2018	PHP1.28 (Regular)	PHP7.21bn
2017	March 7, 2017	March 21, 2017	April 10, 2017	PHP1.33 (Regular)	PHP7.49bn
2016	March 8, 2016	March 22, 2016	April 19, 2016	PHP1.06 (Regular)	PHP5.89bn

In the last five years, AboitizPower has paid the following dividends:

	Declaration Date	Record Date	Payment Date	Dividends per share	Total Dividends Declared (Final Amount)
2020	March 6, 2020	March 20, 2020	April 3, 2020	PHP1.18 (Regular)	PHP7.32bn
2019	March 7, 2019	March 21, 2019	April 5, 2019	PHP1.47 (Regular)	PHP7.44bn
2018	March 8, 2018	March 22, 2018	April 12, 2018	PHP1.39 (Regular)	PHP7.21bn
2017	March 7, 2017	March 21, 2017	April 10, 2017	PHP1.36 (Regular)	PHP7.49bn
2016	March 8, 2016	March 22, 2016	April 19, 2016	PHP1.20 (Regular)	PHP8.83bn
				PHP0.46 (Special)	PHP3.38bn

Right to Participate in Fundamental Corporate Changes

As a matter of policy, AEV and AboitizPower encourage the active participation of shareholders in corporate decisions, such as amendments to the Articles of Incorporation and By-laws, appointment of auditors, and the approval of audited financial statements, among others.

At the ASM, the Board of Directors present and submit to the shareholders the proposed actions for approval. The shareholders are also given an opportunity to ask questions regarding the proposed actions during the meeting. Only upon receipt of the affirmative vote of shareholders representing at least 2/3 of the issued and outstanding capital stock of each company, will such action be considered as duly approved by the shareholders.

In 2020, AEV and AboitizPower amended their

Articles of Incorporation to (1) Article Two: include in the primary purpose the power to act as guarantor or surety for the loans and obligations of its affiliates and associates; (2) Article Four: amend the corporate term to perpetual existence, and (3) Article Seven: amend the features of the preferred shares. The amendment to Article Four was proposed to align with the provisions of the Revised Corporation Code on the perpetual existence of corporations. Meanwhile, the amendments to Articles Two and Seven were proposed to give AEV and AboitizPower the additional flexibility in their capital- and fund-raising activities. The proposals received the affirmative vote of shareholders representing at least 2/3 of the issued and outstanding capital stock of each company.

On October 1, 2020, the SEC approved the amendment of the Articles of Incorporation of AEV and AboitizPower.

The Board Audit Committee Report to the Board of Directors

Aboitiz Equity Ventures Inc.

The Board Audit Committee is pleased to present its report for the financial year ended December 31, 2020.

Audit Committee Responsibility

In giving effect to its duly approved charter, the Audit Committee assisted the Board of Directors in fulfilling its oversight responsibility to the public, governmental and/or regulatory bodies and other stakeholders in helping:

- a) Ensure the integrity of the Company’s financial reporting processes, including ensuring the integrity of financial reports and other financial information provided by the Company to the public, governmental and/or regulatory bodies;
- b) Ensure excellence in the Company’s control performance by having an adequate and effective internal control system, governance processes and risk management processes and reviewing the performance on the Company’s internal audit function;
- c) Review the annual independent audit of the Company’s financial statements and the external auditors’ qualifications and independence;
- d) Ensure compliance with applicable laws and regulations which may represent material financial exposure to the Company; and
- e) Provide an avenue of communication among the Company’s independent auditors, management, the internal auditing department and the Company.

The Committee has established a constructive and collaborative relationship with the Company’s senior leadership to give support, but not to pre-empt any responsibility in making final audit-related decisions.

Committee Membership

The Audit Committee is composed of five (5) members, three (3) of whom are independent directors including its Chairman.

Jose C. Vitug, a retired Justice of the Supreme Court (an Independent Director) is the Chairman of the Committee. Other members of the committee are **Atty. Raphael P. M. Lotilla** (Independent Director), **Manuel R. Salak III** (Independent Director), **Erramon I. Aboitiz** (Non- Executive Director) and **Ana Maria A. Delgado** (Non-Executive Director).

Meetings and Attendance

The Audit Committee carried out its function through its meetings with management, internal auditors, independent external auditors, advisers, and others where appropriate.

The audit charter provides for the Committee to hold at least four (4) regular meetings a year, with the authority to convene special meetings when deemed required. It also holds an annual joint meeting with the Board Risk and Reputation Management Committee.

In 2020, five (5) meetings were held. The attendance by each member of the committee is as so indicated below:

Member	Mar 3, 2010 Regular Meeting	Apr 29, 2020 Regular Meeting*	July 27, 2020 Regular Meeting*	Oct 28, 2020 Regular Meeting*	Oct 26, 2020 Joint with Risk*
JOSE C. VITUG Chairman, Independent Director	✓	✓	✓	✓	✓
RAPHAEL P. M. LOTILLA Independent Director	✓	✓	✓	✓	✓
MANUEL R. SALAK III Independent Director	✓	✓	✓	✓	✓
ERRAMON I. ABOITIZ, JR. Non-Executive Director	✓	✓	✓	✓	✓
ANA MARIA A. DELGADO Non-Executive Director	✓	✓	✓	✓	✓

*Attendance via Videocon

Attendees to these meetings also include the Group Internal Audit Head and, by invitation, the Chief Risk Officer, the Chief Financial Officer, Controller and other key leaders whenever deemed necessary or appropriate.

One-on-one sessions with between the Board Audit Committee Chairman and the AEV Group Internal Audit head are held as needed.

Financial Reports

The Board Audit Committee reviewed, discussed, and approved for public disclosure the 2020 quarterly unaudited consolidated financial statements. The Committee endorsed for approval by the full Board the 2020 annual audited financial statements of Aboitiz Equity Ventures Inc., its subsidiaries and alliances. Included in the review were the Management Discussion and Analysis of Financial Condition and Results of Operations following prior review and discussion with management, accounting, and the company’s independent external auditor, SyCip Gorres Velayo & Co. (SGV)—member practice of Ernst & Young (EY) in the Philippines.

The activities of the Audit Committee are performed in the context—

- That management has the primary responsibility for the financial statements and the financial reporting process; and
- That the company’s independent external auditor is responsible for expressing an unqualified opinion on the conformity and consistency of application of the Company’s audited financial statements with Philippine Financial Reporting Standards.

External Auditors

Upon the endorsement of the Audit Committee to the Board which, in turn, sought the approval of the shareholders of Aboitiz Equity Ventures Inc., during its Annual General Stockholders Meeting held last April 27, 2020, SyCip Gorres Velayo & Co. (SGV) was re-appointed as the independent external auditor for 2020 with Maria Veronica Andresa R. Pore as the signing partner for SGV.

The overall scope and audit plan of SGV were reviewed and approved during the October 28, 2020 regular Audit Committee meeting. The audit plan, fees and terms of engagement which covers audit-related services provided by SGV were also reviewed and found to be reasonable.

The results of the SGV audits and its assessment of the overall quality of the financial reporting process were presented and discussed during the first Audit Committee meeting the following year, March 3, 2021. SGV presented the effects of changes in relevant accounting standards and presentation of financial statements that impact on the reported results.

Non-audit services were provided by SGV in 2020 but limited to the conduct of trainings with regard to the adoption of new accounting standards and tax regulations.

The Board Audit Committee, after evaluation of the performance of the external auditor in 2020 and finding it to be in accordance with the Standards, favorably endorsed to the full Board the re-appointment of SGV as external auditor for 2021.

Internal Auditors

The Audit Committee is satisfied with the internal audit function and has assessed that it is operating effectively and to generally cover the risks pertinent to the company in its audits. The Committee has reviewed and approved the annual audit program for the year which also covers the adequacy of resources, qualifications and competency of the staff and independence of the internal auditor.

With reference to the IPPF Attribute Standard 1100 which states that “*The Internal Audit Activity must be independent, and internal auditors must be objective in performing their work.*”, the Committee confirms that the function is executed effectively and internal auditors have conducted their responsibilities objectively and in an unbiased manner. The Committee further confirms that, to the best of its knowledge and belief, the auditors have no personal or other impediments that would prevent them from objectively planning, conducting, reporting, or otherwise participating and reaching independent conclusions in their audit assignments in 2020. Internal audit is organizationally positioned to be independent—functionally reporting to the Board Audit Committee and administratively to the President and Chief Executive Officer.

The Board Audit Committee is satisfied with the content and quality of reports prepared and issued by the internal auditors during the year under review.

The Group Internal Audit (GIA) remains to be the single-point-of-contact for the Audit Committee. It takes the lead in setting the standards, initiatives and overall direction of the group audit teams which, in turn, focus their reviews on the top risks of their respective business units. Except for the banks and other financial business units, information systems and technology-related risks however, still remain to be an area covered by the Aboitiz Equity Ventures Inc. group information systems auditors.

Based on audit reports and highlights presented to the Committee and with the contribution provided by management and other key leaders on the issues raised to their attention, the Committee concurs with internal audit's assessment that, generally, there is reasonable assurance that the existing system of internal controls, risk management and governance allow for a generally adequate management of identified risks and effectively supports the improvement of the management of the Company as a whole. There is a need, however, to improve and further strengthen governance and controls over the implementation of security standards for information systems and related technologies particularly in relation to cybersecurity risks.

In its meeting held March 3, 2021, the Committee brought to the attention of the board the seriousness of cybersecurity risks to the group. The Committee discussed the performance of a full independent external cybersecurity review for AEV in 2021. This was endorsed to the full board and approved in its meeting held March 5, 2021. Relatedly, learning sessions with management and the board on cybersecurity will be conducted to further complement initiatives of the company in this area.

External Quality Assessment

The Internal Audit team of Aboitiz Equity Ventures Inc., after undergoing an External Quality Assessment (EQA) review by the authorized validators of the Institute of Internal Auditors (IIA) Philippines that are duly accredited by the Institute of Internal Auditors (IIA) International, received the official EQAR results in 2017.

It is the opinion of the IIA that on the overall, the internal audit team of Aboitiz Equity Ventures Inc., **“Generally Conforms”** to the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics for internal audit practitioners. **Generally Conforms** is the highest rating awarded in connection with an EQA and the internal audit team has been commended for this achievement.

The EQA, much like any global certification is not required. Acquiring it helps build the reputation not just of internal audit but of Aboitiz as a company that not only conforms, complies and follows but adopts and implements the *Standards* and best practices of the internal audit function. The EQA certification is valid for 5 years till 2022. Until then, internal audit will ensure that it continually works on its Quality Assurance Improvement Program and apply it across the group.

Review of the Audit Charters

Annual review and updating of the Board Audit Committee charter was conducted. Changes were discussed by the Committee in its October 28, 2020 quarterly meeting. The Committee endorsed the revised charter for full Board approval. The AEV Board approved the revised Board Audit Committee charter in its meeting held on November 4, 2020. The changes reinforced the oversight responsibilities of the Board Audit Committee in helping ensure excellence in control performance by having an adequate and effective internal control system, governance and risk management processes. It likewise include among its oversight duties and responsibilities the establishment of a fraud response plan.

Additionally, these changes are in compliance with the latest governmental issuances. The review and updating of the charters are done at least once a year, endorsed by the Audit Committee, approved by the Board and included in the report to the stockholders.

Self-Assessment

The Committee conducted its annual self-assessment in accordance with the guidelines of SEC Memo Cir. No. 4, series of 2012. The assessment result showed that it fully complied with the requirements set forth in the Audit Charter and met the necessary and most important requirements set by global standards and best practices.

Risk Management

The partnership between the functions of risk management and internal audit has remained solid. In order to continuously provide objective assurance to the board on the effectiveness of risk management, a joint audit and risk committee meeting is held at least once a year.

Presented in the October 26, 2020 joint meeting are the top strategic risks, emerging risks and project risks that present a significant impact to the Company's ability to execute its plans, strategies and business objectives for the following year. These top risks serve as an input for the preparation of internal audit's master plan for the following year.

The joint meeting between the Board Audit and Risk Committees also provide an avenue to present the annual results of the Risk Management Plan validation reviews conducted by the internal audit teams across the group. The reviews give an assurance to management and the Board on the status of the risk treatments planned to address the identified risks for the year.

After considering, analyzing and reviewing all pertinent information on the integrity of financial reporting, effectiveness of internal controls, risk management, governance and compliance within the Aboitiz group of companies, the Committee is of the view that, in all material aspects, the duties and responsibilities as so outlined in its Charter have been satisfactorily performed.

On behalf of the Board Audit Committee,

(SGD) **Jose C. Vitug**
(Retired Justice, Supreme Court/Independent Director)
Board Audit Committee Chairman

Aboitiz Equity Ventures Inc.

Internal Control and Compliance System Attestation

For the year ended, December 31, 2020

Aboitiz Equity Ventures Inc.’s (AEV) corporate governance system includes a combination of internal and external mechanism such as the structure of the board of directors and our committees, the oversight it exercises over management, and the formulation of sound policies and controls.

- The Board of Directors is responsible for providing governance and overseeing the implementation of adequate internal control mechanism and risk management processes;
- Management has the primary responsibility for designing and implementing an adequate and effective system of internal controls and risk management processes to ensure compliance with rules and regulations, and the law;
- Management is responsible for developing a system to monitor and manage risks;
- SGV & Co., the Company’s external auditor is responsible for assessing and expressing an opinion on the conformity of the audited financial statements with Philippine Financial Reporting Standards and the overall quality of the financial reporting process;
- Internal Audit adopts a risk-based audit approach in developing an annual work plan and conducts reviews to assess the adequacy of the Company’s internal control system;
- The Company’s Group Internal Audit Head that acts as the equivalent of a Chief Audit Executive reports functionally to the Board Audit Committee to ensure independence and objectivity, allowing Internal Audit to fulfil its responsibilities; and
- Internal Audit activities conform with the International Standards for the Professional Practice of Internal Auditing and are continuously evaluated through an independent Quality Assessment Review conducted every five years.

Based on the above assurance provided by the internal auditors as well as the external auditors as a result of their reviews, we attest that AEV’s internal control and compliance system, which covers governance, risk, and control processes, are generally adequate.

(SGD) **Sabin M. Aboitiz**
President & Chief Executive Officer

(SGD) **Maria Lourdes Y. Tanate**
Group Internal Audit Head

The Board Audit Committee Report to the Board of Directors

Aboitiz Power Corporation

The Board Audit Committee is pleased to present its report for the financial year ended December 31, 2020.

Board Audit Committee Responsibility

- The primary purpose of the Audit Committee is to assist the full Board in fulfilling its responsibility to the public, governmental and/or regulatory bodies in:
- a) Ensuring the integrity of the Company’s financial reporting processes, including ensuring the integrity of financial reports and other financial information provided by the Company to the public, governmental and/or regulatory bodies;
 - b) Ensuring excellence in the Company’s control performance by having an adequate and effective internal control system, governance and risk management processes and reviewing the performance of the Company’s internal audit function;
 - c) Reviewing the annual independent audit of the Company’s financial statements and the external auditors qualifications and independence;
 - d) Ensuring compliance with applicable laws and regulations which may represent material financial exposure to the Company; and
 - e) Providing an avenue of communication among the Company’s independent auditors, the management, the internal audit department and the Company.

The Committee in fulfilling its purpose, will establish a constructive and collaborative relationship with the Company’s senior leadership especially the Company CEO, COO, CFO and the heads of the different departments.

Committee Membership

The Board Audit Committee is composed of five (5) members, three (3) of whom are independent directors including the Chairman.

Carlos C. Ejercito (Independent Director) is the Chairman of the Committee. Other members of the committee are **Romeo L. Bernardo** (Independent Director), **Eric O. Recto** (Independent Director), **Danel C. Aboitiz** (Executive Director) and **Erramon I. Aboitiz** (Non-Executive Director and Chairman of the Board).

Meetings and Attendance

The Board Audit Committee carried out its function through its meetings with management, internal auditors, independent external auditors, advisers and others, where appropriate.

The Audit Committee Charter provided for the committee to hold at least four (4) regular meetings a year, with the authority to convene special meetings, when deemed required. It also holds an annual joint meeting with the Board Risk and Reputation Management Committee.

In 2020, five (5) meetings were held. The attendance of the committee members is indicated below:

Member	Mar 3, 2010 Regular Meeting	Apr 29, 2020 Regular Meeting*	July 27, 2020 Regular Meeting*	Oct 28, 2020 Regular Meeting*	Oct 26, 2020 Joint with Risk*
CARLOS C. EJERCITO Chairman, Independent Director	✓	✓	✓	✓	✓
ROMEO L. BERNARDO Member, Independent Director	✓	✓	✓	✓	✓
ERIC O. RECTO Member, Independent Director	✓	✓	✓	✓	✓
DANEL C. ABOITIZ Member, Director	✓	✓	✓	✓	✓
ERRAMOM I. ABOITIZ Member, Non-Executive Director and Chairman of the Board	✓	✓	✓	✓	✓

*Attendance via Videocon

Attendees to these meetings also include the 1AP Group Internal Audit Head, Aboitiz Group Internal Audit Head, and, by invitation, the Chief Risk Officer, Chief Financial Officer, Controller and other key leaders when deemed appropriate.

Regular one-on-one sessions of 1AP Internal Audit Head with the Chairman of the Board Audit Committee prior to every scheduled Board Audit Committee meeting are also conducted.

Financial Reports

The Board Audit Committee reviewed, discussed, and approved for public disclosure the 2020 quarterly unaudited consolidated financial statements and endorsed for approval by the full Board the 2020 annual audited financial statements of Aboitiz Power Corp., its subsidiaries and alliances. Included in the review were the Management Discussion and Analysis of Financial Condition and Results of Operations following prior review and discussion with management, accounting, and the company's independent external auditor, SyCip Gorres Velayo & Co. (SGV) – a member practice of Ernst & Young (EY) in the Philippines.

The activities of the Board Audit Committee are performed in the context –

- That management has the primary responsibility for the financial statements and the financial reporting process; and
- That the company's independent external auditor is responsible for expressing an unqualified opinion on the conformity and consistency of application of the Company's audited financial statements with Philippine Financial Reporting Standards.

External Auditors

Upon endorsement of the Board Audit Committee to the full Board which, in turn, sought the approval of the shareholders of Aboitiz Power Corp., during its Annual General Stockholders Meeting held last April 27, 2020, SyCip Gorres Velayo & Co. (SGV) was re-appointed as the independent external auditor for 2020 with Maria Veronica Andresa R. Pore as the signing partner for SGV.

