



ADVANCING BUSINESS AND COMMUNITIES



CORPORATE SOCIAL RESPONSIBILITY
ANNUAL REPORT 2017

What's Inside

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ADVANCING BUSINESS AND COMMUNITIES

Our commitment to driving progress has defined us for over 100 years.

It is how we have grown businesses and industries, lives and livelihoods. And as we forge ahead, it will continue to be our singular thread, our North Star.

Because for us at Aboitiz, advancing business and communities is one and the same. Creating value, led by values. Delivering profits, guided by purpose. Our approach is anchored in our belief that the growth of people – and their interests – is fundamental to the development of our society, our country, and the world.

It's why we are focused on creating the foundation people need to grow, from nation-building infrastructure to smart banking, from supporting entrepreneurs to providing expert solutions.

And at the heart of all we do will always be our deep sense of responsibility – relentlessly seeking ways to integrate economic growth with societal good to create meaningful progress that drives change for a better world.

Aboitiz. Advancing Business and Communities.



Chairmen and President's Message

Dear Stakeholders,

The year 2017 marked the launch of the Aboitiz Group's inspired purpose and brand promise: to drive change for a better world by advancing business and communities (ABC), through the Group's various products and services.

We in the Aboitiz Foundation and WeatherPhilippines Foundation commit ourselves to that purpose by co-creating communities that are safe, empowered, and sustainable. Through our investments in communities, social infrastructure, and disaster preparedness, we create a positive impact on the lives of millions of beneficiaries, making a difference every day by living that purpose and making it real.





The country's social challenges keep us determined more than ever to develop solution-focused, scalable, and sustainable CSR programs that will truly create a positive impact on the lives of our fellow Filipinos.



The significant number of Filipinos living below the poverty line, the alarming number of an unschooled populace, and the seemingly unchanging lack of preparedness among communities whenever a disaster strikes are just some manifestations that underscore the need for us to still do a lot more. The country's social challenges keep us determined more than ever to develop solution-focused, scalable, and sustainable CSR programs that will truly create a positive impact on the lives of our fellow Filipinos.

In the last three years, we have seen favorable outcomes in our journey towards achieving CSR 2.0 for our projects. As of year-end 2017, 53% of our projects already reached CSR 2.0 status. Our goal is to achieve at least 60% by the end of 2020. We remain true to our commitment to carefully design programs that empower beneficiaries to pursue their aspirations. We minimize pure dole outs and focus on CSR 2.0 projects that create more sustainable social impact, are aligned with our core businesses, encourage team member participation, involve capability building, and are nationwide in scope.

Aboitiz Foundation

In 2017, we reaffirmed our commitment to create even more significant impact on the lives of our beneficiaries. The Aboitiz Foundation, together with the Group's business units (BUs), implemented 1,863 CSR projects across the country. Totaling over PHP456 million, these projects reached nearly 651,766 direct beneficiaries and groups nationwide.

A total of PHP218 million or 48% of our total Group CSR allocation was spent on education projects. Of the 293 scholars under our Purposive College Scholarship Program, 31 scholars are now working with the Aboitiz Group while 122 have secured jobs with other organizations. We will continue to scale up our education program to provide beneficiaries with access to holistic and inclusive quality education that would create lifelong learners, and lead to gainful employment and entrepreneurship.

Under our enterprise development program, PHP43 million worth of approved projects were used to empower various individuals and cooperatives through loan packages and capability-building programs. To date, organizations that have availed of the Wholesale Fund Program have a 45% average increase in their income. With our enterprise development projects on full throttle, we are able to help generate more jobs and create entrepreneurs.

As we strive to make a bigger contribution to global environmental efforts, we allotted 10% of our total CSR budget or more than PHP43 million to help preserve and protect the environment. We are well on our way to achieving our target of nine million trees planted by 2020; as of year-end 2017, we are nearing the six-million mark. With our efforts, we helped sequester more than 200,000 tons of carbon emissions annually. Our environmental program will zero in on mitigating risks to our natural resources as our businesses continue to grow.

Chairmen and President's Message

“ There are many inspiring stories of changed lives — from cooperative members who are now entrepreneurs, former scholars who are now closer to their dreams and ambitions as they enter the corporate world, to the creation of initiatives and a healthy discourse on combating climate change. ”

To maximize the impact of our programs, we will leverage on meaningful partnerships including those with the Center for Agriculture and Rural Development for our enterprise development program, and the Ramon Aboitiz Foundation, Inc., and Philippine Business for Social Progress for our environmental initiatives. We are also grateful to be part of the League of Corporate Foundations that is a venue for benchmarking best CSR practices.

In 2017, the Aboitiz Group's various BUs extended immediate response to soldiers and evacuees affected by the war in Marawi. Approximately PHP21 million was donated to provide aid to affected communities and the Marine Corps who risked their lives for the country. We donated nearly 160,000 high-energy biscuits and 180,000 pandesal to the military frontliners at the height of the war. On top of the Mahalin Pagkaing Atin program, we also launched one of our most notable initiatives, the Noble Bakers Program, which provides livelihood to wounded soldiers. We also donated safety goggles for protection during battle. We in the Group appreciate the sacrifices made by our soldiers and we will continue to help rebuild affected lives in Marawi.

Stronger engagement by our team members to our CSR projects make these more meaningful. We noted

a 51% increase in the number of team member-volunteers from 9,037 in 2016 to 13,652 in 2017. We hear many stories from team members recognizing their contributory role in the big collective effort for social progress.

There are many inspiring stories of changed lives — from cooperative members who are now entrepreneurs, former scholars who are now closer to their dreams and ambitions as they enter the corporate world, to the creation of initiatives and a healthy discourse on combating climate change. You will read more of these stories and accomplishments in the subsequent sections of this report.

WeatherPhilippines Foundation

Our #WeatherWiser campaign that was launched in 2012 to create awareness and strengthen the disaster-risk response capability of Filipinos has made significant improvements in the quality and quantity of our weather reports. Through this, we have been able to do with the information provided by our 826 automated weather stations (AWS) deployed nationwide.

Intensifying our Building a #WeatherWiser Nation campaign includes the regular issuance of bulletins



Pilmico's high energy biscuits were distributed to families affected by the conflict in Marawi. One ready-to-eat food pack is equivalent to one meal, or 450 calories, to provide for one's energy and nutrition needs per day.

and conducting weather trainings. In 2017, we released close to 1,000 bulletins covering 16 typhoons, and trained 1,800 people.

With the support of partners such as the Department of Education and CitySavings, we were able to target the education sector. We partnered with Manila Observatory (MO) for the integration of their existing 80 AWS and in exchange, we will provide our historical weather data for MO's research purposes. We also partnered with Pilipinas Shell Foundation, Inc. for both organizations' collaboration toward the development of sustainable farming techniques through weather information.

In 2017, more companies committed to support our campaigns, including Aboitiz BUs Therma Marine,

Inc. and Davao Light and Power Company, Inc.; Sem-Calaca Corporation and Source Telecommunications also joined our pool of sponsors.

On top of creating new synergies, 2017 was also a time to further intensify our existing partnerships established over the last few years. Our alliance with the Philippine Disaster Resilience Foundation (PDRF) reached new heights. We were able to integrate our processes into PDRF's severe weather protocol, train its extensive network of partners, and support the completion of the world's first privately-run national emergency operations center in Clark, Pampanga.

In line with our efforts to improve our forecasting capability, we shifted to a multi-model forecast approach from the previous Global Forecast System. From July to December 2017, the accuracy of our

Chairmen and President's Message

“ In our quest to further address the weather needs and fill in the weather information gaps of business and communities, the Aboitiz Group in 2017 established Weather Solutions, Inc., a social enterprise that is the first of its kind in the country. ”

forecasts for a 24-hour rainfall period improved from 73% to 84%.

We also improved our online presence through a newly-revamped website (weatherph.org) and an active Facebook page (facebook.com/weatherph.org) that reached six million users with an engagement rate of over 6%. We also launched a new version of our mobile application, which was downloaded nearly 39,000 times on both Android and iOS devices as of year-end 2017. It now offers more accurate and detailed forecasts, new weather parameters (rain probability), better location tagging, and a more user-friendly design.

Moving forward, we will actively participate in Aboitiz Foundation's integrated approach to the CSR projects of BUs. As an integral part of their disaster risk reduction and resilience program, we will be able to help increase the social impact of the Group's social development projects.

In our quest to further address the weather needs and fill in the weather information gaps of business and communities, the Aboitiz Group in 2017 established Weather Solutions, Inc., a social enterprise that is the first of its kind in the country.

While we seek to help people understand and appreciate weather's impact on people's everyday lives through our #WeatherWiser campaign, Weather Solutions will provide highly accurate weather information and solutions that will help businesses improve their operations and decision-making process. For instance, precise weather data can help increase agricultural production, avoid project delays for construction companies, improve cost efficiency and safety for air, land and sea transport, and optimize electricity generation for hydro and solar power companies.

Strategic focus areas

Based on the results of our 2017 strategic planning, we have developed a 2020 Roadmap to achieve our strategic goals in our focus areas of program development, stakeholder engagement, capability building, and governance.

We will develop and implement an integrated approach to innovative, scalable, practical, and solution-focused projects. This move will ensure synergies among our BUs and various stakeholders to maximize our resources and social investments in the Aboitiz Foundation and WeatherPhilippines.

We will look into our internal capabilities – boost competencies of the foundations and BU CSR representatives while improving our processes and systems – to ensure efficient project execution. At the same time, we will continue to manage, provide, and facilitate linkages among our stakeholders and improve communication by maximizing our digital platforms. All these, while ensuring that we adhere to set standards and regulatory requirements.

Gratitude to our partners and stakeholders

With all that we do, we recognize and are grateful for the contributions and commitment of all our partners. Our meaningful engagements with Aboitiz team members and our external stakeholders from both the public and private sectors help us become an organization driven by our purpose and committed to our promise.

This report will illustrate how we bring to life our promise of advancing business and communities. We put our core values of integrity, teamwork, innovation, and responsibility into practice when we deliver the programs of our foundations, and we will continue to do so as we move on with our CSR journey.

In 2018, we will celebrate the Aboitiz Foundation’s 30th anniversary – three full decades of serving and empowering individuals, groups, and communities. Our CSR philosophy that is deeply embedded in the Aboitiz culture is a legacy handed down from generations of Aboitiz family and firm over the past century.

The challenge to do even more continues, and with great energy, passion to serve, and more meaningful partnerships, we commit to deliver.

Erramon I. Aboitiz
Chairman
Aboitiz Foundation

Sabin M. Aboitiz
Chairman
WeatherPhilippines Foundation

Susan V. Valdez
President
Aboitiz Foundation and WeatherPhilippines Foundation

Aboitiz BetterWorld

We continue to make headway in our sustainability journey in 2017. This is reflected in the performance highlights of our triple bottom line.

PEOPLE

Goal: Partner with our stakeholders to create shared value



30,815 TMs
2016: 31,070 TMs
team members (TMs)
employed groupwide



72,168 hrs
2016: 49,146 Hrs
47% increase in TM
volunteer hours



826 AWS
2016: 792 AWS
4% increase in deployed
automated weather stations
(AWS)



651,766 beneficiaries
2016: 484,205 beneficiaries
35% increase in direct and
group beneficiaries



1,772 individuals
2016: 2,402 individuals
no. of individuals who participated
in capacity-building trainings



PHP456 million
2016: PHP442 M
3% increase in CSR fund allocation



1,863 CSR projects
2016: 1,526 projects
22% increase in CSR projects

PLANET

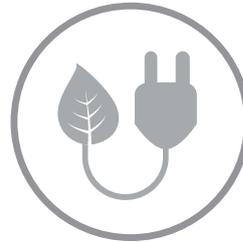
Goal: Minimize our environmental impact



5.7 million trees

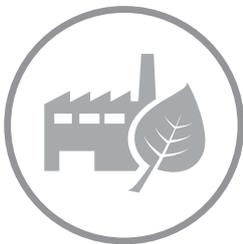
2016: 5.4 M trees
63% of the 9 million trees 2020 target

9.8 million trees planted inclusive of RAFI's* contribution
*Ramon Aboitiz Foundation, Inc.



0.39

2016: 0.43
Carbon Productivity (PHP million revenue/tCO2e)



1,263 MW

2016: 1,263 MW
renewable energy (Cleanergy) net sellable capacity



32 tons

2016: 80 tons
of waste material recycled

PROFIT

Goal: Grow profitably



PHP21.6 billion

2016: PHP22.5 B
4% decrease from previous year's Net Income After Tax



16%

2016: 19.7%
19% decrease from previous year's ROE



PHP57.0 billion

2016: PHP48.1 B
19% increase from previous year's EBITDA



9% (5 years)

2016: 15% (5 years)
Total Return to Shareholder per year compounded annually

About Aboitiz Foundation

Aboitiz Foundation, the corporate foundation of the Aboitiz Group, was established in 1988. Guided by its purpose to drive change for a better world by advancing business and communities, the Foundation focuses on programs on education, enterprise development, and environment. Over three decades, its corporate social responsibility (CSR) interventions have evolved from one-time donations to carefully-designed programs that empower its beneficiaries to pursue their aspirations.

Today, together with the Group's business units, the Aboitiz Foundation develops and implements CSR 2.0 projects that aim to co-create safe, empowered, and sustainable communities. These projects deliver long-term benefits, are aligned to the Group's core competencies, encourage team member engagement, and are scalable initiatives that create a positive sustainable impact of national scope.

ated by
abotiz
Foundation



COO's Message

“

The next big step for us at the Aboitiz Foundation is to scale up our projects by strategically integrating our CSR programs. We believe that uniting 35 Aboitiz BUs – all aligned toward co-creating communities that are safe, empowered, and sustainable – is the most powerful tool to deliver deeper and lasting social impact to more communities.

”

We dedicated the year 2017 for ideation, alignment, and streamlining of our processes. We also launched a new project management system to simplify processes, fully automate KPI and reports generation, manage scholars, and make documentation easier.

We have set our sights on a shared vision — to bring about sustainable change that will impact the lives of all our stakeholders today and the generations to come.

Maribeth L. Marasigan

First Vice President and Chief Operating Officer



Strategic Pillars

Anchored on the Aboitiz core values of integrity, teamwork, innovation, and responsibility, the Aboitiz Foundation supports our Group purpose and brand promise to drive change for a better world by advancing business and communities.



Program Development

The Foundation focuses on programs in the areas of education, enterprise development, and environment that are sustainable, inclusive, and aligned with the Group's core competencies so these programs can be catalysts for change.

We will scale up our projects by integrating them with BU CSR initiatives for a more holistic approach in addressing community needs. We will also make our projects area-based to ensure that we match the community's needs with the BUs' resources. To date, we are focused on seven flagship programs that are measured through their social impact.

Stakeholder Engagement

Part of the Foundation's strategic role is to manage, provide, and facilitate linkages across our various stakeholders, and in the process, enhance the Aboitiz brand through improved communication and engagement.

We value the need to build meaningful relationships for collective impact. In 2017, we continued to participate in larger public and private partnerships, including those with the Philippine Business for Social Progress, Ramon Aboitiz Foundation, Inc., Center for Agriculture and Rural Development, and Edukasyon.ph for various initiatives. We actively supported the

advocacies of organizations such as the League of Corporate Foundations and the Association of Foundations. We also began fostering stronger collaboration with our BUs by creating technical working groups (TWG) and maximizing our digital platform to increase engagement.

Capability Building

We also devoted 2017 to build the capabilities of our internal resource – our team members and BU-CSR partners – through better people, processes, and systems. We updated our policies and guidelines, implemented process improvements, and launched a new project management system – the Aboitiz CSR Resource and Online Servicing System (ACROSS). It is an integrated project management system that is

designed to simplify processes, fully automate KPI and reports generation, manage scholars, and make documentation easier.

We also improved the way we conduct our annual CSR fora and roadshows to make them more participatory and interactive.

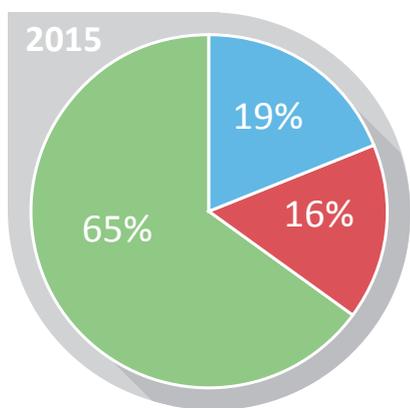
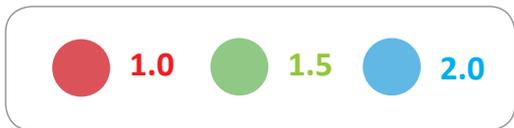
Governance

As a trusted organization, the Aboitiz Foundation maintains a balance between accountability and responsibility. We comply with set standards and regulatory requirements, and establish our own repository of laws for program implementation. We remain guided by our Board of Trustees as we fully implement quality management systems and strive to measure our CSR maturity level.

