LT GROUP, INC.

Driving New Possibilities

2025 Sustainability Report

How to Read This Report

This Sustainability Report is designed to guide readers through LT Group, Inc.'s (LTG) sustainability performance and disclosures in a clear and accessible manner. It follows the Global Reporting Initiative (GRI) Standards 2021 and the International Sustainability Standards Board (ISSB) frameworks, i.e., IFRS S1, IFRS S2, and relevant SASB metrics. Each section corresponds to one of LTG's sustainability pillars, and indicators are referenced throughout the text using their respective disclosure codes (e.g., GRI 302-1, IFRS S2 – Metrics and Targets).

Readers seeking detailed disclosure mappings can refer to the GRI Content Index and ISSB Cross-Reference Table at the end of the report for easier navigation and comparison across frameworks.

About the Theme

Driving New Possibilities represents LT Group Inc. ("LTG," the "Group," "Company)'s ensuring commitment to redefine growth through innovation, resilience and shared value. This is our forward-looking mindset anchored in sound governance, strategic foresight, and a deep responsibility towards society and the environment, embodying our vision of a future where every step forward contributes to lasting, inclusive, and transformative growth.

Reporting Scope and Boundaries

GRI 2-2, 2-3, 2-5

This Sustainability Report covers the period January 1 to December 31, 2025, and presents the sustainability performance of LT Group, Inc. (LTG) and its major subsidiaries: Asia Brewery, Inc. (Asia Brewery), Eton Properties Philippines, Inc. (Eton),Philippine National Bank (PNB), PNB Holdings Corporation (PNB Holdings), and Tanduay Distillers, Inc. (Tanduay). Select disclosures from Tan Yan Kee Foundation, Inc. (TYKFI) and PMFTC, Inc., are included to the extent applicable. PMFTC, which operates under the management of Philip Morris International Inc. (PMI), maintains its own sustainability reporting, and its broader environmental and social disclosures are published separately by PMI.

Reporting Guidelines and Standards

Our commitment to global sustainable development is reflected in our adherence to internationally recognized reporting frameworks. We uphold transparency, accuracy, and accountability as the cornerstones of our sustainability disclosures, ensuring that our progress is both measurable and aligned with global best practices.

This report has been prepared in reference to the following standards and frameworks:

- Global Reporting Initiative (GRI) Standards 2021
- Sustainability Accounting Standards Board (SASB) metrics
- IFRS S1 – *General Requirements for Disclosure of Sustainability-related Financial Information*
- IFRS S2 – *Climate-related Disclosures*
- Securities and Exchange Commission (SEC) Sustainability Reporting Guidelines for Publicly Listed Companies
- United Nations' Sustainable Development Goals (SDGs)

Reporting Process and Methodology

1

Identification of Material Topics

The foundation of this report lies in LTG's materiality assessment, which identifies the economic, environmental, social, and governance topics most relevant to the Group's operations and stakeholders. Material issues were reviewed against global sustainability standards and the Group's strategic priorities to ensure that disclosures reflect both the significance of impacts and their influence on enterprise value. This process also considered stakeholder expectations and emerging sustainability risks across LTG's diverse business portfolio. More information can be found under page 22.

2

Data Collection and Validation

Each subsidiary contributed quantitative and qualitative information through standardized reporting templates. These inputs were consolidated by the LTG sustainability team. The data collection process was supported by collaboration among sustainability focal points, compliance teams, and management representatives from all operating units.

3

Financial and Non-Financial Data Disclosure

The financial data presented in this report are based on LTG's audited consolidated financial statements audited by SGV & Co. The non-financial data, while not externally assured, underwent systematic internal verification to confirm reliability and completeness. These disclosures encompass key performance indicators covering environmental efficiency, social responsibility, and governance practices.

4

Validation and Review

All reported information was subjected to internal validation by LTG's business units, with oversight from the Corporate Governance and Sustainability Committee. This multi-level review process ensures alignment with LTG's reporting boundaries, governance principles, and strategic objectives, reinforcing the integrity of the information presented.

5

Publication

This report is prepared in reference with the international reporting standards and frameworks as well as local reporting guidelines aforementioned in the previous section. It is published annually to communicate LTG's sustainability performance, progress, and direction with transparency and accountability to its stakeholders.

Contents

About the LT Group

GRI 2-1

Vision

To be a world-class conglomerate at the forefront of Philippine economic growth, successfully maintaining a strong presence and dominant position in key Philippine industries while driving sustainable progress. We aim to create lasting value for our consumers, communities, employees, partners, and shareholders through responsible leadership, environmental stewardship, and inclusive practices that benefit both current and future generations.

Mission

Anchored to its Vision, the LT Group, Inc. commits:

- To increase stockholder values through long-term and sustainable growth in its major business groups, fostering resilience and innovation in response to environmental and social challenges.
- To continuously improve the value of its products and services while ensuring sustainable sourcing, production, and distribution, providing consumers with more environment-friendly and responsible choices.
- To build the largest, most effective distribution network with a focus on minimizing environmental impact and maximizing accessibility, thereby contributing to the sustainable development of communities.
- To leverage synergies across our businesses to not only improve revenues and cost structure but also reduce waste, energy consumption, and carbon footprint.
- To enhance the welfare of its employees and the communities by fostering an inclusive, equitable, and safe working environment, promoting human rights, and actively contributing to the sustainable development of the communities where we operate.

Our Logo

LTG's logo is a visual expression of the company's enduring strength, unity, and heritage. Crafted with deliberate symmetry, it features a stylized tree, its balanced lines and flowing curves evoking both harmony and vitality. The design draws inspiration from Eastern aesthetics, reflecting LTG's Chinese roots while embodying universal values of growth and renewal.

The tree serves as a symbol of life and resilience, its branches representing the Group's diverse subsidiaries and their shared pursuit of sustainable progress. Encircled by two rings, the inner circle signifies continuity and the preservation of LTG's core values, while the outer circle conveys cohesion and collective purpose: the unity that connects every part of the organization in driving long-term value and shared prosperity.

Organization and Individual Memberships and Associations

GRI 2-28

Asia Brewery

1. Cabuyao River Protection Advocates (CaRPA), *Member*
2. ALPrESH - Advocates, Leaders and professionals in Environment, Safety and Health under Association of Safety and Heath Practitioner (ASPPI), *Member*
3. People Management Association of the Philippines (PMAP), *Member*
4. Employers Confederation of the Philippines (ECOP), *Member*
5. Philippine Society for Training and Development (PSTD), *Member*
6. Semiconductor and Electronics Industries in the Philippines (SEIPI), *Member*
7. International Bottled Water Association Certificate of Membership, *Member*

Eton

1. Philippine Society for Talent and Development, *Member*
2. Employees Confederation of the Philippines, *Member*
3. Philippine Association of National Advertisers, *Member*
4. IT & Business Process Association of the Philippines, *Member*
5. Urban Land Institute, *Member*
6. Net Zero Carbon Alliance, *Member*

PNB

1. ACI Philippines, The Financial Markets Association Inc.
2. Analytics and Artificial Intelligence Association of the Philippines (AAIAP)
3. Asian Bankers Association (ABA)
4. Association of Bank Remittance Officers (ABROI)
5. Association of Bank Compliance Officers (ABCOMP)
6. Association of Certified Anti-Money Laundering Specialists (ACAMS)
7. Association of Certified Fraud Examiners (ACFE)
8. Association of Philippine Correspondent Bank Officers, Inc. (APCBOI)
9. Bank Marketing Association of the Philippines (BMAP)
10. Bank Security & Management Association Inc. (BSMA)
11. Bankers Association of the Philippines (BAP)
12. Bankers Institute of the Philippines (BAIPHIL)
13. BAP Credit Bureau, Inc (BAPCBI)
14. BAP Data Exchange, Inc. (BAPDEX)
15. British Chamber of Commerce Philippines (BCCP)
16. Business Continuity Managers Association of the Philippines (BCMAP)
17. Business for Sustainable Development
18. Butuan City Bankers Club
19. Cebu Chamber of Commerce & Industry, Inc.
20. Chamber of Commerce of the Philippine Islands (CCPI)
21. CFA Institute
22. Clearing Officers Club Inc. (COCI)
23. Credit Card Association of the Philippines (CCAP)
24. Credit Management Association of the Phils., Inc. (CMAP)
25. Employers Confederation of the Philippines (ECOP)
26. European Chamber of Commerce of the Philippines (ECCP)
27. Federation of Philippine Industries, Inc. (FPI)
28. Federation of Filipino-Chinese Chambers of Commerce and Industry, Inc. (FFCCCII)
29. Financial Executives Institute of the Philippines (FINEX)
30. Fintech Alliance Ph
31. Fund Managers Association of the Philippines (FMAP)
32. Good Governance Advocates and Practitioners of the Philippines (GGAPP)
33. Information Systems Audit and Control Association (ISACA)
34. Institute of Corporate Directors
35. Institute of Internal Auditors of the Philippines
36. Institute of Internal Controls Audit (IICA)
37. Integrated Bar of the Philippines (IBP)
38. International Association of Privacy Professionals (IAPP)
39. Japanese Chamber of Commerce & Industry of the Philippines, Inc.
40. Malaybalay Bankers Association
41. Management Association of the Philippines (MAP)
42. Money Market Association of the Philippines (MART)
43. National Association of Securities Broker Salesmen, Inc. (NASBI)
44. People Management Association of the Philippines, Inc. (PMAP)
45. Philippine Association of National Advertisers, Inc. (PANA)
46. Philippine Business Coalition for Women Empowerment (PBCWE)
47. Philippine Chamber of Commerce & Industry (PCCI)
48. Philippine Dealing & Exchange Corporation (PDEX)
49. Philippine Institute of Certified Public Accountants (PICPA)
50. Philippine Payments Management, Inc. (PPMI)
51. Philippine Women's Economic Network
52. Pampanga Chamber of Commerce
53. Southern Bukidnon Bankers Association
54. Tax Management Association of the Philippines (TMAP)
55. Trust Officers Association of the Philippines (TOAP)

PNB Holdings

1. Makati Central Estate Association, Inc. (MACEA), *Member*
2. Financial Executives Institute of the Philippines (FINEX), *Member*
3. Urban Land Institute Philippines, *Member*

Tanduay

1. Employers Confederation of the Philippines (ECOP), *Member*
2. Management Association of the Philippines, *Member*
3. Distilled Spirits Association of the Philippines, *Member*
4. Ethanol Producers Association of the Philippines, *Member*

Awards and Recognition

LTG (Parent Company)

1. Two Golden Arrows Award – Conferred by the ASEAN Corporate Governance Scorecard (ACGS)
2. Forbes' Best Employers List (Ranked #421) – Included in the Forbes Best Employers ranking
3. One of the Best-Performing Blue-Chip Stocks – Philippine Stock Exchange index (PSEi), Year-to-Date Gain: +43.4%

Asia Brewery

1. Sustainable Development Partner, Sta. Rosa City Green Awards (Laguna)
2. Earth Hour Advocate, Sta. Rosa City Green Awards (Laguna)
3. Gold Trophy and Certificate of Recognition - El Salvador Plant, 2025 World Day for Safety and Health at Work
4. LLDA Bantayog ng Lawa Awards, Cabuyao River Protection Advocate (CaRPA)

Eton

1. 2025 FIABCI Philippines Property and Real Estate Excellence Awards Mixed Use Category GOLD - Eton Tower Makati
2. 2025 FIABCI Philippines Property and Real Estate Excellence Awards Retail Category GOLD - Eton City Square
3. 2025 FIABCI Philippines Property and Real Estate Excellence Awards Master-planed Community Category SILVER - Eton City
4. 2025 FIABCI Philippines Property and Real Estate Excellence Awards Office Category SILVER - Centris Cyberpod Five
5. Hubexo Awards Top Ten Developers 2025
6. 2025 Lion Awards for Business in Sta. Rosa, Laguna, Eton City, Inc. (ECI) #1 Taxpayer
7. 2025 Lion Awards for Business in Sta. Rosa, Laguna, Belton Communities, Inc. (BCI) #9 Taxpayer.
8. Top 7 Largest Office Developer in Metro Manila
9. 2025 Carousell Property Awards – Special Award for Sustainability Leadership in Real Estate (Beyond Green Initiative)
10. 2025 Carousell Property Awards – Excellence in Brand Transformation (Eton Beyond18 Anniversary Campaign)

PNB

1. 4-Golden Arrow Awardee - ASEAN Corporate Governance Scorecard (ACGS) 2025 Golden Arrow Awards
2. Best Bank for Investment Research in the Philippines - Euromoney Private Banking Awards 2025
3. PNB Capital and Investment Corporation, Renewable Energy Deal of the Year-Solar - The Asset Country Awards 2025
4. PNB Capital and Investment Corporation, Renewable Energy Deal of the Year-Rooftop Solar - The Asset Country Awards 2025
5. Best Sustainability Bond: Financial Institution Award for US$300 million Sustainability Bond - The Asset Triple A Awards 2025
6. PNB Capital and Investment Corporation, Best IPO for Citicore Renewable Energy Corporation (CREC) 5.3 billion pesos IPO - The Asset Triple A Awards 2025
7. Intermediate Term Bond Fund Category: PNB Profit Peso Bond Fund - Chartered Financial Analyst Society of the Philippines Best Managed Fund 2025
8. Top 100 Learning and Development Teams Awardee – Recognized with Microsoft, PepsiCo, American Airlines, and Deloitte
9. Top 50 Learning & Development Team Winners (OnCon Icon Awards 2025) – Featured alongside Apple, Amazon, 7-Eleven, and Grant Thornton)
10. THE ASSET Benchmark Research Awards 2025
    - Ranked #1 Fixed Income Individual (G3 Bonds Category) – Albert Joseph Hampton, Trading Head, PNB Trust Banking Group
    - Ranked #2 Fixed Income Individual (Local Currency Bonds Category) – Albert Joseph Hampton, Trading Head, PNB Trust Banking Group
    - Ranked #3 Fixed Income Investment House (G3 Bonds Category) – PNB Trust Banking Group
    - Highly Commended Investment House (Local Currency Bonds Category) – PNB Trust Banking Group
11. International Business Magazine Awards 2025
    - Best Mobile Banking Experience Philippines for PNB Digital
    - Best Sustainability Bond Offering Philippines for the US$300 million Sustainability Bond

PNB Holdings

1. Gold and Silver Awards, *BusinessWorld Best Places to Work for 2025*

Tanduay

1. San Francisco World Spirits Competition
    - Silver Medal – Tanduay 10 Year Old Rum
2. Miami Global Spirits Awards
    - Gold Medal – Tanduay Asian Rum Silver
    - Silver Medal – Tanduay Asian Rum Gold
    - Silver Medal – Tanduay 10 Year Old Rum
    - Silver Medal – Tanduay Double Rum
    - Bronze Medal – Tanduay Especia Spiced Rum
3. Asia Spirits Ratings
    - Double Gold Medal – Tanduay Especia Spiced Rum
    - Commendation: Rum of the Year – Tanduay Especia Spiced Rum
    - Commendation: Best Spirit by Value – Tanduay Especia Spiced Rum
    - Silver Medal – Tanduay Double Rum
    - Silver Medal – Tanduay Asian Rum Gold
    - Silver Medal – Tanduay 10 Year Old Rum
    - Bronze Medal – Tanduay Overproof Rum
    - Bronze Medal – Tanduay Asian Rum Silver
    - Bronze Medal – Embassy Premium Whisky
    - Bronze Medal – Tanduay Rum 1854
    - Bronze Medal – Tanduay Superior Rhum
    - Bronze Medal – Tanduay Select Blended Rum
    - Bronze Medal – Tanduay Rhum Light
    - Bronze Medal – Tanduay Dark Rhum

4. International Spirits Competition by Enthusiast Magazine
    - Double Gold Medal – Tanduay Double Rum
    - Gold Medal – Tanduay 10 Year Old Rum
    - Gold Medal – Tanduay Asian Rum Gold
    - Gold Medal – Tanduay Overproof Rum
    - Silver Medal – Tanduay Asian Rum Silver
5. World Spirits Competition by Cigar & Spirits
    - Gold Medal – Tanduay Double Rum
    - Gold Medal – Tanduay 10 Year Old Rum
6. Proof Awards
    - Gold Medal – Tanduay Overproof Rum
    - Double Gold Medal (Design Competition) – Tanduay Overproof Rum
    - Silver Medal – Tanduay 10 Year Old Rum
    - Gold Medal (Design Competition) – Tanduay 10 Year Old Rum

ISO and Other Certifications

Asia Brewery

- ISO 9001:2015

1. Good Manufacturing Practice Certificate

- Company Halal Certification
- ISO 50001 Energy Management System
- Food Safety System Certification
- Hazard Analysis Critical Control Points (HACCP)
- Halal Product Certificate
- Nestle FSQMS Market Verification Report
- Supplier Guiding Principles
- Forest Stewardship Council of Custody
- Sunkist Growers Inc. Supplier Quality Audit Report
- Customer Audits (Jolibee, Macro Asia Corp.)
- Customer Audit (Shakeys Pizza Asia Ventures Inc.)

PNB

- ISO/IEC 27001:2022

Tanduay

- Cabuyao Plant: ISO 9001 :2015 Certificate Registration No.
  TUV 100 05 3932
  FDA : Certificate of Current Good Manufacturing Process

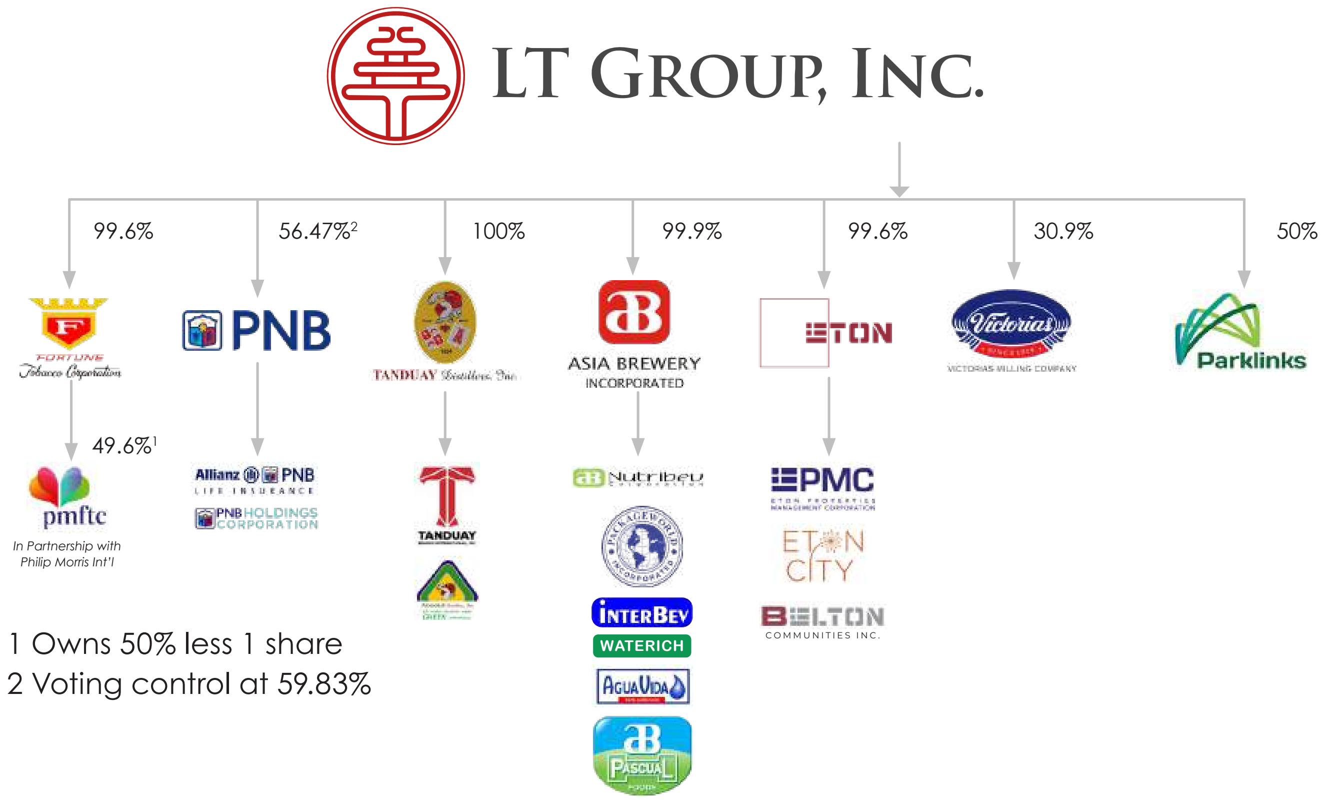
- Murcia Plant: ISO 9001 :2015 Certificate Registration No.
  TUV 100 05 5042
  FDA : Certificate of Current Good Manufacturing Process

- El Salvador Plant: ISO 9001 2015 Certificate Registration No.
  TUV 100 05 5082

Inside LTG's Value Chain

GRI 2-6

Our operations as a diversified conglomerate span banking and financial services, beverages, distilled spirits, real estate, and tobacco, a structure that enables collaboration, efficiency, and resilience across multiple industries. This integrated network allows each subsidiary to operate independently while contributing to the collective strength and sustainability of the Group.



1 Owns 50% less 1 share
2 Voting control at 59.83%

Group Structure and Integration

1

The corporate framework emphasizes close coordination between the parent company and its subsidiaries, ensuring consistent governance and strategic direction. Each subsidiary, except Victoria Milling Company, Inc. and ALI-Eton Development Corporation, manages its own network of sub-entities, extending operational reach and influence across the Philippine economy.

Several business units have adopted vertically integrated systems, combining sourcing, production, and distribution under unified management. This integration enhances supply chain efficiency, strengthens quality control, and reduces operational risks, reflecting the Group's commitment to resilience and streamlined performance.

Evolution and Expansion

2

The Group's transformation into a multi-industry enterprise began in 2012, when the company, then known as Tanduay Holdings, Inc. (THI), diversified its portfolio through strategic acquisitions, including Fortune Tobacco Corporation (FTC), Philippine National Bank (PNB), Allied Banking Corporation, Asia Brewery, Inc. (ABI), and Eton Properties Philippines, Inc. (EPPI). This pivotal move led to its rebranding as LT Group, Inc., marking its emergence as one of the Philippines' largest conglomerates.

Ownership remains primarily within the Lucio C. Tan Group, with Tangent Holdings Corporation serving as the ultimate parent company, holding a 74.36% ownership stake. The majority of LTG's shares are held by Dr. Lucio C. Tan, his family, and assignees.

Subsidiary Roles Across the Value Chain

3

Philippine National Bank (PNB): Provides banking and financial services that promote inclusion, stability, and economic development.

Asia Brewery, Inc. (ABI): Produces and distributes beverages with a focus on operational efficiency, responsible sourcing, and packaging innovation.

Tanduay Distillers, Inc.: Manufactures world-renowned spirits using quality-driven and customer-focused production processes that undergo continuous improvement to attain a high level of operating efficiency.

Eton Properties Philippines, Inc. (EPPI) and **PNB Holdings Corporation:** Develop and manage commercial, residential, and mixed-use properties, with a focus on resilient operations, customer experience, and progressive integration of sustainability measures across existing assets.

PMFTC, Inc.: Operate in the tobacco manufacturing and distribution sector under the management of Philip Morris International (PMI), whose sustainability disclosures are published separately.

Operational Synergy and Outlook

4

Through its interconnected structure and vertically integrated supply chains, the Group achieves efficiency, agility, and strategic cohesion across its businesses, reinforcing our ability to adapt to shifting economic landscapes, manage risks effectively, and maintain operational excellence.

Creating Lasting Impact Through Value Creation

Our Value Creation Model illustrates how the Group transforms its diverse capital of financial, manufactured, intellectual, human, social, and natural capital into long-term value for our stakeholders. It reflects the interconnection between governance, strategy, and operations, showing how inputs are converted into outputs and outcomes that sustain both business growth and societal progress.

Our Value Creation Model

Input

Financial
- Php 46.07 billion operating costs
- Php 30.98 billion net income

Intellectual
- Php 519.68 million total investment for Digital Transformation Initiatives
- Php 2.95 billion total IT-related CAPEX Budget
- PNB Holdings completed foundational digital initiatives by migrating to SAP S/4HANA Cloud
- PNB conducted 27 batches of training through the AI Proficiency and Excellence Academy (APEX)
- Eton digitalized property management and marketing through MyEPMC, the DMC Hub, and migration to Microsoft Azure.

Manufactured
- 1,585 ATMs, 145 CAMs, 102 CCAMs, and 6,953 POS Terminals

Human
- 13,063 Total Employees
- 46.59% Male and 53.41% Female
- 425,157 Total Training Hours
- 3,111 Total no. of trainings conducted
- 7.04% Turn over rate

Natural
- 1,183,478.44 GJ Fuel Consumption
- 217,471,654.10 kWh Electricity Consumption (Non-Renewable)
- 8,342.57 ML Water Withdrawal

Social and Relationship
- Php 77.81 million total investments on the Local Communities

Business Activities

Vision
To be a world-class conglomerate at the forefront of Philippine economic growth, successfully maintaining a strong presence and dominant position in key Philippine industries while driving sustainable progress. We aim to create lasting value for our consumers, communities, employees, business partners, and shareholders through responsible leadership, environmental stewardship, and inclusive practices that benefit both current and future generations.

Mission
Anchored to its Vision, the LT Group, Inc. commits:

- To increase stockholder values through long-term and sustainable growth in its major business groups, fostering resilience and innovation in response to environmental and social challenges.
- To continuously improve the value of its products and services while ensuring sustainable sourcing, production, and distribution, providing consumers with more environment-friendly and responsible choices.
- To build the largest, most effective distribution network with a focus on minimizing environmental impact and maximizing accessibility, thereby contributing to the sustainable development of communities.
- To leverage synergies across our businesses to not only improve revenues and cost structure but also reduce waste, energy consumption, and carbon footprint.
- To enhance the welfare of its employees and the communities by fostering an inclusive, equitable, and safe working environment, promoting human rights, and actively contributing to the sustainable development of the communities where we operate.