The overall scope and audit plan of SGV were reviewed and approved during the October 28, 2020 regular Board Audit Committee meeting. The audit plan, fees and terms of engagement which covers audit-related services provided by SGV were also reviewed and found to be reasonable.

The results of the SGV audits and its assessment of the overall quality of the financial reporting process were presented and discussed during the first Audit Committee meeting the following year, March 3, 2021.

In 2020, the Company also engaged SGV to conduct post reviews and other procedures for the purpose of issuing a comfort letter in connection with the issuance of the PHP9.55 bn in retail bonds.

Internal Auditors

The Board Audit Committee is satisfied with the internal audit function and had assessed that it is operating effectively and is able to generally cover the relevant risks pertinent to the company in its audits. The Committee has reviewed and approved the annual audit program for the year which also covers the adequacy of resources, qualifications and competencies of the staff, and independence of the internal auditor.

With reference to the International Professional Practices Framework (IPPF) Attribute Standard 1100 which states that "The Internal Audit Activity must be independent, and internal auditors must be objective in performing their work.", the Board Audit Committee confirms that the function is executed effectively and internal auditors have conducted their responsibilities objectively and in an unbiased manner. The Committee further confirms that, to the best of its knowledge and belief, the auditors have no personal or other impairments that would prevent them from objectively planning, conducting, reporting, or otherwise participating and reaching independent conclusions in their audit assignments in 2020. Internal audit is organizationally positioned to be independent – functionally reporting to the Board Audit Committee and administratively to the President and Chief Executive Officer.

The Board Audit Committee is satisfied with the content and quality of reports prepared and issued by the internal auditors during the year under review.

The 1AP Group Internal Audit remains to be the single-point-of-contact for the Board Audit Committee. It takes the lead in setting the standards, initiatives and overall direction of the audit team which, in turn, focus its reviews on the top risks of respective business units.

Information systems and technology-related risks, however, still remain to be an area mostly covered by the Aboitiz group information systems auditors in 2020.

In line with the strategic intent of the Group Internal Audit to gradually decentralize the Information Systems Audit starting 2020 to 2022, 1AP internal audit had covered information systems related risks in their 2020 engagements as identified and agreed with Aboitiz Group IT/IS Team.

Based on audit reports and highlights presented to the Board Audit Committee and with the contribution provided by management and other key leaders on the issues raised to their attention, the Board Audit Committee concurs with internal audit's assessment that, generally, there is reasonable assurance that the existing system of internal controls, risk management and governance allow for a generally adequate management of identified risks and effectively supports the improvement of the management of the Company as a whole. There is a need, however, to further strengthen governance and controls over security standards for information and related technologies particularly in relation to cyber-security risks.

External Quality Assessment

The 1AP Internal Audit team with offices in Manila and Cebu, after undergoing the External Quality Assessment (EQA) review by the authorized validators of the Institute of Internal Auditors (IIA) Philippines that are duly accredited by the Institute of Internal Auditors (IIA) International, received the official EQAR results early 2017.

It is the opinion of the IIA that on the overall, the internal audit team of Aboitiz Equity Ventures Inc., "Generally Conforms" to the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics for internal audit practitioners. Generally Conforms is the highest rating awarded in connection with an EQA and the internal audit team has been commended for this achievement.

Acquiring the EQA global certification helps build the reputation not just of internal audit but of Aboitiz Power Corp. as a company that not only conforms, complies and follows but adopts and implements the International Standards for the Professional Practice of Internal Auditing. The EQA certification is valid for 5 years until 2022. Until then, 1AP Group Internal Audit ensures that it continually works on its Quality Assurance Improvement Program by doing its interim self-assessment annually.

Review of the Audit Charters

Annual review and updating of the Board Audit Committee Charter was conducted. Changes were discussed by the Committee in its October 28, 2020 quarterly meeting and the Committee had endorsed to the full Board for approval. The AP Board approved the revised Board Audit Committee Charter in its November 3, 2020 regular board meeting. The changes reinforced the oversight responsibilities of the board audit committee in ensuring excellence in control performance by having an adequate and effective internal control system, governance and risk management processes. It likewise include among its oversight duties and responsibilities the establishment of a fraud response plan.

The review and updating of the Internal Audit Team Charter are also done annually, and approved by the Board Audit Committee.

Self-Assessment

The Board Audit Committee conducted its annual self-assessment in accordance with the guidelines of SEC Memo Circular No. 4, series of 2012. The assessment results showed that it fully complied with the requirements set forth in the Audit Charter and met the necessary and most important requirements set by global standards and best practices.

Risk Management

The partnership between the functions of risk management and audit has remained solid. In order to continuously provide objective assurance to the Board on the effectiveness of risk management, a Joint Audit and Risk & Reputation Committee meeting is held at least once a year.

Presented in the joint meeting last October 26, 2020 are the top strategic risks that present a significant impact to the Company’s ability to execute its plans and strategies as well as to achieve its business objectives.

These top risks are among the relevant factors in consideration for the preparation of the internal audit’s master plan for the following year.

Results of the 2020 series of existence validation review by internal audit on risk management or treatment plans identified and implemented by the different business units across AP as of October 2020 were likewise presented in the October 26, 2020 joint Board Audit and Risk & Reputation Committee meeting. Assurance is given when results of the review show that majority of the risk management or treatment plans generally were either acted upon (done) or being addressed (in-progress).

After considering, analyzing and reviewing all pertinent information to the integrity of financial reporting, adequacy of internal controls, risk management, governance and compliance within Aboitiz Power Corp. and its affiliated companies, the Committee is of the view that, in all material aspects, the duties and responsibilities as so outlined in its Charter have been satisfactorily performed.

In behalf of the AP Board Audit Committee,

(SGD) **Carlos C. Ejercito**
Independent Director
Board Audit Committee Chairman

Aboitiz Power Corporation

Internal Control and Compliance System Attestation

For the year ended, December 31, 2020

Aboitiz Equity Ventures Inc.’s (AEV) corporate governance system includes a combination of internal and external Aboitiz Power Corporation (AP) corporate governance system includes a combination of internal and external mechanisms such as the structure of the board of directors and our committees, the oversight it exercises over management, and the formulation of sound policies and controls.

- The Board of Directors is responsible for providing governance and in overseeing the effective implementation of adequate internal control mechanism and risk management processes;
- Management is primarily responsible for designing and implementing an adequate (effective and efficient) internal control system and risk management processes as well as in ensuring compliance with legal requirements (statutory and regulatory);
- Management is responsible for developing a system to monitor and manage risks;
- SGV & Co., the Company’s external auditor is responsible for assessing and expressing an opinion on the conformity of the audited financial statement with Philippine Financial Reporting Standards and the overall quality of the financial reporting process;
- Internal Audit adopts a risk-based audit approach in developing an annual audit master plan and conducts reviews to assess the adequacy of the Company’s internal control system;
- The Company’s Resident Internal Audit Head that acts as the equivalent of a Chief Audit Executive and reports functionally to the Board Audit Committee to ensure independence and objectivity, allowing internal audit to fulfil its responsibilities; and
- Internal Audit activities conform to the International Standards for the Professional Practice of Internal Auditing and are continuously evaluated annually through self- assessment and peer reviews as well as through an independent Quality Assessment Review conducted every fiveyears.

Based on the above assurance provided by the internal auditors as well as the external auditors as a result of their reviews, we attest that AEV’s internal control and compliance system, which covers governance, risk, and control processes, are generally adequate.

(SGD) **Emmanuel V. Rubio**
President & Chief Executive Officer

(SGD) **Saturnino E. Nicanor, Jr.**
AP Internal Audit Head

Group Awards

COMPANY	AWARDS	CATEGORY
Aboitiz Equity Ventures Inc.	International Tax Review (Asia Tax Awards)	Finalist - Asia In-House Tax Team of the Year
	Asian Legal Business - Philippine Law Awards	Data Privacy and Protection In-House Team of the Year
		Finance Deal of the Year
Aboitiz Power Corporation	International Business Awards	Finalist - Asia In-House Tax Team of the Year
	Public Relations Society of the Philippines 55th Anvil Awards	Gold Anvil Award
	International Stevie Awards	Silver Stevie Award Most Valuable Corporate Response COVID-19: I-REACH Campaign
AP Renewables Inc. - Tiwi	Safety and Health Association of the Philippines Energy Sector, Inc. in collaboration with the Department of Energy	Platinum Corporate Safety & Health Excellence Award
Davao Light and Power Co., Inc.	City Government of Davao	Resolution - Earnest Efforts of Davao Light
	Department of Social Welfare and Development Field Office XI	Plaque of Appreciation
	Department of Labor and Employment Region XI	Certificate of Appreciation
East Asia Utilities Corporation	Department of Education - Division of Lapu-lapu City	Certificate of Appreciation
	PNP Mactan - The Fraternal Order of Eagles	Certificate of Appreciation
Hedcor (Hedcor Sabangan Inc.) - Sabangan Hydro	Philippine Electricity Market Corporation	1st Rank - Exemplary Compliance with the Forecast Accuracy Standards
Hedcor (Hedcor Inc - Irisan 1 and 3 HPP)	Philippine Electricity Market Corporation	2nd Rank - Exemplary Compliance with the Forecast Accuracy Standards
Hedcor (Hedcor Sabangan Inc.) - Sabangan Hydro	Philippine Electricity Market Corporation	1st Rank - Exemplary Compliance with the Forecast Accuracy Standards
Hedcor (Hedcor Inc - Irisan 1 and 3 HPP)	Philippine Electricity Market Corporation	2nd Rank - Exemplary Compliance with the Forecast Accuracy Standards
Hedcor (Hedcor Inc - Salangan HPP)	Philippine Electricity Market Corporation	3rd Rank - Exemplary Compliance with the Forecast Accuracy Standards
Hedcor (Luzon Hydro Corp)	British Standards Group Philippines	ISO 22301:2012 Business Continuity Management continued certification for Luzon Hydro
Hedcor (Hedcor, Inc., Hedcor Sabangan, Inc., Luzon Hydro Corp., Hedcor Sibulan, Inc., Hedcor Tudaya, Inc.)	British Standards Group Philippines	ISO 9001:2015 (Quality Management System)
Hedcor (Hedcor, Inc., Hedcor Sabangan, Inc., Luzon Hydro Corp., Hedcor Sibulan, Inc., Hedcor Tudaya, Inc.)	British Standards Group Philippines	ISO 14001:2015 (Environmental Management System) recertification
Hedcor (Hedcor, Inc., Hedcor Sabangan, Inc., Luzon Hydro Corp., Hedcor Sibulan, Inc., Hedcor Tudaya, Inc.)	British Standards Group Philippines	successful migration to ISO 45001:2018 (Occupational Health and Safety Management System) from OSHAS 18001:2007
Hedcor (Hedcor, Inc., Hedcor Sabangan, Inc., Luzon Hydro Corp., Hedcor Sibulan, Inc. and Hedcor Tudaya, Inc.)	British Standards Group Philippines	ISO 27001:2013 Information Security Management System recertification with zero nonconformity
Hedcor (Hedcor Sibulan, Inc. and Hedcor Tudaya, Inc.)	British Standards Group Philippines	ISO 55001:2015 Asset Management System recertification with zero nonconformity
Lima Water Corporation	Department of Environment and Natural Resources	Accredited Environmental Testing Laboratory
San Carlos Sun Power Inc.	Department of Education - Division San Carlos City, Negros Occidental	Plaque of Award

COMPANY	AWARDS	CATEGORY
San Carlos Sun Power Inc. Aboitiz Foundation, Inc.	City Government of San Carlos	Plaque of appreciation
SN Aboitiz Power- Benguet, Inc.	Philippine Electricity Market Corporation	PEMC's compliance performance ratings for cool-dry season Ambuklao - First Binga - Second
	Philippine Electricity Market Corporation	"Top recognition as compliant hydro generator
	Safety and Health Association of the Philippine Energy Sector (SHAPES) and the Department of Energy (DOE)	Titanium Awardee
SN Aboitiz Power- Magat, Inc.	Barangay Planas, Ramon, Isabela	Plaque of Appreciation
	General Aguinaldo Elementary School, Brgy Gen. Aguinaldo, Ramon, Isabela	Certificate of Appreciation
	Municipality Government of Diadi, Nueva, Vizcaya	Certificate of Appreciation
	Barangay Butao, Diadi, Nueva Vizcaya	Certificate of Appreciation
	Philippine Electricity Market Corporation	PEMC's compliance performance ratings for cool-dry season Magat - 4th
	Philippine Electricity Market Corporation	Top recognition as compliant hydro generators Magat - 4th
	Safety and Health Association of the Philippine Energy Sector (SHAPES) and the Department of Energy (DOE)	Citation
Therma Marine, Inc.- Maco	1001st Infantry (Pag-asa) Brigade	Plaque of Appreciation
Therma Marine, Inc.- Nasipit	Municipality Government of Nasipit	Top Real Property Tax Payer of the year 2020
	Municipality Government of Nasipit	Top Business Tax Payer of the year 2020
	Nasipit Central Elementary School	Certificate of Recognition
Therma Power Visayas, Inc.	NPC-Colon Elementary School	Certificate of Appreciation
Therma South, Inc.	Bureau of Customs XI	Top 10 Importer for the Port of Davao
Therma South, Inc.	Municipality Government of Sta. Cruz, Davao del Sur	Certificate of Appreciation
Visayan Electric Co., Inc.	Personnel Management Association of the Philippines	Corporate Sapphire Awardee
Visayan Electric Co., Inc.	City Government of Cebu	Mayor's Special Award
Union Bank of the Philippines	Public Relations Society of the Philippines 55th Anvil Awards	Gold Anvil (Blockchain Xcellerator)
		Silver Anvil (ED Talks)
	Digital Banker - Digital CX Awards 2020	Winner: Outstanding Blockchain Initiative for Customer Experience (Financial Supply Chain)
		Winner: Best Customer Loyalty Program (UB GlobalLinker)
		Highly Acclaimed: Outstanding Customer Experience for Digital Payments (The Portal)
		Highly Acclaimed: Best Bank Account User Experience (PlayEveryday)
	The Asset Triple A Digital Awards 2019	Digital Bank of the Year - Philippines
		Digital Banker of the Year - Asia Pacific
		Best ATM Project - Philippines (Bitbox/VC ATM)
		Best Digital Financial Inclusion Project - Philippines (i2i)
		Best Digital Collaboration - Philippines (Retailer Financing Program - TrueMoney)
		Best Digital Upgrade - Philippines (Mobile Check Deposit)

Group Awards

COMPANY	AWARDS	CATEGORY
Union Bank of the Philippines	The Asset Triple A Digital Awards 2019	Best Social Media Project - Philippines (UBGL Trade Connect)
	Corporate Vision Magazine	Best SME Banking Solutions Provider 2020 - Philippines
	International Investor Magazine	Best Digital Wealth Management Service Provide – Philippines 2020”
	RBI Asia Trailblazer Awards 2020	(awarded to The Digital RM Project)"
		Winner - Best Remittances Initiative (Send-i2i)
		Winner - Best Retail Bank - Philippines (Digital RM)
		Winner - Best Social Media Marketing Campaign (UBGL Trade Connect)
		Winner - Best ATM and Self-Service Innovation (Project Bitbox)
		Highly Commended - Best Staff Training and Development (The ARK)
		Highly Commended - Best Use of Machine Learning (DSAI Institute)
		Highly Commended - Excellence in Employee Engagement (Agile)
		Highly Commended - Most Innovative Branch Offering (The ARK)
	Celent Model Bank Awards 2020	Model Bank Award for Financial Inclusion 2020
	Global Banking and Finance	Best Retail Bank Philippines 2020
		Best Cash Management Bank Philippines 2020
	Infosys Finacle Client Innovation Awards	Winner: Ecosystem led Innovations (UnionBank GlobalLinker)
		Runner-up: Modern Technologies led Innovation (Union-Bank API Developer Portal)
	International Finance Magazine	Best Digital Bank Philippines 2020
	Lamudi Broker Awards Night	Lamudi Partner of the Year 2020
	1st Mansmith Innovation Awards	Master Innovator Award for Digital Technology Innovation 2020
	Asian Banker - International Excellence in Retail Banking Awards	Best Retail Bank Philippines 2020
	Asiamoney Private Banking Awards	Philippines – Best for Wealth Transfer/Succession Planning
	Capital Finance International (CFI.co) Inclusive Finance Awards 2020	Best Digital Community Impact Initiative – Southeast Asia 2020 (UBX)
	International Business Magazine	Best Cards Offering Philippines
	Retail Banker International - Retail Banking International Global Awards	Asia Pacific Retail Bank of the Year
	Frost & Sullivan - Excellence in Customer Experience Awards	Excellence in Customer Experience - Banking Industry Philippines (ATM Ambience Experience)
		Excellence in Customer Experience - Banking Industry Philippines (Online Experience)
	BankQuality Customer Survey and Ranking (BankQuality.com)	Most Helpful Banks in Asia Pacific during COVID-19 (Top 2)
	The Digital Banker - Global Private Banking Innovation Awards 2020	Winner - Best NextGen Offering
	The Asset Infrastructure Awards	Transport Deal of the Year

COMPANY	AWARDS	CATEGORY
Union Bank of the Philippines	Asian Banking and Finance - Retail Banking Awards	Domestic Retail Bank of the Year Philippines
		Open Banking Initiative of the Year Philippines (API Marketplace)
		Start-up Banking Initiative of the Year Philippines (UBX)
	Asiamoney Leaders for Women	Leaders for Women Survey (Recognized in the Philippines and Asia)
	Asiamoney Best Bank Awards (Philippines)	Best Bank for SMEs
	Private Banker International - Global Wealth Awards	Winner: Best Next-Gen Offering
	The Asian Banker - Promising Young Banker 2020	Promising Young Banker in the Philippines 2020 (Ana A. Delgado)
	Stevie Awards for Great Employers	Silver Stevie Winner: Employer of the Year Banking 2020
	Outsystems Innovation Awards 2020	Innovator of the Year 2020
	The Asian Banker Leadership Achievement Awards	Leadership Lifetime Achievement Award 2020 (Dr. Justo A. Ortiz)
	Corinium Global Intelligence	2020 Global Top 100 Innovators in Data & Analytics - Dr. David Hardoon
	IDC Digital Transformation Awards Philippines 2020	DX CEO - Edwin R. Bautista
		Talent Accelerator - UnionBank thru HR People Tech
	BNY Mellon STP Award 2020	Outstanding Payment Formatting and Straight-Through Rate
	CFA Society Philippines	Best Managed Fund of the Year 2020
	CX Asia Excellence Awards 2020	GOLD - Best Brand Experience (Asia Pacific) 2020
	IDC Digital Transformation Awards Asia Pacific 2020	2020 Asia/Pacific DX CEO (Edwin R. Bautista)
		2020 Asia/Pacific Digital Trailblazer (UnionBank)
	The Asian Banker Financial Innovation Technology Awards	Best ATM and Kiosks Initiative, Application or Programme (Regional)
	Global Brands Magazine Awards	Fastest Growing Fintech Company, South East Asia 2020 (UBX)
	The Banker Best Bank Awards	Bank of the Year 2020' in the Philippines
	The Digital Banker - Global Retail Banking Innovation Awards 2020	Best Digital Bank Philippines 2020
	Capital Finance International (CFI.co) Banking Awards 2020	Best Universal Bank Philippines 2020
		Best Digital Customer Experience Philippines 2020
	13th Annual Ventana Research Digital Leadership Awards	Winner: Customer Experience (Ana Delgado and Union-Bank)
	ASEAN CIO50 (IDG)	Dennis Omila ranked as “No. 7” among ASEAN CIO50 2020 (“ASEAN Top 50”)
	IBSI Global FinTech Innovation Awards, 2020	Best Project Implementation in the Quality Assurance/ Quality Engineering Category (UB Convergent Banking)
	Huawei Thanksgiving Day 2020	Joint Marketing Award (for UnionBank)
Aboitiz Foundation, Inc.	League of Corporate Foundations CSR Guild Awards	Finalist - Outstanding CSR Project in Enterprise Development (JuanCo-Op Project: Aboitiz Foundation Business Incubation Project)
		Finalist- Outstanding CSR Project in Environment (Pawikan Conservation and Management Plan - Calubcub II, San Juan, Batangas)
		Finalist- Outstanding CSR Collaboration Project: (The Power of Collective Kindness: Creating #AKINDER-World Every Day)

Board of Directors

Aboitiz Equity Ventures Inc.