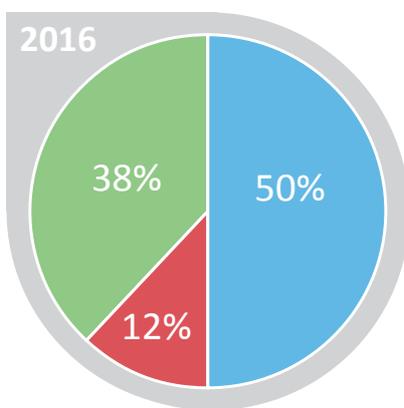
Our Journey to Achieving CSR 2.0

Achieving CSR 2.0

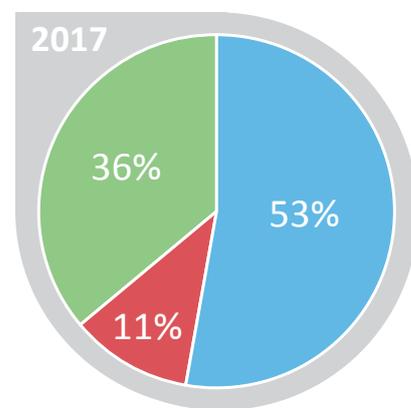
(Percentage based on amounts of approved projects)



PHP252 million



PHP247 million



PHP277 million

Advancing Business and Communities through our flagship projects



Development of Science Elementary Schools

Project KPI Results

Output:

- 11** Elementary Science Schools Supported by 9 BUs
- 26** Classrooms Constructed/ Refurbished
- 17** Laboratories Constructed/ Refurbished
- 19** Equipment Sets Donated
- 48** Teachers Trained

Outcome:

- 31** Science Research-Related Awards Obtained at the Regional, National or International Level
- 82%** Graduates Enrolled in Science High Schools

**Cumulative data since 2013*



Purposive College Scholarship Program

Project KPI Results

Output:

293 College Scholars

Outcome:

93 Scholars who Graduated with Latin Honors

Impact:

- 122** Scholars Working in Other Companies
- 31** Scholars Working in the Aboitiz Group

**Cumulative data since 2000*



Development of Technical Vocational Schools

Project KPI Results

Output:

- 37** TechVoc High Schools Supported by 18 BUs
- 25** Classrooms Constructed/ Refurbished
- 69** Laboratories Constructed/ Refurbished
- 111** Equipment Sets Donated
- 71** Teachers Trained



Classroom Rewiring

Project KPI Results

Output:

5,431 Classrooms Rewired

Outcome:

0% Incidence of Fire

**Cumulative data since 2009*



Other Education Projects

Project KPI Results

CLASSROOM CONSTRUCTION

Output:

936 Classrooms Constructed

**Cumulative data since 1994*

THIN CLIENT COMPUTER DONATION

Output:

2,435 Thin Client Computer Units Donated

**Cumulative data since 2011*



Mahalin Pagkaing Atin

Project KPI Results

Output:

867 Families/ Organizations Provided with Livelihood Kits

Outcome:

68 Families/ Organizations Sustained the Livelihood for the 2nd Cycle/s
62% of 110 families monitored (2015 & 2016 MPA activations)

**Cumulative data since 2014*



A-Park

Project KPI Results

Output:

5.7M Seedlings Planted

5,600 Hectares Reforested

Outcome:

77% Survival Rate

Impact:

119,483 Tons of CO2e Sequestered

**Cumulative data since 2010*



Microfinance for Livelihood Projects

Project KPI Results

Output:

26 Organizations Provided Access to Credit (Wholesale Fund)

831 Individuals Trained for Capacity Building (Wholesale Fund)

3,309 Families Provided Access to Credit (Adopt-a-Branch)

160 Individuals Trained for Livelihood Skills (Wholesale Fund Beneficiaries)

143 or 89% Obtained TESDA NCII Certification

Outcome:

67 Individuals with Jobs

19 Individuals with Businesses

60% of those certified by TESDA applied their skills

Impact:

45% Average Increase in Income for Organizations (Wholesale Fund)

**Data as of July 15, 2017*

**Cumulative data since 2016*



Cleanergy Park

Project KPI Results

Output:

6,780 Visitors (2,300 visitors for 2017, 4.4% higher compared to 2016)

11,224 Mangrove Seedlings Planted

Outcome:

4,194 Pawikan Eggs Found

Impact:

3,326 Pawikan Hatchlings Released or **79% hatch rate**

**Cumulative data since 2014*



Other Environment Projects

Project KPI Results

DISASTER RELIEF

Output:

234,093 Families benefitted for relief operations

**Cumulative data since 2012*

Year at a Glance

2017 Financial Highlights

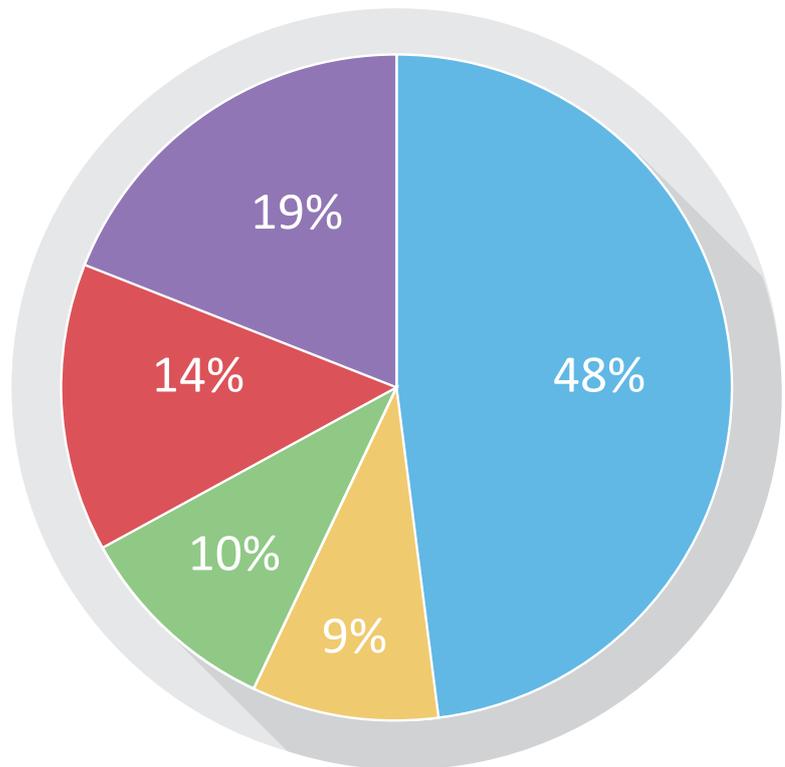
The Aboitiz Group allocated a total of PHP456 million for our corporate social responsibility (CSR) projects implemented in 2017, an increase of 3% from the previous year. This amount represents allocations from the Aboitiz Foundation as well as from our business units (BUs) for their direct CSR spending.

Education-related initiatives account for the largest portion — PHP218 million or 48% of the total allocation.

Aboitiz Group Initiatives

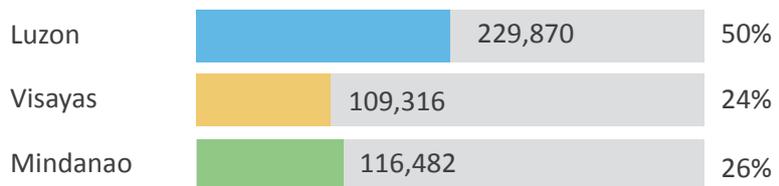
(in PHP thousands)

- Education
217,576
- Enterprise Development
42,687
- Environment
43,342
- Health and Well-Being
63,709
- Other Donations
88,354



Area

(in PHP thousands)

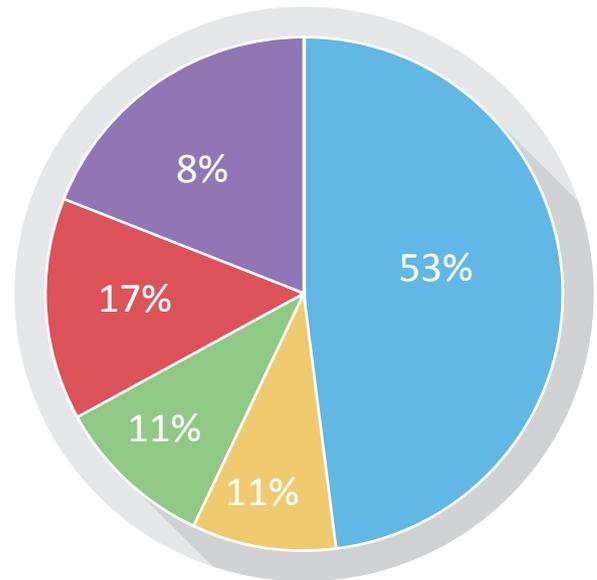
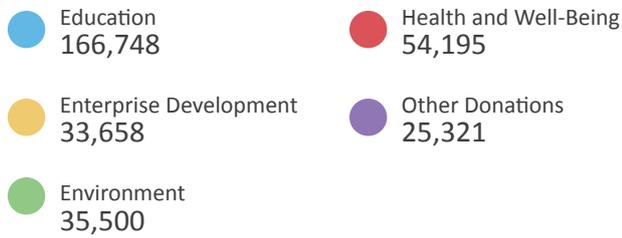


Total

PHP456 million

Aboitiz Foundation, Inc.

Program Component (in PHP thousands)

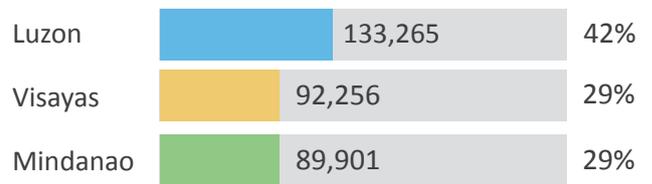


Total

PHP316 million

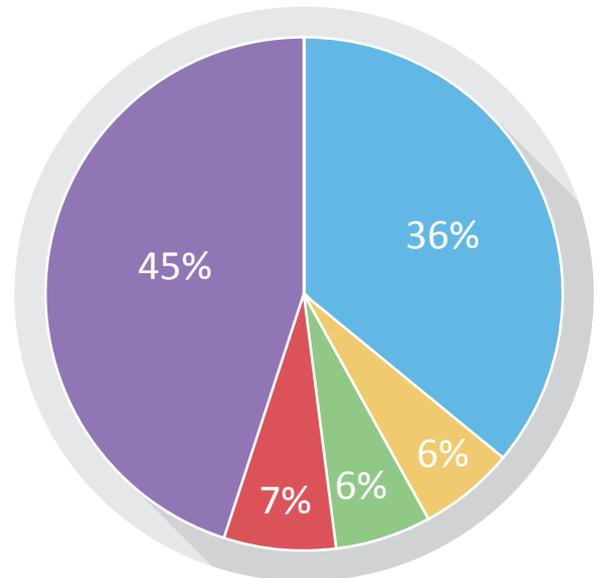
Area

(in PHP thousands)



Business Units' Direct CSR Initiatives

Program Component (in PHP thousands)

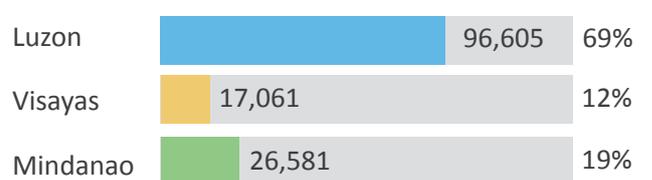


Total

PHP140 million

Area

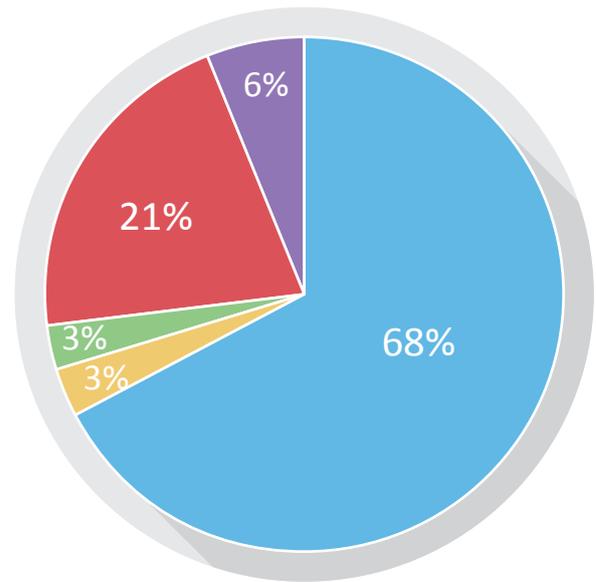
(in PHP thousands)



Year at a Glance

Number of Direct Beneficiaries

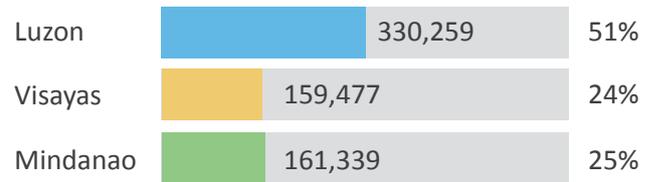
Program Component



Total

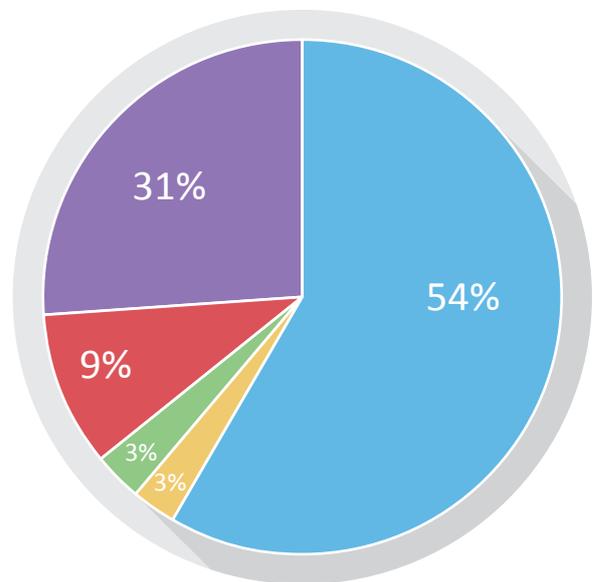
651,766 Direct beneficiaries and groups

Area



Number of CSR Projects

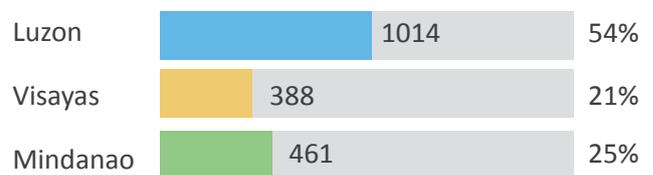
Program Component



Total

1,863 projects

Area



Aboitiz Foundation 2018 Outlook



- Develop and implement 2020 Roadmap across the Group through an integrated approach of implementing projects that are innovative, measurable, scalable, and solution-focused
- Scale up integrated BU CSR projects with holistic approach to community needs
- Create more synergies and collaboration across the Group and external stakeholders to maximize social impact
- Inspire more stakeholders as we celebrate Aboitiz Foundation's 30th anniversary by implementing a communications and engagement program using digital capabilities and crowd funding
- Step up the role of the Foundation and BU CSR representatives through competency programs that include gap analysis and addressing training needs
- Continue to align CSR programs with Group purpose and ABC by co-creating safe, sustainable, and empowered communities





In partnership with Compostela Market Vendor's Multi-purpose Cooperative (COMAVEMCO), AboitizLand distributed carabaos, milking machines and milk cans to qualified farmers and carabao-raisers in Barangay Lupa, Compostela, as part of AboitizLand's Better Communities Program.

The Better Communities Program is an enterprise development initiative that aims to support local products and industries, and provide community artisans with the adequate machinery and new knowledge to increase product quality and marketing.

In Compostela, AboitizLand is supporting its budding industry for soft white cheese known as queso which is made from carabao's milk. Through COMAVEMCO, the beneficiaries are set to undergo various training and workshops in different aspects of the queso industry.



BetterWorld Community

In 2017, the 29th year of the Aboitiz Foundation, we steered towards a new strategic direction in the development and implementation of our corporate social responsibility (CSR) programs. Our team's passion to serve keeps us on the right path in our sustainability journey and manifests our solid commitment to advance business and communities.

From helping uplift the lives of our fellow Filipinos for nearly three decades, we have learned how much an organization's long-term growth is shaped by how well it is able to care for its community. Carrying this mindset leads us toward co-creating safe, empowered, and sustainable communities through our CSR initiatives.