Sustainability Framework

Long term growth
- Economic peformance
- Ethical operations
- Good governance

Responsible Operations
- Resource Efficiency
- Supply chain management
- Adapting to Climate Change

Value through products and services
- Customer satisfaction
- Data privacy and security
- Innovation and digitalization

Welfare of employees and communities
- Safety, security and wellbeing
- Labor relations and skills
- Community relation and development

Output

Long Term Growth
- **Php 151.31 billion Economic value Generated**
- **Php 122.53 billion Economic Value Distributed**

Value through products and services
- **13 Digital and innovation projects for 2025 at Asia Brewery**
- **100% Completion of DMC Hub deployment and Microsoft Azure cloud migration**
- **100% Completion rate across all digitization projects at Tanduay**
- **1,824,005 Mobile Banking Enrolled Users**

Responsible Operations
- **2,408 Total of trees and seedlings planted in 2025**
- **0.02% decrease of energy consumption**
- **79,619.89 GJ renewable energy**
- **3,272.29 ML water consumption**
- **7,776.92 MT waste generated**
- **1,609 total hectares of trees planted**
- **234,019.73 tCO_2e total carbon footprint**
- **ZERO significant negative impacts in biodiversity across all subsidiaries**

Welfare of employees and communities
- **1,325 New hires**
- **1,679 Average training hours for Employees**
- **11,881 total employees trained**
- **25,857,619 Safe man hours**
- **Supported 20 farmers; 35 hectares cultivated using 561 kg hybrid rice seeds and 95 sacks of fertilizers; harvest reached 239,720 kg palay (avg. 6.85 MT/ha).**
- **1,044 educators trained for FUSE Training Program**
- **28 new scholars; continued support for 21 existing scholars (farmers' children program) for SY 2025–2026**
- **495 employees successful blood donors for year 2025**

Impact on SDG's

- 8 DECENT WORK AND ECONOMIC GROWTH

- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

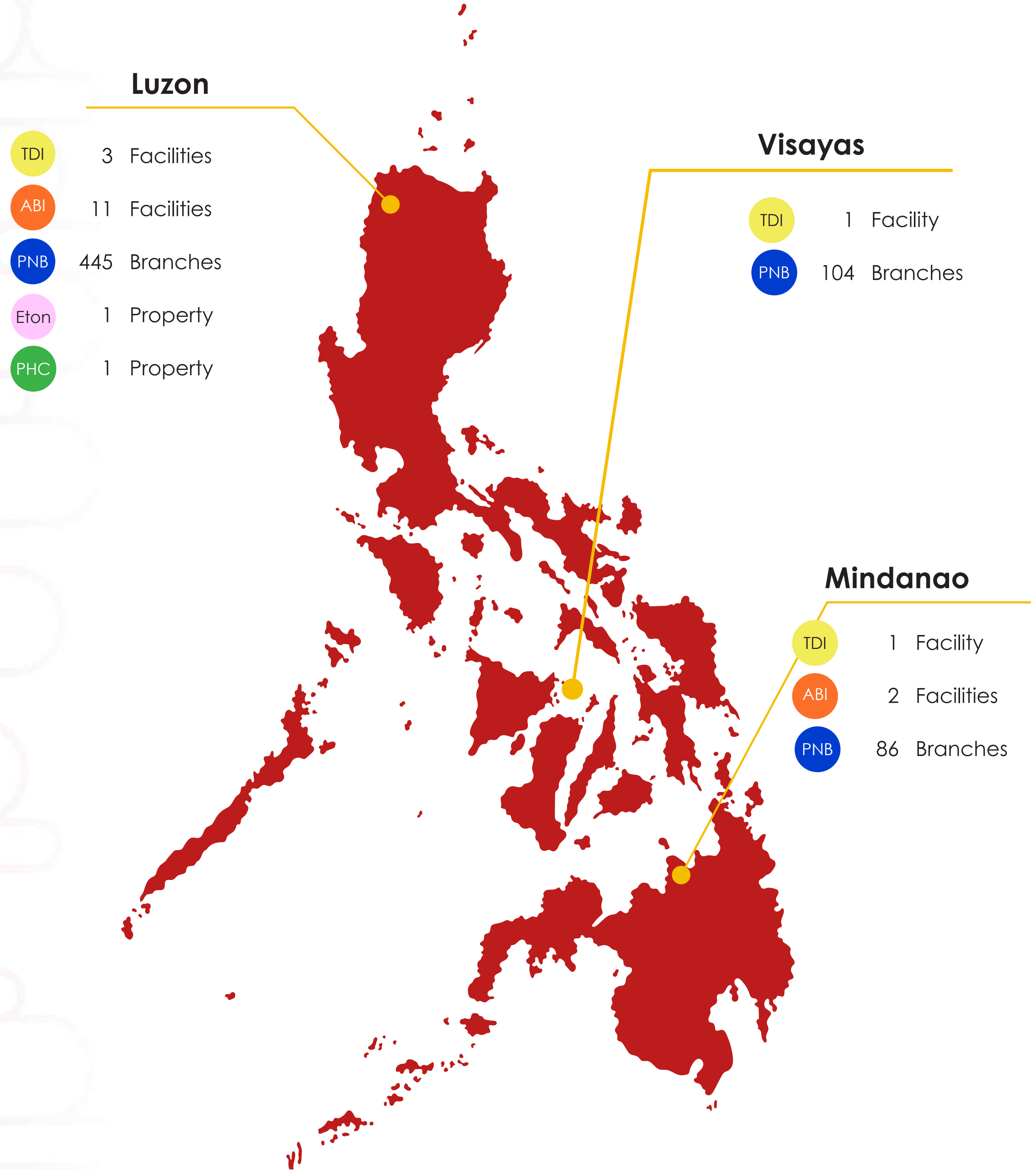
- 7 AFFORDABLE AND CLEAN ENERGY
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 15 LIFE ON LAND

- 2 ZERO HUNGER
- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 8 DECENT WORK AND ECONOMIC GROWTH
- 17 PARTNERSHIPS FOR THE GOALS

Our Operational Footprint

Our operational footprint reflects the breadth and reach of the Group's businesses across key sectors of the Philippine economy. Each subsidiary contributes distinct expertise and value while operating under shared principles of efficiency, integrity, and sustainability.

Through a nationwide presence and selected international ventures, the Group's operations are positioned to serve millions of customers and communities. This geographic and sectoral diversity strengthens resilience, enables resource optimization, and supports the Group's long-term commitment to inclusive growth and sustainable development.



Advancing Our Sustainability Path

Our Sustainability Framework

GRI 2-6

LTG's Sustainability Framework is anchored in the Group's purpose, mission, and core values, and is informed by regular materiality assessments that identify the sustainability topics most relevant to our business model and stakeholder expectations. The framework provides a clear structure for translating sustainability commitments into concrete actions across our diversified portfolio.

At its core, the framework is organized around the objective of ensuring continuous benefits for our stakeholders, guided by four interrelated pillars:

Long-Term Growth

Focused on economic performance, ethical operations, and good governance, this pillar underscores LTG's commitment to sustainable profitability, prudent risk management, and integrity in decision-making. It ensures that growth is pursued responsibly and in a manner that supports resilience over time.

Value Through Products and Services

This pillar emphasizes customer satisfaction, data privacy and security, and innovation and digitalization. LTG seeks to deliver reliable, high-quality products and services while adapting to changing customer needs and leveraging innovation to enhance efficiency and accessibility.

Responsible Operations

Covering resource efficiency, supply chain management, and climate change adaptation, this pillar reflects LTG's responsibility to minimize environmental impacts and strengthen operational resilience. It guides efforts to use resources efficiently, engage responsibly with suppliers, and respond proactively to climate-related risks and opportunities.

Welfare of Employees and Communities

Centered on safety, security, and well-being, labor relations and skills development, and community relations and development, this pillar affirms LTG's commitment to its people and the communities where it operates. It supports safe workplaces, inclusive development, and the creation of long-term social value.

To operationalize this framework, LTG has established a set of Key Performance Indicators (KPIs) aligned with each pillar and its corresponding material topics. These KPIs enable the Group to monitor progress, evaluate performance, and support data-driven decision-making. Targets and indicators are reviewed and refined on a two- to five-year cycle, in line with relevant policies and sustainability action plans. Oversight of the Sustainability Framework and its performance rests with the Parent Company, ensuring consistency, accountability, and alignment across subsidiaries.

Approach to Materiality

GRI 3-1, 3-2

In 2025, we conducted a comprehensive double materiality assessment to identify and prioritize sustainability topics that are most relevant to the Group's long-term value creation and its impacts on society and the environment. This assessment builds on LTG's previous materiality exercises and reflects the evolving regulatory landscape, heightened climate-related risks, increasing stakeholder expectations, and growing scrutiny of technology use and global supply chains. This exercise was done across LTG and its key subsidiaries, ensuring consistency while recognizing the diversified nature of the Group's businesses

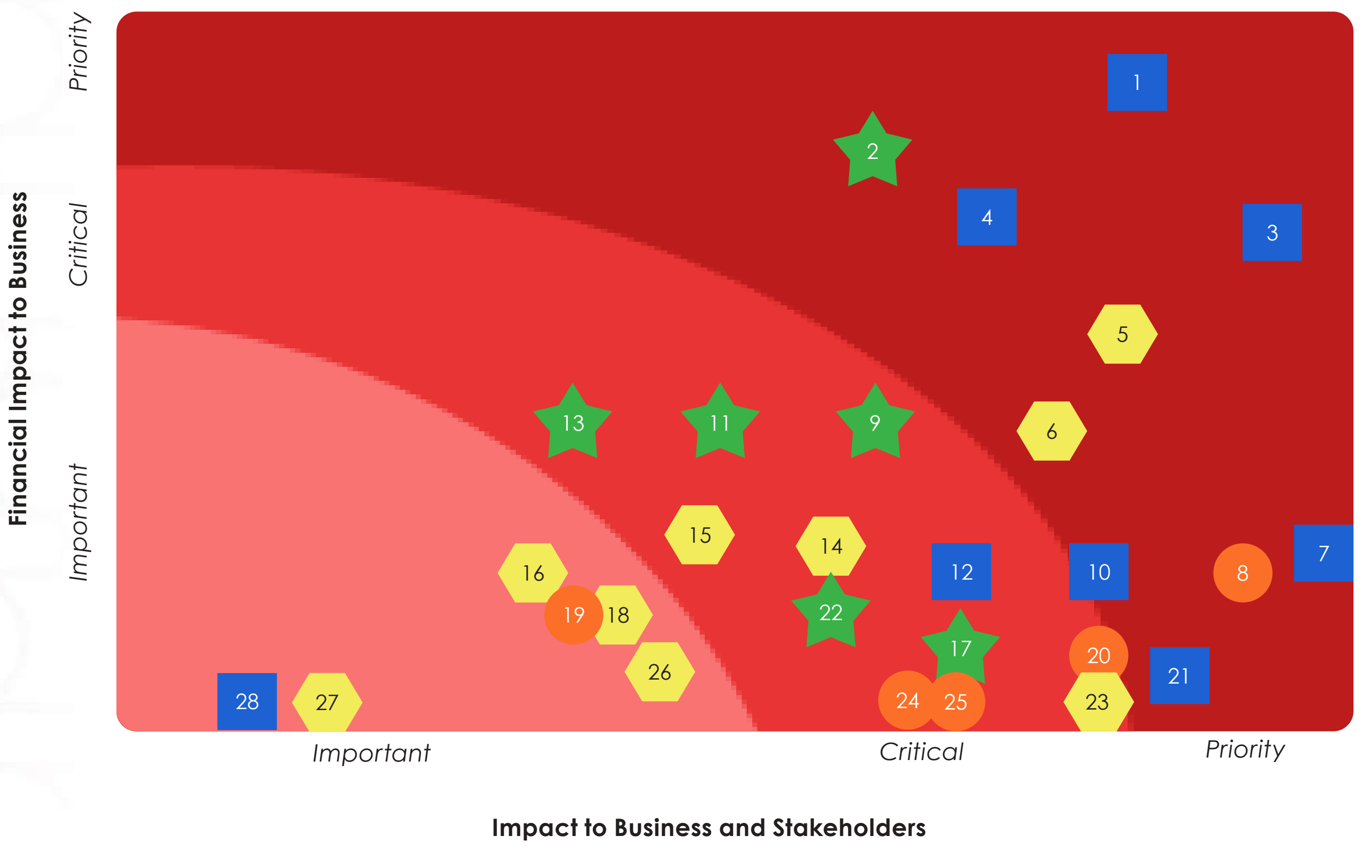
Participants evaluated sustainability topics through a survey administered via Mentimeter, using a five-point scale ranging from *Not Important (1) to Very Critical (5)*. Topics were assessed under four sustainability pillars:

Potential material topics were identified through a review of internal policies, prior materiality assessments, regulatory requirements, and emerging sustainability trends. These topics were then assessed and ranked based on:

- Stakeholder expectations and societal impacts
- Operational and financial implications for the Group
- Likelihood and severity of potential impacts

The results were consolidated and prioritized to determine LTG's 2025-2028 material topics under the materiality matrix below, which are mapped across the four sustainability pillars. This prioritization guides the focus of the Sustainability Report and informs the development of targets, KPIs, and action plans.

LT GROUP MATERIALITY MATRIX



Long Term Growth

- 1 Economic Performance and Value Creation
- 3 Risk Management and Business Continuity
- 4 Tax Transparency and Fiscal Responsibility
- 7 Innovation, Digitalization, and Future Readiness
- 10 Corporate Governance and Board Effectiveness
- 12 Sustainability Governance and ESG Integration
- 21 Ethical Business Conduct and Anti-Corruption
- 28 Illicit Trade

Responsible Operations

- 2 Resource Efficiency
- 9 Waste Management and Circular Practices
- 11 Water Stewardship and Responsible Withdrawal
- 13 Climate Change and GHG Emissions
- 17 Environmental Compliance and Permitting
- 22 Supply Chain Management

Welfare of Employees and Communities

- 8 Occupational Health, Safety, and Well-being
- 19 Community Investment and Social Inclusion
- 20 Talent Development and Succession Planning
- 24 Human Rights Protection and Grievance Mechanisms
- 25 Labor Relations, Fair Employment, and DEI

Value Through Product and Services

- 5 Product and Service Quality Assurance
- 6 Customer Satisfaction and Service Quality
- 14 Innovation in Customer Experience and Platforms
- 15 Financial Inclusion and Equitable Access
- 16 Accessible and Inclusive Product Design
- 18 Responsible Marketing and Advertising
- 23 Customer Data Privacy and Cybersecurity
- 26 Consumer Health and Responsible Information
- 27 Customer Education and Empowerment

Stakeholder Management

GRI 2-29

Effective stakeholder management is central to LT Group, Inc.'s sustainability approach. As a diversified holding company, LTG engages a broad range of stakeholders whose expectations, concerns, and influence vary across sectors and geographies. The Group's stakeholder management practices are designed to ensure transparency, responsiveness, and constructive dialogue, while supporting informed decision-making and long-term value creation.

LTG identifies its key stakeholder segments based on their degree of influence on the business and the extent to which they are affected by the Group's operations. Engagement mechanisms are selected to be appropriate to each stakeholder group, ensuring that material concerns are addressed in a timely and systematic manner. Feedback gathered through these engagements informs strategy, risk management, policy development, and sustainability performance monitoring.

Stakeholder Segment	Key Concerns	Our Mode of Engagement	Strategic Response
Government Agencies and Regulators	• Socio-economic and environmental compliance • Ethical operations • Good governance • Economic Performance • Illicit Trade • Human rights protection • Resource efficiency • Climate change/GHG emissions	• Policy dialogues, consultations and meetings, and legislative hearings • Regular reportorial requirements and other official correspondence • Briefings, forums, webinars and conferences (primarily online) • Annual audits • Formal proceedings • Membership in committees organized by the government • Periodic examinations • Emails / Correspondences • Virtual Meetings • Webinars	→ Community Relations and Development → Ethical Operations → Good Governance → Responsible Operations → Adapting to Climate Change
Customers	• Customer data privacy and security • Marketing and labeling • Ethical operations • Good • Resource efficiency • Climate change/GHG emissions • Customer Engagement and Satisfaction	• Email • Calls/SMS • Social Media Platforms • Messaging Apps • Websites • Retail Partners • Customer Survey Forms	→ Customer Satisfaction → Data Privacy and Security → Innovation and Digitization → Resource Efficiency → Adapting to Climate Change

Stakeholder Segment	Key Concerns	Our Mode of Engagement	Strategic Response
Communities	• Supply chain management • Human rights protection • Community relations	• Corporate Social Responsibility Activities • Investors' Conference • Plant Visits • Virtual Financial Literacy/ Financial Wellness sessions • Virtual meetings and events/ activities (i.e., donations, turnovers, etc.) • Charitable/ Philanthropic Contributions • Environmental and sustainability-related projects or initiatives • Partnerships with credible NGOs, Foundations, academic institutions, LGUs, or Civil Society Organizations	→ Community Relations and Development → Organization and Individual Memberships and Associations
Employees	• Employment • People, safety, security, and well-being • Employee skills and competency development • Labor relations and diversity • Customer engagement and satisfaction • Community relations	• Consultation • Tool box meetings • Employee-related activities • Labor union • Annual Shareholders' Meeting • Annual Press Briefing • Quarterly Analysts' Briefing • Consultation Meetings with the government institutions • Conference/telephone calls • Regular virtual meetings with relationship managers and branch personnel • Website updates • Email communication • Social Media Updates and Messaging Apps (Facebook, Messenger, Twitter, Instagram, Viber, WhatsApp) • Virtual Events • Yearly outing/ team building	→ Safety, Security, and Well-being → Labor Relations and Skills → Diversity, Equality, and Inclusion → Labor-management relations
Supplier	• Ethical operations • Good governance • Climate change/ GHG emissions • Resource efficiency • Illicit Trade • Supply chain management	• Supplier Performance Evaluation • Consignment Program (Partnership) • Electronic/Physical Letters • Virtual meetings • Phone calls/SMS	→ Supply Chain Management → Human Rights → Illicit Trade → Resource Efficiency → Adapting to Climate Change

Stakeholder Feedback Mechanism

To ensure open dialogue among our stakeholders, we welcome stakeholder feedback, recommendations, and inquiries at **sustainability@ltg.com.ph**.

Amplifying Our Commitments to International Agreements

While LTG is not a direct signatory to international sustainability or human rights compacts at the corporate level, the Group recognizes its responsibility to operate in a manner that supports the Philippines' commitments to global agreements and frameworks.

The Philippines is a signatory to key international accords under the United Nations, including those relating to sustainable development, climate action, human rights, labor standards, and environmental protection. As a Philippine-based holding company with diversified operations, LTG aligns its policies, practices, and sustainability priorities with the spirit and intent of these international commitments as they are translated into national laws, regulations, and policy frameworks.

Our approach is grounded in compliance with applicable local regulations that give effect to international agreements, such as environmental laws, labor standards, governance requirements, and climate-related policies. Beyond compliance, the Group seeks to reinforce these commitments through responsible business conduct, ethical operations, and long-term value creation across its subsidiaries.

In particular, LTG's Sustainability Framework and materiality-driven priorities support national and global objectives related to:

- Economic growth anchored in good governance and ethical business practices
- Protection of human rights and promotion of safe, inclusive, and equitable workplaces
- Responsible resource use and environmental stewardship
- Climate change mitigation and adaptation through improved operational resilience
- Community development and social inclusion

A Look Into Our Sustainable Progress and Milestones

Over the past four years, we have taken deliberate and progressive steps to strengthen the integration of sustainability into our governance, risk management, and business strategy. These milestones reflect the Group's evolving maturity in sustainability management, moving from foundational structures toward deeper integration with enterprise-wide decision-making and reporting.

2022

- Strengthening of sustainability compliance mechanisms
- Formal commitment to advancing the integration of sustainability considerations into business operations and disclosures

2023

- Establishment of the Group's Sustainability Framework as the foundation for consistent ESG management and reporting
- Adoption of a Human Rights Policy Statement, reinforcing responsible business conduct across operations
- Integration of ESG and sustainability commitments into the Company's mission and vision statements, reinforcing long-term value creation objectives
- Approval of the Group's ESG and Sustainability Charter, formalizing governance and accountability structures
- Alignment with internationally recognized sustainability frameworks, including GRI, SASB, and TCFD
- Deployment of ESG KPI dashboards at the subsidiary level to support performance monitoring and management oversight

2024

- Integration of sustainability considerations into ERM processes to strengthen risk identification and oversight
- Initial assessment of biodiversity, deforestation, and hazardous substances as emerging environmental risk areas
- Strengthened strategic oversight of ESG and sustainability matters by the Corporate Governance and Sustainability Committee (CGSC)
- Transition toward Integrated Reporting, reinforcing the linkage between financial and non-financial performance
- Alignment with IFRS S1 and IFRS S2 to enhance consistency, comparability, and investor decision-usefulness
- Implementation of standardized ESG and sustainability KPIs across subsidiaries, with 2024 established as the baseline year

2025

- Strengthened alignment with investor expectations and sustainability rating methodologies, including ISS, Sustainalytics, and the S&P Corporate Sustainability Assessment (CSA)
- Completion of a Group-wide double materiality assessment to identify sustainability issues with potential impact on stakeholder value and long-term enterprise performance
- Enhanced responsiveness to stakeholder requirements across business units
- Identification of sustainability- and climate-related risks and opportunities relevant to strategy and capital allocation
- Integration of ESG and sustainability risks into the Company's Enterprise Risk Management (ERM) framework
- Conduct of an employee engagement survey to inform human capital management strategies
- Drafting of key sustainability-related policies for adoption in the succeeding reporting cycle, including supply chain management, product health, responsible marketing, diversity, equity and inclusion (DEI), and enhancements to the Whistleblower Policy

Long-Term Growth

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Economic Performance

GRI 3-3

A stronger, more resilient and sustainable economic performance continues to anchor the Group's ability to generate long-term value, manage risk decisively, and reinvest with confidence across its diversified portfolio. Based on this reporting year's figures, consolidated total revenue and net income once again surpassed prior-year levels, delivering another set of record-breaking results and reinforcing LTG's position as a consistently high-performing conglomerate.

This achievement is particularly notable given the backdrop of market normalization, persistent cost pressures, and shifting consumer and regulatory dynamics. Within this environment, the Group not only preserved momentum but strengthened it: driven by disciplined execution, robust contributions from core businesses, and the structural resilience afforded by portfolio diversification.

This performance is further underscored by LTG's standing as a blue-chip company, recognized among the country's most established and liquid stocks and included in the Philippine Stock Exchange Index. Its blue-chip status reflects sustained earnings capacity, scale, and market confidence, reinforcing the Group's position as a stable long-term value creator within the Philippine capital markets.

For the year ended 2025, the Group generated a consolidated net income attributed to the Parent Company of ₱30.98 billion, representing a 7% year-on-year change. Consolidated revenues amounted to ₱151.31 billion, while total assets reached ₱1.49 trillion as of year-end. These results reflect stable performance across core business segments, prudent cost management, and continued focus on operational efficiency.

The Group's consumer-related businesses, including beverages, spirits, and tobacco, continued to contribute meaningfully to earnings, supported by steady demand conditions, margin management initiatives, and ongoing operational improvements. The banking segment delivered stable results, underpinned by conservative credit practices, continued digital adoption, and a focus on expanding customer access while managing risk exposure. Across the portfolio, LTG maintained a disciplined approach to capital allocation: investment and funding decisions were calibrated to the risk profile of each business, ensuring that capital deployment remained consistent with the Group's defined risk appetite and long-term strategic objectives. This approach reflects LTG's adherence to sound governance principles, balancing growth opportunities with prudent risk management while safeguarding financial stability and shareholder value.

Capital expenditures totaling ₱7.30 billion were directed toward investments that support operational continuity, digital capabilities, and long-term competitiveness, while preserving balance sheet strength. Liquidity and leverage metrics remained within internally defined thresholds, reinforcing financial flexibility amid external uncertainties.

GRI 201-1

	2025	2024	2023
Operating costs*	46.07	48.77	47.51
Employee wages and benefits*	14.94	13.55	12.79
Payments to government*	29.39	27.94	24.42
Payments to providers of capital*	32.05	32.70	29.06
Community investments (in PHP millions)	77.81	18.96	49.96
Total direct economic value distributed*	**122.53**	**122.97**	**113.84**
Total economic value generated*	**151.31**	**147.95**	**134.86**
Economic value retained*	**28.78**	**24.98**	**21.03**

**In PHP billions*

Feature Story

LT Group's Strategic Move — PNB's $962.4 M Property Arm Heads for Public Market Debut

LT Group's PNB Holdings Corporation (PHC) is advancing a strategic initiative to list its property arm on the Philippine Stock Exchange (PSE) with an estimated valuation of about ₱56.3 billion (~$962.4 million). The listing is planned by way of introduction, a structure that allows existing shareholders to begin trading their shares publicly without a traditional IPO issuance, expediting access to market liquidity and broadening the investment base for one of the Philippines' significant real estate portfolios.

The move reflects a deliberate value-unlocking strategy by LTG for its high-quality real estate assets, positioning them as a standalone investable instrument for both domestic and international capital. It also signals confidence in the Philippine capital markets and provides investors with clearer visibility into the performance and prospects of prime urban properties underlying PHC's portfolio. LTG and PHC have indicated that they will share further updates as regulatory approvals progress and a formal listing timeline is established.

Strong Operating Performance Positions LT Group for Continued Momentum in 2025

LT Group sustained strong operating performance throughout 2025, delivering attributable net income of ₱30.98 billion, reflecting the continued strength of its diversified portfolio and disciplined execution amid a dynamic operating environment. Growth was supported by broad-based contributions across core businesses, with banking, tobacco, beverages, distilled spirits, property development, and milling operations collectively reinforcing earnings stability and resilience. Philippine National Bank remained a major earnings contributor, supported by sustained lending activity and margin improvements, while PMFTC, Inc., Tanduay, Asia Brewery, and Eton provided steady and complementary performance across their respective sectors.

The Group's results highlight the effectiveness of its conglomerate model, underpinned by earnings diversity, operational discipline, and strong cash generation capacity. Despite evolving market conditions, core business fundamentals remained sound, reinforcing investor confidence in the Group's financial position and strategic direction. As LT Group closes 2025, the Company remains focused on sustaining growth momentum while strengthening operational efficiency and expanding opportunities across its portfolio.

Feature Story

Tanduay's Momentum Powers Growth: Strong 2025 Performance Supports Ambitious Outlook

Tanduay carried strong operating momentum through 2025, translating sustained consumer demand and disciplined cost management into another year of solid earnings performance. For the full year, the company recorded net income of ₱3.12 billion, reflecting continued gains driven by improved pricing strategies, stable sales volumes, and strengthened operating margins. Revenue growth remained resilient despite a competitive and cost-sensitive environment, supported by operational efficiencies across production and distribution networks.

