

ENTERPRISE SUSTAINABILITY MANAGEMENT FRAMEWORK

I. BACKGROUND

House of Investments, Inc. (referred hereinafter as “HI”) an operating, holding and management company with significant involvement in a number of industries through its various divisions, subsidiaries, associates, joint ventures, and managed companies endeavors to be a respected, relevant and dynamic partner in nation-building, mindful of its environmental, economic, social, and governance responsibilities. Committed to sustainable growth and enriching the lives of all its stakeholders, HI builds and grow a portfolio of strategically diversified and sustainable investments that creates sustainable, long-term shareholder, employee, other relevant stakeholders, and societal value by pursuing responsible environmental, economic, social, and governance strategies.

Sustainability is defined as meeting the needs of the present without compromising the ability of future generations to meet theirs. Sustainability management is the coordinated corporate activities that maintain or enhance the ability of the company to create value over the long term financially, socially, and environmentally.

II. PURPOSE AND OBJECTIVES

The HI’s Enterprise Sustainability Management Framework (ESMF) aims to integrate sustainability management across the Company with the end objective of creating, protecting and growing its value responsibly and innovatively. The ESMF shall provide the structure and guidance on business sustainability management and on the approach to managing sustainability risks. It shall serve as a tool in identifying and managing business priorities, sustainability goals, and initiatives, providing reasonable assurance in achieving the corporate goals and business sustainability.

III. SUSTAINABILITY MANAGEMENT FRAMEWORK

The HI’s ESMF is guided by the regulatory requirements on corporate governance and sustainability, United Nations Sustainable Development Goals (SDGs), International Standard ISO 26000:2010(E) - Guidance on Social Responsibility, Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), as well as other sustainability management concepts.

The Enterprise Sustainability Management of HI is illustrated as follows:

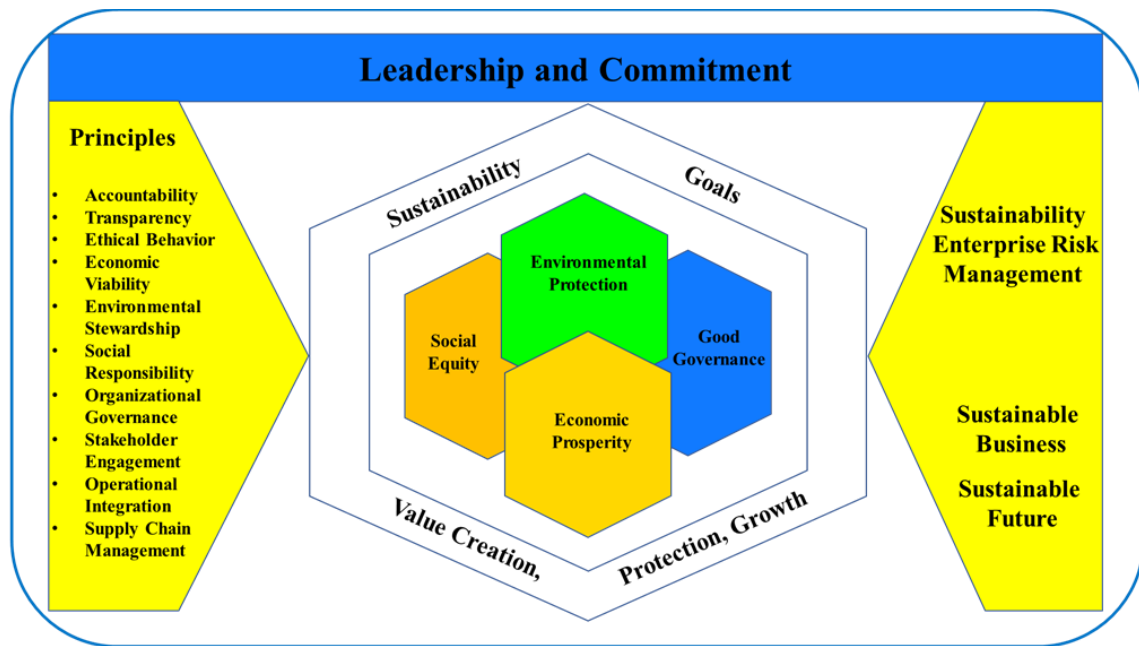


Figure 1 – Sustainability Management Framework

A. Sustainability Management Principles

Sustainability management is founded on the following sustainability management principles to foster sustainable practices, strive to operate responsibly, and ensure long-term corporate success and delivery of value amongst its communities.

