Aboitiz Group 2025 Materiality Re-Assessment

Full Report

Introduction

Materiality is the **process of evaluating and prioritizing the environmental, economic, social, and governance (EESG) issues that are most significant** to a company and its stakeholders. It helps determine which EESG factors have a substantial impact on a company's financial performance, operations, and its broader influence on society and the environment.

For the Aboitiz Group, **materiality assessments are vital**. They guided the creation of our sustainability roadmap and playbook, **ensuring EESG considerations are embedded** in our strategy, decision-making, and reporting.

By prioritizing key EESG issues, we drive innovation and operational efficiency, adapt to market trends, and continuously improve by addressing gaps and evolving with stakeholder needs. This approach **promotes responsible business practices and maintains our social license to operate**, positioning Aboitiz as resilient and forward-looking, poised for long-term success.

Our current materiality analysis for the Aboitiz Group is based on the **principle of double materiality**. This approach covers two critical dimensions:

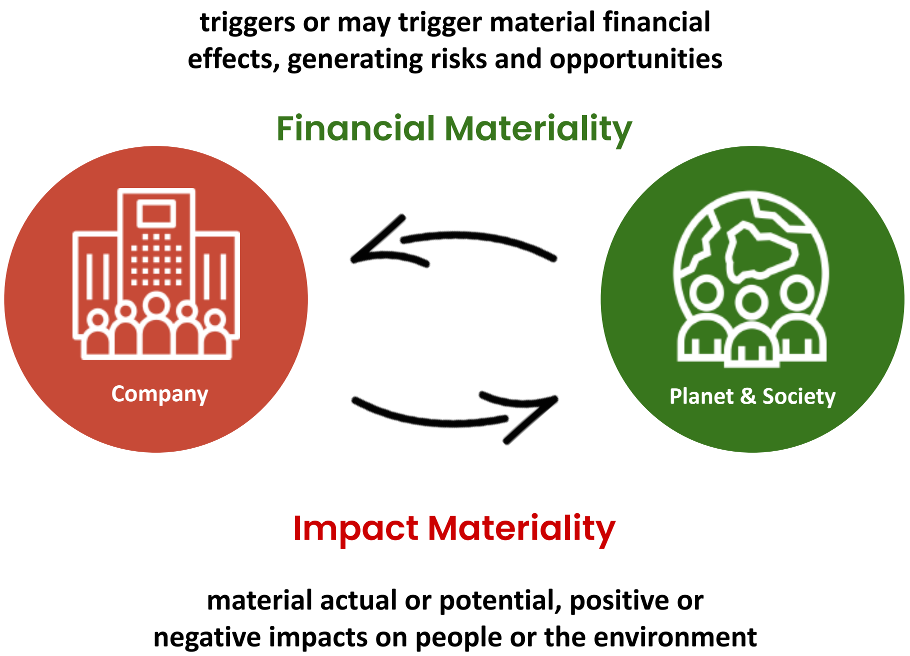
- **Impact Materiality**: Pertains to the material information concerning the company's significant actual and potential impacts on people or the environment, across its value chain, related to a sustainability matter.

- **Financial Materiality**: Pertains to the material information about the significant actual and potential financial effects (risks and opportunities) of a sustainability matter on the company's financial position, performance, and cash flows.

Introduction

When a topic is material due to impact materiality, the same material topic may or may not result in material risks and/or material opportunities. Most of the material topics also give rise to financial risks and/or opportunities.

For the Aboitiz Group, a sustainability topic is **considered material if it meets the threshold in either the impact perspective or the financial perspective, or both**. This ensures that all topics that are significantly relevant to our stakeholders or our business value are captured.



Materiality Re-Assessment Rationale

This materiality re-assessment is a strategic necessity, ensuring our sustainability strategy and leadership remain resilient and focused on the issues that matter most.

01 Align Sustainability Roadmap with Stakeholder Priorities and Global Standards

To ensure the Group's sustainability strategy is responsive to the most pressing concerns of stakeholders and adheres to current sustainability reporting requirements.

02 Enhance Credibility and Resilience of the Aboitiz Sustainability Strategy

To validate the relevance of current and future sustainability targets, thereby strengthening the Group’s sustainability leadership and long-term viability.

