



GT CAPITAL
HOLDINGS INCORPORATED

SUSTAINABILITY REPORT 2018



ABOUT THIS REPORT

Our 2018 Sustainability Report details GT Capital Holdings Inc.'s sustainability performance in terms of the economic, environmental, and social impacts across the company's operations. This report covers the reporting period January 1 to December 31, 2018 and discusses GT Capital performance at the parent company level, unless otherwise stated (102-46). This report has been prepared in accordance with Global Reporting Initiative (GRI) Standards: Core Option.

Sustainability reporting specialists from the University of Asia and the Pacific oriented GT Capital on the GRI framework and guided the company in the required stakeholder consultations needed to generate the report. Our company was given recommendations that require organization-wide actions, which we look forward to implementing in the succeeding months.



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MESSAGE FROM THE PRESIDENT

Dear Fellow GT Capital Stakeholder,

Clearly, the private sector performs a crucial role in alleviating the country's manifold challenges, such as mobility and transportation gaps, underserved demand in housing, and low levels of life and general insurance coverage, just to name a few. As a publicly listed conglomerate invested in key sectors of the Philippine economy, our company, GT Capital Holdings, Inc. (GT Capital) clearly commits to its social responsibility of providing solutions to those aforementioned challenges. In fact, an integral part of GT Capital's vision is to contribute to nation-building by generating a sustainable social value, hand-in-hand with our financial and economic undertakings. To better enable us to achieve this objective, we have, over the decades, established strategic long-term partnerships with global best-of-class brands that are recognized experts in their respective lines of business.

Together with our strategic partners, we endeavor to provide the country with durable vehicles through Toyota Motor Philippines Corporation, secure financial products and services through the Metrobank Group, quality homes through Federal Land, Inc., reliable infrastructure via Metro Pacific Investments Corporation, and trustworthy insurance protection with AXA Philippines. These ventures form our core businesses, which operate in underpenetrated sectors, are dominant in their respective markets, and benefit from group-wide synergies. Furthermore, GT Capital's access to capital

markets enables it to financially support these component companies in order for them to further expand and grow. Consequently, they are better positioned to contribute in no small measure to the improvement of people's lives.

Our commitment to improve society started when our late Chairman Emeritus, Dr. George S.K. Ty, founded Metropolitan Bank & Trust Company (Metrobank) in 1962. Metrobank has since evolved to be one of the largest banks in the Philippines with a strong network abroad. Through Metrobank, we have provided numerous small and medium-sized enterprises (SMEs) access to capital, including those located in agricultural areas, which in turn contributed to inclusive economic growth. This noble commitment extends to other GT Capital component companies as well. For instance, Toyota Motor Philippines (TMP) has introduced affordable car models acquired by transport network vehicle scheme (TNVS) drivers and operators, when the innovative service was first introduced in the Philippines. This helped in generating additional income for TNVS drivers, operators, and their families.

Similarly, we realized the need to provide more homes in Metro Manila and nearby areas. Through Federal Land, we built condominium towers and master-planned communities in strategic locations inside the National Capital Region. We then partnered with Property Company of Friends, which developed Lancaster New City, a vast, budding satellite city in the province of Cavite to provide affordable, secure homes for thousands of Filipinos. Our equity investment in Metro Pacific further supports our



vision of nation-building by providing our stakeholders access to basic services such as clean water, reliable power, tollways, railways, and hospitals, in consonance with the government's thrust to significantly enhance the country's infrastructure landscape.

As we continue to grow our businesses, we acknowledge that our economic, environmental, and social impacts grow alongside them. Our impacts affect all of our stakeholders, which include our host communities, customers, shareholders, employees, suppliers, and business partners. We also know that our businesses cannot thrive without a sustainable environment and society. With these, we embarked on our sustainability journey and this inspired and convinced us to craft our first report, using the Global Reporting Initiative (GRI) standards. The essence of this journey supports the United Nations' Sustainable Development Goals (UN SDGs). We have analyzed the risks and opportunities to our businesses that may arise from the 17 UN SDGs. Based on our study, we have determined that, initially, 10 out of the 17 SDGs are aligned with our businesses.

While there are several areas where we contribute to the UN SDGs, one of our most significant contributions is our investment in various industries that increase productivity and generate more jobs that result in national prosperity. At present, we are looking at the possibilities on how GT Capital and our component companies may expand our contributions to the specific targets of these UN SDGs.

As we harness the energy and contribute to the capacity of the private sector to spearhead change, we keep in mind the legacy that Dr. George S.K. Ty set upon us – that there should be a synergistic approach when it comes to our investments and initiatives, which means that not one undertaking operates separately in a silo, but rather all of them must cooperate and work together to achieve success. That is our formula for being one of the leading conglomerates in the country, and that is also how we will champion sustainability at GT Capital.

With this maiden report, we are presenting our 2018 sustainability efforts. We commit ourselves to be advocates of sustainability through our economic, environmental, and social practices. As we pledge to bring excellence to our operations, we shall treat sustainability with the same level of commitment and importance. Since we are just in the beginning of our sustainability journey, we believe that there are still opportunities for improvement. Thus, with your invaluable trust and support, we at GT Capital are confident that, working together, we can enhance our sustainability initiatives and thereby contribute to the improvement of the conditions prevailing in our developing and growing country.