Performance was reinforced by Tanduay's continued leadership in the domestic distilled spirits market, with further expansion of its presence nationwide, particularly across Visayas and Mindanao. Prudent management of operating expenses, especially marketing and promotional spend, supported margin improvement while maintaining strong brand visibility and consumer engagement. The company's ability to balance commercial growth with disciplined cost management enabled it to sustain profitability while reinforcing competitive positioning.

As one of LT Group's core operating businesses, Tanduay's sustained performance continued to provide a meaningful contribution to consolidated results in 2025. The company's consistent execution, strong brand equity, and expanding distribution footprint underscore management's confidence in sustaining long-term growth and value creation, positioning Tanduay to capture further opportunities in both domestic and international markets in the years ahead.

Ethical Operations

GRI 3-3, 205-2, 205-3

The Group's ethical standards are anchored in its Code of Business Conduct and Ethics (CBCE), which applies across all subsidiaries and business units. The Code establishes clear expectations for ethical behavior, emphasizing transparency, fairness, accountability, and compliance with applicable laws and regulations. A core provision of the CBCE is the strict prohibition of insider trading, ensuring that material non-public information is handled responsibly and in full compliance with legal and ethical standards.

Building on initiatives undertaken in prior years, LTG continued to strengthen its Group-wide ethical governance framework in 2025. The Company maintained full compliance with applicable laws and regulations during the reporting period, including those related to environmental protection, with no recorded violations, penalties, or sanctions. Ethical oversight and risk monitoring are supported by regular Risk Management Committee meetings, which assess potential risks across the Group and ensure that emerging issues are promptly identified and managed while regular internal reviews and control mechanisms help ensure adherence to ethical standards, and established reporting channels enable employees and other stakeholders to raise concerns confidentially and without fear of retaliation. Any reported incidents are subject to investigation and appropriate disciplinary action.

In 2025, LTG further enhanced its ethical and sustainability governance through the drafting and refinement of key policies for incorporation and implementation in the succeeding reporting cycle. These include:

- Supply Chain Management Policy
- Product Health Policy
- Responsible Marketing Policy
- Diversity, Equity, and Inclusion (DEI) Policy
- Enhancements to the Whistleblower Policy
- Integration of sustainability-related risks into the Company's Enterprise Risk Management (ERM) framework
- Policies addressing biodiversity and deforestation
- Policies on hazardous substances

These policies reinforce ethical conduct across operations, strengthen accountability within the value chain, and support responsible decision-making in areas with potential environmental, social, and governance impacts. For 2025, the Company is not involved in any legal cases related to corruption, anti-competitive behavior, anti-trust, or monopoly practices during the reporting period. LTG strictly prohibits unfair competition and any practices that violate anti-trust laws. It is committed to respecting intellectual property rights, including trademarks, patents, and trade secrets, and to conducting business fairly and lawfully.

11,850 Employees
Received anti-corruption training in 2025

ZERO
Major incidents of corruption in 2025

ZERO
Legal cases related to anti-corruption, anti-competitive behavior, anti-trust, or monopoly practices

LTG's policies are aligned with applicable laws and regulations, including, but not limited to the Philippine Competition Act (Republic Act No. 10667), and are reviewed and approved by the Corporate Governance and Sustainability Committee prior to endorsement by the Board of Directors. Once approved, these policies are published on the Company's website to ensure transparency and proper dissemination to employees, shareholders, and other stakeholders.

All Directors, officers, and employees are required to comply with the Code of Business Conduct and Ethics. Compliance is actively monitored, and violations are addressed through established disciplinary procedures. Through these measures, LTG continues to foster a culture of integrity, accountability, and ethical conduct, reinforcing stakeholder trust and supporting long-term value creation.

Strengthening Integrity Through a More Robust Whistleblower Policy

As part of its continuing efforts to strengthen governance, transparency, and accountability, LT Group, Inc. significantly enhanced its Whistleblower Policy to reflect evolving regulatory expectations, international standards, and the Group's expanding ESG and risk governance framework. Central to the enhancement is the establishment of a formal whistleblowing management system aligned with COSO Enterprise Risk Management (ERM) and ISO 37002:2021, ensuring consistency with leading governance and risk management practices.

The revised policy significantly broadens both coverage and scope, extending protection beyond directors and employees to include suppliers, contractors, consultants, community partners, and other external stakeholders. Reportable concerns now cover fraud, bribery, ESG-related violations, data privacy breaches, environmental and safety risks, and obstruction of investigations. Multiple secure reporting channels—including dedicated email, sealed submissions, and an optional third-party hotline—support confidential and anonymous reporting, with strengthened non-retaliation and data privacy safeguards. Oversight and investigations are conducted through clearly defined governance mechanisms, with structured timelines, escalation pathways to the Board or Risk Management Committee when warranted, and enhanced recordkeeping and analytics. These improvements align the policy with GRI 2-26, Philippine SEC corporate governance requirements, and the OECD Anti-Bribery Guidelines, embedding whistleblowing as a core element of LTG's ESG, risk, and sustainability governance.

Good Governance

GRI 2-9, 2-10, 2-11, 2-12, IFRS S1.27(a)(i), IFRS S2.6(a)(i), IFRS S1.27(a)(iv),(v), IFRS S2.6(a)(iv),(v)

Strong governance is fundamental to the Group's ability to operate responsibly, manage risk effectively, and deliver sustainable long-term value. The Group's governance framework is designed to promote transparency, reinforce accountability, and support sound decision-making across a diversified portfolio of businesses. This framework reflects established international governance principles and aligns with the expectations of regulators, investors, and sustainability rating agencies. The Board of Directors retains overall responsibility for oversight and direction, supported by a structured committee system that enables focused supervision of key areas. Through committees such as the Audit Committee, Risk Management Committee, and Corporate Governance and Sustainability Committee, the Board exercises informed oversight of financial performance, internal controls, risk exposures, and ethical conduct. Matters related to sustainability, regulatory compliance, and risk are integrated into Board deliberations to ensure that non-financial considerations are assessed alongside financial performance.

Stakeholder considerations form an integral part of governance oversight. As a holding company, LTG enables its operating subsidiaries to engage directly with stakeholders on economic, environmental, and social matters through structured channels such as consultations, surveys, and regular communications. These engagements are managed by designated officers within the subsidiaries, ensuring that stakeholder insights are systematically captured and assessed. Relevant feedback is communicated to senior management and, where appropriate, elevated to Board-level committees to inform oversight and strategic direction.

Potential concerns relating to economic, environmental, social, or governance matters are assessed through established risk management processes. Issues identified at the subsidiary level are reviewed by management and, if deemed material, referred to the Risk Management Committee for evaluation and escalation to the Board. This disciplined process supports timely awareness and effective oversight of material risks. In 2025, no material or critical governance-related issues were escalated for Board consideration.

The Board of Directors, through its five key committees, including the Audit Committee, Risk Management Committee, and Corporate Governance and Sustainability Committee, actively oversees LTG's operations. These committees play a vital role in shaping strategies, managing risks, and ensuring strong governance practices.

Nomination and Compensation Committee

The Nomination and Compensation Committee ensures a formal, structured, and transparent process for the nomination, selection, evaluation, and compensation of key executives. This includes monitoring their performance, recommending replacements when necessary, and overseeing the Company's succession planning to ensure continuity of leadership. The Committee also establishes clear criteria and guidelines for evaluating candidates' qualifications, experience, integrity, and performance, thereby aligning executive appointments and compensation with the Company's strategic objectives and corporate governance standards.

Dr. Lucio C. Tan
Chairman

Members:
Lucio C. Tan III
Karlu T. Say
Mary G. Ng
Michael G. Tan
Juanita T. Tan Lee
Wilfrido E. Sanchez

Audit Committee

The Audit Committee is tasked with assisting the Board of Directors in fulfilling its oversight responsibilities, ensuring the integrity and transparency of the Company's operations and reporting. In this capacity, the Committee works closely with both Internal and External Auditors to stay fully informed on the Company's financial and non-financial performance and the adequacy of its internal control systems. It also oversees the audit process, including the planning, execution, and reporting of audits, to ensure that financial statements are accurate, compliance obligations are met, and operational controls are properly maintained. Through these activities, the Audit Committee provides independent assurance to the Board and stakeholders that the Company maintains robust governance and accountability practices.

Johnip G. Cua
Chairman

Members:
Mary G. Ng
Juanita T. Tan Lee
Raul M. Leopando
Woochong Um
Chester Y. Luy

Risk Management Committee

The Risk Management Committee is tasked with overseeing the Company's risk management framework and Related Party Transactions (RPTs). It continuously monitors the Company's risk environment on a monthly basis, providing guidance to ensure that risks are identified, assessed, and mitigated to an acceptable level, thereby safeguarding the Company's ability to achieve its strategic and operational objectives. The Committee reviews RPTs to ensure that transactions with related parties are conducted on terms no more favorable than those applicable to comparable transactions with non-related parties, promoting fairness, transparency, and accountability.

Mary G. Ng
Chairman

Members:
Johnip G. Cua
Wilfrido E. Sanchez
Woochong Um
Juanita T. Tan Lee
Florencia G. Tarriela
Chester Y. Luy

Executive Committee

The Executive Committee supports the Board in managing the Company's business and affairs. Its authority is limited to matters not specifically reserved for the Board under Philippine law, the Company's By-Laws, or the Revised Corporate Governance Manual. The Committee oversees management initiatives, ensures timely implementation of key decisions, monitors performance, and ensures compliance with governance standards, helping the Board fulfill its responsibilities effectively.

Dr. Lucio C. Tan
Chairman

Members:
Lucio C. Tan III
Michael G. Tan
Karlu T. Say
Vivienne K. Tan
Juanita T. Tan Lee
Johnip G. Cua

Corporate Governance and Sustainability Committee

The Corporate Governance and Sustainability Committee is primarily responsible for ensuring that the Company complies with all applicable Philippine laws, rules, and regulations, as well as the Securities and Exchange Commission's recommendations on good corporate governance for publicly-listed companies. The Committee also oversees adherence to the Company's Manual on Good Corporate Governance, promoting transparency, accountability, and ethical conduct across the organization. It monitors the implementation of governance policies, evaluates the effectiveness of the Company's governance framework, and provides guidance to the Board and management on sustainability initiatives and corporate responsibility. The Committee convenes monthly to discuss sustainability matters, review progress, and recommend actions to integrate sustainability practices into the Company's strategic decision-making. Through these efforts, the Committee helps safeguard the Company's reputation, strengthen stakeholder confidence, and ensure that governance and sustainability are embedded in its operations.

Raul M. Leopando
Chairman

Members:
Lucio C. Tan III
Michael G. Tan
Juanita T. Tan Lee
Johnip G. Cua
Mary G. Ng
Woochong Um
Chester Y. Luy

Sustainability Governance

GRI 2-14, 2-15, 2-16, 2-17, 2-18, 2-19, 2-20, IFRS S1.27(b)(i)(ii), IFRS S2.6(b)(i)(ii)

Sustainability governance at LTG is structured to ensure clear leadership accountability, effective oversight, and consistent integration of economic, environmental, and social considerations across the Group. This governance approach supports informed decision-making, aligns with investor and regulatory expectations, and enables disciplined management of sustainability-related risks and opportunities. To strengthen sustainability leadership at the executive level, LTG appointed Jose Gabriel D. Olives as Chief Sustainability and ESG Officer on May 9, 2023, concurrent with his role as Chief Financial Officer. In this capacity, he is responsible for embedding sustainability and ESG considerations into corporate strategy and operations, monitoring progress on sustainability initiatives, and ensuring alignment with regulatory requirements, stakeholder expectations, and recognized ESG best practices.

The Chief Sustainability and ESG Officer reports directly to the Board of Directors and provides regular updates on sustainability performance and related matters. At the Group level, sustainability oversight is further reinforced through the Corporate Governance and Sustainability Committee, which receives regular reports from subsidiaries. The Chief Sustainability and ESG Officer participates in these monthly committee meetings, enabling consistent information flow, timely escalation of issues, and alignment of sustainability priorities across business units. At the operating level, each subsidiary has designated sustainability officers responsible for advancing ESG integration within their respective operations. These officers drive implementation, monitor performance, and ensure that sustainability considerations are embedded in day-to-day activities in a manner consistent with Group-level direction. This structure supports accountability while allowing flexibility to address sector-specific risks and opportunities.

Asia Brewery
Dr. Alberto Rivera
Senior Vice President, Supply Chain

Eton
Ms. Donna Kristine Salgado
Assistant Vice President, Marketing, Public Relations and Corporate Communications
Customer Experience and Sustainability Officer

PNB
Ms. Jean Marie Baruelo
Senior Vice President, Division Head-Corporate Sustainability and Social Responsibility

PHC
Atty. Michael Delos Reyes
Senior Vice President, Chief Risk and Compliance Officer

Tanduay
Mr. Nestor Mendones
Senior Vice President, Chief Risk and Sustainability Officer

Risk Management

IFRS S1.44, IFRS S2.25, IFRS S1.44 (a)(i)-(iv) (b), IFRS S2.25 (a)(i)-(iv)(b), IFRS S1.44 (c), IFRS S2.25(c)

The Group continues to strengthen its risk management capabilities in 2025 through targeted enhancements to its Enterprise Risk Management (ERM) framework and broader risk governance practices. The ERM framework is in the process of amendments to provide a clearer, end-to-end structure and more explicit alignment between business objectives, risk appetite, and risk assessment, reinforcing risk management as an integral part of strategy execution and capital allocation.

Our ERM System is built on core components that work together to ensure risks are identified, assessed, managed, and monitored in a consistent and disciplined manner across the Group. These components form the foundation of a coordinated approach to financial, operational, legal, sustainability, and climate-related risk management.

Governance and Oversight

A defined governance structure ensures accountability at all levels. The Board, the Audit and Risk Management Committee, Executive Management, and subsidiary leadership each carry specific responsibilities for directing, implementing, and monitoring the ERM process. Governance reinforces a risk-aware culture across the organization.

Risk Appetite and Tolerance

The ERM System operates within clearly articulated risk appetite statements that guide strategic decisions and day-to-day operations. Risk appetite defines the level of risk the Company is willing to accept, while tolerance establishes the boundaries within which performance may vary without triggering corrective action.

Risk Identification

Risks are identified through structured tools such as risk workshops, interviews, operational reviews, RCSA, incident reports, and sustainability and climate assessments. Identification covers internal and external factors that may affect objectives, including emerging risks with strategic or long-term implications.

Risk Assessment and Prioritization

Each identified risk is evaluated based on its likelihood and potential impact on operations, financial performance, compliance, reputation, and sustainability objectives. Assessment includes qualitative and quantitative indicators, enabling prioritization of critical risks that require immediate or high-level intervention.

Risk Response and Mitigation

Risk owners determine the appropriate response: avoid, reduce, transfer, or accept, and implement necessary controls. Mitigation activities include internal controls, policy enhancements, process improvements, technology safeguards, business continuity measures, and sustainability or climate-related interventions where relevant.

Control Activities

Controls are embedded in operations to ensure consistent execution of risk responses. These may include approval processes, segregation of duties, preventive and detective controls, cybersecurity measures, compliance protocols, and operational safeguards.

Information, Data, and Reporting

Reliable, timely information supports effective decision-making. The ERM System includes standardized reporting tools such as risk registers, dashboards, heatmaps, and performance indicators. Data from subsidiaries are consolidated at the Group level to enable oversight, identify trends, and support internal and external disclosures.

Data Monitoring and Review

The effectiveness of risk controls and mitigation measures is regularly monitored through management reviews, internal audit, compliance checks, and performance evaluations. Significant changes, emerging risks, and lessons learned are incorporated into updates of the ERM System.

Integration with Strategy and Planning

Risk management is embedded in corporate strategy, capital allocation, and operational planning. Decisions at the strategic and subsidiary level consider risk appetite, sustainability considerations, and potential impacts of long-term developments such as regulatory shifts and climate-related changes.

Continuous Improvement

The ERM System is updated as the business environment evolves. Adjustments may arise from audit findings, operational incidents, regulatory developments, stakeholder feedback, or changes in sustainability and climate-risk conditions. Continuous improvement ensures the system remains relevant and effective.

Beyond framework enhancements, LTG's risk management approach emphasizes forward-looking oversight and enterprise-wide accountability. Sustainability- and climate-related risks and opportunities are integrated into risk identification and assessment, with financial materiality considered to evaluate potential impacts on performance, cash flows, and enterprise value. Strengthened monitoring, reporting, and escalation mechanisms support timely management and Board attention to material risks, while enabling the Group to remain responsive to regulatory developments, market volatility, and evolving stakeholder expectations. Collectively, these measures support a more disciplined, resilient, and decision-useful risk management system aligned with long-term value creation.

Risk Category	Sustainability Risk Area	Potential Impacts	Opportunities / Mitigation Levers	Management Approach
Long-Term Growth & Financial Resilience	Financial Loss and Earnings Volatility	Increased operating and compliance costs; exposure to regulatory changes (e.g., excise taxes, banking regulations); cash flow pressure from delayed payments or credit defaults; potential erosion of investor confidence	Portfolio diversification across sectors; strengthened credit and liquidity management; cost efficiency, automation, and digitalization initiatives	Risks are monitored through the Group's ERM framework, with capital allocation decisions calibrated to identified risks and aligned with the Group's risk appetite; financial stress testing and scenario analysis support resilience planning
	Credit and Counterparty Risk	Cash flow instability arising from defaults or financial distress among business partners, distributors, or suppliers	Enhanced credit assessment, tighter collection controls, and diversification of counterparties	Embedded within financial risk governance at the subsidiary and Group levels, with oversight through audit and risk committees
Supply Chain & Vendor Management	Supply Chain and Vendor Risks	Production and distribution disruptions; reputational exposure from unethical labor practices or environmental non-compliance; cost increases due to supplier concentration or logistics inefficiencies	Supplier screening, ESG due diligence, and strengthened local supplier partnerships; capacity-building for key suppliers	Development and implementation of group-wide supply chain and procurement policies, integrating ESG criteria and vendor monitoring
	Disaster-Related Supply Volatility	Raw material shortages due to climate events, disease outbreaks, or trade restrictions	Supplier diversification and local sourcing strategies; contingency planning	Incorporated into business continuity planning and supplier risk assessments
	Food Safety and Labor Standards Non-Compliance	Product safety incidents; legal exposure; reputational damage linked to modern slavery, child labor, or unsafe working conditions	Supplier audits, contractual safeguards, and awareness programs	Oversight through compliance functions and periodic audits; escalation protocols for non-compliance

Risk Category	Sustainability Risk Area	Potential Impacts	Opportunities / Mitigation Levers	Management Approach
Value Through Products & Services	Regulatory Compliance (Product Quality, Safety, Labeling)	Fines, recalls, license suspension, and loss of consumer trust	Robust quality assurance systems; certification maintenance; regular testing and compliance training	Compliance governance embedded in operational controls, internal audits, and regulatory monitoring
	Customer Safety and Transparency	Health risks from inaccurate product information; erosion of brand trust	Clear labeling standards; grievance and feedback mechanisms; consumer awareness initiatives	Managed through product governance structures and customer protection policies
	Cybersecurity and Data Privacy	Data breaches, service disruption, legal liabilities, and reputational harm	Strengthened IT security, privacy-by-design practices, employee awareness programs	Cyber and data privacy risks integrated into ERM; alignment with Data Privacy Act, BSP, and NPC requirements
Responsible Operations	Energy Consumption and Carbon Emissions	Higher energy costs; exposure to future carbon pricing; reputational risk	Energy efficiency initiatives; gradual adoption of low-carbon technologies; emissions monitoring	Environmental risks managed through operational controls, capital planning, and long-term sustainability roadmaps
	Water Use and Waste Management	Water scarcity impacting operations; regulatory penalties from improper waste or wastewater management	Conservation measures; recycling and waste diversion; partnerships with LGUs and treatment providers	Environmental compliance managed at operational level, with Group oversight on environmental risk exposure
	Climate Change – Physical and Transition Risks	Asset damage from extreme weather; rising cooling costs; shifts in customer preferences; regulatory transition risks	Climate risk assessments; resilience measures; green financing and adaptation initiatives	Climate risks progressively integrated into ERM and business continuity planning, with forward-looking alignment to IFRS S2

Risk Category	Sustainability Risk Area	Potential Impacts	Opportunities / Mitigation Levers	Management Approach
People, Workforce & Communities	Employee Health, Safety, and Labor Practices	Workplace injuries, absenteeism, labor disputes, burnout, and morale decline	Comprehensive OHS programs; wellness and mental health initiatives; fair compensation and skills development	Human capital risks managed through Group HR policies, safety programs, grievance mechanisms, and continuous training
	Regulatory Compliance (Labor, Tax, Safety Laws)	Fines, sanctions, and reputational damage from non-compliance	Regular audits; policy updates; automated monitoring and reporting	Compliance oversight maintained through internal controls, audit functions, and management accountability

Our Outlook and Future Commitments

Looking ahead to 2025–2030, LTG have defined a set of strategic outlook areas across the Parent Company and its subsidiaries to strengthen competitive positioning, resilience, and long-term value creation. These outlook areas reflect a consolidated view of business priorities, emerging risks, and growth opportunities across the Group's diversified portfolio, informed by materiality assessments, enterprise risk management, and evolving market and regulatory conditions.

The Group's outlook emphasizes disciplined growth, capital efficiency, and operational resilience, alongside deeper integration of sustainability and climate considerations into strategy and decision-making. Focus areas include strengthening governance and risk oversight, enhancing customer and stakeholder value propositions, improving resource efficiency and environmental performance, and investing in people, capabilities, and systems that support long-term adaptability.

Strategic Area / Focus	Strategic Context	Implications for LT Group	Key Actions & 2025 Progress	Forward-Looking Commitments
Climate Change & Energy Transition	Physical and transition risks from extreme weather, evolving climate regulation, carbon pricing, and shifts toward low-carbon energy	Potential operational disruption, capital exposure, and regulatory risk across diversified businesses	Climate-related initiatives continued at subsidiary level, including energy efficiency measures, environmental restoration projects, and climate-resilient operations; initial groundwork laid for a consolidated climate strategy	Develop a Group-wide climate risk assessment and decarbonization roadmap; integrate climate risks into ERM and capital planning; align disclosures with IFRS S2 and TCFD
Water Scarcity & Resource Efficiency	Growing water stress affecting agriculture-linked operations, beverage manufacturing, and property developments	Heightened operational and community dependency risks	Water stewardship and irrigation initiatives implemented through TYKFI; operational water efficiency and compliance measures maintained across relevant subsidiaries	Formalize Group water stewardship principles; strengthen watershed partnerships; enhance water efficiency metrics and monitoring
Resource Circularity & Waste Management	Increasing regulatory and stakeholder pressure to reduce waste, manage plastics, and comply with EPR requirements	Compliance, cost, and reputational risks; opportunity for operational efficiency	Waste reduction, recycling, and recovery initiatives implemented across subsidiaries, including EPR-related actions and supplier engagement	Advance circular economy practices; strengthen packaging reduction and recovery targets; enhance waste data consolidation at Group level
Urbanization & Sustainable Real Estate	Demand for climate-resilient, efficient, and disaster-prepared developments amid flooding, heat, and density challenges	Asset exposure to climate and operational risks	Property-level disaster preparedness, energy efficiency, tenant engagement, and business continuity programs sustained	Integrate climate risk mapping into property planning; pursue green building practices and tenant sustainability partnerships

Strategic Area / Focus	Strategic Context	Implications for LT Group	Key Actions & 2025 Progress	Forward-Looking Commitments
Cybersecurity & Digital Resilience	Rising cyber threats, data privacy risks, and reliance on digital systems	Elevated operational, financial, and reputational risk	Cybersecurity controls, audits, and data privacy compliance maintained; cyber risks embedded in ERM processes	Strengthen Group-wide cyber governance; enhance digital resilience testing; align further with BSP and global data protection standards
Responsible Finance & Inclusion	Shift toward sustainable and inclusive finance; increasing ESG expectations in banking and lending	Opportunity to support inclusive growth while managing ESG-related credit risks	Continued delivery of MSME, agricultural, and development-oriented financing; ESG considerations embedded in credit processes	Expand green and social financing offerings; progress toward financed emissions assessment and disclosure
Human Capital & Community Development	Heightened expectations on workforce well-being, skills, and community impact	Workforce stability and strengthened social license to operate	Employee training, engagement, and safety programs delivered; extensive education, agriculture, housing, and relief initiatives implemented through TYKFI	Strengthen skills development and succession planning; enhance social impact measurement and outcome tracking
Governance, Ethics & Transparency	Increasing investor and regulatory scrutiny on governance and sustainability oversight	Need for strong accountability, risk oversight, and credible disclosures	Board and management oversight of sustainability reinforced; governance, ethics, and compliance frameworks strengthened	Further align governance with best practices and IFRS S1/ S2; integrate sustainability KPIs into performance and decision-making

Value Through Products and Services

Our Businesses

GRI 2-26

Beverages

ASIA BREWERY
INCORPORATED

Since its establishment in 1982, Asia Brewery, Inc. has become a prominent name in the beverage industry, known for delivering quality and affordable products to a wide audience. Initially breaking into the market by challenging the beer industry monopoly with a pioneering brand, the company has since evolved into a diversified enterprise offering a wide range of beverages. With a robust distribution network of exclusive distributors, Asia Brewery ensures its products reach nationwide mass consumers efficiently.

Today, the company is recognized for its strong market presence in both non-alcoholic and alco-mix beverage segments, boasting a diverse product portfolio of over 100 product variations. Key brands include Absolute, Summit, Cobra Energy Drink, Nestea, Beer na Beer, Tanduay Ice, Vitamilk with newly released products, Leon Extra Strong Beer and Cobra Rise. This strategic commitment to variety and quality has solidified Asia Brewery's reputation as a trusted beverage provider.

Property Development

Eton Properties Philippines, Inc.

Eton Properties Philippines Inc., established in 2007, is one of the Philippines' leading real estate developers, with a vision to become the most trusted property developer in the country. Backed by its international counterpart, Eton Properties Ltd., with a strong presence in Hong Kong and mainland China, Eton specializes in developing commercial, office, and residential properties. Its portfolio includes 36 projects, such as iconic office buildings like Centris Cyberpod in Quezon City and Eton Cyberpod Corinthian in Ortigas, along with thriving mixed-use townships, such as the 600-hectare Eton City in Sta. Rosa, Laguna, which seamlessly integrates commercial centers and residential developments. Eton's latest venture, Parklinks in Quezon City, in partnership with Ayala Land, Inc., reflects its commitment to reshaping urban spaces and addressing market needs with innovation and precision.

