

CORPORATE SOCIAL RESPONSIBILITY

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Results of Operations

Weaving the Aboitiz Core Values: Aboitiz CSR Then, Today, and of the Future

The challenges to fight poverty and help improve quality of life to millions of Filipinos nationwide not only require unity in its simplest sense, but one that is harmonious, fruitful, and held stronger by positive values. Over the decades, this has always been a critical ingredient to creating lasting and positive change.

As societal and environmental problems become more complex, companies around the world

are challenged to play bigger roles in driving sustainable change and recognize the blurring line between poverty reduction and market success. More and more companies embrace the idea that one needs to do good to do well.

The Group has always been a firm believer that there is a strong connection between business sustainability and community growth. We continuously face the challenge to scale up our CSR strategies by moving **beyond doing good to 'building good communities together'.**



Susan Valdez
Outgoing President of the
Aboitiz Foundation



Maribeth Marasigan
Incoming President and COO of the
Aboitiz Foundation



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Good connotes a value more uplifting than a competitive spirit and highlights the creation of value led by values.

Being able to provide assistance to thousands of Filipinos nationwide for over 30 years, we recognize our capability to integrate sustainable solutions to poverty and strategize social development partnerships of both the private and public sectors. Today, our lens have become wider as we maximize our CSR approach to align with Aboitiz Group's business strategy and contribute to the national social development agenda.

In this track, the Aboitiz brand promise continues to be our north star, and our corporate core values, the foundation of everything that we do.



Aboitiz team members cover school books as part of the Aboitiz Group's support to DepEd's Brigada Eskwela.



The Aboitiz Group is committed to upholding our values of integrity, teamwork, innovation, and responsibility to support our goal of providing long-term benefits to all our stakeholders through our businesses, corporate social responsibility projects, and partnerships.

From our early beginnings, we have made it our deep responsibility to continue to look out for the well-being of our fellow Filipinos, especially the communities we serve. We will continue to pursue sustainable growth for all our businesses, enabling us to help deliver the needs of those who depend on us – our team members, our partners and consumers, and our communities.

Integrity, Leadership, and the Next Level of CSR

In crafting our CSR strategies and programs, we have a simple and clear goal in mind: **We want to do the right thing for the communities.** However, doing the right thing is not an easy task.

Since the Aboitiz Foundation was established in 1988, leading and managing CSR with integrity have kept us on the right track. This helps us develop transformational programs and be recognized as a reputable and trustworthy partner in community advancements and nation-building. With our growing relationships with communities nationwide, our maturity in managing CSR programs, our rich social investment portfolio, and network of partners, we will continue to progress to the next level of CSR and demand more meaningful and quantifiable outcomes from our projects.

In 2019, we stepped back to fully understand the direction we have to take to reach this goal. We organized various planning workshops, design thinking sessions, and dialogues to plot strategies in developing a fundamentally different approach to CSR while implementing parallel efforts to integrate it into our everyday businesses.

During the CSR Forum 2019, we announced a clearer track towards co-creating safe, empowered, and sustainable communities and introduced a new attribute that defines our vision for the next five years: **prosperity**. Thus, we commit to take more productive actions for our partner-communities and help them live richer and fuller lives.

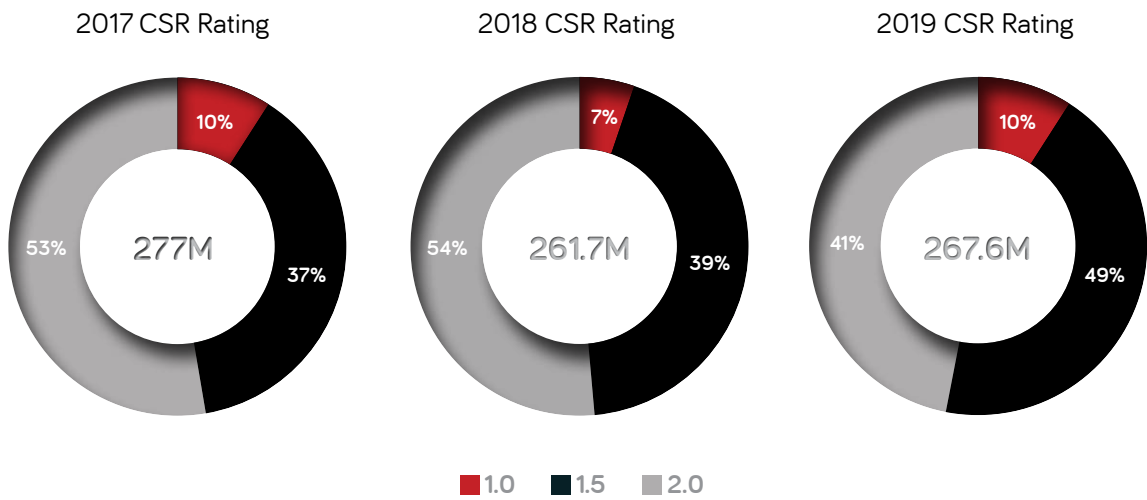
In 2019, we crafted a new value proposition: **Aboitiz Foundation as the orchestrator of a dynamic and interdependent Aboitiz CSR Ecosystem.** This value proposition is executed through the following Strategic Pillars:

- **Broader Governance** - involves program development, mechanisms for monitoring and measurement, providing frameworks and structures to find the balance between accountability and responsibility to achieve our objectives
- **Resource and Network Mobilization** - is about network facilitation, partner and stakeholder management, volunteer mobilization and management, and harnessing individual passions
- **Capacity Building** - pertains to an intergenerational and participatory approach, development and implementation of sustainable solutions, empowerment of community leaders, innovations and technology, and management of a network of trainers and mentors

Guided by the Aboitiz core values of **integrity, teamwork, innovation, and responsibility**, we will further build momentum towards realizing the **Aboitiz CSR legacy** – one that is able to influence and shape social progress, and scale-up our CSR into a worthwhile movement that has depth and greater relevance.

CSR Parameters and Our Success Measures

CSR 2.0 JOURNEY



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.

In 2019, 41% of our CSR projects reached CSR 2.0 status. This includes projects such as the Purposive College Scholarship, Mahalin Pagkain Atin, Classroom Rewiring, and the Community-Based Disaster Risk Reduction and Management Training.

For the year, we had a total of 1,785 projects, managed in partnership with the Aboitiz business units (“BUs”), that touched the lives of 704,059 beneficiaries and 43,523 groups and communities.

One example, is the assistance we provided to the communities affected by the Marawi siege. After the war ended, we aided in restoring the income and dignity of our partner-communities by helping them become corn farmer-suppliers of Pilmico Foods Corporation (“Pilmico”).

From 2018 to 2019, displaced people who settled in the municipality of Balo-i were successfully organized into the Marawi-Balo-i Association (MBA). Since then, it has expanded its corn plantation from 10 to 30 hectares and has so far supplied 70 tons of yellow corn to Pilmico.

As the organization is being groomed to become a cooperative, it is doing its groundwork to be a consolidator for both the MBA member-farmers and other farmers in Balo-i, benefitting both Muslims and Christians in the area.

We strategically plan and execute CSR programs to maximize resources and achieve our target goals through our total social investment of PHP382 million, of which PHP267 million is funded by the Aboitiz Foundation and the rest, are spent directly by our BUs for their own CSR projects.

To continue co-creating safe, empowered, and sustainable communities, we remained focused on the areas of education, enterprise development, and the environment.





The Aboitiz Foundation continues to invest heavily on education projects in the hope of bridging education to employment and empowering lifelong learners.

Education as an enabler for empowerment

We continue to recognize the success of our education-related projects through our scholars. Knowing that our initiatives help them become gainfully employed, start a business, or pursue further education energizes us to move forward in investing on more projects that truly empower individuals.

Bridging Education to Employment (2014-2019)

 College Scholarship	302 Scholars	262 Graduates	171 Employed by Others	40 Employed by Aboitiz	80% Employment Rate
 Tec-Voc Scholarship	652 Scholars	578 Graduates	324 Employed		56% Employment Rate



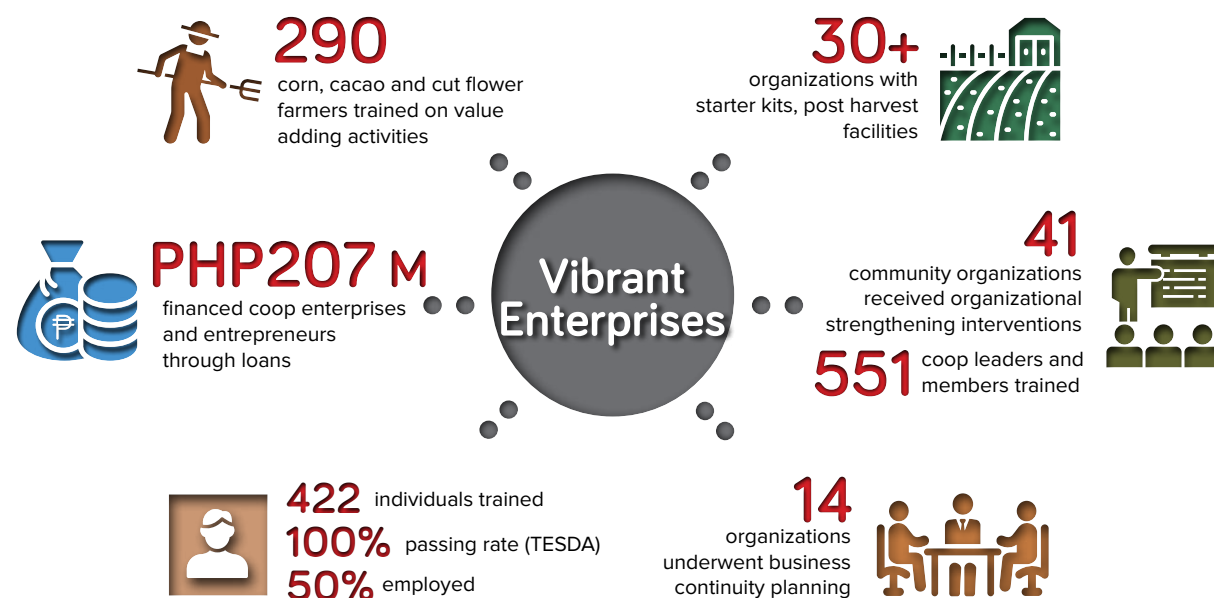
The Aboitiz Foundation assists cutflower farmers in identifying value-adding activities and expanding their markets.

