

FAST FORWARD FILINVEST



FILINVEST
DEVELOPMENT CORPORATION

2023 INTEGRATED REPORT

Fast Forward Filinvest

In 2023, we moved with agility and with excellence—renewing focus on business fundamentals, staying true to key strategies, and holding fast to core strengths.

From humble beginnings when our founders started the business in the 1950s, we have grown to become a major conglomerate with a diverse portfolio of profitable businesses.

As we move forward, we are guided by three strategic imperatives. First, to shape and optimize our portfolio to focus strategies and support the businesses. Second, to drive synergies and management systems, so we can leverage on key platforms as a cohesive group. Finally, to future-proof talent and organization towards a diverse, high-performing, and highly-engaged workforce.

We fast forward Filinvest with a strategic framework for growth—making it even more possible for Filipinos to make their dreams come true.



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► ABOUT THIS INTEGRATED REPORT

This Integrated Report is **Filinvest Development Corporation's (FDC)** first integrated disclosure on its financial and non-financial performance covering the calendar period ending December 31, 2023. It may contain "forward-looking statements" which are subject to a number of risks and uncertainties that could affect FDC's business and results of operations. Any forward-looking statements are made based on current assessments. Although FDC believes that expectations reflected in any forward-looking statements are reasonable, it can give no guarantee of future performance, action or events.

The report on non-financial performance is published in compliance with the provisions of the Securities and Exchange Commission's Memorandum Circular No. 4, Series of 2019 (SEC MC 4), and aligns with the Sustainability Reporting Guidelines for Publicly Listed Companies (the SEC ESG Guidelines). It also uses the Global Reporting Initiative (GRI) Standards' principles and reporting guidelines as reference.



► About Filinvest Development Corporation

Filinvest Development Corp. (FDC) is one of the leading, stable and diversified conglomerates in the Philippines. Through its diverse businesses, FDC has established a strong reputation as a dependable partner in economic development. FDC currently has strategic holdings in key industries such as banking and financial services, real estate development and leasing, hotel and resort management, power generation, utilities and infrastructure, among others.

FDC aims to grow this legacy of success by continuing to strengthen its position in the industries where it competes and embarking on new endeavors that will bolster its role in nation building.



One Tree. One Heart.
ONE FILINVEST

PURPOSE

We enable Filipinos to achieve their dreams.

MISSION

To be a top-tier conglomerate focused on the underserved markets while creating sustainable value for our shareholders.

CORE VALUES



Customer Centricity

Keep our customers
top of mind.



Change for the Better

Innovation and agility rule
our quest for operational
excellence.



Filinvest Family

Invest in bringing out the best
in ourselves and our team.



Entrepreneurial Mindset

Pursue new opportunities
and take ownership of
our decisions.



Shared Benefit

Grow hand in hand
with our stakeholders.



Trustworthiness

Deserve and preserve trust.



FDC achieved strong financial results and made significant progress towards fulfilling our long-term goals in 2023. We are driven to continue this trajectory to grow earnings by an average of at least 20 percent annually... We believe we are positioned well to achieve this.

► Financial Highlights

Filinvest Development Corp. and Subsidiaries
(Amounts in thousand Pesos, except per share data)

	2023	2022	2021	2020	2019
Operating Results					
Total Revenues and Other Income	92,841,541	71,123,592	62,906,982	73,148,193	84,317,309
Net Income	12,136,810	8,302,660	8,885,747	11,505,232	15,882,255
Net Income Attributable to Parent	8,947,468	5,650,674	6,065,764	8,460,929	11,970,302
Return on Assets (ave.)	1.7%	1.2%	1.3%	1.8%	2.6%
Return on Equity (ave.)	7.1%	5.1%	5.9%	8.4%	12.6%
Financial Position					
Total Assets	734,934,033	686,820,609	669,576,186	647,578,898	642,154,875
Total Long-term and Short-term Debt	132,371,944	137,224,888	137,379,449	136,192,164	130,221,265
Equity	177,691,875	165,672,042	161,110,908	141,606,822	132,149,986
Equity Attributable to Parent	137,040,216	127,262,419	123,576,516	107,746,737	100,515,900
No. of Shares Outstanding ('000)	8,648,463	8,648,463	8,648,463	8,648,463	8,648,463
Long-Term Debt to Equity*	74.5%	82.8%	85.3%	96.2%	98.5%
Cash	48,962,146	71,311,956	123,074,981	90,858,875	52,096,201
Net Debt to Equity**	46.9%	39.8%	8.9%	32.0%	59.1%
Per Share Data ***					
EPS based on Total Net Income	1.403	0.960	1.027	1.330	1.836
EPS based on Net Income Attributable to Parent	1.035	0.653	0.701	0.978	1.384

* Computed as long-term debt divided by equity

** Computed as long-term debt less cash and cash equivalents divided by equity

*** Computed based on weighted average number of shares outstanding

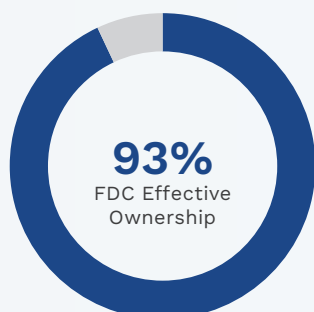
Portfolio

Filinvest is in three major sectors—real estate, banking, and power—with investments in new engines of growth such as hospitality, renewable energy, water services, and infrastructure solutions.

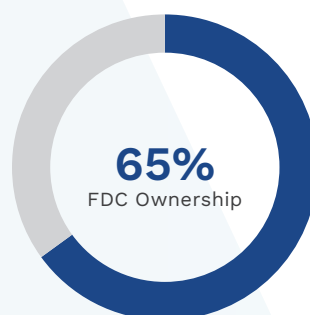
Our businesses are well-positioned in high growth sectors of the Philippine economy, enabling us to take advantage of primary economic and consumption growth drivers.

► Real Estate

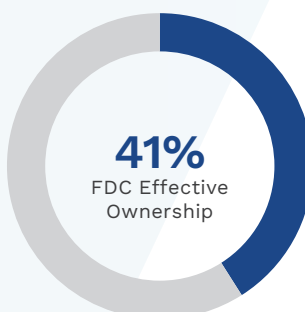
One of the leading real estate developers in the Philippines, focused on residential development, commercial leasing, and large-scale township masterplanning



FILINVEST
ALABANG, INCORPORATED



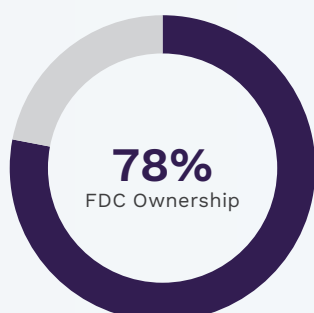
FILINVEST
LAND, INC.
WE BUILD THE FILIPINO DREAM



FILINVEST • **REDCORP**

► Banking

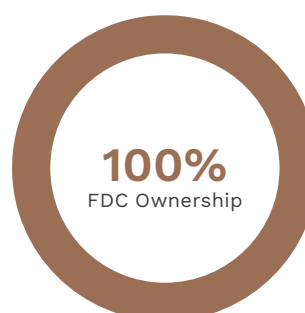
Among the top 10 banks in the Philippines by assets; strategically positioned in the retail and middle-market corporate segments




eastwest
Your dream Our focus

► Hospitality

Manages seven hotels and resorts totaling 1,800 keys in significant growth areas across the Philippines

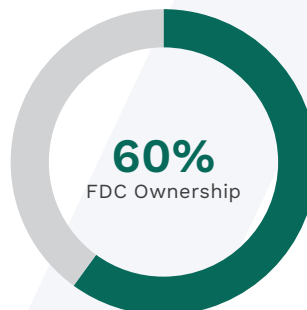
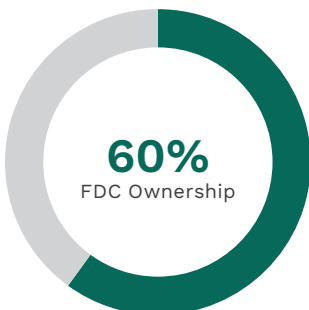
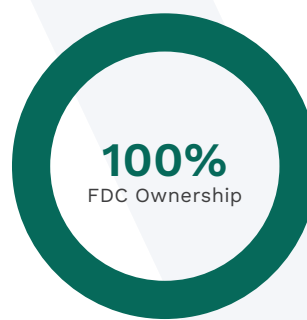


 **FILINVEST**
HOSPITALITY
CORPORATION

► Power & Utilities

Early mover into the Mindanao power sector, operating a 405 MW power plant in Misamis Oriental

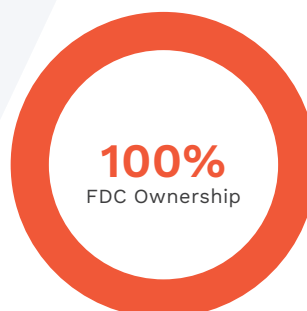
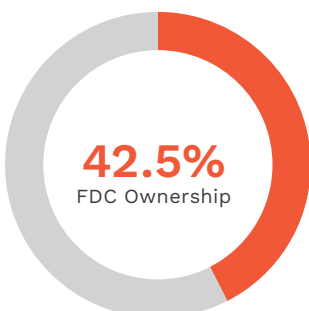
With strategic partnerships for new ventures in renewable energy and sustainable solutions



► Others

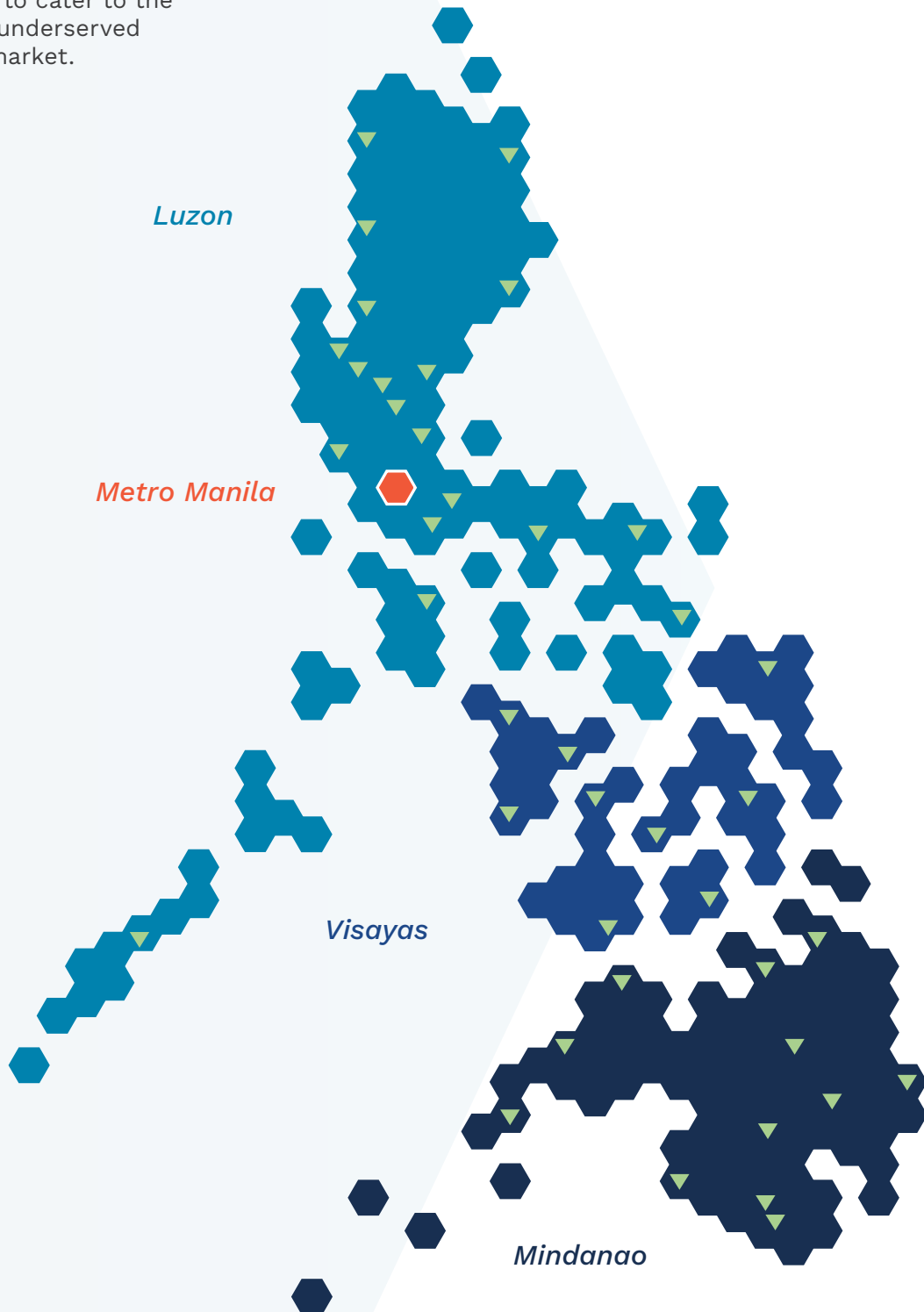
Lead consortium member in the 25-year Operation and Management (O&M) contract for Clark International Airport

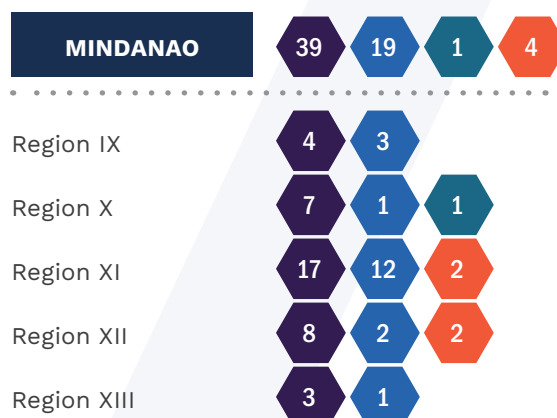
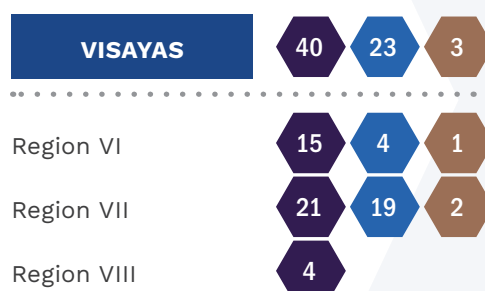
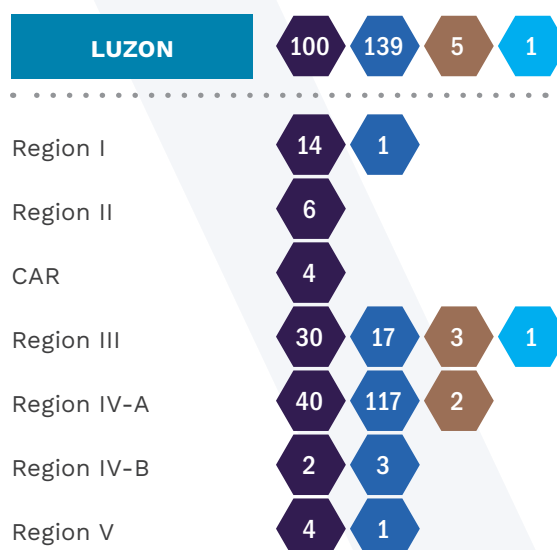
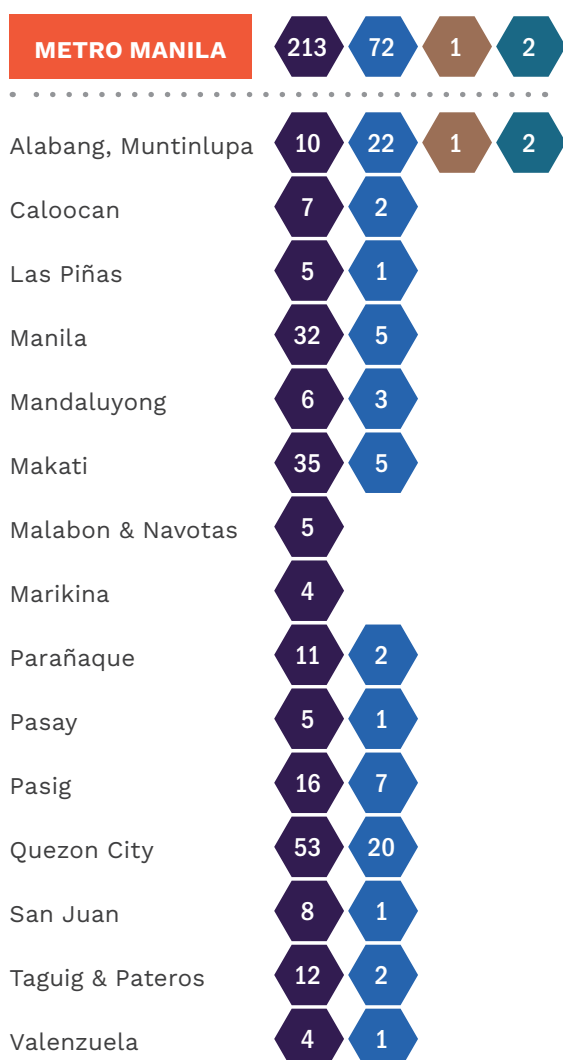
Operates sugar mill, refinery, and sugarcane farms that provide stable cash flows



Geographic Presence

In each of the sectors, our companies are present in geographical locations that allow us to cater to the broader underserved middle market.







JONATHAN T. GOTIANUN
Chairman



RHODA A. HUANG
President & Chief Executive Officer

Message from the Chairman and President & Chief Executive Officer

To our fellow shareholders,

2023 was a year of modest growth for the Philippine economy, with the push to strong recovery dampened by some headwinds.

The domestic economy grew by 5.6 percent, slower than the 7.6 percent of the previous year and falling short of an ambitious government target of 7.0 percent. Nonetheless, the country registered the strongest economy in Southeast Asia, outpacing countries like China, which held at 5.2 percent. Economic activities continued to thrive despite a high interest rate environment and inflationary pressures that only eased towards the end of the year.

In this economic environment, the Filinvest group flourished and found the opportunity to expand.

The increase in private spending and investment and the consistent inflow of overseas remittance spilled over to our real estate business, while the revival of domestic travel and tourism boosted our hospitality earnings. The return of the workforce and the energization of the Mindanao-Visayas

grid fueled demand for our power business. Meanwhile, tight monetary policy improved yields for our banking segment, as it leveraged on the strong consumer borrowings that began in the previous year.

With these factors, Filinvest Development Corporation (FDC) reported a 58 percent growth in net income to P8.9 billion for 2023. All segments reported double-digit growth and contribution to the group, led by banking, real estate, and power. Crucial to our success was the renewed focus on the fundamentals of our businesses, staying true to our key strategic imperatives, and relying on our core strengths as an organization.

Agility with Excellence in 2023

East West Bank is well on track to achieve its goal to be among the top consumer banks in the Philippines. In 2023, the bank's net earnings reached P6.1 billion, jumping 32 percent from 2022, propelled by a combination of stronger unit economics and growth engines. A higher return on equity of 9.5 percent was also a significant improvement.



The bank's net interest margin of 7.6 percent was among the best in the industry, and the cost-to-income ratio improved materially to 56.9 percent—well within industry levels despite a loan book that is 80 percent consumer.

The bank's consumer loan portfolio growth of 25 percent coupled with improving unit economics puts East West among those well-positioned for sustained profitable growth and increase in its share of the broader high-growth consumer market. East West Bank accounted for the largest share of the net income contributions with 39 percent of the total.

In 2023, the bank also received a number of awards from esteemed publications and organizations within the banking industry that recognized its commitment to excellence in serving its customers and introducing leading innovations, affirming East West as an emerging leader in consumer banking.

From being a leader in retail finance as Filinvest Credit Corporation in the 1960s to today, our strength has always been consumer lending. We excel in this line of business. We manage our risk exposures well and this continues to be a strategic growth area for our bank, as we proceed to develop other lending activities.

Our Real Estate business, comprised of listed subsidiary Filinvest Land, Inc. (FLI) and Filinvest Alabang, Inc. (FAI), contributed P3.7 billion in net income to the group in 2023, 31 percent higher than the P2.8 billion in the previous year. The growth was attributed to solid contributions of its residential and leasing segments, despite an incredibly challenging environment marked by high

inflation and high interest rates. The real estate segment contributed 32 percent of the total net income of the group.

The structural improvements and transformation towards a cluster-focused organization have translated to initial wins with our customers such as the accelerated progress of construction and product delivery, improvements in customer service for both residential and leasing, increased sales force effectiveness, and a stronger pipeline of launches expected to sustain its ambition to be among the top growth players in key fast-growing regions around the country. FLI launched P8.7 billion in residential projects in 2023 and is expected to ramp up launches towards our townships around the country with a diversified product portfolio for the affordable and broad middle-income market.

The office segment has shown resilience and continues to show signs of improvement as it adjusts to the impact of the hybrid work set-up with a more diversified tenant acquisition and stronger retention strategies. Moving forward, real estate leasing income will be more diversified, as the share of leasing earnings from retail and industrial estates is expected to increase over time from their sustained growth trajectory while office leasing continues to improve occupancy. Retail revenues, which grew by 32 percent, will continue to complement our launches and expand to our townships nationwide.

We are bullish on our industrial leasing portfolio to ride this buoyant sector, and one that is suitably situated in growing manufacturing, warehousing, and logistics corridors. We welcomed our first locator in



Filinvest Innovation Park at New Clark City and recently signed with a leading multinational shipping and supply chain management company keen to expand its regional hub in our Clark International Airport development. With the rail system that will connect Metro Manila to Clark, and with new road linkages within and to the Clark International Airport and New Clark City, all expanding into adjacent services such as logistics, we are optimistic of the growth potential of the Clark corridor.

Our power generation business marked its own banner year, reporting a 30 percent growth to a record high of P2.8 billion. Our 3x135MW base load plant is fully contracted, resulting in an increase in revenues of FDC Utilities by 33 percent to P17.2 billion. This is substantial for the power segment to account for 24 percent of the total net income of the group in 2023.

We are also looking at renewable energy and have started construction of our 20MW solar project in Misamis Oriental. We continue to look for opportunities to grow our power generation business with the strategic objective of achieving power sustainability.