CARMELO MARIA LUZA BAUTISTA
President

SUSTAINABILITY FRAMEWORK

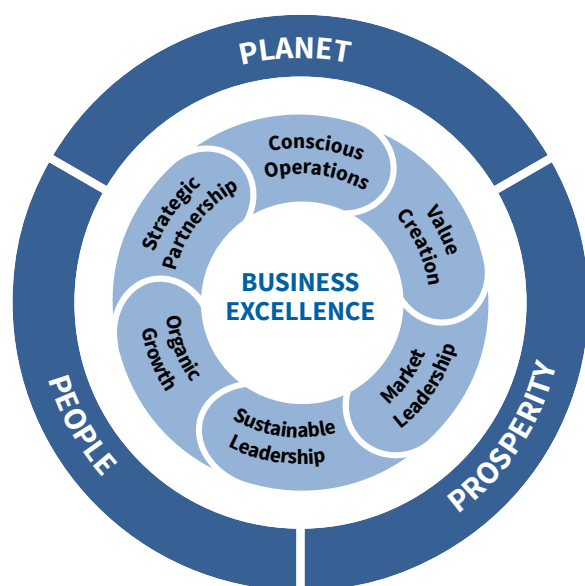
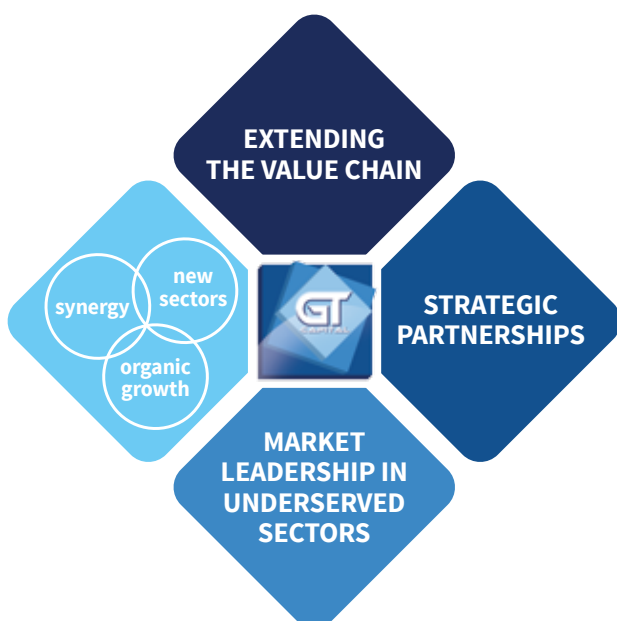
We at GT Capital have been committed to nation-building through business excellence for several years. Embracing our business model, we place a premium on value creation and appreciation, strategic partnerships, and synergistic growth in our business practices. While we continue to recognize the advantages of our model, we are compelled to explore a more appropriate approach specific to our sustainability operations.

Looking beyond value creation and appreciation from the perspective of economic value, we also acknowledge that our business also significantly affects our society and the environment. With this, we

have created a sustainability strategy that aligns with our business model and the Three P's of Sustainability (People, Prosperity, and Planet).

With business excellence at its core, our sustainability framework ensures we place equal importance to our economic, environmental, and social inputs, ensuring that these generate excellent and quality outputs. Our practice of business excellence comes with our adherence to economic, environmental, and social best practices.

We recognize that the journey to sustainability will present challenges, but these are challenges we are committed to overcome these. With robust leadership, positive economic performance, planet-conscious operations, and growing partnerships, GT Capital is ready to take on sustainability and ensure a better future for succeeding generations.



OUR MATERIALITY PROCESS

In determining the GRI Standards topics that are material to our stakeholders, we partnered with the University of Asia and the Pacific (UA&P) to conduct the materiality process. With the help of UA&P, we identified the stakeholder groups that were consulted by prioritizing them in terms of their influence on our economic, social, and environmental performance, and who among them are most affected by our operations (102-42).

<p>OUR STAKEHOLDERS (102-40) Principals Capital Fund Providers Employees Senior Executives Regulators Component Companies</p>
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An online survey was distributed among the identified stakeholders (102-43). The questionnaire was structured in such a way that the respondents were able to conveniently express their expectations from our company. In answering the questionnaire, the respondents simply checked a box expressing their interest in whether the company reports on the specified statements, which were modified versions of the indicators from the GRI Standards. These statements are codified in a special manner so that they may not appear too technical to any respondents.

Hence, even without a complete knowledge and understanding of the GRI disclosures, one would be able to select which statements would be of greatest interest to and possible impact on them in relation to the operations and sustainability performance of the company.

This process resulted in 16 material topics and 26 material disclosures for our stakeholders (102-44 and 47).

Economic (4)
Economic Performance
Indirect Economic Impacts
Anti-corruption
Anti-competitive Behavior
Environmental (2)
Energy
Environmental Compliance
Social (10)
Employment
Labor/Management Relations
Training and Education
Diversity and Equal Opportunity
Nondiscrimination
Human Rights Assessment
Supplier Social Assessment
Marketing and Labeling
Customer Privacy
Socioeconomic Compliance



HOW WE CONTRIBUTE TO BUILDING OUR NATION

(103-1,2,3,203-2)

We continue pursuing our business because we know that we not only gain for ourselves, but also for our society. We are aware that our operations stimulate smaller economic activities that eventually yield to productivity and profitability at the local level. As an investment holding company, our indirect economic impacts primarily occur through our component companies and the supply chain which includes both customers and suppliers. One of our impacts in the economy is the creation of employment. Because of our investments, GT Capital has generated 26,346 jobs.

We ensure that investment decisions made are consistent with our core values of integrity, competence, respect, entrepreneurial spirit, and commitment to value creation. We guarantee due diligence for new investments by considering our overall economic contribution and position. We undertake regular monitoring of already existing investments to determine their alignment to GT Capital’s corporate mission, vision, and core values.