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Enterprise development towards shaping resilient enterprises

In 2019, our Enterprise Development approach focused on providing end-to-end and cost-efficient interventions for community-based enterprises. As part of our One Coop One Product (OCOP) strategy, our projects ensure that relevant support is provided from production to marketing, by orchestrating support from various actors. These include leveraging resources for the capacity building, infrastructure, financing, and market linkage needs of community enterprises. We also worked with our Environment team in rolling out Business Continuity Planning sessions that aim to manage the vulnerabilities of our partner cooperatives and promote enterprise sustainability.

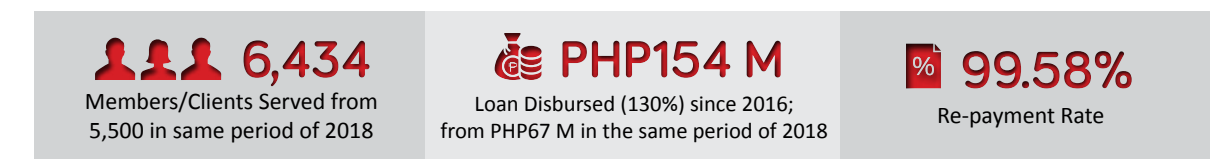
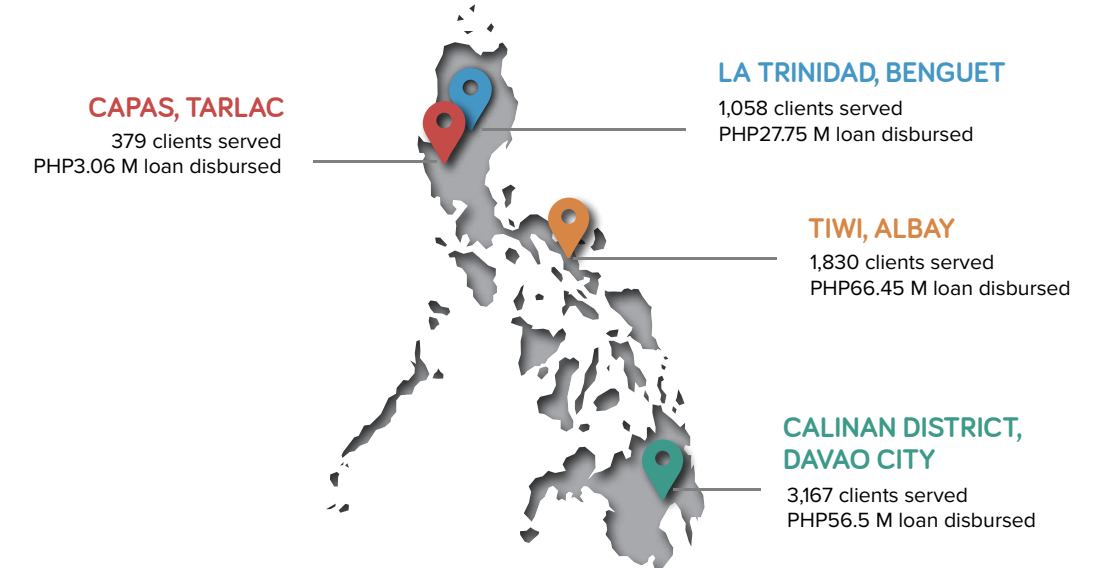
Livelihood and Enterprise Development Interventions Results (2018-2019)



