2025 ANNUAL SUSTAINABILITY REPORT

AXELUM RESOURCES CORP.

Creating Shared Value

About the Cover

The cover title, **"Creating Shared Value"**, reflects Axelum's enduring mantra to purposeful business–allocating resources and distributing value to enable stakeholder prosperity. The intersecting arrow symbolizes forward momentum driven by strategic investments, operational excellence and continuous innovation, while illustrating value creation through productive engagement with employees, farmers, customers, communities and partners.

Featured images of farmer-partners and employees emphasize the people behind its success, reinforcing Axelum's belief that sustained progress is achieved by strengthening relationships, expanding opportunities and advancing inclusive growth.

About the Report

[GRI 2-1, 2-2, 2-3]

Period Covered
January 1, 2025 to December 31, 2025

Reporting Cycle
Annual

Scope of the Report
This Annual and Sustainability Report (ASR) provides detailed information on Axelum's business, environmental, social and governance (ESG) performance for the year 2025. The ASR only covers Philippine-based operations, excluding overseas subsidiaries.

Reporting Framework
This report is aligned with the Global Reporting Initiative Standards (GRI Standards) and Sustainability Reporting Guidelines for Publicly-Listed Companies of the Securities and Exchange Commission (SEC) for the period January 1, 2025 to December 31, 2025.

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About Axelum

Company Overview

GLOBAL MANUFACTURING EXCELLENCE

Axelum is a pioneering and transformative industry leader, continuously raising the bar on quality, innovation and renewable practices that respond to today's evolving challenges. Axelum operates a world-class coconut processing facility, equipped with state-of-the-art technology and international quality certifications, to produce an extensive range of premium quality coconut food products.

PRODUCT, PEOPLE AND PLANET

Axelum's commitment to uncompromising quality is closely aligned with its pledge to safeguard the welfare of its people and the planet. Axelum continues to invest in advanced technology to uphold superior product standards, while enabling sustainable development to promote social inclusion and climate resilience.

EVOLVING FROM LOCAL TO GLOBAL

Since its founding in 1986, Axelum has evolved from a modest enterprise into a global manufacturing leader, earning worldwide acclaim for quality, reliability and sustainability, cementing its position as the preferred supplier of coconut food products.

Timeline and Milestones

1986
ACQUISITION AND INITIAL OPERATIONS
Fiesta Brands, Inc. (FBI) took over an old coconut processing plant in Medina, Misamis Oriental, in Northern Mindanao, producing desiccated coconut and coconut milk powder.

1990
EXPANSION IN NORTH AMERICA
FBI acquired Red V Foods Corp. (RVF) to gain a significant market and distribution foothold in the United States.

2003
ESTABLISHED PRESENCE IN AUSTRALIA
Set up Fiesta Ingredients Australia (FIA) in response to increasing demand in the Oceania region.

2010
BIRTH OF AXELUM
Axelum was incorporated and entered into a long-term partnership with Vita Coco, the world's largest and most popular coconut water brand.

2016
CORPORATE REORGANIZATION
Axelum consolidates all of FBI's assets, including operations in the United States and Australia.

2019
INITIAL PUBLIC OFFERING
Axelum debuted as the only pure coconut company listed in the Philippine Stock Exchange (PSE), raising fresh capital to support long-term expansion.

2020
RESILIENCE AMID GLOBAL PANDEMIC
Despite unprecedented challenges, Axelum continued to flourish by capitalizing on strategic opportunities to future-proof and reinforce core capabilities.

2023
FORGING STRONGER TIES
Axelum sealed a strategic partnership with Metro Pacific Agro Ventures, Inc., a wholly-owned subsidiary of Metro Pacific Investments Corporation, to jointly develop, modernize and raise the global competitiveness of the Philippine coconut industry.

2025
SCALING NEW HEIGHTS
Axelum achieves record topline driven by the robust performance across its core product segments.

Mission, Vision and Core Values

MISSION

To deliver quality food products that nourish people and impact lives. We are committed to creating shared value for our stakeholders by enabling self-sufficient communities.

VISION

To become a global leader in food manufacturing, anchored on superior quality, renewable sourcing, product innovation, operational excellence and sustainable practices, all through our greatest asset—OUR PEOPLE.

CORE VALUES

Quality

We adhere to the highest quality standards in food processing and safety.

Malasakit

We care deeply about our teams, our local communities and our environment.

Bayanihan

We believe in the Filipino tradition of bayanihan—a spirit of shared work and cooperation. As a team, we constantly strive to do better and support each other's efforts and ideas.

Accountability

We uphold the principles of trustworthiness and good governance and consistently take ownership of our performance.

Stewardship and Servant Leadership

We regard ourselves as mere stewards of God's creation. Our leadership principles are guided and inspired by our commitment to provide for the needs of the thousands of people we serve in our communities.

Ownership Structure [GRI 2-1]

Founder-led with strategic institutional backing, Axelum leverages on operational depth and broader access to capital to drive shareholder value and long-term growth.

Key Shareholders	Total Direct and Indirect Shares[1]
Metro Pacific Agro Ventures, Inc.	1,190,000,000
CP Compass Singapore PTE LTD	380,000,000
Romeo I. Chan	267,221,764
Henry J. Raperoga	264,705,509
Paul Rene Z. Tayag	111,211,035
Various Shareholders	689,109,342
Shareholdings Structure	
Non-Public Shares	2,902,247,650
Public Shares	896,157,850
Total Outstanding Common Shares	3,798,405,500

[1]Based on Public Ownership Report as of December 31, 2025.

EXTERNAL ASSOCIATIONS [GRI 2-28]

- Customs-Trade Partnership Against Terrorism
- Global Food Safety Initiative
- Hazard Analysis and Critical Control Points System
- International Organization for Standardization
- Sedex Members Ethical Trade Audit
- Good Manufacturing Practices
- British Retail Consortium
- Halal Certification
- Kosher Certification
- International Organic Certifications
- Certified Sustainable Supplier
- United Nations Sustainable Development Goals
- The United Coconut Association of the Philippines, Inc.
- Association of Philippine Coconut Desiccators
- Philippine Food Processors and Exporters Organization, Inc.

Leadership

Message from the Chairman and Chief Executive Officer

[GRI 2-22]

Fellow Shareholders,

Our broader theme for 2025 was that of aligning priorities with stakeholder interests, as we continue to deliver lasting value for the many stakeholders that we serve.

The year saw us achieve record performance, posting an all-time high topline of ₱10.2 billion, driven by the strong showing of our core product segments. We attribute this outcome to our innate ability and experience in seizing market opportunities and executing our strategies, in spite of global headwinds that have disrupted industries across multiple fronts.

For nearly four decades, we anchored ourselves on the unique trait of 'malasakit', to foster a culture of compassion and empathy which has stood as our guiding principle throughout the years. It is within this very spirit that we are drawn to a deeper sense of purpose, cementing the Axelum brand within the context of social responsibility and sustainable development, inspired by our founding mission.

At Axelum, we are committed to empowering communities to help reshape our country's future and contribute to demarginalization. As an organization, we take on a serious role in mitigating the imminent risks of climate change to limit global warming. This entailed retooling our actions by integrating sustainability objectives in our strategies to engineer value creation in the long-term.