03 Integrate Sustainability Targets into the Techglomerate Transformation

To integrate updated sustainability goals directly into the Group’s broader transformation, ensuring they are not treated as a separate initiative but as a core component of future growth.

Our Approach and Methodology

Identification of Sustainability Topics

We identified sustainability topics by integrating key themes from various sustainability standards and frameworks. This approach used broader topics to implicitly cover relevant underlying issues. We also incorporated insights from internal risk reports and findings from past Aboitiz Group materiality assessments.

Internal Stakeholder Engagement

Using a pre-identified list of sustainability topics for each subsidiary and AEV, internal stakeholders assessed and confirmed the relevance of each topic to their respective operations, value chain, and business strategy.

External Stakeholder Engagement

To get feedback from external stakeholders, we used a Sustainability Priorities Survey. We presented a curated, reduced list of key sustainability topics—derived from our internal stakeholder engagement—to ensure their feedback was focused.

Consolidation and Analysis

Responses were collected from all internal and external stakeholders. We then calculated a numerical score for each topic, weighting the scores based on the importance and influence of each stakeholder group. A topic is considered material if its score crosses a defined threshold for either Impact Materiality or Financial Materiality.

Approval and Integration

The analysis identified top material topics that underwent a process of business alignment from the SBUs, followed by review and approval from AEV's Board SGRPT Committee. Insights were then integrated into the Aboitiz Sustainability Playbook.

Materiality Re-Assessment Process

1

52 Sustainability Topics

Internal validation trimmed down the initial 52 topics to 33

2

33 Validated Topics

External stakeholders gave input for the 33 topics

3

Top 16 Material Topics

The top 16 topics were selected after final consolidation

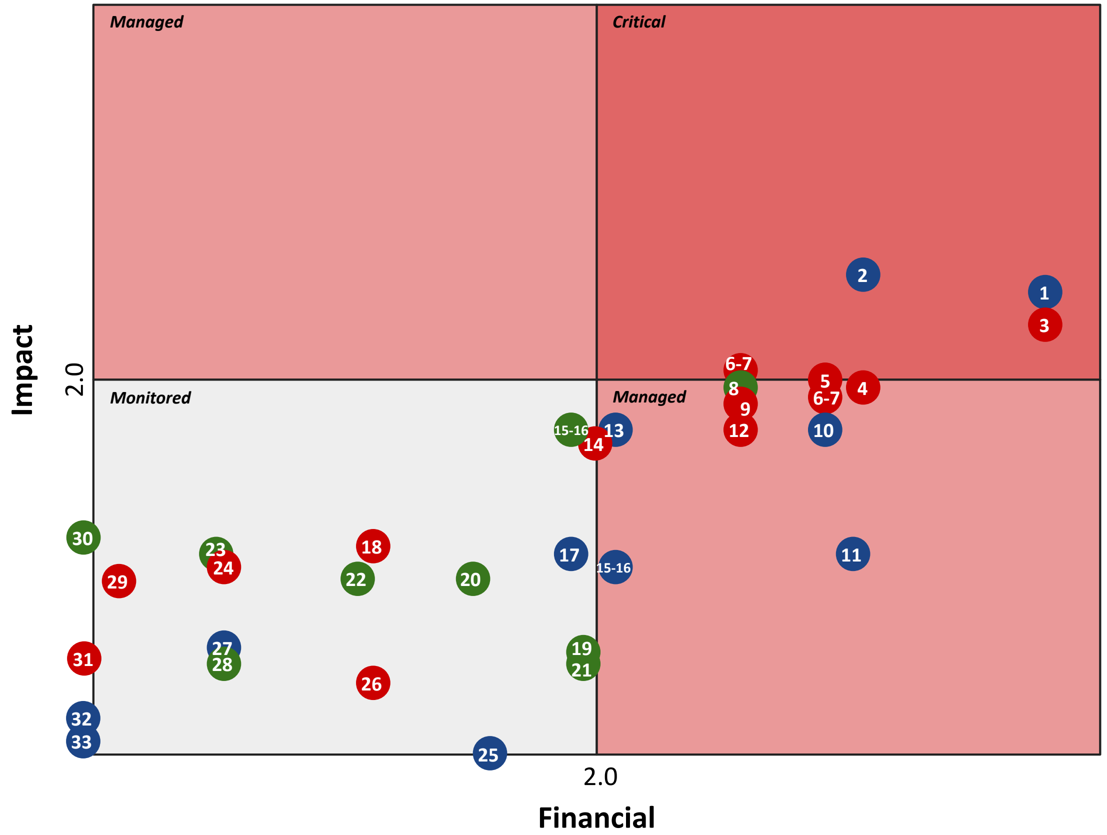
The approach for the 2025 Materiality Re-Assessment began with the identification of 52 initial sustainability topics from various standards and internal reports. These topics were internally validated, trimming the list down to 33.