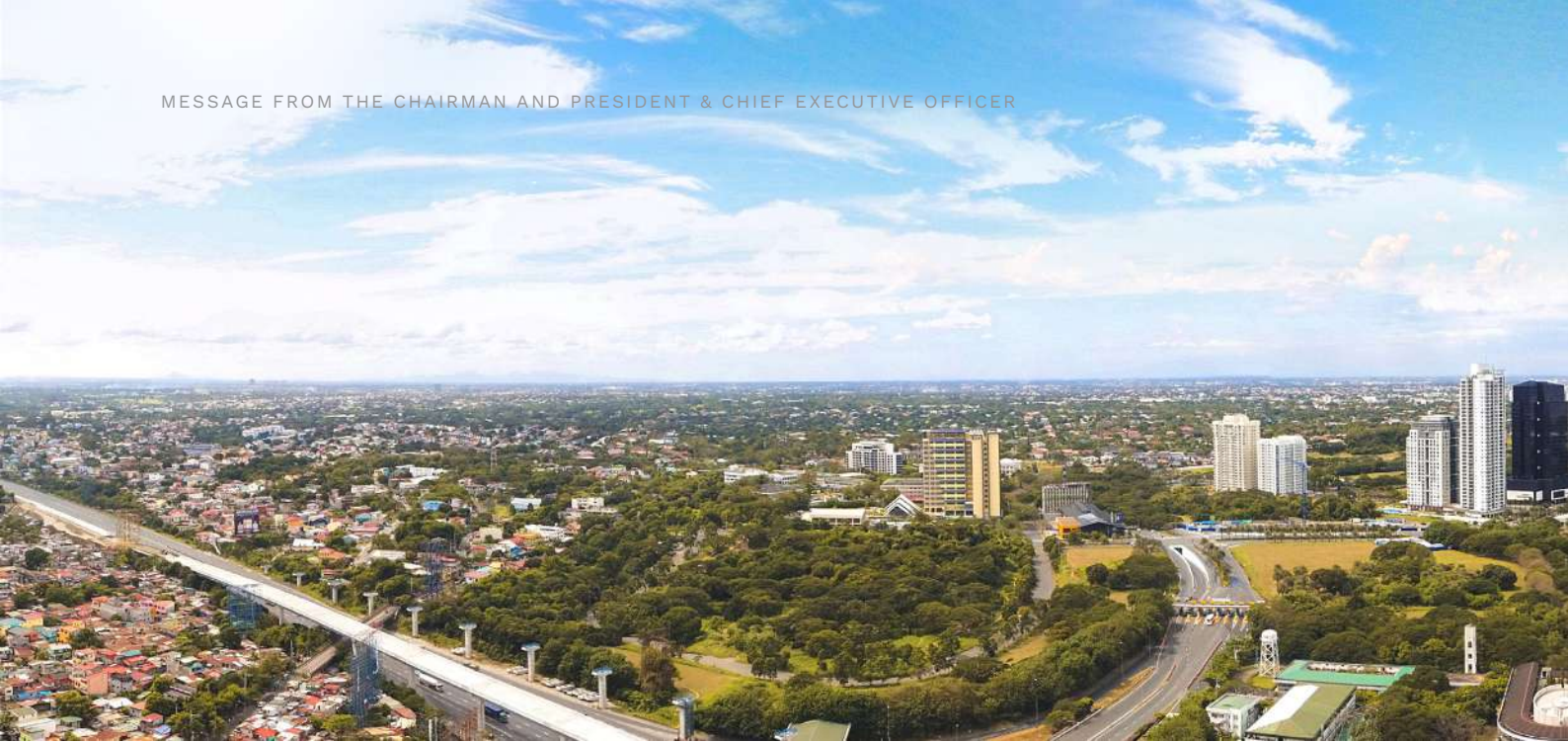
Filinvest Hospitality made a successful recovery to positive territory, with a net income of P106 million in 2023, bolstered by a 48 percent improvement in its revenues to P2.9 billion. Philippine tourism surpassed all government targets last year, with more than five million international arrivals. This is equivalent to at least P480 billion in international tourism receipts, according to the Department of Tourism (DOT). This translated to better occupancy rates, higher average room rates, and increased contributions from the Food & Beverage (F&B) segment of the business.

Our hospitality portfolio remains a well-balanced mix of high-end five-star properties under our Crimson brand, complemented by our Quest and Timberland lines for the travel and mid-priced leisure markets. We are well-positioned to take advantage of improving tourism and will continue to enhance our offerings in all segments with the Crimson, Quest, and Timberland brands.

In addition, we have topped off a new line of hotels called Grafik which we aim to launch in the first quarter of 2025. Grafik hotels will target a premium clientele, with its first property in Baguio City.

The solid net income contribution of the portfolio businesses to the group is backed by a healthy balance sheet, with total assets expanding by seven percent to P735 billion, driven by higher bank consumer loans and capital expenditures. Our balance sheet is strong to support aggressive expansion and cover debt and dividend obligations. Our debt obligations were well-managed in 2023, with a comfortable debt-to-equity ratio and net debt-to-equity ratio of 0.74:1 and 0.47:1, respectively. Dividends paid in 2023 to shareholders amounted to P0.06534 per share, a 1.22 percent yield based on FDC's end-December 2023 share price.

Our metrics also reflected the positive performance of the group for the year. Return on Equity (ROE) improved by two percentage points to 7.1 percent, Return on Assets (ROA) climbed to 1.7 percent, while Return on Invested Capital (ROIC) gained 1.6 percentage points to 6.5 percent by end-December 2023.



The Push for Sustainability

The Filinvest group has been strengthening its Green, Inclusive, and Resilient commitments under the ESG sustainability framework—with Filinvest City being the first and only green-certified central business district (CBD) in the Philippines, having been awarded a LEED Gold Certification for Neighborhood Development.

Our sustainability-themed Filinvest REIT has succeeded in securing seven green building certifications under the EDGE standards developed by the International Finance Corporation (IFC). The drive for sustainability in our office spaces was motivated by the tenants themselves who have their own sustainability goals.

Our hospitality group has also been working towards obtaining green travel certifications for its hotel properties. Recently, the Mimosa golf course, after extensive renovations over the last few years, received a certification from the GEO Foundation for Sustainable Golf.

Since the very beginning, Filinvest has always delivered on shared value propositions that address the unserved needs of customers. In 2023, our Inclusion activities included the delivery of 1,716 low-cost housing units by our subsidiary Filinvest Land. We also launched eleven affordable housing projects with a total of 1,278 units. To cater to the needs of the individual Filipino borrower, 80% of East West Bank's loan portfolio were home loans, auto loans, and salary loans.

We were also able to expand our promise on energy security after the Mindanao and Visayas power grids were interconnected in mid-2023. A decade ago, Mindanao was in a power crisis, while there was a growing demand and supply gap in the Visayas. Today, we serve 1.98 million residential accounts and 197,000 commercial and institutional accounts through 27 electric cooperatives in both regions.

When it comes to nurturing talent and providing equal opportunity, we have a comprehensive human capital readiness program in place, aimed at making Filinvest an employer of choice. Our succession planning for critical roles is complemented by individual development plans based on a comprehensive map of core, leadership, and functional competencies defined for each role. We are also proud to mention that gender blindness has also been a unique characteristic of Filinvest. The ratio of male and female leaders in our group is evenly split in half, and many of our business units are led by women.

Finally, our Resilience journey is anchored on three aspects: the resilience of our assets, operations, and our people. We have learned the lessons from major disruptions in recent years, from Typhoon Odette and the Covid pandemic, for example. We are resolved to Build Back Better and put in place stronger and harmonized business continuity measures to ensure we are stronger than before. But most important of all, it is the resilience of our people and the agility of our organization that will determine if we are prepared for disruptions—good or bad—and always ready for the opportunities that the future may bring.



On a group level, Filinvest is also making considerable progress to shift towards a circular economy through external partnerships on wastes recycling within our malls, offices, and residential condominiums in Alabang, Muntinlupa.

Fast Forward Filinvest

FDC achieved strong financial results and made significant progress towards fulfilling our long-term goals in 2023. We are driven to continue this trajectory to grow earnings by an average of at least 20 percent annually. We must push for transformation across the group to drive quality and attain faster earnings growth to achieve this target in the next five years. This means a healthy balance of higher return on invested capital and revenue growth.

We believe we are positioned well to achieve this.

Our journey will be anchored on three strategic imperatives, with the parent company FDC driving collaboration across its portfolio companies moving forward.

First, we will shape and optimize our portfolio to guide strategic focus and support the businesses, in areas such as capital allocation, business development, and initiatives to accelerate value creation. Second, we will drive synergies and management systems. As a cohesive group, our portfolio companies can leverage on key platforms that will drive operational excellence and improve ways of working so that our businesses can focus on business building. And third, we will future-proof talent and organization towards diverse,

high-performing, highly-engaged employees ready to achieve our goals and face the challenges in the future.

Our aim is to fast forward Filinvest, armed with a strategic framework for future growth.

In closing, we would like to thank our stakeholders who join us on this growth journey, especially our customers, who are our north star, as well as our shareholders, partners and suppliers for their continued trust and support. We thank our board of directors, management, and all our employees for their tireless dedication to our mission. We will carry on with the purpose of enabling more Filipinos to achieve their dreams.

JONATHAN T. GOTIANUN
Chairman

RHODA A. HUANG
President & Chief Executive Officer

Business Review



FILINVEST





Banking and Financial Services

East West Banking Corporation (EastWest)

is the banking and financial arm of Filinvest group. It is the 9th largest privately-held bank and the 11th largest Universal/Consumer Bank (UKB) in the Philippines by asset size as of end-2023.

It provides a wide array of banking products and services geared towards the financial needs of consumers, middle market corporates, and the mass affluent. The Bank boasts a unique loan structure where 80 percent of its total loan base caters to the consumer market, the highest proportion among its peer banks.

As one of the leading consumer-focused banks, EastWest occupies market leadership positions in select segments: top 3 in auto loans, top 3 in salary loans, top player in personal finance, and top 6 provider of credit cards in the Philippines. Loan growth of EastWest has consistently outperformed industry peers, in large part due to the strategic focus on higher yielding consumer loans.

EastWest's products and services are available across multiple distribution and delivery channels. As of end-2023, EastWest has a total of 469 stores, of which 393 are EastWest parent bank stores and 76 are EastWest Rural Bank. Its ATM network is at 584 machines, composed of 399 on-site and 185 off-site ATMs.

2023 Performance

The banking segment is one of the major pillars of FDC. In the past year, EastWest reported a net income of P6.1 billion in 2023, growing by 32 percent from the previous year, on sustained consumer loan growth and strong deposit generation. This brings the bank's earnings capacity back to pre-pandemic levels.

The consumer lending portfolio, which accounts for 80% of total loans, grew by 25% from 2022. Meanwhile, total deposit base expanded by 8% as the bank focused on cash management services, particularly of the business sector. This led to a jump in net interest income to P28.2 billion. Loans-to-deposit ratio was kept at an industry high of 83.3 percent.

Non-interest earnings also became a contributing factor for the year, surging by 51% from 2022 to P7.4 billion. Fees and Commissions improved by 26% to P4.8 billion, while trading income expanded by almost fivefold to P994 million. Capital ratios continued to be healthy, with Capital Adequacy Ratio (CAR) and Common Equity Tier 1 (CET1) ratios at 14% and 13%, respectively, and well above regulatory requirements.



Fast Forward the Consumer Dream

The strong financial and operating performance in 2023 is supportive of EastWest's drive to become one of the top players in the consumer space. The recognition garnered in 2023 from esteemed publications and organizations within the banking and financial services sector likewise affirms EastWest's commitment to excellence and customer service.

Among other recognitions in the year, EastWest was awarded as being the "Best Credit Card in the Philippines" for its EastWest JCB credit card. EastWest Priority, the Bank's private banking segment, was also recognized as the "Best Private Bank" by Global Finance, following an earlier win as "The Best Priority Banking Experience" at the International Finance Magazine Awards.

These awards are testament to EastWest's consistent dedication to innovation, customer-centricity, and excellence in the financial industry, reflecting the Bank's effort to uplift the financial dreams of Filipinos—setting a good momentum for EastWest to continue on its path to becoming one of the top consumer banks in the Philippines.



Real Estate



The Filinvest brand is a recognized brand in real estate, with a wide range of products anchored in a deep understanding of the property markets. Its track record in the property industry spans over half a century.

As a full-range real estate developer, it focuses on three major areas—residential, commercial leasing, and large-scale township masterplanning. The group is spearheaded by two key subsidiaries: publicly-listed **Filinvest Land, Inc. (FLI)** and **Filinvest Alabang, Inc. (FAI)**. The group also engages in commercial lot sales in Filinvest City, Alabang through FAI.

FLI, as the sponsor, launched the initial public offering (IPO) of **Filinvest REIT Corp. (FILRT)** in 2021 as its commercial real estate commercial trust (REIT). Since then, 17 Grade A office buildings and a resort property in Boracay have been transferred to FILRT.

The real estate group provides a wide range of offerings to a multi-layered market base. Market segments range from socialized to affordable to upscale to luxury, while products vary from horizontal to mid- and high-rise buildings. Housing brands are offered through Pabahay, Futura, Aspire, Prestige, and Filigree—all catering to their specific markets.

2023 Performance

The real estate business contributed P3.7 billion in net income to the group in 2023, 31 percent higher than the P2.8 billion in the previous year.

Revenues from the residential segment saw a 21 percent increase to P16.1 billion, led by the sale and construction progress of mid-rise condominiums (MRBs) and housing projects. FLI launched 11 new residential projects in 2023 valued at P8.7 billion, while FAI launched 1001 Parkway Residences and Two Botanika in Filinvest City.

Mall and rental revenues improved by 15 percent to P6.7 billion. Mall leasing went up on higher tenant sales, improved occupancy, and normalized rental rates. Mall gross leasable area grew to 245,000 square meters, with an improved average occupancy of 69 percent by year-end. The flagship Festival Mall in Alabang increased occupancy to 82 percent with notable brands as anchor tenants.

Meanwhile, office revenues benefited from improved occupancy and rate escalations, all while the company adjusted to the impact of hybrid work set-up. In 2023, FLI completed the construction of Axis Tower Four in Alabang and Marina Tower in Dumaguete, bringing the office portfolio to 34 developments, 17 of which have been infused into FILRT.



Additional sources of leasing revenues are co-living, co-working and ready-built factory (RBF) units. FAI opened and started leasing The Crib Alabang. FLI signed a joint venture agreement with KMC Community for the development and management of flexible workspaces. FLI also began the construction of advanced Grade A RBF units for its large-scale industrial parks, intended to be the center of economic activities for businesses, located in Filinvest New Clark City and Ciudad de Calamba.

Fast Forward the Filipino

The Filinvest group, through FLI and FAI, keeps to its commitment of providing value-for-money and future-ready homes to every Filipino. This core value has been instrumental in the group's sustained expansion through the years.

FLI is set to launch P25 billion worth of residential projects in 2024, comprised mostly of mid-rise residential buildings and landed housing, anchored in well-planned townships.

The group maintains sufficient land bank to support the growth objectives in the next five to ten years. This is complemented by the ramp up of construction efforts while strengthening product delivery systems. This includes streamlining project management, implementing rigorous quality control measures, and ensuring timely handover processes.

In Leganes, Iloilo City, FLI is also set to introduce a new mixed-used development. Dubbed as Iloilo Central, this 11.4-hectare development near the Panay-Guimaras bridge is targeted for completion in 2028.

The office portfolio is seen to reach 704,000 square meters in 2024. The growth of the recurring income base from investment properties will be accomplished through asset optimization, including broadening the tenant base to attract a diverse range of potential lessees while maintaining service excellence.

The group is actively harnessing the potential of new businesses such as innovation parks and co-living spaces, as well as seeking synergies with existing business segments. One effective approach is bundling attractive packages that will combine office and co-living spaces for existing and potential clients, thus elevating the overall value of the offering.

Filinvest believes that each property is more than the product sold, but a step towards enriching lives and fast forwarding the Filipino dream.

*Opposite page:
Festival Mall (Alabang)*

*This page, L-R:
100 West (Makati), Futura One (Dagupan)*



Power and Utilities

Filinvest successfully re-entered the power business back in 2009 through **FDC Utilities, Inc. (FDCUI)**, which is the Filinvest group's subsidiary with interests in power, renewable energy, and water.

Its primary business is the operation of the 405 megawatt (MW) clean coal FDC Misamis plant in Misamis Oriental, Northern Mindanao. The plant services a broad base of customers composed of 24 mostly triple-A distribution cooperatives and one Retail Electricity Supplier. FDC Misamis has a contracted capacity of 368 MW as of end-2023 under mostly long-term power purchase agreements (PPAs) to address the base load requirements of its customers.

FDCUI also participates in the retail electricity supply (RES) business in Luzon and Visayas, trading electricity with contestable customers, or those with an electricity demand of more than five hundred kilowatts. The RES business has a retail supply contract with 22 commercial and industrial customers for the total supply of 47.5 MW.

To complement the power generation and trading operations under FDCUI, the group has forged strategic partnerships for new ventures in renewable energy and sustainable solutions. The first joint venture is with Engie Services Philippines (Engie) for the operation of the Philippines' largest district cooling

system (DCS) in Filinvest City, with a capacity of up to 12,000 tons of refrigerant. Another joint venture with Engie is the Filinvest-Engie Renewable Energy Enterprise, Inc. (FREE) which focuses on solar energy solutions. FREE currently operates a 2.8 MW solar installation in Festival Mall in Alabang.

In the water and wastewater space, FDC Water Utilities Inc. (FDCWUI), a subsidiary of FDCUI, leads in developing a water recycling facility in Filinvest City that can produce at least 10.5 million liters daily (MLD) and an upgraded sewage treatment plant that can process up to 15 million liters of wastewater a day. The project's seamless integration of sewage treatment and production of high-quality recycled water technologies set a new standard for environmentally responsible development.

FDC also has a joint venture partnership with Hitachi Aqua-Tech Engineering through Filinvest-Hitachi Omni Waterworks, Inc. (FLOW) for the provision of desalination, recycled water, and sewage treatment facilities across the country. This complements the operations of a wholly owned subsidiary—Countrywide Water Services—that provides water and wastewater services for internal customers within the Filinvest group as well as external parties.



2023 Performance

FDCUI reported a net income contribution of P2.8 billion in 2023, equivalent to a 30 percent growth from the previous year. The improvement was supported by the 33 percent increase in revenues to P17.2 billion, driven by the higher sales volume resulting from higher contracted capacity. This strong performance of the power business in 2023 enabled it to contribute 24 percent to the net income of FDC.

The energization of the Mindanao-Visayas Interconnection Project (MVIP) of the National Grid Corporation of the Philippines in the second half of 2023 greatly benefited FDCUI, enabling the plant to export power to Visayas and thus, fully contract its available capacity by the end of 2023. The increased contracted capacity resulted in a higher net generation of 1,425 GWh for the period.

Fast Forward the Power Portfolio

A surge in power demand across the Philippines is forecasted in 2024 as the El Niño season is expected to extend beyond the first half of the year, according to the Department of Energy (DOE). The possibility of power interruptions is highly likely, with derated hydropower plants and suboptimal coal-fired plants during the dry season. DOE calculates the power demand for the Mindanao grid to rise 11.6 percent year-on-year versus the 9 percent jump in demand during the previous El Niño in 2016.

Against this backdrop, Filinvest is committed to serving the needs of its customers particularly in the island of Mindanao, which not long ago suffered from an energy shortage prior to the entry of FDCUI in 2016. The high sales volume in 2023 is expected to extend in 2024 given the anticipated demand in both Mindanao and Visayas.

In the mid- to long-term, the goal of the Filinvest group is to have a balanced power portfolio that is aligned with the business expectations and supportive of the country's objective of transitioning to clean energy while ensuring energy security. This includes investing in a mix of renewable projects together with the flagship power plant in Misamis Oriental.

The aim of FDCUI is to have a balanced capacity that is 50 percent based on traditional energy sources and 50 percent based on renewable energy by 2033. To achieve this, the plan is to accelerate the development of multiple renewable energy sources such as solar, hydro, and biomass projects, with an estimated aggregate capacity of 270 MW, in the next five years.

*Opposite page:
Solar installation in Festival Mall (Alabang)*

*This page:
FDC Misamis Plant (Misamis Oriental, Northern Mindanao)*



Hospitality

Filinvest Hospitality Corporation (FHC)

is the hospitality and leisure arm of FDC, responsible for the full life cycle development and management of hospitality assets across the full market spectrum. It is supported by Chroma Hospitality Inc (CHI), a full-range hotel management services firm.

Its portfolio comprises seven owned and managed hotels strategically located in seven cities across five regions, offering a total of 1,800 rooms. Additionally, it features two world-class 18-hole golf courses situated in Mimosa, Clark.

The seven hotels carry the group's homegrown brands. There are currently three Crimson hotels, three Quest hotels, and one Highlands Resort, each catering to a distinct market segment.

Crimson brand offers luxurious full-service accommodations along with a comprehensive range of amenities and meeting facilities, catering to mass affluent business and leisure clientele. Existing Crimson projects are located in Filinvest City, Muntinlupa; Mactan Island, Cebu; and Boracay Island, Aklan. Quest is a premium value driven hotel for the business and leisure traveler looking for consistent services. These hotels are located in Cebu City, Tagaytay City, and Clark Freeport Zone. Finally, Timberland Highlands Resort is a lifestyle brand for travelers looking for exciting nature experiences, located in the scenic side of San Mateo, Rizal.

2023 Performance

Hotel operations sustained a strong recovery in 2023, reflecting a revival in Philippine travel and tourism. Domestic tourism surpassed all government targets in 2023, recording more than five million international arrivals or 66 percent of its pre-pandemic level. This translated to at least P482.5 billion in international receipts, according to the Department of Tourism (DOT).

Filinvest Hospitality group recorded a net income of P106 million, reversing losses from the prior year, on the back of the 48 percent jump in revenues to P2.9 billion for the year. Occupancy rates improved by 14 percentage points to 62 percent from 48 percent in 2022. Average room rate also increased by 10 percent to P4,400 compared to P3,996 in 2022.

The tourism industry's strong rebound also benefited related segments, with Food & Beverage (F&B) contributing an additional P1.1 billion in revenues, a 45 percent jump from the previous P757 million. The golf business added another P383 million in revenues, marking a 79 percent increase from last year.



Fast Forward Experiential Travel

The DOT aims for 7.7 million international tourists by end of 2024, with an even bolder target of 12 million arrivals by 2028. It emphasized the urgent need to boost hotel investments in the next years to accommodate the expected rise in tourist numbers

Filinvest Hospitality group is at the forefront of the resurgence in Philippine tourism and is actively expanding its presence in key tourism markets nationwide. Management has drawn up a road map to build for scale, potentially more than doubling its existing number of rooms, with hotel and resort projects in Baguio, Mactan, Clark, Bohol, and other major tourist destinations for development in the next five to seven years.

Recently, the group topped off the first of its new line of hotels called Grafik, set to open in Baguio City in the first quarter of 2025. Grafik aims to embody the character of the destination while showcasing world-renowned Filipino hospitality. The brand targets multi-generational travelers looking for experiential, fun, and dynamic travel experiences.

In addition, the group is currently taking on a P2.1 billion multi-year renovation of Crimson Mactan, with the first phase completed with the launch of Azure and Saffron, and Japanese restaurants.

The hospitality portfolio aims to be strategically positioned in key tourism and leisure destinations across various customer segments. Filinvest is committed to supporting the growth of the tourism sector, driven by the belief that the Philippines has much to offer in natural beauty, experiences, and hospitality.