On the other hand, PNB Holdings Corporation (PHC) aims to be the premier developer of sustainable high-end luxury properties in the Philippines, transforming its prime assets into iconic architectural landmarks and world-class master-planned mixed-use developments. PHC's portfolio includes the PNB Financial Center in Pasay City, the PNB Makati Center, and the 8,000-square-meter PHC Buendia Property at the intersection of Sen. Gil J. Puyat Avenue and Paseo de Roxas in Makati City, among other key investment properties. As part of its growth strategy, PHC is actively seeking strategic investors with proven expertise in property development and financial strength to maximize the value and potential of these prime locations.

Banking

Established in 1916 and privatized in 2007, the Philippine National Bank (PNB) is one of the Philippines' oldest and largest financial institutions, proudly known as the "Bangko ng Bayan" or the people's bank. Over its 110-year history, PNB has remained resilient, evolving to meet the changing needs of its customers through continuous innovation and service excellence. With a strong domestic network of 635 branches and offices and 67 overseas locations, PNB serves a diverse clientele ranging from individuals to corporations and government entities, offering traditional banking services alongside digital solutions. From pioneering rural banking in the 1920s to opening its first international branch in New York in 1917, PNB continues to play a vital role in both the local and global financial landscape.

Tobacco

In 2010, Philip Morris Philippines Manufacturing Inc. (PMPMI) and Fortune Tobacco Corporation (FTC) joined forces to establish PMFTC Inc., marking a significant milestone in the tobacco industry. PMPMI, which began producing Marlboro in 1955 under a licensing agreement, and FTC, founded by Dr. Lucio C. Tan in 1965, brought together decades of expertise. Today, PMFTC, manufactures five of the top 10 cigarette brands in the Philippines, cementing its position as a key industry player.

Distilled Spirits

Tanduay Distillers Inc. is a leading distilled spirits producer in the Philippines, known for its extensive product line and robust distribution network, which spans over 220,000 points of sale and 15 exclusive distributors nationwide. Tanduay was established in 1854 and acquired by the Lucio Tan Group in 1988. Tanduay manufactures a variety of spirits, including rhum, brandy, whiskey, and gin, and exports its products globally through Tanduay Brands International, Inc. (TBII). TBII, fully acquired in 2006, strategically markets Tanduay's products, enhancing its visibility in the competitive spirits industry. Tanduay's subsidiary, Absolut Distillers Inc. (ADI), specializes in high-quality ethyl alcohol and sustainable production practices, supporting both alcoholic and non-alcoholic beverage sectors while championing employee empowerment and stakeholder engagement.

Customer Satisfaction

GRI 3-3

For its customer-facing businesses, LTG prioritizes delivering value through quality products, ethical business practices, and customer-centric innovation. Customer satisfaction and retention are embedded as key performance indicators within business strategies across relevant subsidiaries, reflecting the Group's focus on sustaining long-term customer relationships and brand equity.

Customer sentiment is monitored through structured and consistent mechanisms, including Net Promoter Scores (NPS), customer feedback channels, and targeted engagement programs. These inputs are actively reviewed and integrated into operational and strategic decision-making, enabling timely identification of service gaps, product improvement opportunities, and evolving customer preferences. Across subsidiaries, open communication is maintained through multiple channels, such as customer service hotlines, surveys, and digital platforms, ensuring that customer concerns are addressed promptly and transparently.

Customer Health and Safety

Protecting customer health and safety remains a priority across our Group's diversified businesses. Each subsidiary applies controls and safeguards appropriate to its products and services, guided by regulatory requirements, internal quality standards, and customer feedback. The Group continues to strengthen preventive measures, response mechanisms, and inclusive practices to ensure that customer well-being is protected across manufacturing, property, and financial services operations. In 2025, we recorded zero incidents of non-compliance relating to Customer Health & Safety.

ZERO
Incidents of Non-compliance relating to Customer Health & Safety

In the spirits business, Tanduay implements a comprehensive Food Safety Program to ensure that all products are safe for human consumption. While a formal health statement currently applies primarily to select export products, strict supplier quality controls are enforced for all operations, including certification testing of raw and packaging materials to confirm food-grade compliance and tolerable chemical risk levels. Customer concerns during the year were largely related to product packaging. All issues were addressed through the Consumer Response Program under the Quality Management System, ensuring timely resolution of product- and customer-related complaints and compliance with regulations and certifications (ISO and HACCP) governing alcoholic beverages and distilled spirits.

For property development and management, Eton prioritizes customer health and safety through compliance with regulatory requirements and internal guidelines. Particular attention is given to vulnerable groups, including senior citizens and individuals with medical conditions, through appropriate accommodations and flexible arrangements where applicable. Customer concerns typically relate to processing timelines, documentation requirements, and preferences for contactless or online transactions. These are addressed through coordination across departments, adherence to established protocols, and continued availability of remote and digital service channels, supporting both safety and convenience.

In beverage manufacturing, Asia Brewery operates under a Food Safety and Quality Policy focused on product safety, quality excellence, and continuous improvement. The company maintains a Food Safety and Quality Management System compliant with international and local standards, supported by a Hazard Analysis and Critical Control Point (HACCP) framework. During the reporting period, there were no food safety or regulatory complaints, reflecting the effectiveness of preventive controls, documented procedures, and workforce competency development in safeguarding consumer health.

In the banking sector, PNB addresses customer health and safety through inclusive branch design, security measures, and consumer protection initiatives. Branches are required to provide facilities for persons with disabilities (PWDs), while security risks are mitigated through adequate safeguards and operational monitoring. Customer concerns during the year included long queues, facility downtime, and increasing incidents of fraud and scams. These issues are addressed through branch-level controls, timely reporting and resolution of system or equipment issues, customer guidance on secure use of banking channels, and regular advisories on fraud prevention.

GRI 416-2

Customer Health and Safety	2025	2024
Total no. of incidents of non-compliance with regulations resulting in a fine or penalty	0	0
Total no. of incidents of non-compliance with regulations resulting in a warning	0	0
Total no. of incidents of non-compliance with voluntary codes	0	0
Total no. of substantiated complaints	0	66*
Total no. of complaints addressed	0	66*

**2024 complaints for ABI only*

Marketing and Labeling

Marketing and labeling across LTG are guided by principles of accuracy, responsibility, and regulatory compliance, with a growing emphasis on sustainability, consumer protection, and brand integrity. The Group recognizes that marketing practices play a crucial role in shaping customer trust and long-term brand value; therefore, it ensures that communications are aligned with applicable laws, industry standards, and internal governance frameworks.

ZERO
Incidents of Non-compliance relating to Marketing and Labeling

PNB strengthened governance over marketing activities through the approval and development of operations manuals covering marketing intelligence and analytics, marketing services, online marketing, and mainstream communications. These frameworks support the execution of coordinated digital and traditional campaigns across multiple channels, including branch-level initiatives. Marketing strategies increasingly incorporate sustainability themes, reflecting opportunities to enhance brand differentiation, strengthen regulatory readiness, and reinforce PNB's positioning as a dependable financial institution. At the same time, the Bank actively manages risks related to cost implications, customer awareness, and regulatory change through education campaigns, stakeholder partnerships, and structured feedback mechanisms.

For Asia Brewery, they apply strict controls to ensure responsible marketing and accurate product labeling. All advertising materials undergo mandatory review and clearance by the Ad Standards Council, and compliance with Food and Drug Administration requirements is maintained across all product categories. Additional safeguards apply to alcoholic products, including age-appropriate advertising restrictions and responsible marketing practices. Environmental considerations are reflected in labeling through disposal and recycling symbols, while broader marketing initiatives support reusable packaging systems and consumer awareness on sustainability through engagement with NGOs, local government units, and industry partners.

Eton, on the other hand, manages marketing and communications under defined brand guidelines and a Code of Ethics that require compliance with relevant regulatory bodies. A mix of digital platforms, community engagement, events, and sales collaterals is used to communicate product features, sustainability attributes, and safe usage information. Marketing content increasingly promotes resource efficiency and responsible use of properties, supported by clear labeling, transparent disclosures, and accessible customer support.

Meanwhile, Tanduay aligns marketing and labeling practices with regulatory requirements for alcoholic beverages and internal brand standards. Responsible consumption messaging is consistently integrated into promotional materials, supported by initiatives such as bottle return programs and selective use of renewable energy in sales operations.

GRI 417-1, 417-2, 417-3, FB-NB-270a.3, FB-NB-270a.4, FB-AB-270a.2, FB-AB-270a.3

Marketing and Labeling	2025
Total no. of incidents of non-compliance with regulations resulting in a fine or penalty	0
Total no. of incidents of non-compliance with regulations resulting in a warning	0
Total no. of incidents of non-compliance with voluntary codes	0
Total no. of substantiated complaints	0
Total no. of complaints addressed	0
Number of significant product or service categories offered	0
Number of significant product or service categories covered by and assessed for compliance with information and labeling procedures	0
Percentage of significant product or service categories covered by and assessed for compliance with information and labeling procedures	0

**No sustained complaints for 2025 as per ABI and TDI*

Feature Story

Driving Digital Adoption Through Customer-Focused Innovation

In 2025, PNB advanced digital adoption through customer-focused initiatives designed to encourage regular use of mobile banking and expand access to electronic payments. The Happy Habits Promo, which ran from February 3 to May 4, 2025, motivated both active and previously inactive PNB Digital users to increase transaction frequency. The campaign drove strong year-on-year growth in peer-to-peer, person-to-merchant, person-to-business InstaPay, and cardless withdrawal transactions, exceeding promo targets. A total of 220 users were rewarded through tiered cash prizes, reinforcing positive digital banking behaviors.

Complementing this effort, PNB launched the InstaPay Fee Reduction Promo from July 2025 to January 2026, reducing fees to ₱10.00 for transactions of ₱500.00 and below. The initiative aligns with the Bangko Sentral ng Pilipinas' call for affordable digital transaction pricing and directly supports price-sensitive customers, including unbanked and underbanked segments.

Feature Story

Beyond 18 Anniversary Campaign at Eton

Eton marked its 18th anniversary with the "Beyond 18" campaign, a milestone initiative that reflects the company's evolution and forward-looking ambition. Anchored on the theme "Beyond Limits, Beyond Today, Beyond Innovation," the campaign celebrates nearly two decades of growth while reinforcing Eton's commitment to purposeful development, adaptability, and long-term value creation in the Philippine real estate sector. It highlights how the company has progressed beyond its early foundations to become a diversified property developer with residential, commercial, and mixed-use developments.

More than a retrospective, the Beyond 18 Anniversary Campaign positions Eton for the future by strengthening its brand narrative around innovation, resilience, and relevance. The campaign underscores Eton's focus on creating communities that respond to changing lifestyles, advancing sustainable and efficient design, and delivering developments that remain responsive to market needs.

Enabling Responsible Consumption Through Product Innovation

We continue to promote responsible consumption across its beverage portfolio by combining clear consumer communication with product innovation. Through prominent "Drink Responsibly" messaging, transparent labeling, and compliance with regulatory standards, the Group supports informed decision-making and moderation, particularly for alcoholic beverages. Both Asia Brewery and Tanduay integrate responsible drinking reminders across marketing materials and point-of-sale communications, reinforcing age-appropriate consumption and consumer awareness.

At the same time, the Group is responding to evolving consumer preferences by expanding access to healthier and more flexible choices. Asia Brewery and Tanduay are exploring opportunities to introduce low- and no-alcohol alternatives, alongside beverage options with reduced or no sugar, to complement existing product lines. These initiatives reflect a long-term commitment to providing greater choice, supporting wellness-oriented lifestyles, and encouraging moderation without compromising quality or enjoyment.

Data Privacy and Security

GRI 3-3, FN-CB-230a.2

Safeguarding personal data and maintaining robust cybersecurity controls are integral to the Group's governance and risk management practices. Across the Group, data privacy and information security measures are designed to protect stakeholder information, ensure regulatory compliance, and mitigate operational and reputational risks arising from cyber threats. Controls are proportionate to the nature and volume of data processed, with continuous monitoring and periodic risk assessments to address evolving threats.

At the holding and real estate level, PNB Holdings and Eton handle relatively low volumes of personal data and apply appropriate safeguards to protect both physical and digital information. Identified exposure areas primarily relate to human resources, finance, and IT infrastructure. Both entities emphasize consent-based data collection, restricted access to sensitive information, employee training, and the deployment of cybersecurity tools to mitigate phishing, malware, and unauthorized access risks. No data breaches or substantiated complaints were reported during the period, and ongoing efforts focus on privacy awareness and continuous enhancement of security controls.

In the banking business, PNB maintains a comprehensive information security and data privacy framework, supported by an approved Information Security Management System (ISMS), a Manual of Information Security Guidelines, and a detailed Data Privacy Manual. These frameworks are aligned with ISO 27001 standards and the Data Privacy Act of 2012, and are supported by structured risk assessment processes, including Privacy Impact Assessments and third-party information security reviews. From January 1 to December 2025, six substantiated data privacy complaints were recorded through the Enhanced Customer Relationship Management system. Two complaints were filed but there were no major cyber/information security incidents reported.

For beverage manufacturing, Asia Brewery and Tanduay apply data privacy controls commensurate with their operations, covering employee data, supplier and customer information, and proprietary business data.

Asia Brewery reported no substantiated complaints or data breaches in 2025, with access to sensitive information restricted to authorized personnel and supported by risk assessments, access controls, and data backup protocols.

Tanduay maintains proactive compliance monitoring led by a designated Data Protection Officer, mandatory Privacy Impact Assessments for new or modified processes, encryption of personal data transmitted externally, and clear incident response and notification procedures aligned with regulatory requirements. Consent-based direct marketing practices and strict data sharing controls further strengthen protection across third-party engagements.

GRI 418-1, FN-CB-230a.1

Customer Privacy	2025	2024	2023
Number of substantiated complaints on customer privacy	6	0	1
Number of complaints addressed	6	0	1
Number of customers, users, and account holders whose information is used for secondary purposes	0	0	0
No. of data breaches, including leaks, thefts, and losses of customer data	2	0	0
Percentage of data breaches in which personally identified information (PII) was subject to a data breach	100%	0	0
No. of customers affected by data breaches	558	0	0

For PNB customer privacy complaints only

Feature Story

Strengthening Cyber Resilience Through Proactive Security Investments at Asia Brewery and Eton

Asia Brewery has strengthened its cybersecurity posture through targeted initiatives aimed at protecting critical systems and safeguarding stakeholder data. The company engaged an independent third-party firm to conduct a comprehensive Vulnerability Assessment and Penetration Testing (VAPT) across key systems, enabling the identification and remediation of potential security gaps. To further enhance resilience, Asia Brewery subscribed to Managed Security Operations Center (SOC) and Managed Detection and Response (MDR) services, providing 24/7 threat monitoring, advanced detection, and rapid incident response. These efforts were complemented by the deployment of a Next-Generation Firewall (NGFW) with intrusion prevention, application control, and threat intelligence capabilities, reinforcing secure connectivity and operational reliability across all business units.

On the other hand, Eton continues to strengthen its data privacy governance through the active oversight of its Data Privacy Program and dedicated Data Privacy Act (DPA) team. The team oversees compliance with the Data Privacy Act, including the implementation of privacy notices, consent management processes, and the timely handling of data subject requests. Working closely with IT, Human Resources, and customer-facing units, the Data Privacy team ensures coordinated responses to privacy-related inquiries and potential incidents, reinforcing accountability and consistent application of data protection practices across the organization.

Innovation and Digitization

Our effort to strengthen our operational efficiency, resilience, and long-term competitiveness are backed by our innovation and digitization initiatives. Across the Group, 2025 initiatives focused on modernizing core systems, enhancing cybersecurity, improving data-driven decision-making, and enabling more agile and scalable operations, while maintaining alignment with governance, risk, and sustainability priorities.

PNB Holdings completed a series of foundational digital initiatives, including the full migration of finance and materials management to SAP S/4HANA Cloud, enabling real-time reporting, improved analytics, and streamlined financial operations. Cyber resilience and IT efficiency were strengthened through cloud-based Microsoft 365 backups, web application firewall deployment, DNS filtering, remote IT monitoring tools, and enhanced endpoint management. Collaboration and productivity were further supported by cloud-based telephony, an IT helpdesk system, and the rollout of AI-powered tools such as automated meeting transcription and cybersecurity awareness training, all fully implemented during the year.

100%
Completion rate across all digitization projects at PNB Holdings

Meanwhile, PNB piloted advanced digital productivity tools through its Copilot Lab Program, demonstrating measurable efficiency gains across key support and governance functions. The initiative improved knowledge retrieval, customer service responsiveness, and automation of time-intensive tasks, reinforcing the Bank's focus on operational excellence and innovation at scale.

Php 519.68 million
Total digital and innovation investments at PNB in 2025

Php 2.95 billion
Total IT-related CAPEX Budget

On the other hand, Asia Brewery advanced digitization across supply chain, finance, human resources, and IT infrastructure. Key initiatives included centralized identity and access management, automated integration of distributor purchase orders, digitized workflows for import payments and cash advances, cloud migration of file storage systems, and the deployment of in-house learning and collaboration platforms. Several initiatives reached full implementation in 2025, while others remain in advanced development stages, supporting improved efficiency, data accuracy, and governance. In parallel, investments in endpoint security, asset management, and digital HR systems continue to strengthen operational discipline.

Thirteen
Digital and innovation projects for 2025 at Asia Brewery

Eton advanced the digitalization of property management and marketing operations in 2025. The continued rollout of the MyEPMC platform supported stronger coordination and reporting for property management processes. The Digital Marketing & Creatives Hub (DMC Hub) was implemented as a centralized repository of approved marketing and creative materials for Sales, Leasing, and other internal stakeholders, improving version control, turnaround time, and consistency. In parallel, ICT progressed the migration of Eton's environment to cloud-based Microsoft Azure to strengthen availability, security, and scalability of core systems.

Finally, Tanduay invested in infrastructure upgrades to support digitized manufacturing and supply chain operations. Initiatives included a comprehensive network refresh, enhanced physical access controls, inter-plant communication systems, upgraded CCTV coverage, strengthened data privacy oversight through an outsourced Data Protection Officer, and expanded cybersecurity awareness and remote-access protection.

100%
Completion of DMC Hub deployment and Microsoft Azure cloud migration

100%
Completion rate across all digitization projects at Tanduay

Feature Story

Boosting Workplace Innovation Through AI Enablement at PNB

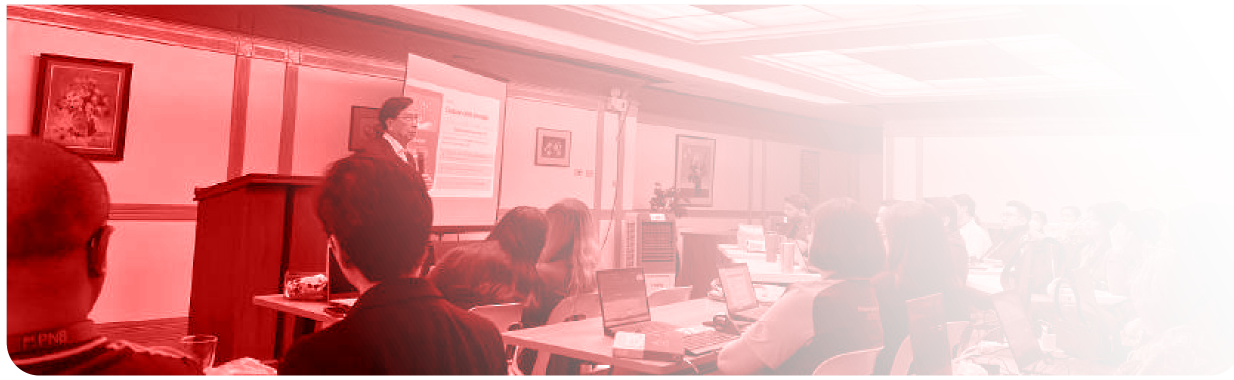
PNB marked an important milestone in its digital transformation journey with the Microsoft 365 Copilot Lab Graduation Ceremony held on October 17. The event recognized participants from key support and enabling units, including Operations, Customer Experience, Enterprise Risk Management, Human Resources, Financial Management, the Office of the Corporate Secretary, and innovation and IT teams, for successfully completing the Copilot Lab Program. Graduates shared practical use cases and insights from applying AI-powered tools to real workflows, demonstrating how Copilot can improve productivity, streamline reporting, and enhance decision support. The graduation signaled the Bank's readiness to scale Copilot adoption more broadly across the organization.

The Bank further invested in capability development through a Microsoft 365 Copilot Foundational Training, conducted in partnership with Microsoft Philippines and Shellsoft Technology Corporation. The training combined hands-on exercises and interactive sessions to equip participants with practical skills for integrating Copilot into daily work.

Feature Story

Banking Reimagined: How PNB Is Building a Digital-First Future

PNB accelerated its transformation into a digitally enabled, customer-centric bank through major investments in technology, talent, and infrastructure. The launch of the APEX Academy equipped over 1,000 employees with capabilities in AI-driven banking, data protection, and agile operations, while the integration of Microsoft 365 Copilot improved productivity and decision-making across the organization. Digital services expanded significantly through upgrades to PNB Digital, including mobile account opening, enhanced payments functionality, and stronger platform reliability, complemented by improvements to core banking and ATM systems. At the same time, the Bank balanced digital growth with physical expansion, opening new branches and deploying mobile banking units to ensure accessibility for underserved communities, underscoring its strategy of combining innovation with inclusive service delivery.



Feature Story

Finance as a Force for Inclusive Growth

PNB continued to play a meaningful role in economic development by expanding support for corporate, SME, and institutional clients while strengthening its advisory and financing capabilities. Organizational restructuring within institutional and commercial banking broadened market reach and deepened relationships across emerging and middle-market segments. Trust banking operations delivered strong client acquisition and investment performance, while digital innovations such as simplified onboarding for retirement accounts improved financial inclusion nationwide. These gains were complemented by industry recognition, including being named Best Bank for Investment Research in the Philippines for the fifth consecutive year by Euromoney at the 2025 Private Banking Awards, alongside citations as a Top Investment House by The Asset (2024-2025), reinforcing the Bank's growing stature in investment research, asset management, and capital market participation as it advances economic progress.

Feature Story

Sustainability Moves from Commitment to Execution

Sustainability initiatives gained further traction as PNB advanced environmental and social risk management, strengthened sustainability governance, and enhanced reporting transparency. The Bank improved emissions measurement across operations and investments, refined methodologies for resource efficiency monitoring, and expanded climate risk assessments covering both physical and transition risks. Stakeholder engagement deepened through materiality assessments and sustainability summits, while thematic workshops prepared business units for compliance with emerging sustainability reporting standards. Independent assurance of proceeds from PNB's USD 300 million Sustainability Bond issuance, alongside the successful ₱15.7 billion dual-tranche ASEAN Sustainability Bond offering, reinforced the Bank's commitment to financing projects that support renewable energy and climate resilience, demonstrating how financial performance and sustainability objectives increasingly move in tandem.

Feature Story

Smarter Resource Use and Material Optimization in Production at Tanduay

Tanduay strengthened resource efficiency in 2025, bottle inputs are largely sourced through retrieval (second-hand bottles), accounting for 54.33% in 2025. Material consumption is tracked through direct measurement using the Company's SAP S/4HANA ERP system, enabling real-time monitoring of production and inventory flows with high accuracy and reduced manual error. Inventory is managed on a FIFO basis to minimize spoilage and dead stock, supported by storage facilities designed to meet safety and environmental requirements. Where direct metering is not yet fully automated for minor consumables, conservative estimates based on historical average daily usage are applied to maintain data integrity.

The Company also advanced its energy transition by prioritizing renewable bio-energy and circular feedstocks. Distillation operations are partially powered by biogas generated from on-site digesters, displacing fossil fuel use and providing a stable, internally sourced energy supply, with plans to install solar panels across sites. Tanduay sources molasses, a byproduct of sugar production, as its primary raw material and applies a waste-to-value approach by converting distillery effluent into liquid fertilizer for farmers while capturing methane for energy generation.

Advancing Digital Banking and Customer Engagement at PNB

The Bank continues to strengthen its digital banking capabilities in 2025 by accelerating initiatives that expand user adoption, improve service quality, and enhance customer experience. Guided by a multi-year digital strategy aligned with the Bank's enterprise vision, mission, and regulatory environment, PNB remains focused on delivering a secure, reliable, and convenient digital banking experience. The strategy is endorsed by the Board Strategy and Policy Committee (BSPC) and overseen by the Board IT Governance Committee (BITGC), ensuring strong governance, strategic alignment, and accountability in execution.

	2025	2024	2023
ATMs	1,585	1,572	1,535
CAMs	145	143	145
Corporate CAMs (CCAMs)	102	63	29
POS Terminals	6,953	6,152	7,876

Digital initiatives are prioritized through a dedicated Projects Prioritization Committee to ensure alignment with business objectives, while implementation is monitored through steering committees and the Technology Committee. PNB continues to comply with Bangko Sentral ng Pilipinas (BSP) regulations, including the Digital Payments Transformation Roadmap under the National Retail Payment System (NRPS), and actively supports platforms such as InstaPay, PESONet, and the Open Finance Framework. Process automation initiatives, including digital bank forms and electronic statements of account (e-SOA), have further improved operational efficiency, supported sustainability objectives, and enhanced customer convenience.

Building on strong momentum in prior years, PNB Digital continued to grow in 2025, supported by enhancements in security, expanded transaction capabilities, and access to a wider range of financial products and services. Targeted customer engagement initiatives, including promotional campaigns and digital education efforts, helped increase transaction activity and platform usage. The Bank also leveraged digital communication channels, such as social media, email, SMS, and in-app messaging to strengthen awareness, engagement, and adoption.

	2025	2024	2023
Enrolled Users	1,824,005	1,449,058	1,105,231

**Mobile Banking Application*

Responsible Operations

Supply Chain Management

GRI 2-6, 2-13, 3-3, 414-2

We continue to strengthen supply chain governance as a critical enabler of operational resilience, value-for-money sourcing, and responsible business conduct.
In 2025, the Group drafted a Supply Chain Management Policy targeted for rollout in 2026. While still subject to final approval, the policy is designed to embed ESG and sustainability considerations, enhance supplier accreditation mechanisms, introduce supplier ESG and risk scoring, and formalize a Supplier Code of Conduct applicable across subsidiaries, with respect to their current processes and policies.