For 2025, we strengthened our impacts across our key pillars of education, livelihood, health and moral upliftment by expanding our scope and increasing the number of beneficiaries. We organized several projects that effectively respond to the basic needs of local communities to promote self-sufficiency in the long-run.

On the environmental side, we completed our transition to renewable energy to power manufacturing operations and planted 1,260 coconut seedlings to aid reforestation and support the government's nationwide tree growing program. From a climate standpoint, we are proud to disclose that we have managed to reduce direct carbon emissions by 20% from a 2020 baseline, by implementing various initiatives to reinforce climate resilience. Our transition to geothermal energy to power our manufacturing operations has driven substantial progress toward this commitment. This keeps us on track with the global ambition to cut 42% of greenhouse gas (GHG) emissions by 2030 in accordance with the stated goals of the Paris Agreement.

In closing, we move forward with guarded optimism fully cognizant of macro and geopolitical issues that continue to weigh down on sentiment. As the road ahead remains uncertain, we carry with us the mantra of turning crisis into opportunity, combined with fiscal discipline and invaluable experience, will allow us to thrive and maintain a steady path of growth.

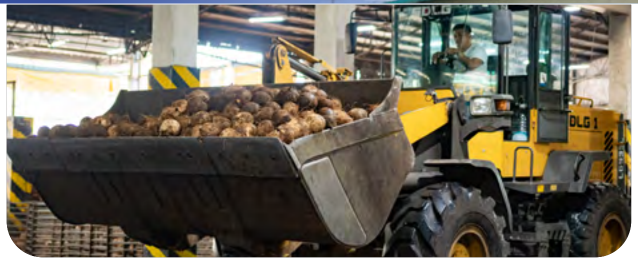
At this point, I would like to thank our esteemed Board of Directors for steering us with wisdom and foresight. Our management team and employees for your unwavering commitment in meeting our shared objectives. To our various stakeholders—coconut farmers, customers, suppliers, contractors, government and business partners, our sincerest gratitude for your constant support and engagement. As we enter our 40th year, we stand on the edge of innumerous opportunities that will catalyze our growth and endure our legacy for years to come.

ROMEO I. CHAN
Chairman and Chief Executive Officer

Leadership

Message from the President and Chief Operating Officer

[GRI 2-22]



Dear Shareholders,

Axelum delivered a milestone year in 2025, achieving all-time high revenues of ₱10.2 billion and ₱850 million in net income, underpinned by robust volume-led expansion and higher average selling prices across core product segments. Export sales surged 41%, fuelled by new customer wins and a larger orderbook spanning North America, Europe, Australia and Asia. Domestic sales grew 47%, boosted by a rapidly developing institutional segment, wider distribution footprint and stronger online engagement.

Our record performance in 2025 underscores our ability to consistently deliver value despite a confluence of global headwinds including heightened geopolitical conflicts, renewed tariff policies and supply chain disruptions. These events have contributed to volatility in commodity markets, cross-border trade and ocean freight, while prompting a more conservative purchasing stance among customers. Nevertheless, our leading market position and quality of our longstanding commercial relationships, enabled us to maintain solid footing.

Building on this foundation, we carried our momentum into the first quarter of 2026, supported by sustained demand and disciplined execution. Consolidated sales increased 7% to ₱2.3 billion, anchored on higher volumes and improved average selling prices for key product segments. White meat sales to North America and Australia went up 16% and 53%, respectively, while Asia expanded more than two-fold, driven by new customer accounts and a growing order pipeline. Domestic sales grew 2% as recent product launches continue to gain traction across various retail formats and online touchpoints nationwide. As a result, net income reached ₱267 million, representing a 94% uptick year-on-year.

Turning to our balance sheet, we maintain a sound fiscal position characterized by prudent capital management, healthy financial ratios and sustained operating cash flows. Cash and cash equivalents stood at ₱3.4 billion, while current and debt-to-equity ratios were at 4.2 and 0.2, correspondingly. Annualized average return on equity came in at 9%, marking a steady return for shareholders. The strength of our balance sheet provides a strategic buffer to absorb external shocks, preserve readiness and support future growth initiatives.

Beyond our strong financial results, we likewise advanced our sustainability objectives, reflecting our broader commitment to sustainable and responsible growth. For 2025, we focused on strengthening our impacts across our core pillars by continuing to invest in various community development programs, designed to promote self-reliance and foster long-term stakeholder value.

Looking ahead, we move into 2026 with a clear set of priorities, fully cognizant of the prolonged risks and challenges that lie ahead. First, we are committed to accelerating the growth of our high-value institutional and consumer businesses through innovative product research and development. Second, we seek to execute with more precision to optimize resource utilization and reduce operational inefficiencies. Lastly, we aim to simplify, streamline and harmonize our processes to capitalize on a leaner cost structure.

In closing, we extend our sincere appreciation to our Board for constantly imparting your wisdom and guidance. We thank our shareholders for your unwavering trust and confidence, which inspires us to continuously pursue our goals with clarity and conviction. We likewise express our deepest gratitude to our employees and workers, whose dedication, grit and resilience, remains fundamental to our progress. Together, may we continue to uphold our shared commitment to creating lasting value for the many stakeholders that we serve.

HENRY J. RAPEROGA
President and Chief Operating Officer

Board of Directors [GRI 2-9]

ROMEO I. CHAN
Chairman and Chief Executive Officer
Founding Member

Nationality: Filipino
Age: 76
Date of Election: February 27, 2015

Education and Professional Qualification

- Bachelor's Degree in Behavioral Science from Ateneo de Manila University (Cum Laude and Department Honors)

Current Affiliations

- Chairman and Chief Executive Officer of the Fiesta Group of Companies
- Chairman of Red V Foods Corp., Allcoco Development Corp. and Ad Majorem Dei Gloriam Foundation Inc.
- President of Metro Properties Inc. and Coco Deuce Holdings, Inc.
- Executive Director of Philippine Tennis Academy Foundation and Greenridge East Holdings, Inc.

HENRY J. RAPEROGA
President and Chief Operating Officer
Founding Member

Nationality: Filipino
Age: 66
Date of Election: February 27, 2015

Education and Professional Qualification

- Bachelor's Degree in Commerce, Major in Accounting from Polytechnic University of the Philippines
- Certified Public Accountant, 1982
- Master's Degree in Business Management at the Ateneo Graduate School of Business (Academics Completed)

Current Affiliations

- President and Director of Red V Foods Corp., ALLCOCO Development Corp. and Theol Holdings, Inc.
- Director of Fiesta Ingredients Australia Pty. Ltd.
- Vice-President and Treasurer of Metro Properties, Inc.