*Opposite page:
Crimson Resort & Spa Mactan (Cebu)*

*This page, L-R:
Quest Hotel Tagaytay,
Timberland Highlands Resort (Rizal)*



Infrastructure



FDC expanded to infrastructure through its 42.5 percent interest in **Luzon International Premiere Airport Development Corp. or LIPAD**, a multi-sectoral consortium that was awarded the operations and maintenance (O&M) contract for Clark International Airport (IATA code: CRK) in 2018. The O&M contract included the fit out and operations of a new terminal with an estimated annual capacity of 8 million passengers. LIPAD opened the new terminal of CRK to the public in 2022, transferring all international and domestic flights from the old terminal.

Aside from being the premier international gateway for Central and Northern Luzon, CRK helps in alleviating congestion at Manila's primary airport by serving as an alternate entry point to the Philippines. The airport's strategic location and ongoing developments to further improve efficiency aim to meet the rising aviation needs in the region and contribute to the country's economic progress.

Clark International Airport is about 80 kilometers (50 miles) from Manila, giving Filipino passengers a convenient way to destinations like Asia, Australia, Europe, and North America.

2023 Performance

Clark International Airport kickstarted 2023 by being officially listed as one of the 'world's most beautiful' airports. In 2021, CRK was nominated for the Prix Versailles World Architecture and Design Award on the merits of beautifying and improving the living environment with signs of exceptional architecture and design. Prix Versailles solidified this acknowledgment when they published their most beautiful list in 2023. Twenty-four airports were named on the list and CRK was one of only two airports hailing from Southeast Asia.

Coming from the heels of the pandemic, CRK achieved remarkable passenger growth with nearly 2 million passengers in 2023, surging by 158 percent from the previous year. The airport facilitated a total of 14,892 flights and ended the year with 11 international and 10 domestic flight routes. Both local and foreign airlines unveiled the resumption and addition of domestic and international flights throughout the year, with the intention of further boosting convenience and flexibility to travelers from Asia, Australia, Europe, and North America moving forward.



Fast Forward your Travel Convenience

Looking ahead, LIPAD aims to uphold its goal of exceeding customer expectations and exploring new avenues for enhancements. The consortium plans to promote CRK using a two-pronged approach—strengthening relationships with airlines and developing destination marketing initiatives to address the demand.

LIPAD expects to facilitate about 19,000 flights in 2024—11,000 international and 8,000 domestic—a 27 percent rise from the almost 15,000 flights recorded in 2023. This is equivalent to a 43 percent increase in domestic passengers to over 915,000 from 640,000 in 2023, and a parallel 14 percent increase in international passengers to 1.55 million from 1.36 million in 2023. This is an overall anticipated upswing of 23 percent to 2.47 million passengers against the 2 million reported in 2023.

The growth is seen to emanate from additional destinations launched in 2023 that will bring coverage to 7 domestic and 10 international destinations with 15 airlines in operations. The goal is to bring back, and eventually surpass pre-pandemic level of 19 domestic and 15 international destinations serving about 700 weekly flights from a total of 18 airlines.

Meanwhile, LIPAD is awaiting the expansion of one of the world's leading logistics companies at CRK. The move is seen to strengthen the global logistics company's portfolio in integrated express, supply chain and healthcare logistics services, bringing their investment commitments in Asia Pacific to over US\$250 million since 2023. This will also solidify CRK's position as the premier logistics hub for international brands seeking to launch a global presence. The facility is expected to be operational in late 2026. The expansion is part of LIPAD's project land development efforts under the concession agreement with Bases Conversion and Development Authority (BCDA).

As air travel continues to improve, the consortium is working towards strengthening its network and connecting Clark to more domestic and international points. Its mission is clear: to elevate CRK into a premier aviation hub, offering excellent facilities and services for travelers.

Sustainability







*...the Filinvest group
must continue to move
forward—fast forward—
with an eye on the next
wave of sustainability
best practices.*

Fast Forward on Filinvest's Sustainability Journey

The Filinvest group has in many ways been an early champion of sustainability, implemented in various forms as the concept evolved, such as corporate social investments, environmental and operational efficiency, social inclusivity, and creating shared value. The group's early years saw the enterprise recognizing the simple dreams of the ordinary Filipino to own a car or a home, and this remains embedded in the Group's mission.

Filinvest is an early adopter of technologies which supports business while promising benefits for the environment. The best examples are the highly energy efficient district cooling system and the massive rooftop solar panel installation in its flagship mall in Filinvest City. It has used membranes for seawater desalination, and will soon recycle sewage into potable water. On the social front, the Filinvest group operates a meritocratic, gender-blind organization that has enabled women to assume leadership roles.

As the concept of corporate sustainability has evolved through the years, from philanthropy to creating shared value, the Filinvest group must continue to move forward—fast forward—with an eye on the next wave of sustainability best practices.

► Sustainability Governance

The Board is responsible for setting up the Group's overall approach to ESG matters, evaluating ESG-related risks and opportunities, defining goals, implementing sustainability initiatives, measuring their impacts and identifying areas for improvement. It is supported by the senior management team of FDC and its subsidiaries, complemented by the Centers of Excellence at the parent which lead best practices in the various business processes.

Filinvest's Sustainability Council, consisting of the various sustainability champions of each subsidiary, is mandated to develop and implement conglomerate-wide policies and initiatives on ESG and sustainability, while sharing insights and best practices. FDC's Chief Sustainability Officer (CSO), who leads the council, serves as the steward of the Group's sustainability framework and commitments. Specific sustainability initiatives are for the business units to own and execute. The CSO also keeps track of the non-financial performance of each subsidiary and consolidates the information to be communicated to various stakeholders.

Scope of the Sustainability Disclosures

Filinvest Development Corporation is a holding company, which has interests in banking and financial services, real estate, hospitality, utilities, sugar and infrastructure. The scope of this report covers the performance of FDC and the following subsidiaries:

- **Banking and Financial Services:** EastWest Banking Corporation (EW) and subsidiaries
- **Real Estate:** Filinvest Land, Inc. (FLI), Filinvest Alabang, Inc. (FAI), Filinvest REIT Corp. (FILRT) and subsidiaries
- **Hospitality:** Filinvest Hospitality Corporation, Chroma Hospitality and subsidiaries (together, FHG)
- **Power:** FDC Utilities, Inc. and subsidiaries (together, FDCUI)
- **Sugar:** Philippine Sugar Holdings Corporation (PSHC) and subsidiaries
- **Other business units directly under FDC**

The publicly listed Filinvest subsidiaries FLI, FILRT and EW publish their own sustainability reports annually, in accordance with the SEC's disclosure requirements. Additionally, the hospitality group voluntarily releases its sustainability report.

The EESG performance of FDC's real estate business is consolidated from both the publicly listed FLI and the unlisted FAI subsidiary, and thus, the figures seen in this report are not exactly as disclosed in FLI's sustainability report. With FLI being its sponsor, FILRT's own EESG data are considered a subset of FLI's and are not double counted in the FDC report.

To prevent double counting, the report omits full disclosure of certain EESG data from the operations of Countrywide Water Services Inc. (CWSI), a subsidiary providing water and wastewater services to Filinvest's residential, office, retail, and hospitality operations. This is particularly relevant to the water and wastewater data of CWSI, which are reported per individual assets managed by the business units. Some operational inputs of CWSI, such as fuel, are entirely attributed to FLI operations in line with their agreements.

The EESG performance of companies under the FDC portfolio, where it does not exercise operating control, referred to as affiliates, is not included in this report. These companies include: LIPAD which operates the Clark Airport terminal, EastWest Ageas Life Insurance, Filinvest-Hitachi Omni Waterworks and Professional Operations and Maintenance Experts Inc. All other businesses covered in this EESG report, except the affiliates, are majority-owned and fully controlled by the Filinvest group.





There are some restatements of previous years' ESG data, mainly not due to errors, but to provide more granularity and comparability on new sub-categories of ESG parameters introduced in the current report.

Materiality and Stakeholder Engagement

An assessment of material sustainability topics that cut across the Filinvest group was undertaken during the development of a Filinvest Group Sustainability Framework in 2022. FDC adopted a double materiality lens in the said assessment, where the magnitude of the impacts to both stakeholders and business operations were discussed.



SHORTLISTED MATERIAL TOPICS WHICH HAVE AN IMPACT ON BOTH STAKEHOLDERS AND BUSINESS UNITS

 Environment	 Economy	 Social	 Governance
<ul style="list-style-type: none"> Environmental compliance of projects and operating assets Energy conservation: energy efficiency and renewable energy Water conservation: water security and efficiency Waste minimization, reuse, recycling and disposal Land use and biodiversity Green designs for buildings and townships Greenhouse gas emissions and climate change 	<ul style="list-style-type: none"> Distribution of economic value to all stakeholders that are co-creators of value Supply chain support, particularly local businesses Generation of direct and indirect jobs Macroeconomics influence on customer demand, affordability and financing 	<ul style="list-style-type: none"> Employee development and engagement Diversity, inclusivity and equal opportunities Occupational health and safety Security Service and product delivery/quality Customer relations Data privacy and cybersecurity Community relations Relations with regulators Resilience against natural and man-made disasters 	<ul style="list-style-type: none"> Procurement practices Code of Conduct and Business Ethics, incl. anti-corruption Compliance Risk management Transparency

Discussions on the management approach and actions of FDC and its business segments to address the topics listed may be found across the other sections of this report.

In the pursuit of inclusivity in its sustainability practice, the Filinvest group identified key stakeholders through a consideration of their

common objectives and concerns. Channels of engagement have been identified, and strategic initiatives have been aligned with the Filinvest sustainability framework's commitments. These initiatives continue to be developed and monitored to enhance positive impacts and mitigate negatives.

Stakeholder	Concerns	Company Response / Channels of Engagement
Customers (Bank's depositors and borrowers, Real estate's home buyers, office/ retail tenants, Guests of hotel and F&B, Customers of power and water utility, Sugar planters)	Affordability	Brands developed per market segment
	Service quality	Customer service desks; satisfaction surveys
	Data privacy and cyber risks	Cybersecurity and data privacy protocols
	Health and safety	Compliance with latest government directives on COVID-19; Safety teams and protocols at facilities
	Service resilience	Green Design of townships, buildings and other properties (incl. green building certifications)
	Agricultural productivity	Site risk assessments Technical/field support to planters; efficiency in mill operations
Employees	Career development	Competency assessments and individual development plans; Online training and development portal, and one on one mentoring
	Work-life balance and talent connection	Employee engagement program; productivity and performance reviews
	Health and safety	Safety teams and protocols in the workplace (incl. COVID-19);
	Gender balance	Women in leadership positions, but using competency and performance as the main criteria
Supply Chain	Accreditation	Documented accreditation process
	Timeliness of contract awards and payments	Systems process review and revised procedures, with digitization initiatives
	Local procurement	Devolvement of some procurement processes to local operations

Stakeholder	Concerns	Company Response / Channels of Engagement
Regulators and Government	Alignment of development plans	Continuous coordination on zoning, transportation, utility master plans of national agencies and local governments
	Compliance	Timely renewal of permits and submittal/publication of required reports
	Good Governance	Business code of conduct and ethics; employee trainings on good governance; Review, updating and documenting company policies Boardroom Innovations Series for improving competencies of Board and key officers
Lenders and Investors/ Shareholders	Transparency	Annual reports, sustainability reports, press releases and regular structured/unstructured disclosures
	EESG / non-financial disclosures	Analysts briefings Revamped corporate website
	Financial liquidity	Compliance with provisions in loan covenants Adoption of a Sustainable Financing Framework
Communities	Site-specific community or LGU issues	Relationship management and community social investments, incl. partnerships on specific projects
Environment	Environmental impacts	Green design principles and materials Energy and resource efficiency initiatives Renewable energy use and generation capacity development Water conservation and reuse Solid waste and hazardous waste management Environmental compliance in projects and operations Biodiversity-related programs Adoption of carbon forests and greenhouse gas accounting



Sustainability Framework




Filinvest's sustainability agenda revolves around three main themes of being **Green**, **Inclusive** and **Resilient**. This considered multi-faceted and material topics where impacts are most apparent. At the center of this commitment is Filinvest's purpose of enabling Filipinos to achieve their dreams.

Three action areas under each of the Green, Inclusive and Resilient themes, with their own articulated commitments, are The Filinvest Group's Sustainability Commitments.

FDC's non-financial performance reports highlight accomplishments and outlook related to sustainability, using standard indicators when possible. We also use custom indicators tailored to Filinvest's needs, especially in discussions about creating shared value. Additional sustainability data not covered in the main report are presented in tables in the EESG Performance Index section.

FILINVEST GROUP'S SUSTAINABILITY FRAMEWORK

Filinvest is a sustainability champion whose commitments are manifested through corporate social investments, adoption of best practices and management of EESG and business risks to ensure long-term value creation, and delivering innovations to maximize positive impact.

 GREEN	 INCLUSIVE	 RESILIENT
<p>We manifest responsibility towards the environment that provides ecosystem services which sustain our operations.</p>	<p>We support the unserved and underserved by providing innovative solutions and exploring where others are not.</p> <p>We create value for both shareholders and stakeholders.</p> <p>We champion equality and diversity in all aspects of operations.</p>	<p>We are ready for disruptions, challenges and opportunities that come our way.</p>

GREEN

Green Designs for Sustainable Communities

We commit to developing green communities and infrastructure that feature designs that minimize negative impact and enhance positive impact, not only on the physical environment but also on people and communities.

Closed Loops and Circular Economy

We commit to maximize all opportunities in contributing to a circular economy where material resources are utilized in an efficient manner and kept useful for a long time, wastes are minimized and made useful, and natural systems are regenerated.

Net Zero

We commit to achieving net zero emissions in our value chain in the best practical way and at the soonest, in alignment with the country's development strategy, climate change targets and timelines.

INCLUSIVE

Serving the Unserved and Underserved

We commit to finding new solutions to address the pain points of the unserved and underserved segments of society through innovations in delivering products and services.

Nurturing Talent: Equal Opportunities for Jobs, Development and Growth

We commit to strengthening our human capital that will support our business growth aspirations, by nurturing capabilities and bringing out the best in our talents irrespective of background.

Engaging Communities

We commit to listening to and engaging with all relevant stakeholders where we operate, so that we could work together to attain common goals.

RESILIENT

Resilient Assets

We commit to retrofit existing assets and acquire or develop future assets to be resilient against all types of physical risk events such as climate-related or geological phenomena and manmade disruptions.

Resilient Operations

We commit to strengthening our capabilities in business continuity across the group, ensuring that our people are resilient to be able to serve customers well during disruptions, response capabilities across the Group are integrated, and operations protocols developed and regularly tested.

Agile Organization

We commit to always look ahead and continually transform and strengthen our human capital, technical practices, business processes, culture and leadership so that the Group is ready to address current and emerging global and local risks and opportunities that have an impact on our long term ability to create and deliver value for our stakeholders.

Green Commitments to Protect Ecosystem Services

One often overlooked source of value for companies is the natural environment. The unspoiled natural environment by itself has been a core source of business value, particularly in real estate and hospitality. Thus, Filinvest understands the importance of environmental responsibility and has integrated it into their business strategy to enhance operational efficiency and reduce costs. The continuing search for innovative ideas and solutions keep Filinvest at the forefront of sustainability practice.

► Sustainable Communities begin with Green Designs and Circular Economy

Filinvest's real estate developments start with the customer's needs in mind, and those expectations have been evolving through the years. People centricity, mental and physical well-being, connectivity, mobility and open spaces have become common deliverables for any development. These principles, enshrined in green design, have become the primary consideration in the development of any real estate project.

Energy conservation is a fundamental design objective that rests on a two-pronged approach: energy efficiency and renewable energy. Many Filinvest buildings have used technologies that allow for optimum use of energy or avoidance of the need to use energy to render a space habitable. Materials such as double glazing and LED lights are used in finishing and operational awareness on energy consumption through sub-meters is also established. On a neighborhood scale, Filinvest has long established a district cooling system in Alabang, the biggest in the country. But the push for real estate operations sustainability has lately been through the adoption of renewable energy supply which drastically reduces a building's carbon footprint. It is expected that Filinvest's operating real estate assets will have a glide path to 100% renewables supply, aligning with the government's transition timeline to a decarbonized economy. The next wave is the work to incorporate in future developments the electric vehicle charging infrastructure which will soon become the norm.



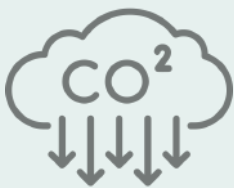
*Filinvest One Building,
Level 2 EDGE certification
(Zero Carbon Ready)*

Water conservation is another aspect of real estate operations that Filinvest developments have embedded in the design phase. Low flow fixtures and sewerage systems are now standard. Filinvest City has been using part of the treated wastewater for landscape irrigation. Filinvest is pushing the boundaries and challenging the norm through a massive investment in the upgrade of the sewage treatment plant which will generate potable water. Instead of treated effluents being discharged to the creeks, the treated used water will be at the heart of a circularity scheme to improve water security.

On waste management, Filinvest business units have entered into strategic partnerships with external partners who share the same environmental goals for a circular economy. Plastic wastes, particularly the soft type which are not usually desirable for recycling, are being segregated at the back of house, picked up by the partner and used for paving bricks manufacturing. Hazardous wastes are donated to a foundation that partnered with two recyclers, and the donor receives tax credit in return. The hospitality business has

a standing policy on the minimization of single use plastics, and now focuses on the reuse or upcycling of its discarded materials such as towels and linen, and is preparing strategic initiatives for the reduction of food wastes from the F&B operations.

To substantiate the actual environmental benefits realized by the green designs of the real estate developments, Filinvest voluntarily subjects its projects to third party reviews and secures certifications. As of 2023, the real estate business has secured a total of 17 green building certifications and pre-certifications based on standards set by Leadership in Energy and Environmental Design (LEED), WELL Building Standard, the International Finance Corporation-developed Excellence in Design for Greater Efficiencies (EDGE) and Building for Ecologically Responsive Design Excellence (BERDE), the national voluntary green building rating system in the Philippines. One of the certifications is a LEED Gold for Neighborhood Design for Filinvest City. The highest level EDGE certification is for Filinvest One which is tagged Zero Carbon Ready.



► Fast Forward to Achieving Net Zero

Among the Filinvest group's sustainability focus areas, under the "Green" pillar, is an aspiration to achieve net zero in its value chains in the best practical way and at the soonest time, in alignment with the country's development strategy, climate change targets, and transition timelines. Grounded on the principles of just transition, where decarbonization efforts do not compromise energy security and economic growth, Filinvest intends to continue developing the renewables capacity in FDC's portfolio in the next decade while addressing immediate baseload requirements of the communities being served.

Filinvest's real estate and hospitality operations have already made significant strides in its double prong strategy on energy efficiency and use of renewable energy. Through a partnership with ENGIE, the office leasing business is a beneficiary of the biggest district cooling system in the Philippines that can reduce energy consumption by as much as 40%, and the retail business enjoys renewable energy generated from the largest rooftop solar installation for a mall in Metro Manila.

FDC Utilities which is a major player in the energy generation sector in the southern and central Philippines supports the group's net zero commitment. With a coal-fired power generating facility that emits around 18 million tons of CO₂ equivalent annually, the carbon sequestered from its adopted forests is arguably not sufficient to neutralize its GHG emissions. The shift to renewables will be a growth area for the energy business, while traditional energy sources such as coal will still be utilized in the medium term in order to ensure a reliable and stable baseload supply.

FDC has drawn up a target to be closer to being Net Zero much earlier than 2050 and support the Nationally Determined Contributions committed by the country in the 2015 Paris Agreement. As of the end of 2023, the renewables projects

FDC will have a 50:50 ratio between traditional and renewable energy generation capacity by 2033, much earlier than the targeted 50:50 timeline of 2040 under the Clean Energy Scenario of the Philippine Energy Development Plan 2020-2040.

*FDC endeavors to have
100% renewables
in its energy portfolio by 2041.*

portfolio has a total capacity of 92 MW, in various stages of execution.

For the year 2023, the bulk of the GHG emissions was still from the operations of the power unit in Misamis, at around 92% of the total carbon footprint of the Filinvest group. The overall increase in emissions can be attributed to the recovery of the business units after the pandemic, particularly on the faster pace of real estate projects implementation, increase in guest bookings for hospitality, and the increase in power generation due to the interconnection of the Mindanao with the Visayas grid which allowed for the power generation capacity to be fully contracted.

The utilities business continues to expand its investments in carbon sequestration forests in Mindanao. New projects have been under development with partners such as the Phividec in Villanueva, Misamis Oriental and the Philippine Eagle Foundation for reforestation site in Manolo Fortich, Bukidnon. As of the end of 2023, a total of 215 hectares of carbon forests have been adopted so far.

GHG Emissions of the Filinvest Group (in tonnes CO₂e)

Scope	Banking	Real Estate	Hospitality	Power and Water	Sugar	Total
Direct Emissions, Scope 1 – fuels, incl real estate projects	330	879 (PM) + 2,920 (projects)	1,146	1,756,502	2,896	1,761,753
Indirect Emissions, Scope 2 – purchased electricity (common areas in PM)	N/A	48,737 (PM)	N/A	N/A	N/A	48,737
Indirect Emissions, Scope 2 – purchased electricity (total area in PM and projects)	4,344	106,974 (PM) + 2,560 (projects)	20,735	9,130	1,943	145,686
Total Scope 1 and 2 Emissions (using common areas for PM)	N/A	49,616 (PM)	N/A	N/A	N/A	49,616
Total Scope 1 and 2 Emissions (using total areas for PM and projects)	4,674	112,454 (PM and projects)	21,881	1,765,632	4,839	1,909,480
Avoided Emissions due to use of Renewables	-	16,710	-	-	4,764	21,474


Notes:

- Fuels in Scope 1 are gasoline, diesel, liquefied petroleum gas (LPG) and coal. Emission factors for Scope 1 and 2 are:
 - Gasoline: 2.328 kg CO₂-e/L
 - Diesel: 2.706 mg CO₂-e/L
 - LPG: 1.507 kg CO₂-e/kg
 - Coal: 1,919.08 kg CO₂-e/tonne
 - Luzon-Visayas Grid: 0.7122 tons CO₂-e/MWH
- Reported figures include projects execution and property management emissions of real estate operations of FLI and FAI. 'Common areas' refer to the areas under the control of property management, while 'total area' refers to both common areas and the areas leased by tenants.
- CWSI's Scope 2 due to electricity use is included in the column for Utilities.
- To avoid double counting, FILRT's reported Scope 3 emissions due to the District Cooling System services (an FLI subsidiary) are reported as FLI's Scope 2 under the Real Estate column.
- Avoided emissions are due to the use of renewables in FILRT, onsite solar power at Festival Mall, and Davao Sugar's use of bagasse for boilers.
- PM denotes for property management.