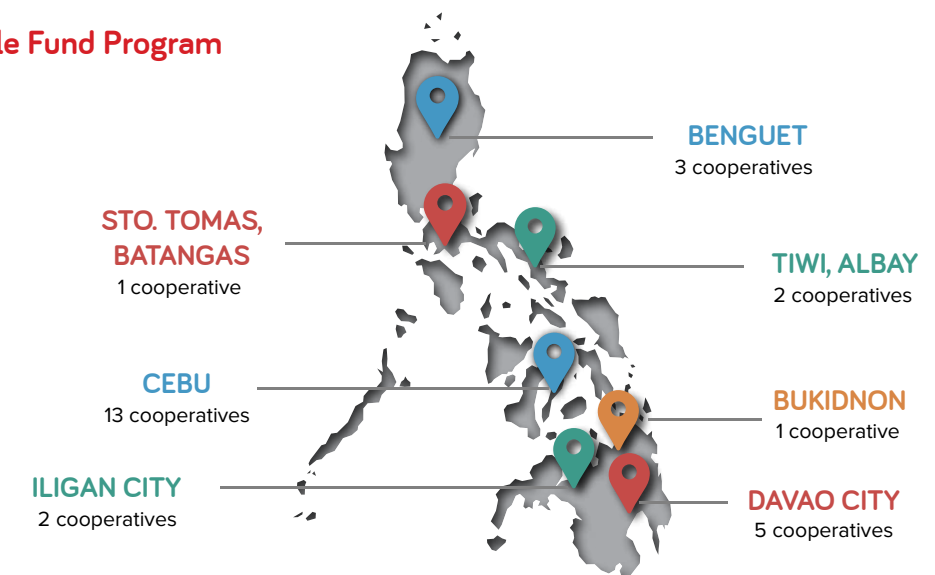
Our Adopt-a-Branch CARD program in partnership with Center for Agriculture and Rural Development (CARD, Inc.) increased its client base by 17% or 6,434 clients from 5,500 in 2018. A 99.58% repayment rate allowed us to disburse a total of PHP154 million in loans in 2019.

Meanwhile, our Wholesale Fund Program helped 27 cooperatives and associations scale up their businesses, by disbursing PHP52.8 million in loans since 2016.

Adopt-a-Branch CARD Program



Wholesale Fund Program





Students of San Jose Sico Elementary School in Batangas City participated in the Kidisaster program in celebration of the National Disaster Resilience Month on July 2019.

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Advocating disaster preparedness and resilience

Our environment initiatives in 2019 focused on building the resilience of communities. Our teams trained 659 Filipinos from 47 barangays and 12 schools nationwide on disaster risk reduction and management. These community-based disaster risk reduction and management (CBDRRM) training-workshops help community members and disaster resilience coordinators identify local risks and hazards and develop their action plans to mitigate risks. This activity is done in partnership with the WeatherPhilippines Foundation (WPF) under its #WeatherWiser Nation campaign.

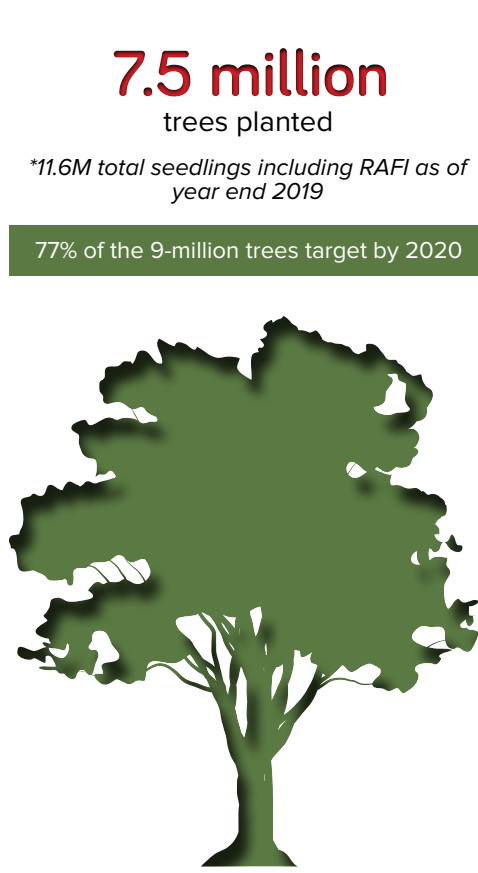
Aside from advocating disaster resilience, WPF also conducted Weather 101 training sessions for 1,986 participants, who said

their weather knowledge increased by 80% after the sessions. The learning sessions were in collaboration with 596 organizations in the country, including Knowledge Channel Foundation and the Department of Science and Technology-STII, that aims to develop weather education information and communication materials for use of schools and other research institutions.