At PNB Holdings, they manage procurement with a focus on quality, timeliness, and cost efficiency for both existing properties and new developments. While prioritizing local suppliers to reduce carbon footprint and logistics risks, PHC recognizes challenges such as higher costs, supply constraints, and variable quality. These risks are mitigated through supplier diversification, early procurement planning, inventory management, and continuous vendor engagement, including dialogues to improve specifications and performance. Supplier compliance with fair labor, ethical business, and environmental practices is assessed during accreditation through the Vendor Code of Ethics.

For PNB, the Bank applies a structured and highly governed procurement process anchored on vendor accreditation, competitive bidding, and multi-level approval thresholds extending to Board oversight for significant transactions. The Bank prioritizes local suppliers where feasible to manage geographic and operational risks, while allowing exceptions under defined conditions. Enhanced vendor due diligence incorporates ESG criteria, environmental and social scorecards, business continuity readiness, information security, and data privacy compliance. Supplier risks are monitored through regular evaluations, audits, and escalation mechanisms, with clear rules governing non-compliance, risk acceptance, and disqualification.

On the other hand, both Asia Brewery and Tanduay maintain disciplined sourcing frameworks to ensure continuity of supply, quality, and compliance. Asia Brewery prioritizes local suppliers where feasible and manages global risks, such as geopolitical disruptions, energy price volatility, and logistics constraints, through multi-sourcing, inventory buffers, and quality audits. Tanduay applies a rigorous Supplier Accreditation Program benchmarked against ISO 9001 standards, covering legal, financial, quality, and sustainability criteria. Environmental and social compliance is embedded through documentation reviews, site audits, and performance evaluations, with zero significant environmental or social supply chain incidents recorded in 2025.

For Eton, the Company manages supplier risks through accreditation, performance monitoring, and internal reporting mechanisms focused on delivery reliability, quality, and cost efficiency. While formal ESG supplier standards are still evolving, risks related to supplier capability and availability are monitored through procurement and risk compliance programs.

Human Rights

We uphold a firm commitment to respecting and protecting human rights across its operations and supply chain, guided by the Group's Human Rights Policy.

The policy reinforces zero tolerance for forced labor, child labor, harassment, discrimination, and other abusive practices, while promoting fair labor standards, safe and healthy working conditions, and ethical business conduct.

These principles are embedded in supplier accreditation, due diligence, and ongoing engagement processes to help ensure that human rights considerations are integrated throughout the value chain. For more information on the Group's Human Rights Policy, please click here.

Illicit Trade

GRI 2-27

Illicit trade remains a significant and persistent challenge in the Philippine tobacco market, with wide-ranging implications for public health, government revenues, and legitimate businesses. Based on third-party estimates from Euromonitor, illicit cigarettes accounted for approximately 21% of total cigarette consumption in 2025, equivalent to around 11.5 billion sticks, or roughly one in every five cigarettes sold in the country.

This share is projected to increase further, potentially reaching 25% by 2030 if left unaddressed.

The growth of illicit trade is largely driven by price disparities arising from tax evasion. Legal cigarettes are subject to excise taxes amounting to ₱66.15 per pack, while illicit products evade all taxes and regulatory costs, allowing them to be sold for as low as ₱40 per pack. This creates a strong incentive for price-sensitive consumers, particularly younger adults and low-income groups, to shift toward illegal alternatives. Beyond lost revenues, counterfeit products that imitate legitimate brands also undermine consumer trust and damage brand equity, while creating an uneven playing field where compliant manufacturers bear the full burden of taxation, regulation, and health standards.

Prevention, Enforcement, and Market Protection

PMFTC addresses illicit trade through a multi-layered strategy aimed at disrupting supply chains, protecting legitimate commerce, and supporting enforcement. These measures include breaking illicit supply networks from points of entry and manufacturing sites through distribution and retail, preventing product diversion through strengthened supply-chain controls, and enhancing market surveillance to identify counterfeit products. Where necessary, cease-and-desist actions are pursued to safeguard intellectual property and deter further illegal activity.

The company also provides specialized training programs for law enforcement agencies and internal sales teams, equipping them with the skills to identify counterfeit and illicit tobacco products. These initiatives are complemented by continuous information-sharing with government stakeholders, supported by research and data on the health, social, and economic impacts of illicit trade.

Education and Public Awareness

Awareness and education remain central to demand reduction efforts. PMFTC conducts nationwide outreach through forums, retail store visits, and campaigns across both traditional and digital media, targeting retailers, government officials, trade partners, and legal-age consumers. These initiatives emphasize the risks, penalties, and broader consequences of illicit cigarette trade.

In 2025, PMFTC actively supported the Philippine Tobacco Institute's (PTI),nationwide education campaign, which reached over 30,000 retail store owners, helping them recognize illicit products and understand applicable laws and sanctions. Additional ITP specialist training sessions were also conducted to further strengthen frontline detection capabilities.

Collaboration and Policy Engagement

PMFTC works closely with both domestic and international stakeholders to strengthen collective action against illicit trade. Locally, the company is an active member of the PTI, which represents tobacco manufacturers, importers, exporters, and leaf traders and plays a key role in industry coordination, advocacy, and retailer education.

At the policy level, PMFTC advocated for consistent nationwide enforcement of key legislation, including the Tax Code, the Vape Law (RA 11900), and the Anti-Agricultural Economic Sabotage Act (RA 12022). The company emphasized the importance of active prosecution to deter repeat offenses and ensure that all market participants comply with tax and regulatory obligations.

Operationally, PMFTC collaborates with enforcement agencies such as the Bureau of Customs (BOC), Bureau of Internal Revenue (BIR), Philippine National Police (PNP), and the National Bureau of Investigation (NBI). These partnerships have contributed to nationwide seizures, factory closures, arrests related to smuggling and tax evasion, and the dismantling of large-scale counterfeit operations. PMFTC also monitors illicit tobacco and vape listings on e-commerce platforms and reports violations to the Department of Trade and Industry for appropriate takedown actions.

At the international level, PMFTC reinforces its commitment through participation in global platforms, including international trade forums and regional business councils, supporting coordinated cross-border responses to illicit trade.

Strategic Objective

The company's objective is to reduce illicit trade to manageable levels through sustained local and international coordination with other PMI affiliates and stakeholders. Demand-side efforts focus on retailer engagement and consumer awareness among legal-age smokers, encouraging a return to legitimate products. On the supply side, PMFTC continues to invest in supply-chain security, due diligence on customers, and demand-aligned product distribution. These actions are reinforced through ongoing collaboration with government and law enforcement partners, supporting a whole-of-society approach to protecting public health, legitimate business, and government revenues.

Resource Efficiency

Energy and Emissions

GRI 3-3, IFRS S1.46(a)(b), IFRS S2.29(a)(i),(ii),(iv)

We have institutionalized measures to promote energy efficiency and conservation across our businesses, recognizing energy management as a key lever for reducing operational costs, lowering carbon footprint, and improving environmental performance. Across the Group, emissions management currently focuses on regulatory compliance, energy intensity reduction, and improved monitoring. While comprehensive emissions targets and transition plans are still being developed, LTG continues to strengthen data quality, internal controls, and governance structures to support a more systematic approach to climate and emissions management in the coming years.

PNB Holdings focuses on managing energy consumption within corporate offices and managed properties, where major energy users include lighting, air-conditioning systems, pumps, elevators, and chillers. Energy efficiency initiatives include the conversion to LED lighting, installation of variable frequency drives (VFDs) on pumps and air-conditioning systems, use of inverter-type equipment, and operational optimization based on building occupancy and foot traffic. While formal emissions reduction targets are still under development, PHC continues to evaluate renewable energy opportunities and energy ratings as part of longer-term redevelopment and capital planning discussions.

For PNB, the Bank manages energy use primarily across corporate offices and branches, with lighting and air-conditioning as the main sources of consumption. Initiatives include the use of energy-efficient equipment and preventive maintenance of standby generator sets. The Bank also conducts annual greenhouse gas accounting and monitors generator usage, which remains limited to emergency or standby operations. PNB aligns its climate-related commitments with those of the Parent Company and continues to integrate energy efficiency and sustainability considerations into internal operations and risk assessments.

Meanwhile, Asia Brewery applies a structured energy management approach across its beverage and packaging plants nationwide. Energy-intensive processes include glass manufacturing, refrigeration, air compression, boilers, and production equipment. The company has implemented an Energy Management System aligned with ISO 50001, supported by site-level audits, metering, and continuous improvement initiatives such as LED conversions, high-efficiency motors, VFD installations, process optimization, and equipment upgrades. Asia Brewery has also invested in renewable energy, with solar photovoltaic projects in Cabuyao, Pampanga, and El Salvador contributing to reduced reliance on fossil fuels. Emissions are monitored through DENR-EMB–accredited third-party testing, with energy reduction targets set at a minimum of 5% per site against prior-year performance indicators.

Eton's energy management efforts focus on operational controls and targeted efficiency improvements across priority assets. Initiatives include preventive maintenance and optimization of building systems (including HVAC operations where applicable), energy-efficient lighting upgrades, and closer monitoring of consumption patterns to identify improvement opportunities. Where feasible, Eton evaluates phased options for cleaner energy sourcing and operational enhancements, balancing cost, site readiness, and tenant/resident requirements.

Within the spirits business, Tanduay manages energy consumption across all production facilities, where boilers used for distillation and bottle washing are the most significant energy users. Tanduay integrates circular and efficiency-driven initiatives, including the use of biogas generated from wastewater treatment, operation of a solar farm at Absolut Distillers, and ongoing studies on electrification of boilers and forklifts. Energy efficiency is reinforced through preventive maintenance, plant-wide energy audits, and expanded energy metering. While formal greenhouse gas targets are still under development, the Company applies internal Energy Use Ratio targets to manage Scope 1 and Scope 2 energy intensity and ensure compliance with regulatory emission standards.

GRI 302-1, FB-AB-130a.1, FB-NB-130a.1

Energy Consumption	2025	2024	2023
Total energy consumption within the organization (GJ)	**2,045,996.25**	**2,045,506.60**	**1,565,725.92**
Total fuel consumption within the organizatrion from non-renewable sources (GJ)	**1,183,478.41**	**1,174,471.80**	**887,913.26**
Luzon and Visayas (GJ)	1,072,723.86	1,069,466.78	842,275.78
Mindanao (GJ)	110,754.55	105,005.02	45,638.48

Electricity Consumption Breakdown	2025	2024	2023
Total Electricity Consumption within the organization from renewable energy (kWh)	**22,116,635.29*** **	**4,735,368.00** **	
Total Electricity Consumption within the organization from non-renewable energy(kWh)	**217,471,654.10**	**237,218,743.10**	**188,281,292.83**
Luzon and Visayas (kWh)	197,604,753.20	215,625,481.74	166,734,201.03
Mindanao (kWh)	19,730,501.15	21,362,727.36	21,300,916.80
*International (kWh)**	136,399.75	230,534.00	246,175.00

**Scope is for PNB only. Restated electricity consumption (International) for comparison of 3 year data. The sudden decrease from 2024 to 2025 is due to the change in scope of reporting branches.*
***Scope is for ABI only*
****Scope is for ABI and TDI only*

Fuel Consumption Breakdown	2025	2024	2023
Total Fuel Consumption (GJ)	**1,183,478.44**	**1,174,471.81**	**887,913.26**
Bunker Fuel (GJ)	507,399.46	526,442.75	367,785.36
Coal (GJ)	493,399.01	451,822.52	393,419.50
Low Sulfur Fuel Oil (LSFO) (GJ)	0.00	0.00	0.00
Diesel (GJ)	34,570.44	37,816.99	17,957.40
Gasoline (GJ)	11,892.37	13,928.61	1,409.37
Liquefied Petroleum Gas (GJ)	136,217.16	144,460.94	107,341.63

GRI 305-1, 305-2

Emissions Breakdown	2025	2024	2023
Generator Sets	30,240.05	26,566.71	27,677.11
Company-owned Vehicles	2,480.35	3,096.83	4,847.04
Third-party vehicles	86.76	0.00	0.00
Others	47,356.94	45,435.78	28,304.12
Scope 1 (tCO2e)	**80,164.10**	**75,099.32**	**60,828.27**
Luzon and Visayas (tCO2e)	137,038.89	149,643.42	115,630.16
Mindanao (tCO2e)	16,814.33	18,098.17	18,152.64
*International (tCO2e)**	2.41	4.08	4.36
Scope 2 (tCO2e)	**153,855.63**	**167,745.67**	**133,787.16**
Total carbon footprint (tCO2e)	**234,019.73**	**242,845.99**	**194,615.43**

**Scope is for PNB only. Restated electricity consumption (International) for comparison of 3 year data. The sudden decrease from 2024 to 2025 is due to the change in scope of reporting branches.*

Feature Story

Powering Progress: Asia Brewery's Multi-Site Shift to Clean and Efficient Energy

Asia Brewery advanced its decarbonization agenda in 2025 through a coordinated portfolio of renewable-energy and efficiency projects across its manufacturing network. Two large-scale solar installations anchor this transition: the Solar PV Pampanga Project (1.253 MWp DC / 960 kW AC) serving the ABI Bottled Water and IPI Pampanga Plant, and the Solar PV El Salvador, CDO Project (2.051 MWp DC / 1.6 MW AC) at the El Salvador facility. Upon commercial operations in November 2025, these systems are expected to generate a combined 5,163 MWh annually, cutting an estimated 2,699 tons of CO_2e each year while strengthening energy resilience at critical production sites.

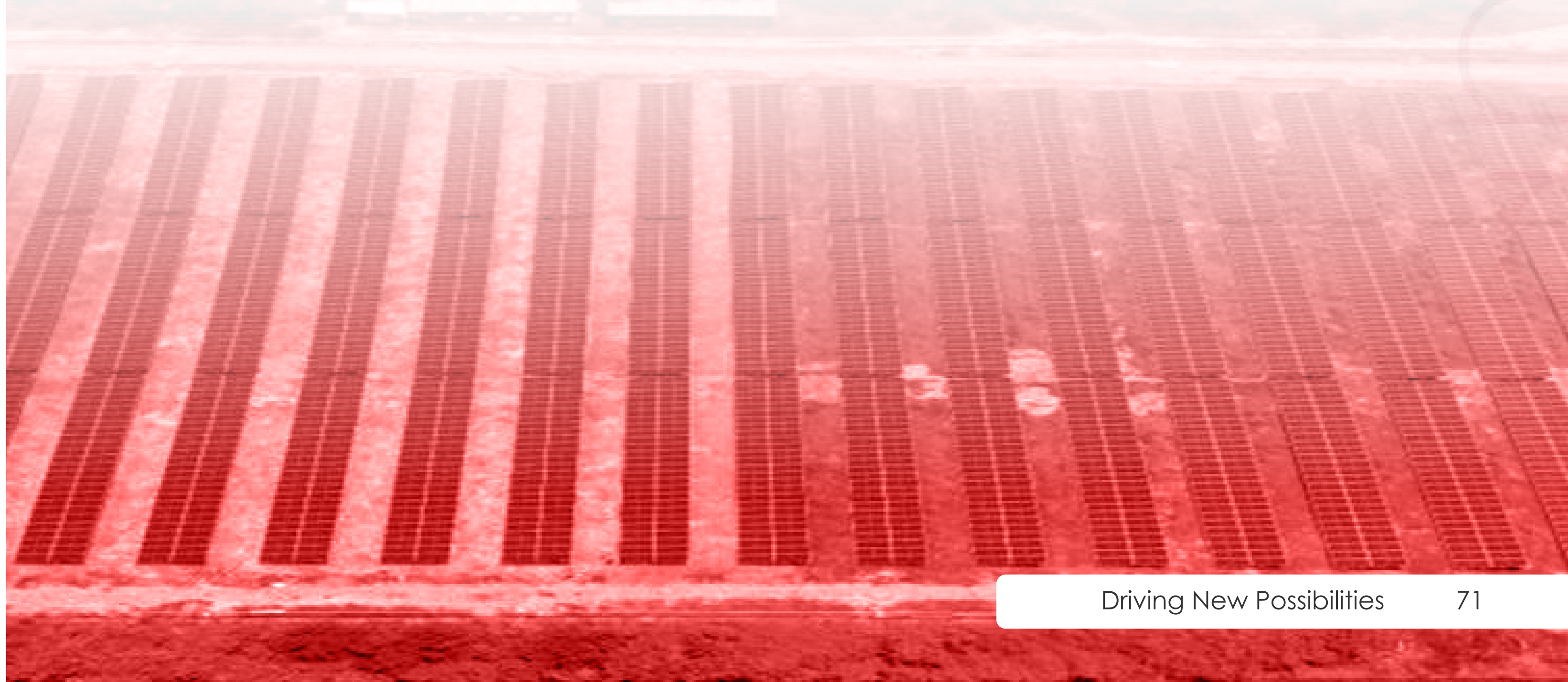
Beyond renewables, Asia Brewery pursued targeted efficiency upgrades to reduce electricity and fuel intensity. At Cabuyao, the shift to high-efficiency desiccant air dryers in central utilities is delivering measurable gains: 15% lower electricity costs, improved air quality, and year-to-date savings of 390,313 kWh, equivalent to 270.6 tons of CO_2e avoided. Complementary compressed-air optimization at Package World's carton operations, via VFD retrofitting, adds further reductions, alongside the rehabilitation of steam condensate recovery units that reuse hot condensate to improve boiler performance.

Feature Story

Designing Efficiency, Securing Resilience: Eton's Integrated Energy and Water Stewardship

Eton continues to strengthen the environmental performance of its portfolio by embedding efficiency and resilience into day-to-day property operations. In line with Department of Energy (DOE) requirements, the company sustained the implementation of its Energy Management Program, focusing on systematic monitoring of energy consumption, deployment of conservation measures, and the achievement of Energy Use Intensity (EUI) reduction targets across priority assets. These efforts directly benefit tenants and residents through more stable operations and controlled utility costs, while providing LT Group and investors with clearer visibility on energy risks, performance trends, and long-term asset efficiency.

Complementing its energy initiatives, Eton advanced resource resilience through targeted investments in environmental infrastructure. A key focus in 2025 was the continued upgrading of Sewage Treatment Plants (STPs) to meet DENR standards, alongside the evaluation and rollout of treated greywater reuse for non-potable applications. This integrated approach reduces water-related risks, supports regulatory compliance, and enhances operational sustainability in high-occupancy properties.



Water Management

GRI 3-3, 303-1, 303-2, FB-AB-140a.2, FB-NB-140a.2

Water is recognized as a critical resource across our diversified operations hence we manage water use with the objective of ensuring operational continuity, regulatory compliance, and cost efficiency. Water management practices across the Group focus on monitoring consumption, improving efficiency, maintaining water quality, and mitigating operational and environmental risks, with approaches tailored to the nature of each business.

GRI 303-3, 303-4, 303-5, FB-AB-140a.1, FB-NB-140a.1

Water Consumption	2025	2024	2023
Groundwater (ML)	6,563.24	6,038.00	5,107.95
Third-party water (ML)	1,779.33	1,652.25	948.04
Total Water Withdrawal (ML)	**8,342.57**	**7,690.25**	**6,055.99**
Surface Water (ML)	1,833.53	1,853.00	2,177.14
Groundwater (ML)	541.49*	85.00	116.95
Seawater (ML)	640.08	616.00	891.79
Third-party water (ML)	1,157.98	1,165.12	600.23
Total Water Discharge (ML)	**4,173.08**	**3,719.12**	**3,786.11**
Total Water Consumed (ML)	**3,272.29**	**3,375.76**	**2,189.25**

**The increase in groundwater use can be attributed to TDI used only groundwater in 2025, whereas in 2024 they used more surfacewater than groundwater*

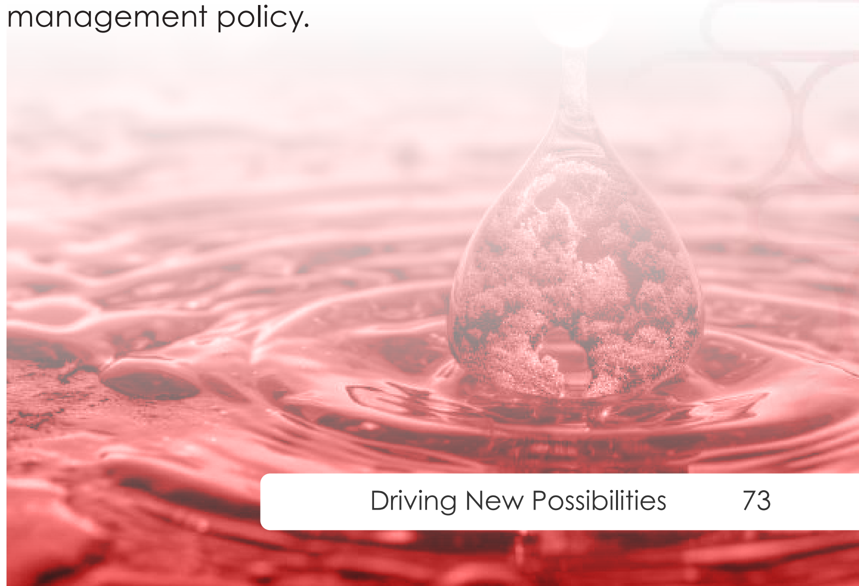
For real estate, PNB Holdings, they manage water consumption primarily from restroom operations and landscape irrigation in corporate facilities. Water use directly affects operating costs and building efficiency, prompting initiatives such as scheduled cleaning and washdowns, regulated system pressure through pneumatic upgrades, and controlled landscape watering schedules. PNB Holdings targets a minimum 10% reduction in water consumption across applicable facilities and monitors effluent quality in accordance with regulatory standards, including compliance with LLDA requirements and the operation of an on-site sewage treatment plant (STP) at the PNB Financial Center. Treated wastewater is reused for landscape irrigation, supporting water conservation and reducing freshwater demand.

Meanwhile, Eton's water use is driven primarily by tenant and resident demand. Water management initiatives include daily monitoring, leak detection, infrastructure maintenance, and the reuse of gray water from rehabilitated sewage treatment plants. EPPI complies with DENR AO 2021-19 and coordinates closely with local government units and water concessionaires to ensure proper discharge standards. Investments in STP upgrades and gray-water reuse systems form part of both short- and long-term strategies to mitigate water supply risks and support efficient property operations.

At PNB's offices at the financial center, the largest volume of water consumption is attributable to the cooling tower supporting the centralized air-conditioning system, which is essential for maintaining building operations. Water availability directly affects operational continuity, as the absence of supply would impact both air-conditioning and restroom facilities. To mitigate this risk, the building is supported by two water storage tanks capable of sustaining operations for up to two days, with water levels monitored on an hourly basis. Water is sourced from Maynilad and used for air-conditioning operations, sanitation, and drinking stations, with wastewater treated through the on-site Sewage Treatment Plant (STP) prior to discharge in accordance with regulatory standards. As a tenant, PNB consumes a relatively lower volume of water and coordinates closely with the building owner on water management initiatives, while implementing internal measures such as leak prevention and efficient restroom maintenance. Responsibility for wastewater discharge standards, water recycling systems, and prevention of underground contamination rests with the property manager, with PNB maintaining alignment and coordination to support responsible water stewardship.

For manufacturing operations, Asia Brewery manages significant water demand arising from bottling, bottle washing, and glass manufacturing processes. Water is a core production input, particularly for beverage formulation, returnable glass bottle cleaning, and furnace cooling in glass plants. Water performance is tracked through site-level KPIs, with a three-year target to reduce water use by 5%, supported by proper water-use management, preventive maintenance programs, and compliance with the Philippine Clean Water Act and related DENR regulations. Effluent quality is monitored in accordance with national standards, and continuous improvement programs are in place to mitigate water-related operational risks.

Within the spirits business, Tanduay Distillers treats water as an essential input across distillation and bottling processes. The highest water consumption occurs during fermentation, alcohol dilution, and bottle washing. To improve data accuracy and efficiency, Tanduay is expanding sub-metering and plans to install additional water meters in line with regulatory requirements. Water reuse initiatives, such as reusing rinse water in bottle washing and optimizing softener systems, are being implemented, with expected savings of approximately 83 million liters. The Company operates wastewater treatment facilities in compliance with DENR General Effluent Standards and continues to enhance wastewater quality through system upgrades, increased testing frequency, and automation. Longer-term strategies include rainwater harvesting, deep well rehabilitation, and the development of a formal water management policy.



Waste Management

GRI 3-3, 306-1, 306-2

Across the Group, waste and materials management practices continue to evolve, balancing regulatory compliance, operational efficiency, and sustainability considerations. LTG remains focused on strengthening data quality, supplier engagement, and circular initiatives to reduce waste generation and improve resource stewardship over the long term.

PNB Holdings oversees waste management primarily through accredited third-party hauling vendors operating existing Materials Recovery Facilities. Waste segregation and disposal are managed at the building level, supported by bulk procurement, inventory management, and improvements in mechanical, electrical, plumbing, and fire (MEPF) systems to extend asset life and reduce material waste. For future developments, PHC is integrating lean construction practices, modular construction methods, and sustainability certifications, while prioritizing energy-efficient materials, retrofitting of existing buildings, and adaptive reuse strategies to minimize demolition waste and resource intensity.

For PNB, the Bank generates waste mainly from office operations, renovations, and the replacement of equipment and furnishings. Waste management is coordinated with building owners and accredited contractors, while internal initiatives focus on waste segregation, reuse and repair of furniture, fixtures, and equipment, and reduced paper use through digital communications. Oversight is supported by designated Pollution Control Officers, regular compliance reporting, and monitoring of asset lifecycles to improve material efficiency and manage environmental risks.

On the other hand, Asia Brewery applies structured waste management programs across production, maintenance, and wastewater treatment activities. Initiatives include waste segregation, recycling of used oil, solvents, glass cullets, and plastic crates, and partnerships with scrap buyers for material recovery. Material consumption is monitored through ERP systems using direct measurement, while packaging impacts are reduced through lightweighting, returnable glass bottle systems, and the use of recycled inputs. These practices support continuous reduction of waste generation and improved material yields without compromising product quality.

Eton, meanwhile, manages waste generated from daily commercial and residential activities through solid waste programs, accredited haulers, and regular compliance reporting. Material efficiency is supported through digital property management systems, reuse of recovered materials for minor repairs, and paperless workflows.