MANUEL V. PANGILINAN
Non-Executive Director

Nationality: Filipino
Age: 79
Date of Election: December 22, 2023

Education and Professional Qualification

- Bachelor's Degree in Economics from Ateneo de Manila University (Cum Laude)
- Master's Degree in Business Administration from the Wharton School - University of Pennsylvania

Current Affiliations

- Managing Director and Chief Executive Officer of First Pacific Company Limited
- President Commissioner of PT Indofood Sukses Makmur Tbk
- President and Chief Executive Officer of PLDT, Inc., Manila Electric Company and Smart Communications, Inc.
- Chairman, President and Chief Executive Officer of Metro Pacific Investments Corporation
- Chairman of Global Business Power Corporation, Terra Solar Philippines, Inc., Maynilad Water Services, Inc., Metro Pacific Tollways Corporation, NLEX Corporation, Philex Mining Corporation, PXP Energy Corporation, Landco Pacific Corporation, Metro Pacific Health Corporation, Mediaquest Holdings, Inc., Associated Broadcasting Corporation and MVP Sports Foundation, Inc.
- Chairman Emeritus of the Samahang Basketbol ng Pilipinas
- Vice-Chairman of Roxas Holdings, Inc.

Board of Directors [GRI 2-9]

JASON M. ROSENBLATT
Non-Executive Director

Nationality: Singaporean
Age: 49
Date of Election: August 4, 2017

Education and Professional Qualification

- Bachelor's Degree in Economics from Duke University
- Master's Degree in Business Administration from University of Chicago

Current Affiliations

- Partner and Head of Southeast Asia Private Equity of Ares Management Corporation
- Director of New Lifestyle Service Corporation and Hospitality Holdings Ltd.

JUAN VICTOR I. HERNANDEZ
Non-Executive Director

Nationality: Filipino
Age: 52
Date of Election: February 21, 2024

Education and Professional Qualification

- Bachelor Degree in Agricultural Economics from University of the Philippines Los Baños
- Master's Degree in Business Management from Asian Institute of Management
- Graduated from the Advanced Management Program at the Wharton Business School – University of Pennsylvania

Current Affiliations

- President and Chief Executive Officer of Metro Pacific Agro Ventures, Inc., The Laguna Creamery, Inc. (Carmen's Best) and The Universal Harvester Dairy Farms, Inc.

RICARDO C. LOPA, JR.
Non-Executive Director

Nationality: Filipino
Age: 70
Date of Election: February 21, 2024

Education and Professional Qualification

- Bachelor's Degree in Interdisciplinary Studies from Ateneo de Manila University

Current Affiliations

- President of Monkey Eagle Brewery
- Director of Primegates Property, Inc.

LAURITO E. SERRANO
Lead Independent Director

Nationality: Filipino
Age: 65
Date of Election: May 15, 2019

Education and Professional Qualification

- Bachelor of Science Degree in Commerce, Major in Accounting from Polytechnic University of the Philippines (Cum Laude)
- Master's in Business Administration Degree from Harvard Graduate School of Business
- Certified Public Accountant, 1980

Current Affiliations

- Independent Director of Rizal Commercial Banking Corporation, RCBC Trust Corporation, Belle Corporation, Anglo Philippine Holdings Corporation and Premium Leisure Corporation
- Director of MRT Development Corporation

Board of Directors [GRI 2-9]

ROSEMARIE P. RAFAEL
Independent Director

Nationality: Filipino
Age: 68
Date of Election: May 15, 2019

Education and Professional Qualification

- Bachelor's Degree in International Studies from Maryknoll College
- Master's Degree in Business Administration from Ateneo de Manila University
- Graduated from the Management Development Program at Asian Institute of Management

Current Affiliations

- Chairwoman and President of AIC Group of Companies Holding Corporation, Airspeed International Corporation, ASP Airspeed Philippines, 1Sycamore Food Ventures and Women's Business Council Philippines
- Director of Amazing Philippines Digital Economy Corporation, Linex Corporation and TGL Transglobal Logistics, Inc.

JOSEPH AUGUSTIN L. TANCO
Independent Director

Nationality: Filipino
Age: 45
Date of Election: February 12, 2024

Education and Professional Qualification

- Bachelor's Degree in Entrepreneurial Management from University of Asia and the Pacific
- Master's Degree in Business Administration from the Ateneo Graduate School of Business

Current Affiliations

- Director and Vice-President for Investor Relations of STI Education Systems Holdings, Inc.
- Chairman of Philplans First, Inc.
- President and Chief Executive Officer of Maestro Holdings, Inc., Philippine Life Financial Assurance Corporation, PhilhealthCare, Inc. and Comm&Sense, Inc.
- President of Philippines First Insurance Company

Board Committees [GRI 2-9]

Executive Committee

Mr. Romeo I. Chan (Chairman)
Mr. Henry J. Raperoga
Mr. Manuel V. Pangilinan (Non-Executive)
Mr. Jason M. Rosenblatt (Non-Executive)

Audit Committee

Mr. Laurito E. Serrano (Chairman, Independent)
Ms. Rosemarie P. Rafael (Independent)
Mr. Joseph Augustin L. Tanco (Independent)

Related Party Transaction Committee

Ms. Rosemarie P. Rafael (Chairwoman, Independent)
Mr. Laurito E. Serrano (Independent)
Mr. Manuel V. Pangilinan (Non-Executive)

Corporate Governance and Nomination Committee

Mr. Laurito E. Serrano (Chairman, Independent)
Ms. Rosemarie P. Rafael (Independent)
Mr. Joseph Augustin L. Tanco (Independent)

Board Risk Oversight Committee

Mr. Joseph Augustin L. Tanco (Chairman, Independent)
Ms. Rosemarie P. Rafael (Independent)
Mr. Henry J. Raperoga

Management Team

ROMEO I. CHAN
Chief Executive Officer

HENRY J. RAPEROGA
President and Chief Operating Officer

PAUL RENE Z. TAYAG
Senior Vice-President and Founding Member

PRECIOSA D. CASTILLO
Corporate Secretary

MARIAM C. BRIMER
Chief Operations and Commercial Officer

MARIA THERESA Z. PAGUIRIGAN
Chief Finance Officer, Treasurer, Corporate Information Officer and Assistant Corporate Secretary

MACARIO R. PELAEZ
Vice-President for Manufacturing

GERARDO V. GOROSPE
Vice-President for Manufacturing

KARILAGAN IMELDA Z. GOROSPE
Vice-President for U.S. Operations

PAUL C. CHEAH
Vice-President for Investor Relations

DOMINIC V. ISBERTO
Compliance Officer and Assistant Corporate Secretary

LEON VICTOR L. LAINEZ
Assistant Vice-President for Supply Chain

HAZEL MARIE B. REYES
Assistant Vice-President for Research and Development and Business Development

Business Model [GRI 2-6]

Sustainable Manufacturing

INTEGRATED MANUFACTURING AND EXPORTING OPERATIONS

Axelum is the Philippines' leading manufacturer and exporter of premium coconut food products, serving a distinguished portfolio of domestic and international consumer brands for over three decades. Axelum sources fresh coconuts from the densest growing regions in the country, strategically located within a 350-kilometer radius from its main production facility, the Medina Plant.

Situated in Medina, Misamis Oriental in Northern Mindanao, the Medina Plant is an integrated manufacturing and exporting hub, equipped with cutting-edge technology and skillfully operated by a talented workforce of over 4,000 people. Axelum makes full-use of the coconut to produce an extensive line-up of traditional and innovative food products. Coconut shells are utilized as feedstock to fuel industrial boilers that generate culinary steam, resulting in zero waste from its primary raw material.