1. The Company takes accountability and responsibility for its actions and its impact on all its stakeholders.
2. The Company is committed to transparency in disclosing and sharing relevant information regarding its sustainability practices and initiatives.
3. The Company conducts business with integrity and ethical conduct, aligning with all laws and regulations in its business and upholding its corporate responsibilities.
4. The Company's sustainability efforts are economically viable, balancing economic considerations while pursuing sustainability goals to create value for its stakeholders.
5. The Company embraces its environmental stewardship role by promoting sustainable practices in its operations and supporting sustainable initiatives, internally and externally.
6. The Company gives priority to its social responsibility striving to make a positive impact on its stakeholders and communities.
7. The Company maintains a committed organizational governance structure to ensure that the sustainability efforts are integrated into the business strategy and effectively managed.
8. The Company engages with its stakeholders to secure their perspectives and understand their needs and concerns, taking action, and collaborating with

- others to advance sustainability challenges and goals.
9. The Company integrates sustainability into its operations and other management processes.
 10. The Company collaborates with its supply chain to ensure responsible sourcing, promotion and extension of acceptable business practices.

B. Sustainability Management Framework

The sustainability management framework establishes the Management's commitment and support to the sustainability management function.

The framework incorporates the following components.

1. **Vision and strategy**
This component sets the foundation for the framework. It involves creating a clear vision of the Company's commitment to sustainability and establishing long-term sustainability goals aligned with its values and objectives.
2. **Integration**
Sustainability management is integrated into the organizational activities and processes. It is embedded in the regular daily functions and operational requirements as part of the accountability in achieving the objectives and ensuring sustainability becomes an inherent part of the Company's culture.
3. **Design**
The sustainability management is designed in accordance with the requirements to achieve the corporate goals, taking into consideration the Company's internal and external context. The principles, objectives, organizational structure, responsibilities, and accountabilities for business sustainability shall be clearly defined and communicated. Management must provide the necessary resources, including an appropriate communication and consultation process to support an effective and functioning sustainability management.
4. **Stakeholder engagement**
Engaging with stakeholders, such as employees, investors, other stakeholders, and communities, is essential to understanding diverse perspectives, gathering feedback, expectations, concerns, and needs regarding sustainability and building support for sustainability initiatives. Collaborating with stakeholders, external organizations, and communities sharing common sustainability interests, leveraging on collaborations sharing knowledge, expertise, best practices, and potential shared projects and collective efforts to address broader sustainability challenges.
5. **Implementation**
Management shall install the necessary structure to implement the sustainability management process. This includes allocating time and resources and engaging the stakeholders to build up the sustainability awareness and management.
6. **Performance measurement and reporting**
Management shall define relevant sustainability metrics and set targets to measure the organization's progress towards its sustainability goals, periodically evaluating performance and assess achievement of the corporate goals. Transparently reporting on performance is crucial for accountability and

demonstrating the organization's commitment to sustainability.

7. Continuous improvement

Management shall implement a cycle of continuous improvement to review and refine sustainability strategies and initiatives based on feedback, new challenges, and emerging opportunities to adapt to the changing environment and achieve better outcomes.

C. Sustainability Management Process

The sustainability management process involves the systematic approach defining the actions and activities to implement the sustainability initiatives of the Company and integrating sustainability principles into the operations and strategies.

1. Leadership and commitment

Key to the implementation and effectiveness of the sustainability management process is Company's leadership and commitment to undertake sustainability plans, initiatives, and principles. The availability of an open communication and consultation system with the internal and external stakeholders across all the stages promotes a sustainability-aware culture and ownership of the long-term vision and sustainability efforts.