Enrique M. Aboitiz
Chairman of the Board



Mikel A. Aboitiz
Vice Chairman of the Board



Edwin R. Bautista
Director



Raphael P.M. Lotilla
Lead Independent Director



Erramon I. Aboitiz
Director



Sabin M. Aboitiz
Director



Ana A. Delgado
Director



Jose C. Vitug
Independent Director



Manuel R. Salak III
Independent Director

Corporate Officers

Aboitiz Equity Ventures Inc.



Sabin M. Aboitiz
President
Chief Executive Officer



Manuel R. Lozano
Senior Vice President
Chief Financial Officer



Susan V. Valdez
Senior Vice President
Chief Corporate Services Officer



Robert McGregor
Executive Director
Chief Investment Officer



Christopher P. Beshouri
Executive Director
Chief Strategy Officer



Manuel Alberto R. Colayco
Senior Vice President
Chief Legal and Compliance Officer
Corporate Secretary



David Jude L. Sta. Ana
Senior Vice President
Chief External Affairs Officer



Maria Veronica C. So
First Vice President
Group Treasurer



Beverly B. Tolentino
First Vice President
CSU Finance Planning and Projects



Marlita M. Villacampa
First Vice President
Controller for Accounting and
Operations Services



Santanina Apolinaria B. Castro
First Vice President
Risk Management



Christopher M. Camba
First Vice President
External Relations



Ana Liza M. Aleta
First Vice President
Chief Information Officer



Joseph Y. Tugonon
First Vice President
Tax Advisory and Compliance Services

Business Unit Heads

Aboitiz Equity Ventures Inc.



Emmanuel V. Rubio
President
Chief Executive Officer
Aboitiz Power Corporation



Edwin R. Bautista
President
Chief Executive Officer
Union Bank of the Philippines



Lorenzo T. Ocampo
President
Chief Executive Officer
City Savings Bank, Inc.



Adrian Alfonso T. Ocampo
President
Chief Executive Officer
PETNET, Inc.



Sabin M. Aboitiz
President
Chief Executive Officer
Aboitiz Food Group



Tristan Roberto C. Aboitiz
President
Chief Executive Officer
Food Group Philippines



Eric Nojac
Senior Vice President
Chief Operating Officer
Food Group International



Cosette V. Canilao
President
Chief Executive Officer
Aboitiz InfraCapital, Inc.



Nabil Francis
President
Chief Executive Officer
Republic Cement

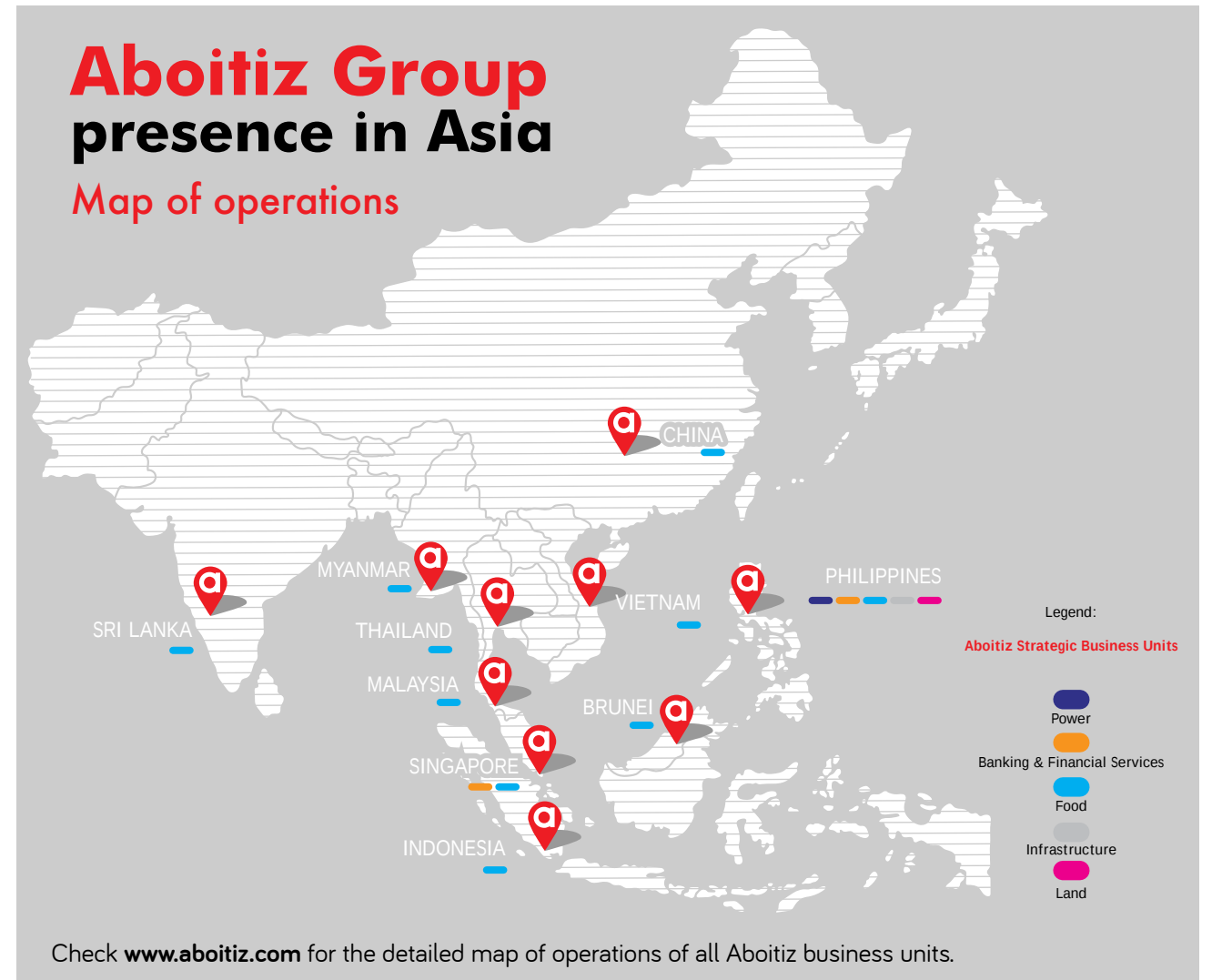


David L. Rafael
President
Chief Executive Officer
AboitizLand, Inc.

102-3, 102-4

Aboitiz Group presence in Asia

Map of operations



Board of Directors

Aboitiz Power Corporation



Erramon I. Aboitiz
Chairman of the Board



Mikel A. Aboitiz
Vice Chairman of the Board



Danel C. Aboitiz
Director



Romeo L. Bernardo
Lead Independent Director



Enrique M. Aboitiz
Director



Jaime Jose Y. Aboitiz
Director



Emmanuel V. Rubio
Director



Carlos C. Ejercito
Independent Director



Eric Ramon O. Recto
Independent Director

Corporate Officers

Aboitiz Power Corporation



Emmanuel V. Rubio
President
Chief Executive Officer



Jaime Jose Y. Aboitiz
Executive Vice President
Chief Operating Officer



Felino M. Bernardo
Chief Operating Officer
Thermal Generation
Business Group



Alexander B. Co
Chief Operating Officer
Renewable Generation
Business Group



Robert McGregor
Executive Vice President
Chief Investment Officer



Christopher P. Beshouri
Executive Vice President
Chief Strategy Officer



Liza Luv T. Montelibano
Senior Vice President
Chief Financial Officer



Anton Mari G. Perdices
Senior Vice President
Chief Operating Officer
Distribution Business Group



Danel C. Aboitiz
Senior Vice President
Chief Commercial and Stakeholder
Engagement Officer



Juan Alejandro A. Aboitiz
First Vice President
Commercial Operations
Business Unit



Ana Liza M. Aleta
First Vice President
Corporate Services



Lee Hazel T. Balangue
First Vice President
Project Development
and Execution (Renewable)



Maria Racquel J. Bustamante
First Vice President
Chief Financial Officer
Generation Business Group



Dennis Edward A. De La Serna
First Vice President
Regulatory Affairs



Juan Alfonso D. Suarez
First Vice President
Chief Human Resources Officer



Jeihan S. Borlaza
First Vice President
Chief Financial Officer
Power Distribution

Business Unit Heads

Aboitiz Power Corporation



Carlos Ramon C. Aboitiz
President
Chief Operating Officer
Hedcor



Celso C. Caballero III
President
Chief Operating Officer
Coal Business Unit



Ronaldo S. Ramos
President
Chief Operating Officer
Oil Business Unit



Joseph S. Yu
President
Chief Executive Officer
SN Aboitiz Power



Dennis B. Jordan
President
Chief Operating Officer
Geothermal and Solar Business Units



Raul D. Lucero
President
Chief Operating Officer
Visayan Electric Company, Inc.



Dante T. Pollescas
President
Chief Operating Officer
Enerzones



Valentin S. Saludes III
President
Chief Operating Officer
Cotabato Light & Power
Company



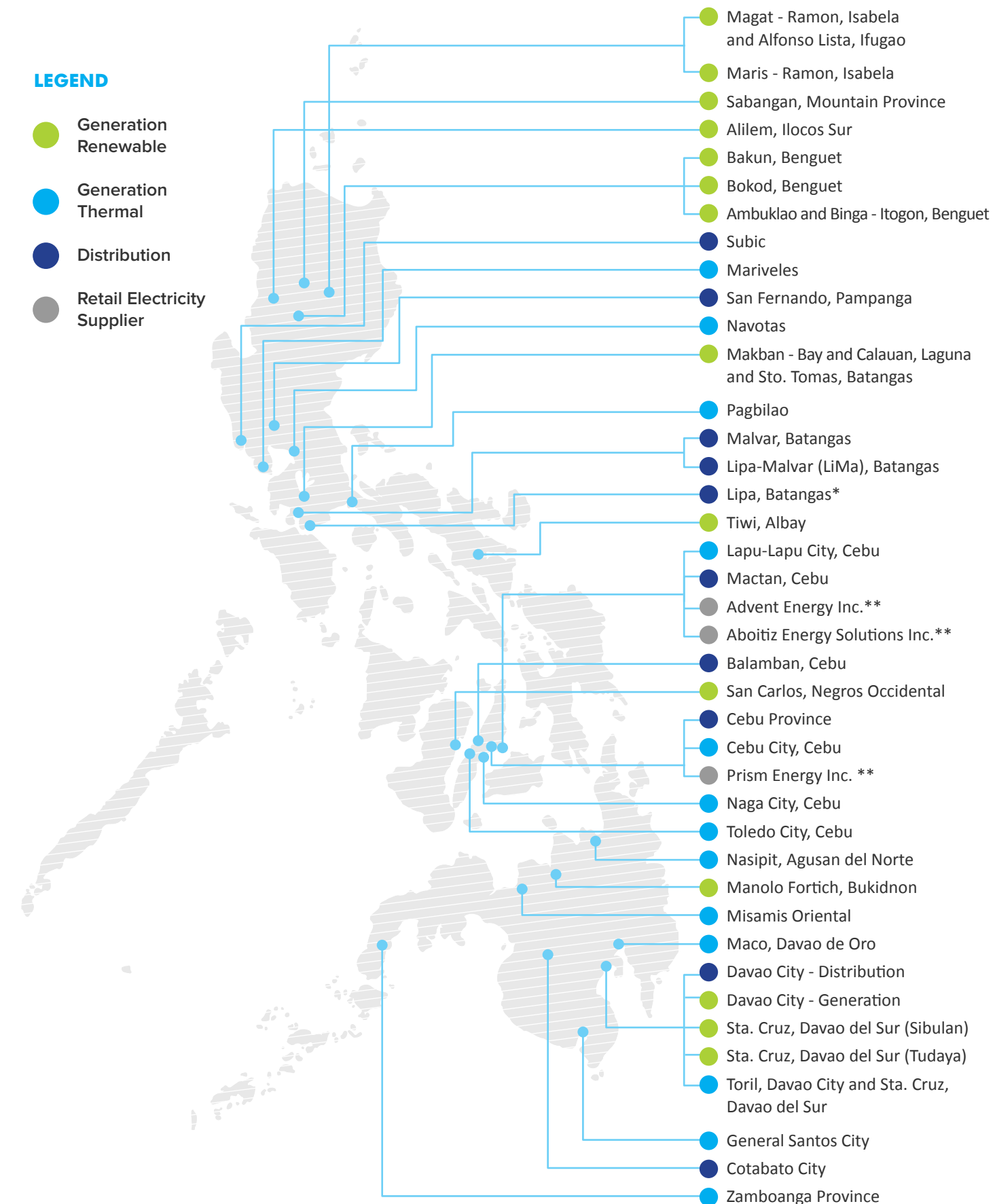
Rodger S. Velasco
President
Chief Operating Officer
Davao Light and Power Company, Inc.

Map of Operations

Aboitiz Power Corporation

LEGEND

- Generation Renewable
- Generation Thermal
- Distribution
- Retail Electricity Supplier



* 1.5-MWp project installed by AboitizPower Distributed Energy (APX) at The Outlets of AboitizLand

** Retail Electricity Suppliers

Board of Trustees and Advisers

Aboitiz Foundation, Inc.



Sabin M. Aboitiz
Chairman of the Board



Susan V. Valdez
Trustee



Tristan Roberto C. Aboitiz
Trustee



David L. Rafael
Trustee



Ma. Aurora F. Tolentino
Independent Trustee



David Jude L. Sta Ana
Trustee



Manuel R. Lozano
Trustee, Treasurer



Emmanuel V. Rubio
Trustee



Cosette V. Canilao
Trustee



Juan Alejandro A. Aboitiz
Adviser



Carlos Ramon C. Aboitiz
Adviser

Board of Directors

Enrique M. Aboitiz Chairman of the Board	Erramon I. Aboitiz Director	Ana A. Delgado Director	Raphael P.M. Lotilla Lead Independent Director	Manuel R. Salak III Independent Director
Mikel A. Aboitiz Vice Chairman of the Board	Sabin M. Aboitiz Director	Edwin R. Bautista Director	Jose C. Vitug Independent Director	

Corporate Officers

Sabin M. Aboitiz President Chief Executive Officer	Ana Liza M. Alea First Vice President Reputation Management Officer	Ana Margarita N. Hontiveros Vice President Reputation Management	Francisco Victor G. Salas Vice President Investor Relations	Lorna Grace C. Mamaril Assistant Vice President Funding (Project Finance)
Manuel R. Lozano Senior Vice President Chief Financial Officer	Christopher M. Camba First Vice President Corporate External Relations	Ruby O. Jaucian Vice President Group Human Resource	Maricar D. Bautista Assistant Vice President Media Relations	Olyzza O. Mellomida Assistant Vice President Accounting
Susan V. Valdez Senior Vice President Chief Corporate Services Officer	Joseph Y. Tugonon First Vice President Tax Advisory & Compliance	Anthony L. Noel Vice President Corporate External Relations	Camille Angela Marie A. Aquino Assistant Vice President Chief Strategy Officer	Pascualito Timothy D. Masion Vice President Infrastructure
Robert McGregor Executive Director Chief Investment Officer	Santanina Apolinaria B. Castro First Vice President Risk Management	Mary Geraldine P. Onganon Vice President Chief of Staff	Lehua L. Cabrera Assistant Vice President Labor Relations and Compliance	Doris Sharry P. Salazar Assistant Vice President Contracts & Commercial Transactions
Christopher P. Beshouri Executive Director Chief Strategy Officer	Timothy Joseph P. Abay Vice President Financial Planning & Analysis	Aylmerita C. Penalozza Vice President Funding (Bank Financing and Trade)	Ma Cristina L. Calumpang Assistant Vice President Treasury Operations	Bethuel V. Tanupan Assistant Vice President Tax Advisory and Compliance Services
David Jude L. Sta. Ana Senior Vice President Chief External Affairs Officer	Judee Lyn R. Aguilar Vice President Legislative Liaison	Maria Lourdes Y. Tanate Vice President Group Internal Audit	Mailene M. de La Torre Assistant Vice President Corporate Secretary	Andy G. Torrado Assistant Vice President Physical Assets Security
Manuel Alberto R. Colayco Senior Vice President Chief Legal and Compliance Officer Corporate Secretary	Pagan N. Arches-Reyes Vice President Contracts and Special Projects	Maria Elizabeth L. Tan Chong Vice President Corporate Human Resource	Golda May D. Gabriel Assistant Vice President Investment Planning and Monitoring	Ann Brynhilde A. Arribas Assistant Vice President IT Governance and Compliance
Marlita M. Villacampa First Vice President Controller for Accounting and Operations Services	Kenneth Matthew T. Chua Vice President Strategy	Percival Vincent P. Tan Vice President Corporate External Relations	Raul N. Imperial Assistant Vice President Risk Management	Carla Diana P. Alcala Assistant Vice President Corporate External Relations (Legislature)
Maria Veronica C. So First Vice President Group Treasurer	Julie Ann T. Diongzon Vice President Treasury Services Group	Charmaine Rose A. Valmonte Vice President IT Security and Infrastructure	Christine C. Kempeneers Assistant Vice President Risk Management and AEV Data Privacy Officer	Maria Mirchelle P. De Guzman Assistant Vice President Corporate External Relations
Beverly B. Tolentino First Vice President CSU Finance Planning and Projects	Marc Daniel K. Dy Vice President Corporate Finance	Martin John S. Yasay Vice President Corporate External Relations	Kenneth M. Lim Assistant Vice President Solutions	Nikki Ella M. Olaya Assistant Vice President Corporate Finance