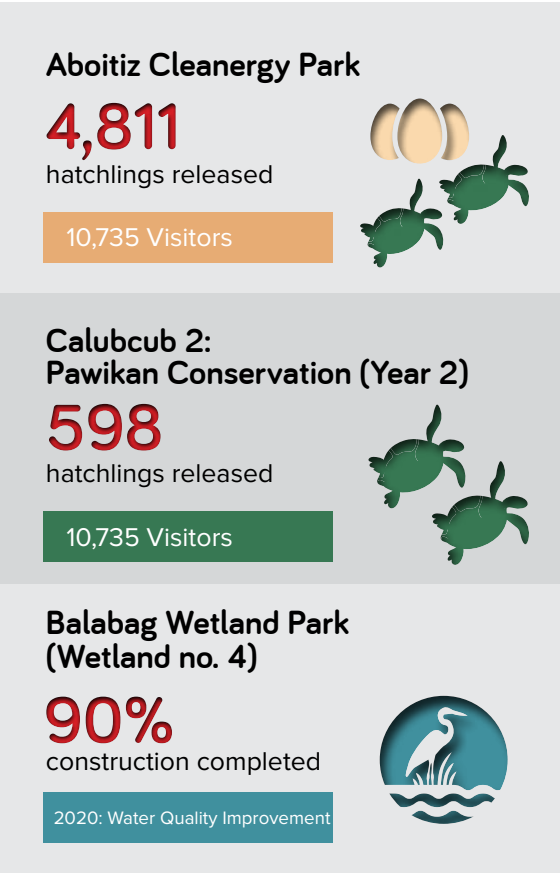
With backend and technical support from social enterprise Weather Solutions, Inc., WPF provides near-real time, localized, and accurate weather data including forecast data and maps, tropical cyclone forecast tracks, lightning data, and satellite images. WPF also built its community of #WeatherWiser advocates through over 140,000 followers and 1.56 million website visitors in 2019.

Taking responsibility to save the environment

Part of our environment program is focused on reforestation and environmental sustainability. As of 2019, we have planted 6.9 million trees out of the 9 million target by 2020, in partnership with the Ramon Aboitiz Foundation, Philippine Business for Social Progress, and Therma South, Inc.



We also maintained Aboitiz Cleanergy Park, a turtle sanctuary where we welcomed 10,735 visitors and released 4,811 hatchlings in 2019. We are also nearing the completion of the Balabag Wetland Park in Boracay, a collaborative project with the Department of Environment and Natural Resources.



Power of Teamwork and the Integrated CSR Approach

As our strategies continue to evolve through integration, we pursue continuous improvement by revisiting our implementing structures.

In 2019, we successfully operationalized the Integrated CSR (iCSR) Regional Councils in Luzon, Visayas, and Mindanao, composed of CSR teams in the said locations. These councils regularly meet to discuss, plan, and manage

integrated CSR projects that highlight the pooling of resources and sharing of expertise of various Aboitiz business units and partners.

The iCSR Luzon regional council is composed of three subgroups based on the location of our business units: northern, central, and southern Luzon. A series of dialogue and assessments of the regional council

revealed that compared to the rest of the regions, Luzon has the highest frequency of calamities per year. This led the council to implement an integrated CSR program, Collaboration Towards Disaster Resilience, that aims to develop and scale up disaster-prone areas in the Luzon region through end-to-end sustainable development programs.

As part of the program, Community-Based Disaster Risk Reduction and Management training sessions were rolled out in various barangays in Itogon and Bakun, Benguet, and

Sto. Tomas, Batangas. These sessions and other initiatives of iCSR Luzon work towards helping the assisted communities develop and implement their own disaster preparedness plans. To date, iCSR Luzon has trained 100 individuals and reached six barangays in their target areas.

Meanwhile, the iCSR Visayas regional council is working on two CSR programs: Cebu A-Park and the School-Based Disaster Risk Reduction and Management Program (SBDRRM).

iCSR Luzon: Collaboration Towards Disaster Resilience



ACTIVITY	BUSINESS UNITS	AREA	BENEFICIARIES
CBDRRM	SNAP, Hedcor, WPF, APRI, AboitizLand, Lima Land, PETNET	Itogon and Bakun, Benguet Sto. Tomas, Batangas City	Barangay DRRMO, community members
KiDisaster	Republic Cement, AEV, PETNET, WPF, TMO, AP Sales	San Jose Sico, Batangas City	Grade 4-6 students

iCSR Visayas: Cebu A-Park (Buhisan Watershed)