The company has developed an investment criteria and risk appetite highlighting a target investment’s contribution to the national and fiscal economy. It also commits to continuously invest in companies that will not just make positive returns for stakeholders but will also stimulate and uplift the national and local economy. GT Capital’s goal is to engage in meaningful investment ventures that contribute to nation-building and to continuously support component companies in venturing into expansion initiatives which further improve its economic contribution

Component Companies	Total Number of Employees (102-7,8)
GT Capital Holdings, Inc.	36
Metropolitan Bank and Trust Company	18,510
Toyota Motor Philippines Corporation	1,925
Federal Land, Inc.	480
Property Company of Friends, Inc.	1,524
Philippine AXA Life Insurance Corporation	2,419
Toyota Manila Bay Corporation	983
Toyota Financial Services Philippines Corporation	417
Metro Pacific Investments Corporation	52





SMALL- AND MEDIUM-SIZED ENTERPRISE (SME) AGRIBUSINESS LOANS

(203-2)

Banks foster and contribute to the growth and expansion of small- and medium-sized enterprises (SMEs) in like manner that they do with large or top-tier corporates: through loans. By lending to these enterprises, banks enable them to either start, maintain, or grow their operations. Metrobank has been operating for more than 55 years, and in those years, it has helped small businesses grow through its SME-lending services. Committed to that particular stakeholder base, Metrobank launched the SME Agribusiness Loan Program, which offers seasonal loans to SMEs, especially in underbanked provinces such as Ilocos Sur, Cagayan Valley, Ifugao, Isabela, Pangasinan, Nueva Vizcaya, Nueva Ecija, and Occidental Mindoro.

The SME Agribusiness Loan Program aims to align the financing needs of SMEs with their businesses, primarily by providing access to additional working capital at a more affordable cost and taking into consideration seasonal demands. The Bank, however, does not stop

at providing financial products and services. It also aims to feed SMEs with relevant and timely information that they need to further expand their businesses. The Bank does this by educating them on the proper handling and reporting of their financial and operating performance and on how bank loans can maximize their income while minimizing their interest expense. As the Bank equips them with needed knowledge, it also helps build their clients' reputation and creditworthiness in the banking sector.

We are proud of the transformation brought about by this program. Agribusiness SMEs who formerly relied on informal, usurious loan providers charging interest rates as high as five to six percent a month are now able to minimize their expenses, improve cash flows and therefore become more profitable and sustainable. What used to be undocumented, dubious borrowings are now legal, duly acknowledged, and aptly transparent banking transactions.

The program also helps our SME clients become better informed when it comes to banking. One of our clients expressed his gratitude to Metrobank by saying, "Having a credit facility, we were able to maximize the return of our loan with a lower interest rate. Because of that, we are expanding our business now with additional capital. Before, we were terrified to avail of loans with banks, but with your help, we were able to fully understand the process and remove that fear."



Metrobank SME KAPIHAN (203-2)

Metrobank aims to provide SMEs the information they need to sustainably grow their businesses. As a result, Metrobank has launched SME Kapihan – a product presentation activity for business owners that provide participating SMEs an avenue to acquire information relevant to their businesses. In order to reach and inform more stakeholders, the program is conducted nationwide, from as far as Aparri, Cagayan in the north to the Zamboanga Region in the south.

The SME Kapihan program targets SMEs that are as yet unfamiliar with banking products and services, raising their awareness of how the Bank's SME Loan Program could support their capital requirements and expansion plans. The product presentation lasts for

one to two hours, with a minimum of five and a maximum of 15 attendees, all from the same industry or sector.

By educating the SMEs on loan services, the participants are enlightened on various bank loan benefits such as lower interest rates, zero hidden charges, and gradual improvement in their credit history.

The SME Kapihan program does not only address the loan-related issues experienced by SMEs, it also helps them become more knowledgeable business owners who can make well-informed choices relating to their operations. Participants who attended SME Kapihan sessions are thankful to be informed and enlightened on the Bank's loan services because these made them realize the potential costs savings and efficiencies that they can realize. In turn, Metrobank appreciates the shift in the narrative that the Bank only caters to large companies, as participants recognize its efforts in helping SMEs build, maintain, and enhance their operations.





TOYOTA CARS PROGRAM PARTICIPATION (203-2)

The Comprehensive Automotive Resurgence Strategy (CARS) Program is a government initiative geared towards revitalizing the Philippine automotive industry. It aims to attract domestic and foreign direct investments into the sector and subsequently in the medium- to long-term, developing the Philippines as a regional automotive assembly or manufacturing hub. The participating car brands will have to comply with the performance-based terms and conditions of the program, including the assembly and sales of at least 200,000 units of the enrolled car model over six years. As an incentive, participants that meet the requirements will receive tax certificates that they can use to defray specific types of taxes.

With the approval of the Department of Trade and Industry's Board of Investments (BOI), TMP is one of the two car companies that have qualified for the CARS Program. As a proud participant of the CARS Program, TMP has invested at least Php5.2 billion into the initiative.

Under the program, TMP is committed to assembling at least 200,000 units of the all-new Vios, the country's bestselling passenger car, over the model's six-year life span. To achieve this ambitious target, Toyota bolstered its manufacturing capabilities at its Santa Rosa plant, which now includes a 3000T plastic injection system, a 1600T AO servo press machine, stamping dies, a roller hemming system, and equipment for press and resin parts.

TMP's involvement in the CARS Program created new jobs and capabilities not only for itself, but also for several participating parts makers, namely Technol Eight Philippines Corp., Toyota Boshoku Philippines Corp., Valerie Products Manufacturing Inc., Ojihara (Thailand) Co. Ltd., Manly Plastics Inc., and Toyoda Gosei Co. Ltd.