DIVERSE RANGE OF COCONUT ESSENTIALS

Axelum offers a diverse selection of high-quality coconut white meat and coconut water food products, widely-used as food ingredients due to its versatility, functionality and proven health benefits.

DESICCATED COCONUT

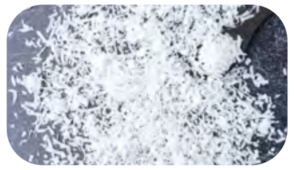
Made from shredded fiber-rich and high-quality pure coconut white meat, dried to retain its natural aroma

COCONUT WATER

Liquid found inside the coconut, processed using ultra-high temperature technology to keep its unique flavor and goodness

COCONUT MILK POWDER

Creamy white powder made from fresh coconut milk, shelf-stable and easy to use



SWEETENED COCONUT

Using the shredded flesh of a ripened coconut, this sweetened variety is soft and chewy

COCONUT MILK/CREAM

Pure coconut extract with natural stabilizers, ultra-processed to maintain the freshness and flavor of coconut milk

REDUCED FAT COCONUT

Finely shredded high-quality pure coconut white meat, defatted and dried to 45%–55% fat content

COCONUT COOKING OIL

Extracted from dried coconut white meat, excellent for frying to enhance a variety of dishes

TOASTED COCONUT

Made from desiccated coconut and subjected to a toasting process, available in sweetened and unsweetened variants

OTHER PRODUCT VARIANTS

Other products include roasted coconut, crude coconut oil and paring cake

INTERNATIONAL QUALITY CERTIFICATIONS

Axelum adheres to the highest global quality standards, supported by multiple international quality certifications and organic accreditations to ensure food safety. Each year, Axelum undergoes between 15–30 operational audits conducted by customers, regulators and independent certifying bodies. This rigorous discipline and unwavering commitment to excellence is how Axelum distinguishes itself from competition while reaffirming the trust of loyal customers.

GLOBAL DISTRIBUTION NETWORK

Axelum ships to over 25 high-growth export markets across various cities in North America, Europe, Oceania, South America and Asia. In addition, Axelum operates two overseas packing and distribution centers in the United States and Australia, while partnering with credible local distributors in key territories. This setup allows direct customer servicing and real-time market intelligence to stay relevant in a rapidly evolving consumer landscape.

TOP-TIER CUSTOMER PORTFOLIO

For 40 years, Axelum has forged longstanding partnerships with major customers, catering to the increasing requirements of some of the world’s largest consumer brands, foodservice enterprises and retail chains.

End-to-End Value Chain

Axelum believes that working towards a fully-circular economy is key to establishing a resilient and future-ready business. This holistic approach involves optimizing resource efficiency and creating long-term value to ensure that every stage in the value chain contributes to preserving natural ecosystems, protecting biodiversity and maximizing benefits to society.

THE COCONUT

Coconut is a fruit of the coconut palm (*Cocos nucifera*), a key crop widely cultivated in tropical regions. Often called the "Tree of Life" for its versatility, the coconut tree can grow up to 80 feet tall, begins bearing fruit within three to eight years, and typically lives for 60 to 80 years. Coconuts provide edible white meat and refreshing water, both valued for their recognized nutritional benefits. They are commonly used as a staple ingredient in confectioneries, baked goods, sauces, and desserts.

RENEWABLE SOURCING

Axelum procures fresh coconuts from a broad network of smallholder farmers across key coconut-producing regions in Mindanao. Coconuts are delivered or collected at strategically located nut buying stations to increase hauling efficiency. This integrated setup enables it to reliably meet raw material needs, while supporting permanent and long-term livelihood for coconut farming communities.

ZERO-WASTE MANUFACTURING

Axelum processes coconut white meat and coconut water into high-quality food and beverage products, while coconut shells are repurposed as biomass feedstock. This end-to-end process eliminates solid waste from its primary raw input and promotes a more sustainable manufacturing cycle.

QUALITY ASSURANCE, SHIPPING AND DISTRIBUTION

Finished goods undergo stringent quality checks including x-ray and metal screening to prevent contamination and other health risks prior to loading, shipping and distribution.

RESPONSIBLE CONSUMPTION

Axelum's products are sealed in recyclable packaging materials that can be reused for various secondary purposes.

ACTIVE REFORESTATION

Axelum grows coconut trees within its sourcing areas and equips farmers with seedlings and essential tools to advance reforestation and support their livelihood. This initiative also functions as a natural carbon-sequestration strategy, restoring local ecosystems and their services, while helping mitigate climate-related risks.

Strengthening Operational Excellence [GRI 3-3]

NEW STAND UP POUCH RETORT LINE

As part of its growth strategy, Axelum is poised to accelerate the expansion of its consumer business by reinforcing production capabilities to expand current product offerings. For 2025, Axelum invested in a retort line to boost its coconut milk/cream segment, mainly targeting the domestic retail market. Similar to Tetra cartons, stand up pouches extend a product's shelf life for up to two years through multi-layer packaging technology. After final formulation, Axelum conducted multiple trial runs to carefully assess product quality and operational efficiency ahead of planned commercial rollout in 2026.

EXPANDED WAREHOUSE AND NEW GENERAL STORES FACILITY

Axelum expanded the warehouse of its ultra-high temperature plant to augment storage capacity for both finished goods and packaging materials. This project added 4,267 pallet positions, aligning warehouse space with recent production upgrades. Another important project that was approved in 2025 was the construction of a new general stores facility. The previous structure was damaged in a fire incident. The redesigned facility will feature an automated fire suppression system and increased storage capacity for critical maintenance and spare parts. To date, Axelum is in the process of securing requisite permits prior to actual construction development.

MULTI-PHASE EQUIPMENT MODERNIZATION

Axelum decommissioned four aging boilers and installed modern units with enhanced combustion efficiency to optimize coconut shell utilization in the long-term. This continuing initiative reduces manufacturing overhead and maintenance requirements, while improving thermal performance, leading to higher operational efficiency.

Business Strategy and Outlook

For 2026, Axelum expects the overall business environment to remain challenging, weighed down by prolonged geopolitical conflicts, supply chain disruptions, adverse weather patterns, elevated inflation and other macroeconomic headwinds. Axelum shall adopt a more judicious approach to capital spending to improve resource utilization and maximize returns, while navigating through uncertainty. With measured confidence, Axelum will continue to execute its key strategies to unlock new growth avenues and ensure sustained operational performance in the long-term.