How the Filinvest Business Units Contribute to the Green Commitment



► Green Designs for Sustainable Communities

Bank	Real Estate	Hospitality	Power and Water	Sugar
	<p>Seven office buildings in Northgate Cyberzone Alabang secured EDGE green building certifications, in addition to existing two buildings with LEED certifications.</p> <p>Filinvest Land has received a total of 17 green building certifications and pre-certifications for its developments.</p> <p>Filinvest City is the first township with LEED Gold certification for Neighborhood Development.</p> <p>Botanika, a residential condo project of Filinvest Alabang, has been granted a BERDE certification by the Philippine Green Building Council.</p>	<p>Filinvest Hospitality's Alabang, Boracay, Mactan and Baguio hotels feature green building designs such as double glazing, water-efficient fixtures, energy monitoring and natural lighting. All hotels are connected to sewerage infrastructure.</p> 		

► Circular Economy

Bank	Real Estate	Hospitality	Power and Water	Sugar
<p>The Bank has transitioned towards electronic statements of account and enhanced its online banking practices to reduce paper use.</p> 	<p>The property managers handling residential properties in Alabang, FILRT office property management and Festival Mall entered a partnership with Green Antz for the recycling of soft plastics as inputs to concrete paving block manufacture.</p> <p>Festival Mall partnered with bXtra for the establishment of pop-up kiosks where mallgoers can drop their carton, paper and plastic recyclables. In 2023, a total of 6,320 kg of recyclables were collected.</p> <p>Part of the treated effluent in Filinvest City is reused for treatment plant operations and irrigation of landscaped public spaces.</p>	<p>Hotels continued in phasing out the single use plastics from their hotel and F&B operations due to pandemic requirements. As early as 2018, a single use plastic reduction policy was already adopted in all hotels.</p> <p>Crimson Mactan has a reuse program where used linen and towels are donated to an LGU program for unemployed individuals and PWDs for conversion into tote bags and kitchen towels. 3,405 towels were re-sold back to the hotel. Tote bags made by the people's organizations are sold in the hotel lobby pop-up store.</p>	<p>The thermal power unit in Misamis sent 26,137 tons of fly and bottom ash to a cement manufacturer in Iligan, as a clinker alternative.</p> <p>FDC Water is currently upgrading the sewage treatment facility in Filinvest City with the ability to convert sewage into potable water to increase water security in the township.</p> 	<p>Sugar mills use the dried bagasse byproduct for their boiler operations. In 2023, a total of 210,894 tons of bagasse were used as a source of biomass energy.</p> <p>25,029 tons of mud press, another byproduct that is rich in nutrients, is distributed to sugarcane fields as soil conditioner.</p>

► Net Zero

Bank	Real Estate	Hospitality	Power and Water	Sugar
<p>The Bank's shift to electronic SOAs greatly reduced the dependence on deliveries via courier, reducing Scope 3 greenhouse gas emissions.</p> <p>In 2023, the deployment of employee shuttle services during the pandemic were gradually phased down, reducing Scope 1 emissions from fuel.</p>	<p>FILRT has 8 buildings enjoying 100% electricity from renewables, and have immediate plans for connecting additional 5 buildings in 2024, under the Green Energy Options program.</p> <p>While FLI's GHG emissions increased by 7.8% due to post-pandemic recovery, the avoided carbon emissions increased by 14% due to the utilization of more renewables in the office leasing business</p> <p>Part of Festival Mall's energy comes from a 2.8 MW rooftop solar installation.</p> 	<p>All hotels implement their energy efficiency programs and energy audit reports are submitted to the Department of Energy. The portfolio-wide electricity and energy utilization indices are consistently better than the ASEAN and Cornell hotel benchmarks.</p>	<p>FDCUI launched its 19.78 MW solar power project in the premises of FDC Misamis.</p> <p>FDC Misamis Power has adopted 215 hectares of carbon sequestration forests in Musuan, Valencia, Bukidnon and Sambulawan, El Salvador, Misamis Oriental. A partnership with the Philippine Eagle Foundation on additional 20+ hectares of carbon forest in Manolo Fortich is in the works, in addition to the adoption of 'Dagitab', a rescued Philippine Eagle.</p> <p>The District Cooling System in Alabang that serves office buildings has the ability to delivery as much as 40% in energy savings.</p>	<p>In 2023, Cotabato Sugar was developing its 3.4 MW biomass energy generating facility in Cotabato that uses bagasse from sugar mill operations, under the DOE's Green Energy Auction Program.</p> 

Inclusivity as a Core Business Strategy

Of all the corporate values of Filinvest, it is Customer Centricity that makes inclusivity an imperative for all its business units. Inclusivity, in terms of access to products and services, allow the ordinary Filipino to achieve their dreams. Inclusivity, in the way the human capital is formed and nurtured, allows the Group to be agile for the future as it takes advantage of the various strengths of its people. Inclusivity, in the form of engaging key stakeholders with their concerns and shared goals, allow Filinvest to manage risk, suggest areas of improvement and even identify opportunities for growth.

The current and future success of the business is anchored on having a strong and diverse set of co-value creators. Filinvest's history also show that long-term value can be realized

from serving the fundamental needs of people, especially those in the margins.

► Serving the Underserved


Filinvest Development Corporation's portfolio of businesses offer varied shared value propositions that allow the Filipino to achieve his/her dreams and contribute to national progress. Supporting the targets of the UN Sustainable Development Goals (SDG), each strategic business unit of FDC contributes to at least one of the SDGs.

FDC's Value Creation spread explains how the various capitals—financial, human, intellectual, manufactured, natural and social/relationship—are used to create value for stakeholders through the deployment of unique business and operating models.


► Filinvest's Shared Value Propositions

Banking	Real Estate	Hospitality	Power and Water	Sugar
<ul style="list-style-type: none"> Banking the unbanked; insuring the uninsured. Increasing the number of financially-literate Filipinos who are part of the formal financial sector. 	<ul style="list-style-type: none"> Affordable homes to address the housing backlog in the country Spaces for businesses to thrive and employ the Filipino worker 	<ul style="list-style-type: none"> Investments in areas where tourism potential is not yet unlocked or not yet maximized. Providing jobs in the travel and tourism sector, major contributor to the Philippine economy 	<ul style="list-style-type: none"> Energy security for communities being served in Mindanao and the Visayas Helping fuel the growth engine of the Philippine economy Providing water and wastewater services which is a lifeline in any community 	<ul style="list-style-type: none"> Sustaining the contributions of the Filipino farmer to national food security

► Banking the Unbanked

The Need	Filinvest's Response	2023 Results
<p>Over 34 million Filipinos, or 44% of the adult population, remains 'unbanked'.</p> 	<p>EastWest bank has deliberately identified its niche in the market, focusing on consumer banking</p>	<ul style="list-style-type: none"> 80% of EastWest's total loan portfolio is composed of consumer loans, out of a loan base of P296.6 billion. In 2023, EastWest bank provided P19.95 in home loans, P86.75B in auto loans, P69.95 B in teachers loans, and P6.84B in loans to individuals and small businesses.


► Affordable Homes for Filipinos

The Need	Filinvest's Response	2023 Results
<p>There is currently a 6.5 million backlog in housing in the country. Many Filipinos are living in informal settler colonies, and still dream of owning a home.</p> 	<p>Filinvest Land developed two low-cost housing brands: Pabahay and Futura</p>	<ul style="list-style-type: none"> • In 2023, Filinvest Land delivered 1,716 low cost housing units to families. • Eleven affordable housing projects were launched, with 1,278 new housing units for construction. • In its history, Filinvest has delivered over 200,000 homes in 200+ projects to homebuyers.

► Maximizing Tourism Value

The Need	Filinvest's Response	2023 Results
<p>The Philippine tourism economy has not yet fully recovered from the pandemic and there is a backlog of over 70,000 hotel rooms in the country</p> 	<p>Continuous acquisition of potential hotel locations and development/expansion of hotel properties across the Philippines</p>	<ul style="list-style-type: none"> • Seven hotels consisting of 248 keys are operating in Central Luzon, NCR, Rizal, Cavite, Aklan and Cebu. One more is under construction in Baguio. • 325,563 guests checked in in 2023, with 27.6% originating from outside the country. • Hotel operations have supported over 1,400 individuals with livelihood opportunities in seven cities in Luzon and the Visayas.

► Energy Security for the Visayas and Mindanao

The Need	Filinvest's Response	2023 Results
<p>Mindanao used to be power-starved a decade ago.</p> <p>There is a growing supply-demand power gap in the Visayan islands.</p> 	<p>FDC Misamis took advantage of the Visayas-Mindanao interconnection in mid-2023 to serve additional distribution utilities in the Visayas.</p>	<ul style="list-style-type: none"> • FDC Misamis' power generation capacity has been fully contracted as of end of 2023, due to additional partnerships in the Visayas. • As of 2023, FDC Misamis supplies energy to nearly 2 million homes and 200,000 commercial/institutional accounts, through 27 distribution utilities in the Visayas and Mindanao.

► Capacitating Sugar Planters in Mindanao

The Need	Filinvest's Response	2023 Results
<p>The Philippine sugar industry has been in decline due to high production costs and cheap imported sugar, coupled by competition from higher value crops</p> 	<p>The sugar business has supported sugarcane planters through the provision of cane points, harvesting loans, mudpress and agritech advisory services</p>	<ul style="list-style-type: none"> • 468 sugarcane planters were provided with 5,721 cane points ('Iacsa') • 1,163 planters were supported financially with harvesting loans • Over 25,000 tons of mud press were applied to sugarcane fields to help restore soil fertility

Human Capital Readiness for a Fast Forward Future

Filinvest's future growth and ability to respond to changes is anchored on its human capital readiness. It is people who serve the customers every day. It is people who make plans and execute the necessary changes to bring the organization to the next level. It is people who develop people that ensure continuity for the future. In fact, it is the suite of talent risks—talent capacity, talent capability, talent connection—that is among the top risks of the organization.

Filinvest has a comprehensive program that addresses the current and future needs of the conglomerate and offers the best place for talents to invest their careers in. Filinvest's leadership development program maps out the necessary leadership competencies and sets out a roadmap for the development of the said competencies for each talent that has been identified in the succession plan. Several opportunities are provided to young leaders to develop their skillsets across many years, not just on formal trainings but through mentoring, stretched roles and cross-posting. Models for the core and functional competencies with targeted proficiency levels for every role are defined and interventions made part of everyone's career development plan.

The employee engagement program aims to create a stronger bond between the employer and the company, and ensuring that the Filinvest group becomes known in the labor market as an employer of choice. Retention initiatives are continuously under review to be in tune with evolving employee expectations of the talents, particularly those of young talents. Responses include the redesign of total rewards package for employees, updated HR policies, digitalized HR information system, and a recognition program for high-performing employees and teams. Mental health programs that responded to new issues brought about by the pandemic continued to be delivered.

One of the significant changes in 2023 was the review of the performance assessment process. It now incorporates the overall performance of the business units and the Group as part of individual scorecards, thus allowing every employee to partake in the success or failure of the entire organization. This raises the stakes on the 'ownership' of objectives and accomplishments and encourages more collaboration among units. Individual objectives and key results still remain, and a recalibrated performance rating scale provides for a more nuanced conversation with line managers.



► A Gender-Blind Organization

Filinvest is known as a gender-blind organization, arising from the basic principle that competency and performance is what is essential in choosing the best leaders in the organization. To extend the definition further: gender, race, ethnicity and social status are not the criteria for employee recruitment and promotion.

This philosophy has allowed women to attain the highest ranks in the Filinvest group, starting with the co-founder who was the tireless implementor of ideas and the first female bank president in the country, followed by her daughter who led the conglomerate's growth for many years. Half the Group's top executives are women. FDC's new CEO who joined in mid-2023, the first non-Gotianun to lead the parent company, is a woman. A diverse leadership team and Board allows for a balanced and rich discussion on strategy, value creation, risks and execution.



57%

of employees across the Filinvest group are women

50%

at the executive level are women

51.3%

at the executive, manager, and supervisor level are women



**3 of the 7-member
FDC Board of Directors are women**



12,979

Employees across the Filinvest group in 2023



FDC Employees, by rank

Rank	2023	2022	2021
Executive	29	28	23
Manager	19	11	10
Supervisor	11	9	2
Rank and file	17	11	9
Consultant	0	0	1
TOTAL	76	59	45

FDC Executives, by rank and gender

Executive	2023	2022	2021
Male	15	14	12
Female	14	14	11
TOTAL	29	28	23

Filinvest Group Employees, by gender (2023)

Business Type	Male	Female	Total
Financial Services	2,990	5,189	8,179
Real Estate	815	1,263	2,078
Hospitality	683	413	1,096
Power and Utilities	227	83	310
Sugar	374	83	457
FDC Parent and Others	492	367	859
TOTAL	5,581	7,398	12,979



Filinvest Group Employees, by rank (2023)

Business Type	Banking	Real Estate	Hospitality	Power and Utilities	Sugar	FDC and Others	TOTAL
Executive	311	98	49	10	3	60	531
Manager	793	461	233	37	26	186	1,736
Supervisor	2,382	471	293	125	134	195	3,600
Rank and file	4,693	1,048	521	138	294	418	7,112
TOTAL	8,179	2,078	1,096	310	457	859	12,979

Filinvest Group Executive, by gender

Executive	2023	2022	2021
Male	266	254	190
Female	265	243	196
TOTAL	531	497	386

Filinvest Group New Hires, by gender (2023)

Gender	Count	Percentage
Male	796	49.7%
Female	807	50.3%
TOTAL	1,603	100%

Training Hours across the Filinvest Group (2023)

(GRI 404-1)

Employee Rank	Male		Female		Both	
	Total Hours	Average	Total Hours	Average	Total Hours	Average
Executive	12,223	22.38	13,671	30.67	25,893	26.1
Manager	44,490	45.40	115,618	99.44	160,108	74.73
Supervisor	91,218	62.90	147,184	89.20	238,402	76.89
Rank and file	133,991	43.23	338,473	43.85	472,464	43.67
TOTAL	281,922	46.40	614,946	56.02	896,868	52.59



Employee Benefits

(GRI 401-2, 401-3)

The various subsidiaries under the Filinvest group provide benefits beyond a basic 12-month salary:

- 13th month pay
- Group life insurance for employees
- Healthcare coverage for employees and optional coverage for dependents
- Paid leaves
 - Vacation leave
 - Sick leave
 - Maternity and Paternity leave
 - Solo parent leave
 - Birthday leave
 - Bereavement leave
 - Nuptial leave
 - Calamity leave
- Car plan, with fuel, repairs and maintenance subsidy (for select ranks)

Aside from the abovementioned benefits, subsidiaries may grant 14th month pay, performance bonus and stock option plans based on the company and employee's performance in the previous year.

Training Modules Delivered Across the Filinvest Group

(GRI 404-2)

Type of Competency	Topics
Core	<p>Regional launch of the One Tree, One Heart, One Filinvest core values</p> <p>One Filinvest Core Values series (Customer Centricity, Change for the Better, Filinvest Family, Entrepreneurial Mindset, Shared Benefits and Trustworthiness)</p>
Leadership	<p>Leadership Fundamentals</p> <p>Effective Leadership Styles</p> <p>Re-defining a Leader's Role</p> <p>Leadership That Unites</p> <p>Employee Relations Functions of a Line Leader</p> <p>The Evolution of Leadership and Purpose</p> <p>How To Master the Art of Leadership</p> <p>The Middle Manager Show</p> <p>Emotional Intelligence and Leadership</p> <p>Managing Difficult People and Dealing with Conflict</p> <p>Managing Generational Difference in the Workplace</p> <p>(Some middle managers and young executives were also part of a cohort that attended an executive management program at the Asian Institute of Management)</p>
Functional	<p>Incident Command System Executive Course</p> <p>Internal Audit Continuing Learning Sessions</p> <p>Operations Calibration</p> <p>Refund Under Maceda Law</p> <p>How to Manage Employee Sickness, Absences and Employee Return to Work</p> <p>Boosting Work Productivity</p> <p>23 Essential Skills of Administrative Professionals</p> <p>Mastering the Art of Public Speaking: How to Communicate with Confidence and Clarity</p> <p>23 Best Practices for Email Etiquette in the Workplace</p> <p>Business Writing Skills Writing more Effectively</p> <p>Sales Management Simplified</p> <p>Conducting Pre-Mortem Analysis</p> <p>Calibration on Case Handling for OPS High Potentials</p> <p>Turning a newbie salesman into a Top Producing Seller</p> <p>Technical Workshop Series</p> <p>QUALIFICATION and TURN OVER Process and Best Practices</p> <p>Hindi Ako Creative: Designing Things Even if You are not Creative</p> <p>Bits & Bites Learning Session - ChatGPT: Will it change the way we work?</p>
Employee empowerment	<p>New Employee Orientation</p> <p>Introduction to Psychological First Aid</p> <p>Diversity and Inclusion: Creating a Positive Culture at Work</p> <p>Basic Rights and Benefits of Workers in the Private Sector</p> <p>The Power of Success Attitudes: Become the Person Who Can Change During a Crisis</p> <p>Gender Equality in the Workplace</p> <p>From Tension to Tranquility: Expressive Arts in Stress Management at Work</p> <p>Actionable Employee Retention Strategies for Keeping Your Best Talent</p> <p>Spotting The Signs: A Basic Mental Health First Responder Seminar</p>
Regulatory trainings	<p>Safe Spaces Act</p> <p>Anti Money Laundering Act</p> <p>Data Privacy Act</p> <p>Anti-Bullying Act</p> <p>Cyber Crime Prevention</p> <p>Occupational Health and Safety</p> <p>Fire Safety</p> <p>Pollution Control Officer and Managing Heads (EMB/ LLDA)</p> <p>Forums conducted by the SEC and PSE</p>

Engaging Communities

The various business units of the Filinvest group, in order to nurture relationships with their stakeholders that is based on reciprocity, constantly engage in projects or initiatives where goals are shared. These engagements can be in the form of corporate social investments (giving back) or initiatives that address common risks or threats. These can also range from recurring annual projects or one-time events.

► FDC Utilities and its 4E program

The Misamis power plant's CSR program, dubbed '4E', standing for Education for Empowerment, Environmental Stewardship, Enhanced Health Care and Economic Enrichment, consists of several initiatives that help uplift the plight of the local surrounding communities, delivered through employee volunteerism. Recurring activities include the creek and coastal cleanup drives, medical missions, fire safety training and donation of equipment, tree planting, livelihood training and market linkage.

► Hospitality and its support to local communities

The hotels of the Filinvest group, in the last two years, installed pop ups stores in their lobbies to promote products from local artisans and highlight the cultural offerings of the regions. Dubbed as 'Live Love Local', it has supported more than three dozen small businesses and peoples organizations.

Crimson Mactan has a circular economy project where used towels and linen are sent to an LGU-supported people's organization that upcycles the said materials into kitchen towels and tote bags. The hotel buys back the kitchen towels and sells the tote bags to the guests.

Crimson Boracay routinely holds art exhibits featuring local artists and helps to spread awareness on the richness of Philippine artistry and talent to foreign visitors.

► Generating Indirect Jobs Through the Supply Chain

The Filinvest subsidiaries are located across the Philippines and in many instance, there is a compelling business case to engage local businesses instead of procuring centrally from Manila. When these local businesses are given purchase orders for goods or services, Filinvest helps to indirectly create additional jobs, and the money circulates across the community in various ways.

For example, the office property leasing operations indirectly employed 510 workers from six service providers. FDC Misamis also indirectly employed around 200 personnel through third parties. The hospitality business, aside from employing more than 300 support staff through security, equipment maintenance and janitorial contracts, also indirectly contributed to jobs generation in the local economy through hotel transport, shopping and dining and delivery of tourism packages.



Resilience in the Face of Risks and Opportunities

The Filinvest group's ability to create and deliver value, particularly in the Philippine setting, which is characterized by numerous threats from natural calamities, is anchored on embedding resilience in the business. This begins from the development of physical assets to the implementation of contingency plans by operations teams, and notably, through the agility of Filinvest's business units and its people to endure disruptions and seize new opportunities driven by today's global trends. At the center of it all remains the steadfast commitment to serve the needs of the customer in a reliable and consistent manner.

► **Strengthening the organizational structure for future readiness**

To facilitate the future readiness and resilience against disruptions of the Filinvest group, a set of change initiatives aimed at strengthening governance, fostering better collaboration, and enabling faster execution among the business units was initiated in mid-2023.

Key developments include the formation of the executive management council consisting of FDC leaders and the heads of strategic business units. On the operational level, functional councils in finance, sustainability, risk management, human resources, communications, safety and security, and legal were established, leading their counterparts from the business units in promoting and

implementing group-wide policies. The intention is to allow the conglomerate to have standardized practices for each function, enabling the sharing of lessons learned among people assigned to similar roles, and fostering cross-fertilization of insights, best practices, and innovations.

► **Standardization and harmonization of resilience protocol**

Spearheaded by the new leaders in the parent company FDC, a flagship project on the redesign of information systems was conceptualized, starting with critical finance and procurement processes, to enable the conglomerate and its units to have a common language on business parameters and a unified platform to have quick and easy access to consolidated data and analytical outputs. An intended outcome of this is to enable fast and informed decision making by leaders and managers.

Also being strengthened are the risk management practices and business continuity protocols which are intended to be harmonized among business units so that excess capacities of one may be shared with the others during a disruption. Critical processes are mapped out and revised inter-operability protocols before and during onset of incidents are being documented and tested, so that ultimately the customer's experience is managed all the way to service restoration and recovery.



► Assessing climate change risks

As climate risks have become an inevitable part of the Philippine business risk landscape, Filinvest will embark on an assessment of the impacts to the businesses arising from selected physical climate risk events such as typhoons, floods, storm surges and droughts using internationally accepted climate models, under several climate scenarios, e.g. business as usual, and at 2 degrees C, for different time slices. Given recent trends in the severity and frequency of natural disasters as well as the increasing prices in the insurance market, the conglomerates' landbank and manufactured assets have to undergo simulations on how these risks and risk events will affect the bottomline.

The assessment of climate transition risks is also lined up especially with the progress of proposed low carbon economy-related policy that may severely affect the operating and financial models of select subsidiaries, given that FDC has significant investments in the energy and water sector. This exercise may also help uncover untapped opportunities for additional shared value propositions and business growth in a decarbonized world of the future.

Corporate Governance





Board of Directors



Jonathan T. Gotianun
Chairperson



Lourdes Josephine Gotianun-Yap
Vice Chairperson



Rhoda A. Huang
President, Chief Executive Officer, and Director



Michael Edward T. Gotianun
Director



Francis Nathaniel C. Gotianun
Director



Virginia T. Obcena
Independent Director



Val Antonio B. Suarez
Independent Director

Board of Directors

Jonathan T. Gotianun

Chairperson of the Board and Director

Mr. Gotianun, 70, Filipino, was first elected as Director of FDC on 9 July 1993. He also serves as Chairman of the Board and Directors of Filinvest Land, Inc. and East West Banking Corporation, both publicly-listed companies. He is also the Chairman of the Board of Davao Sugar Central Co., Inc., Cotabato Sugar Central Co., Inc., and FDC Utilities, Inc. and its subsidiary power companies. He previously served as Director and Senior Vice President of Family Bank & Trust Co. until 1984. He obtained his Master's Degree in Business Administration from Northwestern University in 1976.