Board Committees

Board Environmental, Social, and Corporate Governance Committee				
Raphael P.M. Lotilla Independent Director Chairman of the Committee	Jose C. Vitug Director (Non-Executive) Member of the Committee	Enrique M. Aboitiz Chairman of the Board (Non-Executive) Member of the Committee	Sabin M. Aboitiz Director (Executive) Member of the Committee	Manuel R. Salak III Independent Director Member of the Committee
Manuel Alberto R. Colayco Chief Legal and Compliance Officer Ex-Officio Member of the Committee	Susan V. Valdez Chief Corporate Services Officer Ex-Officio Member of the Committee	David Jude L. Sta. Ana Chief External Affairs Officer Ex-Officio Member of the Committee		
Board Audit Committee				
Jose C. Vitug Independent Director Chairman of the Committee	Ana Maria A. Delgado Director (Non-Executive) Member of the Committee	Erramon I. Aboitiz Director (Non-Executive) Member of the Committee	Raphael P.M. Lotilla Independent Director Member of the Committee	Manuel R. Salak III Independent Director Member of the Committee
Board Risk and Reputation Management Committee				
Enrique M. Aboitiz Chairman of the Board (Non-Executive) Chairman of the Committee	Mikel A. Aboitiz Vice-Chairman of the Board (Non-Executive) Member of the Committee	Erramon I. Aboitiz Director (Non-Executive) Member of the Committee	Sabin M. Aboitiz Director (Executive) Member of the Committee	Raphael P.M. Lotilla Independent Director Member of the Committee
Manuel R. Salak III Independent Director Member of the Committee	Jose C. Vitug Independent Director Member of the Committee	Manuel R. Lozano Chief Financial Officer Ex-officio Member of the Committee	David Jude L. Sta. Ana Chief External Affairs Officer Ex-officio Member of the Committee	Santanina Apolinaria B. Castro Risk Management Ex-officio Member of the Committee
Board Related Party Transactions Committee				
Manuel R. Salak III Independent Director Chairman of the Committee	Raphael P.M. Lotilla Independent Director Member of the Committee	Jose C. Vitug Independent Director Member of the Committee		
Board Executive Committee				
Sabin M. Aboitiz Director (Executive) Chairman of the Committee	Erramon I. Aboitiz Director (Non-Executive) Vice Chairman of the Committee	Mikel A. Aboitiz Vice-Chairman of the Board (Non-Executive) Member of the Committee	Enrique M. Aboitiz Chairman of the Board (Non-Executive) Member of the Committee	Edwin R. Bautista Director (Non-Executive) Member of the Committee
Manuel R. Lozano Chief Financial Officer Ex-officio Member of the Committee	Robert McGregor Chief Investment Officer Ex-officio Member of the Committee	Christopher P. Beshouri Chief Strategy Officer Ex-officio Member of the Committee	Manuel R. Lozano Chief Financial Officer Ex-officio Member of the Committee	

Board of Directors

Erramon I. Aboitiz Chairman of the Board	Enrique M. Aboitiz Director	Jaime Jose Y. Aboitiz Director	Romeo L. Bernardo Lead Independent Director	Eric Ramon O. Recto Independent Director
Mikel A. Aboitiz Vice-Chairman of the Board	Emmanuel V. Rubio Director	Danel C. Aboitiz Director	Carlos C. Ejercito Independent Director	

Corporate Officers

Emmanuel V. Rubio President Chief Executive Officer	Iara Victoria B. Arcilla Vice President Business Development	Raymond Carl R. Roseus Vice President Industry Relations	Janelle Paola C. Jacinto Assistant Vice President Corporate Branding & Communication	Rowena V. Romero Assistant Vice President Commercial Support
Jaime Jose Y. Aboitiz Vice President Chief Operating Officer	Charito E. Balita Vice President Innovation and Digital Transformation	Mark A. Valencia Vice President Chief Technology Officer	Sasha S. Jamero Assistant Vice President Controller Power Distribution Group	Gerard Joseph B. Roxas Assistant Vice President Power System Planning and Energy Economics
Christopher P. Beshouri Executive Vice President Chief Strategy Officer	Mary Ann D. Ballesteros Vice President Project Execution	James Byron P. Yu Vice President Retail Marketing	Rodelio C. Jaucian Assistant Vice President Operations Technology Expert	Arsenio C. Sacamos Assistant Vice President Business Process Management
Robert McGregor Executive Vice President Chief Investment Officer	Katrina Michaela D. Calleja Vice President Reputation Management	David Mikel T. Aboitiz Assistant Vice President Market Strategy	Vanessa Lyle P. Kinney-Borja Assistant Vice President Retention & Systems	Benedick M. Salvador Assistant Vice President Regulated Sales
Felino M. Bernardo Chief Operating Officer Thermal Generation Business Group	Marco R. Carlos Vice President Safety, Health, Environment and Security	Dary P. Aran Assistant Vice President Accounting	Lew Carlo C. Lopez Assistant Vice President Stakeholder Relations & Compliance	Dennis R. Siaton Assistant Vice President Regulatory Affairs Distribution
Alexander B. Coo Chief Operating Officer Renewable Generation Business Group	Myla M. Espineda Vice President Finance	Kathleen M. Aujero Assistant Vice President HR Business Partner	Jason D. Magnaye Assistant Vice President External Relations	Paul B. Sorino Assistant Vice President Regulatory Affairs Legal
Danel C. Aboitiz Senior Vice President Chief Commercial and Stakeholder Engagement Officer	Jeffrey R. Estrella Vice President Head of Wholesale	Robert Alexander U. Camay Assistant Vice President Information Systems Mgt - CSG	Jose Felipe V. Moleno Assistant Vice President Regulatory Compliance & True-Up Rate Implementation	Rene T. Sta. Maria Jr. Assistant Vice President Business Solutions
Liza Luv T. Montelibano Vice President Chief Finance Officer	Reynold B. Felix Vice President Customer Service Group Distribution Group	Belen B. Catanduanes Assistant Vice President Human Resources	Saturnino E. Nicanor Jr. Assistant Vice President Internal Audit Head	Andrew Jason B. Tan Assistant Vice President RE Business Development
Anton Mari G. Perdices Senior Vice President & COO Distribution Business Group	Nemeley F. Jabla Vice President Energy Trading	Ronald G. Chan Assistant Vice President IT Communications	Catherine D. Pasilaban Assistant Vice President Retail Sales	Allan K. Vargas Assistant Vice President Solar Project Development
Juan Alejandro A. Aboitiz First Vice President Head of Commercial Operations Business Unit	Cherry A. Javier Vice President Industry Affairs	Jaclyn C. Chong Assistant Vice President Talent Optimization & Culture and Engagement	Katherine Corinne C. Patron Assistant Vice President Talent Attraction	Dennis S. Verallo Assistant Vice President Utility Economics
Lee Hazel T. Balangue First Vice President Project Development and Execution (Renewable)	Arazeli L. Malapad Vice President Risk Organization and Performance Management and Data Privacy Officer	Anthony Matthew N. Co Assistant Vice President Portfolio Management	Joefry T. Paulo Assistant Vice President Solar and Storage Execution	Rolando V. Vergara Jr. Assistant Vice President Business Development (Land Acquisition & Conversion)
Jeihan S. Borlaza First Vice President Chief Finance Officer Distribution Group	Ma. Consolacion C. Mercado Vice President Legal Energy & Compliance	Lee Ann K. De Leon Assistant Vice President Commercial Operations	Lemuel P. Quilos Assistant Vice President IT Operations	Roberto N. Vidal Assistant Vice President Tariffs & Technical Compliance
Maria Racquel J. Bustamante First Vice President Chief Finance Officer Generation Group	Rendell Y. Ng Vice President Commercial & Finance	Annabel N. Gatluda Assistant Vice President IT Portfolio and Project Mgt	Clovis B. Racho Assistant Vice President Procurement & Logistics	
Dennis Edward A. De La Serna First Vice President Regulatory Affairs	Angeli A. Parcia Vice President Regulatory Affairs Generation	Gedeon L. Gavan Jr. Assistant Vice President Distribution Finance	Joey C. Rivera Assistant Vice President Energy & RES Accounting	
Juan Alfonso D. Suarez First Vice President Chief Human Resources Officer	Katrina M. Platon Vice President Regulatory Affairs Distribution	Joan Margareth C. Hao Assistant Vice President Business Process - CSG	Wilfredo A. Rodolfo III Assistant Vice President External Relations	

Board Committees

Board Environmental, Social, and Corporate Governance Committee				
Romeo L. Bernardo Independent Director Chairman of the Committee	Erramon I. Aboitiz Director (Non-Executive) Member of the Committee	Mikel A. Aboitiz Director (Non-Executive) Member of the Committee	Carlos C. Ejercito Independent Director Member of the Committee	Eric Ramon O. Recto Independent Director Member of the Committee
Susan V. Valdez Chief Corporate Services Officer Ex-Officio Member of the Committee	David Jude L. Sta. Ana Chief External Affairs Officer (AEV) Ex-Officio Member of the Committee	Ma. Consolacion C. Mercado Legal Energy & Compliance Officer Ex-officio Member of the Committee		
Board Audit Committee				
Carlos C. Ejercito Independent Director Chairman of the Committee	Eric Ramon O. Recto Independent Director Member of the Committee	Romeo L. Bernardo Independent Director Member of the Committee	Danel C. Aboitiz Director (Executive) Member of the Committee	Erramon I. Aboitiz Director (Non-Executive) Member of the Committee
Board Risk and Reputation Management Committee				
Enrique M. Aboitiz Director (Non-Executive) Chairman of the Committee	Jaime Jose Y. Aboitiz Director (Executive) Member of the Committee	Emmanuel V. Rubio Director (Executive) Member of the Committee	Carlos C. Ejercito Independent Director Member of the Committee	Eric Ramon O. Recto Independent Director Member of the Committee
Romeo L. Bernardo Independent Director Member of the Committee	Arazeli L. Malapad Risk Organization and Performance Management and Data Privacy Officer Ex-officio Member of the Committee	Liza Luv T. Montelibano Chief Finance Officer Ex-officio Member of the Committee		
Board Related Party Transactions Committee				
Eric Ramon O. Recto Independent Director Chairman of the Committee	Carlos C. Ejercito Independent Director Member of the Committee	Romeo L. Bernardo Independent Director Member of the Committee		
Board Executive Committee				
Emmanuel V. Rubio Director (Executive) Chairman of the Committee	Erramon I. Aboitiz Director (Non-Executive) Member of the Committee	Mikel A. Aboitiz Director (Non-Executive) Member of the Committee	Enrique M. Aboitiz Chairman of the Board (Non-Executive) Member of the Committee	Jaime Jose Y. Aboitiz Director (Executive) Member of the Committee
Liza Luv T. Montelibano Chief Investment Officer Ex-officio Member of the Committee	Robert McGregor Chief Investment Officer Ex-officio Member of the Committee	Christopher P. Beshouri Chief Strategy Officer Ex-officio Member of the Committee		

BOARDSPEAK

What is your advice to current and future Aboitiz team leaders and members for us to reach another 100 years?

Our past 200 years have taught me that there is only one value that covers all, and that is trust. Trust is achieved with clarity. There is only one skill that really matters—the timely adaptation to change. In escalating disruption, they both matter more than ever.

Endika Aboitiz

As long as we stay genuinely connected to our time-honored values of the Aboitiz Way, we will always be on the right track wherever the day takes us as a business and organization. Integrity, teamwork, innovation, and responsibility are embedded in us. Be aware that things will not remain the same as they are now. We must innovate, change and adapt to the times; doing things better, doing things differently. No one moves forward by staying in the same place.

Sabin Aboitiz

Glance back, be inspired, and move forward.

Raphael Lotilla

What was achieved in the past 100 years did not come easy. With the challenges we will face in the next 100 years, perseverance will be a necessary ingredient.

Erramon Aboitiz

Newton's First Law of Motion: An object either remains at rest or continues to move at a constant velocity unless acted upon by an external force. Old ways won't open up new doors.

Second Law of Motion: $F=MA$. If you want to get an object accelerating in a particular direction, then the size of the force you apply and the direction of that force will both make a difference. Focus on the key drivers of growth and what matters for long-term growth and resiliency. Practice Polite Persistence. "Transform values into actions, visions into realities, obstacles into innovations, separateness into solidarity, and risks into rewards."

Third Law of Motion: When one body exerts a force on a second body, the second body simultaneously exerts a force equal in magnitude and opposite in direction on the first body. "Example is not the main thing in influencing others. It is the only thing." - Albert Schweitzer

Mikel Aboitiz

To thrive consistently over time, we need to be at the forefront of driving change. As leaders, this requires us to get comfortable in the uncomfortable and the uncertain. It is from this place of uncertainty and discomfort that the ideas that will lead us into the future will be birthed.

Ana Delgado-Aboitiz

Be open to change even if it is uncomfortable. It is unnerving because things will definitely change: how we work, our businesses, our society. Always keep a level head as we, as a team, continue to learn, adapt, adjust, innovate, and execute properly. There will certainly be missteps and failures. Learn from it and move on. Remember to always celebrate the wins, even the small ones.

Jim Aboitiz

"Fire is the test of gold; adversity, of strong men." - Seneca

Romeo Bernardo

Always keep learning. Always keep innovating. Never settle for good enough. Never give up our core values of integrity, teamwork, innovation, and responsibility.

Eric Recto

Be open, embrace change, and evolve fast. We will never know what the future holds, but as long as we keep an open mind and remain ready to evolve with the times, we will not only survive, but thrive and continue the Aboitiz legacy of advancing business and communities for the next 100, or even 200 years.

Manny Rubio

We are not in a hundred-meter sprint but in a 100-year marathon, and this marathon will be run in relays. Each generation builds and strengthens the Organization. Never lose heart when faced with challenges and failures. Learn and share the lessons and push on.

Carlos Ejercito

Continuous self-reflection and growth are key to the long game. In the meantime, make up for our shortcomings with hard work and perseverance.

Danel Aboitiz

FOOD

- Pilmico Foods Corporation 100%
 - Pilmico Animal Nutrition Corp. 100% (B)
 - Fil-Agri Holdings, Inc. 100%
 - Fil-Agri, Inc. 100% (B)
- Pilmico International Pte. Ltd. 100% *
 - ABAQA International Pte. Ltd. 100%
 - Pilmico Vietnam Company Ltd. 100%
 - Gold Coin Management Holdings Pte. Ltd. 100%
- GC Investment Holdings Ltd. 100%
 - Gold Coin (Zhangzhou) Company Ltd. 100%
 - Gold Coin (Zhuhai) Company Ltd. 100%
 - Gold Coin Feedmill (Kunming) Company Ltd. 100%
 - Gold Coin Feedmill (Dongguan) Company Ltd. 100%
 - Gold Coin Management (Shenzhen) Company Ltd. 100%
- Gold Coin Malaysia Group Sdn. Bhd. 70%
 - Gold Coin Feedmills (Malaysia) Sdn. Bhd. 100%
 - Gold Coin Feedmill (Sabah) Sdn. Bhd. 100%
 - Gold Coin Sarawak Sdn. Bhd. 72.8%
 - Bintawa Fishmeal Factory Sdn. Bhd. 72.8%
 - Gold Coin Feed Mills (Brunei) Sdn. Bhd. 20%
 - Golden Livestock Sdn. Bhd. 100%
 - K&L Farming Industries Sdn. Bhd. 30%

INFRASTRUCTURE

- Aboitiz InfraCapital, Inc. 100%
 - LiMA Water Corp. 100%
 - Balibago Water Systems, Inc. 15.94%
 - Apo Agua Infraestructura, Inc. 70% (B) 22.22% (D)
- AEV CRH Holdings, Inc. 60%
 - Republic Cement & Building Materials, Inc. 99.40%
 - Republic Cement Mindanao, Inc. 99.72% (B)
 - Republic Cement Land and Resources, Inc. 100%
- CRH Aboitiz Holdings, Inc. 45%
 - Republic Cement Services, Inc. 100%

LAND

- AboitizLand, Inc. 100%
 - LiMA Land, Inc. 100%
 - Cebu Industrial Park Developers Inc. 60%
 - Cebu Industrial Park Services Inc. 100%
 - Cebu District Property Enterprise, Inc. 50%
 - Cebu Homegrown Developers, Inc. 50%
 - Propriedad Del Norte 100%
 - Misamis Oriental Land Development Corp. 60%
 - A2 Airports, Inc. 50%
 - Triplecrown Properties, Inc. 100%
 - 78 Pointblue, Inc. 100%
 - Firmwall Systems, Inc. 100%

OTHERS

- AEV Aviation, Inc. 73.31% (D) 93.86% (B)
- Cebu Praedia Development Corp. 100.00%
- Archipelago Insurance Pte. Ltd. 100%
- Singapore Life (Philippines), Inc. 15%
- AEV International Pte. Ltd. 100%

Gold Coin Services Singapore Pte. Ltd. 100%

- Klean Greentech Co. Ltd. 100% (B)
- Gold Coin Feedmill Binh Duong Company Limited 100%
- Gold Coin Vietnam Holdings Pte. Ltd. 100%
- Myanmar Gold Coin International Co. Ltd. 100%

Gold Coin Aqua Feed Incorporated 100%

- Gold Coin Aqua Feed (Singapore) Pte. Ltd. 100%
- Gold Coin Specialties Sdn. Bhd. 70%
- Gold Coin Specialties (Thailand) Co. Ltd. 93.9%
- P.T. Gold Coin Trading Indonesia 100% (B)

Gold Coin Sabah Sdn. Bhd. 100%

- Gold Coin Feedmill (Dong Nai) Co. Ltd. 100%
- American Feeds Company Limited 100%
- Gold Coin Feedmill Ha Nam Company Limited 100%
- Gold Coin Feedmills (Lanka) Ltd. 100% (B)
- Gold Coin Holdings Sdn. Bhd. 100%

P.T. Gold Coin Indonesia 100% (B)

- P.T. Gold Coin Specialties 100% (B)
- PT Ayam Unggul 60%
- FEZ Animal Nutrition Pte. Ltd. 100%
- FEZ Animal Nutrition Philippines, Inc. 40%
- FEZ Animal Nutrition Pakistan (Private) Limited 100% (B)

As of December 31, 2020

Statement of Management’s Responsibility for Financial Statements

Aboitiz Equity Ventures Inc.