One of these firms is Valerie Products Manufacturing Inc. (VPMI), a fully Filipino-owned automotive and appliance parts manufacturer

established in 1975. In 2004, VPVI began supplying metal fuel tanks for Toyota's Corolla Altis and Camry sedan models, and subsequently, for the Innova multipurpose van. In recent years prior to the CARS Program, VPVI was awarded contracts to manufacture parts for the Vios and the Innova, such as front bumpers and instrument panels. When TMP selected VPVI as a participating car maker for the CARS Program, VPVI enjoyed increased business through an expanded parts supply contract, which now includes wheelhouse and quarter panels, among others. To enable VPVI's participation in CARS, it engaged Ojihara (Thailand) Co. Ltd. as its technical agreement partner to train personnel on spot welding techniques. As a result of the CARS program, VPVI expanded the number of parts it made for the Vios. In addition, the firm was able to expand its process capability through new press machines and welding equipment. Subsequently, VPVI's sales are projected to increase by an additional Php40 million a year, over the program's six-year timeframe.

Because of its participation in the CARS program, TMP not only delivers customer satisfaction through its best-selling Vios, but also sustainable manufacturing capabilities for local enterprises. Efforts such as these contribute to the Group's thrust of providing gainful employment and a thriving business environment for nation-building.



HOW WE BUILD OUR TRUST WITH OUR STAKEHOLDERS

GT Capital is a listed major Philippine conglomerate with interests in market-leading businesses across banking, automotive assembly, importation, distribution and financing, property development, life and general insurance, and infrastructure and utilities, (102-2).

The governance of our overall operations is handled by GT Capital's Board of Directors, encompassing all our established committees (102-19; 102-22). GT Capital is governed by its 11-member Board of Directors. It exercises authority over specific aspects of its business through various Board Committees - Executive, Nominations, Compensation, Audit, Corporate Governance and Related Party Transactions, and Risk Oversight (102-18). GT Capital's Board of Directors is responsible for decision-making on economic, environmental, and social impacts.

Our Risk Oversight Committee, Risk Steering Committee, and Sustainability Technical Working Group handle our stakeholder consultations, while the Risk Oversight Committee manages the general oversight of our sustainability activities. Our company has identified the Chief Risk Officer (CRO) as our sustainability champion who reports administratively to the President and functionally to the Risk Oversight Committee of the Board of Directors (102-20;102-21).

Our Risk Department conducts an annual risk reassessment process to mitigate any activity that may jeopardize the company's operations. The results of this assessment are reported to the Risk Steering Committee and to the Board of Directors through the

Risk Oversight Committee. It is also important to note that any changes in the risk management process that may arise from self-improvement initiatives and recommendations from internal audits must be approved by our Board (102-30; 102-31).

The risk management function performs annual risk reassessment geared towards prospective identification, assessment, and analysis of risks which then guides GT Capital in its business activities in the coming year. The annual risk reassessment is presented during the company's strategic planning conference through the Risk Steering Committee after consultation with each risk owner. The results of the reassessment are then presented to the Board of Directors through the Risk Oversight Committee (102-11).

In its latest risk reassessment, the Risk Department identified, in relation to sustainability, a sustainability risk which covers risk events in environmental, social, and governance aspects. The identification of this specific risk and the resulting assessment and controls initiated are results of the company's acknowledgement of its exposure to risks related to sustainability, not just in its business operations but in terms of reputational and social impact as well (102-15).

Furthermore, risks and opportunities related to sustainability are indirectly addressed in other risk items primarily under strategic, operational, and reputational aspects.

In practicing our corporate governance structure, we ensure that with respecting the line of authority also comes our own initiative of fulfilling our duties and responsibilities either as an employee, an officer, or a committee member of GT Capital. We recognize the fact that aside from stakeholders of the company, we also serve as the face of the company's years of excellence and commitment to nation-building.



PROMOTING A CULTURE OF GOOD GOVERNANCE

(103-1,2,3)

We do not tolerate corruption in the workplace as it may damage GT Capital's reputation which may eventually result in the low morale of our employees. It may also have financial, legal, and regulatory consequences. The company had all deals for 2018 assessed for corruption risk to avoid such consequences.

GT Capital's Code of Discipline provides penalties for corruption violations. Our Code of Ethics also enjoins that all directors, officers and employees shall ensure the conduct of fair business transactions and guarantee that personal interest does not affect the exercise of their duties. Likewise, they shall not



use their position to profit or acquire benefits or advantage for themselves or related interests. GT Capital has established procurement policies and contracts to avail crucial services which are reviewed and approved by the Bids and Awards Committee or the Senior Executive Committee for extraordinary service engagements. We aim to continue our zero corruption-related violations. We also intend to have a refresher on policies for our employees, as well as a periodic review and adjustment of our Code of Discipline.

All deals entered into in 2018 were assessed for corruption risk. No significant corruption risks were identified (205-1). Communication received by the Chief Audit Executive (CAE) through the governance hotline were reported during the monthly Management Committee meetings or forwarded to the concerned departments, as applicable (205-2).

ANTI-COMPETITIVE BEHAVIOR

(103-1,2,3)

Competition stimulates innovation, productivity and competitiveness, all of which contribute to an effective business environment. We conduct due diligence and engage legal advisers to ensure compliance with the Philippine Competition Act. Being compliant with the said Act, the company experienced zero legal actions in relation to anti-competitive behavior, anti-trust, and monopoly practices. There were no legal actions pending against the company in relation to anti-competitive behavior, anti-trust, and monopoly practices (206-1).

A man in a dark suit and glasses is speaking at a podium on a stage. He is holding a microphone and a small object. Behind him are two flags: a red and white flag and a blue and white flag. To the left, a large screen displays a logo with red and blue elements. The stage has a red carpet and a dark wood-paneled wall.