Waste risks are monitored through internal reporting and risk compliance tracking, with a focus on operational efficiency and cost control.

For Tanduay, their operations apply a comprehensive waste and materials strategy centered on the 3Rs: Reduce, Reuse, Recycle. Key initiatives include extensive retrieval and reuse of second-hand bottles, back-to-supplier schemes for containers, and strict tracking of hazardous waste through certified treatment and disposal processes. Material consumption is monitored through direct measurement using SAP S/4HANA, supported by FIFO inventory controls to reduce spoilage and dead stock. Circular practices such as biogas generation from distillery effluent and the conversion of byproducts into agricultural inputs further reduce waste and environmental impact while enhancing operational resilience.

GRI 2-4, 306-3, 306-4, 306-5

Waste by Composition in metric tons (mt)	2025	2024	2023
Total hazardous waste	156.76	250.29*	2,326.83
Total non-hazardous waste	7,620.16	5,478.34	4,191.68
Total waste generated	**7,776.93**	**5,976.72**	**4,461.86**

**Restated 2024 hazardous waste data following the identification of a misplaced decimal point in ETON's data*

Waste diverted from disposal by recovery operation in metric tons (mt)	2025	2024	2023
Preparation for reuse	*0.00*	*14.08*	*0.00*
Recycling	*17.96*	*10.35*	*5.03*
Others	*0.08*	*12.59*	*43*
Total hazardous waste	**18.04**	**37.02**	**48.03**
Preparation for reuse	0.00	1,513.36	5.00
Recycling	751.71	15.94	2.30
Others	2,404.88	0.00	1,070.35
Total non-hazardous waste	**3,156.59**	**1,529.30**	**1,077.65**

Waste directed to disposal-by-disposal operation (mt)	2025	2024	2023
Incineration (mt)	*0.00*	*7.83*	*0.00*
Landfilling (mt)	*127.99*	*119.38**	*179.10*
Others (mt)	*0.00*	*63.66*	*1,006.57*
Total Hazardous waste (mt)	**127.99**	**190.87**	**1,185.67**
Incineration (mt)	0.00	0.00	0.20
Landfilling (mt)	4,682.49	3,719.07	3,198.97
Others (mt)	243.39	80.58	230.00
Total Non-hazardous waste (mt)	**4,925.88**	**3,799.65**	**3,429.17**

**Restated 2024 hazardous waste data following the identification of a misplaced decimal point in ETON's data*

Materials

Managing the use of materials for LTG is treated as an operational discipline rather than a stand-alone sustainability activity. The focus is on using materials efficiently over their full lifecycle: procurement, use, maintenance, reuse, and eventual disposal, while balancing cost, quality, safety, and environmental considerations.

PNB Holdings for instance, manages materials largely through asset stewardship. Existing buildings are maintained, retrofitted, and refurbished to extend useful life and avoid premature replacement of structural and MEPF systems. Material use is guided by bulk purchasing, inventory controls, and selective upgrades that improve efficiency without increasing waste. For new developments, material decisions increasingly consider constructability, durability, and long-term operating performance, with the gradual introduction of modular construction methods and green building practices where feasible.

As one of the largest Bank's in the Philippines, PNB's material consumption is concentrated in office fit-outs, equipment, and day-to-day supplies. The Bank manages this through asset lifecycle monitoring, preventive maintenance, and repair or redeployment of furniture, fixtures, and IT equipment to extend usability. The shift toward digital workflows and electronic communication has significantly reduced paper and consumables, helping control both costs and material intensity without affecting service delivery.

Manufacturing subsidiaries apply more data-driven controls. Asia Brewery, Inc. monitors material inputs directly through ERP-based systems linked to production bills of materials, allowing tight control of yields and losses. Recycled inputs such as glass cullets and reprocessed plastics are integrated where technically suitable, while packaging strategies, such as returnable glass bottles and lightweighting, help reduce reliance on virgin materials. These initiatives are implemented alongside quality controls to ensure product integrity is maintained.

For Tanduay Distillers, Inc., materials management is closely linked to circularity and process efficiency. Core raw materials and packaging are tracked in real time using SAP S/4HANA, supported by FIFO inventory practices to minimize spoilage. The Company optimizes its circularity efforts by maximizing the use of second-hand bottles, secondary agricultural inputs, and supplier take-back schemes to reduce waste generation at source. Through integrating materials management with energy recovery and byproduct utilization, Tanduay reduces material losses while preserving product quality and operational reliability.

Meanwhile, Eton leverages the MyEPMC platform and property-level reporting to strengthen tracking of operational materials and maintenance-related usage, supporting better visibility and identification of efficiency opportunities. Recovered materials from tenant turnovers and routine property works are selectively reused for minor repairs and maintenance, allowing the company to reduce material costs without compromising quality or safety. Supported by its building and inventory management functions, Eton is able to monitor material flows, manage environmental impacts at the property level, and ensure alignment with its broader sustainability and compliance objectives.

Adapting to Climate Change

GRI 3-3, 201-2

Governance

Climate-related matters are overseen at both the parent and subsidiary levels. At LTG, sustainability and environmental performance are embedded within governance and risk oversight structures. Subsidiaries manage climate-related actions through their respective boards, executive committees, and sustainability or governance committees.

Subsidiaries are responsible for setting and implementing greenhouse gas (GHG) reduction targets aligned with their operational profiles. Management teams oversee execution, while results are escalated through sustainability, governance, or risk committees for review.

Strategy

The Group recognizes climate change as both a risk and an opportunity, particularly through energy cost volatility, regulatory changes, operational disruptions, and the transition to low-carbon technologies. Opportunities include energy efficiency, renewable energy adoption, and operational cost savings.

Given the diversity of operations, climate strategies are decentralized. Manufacturing and property businesses focus on energy efficiency and renewable energy, while financial services integrate climate considerations into operations, asset management, and financed emissions. The parent company coordinates disclosures but does not impose uniform targets due to operational diversity.

Subsidiaries are at varying stages of transition planning. PNB has formalized near-term reduction targets and mitigation plans; Asia Brewery and Tanduay focus on energy-intensity reductions and renewable energy scaling; Eton integrates energy and renewable considerations into property investments and is progressing toward Net Zero Carbon Alliance engagement.

Risk Management

Climate-related risks are identified through existing enterprise risk management and environmental compliance processes. These include physical risks (e.g., supply disruption, extreme weather) and transition risks (e.g., energy price volatility, regulatory compliance).

These are managed alongside operational, regulatory, and financial risks. Subsidiaries apply internal controls, audits, compliance checks, and third-party assessments (e.g., emissions testing, energy audits) to manage exposure.

For instance, PNB has completed a Scope 3 assessment covering material categories primarily the bank's value chain, and financed emissions, aligned with GHG Protocol and PCAF. Other subsidiaries are at earlier stages, with supplier accreditation and environmental screening serving as initial controls while Scope 3 frameworks are under development.

Metrics and Targets

The Group uses external consultants and third-party service providers to support emissions measurement. PNB applies GHG Protocol, PCAF, DOE, and UNFCCC methodologies. Other subsidiaries rely on internal KPIs, third-party emissions testing, and developing calculation tools, with plans to formalize methodologies over time. Scope 1 and 2 emissions are measured across subsidiaries where material. Scope 3 emissions have been quantified by PNB; other entities are prioritizing Scope 1 and 2 accuracy as a foundation for future Scope 3 expansion.

Targets vary by subsidiary: PNB adopted a 1.5% GHG reduction target from a 2025 baseline (per capita) related to electricity and water; Asia Brewery targets 5% energy reduction; Tanduay targets a 10% reduction from 2024 levels (Scope 1 and 2); Eton previously set a 5% reduction target and is strengthening targets through renewable energy sourcing. LTG does not set group-wide targets due to immaterial direct emissions.

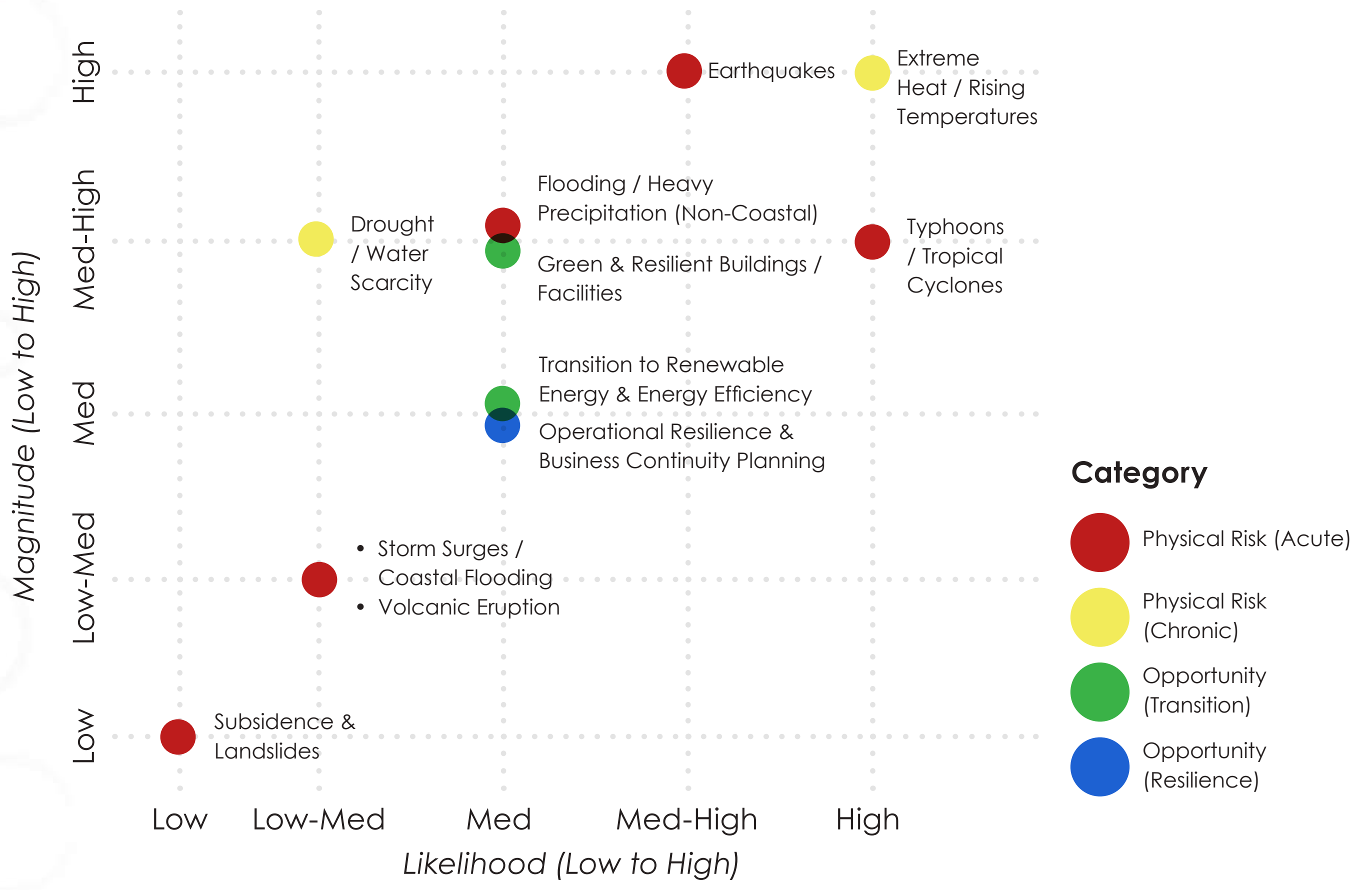
Progress is monitored through energy-use ratios, emissions inventories, audits, and internal KPIs. Actions include LED retrofits, equipment upgrades, renewable energy investments (e.g., solar PV), behavioral change programs, digitalization, and preventive maintenance to reduce emissions intensity.

Climate-related Risks and Opportunities

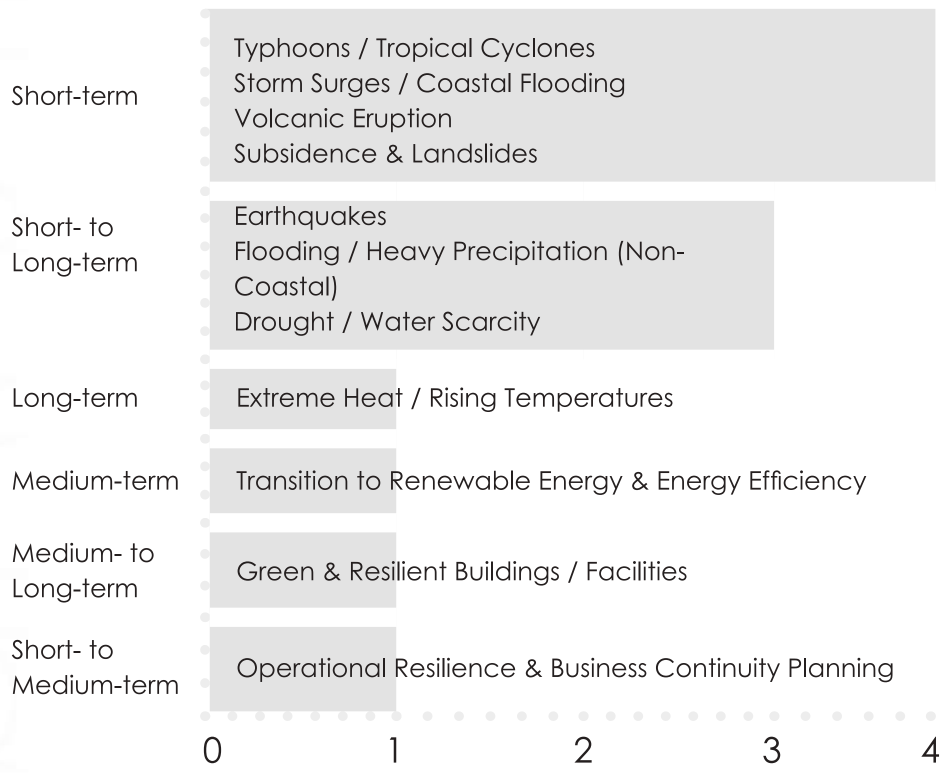
IFRS S1.32(a),(b), IFRS S2.13(a)(b), IFRS S1.30(a)(b)(c), IFRS S1.33(a)

Climate change presents a range of physical and transition-related risks and opportunities that may affect the Group's operations, assets, supply chains, and long-term value creation. As a diversified conglomerate with activities spanning banking, real estate, manufacturing, and consumer businesses, the Group is exposed to climate-related impacts that vary in nature, magnitude, and time horizon. The assessment below consolidates material climate-related risks and opportunities across the Group, considering both direct and indirect impacts on operations and financial performance. These risks and opportunities have been evaluated based on their likelihood and potential impact, and are used to inform strategic planning, operational resilience measures, and ongoing efforts to strengthen climate adaptation and mitigation across the organization.

Risks and Opportunities



Time Horizon



Risk / Opportunity	Category	Description	Direct & Indirect Impacts	Potential Impact
Typhoons / Tropical Cyclones	Physical Risk (Acute)	Increased frequency and intensity of typhoons affecting operations, assets, and people across the Philippines	Direct: Damage to buildings, plants, equipment; employee safety risks. Indirect: Business interruption, logistics disruption, increased insurance and recovery costs	Asset damage, operational downtime, financial losses
Storm Surges / Coastal Flooding	Physical Risk (Acute)	Abnormal sea-level rise associated with severe storms impacting coastal or low-lying sites	Direct: Flooding of facilities and infrastructure. Indirect: Supply chain delays, temporary shutdowns	Physical damage and service disruption
Earthquakes	Physical Risk (Acute)	Seismic activity affecting structural integrity of buildings and plants	Direct: Structural damage, injury risks. Indirect: Prolonged business interruption, higher retrofit and compliance costs	Severe asset damage and long recovery periods
Flooding / Heavy Precipitation (Non-Coastal)	Physical Risk (Acute)	Extreme rainfall events leading to inland flooding	Direct: Asset and inventory damage. Indirect: Operational downtime, distribution failures	Financial and operational losses
Drought / Water Scarcity	Physical Risk (Chronic)	Prolonged dry periods affecting water availability for operations and supply chains	Direct: Reduced production capacity (water-intensive operations). Indirect: Supply chain disruption, higher input costs	Increased operating costs, production constraints
Extreme Heat / Rising Temperatures	Physical Risk (Chronic)	Rising average temperatures and heatwaves	Direct: Equipment stress, cooling demand. Indirect: Higher energy costs, reduced workforce productivity	Cost escalation and efficiency losses
Volcanic Eruption	Physical Risk (Acute)	Ashfall and emissions affecting air quality and operations	Direct: Health risks, asset contamination. Indirect: Temporary shutdowns, logistics disruption	Business interruption

Risk / Opportunity	Category	Description	Direct & Indirect Impacts	Potential Impact
Subsidence & Landslides	Physical Risk (Acute)	Ground instability affecting site integrity	Direct: Structural damage. Indirect: Access disruption, safety concerns	Localized asset damage
Transition to Renewable Energy & Energy Efficiency	Opportunity (Transition)	Shift toward renewable energy and energy-efficient technologies	Direct: Capital expenditure. Indirect: Lower energy costs, reduced Scope 1 & 2 emissions	Cost savings, emissions reduction
Green & Resilient Buildings / Facilities	Opportunity (Transition)	Demand for climate-resilient, energy-efficient properties and facilities	Direct: Higher upfront investment. Indirect: Improved asset value, tenant preference, regulatory readiness	Revenue protection and asset appreciation
Operational Resilience & Business Continuity Planning	Opportunity (Resilience)	Strengthening preparedness for climate shocks	Direct: Investment in systems and redundancy. Indirect: Reduced downtime, faster recovery	Lower disruption losses

Risk Heat Map Matrix

This section presents a consolidated, group-wide assessment of climate-related risks and opportunities, synthesizing exposures across the Group's banking, real estate, manufacturing, and beverage operations. In line with TCFD and IFRS S2 principles, the assessment considers both the likelihood and potential magnitude of impact of material climate hazards over short-, medium-, and long-term horizons, capturing direct physical impacts as well as indirect operational, financial, and supply-chain effects. The resulting risk heat map provides a clear visualization of priority climate risks facing the Group, supports consistent risk prioritization across business units, and informs strategic decisions on mitigation, adaptation, and capital allocation as climate conditions continue to evolve.

Impact ↓ Likelihood →	Low	Medium	High
High Impact	• Tsunami (selected sites) • Volcanic eruption (localized)	• Drought (manufacturing & beverages) • Extreme heat / temperature rise • Earthquake (real estate & banking assets)	• Typhoon / Extreme wind events
Medium Impact	• Tornado • Subsidence / landslides (localized)	• Flooding / heavy precipitation • Storm surge (coastal assets) • Energy cost volatility	• Operational disruption from typhoons
Low Impact	• Minor seismic events • Isolated weather disturbances	• Short-term water stress (non-manufacturing)	

Risk Concentration Summary

Highest Risk Zone (High Likelihood / High Impact)

- **Typhoons and extreme wind events**
  These pose the most material risk to the Group due to their frequency in the Philippines and their potential to disrupt operations, damage assets, and increase recovery and insurance costs.

Elevated Risk Zone (Medium Likelihood / High Impact)

- **Drought and water stress** (particularly for beverage and distillery operations)
- **Extreme heat and rising temperatures,** driving higher energy demand and productivity loss
- **Earthquakes,** given exposure of real estate, banking infrastructure, and manufacturing sites

Moderate Risk Zone (Medium Likelihood / Medium Impact)

- **Flooding and heavy precipitation**
- **Storm surges** affecting coastal and low-lying assets
- **Energy price volatility,** creating both risk and efficiency opportunities

Lower Risk Zone (Low Likelihood / Low to Medium Impact)

- **Tornadoes, tsunamis, volcanic eruptions,** and localized geophysical events.

These are monitored through existing emergency preparedness and asset resilience measures.

Adaptation and Mitigation Strategies

The Group's approach to climate action distinguishes clearly between mitigation, which focuses on reducing greenhouse gas emissions and carbon intensity, and adaptation, which strengthens resilience against the physical and transitional impacts of climate change. Mitigation efforts across subsidiaries are anchored in operational efficiency and energy transition measures tailored to sector-specific realities. These include the systematic replacement of energy-intensive equipment, optimization of production and building systems, expansion of renewable energy sourcing (such as on-site solar installations and green power procurement), and the use of internal performance indicators, such as energy use ratios and energy intensity metrics, to drive continuous improvement. In carbon-intensive operations, efficiency upgrades and process optimization are prioritized as near-term levers while formal, science-based targets and externally aligned inventories are progressively developed.

Adaptation strategies focus on safeguarding business continuity and asset resilience in the face of climate-related physical risks, including extreme weather events, resource constraints, and infrastructure disruptions. Subsidiaries integrate climate considerations into maintenance planning, capital expenditure decisions, and site-level risk assessments to ensure operational reliability under changing environmental conditions. These measures include strengthening energy and water security through redundancy and diversification, maintaining inventory buffers for critical inputs, upgrading infrastructure to withstand climate stressors, and enhancing monitoring systems for early detection of operational vulnerabilities. Collectively, these mitigation and adaptation strategies enable the Group to reduce its environmental footprint while maintaining flexibility and resilience as climate risks and regulatory expectations continue to evolve.

Biodiversity

GRI 3-3, 304-2

The Group recognizes the importance of biodiversity conservation and the need to manage potential environmental risks arising from its diverse operations across banking, real estate, manufacturing, and beverage production. At the parent company level, LTG's direct operations are currently assessed as having no material direct or indirect impacts on biodiversity. Nevertheless, biodiversity-related risks and opportunities are monitored at both management and Board levels as part of the Group's broader environmental and sustainability oversight. No significant negative

ZERO
Significant negative impacts in biodiversity across all subsidiaries

biodiversity impacts were recorded during the reporting period, and environmental considerations are embedded into governance and risk review processes to ensure ongoing vigilance as operations and regulatory expectations evolve.

Over **2,408** trees and seedlings were planted to promote reforestation.

100% adherence to DENR effluent and air quality standards.

1,609 hectares were reforested under the Dr. Lucio C. Tan Legacy Forest Project.

Strict compliance with all regulatory requirements and ongoing adherence to comprehensive Solid Waste Management programs.

Quarterly testing of surface and groundwater quality.

Multiple river cleanup drives led by Tanduay and volunteer employees. To promote awareness, campaigns on biodiversity conservation for communities and employees were also led by Tanduay.

Across subsidiaries, biodiversity considerations are addressed in ways proportionate to operational exposure. PNB and PHC have assessed biodiversity as not material to their activities, given the nature of their operations and locations. Asia Brewery's production facilities are situated in designated industrial zones and have not been identified as affecting sensitive biodiversity areas. Environmental management in these sites focuses on strict compliance with applicable engineering, building, and environmental standards, including wastewater and air-emissions monitoring, to prevent indirect impacts on surrounding ecosystems. While no formal biodiversity programs are currently in place, environmental performance is reviewed as part of operational management and future planning.

Eton Properties and Tanduay represent the Group's most direct interfaces with environmental receptors. Eton integrates biodiversity considerations primarily through regulatory compliance, such as permits for wastewater discharge, air emissions, and solid waste management and through its partnership with the ASEAN Centre for Biodiversity (ACB), which supports awareness and conservation-related initiatives. Tanduay manages biodiversity risks associated with wastewater discharge and air emissions through rigorous DENR-mandated monitoring and treatment systems, with zero significant biodiversity impacts recorded during the year. In addition, Tanduay supports biodiversity conservation through community-based activities, including tree planting, river clean-ups, and fish fingerling distribution.

Welfare of Employees and Communities

Safety, Security, and Well-being

GRI 2-23, 2-24, 2-25, 2-26, 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8

Occupational health and safety (OHS) is managed through documented policies and facility-level programs designed to protect employees and on-site workers, ensure regulatory compliance, and sustain safe operations. Across the operating companies, OHS coverage generally extends to regular employees as well as contractors and service providers, supported by established safety governance bodies (e.g., OSH/EHS committees), recurring training, and defined procedures for hazard identification, incident reporting, and corrective action.

ZERO
Recorded incidents of Fatalities in the workplace

12,509
Employees Covered by the OHS System in 2025

PNB Holdings maintains a formal Occupational Safety and Health Policy Statement and OSH Program covering employees and third-party service providers. Employee well-being is supported through annual physical examinations, a structured wellness program, flexible work arrangements, and engagement activities (e.g., Family Day, team-building). Psychological support is delivered via periodic mental health programs (e.g., mindfulness-focused sessions), supplemented by climate surveys and “kamustahan” feedback mechanisms used to surface stress and well-being concerns. Safety governance is implemented through a dedicated PHC OSH Committee that meets monthly, and joint OSH committees with tenants that meet quarterly, with responsibilities spanning accident prevention planning, inspections, incident review, training oversight, and contingency planning. Risk identification and assessment are embedded through workplace inspections, incident investigations, and Job Hazard Analysis (JHA) supported by defined controls (elimination to PPE). Reporting channels are available through supervisors, OSH committee members, HR, and Safety and Security teams. Occupational health services include pre-employment and annual medical exams, immunizations, mental health programs, and safety officer coverage; non-occupational healthcare access is provided via HMO enrollment for regular employees, alongside DOLE-mandated workplace programs (e.g., TB/HIV policies where applicable). Training coverage includes general safety, emergency response, and role-specific competencies (e.g., first aid/CPR, drills), with effectiveness evaluated through assessments, observation, feedback, and performance data.

Meanwhile, PNB maintains comprehensive OSH-related policies aligned with the OSH Act, DOLE regulations, and the Safe Spaces Act, supported by Safety Officers and First Aiders and governed by an Occupational Safety, Health and Family Welfare (OSHFW) Program/Committee that meets monthly. Health and well-being initiatives integrate physical and mental health services (APE, teleconsultation access, a 24/7 mental health hotline via KonsultaMD, psychosocial support facilitation), structured wellness learning (e.g., Tuesday Health Series), and periodic wellness fairs that combine webinars and medical consultations. Stress and psychosocial risks are monitored through employee dialogue and surveys (e.g., engagement surveys and internal customer satisfaction tools). Hazard identification and risk assessment are formalized through the Risk Assessment Matrix and/or Hazard Identification and Risk Assessment Control Act as specified in the OSHFW Manual, with annual manual review/updates to reflect operational changes. Incident reporting is channeled through designated Safety Officers, with investigations conducted in coordination with Corporate Security Group and Administration Group, and relevant business units. The Bank also implements branch-level competency requirements (e.g., minimum of 1 employee per branch for Safety Officer 1 and a minimum of another 1 employee to undergo Basic Life Support/CPR training), conducts evacuation drills, and undergoes both internal and external audits (e.g., periodic DOLE inspections and annual internal audit reviews).