Lourdes Josephine Gotianun-Yap

Vice Chairperson and Director

Mrs. Yap, 68, Filipino, a seasoned business professional with over three decades of experience, was first elected as Director of FDC on 30 March 1990. She holds several prominent positions within the Filinvest group, including Director, President and CEO of Filinvest Land, Inc., Chairperson of the Board of Filinvest REIT Corp., and Director in East West Banking Corporation, Filinvest Alabang, Inc. and FDC Utilities, Inc., among others. Mrs. Yap is a trailblazer in the real estate industry, making history as the first female recipient of the Real Estate Personality award at Property Guru's Philippines Property Awards. Her expertise in the field have earned her recognition as a prominent figure who sets the bar high for women in the real estate industry. She holds a Master's Degree in Business Administration from the University of Chicago, which she obtained in 1977.

Rhoda A. Huang

President, Chief Executive Officer and Director

Ms. Huang, 61, Filipino, was elected Director of FDC and member of the Executive Committee on 26 July 2023. She was subsequently appointed as President and CEO of the Company effective 1 August 2023. She was the former President of BPI Capital Corporation. Prior to joining BPI Capital Corporation, Ms. Huang was Credit Suisse Philippines Branch Head of Investment Banking, with responsibility for coverage of Philippine corporates, financial institutions, and the sovereign. Her experience also includes 19 years with JPMorgan Chase and its predecessor institutions with responsibility of the firm's major corporate relationships. She brings more than 30 years of experience in investment banking. She completed her bachelor's degree in business administration and accountancy at the University of the Philippines and is a Certified Public Accountant.

Michael Edward T. Gotianun

Director

Mr. Gotianun, 66, Filipino, was first elected as a Director of FDC on 24 October 2017. He is also a Director of Filinvest Land, Inc., a publicly-listed company, Filinvest Hospitality Corporation, FDC Utilities Inc. and Filinvest Alabang, Inc. He served as the general manager of Filinvest Technical Industries from 1987 to 1990 and as loans officer at Family Bank & Trust Co. from 1979 to 1984. He obtained his Bachelor's degree in Business Management from the University of San Francisco in 1979.

Francis Nathaniel C. Gotianun

Director

Mr. Gotianun, 40, Filipino, was first elected as a Director of FDC on 29 April 2022. He serves as a Director of Filinvest REIT Corp. and Filinvest Land, Inc., both publicly-listed companies. He also serves as a Director of Filinvest Mimosa, Inc. and as the President and CEO of The Palms Country Club, Inc. He is the First Senior Vice President of Filinvest Hospitality Corporation, a subsidiary of FDC, the primary purpose of which is to evaluate, plan, develop and optimize potential and current hospitality investments of the Filinvest group. He obtained his Bachelor's degree in Commerce from the University of Virginia in 2005 and his Master's in Business Administration degree in IESE Business School – University of Navarra in 2010.

Virginia T. Obcena

Independent Director

Ms. Obcena, 76, Filipino, was first elected as an Independent Director of FDC on 29 April 2016. She is also an Independent Director of Filinvest REIT Corp., a publicly-listed company. She was a former member of the Panel of Conciliators of the International Centre for Settlement of Investment Disputes of the World Bank. She served as independent director and head of the Audit Committee of the Capital Markets Integrity Corporation. She was a former partner, member of the management committee and head of quality and risk management at SGV. She obtained her Bachelor of Science in Business Administration degree, magna cum laude, at the University of the East and her Master in Business Administration degree at the University of the Philippines. She is a certified public accountant.

Val Antonio B. Suarez

Independent Director

Mr. Suarez, 64, Filipino, is an independent director of FDC, having been first elected on 30 May 2014. He is the Managing Partner of the Suarez & Reyes Law Offices and was the former President and Chief Executive Officer of the Philippine Stock Exchange. Mr. Suarez is also an independent director of Filinvest Land, Inc., Filinvest REIT Corp. and Lepanto Consolidated Mining Company, all publicly-listed companies. He is a member of the Integrated Bar of the Philippines (Makati Chapter) and New York Bar. He obtained his Bachelor of Laws degree from the Ateneo de Manila University Law School and a Master of Laws degree from Georgetown University Law Center.

Management Team

Senior Leadership



Rhoda A. Huang
President & CEO



Ysmael V. Baysa
Chief Operating Officer



Jerry G. Ngo
CEO, East West
Banking Corporation (EW)



Bryan T. Lim
Treasurer & Chief Finance Officer



Lindeza R. Rogero-Gavino
Corporate Secretary &
Corporate Information Officer



Jacqueline S. Fernandez
President, East West
Banking Corporation (EW)



Tristaneil D. Las Marias
President & CEO,
Filinvest Land, Inc. (FLI)



Catherine A. Ilagan
President & COO,
Filinvest Alabang, Inc. (FAI)



Maricel Brion-Lirio
President & CEO,
Filinvest REIT Corp. (FILRT)



Juan Eugenio L. Roxas
President & CEO, FDC Utilities,
Inc. (FDCUI) and Pacific Sugar
Holdings Corporation (PSHC)



Francis Nathaniel C. Gotianun
FSVP, Filinvest Hospitality
Corporation (FHC)

Corporate Governance Report

Filinvest Development Corporation (FDC) was founded on the principles of good governance. It continues to abide by the core values of its founding father, Andrew L. Gotianun, of integrity, fairness and financial responsibility. These principles have been incorporated in the Company's Code of Ethics as well as in its Revised Manual for Corporate Governance. Today, FDC operates in a manner guided by its corporate core values of integrity, teamwork, professionalism, innovation, customer service and cost effectiveness.

► Compliance with Best Practices on Corporate Governance

For the year 2023, FDC complied with the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC) regulatory requirements. It is also in compliance with its Revised Manual for Corporate Governance (RMCG). In particular, FDC wishes to highlight the following:

- a. the election of three (3) independent directors to the Board (subject to the approval by the Securities and Exchange Commission of the amended articles of incorporation increasing the number of directors;
- b. the appointment of the members of the audit and risk management oversight, compensation, related-party transaction, corporate governance, and digital committees;
- c. the conduct of regular quarterly board meetings and special meetings, the faithful attendance of the directors at these meetings and their proper discharge of duties and responsibilities as such directors;
- d. the timely and accurate submission to the SEC and the PSE of reports and disclosures required under the Securities Regulation Code and the PSE Listing and Disclosure Rules;
- e. consistent adherence to national and local laws pertaining to its operations;
- f. the observance of applicable accounting standards;
- g. the adoption of the Integrated ASEAN Corporate Governance Report (I-ACGR) in Corporate Governance Reporting;
- h. the adoption of the Related-Party Transaction Policy;
- i. the conduct of annual corporate governance seminar to its directors and senior management officers;
- j. the submission of its sustainability report;
- k. the launch this year of a self-assessment survey to the Board of Directors to help them assess their performance vis-à-vis the requirements of the laws, rules and regulations and the Company's RMCG; and
- l. the continuous enhancement of FDC's website to provide our shareholders and stakeholders with quicker reference to our corporate governance policies.

FDC likewise continuously reviews and updates its MCG, in compliance with SEC directives and to reflect current best practices.

In order to keep abreast of best practices in various aspects of corporate governance, the members of the Board and key officers participated in an Annual Corporate Governance Training Program conducted by the Institute of Corporate Directors on December 6, 2023.

FDC, through its Board of Directors and in coordination with the Management, reviews its corporate governance practices annually and welcomes proposals, especially from institutions and entities such as the SEC, PSE and the Institute of Corporate Directors.

► Board of Directors

Leading the practice of good corporate governance is the Board of Directors. The Board of Directors of FDC is firmly committed to the adoption of and compliance with the best practices in corporate governance as well as the observance of all relevant laws, regulations and ethical business practices.

Nominations and Voting for the Board of Directors

The members of the Board are elected during the annual stockholders' meeting. The stockholders of FDC may nominate individuals to be members of the Board of Directors.

It is the Corporate Governance Committee, acting as Nomination Committee, which receives nominations for the Board, including independent directors as may be submitted by the stockholders. After the deadline for the submission thereof, the Corporate Governance Committee meets to consider the qualifications as well as grounds for disqualification, if any, of the nominees based on the criteria set forth in FDC's RMCG and the Securities Regulation Code. All nominations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees. The Corporate Governance Committee shall then prepare a Final List of Candidates enumerating the nominees who passed the screening and these nominees shall be disclosed along with his or their relationship with the nominating shareholder.

Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. Neither are shareholders allowed to further nominate anyone during the actual annual meeting.

A stockholder may vote such number of shares for as many persons as there are directors to be elected. He may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit; Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of FDC multiplied by the whole number of directors to be elected.

The directors of FDC are elected at the annual stockholders' meeting, to hold office until their respective successors have been duly appointed or elected and qualified. Vacancies in the Board occurring mid-term are filled as provided in the Revised Corporation Code and FDC's RMCG. Officers and committee members are appointed or elected by the Board of Directors typically at its first meeting following the annual stockholders' meeting, each to hold office until his successor shall have been duly elected or appointed and qualified.

Independent Directors

The conduct of the election of independent directors, in particular, shall be in accordance with FDC's Revised Manual on Corporate Governance and By-Laws.

It shall be the responsibility of the Chairman of the annual meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the annual meeting. Specific slots for independent directors shall not be filled up by unqualified nominees. In case of failure of election for independent directors, the Chairman of the meeting shall call a separate election during the same meeting to fill up the vacancy.

Before the annual meeting, a stockholder of FDC may nominate individuals to be independent directors, taking into account the following guidelines:

- A. "Independent director" means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgement in carrying out his responsibilities as director in any corporation that meets the requirements of Section 17.2 of the Securities Regulation Code and includes, among others, any person who:
 - i. Is not a director or officer or substantial stockholder of FDC or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);
 - ii. Is not a relative of any director, officer or substantial stockholder of FDC, any of its related companies or any of its substantial shareholders. For this purpose, "relative" includes spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
 - iii. Is not acting as a nominee or representative of a substantial shareholder of FDC, any of its related companies or any of its substantial shareholders;
 - iv. Has not been employed in an executive capacity by FDC, any of its related companies or any of its substantial shareholders within the last two (2) years;
 - v. Is not related as a professional adviser by FDC, any of its any of its related companies or any of its substantial shareholders within the last two (2) years, either personally or through his firm;
 - vi. Has not engaged and does not engage in any transaction with FDC or any of its related companies or any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms-length and are immaterial or insignificant.

- B. When used in relation to FDC subject to the requirements above:
- i. “Related company” means another company which is: (a) its holding company, (b) its subsidiary, or (c) a subsidiary of its holding company; and
 - ii. “Substantial shareholder” means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.
- C. An independent director of FDC shall have the following qualifications:
- i. He shall have at least one (1) share of stock of FDC;
 - ii. He shall be at least a college graduate or he shall have been engaged in or exposed to the business of FDC for at least five (5) years;
 - iii. He shall possess integrity/probity; and
 - iv. He shall be assiduous.
- D. No person enumerated under Section II (5) of the Revised Manual of Corporate Governance shall qualify as an independent director. He shall likewise be disqualified during his tenure under the following instances or causes:
- i. He becomes an officer or employee of FDC, or becomes any of the persons enumerated under items (A) hereof;
 - ii. His beneficial security ownership exceeds 10% of the outstanding capital stock of FDC;
 - iii. He fails, without any justifiable cause, to attend at least 50% of the total number of board meetings during his incumbency unless such absences are due to grave illness or death of an immediate family member;
 - iv. If he becomes disqualified under any of the grounds stated in FDC’s Revised Manual on Corporate Governance.
- E. Pursuant to SEC Memorandum Circular No. 9, Series of 2011, as amended by SEC Memorandum Circular No. 04, Series of 2017, the following additional guidelines shall be observed in the qualification of individuals to serve as independent directors:
- i. There shall be no limit in the number of covered companies that a person may be elected as Independent Director, except in business conglomerates where an ID can be elected to only five (5) companies of the conglomerate, i.e., parent company, subsidiary or affiliate;
 - ii. The independent director shall serve for a maximum cumulative term of nine (9) years;
 - iii. After this, the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify as non-independent director;
 - iv. In the instance that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders’ approval during the annual shareholders’ meeting; and
 - v. The reckoning of the cumulative nine-year term is from 2012.

Members of the Board of Directors, Attendance and Committee Memberships

The following table lists down the members of the Board of Directors and their attendance in Board Meetings in 2023 and during the April 29, 2023 Annual Stockholders' Meeting, and their memberships in the different Committees:

Name	Date of Election	Board Meetings Attended/Held	% Attendance	Attended Annual Stockholders' Meeting	Committee Membership
Jonathan T. Gotianun (Chairman)	April 28, 2023	7/7	100%	Yes	Executive (Chairman) Audit & Risk Management Oversight (Member) Compensation (Member) Digital (Member) Corporate Governance (Member)
Lourdes Josephine Gotianun-Yap	April 28, 2023	7/7	100%	Yes	Executive (Member) Audit & Risk Management Oversight (Member) Compensation (Member) Digital (Member)
Michael Edward T. Gotianun	April 28, 2023	7/7	100%	Yes	Executive (Member)
Francis Nathaniel C. Gotianun	April 28, 2023	7/7	100%	Yes	Executive (Member)
Rhoda A. Huang	July 26, 2023	2/2* <i>*Ms. Rhoda A. Huang was elected on July 26, 2023</i>	100%	No	Executive (Member)
Claire L. Huang (Independent Director)	April 28, 2023	5/5* <i>*Ms. Claire L. Huang resigned on July 26, 2023</i>	100%	Yes	Digital (Chairperson) Corporate Governance (Member) Related Party Transaction (Member)
Virginia T. Obcena (Lead Independent Director)	April 28, 2023	7/7	100%	Yes	Audit & Risk Management Oversight (Chairperson) Compensation (Member) Corporate Governance (Member) Related Party Transaction (Member)
Val Antonio B. Suarez (Independent Director)	April 28, 2023	7/7	100%	Yes	Compensation (Chairman) Corporate Governance (Chairman) Related Party Transaction (Chairman) Audit & Risk Management Oversight (Member)

Duties and Responsibilities of the Different Board Committees

Executive Committee

Committee Members

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	% Attendance	Length of Service in the Committee (*)
Chairman	Jonathan T. Gotianun	April 28, 2023	6	6	100%	1 year
Member (ED until July 31, 2023, became a non-ED starting August 1, 2023)	L. Josephine Gotianun-Yap	April 28, 2023	6	6	100%	1 year
Member (ED)	Michael Edward T. Gotianun	April 28, 2023	6	6	100%	1 year
Member (ED)	Francis Nathaniel C. Gotianun	April 28, 2023	6	6	100%	1 year
Member (ED)	Rhoda A. Huang	July 26, 2023	3	3	100%	< 1 year

* The Committee members are elected annually.

The functions, duties and responsibilities of the Board of Directors may be delegated, to the fullest extent permitted by law, to an Executive Committee to be established by the Board of Directors. The Executive Committee shall consist of five (5) members, and least three (3) of whom shall be members of the Board of Directors. All members of the Executive Committee shall be appointed by and under the control of the Board of Directors.

The Executive Committee may act on such specific matters within the competence of the Board of Directors as may be delegated to it by a majority vote of the Board of Directors, except with respect to:

- approval of any action for which shareholders' approval is also required;
- the filing of vacancies in the Board of Directors;
- the amendment or repeal of these by-laws or the adoption of new by-laws;
- the amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable; and
- the distribution of cash dividends to shareholders.

The act of the Executive Committee on any matter within its competence shall be valid if (i) it is approved by the majority vote of all its members in attendance at a meeting duly called where a quorum is present and acting throughout, or (ii) it bears the written approval or conformity of all its incumbent members without necessity for a formal meeting.

The Executive Committee shall hold its regular meeting at least once a month or as often as it may determine, in the principal office of the corporation or at such other place as may be designated in the notice. Any member of the Executive Committee may, likewise, call a meeting of the Executive Committee at any time. Notice of any meeting of the Executive Committee shall be given at least seven (7) business days prior to the meeting or such shorter notice period as may be mutually agreed. The notice shall be accompanied by (i) a proposed agenda or statement of purpose and (ii) where possible, copies of all documents, agreements and information to be considered at such meeting.

Audit and Risk Management Oversight Committee**Committee Members**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	% Attendance	Length of Service in the Committee (*)
Chairperson (ID)	Virginia T. Obcena	April 28, 2023	4	4	100%	1 year
Member (ED until July 31, 2023, became a non-ED starting August 1, 2023)	L. Josephine Gotianun-Yap	April 28, 2023	4	4	100%	1 year
Member (NED)	Jonathan T. Gotianun	April 28, 2023	4	43	75%	1 year
Member (ID)	Val Antonio B. Suarez	April 28, 2023	4	4	100%	1 year

* The Committee members are elected annually.

The Board constituted an Audit and Risk Management Oversight Committee composed of at least three (3) director-members with accounting and financial background, one of whom must be an independent director and another must have related audit experience.

The Chairman of this Committee should be an independent director. He is responsible for inculcating in the minds of the Board members the importance of management responsibilities in maintaining a sound system of internal control and the Board's oversight responsibility.

Duties and Responsibilities:

- Provide oversight financial management functions specifically in areas of managing credit, market, liquidity, operational, legal and other risks of the Company, and crisis management;
- Provide oversight of the Company's internal and external auditors;
- Review and approve audit scope and frequency, and the annual internal audit plan;
- Discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure coordination where more than one (1) audit firm is involved;
- Set up an internal audit department and consider the appointment of an internal auditor as well as an independent external auditor, the audit fee and any question of resignation or dismissal;
- Monitor and evaluate the adequacy and effectiveness of the Company's internal control system;
- Receive and review reports of internal and external auditors and regulatory agencies, where applicable, and ensure that management is taking appropriate corrective actions, in a timely manner, in addressing control and compliance functions with regulatory agencies;
- Review the quarterly, half-year and annual financial statements before submission to the Board with particular focus on the following matters:
 - Any change/s in accounting policies and practices
 - Major judgmental areas
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with accounting standards
 - Compliance with tax, legal and regulatory requirements
- Coordinate, monitor and facilitate compliance with existing laws, rules and regulations;

- Evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to the external auditor both in relation to their significance to the auditor and in relation to the Company's total expenditure on consultancy. The non-audit work should be disclosed in the Annual Report; and
- Establish and identify the reporting line of the chief audit executive so that the reporting level allows the internal audit activity to fulfill its responsibilities. The chief audit executive shall report directly to the Audit Committee functionally. The Audit & Risk Management Oversight Committee shall ensure that the internal auditors shall have free and full access to the Company's records, properties and personnel relevant to the internal audit activity, and that the internal audit activity should be free from interference in determining the scope of internal auditing examinations, performing work, and communicating results, and shall provide a venue for the Audit Committee to review and approve the annual internal audit plan.

Compensation Committee

Committee Members

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	% Attendance	Length of Service in the Committee (*)
Chairman (ID)	Val Antonio B. Suarez	April 28, 2023	1	1	100%	1 year
Member (ED until July 31, 2023, became a non-ED starting August 1, 2023)	L. Josephine Gotianun-Yap	April 28, 2023	1	1	100%	1 year
Member (NED)	Jonathan T. Gotianun	April 28, 2023	1	1	100%	1 year
Member (ID)	Virginia T. Obcena	April 28, 2023	1	1	100%	1 year

* The Committee members are elected annually.

The Board constituted a Compensation Committee composed of at least three (3) director-members, one of whom must be an independent director.

Duties and Responsibilities:

- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Company's culture, strategy and control environment;
- Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Company successfully;
- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, and officers;
- Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which, among others, compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired;
- Disallow any director to decide his or her own remuneration;

- Provide in the Company's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and ensuing year; and
- Review the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.

Corporate Governance Committee Committee Members

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	% Attendance	Length of Service in the Committee (*)
Chairman (ID)	Val Antonio B. Suarez	April 28, 2023	3	3	100%	1 year
Member (NED)	Jonathan T. Gotianun	April 28, 2023	3	3	100%	1 year
Member (ID)	Virginia T. Obcena	April 28, 2023	3	3	100%	1 year
Member (ID)	Claire L. Huang	April 28, 2023	1	1	100%	<1 year
<i>Ms. Huang resigned on July 26, 2023</i>						

* The Committee members are elected annually.

The Corporate Governance Committee shall assist the Board in fulfilling its corporate governance and compliance responsibilities. The Committee shall be composed of the Chairman of the Board and at least three (3) members of the Board, all of whom shall be independent directors. The Chairman of the Committee shall be an independent director.

Duties and responsibilities:

- Ensure the effectiveness and due observance of corporate governance principles and guidelines of the Board, its committees' and executive management;
- Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;
- Ensures that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;
- Make recommendations to the Board regarding the continuing education of directors, assignment to Board Committees and succession plan for the Board members and senior officers;
- Determine the nomination and election process for the Corporation's directors and other positions requiring appointment by the Board, define the general profile of board members that the Corporation may need and ensure that appropriate knowledge, competencies and expertise will complement the existing skills of the Board;
- Establishes a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Corporation's culture and strategy as well as the business environment in which it operates;

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance;
- Review with the Compliance Officer, at least on annual basis, any legal or regulatory matter that could have a significant impact on the Corporation's financial statements, compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies; and
- Obtain an annual report from the Compliance Officer regarding the adequacy of the Corporation's compliance program.

The Corporate Governance Committee shall also serve as the Nomination Committee. It shall review and evaluate the qualifications of all persons nominated to the board as well as those nominated to other positions requiring appointment by the Board and assess the effectiveness of the Board's process and procedures in the election or replacement of directors.

The said Committee considers the following guidelines in the determination of the number of directorships for the Board:

- The nature of the business of the corporations in which he is a director;
- Age of the director;
- Number of directorships/active memberships and officerships in other corporations or organizations; and
- Possible conflict of interest.

The Chief Executive Officer and other executive directors (ED) shall submit themselves to a low indicative limit on membership in other corporate boards. The same low limit shall apply to independent, non-executive directors (NED) who serve as full-time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised.

The Corporate Governance Committee, acting as the Nomination Committee, may pre-screen and shortlist all candidates nominated to become a member of the Board of Directors, taking into account the qualifications and the grounds for disqualifications as set forth in FDC's Revised Manual of Corporate Governance and the Securities Regulation Code.

The Nomination Committee shall promulgate the guidelines or criteria to govern the conduct of the nomination for members of the Board of Directors. The same shall be properly disclosed in the Company's information or proxy statement or such other reports required to be submitted to the Securities and Exchange Commission (SEC).

The nomination of directors, including independent directors, shall be conducted by the Committee before the stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.

The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors as set forth in the Company's Revised Manual on Corporate Governance.

After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees, including those for independent directors, which shall be made available to the SEC and all stockholders through the filing and distribution of the Information Statement, or in such reports the Company is required to submit to the SEC. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report, including any relationship with the nominee.