PERFORMANCE HIGHLIGHTS



GT Capital serves customers nationally across sectors including (a) automotive assembly, importation, distribution, dealership and financing, (b) banking, (c) property development, (d) life and general insurance, (e) infrastructure and utilities, and (f) motorcycle financing (102-6).

The entities consolidated in the financial statements are Federal Land, Inc., Toyota Motor Philippines Corporation, Property Company of Friends, Inc., Toyota Manila Bay Corp., and GT Capital Auto Dealership Holdings, Inc. GT Capital also has significant investments which are accounted for using the equity method in Metropolitan Bank and Trust Company, Metro Pacific Investments Corporation, Philippine AXA Life Insurance Corporation, Toyota Financial Services Philippines Corporation, and Sumisho Motor Finance Corporation (102-45).

At the consolidated level, GT Capital has generated Php 215,825 million for 2018. A total of Php 205,836 million was distributed to our business partners and stakeholders.

201-1 Direct Economic Value Generated and Distributed (in Php)*

Direct Economic Value Generated	215,825,000,000
Direct Economic Value Distributed	
Operating Costs	185,106,000,000
Employee Wages and Benefits	3,676,000,000
Payments to Providers of Capital	12,853,000,000
Payments to Government	4,200,000,000
Community Investments/Donations	1,000,000
Economic Value Retained	9,989,000,000

Defined Benefit Plan for Employees (201-3)

GT Capital has provided defined benefit retirement plans for their employees. GT Capital’s pension liability for 2018 is Php 859 million at the consolidated level.

* Exact from millions place and greater



ENVIRONMENT

*Toyota Motor Philippines Solar Farm
at its assembly plant in Sta. Rosa, Laguna*



ENERGY (103-1,2,3)

We commit to lessen our impact in the environment. Energy conservation also positively contributes to cutting back our operating expenses, which is key to sustainable and profitable business operations. We exert conscious efforts in energy conservation at our head office through shifting into more energy-efficient office equipment and minimizing consumption only to necessary usage.

We plan to draft our environmental policy in the coming years. We also aim to achieve a reduction in our energy consumption which translates to lower energy costs and contributes to sustainable business operations. We also target a net percentage decrease in total energy consumption and in average consumption per employee. To measure our performance against the target percentage decrease, we have gathered baseline data for our 2018 energy consumption, which stands at 151,696 kWh. Additionally, we are proud to disclose that we have been compliant of environmental laws and regulations – having received zero fines and sanctions for the year.



A photograph of a factory floor. Several workers wearing blue short-sleeved shirts and blue visors are working at a production line. They are focused on their tasks, with one worker in the foreground looking down at a component on a machine. The background shows more workers and industrial equipment under bright overhead lights. The word "SOCIAL" is overlaid in white text on the left side of the image.

SOCIAL

Workers at a TMP OEM partner for its participation in the CARS program



PARTNERING WITH EMPLOYEES

EMPLOYMENT (103-1,2,3)

We maintain healthy relationships with our employees through hiring of highly qualified candidates, provision of acceptable compensation packages (benchmarked), ensuring a healthy working environment, and ensuring employee satisfaction through surveys. We commit to hire, retain, and develop talents. One of the goals and targets of our Human Resources and Administration Department (HRAD) is to achieve attrition and vacancy rates that are below the industry average. The HRAD Head primarily manages the human resource administration and development processes. We also have a payroll system that facilitates compensation and other benefits. The hiring and compensation processes are subject to regular internal audits in accordance with the Internal Audit Department's plan. Competency assessment for employee candidates are also facilitated by a third-party consultant.

Our Human Resources Committee reviews and proposes changes and improvements to the compensation and benefits package every year subject to the approval of the Executive Committee. As a result of this initiative, our Executive Committee has approved an increase in group life insurance coverage and improvement in the car plan package for senior officers. Regular employees are also granted life insurance, health care, disability and invalidity coverage, parental leave, and retirement provision.

The HRAD conducts continuous reviews on an annual basis and proposes changes as necessary. Improvements identified relate to the documentation of leaves and the acquisition of a timekeeping system to be able to incorporate the necessary adjustments in the management approach.

NEW EMPLOYEE HIRES (2018) (401-1)

Age	Male	Female
20-30	1	0
30-40	0	1
41-50	1	0
51-60	1	0

EMPLOYEE TURNOVER (2018)

Age	Male	Female
30-40		
41-50		1
51-60		
61-70		1

Number of employees that are entitled to benefits (401-2)

Life insurance	139
Health care	139
Disability and invalidity coverage	0
Parental leave	2
Retirement provision	0

PARENTAL Leave (401-3)

Male		Female
7	Total number of employees that were entitled to parental leave, by gender.	7
0	Total number of employees that took parental leave, by gender.	2
0	Total number of employees that returned to work in the reporting period after parental leave ended, by gender.	2
0	Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.	2
0	Return to work and retention rates of employees that took parental leave, by gender.	2

MINIMUM NOTICE PERIOD (401-4)

30 days (4 weeks) prior to implementation of operational changes





LABOR/ MANAGEMENT RELATIONS (103-1,2,3)

Our Company is committed to ensure sufficient information dissemination through active employee engagement. This is done through one-on-one meetings or group discussions. As of this writing, our management is in the process of updating its manual specifically on the areas such as: update of job description and update of relevant Policies and Procedures Manual (PPM) for new functions.

We aim to maintain healthy relationships with employees through full disclosure of plans that may affect employees' well-being. We also commit to provide employees with a reasonable notice period prior to operational changes. As of 2018, we provide a notice period of at least 30 days (4 weeks) before implementing operational changes.