Internal stakeholders then assessed the topics using a qualitative High/Medium/Low method, ranking their top ten. Scores were calculated using weighted averages that incorporated materiality, prioritization, and tier reach. External stakeholders subsequently ranked the 33 key topics based on their importance for impact and business success.

Finally, a topic was considered material if its weighted average score met or exceeded a 2.0 threshold.

Aboitiz Group Materiality Re-Assessment Results

Legend: Environmental | Social | Economic & Governance



Material Topics

1. Economic Performance
2. Corporate Governance & Ethics
3. Energy Affordability
4. Labor Practices
5. Customer Relations

6-7 Human Capital Management & Development

6-7 Access to Finance & Financial Inclusion

8. Climate Transition Risks & Opportunities
9. Occupational Health & Safety
10. Customer Privacy & Data Protection
11. Geoeconomic Confrontation
12. Product Quality & Safety
13. Critical Infrastructure & Systemic Resilience
14. Misinformation & Disinformation

15-16 Economic Downturn

15-16 Climate-Related Physical Risks & Adaptation

17. Cyber & Information Security
18. AI & Data Innovation
19. Waste Management
20. Energy Management & Efficiency
21. Natural Hazards
22. Water Management
23. Environmental Policy & Management
24. Community Engagement & Socio-Economic Impacts
25. Sustainable Finance
26. Supply Chain Management
27. Integration of ESG Factors in Credit Analysis
28. Product Lifecycle Management
29. Human Rights Due Diligence & Value Chain Impacts
30. Biodiversity & Land Use
31. Public Policy
32. Innovation Management
33. Risk & Crisis Management

Aboitiz Top Material Topics

1 Economic Performance

Economic performance underpins the Aboitiz Group’s ability to create value for stakeholders, fund strategic transformation, and sustain long-term operations. It reflects the Group’s capacity to generate and distribute economic value—through revenues, wages, returns to capital providers, and payments to governments—while maintaining financial strength and resilience amid economic cycles.

2 Corporate Governance & Ethics

Corporate governance and ethics ensure that the Aboitiz Group operates with integrity, transparency, and accountability. Strong governance protects stakeholder interests, supports regulatory compliance, and reinforces trust—forming a critical foundation for long-term sustainability and investor confidence.

3 Energy Affordability

Energy affordability addresses the balance between providing a reliable and secure energy supply, maintaining cost efficiency, and safeguarding customer welfare. It is critical to social stability, regulatory confidence, and the long-term sustainability of energy operations, particularly in a volatile energy market environment where input costs and policy requirements continue to evolve.

4 Labor Practices

Labor practices are fundamental to the Aboitiz Group’s commitment to fair, ethical, and responsible employment across its operations and value chain. This topic covers respect for labor rights, fair wages, working conditions, freedom of association, and the prevention of child and forced labor, supporting workforce stability and social trust.

5 Customer Relations

Customer relations focus on delivering consistent service quality, fairness, and responsiveness across the Group’s customer-facing businesses. Maintaining strong and trusted relationships with customers is essential to protecting the Group’s reputation, sustaining long-term demand, and supporting stable and recurring revenue streams across sectors.

6-7 Human Capital Management & Development

Human capital management and development reflects the Group’s focus on attracting, developing, and retaining talent critical to executing strategy and sustaining transformation. It encompasses workforce capability, leadership development, engagement, diversity, and succession planning.