Related-Party Transaction Committee

The Related Party Transaction Committee is composed of at least three (3) non-executive directors, two (2) of whom must be independent, including the Chairman of the Committee.

The Related Party Transaction Committee has the following duties and responsibilities:

- Conduct continuous evaluation and monitoring of existing relations among counterparties to ensure that all related parties are identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and the SEC;
- Evaluate all material RPTs to ensure that these are transacted on an arm's length basis and that no corporate or business resources of the company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions.

In evaluating RPTs, the Committee may take into account the following:

- The related party's relationship to the Company and interest in the transaction;
 - The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - The benefits to the Company of the proposed RPT;
 - The availability of other sources of comparable products or services; and
 - An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.
- Ensure that appropriate disclosure is made to the regulating and supervising authorities relating to the Corporation's RPT exposures, and policies on conflicts of interest or potential conflicts of interest;
 - Report to the Board, on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
 - Ensure that transactions with related parties, including write-off of exposures, are subject to a periodic independent review or audit process; and
 - Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

No meetings were held for 2023.

Digital Committee

The Board constituted a Digital Committee composed of at least three (3) director-members, one of whom must be an independent director.

Duties and Responsibilities:

- Receive evaluation on the current state of digital for the group, including competitive benchmarking;
- Receive updates, and, when appropriate, demonstrations about emerging technologies and trends, and their impact on or application within FDC;
- Provide guidance on prioritization and receive reports on the development and implementation of the group's highest impact digital initiatives;
- Review investment cases and transactions in support of the implementation strategy, and endorse the same to the Board, if appropriate;
- Receive from management regular report on overall technology portfolio health, key individual automation projects being undertaken by the group; and
- Review proposals for any significant technology investments before presentation to the Board.

No meetings were held for 2023.

Shareholders' Benefits

FDC recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its investors. Therefore, the following provisions are issued for the guidance of all internal and external parties concerned, as governance covenant between the Company and all its investors.

The Board shall be committed to respect the following rights of the stockholders:

- I. Right to Nominate and Vote
 1. Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Revised Corporation Code.
 2. Cumulative voting is mandatory in the election of directors.
 3. A director shall not be removed without cause if it will deny minority shareholders representation in the Board.
- II. Power of Inspection

All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries, in accordance with the Revised Corporation Code, during business hours and upon prior written notice to the Company, for legal purposes.

All shareholders shall be furnished with annual reports, including financial statements, without cost or restrictions.

III. Right to Information

1. The shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Company's shares, dealings with the Company, relationships among directors and key officers, and the aggregate compensation of directors and officers.
2. The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes and in accordance with SEC regulations.
3. In accordance with the SEC regulations, the minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

IV. Right to Dividends

1. Shareholders shall have the right to receive dividends subject to the discretion of the Board.
2. The Commission may direct the Company to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: i) when justified by definite corporate expansion projects or programs approved by the Board; or ii) when the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or iii) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Company, such as when there is a need for special reserve for probable contingencies.

V. Appraisal Right

The shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under the Revised Corporation Code of the Philippines, under any of the following circumstances:

- In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence.
- In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code; and
- In case of merger or consolidation.

VI. Right to Attend and Participate in Shareholders' Meetings

The Board should be transparent and fair in the conduct of the annual and special shareholders' meetings of the corporation.

The shareholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the shareholder's favor.

It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.

► Dividend Policy and Dividends Paid

While the Board endeavors to declare dividends each year, the payment of cash dividends depends upon the Company's earnings, cash flow, financial condition, capital investment requirements and other factors (including certain restrictions on dividends imposed by the terms of loan agreements). The following cash dividends were paid in the last three years:

On April 30, 2021, FDC paid cash dividends of Php0.098 per share or a total of Php847.5 million to all stockholders on record as of May 21, 2021. This is equivalent to 10% of the Php8.5 billion net income attributable to parent generated in 2020.

On April 29, 2022, the Board of Directors of FDC approved the declaration and payment of cash dividends of Php 0.07014 per share or a total of Php606.6 million to all shareholders of record as of 20 May 2022, payable on 14 June 2022.

On 28 April 2023, the Board of Directors of FDC approved the declaration and payment of cash dividends of Php0.06534 per share or a total of Php565.1 million to all shareholders of record as of 22 May 2023, payable on 14 June 2023.

► Annual Stockholders' Meeting and Procedures

Notice of Annual Stockholders' Meeting

On February 28, 2023, FDC disclosed to the Philippine Stock Exchange that its Board of Directors had fixed the date of the Annual Stockholders' Meeting on April 28, 2023 with the record date set on March 30, 2023.

Stockholders were informed that the Annual Stockholders' Meeting for 2023 would be conducted virtually on April 28, 2023 (Friday) at 9:00 a.m.

Only stockholders of record as of March 30, 2023 were entitled to attend and vote in the said meeting.

On the same day, right after the stockholders' meeting, FDC disclosed to the Philippine Stock Exchange the results of the annual stockholders' meeting which included the following:

- a. Approval of the Minutes of the Annual Stockholders' Meeting held on April 29, 2022 ;
- b. Presentation of the President's Report and Ratification of the Audited Financial Statements for the year ended 31 December 2022;
- c. Approval of the Amendments to Articles of Incorporation and By-Laws;
- d. Ratification of all the acts, resolutions and proceedings of the Board of Directors, Executive Committee, Board Committees and Management from the date of the last annual stockholders' meeting up to April 28, 2023;
- e. Appointment of Sycip Gorres Velayo & Co. as the independent external auditor of FDC for the year 2023.

FDC likewise disclosed that the following were elected as directors to serve for the period 2023-2024 and until their successors shall have been duly elected and qualified:

1. Jonathan T. Gotianun
2. Lourdes Josephine Gotianun-Yap
3. Michael Edward T. Gotianun
4. Francis Nathaniel C. Gotianun
5. Val Antonio B. Suarez (as independent director)
6. Virginia T. Obcena (as independent director)
7. Claire A. Huang (as independent director)

► Statutory Compliance

FDC fully complied with the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC) regulatory requirements. Below is the Company's Reportorial Compliance Report.

Type of Report	Number of Filings
Financials	
Annual Report (17-A)	1
Quarterly Report (17-Q)	4
2022 Audited Financial Statements	1
Request for extension in filing 17-A, 17-Q	NONE
Ownership	
Annual List of Stockholders – for Annual Stockholders' Meeting	1
Foreign Ownership Monitoring Report	12
Public Ownership Report	12
Report on Number of Shareholders and Board Lot	12
Initial Statement of Beneficial Ownership of Securities (23-A)	6
Statement of Changes in Beneficial Ownership of Securities (23-B)	2
Top 100 Stockholders' List	4
Notices – Stockholders' Meetings/Briefings/Dividends	NONE
Notice of Annual/Special Stockholders' Meeting	1
Dividend Notice (part of disclosure on Results of Stockholders' Meeting)	1
Other Disclosures	
Certification – Qualifications of Independent Directors	1
Clarifications of News Articles	4
Definitive Information Statement (20-IS)	1
General Information Sheet	3
Preliminary Information Statement (20-IS)	1
SEC Form 17-C (Current Report)	
Which includes the following:	
a) Results of Annual Stockholders' Meeting/Board Meetings	7
b) Press Releases	4
c) Other Matters	10

► Investor Relations

The Investor Relations Department (IR) is tasked to regularly keep the Corporation's investors and stakeholders informed of the developments in the business. For this purpose, the IR conducts analysts' briefings and regular meetings with shareholders, fund managers, and analysts to keep them updated on the financial and operating performance as well as other relevant material information and details on transactions of the Corporation.

FDC's website, www.filinvestgroup.com, makes available to the public current information on the Company, including details of its operations.

The Investor Relations section of the website provides information that may be required by the investors, shareholders and stakeholders. It contains financial statements, press releases, presentations, declaration of dividends, ownership structure and any changes in the ownership of major shareholders and officers, and other reportorial requirements by the Philippine Stock Exchange.

The contact details of the Investor Relations Department are available on the website.



Analysts' Briefing, Makati City

Awards and Recognition

► FILINVEST DEVELOPMENT CORPORATION

Two Golden Arrows Award
ASEAN Corporate Governance Scorecard (ACGS)

► EASTWEST BANK

Best Private Bank 2024 (EastWest Priority)
Global Finance Magazine

Best Priority Banking Experience (EastWest Priority)
2023 International Finance Magazine (IFM) Awards

Best Foreign Exchange Broker (Institutional) Philippines 2023
2023 International Finance Magazine (IFM) Awards

Most Innovative Smart Banking Services Provider (Komo)
2023 International Finance Magazine (IFM) Awards

One Golden Arrow Award
ASEAN Corporate Governance Scorecard (ACGS)

Best Credit Card Philippines (EastWest JCB)
The Asian Banker 2023

Best CSR Initiative (Magenta Race 2022)
The Digital Banker

► FILINVEST LAND, INC.

Silver for Executive of the Year in Real Estate (Tristan Las Marias)
Stevie International Business Awards

Circle of Excellence Awardee for Executive Leadership Team of the Year
Asia CEO Awards

One Golden Arrow Award
ASEAN Corporate Governance Scorecard (ACGS)

Silver Awardee for Best Premium House in Luzon (Mira Valley in Rizal)
Highly Commended Citation for Best Premium House in Luzon (Amarilyo Crest)
Best Affordable Condo in Luzon (Panglao Oasis)
Best Affordable Condo in Visayas and Mindanao (Marina Spatial)
Highly Commended Best Developer in Visayas and Mindanao
The Outlook Philippine Real Estate Awards by Lamudi

Best of the Best for Vertical Residential Open Market in NCR (Sorrento Oasis)
Best of the Best for Vertical Residential Open Market in Visayas (One Oasis Cebu)
Developers of the Decade Awards of Chamber of Real Estate and Builders' Association (CREBA)

Gawad Parangal para sa Pagpapaunlad
Department of Housing Settlement and Urban Development (DHSUD) Region 4A

► FILINVEST ALABANG, INC.

Outstanding Developer for Sustainable Development – Gold
Outstanding Developer, Residential Mid-Rise Category
FIABCI Property and Real Estate Excellence Awards

Best Architecture in Multiple Residence for Philippines
Best in Residential 20+ Unit Category for Philippines
Asia Pacific Property Awards

Great Place to Work Award
Great Place to Work Philippines

The Filinvest group continuously strives for excellence, winning numerous awards and recognition for banking and finance, real estate, and hospitality. These accolades are a testament of Filinvest's unwavering commitment to growth and excellence in every facet of its operations.

► FILINVEST REIT CORP.

Outstanding Developer for Office Development – Gold
FIABCI Property and Real Estate Excellence Awards

Outstanding Developer for Sustainable Development – Silver
FIABCI Property and Real Estate Excellence Awards

Sustainability Leadership in Asia, Australia, and New Zealand – Bronze
Stevie International Business Awards

Sustainability Company of the Year - Circle of Excellence Awardee
Asia CEO Awards

One Golden Arrow Award
ASEAN Corporate Governance Scorecard (ACGS)

► FILINVEST HOSPITALITY CORPORATION

Best Value Spa - Luxury Spas (Crimson Mactan)
Best for Families Award Winner (Crimson Boracay)
Conde Nast Johanssen

Best Golf Course in the Philippines (Mimosa Plus Golf Course)
World Golf Awards 2023

Best Golf Course in the Philippines – Silver (Mimosa Plus Golf Course)
Asian Golf Awards

One of the Best Restaurants (Azure Beach Club in Crimson Boracay)
Tatler Dining Philippines

Traveler's Choice Award Winner (Crimson Mactan)
Traveler's Choice Award Winner (Quest Plus Clark)
Traveler's Choice Award Winner (Mimosa Plus Golf Course)
Traveler's Choice Award Winner (Crimson Boracay)
Traveler's Choice Award Winner (Crimson Manila)
Traveler's Choice Award Winner (Quest Hotel Cebu)
2023 TripAdvisor Traveler's Choice Awards

Customer Review Award Winner (Crimson Boracay)
Agoda.com 2023 Customer Review Awards

Traveler Review Award Winner (Quest Hotel Cebu)
Traveler Review Award Winner (Quest Plus Clark)
Traveler Review Award Winner (Crimson Boracay)
Booking .com

Readers' Choice Award 2023 (Crimson Boracay)
DestinAsian Magazine

Resort of the Year (Crimson Boracay)
Manila Overseas Press Club (MOPC)

Best Family Hotel in Central Luzon (Quest Plus Clark)
Central Luzon Media Association

Special Award of Recognition (Mimosa Cityscapes Inc.)
Clark Awards 2023

Sustainability Champion (Quest Hotel Cebu)
Manager of the Year (Crimson Mactan)
Cebu Tourism Hospitality Awards

Best Family & Leisure Hotel 2023 for Central Luzon (Quest Plus Clark)
LuxLife Hospitality Awards 2023

2023 Award of Excellence (Mimosa Plus Golf Course)
2023 Award of Excellence (Quest Plus Clark)
TrustYou

Travel Excellence Award (Crimson Manila)
Tripzilla

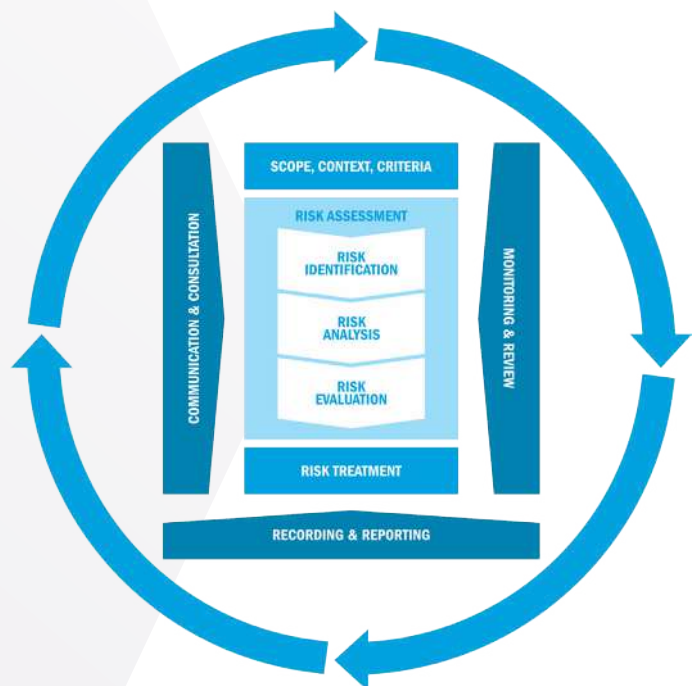
Risk Management

► ERM Framework and Governance Structure

In May 2023, the Board of Directors approved a revised Enterprise Risk Management Policy and Framework based on ISO 31000:2018 that incorporates elements from other frameworks such as COSO and AriMI. The ERM discipline aims to protect and enhance value, improve competitive advantage, achieve speed with confidence in pursuing growth opportunities, and enable FDC and its subsidiaries to deliver its commitments to stakeholders (including customers, employees, supply chain, regulators and providers of capital), by effectively managing risks through a standard and informed decision-making mechanism under a common risk culture and language.

FDC's risk governance is led by an Audit and Risk Management Oversight Committee which considers strategic, operational, financial and compliance risks, sets the tone for risk treatment and assesses risk monitoring and assessment reports. The President and CEO serves as the chief risk executive for FDC. The risk owners are the business unit heads and their leadership team, as well as the heads of FDC's Centers of Excellence who act as the corporate champions of the disciplines they carry.

The Filinvest Risk Management Council, whose members are the champions of the risk management functions in the respective business units and led by FDC's head of Enterprise Risk Management, is tasked to formulate group-wide risk management policies and key performance measures, and provide risk management capacity building to all risk owners. The council is also expected to develop and implement conglomerate-wide projects.



The Filinvest Group's ERM framework and processes are aligned with ISO 31000:2018

► Conglomerate Top Risks and Responses

The following table lists down the significant risk items on the portfolio of FDC with the corresponding risk actions that both mitigate negative impacts and/or take advantage of opportunities.

Top Risks	Context	Company Response
Philippine Macroeconomics	Growth or contraction in the markets where Filinvest has significant investments, driven by prevailing macroeconomic trends brought on by global issues such as geopolitical tensions, resource and climate risks, technological breakthroughs and demographic shifts.	Strategic plans that articulate ‘where to play’ while taking advantage of the core strengths of the group. Continued commitment to provide solutions to the needs of a growing Philippine economy where there is a compelling business case for private sector involvement.
Compliance and Regulatory Risk	Shifts in government policy and regulations that may threaten the current value proposition, operating model and revenue model of the businesses invested in	Full and consistent compliance with laws, regulations and covenants with government entities; Constructive dialogue with industry peers and regulators on policy changes
Talent Risk	Talent capacity, capability and connection risks that threaten current business objectives, sustaining institutional memory and human capital readiness for future growth	Succession planning and individual development plans that cover core, leadership and functional competencies of critical roles. Talent connection programs that enable, engage and energize teams to work effectively and efficiently. Review and updating of specific HR policies that are vital to talent attraction and retention, particularly on flexible work arrangements, compensation and benefits, and performance evaluation.
Environmental and Climate Change Risks	The degradation of the natural environment threatens its ability to provide provisioning and regulating ecosystem services that support the businesses in the portfolio, e.g. water availability and climate change-driven weather disruptions such as floods, storm surges or droughts. Transition risks associated with the shift to a decarbonized economy, particularly on policies that may affect operating models esp on the power business.	Consistent compliance with all environmental laws and regulations, and adoption of best practices in energy, water and resource efficiency that offer a compelling business case such as cost control and risk minimization; Strengthening the asset and operational resilience of the Group, as well as enhancing organizational agility that allows for quick pivots to take advantage of opportunities; Assessment of physical climate risks on the assets and transition climate risks
Cybersecurity	Disruptions that may results in breach of privacy, loss of assets and harm to the reputation of the Group	Application solutions that minimize the vulnerability of data systems; Continuing education for employees on cyber risk awareness and trainings to detect phishing attacks and strengthen authentication procedures
Related Party Transactions	The various operating business units across the Filinvest Group have commercial dealings with each other	Corporate governance provisions and related party transactions policy; Application of arms-length principle in all dealings; Compliance with BIR transfer pricing guidelines
Organizational Structure	Design of the structure of the conglomerate that supports the achievement of strategic and business objectives by establishing processes and norms on accountability, coordination, escalation and feedback-giving, as well as clear lines of authority for decision-making.	Centralization of policy-making at the FDC level to harmonize policies at the BU level, through the formation of functional councils. Exploration of consolidating existing business units operating in the same industry, and strengthening the shared services unit.
Financial Risks	Continued high levels of inflation and interest rates in 2023, resulting in higher borrowing costs Dwindling support from financial institutions to coal-related businesses worldwide, resulting in limited financing options for energy expansion as well as increased insurance premiums. Significant increase in insurance premiums among Philippine insurers due to renegotiated treaties with international reinsurers who suffered major losses worldwide in recent years driven by natural calamities and geopolitical conflicts.	Optimization of operating costs through various efficiency initiatives; Compliance with debt-to-equity and debt service coverage ratios stipulated in loan covenants; Development of renewable power projects with goals of a balanced power portfolio and Net Zero afterwards Consideration of new financial risk transfer strategies that address the increasing cost of insurance premiums

Financial Review



Management's Discussion and Analysis of Results of Operations and Financial Condition

CONSOLIDATED FINANCIAL PERFORMANCE

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

► Revenues

Real Estate Operations - Sale of Lots, Condominium and Residential Units

Sale of lots, condominium and residential units rose by 20.9% or P2,780.1 million to P16,094.8 million. The increase was primarily attributed to higher construction percentage-of-completion achieved during the year.

Real Estate Operations - Mall and Rental Revenues

Mall and rental revenues improved by 13.8% or P931.7 million to P7,662.1 million due to gradual reduction of rental concessions, reinstatement of escalation rates and increased occupancy levels.

Hospitality Revenues

Hospitality revenues grew by 48.1% or P927.6 million to P2,856.5 million, due to higher occupancy and room rates and higher food and beverage revenues, as travel restrictions slowly eased down and borders reopened for tourism and leisure activities.

Banking and Financial Services Revenues

Revenues or interest income from banking and financial services (the Bank) was higher by 32.3% or P8,290.4 million to P33,943.1 million, mainly due to interest income growth from increase in consumer loans and high-yielding fixed income securities. Likewise, non-interest income grew from higher service fees and commission income, trading securities gain and gains from sale of foreclosed assets.

Power and Utility Revenues

Revenues from the power and utility operations increased by 33.4% or P4,307.4 million from P12,899.8 million in 2022 to P17,207.2 million in 2023 mainly from higher average selling price and higher dispatch and contracted electricity.

Sugar Revenues

Revenues from sugar business went up by 17.4% or P746.9 million to P5,027.1 million from the increase in sugar prices.

► Other Income

Other Income - Real Estate Operations

Other income from real estate operations increased by 39.5% or P466.9 million from P1,364.0 million from higher income generated from processing fees and interest income from installment contract receivables for in-house financing scheme.

Other Income - Hospitality Operations

Other income from hospitality business increased by 13,342.5% or P559.7 million to P563.9 million primarily from insurance proceeds from business interruption in MSSI.

Other Income - Banking and Financial Services

Banking and financial services' other income increased by 51.2% or P2,516.9 million to P7,492.2 million due to higher service charges and fees from loan-related fees driven by improving volumes; trading income higher from securities trading, and higher gains on real and other properties acquired (ROPA).

Other Income - Power and Utility Operations

Other income from power and utility segment increased by 157.6% or P219.2 million to P358.2 million due to higher interest income derived from trade receivables.

Other Income - Sugar Operations

Other income from sugar operations decreased by 36.5% or P28.8 million to P50.1 million due to lower scrap sales.

► Costs**Costs of Sale of Lots, Condominium and Residential Units**

Costs of sale of lots, condominium and residential units increased by 13.8% or P1,013.2 million to P8,562.0 million due to higher real estate revenues realized during the year.

Costs of Mall and Rental Services

Costs of mall and rental services went up by 19.4% or P458.1 million to P2,824.6 million due to higher direct operating expense, such as taxes and utilities, during the year on account of improving business activities in the retail segment.

Costs of Hospitality Operations

Hospitality cost of operations increased by 37.0% or P493.6 million to P1,827.8 million due to higher cost of food and beverage, manpower costs, utilities, guest amenities and other direct expenses of operating departments which were all related to the increase in business volume, with the easing of travel restrictions, as aforementioned.

Costs of Banking and Financial Services

Costs of banking and financial services went up by 130.8% or P3,392.5 million from P2,593.8 million in 2022 to P5,986.4 million in 2023 due to higher manpower expenses, systems/software maintenance, marketing programs, cards expenses and professional fees.

Costs of Power and Utility Operations

Costs of power and utility operations increased by 38.6% or P3,359.8 million to P12,060.6 million primarily due to higher fuel cost.

Costs of Sugar Operation

Costs of sugar operations increased by 14.3% or P506.6 million to P4,061.4 million despite lower sales volume due to higher operating costs such as labor, fertilizers, and higher input prices.