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<ul style="list-style-type: none"> • MOA Signing with PBSP • Upland Reforestation/Enrichment • Nursery and Plantation Establishment • Butterfly Sanctuary • Establishment of Boundary Marker and Trails • Community Mobilization and Planning 	<ul style="list-style-type: none"> • Construction of Tower Guard House • Installation of Solar Power Lamp Post • Establishment of Boundary Marker and Trails • Nursery Establishment • Plantation Establishment and Maintenance • Upland Reforestation/Enrichment 	<ul style="list-style-type: none"> • Riparian Establishment • Establishment of Boundary Marker and Trails • Nursery Establishment • Plantation Establishment and Maintenance • Strengthening of People's Org on Project Management and DRRM • Upland Reforestation/Enrichment 	<ul style="list-style-type: none"> • Construction of Butterfly Enclosure • Gabion Establishment • Riparian Establishment • Construction of Tower Guard House • People's Org on Project Management and DRRM • Upland Reforestation/Enrichment 	<ul style="list-style-type: none"> • Assessment/Project Evaluation and Documentation • Establishment of Boundary Marker and Trails • Strengthening of People's Org on Project Management and DRRM • Upland Reforestation/Enrichment

In partnership with the Philippine Business for Social Progress, the Cebu A-Park was established to rehabilitate the 150-hectare adopted area in the Buhisan Watershed. This is the focus of the five-year program that will reforest and enrich the upland area through tree planting activities and establishing a butterfly sanctuary, plantation area to name a few. Through Cebu A-Park, the partner-communities will also be trained on project management and Disaster Risk Reduction Management.

On the other hand, the SBDRRM program has been conducted in 11 schools and trained 30 teachers in San Carlos City, Cebu. In partnership with the Municipal Disaster Risk

Reduction and Management Office and the local government of San Carlos City, the teachers who also serve as Disaster Risk Reduction Coordinators increased their awareness of the possible risks in their respective schools' locations. Moreover, the training identified the school's requirements to fully implement the disaster resilience plans. These gaps are being addressed by the local government.

Following the training sessions, the iCSR Visayas is continuously monitoring the assisted schools, organizing follow-through meetings and workshops, and coordinating with the concerned agencies to ensure that the plans are updated and executed.

iCSR Mindanao: Cacao Agribusiness project

The iCSR Mindanao is implementing the three-year Cacao Agribusiness project in Davao City. This is done in partnership with the Apo Farmers Multipurpose Cooperative (AFAMULCO), which is composed of Bagobo Klata Indigenous Peoples, and the Cacao Industry Development Association of Mindanao (CIDAMI).

The collaboration of 12 Aboitiz business units in Mindanao focuses on value-adding activities for AFAMULCO, which produces raw cacao and supplies wet beans to buyers at a very low price. Without the resources to invest in processing facilities, and lack of entrepreneurial skills, the coop faced challenges.

To respond to these issues, a set of organizational, leadership, and cacao-specific training sessions and business incubation activities were held to help strengthen AFAMULCO and revitalize its cacao business. This enables the farmers to participate in other phases of the cacao value chain.

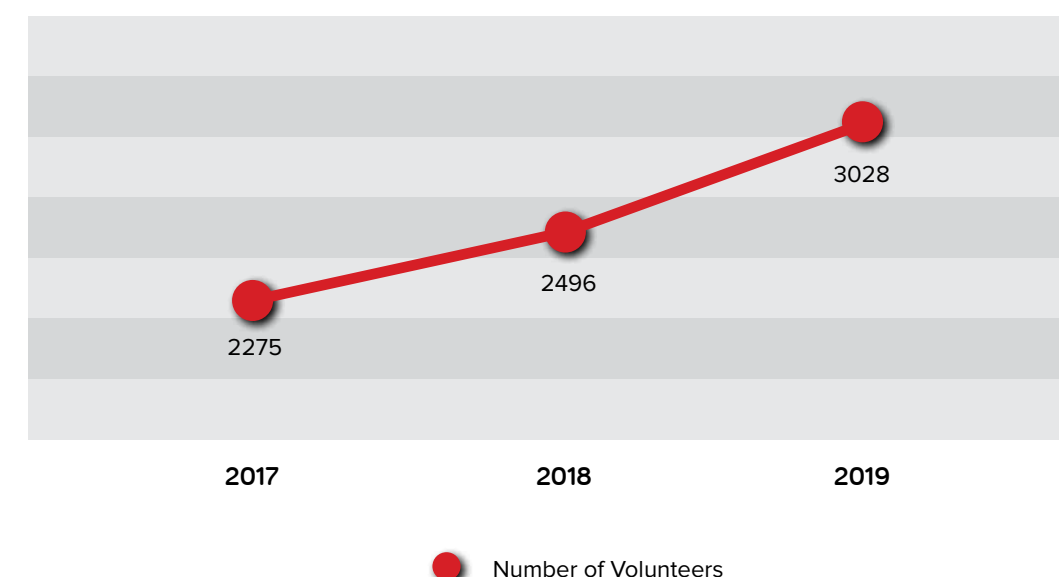
The Kakao Konek conference sponsored by CIDAMI provided an opportunity for the farmers to learn about the latest trends and income possibilities related to cacao farming. The cooperative strengthening activities which included Strategic Planning, workshops on leadership, and values reorientation were facilitated by trainers from Davao Light. The business units also provided mentoring on how to grow its membership and shared capital, and connected them to other networks that will help them expand their capacities.