2. Assessment

This process establishes the parameters for managing sustainability considering the current and the changing internal and external environments. Management defines the scope of the sustainability management, the internal and external context, and the sustainability agenda the Company may undertake relative to its corporate objectives. The conduct of a comprehensive assessment to understand the current sustainability performance to identify key areas for improvement, engaging stakeholders and employees to gather input on sustainability priorities will facilitate the process.

3. Goal setting and strategy development

This process involves setting clear and measurable sustainability goals that align with business values and industry best practices, prioritizing goals based on their impact and feasibility, and developing a focused sustainability strategy outlining specific initiatives and actions required to achieve the set goals.

a. Environmental protection

Embracing its environmental stewardship role, the Company takes responsibility for the environmental impact of its investments and operations and endeavors to promote sustainable practices in its operations, develop, implement environmental sustainability policies and strategies to reduce the company's impact.

b. Economic prosperity

Ensures the Company's investments and sustainability initiatives contribute to sustainable economic growth and long-term value creation for stakeholders and maintaining financial stability, benefiting both its own operations and the companies it invests in and manages.

c. Social equity

Considers the social impact of the Company's investments and

sustainability initiatives and activities, including the well-being of employees, the communities where the company and portfolio companies operate, and any stakeholders affected by the its activities. Develops a social responsibility strategy that addresses the company's impact on its stakeholders and communities.

d. Good governance

Prioritizes good governance practices and transparency to ensure that its investments and operations are aligned with its sustainability goals and establishes clear policies and procedures to maintain responsible business practices, compliance with ethical standards and regulatory requirements, and accountability to stakeholders.

4. Implementation

This involves implementing the sustainability strategies, policies, plans and initiatives and integrating sustainability across the Company's operations and value chain. Collaboration across different departments and engagement with stakeholders, fostering a culture of sustainability, and exploring partnerships with stakeholders will enhance the impact of the sustainability initiatives.

5. Communication and transparency

This process comprises with the development of a clear communication plan to inform customers, investors, and the public about the Company's sustainability journey. This involves transparent reporting on the achievements, challenges, and progress toward goals. An effective communication builds trust and fosters stakeholder engagement.

6. Measurement and reporting

This process establishes metrics, reports and reporting systems to measure the effectiveness of sustainability efforts. Sustainability reports demonstrating progress and compliance with set goals are prepared and appropriately discussed with the relevant stakeholders across the organization. Top sustainability risks and/or material exposures are communicated to the Board of Directors periodically or as deemed necessary through the Board Risk Oversight Committee

IV. SUSTAINABILITY GOVERNANCE

The Board of Directors Risk Oversight Committee (BROC) is responsible for the oversight of the Company's sustainability management providing guidance to the sustainability initiatives, ensuring alignment with the organization's mission and long-term vision, including the related risks originating from subsidiaries, affiliates and investments, to ensure its functionality and effectiveness. Management is accountable for business sustainability, managing the related risks, and championing the sustainability efforts aligning sustainability with the overall business strategy. The sustainability team composed of stakeholders' representatives shall be responsible for driving and managing the sustainability strategies ensuring that the sustainability goals are met. The functional managers and their respective staff, as the process owners, are responsible for identifying, implementing, and managing the sustainability initiatives inherent to their functions. The Internal Audit monitors and evaluates the sustainability management processes and provides a reasonable assurance of the adequacy and effectiveness.

V. ASSESSMENT

The ESMF shall be assessed as necessary to stay abreast with significant developments in the business environment and regulatory requirements.

VI. DISCLOSURE

The ESMF shall be disclosed in the Company's website.

VII. EFFECTIVE DATE

This framework shall take effect upon approval of the Board Risk Oversight Committee and replaces all previous frameworks.

APPROVED:

DATE:

BY:

Lorenzo V. Tan
President and CEO

BOARD RISK OVERSIGHT COMMITTEE:

Juan B. Santos
Chairman

Gil A. Buenaventura
Member

John Mark S. Frondoso
Member