TRAINING AND EDUCATION (103-1,2,3)

Training presents a prime opportunity to expand the knowledge base of all employees, which will be beneficial not only to them, but to the company as well. We provide individual development plans (IDP) for our employees based on their competency assessments. IDP includes career and succession planning.

We are now in the process of including talent management and training and education in our manual. We commit to upgrade our employees' competencies through individual development plans and aim to provide at least 16 hours of training per employee per year.

We encourage our employees to improve their knowledge base through training programs relevant to their fields of expertise. For 2018, GT Capital has 53.3 average training hours per employee having attended the following training programs (404-1; 404-2):

- Effective Communications and Human Relations
- ASEAN Corporate Governance Scorecard Workshop for Publicly-Listed Companies
- VBA Macro 2013 Training
- Diploma Program in Corporate Finance
- Value Added Tax Philippines: In and Out
- Company Valuation: Principles, Method, and Application
- Business Continuity Management Practitioner
- Annual Disclosure Rules Seminar
- SEC-PSE Corporate Governance Forum
- Commercial Arbitration Training
- 7 Habits Application for Managers Public Workshop
- Analytical Problem-Solving Workshop

- High-Impact Presentation
- Effective Business Writing
- Strategic Business Economics Program
- Institute of Internal Auditors Convention
- Certified Financial Analyst Review
- Executive Leadership Summit
- Corporate Governance Scorecard Workshop

For GT Capital, education is eyed as the great equalizer, providing the poor with opportunities to lift themselves out of poverty. With this vision, GT Foundation, Inc. (GTFI) awards scholarship grants to financially-challenged and deserving students via two tracks:

The Scholarship for Technical-vocational Education Program (STEP) aims to equip out-of-school youth and other marginalized students with skills that are

in demand and will help them gain immediate employment. Through this program, GTFI supports scholars of some of the best technical-vocational education and training schools in the country with industry tie-ups for guaranteed employment. These schools are the Toyota Motor Philippines School of Technology, Don Bosco Technical Institute, and DualTech Training Center Foundation.

College-level scholarships are provided by GTFI and give opportunities to students with high potential of becoming future leaders who will contribute to nation-building through college-level scholarships. Presently, GTFI has partnerships with the University of the Philippines – Diliman College of Engineering, University of San Carlos, and the Manila Tytana Colleges (MTC).





AVERAGE TRAINING HOURS (by gender) (404-1)

Male	Female
61.7	48.1

In 2018, We have provided a total of **1,813** training hours to our employees. (404-3)

AVERAGE TRAINING HOURS (by employee category) (404-1)

Senior Officer	Junior Officer
43.4	53.4

Number of programs implemented, and assistance provided to upgrade employee skills: **44**

Percentage of total employee by gender and by employee category who received a regular performance and career development review: **100%** - (Female: **58.33%**, Male: **41.66%**)

TOTAL NUMBER OF HOURS OF TRAINING

Employee Category	Number of Training Hours
Junior Officer	1,336
Senior Officer	477





DIVERSITY AND EQUALITY (103-1,2,3)

We value diversity across all ranks and aim to provide equal opportunity for all relevant stakeholders. We ensure that equal opportunity is provided to employees and no preference is given on the basis of gender, ethnicity, or race.

Our company is now in the process of including a policy on diversity and equal opportunity in its manual. Through HRAD, Human Resources Committee, and other relevant department heads, we commit to provide our employees and applicants equal opportunity on the basis of competencies, and not on the basis of any discriminatory factor especially when it comes to diversity of governance bodies and employees, and salary and remuneration of women to men. So far, there are no complaints from employees and applicants arising from issues related to diversity and equal opportunity.

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES (405-1)

Gender		Percentage
Male	21	58.3%
Female	15	41.7%

Age Group		Percentage
Under 30	12	33.3%
30-50	18	50.0%
Over 50	6	16.7%

NON-DISCRIMINATION (103-1,2,3)

We aim to provide a safe and healthy working environment by ensuring that controls are in place to prevent and address incidents of discrimination through the provision of mechanisms to raise awareness on and to report incidents of discrimination. Acts of discrimination are covered by the Code of Discipline of our company. Through HRAD, Human Resources Committee, and other relevant department heads, we aim to provide our employees and management a working environment free of discrimination. So far, we have zero incident of discrimination and corrective actions taken. Our company also implements a whistleblowing policy for any complaints against its employees, officers, or directors. The CAE receives the messages from the whistleblower. A related investigation is performed based on the complexity of the issue (can be by the CAE, through a task force) (406-1).





HUMAN RIGHTS ASSESSMENT

(103-1,2,3)

We at GT Capital ensure that our component companies follow acceptable and sustainable business practices involving human rights issues. Our company complies with its human rights policies and procedures. Our company's human rights assessment primarily impacts the following stakeholder groups: the management, the principals, the shareholders, the regulators, and the employees. Committed to ensuring that no human rights incident happens in our operations, all deals in 2018 were assessed in relation to compliance with all applicable laws including those related to human rights practices (412-3).

GT Capital is committed to provide appropriate training on human rights policies and procedures. Our company is also committed to ensure that track record on human rights is considered in its investment decisions. The offices responsible for the implementation of these policies and procedures are the HRAD, Corporate Planning and Business Development Department, and Legal and Compliance Department. In 2018, our company held a two-hour training session on human rights policies and procedures attended by 58% of our employees (412-2).