On the other hand, Asia Brewery implements a documented OSH program submitted to DOLE and a broader EHS policy covering employees, properties, and the environment. Governance is supported by an EHS Committee that meets monthly and is authorized to make safety decisions within OSH guidelines. The program includes occupational health initiatives for communicable diseases (e.g., TB, Hep B, HIV), drug-free workplace measures, and mental health provisions (policy, Speak Up channels, wellness and engagement activities). Stress indicators are monitored through absenteeism and turnover trends, performance discussions, team-building/kumustahan, and behavioral seminars, with workload support delivered through individualized plans such as targeted training. Hazard identification and risk controls are executed through audits/patrols, worker safety reports, procedural reviews, and HIRAC, with cross-functional audits used to validate assessment quality. Incident investigations follow established procedures and root cause analysis documentation, while preventative culture is reinforced through nearmiss reporting, 5S+1 audits, and Gemba walks. Medical services are available via HMO coverage and on-site clinic resources (nurses/physicians), supported by vaccination programs, health screenings, and wellness facilities/ activities. Training spans first aid, fire safety, hazmat, equipment safety, and government-accredited programs, delivered at frequencies matched to compliance and risk needs, with verification through accredited training providers and audit mechanisms.

For Eton, they likewise have a a documented OSH Program submitted to DOLE, compliant with RA 11058 and DOLE DO 198-18, applicable to all workers regardless of employment status. Mental health support is reinforced through "Eton Kamustahan" check-ins facilitated by HR and site leaders, alongside access to HMO support and referral pathways where applicable. OSH governance is managed by an OSH Committee that meets quarterly (and as needed), responsible for policy formulation, compliance oversight, investigations, and monitoring corrective actions; the committee recommends actions while management approves regulatory/ policy decisions through HR. Hazard identification is performed via regular inspections, semi-annual audits, and annual risk assessments, with results reviewed through OSH committee processes and translated into corrective actions across sites. Reporting is enabled through OSH orientations, mandatory OSH training, and direct escalation to property managers, safety officers, or HR. Internal audits are conducted twice per year by Safety and Security through inspections, documentation checks, and compliance reviews.

Tanduay operates a formal, documented Occupational Safety and Health Program implemented across facilities and covering regular staff, contractors, and third-party service providers. Joint management-worker governance is established through site-level EHS Committees that meet at least monthly (or more frequently when needed) and are authorized to decide on programs/controls subject to chair approval by top management. Hazard identification and assessment are managed through department-level HIRAC, with layered review (department heads, plant safety officers, and facility leadership) and structured follow-through (quarterly HIRAC reviews and post-implementation effectiveness checks). Mental health support includes on-site psychologist consultations, while stress monitoring integrates employee surveys, satisfaction tools, and operational indicators (absenteeism, grievances, productivity), including structured instruments (e.g., TAWS-16) where applied. Incident reporting is supported through visible emergency hotlines, and investigations follow standardized safety department protocols. Occupational and non-occupational health services are delivered through on-site clinics (nurse/retainer physician coverage) complemented by HMO access, with disease prevention programs (TB, Hep B, HIV) and workplace welfare policies (e.g., smoke-free, lactation). Training is company-funded and conducted during paid working hours, spanning fire safety, hazardous materials handling, first aid, laboratory safety, and regular emergency drills; training needs are assessed through annual skills gap identification, and effectiveness is evaluated through a formal training effectiveness process.

Work-related injuries

GRI 403-9

Indicators	2025
Number of fatalities as a result of work-related injury	1
Rate of fatalities as a result of work-related injury	**0**
Number of high-consequence work-related injuries (excluding fatalities)	2
Rate of high-consequence work-related injuries (excluding fatalities)	**0**
Number of recordable work-related injuries	12
Rate of recordable work-related injuries	**0**
Number of hours worked	29,690,344
Safe man hours	25,857,619
Number of high-potential work-related incidents identified	0
Number of close calls identified	120

Work-related ill-health

Indicators	Employees	Work-related hazards	Approach in identifying hazard
Number of fatalities as a result of work-related ill-health	0	0	0
Number of recordable cases of work-related ill-health	0	0	0

Safeguarding Mental Health at the Workplace

Mental health is treated as an integral component of employee well-being, extending beyond conventional occupational health and safety requirements. The Group promotes a work environment that supports psychological safety, reduces stigma, and encourages open dialogue on mental health concerns. Initiatives include structured wellness programs, mental health awareness activities, access to counseling or professional support, and regular engagement mechanisms that allow employees to seek help without fear of discrimination or reprisal.

While PNB, Tanduay, and Eton currently monitor participation and utilization rates for mental health and well-being programs, all subsidiaries are committed to providing appropriate psychological support aligned with their operational context. These efforts reinforce the Group's broader people strategy by recognizing mental well-being as essential to employee resilience, productivity, and long-term organizational sustainability.

Mental Health Programs

Indicators	2025
Employees Attending from Mental Health Support Programs and Seminars	2,126
Employees Benefitting from Workload Adjustments	470
Employees Participating in Return-to-Work Programs	470

Note: Numerical scope is for LTG, PNB, Tanduay, and Eton only.

Feature Story

Points of You: A Journey to Mindfulness — Cultivating Presence and Well-Being at PNB Holdings

PNB Holdings continues to strengthen its commitment to employee well-being through *Points of You: A Journey to Mindfulness*, a pioneering wellness initiative under the PHC Academy, the company's flagship learning and development platform. Anchored on the Academy's Solicitude pillar, the program reflects PHC's holistic approach to employee development, recognizing that professional growth is closely linked to mental, emotional, and psychological well-being. Designed around the Gestalt Psychology principle of the "Here and Now," the initiative encourages employees to develop present-moment awareness, emotional authenticity, and deeper self-understanding as tools for navigating stress and workplace pressures.

The program brought together PHC employees from various departments in a shared learning experience that emphasized reflection, dialogue, and mindful engagement. Through guided sessions and structured activities, participants were equipped with practical strategies to manage anxiety, improve emotional regulation, and foster personal integration—skills that support both individual resilience and healthier workplace interactions.

Labor Relations and Skills

GRI 2-25

To ensure employees remain engaged, supported, and well-equipped to contribute to the Group's long-term success, the Group continues to strengthen its approach to diversity, equity, and inclusion (DEI), employee engagement, labor–management relations, learning and development, career and performance management, and employee benefits. In 2025, these efforts were further advanced through targeted programs and refinements that reinforce constructive labor relations, promote inclusive workplaces, and support continuous skills development, enabling employees to adapt to evolving business needs while sustaining a motivated and resilient workforce.

For this year, LTG was also recognized in the 2025 Forbes' Best Employers List, ranking #421 worldwide and 5th locally, a significant improvement from the +600 ranking in the previous year.

Diversity, Equality, and Inclusion

GRI 2-7, 3-3, 406-1

In 2025, the parent company advanced its people strategy by drafting a Group-level Diversity, Equality, and Inclusion (DEI) Policy, establishing a common framework to promote fair treatment, equal opportunity, and respect across subsidiaries. The policy articulates principles on non-discrimination, merit-based employment, and inclusive workplace practices, while allowing subsidiaries to tailor implementation based on operational context and workforce composition. Governance and monitoring are embedded through existing HR, compliance, and ethics mechanisms, reinforcing accountability without duplicating controls.

For Eton, workplace conduct and non-discrimination concerns are addressed through existing governance mechanisms, including a Committee on Decorum and Investigation (CODI), alongside competency-based hiring and adherence to recruitment policies and advises a balanced gender ratio, with active inclusion practices and no reported cases of discrimination. Tanduay currently relies on merit-based hiring and cultural respect initiatives, with plans to strengthen formal DEI governance over time. Across the Group, no material discrimination controversies were recorded during the reporting period, and all entities remain committed to maintaining respectful, inclusive workplaces aligned with evolving regulatory and stakeholder expectations.

ZERO
Cases of Reported Discrimination in 2025

13,063
Total Group-wide Employees

1:1
Male-to-female ratio

At the subsidiary level, practices reflect differing stages of DEI maturity. PNB Holdings and Asia Brewery emphasize competency-based hiring and strict adherence to recruitment and placement procedures, with no reported discrimination-related controversies. PNB has a more formalized approach, supported by policies on diversity and inclusion, gender equality, anti-sexual harassment, and whistleblowing, alongside accessible reporting channels and protections against retaliation; while no numerical gender targets are set, gender mix is regularly reported to management.

DEI are reflected in the composition of the Group's workforce. In 2025, the Group employed 13,063 employees, representing a broad mix of genders, ethnic and cultural backgrounds, communities, religions, age groups, and professional experiences across its subsidiaries and locations. This diversity mirrors the markets and communities in which the Group operates and supports a workplace environment shaped by varied perspectives and lived experiences.

	Quantity (M)	Percentage (M)	Quantity (F)	Percentage (F)	2025 Total
Asia Brewery	2,250	77%	670	23%	**2,920**
Eton	158	42%	217	58%	**375**
LTG	11	41%	16	59%	**27**
PNB	2,948	33%	5,910	67%	**8,858**
Tanduay	678	83%	138	17%	**816**
PHC	41	61%	26	39%	**67**
				Total number of employees	**13,063**

Employee Engagement

The Group's overall human capital strategy is hinged on employee engagement, with sustained emphasis on creating a positive, inclusive, and enabling workplace experience across all stages of the employee lifecycle. Rather than concentrating on headcount movements, engagement efforts centered on strengthening employer value propositions, enhancing employee experience, and ensuring that each subsidiary remains an attractive and competitive workplace within its respective industry. Tailored, subsidiary-level initiatives continued to reflect the distinct operational contexts of banking, manufacturing, property development, and holding company functions.

Subsidiaries pursued differentiated engagement approaches aligned with their workforce profiles and business needs. Asia Brewery sustained its strong digital presence to reinforce employer visibility and accessibility, while continuously improving recruitment and onboarding experience through technology-enabled processes.

PNB focused on deepening early-career engagement by maintaining strong linkages with academic institutions, supporting internships, and participating in career talks and job fairs to build long-term talent pipelines. Eton strengthened its employer brand by highlighting employee engagement, workplace culture, and internal activities through professional and social media platforms, alongside academe partnerships. Tanduay emphasized career development and internal mobility as part of its employee value proposition, while PHC reinforced inclusive and skills-based recruitment practices aligned with its diversity, equality, and inclusion principles.

Complementing these engagement initiatives, the Group continued to invest in employee development and internal capability-building in 2025. Leadership development, cross-training, and role-readiness programs were implemented across subsidiaries to support continuity and long-term workforce sustainability. Succession planning initiatives progressed at varying stages of maturity, with several companies actively identifying critical roles and developing internal successors, while others focused on strengthening foundational systems and transition processes.

New Hires and Turnovers

Talent acquisition and retention remained a key human capital priority in 2025, amid a competitive labor market and evolving workforce expectations. Across the Group, companies faced challenges in sourcing and securing qualified candidates, particularly for critical, technical, and specialized roles. Competition for talent intensified as candidates increasingly compared opportunities across industries, including fintech, BPO, e-commerce, and overseas employment, while also placing greater value on flexible work arrangements, career progression, and overall employee experience. In several cases, job offer acceptance rates emerged as a constraint, reflecting broader market dynamics rather than organizational-specific issues.

To address these challenges, subsidiaries strengthened employer branding, streamlined recruitment processes, and leveraged digital platforms to expand candidate reach. Initiatives included virtual recruitment and screening, enhanced candidate experience, partnerships with academic institutions, and the development of talent pools for future hiring needs. Across the Group, recruitment practices are guided by merit-based and non-discriminatory principles, consistent with applicable labor laws, ensuring equal opportunity regardless of gender, background, or personal characteristics. While the parent company and several subsidiaries do not yet set formal numerical diversity targets, demographic data and hiring trends are regularly reviewed by management to inform workforce planning.

Employee retention during and after the pandemic was supported by a combination of competitive benefits, wellness programs, and opportunities for skills development. While some subsidiaries experienced increased attrition pressures as markets reopened and alternative work arrangements became more prevalent, overall turnover remained manageable. To ensure business continuity, the Group continues to advance succession planning initiatives, including the identification of potential leaders, leadership development programs, and promotion deliberation processes.

New Hires

GRI 401-1

Gender	Male			Female			2025
Age	< 30 y.o.	30-50 y.o.	>50 y.o.	< 30 y.o.	30-50 y.o.	< 30 y.o.	Total
Asia Brewery	105	75	4	66	19	0	269
Eton	18	15	1	34	13	0	81
LTG	0	1	0	2	1	0	4
PNB	153	102	10	413	151	29	858
Tanduay	29	21	0	25	5	0	80
PHC	7	14	1	4	7	0	33
						Total New Hires	**1,325**
						New Hire Rate	**10.14%**

Turnovers

GRI 401-1

Gender	Male			Female			2025
Age	< 30 y.o.	30-50 y.o.	>50 y.o.	< 30 y.o.	30-50 y.o.	< 30 y.o.	Total
Asia Brewery	82	100	21	38	26	5	272
Eton	4	17	4	19	21	1	66
LTG	0	1	0	0	1	0	2
PNB	75	117	91	158	196	179	816
Tanduay	11	9	3	9	3	4	39
PHC	1	1	0	2	2	0	6
						Total Turnovers	**1,201**
						Turnover Rate	**9.19%**

Labor-management relations

GRI 2-30

Labor-management relations across the Group continued to be anchored on transparency, dialogue, and respect for workers' rights, with approaches tailored to the structure and context of each subsidiary.

- **Unionized entities (Asia Brewery, PNB, and Tanduay)**
    - Continued adherence to Collective Bargaining Agreements (CBAs) and applicable labor regulations.
    - Monthly Labor Management Committee (LMC) meetings served as the primary venue for discussing workplace concerns, operational updates, and employee welfare matters.
    - These regular engagements helped prevent disputes, address issues early, and sustain industrial peace.

- **Non-unionized entities (LTG Parent Company and Eton)**
  - Employee engagement is facilitated through direct communication channels such as departmental meetings, town halls, and employee feedback tools.
  - Management maintains open-door and consultative practices to ensure employee concerns are raised and addressed in a timely manner.
  - Freedom of association and fair labor practices are respected regardless of union status.

Employee participation in workplace decision-making is further supported through company-specific initiatives:

- **Asia Brewery** encourages involvement through toolbox meetings, safety briefings, and employee-focused activities that allow feedback on daily operations.
- **PNB** incorporates union and employee inputs in selected policy discussions and includes employee representatives in committees such as the Occupational Safety, Health, and Family Welfare Committee.
- **PHC** aligns employee and organizational goals through town halls, performance alignment sessions, and KPI-setting processes.
- **Tanduay** reinforces collaboration by cascading departmental objectives and KRAs and involving employees in operational planning discussions.

Clear grievance mechanisms remain in place across the Group to protect employees from retaliation and ensure fair resolution of concerns:

- **Asia Brewery** utilizes formal grievance machinery, LMC processes, and its Committee on Decorum and Investigation (CODI).
- **PNB** applies Alternative Dispute Resolution (ADR) mechanisms and union-mediated grievance handling.
- **Eton** relies on its Whistleblower Policy to provide confidential and protected reporting channels.
- **PHC** implements structured grievance procedures and engages external consultants to periodically review and mitigate human capital risks.

4,762
Employees under a Collective Bargaining Agreement in 2025

These varied but aligned approaches reflect the Group's commitment in 2025 to constructive labor–management relations, employee voice, and a respectful, rights-based workplace culture.

Benefits

We continue to strengthen our employee value proposition by offering benefits that balance regulatory compliance with practical support for employee well-being, retention, and productivity. While benefit structures vary by subsidiary based on operational context and workforce needs, common priorities include healthcare access, leave benefits, financial security, and targeted flexibility arrangements. Remote or work-from-home options remain generally situational, primarily activated during inclement weather or business continuity events, while expanded HMO coverage, dependent care, and wellness initiatives serve as core pillars across companies.

GRI 401-2

Benefits	2025	
	# of women who availed	# of male who availed
SSS	1,646	2,657
Philhealth	625	830
Pag-IBIG	1,349	2,303
Parental leave	495	802
Vacation Leave	6,077	5,410
Sick Leave	5,426	3,962
Medical benefits (aside from Philhealth)	367	890
Housing assistance (aside from Pag-IBIG)	6	2
Retirement fund (aside from SSS)	277	164
Further Education Support	0	0
Telecommuting	899	662
Flexible working hours	1,027	744

Parental Leave

GRI 401-3

2025		
	Male	Female
Total number of employees that were entitled to parental leave	806	527
Total number of employees that took parental leave in 2025	88	344
Total number of employees that returned to work in 2025 after parental leave ended	84	318
Return to work rate	**95.45%**	**92.44%**
Among those who availed the parental leave in 2024 how many of them returned and are still with the company in 2025	93	319
Total number of employees that took parental leave in 2024	98	342
Retention rate	**94.90%**	**93.27%**

Solo Parental Leave

GRI 401-3

2025	Male	Female
Total number of employees that were entitled to parental leave	692	314
Total number of employees that took parental leave in 2025	14	168
Total number of employees that returned to work in 2025 after parental leave ended	14	163
Return to work rate	**100.00%**	**97.02%**
Among those who availed the parental leave in 2024 how many of them returned and are still with the company in 2025	12	167
Total number of employees that took parental leave in 2025	12	169
Retention rate	**100.00%**	**98.82%**

Beyond statutory requirements, several subsidiaries enhanced benefits to respond to workforce expectations and retention pressures. Improvements included increased HMO coverage limits, additional leave types (e.g., volunteer or birthday leave), life insurance, retirement and longevity programs, wellness activities, and allowances addressing transportation, communication, and daily living needs. Employee feedback and engagement surveys continue to inform refinements, with satisfaction levels ranging from average to high, particularly where benefits are perceived as competitive and responsive to evolving work and life demands.

Company	Work Flexibility	Leave Benefits	Healthcare & Dependent Care	Long-Term / Financial Benefits	Wellness & Beyond Compliance
Parent Company (LTG)	• Flexible work arrangements subject to job suitability • Work Equipment Support	Employee Leave Programs	HMO coverage	Retirement program; training and leadership development opportunities; government-mandated benefits (SSS, PhilHealth, Pag-IBIG)	ww• Wellness Programs • Health Information Sessions
PNB Holdings	• Flexible work arrangements subject to job suitability • Work Equipment Support	Employee Leave Programs	HMO coverage	N/A	• Employee Support Allowances • Welfare Support Programs
PNB	• Flexible work arrangements subject to job suitability • Work Equipment Support	Employee Leave Programs	HMO coverage	Longevity Pay; Regular Retirement program	• Wellness Days • Mental Health Support • Physical & Social Wellness Programs
Asia Brewery	• Flexible work arrangements subject to job suitability • Work Equipment Support	Employee Leave Programs	HMO coverage	Retirement program (closed to new members)	• Wellness Days • Vaccination Programs • Health Lectures
Eton	• Work Equipment Support	Employee Leave Programs	HMO coverage	Life insurance	• Employee Support Allowances • Welfare Support Programs • Physical & Social Wellness Programs
Tanduay	• Flexible work arrangements subject to job suitability • Work Equipment Support	Employee Leave Programs	HMO coverage	Retirement program, life insurance, attendance incentives, and Group Life Insurance	• Employee Support Allowances • Welfare Support Programs • Physical & Social Wellness Programs

Training and Development

LTG views training and development as a strategic lever for strengthening operational performance, building leadership capability, and preparing employees for evolving business and technological demands. Learning interventions are designed to support both current role effectiveness and longer-term career progression, while balancing operational realities across diverse business units.

425,157
Total Training Hours in 2025

3,111
Number of internal and external trainings conducted

At the Parent Company level, training initiatives are structured around an employee's career stage, ensuring that development opportunities remain relevant and progressive. Departments are empowered to initiate training based on operational needs, subject to management approval, while immediate managers play a key role in identifying development requirements. Performance evaluation remains output-based, with structured policies for performance management, rewards, and recognition currently being formalized. Where applicable, strong performance may be recognized through promotion or performance-based incentives, with a Group-wide Rewards and Recognition framework under development.

Subsidiaries likewise implement training and development programs tailored to their operational contexts:

- **PNB Holdings**
  - Focuses on productivity enhancement, leadership development, and mental health.
  - Uses an Individual Performance Scorecard weighted between performance targets (60%) and behavioral competencies (40%), with the ability to recognize exceptional contributions.
  - Recognizes performance through merit increases and bi-annual promotion cycles.

- **PNB**
  - Prioritizes continuous upskilling to improve efficiency, reduce operational errors, and support process improvement.
  - Addresses logistical constraints such as training space limitations through careful planning and hybrid learning options.
  - Targets future readiness through AI-related training, including ethical and practical applications under the AI Proficiency & Excellence Academy (APEX) learning series.
  - Recognizes excellence through promotions, salary adjustments, service excellence awards, and internal recognition platforms.

- **Asia Brewery**
  - Strengthens workforce capability through competency-based training aligned with operational and compliance needs.
  - Invested in upgraded training facilities, digitalized learning systems, and centralized training records to improve consistency and relevance.
  - Evaluates performance through the People Development and Appraisal System (PDAS), balancing KPI achievement and values-based behavior.
  - Reinforces engagement through awards such as Best Employee, Kaizen Recognition, and service milestones.

- **Eton**
  - Emphasizes essential soft skills and technical capability development to enhance productivity, compliance, and succession readiness.
  - Manages operational scheduling challenges through improved coordination and planning.
  - Uses a Performance Appraisal Review system covering performance, competencies, special assignments, and potential.
  - Recognizes strong performance through promotions and merit increases.

- **Tanduay**
  - Aligns training with operational efficiency, quality standards, and continuous improvement goals.
  - Strengthened training delivery discipline through clearer scheduling, accountability mechanisms, and integration into management KPIs.
  - Advances long-term capability building through competency development, talent review, and succession planning initiatives.
  - Rewards performance through appraisal-based incentives, goal-based bonuses, recognition tokens, and attendance programs.

GRI 404-1

	Total training hours	Total number of employees trained	Average hours of training
Male			
Office	1,820	45	160
Managers	21,403	878	298
Supervisors	60,345	1,485	204
Rank and File	74,662	2,551	124
Female			
Office	1,357	48	171
Managers	29,451	1,164	351
Supervisors	109,689	2,346	192
Rank and File	126,431	3,364	179
TOTAL	**425,157**	**11,881**	**1,679**

Career and Performance Reviews

GRI 404-3

Performance management systems are designed to be structured, role-appropriate, and evidence-based, ensuring that expectations are clearly defined and outcomes are consistently assessed. This aspect serves as a core mechanism for aligning individual contributions with organizational objectives, supporting fair decision-making on advancement, and reinforcing accountability across the Group.

100%
Employees receiving regular career and performance reviews

Performance review and appraisal processes are designed to ensure fairness, accountability, and alignment between individual contributions and organizational objectives. Each company applies structured evaluation tools that assess both results and behaviors, allowing performance discussions to be grounded in measurable outputs, role-specific responsibilities, and demonstrated competencies. Regular review cycles, whether annual or semi-annual, provide employees with clear feedback on strengths, areas for improvement, and expectations, while supporting transparency in performance-related decisions. The outcomes of these appraisals inform key people-management actions, including merit increases, promotions, recognition, and development planning.

In line with this, each Companies also have various activities for performance and appraisal reviews highlighted in the table below.

Company	Initiative / Program	Description
Parent Company (LTG)	Output-Based Performance Review	Performance assessments focus on achievement of agreed deliverables and responsibilities, supporting objective evaluation of role effectiveness and readiness for advancement.
	Managerial Performance Assessment	Immediate managers assess employee performance based on observable results and documented outputs, informing decisions on progression and recognition.
PNB Holdings	Individual Performance Scorecard	Structured scorecard combining performance targets and behavioral competencies, with ratings guiding merit increases and promotion eligibility.
	Performance-Based Recognition	Outstanding contributions may be rated beyond standard thresholds to recognize high-impact performance.
PNB	Regular Performance Evaluation System	Semi-annual reviews for rank-and-file employees and annual evaluations for officers to assess results, competencies, and role effectiveness.
	Meritocracy-Based Advancement	Performance outcomes drive promotions, salary adjustments, and recognition programs.
	Performance Documentation	Managers maintain documented performance evidence to support fair and transparent evaluations.
Asia Brewery	People Development and Appraisal System (PDAS)	Integrated evaluation combining KPI-based results assessment and values-driven behavioral review (LITID).
	Leadership Performance Review	Leader evaluations include assessment of coaching effectiveness and people development responsibilities.
	Performance Recognition Programs	Appraisal outcomes linked to incentive schemes, service awards, and recognition for process improvements.

Company	Initiative / Program	Description
Eton	Performance Appraisal Review Tool	Multi-parameter assessment covering performance factors, competencies, special assignments, potential, and overall performance.
	Merit Increase and Promotion Review	Appraisal results serve as basis for promotions and merit increases.
Tanduay	Annual Performance Appraisal	Performance evaluation combining individual KPIs and behavioral dimensions.
	Coaching and Performance Journaling	Managers document performance feedback using the STAR (Situation–Task–Action–Result) model to support evidence-based appraisal.
	Performance-Based Incentives	Appraisal results directly influence incentives, recognition, and career progression decisions.

Community Relations and Development

GRI 3-3, 2-22, 203-2, 413-1

Community investments continue to be guided by the Group's alignment with the United Nations Sustainable Development Goals (SDGs). Rather than addressing all goals uniformly, the Group concentrates its resources on 10 priority areas where its businesses, capabilities, and partnerships can deliver the most relevant and sustained social and environmental outcomes.

In 2025, a total of Php 77.81 million was earmarked to support these community initiatives. The allocation and implementation of this funding are discussed in detail in the **Community Engagement Initiatives for 2025** section, outlining how resources were deployed to address priority community needs.

Advancing Community Impact Through the Tan Yan Kee Foundation

The Group's community engagement initiatives are anchored on Tan Yan Kee Foundation, Inc., which serves as its primary platform for planning, implementing, and coordinating social development programs. As the Group's dedicated corporate social responsibility arm, the Foundation translates strategic priorities into targeted interventions that respond to pressing community needs while ensuring consistency, accountability, and long-term impact across initiatives.