Financial Performance

Financial Summary

	2025	2024	2023
Income Statement (₱ thousands)			
Sales	10,194,994	7,342,514	5,678,640
Gross Profit	2,540,702	1,899,770	969,966
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	1,411,044	1,085,049	(681,387)
Operating Income (Loss)	1,063,791	707,612	(170,665)
Net Income	849,586	688,358	(818,039)
Balance Sheet (₱ thousands)			
Cash and Cash Equivalents	3,081,811	2,336,093	1,951,014
Total Assets	13,393,850	12,367,133	11,232,239
Total Liabilities	2,030,357	1,695,490	1,278,268
Total Equity	11,363,493	10,671,643	9,953,971
Cash Flows (₱ thousands)			
Net Cash Flows Provided by Operating Activities	1,269,884	551,400	127,177
Net Cash Flows Used in Investing Activities	(321,910)	(236,303)	(220,019)
Net Cash Flows Provided by (used in) Financing Activities	(235,997)	35,287	752,666
Key Financial Ratios			
Current Ratio	3.90	3.79	3.90
Debt to Equity Ratio	0.18	0.16	0.13
Return on Assets	6.3%	5.6%	(7.3%)
Return on Equity	7.5%	6.5%	(8.2%)
Margins and Other Information			
Gross Profit Margin	24.9%	25.9%	17.1%
EBITDA Margin	13.8%	14.8%	(12.0%)
Operating Margin	10.4%	9.6%	(3.0%)
Net Income Margin	8.3%	9.4%	(14.4%)
Capital Expenditures (in ₱ thousands)	321,456	180,275	200,195
Earnings Per Share (Basic)	₱0.22	₱0.18	(₱0.22)
Earnings Per Share (Diluted)	₱0.22	₱0.18	(₱0.22)

Management Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

The following discussion of the Group's recent financial condition and results of operations should be read in conjunction with the Group's Audited Consolidated Financial Statements as of December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and notes thereto, which form part of the SEC Form 17-A as Annex B.

FINANCIAL CONDITION

2025 VS 2024

The Group had consolidated total assets of ₱13,394 million and ₱12,367 million as of December 31, 2025 and 2024, respectively.

ASSETS

Current Assets

- Total consolidated current assets amounted to ₱7,371 million representing 55% of total consolidated assets and ₱6,167 million representing 50% of total consolidated assets as of December 31, 2025 and 2024, respectively.

- Cash and cash equivalents amounted to ₱3,082 million and ₱2,336 million as of December 31, 2025 and 2024, respectively. AXLM invests the proceeds from its IPO, as well as the proceeds from subscription of redeemable preferred shares, in interest-bearing time deposits with banks, with original maturities not exceeding three months and with interest rates ranging from 4.73% to 5.80% in 2025 and 3.50% to 6.25% in and are carried at cost which approximates fair value. The increase by ₱746 million or 32% in the consolidated cash and cash equivalents will be explained further in Item 6 (D) or Cash Flows section of this Report.

- Trade and other receivables increased to ₱1,487 million which are mainly from customers and other non-trade receivables and represents about 20% of the total consolidated current assets. The increase in trade receivables by ₱69 million or 6% was mainly due to increase in credit sales while the decrease in other receivables by ₱125 million or 34% relates to the partial collection of claims receivable from the Parent's insurance provider.

  Trade receivables are generally on a 30–60-day term.

  Other receivables consist mainly of claims receivables from insurance companies, excise taxes and other receivables from third parties not directly related to the revenue-generating activities of the Parent Company. On October 26, 2024, a fire damaged one of the Parent Company's warehouses, including the equipment and inventories stored within the following day, the Parent Company notified its provider(s) and subsequently filed a claim. The recognition of these receivables reflects management's assessment of probable recovery based on the terms of relevant agreements and available information as of December 31, 2025. As of December 31, 2025, the Parent Company received a total of ₱140 million as advance payment from insurer while the claims process is still ongoing.

  83% of the total trade and other receivables are current and only 4% are over 90 days due.

- Inventories are stated at cost which approximates its net realizable value as of the reporting dates. Finished goods represent 65% of the total inventories as of December 31, 2025. In 2025, some finished goods were provided for with an allowance for write off resulting to a loss on inventory write-off amounting only to ₱7 thousand. In 2024, finished goods were written down to its net realizable values resulting to a loss on inventory write-down amounting to ₱15 million. Write-down, a one-off transaction, reflects management's current estimate of the unfavorable market price movement on finished goods inventories due to unusually higher customer inventory levels and pandemic-induced shipping crisis as of December 31, 2023. These losses were recorded as part of the "Other Income (Loss) – net" in the consolidated statements of comprehensive income.

- Prepaid expenses and other current assets comprise 6% of total consolidated current assets and represent the Group's net current input VAT, advances to suppliers and other prepayments.

  Input VAT which pertains to taxes paid on purchases of goods and services amounted to ₱327 million as of December 31, 2025, of which ₱12 million is expected to be realized after more than 1 year and is classified under "Other Noncurrent Assets" in the 2025 statement of financial position. The Company provided an allowance for impairment of non-current input VAT as its recovery is currently pending final adjudication by the Supreme Court.

  No direct write-off of input VAT in 2025 and 2024. Net input VAT - current represents 73% and 53% of the prepaid expenses and other current assets account, as of December 31, 2025 and 2024, respectively, while input vat – noncurrent represents nil and 57% of other noncurrent assets account as of December 31, 2025 and 2024, respectively.

Non-Current Assets

- Of the Group's total consolidated assets, noncurrent assets comprise 45% (₱6,023 million) and 50% (₱6,200 million) as of December 31, 2025 and 2024, respectively

- Property, plant and equipment include buildings and site improvements, plant machinery and equipment, as among others. It accounts for 69% and 67% of the total consolidated noncurrent assets as of December 31, 2025 and 2024, respectively. Capital expenditures aggregated almost ₱321 million and ₱314 million in 2025 and 2024, respectively, composed of various projects such as plant's rehabilitation of various equipment.

- Goodwill and other intangible assets represent the difference between the total fair value of identifiable assets purchased and the total consideration paid by AXLM in 2016.

LIABILITIES

- Total consolidated liabilities amounted to ₱2,030 million and ₱1,695 million as of December 31, 2025 and 2024, respectively.

- Loans representing 42% (₱848 million) and 51% (₱860 million) of the total consolidated liabilities as of December 31, 2025 and 2024, respectively, pertain to short-term borrowings, particularly packing credit loans, availed by the Group from various banks. In 2025, the Group availed bank loans amounting to ₱4,288 million and paid ₱4,300 million as partial payment for outstanding loans.

- Accounts payable and accrued expenses represent 50% (₱1,006 million) and 44% (₱739 million) as of December 31, 2025 and 2025, respectively. As of December 31, 2025, AXLM has accrued directors' and certain key officers' renumeration of about ₱57 million and ₱130 million, respectively. Refer to "General and Administrative Expenses" section below for details.

EQUITY

- Total consolidated equity amounted to ₱11,363 million and ₱10,672 million as of December 31, 2025 and 2024, respectively.

- AXLM is a public company under Section 17.2 of the Securities Regulation Code (SRC) and its shares of stock were officially listed for trading in the PSE on October 7, 2019.

- The Parent Company's authorized capital stock amounting to ₱5 billion is divided into ₱4.8 billion common shares with a par value of ₱1.00 per share and ₱200 million redeemable preferred shares with a par value of ₱1.00 per share.

- On February 6, 2023, certain shareholders of the Parent Company (collectively referred to as the "AXLM Shareholders") entered into a Sale and Purchase Agreement with Metro Pacific Agro Ventures, inc. ("MPAV") for the sale of their respective shares totaling to 1,190,000,000 common shares of stock in the Parent Company at an aggregate consideration of ₱4,819.5 million, subject to the fulfilment of certain conditions. On March 27, 2026, MPAV sold its 1,190,000,000 common shares to its wholly-owned subsidiary Metro Pacific Coconut Holdings Corporation at a price of ₱2.00 per share.