Powering progress and energizing lives

Access to basic needs like power, potable water, medical services

A community that is resilient, disaster-prepared and cares for the environment



Access to quality education

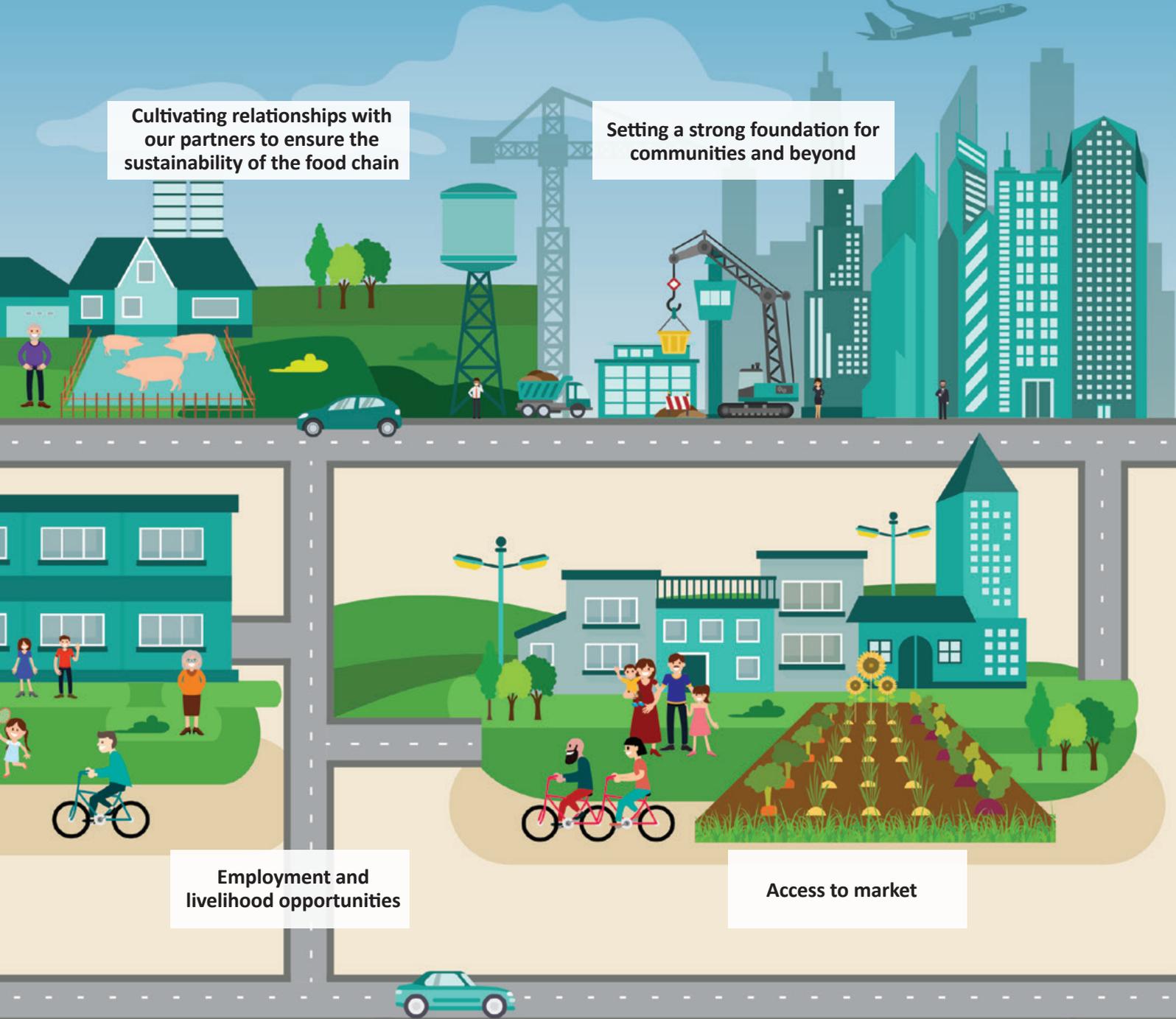
Elevating lives through smart banking

Providing people with a better way of living

We look beyond our program pillars and strive to innovate with our projects in support of our Group purpose to drive change for a better world.

As we work hard to scale up our programs, we ensure that every initiative helps address specific societal needs and highlights the synergy among our various business units. This widens our lens to better respond to our communities with the Group's resources.

In the next pages, you will learn more about the stories of our partners. We hope to inspire you with how the power of passionately working together and creating value for both businesses and communities can change lives.



Cultivating relationships with our partners to ensure the sustainability of the food chain

Setting a strong foundation for communities and beyond

Employment and livelihood opportunities

Access to market

Education

Education remains at the forefront of the Aboitiz Group's thrust for building a progressive society. The Aboitiz Foundation's diligent focus on meaningful programs to enhance student learning remains a key component in transforming future generations.



Students of Jesus J. Soriano National High School beaming with joy during one of their learning sessions in Project e.Lab.

How a student defied the odds to realize his career goal

You think you can succeed in life by knowing who you are? Think again. Sometimes, knowing who you are not matters more. Take Popoy, for example.

Christian “Popoy” Robiños, a student at Jesus J. Soriano National High School, knows a lot of things. He knows that when he grows up, he wants to be the best electrical engineer. He, however, also knows that he is not that proficient in math; his mathematical abilities could use a little “rewiring,” so to speak.

“Mahirap maging engineer (It is hard to become an engineer),” Popoy admits. “Problema, hindi ‘nga po ako masyadong magaling sa math (The problem is, I am not that good in math),” he chuckles. He flashes

a broad smile that is familiar in his neighborhood in Davao City, where he lives with his father, a mechanic; his mother, a housewife; and five siblings.

At age 19, he is currently charting his path to achieve his dream, by studying hard to complete his education and be an electrician, even as he rewires houses on the side.

Despite his weakness in math, Popoy is no lackluster student. He works harder in his pursuit of educational excellence. Like an energized dynamo, Popoy recently won 1st place at the Davao City Technolympics for Electrical Installation and Maintenance, and was 4th place at the Regional Festival of Talents for Electrical Installation and Maintenance.

Project e.Lab

Popoy credits his valuable training to AboitizPower distribution utility Davao Light and Power Company that trained him through Project e.Lab (Electrical Laboratory), in partnership with the Aboitiz Foundation and the Department of Education (DepEd).

Project e.Lab provides public high schools with electrical laboratories, which is currently being used by 3,405 junior and senior high school student takers of Electrical Installation and Maintenance Course (EIM) of DepEd’s K to 12 curriculum.

“Doon kami nagpractice para sa competition. May tools at equipment na magagamit. Proud talaga kami, kasi Aboitiz yan. (We practiced there for our competition. There are tools and equipment that we can use. We are proud because this is from Aboitiz.),” Popoy says.

Project BEST

Davao Light’s active support for budding electricians like Popoy does not stop there.

The Aboitiz Foundation considers technical-vocational (tech-voc) education a pillar in its education initiatives.



2,676 tech-voc scholars graduated



37 tech-voc high schools supported



25 classrooms and 69 laboratories constructed or refurbished



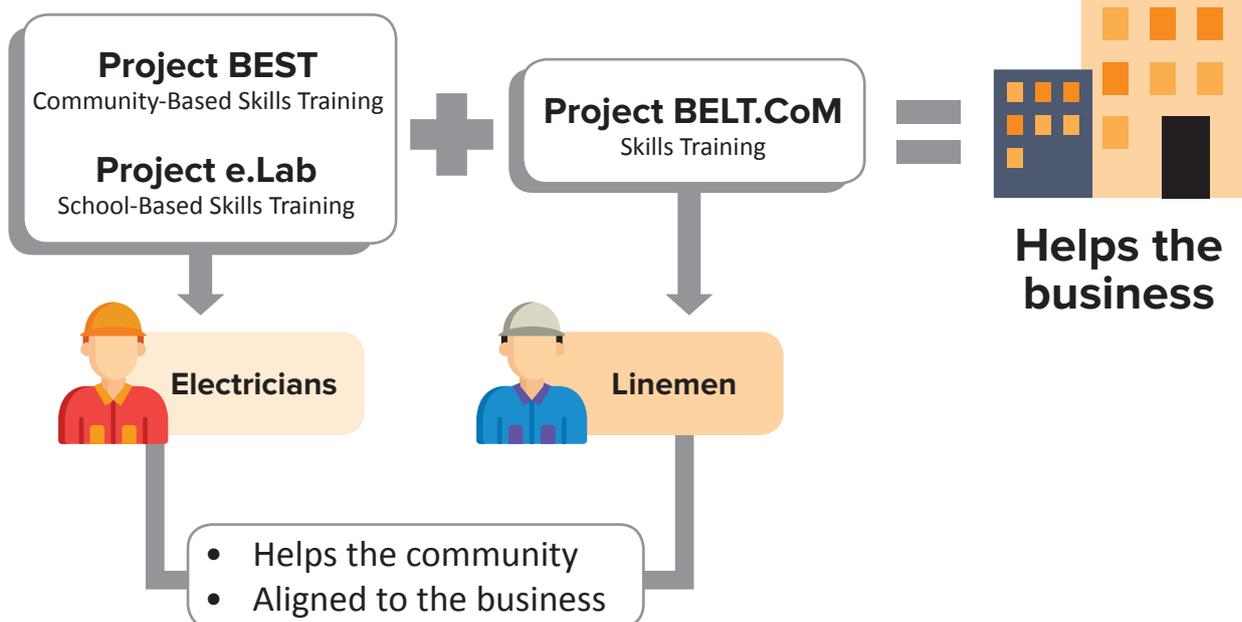
111 tech-voc equipment sets donated



71 teachers trained

**Cumulative data since 2005*

CSR projects integration



Education

Like Project e.Lab, Project BEST (Basic Electrician Skills Training), a joint effort of the Aboitiz Foundation and the Technical Education and Skills Development Authority (TESDA), provides community-based skills training to the barangay especially for out-of-school youth.

Project BEST gives its graduates the opportunity to earn additional income, assist their barangays in rewiring projects, and promote electrical safety.

Project e.Lab and Project BEST both produce certified electricians through TESDA's Certificates of Competency, creating a pool of electricians who are ready to serve as Davao Light field partners in the communities.



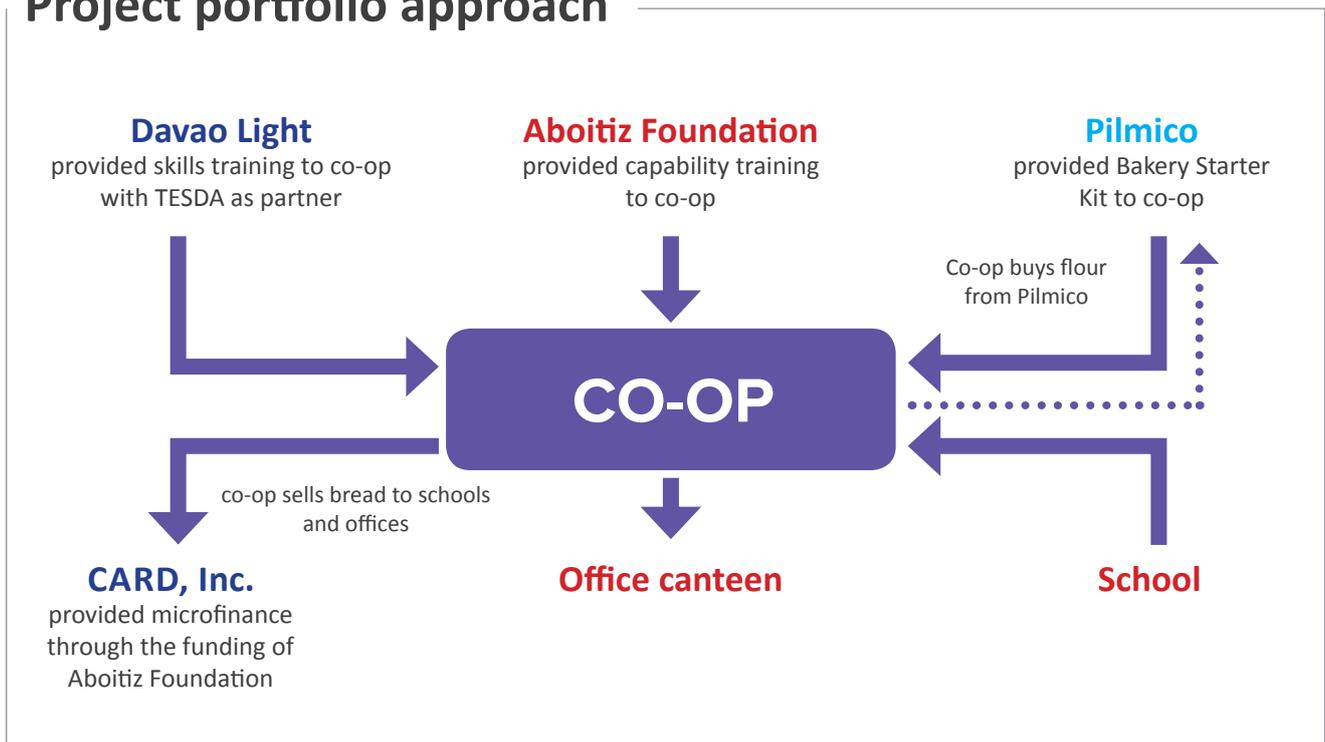
Future electrical engineer Popoy Robiños (Left) credits his success to Project e.Lab.

Project BELT.CoM

Project BELT.CoM (Basic Electrical Lineman Training Center of Mindanao), a training facility built for TESDA to conduct linemen training.

Certified electricians produced by Project e.Lab and Project BEST can upgrade their skills through Project BELT.CoM and become linemen where better employment opportunities await them.

Project portfolio approach



Creating a brighter future for Aboitiz scholar Nikki



Despite financial challenges, Aboitiz Foundation Scholar Nikki Amoin (fourth from the right) has successfully graduated college and now gives back to the Group by working for the Ramon Aboitiz Foundation.

A college scholarship offers countless benefits for the lucky recipient. For one, there are no longer concerns about paying for tuition, books, or uniforms. There is also an allowance to spend for educational materials or transportation. The financial gains are clear and well-manifested.

However, a college scholarship has the potential to serve as something beyond being a financial lifesaver. Sometimes, it can influence and mold a student's growth in other facets beyond finances.

Nicola Marie "Nikki" Amoin, a University of San Carlos management accounting major, understands the value of a scholarship. She was a scholar from high school to college.

"Growing up financially challenged, college seemed to be a luxury we could not afford so I took it as my personal challenge to be able to admit myself to a tertiary education. The competition was tight but faith found a way to make me realize the dreams I and my family have set for myself," Nikki shares.

As an Aboitiz college scholar, she found herself juggling the rigors of academic life—maintaining a satisfactory grade average — alongside the many opportunities that came with the scholarship.

"For eight years, I was exposed to different opportunities that went beyond what I expected — those for growth, going outside my comfort zone, and most especially, for creating a wonderful family

Education

of scholars and mentors to whom I will forever be thankful,” Nikki says, describing her high school and college scholarship years.

She embraced the Aboitiz scholarship life with great gusto. She became the president of the Aboitiz Scholars Club, which was an avenue for her to meet other scholars, and help other students through various club-initiated activities. Nikki also went on to join the 12th Aboitiz Future Leaders Business Summit, the Group’s annual leadership event for college students.

For Nikki, however, one of the more significant activities she joined was the Aboitiz Corporate Social Responsibility (CSR) Summit, where she and other scholars presented a project proposal that involved shredding plastic waste to create cement bricks for

footpaths and plant boxes, among others. It was named the summit’s 2nd best project proposal, and was eventually implemented.

“Realizing the project gave us a difficult time considering its feasibility risks but after more than two years, we finally pushed through with it and have turned over the results of our project to Subangdaku Technical Vocational School – our chosen school to pioneer our high hopes of environmental sustainability,” Nikki proudly shares.

Today, Nikki has since graduated from college. She looks back fondly at how her Aboitiz scholarship has shaped her studies and continues to shape the direction of her future career, in more ways than one.

“ I cannot begin to say how thankful I am to the Aboitiz Foundation for continually helping us to realize our dreams, no matter how small or big, for providing us with great opportunities to see ourselves grow and become competent, and for guiding us each step of the way. Now, I am able to share how it is to be an Aboitiz scholar and this is the best realization that I could think of, of that promise I made when I started as a high school scholar. With all of these, I will be proud and grateful for the rest of my life. ”

Nicola Marie “Nikki” Amoin
Aboitiz Foundation Scholar

The power of making a difference, one small step at a time



Students brainstorm in solving the trash-filled canals of Barangay San Felix in Sto. Tomas, Batangas.

Before you conquer the ocean, you have to conquer the stream first.

For 19-year-old Ma. Esmeeralda “Anne” Lim, a student at Laguna State Polytechnic University in San Pablo City, Laguna, looking for her stream only required walking past a familiar and even simpler body of water: her neighborhood’s drainage canals.

“Napansin namin yung mga drainage canal namin, hindi malinis. May mga ibang kapitbahay na nag-cocomplain dahil yung iba doon nagtatapon ng basura, (We observed that our drainage canals are not clean. Some of our neighbors complain because there

are some who throw trash there),” Anne laments, describing her neighborhood in Barangay San Felix in Sto. Tomas, Batangas.

Anne, who is active in a local youth organization, felt in her heart that something needed to be done - something effective and feasible, she thought, that could potentially benefit her community as a whole.

“Nag-come up kami ng project sa paglinis ng drainage canal sa aming barangay: different ways na malinis yun canal at ma-educate ang mga tao tungkol dito. Gusto namin na ma-maintain yung kalinisan - para rin yung sa mga residents (We came up with a project to

clean the drainage canals in our barangay: different ways to clean the canal and educate people on it. We want to maintain the cleanliness - this is also for the residents),” Anne explains.

Together with other students, Anne was fortunate to be able to present these ideas at the Youth Leaders Summit organized by AboitizPower geothermal unit AP Renewables, Inc. (APRI), in partnership with the Aboitiz Foundation.

The summit, held separately in Sto. Tomas, Batangas and Tabaco City, Albay, carried the theme “Powering Kabataan Inyovators.” It provided the venue for 122 youth participants in the APRI host communities of Laguna, Batangas, and Albay to showcase their skills and present their innovative ideas on solving the pressing problems of their communities.

Putting together the words “inyo” (meaning “yours”) and “innovator”, AboitizPower introduced this brand name that aims to encourage innovation and gives ownership to team members and youth leaders, a.k.a.

“Inyovators”, who will develop innovative solutions and process improvements.

During the summit, Anne was able to collaborate with fellow students on the proposed canal cleaning project, which involved information dissemination on community hygiene, actual cleaning efforts, as well as coordination with the local Bureau of Fire Protection to maintain the canals’ water flow.