SECURITIES & EXCHANGE COMMISSION
SEC Building, EDSA Greenhills
Mandaluyong, Metro Manila

STATEMENT OF MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Aboitiz Equity Ventures Inc. is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company’s financial reporting process.

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

Sycip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

(sgd.)
ENRIQUE M. ABOITIZ JR.
Chairman of the Board

(sgd.)
SABIN M. ABOITIZ
President & Chief Executive Officer

(sgd.)
MANUEL R. LOZANO
Senior Vice President - Chief Financial Officer

Signed this 5th day of March, 2021.

Republic of the Philippines)

MAKATI CITY) S.S.
Ar

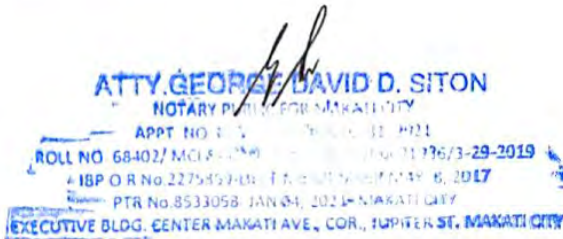
Before me, a notary public in and for the city named above, personally appeared:

Name	Passport/CTC	Date/Place Issued
Enrique M. Aboitiz Jr.	P [REDACTED] 04602774	February 28, 2018, Manila February 18, 2021, Cebu City
Sabin M. Aboitiz	P [REDACTED] 04602771	February 23, 2017, Manila February 18, 2021, Cebu City
Manuel R. Lozano	P [REDACTED] 22190534	May 6, 2018, Manila January 27, 2021, Taguig City

who are personally known to me and to me known to be the same persons who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this MAR 17 2021 day of _____ 2021.

Doc. No. 85 ;
Page No. 18 ;
Book No. 84 ;
Series of 2021.



Statement of Management's Responsibility for Financial Statements

Aboitiz Equity Ventures Inc.

The Board of Directors and Stockholders
Aboitiz Equity Ventures, Inc.

Opinion

We have audited the consolidated financial statements of Aboitiz Equity Ventures, Inc. and its subsidiaries (the Group), which comprise the consolidated balance sheets as at December 31, 2020 and 2019, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2020 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment Testing of Goodwill

Under PFRSs, the Group is required to annually test the amount of goodwill for impairment. As of December 31, 2020, the goodwill attributable to several cash-generating units (CGUs) amounted to ₱55.2 billion or 9% of total assets, which is considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to uncertainty on the estimation process due to the current economic conditions which have been impacted by the coronavirus pandemic, specifically discount and growth rates, revenue assumptions, and material price inflation.

The Group's disclosures about goodwill are included in Note 14 to the consolidated financial statements.

Audit Response

We involved our internal specialist in assessing the methodologies and assumptions used. These assumptions include discount and growth rates, revenue assumptions, and material price inflation. We compared the key assumptions used, such as growth rate and revenue assumptions against the historical performance of the CGUs, industry outlook and other relevant external data, taking into consideration the impact associated with the coronavirus pandemic. We tested the parameters used in the determination of the discount rates against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically those that have the most significant effect on the determination of the recoverable amount of goodwill.

Revenue Recognition of Distribution Utilities

The distribution utilities' revenue from the sale of electricity amounting to ₱41.8 billion accounts for 22% of the Group's consolidated revenues and is material to the Group. This matter is significant to the audit because the revenue recognized depends on the electric consumption captured, the rates applied across different customers, and the systems involved in the billing process. Electric consumption captured is based on the meter readings taken on various dates for the different types of customers (i.e., industrial, commercial, and residential customers) within the franchise areas of operations of the distribution utilities.

The Group's disclosures related to this matter are provided in Notes 2 and 26 to the consolidated financial statements.

Audit Response

We obtained an understanding and evaluated the design and tested the controls over the billing and revenue process which includes the capture and accumulation of meter data in the billing system and calculation of billed amounts, and uploading of billed amounts from the billing system to the financial reporting system. We performed a test calculation of the rates using the Energy Regulatory Commission-approved rates and formulae, then compared them with the rates used in billing statements.

Recoverability of Certain Segments of Property, Plant and Equipment

Based on the assessment of the Group as of December 31, 2020, certain segments of its property, plant and equipment totaling ₱41.6 billion, may be impaired due to the existence of impairment indicators. As such, the Group assessed the recoverable amount of these segments of property and equipment and this requires significant judgment and involves estimation and assumptions about future electricity generation levels and costs as well as external inputs such as fuel prices, electricity prices and discount rates. In addition, because of the coronavirus pandemic, there is heightened level of uncertainty on the future economic outlook and market forecast. Hence, we consider such assessment as a key audit matter in our audit.

The disclosures about the recoverability of certain segments of property, plant and equipment are included in Note 13 to the consolidated financial statements.

Audit Response

We involved our internal specialist in assessing the methodologies and assumptions used. These assumptions include future electricity generation levels and costs, as well as external inputs such as fuel prices, electricity prices and discount rates. We compared the key assumptions used against the historical performance of certain segments of property, plant and equipment, industry outlook and other relevant external data, taking into consideration the impact associated with the coronavirus pandemic. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically those that have the most significant effect on the determination of the recoverable amounts of certain segments of property, plant and equipment.

Accounting for Investment in an Associate

The Group has an investment in Union Bank of the Philippines (UBP), which is a universal bank that is publicly listed in the Philippine Stock Exchange and accounted for under the equity method. For the year ended December 31, 2020, the Group's share in the net income of UBP amounted to ₱5.9 billion and accounts for 28% of the Group's consolidated net income. The Group's share in UBP's net income is significantly affected by the level of provisioning of its loans and receivables applying the expected credit loss (ECL) model. This matter is significant to our audit because the application of the ECL model requires significant management judgment and estimates.

The Group's disclosures on investments in associates are in Notes 2 and 10 to the consolidated financial statements.

Audit Response

We obtained the financial information of UBP for the year ended December 31, 2020 and recomputed the Group's share in net income of UBP and assessed the disclosures of the investment in associate in the consolidated financial statements.

We obtained an understanding of the methodologies and models used for UBP's different credit exposures and assessed whether these considered the requirements of PFRS 9, *Financial Instruments*, to reflect an unbiased and probability-weighted outcome, and to consider the time value of money and the best available forward-looking information. We also inspected and considered the results of the model validation on the risk rating performed by management's specialist.

We (a) assessed UBP's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default and significant increase in credit risk criteria against historical analysis of accounts, credit risk management policies and practices in place, and management's assessment of the impact of the coronavirus pandemic on the counterparties; (c) tested UBP's application of internal credit risk rating system, including the impact of the coronavirus pandemic on the borrowers, by reviewing the ratings of sample credit exposures; (d) tested loss given default by inspecting historical recoveries and related costs, write-offs and collateral valuations, and the effects of credit enhancements provided by any party; (e) tested exposure at default considering outstanding commitments and repayment scheme; (f) checked the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of UBP's lending portfolios and broader industry knowledge, including the impact of the coronavirus pandemic; and (g) tested the effective interest rate used in discounting the ECL.

Further, we checked the data used in the ECL models by reconciling data from source system reports to the data warehouse and from the data warehouse to the loss allowance analysis/models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets of debt financial assets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis. We also assessed the assumptions used where there are missing or insufficient data.

We recalculated impairment provisions on a sample basis. We involved our internal specialists in the performance of the above procedures.

Consolidation Process

Aboitiz Equity Ventures, Inc. owns a significant number of domestic and foreign entities at varying equity interests. We considered the consolidation process as a key audit matter because it required significant auditor attention, particularly on the following areas: (a) fair value adjustments arising from business combinations, (b) numerous intercompany transactions, (c) alignment of accounting policies of the investees with the Group's policy on property, plant and equipment and investment properties, (d) translation of investees' foreign-currency-denominated financial information to the Group's functional currency and (e) other equity adjustments.

The Group's disclosures on the basis of consolidation are in Note 2 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's consolidation process and the related controls, the process for identifying related parties and related party transactions, as well as the reconciliation of intercompany balances. We also checked the entities included in the consolidation and reviewed the eliminating entries recorded, including fair value adjustments. In addition, we reviewed the foreign currency translation adjustments, as well as the alignment of accounting policies on property, plant and equipment and investment properties.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Maria Veronica Andresa R. Pore.

SYCIP GORRES VELAYO & CO.

Maria Veronica Andresa R. Pore

Maria Veronica Andresa R. Pore

Partner

CPA Certificate No. 90349

SEC Accreditation No. 0662-AR-4 (Group A),

November 21, 2019, valid until November 20, 2022

Tax Identification No. 164-533-282

BIR Accreditation No. 08-001998-071-2020,

December 3, 2020, valid until December 2, 2023

PTR No. 8534345, January 4, 2021, Makati City

March 5, 2021

Independent Auditors' Report on Supplementary Schedules

Independent Auditors' Report on Components of Financial Soundness Indicators

Aboitiz Equity Ventures Inc.

Aboitiz Equity Ventures Inc.

The Board of Directors and Stockholders
Aboitiz Equity Ventures, Inc.
32nd Street, Bonifacio Global City
Taguig City, Metro Manila
Philippines

The Board of Directors and Stockholders
Aboitiz Equity Ventures, Inc.
32nd Street, Bonifacio Global City
Taguig City, Metro Manila
Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Aboitiz Equity Ventures, Inc. and Subsidiaries as at December 31, 2020 and 2019, and for each of the three years in the period ended December 31, 2020. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Aboitiz Equity Ventures, Inc. and Subsidiaries as at December 31, 2020 and 2019, and for each of the three years in the period ended December 31, 2020. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

SYCIP GORRES VELAYO & CO.

Maria Veronica Andresa R. Pore
Maria Veronica Andresa R. Pore
Partner
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December 3, 2020, valid until December 2, 2023
PTR No. 8534345, January 4, 2021, Makati City

March 5, 2021

March 5, 2021

Consolidated Balance Sheets

Aboitiz Equity Ventures Inc.

(Amounts in Thousands)

	December 31	
	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱65,966,411	₱46,424,663
Trade and other receivables (Note 5)	38,026,254	35,195,594
Inventories (Note 6)	21,645,913	20,776,828
Land and improvements (Note 6)	3,039,972	2,570,892
Derivative asset (Note 36)	—	51,060
Other current assets (Notes 7 and 8)	18,702,683	19,406,255
Total Current Assets	147,381,233	124,425,292
Noncurrent Assets		
Property, plant and equipment (Notes 13 and 18)	219,538,095	225,558,765
Investments and advances (Note 10)	145,416,644	140,351,748
Intangible assets (Notes 9 and 14)	67,776,489	66,801,095
Investment properties (Notes 15 and 31)	10,937,685	11,291,880
Deferred income tax assets - net (Note 32)	2,041,497	3,127,072
Trade receivables - net of current portion (Note 5)	1,398,791	2,423,038
Derivative asset - net of current portion (Note 36)	—	82,327
Net pension assets (Note 30)	115,023	190,243
Other noncurrent assets (Notes 8 and 16)	14,550,470	14,134,641
Total Noncurrent Assets	461,774,694	463,960,809
TOTAL ASSETS	₱609,155,927	₱588,386,101
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 17, 35 and 40)	₱35,611,592	₱36,440,163
Bank loans (Note 18)	29,330,883	25,717,137
Current portions of:		
Long-term debts (Note 19)	17,417,474	27,126,918
Long-term obligation on Power Distribution System (PDS) (Note 14)	40,000	40,000
Lease liabilities (Notes 13 and 22)	7,283,183	5,656,226
Derivative liability (Note 37)	982,348	2,255,736
Income tax payable	1,006,445	776,596
Total Current Liabilities	91,671,925	98,012,776

(Forward)

	December 31	
	2020	2019
Noncurrent Liabilities		
Noncurrent portions of:		
Long-term debts (Note 19)	₱243,623,606	₱212,452,620
Lease liabilities (Notes 22)	32,485,663	39,637,536
Trade payables (Notes 17 and 35)	1,657,982	7,206,837
Long-term obligation on PDS (Note 14)	143,436	159,350
Customers' deposits (Note 20)	6,990,008	6,721,156
Decommissioning liability (Note 21)	5,008,033	3,567,492
Deferred income tax liabilities - net (Note 32)	2,399,529	2,581,511
Net pension liability (Note 30)	574,217	639,155
Derivative liability - net of current portion (Note 37)	1,001,529	212,588
Total Noncurrent Liabilities	293,884,003	273,178,245
Total Liabilities	385,555,928	371,191,021
Equity Attributable to Equity Holders of the Parent		
Capital stock (Note 23)	5,694,600	5,694,600
Additional paid-in capital (Note 23)	13,013,197	13,013,197
Other equity reserves:		
Gain on dilution (Note 2)	5,043,152	5,043,152
Excess of book value over acquisition cost of an acquired subsidiary (Note 9)	469,540	469,540
Acquisition of non-controlling interests (Note 2)	(11,727,718)	(11,590,375)
Accumulated other comprehensive income (Note 25)	(3,959,403)	(2,648,022)
Retained earnings (Notes 10 and 24)		
Appropriated	9,200,000	4,200,000
Unappropriated	165,976,675	162,864,330
Treasury stock at cost (Note 23)	(647,672)	(565,246)
	183,062,371	176,481,176
Non-controlling Interests	40,537,628	40,713,904
Total Equity	223,599,999	217,195,080
TOTAL LIABILITIES AND EQUITY	₱609,155,927	₱588,386,101

Consolidated Statements of Income

Aboitiz Equity Ventures Inc.

(Amounts in Thousands, Except Earnings Per Share Amounts)

	Years Ended December 31		
	2020	2019	2018
REVENUES			
Sale of:			
Power (Note 26)	₱109,867,394	₱124,605,660	₱130,734,557
Goods	71,286,473	69,625,434	47,751,035
Real estate (Notes 15 and 26)	3,541,272	4,116,175	3,925,308
Fair value of swine (Note 8)	1,310,621	1,529,743	2,501,841
Service fees (Note 40)	551,455	1,153,570	1,883,506
Others (Note 35)	168,613	126,886	146,573
	186,725,828	201,157,468	186,942,820
COSTS AND EXPENSES			
Cost of generated and purchased power	54,871,109	71,361,850	71,680,298
Cost of goods sold (Notes 6 and 28)	61,518,767	61,177,948	43,693,907
Operating expenses (Notes 28, 35, 38 and 39)	37,015,283	33,546,426	30,398,694
Cost of real estate sales (Note 6)	1,748,270	2,305,141	1,871,385
Overhead expenses (Note 28)	98,609	111,213	136,593
	155,252,038	168,502,578	147,780,877
OPERATING PROFIT	31,473,790	32,654,890	39,161,943
Share in net earnings of associates and joint ventures (Note 10)	9,019,033	11,502,090	7,727,663
Interest income (Notes 4, 35 and 36)	1,007,236	1,574,268	1,476,151
Interest expense (Notes 22 and 36)	(17,917,087)	(17,048,359)	(14,638,588)
Other income (expense) - net (Notes 5, 31 and 35)	4,809,275	5,517,803	1,410,826
INCOME BEFORE INCOME TAX	28,392,247	34,200,692	35,137,995
PROVISION FOR INCOME TAX (Note 32)	7,583,258	4,758,404	3,899,198
NET INCOME	₱20,808,989	₱29,442,288	₱31,238,797
ATTRIBUTABLE TO:			
Equity holders of the parent	₱15,433,613	₱22,036,129	₱22,232,977
Non-controlling interests	5,375,376	7,406,159	9,005,820
	₱20,808,989	₱29,442,288	₱31,238,797
EARNINGS PER SHARE (Note 33)			
Basic and diluted, for net income for the year attributable to equity holders of the parent	₱2.74	₱3.91	₱3.95

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

Aboitiz Equity Ventures Inc.

(Amounts in Thousands)

	Years Ended December 31		
	2020	2019	2018
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the parent	₱15,433,613	₱22,036,129	₱22,232,977
Non-controlling interests	5,375,376	7,406,159	9,005,820
	20,808,989	29,442,288	31,238,797
OTHER COMPREHENSIVE INCOME			
<i>Items that may be reclassified to consolidated statements of income:</i>			
Movement in cumulative translation adjustments, net of tax	135,893	(2,028,859)	639,746
Share in movement in cumulative translation adjustments of associates and joint ventures (Note 10)	(513,559)	(505,502)	464,139
Share in movement in net unrealized mark-to-market gains (losses) on FVOCI investments of associates (Note 10)	(10,116)	(2,382)	14,295
Movement in net unrealized mark-to-market gains (losses) on FVOCI investments (Note 25)	(126)	2,992	(17,136)
	(387,908)	(2,533,751)	1,101,044
<i>Items that will not be reclassified to consolidated statements of income:</i>			
Share in movement in actuarial gains (losses) on defined benefit plans of associate and joint ventures, net of tax	(531,153)	(394,994)	112,229
Movement in actuarial losses on defined benefit plans, net of tax	(607,051)	(185,103)	(10,633)
	(1,138,204)	(580,097)	101,596
TOTAL COMPREHENSIVE INCOME	₱19,282,877	₱26,328,440	₱32,441,437
ATTRIBUTABLE TO:			
Equity holders of the parent	₱14,122,232	₱19,415,184	₱23,247,913
Non-controlling interests	5,160,645	6,913,256	9,193,524
	₱19,282,877	₱26,328,440	₱32,441,437

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Changes in Equity
Aboitiz Equity Ventures Inc.

FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
(Amounts in Thousands, Except Dividends Per Share Amounts)

	Attributable to equity holders of the parent											Non-controlling Interest	Total
	Capital Stock: Common (Note 23)	Additional Paid-in Capital (Note 23)	Gain on Dilution (Note 2)	Excess of Book Value Over Acquisition Cost of an Acquired Subsidiary (Note 9)	Acquisition of Non-controlling Interest (Note 2)	Accumulated Comprehensive Income (Note 10)	Retained Earnings		Treasury Stock (Note 23)	Total			
							Appropriated (Note 24)	Unappropriated (Note 24)					
Balances at January 1, 2020	₱5,694,600	₱13,013,197	₱5,043,152	₱469,540	₱11,590,375	₱2,648,022	₱4,200,000	₱162,864,330	₱565,246	₱176,481,176	₱40,713,904	₱217,195,080	
Net income for the year	—	—	—	—	—	—	—	15,433,613	—	15,433,613	5,375,376	20,808,989	
Other comprehensive loss	—	—	—	—	—	(1,311,381)	—	—	—	(1,311,381)	(214,731)	(1,526,112)	
Total comprehensive income (loss) for the year	—	—	—	—	—	(1,311,381)	—	15,433,613	—	14,122,232	5,160,645	19,282,877	
Cash dividends - ₱1.30 per share (Note 24)	—	—	—	—	—	—	—	—	—	(7,321,268)	—	(7,321,268)	
Acquisition of treasury shares (Note 23)	—	—	—	—	—	—	—	—	(82,426)	(82,426)	—	(82,426)	
Appropriation during the year (Note 24)	—	—	—	—	—	—	5,000,000	(5,000,000)	—	—	—	—	
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	
Acquisition of non-controlling interests	—	—	—	—	(137,343)	—	—	—	—	(137,343)	(4,607,417)	(4,607,417)	
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	—	1,373 (730,877)	(135,970)	
Balances at December 31, 2020	₱5,694,600	₱13,013,197	₱5,043,152	₱469,540	₱11,727,718	₱3,959,403	₱9,200,000	₱165,976,675	₱647,672	₱183,062,371	₱40,537,628	₱223,599,999	
Balances at January 1, 2019, as previously reported	₱5,694,600	₱13,013,197	₱5,043,152	₱469,540	₱1,679,549	₱12,464	₱4,200,000	₱148,541,910	₱565,246	₱174,705,140	₱42,558,391	₱217,263,531	
Effects of adoption of PFRS 16	—	—	—	—	—	—	—	(278,423)	(94,836)	(278,423)	(94,836)	(373,259)	
Restatement of a subsidiary	—	—	—	—	—	(14,613)	—	—	—	(14,613)	1,228,919	1,214,306	
Balances at January 1, 2019, as restated	5,694,600	13,013,197	5,043,152	469,540	(1,679,549)	(27,077)	4,200,000	148,263,487	(565,246)	174,412,104	43,692,474	218,104,578	
Net income for the year	—	—	—	—	—	—	—	22,036,129	—	22,036,129	7,406,159	29,442,288	
Other comprehensive loss	—	—	—	—	—	(2,620,945)	—	—	—	(2,620,945)	(492,903)	(3,113,848)	
Total comprehensive income (loss) for the year	—	—	—	—	—	(2,620,945)	—	22,036,129	—	19,415,184	6,913,256	26,328,440	
Cash dividends - ₱1.32 per share (Note 24)	—	—	—	—	—	—	—	—	—	(7,435,286)	—	(7,435,286)	
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(5,235,131)	(5,235,131)	
Acquisition of non-controlling interests	—	—	—	—	(9,910,826)	—	—	—	—	(9,910,826)	(1,395,615)	(11,306,441)	
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	—	(3,261,080)	(3,261,080)	
Balances at December 31, 2019	₱5,694,600	₱13,013,197	₱5,043,152	₱469,540	₱11,590,375	₱2,648,022	₱4,200,000	₱162,864,330	₱565,246	₱176,481,176	₱40,713,904	₱217,195,080	

Consolidated Statements of Cash Flows

Aboitiz Equity Ventures Inc.

(Amounts in Thousands)

	Years Ended December 31		
	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱28,392,247	₱34,200,692	₱35,137,995
Adjustments for:			
Interest expense (Note 36)	17,917,087	17,048,359	14,638,588
Depreciation and amortization (Note 28)	12,696,823	11,536,837	9,818,431
Net unrealized foreign exchange losses (gains)	(1,972,048)	(1,951,509)	1,319,008
Impairment loss (recovery) on property, plant and equipment, goodwill and other assets (Notes 2, 13, 14 and 16)	—	(245,489)	847,620
Write-off / provision for decline in value of project costs	56,410	71,802	179,225
Loss (gain) on sale/disposal of:			
Property, plant and equipment (Note 13)	27,097	301,228	292,194
Fair value through profit or loss (FVTPL) and FVOCI investments (Note 3)	(15,622)	(834)	8,830
Investment in a subsidiary (Note 9)	—	(4,382)	(165,876)
Unrealized mark-to-market losses on derivatives	4,848	3,889	196,096
Unrealized mark-to-market losses (gains) on FVTPL investments	(79,501)	(57,998)	13,518
Dividend income (Note 31)	(4,827)	(10,651)	(19,060)
Net unrealized valuation gains on investment property (Notes 15 and 31)	(401,410)	(1,829,732)	(511,820)
Interest income (Note 36)	(1,007,236)	(1,574,268)	(1,476,151)
Share in net earnings of associates and joint ventures (Note 10)	(9,019,033)	(11,502,090)	(7,727,663)
Operating income before working capital changes	46,594,835	45,985,854	52,550,935
Decrease (increase) in:			
Trade and other receivables	(12,509,152)	(7,383,477)	(5,046,239)
Inventories	(656,462)	1,327,976	(2,404,398)
Land and improvements	(455,870)	(360,626)	(387,780)
Pension asset	(5,165)	—	—
Other current assets	4,455,492	960,381	(3,764,696)
Increase (decrease) in:			
Trade and other payables	4,605,102	6,339,593	1,840,197
Pension liability	2,207	(15,156)	(12,940)
Customers' deposits	277,376	513,105	(86,326)
Net cash flows generated from operations	42,308,363	47,367,650	42,688,753
Income and final taxes paid	(6,087,298)	(4,610,604)	(4,271,404)
Net cash flows from operating activities	36,221,065	42,757,046	38,417,349

(Forward)

	Years Ended December 31		
	2020	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash dividends received (Note 10)	₱5,366,853	₱4,948,019	₱5,355,297
Interest received	989,728	1,724,033	1,618,973
Proceeds from sale of:			
FVTPL and FVOCI investments	358,705	506,419	156,062
Property, plant and equipment	285,176	85,015	35,694
Acquisition through business combination, net of cash acquired (Note 9)	—	(368,169)	(16,211,727)
Disposal of a subsidiary, net of cash disposed (Note 9)	—	—	296,441
Additions to:			
Short-term cash deposits	(960,460)	—	—
FVTPL and FVOCI investments	(2,446,260)	(554,485)	(276,062)
Property, plant and equipment and investment properties (Notes 13 and 15)	(7,648,918)	(12,575,634)	(10,687,679)
Investments in and advances to associates (Note 10)	(2,762,715)	(28,281,257)	(7,873,129)
Increase in intangible assets (Note 14)	(2,292,307)	(2,934,395)	(774,441)
Increase in other noncurrent assets	(2,394,185)	(2,432,692)	(2,401,683)
Net cash flows used in investing activities	(11,504,383)	(39,883,146)	(30,762,254)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availment of long-term debts - net of transaction costs (Note 19)	62,231,716	44,962,947	39,157,476
Net proceeds from (settlements of) bank loans	3,613,747	(1,261,449)	1,054,387
Acquisition of treasury shares (Note 23)	(82,426)	—	(44,114)
Acquisition of non-controlling interests (Note 2)	(165,196)	(13,114,048)	(220,200)
Cash dividends paid and other changes to non-controlling interest	(4,607,417)	(5,235,131)	(5,831,777)
Cash dividends paid to equity holders of the parent (Note 24)	(7,321,268)	(7,435,286)	(7,211,255)
Interest paid	(13,478,788)	(10,400,954)	(10,935,378)
Payments of:			
Long-term debts (Note 19)	(36,674,074)	(15,494,718)	(21,388,035)
Lease liabilities, including accretion of interest	(7,862,233)	(7,638,946)	(7,804,460)
Net cash flows used in financing activities	(4,345,939)	(15,617,585)	(13,223,356)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	20,370,743	(12,743,685)	(5,568,261)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(828,995)	135,319	(268,924)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	46,424,663	59,033,029	64,870,214
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱65,966,411	₱46,424,663	₱59,033,029

See accompanying Notes to Consolidated Financial Statements.

Investor Information

Aboitiz Equity Ventures Inc.

Head Office:

NAC Tower, 32nd Street, Bonifacio Global City,
Taguig City, Metro Manila 1634 Philippines
Tel (632) 8886-2800 | Fax (632) 8886-2407

Cebu Office:

Aboitiz Corporate Center,
Gov. Manuel A. Cuenco Avenue,
Kasambagan, Cebu City 6000 Philippines
Tel (6332) 411-1800 | Fax (6332) 231-4037

Common Stock

The Company's common stock is listed
and traded in the Philippine Stock Exchange.

Stockholders' Meeting

The Company's regular stockholders' meeting is
held on the fourth Monday of April of every year.

Stockholder Services and Assistance

Stock Transfer Service, Inc. (STSI) serves as the Company's stock
transfer agent.

For matters concerning dividend payments, account status, lost or damaged
stock certificates, change of address, please write or call:

STOCK TRANSFER SERVICE, INC.

Unit 34-D Rufino Pacific Tower,
6784 Ayala Avenue, Makati City 1226, Philippines
Telephone No.: (632) 8403-3798 | (632) 8403-2410 | (632) 8403-2412
Contact Person:
Mr. Michael C. Capoy
mccapoy@stocktransfer.com.ph
aboitiz.shareholder.services@aboitiz.com

AEV welcomes inquiries from institutional investors, analysts, and the financial
community.

Please call or write:

Investor Relations

Aboitiz Equity Ventures Inc.
Mr. Judd Salas
Mobile No. +63 917 301-3469

Email: ir@aboitiz.com
Website: www.aboitiz.com

Statement of Management's Responsibility for Financial Statements

Aboitiz Power Corporation

SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA Greenhills
Mandaluyong, Metro Manila

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Aboitiz Power Corporation is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2020, 2019 and 2018 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

(sgd.)

ERRAMON I. ABOITIZ
Chairman of the Board

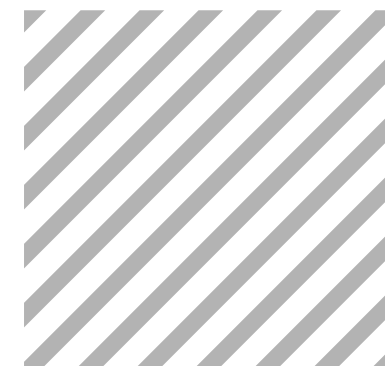
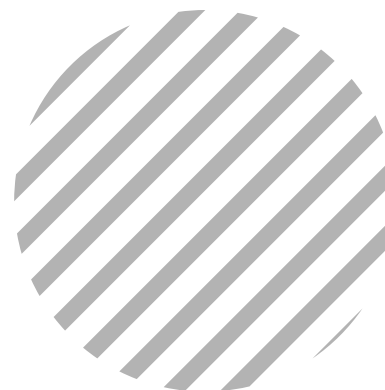
(sgd.)

EMMANUEL V. RUBIO
President & Chief Executive Officer

(sgd.)

LIZA LUV T. MONTELIBANO
SVP & Chief Financial Officer/Corporate Information Officer

Signed this 5th day of March 2021



Republic of the Philippines)
City of Taguig) S.S.

Before me, a notary public in and for the city named above, personally appeared:

Name	Passport/CTC No.	Date/Place Issued
ERRAMON I. ABOITIZ	P [REDACTED] 04602767	March 11, 2017; DFA Manila February 18, 2021; Cebu City
EMMANUEL V. RUBIO	P [REDACTED] 08514240	September 13, 2019; DFA Manila January 15, 2021; Manila
LIZA LUV T. MONTELIBANO	P [REDACTED] 08514241	May 7, 2018, DFA Manila January 11, 2021; Manila

who are personally known to me and to me known to be the same persons who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this Mar 17, 2021.

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Book No. X;

Series of 2021



Atty. Stella Marie G. Sacdalan
Notary Public for Taguig City
Notarial Commission No. 99
Until June 30, 2021
NA Tower, 32nd St. Bonifacio Global City, Taguig City
PTR No. A-5025311, January 6, 2021 Taguig City
IBF No. 144348, January 6, 2021
RC No. 03449
MCLE Compliance No. VI-0011090

Independent Auditors' Report

Aboitiz Power Corporation

The Board of Directors and Stockholders
Aboitiz Power Corporation

Opinion

We have audited the consolidated financial statements of Aboitiz Power Corporation and its subsidiaries (the Group), which comprise the consolidated balance sheets as at December 31, 2020 and 2019, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2020 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment Testing of Goodwill

Under PFRSs, the Group is required to annually test the amount of goodwill for impairment. As of December 31, 2020, the goodwill attributable to several cash-generating units (CGUs) amounted to ₱38.81 billion or 10% of total assets, which is considered significant to the consolidated financial

statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to uncertainty on the estimation process due to the current economic conditions which have been impacted by the coronavirus pandemic, specifically discount and growth rates, revenue assumptions, and material price inflation.

The Group's disclosures about goodwill are included in Note 12 to the consolidated financial statements.

Audit Response

We involved our internal specialist in assessing the methodologies and assumptions used. These assumptions include discount and growth rates, revenue assumptions, and material price inflation. We compared the key assumptions used, such as growth rate and revenue assumptions against the historical performance of the CGUs, industry outlook and other relevant external data, taking into consideration the impact associated with the coronavirus pandemic. We tested the parameters used in the determination of the discount rates against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amount of goodwill.

Revenue Recognition of Distribution Utilities

The distribution utilities' revenue from the sale of electricity amounting to ₱41.87 billion accounts for 38% of the Group's consolidated revenues and is material to the Group. This matter is significant to the audit because the revenue recognized depends on the electric consumption captured, the rates applied across different customers, and the systems involved in the billing process. Electric consumption captured is based on the meter readings taken on various dates for the different types of customers (i.e., industrial, commercial, and residential customers) within the franchise areas of operations of the distribution utilities.

The Group's disclosures related to this matter are provided in Notes 3 and 20 to the consolidated financial statements.

Audit Response

We obtained an understanding and evaluated the design and tested the controls over the billing and revenue process which includes the capture and accumulation of meter data in the billing system and calculation of billed amounts, and uploading of billed amounts from the billing system to the financial reporting system. We performed a test calculation of the rates using the Energy Regulatory Commission-approved rates and formulae, then compared them with the rates used in billing statements.

Recoverability of Certain Segments of Property, Plant and Equipment

Based on the assessment of the Group as of December 31, 2020, certain segments of its property, plant and equipment totaling ₱41.6 billion, may be impaired due to the existence of impairment indicators. As such, the Group assessed the recoverable amount of these segments of property and equipment and this requires significant judgment and involves estimation and assumptions about future electricity generation levels and costs as well as external inputs such as fuel prices, electricity prices and discount rates. In addition, because of the coronavirus pandemic, there is heightened level of uncertainty on the future economic outlook and market forecast. Hence, we consider such assessment as a key audit matter in our audit.

The disclosures about the recoverability of certain segments of property, plant and equipment are included in Note 11 to the consolidated financial statements.

Audit Response

We involved our internal specialist in assessing the methodologies and assumptions used. These assumptions include future electricity generation levels and costs, as well as external inputs such as fuel prices, electricity prices and discount rates. We compared the key assumptions used against the historical performance of certain segments of property, plant and equipment, industry outlook and other relevant external data, taking into consideration the impact associated with the coronavirus pandemic. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically those that have the most significant effect on the determination of the recoverable amounts of certain segments of property, plant and equipment.

Consolidation Process

Aboitiz Power Corporation owns a significant number of domestic and foreign entities at varying equity interests. We considered the consolidation process as a key audit matter because it required significant auditor attention, particularly on the following areas: (a) fair value adjustments arising from business combinations, (b) numerous intercompany transactions, (c) alignment of accounting policies of the investees with the Group's policy on property, plant and equipment and investment properties, (d) translation of investees' foreign-currency-denominated financial information to the Group's functional currency and (e) other equity adjustments.

The Group's disclosures on the basis of consolidation are in Note 3 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's consolidation process and the related controls, the process for identifying related parties and related party transactions, as well as the reconciliation of intercompany balances. We also checked the entities included in the consolidation and reviewed the eliminating entries recorded, including fair value adjustments. In addition, we reviewed the foreign currency translation adjustments, as well as the alignment of accounting policies on property, plant and equipment and investment properties.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Maria Veronica Andresa R. Pore

SYCIP GORRES VELAYO & CO.

Maria Veronica Andresa R. Pore

Maria Veronica Andresa R. Pore

Partner

CPA Certificate No. 90349

SEC Accreditation No. 0662-AR-4 (Group A),

November 21, 2019, valid until November 20, 2022

Tax Identification No. 164-533-282

BIR Accreditation No. 08-001998-071-2020,

December 3, 2020, valid until December 2, 2023

PTR No. 8534345, January 4, 2021, Makati City

March 5, 2021

Independent Auditors' Report on Supplementary Schedules

Independent Auditors' Report on Components of Financial Soundness Indicators

Aboitiz Power Corporation

Aboitiz Power Corporation

The Board of Directors and Stockholders
Aboitiz Power Corporation
32nd Street, Bonifacio Global City
Taguig City, Metro Manila
Philippines

The Board of Directors and Stockholders
Aboitiz Power Corporation
32nd Street, Bonifacio Global City
Taguig City, Metro Manila
Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Aboitiz Power Corporation and Subsidiaries as at December 31, 2020 and 2019, and for each of the three years in the period ended December 31, 2020. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Aboitiz Power Corporation and Subsidiaries as at December 31, 2020 and 2019, and for each of the three years in the period ended December 31, 2020. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

SYCIP GORRES VELAYO & CO.