SUPPLIER SOCIAL ASSESSMENT (103-1,2,3)

GT Capital ensures that there is an assessment of our activities in order to prevent and mitigate our negative social impacts in the supply chain. These include impacts of GT Capital that are directly linked to our activities, products, or services. In 2018, none of our suppliers were identified to have significant negative social impacts. There were also no new suppliers contracted for the year. (414-1; 414-2)

Our company shall strive to prevent and mitigate negative social impacts in our supply chain. Part of our goals and targets include development of a supplier social policy, which will be the responsibility of HRAD, as well as the Bids and Awards Committee. Moreover, as part of our specific actions, GT Capital aims to formulate a supplier social policy which will be cascaded to all of our component companies.





PARTNERING WITH CUSTOMERS

MARKETING AND LABELLING (103-1,2,3)

GT Capital ensures stakeholders' access to accurate and adequate information about our company and its transactions. Through timely and accurate disclosures of material information, we aim to mitigate the negative effects of inadequate marketing. GT Capital is committed to respect the stockholders' right to information based on prescribed rules and regulations. Our company also aims to provide stockholders accurate and timely information during the annual stockholders' meeting and quarterly briefings, and to achieve non-violation of disclosure rules. We are proud to disclose that we have no incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications as of 2018. (417-3)

As part of evaluating the effectiveness of our approach in this area, we ensure regular audits on processes, feedback forms, and consultations with investors.

CUSTOMER PRIVACY (103-1,2,3)

We at GT Capital process the personal data of our data subjects, including our stockholders in accordance to the Data Privacy Act of 2012 (DPA). Our company manages the impacts on

data privacy through implementation of security measures for organizational, physical, and technical aspects.

Our company's policy on customer privacy is included in our Data Privacy Manual which includes GT Capital's Privacy Policy (public) and Privacy Notice (public). GT Capital is committed to protect the fundamental human right of our data subjects to privacy while ensuring free flow of information to promote innovation, growth, and development. To attest to this commitment, we have no substantiated complaints concerning breaches of customer privacy and losses of customer data for 2018. (418-1)

Part of our company goals and targets are related to privacy are zero breach and full compliance with the DPA, and related laws and issuances as well as the requirements of the National Privacy Commission (NPC). The departments responsible for this are the Data Protection Officers and the Data Breach Response Team. Finally, the company specifically aims for organizational security measures and physical security measures such as outlining of storage type and location of documents with personal data, rules on sharing of personal data with third parties, and technical security measures in the form of personal data back-up in electronic format, monitoring of security breaches, and regular testing of security measures.



PARTNERING WITH THE GOVERNMENT

ENVIRONMENTAL COMPLIANCE AND SOCIOECONOMIC COMPLIANCE (103-1,2,3)

Acting in an environmentally and socially responsible way is our duty to our stakeholders. GT Capital believes that doing so can positively affect its bottom line and long-term success as a conglomerate. With these, environmental and social responsibility have been included as a covenant in our contracts. Our Legal and Compliance Department ensures that we adhere to laws and regulations while the Human Resources and Administration Department processes

environmental-related government requirements such as sanitation certificates.

GT Capital strives to prevent and avoid violations of Philippine environmental laws and regulations and continues its compliance with all laws and regulations in the environmental, social, and economic areas. We aim to formulate policies on environmental compliance including inclusion of the matter as a consideration in transactions, as well as investment in sustainable companies. (307-1; 419-1). We set a zero-violation threshold on all applicable rules and regulations as our target and goal. We also have a whistleblowing policy as part of our grievance mechanism.

In 2018, GT Capital recorded no fines or non-monetary sanctions for non-compliance of environmental, social, and economic laws and regulations (307-1, 419-1).

GRI CONTENT INDEX

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

Disclosure Number	GRI Standard Title	References and Omissions
GRI 101: Foundation 2016		
GRI 102: General Disclosures 2016		
102-1	Name of Organization	GT Capital Holdings, Inc.
102-2	Activities, brands, products, and services	p. 10
102-3	Location of headquarters	43rd Floor, GT Tower International, Ayala Avenue corner HV dela Costa St., Makati City
102-4	Location of operations	Philippines
102-5	Ownership and legal form	GT Capital is a corporation registered with the Philippine Securities and Exchange Commission. As of December 31, 2018, GT Capital is 56.14% owned by Grand Titan Capital Holdings, Incorporated, directors and officers. The remainder is public float.
102-6	Markets served	p. 13
102-7	Scale of the organization	p. 6
102-8	Information on employees and other workers	p. 6
102-9	Supply chain	This disclosure is not applicable for GT Capital.
102-10	Significant changes to the organization and its supply chain	The Board of Directors of GT Capital approved the declaration of 3.50% stock dividends to its common stockholders equivalent to 6,740,884 shares; thus, increasing the outstanding common shares to 199,337,584 from 192,596,685.
102-11	Precautionary Principle or approach	p.10
102-12	External initiatives	Global Reporting Initiative, ASEAN Corporate Governance Scorecard
102-13	Membership of associations	Philippine Stock Exchange
102-14	Statement from senior decision-maker	pp. 2-3
102-15	Key impacts, risks, and opportunities	p.11

Disclosure Number	GRI Standard Title	References and Omissions
102-16	Values, principles, standards, and norms of behavior	https://www.gtcapital.com.ph/about/vision-mission
102-18	Governance structure	p.10
102-40	List of stakeholder groups	p. 5
102-41	Collective bargaining agreements	GT Capital has no collective bargaining agreements at present.
102-42	Identifying and selecting stakeholders	p. 5
102-43	Approach to stakeholder engagement	p. 5
102-44	Key topics and concerns raised	p. 5
102-45	Entities included in the consolidated financial statements	p. 13
102-46	Defining report content	p. 1
102-47	List of material topics	p. 5
102-48	Restatements of information	This is the first GRI sustainability report of GT Capital Holdings, Inc.
102-49	Changes in reporting	This is the first GRI sustainability report of GT Capital Holdings, Inc.
102-50	Reporting period	January to December 2018
102-51	Date of most recent report	This is the first GRI sustainability report of GT Capital Holdings.
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Mr. Winston Peckson, Chief Risk Officer
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	p. 27-32
102-56	External assurance	The report has not been externally assured.