“Through this project, APRI advocates a concerted effort to drive change for a better world. APRI, in partnership with the Aboitiz Foundation, looks forward to similar engagements to help the Filipino youth become more responsible citizens and contribute to nationwide efforts of advancing business and communities”, according to Antonio Alviar Jr., Manager of APRI’s Reputation Management Department.

Indeed, with the right amount of determination and vision, one can cross and conquer streams and oceans — even if you start out with a drainage canal.

Anne (second from left) along with her teammates from Laguna State Polytechnic University receive the “Best Youth Innovation award” during APRI’s Youth Leaders Summit.



Enterprise Development

In partnership with Aboitiz Group BUs, Aboitiz Foundation's promise of co-creating safe, empowered, and sustainable communities is employing inclusive innovation in the management of its Enterprise Development program.



Undaunted by disability: Members of the Association of Differently Abled Persons MPC happily showcase their freshly baked bread.

Gaining the iron will to overcome disability

Geraldine was three years old when she caught the polio disease. With polio paralyzing her legs, she was unable to enjoy her childhood and do what most kids in their neighborhood did. In her wheelchair, she thought of life as a struggle, a challenge that she knew she should overcome.

Strong-willed and recognizing the difficulties from her disabilities, she grew up with a goal to finish school and land a job so that she would not need to depend on her parents forever.

Geraldine has been living in the ADAP (Association of Differently Abled Persons) Village in Brgy. Indangan, Davao City for 13 years now. It is a community where everyone is willing to help one another live productive, happy lives. Now a multi-purpose cooperative, ADAP is chaired by Geraldine.

With the ADAP, Geraldine learned a new skill on baking that helps her augment her income as a data encoder at the Southern Philippine Medical Center in Davao City.

Enterprise Development

With the baking and bread production training provided by the Aboitiz Group, Geraldine and all other ADAP members passed TESDA's National Certification (NC) II to become certified bakers. They now manage the cooperative's bakery.

Since June 2015, the Aboitiz Foundation has been assisting ADAP with microfinance loans for their combined rice retailing and lending businesses. The Foundation also engaged its microfinance partner, Center for Agriculture and Rural Development (CARD), Inc. to help the cooperative grow its armchair-making business.

"In the past, ADAP was focused on wood production and fabrication. The baking class allowed us to go into a new venture, which is especially applicable to many of us who are fond of cooking. Baking is physical work and being on crutches was a challenge

but this did not hinder our determination to finish the course and pass the accreditation. I am also grateful for the organizational skills training, which is helpful for me in my responsibility with the co-op," she shares.

With ADAP's good performance, Davao Light and the Aboitiz Foundation provided its members with incentive rebates and free capacity-building training modules from the Cooperative Development Authority. ADAP members also received bakery starter kits and equipment from Pilmico.

Currently, Geraldine divides her time doing her day job, leading ADAP with its newly established cooperative bakery, and caring for her mother who has a kidney ailment. But she continues to dream big and grow the business for the ADAP Village bakers.



Geraldine is one of the several TESDA-certified bakers who now manage the cooperative's bakery.

Nurturing livelihoods and empowering communities



Members of the Sagip Multi-Purpose Cooperative were trained in sewing as a means to provide for themselves and their families.

A Chinese proverb states: “If you want happiness for an hour, take a nap. If you want happiness for a day, go fishing. If you want happiness for a year, inherit a fortune. If you want happiness for a lifetime, help somebody.”

Irenea Coremo, 62, from Lapu-Lapu City takes this to heart. Her compassion for her small community led her to establish the Sagip Multi-Purpose Cooperative (MPC) nine years ago. Most community members do not have enough means to earn a living and resort to borrowing money with higher interest from informal financiers. In the Filipino culture, this is popularly known as the “5-6” lending system.

“Nagsimula kami sa mithiing tulongan ang aming mga ka-barangay na itaguyod ang kanilang pamilya sa pamamagitan ng pagpapahiram ng pondo na may interes na abot-kaya (We started with the desire to help our community through lending funds with an affordable interest rate),” Irene recalls.

Sagip provides microfinance lending ranging from PHP5,000 to PHP50,000, enabling hundreds of its members to send their children to school, start their own small businesses, and even pursue their dreams abroad.

Aside from the financial assistance that the cooperative used as capital for their microfinance

Enterprise Development

“

Para sa akin, napakalaking bagay ang ibinigay na training. Hindi namin kayang magbayad para sa trainings. Dahil dito, maayos ang pagpapatakbo namin sa aming co-op at sa aming mga negosyo (For me, the training provided is very important. We cannot pay for the training sessions. Because of this, we are able to run our co-op and our businesses properly.)

”

Irenea Coremo

Chairperson

Sagip Multi-Purpose Cooperative

ending business, the Aboitiz Foundation also trained members on capacity building and livelihood skills. It also donated five sewing machines that opened new business opportunities.

Today, Sagip’s sewing business is performing relatively well. So far, it has a steady stream of orders from various companies, schools, and even private individuals for their t-shirt, uniform, and other clothing needs or giveaways.

“Sa ngayon, bukod sa kinikita namin sa aming sewing business, mas mahalaga para sa amin

ay makapagbigay ng livelihood para sa aming miyembro (As of now, aside from earning from our sewing business, the more important thing for us is that we are able to provide livelihood opportunities to our members),” Irene happily points out.

She continues to dream big for their cooperative. She hopes to have their own building someday – a place where they can employ more people in their community to help them gain additional income, and eventually lead better lives.



Sagip MPC chairperson Irene Coremo (second from left) officially receives five sewing kits from Aboitiz Foundation and Pilmico.

Advancing communities through inclusive innovation



Used Pilmico flour and feeds sacks are upcycled into reusable bags through the Life Sacks livelihood program.

Innovate through strategic partnerships

To develop profitable backyards and raise more medium-scale farmers in the country, Pilmico and Aboitiz Foundation joined forces with the Department of Agrarian Reform (DAR) to align Pilmico's Mahalin Pagkaing Atin (MPA) campaign, with DAR's flagship program towards sustainable farming. Under MPA, Aboitiz targets to increase the household income of local farmers by providing livelihood packages and technical training programs.

These packages that include piglets, egg-laying machines, and bakery starter kits provide Agrarian Reform Beneficiaries (ARB) a sustainable, easy-to-manage livelihood opportunity with a quick return on investment.

Innovate through imagination and creativity

Demonstrating the Aboitiz core values of innovation and responsibility, Pilmico Partners devised a way to turn thousands of used Pilmico flour and feeds sacks into income generating opportunities for communities. The Life Sacks project is a sustainable livelihood program piloted in Taguig City that teaches community members how to repurpose used sacks into reusable bags.

The groups were provided with basic sewing equipment and technical training that enabled them to grow their production and income. To date, Life Sacks has opened new doors for communities in Taguig, Tarlac, Iligan, and Cebu, creating a sustainable value chain of collection, recycling, and effective deployment of used sacks with the help of local sewing groups.

Enterprise Development

Innovate through inclusive business models

Taking a holistic approach in improving people's lives, AboitizLand continues to advance business and communities by conducting various community-based skills trainings that create sustainable livelihood opportunities for its beneficiaries.

In partnership with TESDA, NC II skills trainings in carpentry, plumbing, electrical installation and maintenance, masonry, industrial sewing machine and operation, among others, are conducted. Since 2016, AboitizLand's purposive skills training programs have led 332 unemployed individuals and out-of-school youth in partner-communities in Luzon and Visayas towards a productive livelihood. To date, 251 have already passed the NC II, and 63 are already employed.

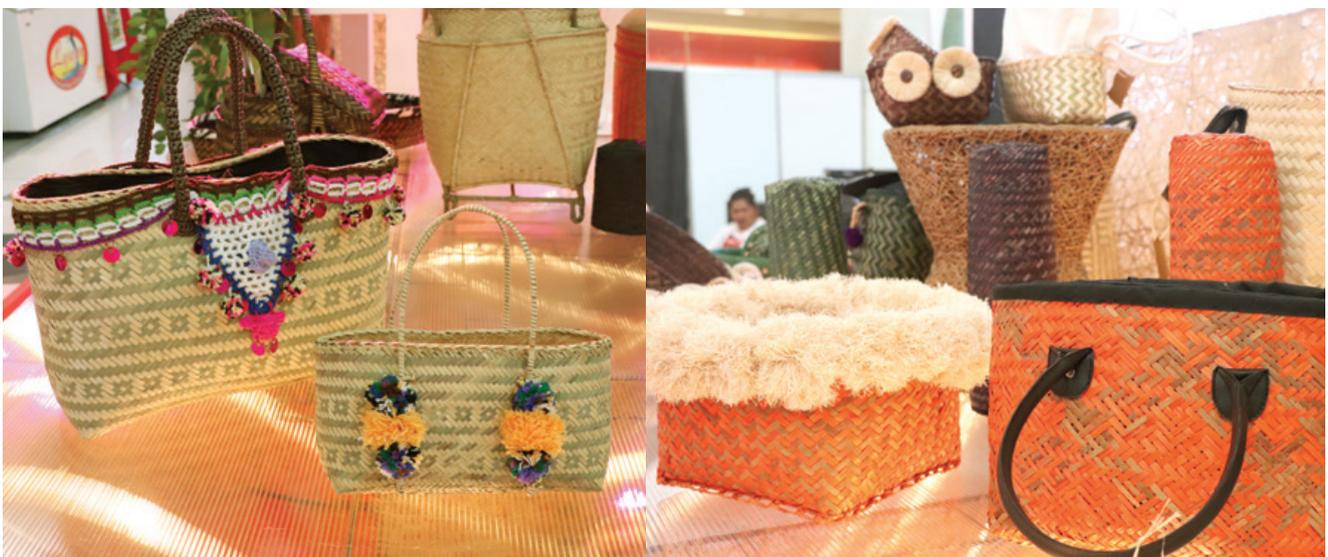
Another inclusive business model involves livelihood projects with cooperatives. One of which is with the Sunshine Farmers and Community Multi-Purpose Cooperative (MPC) in Davao. Aboitiz Foundation teamed up with Aboitiz BUs Therma South, Davao Light, and Pilmico to help train Sunshine MPC members in bread and pastry production, and open an opportunity for them to earn an NC II.

Today, the cooperative earns an additional PHP3,000 to PHP5,000 a day from the bakery, which is now a Pilmico flour customer. With the cooperative's new management and income source, Sunshine will begin expansion supplying school and office canteens, including Therma South's.

Innovate through integration

The year 2017 highlighted the need to integrate various initiatives to deliver more results aimed at growing businesses and the communities. One of the many projects illustrating the fruits of integration is a handicrafts project in Davao.

Nasabeka, a local term for unity, was born out of the Matigsalug Indigenous Crafts Project, a 12-month multi-stakeholder initiative spearheaded by AboitizPower's Therma South, Aboitiz Foundation, Department of Trade and Industry-Region XI, and the Mindanao Trade Expo Foundation. The project provides an alternative livelihood for members of the Matigsalug Council of Elders Marilog District Davao City, Inc. by teaching them how to produce baskets, fashion accessories, and apparel.



Nasabeka's indigenous crafts such as baskets, fashion accessories, and apparel also help preserve the region's culture and environment.

Environment

The Aboitiz Group's passion for environmental stewardship involves encouraging stakeholders to practice lifestyles that promote the mindful use of the earth's resources through knowledge sharing and best practices.



Members of the Philippine National Police lend a helping hand during the Aboitiz Group's annual Simultaneous Tree Planting event.

Simultaneous Tree Planting: Bayanihan for the people and the environment

When a community comes together, it becomes a powerful force for good, and the Cambinocot Multi-Purpose Cooperative in Cebu understands this all too well. As a non-profit community organization, it aspires to make life better for its members and, at the same time, develop meaningful relationships that benefit all those around it.

Formed in 1998, the cooperative has always relied on the value of collaboration towards achieving its desired economic results. Aside from financial activities, it has also played an important role in taking care of the environment.

During the Cebu leg of the Aboitiz Group's annual Simultaneous Tree Planting in 2014, Aboitiz team members planted around 21,000 seedlings, which Aboitiz Foundation sourced from local partners, including the Cambinocot cooperative.

“Sa amin po galing ang mga seedlings. Maganda po iyon dahil may maitatanim na fruit-bearing na mga puno sa lupa ng mga miyembro (We provided the seedlings. It was good that fruit-bearing trees were planted in our members' lands),” recalls Rex Becaldo, the cooperative's credit manager.

Environment

“ The program is very helpful for the people here, especially the training that we have undergone. They addressed the urgent need for re-greening and, at the same time, taught people how to plant and enrich their skills. We are very fortunate to have been given this opportunity by the Aboitiz Foundation. We were earning, and the people had a role in protecting the environment.

Leo Alcantara

Chairman

Cambinocot Multi-Purpose Cooperative

In the months leading up to the event, members of the cooperative nursed about 7,000 seedlings, which they then sold to the Foundation at PHP25 each. In addition, members whose properties hosted the tree planting activity were hired to nurture and ensure the survival of the fruit-bearing trees. They will also keep all the proceeds from the fruit harvest that is expected soon.

“Sa tingin ko mas mabuti ang ganon. Ngayon kasi napakaraming pinuputol na puno at ibinebenta ang mga iyan (I think it’s a better approach, especially because a lot of trees are being cut down to be sold),” Becaldo adds, when asked how the program has helped the environment.

Having the Aboitiz Foundation as a partner in implementing this environmental and livelihood project has assured the hands-on involvement from members.

Being a partner in the Aboitiz Group’s Simultaneous Tree Planting demonstrates how the spirit of bayanihan lives on through the cooperative as it continues to grow after nearly two decades of serving over 200 members.

Every year, more and more people experience the benefits of being part of the organization and the greater good of working as one.



Our A-people doing their part in building a better future by planting seedlings.

Aboitiz No Impact Challenge

Focus Areas and
Challengers per week

WEEK 1: WELLNESS	WEEK 2: ENERGY	WEEK 3: WATER	WEEK 4: WASTE MGMT
			
 HAVE A VEGETARIAN MEAL	 SHARE A RIDE	 BRING YOUR OWN TUMBLER	 DO BATCH PRINTING
 GO FOR A 20-MINUTE WALK	 GO OFF-GRID FOR QUALITY TIME	 TAKE A 5-MINUTE SHOWER	 DON'T WASTE FOOD
 AVOID CARBONATED DRINKS	 KEEP THE AC AT 25° C	 RECYCLE WATER AT HOME	 USE AN ECOBAG

Co-creating an environmentally-conscious nation

Aboitiz No Impact Challenge

In 2017, the Aboitiz No Impact Challenge – a project under the Group’s Race to Reduce (R2R) 2.0 Program that encourages employee engagement to promote resource efficiency – drew a record number of participants, resulting to an unprecedented 206 tons of carbon emissions equivalent (CO₂e) avoidance. The challenge involves teams aiming to complete sets of goals and lifestyle changes in a month in order to achieve the highest amount of CO₂e avoided. Indeed, the littlest things, when done by a multitude, create a better world.

“True to its brand, Aboitiz Construction kaubans participated in the challenge and diligently did

their share in curbing our CO₂ footprint, both in our respective homes and offices. It was one whole month of becoming warriors for Mother Earth and being mindful of the wastes we were creating. Surprisingly, some practices became a habit even after the challenge. With digital media, we shared our journey, hoping to inspire others with the message that indeed, these things are doable. And collectively, we can actually make a difference.”

- Rik Quiñones, (Aboitiz Construction) leader of Aboitiz No Impact Challenge 2017’s First Place Winner

Papel, Tubig at Kuryente (PaToK)

A sign of a successful initiative is when it gets replicated. The Aboitiz Group’s No Impact

Environment

Challenge has trickled to a school community, encouraging students to practice resource efficiency in a project called “Papel, Tubig at Kuryente” or “PaToK” through the efforts of AP Renewables, Inc. and the Aboitiz Foundation. The project was launched as a three-month inter-school pilot project in three schools in Batangas and Laguna. Its results impressed local Department of Education (DepEd) officials who vowed to replicate the initiative in their offices.

“We in DepEd have been inspired by this program because of its positive results. We intend to replicate this in our division. The success of this program proves the important role of our youth in influencing those around them in continuing the advocacy for the environment.”

–David Nuay, DepEd Batangas Supervisor for Schools Governance Operations

PaToK results



5.1 tons total weight of paper waste collected for all three schools



97% highest reduction in electricity consumption among the three schools



5% lower water consumption per student achieved among the three schools



San Jose National High School of Sto. Tomas, Batangas bagged the top place during the PaToK Race to Reduce Public Schools Project 2017.

Green Fashion Revolution

The award-winning campaign Aboitiz Green Fashion Revolution (GFR) has been helping raise awareness on resource efficiency since 2012. The student design competition invites teams representing various schools to create fashionable couture and accessories from recycled materials. The winners receive cash prizes and given the opportunity to provide funding support to their own CSR advocacies.

In 2017, the GFR-themed “Life Flourishing On Land and In Water” recycled almost 300 kilos of waste materials including used tarpaulins, Pilmico flour and feeds sacks, Republic Cement sacks, papers, defective standee bags, aluminum steel, and plastic bottles.

“Iyong na-share dati sa amin ng mga students, shinare din namin sa iba. Lyon din kasi ang goal na gusto namin, na hindi lang kami ang makinabang. Gusto rin naming makatulong din sa iba. (We imparted to others what the students previously taught us. That was what we wanted for us not to be the sole



beneficiaries. We also want to help others.)”
—Riza Azucena, SAMALA cooperative member and chosen beneficiary of De La Salle University-College of St. Benilde



Aboitiz Green Fashion Revolution models showcasing their outfits made of recycled materials.