The project also aims to preserve the indigenous peoples (IP) culture through the design of culturally-sensitive activities, and the documentation and promotions of their culture for both community members and the young generation.

Strengthening values through volunteerism

As we explore more possibilities to maximize our resources and put our strategic pillars into

Team Member-Volunteers Figures



practice, we come to the realization that our strength lies in our capable team members who remain committed to collaboration in order to achieve shared goals. Year after year, the number of our team member-volunteers grow.

In 2019, we had a total of 3,028 volunteers, who participated in various CSR projects

such as the Aboitiz Simultaneous Tree Planting Activity, Brigada Eskwela, Aboitiz Christmas Outreach, and other activities directly implemented by the business units. These figures demonstrated our impressive teamwork and a powerful sense of shared responsibility towards advancing business and communities.

Innovations for Social Development

In this era of change, we recognize the need to explore more opportunities for the growth of our communities.

Aboitiz School of Innovation, Technology, and Entrepreneurship

One of our innovative social investments is the historic 100th Anniversary donation of \$10 million made to Asian Institute of Management (AIM). This commitment fund will help address the demand for skills and talent in data science and innovation in the country and the region by supporting various degree programs, professorial chairs, student loan programs, and facilities improvement of the newly-renamed Aboitiz School of Innovation, Technology, and Entrepreneurship (ASITE) at AIM. ASITE will

also respond to the demands of an emerging knowledge and technology economy in Asia that inspires real-world learning and shapes future-ready industry leaders.

Kabataan Inyovator

In 2019, we also highlighted the launch of the Kabataan Inyovator: An Aboitiz Robotics Competition, which seeks to empower the youth through robotics. Kabataan Inyovator proves the Aboitiz Group's commitment to take education projects to the next level by actively supporting STEM education. This project highlights the working together of various organizations such as the Aboitiz Foundation, Davao Light, Pinoy Robot Games, Ateneo De Davao University, and the Department of Education in Davao City.

Team members actively joined various volunteering activities such as the Aboitiz Simultaneous Tree Planting (left), Brigada Eskwela (top right), and Aboitiz Christmas Outreach (bottom right).



During the culminating event held in December 2019, 280 elementary, secondary, and college students from 50 schools in Visayas and Mindanao brought their innovative ideas to life by solving community problems through technology and invention. It gave the students the opportunity to showcase their skills in building robots, which they had learned from their four-month robotics training program.

KINDer by Aboitiz

During the Aboitiz Foundation's 30th anniversary in 2018, we launched KINDer by Aboitiz, a donations website. A year since its launch, the site has built a growing community of #KinderEveryday ambassadors who help enable various social development projects move towards their goals. From hosting 11 nonprofit projects on the website, KINDer

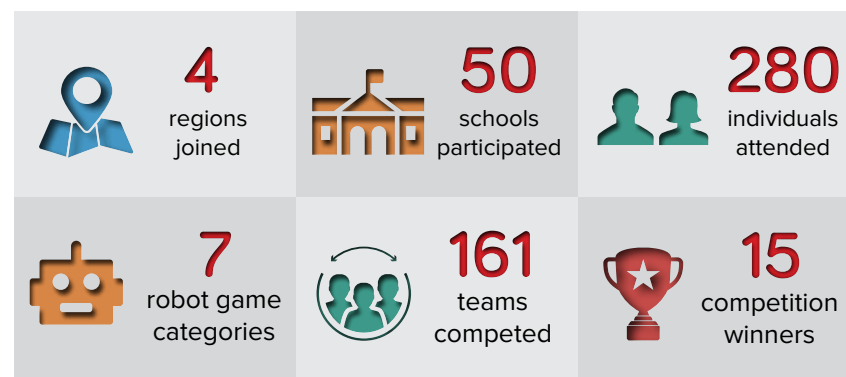
grew to empowering 20 campaigns to gather funding support by the end of 2019.

One of our KINDer campaigns is a collaboration of various Aboitiz business units with JCI Davao, PawiCAMP. It raised funds for a day camp that teaches students on environmental responsibility and endangered species conservation. From the pooled donations on KINDer, we also helped fund 13 cleft lip and palate surgeries through Smile Train Philippines Foundation, taught 300 out-of-school youth through

Bangketa Eskwela, and hired two teachers who will mentor hundreds of students of the AHA! Learning Center.