6-7 Access to Finance & Financial Inclusion

Access to finance and financial inclusion support inclusive economic growth by enabling individuals and businesses to participate in the formal financial system. This topic is particularly relevant to the Group’s banking and digital platforms.

8 Climate Transition Risks & Opportunities

Climate transition risks and opportunities arise from the global shift toward a low-carbon economy, affecting regulation, markets, technology, and capital flows. For the Aboitiz Group, proactive management is critical to mitigating transition risks while capturing growth opportunities in renewable energy and sustainable finance.

Aboitiz Top Material Topics

9 Occupational Health & Safety

Occupational health and safety (OHS) focuses on protecting the physical and psychological well-being of employees and contractors. Effective OHS management is essential for operational continuity, workforce trust, and business resilience, particularly in high-risk industries.

10 Customer Privacy & Data Protection

Customer privacy and data protection are critical to maintaining trust in an increasingly digital operating environment. This topic addresses the responsible collection, use, protection, and governance of personal and sensitive data across customer-facing businesses.

11 Geoeconomic Confrontation

Geoeconomic confrontation reflects risks arising from geopolitical tensions, trade restrictions, sanctions, and global supply chain disruptions. These factors can affect market access, input costs, investment flows, and operational continuity.

12 Product Quality & Safety

Product quality and safety are central to maintaining customer trust, regulatory compliance, and brand integrity across the Aboitiz Group's businesses. This topic covers the design, production, delivery, and monitoring of products and services to ensure they meet quality standards and do not pose undue risk to customers or end-users.

13 Critical Infrastructure & Systemic Resilience

Critical infrastructure and systemic resilience focus on the ability of the Group's assets—physical and digital—to withstand disruptions and continue delivering essential services. This topic is particularly relevant given exposure to natural disasters, cyber threats, and operational shocks.

14 Misinformation & Disinformation

Misinformation and disinformation pose reputational, operational, and social risks by undermining trust among stakeholders. This topic addresses the management of inaccurate or misleading information that could affect public perception, decision-making, and stakeholder confidence.

15-16 Economic Downturn

Economic downturn risk reflects exposure to macroeconomic slowdowns that can affect demand, liquidity, asset values, and investment capacity. Managing this risk is critical to sustaining performance across cycles.

15-16 Climate-Related Physical Risks & Adaptation

Climate-related physical risks arise from extreme weather events and long-term climate shifts that may disrupt operations, damage assets, and affect communities. Adaptation is essential to protect value and service continuity.

Four Strategic Pillars

Culture & People

Our people are central to achieving our transformation. Under this cluster, our goals focus on building a future-ready workforce grounded in safety, integrity, accountability, and continuous learning.

(4) Labor Practices *(6-7) Human Capital Management & Development* *(9) Occupational Health & Safety*

Economic Resilience & Governance

Our goals under this cluster focus on maintaining financial strength, ethical leadership, and business continuity—key to preserving investor confidence and our license to operate. We aim to deliver resilient earnings, disciplined capital allocation, and strong governance practices that support long-term value creation, even amid economic volatility and geoeconomic uncertainty.

(1) Economic Performance *(2) Corporate Governance & Ethics* *(11) Geoeconomic Confrontation* *(13) Critical Infrastructure & Systemic Resilience* *(15-16) Economic Downturn*

Social Inclusion, Customers & Digital Trust

As our businesses increasingly serve customers through digital and interconnected platforms, our goals emphasize inclusion, trust, and protection. We aim to expand access to finance and essential services, ensure product quality and safety, protect customer data and privacy, and proactively address risks related to misinformation and disinformation.

(5) Customer Relations *(6-7) Access to Finance & Financial Inclusion* *(12) Product Quality & Safety* *(10) Customer Privacy & Data Protection* *(14) Misinformation & Disinformation*

Climate & Energy Opportunities

Climate change presents both risks and opportunities. Our goals are focused on managing transition and physical climate risks while actively participating in the shift toward a low-carbon economy.

(3) Energy Affordability *(8) Climate Transition Risks & Opportunities* *(15-16) Climate-Related Physical Risks & Adaptation*

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