Environment

Communities made strong by Aboitiz volunteers



Children of calamity-struck Tigatto, Davao City smile for the camera after receiving their relief goods.

Nothing good usually comes out from a calamity. The aftermath paints devastation, destroyed livelihood, and lives that come to a sudden halt. On the other side of the spectrum are volunteers who try to reach out to victims to bring back smiles, a ray of light, and ultimately, hope to help get them back on their feet.

It was almost Christmas – supposedly the merriest time of the year – when severe tropical storm Urduja and tropical depression Vinta successively hit eastern Visayas and Mindanao, leaving thousands reeling from the devastation caused by flash floods and mudslides. Over a hundred Aboitiz Group team members from Davao Light, Therma South, Hedcor, and Apo Agua, came to their aid through relief operations. The team distributed over 6,000 liters of drinking water, hygiene

kits, mats, and blankets to displaced families in Davao City on Christmas Eve.

Duty called for Jade Hazel Gamas, Community Relations Officer of Apo Agua. Despite being booked for a holiday trip, she chose to stay and help out. “Nothing is more fulfilling and rewarding than helping others in need,” she says. Smiling and hopeful faces, an excellent showcase of resilience, greeted the team as they worked hand in hand with other community members to distribute the relief goods.

The experience was an eye-opener for Jelly Obregon from Davao Light’s Customer Retail Services department. She said it was a humbling

“

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Sa tinood lang, blessed kaayo mi ani kay dako kaayo ni na tabang pareha aning mga habol, tuwalya, kay wala dyud mi mga tuwalya. Murag ma-touch gyud ka ba. Gihatag gyud mo sa Ginoo para makatabang sa amo, ang Ginoo na lang ang mobalos sa blessings ninyo. (To tell you the truth, we are so blessed because these items are a big help for us, like these blankets and towels. It's touching. You were given by God to help us and the Lord will be the one to repay these blessings back to you.)

Grace Panuncia

Relief recipient and displaced Davao City resident

experience as the walls of religion, gender, and race came crashing down. There are no Christians nor Muslims; men are not stronger than women; there is no geographic divide. “We are all human beings coming together to help those who are in need,” she says.

This is the story of Aboitiz team member-volunteers, manifesting the value of responsibility. Inspired by the Aboitiz Group’s long history of compassion, the Aboitiz Foundation and the Group’s business units continue to provide immediate assistance to communities affected by natural disasters.

KIDisaster Preparedness Program

There is nothing more assuring for parents than knowing that their children are safe. In times of disaster, kids are the most vulnerable. That is why the Aboitiz Foundation, Pilmico, and the Aboitiz Equity Ventures Risk Management team organized the KIDisaster Preparedness Program, which helps

children understand what to do during various disaster events. This is done through games, kiddie shows, role play, and storytelling learning sessions.

In 2017, the beneficiaries in Taguig, Navotas, Tarlac, and Pasig City also received ‘go-bags’, which contain emergency essentials such as a raincoat, a pair of rain boots, one basic first-aid kit, a hygiene kit, and Pilmico’s ‘The Care Package’ high-energy biscuits.

“We haven’t experienced this kind of event since I became a principal in Benito S. Ong Memorial School. Our school is about 20 kilometers from the national highway, so it is too far for visitors. Also, it is located between a river and a mountain, making it vulnerable to natural disasters. In fact, it was even flooded during Typhoon Sendong. Thank you, Aboitiz, for choosing our school,” says Victoriano Garciso Jr., School Head of Benito S. Ong Memorial School.

Environment

SacaSun Preparedness Project

In 2017, as part of creating a safer community, San Carlos Sun Power, Inc. (SacaSun) trained some personnel of the Barangay Disaster Risk Reduction Monitoring Council (BDRRMC) of Brgy. Punao, San Carlos City on disaster risk management.

The local community welcomed the timely initiative as the area is being monitored for sinkholes by the Mines and Geoscience Bureau.

The BDRRMC also received emergency services equipment including a new generator set, LED spotlights, ladders, and a chain pulley for use by this community of over 6,000 residents.

“With the increased discovery of sinkholes in San Carlos City, particularly, in Brgy. Punao, this initiative of SacaSun is very helpful for us to ensure a safe place for our community members.”

—Danilo Mole, Barangay Punao Kagawad



Solar panel fields of San Carlos Sun Power, Inc. (Sacasun) in Negros Occidental delivers clean and renewable energy to the Visayas grid.

Rising from the ashes of war

What awaits the life of a war survivor? Oftentimes incapacitated by physical injuries and, in some cases, coupled with debilitating mental trauma, wounded soldiers keep to themselves and leave their future to fate. The Aboitiz Group, staying true to its commitment to be among the first responders in times of need, has brought a different perspective to life for these soldiers – one that is filled with hope – through the Noble Bakers Project.

In partnership with the Philippine Army's Special Operations Command (SOCOM) Foundation, the Aboitiz Foundation, through the help of Pilmico, trained injured Marawi soldiers to become bakers. A total of sixty wounded soldiers underwent a comprehensive bakery management training program, teaching them how to cost and develop bakery products, bake breads, cakes, cookies, pizza dough, and other pastries.

The Aboitiz Foundation also donated heavy-duty baking equipment such as oven, mixer, and baking

utensils while SOCOM built the first Noble Bakers Bakery inside Fort Magsaysay. It is now operational and caters to soldiers and residents, as well as some adjacent schools. The earnings from the bakery will go to dependents of the wounded soldiers.

With four bullets still lodged in his body, SOCOM's Sgt. Eric Ubalde, one of the project beneficiaries, said he appreciates the challenge given generously by the Foundation. The challenge now is to continue helping his fellow wounded soldiers – this time, not with guns and ammunitions, but with baking pans and rolling pins.

“Noble Bakers is a good project that aims to benefit our disabled soldiers. I encourage all other Commands of the military to replicate this project as it is beneficial to the military community, the military dependents, and our disabled soldiers who can still and should lead productive lives.” -Delfin Lorenzana, Defense Secretary of the Philippines



From noble warriors to noble bakers: Sgt. Ubalde finds great joy in helping his fellow wounded soldiers not with the use of guns or bullets but rather with the use of baking pans and rolling pins.

Business Unit-Direct CSR Initiatives

In addition to CSR projects implemented in partnership with the Aboitiz Foundation, Aboitiz BUs also spearhead and manage community-focused initiatives addressing their specific needs. These initiatives foster a closer working relationship between the BUs and their host communities.



Sound nutrition habits are honed at home: Grade 1 teacher Janette Mercado and her daughter Cassandra, Republic Cement's Kusina ng Kalinga beneficiaries, strive to live healthy despite financial constraints.

The kitchen that nourishes a community

Grade 2 student Cassandra Mercado, fondly called “insulin baby” by her mother Janette, follows a regulated diet as she was conceived not long after her mother developed type 2 diabetes. Janette teaches Grade 1 students of Bilogo Elementary School in Taysan, Batangas, where Cassandra also goes. Her daughter’s condition drives Janette’s tenacity to include teaching healthy eating to all her students, who are not all conscious about their dietary consumption.

Bilogo Elementary is one among schools with the highest number of students in the “severely wasted” and “wasted” categories in the Kinder to Grade 3 levels. This indicates students having severe to moderate acute malnutrition, according to the DepEd Taysan’s baseline weighing activities.

For this reason, it was among the selected schools in Batangas where the first “Kusina ng Kalinga” project was implemented. This is a joint anti-poverty and

malnutrition campaign by Republic Cement and non-profit organization Gawad Kalinga (GK). Under the Kusina program, students from Kinder to Grade 3 are provided daily nutritious lunch meals for a full school year. Republic Cement funds the construction of a fully furnished in-school kitchen where meals are prepared while GK oversees the daily operations. Parents from participating schools volunteer and take daily shifts to prepare the meals and collecting, cleaning, and routing the lunch kits back to the kitchen afterwards. The Kusina program also promotes parent-engagement activities like the “Master Kusinera Challenge” to influence and encourage parents to cook healthy yet inexpensive meals at home for their kids. Roughly one month into the project’s implementation, 44 out of Janette’s 45 students (even the most picky ones) have started to enjoy the veggie-based Kusina lunch meals.

Empowering Alternative Learning System teachers

Being a teacher is one of the noblest jobs there is. DepEd’s Alternative Learning System (ALS) teachers are probably up in the hierarchy as they help open opportunities for out-of-school youth and other members of the community who have limited or no access to formal education.

As mobile educators, ALS teachers bring literacy and basic education to deprived and underprivileged Filipinos who mostly live in far-flung communities.

One of them is Marvin Bula Macalalad who has spent the last five years as District ALS Coordinator in Gandara, Samar. He recalls the challenges of bringing basic education to the marginalized sector. “I pass through slum areas, cross rough and muddy roads, and trek uncharted mountains.”

Educators like Marvin need further support, particularly in technology tools to keep pace with evolving educational needs and uplifting the quality of the teaching-learning process. CitySavings understands well the plight of teachers and makes notebook computers and LCD projectors available for Marvin and other ALS teachers to use on the job. In 2017, the bank supported 42 divisions nationwide, including the areas of Cagayan, Northern Samar, Iloilo, and Isabela.

Marvin remains very passionate about teaching because his students inspire him. “Knowing that they can pass the national examination, graduate and receive their diplomas so they can proceed to college or find better opportunities is a rewarding experience for me,” he proudly shares, claiming his own modest victory.

“My own experience showed me that one can get educated without formal schooling.”
- Leonor Briones, Education Secretary



Notebook computers and LCD projectors were donated to ALS teachers who are usually deployed to far-flung communities to provide basic education to deprived and underprivileged Filipinos.

Aboitiz Foundation 2017 Highlights

In 2017, we in the Aboitiz Foundation increased our efforts to formulate creative ways to reach out to Aboitiz business units (BUs) and improve synergy in our CSR goals and strategies. We sought to streamline the process of identifying CSR 2.0 projects by introducing ideation, dialogue, and integration.

Effective engagement leads to better ideas

Under a new leadership and with the launch of our Group purpose to drive change for a better world, we devoted the start of the year to firm up the Group's direction for CSR implementation. This planning phase focused on deepening our connection with the BUs and other stakeholders, understanding their unique needs to serve them better.

In August 2017, we organized the CSR Midyear Forum, where we asked the CSR representatives: What is your vision of safe, empowered, and sustainable communities? We wanted them to have an end goal where they can anchor all their efforts. Through a number of participatory workshops, the CSR representatives were encouraged to think outside the box and connect with other BUs.

Dialogues create collaboration

After the ideation, the CSR representatives developed their respective three-year plans on how to achieve the ideal communities that they had presented earlier. We encouraged the development of holistic projects to veer away from siloed initiatives.

The Foundation provided venues to continue the conversations including CSR roadshows, which were conducted in various areas where BUs operate. The Technical Working Group initiatives also paved the way for collaborations across BUs for projects related to our CSR pillars of education, enterprise development, environment, and health and well-being.



Aboitiz Foundation team members cheer with Vice President Leni Robredo during the Servathon (an annual service marathon) organized by Hands On Manila.

Collaboration leads to long-term successes

The message then became clearer: We can achieve more and reach a bigger scale in uplifting lives if we combine our resources. By complementing our expertise and resources and integrating our initiatives, we will be able to provide long-term value to all our stakeholders. Together with the BUs, we further understood the value of maximizing the Group's social investments and started coordinating more effectively.

During the CSR Year-end Forum held in November 2017, the BU CSR representatives shared some of their scaled up projects and long-term plans for their respective host communities.

Enthusiastic volunteerism makes work more meaningful

In 2017, we saw team member engagement significantly increase as more team members across the Group joined the Foundation in volunteer-driven activities such as Brigada Eskwela, the Simultaneous

Groupwide Tree Planting, Servathon, and the Christmas Outreach.

We encouraged our team members to contribute ideas and participate in the planning of various engagement activities. The 2017 Christmas Outreach was made more special with lantern-making activities participated by team members and the student-beneficiaries.

Business beyond the usual

The Aboitiz Group is committed to braving the path towards sustainability. Our past successes and clear strategies inspire us to do more in line with our promise of advancing business and communities by co-creating safe, empowered, and sustainable communities.

Together with the 35 Aboitiz BUs that work hard with the Aboitiz Foundation, we will continue to challenge ourselves to ensure that all our efforts create a positive long-term impact on the lives of more Filipinos.



Aboitiz Foundation team members do their part in planting seedlings during the Groupwide Simultaneous Tree Planting.

CSR Highlights

BUSINESS UNIT

2017 HIGHLIGHTS

<p>Power Generation (Geothermal / Solar)</p>	<p>AP Renewables, Inc.</p> <ul style="list-style-type: none"> Assisted 22 public elementary schools with various education-related CSR programs and 517 students through scholarship and financial assistance in Batangas, Laguna, and Albay Empowered over 200 high school, tech-voc, and college scholars through the Youth Development Summit Constructed three new classrooms and repaired eleven classrooms Promoted effective reading habits and storytelling strategies among 48 public elementary teachers and established 28 reading corners through the Read to Succeed Program Upgraded health services of two host barangays through the Health Center Improvement Program Advanced sustainable livelihood of a partner school through the Seedling Nursery Management Program, wherein the school earned over PHP84,000 income for the first year Launched the Kabataan Inyovators - a leadership and project development program for over 164 youth leaders Celebrated colorful Christmas parties with 400 indigent kids Improved its community and stakeholder relations and provided a better tour experience to the Center's visitors through the Maximization of Cleanergy Center Program and Renovation Project Implemented the following Cleanergy Center flagship projects: Youth Ambassadors Program for senior high school students, a school roadshow: Padyak Kaalaman that reached over 3,600 students, and the Cleanergy Champions' Day that challenged the creativity and talents of the millennials <p>San Carlos Sun Power, Inc.</p> <ul style="list-style-type: none"> Partnered with the leaders of Barangay Punao, San Carlos City for its CSR programs benefiting over 6,000 residents Improved basic health services through workshops and donation of equipment Strengthened the barangay's emergency response plan through the Disaster Preparedness Program Provided scholarships to out-of-school youth and materials for elementary students Surprised 100 indigent kids in a magical Christmas party
<p>Power Generation (Hydro)</p>	<p>Hedcor, Inc.</p> <ul style="list-style-type: none"> Hedcor is the run-of-river hydropower arm of AboitizPower operating 21 power facilities in the country with a total installed capacity of 245 megawatts. By advancing business and communities, Hedcor envisions for 'A Better Future' through Cleanergy, its brand for clean and renewable energy. Implemented its CSR projects on education, health, livelihood, and environment to help develop its host communities in Benguet, Ilocos Sur, Mt Province, Davao City, Davao del Sur, and in Bukidnon, who in return help build, operate, and maintain Hedcor plants Implemented various education-related projects like Brigada Eskwela, construction, and refurbishment of school building, rewiring of classrooms, donation of computers and school supplies, provide training for teachers and students to be computer literate, grant scholarship program, free vocational courses for out-of-school youths, among others For health, conducted regular medical and dental missions to far-flung areas, distributed medicines, and vitamins to beneficiary-patients per prescription from the municipality-doctors, constructed and refurbished health centers, and rolled out numerous hygiene-related campaigns and projects

BUSINESS UNIT**2017 HIGHLIGHTS****Power Generation
(Hydro)**

- Provided its host communities with training sessions for sericulture farming, coffee, and abaca farming, crops and fruits farming and among others
- Partnered with the Aboitiz Foundation, Inc., Pilmico Foods Corporation, Benguet Technical School, and TESDA - Benguet to implement the National Certification (NC) II Training on Bread and Pastry Production, which was participated by 25 members of its partner cooperatives in La Trinidad and Tuba, Benguet
- Being the stewards of the environment, planted over 200,000 trees in 2017 across the country with 89% survival rating
- Restored the irrigation and water system in Mt. Province, Sabangan and reached out to Marawi by donating a container-van, converted to a mobile health center
- Supported the host LGUs through Emergency Preparedness and First Aid Training with Rescue Equipment Donation

**Power Generation
(Coal)****Therma South, Inc. (TSI)**

- Implemented a multipartite project to capacitate the Matigsalug tribe in improving their traditional products and allow them to showcase these in trade fairs, leading to an increase in income by 10%
- Donated multimedia equipment to Binugao Central Elementary School
- Conducted scholarship programs and set up technical vocational laboratories in host community high schools

Therma Luzon, Inc. (TLI)

- Donated tools and equipment for the opening of Electrical Installation and Maintenance and Shielded Metal Arc Welding courses of the schoolyear 2018-2019
- Trained teachers on various teaching methodologies
- Upgraded wiring systems of 25 classrooms in Pagbilao National High School to ensure zero incidence of fire and reduce electricity bill

Therma Visayas, Inc.

- Provided scholarship grants and financial assistance to qualified high school and engineering students
- Promoted disaster preparedness through equipment donations with related training
- Done community medical missions with health and wellness training programs
- Donated patrol boat to Toledo City's Marine Sanctuary

**Power Generation
(Oil)****Therma Mobile, Inc.**

- Conducted a river clean-up project for Navotas City River Linear Park
- Trained beneficiaries on rag production
- Installed an automated weather station in Navotas
- Conducted solar lighting project for Navotas City River Linear Park
- Donated tools and equipment and trained beneficiaries on rag production
- Supported special science elementary schools and provided scholarship programs and financial assistance
- Conducted Christmas Outreach

Therma Marine, Inc.