Costs of Other Operations

Costs of other operations increased by 10.2% or P47.7 million to P518.0 million due to translation adjustment for interest on foreign-currency denominated bonds payable.

► Expenses

Real Estate Operations

Expenses of real estate operations went up by 12.4% or P797.8 million to P7,217.5 million due to higher manpower costs, taxes and licenses, and increased repairs and maintenance expenses for managed projects. This was further increased by higher commissions and local and international branch sale offices to generate sales.

Hospitality Operations

Expenses of the hospitality business increased by 16.8% or P200.2 million from to P1,392.6 million due to higher manpower costs, utilities, outside services and credit card commission.

Banking and Financial Services

Expenses of the banking and financial services went up by 26.3% or P5,810.1 million to P27,907.9 million due to higher manpower and IT-related expenses. Provisions for losses also increased due to the combined impact of higher loan volumes.

Power and Utility Operations

Power and utility segment's expenses decreased by 5.0% or P113.4 million to P2,151.1 million due to decrease in interest expense from loans.

Sugar Operations

Expenses of the sugar business increased by 14.8% or P23.7 million from to P184.0 million due to higher interest expense and taxes and licenses.

Other Operations

Expenses of other operations went up by 52.3% or P918.3 million to P2,674.0 million due to higher interest expenses, external services and additional manpower and the impairment of the f(Dev)'s investment and advances to Investree Philippines amounting to P106.8 million.

Provision for Income Tax

Provision for income tax increased by 40.8% or P975.6 million to P3,364.5 million. Provision for deferred tax and current income tax rose by 69.1% and decreased by 135.8%, respectively. This is from the increase in the Group's taxable net income.

► Net Income

As a result of the foregoing, consolidated net income increased by 46.2% or P3,834.2 million to P12,136.8 million. Net income attributable to equity holders of the Parent increased by 58.3% or P3,296.8 million to P8,947.5 million, while net income attributable to noncontrolling interest increased by 20.3% or P537.4 million to P2,652.0 million.

FINANCIAL CONDITION

As at December 31, 2023 Compared with As at December 31, 2022

► Assets

Total consolidated assets grew by 7.0% or P48,113.4 million to P734,934.0 million as of December 31, 2023.

The following are the significant changes in account balances from December 31, 2022 to December 31, 2023:

Cash and cash equivalents decreased by 31.3% or P22,349.8 million to P48,962.1 million as the Bank's funds were placed in higher yielding assets.

Loans and receivables of the hospitality segment increased by 103.1% or P125.6 million to P247.6 million due to higher revenues recognized.

Loans and receivables of the banking and financial services increased by 16.2% or P39,276.7 million to P281,253.4 million mainly ascribed to higher consumer lending driven by the improvement in teachers' loan and credit cards.

Loans and receivables of the power and utility operations went up by 32.1% or P1,182.2 million to P4,862.0 million. Higher level of trade receivables was due to higher pass-through fuel cost and longer average collection period.

Loans and receivables of the sugar business increased by 32.3% or P32.8 million to P134.6 million brought about by additional advances extended to sugar planters.

Financial assets at fair value through profit or loss increased by 110.0% or P2,154.0 million to P4,112.3 million due to growth in the Banks's portfolios, particularly on treasury notes and government bonds.

Financial assets at fair value through other comprehensive income increased by 11.7% or P2,034.1 million to P19,453.5 million due to growth in the Banks's portfolios, particularly on treasury notes and government bonds.

Investment securities at amortized cost increased by 18.7% or P11,854.8 million to P75,401.0 million due to growth in the Banks's portfolios, particularly on treasury notes and government bonds.

Contract assets increased by 29.7% or P2,258.1 million to P9,867.6 million mainly due to extended payment terms granted to buyers and new sales during the year.

Coal, spare parts and other inventories decreased by 28.1% or P650.9 million to 1,665.8 million due to decreased coal and sugar and molasses inventories.

Deferred income tax assets - net increased by 8.9% or P461.2 million to P5,628.9 million from decrease in unrealized foreign exchange gains of the Group.

Right-of-use assets decreased by 9.1% or P415.8 million to P4,150.7 million primarily attributable to amortization of the Group.

Other assets went up by 32.5% or P8,177.2 million to P33,314.6 million due to capital expenditures on BTO rights, increase in restricted cash and repossessed assets.

► Liabilities

Total consolidated liabilities increased by 6.9% or P39,093.6 million to P557,242.2 million.

The following are the significant changes in liability accounts from December 31, 2022 to December 31, 2023:

Deposit liabilities increased by 8.5% or P26,406.8 million from growth of dollar deposits in terms of increase in volume and foreign exchange revaluation.

Bills and acceptances payable grew by 127.8% or P8,642.3 million to P15,403.7 million mainly from the higher volume of repo borrowings to support funding in FCDU books including purchase of FVOCI and Investment Securities at Amortized Cost.

Accounts payable, accrued expenses and other liabilities increased by 16.3% or P6,585.0 million to P46,888.9 million due to higher level of year-end accruals and higher volume of payables to contractors, vendors and suppliers.

Contract liabilities decreased 23.6% or P926.2 million to P2,996.9 million due to real estate's construction in progress for the accounts already qualified for revenue recognition.

Income tax payable increased by 96.3% or P239.6 million to P488.5 million due to higher taxable income for the year.

Retirement liabilities decreased by 5.8% or P96.1 million to P1,575.0 million due to funding of the Group's plan assets.

► Equity

On April 28, 2023, the FDC's BOD approved the declaration and payment of cash dividends of 0.06534 per share for every common share of record as of May 22, 2023. This was paid on June 14, 2023.

On April 29, 2022, FDC's Board of Directors (BOD) approved the declaration and payment of cash dividends of P0.07014 per share for every common share of record as of May 20, 2022, payable on June 14, 2022.

On April 30, 2021, FDC's BOD approved the declaration and payment of cash dividends of 0.098 per share for every common share of record as of May 21, 2021. This was paid on June 15, 2021.

The Group has commitments for capital expenditures for the project developments of the real estate segment, the requirement of the sugar manufacturing subsidiaries, the development and construction of solar rooftop facilities, and other utility projects, the intended construction and management of various hotels, and the bank's expansion and implementation of IT projects, which could be adequately covered by the operating cash flow and availment of medium and long term loans.

PERFORMANCE INDICATORS

	As of And For The Year Ended December 31, 2023	As of And For The Year Ended December 31, 2022
Earnings Per Share - Basic (EPS)		
Net Income (Attributable to Equity Holders of the Parent Company)	P 1.035 /share	P 0.653 /share
Weighted Average Number of Outstanding Shares		
Price Earnings Ratio (PE Ratio)		
Closing Price ⁽¹⁾	5.19 Times	9.83 Times
EPS		
Return on Revenue		
Total Net Income	13%	12%
Total Revenue		
Return on Equity (Average)		
Total Net Income	7%	5%
Average Total Equity		
Assets to Equity Ratio		
Total Assets	4.14:1	4.15:1
Total Equity		
Debt to Equity Ratio		
a) Long-term and Short-term Debt	0.74:1	0.83:1
Total Equity		
b) Total Liabilities Excluding Deposit Liabilities, Bills and Acceptances Payable, Asset Retirement Obligation and Finance Lease Liabilities	1.09:1	1.16:1
Total Equity		
Current Ratio		
a) Including EW		
Current Assets	0.80:1	0.71:1
Current Liabilities		
b) Excluding EW		
Current Assets	2.70:1	2.18:1
Current Liabilities		
Quick Ratio – excluding EW		
Current Assets – Inventories	1.17:1	0.65:1
Current Liabilities		
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) to Total Interest Expense		
EBITDA	5.01 Times	4.42 Times
Total Interest Expense ⁽²⁾		

⁽¹⁾ Closing prices at December 29, 2023 and December 29, 2022.

⁽²⁾ Excluding financial liabilities on lease contract



Financial Statements

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands of Pesos)

	December 31	
	2023	2022
ASSETS		
Cash and cash equivalents	₱48,962,146	₱71,311,956
Loans and receivables		
Real estate operations	9,285,775	9,739,631
Hospitality operations	247,570	121,924
Banking and financial services	281,253,378	241,976,635
Power and utility operations	4,861,962	3,679,767
Sugar operations	134,639	101,803
Financial assets at fair value through profit or loss	4,112,322	1,958,310
Financial assets at fair value through other comprehensive income (FVOCI)	19,411,425	17,377,325
Investment securities at amortized cost	75,401,019	63,546,191
Contract assets	9,867,642	7,609,532
Real estate inventories	81,004,413	79,659,361
Coal, spare parts and other inventories	1,665,772	2,316,669
Investment properties	98,240,278	95,503,366
Property, plant and equipment	45,103,226	44,716,866
Investments in joint ventures and associate	1,907,136	1,948,608
Deferred tax assets - net	5,628,946	5,167,717
Right-of-use assets	4,150,658	4,566,463
Goodwill	10,381,152	10,381,152
Other assets - net	33,314,574	25,137,333
	₱734,934,033	₱686,820,609
LIABILITIES AND EQUITY		
Liabilities		
Deposit liabilities	₱338,781,312	₱312,374,479
Bills and acceptances payable	15,403,706	6,761,456
Accounts payable, accrued expenses and other liabilities	46,888,946	40,303,983
Contract liabilities	2,996,852	3,923,011
Long-term and short-term debt	132,371,944	137,224,888
Income tax payable	488,470	248,839
Retirement liabilities	1,575,028	1,671,162
Lease liabilities	8,454,337	8,507,757
Deferred tax liabilities - net	10,281,563	10,132,992
Total Liabilities	₱557,242,158	₱521,148,567

	December 31	
	2023	2022
Equity		
Equity attributable to equity holders of the Parent Company		
Capital stock - 1 par value		
Authorized common shares - 15,000,000,000		
Authorized preferred shares - 2,000,000,000		
Issued common shares - 9,319,872,387	₱9,319,872	₱9,319,872
Treasury shares - 671,409,400	(3,614,474)	(3,614,474)
Additional paid-in capital	11,900,015	11,900,015
Retained earnings	119,711,533	111,329,156
Other comprehensive income - net of tax		
Revaluation reserve on financial assets at FVOCI	(302,556)	(1,326,191)
Remeasurement losses on retirement plans	(176,065)	(186,845)
Translation adjustment	201,167	(159,838)
Share in other components of equity in joint ventures	724	724
Total	137,040,216	127,262,419
Noncontrolling interest	40,651,659	38,409,623
Total Equity	177,691,875	165,672,042
	₱734,934,033	₱686,820,609

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands of Pesos, Except Earnings Per Share Figures)

	Years Ended December 31		
	2023	2022	2021
REVENUES			
Real estate operations			
Sale of lots, condominium and residential units	₱16,094,806	₱13,314,664	₱11,966,859
Mall and rental revenues	7,663,855	6,732,189	5,878,300
Hospitality operations	2,856,543	1,928,979	1,206,684
Banking and financial services	33,943,051	25,652,661	22,795,094
Power and utility operations	17,207,202	12,899,789	9,395,168
Sugar operations	5,027,067	4,280,178	4,096,201
	82,792,524	64,808,460	55,338,306
OTHER INCOME			
Real estate operations	1,647,576	1,180,709	1,417,709
Hospitality operations	563,913	4,195	2,453
Banking and financial services	7,429,236	4,912,360	6,037,061
Power and utility operations	358,236	139,059	73,942
Sugar operations	50,056	78,809	37,511
	10,049,017	6,315,132	7,568,676
Total Revenues and Other Income	92,841,541	71,123,592	62,906,982
COSTS			
Real estate operations			
Sale of lots, condominium and residential units	8,534,325	7,521,107	6,748,421
Mall and rental services	2,824,608	2,366,540	2,266,103
Hospitality operations	1,827,843	1,334,216	1,010,347
Banking and financial services	5,986,364	2,593,840	2,041,869
Power and utility operations	12,060,599	8,700,791	5,420,167
Sugar operations	4,061,398	3,554,776	3,520,107
Other operations	518,016	470,272	420,536
	35,813,153	26,541,542	21,427,550
EXPENSES (Note 29)			
Real estate operations	7,217,548	6,419,775	5,987,613
Hospitality operations	1,392,562	1,192,396	943,292
Banking and financial services	27,907,904	22,097,839	20,859,672
Power and utility operations	2,151,071	2,264,496	2,122,328
Sugar operations	183,996	160,302	177,813
Other operations	2,674,014	1,755,697	1,559,542
	41,527,095	33,890,505	31,650,260
Total Cost and Expenses	₱77,340,248	₱60,432,047	₱53,077,810

	Years Ended December 31		
	2023	2022	2021
INCOME BEFORE INCOME TAX	₱15,501,293	₱10,691,545	₱9,829,172
PROVISION FOR INCOME TAX			
Current	3,482,679	2,059,068	1,264,526
Deferred	(118,196)	329,817	(321,101)
	3,364,483	2,388,885	943,425
NET INCOME	₱12,136,810	₱8,302,660	₱8,885,747
Net income attributable to:			
Equity holders of the Parent Company	8,947,468	5,650,674	6,065,764
Noncontrolling interest	3,189,342	2,651,986	2,819,983
	₱12,136,810	₱8,302,660	₱8,885,747
Basic/Diluted Earnings Per Share Attributable to the Equity Holders of the Parent Company	₱1.03	₱0.65	₱0.70

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2023	2022	2021
NET INCOME	₱12,136,810	₱8,302,660	₱8,885,747
OTHER COMPREHENSIVE INCOME			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods			
Net movement on cash flow hedges, net of tax	–	–	–
Translation adjustment	369,315	186,498	(505,120)
	369,315	186,498	(505,120)
Other comprehensive income (loss) not to be reclassified to profit or loss			
Changes in fair value of financial assets through other comprehensive income	1,255,367	(1,985,126)	(266,608)
Remeasurement gains (losses) on retirement plans, net of tax	(5,612)	17,851	104,784
	1,249,755	(1,967,275)	(161,824)
	1,619,070	(1,780,777)	(666,944)
TOTAL COMPREHENSIVE INCOME	13,755,880	₱6,521,883	₱8,218,803
Total comprehensive income attributable to:			
Equity holders of the Parent Company	₱10,342,888	4,292,505	5,541,518
Noncontrolling interest	3,412,992	2,229,378	2,677,285
	₱13,755,880	₱6,521,883	₱8,218,803

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands of Pesos)

Equity Attributable to Equity Holders of the Parent Company												
	Capital Stock	Additional Paid-in Capital	Retained Earnings	Revaluation Reserve on Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)	Re-measurement Losses on Retirement Plans	Cash Flow Hedge Reserve	Translation Adjustment	Share in Other Components of Equity in Joint Ventures	Treasury Shares	Total	Non-controlling Interest	Total
For the Year Ended December 31, 2023												
Balances as at January 1, 2023	₱9,319,872	₱11,900,015	₱111,329,156	₱(1,326,191)	₱(186,845)	₱-	₱(159,838)	₱724	₱(3,614,474)	₱127,262,419	₱38,409,623	₱165,672,042
Net income	-	-	8,947,468	-	-	-	-	-	-	8,947,468	3,189,342	12,136,810
Other comprehensive income	-	-	-	1,023,635	10,780	-	361,005	-	-	1,395,420	223,650	1,619,070
Total comprehensive income	-	-	8,947,468	1,023,635	10,780	-	361,005	-	-	10,342,888	3,412,992	13,755,880
Dividends declared	-	-	(565,091)	-	-	-	-	-	-	(565,091)	(1,170,956)	(1,736,047)
Balances as of December 31, 2023	₱9,319,872	₱11,900,015	₱119,711,533	₱(302,556)	₱(176,065)	₱-	₱201,167	₱724	₱(3,614,474)	₱137,040,216	₱40,651,659	₱177,691,875
For the Year Ended December 31, 2022												
Balances as at January 1, 2022	₱9,319,872	₱11,900,015	₱106,285,085	₱214,100	₱(223,775)	₱-	₱(305,031)	₱724	₱(3,614,474)	₱123,576,516	₱37,534,392	₱161,110,908
Net income	-	-	5,650,674	-	-	-	-	-	-	5,650,674	2,651,986	8,302,660
Other comprehensive income	-	-	-	(1,540,291)	36,930	-	145,193	-	-	(1,358,168)	(422,609)	(1,780,777)
Total comprehensive income	-	-	5,650,674	(1,540,291)	36,930	-	145,193	-	-	4,292,506	2,229,377	6,521,883
Dividends declared	-	-	(606,603)	-	-	-	-	-	-	(606,603)	(1,354,146)	(1,960,749)
Balances as of December 31, 2022	₱9,319,872	₱11,900,015	₱111,329,156	₱(1,326,191)	₱(186,845)	₱-	₱(159,838)	₱724	₱(3,614,474)	₱127,262,419	₱38,409,623	₱165,672,042

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FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	P15,501,293	P10,691,545	P9,829,172
Adjustments for:			
Provision for probable losses	7,620,095	5,248,699	4,823,533
Depreciation and amortization	5,204,280	5,368,959	5,790,301
Interest expense	5,165,195	4,969,279	4,968,943
Share in net loss of joint ventures and an associate	307,472	348,166	256,798
Loss (gain) on sale of property and equipment and investment properties	183,080	105,349	223,613
Loss on asset foreclosure and dacion transactions	(614,532)	9,445	524,816
Interest income	(559,530)	(458,894)	(497,350)
Amortization of premium on financial assets at fair value through other comprehensive income (FVOCI) and investment securities at amortized cost	532,150	(5,435,965)	(1,340,345)
Gain on sale of investment securities at amortized cost	–	–	(1,847,046)
Loss (gain) on modification of loans	–	–	(346,769)
Movements in retirement liabilities	–	–	(60,931)
Operating income before changes in operating assets and liabilities	33,339,503	20,846,583	22,324,735
Decrease (increase) in:			
Loans and receivables	(47,828,683)	(48,249,644)	18,157,574
Financial assets at fair value through profit or loss	(2,154,012)	2,098,541	3,466,741
Contract assets	(2,258,110)	1,287,985	494,300
Real estate inventories	(2,695,159)	(1,123,954)	(2,650,969)
Coal, spare parts and other inventories	650,897	(907,109)	(460,482)
Increase (decrease) in:			
Deposit liabilities	26,406,833	(2,100,838)	8,273,357
Accounts payable, accrued expenses and other liabilities	7,891,993	5,815,323	(3,107,079)
Contract liabilities	(926,159)	437,700	(238,161)
Cash generated from (used in) operations	12,427,103	(21,895,413)	46,260,016
Income taxes paid	(3,243,048)	(1,999,022)	(1,576,342)
Net cash provided by (used in) operating activities	9,184,055	(23,894,435)	44,683,674

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Financial assets at FVOCI	(5,543,251)	(211,908,930)	(200,565,241)
Investment properties and property and equipment	(6,382,001)	(13,922,581)	(7,952,958)
Investment securities at amortized cost	(12,039,512)	(38,371,279)	(12,246,156)
Investments in joint ventures and associate	(216,000)	(802,292)	(386,084)
Intangible assets	–		(100,131)
Shares in subsidiary	(50,000)		
Proceeds from sale of:			
Investment securities at amortized cost	–	235,817,583	13,879,335
Investment properties and repossessed assets	2,743,162	6,375,723	2,332,012
Maturity of investments securities at amortized cost	–	111,672	601,788
Financial assets at FVOCI	4,442,304		189,123,604
Receipts of interest	559,530	458,894	497,350
Decrease (increase) in:			
Due from related parties	49,585	18,289	23,706
Other assets	(7,459,830)	(3,067,358)	1,512,685
Net cash used in investing activities	(23,896,013)	(25,290,279)	(13,280,090)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term and short-term debt	38,811,359	26,012,626	41,165,803
Increase (decrease) in			
Bills and acceptances payable	8,444,195	6,663,306	(3,470,653)
Due to related parties	18,476	32,175	10,245
Payments of:			
Long-term and short-term debt	(44,190,637)	(25,589,119)	(38,738,071)
Interest	(7,546,485)	(6,852,117)	(7,484,120)
Dividends	(1,736,047)	(1,960,750)	(1,514,772)
Financial liabilities on lease contract	(1,438,713)	(884,432)	(1,285,815)
Increase in investment from noncontrolling interest	–		12,129,905
Net cash provided by (used in) financing activities	(7,637,852)	(2,578,311)	812,522
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(22,349,810)	(51,763,025)	32,216,106
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	71,311,956	123,074,981	90,858,875
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱48,962,146	71,311,956	123,074,981

Annexes



EESG Performance Metrics

A. ECONOMIC DISCLOSURES

Economic Performance

Direct Economic Value Generated and Distributed (GRI 201-1)	2023	2022	2021
Direct economic value generated (revenue)	92,841,541	71,123,592	62,906,982
Operating costs	35,813,153	26,541,542	NOT REPORTED
Employee wages and benefits	10,789,350	8,170,656	7,308,140
Payments to suppliers and other operating costs	9,674,473	9,473,544	9,926,464
Dividends given to stockholders and interest payments to lenders (does not include principal debt payments)	9,282,473	8,812,867	8,998,892
Taxes paid to government	6,735,277	4,738,853	4,297,553
Community social investments (e.g. donations, CSR)	946	1,188	17,734

Procurement Practices

Proportion of Spending on Local Suppliers (GRI 204-1)	2023	2022	2021
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	99.16	98.11%	98.85%

Anti-corruption

Trainings on Anti-corruption Policies and Procedures (GRI 205-2)	2023	2022	2021
Percentage of employees who have received written communication about corporate anti-corruption policies and procedures	0%	0%	0%
Percentage of business partners who have received written communication about corporate anti-corruption policies and procedures	0%	0%	0%
Percentage of directors and management who have received anti-corruption training	100%	100%	100%
Percentage of employees who have received anti-corruption training	100%	100%	100%

Incidents of corruption (GRI 205-3)	2023	2022	2021
Number of incidents in which directors were removed or disciplined for corruption	0	0	0
Number of incidents in which employees were dismissed or disciplined for corruption	0	0	0
Number of incidents when contracts with business partners were terminated due to corruption	0	0	0

B. ENVIRONMENT DISCLOSURES**Resource Management**

Energy Consumption (GRI 302-1)	Unit	2023	2022	2021
Gasoline	L	208,445	146,885	147,666
LPG	Kg	197,815	216,061	63,693
Diesel	L	3,328,692	3,098,690	2,187,680
Coal	Tonnes	912,918	741,994	834,216
Electricity (renewable) – common areas	KWH	6,624,488	5,108,971	97,708,037
Electricity (non-renewable) – common areas	KWH	68,431,615	72,400,354	3,836,340
Electricity (renewable) – total area in property mgt + real estate projects	KWH	43,553,016	20,634,302	No disclosure
Electricity (non-renewable) – total area in property mgt + real estate projects	KWH	392,195,256	328,753,142	No disclosure
Electricity (RE & non-RE) – total area in property mgt + real estate projects	KWH	435,748,272	349,387,444	101,544,377