Maria Veronica Andresa R. Pore
Maria Veronica Andresa R. Pore
Partner
CPA Certificate No. 90349
SEC Accreditation No. 0662-AR-4 (Group A),
November 21, 2019, valid until November 20, 2022
Tax Identification No. 164-533-282
BIR Accreditation No. 08-001998-071-2020,
December 3, 2020, valid until December 2, 2023
PTR No. 8534345, January 4, 2021, Makati City

March 5, 2021

Maria Veronica Andresa R. Pore
Maria Veronica Andresa R. Pore
Partner
CPA Certificate No. 90349
SEC Accreditation No. 0662-AR-4 (Group A),
November 21, 2019, valid until November 20, 2022
Tax Identification No. 164-533-282
BIR Accreditation No. 08-001998-071-2020,
December 3, 2020, valid until December 2, 2023
PTR No. 8534345, January 4, 2021, Makati City

March 5, 2021

Consolidated Balance Sheets

Aboitiz Power Corporation and Subsidiaries

(Amounts in Thousands)

	December 31	
	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	₱38,699,545	₱37,433,929
Trade and other receivables (Note 6)	22,017,309	21,747,422
Inventories (Note 7)	6,308,200	6,632,029
Other current assets (Note 8)	10,479,648	11,083,405
Total Current Assets	77,504,702	76,896,785
Noncurrent Assets		
Investments and advances (Note 9)	61,828,801	60,878,541
Property, plant and equipment (Notes 11 and 34)	203,451,243	209,521,466
Intangible assets (Note 12)	44,279,386	46,712,501
Derivative assets (see Note 33)	—	82,327
Net pension assets (Note 26)	50,410	68,209
Deferred income tax assets - net (Note 28)	1,539,020	2,786,310
Other noncurrent assets (Note 13)	9,271,556	13,523,218
Total Noncurrent Assets	320,420,416	333,572,572
TOTAL ASSETS	₱397,925,118	₱410,469,357
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Note 15)	₱11,743,413	₱10,335,420
Current portions of:		
Long-term debts (Note 16)	17,254,213	10,386,311
Lease liabilities (Note 34)	7,104,181	5,486,745
Long-term obligation on power distribution system (Note 12)	40,000	40,000
Derivative liabilities (Note 33)	787,273	2,255,736
Trade and other payables (Note 14)	18,371,798	22,376,120
Income tax payable (Note 28)	722,715	510,137
Total Current Liabilities	56,023,593	51,390,469

(Forward)

	December 31	
	2020	2019
Noncurrent Liabilities		
Noncurrent portions of:		
Long-term debts (Note 16)	₱160,067,119	₱167,585,311
Lease liabilities (Note 34)	32,158,796	39,302,899
Long-term obligation on power distribution system (Note 12)	143,436	159,350
Derivative liabilities - net of current portion (Note 33)	1,001,529	212,588
Customers' deposits (Note 17)	6,798,845	6,521,469
Decommissioning liability (Note 18)	5,008,033	3,567,492
Deferred income tax liabilities - net (Note 28)	745,214	848,471
Net pension liabilities (Note 26)	294,086	426,047
Other noncurrent liabilities (Note 39k)	1,099,394	6,812,250
Total Noncurrent Liabilities	207,316,452	225,435,877
Total Liabilities	263,340,045	276,826,346
Equity Attributable to Equity Holders of the Parent		
Paid-in capital (Note 19a)	19,947,498	19,947,498
Share in net unrealized valuation gains on fair value through other comprehensive income (FVOCI) of an associate (Note 9)	98,602	101,727
Cumulative translation adjustments (Note 33)	(2,446,773)	(994,253)
Share in cumulative translation adjustments of associates and joint ventures (Note 9)	(684,042)	(153,485)
Actuarial losses on defined benefit plans (Note 26)	(1,239,612)	(923,833)
Share in actuarial gain (loss) on defined benefit plans of associates and joint ventures (Note 9)	8,748	(14,299)
Acquisition of non-controlling interests (Note 9)	(6,321,325)	(6,321,325)
Excess of cost over net assets of investments	(421,260)	(421,260)
Loss on dilution (Note 2)	(433,157)	(433,157)
Retained earnings (Note 19b)		
Appropriated	33,660,000	33,660,000
Unappropriated (Notes 9 and 19c)	84,989,900	81,095,377
	127,158,579	125,542,990
Non-controlling Interests	7,426,494	8,100,021
Total Equity	134,585,073	133,643,011
TOTAL LIABILITIES AND EQUITY	₱397,925,118	₱410,469,357

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Income

Aboitiz Power Corporation and Subsidiaries

(Amounts in Thousands, Except Earnings Per Share Amounts)

	Years Ended December 31		
	2020	2019	2018
OPERATING REVENUES			
Sale of power (Notes 20 and 31):			
Generation	₱51,750,660	₱55,895,587	₱61,854,685
Distribution	41,872,331	46,120,403	44,880,546
Retail electricity supply	16,476,713	22,805,450	24,216,767
Technical, management and other fees (Note 31)	276,945	813,717	620,086
OPERATING REVENUES	110,376,649	125,635,157	131,572,084
OPERATING EXPENSES			
Cost of purchased power (Notes 21 and 31)	31,409,251	35,835,144	36,006,080
Cost of generated power (Note 22)	23,461,858	35,526,706	35,674,218
Depreciation and amortization (Notes 11, 12 and 34)	10,973,364	9,895,695	8,681,403
Operations and maintenance (Note 24)	8,988,916	7,366,372	6,525,189
General and administrative (Note 23)	8,663,373	8,155,366	8,188,512
	83,496,762	96,779,283	95,075,402
FINANCIAL INCOME (EXPENSES) - net			
Interest income (Notes 5 and 31)	653,076	1,291,703	880,085
Interest expense and other financing costs (Notes 15, 16, 32 and 34)	(14,253,528)	(14,047,646)	(12,082,158)
	(13,600,452)	(12,755,943)	(11,202,073)
OTHER INCOME (EXPENSES) - net			
Share in net earnings of associates and joint ventures (Note 9)	2,675,136	3,813,962	4,356,825
Other income (expenses) - net (Note 27)	4,928,563	3,483,387	(1,292,311)
	7,603,699	7,297,349	3,064,514
INCOME BEFORE INCOME TAX	20,883,134	23,397,280	28,359,123
PROVISION FOR INCOME TAX (Note 28)	6,061,912	3,215,498	2,925,623
NET INCOME	₱14,821,222	₱20,181,782	₱25,433,500
ATTRIBUTABLE TO:			
Equity holders of the parent	₱12,577,676	₱17,322,677	₱21,707,603
Non-controlling interests	2,243,546	2,859,105	3,725,897
	₱14,821,222	₱20,181,782	₱25,433,500
EARNINGS PER COMMON SHARE (Note 29)			
Basic and diluted, income for the period attributable to ordinary equity holders of the parent	₱1.71	₱2.35	₱2.95

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

Aboitiz Power Corporation and Subsidiaries

(Amounts in Thousands)

	Years Ended December 31		
	2020	2019	2018
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the parent	₱12,577,676	₱17,322,677	₱21,707,603
Non-controlling interests	2,243,546	2,859,105	3,725,897
	14,821,222	20,181,782	25,433,500
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:</i>			
Movement in cumulative translation adjustments	(1,985,467)	(1,767,498)	584,087
Share in movement in cumulative translation adjustment of associates and joint ventures (Note 9)	(530,557)	(474,624)	465,646
Share in net unrealized valuation losses on FVOCI investments of an associate (Note 9)	(3,125)	—	(22,394)
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods	(2,519,149)	(2,242,122)	1,027,339
<i>Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods:</i>			
Share in actuarial gains (loss) on defined benefit plans of associates and joint ventures, net of tax (Note 9)	23,047	(44,028)	24,766
Actuarial gain (loss) on defined benefit plans, net of tax (Note 26)	(327,505)	(329,029)	8,893
Net other comprehensive gain (loss) not to be reclassified to profit or loss in subsequent periods	(304,458)	(373,057)	33,659
Total other comprehensive income (loss) for the period, net of tax	(2,823,607)	(2,615,179)	1,060,998
TOTAL COMPREHENSIVE INCOME	₱11,997,615	₱17,566,603	₱26,494,498
ATTRIBUTABLE TO:			
Equity holders of the parent	₱10,298,742	₱14,947,290	₱22,602,094
Non-controlling interests	1,698,873	2,619,313	3,892,404
	₱11,997,615	₱17,566,603	₱26,494,498

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Changes in Equity

Aboitiz Power Corporation and Subsidiaries

FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
(Amounts in Thousands, Except Dividends Per Share Amounts)

	Attributable to Equity Holders of the Parent									
	Paid-in Capital (Note 19a)	Share in Net Unrealized Valuation Gains on FVOCI (Note 9)	Cumulative Translation Adjustments	Share in Cumulative Translation Adjustments of Associates and Joint Ventures (Note 9)		Actuarial Losses on Defined Benefit Plans (Note 26)	Share in Actuarial Gain (Loss) on Defined Benefit Plans of Associates and Joint Ventures (Note 9)		Retained Earnings (Note 19b)	
									Appropriated	Non- controlling Interests
Balances at January 1, 2020	₱19,947,498	₱101,727	(₱994,253)	(₱153,485)	(₱923,833)	(₱14,299)	(₱6,321,325)	(₱421,260)	₱33,660,000	₱8,100,021
Net income for the year	—	—	—	—	—	—	—	—	12,577,676	2,243,546
Other comprehensive income (loss)	—	—	—	—	—	—	—	—	—	—
Share in movement in unrealized loss on FVOCI Investments	—	(3,125)	—	—	—	—	—	—	—	(3,125)
Movement in cumulative translation adjustments	—	—	(1,452,520)	—	—	—	—	—	—	(1,985,467)
Share in movement in cumulative translation adjustment of associates and joint ventures	—	—	—	(530,557)	—	—	—	—	—	(530,557)
Actuarial loss on defined benefit plans, net of tax	—	—	—	—	(315,779)	—	—	—	—	(11,726)
Share in actuarial gain on defined benefit plans of associates and joint ventures	—	—	—	—	—	23,047	—	—	—	23,047
Total comprehensive income (loss) for the year	—	(3,125)	(1,452,520)	(530,557)	(315,779)	23,047	—	—	12,577,676	1,698,873
Cash dividends - ₱1.18 per share (Note 19b)	—	—	—	—	—	—	—	—	(8,683,153)	—
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	(2,350,216)
Change in non-controlling interests	—	—	—	—	—	—	—	—	—	(22,184)
Balances at December 31, 2020	₱19,947,498	₱98,602	(₱2,446,773)	(₱684,042)	(₱1,239,612)	₱8,748	(₱6,321,325)	(₱421,260)	₱84,989,900	₱7,426,494
Balances at December 31, 2020	₱19,947,498	₱98,602	(₱2,446,773)	(₱684,042)	(₱1,239,612)	₱8,748	(₱6,321,325)	(₱421,260)	₱84,989,900	₱7,426,494

	Attributable to Equity Holders of the Parent									
	Paid-in Capital (Note 19a)	Share in Net Unrealized Valuation Gain on FVOCI (Note 9)	Cumulative Translation Adjustments	Share in Cumulative Translation Adjustments of Associates and Joint Ventures (Note 9)		Actuarial Losses on Defined Benefit Plans (Note 26)	Share in Actuarial Gains (Losses) on Defined Benefit Plans of Associates and Joint Ventures (Note 9)		Retained Earnings (Note 19b)	
									Appropriated	Non- controlling Interests
Balances at January 1, 2019, as previously reported	₱19,947,498	₱101,727	₱525,916	₱321,139	(₱587,267)	₱29,729	(₱259,147)	(₱421,260)	₱34,060,000	₱8,863,751
Effect of adoption - PFRS 16	—	—	—	—	—	—	—	—	—	(40,070)
Balances at January 1, 2019, as restated	19,947,498	101,727	525,916	321,139	(587,267)	29,729	(259,147)	(421,260)	34,060,000	8,823,681
Net income for the year	—	—	—	—	—	—	—	—	17,322,677	2,859,105
Other comprehensive income (loss)	—	—	—	—	—	—	—	—	—	—
Movement in cumulative translation adjustments	—	—	(1,520,169)	—	—	—	—	—	—	(1,767,498)
Share in movement in cumulative translation adjustment of associates and joint ventures	—	—	—	(474,624)	—	—	—	—	—	(474,624)
Actuarial gains (losses) on defined benefit plans, net of tax	—	—	—	—	(336,566)	—	—	—	—	(329,029)
Share in actuarial loss on defined benefit plans of associates and joint ventures	—	—	—	—	—	(44,028)	—	—	—	(44,028)
Total comprehensive income (loss) for the year	—	—	(1,520,169)	(474,624)	(336,566)	(44,028)	—	—	17,322,677	2,619,313
Reversal of appropriation	—	—	—	—	—	—	—	—	12,300,000	—
Appropriations	—	—	—	—	—	—	—	—	(11,900,000)	—
Acquisition of non-controlling interest (Note 9)	—	—	—	—	—	—	(6,062,178)	—	—	(710,830)
Cash dividends - ₱1.47 per share (Note 19b)	—	—	—	—	—	—	—	—	—	(10,817,148)
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	(2,580,724)
Change in non-controlling interests	—	—	—	—	—	—	—	—	—	(51,419)
Balances at December 31, 2019	₱19,947,498	₱101,727	(₱994,253)	(₱153,485)	(₱923,833)	(₱14,299)	(₱6,321,325)	(₱421,260)	₱81,095,377	₱8,100,021
Balances at December 31, 2019	₱19,947,498	₱101,727	(₱994,253)	(₱153,485)	(₱923,833)	(₱14,299)	(₱6,321,325)	(₱421,260)	₱81,095,377	₱8,100,021

	Attributable to Equity Holders of the Parent												
	Paid-in Capital (Note 19a)	Net Unrealized Loss on AFS Investments (P625)	Share in Net Unrealized Valuation Gain on FVOCI (Note 9)	Cumulative Translation Adjustments of Associates and Joint Ventures (Note 9)	Actuarial Gains (Losses) on Defined Benefit Plans (Note 26)	Share in Actuarial Gains (Losses) on Defined Benefit Plans of Associates and Joint Ventures (Note 9)	Acquisition of Non- controlling Interests (Note 9)	Excess of cost over net assets of investment (P421,260)	Loss on Dilution (P433,157)	Retained Earnings (Note 19b)		Non- controlling Interests	Total
										Appropriated	Unappropriated		
Balances at January 1, 2018, as previously reported	P19,947,498	(P625)	P124,121	P113,637	(P601,461)	P4,963	(P259,147)	(P421,260)	(P433,157)	P34,060,000	P63,006,308	P8,582,094	P123,978,464
Effect of adoption - PFRS 9	19,947,498	—	124,121	113,637	(601,461)	4,963	(259,147)	(421,260)	(433,157)	34,060,000	62,948,595	8,578,327	123,917,609
Balances at January 1, 2018, as restated													(60,855)
Net income for the year	—	—	—	—	—	—	—	—	—	—	21,707,603	3,725,897	25,433,500
Other comprehensive income													
Share in movement in unrealized loss on FVOCI investments	—	—	(22,394)	—	—	—	—	—	—	—	—	—	(22,394)
Movement in cumulative translation adjustments	—	—	—	412,279	—	—	—	—	—	—	—	171,808	584,087
Share in movement in cumulative translation adjustment of associates and joint ventures	—	—	—	—	465,646	—	—	—	—	—	—	—	465,646
Actuarial gains (losses) on defined benefit plans, net of tax	—	—	—	—	—	14,194	—	—	—	—	—	(5,301)	8,893
Share in actuarial gain on defined benefit plans of associates and joint ventures	—	—	—	—	—	24,766	—	—	—	—	—	—	24,766
Total comprehensive income (loss) for the year	—	—	(22,394)	412,279	465,646	24,766	—	—	—	—	21,707,603	3,892,404	26,494,498
Cash dividends - P1.39 per share (Note 19b)	—	—	—	—	—	—	—	—	—	—	(10,228,460)	—	(10,228,460)
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	(4,768,596)	(4,768,596)
Change in non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	1,161,616	1,161,616
Balances at December 31, 2018	P19,947,498	P—	P101,727	P525,916	P321,139	(P587,267)	P29,729	(P259,147)	(P433,157)	P34,060,000	P74,427,738	P8,863,751	P136,576,667

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

Aboitiz Power Corporation and Subsidiaries

(Amounts in Thousands)

	Years Ended December 31		
	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱20,883,134	₱23,397,280	₱28,359,123
Adjustments for:			
Interest expense and other financing costs (Note 32)	14,253,528	14,047,646	12,082,158
Depreciation and amortization (Notes 11 and 12)	10,973,364	9,895,695	8,681,403
Losses on disposal of property, plant and equipment (Note 27)	88,227	304,631	292,799
Write-off of project costs and other assets (Note 12)	7,240	31,431	50,922
Unrealized fair valuation loss on derivatives and financial assets at fair value through profit or loss (FVTPL) (Note 33)	4,848	1,424	196,297
Share in net earnings of associates and joint ventures (Note 9)	(2,675,136)	(3,813,962)	(4,356,825)
Net unrealized foreign exchange (gain) loss	(2,022,493)	(1,950,762)	997,010
Interest income (Notes 5 and 31)	(653,076)	(1,291,703)	(880,085)
Unrealized fair valuation losses on investment property (Note 27)	(115,829)	(126,842)	—
Impairment loss (recovery) on property, plant and equipment, goodwill and other assets (Notes 4, 11, 12 and 13)	—	(245,489)	847,619
Gain on sale of financial assets at FVTPL	—	(1,251)	—
Operating income before working capital changes	40,743,807	40,248,098	46,270,421
Decrease (increase) in:			
Trade and other receivables	(8,407,645)	(5,765,526)	(3,449,871)
Inventories	323,829	58,424	(1,057,730)
Other current assets	2,857,713	2,780,992	(3,401,458)
Increase (decrease) in:			
Long-term obligation on power distribution system	(40,000)	(40,000)	(40,000)
Trade and other payables	632,050	5,230,984	2,687,675
Customers' deposits	277,376	513,105	(86,326)
Net cash generated from operations	36,387,130	43,026,077	40,922,711
Income and final taxes paid	(4,605,461)	(3,669,115)	(3,634,811)
Net cash flows from operating activities	31,781,669	39,356,962	37,287,900
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash dividends received (Note 9)	3,238,926	3,784,671	4,346,071
Interest received	654,133	1,421,536	919,255
Proceeds from redemption of shares (Note 9)	6,939	5,340	80,216
Decrease in other noncurrent assets	(634,764)	(2,109,404)	(1,450,074)
Net collection of advances from associates and joint ventures (Note 9)	2,035	—	2,054
Proceeds from sale of property, plant and equipment	8,851	63,555	18,388
Disposal of assets at FVTPL	—	101,251	—

(Forward)

Investor Information

Aboitiz Power Corporation

	Years Ended December 31		
	2020	2019	2018
Additions to:			
Property, plant and equipment (Note 11)	(₱5,428,730)	(₱9,675,816)	(₱8,607,781)
Intangible assets - service concession rights (Note 12)	(41,772)	(60,625)	(52,343)
Additional investments in associates and joint ventures (Note 9)	(2,332,591)	(27,591,092)	(2,498,905)
Net cash flows used in investing activities	(4,526,973)	(34,060,584)	(7,243,119)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from long-term debt (Note 16)	21,447,441	33,500,091	24,494,810
Net availments (payment of) short-term loans (Note 15)	1,407,993	(1,187,800)	6,829,260
Cash dividends paid (Note 19b)	(8,682,746)	(10,817,148)	(10,228,460)
Payments of:			
Long-term debt (Note 16)	(19,905,432)	(11,819,230)	(20,626,654)
Lease liabilities, including accretion of interest (Note 34)	(7,632,923)	(7,424,990)	(7,804,460)
Acquisition of non-controlling interest (Note 9)	—	(6,773,008)	—
Changes in non-controlling interests	(2,515,930)	(2,580,724)	(3,387,726)
Interest paid	(10,032,413)	(7,273,246)	(8,432,523)
Net cash flows used in financing activities	(25,914,010)	(14,376,055)	(19,155,753)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,340,686	(9,079,677)	10,889,028
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND EQUIVALENTS	(75,070)	170,565	(245,618)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	37,433,929	46,343,041	35,699,631
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	₱38,699,545	₱37,433,929	₱46,343,041

See accompanying Notes to Consolidated Financial Statements.