- Done medical missions with hygiene and disaster response orientation
- Conducted solar lighting and road streetlighting projects
- Offered high school financial assistance and college scholarships
- Installed an automated weather station in Nasipit, Agusan del Norte and Maco, Compostela Valley

CSR Highlights

BUSINESS UNIT	2017 HIGHLIGHTS
<p>Power Generation (Oil)</p>	<p>Cebu Private Power Corporation</p> <ul style="list-style-type: none"> Contributed to co-creating a safe environment through fire fighting equipment donation and fire prevention training Assisted various schools in Cebu through initiatives such as financial assistance and scholarships, technical vocation equipment donation, school street lighting, and Brigada Eskwela <p>East Asia Utilities Corporation</p> <ul style="list-style-type: none"> Participated in the nationwide Brigada Eskwela Supported high school and college students in Lapu-Lapu City through scholarship grants, financial assistance, and asset donation
<p>Power Distribution Utilities (Cotabato/ Davao Light, VECO)</p>	<p>Cotabato Light and Power Co.</p> <ul style="list-style-type: none"> Refurbished reading and peace hub and repaired school infrastructure Provided armchairs to partner-schools Assisted high school students through educational assistance programs <p>Davao Light and Power Co.</p> <ul style="list-style-type: none"> Initiated various CSR projects like Project e.Lab (Electrical Laboratory), an Electrical Installation and Maintenance (EIM) training facility that is provided to public high schools to equip students with electrical skills to become certified electricians when they graduate high school Provided a community-based skills training through its Project BEST or Basic Electrician Skills Training that helps the community-beneficiaries acquire the EIM skill and become certified electricians Implemented the project BELT.CoM or Basic Electrical Lineman Training Center of Mindanao, a training facility in TESDA-XI where certified electricians like the graduates of Project e.Lab and Project BEST can upgrade their skill as linemen <p>Visayan Electric Co.</p> <ul style="list-style-type: none"> Rewired and added cost-efficient lighting to 946 classrooms in 19 public schools Provided scholarship grants and financial assistance to 7 college and 99 high school scholars Constructed a two-storey multipurpose building in Talisay City, Cebu Supported out-of-school youth scholarship and produced 9 project-based linemen through our Linemen Development Training Project
<p>Power Distribution Utilities (EnerZones)</p>	<p>Balamban, Lima, Mactan, Subic EnerZones</p> <ul style="list-style-type: none"> Participated in the Department of Education's nationwide Brigada Eskwela program Rewired schoolbuildings and upgraded power supplies in Balamban and Lapu-Lapu, Cebu; Lipa City, Batangas; and Olongapo City, Zambales Expressed commitment to give back through initiatives such as the Christmas Outreach programs, employee engagement activities, and tree planting Donated equipment for disaster preparedness and response Equipped lifelong learners through scholarship grants and financial assistance, computer system donation, and the establishment of learning resource centers Continued its initiatives to develop a Special Science Elementary School in Olongapo, Zambales

BUSINESS UNIT

2017 HIGHLIGHTS

Power Distribution Utilities (EnerZones)

- Donated disaster equipment sets to various barangays, addressing the immediate need for disaster preparedness of low-lying and flooded areas in Olongapo City, and providing assistance in emergency response situations
- Participated in the various national and international activities such as the Earth Hour, fire prevention initiatives, blood donations, free medical checkup, and coastal cleanup
- Established a learning resource center
- Refurbished K-12 electrical laboratory, and donated electrical materials and equipment, benefiting students of Electrical Installation and Maintenance in the senior high school program (Olongapo)

Banking

UnionBank of the Philippines

- Supported the operations of the WeatherPhilippines Foundation through financial contributions
- Conducted capability building training sessions for micro, small, and medium enterprises, microfinance institutions, and students
- Implemented GoBeyond Communities program that provides opportunities and financial support to UnionBank employees for the conduct community projects
- Partnered with various institutions and academe for various CSR projects that advance advocacies such as the preservation of heritage and culture, youth leadership and development, housing, and social development
- Supported students through scholarship grants and financial assistance

CitySavings

- Received Presidential Award from Coalition for Better Education (CBE), recognizing the bank's role in the establishment of the Center for Teacher Excellence and the Project TeACH program. CitySavings was also recognized as a fellow education advocate who shares CBE's vision of "Creating Empowered Learning Communities".
- Partnered with Ramon Aboitiz Foundation, Inc. - Eduardo J. Aboitiz Cancer Center to spearhead Project Pink, a breast cancer awareness development program for public school teachers
- Partnered with Ramon Aboitiz Foundation, Inc. - Kool Adventure Camp to develop leadership skills of public school teachers through Project Synergy
- Partnered with Weather Philippines Foundation, Inc, to empower science and technology teachers and DepEd disaster risk reduction management officers to prepare and protect their communities from the impact of adverse weather disturbances through the conduct of Weather 101 and Tropical Cyclone 101 training sessions nationwide
- Spearheaded Project Peraparasyon, a practical wealth management program which aims to equip teachers with knowledge and skills on financial discipline
- Partnered with Philippine Business for Social Progress to advance efforts in finding solutions to complex societal problems particularly in the education sector
- Established an Alternative Learning System (ALS) advocacy to support DepEd's mobile teachers' mission to spread literacy to the marginalized sector and underserved communities unreached by formal education
- Initiated disaster relief operations to calamity affected areas specifically in Marawi City and Ormoc City, Leyte
- Donated technology tools and other learning needs to advance the learning of students across the country
- Constructed, painted and repaired school facilities, water tanks, feeding centers and reading facilities nationwide

CSR Highlights

BUSINESS UNIT	2017 HIGHLIGHTS
Food	<p>Pilmico</p> <ul style="list-style-type: none"> Continuously conduct the Mahalin Pagkaing Atin program and provided livelihood kits i.e. egg machines, bakery starter kits, and piglets to various beneficiary-partners nationwide Implemented its Kidisaster Preparedness program to educate the youth on disaster preparedness Addressed malnutrition among school children in Lanao Del Norte through the conduct of the Kutitap Feeding Program Assisted partner-cooperatives and associations nationwide to start and grow their baking businesses through training programs and bakery starter kit donation Conducted the Veterinary Care Caravan in various areas nationwide Continued technical vocational support to the Dalipuga National High School in Iligan City
Infrastructure	<p>Aboitiz Construction</p> <ul style="list-style-type: none"> Partnered with the Aboitiz Foundation and Balamban municipal government to complete the Php1.2 million technical-vocational expansion project for Buanoy National High School in March 2017, a project that constructed a welding laboratory, provided welding and dressmaking equipment, and trained teachers on welding and dressmaking <p>Apo Agua Infraestructura Inc.</p> <ul style="list-style-type: none"> Partnered with the Davao City Water District (DCWD) for their Dagayday Sa Barangay Fair, a one-stop-shop that extends basic social services: medical, dental, social and legal, to four barangays in Baguio District, Davao City. Apo Agua supplied free vaccination and diagnostic laboratory services and conducted a storytelling session for the kids in their host communities as part of this project
Land	<p>AboitizLand</p> <ul style="list-style-type: none"> Coordinated with the Department of Environment and Natural Resources to review its development masterplan upon the discovery of Pawikan eggs in the Seafrent Residences in San Juan, Batangas Partnered with Compostela Market Vendors Multi-Purpose Cooperative for its “Better Communities Program” project to support the growth of Compostela’s local delicacy, queso (soft white cheese from carabao’s milk) Conducted various skills training programs in masonry, carpentry, tile setting, and electrical installation and maintenance. <p>LimaLand</p> <ul style="list-style-type: none"> Trained partner-beneficiaries on Industrial Sewing Machine Operation skills training, National Certification II Carried on with the “You Can Be A Hero Program,” an enhanced learning program that aims to educate the youth on historical heroes, and allow them to explore how they can also be heroes

CSR Highlights

BUSINESS UNIT

2017 HIGHLIGHTS

Aboitiz Equity Ventures

Corporate External Relations

- Assisted Philippine Army's Special Operations Command through: donation of 10 additional units of solar street lamps; provision of school supplies through Project Shoebox; implementation of the Noble Bakers project, that aims to train injured soldiers on baking and to provide heavy-duty baking equipment
- Supported Go Negosyo's Kapatid: Angat Lahat initiative that helps emerging entrepreneurs enhance their skills and enable them to grow their micro and small businesses

Sustainability

- Strengthened the Group's A-Park Program by establishing partnerships with Ramon Aboitiz Foundation, Inc. (School-Community Based Tree Growing project) and with the Philippine Business for Social Progress (Adopt a Watershed Project - Upper Marikina River Basin Protected Landscape), thus, contributing to the nine million trees target by 2020
- Conducted the Annual Simultaneous Groupwide Tree Planting, setting a record-breaking turn out of team members volunteers (from 2,900 volunteers in 2016 to 4,000 volunteers in 2017)
- Participated in the Earth Hour celebration through AboitizLand's ceremonial switch-off held in Cebu
- Ran the 2nd year of the Aboitiz No Impact Challenge, the Group's version of the No Impact Project global initiative. During the year, it avoided an estimated 206 tons of CO₂e through team members voluntary participation in simple lifestyle choices that promote wellness while reducing carbon footprint.
- Ran the Manila and Cebu cycles of the Aboitiz Green Fashion Revolution- an inter-school design competition organized in partnership with the National Youth Commission that encourages young stakeholders to come up with green design solutions
- Continued the Group's biodiversity conservation efforts through Aboitiz Cleanergy Park located in Davao, an eight-hectare urban-based biodiversity conservation site, known as one of the nesting grounds of the critically endangered Hawksbill turtle (*Eretmochelys imbricata*), endemic and migratory birds, and marine species. During the year, a total of 1,450 hatchlings have been released.

WeatherPhilippines

- Expanded WeatherPhilippines' pool of sponsors with CitySavings, Davao Light, Therma Marine, Sem-Calaca Power Corporation, and Source Telecommunications, Inc.
- Expanded partnerships with Pilipinas Shell Foundation, Inc. under the Weather for Agriculture program for Filipino farmers
- Formalized partnership with the Manila Observatory to promote a science-based approach to sustainable development and poverty reduction
- Deployed 34 automated weather stations (AWS) in 2017, increasing network to a total of 826 AWS nationwide
- Shifted to a multi-model forecast system from the previous Global Forecast System, increasing accuracy rate by 15%
- Continued flagship trainings Weather 101 and Tropical Cyclone 101, reaching 5,096 individuals from public and private sectors



(LEFT TO RIGHT) Antonio, Sabin, Erramon, Jaime, Manuel, Xavier, Susan, Danel

Board of Trustees and Advisers

Aboitiz Foundation, Inc.



(LEFT TO RIGHT) Andoni, Aurora, Anton, Rafael, Luis , Tristan, William

Erramon I. Aboitiz
Chairman

Susan V. Valdez
President

Antonio R. Moraza
Trustee

Sabin M. Aboitiz
Trustee

Jaime Jose Y. Aboitiz
Trustee

Luis Miguel O. Aboitiz
Trustee

Andoni F. Aboitiz
Trustee

Xavier Jose Y. Aboitiz
Trustee

Manuel R. Lozano
Trustee

Ma. Aurora F. Tolentino
Trustee

Tristan Roberto C. Aboitiz
Trustee

Anton Mari G. Perdices
Adviser

Danel C. Aboitiz
Adviser

Rafael F. De Mesa*
Adviser

William W. Paradies*
Adviser

* - incoming adviser



(LEFT TO RIGHT) Katrina, Riza, Geronimo, Maribeth, Marxist, Danilo, Jowelle, Ricardo, Czarina

Team Members

Aboitiz Foundation, Inc.



(LEFT TO RIGHT) Jennifer, Welfredo, Francis, Honey, Amy, Louie, Rechiel, Wilbert

Maribeth L. Marasigan

First Vice President and Chief Operating Officer

Danilo M. Cerence

Assistant Vice President for Operations

Jennifer S. Sabianan

Manager, Enterprise Development

Jowelle Ann R. Cruz

Manager, Education & Environment

Riza C. Madrid

Manager, Accounting and Admin

Amy Melissa M. Chua

Manager, Engagement and Communications

Czarina Markines

Administrative Manager

Louie Boy G. De Real

Supervising Project Officer

Rechiel T. Cordova

Administrative Supervisor

Geronimo G. Torres

Senior Project Officer, Enterprise Development

Welfredo D. Dalumpines

Senior Project Officer, Health and Well-Being

Katrina Felize G. Bero

Senior Project Officer, Development and Implementation

Honey Fe A. Narra

Junior Accountant

Ricardo Q. Llego

Project Officer, Monitoring and Evaluation

Wilbert T. Brua

Project Officer, Infrastructure

Marxist Lenin D. Astudillo

Junior Accountant

Francis Cleo J. Monato

Project Officer, Scholarships

Audited Financial Statements

Independent Auditor's Report

The Stockholders and the Board of Directors

ABOITIZ FOUNDATION, INC.

(A Non-Stock, Non-Profit Organization)

Aboitiz Corporate Center

Gov. Manuel A. Cuenco Avenue

Cebu City

Opinion

We have audited the accompanying financial statements of ABOITIZ FOUNDATION, INC. (the Foundation), which comprise the statements of financial position as at December 31, 2017 and 2016, and the statements of operations, statements of other comprehensive income, statements of changes in fund balance and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2017 and 2016, and of its financial performance and its cash flows for the years then ended 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 Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, the *Code of Ethics for Professional Accountants in the Philippines*, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Foundation'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 Foundation'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 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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair representation.

Audited Financial Statements

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.

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 22 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

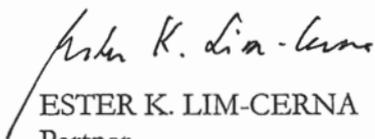
LUIS CAÑETE & COMPANY

BOA/PRC Reg. No. 0127 (Until December 31, 2019)

SEC Accreditation No. 0209-FR-2 (August 23, 2020)

BIR AN 13-004894-0-2015 (Until October 5, 2018)

For the Firm:



ESTER K. LIM-CERNA

Partner

CPA Certificate No. 29485

SEC Accreditation No. 1570-A (Until June 9, 2019)

BIR AN 13-002463-1-2015 (Until October 27, 2018)

TIN 120-166-885, PTR No. 1434173 – January 3, 2018, Cebu City

Cebu City

February 12, 2018

ABOITIZ FOUNDATION, INC.

(A Non-Stock, Non-Profit Organization)

STATEMENTS OF FINANCIAL POSITION

December 31, 2017 and 2016

(Amounts Expressed in Whole Philippine Pesos)

	Note	2017	2016
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	P240,251,231	P136,154,160
Receivables	4	1,676,598	4,238,836
Total Current Assets		241,927,829	140,392,996
NON-CURRENT ASSETS			
Available for sale investments	5	549,099,354	570,520,177
Property and equipment - net	6	56,110,205	59,636,136
Trust funds	7	281,018,276	250,199,819
Other assets	8	3,279,313	1,953,535
Total Non-Current Assets		889,507,148	882,309,667
TOTAL ASSETS		P1,131,434,977	P1,022,702,663
LIABILITIES AND FUND BALANCE			
CURRENT LIABILITIES			
Accounts payable	9	P28,600,644	P41,430,960
Income tax payable	14	505,905	673,281
Total Current Liabilities		29,106,549	42,104,241
NON-CURRENT LIABILITIES			
Deferred credits	7	281,018,276	250,199,819
Pension liability	15	976,557	1,281,851
Total Non-Current Liabilities		281,994,833	251,481,670
TOTAL LIABILITIES		311,101,382	293,585,911
FUND BALANCE (Exhibit "D")		820,333,595	729,116,752
TOTAL LIABILITIES AND FUND BALANCE		P1,131,434,977	P1,022,702,663

(See accompanying notes to financial statements)

Audited Financial Statements

ABOITIZ FOUNDATION, INC.

(A Non-Stock, Non-Profit Organization)

STATEMENT OF OPERATIONS

For the Years Ended December 31, 2017 and 2016

(Amounts Expressed in Whole Philippine Pesos)

	Note	2017	2016
SUPPORTS AND OTHER GAINS			
Donations	10	P392,116,976	P334,183,615
Interest income	3	6,806,623	9,037,997
Dividend income	5	5,571,078	5,562,540
		404,494,677	348,784,152
PROGRAM COSTS AND EXPENSES	11	(262,291,370)	(316,240,814)
OTHER INCOME	12	(581,051)	9,673,740
ADMINISTRATIVE EXPENSES	13	(59,303,601)	(43,066,732)
EXCESS (DEFICIENCY) OF SUPPORTS AND OTHER GAINS OVER EXPENSES BEFORE INCOME TAX		82,318,655	(849,654)
INCOME TAX EXPENSE	14	(559,905)	(728,963)
EXCESS (DEFICIENCY) OF SUPPORTS AND OTHER GAINS OVER EXPENSES		P81,758,750	(P1,578,617)

(See accompanying notes to financial statements)

ABOITIZ FOUNDATION, INC.