- On December 22, 2023, MPAV finalized the subscription of Two Hundred Million redeemable preferred shares for a total consideration of ₱500 million. This transaction led to the Parent Company recording an increase in additional paid-in capital of ₱298 million, after deducting stock issuance costs. On December 22, 2023, MPAV finalized the subscription of Two Hundred Million redeemable preferred shares for a total consideration of ₱500 million. This transaction led to the Parent Company recording an increase in additional paid-in capital of ₱298 million, after deducting stock issuance costs.

- **DIVIDENDS**

  - On February 27, 2025, the Company's BOD approved the amendment of the rate in its dividend policy from 15% to 30%. The Company's dividend policy now states: "The Company hereby adopts a dividend policy of distributing up to 30% of the reported net income of the immediately preceding fiscal year, payable primarily in cash within 30 days from the declaration date, subject to the financial condition, operational requirements, and future expansion plans and programs of the Company. The Company's Board of Directors (BOD), in its discretion, may also decide to declare dividends to be payable in property or shares instead of in cash."

  - On April 22, 2025, the Parent Company's BOD has declared a total cash dividend of ₱206 million or ₱0.0515 per share out of the available unrestricted earnings of the Parent Company as of December 31, 2024, payable on or before May 21, 2025 to stockholders of record as of May 8, 2025.

  - The 200,000,000 RPS were also entitled to the cash dividend at the same rate as the common shares.

- Treasury Shares totaled ₱201 million or a total cost of ₱583.7 million as of December 31, 2025 and 2024.

- Considering only interest-bearing liabilities, the Group's net gearing ratio and net interest-bearing debt-to-EBITDA stood at 0.08x and 0.64x, respectively, as of December 31, 2025 and 0.09x and 0.86x, respectively, as of December 31, 2024.

Key Performance Indicators

	December 31, 2025	December 31, 2024
Current ratio	3.90	3.78
Debt-to-equity ratio	0.18	0.16
Asset-to-equity ratio	1.18	1.16

Notes:
Current ratio = Current Assets / Current Liabilities
Debt-to-equity ratio = Total Liabilities / Total Equity
Asset-to-equity ratio = Total Assets / Total Equity

RESULTS OF OPERATIONS

The Group's consolidated operating results for the years ended December 31, 2025, 2024 and 2023 in absolute terms and expressed as a percentage of total sales are compared below:

	For the years ended December 31 All amounts in Php thousands, except percentages							
	2025	% of Sales	2024	% of Sales	% Change 2025 vs 2024	2023	% of Sales	% Change 2024 vs 2023
Sales	10,194,994	100	7,342,514	100	39	5,678,640	100	29
Cost of Sales	7,654,292	75	5,442,744	74	41	4,708,674	83	16
Gross Profit	2,540,702	25	1,899,770	26	34	969,966	17	96
Selling Expenses	683,522	7	758,936	10	(10)	685,004	12	11
General and Administrative Expenses	793,389	8	433,222	6	83	455,627	8	(5)
Income from Operations	1,063,791	10	707,612	10	50	(170,665)	3	515
Interest Income	68,511	1	80,724	1	(15)	32,049	1	152
Interest and Other Finance Charges	(101,981)	1	(84,346)	1	21	(65,325)	1	29
Other Income	68,511	1	80,724	1	(15)	32,049	1	152
Income before Income Taxes	1,079,533	11	776,780	11	39	(985,745)	17	179
Income Tax Benefit (Expense)	(229,947)	2	(88,422)	1	160	167,706	4	153
Net Income	849,586	8	688,358	9	23	(818,039)	14	184
EBITDA	**1,411,044**	**14**	**1,085,049**	**15**	**30**	**(681,387)**	**12**	**259**
EBITDA, excluding one-offs	**1,431,683**	**14**	**1,119,483**	**15**	**28**	**107,046**	**2**	**946**
Net income, excluding one-offs	**870,225**	**9**	**722,792**	**10**	**20**	**(157,917)**	**3**	**558**

	For the years ended December 31 All amounts in Php thousands, except percentages							
	2025	% of Sales	2024	% of Sales	% Change 2025 vs 2024	2023	% of Sales	% Change 2024 vs 2023
Other Key Financial Ratios								
Return on equity		7%	6%			(8%)		
Return on total assets		6%	6%			(7%)		

Notes:
Return on Equity = Net Income / Total Equity
Return on Total Assets = Net Income / Total Assets

2025 VS 2024

Sales

- The Group generated sales of ₱10,195 million and ₱7,343 for the years ended December 21, 2025 and 2024, respectively, a ₱2,852 million increase or 39% increase from last year, and higher by ₱1,665 million than in 2023.
- The primary driver for the increase in sales this year was selling price, particularly for DCN which averaged $171 per bag versus $105 last year, a 63% increase.
- Strong volume growth was also seen across major product categories this year particularly for desiccated coconut and coconut cream which grew by 23% and 76%, respectively, this period as compared to same period last year. Other product such as toasted coconut and RBD oil grew by 54% and >100%, respectively, than last year.
- Europe market was the standout performer in 2025 with sales more than doubling from last year primarily due to higher volume orders and new customers.
- The related party transactions that were eliminated in the consolidated financial statements for the years ended December 31, 2025 and 2024 pertain to sales made to RVF amounting to ₱1,220 million and ₱1,005 million, respectively, and FIA amounting to ₱499 million and ₱258 million, respectively.

Cost of Sales

- Cost of sales for the year ended December 31, 2025 and 2024 closed at ₱7,654 million and ₱5,443 million, respectively, or 41% increase from the previous year.
- The amount of cost of sales is driven largely by higher cost of coconuts.
- Coconut prices, which is the major component of Axelum's costs, increased by 30% from a range of ₱8,000 to almost ₱12,000 per MT or an average cost of ₱10,500 per MT in 2024 to a range of ₱15,000 to almost ₱18,000 per MT or an average cost of ₱17,300 in 2025.
- Cost of sales in 2025 was closed at 75% of gross sales as compared to 74% in 2024.

Gross Profit

- Despite significant cost pressure, the Group's gross profit still grew to ₱2,541 million, an increase of ₱641 million or 34% year on year. While gross margin dipped slightly from 26% last year to 25% this year due to elevated input costs, the Group was still able to maintain a healthy margin, supported by higher production volumes.

Selling Expenses

- Selling expenses amounted ₱684 million and ₱759 million which translates to 7% and 10% of sales in 2025 and 2024, respectively.
- The decrease in selling expenses mainly pertain to improved selling cost structure such that the change brought the decrease in the marketing and promotion by ₱88 million or 37% and brokerage by ₱2 million or 3%. In 2025, total marketing and promotion expense recorded in the books amounted to ₱147 million as compared to ₱235 million in 2024, while brokerage amounted to ₱70 million as compared to ₱73 million in 2024.