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Gov. Manuel A. Cuenco Avenue
Kasambagan, Cebu City 6000, Philippines
Tel (6332) 411-1800 | Fax (6332) 231-4037

Common Stock

The Company's common stock is listed and traded in the Philippine Stock Exchange.

Stockholders' Meeting

The Company's regular stockholders' meeting is held on the fourth Monday of April of every year.

Stockholder Services and Assistance

Stock Transfer Service, Inc. (STSI) serves as the Company's stock transfer agent.

For matters concerning dividend payments, account status, lost or damaged stock certificates, change of address, please write or call:

STOCK TRANSFER SERVICE, INC.

Unit 34-D Rufino Pacific Tower,
6784 Ayala Avenue, Makati City 1226, Philippines
Telephone No.: (632) 8403-3798 | (632) 8403-2410 | (632) 8403-2412
Contact person:
Mr. Michael C. Capoy
mccapoy@stocktransfer.com.ph
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AboitizPower welcomes inquiries from institutional investors, analysts, and the financial community.

Please call or write:

Investor Relations

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GRI Content Index

Aboitiz Equity Ventures Inc.

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.

Category	Aspects	Relevant section	Material concerns	Within organization	Outside organization	Relevance outside the organization
Environment	Energy	Power and Infrastructure	Energy Conservation Renewable Energy Generation	✓		
	Water		Efficient use of Water Maintain the standard quality of water are discharge	✓		
	Waste		Recycling of waste Proper Disposal	✓	✓	Dispose the waste through accredited recycler
	Compliance to Environmental Laws		Meet the environmental regulations	✓		
	Biodiversity		Minimize the impact on Biodiversity	✓		
	GHG Emission		To be carbon neutral	✓		
Society	Community	Corporate Social Responsibility, Banking, Land and Food	Be the neighbor of Choice	✓		
	Disaster Resilience		Increase the capacity of local government and communities in disaster preparedness	✓		
Product Responsibility	Product and Service Labeling	Power and Food	Transparency of Products and Services	✓		
	Customer Privacy		Client Information Security / Privacy	✓		
	Compliance		Compliance to Regulatory Requirements	✓		
Labor Practices	Employment	Talent Management	Attract, retain, and optimize A-People	✓		
	Training and Development			✓		
	Health and Safety			✓		
Economic	Financial Return	Power, Banking, Infrastructure, Land, Report of the CEO, Report of the CFO	Grow Profitably	✓		
	Financial Growth					

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GRI 102: General Disclosures 2016					
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Disclosures		Section	Page No.	UNGC Principles	Remarks
102-52	Reporting cycle	About the Report: Reporting Period, Boundaries and Standards, Scoper and Materiality	6		Annual
102-53	Contact point for questions regarding the report	AEV/AP Investor Information	238; 257		
102-54	Claims of reporting in accordance with the GRI Standards	About the Report: Reporting Period, Boundaries and Standards, Scoper and Materiality	6		This report has been prepared in accordance with the GRI Standards: Core Option
102-55	GRI content index	GRI Content Index	259-263		
102-56	External assurance				No external assurance for this report
GRI 103: Management Approach 2016					
103-1	Explanation of the material topic and its Boundary	Management Approach	126-130; 134-135; 148-152	Description of practical actions that the company has undertaken to implement the UNGC 10 Principles addressing human rights, labor, environment and anti-corruption.	
103-2	The management approach and its components	Management Approach	130; 134-135; 148-152		
103-3	Evaluation of the management approach	Management Approach	154-155		
GRI 201: Economic Performance 2016					
201-1	Direct economic value generated and distributed	Consolidated Statements of Income	230; 248		
201-2	Financial implications and other risks and opportunities due to climate change	Major Risk/s Involved in the Business of AEV and its Sub-sidiaries	2020 AEV Disclosure 20-IS (Definitive Information Statement) , 66-70 , https://aboitiz.com/investorrelations/		
201-3	Defined benefit plan obligations and other retirement plans	Pension Benefits	2020 AEV Disclosure 20-IS (Definitive Information Statement), 25-28, 62-66, 400-403, 417-418 https://aboitiz.com/investorrelations/		
201-4	Financial assistance received from government				No financial assistance received from the Government.
GRI 202: Market Presence 2016					
202-1	Ratios of standard entry level wage by gender compared to local minimum wage				Undisclosed
202-2	Proportion of senior management hired from the local community				Undisclosed
GRI 203: Indirect Economic Impacts 2016					
203-1	Infrastructure investments and services supported	Infrastructure	85-99		
203-2	Significant indirect economic impacts	Corporate Social Responsibility	46-51; 111-125	Principle 1	
GRI 204: Procurement Practices 2016					
204-1	Proportion of spending on local suppliers	Consolidated Statements of Income	AEV Disclosure 20-IS (Definitive Information Statement, 278, https://aboitiz.com/investorrelations/)		
GRI 205: Anti-corruption 2016					
205-1	Operations assessed for risks related to corruption	Corporate Governance	178; 181-183	Principle 3, Principle 10	
205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance	159; 174		
205-3	Confirmed incidents of corruption and actions taken	Corporate Governance	181-183		
GRI 206: Anti-competetive Behavior 2016					
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Corporate Governance	181-183	Principle 10	

Disclosures		Section	Page No.	UNGC Principles	Remarks
GRI 302: Energy 2016					
302-1	Energy consumption within the organization	Appendix of Table	266	Principle 8, 9	
GRI 303: Water and Effluents 2018					
303-1	Interactions with water as a shared resource	Our Businesses	86-88	Principle 8	
303-5	Water consumption	Appendix of Table	266	Principle 8	
GRI 304: Biodiversity 2016					
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Ecosystem-based Biodiversity Management	145-147	Principle 8	
304-2	Significant impacts of activities, products, and services on biodiversity	Ecosystem-based Biodiversity Management	145-147	Principle 8	
304-3	Habitats protected or restored	Ecosystem-based Biodiversity Management	145-147	Principle 8	
GRI 305: Emissions 2016					
305-1	Direct (Scope 1) GHG emissions	Appendix of Table	266	Principle 8	
305-2	Energy indirect (Scope 2) GHG emissions	Appendix of Table	266	Principle 8	
305-4	GHG emissions intensity	Appendix of Table	266	Principle 8	
GRI 306: Effluents and Waste 2016					
306-2	Waste by type and disposal method	Appendix of Table	266	Principle 8	
GRI 401: Employment 2016					
401-1	New employee hires and employee turnover	Appendix of Table	2020 AEV Disclosure 20-IS (Definitive Information Statement), 56, https://aboitiz.com/investorrelations/	Principle 3,4,5,6	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Appendix of Table			Undisclosed
401-3	Parental leave				Undisclosed
GRI 402: Labor/Management Relations 2016					
402-1	Minimum notice periods regarding operational changes	Effect of Existing or Probable Governmental Regulations	2020 AEV Disclosure 20-IS (Definitive Information Statement), 56, https://aboitiz.com/investorrelations/	Principle 3,4,5,6	
GRI 403: Occupational Health and Safety 2018					
403-1	Occupational health and safety management system	Integrated Management through better processes and systems/ Occupational Health and Safety (OSH)/Certifications	142-143	Principle 1, Principle 2	
403-2	Hazard identification, risk assessment, and incident investigation	Integrated Management through better processes and systems/ Occupational Health and Safety (OSH)/Certifications	142-143	Principle 1, Principle 2	
403-3	Occupational health services	Integrated Management through better processes and systems/ Occupational Health and Safety (OSH)/Certifications	142-143	Principle 1, Principle 2	
403-4	Worker participation, consultation, and communication on occupational health and safety	Integrated Management through better processes and systems/ Occupational Health and Safety (OSH)/Certifications	142-143	Principle 1, Principle 2	

Disclosures		Section	Page No.	UNGC Principles	Remarks
403-5	Worker training on occupational health and safety	Integrated Management through better processes and systems/ Occupational Health and Safety (OSH)/Certifications	142-143	Principle 1, Principle 2	
403-6	Promotion of worker health	Integrated Management through better processes and systems/ Occupational Health and Safety (OSH)/Certifications	142-143	Principle 1, Principle 2	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Integrated Management through better processes and systems/ Occupational Health and Safety (OSH)/Certifications	142-143	Principle 1, Principle 2	
403-8	Workers covered by an occupational health and safety management system	Integrated Management through better processes and systems/ Occupational Health and Safety (OSH)/Certifications	142-143	Principle 1, Principle 2	
403-9	Work-related injuries	Appendix Table		Principle 1, Principle 2	
403-10	Work-related ill health	Appendix Table		Principle 1, Principle 2	
GRI 404: Training and Education 2016					
404-1	Average hours of training per year per employee	Management Approach: Talent Management	134-135; 158-159	Principle 2, Principle 6	
404-2	Programs for upgrading employee skills and transition assistance programs	Management Approach: Talent Management	156-162	Principle 1, Principle 2	
404-3	Percentage of employees receiving regular performance and career development reviews			Principle 2, Principle 6	All employees receive performance review annually.
GRI 405: Diversity and Equal Opportunity 2016					
405-1	Diversity of governance bodies and employees	Talent Analytics; Corporate Governance	164; 170	Principle 2, Principle 6	
405-2	Ratio of basic salary and remuneration of women to men			Principle 2, Principle 6	Employees wage are based on position level and not by gender.
GRI 406: Non-discrimination 2016					
406-1	Incidents of discrimination and corrective actions taken			Principle 2, Principle 6	No reported incidents of discrimination and corrective actions taken in the reporting year
GRI 408: Child Labor 2016					
408-1	Operations and suppliers at significant risk for incidents of child labor	Effect of Existing or Probable Governmental Regulations	2020 AEV Disclosure 20-IS (Definitive Information Statement), 56, https://aboitiz.com/investorrelations/	Principle 5	
GRI 409: Forced or Compulsory Labor 2016					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Effect of Existing or Probable Governmental Regulations	2020 AEV Disclosure 20-IS (Definitive Information Statement), 56, https://aboitiz.com/investorrelations/	Principle 4	
GRI 411: Rights of Indigenous Peoples 2016					
411-1	Incidents of violations involving rights of indigenous peoples			Principle 1, 2, 6	No reported incidents of violations involving rights of indigenous peoples in the reporting year
GRI 413: Local Communities 2016					
413-1	Operations with local community engagement, impact assessments, and development programs	Protect the Goose: Aboitiz Group’s COVID-19 Response; Corporate Social Responsibility	46-51; 111-125	Principle 1, 2, 6	
413-2	Operations with significant actual and potential negative impacts on local communities			Principle 1, 2, 6	Our operations have no significant actual and potential negative impact on local communities.

Appendix of Tables

102-8

102-8, 401-1

Focus Areas & Metrics

People	2018	2019	2020
Team Member and Engagement			
No. of team members employed	35,035	37,815	37,188
Team member satisfaction rating result	42%	46%	-
Average training hours per team member	18	-	17
No. of volunteered hours	72,346	50,478	10,547
Retention rate	94%	86%	86%
Corporate Social Responsibility			
No. of direct and group beneficiaries	998,646	747,582	445,697
Amount of CSR fund allocation in millions (PHP)	419	382	423
No. of CSR projects	1,827	1,785	1,519
Customer Focus			
Customer satisfaction rating	84%	94%	91%
No. of customers served	9,244,442	9,561,417	9,644,126
Disaster Resilience			
No. of individuals trained in capacity-building training and stakeholders served in disaster relief and recovery efforts	1,901	1,986	145,982

Planet	2018	2019	2020
Carbon Emissions Reduction			
Carbon emissions in tCO2e	2,365,411	3,494,481	3,742,999
Carbon productivity (PHP million revenue/tCO2e)	0.06	0.07	0.06
No. of trees planted in millions (cumulative)	6.6	7.5	11.7
Resource Efficiency			
Water consumption in m³	2,369,445	5,052,206	2,708,008
Energy consumption in MWh	713,079	772,611	990,946
Waste Management			
Tons of solid waste recycled	42	1,239	2,476
Renewable Energy			
RE source, net sellable capacity (cumulative)	1,294	1,242	1,248
Ratio of RE to non-RE source	31%, 69%	27%, 73%	27%, 73%

Profit	2018	2019	2020
Financial Return			
Total Return to Shareholders	29%	22%	5%
Return on equity	14.9%	13.0%	9.0%
Financial Growth			
Net Income After Tax in PHP Billion	22.2	22.0	15.4
Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA) in PHP Billion	61.0	60.2	57.7

	2019	2020
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Work-Force

Corporate Center	406	217
Power	3,163	2,940
Banking	6,212	6,990
Food	3,740	3,575
Land	103	193
Infrastructure	396	174
Others	23,795	23,045
Total Work-Force	37,815	37,188

Gender Distribution

	Male	Female	Male	Female
Corporate Center	196	210	129	142
Power	2,290	873	2,119	821
Banking	2,615	3,597	3,072	3,916
Food	518	343	2,809	778
Land	183	213	77	116
Infrastructure	67	36	109	72

New Hires and Turnover

	New Hires	Turnover	New Hires	Turnover
Corporate Center	58	44	18	129
Power	496	281	357	462
Banking	923	1,404	669	908
Food	235	157	439	555
Land	89	49	13	149
Infrastructure	54	2	35	14

Geographical Distribution

	Luzon	Visayas	Mindanao	Luzon	Visayas	Mindanao
Corporate Center	334	68	4	227	40	4
Power	1,473	768	922	1,364	722	854
Banking	4,839	827	546	5,192	1,271	525
Food	506	74	281	503	73	293
Land	233	163	0	115	78	0
Infrastructure	51	3	49	92	34	56

Age Distribution

	Below 30	30-50	Over 50	Below 30	30-50	Over 50
Corporate Center	101	247	58	60	175	36
Power	994	1,716	453	853	1,700	387
Banking	2,458	3,389	365	2,645	3,933	410
Food	401	425	35	901	2,351	335
Land	152	215	29	77	110	6
Infrastructure	41	54	8	62	107	9

[1] AWS is turned over to Manila Observatory and PAG-ASA last June 2020.

Percent of team members in a collective bargaining agreement	Corporate Center	Power	Banking	Food	Land	Infrastructure
	0%	14%	10%	3%	0%	0%

New Hires Profile 102-8, 401-1

Male	56%	56%	48%	78%	38%	63%
Female	44%	44%	52%	22%	62%	37%
Below 30	33%	62%	66%	50%	100%	43%
30 to 50	39%	32%	33%	48%	0%	54%
Above 50	28%	5%	1%	2%	0%	3%
Luzon	83%	50%	76%	27%	62%	69%
Visayas	17%	17%	17%	3%	38%	3%
Mindanao	0%	34%	7%	11%	0%	29%
Staff	33%	76%	53%	53%	69%	37%
Supervisor	11%	10%	26%	8%	31%	26%
Manager	28%	8%	17%	31%	0%	29%
AVP and Up	28%	6%	4%	9%	0%	9%

	2018	2019	2020
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Materials and Waste 306-2

Solid Waste in tons	115	1,239	2,476
Hazardous Waste in tons	1,915	2,305	2,861
Fuel oil in liters	70,489,993	19,676,454	32,527,599

Energy Consumption 302-1

Energy Consumption in GJ			
Corporate Center	9,554	10,270	5,282
Power	2,210,718	2,433,971	2,343,046
Banking	73,075	23,609	39,978
Food	259,114	254,464	594,372
Land	14,622	13,594	361,809
Infrastructure		45,493	222,921
Total	2,567,083	2,781,401	3,567,407

Water Consumption 303-5

Water Consumption in cubic meter			
Corporate Center	14,496	12,469	2,458
Power	566,098	691,784	1,202,619
Banking	134,832	90,870	53,194
Food	1,588,689	1,344,007	1,394,732
Land	65,330	99,248	26,343
Infrastructure		2,813,828	28,662
Total	2,369,445	5,052,206	2,708,008

Greenhouse Gas Emissions 305-1, 305-2, 305-4

Emissions in tons CO2e			
Scope 1	2,295,897	3,232,757	3,742,999
Scope 2	189,690	261,724	192,695
Total	2,485,587	3,494,481	3,935,694

Membership and Associations 102-13

Corporate Center	- Business for Sustainable Development - Philippine Business Coalition for Women Empowerment	- League of Corporate Foundations - United Nations Global Compact Local Network Philippines
Power	- International Compliance Association - Philippine Independent Power Producers Association, Inc.	Philhydro Association Inc.
Food	- Philippine Association of Feed Millers, Inc - Philippine Association of Flour Millers, Inc	- Philippine Management Association of the Philippines - United Swine Producers Association
Infrastructure	- Cagayan de Oro Chamber of Commerce and Industry - Davao City Chamber of Commerce and Industry, Inc.	- Cebu Chamber of Commerce & Industry - Philippine Ecozones Association
Land	Subdivision and Housing Developers Association	Chamber of Real Estate and Builders’ Association, Inc.

For full list of membership and association, please visit the website.



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