(A Non-Stock, Non-Profit Organization)

STATEMENTS OF OTHER COMPREHENSIVE INCOME

For the Years Ended December 31, 2017 and 2016

(Amounts Expressed in Whole Philippine Pesos)

	Note	2017	2016
EXCESS (DEFICIENCY) OF SUPPORTS AND OTHER GAINS OVER EXPENSES		P81,758,750	(P1,578,617)
OTHER COMPREHENSIVE INCOME (LOSS)			
Items subsequently reclassified to profit or loss			
Unrealized gain on fair value change of AFS investments during the year	5	8,899,499	26,853,584
Items not be subsequently reclassified to profit or loss			
Actuarial gain (loss) on pension liability	15	558,594	(38,305)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		P91,216,843	P25,236,662

(See accompanying notes to financial statements)

Audited Financial Statements

ABOITIZ FOUNDATION, INC.

(A Non-Stock, Non-Profit Organization)

STATEMENTS OF CHANGES IN FUND BALANCE

For the Years Ended December 31, 2017 and 2016

(Amounts Expressed in Whole Philippine Pesos)

	Revaluation Reserve on Fair Value Changes of AFS Investments (Note 5)	Cumulative Actuarial Loss on Pension Liability (Note 15)	Cumulative Excess of Supports and Other Gains over Expenses	Total Fund Balance
Balance, January 01, 2016	P203,087,378	(P3,841,530)	P504,634,242	P703,880,090
Total comprehensive income for the year 2016				
Deficiency of supports and other gains over expenses	-	-	(1,578,617)	(1,578,617)
Other comprehensive income				
Changes in fair value of AFS investments	26,853,584	-	-	26,853,584
Actuarial loss on pension liability	-	(38,305)	-	(38,305)
Total comprehensive income for the year 2016	26,853,584	(38,305)	(1,578,617)	25,236,662
Balance, December 31, 2016	229,940,962	(3,879,835)	503,055,625	729,116,752
Total comprehensive income for the year 2017				
Excess of supports and other gains over expenses	-	-	81,758,750	81,758,750
Other comprehensive income				
Changes in fair value of AFS investments	8,899,499	-	-	8,899,499
Actuarial gain on pension liability	-	558,594	-	558,594
Total comprehensive income for the year 2017	8,899,499	558,594	81,758,750	91,216,843
Balance, December 31, 2017	P238,840,461	(P3,321,241)	P584,814,375	P820,333,595

(See accompanying notes to financial statements)

ABOITIZ FOUNDATION, INC.

(A Non-Stock, Non-Profit Organization)

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2017 and 2016

(Amounts Expressed in Whole Philippine Pesos)

	Note	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess (deficiency) of supports and other gains over expenses		P82,318,655	(P849,654)
Adjustments for:			
Depreciation and amortization	6 and 13	4,069,544	4,483,672
Retirement benefits	13	1,242,280	1,246,875
Realized loss (gain) on sale of available for sale investments	12	289,388	(8,424,987)
Loss on retirement of assets	12	440,376	-
Interest income	3	(6,806,623)	(9,037,997)
Dividend income	5	(5,571,078)	(5,562,540)
Foreign exchange gain		(148,713)	(1,248,753)
Operating cash flow before working fund changes		75,833,829	(19,393,384)
Decrease (increase) in:			
Receivables	4	2,562,238	34,453,258
Other assets	8	(1,347,180)	15,200
Trust funds	7	(30,818,457)	(48,551,895)
Increase (decrease) in:			
Accounts payable	9	(12,830,315)	(7,792,858)
Deferred credits	7	30,818,457	48,551,895
Cash generated from operations		64,218,572	7,282,216
Contribution to retirement fund	15	(988,980)	(2,747,723)
Interest received	3 and 8	6,640,520	8,962,807
Income tax paid	14	(727,281)	(813,483)
Net cash provided by operating activities		69,142,831	12,683,817
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	6	(1,456,485)	(2,408,824)
Proceeds from sale of property	6 and 12	660,000	-
Acquisition of available for sale investments	5	-	(320,000,000)
Proceeds from sale of available for sale investments	5	30,030,934	10,986,410
Cash dividends received	5	5,571,078	5,562,540
Net cash provided by (used in) investing activities		34,805,527	(305,859,874)
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		103,948,358	(293,176,057)
EFFECT OF EXCHANGE RATE CHANGES ON CASH		148,713	1,248,753
CASH AND CASH EQUIVALENTS BALANCE AT BEGINNING OF YEAR		136,154,160	428,081,464
CASH AND CASH EQUIVALENTS BALANCE AT END OF YEAR		P240,251,231	P136,154,160

(See accompanying notes to financial statements)

About WeatherPhilippines Foundation

VISION

To be the trusted private Philippine weather organization that helps build a #WeatherWiser nation

MISSION

To empower communities to use weather knowledge in making informed decisions for disaster resilience through our localized weather technology, inclusive partnerships, and meaningful engagements

Who We Are

WeatherPhilippines Foundation, Inc., founded in 2012 by the Aboitiz Foundation and UnionBank, is a multisectoral initiative that aims to provide Filipinos with a premier weather sensing and forecasting system. We seek to provide local governments and communities with free, accurate, and localized weather information for a timely response to severe weather conditions. Information is available through our website, weatherph.org, and our mobile application. Our advocacy towards helping build a #WeatherWiser Philippines has now expanded to include the optimization of weather knowledge for socio-economic growth and progress.

General Manager's Message



“

The year 2017 witnessed the achievement of new milestones for WeatherPhilippines. We expanded our network of partners with the entry of new gold sponsors and knowledge-sharing partners, thereby ensuring the sustainability and relevance of what we do for our stakeholders. Furthermore, we implemented new forecasting methods and features that helped improve the reliability of our forecasts, and expanded the scope of our capabilities and services.

”

Looking forward, we aim to build on these milestones as we remain steadfast in our commitment to advance business and communities by helping build a #WeatherWiser nation.”

Dave Michael V. Valeriano
Vice President and General Manager

Key Milestones

Technology



826

Automated Weather Stations (AWS) deployed



15%

increase in average forecasting accuracy (July to December 2017)

Partnerships



587

donors and partners

Platinum Donors



Gold Donors



Site partner



Capacity building partner



Knowledge sharing partners



Engagement



5,096

capacity-building training beneficiaries since 2012



6.1 million

Facebook reach in 2017



1.3 million

website visits in 2017



34,993

mobile app downloads since May 2015

Helping build a #WeatherWiser nation



WeatherPhilippines and Pilipinas Shell Foundation, Inc. sign a partnership for an agro-meteorological project in Bombon, Camarines Sur.

With an average of 20 tropical cyclones entering the Philippine Area of Responsibility every year, the country continued to rank among the most affected countries in the 2017 Global Climate Risk Index.

This persisting issue has prompted us to intensify our #WeatherWiser Nation advocacy since WeatherPhilippines' inception in 2012. From disaster awareness campaigns, our approach has evolved to a more sustainable model that optimizes weather knowledge for socio-economic development.

We have begun focusing our efforts on expanding our impact on agriculture, tourism, and lifestyles as we continue to provide free, accurate, and localized weather information to help Filipinos in disaster preparedness.

In 2017, we signed a partnership with Pilipinas Shell Foundation, Inc. (PSFI) for an agro-meteorological

project in Bombon, Camarines Sur. Called the #WeatherWiser Future Filipino Farmers Project, with the goal to create a model farm with sustained agricultural productivity by integrating local weather data into community-based farming practices.

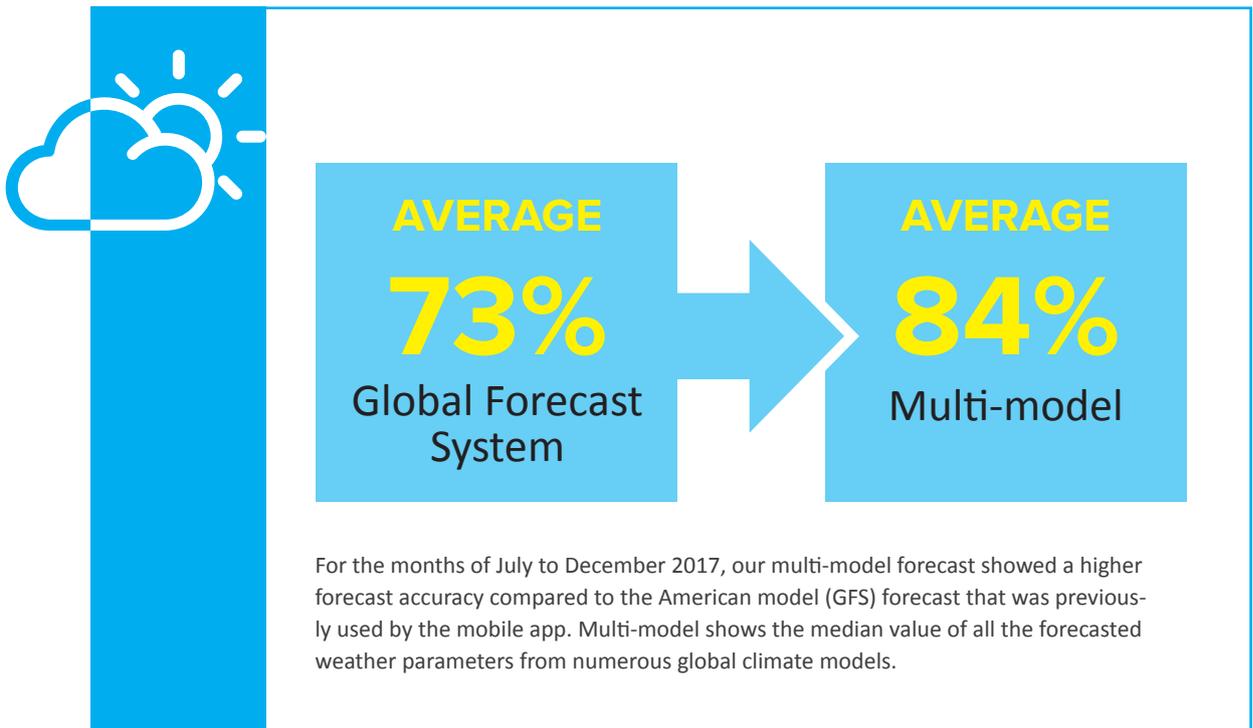
Capitalizing on our digital presence, we have boosted our online content to highlight the relevance of weather in travelling and lifestyle planning. More moment marketing posts, as well as infographics and animation videos on interesting weather facts, are being created to keep our target audience informed and engaged. All these initiatives aim to instill the #WeatherWiser mindset in every Filipino.

With the Aboitiz CSR 2.0 guiding principles embedded in our strategic pillars of technology, partnerships, and engagement, we are on track towards achieving our vision of a #WeatherWiser Philippines.

Technology

Having the largest network of automated weather stations (AWS) in the Philippines, we continuously seek opportunities to enhance our weather observation capability. This ensures that our data adheres to the highest levels of reliability, relevance, and availability.

Forecast Model Accuracy



In 2017, we shifted to a multi-model forecast from the previous Global Forecast System to improve our weather forecasting services. For the July to December 2017 period, the accuracy of forecasts for a 24-hour rainfall period improved from 73% to 84%. Our forecasts are made available to our users through the newly-revamped WeatherPhilippines mobile app and website.

With the help of our partners, we have also improved the reliability of our AWS network and expanded its coverage.

Enhancing our weather sensing capability



More automated weather stations, more accurate weather data. Currently, WeatherPhilippines utilizes 826 AWS deployed around the country to provide localized weather information.

In 2017, we completed the conversion of 50 AWS into solar-powered units, thanks to the JPY2.5-million (PHP1.7-million) donation from the WxBunka Foundation. This Japanese organization believes that we can create safer and more productive communities together by providing relevant and up-to-date weather information.

Installed in priority meteorological areas where power outages are frequent, the reliability of the solar-powered AWS has improved and helped ensure the accuracy and availability of our localized observation data.

We also established a data-sharing partnership with the Manila Observatory (MO), a prestigious research institution in the field of atmospheric and earth sciences. Aligned with MO's science-based

approach to sustainable development and poverty reduction, our objective is to utilize our weather data for studies related to our country's socio-economic growth.

This partnership includes integrating MO's AWS with our existing network, as well as providing our historical weather data for research purposes. The addition of MO's AWS network into our system will also help in improving the reliability of our network and provide users with more access points for localized weather information in the Philippines.

Upgrading our Digital Platforms to Version 2.0

We have always recognized the importance of making weather information accessible and

Technology



The WeatherPhilippines app had 34,993 total downloads and 539,481 mobile app sessions in 2017.

relevant. To this end, we have been working on upgrading our backend systems, making it possible for us to add new features and functions in our mobile app and website.

Aside from improving our forecasting capability by shifting to a multi-model approach, we have added a new weather parameter wherein website and app users can check for rain probability in their location of interest.

This promotes better decision making by our users in planning their day, as it shows the chances of rain for a specific time frame during the day. We have

moved to an hourly forecasting from a three-hour interval format.

Moreover, we have enhanced our location tagging that allows users to search for their location of choice such as their home, office, or school. With this feature, the website and app now show the forecast for any point in the Philippines. It also automatically determines the nearest AWS to the user's location of interest to reflect the relevant weather observation data for the area.

Besides the increased functionality, the interface for both the app and the website has been improved to provide a more user-friendly design.

Augmenting local government’s capability with localized weather information

Through the collaboration of WeatherPhilippines and Pilipinas Shell Foundation, Inc. (PSFI), our #WeatherWiser campaign was able to reach the Municipal Disaster Risk and Reduction Management Office (MDRRMO) of Coron, Palawan. Coron MDRRMO’s Engr. Fernando A. Lopez, who was one of the participants of the training conducted in their municipality, shares his thoughts on our partnership:

After participating in the Weather 101 and Tropical Cyclone 101 trainings, we started utilizing the weather knowledge we acquired for the sustainable development of our internal and external stakeholders. We in the local government of Coron conducted improvements in the way we do disaster risk preparation and monitoring, especially in terms of weather resilience.

We are now utilizing the localized weather forecast, particularly for air navigators, farmers, fishermen, and tourist-related activities. In using this forecast, we are able to apply the knowledge we have acquired from WeatherPhilippines’ trainings.

To optimize the reach of WeatherPhilippines’ data, its accuracy and localized forecast, we post the

information on our different social media channels such as the Coron MDRRMO Facebook page. Aside from this, we are closely coordinating with the Coast Guard Station and barangay officials to disseminate the weather information, especially when there are severe weather alerts issued by their meteorologists.

In terms of the day-to-day activities that have changed because of our involvement with WeatherPhilippines, we are now more aware of the weather. Our continuous monitoring and the daily updates from the AWS installed in Coron make us more wary of the weather systems that will affect our area in the next few days. We are now able to apply it to processes such as adjusting the farmers’ cropping pattern and scheduling fishing or tourism activities like diving and island hopping.

In the future, we are looking into applying WeatherPhilippines’ data into more areas other than livelihood and tourism. Four to five years from now, we are expecting more AWS stations to be installed and integrated into our system. We also expect more people from different sectors be educated about weather data interpretation and application.



Fishermen can work more efficiently by maximizing the localized weather information provided by WeatherPhilippines in managing their schedules and resources.

Partnership

WeatherPhilippines believes in establishing meaningful collaborations with stakeholders that support our advocacy of a #WeatherWiser Nation. It is only through such partnerships that we can be successful in making our vision a reality.



DepEd Region IX representatives attended the two-day weather training in Pagadian City. The training featured the foundation's flagship training activities: Weather 101 and Tropical Cyclone 101.

Teaming up with like-minded institutions to attain aligned goals

In 2017 alone, we forged partnerships with several like-minded organizations that expressed their commitment to support the advocacy through gold sponsorships, knowledge sharing, and capability building engagements.

CitySavings, Davao Light and Power Company, Sem-Calaca Power Corporation, Source Telecommunication, and Therma Marine, Inc. signed up as our gold sponsors to help sustain our initiatives related to technology and

engagement. Their contributions will positively impact communities at large as these will go to the expansion of our AWS network and, in the case of CitySavings, to capacity building trainings for DepEd teachers nationwide.

A number of institutions, namely Mapua University, University of Asia and the Pacific (UA&P), and the United Nations Office for the Coordination of Humanitarian Affairs (UN-OCHA), have also recognized the value we bring. They have engaged us

in order to use our weather information for various applications that would have positive benefits to the communities we serve.

Both Mapua and UN-OCHA will be conducting studies geared towards the promotion and enhancement of disaster-resilient communities using data from our AWS. We also worked with UA&P in integrating our weather training into the National Service Training Program course syllabus of their college freshmen students.

Meanwhile, we sealed a new deal with the Pilipinas Shell Foundation, Inc. (PSFI) to build sustainable farming communities. On top of our gold sponsorship agreement executed in 2015, we also signed a Memorandum of Agreement with PSFI to work together towards the development of sustainable farming techniques using our weather information. The project, which is targeted to be up and running in 2018, will initially benefit an

organic training farm in Bombon, Camarines Sur, the farm PSFI established as a modern farming training facility for Bicolano farmers.

We also strengthened our partnership with the Philippine Disaster Resilience Foundation (PDRF) through the development of its severe weather protocol. This will help improve the visibility of our weather updates to PDRF's extensive network of partners, as well as improve our ability to support its disaster resilience initiatives. Our collaboration has resulted in the training of a total of 158 participants, as of year-end 2017, on weather knowledge through PDRF's PrepLab.

Just recently, PDRF launched the world's first privately-run national emergency operations center in Clark, Pampanga. We are proud to be considered an integral partner of this laudable initiative and we look forward to further supporting PDRF's programs in the coming years.



Teachers plotting out potential typhoons during a hands-on exercise for Tropical Cyclone 101.