General and Administrative Expenses

- General and administrative expenses aggregated ₱793 million and ₱433 million in 2025 and 2024, respectively, which translates to an 8% and 6% of sales, respectively, an increased by 83%.
- AXLM has a remuneration policy since 2020 applicable to certain key executive positions, establishing both fixed and variable compensation components, including eligibility to participate in the annual incentive bonus of up to five percent (5%) of consolidated EBITDA, subject solely to the approval of the Chairman of the Board. This policy has remained in effect and unchanged since its approval in 2020. In accordance with this policy, and following the Chairman's approval in 2025, AXLM accrued approximately ₱131 million as of December 31, 2025, representing five percent (5%) of consolidated EBITDA generated in fiscal years 2024 and 2025.
- AXLM's By-Laws authorized, as additional compensation, that the directors shall collectively receive a total amount of not more than five percent (5%) of the net income before income tax of the Corporation during the preceding year, which amount shall be determined and apportioned in such manner at the discretion of the Chairman of the Board. Consistent with the foregoing By-Laws provision and following the Chairman's approval in 2025, AXLM accrued approximately ₱57 million additional directors' compensation as of December 31, 2025, representing three (3%) of consolidated net income before tax in fiscal years 2024 and 2025.
- The accruals of annual incentive bonus and directors' additional compensation reflect the Company's exceptional consolidated financial performance during 2024 and 2025, which resulted in significantly improved EBITDA and net income before tax levels and, consequently, higher incentive bonus amounts under the existing policy. The recognized accrual does not arise from any new or amended compensation arrangement but is a result of the existing remuneration policy for key executive positions and from the director's compensation in the By-Laws.

Interest Income

- Interest income represents interest earned from the short-term deposits and investment in bonds with interest rates higher in 2025 as compared in 2024.
- As of December 31, 2025 and 2024, remaining IPO funds were at ₱172 million and ₱194 million, respectively, which is part of the cash equivalents in the statements of financial position. Moreover, the proceeds from the subscription of ₱200 million redeemable preferred shares were invested in short-term time deposits. Interest rates from these short-term time deposits range from 5.12% to 6.25% in 2025 and from 3.25% to 6.10% in 2024.
- In 2025, interest earned from cash and cash equivalents and investment in bonds amounted to ₱69 million as compared to ₱81 million in 2024.

Interest and Other Finance Charges

- Interest expense and other financing charges mainly represent interest incurred from the Parent Company's short-term borrowings (packing credit loans) and its subsidiary, RVF, for some tangible assets used in its operations. Interest expense significantly increased by ₱18 million or 21% due to higher loan availments due to higher nut prices that increased working capital requirements. Interest rates in the US averaged from 7.45% in 2024 to 6.69% in 2025.

Other Income (Loss) - net

- Other income (loss) represents one-off transactions, rent income, net foreign exchange gain and other items recovered and saved by the Company in the course of its operations.
- The only one-off transaction in 2025 and 2024 was the write-off of input VAT amounting to ₱20,639 and ₱34,434, respectively.
- The inventory loss recognized in the 2025 statement of comprehensive income represent only provision for written off inventories as of December 31, 2025.
- Average forex rate in 2023 is ₱55.63 then closed at ₱57.85 in 2024 that resulted to a net foreign exchange gain of ₱61 million in 2024. Forex rate further closed at ₱58.79 in 2025 resulting to a net foreign exchange gain of ₱63 million in 2025.

Income Tax Expense

- The Group incurred an income tax expense amounting to ₱230 million in 2025, increased from ₱142 million in 2024 in line with higher profitability.

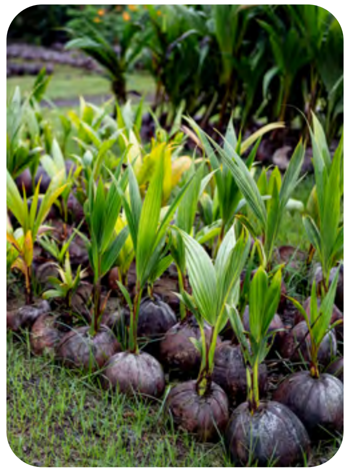
Net Income

- As a result of foregoing, net income for the year ended December 31, 2025 totaled ₱850 million for a net income margin of 8%, from ₱688 million last year with a net margin of 9%.
- Excluding one-offs, net income in 2025 and 2024 should have been ₱870 million and ₱723 million, respectively.

Sustainability at Axelum

Sustainability Blueprint

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDG)



Category	UN SDG	Contribution
Integrated Manufacturing and Exporting Operations	1 NO POVERTY	Axelum directs shared economic value towards marginalized communities, providing them access to basic services and sustainable livelihood.
	3 GOOD HEALTH AND WELL-BEING	Axelum implements a comprehensive occupational health and safety management system to protect worker health and well-being.
	5 GENDER EQUALITY	Axelum upholds an equal-opportunity employment philosophy, with a diverse workforce and strong women representation across all organizational levels.
	6 CLEAN WATER AND SANITATION	Axelum operates a state-of-the-art wastewater treatment facility to ensure effluent quality consistently meets regulatory standards.
	8 DECENT WORK AND ECONOMIC GROWTH	Axelum provides local communities with stable job opportunities, fair compensation and favorable working conditions to promote economic upliftment.
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Axelum practices renewable coconut sourcing, maximizes coconut utilization to achieve zero waste, leads reforestation efforts in its sourcing areas and uses eco-friendly, recyclable packaging for its products to reduce solid waste generation and minimize environmental impacts.

Best-in-Class Coconut Food Products	3 GOOD HEALTH AND WELL-BEING	Coconut-based food products are widely recognized for its nutritional properties and are associated with known health benefits that promote overall wellness.
Community Development	1 NO POVERTY	Axelum operates a community demonstration farm that trains farmers in sustainable agricultural practices, creating alternative livelihood opportunities and strengthening community resilience.
	2 ZERO HUNGER	Axelum supports food security and sustainable livelihoods through community assistance and farmer-development programs.
	3 GOOD HEALTH AND WELL-BEING	Axelum provides accessible healthcare services and preventive medical programs for host communities.
	4 QUALITY EDUCATION	Axelum continues to invest in education through scholarship programs, school infrastructure development and learning-assistance initiatives.

SUSTAINABILITY PILLARS [GRI 3-3, 203-1, 203-2]

Since 1986, Axelum has embedded sustainability at the core of its business. Axelum's sustainability framework is designed to help contribute to permanent and systemic solutions that respond to various social pain points such as poverty and marginalization. Aligned with the UN SDGs, Axelum contributes to poverty alleviation by fostering resilient and self-reliant communities across its core areas: Education, Livelihood, Health and Planet.

EDUCATION

Axelum recognizes that formal education shapes responsible and productive citizens and helps secure a brighter future for the next generation Qualified students from host communities are granted scholarships and financial assistance to pursue college degrees. Public school classrooms and facilities are upgraded to create a safer and more engaging study environment, where thousands of elementary students benefit from basic school supplies that support effective learning. In addition, top-performing students from select grade levels participate in special proficiency classes designed to strengthen mastery in Math, Science and English.

LIVELIHOOD

Axelum operates an organic community demonstration farm that trains farmers in modern agricultural techniques such as multi-cropping, organic fertilizer and pesticide, hog raising and poultry. Axelum also partners with third-party experts to educate farmers on financial literacy and income diversification. This approach equips farmers with the skills and knowledge to pursue multiple income sources while strengthening their ability to manage personal finances effectively.