Through the Foundation, the Group channels its resources toward clearly defined focus areas, including education, healthcare access, environmental stewardship, livelihood development, and disaster response. Flagship programs such as the Dr. Lucio C. Tan Legacy Forest Project, Small Water Impounding Project, agriculture-based scholarship initiatives, and the HOPE Caravan Assistance Program reflect a deliberate approach to community development, one that emphasizes sustainability, inclusivity, and capacity-building rather than short-term relief.

Partnerships and Collaboration

TYKFI likewise works with a broad array of partner institutions from both the public and private sectors to fulfill its mission of community development, inclusive education, health services, and social welfare. These partnerships amplify the Foundation's reach and effectiveness by leveraging shared expertise, resources, and networks in key areas of social impact.

Group Policy on Community Engagement and Social Investment

As a Group, we work closely with the subsidiaries to design, implement, and monitor initiatives that respond to genuine community needs while supporting long-term development outcomes. Community programs are developed with consideration for local context, stakeholder priorities, and potential social impact, ensuring that engagements go beyond short-term assistance and contribute to sustained community resilience.

In 2025, this continues to guide subsidiaries in aligning their community initiatives with the Group's sustainability priorities, ethical standards, and shared value objectives. Programs are coordinated to avoid duplication, strengthen impact, and ensure responsible use of resources, while allowing flexibility for

subsidiaries to address sector-specific and location-based needs. The decrease in the number of reported community engagement activities reflects a strategic shift toward concentrating resources on fewer but higher-impact programs. Instead of implementing numerous small-scale initiatives, the Group allocated larger budgets and deeper support to priority programs with broader reach and longer-term community benefits. This approach allows initiatives to deliver more sustainable outcomes while improving program effectiveness and monitoring of social impact.

	2025	2024	2023
Total number of operations with implemented local community engagement, impact assessments and/or development programs	22	13	166
Total number of operations	22	13	197
Percentage of operations with implemented local community engagement, impact assessments and/or development programs	100%	100%	91%

Employee Participation and Volunteer Engagement

Employee participation plays a defined role in the Group's community engagement efforts. Volunteer activities are designed not as ad hoc initiatives, but as structured opportunities that allow employees to contribute their time and skills to causes aligned with the Group's social priorities and local community needs.

Across subsidiaries, participation is supported through practical enablers and clear incentives. PNB introduced a Volunteer Leave as a new leave type, allowing employees to engage in CSR and community initiatives during paid work hours, thereby promoting greater employee participation in CSR-related activities. PHC provides paid time off for volunteering, while PNB and other entities support employee involvement through logistical assistance such as meals, activity materials, and volunteer kits. Internal communication channels are used to coordinate activities, document outcomes, and acknowledge contributions, ensuring visibility and consistency across the organization. This approach enables sustained employee engagement while reinforcing accountability and shared ownership of the Group's community initiatives.

Community Engagement Initiatives for 2025

Community investments for the reporting year were delivered through focused programs that address priority social and environmental needs, strengthening access to education, supporting agricultural productivity and food security, advancing health and emergency response, and investing in long-term ecosystem protection. Implemented through the Tan Yan Kee Foundation and reinforced by subsidiary-led initiatives, these activities combine direct assistance, capacity-building, and place-based partnerships to produce measurable benefits for communities and stakeholders.

1) Agriculture & Food Security

Program / Activity	Location	Summary / Key Outputs
Fertilizer Distribution (Masaganang Palayan Project)	Brgy. Comon, Aritao, Nueva Vizcaya	Supported **20 farmers**; **35 hectares** cultivated using **561 kg hybrid rice seeds** and **95 sacks of fertilizers**; harvest reached **239,720 kg palay** (avg. **6.85 MT/ha**).
Inauguration of Small Water Impounding Projects (DA-BSWM partnership)	Pangasinan, La Union, Nueva Ecija	Inaugurated **3 irrigation facilities**: Manaol Diversion Dam (up to **300 ha**), Marcos Diversion Dam (**85 ha**), Puncan SWIP (**40 ha**), improving year-round water access and yields.
Turnover of Puncan Small Water Impounding Project to SWISA	Fortune Farm, Carranglan, Nueva Ecija	Turned over facility to farmers' association; DA-BSWM orientation to support long-term sustainability; rice distribution to attendees.
Dr. Lucio C. Tan Legacy Agroforestry (Fortune Farm produce)	Fortune Farm, Carranglan, Nueva Ecija	Delivered **17.0 tons** of farm-fresh produce for the year (9.9 tons H1; **>7 tons** H2), supporting food affordability and farmer livelihoods.
Palawan Mango Orchard (Agri-livelihood)	Puerto Princesa, Palawan	Sustained pulp weevil-free harvests; 2025 harvest batches: **4,634 kg** (March), **2,486 kg** (July), 2,547 kg (September); orchard ecosystem expanded to **368 mango trees** plus diversified crops.
Food Security Rice Support Initiative	Metro Manila	Launched **two rice support initiatives** to ease household food expenses via subsidized/affordable rice access.
Rice Seeds Distribution	Brgy. Comon, Aritao, Nueva Vizcaya	Distributed rice seeds and gift packs to farmer beneficiaries; recognized partner support to strengthen farmer inputs and continuity.
Donation to Aritao LGU (Panagsisibuyas Festival support)	Aritao, Nueva Vizcaya	Donated water bottles for community festival; reinforced support for local agricultural communities and cohesion.

2) Education, Youth Development, and Learning Support

Program / Activity	Location	Summary / Key Outputs
Donation for School Beneficiary (STA 70th Foundation Day)	Aritao, Nueva Vizcaya	Donated **smart TV** and **20 grocery packs** as raffle prizes; proceeds support TLE building renovation to improve learning spaces.
TYKFI–STA Scholarship Program: Conferment, Moving Up, Graduation Rites	Aritao, Nueva Vizcaya	SY 2024–2025 outcomes: **11 Grade 12 graduates** (8 with honors incl. 1 high honors), **10 Grade 10 completers**, and **27 scholars** recognized for awards.
TYKFI–STA New Grade 7 Scholars	Aritao, Nueva Vizcaya	SY 2025–2026 intake: **18 new scholars**; continued support for **21 existing scholars** (farmers' children program).
TYKFI–ICA Scholars (new partnership)	Bone South, Aritao, Nueva Vizcaya	Welcomed **3 new scholars** through Immaculate Conception Academy partnership; selection via evaluation process.
10-Day Immersion Program for Agriculture (youth learning)	Fortune Farm, Carranglan, Nueva Ecija	**10 Grade 12** TYKFI–STA scholars underwent immersion (Feb 20–Mar 1), combining classroom sessions and hands-on sustainable agriculture practice.
College Scholarship for Agriculture & Forestry Students (orientation + support)	NVSU, Bayombong, Nueva Vizcaya	Welcomed **7 new scholars** (SY 2025–2026); rice packs distributed; supported students in forestry/ agriculture-related degrees (noted: 7 new and 21 continuing scholars enrolled at NVSU).
Rice Donation for School Children ("Tulong Eskwela")	Ilocos Norte	Donated **400 sacks of 5kg** premium whole grain rice supporting marginalized schoolchildren and families.
School Supplies and Rice Distribution	Ilocos Sur	Supported **475 pupils** with school supplies, backpacks, hygiene items, and 10-kg rice per beneficiary.
TYKES School Supplies and Rice Distribution	Sta. Fe, Nueva Vizcaya	Distributed school supplies; students and faculty received **10-kg rice** sacks; continuing support for TYKES since 2012.
Macdu School Supplies and Rice Distribution	Kayapa, Nueva Vizcaya	Distributed school bags and supplies to **247 student beneficiaries**; students and faculty received **10-kg rice** sacks.
Laptop Bags Donation to TYKES Educators	Sta. Fe, Nueva Vizcaya	Donated laptop bags to teachers ahead of National Teachers' Day to support teaching needs.

Program / Activity	Location	Summary / Key Outputs
Gift Watches for Cum Laude Scholar Graduates	Sta. Fe, Nueva Vizcaya	Recognized alumni graduates (Cum Laude) as part of long-term education pathway support.
School Bags Distribution to Night High School Students	Alangalang, Leyte	Supported working learners in Night High School; program history noted (~2,000 learners supported since 2011).
Teacher Trainings (FUSE)	Manila	**1,044 teachers** trained on subjects such as Math, Science, and English **in 146 schools** from 2023-2025.
"Panimula Kit" for TUPAD beneficiaries under TESDA with DOLE	Manila	Trained and assessed **29** TUPAD beneficiaries under TESDA's "Tatag sa Pagtupad ng Pangarap Kasama ang TESDA" organized by Interbev with cash "Panimula Kit".
Brigada Eskwela	Cabuyao	Annual Maintenance Program for Cabuyao Central Elementary School: "SAMA-SAMA para sa Bayang Bumabasa" with Interbev.
Digital Learning Support	Nueva Ecija	PNB donated **70** refurbished desktop units and **20** laptops to Sta. Teresita's Academy of Aritao, Inc., enhancing students' access to technology-enabled learning.

3) Health, Medical Support & Blood Donation

Program / Activity	Location	Summary / Key Outputs
Asia Brewery Medical Scholars Alumni Night	Tan Yan Kee Corporate Center, Manila	Inaugural alumni homecoming (Feb 7) with **38 alumni and program officers**, supporting the medical specialty scholarship network.
Gifts of Support for PGH Patients, Families, and Medical Staff	Manila	Distributed **1,300 gift packs** through hospital chaplaincy collaboration and partner support.
LifeSaver Blood Donation Drive – PNB Makati Center	Makati	Blood donation drive hosted with Philippine Red Cross with **100+ successful blood donors**; engaged PHC employees, tenants, security, and maintenance personnel.
LifeSaver Blood Donation Drive – PNB Financial Center	Manila	Expanded blood donation drive to the PNB Financial Center community; **124 successful blood donors**
Bloodletting Activity	ABI Cabuyao	Blood donation drive hosted with Philippine Red Cross with **79 donors.**
Tanduay's Bloodletting Activity, in partnership with the Department of Health - Philippine Blood Center	Quiapo, Cabuyao, Negros, El Salvador	Bloodletting Activity, in partnership with the Department of Health - Philippine Blood Center. A total of **192 employees** across all sites (Quiapo: 20, Cabuyao: 59, Negros: 22, and El Salvador: 91) donated blood for the year 2025.

4) Environment, Climate, and Biodiversity

Program / Activity	Location	Summary / Key Outputs
DENR 10-year 930-ha Turnover and Awarding Ceremony (watershed restoration)	San Fernando, Pampanga / Nueva Ecija site	Recognition of restoration of **930 hectares**; aboveground biomass **49,539 tons**; carbon stocks **22,292.55 tons**; improved biodiversity and canopy development.
Dr. Lucio C. Tan Legacy Forest Project (930-ha watershed rehabilitation)	Carranglan, Nueva Ecija	Rehabilitation launched in 2014; ~**1 million seedlings** planted across **645 ha**; biodiversity assessments (2017, 2023) showed improved plant diversity and return of indicator species; long-term monitoring systems established.
Reforestation and ecological restoration (56-ha site)	Carranglan, Nueva Ecija	Planted **181 seedlings** incl. native/endangered species; cassava planting for agroforestry livelihoods; year-round maintenance and patrol.
Tanay Legacy Forest Project groundwork and tree planting	Tanay, Rizal	Formalized ownership over **34.12 ha**; mapping/surveys and initial carbon assessments; planted **700 Narra**, **275 Balitbitan, 30 Golden Shower** seedlings.
PNB Tree Planting	Tanay, Rizal	58 volunteers planted **1,000 Narra** trees at legacy forest site; built on prior growth of **5,716 Falcata** trees. in partnership with Tan Yan Kee Foundation.
Roots for Boracay (Mangrove Park)	Malay, Aklan	Planted **222 Bakawan** seedlings (+ LGU **250**); nursery maintained; boardwalk sections rehabilitated/repainted with partner support; strengthened blue carbon and biodiversity co-benefits.
Balay Bakawan	Sta. Cruz, Ilocos Sur	Supported mangrove restoration/maintenance to strengthen shoreline resilience and community livelihood support.
EcoStation Waste Recycling Program (PHC)	Property-wide	Tech-enabled recycling program with smart bins and rewards network; designed to improve waste segregation and recycling participation among PHC tenants and employees.
International Coastal Cleanup	Manila Bay	**62 Philnabankers** joined cleanup activity.

Program / Activity	Location	Summary / Key Outputs
Tanduay Negros Plant - Tree Planting	Negros	TDI Negros Plant joins the Murcia Water District Tree Planting Activity to help plant the **1000 trees** for Environment Month 2025. 22 employees participated in this event.
Tanduay El Salvador Plant - Simulteneous Bamboo Growing Activity	Kulago Pagatpat Cagayan De Oro City	Simultaneous Bamboo Planting in Kulago Pagatpat Cagayan De Oro City. In celebration of World Bamboo Day, **16 employees** from the TDI El Salvador Plant participated in this tree planting event.
Tanduay Cabuyao Plant - Lake Seeding Activity	Cabuyao, Laguna	TDI Cabuyao released a total of **60,000 tilapia fingerlings** to Laguna Lake. They also participated in the Lake Seeding Activity as part of the celebration of the 62nd Fish Conservation Week.
International Coastal Cleanup - El Salvador City, Misamis Oriental	El Salvador, Misamis Oriental	The coastal cleanup at Poblacion El Salvador City, Misamis Oriental, resulted in the collection of a total of **210 kg of residual waste** and **70 kg of special waste**. 14 employees from the Tanduay-El Salvador Plant participated in the event.
Tanduay El Salvador Plant - Coastal Clean-Up Drive in Celebration of National Zero Waste Month and Adopt an Estero	El Salvador, Misamis Oriental	Coastal Clean-Up Drive in Celebration of National Zero Waste Month and Adopt an Estero (Bolo Bolo Creek). The employees of TDI El Salvador Plant collected 140 kg biodegradable, **83 kg recyclable**, and **185 kg residual waste**, with a total of **408 kg waste collected**.
Tanduay Cabuyao Plant - Coastal Clean-Up and Signing of Memorandum of Understanding	Cabuyao, Laguna	Coastal Clean-Up and Signing of Memorandum of Understanding aim to support LLDA's mission for solid waste recovery. The employees of TDI Cabuyao Plant collected 15 sacks of non-biodegradable waste and 10 sacks of biodegradable waste. **Total waste collected is 390 kg.**
International Coastal Cleanup - Manila	Dolomite Beach, Manila Bay	The coastal cleanup at Dolomite Beach in Manila Bay resulted in the collection of a **total of 191.21 kilograms of waste** from the shoreline. A total of 27 employees from the Tanduay Head Office participated in the event.

5) Disaster Response, Relief, and Humanitarian Support

Program / Activity	Location	Summary / Key Outputs
HOPE Caravan – Relief Assistance	Alangalang, Leyte	Distributed **5-kg rice** sacks; partner provided mobility aids (strollers, wheelchairs, canes).
HOPE Caravan – Relief Assistance	Aritao, Nueva Vizcaya	Distributed **10-kg rice** sacks to nearly **1,700 families** during a two-day relief operation with the LGU.
Rice Distribution	Tacloban and Leyte	Distributed **25-kg rice packs** to **269 beneficiaries** (partners/stakeholders, teachers, barangay/daycare students).
Gift Box and Rice Distribution for Ilocos Sur Student Beneficiaries	Sta. Cruz, Ilocos Sur	Distributed gift boxes and rice sacks to nearly **500 student beneficiaries**; paired with community event and school prizes.
Pagtutulungan ng Bayan – Typhoon Victims	Cebu and Leyte	Fundraising and relief goods provision via PNB branch channels.
Pagtutulungan ng Bayan – Earthquake Victims	Cebu	Fundraising and relief goods provision via PNB branches.
Project Solicitude Relief Mission – Typhoon Tino (PHC + ABI + PRC)	Cebu (Talisay, Mandaue)	Delivered bottled water (6-liter) to **3,000 evacuated families** and distributed alongside PRC-prepared relief packs.
Palaging Handa Campaign – InfoVid Series (PHC)	Digital / property stakeholders	Disaster preparedness infovid series rolled out across PHC platforms; aimed to strengthen practical readiness of PHC stakeholders for hazards (flooding, earthquakes, tsunamis, landslides, etc.).
Mobile Water Station Turnover to DSWD	Manila	In partnership with PMFTC
Donation Drive and Relief Operations	Manila, Bicol, Laguna, Batangas	Provided at least **66,000 liters** of Absolute Distilled with other LTG companies, foundations, charity organizations and partner wholesalers through marketing arms during natural disasters.
Disaster Relief to Cebu earthquake and typhoon victims	Cebu	The deployed Mobile Water Station which serviced **35 barangays and 6,677 households** in Cebu from October to November 2025, providing at least 67,000 liters of potable water.

6) Community Development, Social Inclusion, Housing, and Cultural/Spiritual Support

Program / Activity	Location	Summary / Key Outputs
TYKFI–ETON Housing Project (Bahay Liwanag) Blessing & Turnover	Aritao, Nueva Vizcaya	Turned over **4 newly constructed homes** to former scholars; targeted beneficiaries facing housing insecurity.
Project Solicitude Gift Giving Initiative (PHC)	Porac, Pampanga	Served **200 Aeta community members**; in-kind support paired with community engagement and local sourcing/transport participation.
Donation of Classroom	Porac, Pampanga	Donated **₱1,200,000** to build a classroom for Aeta learners (Friends of HOPE, Inc.).
Employee Volunteerism – DSWD Repacking	Cebu	**63 volunteers** supported relief repacking operations.

Program / Activity	Location	Summary / Key Outputs
Employee Volunteerism – Happyland Tondo	Tondo, Manila	**15 volunteers** donated Noche Buena packages to 100 fire-affected residents.
Employee Volunteerism – Tondo children's activity	Tondo, Manila	Supported Christmas activity for 60 children; donated 2 printers to partner organization/community.
TYKFI Community Christmas Party	Manila	Convened employees/partners/ CSR Council for cohesion and coordination among implementers.
TYKFI Community Christmas Party at Fortune Farm	Carranglan, Nueva Ecija	Community event for scholars and families; included alumni pinning and partner-supported activities.
Gift-giving among TYKFI partners and stakeholders	Manila, Ilocos Sur, Nueva Ecija	Distribution of gift packs and rice sacks to partners/stakeholders as solidarity and relationship maintenance.
Tanduay Head Office- Turnover of Barangay Outpost	Brgy. 386, Manila	Tanduay constructed the new Barangay Outpost in Brgy. 386 because the existing outpost lacks electrical wiring, and the structure is inadequate.
A Season of Giving: Tanduay Head Office Outreach Program to Bahay Aruga	San Marcelino St. Ermita, Manila	Bahay Aruga is an organization that serves as a Free Halfway House for Pediatric Cancer Patients and their families, providing them comfort and support during treatment. Under the leadership of top management, employees from various departments donated items such as rice sacks, milk, diapers, paint-by-numbers kits, toys, a speaker with a microphone, and Tanduay merchandise (including backpacks and towels). A group of 17 employees, along with Tanduay's Vice President of Administration and the Executive Vice President, visited Bahay Aruga to deliver these donations and held a short program to entertain and give support to the patients.

7) Culture, Heritage, and Cross-Cultural Exchange

Program / Activity	Location	Summary / Key Outputs
Xiamen Summer Camp – Orientation & Send-Off	Manila	21st season; **300+ students** traveled for May 4–June 14 study tour; orientation/ send-off provided travel bags and essentials.
Xiamen Summer Camp – Culminating Presentation	Manila	Culmination event with participant show; awarded cash prizes to **18** TikTok competition winners; program has supported nearly **16,000 youth** to date.
Chinese Cultural Center Groundbreaking (PCERC Language & Culture Center)	(PCERC)	Supported construction through **₱50 million** donation; strengthens Chinese language and culture education platform.
Tan Yan Kee Library Cultural Classes	Binondo, Manila	**92 students** joined classes/workshops; readership tracked; collection expanded by **1,336 volumes** (holdings ~**46,230**).

8) Governance, Partnerships, and Program Stewardship

Program / Activity	Location	Summary / Key Outputs
CSR Council Meeting	Manila	Convened CSR Council to align advocacies; resource speaker provided guidance on carbon credit accounting for tree-planting initiatives.
TYKFI–FLP Legal Scholarship Awards Ceremony	Manila	Awarded **₱250,000** each to **20 scholars**; AY 2024–2025 outcomes include **11 graduates** (8 cum laude).

Supplementary Information

GRI Content Index

Statement of use	LT Group, Inc. has reported in accordance with the GRI Standards for the period 1 January 2025 to 31 December 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
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GRI 2: General Disclosures 2021	2-1 Organizational details	8			
	2-2 Entities included in the organization's sustainability reporting	3			
	2-3 Reporting period, frequency and contact point	3			
	2-4 Restatements of information	69-70, 75			
	2-5 External assurance	3			
	2-6 Activities, value chain and other business relationships	15, 21, 64			
	2-7 Employees	91			
	2-8 Workers who are not employees		2-8-a to 2-8-c	Information unavailable	Collection of this information has not been initiated
	2-9 Governance structure and composition	37-39			
	2-10 Nomination and selection of the highest governance body	37-39			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
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	2-12 Role of the highest governance body in overseeing the management of impacts	37-39			
	2-13 Delegation of responsibility for managing impacts	64			
	2-14 Role of the highest governance body in sustainability reporting	40-43			
	2-15 Conflicts of interest	40-43			
	2-16 Communication of critical concerns	40-43			
	2-17 Collective knowledge of the highest governance body	40-43			
	2-18 Evaluation of the performance of the highest governance body	40-43			
	2-19 Remuneration policies	40-43			
	2-20 Process to determine remuneration	40-43			
	2-21 Annual total compensation ratio		2-21-a to 2-21-c	Confidentiality Constraints	Owing to the sensitivity of the information, the Company deems the salary of the highest paid individual as confidential. Nevertheless, compensation is based on performance.
	2-22 Statement on sustainable development strategy	103			
	2-23 Policy commitments	86			
	2-24 Embedding policy	86			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
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	3-2 List of material topics	22			
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GRI 3: Material Topics 2021	3-3 Management of material topics	31, 34			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	31			
	201-2 Financial implications and other risks and opportunities due to climate change	77-79			
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	103			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
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GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	34			
	205-3 Confirmed incidents of corruption and actions taken	34			
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GRI 3: Material Topics 2021	3-3 Management of material topics	68, 72, 74, 84			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	69			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	72			
	303-2 Management of water discharge-related impacts	72			
	303-3 Water withdrawal	72			
	303-4 Water discharge	72			
	303-5 Water consumption	72			
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	84-85			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	70			
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GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
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GRI 401: Employment 2016	401-1 New employee hires and employee turnover	95			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	97			
	401-3 Parental leave	97			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
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	403-2 Hazard identification, risk assessment, and incident investigation	86-89			
	403-3 Occupational health services	86-89			
	403-4 Worker participation, consultation, and communication on occupational health and safety	86-89			
	403-5 Worker training on occupational health and safety	86-89			
	403-6 Promotion of worker health	86-89			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	86-89			
	403-8 Workers covered by an occupational health and safety management system	100% of Employees 86-89			
	403-9 Work-related injuries	89			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	101			
	404-3 Percentage of employees receiving regular performance and career development reviews	101			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	92			
Customers					
GRI 3: Material Topics 2021	3-3 Management of material topics	52, 64			
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	53			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	55			
	417-2 Incidents of non-compliance concerning product and service information and labeling	55			
	417-3 Incidents of non-compliance concerning marketing communications	55			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	58			
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	64			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Society					
GRI 3: Material Topics 2021	3-3 Management of material topics	103			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	103-116			

SASB

SASB CONTENT INDEX

LT Group, Inc. has also prepared this report following the industry-specific ESG guidance framework of SASB Standards Food and Beverage Sector - Alcoholic and Non-Alcoholic Beverages 2018, Infrastructure Sector - Home Builders and Real Estate 2018, and Financials Sector - Commercial Banks 2018. This content index provides an overview of LTG's Environmental, Social, and Governance data that align with these standards. Other SASB codes are omitted due to lack of applicability, confidentiality, or unavailability of data.

Topic	Code	Accounting Metrics	Location / Direct Answer
Food & Beverage Sector - Alcoholic and Non-Alcoholic Beverages			
Energy Management	FB-AB-130a.1 FB-NB-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	69
Water Management	FB-AB-140a.1 FB-NB-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	72
	FB-AB-140a.2 FB-NB-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	72
Responsible Drinking & Marketing	FB-AB-270a.1	Percentage of total advertising impressions made on individuals at or above the legal drinking age	Omitted
	FB-AB-270a.2	Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	55
	FB-AB-270a.3	Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices	55
Product Labeling & Marketing	FB-NB-270a.1	Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines	Omitted
	FB-NB-270a.3	Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	55
	FB-NB-270a.4	Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices	55
Financials Sector - Commercial Banks			
Data Security	FN-CB-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	58
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	

ISSB Content Index

ISSB'S IFRS S1 and S2 Disclosures Content Index

This content index is based on the International Sustainability Standards Board (ISSB)'s IFRS S1 General Requiremetns for Disclosure of Sustainability-related Financial Information and IFRS S2 General Requiremetns for Disclosure of Climate-related Disclosures. Relevant information can be found in Lucio Tan Group Sustainability report.

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Governance roles and responsibilities	IFRS S1.27(a)(iv),(v), IFRS S2.6(a)(iv),(v)	37-39
Board skills and competencies	IFRS S1.27(b)(i)(ii), IFRS S2.6(b)(i)(ii)	40-41
Strategy		
Geographical concentration of climate-related physical risks	IFRS S1.32(a),(b), IFRS S2.13(a)(b)	79-83
Overview of SROs and CROs and financial effects	IFRS S1.30(a)(b)(c), IFRS S1.33(a)	79-83
Risk management		
Risk management process	IFRS S1.44, IFRS S2.25	41-48
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Integrating sustainability risk management	IFRS S1.44 (c), IFRS S2.25(c)	41-48
Metrics and targets		
Sustainability-related metrics and targets	IFRS S1.46(a)(b)	68-69
Climate-related metrics and targets	IFRS S2.29(a)(i),(ii), (iv)	68-69

Philippine SEC Sustainability Reporting for Publicly Listed Companies Content Index

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LT GROUP, INC.