Partnership

Collaborating with WeatherPhilippines for a #WeatherWiser education sector

In 2017, WeatherPhilippines signed a tripartite agreement with CitySavings and the Department of Education (DepEd) to conduct basic weather trainings for DepEd's constituents. To provide us with more insights about this partnership, we asked CitySavings' Reputation Management Head Paula Ruelan to share their #WeatherWiser story.

Pope Francis once said, "Teaching is a beautiful job as it allows you to see the growth day by day of people entrusted in your care. It is a little like being parents, at least spiritually. It is a great responsibility."

Education is at the forefront of CitySavings' corporate social responsibility initiatives, particularly in terms of looking after the welfare of the Filipino

public school teacher. Since 2008, we have been working closely together with DepEd to implement various multi-intervention projects. This is part of our commitment to help create a better learning environment, and consequently help improve our country's public education system.

We signed an agreement with WeatherPhilippines and DepEd in 2017 to create a #WeatherWiser nation by building our educators' capability on disaster preparedness through basic weather knowledge. The training workshops teach educators what to anticipate and how to act in times of calamities. We envision them to be more empowered to prepare and protect their communities from the impact of adverse weather conditions, and secure the safety of both teachers and students.

The training series is conducted so that school systems can create their own disaster preparedness programs and reduce the impact of weather-related disasters on their constituents.

The partnership benefits DepEd's officers and personnel, their designated disaster risk reduction officers, science and technology teachers, and eventually their students through a cascade of lessons learned during the seminar.

We at CitySavings have always been thankful and are honored to be one of the key stakeholders of WeatherPhilippines. We look forward to more collaboration and partnership with them on programs that promote growth and capability building for our public school teachers and students.

As a socially responsible organization, CitySavings, together with our parent company UnionBank and the rest of the Aboitiz Group business units, will continue to advance business and communities to drive change for a better world for future generations.

#WeatherWiser training series

Workshop topics:



Weather 101



Tropical Cyclone 101



1,570

DepEd teaching and nonteaching staff

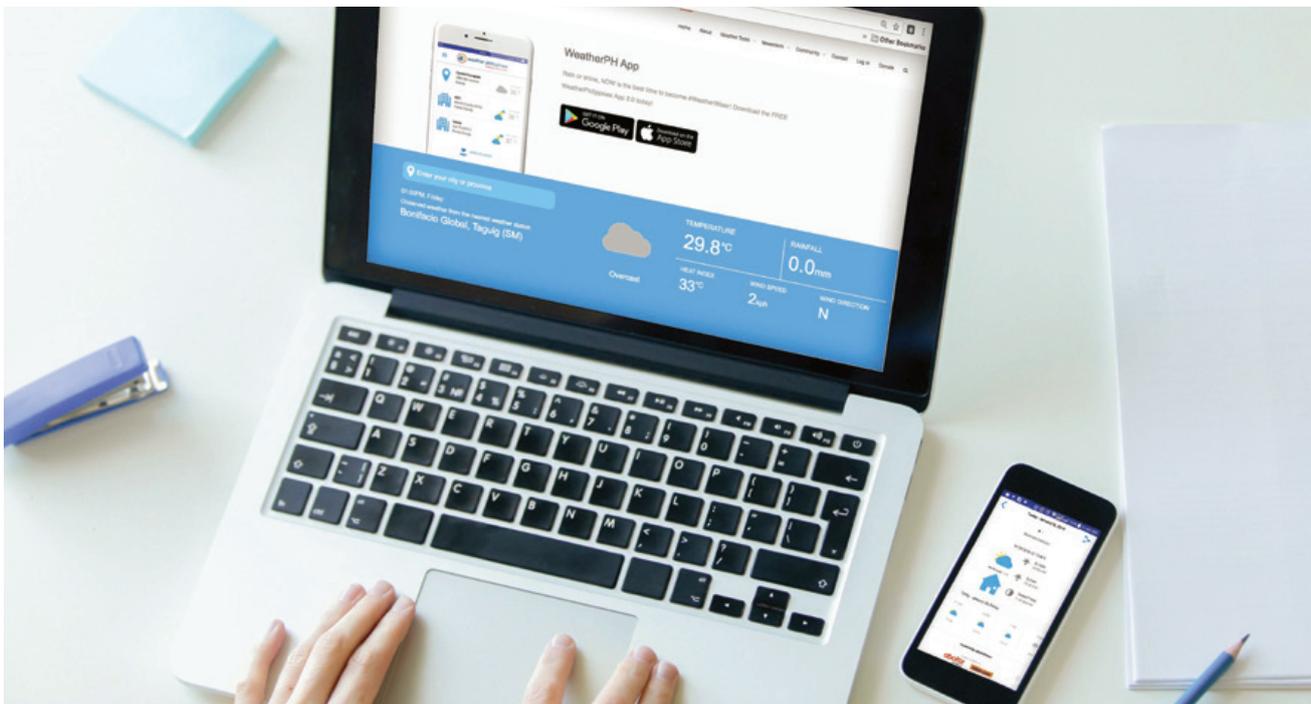


95

divisions

Engagement

In order to fully appreciate the value of weather information, people must realize how having a better understanding of it can benefit them. We therefore put a lot of focus on developing campaigns that help expand our stakeholders' weather knowledge, provide them with an attractive user experience, and make use of the most effective offline and online channels to maximize our reach.



WeatherPhilippines consistently upgrades the functionality and reliability of its digital assets, including design and interface both for the mobile app and website.

Online Engagements

In 2017, we created more relevant content for our target audiences. We published more educational stories and features about the weather, written in layman's terms. Because of this, we were able to achieve the following social media milestones:

By year-end, our Facebook page had a total of 64,986 likes. On top of this, we were able to reach more than 6 million Facebook users with an engagement rate of 6.29%.

The release of a new version of our mobile app, the introduction of new features, and an enhanced user experience resulted in 34,993 total downloads and 539,481 mobile app sessions in 2017.

Meanwhile, our redesigned website and our social media campaigns linking creative content to the site

resulted in 227,542 new users and 1,345,790 page views for the year.

Offline Engagements

In 2017, we ramped up our Weather 101 and Tropical Cyclone 101 training sessions for both the public and private sectors to equip them with a common understanding of concepts and systems used in weather reports. On top of our trainings, we make it a point to be present in various fora and on-ground activations to reach out to a larger audience. This is in order to inform them about the weather tools and services we provide, as well as share best practices in disaster resilience.

Weather 101 and Tropical Cyclone 101

The main objective of our trainings is to help participants understand the basic concepts,

Engagement

processes, and effects of different weather disturbances and weather systems in the country. We conduct these trainings to enable our stakeholders to use weather knowledge to create appropriate preparedness action plans and to make practical decisions to reduce the impact of weather-related disasters. Where possible, we also strive to highlight socio-economic opportunities that may be brought on by the different weather systems that enter the country.

To ensure that weather information is understood by our audience and is valuable in their respective roles and industries, we streamline our training modules based on the needs of participants. Case in point, we included a workshop in our trainings with DepEd teachers to assess if they are able to integrate the learnings in their lesson plans and share the knowledge to their students and fellow teachers. We also conducted a training program customized for the employees of the SM Group's hotels and shopping malls in key cities nationwide.

Other beneficiaries of our training program in 2017 included local government units, member-companies of the PDRF, ABS-CBN News Channel (ANC), and platinum sponsors La Filipina Uy Gongco Corporation and Nickel Asia Corporation.

By developing industry-specific training modules, we are optimistic that we can better educate our stakeholders, and consequently bring us closer to attaining our vision. In 2017 alone, we trained a total of 1,772 participants, bringing the overall number of weather training beneficiaries to 5,096 since the program's inception.

Speaking Engagements

While we are conducting trainings for specific groups, we also reach larger groups of audience through our holistic communication strategies.

We were honored to join the Public Relations (PR) Congress in 2017 to promote and share our



Meteorologists of WeatherPhilippines share about the #WeatherWiser campaign during their DZIQ's Ladies' Talk Radio guesting.



The #WeatherWiser Nation campaign bagged the Top Division Award in Communication Management at the Philippine Quill Awards 2017.

best practices and communication strategies. WeatherPhilippines General Manager Dave Valeriano, alongside other PR think tanks and practitioners, shared how we are building #WeatherWiser communities as a CSR initiative of the Aboitiz Group.

We also had other speaking engagements that allowed us to share about the work we do at WeatherPhilippines. These engagements included the following: 2017 General Assembly of the League of Cities of the Philippines, DZIQ's Ladies' Talk Radio guesting, the OSHE National Convention, DZAR 1026's Action Line guesting, GICC-BCP sub-committee meeting, AFI-CSR Roadshow, and the Ayala Disaster Risk and Reduction Management Summit.

We were also tapped by different organizations to share our best practices in disaster risk management. In September 2017, through our partnership with the League of Corporate Foundations (LCF), we were chosen as one of six member-organizations for an

institutional visit to the 3rd ASEAN Foundation Model ASEAN Meeting. For this event, we linked the LCF and the ASEAN party to the Biñan City Disaster Risk Reduction and Management Office, one of our model communities for weather disaster and preparedness.

In recognition of our #WeatherWiser campaign and our efforts to sustain it, we were honored in July 2017 with an Award of Excellence (Non-Profit Campaigns) and the Top Division Award in Communication Management at the Philippine Quill Awards given by the International Association of Business Communicators (IABC). The Quill Awards, one the country's most prestigious awards in the field of business communication, recognizes organizations that use communication effectively to achieve business goals and to make a difference in society. Our strategy of utilizing online and offline platforms to maximize audience reach was also recognized by IABC.

Engagement

“I commend the organizers and the people behind this seminar by WeatherPhilippines in partnership with Aboitiz (CitySavings). It intensified our knowledge in understanding weather and tropical cyclones.

“I’m looking forward to bringing this very valuable initiative to our division in order to share additional knowledge not only to our learners but also to our teachers.”

-Bryan Amiel F. De Jesus
Schools Division of Bulacan

“The training is very timely and relevant to the work of a teacher; the learnings and skills from the training can be processed for the information dissemination of this matter. It is a way of making the students informed and prepared regarding weather conditions. This will serve as a milestone for us as we learn new things and serve more students, for I believe that the true essence of learning is sharing what you have, to make a difference, and to be a part of the change in the journey of life.”

-Mark Lawrence Valencia
Division of City of San Fernando, Pampanga



While WeatherPhilippines seeks to help people understand and appreciate weather’s impact on people’s everyday lives through its #WeatherWiser campaign, Weather Solutions will provide a platform-based suite of services that can help customers interpret weather data to reduce risk exposure, as well as develop solutions to harness business potential.

WeatherPhilippines 2018 Outlook



- Expand partnerships with public and private sector
- Actively participate in Aboitiz Foundation's integrated approach for BU CSR projects
- Work with Weather Solutions, the Aboitiz Group's new social enterprise unit, that will provide historical real-time data forecasting and consulting solutions.
- Continue our efforts of providing free and accessible weather knowledge to stakeholders
- Further improve weather services and enhance weather app



Digital Mindset

RESULTS-ORIENTED

EXPERIMENTAL

AGILE

INNOVATIVE

EXIT

In sync with the Aboitiz Group's digital transformation efforts, WeatherPhilippines continues to improve its technological services.

Our new command center, housed at the A-Lab in Taguig Corporate Center, is equipped with two 55-inch screens where meteorologists can monitor weather observations and forecasts. There are also provisions for quick weather broadcasts in the digital studio.





(LEFT TO RIGHT) Alex, Sabin, Ana, Monica, Liza

Board of Trustees and Advisers

WeatherPhilippines Foundation



(LEFT TO RIGHT) John Philip, Susan, Benigno, Dennis, Aileen

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Benigno Z. Marasigan, Jr.
Adviser



(LEFT TO RIGHT) Josa, Adonis, John, Charlie, Redmund, David
(LEFT TO RIGHT) Josa, Adonis, John, Charlie, Redmund, Michael

Team Members

WeatherPhilippines Foundation



(LEFT TO RIGHT) Dave, Margarett, Kaye, Jerson

Dave Michael V. Valeriano
Vice President and General Manager

Kaye Rosario-Sangalang
Sustainability Manager

David Michael V. Padua
Senior Typhoon Specialist

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Josa Marie L. Salazar
Sustainability Specialist

Charlie A. Fuellas
Operations and Maintenance Technician

Jerson V. Samson
Operations and Maintenance Technician

Adonis S. Manzan
Typhoon Specialist

John Christian B. Lequiron
Meteorologist

Redmund G. Nacario
Meteorologist

Audited Financial Statements

WEATHERPHILIPPINES FOUNDATION, INC.

(A Non-Stock, Non-Profit Organization)

17th Floor NAC Tower, 32nd Street, Bonifacio Global City

Taguig City, Philippines

Opinion

We have audited the accompanying financial statements of WEATHERPHILIPPINES FOUNDATION, INC. (the Foundation), which comprise the statements of financial position as at December 31, 2017 and 2016, and the statements of comprehensive income, statements of changes in fund balance and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2017 and 2016, and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs).

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 Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, the *Code of Ethics for Professional Accountants in the Philippines*, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS for SMEs, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Foundation'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 Foundation'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 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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Audited Financial Statements

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 17 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

LUIS CAÑETE & COMPANY
BOA/PRC Reg. No. 0127 (Until December 31, 2019)
SEC Accreditation No. 0209-FR-2 (Until August 23, 2020)
BIR AN 13-004894-0-2015 (Until October 5, 2018)

For the Firm:



ESTER K. LIM-CERNA
Partner
CPA Certificate No. 29485
SEC Accreditation No. 1570-A (Until June 9, 2019)
BIR AN 13-002463-1-2015 (Until October 27, 2018)
TIN 120-166-885, PTR No. 1434173 – January 3, 2018, Cebu City

Cebu City
February 5, 2018

WEATHERPHILIPPINES FOUNDATION, INC.

(A Non-Stock, Non-Profit Organization)

STATEMENTS OF FINANCIAL POSITION

For the Years Ended December 31, 2017 and 2016

(Amounts Expressed in Whole Philippine Pesos)

	Note	2017	2016
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	P22,844,188	P13,476,444
Accounts receivable	4	170,906	314,706
Total Current Assets		23,015,094	13,791,150
NON-CURRENT ASSETS			
Property and equipment-net	5	31,662,234	48,154,376
TOTAL ASSETS		P54,677,328	P61,945,526
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable and other liabilities	6	P966,126	P1,615,696
FUND BALANCE (Exhibit "C")		53,711,202	60,329,830
TOTAL LIABILITIES AND FUND BALANCE		P54,677,328	P61,945,526

(See accompanying notes to financial statements)

Audited Financial Statements

WEATHERPHILIPPINES FOUNDATION, INC.

(A Non-Stock, Non-Profit Organization)

STATEMENTS OF FINANCIAL POSITION

For the Years Ended December 31, 2017 and 2016

(Amounts Expressed in Whole Philippine Pesos)

	Note	2017	2016
SUPPORTS AND REVENUES			
Donations	8	P39,848,700	P30,151,198
Other income	9	262,347	240,283
		40,111,047	30,391,481
EXPENSES			
Project expenses	10	40,706,757	41,355,429
Administrative expenses	11	6,022,918	6,408,909
		46,729,675	47,764,338
EXCESS OF EXPENSES OVER SUPPORTS AND REVENUES		(P6,618,628)	(P17,372,857)

(See accompanying notes to financial statements)

WEATHERPHILIPPINES FOUNDATION, INC.

(A Non-Stock, Non-Profit Organization)

STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2017 and 2016

(Amounts Expressed in Whole Philippine Pesos)

	Founders' Contribution (Note 7)	Cumulative Excess of Supports and Revenues Over Expenses	Total Fund Balance
Balances as at January 01, 2016	P1,000,000	P76,702,687	P77,702,687
Excess of expenses over supports and revenues for the year 2016		(17,372,857)	(17,372,857)
Balances as at December 31, 2016	1,000,000	59,329,830	60,329,830
Excess of expenses over supports and revenues for the year 2017		(6,618,628)	(6,618,628)
Balances as at December 31, 2017	P1,000,000	P52,711,202	P53,711,202

(See accompanying notes to financial statements)

Audited Financial Statements

WEATHERPHILIPPINES FOUNDATION, INC.

(A Non-Stock, Non-Profit Organization)

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2017 and 2016

(Amounts Expressed in Whole Philippine Pesos)

	Note	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of expenses over supports and revenues		(P6,618,628)	(P17,372,857)
Adjustments for			
Depreciation	5	17,189,259	16,248,904
Loss on sale of equipment	9	-	116,330
Unrealized forex gain	9	(29,928)	-
Interest income	9	(232,419)	(356,613)
Operating cash flow before working capital changes		10,308,284	(1,364,236)
Decrease (increase) in:			
Accounts receivable	4	149,139	(259,002)
Prepaid expense		-	3,268,571
Increase (decrease) in:			
Accounts payable and other liabilities	6	(649,570)	333,430
Net cash provided from operating activities		9,807,853	1,978,763
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		227,080	383,860
Capital expenditures	5	(697,117)	(6,400,393)
Proceeds from sale of equipment		-	265,000
Net cash used in investing activities		(470,037)	(5,751,533)
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		9,337,816	(3,772,770)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		13,476,444	17,249,214
EFFECT OF EXCHANGE RATE ON CASH	3	29,928	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	3	P22,844,188	P13,476,444

(See accompanying notes to financial statements)

To know more about our programs, please contact:

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