- Electricity reported here is based on common areas for property management
- Diesel in 2023 and 2022 added construction activities, hence the two figures disclosed (no construction data disclosed in 2021)
- Renewables consumption are by FILRT assets and Festival Mall

Energy Consumption (GRI 302-1)	Unit	2023	2022	2021
Gasoline	GJ	7,129	5,023.5	5,050
LPG	GJ	9,752	10,651.8	3,140
Diesel	GJ	128,488	119,609	84,444
Coal	GJ	26,748,490	21,740,424	24,442,529
Electricity (renewable) - common area	GJ	23,848	18,392	371,290
Electricity (non-renewable) - common area	GJ	246,354	260,641	14,578
Electricity (renewable) - total area in property mgt + real estate projects	GJ	156,791	74,284	Not reported
Electricity (non-renewable) - total area in property mgt + real estate projects	GJ	1,411,903	1,183,511	Note reported
Electricity (RE & non-RE) - total area in property mgt + real estate projects	GJ	1,568,694	1,257,795	385,868

- *Conversion to GJ (energy densities): Gasoline – 0.0342 GJ/L; LPG – 0.0493 GJ/kg (in the Phils, LPG is 60% butane (0.0491 GJ/kg) and 40% propane (0.0496 GJ/kg); Diesel – 0.0386 GJ/L; Electricity – 0.0036 GJ per KWH; Coal – 29.3 GJ/tonne*

Water Consumption (GRI 303-5)	Unit	2023	2022	2021
Water used	m ³	472,561,847	413,126,419	481,302,089
Water recycled and reused	m ³	796,947	336,563	505,477

Materials Used (GRI 301-1)	Unit	2023	2022	2021
Materials Used – steel	Tons	15,941	17,315	16,021
Materials Used – cement	Tons	41,573	25,297	26,856
Materials Used – Coal	Tons	912,918	741,994	834,216
Materials Used - Cane	Tons	704,005	784,600	NOT REPORTED
Recycled input materials used to manufacture the organization's primary products and services*	Tons	64	2,087	NOT REPORTED
Percentage of recycled input materials used to manufacture the organization's primary products and services*	%	NIL	4.9%	NOT REPORTED

- ** Construction materials only*

Ecosystems and Biodiversity (GRI 304-1 & 304-3)	2023	2022	2021
Operational sites owned, leased in or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	<p>Filinvest Land's developments are mostly located in highly populated areas where there is no immediate threat of human activity on biodiversity.</p> <p>FDC Utility's Misamis facility is located in an industrial area, adjacent to a river and wetland but is not NIPAS protected.</p> <p>Filinvest Hospitality has two beachfront resorts which have coral reefs in the waters fronting the properties. It also operates a resort in a mountainous area near the Upper Marikina River Basin Protected Landscape.</p>		
Habitats protected or restored	<p>FDC Utilities has adopted a carbon forest of around 215 hectares in Sambulawan, Laguindingan, Misamis Oriental and Maramag, Bukidnon and is developing partnerships with more communities in Mindanao for additional hectares.</p> <p>Crimson Resort and Spa Mactan has adopted 2 hectares of coral reef in front of its property and is currently working to restore parts of it that were damaged by Typhoon Odette in December 2021.</p>		
IUCN Red List species and national conservation list species with habitats in areas affected by operations	<p>None.</p> <p>FDC Utilities has adopted a Philippine Eagle named 'Dagitab', rescued in Misamis Oriental 1984 for a gunshot injury and is now under the care of the Philippine Eagle Center in Davao City.</p>		

Environmental Impact Management

Greenhouse Gas Emissions (GRI 305-1, 305-2, 305-3, 305-6)	Unit	2023	2022	2021
Direct Emissions (Scope 1) – gasoline, diesel, LPG	Tonnes CO ₂ e	12,710	9,053	6,348
Direct Emissions (Scope 1) – coal	Tonnes CO ₂ e	1,751,962	1,423,946	1,600,927
Indirect Emissions (Scope 2) – purchased electricity for common areas in property mgt	Tonnes CO ₂ e	48,737	51,564	69,588
Indirect Emissions (Scope 2) – purchased electricity for total areas in property mgt + projects	Tonnes CO ₂ e	279,321	127,158	Not reported
Total Scope 1 & 2 – common areas in property mgt	Tonnes CO ₂ e	1,810,490	58,941	Not reported
Total Scope 1 & 2 – total areas in property mgt + projects	Tonnes CO ₂ e	2,043,994	1,560,877	Not reported
Indirect Emissions (Scope 3)	Tonnes CO ₂ e	Not reported	Not reported	Not reported
Emissions of ozone-depleting substances (ODS)	Tonnes CO ₂ e	Not reported	Not reported	Not reported

- *GHG Intensity (GRI 305-4) cannot be expressed in terms of product or service because of the diversity of Filinvest businesses.*

Air Pollutant Emissions (GRI 305-7)	Unit	2023	2022	2021
Nitrogen oxides (NOx)	Kg	306,634	105,499	NOT REPORTED
Sulfur oxides (SOx)	Kg	1,893,904	205,575	
Persistent Organic Pollutants (POP)	Kg	N/A	N/A	
Volatile organic compounds (VOC)	Kg	N/A	N/A	
Hazardous air pollutants (HAP)	Kg	N/A	N/A	
Particulate Matter (PM)	Kg	65,720	32,602	

- Includes FDCUI's power plant emissions which are continuous. Only PM, NOx and SOx are deemed significant, as results of tests for other parameters such as heavy metals, HF and H2S are below detection range. Emissions from other Filinvest units are deemed immaterial. Standby genset maintenance by property management units of the real estate business involves turning on the units only for a few minutes; airflow at stacks not enough to yield more than 1 gram of emissions.

Solid Wastes Generation (GRI 306-3, 306-4, 306-5)	Unit	2023	2022	2021
Reusable & Recyclable	Tonnes	242,607	281,837	0.089
Composted	Tonnes	25,910	56,400	0.022
Residuals (Landfilled)	Tonnes	13,975	13,055	18,856
Total non-hazardous wastes	Tonnes	256,355	311,644	18,856

- Previous years did not report the waste byproducts of the power plant and sugar businesses.

Hazardous Wastes (GRI 306-4, 306-5)	Unit	2023	2022	2021
Hazardous wastes generated	Tonnes	312	182,558	28,734
Hazardous wastes transported and treated	Tonnes	16	17,475	7,882

Effluents (GRI 303-4)	Unit	2023	2022	2021
Wastewater generated	m ³	471,247,918	410,616,016	
Treated wastewater discharged	m ³	470,042,401	410,279,453	481,377,387
Treated wastewater reused	m ³	796,947	336,563	
Percent of effluent recycled	m ³	0.17%	18% (excluding cooling water, see note below)	1.05%

- The bulk of the used water generated is the cooling water of FDC Misamis that is discharged out to sea, approx. 98.95% of the total used water of the Group. The wastewater generated from other units is 1,871,114 m³, and 18% of the treated effluent is reused for landscape irrigation or recycled back into the industrial process units.

Environmental Compliance (GRI 30)	Unit	2023	2022	2021
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	PHP	0	0	0

C. SOCIAL PERFORMANCE

Employee Management

Employee Hiring and Benefits	2023			2022			2021		
	Total	M	F	Total	M	F	Total	M	F
Total number of regular employees	76 (FDC)	25 (FDC)	51 (FDC)	59 (FDC)	19 (FDC)	40 (FDC)	45 (FDC)	18 (FDC)	27 (FDC)
	12,979 (Group-wide)	5,581 (Group-wide)	7,398 (Group-wide)	12,650 (Group-wide)	5,743 (Group-wide)	6,907 (Group-wide)	11,514 (Group-wide)	5,109 (Group-wide)	6,405 (Group-wide)
Voluntary attrition rate	25% (FDC) 18% (Group-wide)			5% (FDC) 23% (Group-wide)			0% (FDC)		
Ratio of lowest paid employee against minimum wage	1.04			1.07			NOT REPORTED		

- Employment figures are based on end of year. Seconded employees from parent companies are not double counted.

Employee Training and Development

Employee Training and Development (GRI 404-1)	2023			2022			2021		
	Total	M	F	Total	M	F	Total	M	F
Total training hours provided to employees	896,868	281,922	614,946	390,686	216,428	174,259	33,525.93	15,427.19	18,098.73
Average training hours provided to employees	52.59	46.40	56.02	44.96	66.29	32.12	3.07	3.51	2.77

- 2022 and 2023 disclosures include EastWest Bank data; previous years' disclosures do not include EastWest Bank.

Labor Management Relations

Labor Management Relations	2023			2022			2021		
	Total	M	F	Total	M	F	Total	M	F
% of employees covered by Collective Bargaining Agreements	130			136*			0		
Number of consultations conducted with employees concerning employee related policies	2			3,130** (count of employees, not events)			23		

- * In 2022, Davao Sugar entered into a CBA with its employees' union. This is the only duly recognized workers' union in the Filinvest Group as of the end of 2023.
- ** Count of employees involved, not events.

Diversity and Equal Opportunity

Diversity and Equal Opportunity (GRI 405-1)	2023			2022			2021		
	Total	M	F	Total	M	F	Total	M	F
% of Board members by gender*	100%	57%	43%	100%	50%	50%	100%	50%	50%
% of executives by gender (FDC)*	100%	52%	48%	100%	50%	50%	100%	52%	48%
% of executives by gender (Group-wide)*	100%	50.1%	49.9%	100%	51.2%	48.8%	386	49.2%	50.8%
% of workers in the workforce by gender	100%	43.1%	56.9%	100%	45.4%	54.6%	100%	41%	59%
Number of employees from indigenous communities and/or vulnerable sector	1	1**	0	1	1	0	--	0	0

- * Gender distribution at Board and executive level were not disclosed in previous years. 2021 and 2022 figures are re-statements.
- ** One deaf & mute as regular staff (interpreter) in Quest Hotel Cebu, with 3 more engaged by service providers.

Workplace Conditions and Occupational Health and Safety

Occupational Health and Safety	2023	2022	2021
Safe manhours (employees)	29,155,505	22,052,495	5,452,802
Safe manhours (service providers)	39,610,397	NOT REPORTED	NOT REPORTED
Safe manhours (project contractors)	20,052,239	14,766,421	NOT REPORTED
Number of work-related injuries	12	4	7
Number of work-related fatalities	0	0	0
Number of work-related ill-health	2	0	0
Number of safety drills	1,602	460	NOT REPORTED

- Starting in the 2022 report, FDC tracks safety data of employees assigned to FLI & FAI projects, CWSI operations and EastWest, as well as safe manhours of the project contractors. In 2023, FDC started tracking the safe manhours of support service providers.

Labor Standards and Human Rights

Labor Laws and Human Rights	2023	2022	2021
Policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying in the workplace)	4	4	4
Number of legal actions or employee grievances involving forced or child labor	0	0	0

Relationship with Community

Significant Impacts on Local Communities	2023	2022	2021
For operations affecting IPs, total number of Free and Informed Prior Consent (FPIC) consultations and Certification Preconditions (CPs) secured	0	0	0

Customer Management

Customer Satisfaction	2023	2022	2021
Customer Satisfaction Score	Due to the diversity in Filinvest's operations, customer satisfaction scores are reported by the business units in their own disclosures, e.g. EastWest, Filinvest Land & Filinvest Hospitality.		

Product/Service Health and Safety	2023	2022	2021
Number of substantiated complaints on product or service health and safety	FDC does not have direct engagements with customers of its subsidiaries. The publicly listed subsidiaries and the hospitality group make disclosures on this material topic.		
Number of complaints addressed			

Marketing and Labeling	2023	2022	2021
Number of substantiated complaints on product or service health and safety	FDC does not have direct engagements with customers of its subsidiaries. The publicly listed subsidiaries and the hospitality group make disclosures on this material topic.		
Number of complaints addressed			

Customer Privacy	2023	2022	2021
Number of substantiated complaints on customer privacy	FDC does not have direct engagements with customers of its subsidiaries. The publicly listed subsidiaries and the hospitality group make disclosures on this material topic.		
Number of complaints addressed			
Number of customers, users and account holders whose information is used for secondary purposes			

Data Security

Data Security	2023	2021	2020
Number of data breaches, including leaks, thefts and loss of data	0	0	0

SEC Content Index

Disclosures	Reporting Location	Remarks / Explanation
Company Details		
Name of Organization		Filinvest Development Corporation
Location of Headquarters		6th Floor, The Beaufort 5th Ave, Bonifacio Global City, Taguig
Location of Operations		Philippines
Report Boundary: Legal entities included in this report		FDC, FLI (incl. FILRT), FAI, FHC, FDCUI, PSHC, EW
Business Model	About This Report	Property Development and Operations, Hospitality, Utilities, Sugar & Financial Services
Reporting Period		January 1 to December 31, 2023
Highest Ranking Person for this report		Mark Mulingbayan, Chief Sustainability Officer, sustainability@filinvestgroup.com

A. Economic Disclosures		Reporting Location	Remarks / Explanation
Economic Performance			
Direct Economic Value Generated and Distributed			
General Disclosures	Management Approach	Sustainability Framework	
	The Impact and Where it Occurs	'Inclusive' Section – Serving the Underserved	
	Stakeholders Affected		
KPIs	Direct economic value generated (Revenue)	EESG Index	
	Direct economic value distributed		
Climate-Related Risks and Opportunities			
General Disclosures	Governance	Sustainability Framework, particularly on Green Designs and Net Zero	
	Strategy		
	Risk Management		
	Metrics and Targets	'Green' Section – Net Zero	
Procurement Practices			
Proportion of Spending on Local Suppliers			
General Disclosures	Management Approach	'Inclusive' Section – Engaging with Communities	
	The Impact and Where it Occurs		
	Stakeholders Affected	EESG Index	
KPI	Percentage of procurement budget used for significant locations of operations that is spent on local suppliers		
Anti-Corruption			
Training on Anti-Corruption Policies and Procedures			
General Disclosures	Management Approach	Corporate Governance	More information can be found in the Corporate Governance disclosures in the Integrated Report
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Percentage of employees who have received written communication about corporate anti-corruption policies and procedures		
	Percentage of business partners who have received written communication about corporate anti-corruption policies and procedures		
	Percentage of directors and management who have received anti-corruption training		
	Percentage of employees who have received anti-corruption training		

A. Economic Disclosures		Reporting Location	Remarks / Explanation
Incidents of Corruption			
General Disclosures	Management Approach	Corporate Governance	More information can be found in the Corporate Governance disclosures in the Integrated Report
	The Impact and Where it Occurs	EESG Index	
	Stakeholders Affected		
KPIs	Number of incidents in which directors were removed or disciplined for corruption		
	Number of incidents in which employees were dismissed or disciplined for corruption		
	Number of incidents when contracts with business partners were terminated due to corruption		

B. Environment Disclosures		Reporting Location	Remarks / Explanation
Resource Management			
Energy consumption within the organization and Reduction of Energy Consumption			
General Disclosures	Management Approach	Sustainability Framework	'Green' Section – Green Designs and Net Zero
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Energy consumption - by fuel type		
	Energy reduction - by fuel type		
Water consumption within the organization			
General Disclosures	Management Approach	Sustainability Framework	'Green' Section – Green Designs and Circular Economy
	The Impact and Where it Occurs		
	Stakeholders Affected		
	ESG Risks and Opportunities		
KPIs	Water consumption within the organization		
	Water withdrawal		
	Water consumption		
	Water recycled and reused		

B. Environment Disclosures		Reporting Location	Remarks / Explanation
Materials Used by the Organization			
General Disclosures	Management Approach	EESG Index	
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Materials used by weight or volume		
	Percentage of recycled input materials used to manufacture the organization's primary products and services		
Ecosystems and Biodiversity			
General Disclosures	Management Approach	Sustainability Framework	
	The Impact and Where it Occurs	'Green' Section of the report	
	Stakeholders Affected	EESG Index	
KPIs	Operational sites owned, leased in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		
	Habitats protected or restored		
	IUCN Red List species and national conservation list species with habitats in areas affected by operations		
Environmental Impact Management			
Air Emissions - Green House Gasses (GHG)			
General Disclosures	Management Approach	Sustainability Framework	
	The Impact and Where it Occurs	'Green' Section – Net Zero	
	Stakeholders Affected	Risk Management section	
	ESG Risks and Opportunities		
KPIs	Direct (Scope 1) GHG Emissions		
	Energy indirect (Scope 2) GHG Emissions		
	Emissions of ozone-depleting substances (ODS)	--	Not material.
Air Pollutants			
General Disclosures	Management Approach	EESG Index	Emissions from the gensets in property management of the real estate subsidiary are deemed negligible. Gensets are only turned on for preventive maintenance since 2023 did not witness extensive power outages.
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Nitrogen oxides (NOx)		The power plant in Misamis has a continuous emissions monitoring system that tracks particulate matter, SOx and NOx.
	Sulfur oxides (SOx)		
	Persistent organic pollutants (POPs)		
	Volatile organic compounds (VOCs)		
	Hazardous air pollutants (HAPs)		
	Particulate matter (PM)		

B. Environment Disclosures		Reporting Location	Remarks / Explanation
Solid Waste			
General Disclosures	Management Approach	'Green' section – Circular Economy	
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPI	Total solid waste generated - by type	EESG Index	
Hazardous Waste			
General Disclosures	Management Approach	'Green' section – Circular Economy	
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Total weight of hazardous waste generated	EESG Index	
	Total weight of hazardous waste transported		
Effluents			
General Disclosures	Management Approach	'Green' section – Circular Economy	
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Total volume of water discharges	EESG Index	
	Percent of wastewater recycled		
Environmental Compliance			
Non-compliance with environmental laws and regulations			
General Disclosures	Management Approach	EESG Index	
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Total amount of monetary fines for non-compliance with environmental laws and/or regulations		
	Number of non-monetary sanctions for non-compliance with environmental laws and/or regulations		
	Number of cases resolved through a dispute resolution mechanism		

C. Social Disclosures		Reporting Location	Remarks / Explanation
Employee Management			
Employee Hiring and Benefits			
General Disclosures	Management Approach	'Inclusive' section – Nurturing Talent	
	The Impact and Where it Occurs		
KPIs	Total number of employees	EESG Index	
	Attrition rate		
	Ratio of lowest paid employee against minimum wage		
	List of employee benefits		
Employee Training and Development			
General Disclosures	Management Approach	'Inclusive' section – Nurturing Talent	
	The Impact and Where it Occurs		
KPIs	Total training hours provided to employees (by male/female)	EESG Index	
	Average training hours provided to employees (by male/female)		
Labor Management Relations			
General Disclosures	Management Approach	EESG Index	
	The Impact and Where it Occurs		
KPIs	% of employees covered by Collective Bargaining Agreements		
	Number of consultations conducted with employees concerning employee-related policies		
Diversity and Equal Opportunity			
General Disclosures	Management Approach		
	The Impact and Where it Occurs		
KPIs	% of female workers in the workforce	EESG Index	
	% of male workers in the workforce		
	Number of employees from indigenous communities and/or vulnerable sector		
Workplace Conditions, Labor Standards, and Human Rights Occupational Health and Safety			
General Disclosures	Management Approach	'Inclusive' section – Nurturing Talent	
	The Impact and Where it Occurs		
KPIs	Safe Man-Hours	EESG Index	
	No. of work-related injuries		
	No. of work-related fatalities		
	No. of work-related ill-health		
	No. of safety drills		

C. Social Disclosures		Reporting Location	Remarks / Explanation
Labor Laws and Human Rights			
General Disclosures	Management Approach	EESG Index	
	The Impact and Where it Occurs		
KPIs	Policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace		
	No. of legal actions or employee grievances involving forced or child labor		
Supply Chain Management			
Supplier Accreditation and Screening			
General Disclosures	Management Approach	'Inclusive' section: Engaging Communities	
	The Impact and Where it Occurs		
KPIs	Supplier Accreditation Policy		
	Sustainability Topics Considered When Selecting/Screening Suppliers		
Relationship with Community			
Significant Impacts on Local Communities			
General Disclosures	Management Approach	'Inclusive' section: Engaging Communities	
	The Impact and Where it Occurs		
KPIs	Operations with significant impacts on local communities (by location, vulnerable group/indigenous people (IPs))		
	Mitigating measures (if negative) or enhancement measures (if positive)		
	For operations affecting IPs, total number of Free and Prior Informed Consent (FPIC) consultations and Certification Preconditions (CPs) secured		
Customer Management			
Customer Satisfaction			
General Disclosures	Management Approach	EESG Index	FDC does not engage directly with customers. The listed subsidiaries and the hospitality group make disclosures on this material topic.
	The Impact and Where it Occurs		
KPI	Customer Satisfaction Score(s)		

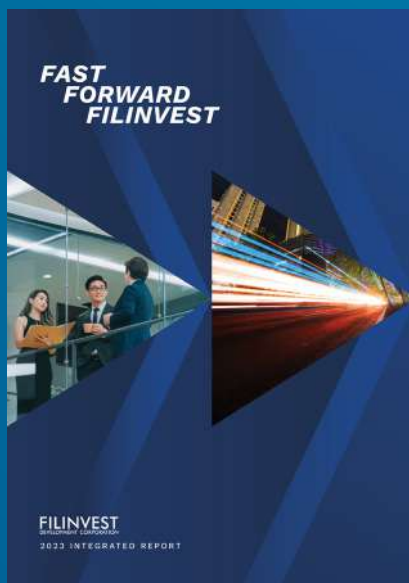
C. Social Disclosures		Reporting Location	Remarks / Explanation
Health and Safety			
General Disclosures	Management Approach	EESG Index	FDC does not engage directly with customers. The listed subsidiaries and the hospitality group make disclosures on this material topic.
	The Impact and Where it Occurs		
KPIs	Number of substantiated complaints on product or service health and safety		
	Number of complaints addressed		
Marketing and Labelling			
General Disclosures	Management Approach	EESG Index	FDC does not engage directly with customers. The listed subsidiaries and the hospitality group make disclosures on this material topic.
	The Impact and Where it Occurs		
KPIs	Number of substantiated complaints on marketing and labelling		
	Number of complaints addressed		
Customer Privacy			
General Disclosures	Management Approach	EESG Index	FDC does not engage directly with customers. The listed subsidiaries and the hospitality group make disclosures on this material topic.
	The Impact and Where it Occurs	Risk Management section	
KPIs	Number of substantiated complaints on customer privacy		
	Number of complaints addressed		
	Number of customers, users and account holders whose information is used for secondary purposes		
Data Security			
General Disclosures	Management Approach	EESG Index	
	The Impact and Where it Occurs	Risk Management section	
KPI	No. of data breaches, including leaks, thefts and losses of data		



Fast Forward

The Filinvest group aims to be both agile and excellent in everything it does.

In 2023, it moves fast forward, further enabling Filipinos to achieve their dreams.





FILINVEST

DEVELOPMENT CORPORATION

6F The Beaufort
5th Avenue corner 23rd Street
Bonifacio Global City
1634 Taguig City
Metro Manila, Philippines

(632) 7798-3977

www.filinvestgroup.com