To date, KINDer has been seen as a platform for nation building that inspires each individual to be part of a collective effort for social change. The award-winning website has set up crowdfunding campaigns for 15 development projects in 2019 and gathered more than two million pesos donations from individual donors.

Empowering the Youth through Innovation



Fueled by values to move forward

From all our milestones in 2019, we have learned that nothing is too hard to achieve as long as people work together to push the limits towards a common goal. We realized that working towards goodness and wealth creation can reap greater rewards for our partner-communities. After two years of cascading our vision of co-creating safe, empowered, and sustainable communities through integration, we have finally witnessed collaborative and scaled up projects developed and implemented at the regional level.

As we open the year 2020, we will continue to advance towards focusing on areas where we can have the most impact. We will work with business units to gather data through profiling and baselining, which will educate us on the most appropriate strategies and courses of action. We will also invest in capacity building so that our teams gain the most effective skills to empower more communities.

Together with our partners and stakeholders nationwide, we will continue persevering to pursue profit with a purpose and traverse a journey guided by the Aboitiz core values.

By fully implementing an integrated approach to CSR, we can effectively pool our resources through Regional Councils and move forward in implementing solution-focused and integrated projects with our partner-communities.

As we celebrate the Aboitiz Group's first century of success in 2020, we will continuously recognize CSR not as a charitable act alone, but a key contributor to where we are today. It is the reason why our neighbors believe in us and the effect of how we naturally live out our core values. Moving forward, the Group's CSR will remain strongly committed in this path so that one day, each of our communities can be defined as one that is constantly growing with values, and creating shared value.



The Aboitiz Foundation develops innovative CSR projects and maximizes technology for social good.

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abc story

Building resilient communities and enterprises

Being on the west of the Pacific Ocean exposes the Philippine archipelago to geological, climatological, and weather-related hazards. Perhaps two of the most devastating hazards in 2019 were the 6.5 magnitude earthquake, which rocked Cotabato, and the Typhoon Kammuri (locally named Tisoy) that crossed Southern Luzon and severely affected thousands of lives.

While we realize these hazards are mostly 'uncontrollable', we in the Aboitiz Group continue to strengthen our advocacy of building a disaster-resilient and #WeatherWiser Philippines by scaling up our disaster resilience awareness and education strategies.

We conduct training sessions on Community-Based Disaster Risk Reduction and Management (CBDRRM) that empower communities to identify, analyze, treat, monitor, and evaluate risks through science-based methods. It entails participatory planning with vulnerable groups to train them in making informed decisions while they prepare, implement, and assess the Barangay DRRM plan.

Village Chief Jonnie Puroc of Brgy. Alno in La Trinidad, Benguet said that their training was very beneficial to the villagers as their municipality is prone to natural hazards such as landslides and flash floods.

"Aboitiz Group has been an active community partner and we sincerely appreciate its effort to make sure that our community is safe and secure at all times," Puroc said.

When Typhoon Ompong (Mangkhut) hit Benguet in September 2018, the local government reported zero casualty in barangays Alapang, Alno, Beckel, Bineng, and Shilan - Hedcor's five (5) host communities that were trained in CBDRRM.

La Trinidad Municipal DRRM Project Engineer Felipe Esnara Jr. recognizes that the capacities of each individual should be built with training sessions and information on disaster and its components, which the local government is continuously working on.

"If the community is being trained for disaster resilience, how about the entrepreneurs?" Esnara asked. He explained that losing enterprises during disasters also affects everyone's lives. Utility services and products such as food, construction materials, clothing, and cash loans are essential in recovery and rehabilitation.

Thus, together with the municipal cooperative development and DRRM offices of La Trinidad, Benguet, we piloted a two-day training session on Business Continuity Planning (BCP) that was attended by five local cooperatives - Thanksgiving Multipurpose Cooperative, Barangay Alapang Multipurpose Cooperative, Lamut Multipurpose Cooperative, Shilan Multipurpose Cooperative, and Gusaran Wangal Water Service Cooperative.

The cooperatives were taught to develop their business continuity plans, which involved the creation of a prevention and recovery system. It ensures that their personnel and assets are protected from potential threats such as natural disasters and cyber attacks, and are able to function quickly in the event of a disaster.

On December 2019, La Trinidad, Benguet bagged the National Gawad Kalasag Award for the first to third municipalities category. Last year, the town also won first place in the same category. Gawad Kalasag is the country's premier annual awards for outstanding contributions in the fields of DRRM and humanitarian assistance.

To date, the Aboitiz Group has established nearly 600 organizations and agencies, trained more than 9,000 individuals on weather and disaster resilience, and developed 57 community-based DRRM and BCP plans.