ECONOMIC

Economic Performance		
GRI 103: Management Approach 2016		
103-1	Explanation of material topic and its boundaries	p. 13
103-2	The management approach and its components	p. 13
103-3	Evaluation of the management approach	p. 13
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	p. 13
201-3	Defined benefit plan obligation and retirement plans for employees	p. 13
201-4	Financial assistance received from the government	GT Capital did not receive any financial assistance from the government.

Disclosure Number	GRI Standard Title	References and Omissions
Indirect Economic Impacts		
GRI 103: Management Approach 2016		
103-1	Explanation of material topic and its boundaries	p. 6
103-2	The management approach and its components	p. 6
103-3	Evaluation of the management approach	p. 6
GRI 203: Indirect Economic Impacts 2016		
203-2	Significant indirect economic impacts	pp. 6-9
Anti-Corruption		
GRI 103: Management Approach 2016		
103-1	Explanation of material topic and its boundaries	p. 11
103-2	The management approach and its components	p. 11
103-3	Evaluation of the management approach	p. 11
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	p. 11
205-2	Communication and training about anti-corruption policies	p. 11
Anti-Competitive Behavior		
GRI 103: Management Approach 2016		
103-1	Explanation of material topic and its boundaries	p. 11
103-2	The management approach and its components	p. 11
103-3	Evaluation of the management approach	p. 11
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 11

ENVIRONMENT

Energy		
GRI 103: Management Approach 2016		
103-1	Explanation of material topic and its boundaries	p. 15
103-2	The management approach and its components	p. 15
103-3	Evaluation of the management approach	p. 15
GRI 302: Energy 2016		
302-4	Reduction of energy consumption	151,696 kwh of electricity (baseline)

Disclosure Number	GRI Standard Title	References and Omissions
Environmental Compliance		
GRI 103: Management Approach 2016		
103-1	Explanation of material topic and its boundaries	p. 26
103-2	The management approach and its components	p. 26
103-3	Evaluation of the management approach	p. 26
GRI 307: Environmental Compliance 2016		
307-1	Noncompliance with environmental laws and regulations	p. 26

SOCIAL

Employment		
GRI 103: Management Approach 2016		
103-1	Explanation of material topic and its boundaries	p. 17
103-2	The management approach and its components	p. 17
103-3	Evaluation of the management approach	p. 17
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	p. 18
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 18
401-3	Parental leave	p. 18
Labor/Management Relations		
GRI 103: Management Approach 2016		
103-1	Explanation of material topic and its boundaries	p. 19
103-2	The management approach and its components	p. 19
103-3	Evaluation of the management approach	p. 19
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	30 days
Training and Education		
GRI 103: Management Approach 2016		
103-1	Explanation of material topic and its boundaries	p. 19
103-2	The management approach and its components	p. 19
103-3	Evaluation of the management approach	p. 19
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	p. 21

Disclosure Number	GRI Standard Title	References and Omissions
404-2	Programs for upgrading employee skills and transition assistance program	p. 19
404-3	Percentage of employees receiving regular performance and career development reviews	p. 21
Diversity and Equal Opportunity		
GRI 103: Management Approach 2016		
103-1	Explanation of material topic and its boundaries	p. 22
103-2	The management approach and its components	p. 22
103-3	Evaluation of the management approach	p. 22
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	p. 22
405-2	Ratio of basic salary and remuneration of women to men	0.97:1.00
Non-discrimination		
GRI 103: Management Approach 2016		
103-1	Explanation of material topic and its boundaries	p. 22
103-2	The management approach and its components	p. 22
103-3	Evaluation of the management approach	p. 22
GRI 406: Nondiscrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	There were no incidents of discrimination reported in 2018.
Human Rights Assessment		
GRI 103: Management Approach 2016		
103-1	Explanation of material topic and its boundaries	p. 23
103-2	The management approach and its components	p. 23
103-3	Evaluation of the management approach	p. 23
GRI 412: Human Rights Assessment 2016		
412-2	Employee training on human rights policies or procedures	p. 23
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	p. 23
Supplier Social Assessment		
GRI 103: Management Approach 2016		
103-1	Explanation of material topic and its boundaries	p. 24
103-2	The management approach and its components	p. 24
103-3	Evaluation of the management approach	p. 24

Disclosure Number	GRI Standard Title	References and Omissions
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	p. 24
414-2	Negative social impacts in the supply chain and actions taken	p. 24
Marketing and Labelling		
GRI 103: Management Approach 2016		
103-1	Explanation of material topic and its boundaries	p. 25
103-2	The management approach and its components	p. 25
103-3	Evaluation of the management approach	p. 25
GRI 417: Marketing and Labelling 2016		
417-3	Incidents of non-compliance concerning marketing communications	p. 25
Customer Privacy		
GRI 103: Management Approach 2016		
103-1	Explanation of material topic and its boundaries	p. 25
103-2	The management approach and its components	p. 25
103-3	Evaluation of the management approach	p. 25
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 25
Socioeconomic Compliance		
GRI 103: Management Approach 2016		
103-1	Explanation of material topic and its boundaries	p. 26
103-2	The management approach and its components	p. 26
103-3	Evaluation of the management approach	p. 26
GRI 419: Socioeconomic Compliance 2016		
419-1	Non-compliance with laws and regulations in the social and economic area	p. 26