HEALTH

Through its civic arm, AMDG Foundation, Axelum opened the San Isidro General Hospital in Gingoog City, providing thousands of community residents with direct access to quality and affordable medical services. Axelum aims to help close social gaps in basic healthcare, particularly in remote and underserved rural areas. In addition, surgical and dental missions, bloodletting and other medical campaigns are organized to further address community health needs.

PLANET

Axelum integrates climate-related risks and opportunities in its strategic planning to promote sustainability across its business operations. Axelum's value chain is grounded on the principle of circularity—encompassing renewable sourcing, sustainable manufacturing, rigorous quality assurance, responsible consumption and continuous reforestation efforts.

2025 IMPACT MEASURES

EDUCATION

- Admitted the largest freshmen batch of 50 new scholars in college program
- Completed classroom renovations of 2 public elementary schools
- Distributed school supplies to 3,853 students across 31 public elementary schools
- Organized certified vocational course for 20 community members
- Conducted special proficiency classes for 90 elementary students
- Sponsored post-graduate studies for 3 community teachers
- Donated 120 eco-friendly armchairs to public schools

LIVELIHOOD

- Total of 1,330 farmers enrolled under Fairtrade program
- Distributed 4,472 coconut seedlings to local farmers

HEALTH

- Total of 347 beneficiaries of surgery and dental outreach missions

PLANET

- Planted 1,260 coconut seedlings in surrounding areas
- Participated in coastal clean-up and mangrove planting

GOVERNANCE

- Awarded 3 Golden Arrows by the Institute of Corporate Directors as one of the top Philippine publicly-listed companies in corporate governance based on the 2024 ASEAN Corporate Governance Scorecard assessment

Core Impact Areas

Education

Education remains central to Axelum's community development efforts, grounded in the belief that empowering individuals through learning drives lasting social impact. Through scholarships, academic enrichment, school support and vocational training, Axelum creates pathways for youth development, strengthens teaching and learning environments, and equips communities with future-ready capabilities.

COLLEGE SCHOLARSHIP

FEATURE STORY
WELCOMES LARGEST FRESHMEN BATCH

Axelum's college scholarship program supported 88 scholars in 2025, comprising 50 first-year, 18 second-year and 20 fourth-year students. The current intake of 50 freshmen marks the largest batch of new scholars since the program's inception.

Of the 29 graduates in 2025, three achieved cum laude honors. Axelum closely monitors each scholars' academic performance and overall well-being through one-on-one guidance and regular consultations, with additional counseling support provided when needed. Leadership development initiatives are being planned for 2026, focusing on junior and senior high school scholars.

Axelum's support continues beyond graduation through structured career-readiness programs. Scholars are endorsed to Axelum's Human Resources Department for potential employment, with four members of the 2025 graduating class already part of the organization. Other graduates have pursued entrepreneurial ventures or overseas careers in culinary and various technical fields. Among the three cum laude honorees, one is now a licensed mechanical engineer, while another recently passed the licensure examination for teachers and is currently a staff member at the AMDG Foundation.

A Future Made Possible

JERLYN Z. BAJAO, LPT
AMDG Foundation Staff

For years, Axelum has invested in education as a means of expanding opportunities in the communities where it operates. Through scholarships, academic support, and enrichment programs, Axelum helps young people pursue their aspirations, overcome barriers, and build pathways toward a better future. This commitment reflects the belief that education not only transforms individual lives, but also strengthens families, uplifts communities, and generates long-term, intergenerational impact. Jerlyn's journey illustrates how this support can take root and create lasting outcomes.

Like many students from rural communities, Jerlyn faced uncertainty in completing her education. Financial constraints, compounded by the disruptions of the pandemic, made pursuing higher education challenging. After senior high school, she took a gap year, uncertain whether her goal of becoming a teacher would be realized. When she learned about Axelum's scholarship program, she applied with cautious optimism.

Being selected as a scholar marked a defining moment. Through Axelum and the AMDG Foundation, Jerlyn pursued a Bachelor of Elementary Education with financial support that eased her family's burden and allowed her to focus on her studies. Beyond tuition assistance, the program provided encouragement and a strong sense of support, reinforcing her confidence and belief in her potential.

This support remained instrumental throughout her academic journey, strengthening her resolve and helping turn a distant ambition into a tangible goal. In 2025, she achieved a significant milestone by passing the Licensure Examination for Teachers—an accomplishment she attributes to the opportunities enabled by the scholarship.

In a meaningful full-circle outcome, Jerlyn later joined the AMDG Foundation as a staff member, contributing to the same organization that once supported her. This transition

reflects the broader impact of Axelum's investment in education—empowering beneficiaries not only to succeed, but also to give back.

Today, Jerlyn supports programs that serve communities similar to her own, while continuing to pursue her long-term goal of teaching. Her story underscores how educational investments can extend beyond graduation, creating a cycle of opportunity and contribution.

To current scholars, Jerlyn's message is clear: continue to dream and persevere. Grounded in her own experience, her advice reflects the power of opportunity, determination, and sustained support to transform lives.

SCHOOL RENOVATION

FEATURE STORY
RENOVATION OF BANGBANG INTEGRATED AND GASA ELEMENTARY SCHOOLS

Axelum firmly believes that equipping the youth with the proper resources allows them to hone their unique talents and reach their full potential. This commitment was further demonstrated in 2025 through the school renovation project of Bangbang Integrated School, which benefited from a newly refurbished kindergarten classroom, an administrative office and 20 donated armchairs. In addition, Axelum provided armchairs to Labas Pagsama Elementary School and Kibugaha Elementary School, bringing the total distribution to 120 armchairs to date.

SPECIAL PROFICIENCY CLASSES *(LEVEL UP TA!)*

Axelum further strengthened its education initiatives through the 'Level Up Ta!' Saturday classes conducted from September 2025 to April 2026. This period marked the program's highest number of attendees since its launch, expanding participation from 25 to 30 students per grade level. In total, 90 top-performing public elementary students from Grades 4 to 6 were selected for special proficiency classes in Math, Science, and English, delivered and guided by educators from the Department of Education – Medina North and South Districts.

To ensure accessibility, Axelum provided transportation for all participants, with students shuttled to and from their respective communities. Centralizing the program in Medina enabled closer academic supervision and more focused instruction, fostering deeper learning and growth in key subject areas.

TECHNICAL AND VOCATIONAL COURSES

FEATURE STORY
SHIELDED METAL ARC WELDING CERTIFICATION

From February to March 2025, Axelum, in partnership with Lorenz International Skills Training Academy, conducted certified vocational training in shielded metal arc welding. The program was offered to out-of-school youth and idle community members to enhance employability and broaden livelihood opportunities. Following a screening and selection process, 20 trainees successfully completed the course, six of whom were subsequently employed by Axelum in 2025.

Teaching the Dream Forward

NOVIE GRACE SABASALES T. DEÑA, MAED
Teacher 1

Through sustained investments in education and community development, Axelum has supported learners who go on to become professionals, mentors, and community contributors. For some beneficiaries, this support evolves over time. Novie Grace Deña's journey reflects this continuum—from early learning to professional practice and beyond.

Novie's engagement began as a Grade 3 student in what was then known as "Saturday Classes," where weekends became a space for both learning and discovery.

"It was fun. It was exciting," she recalls. "We were motivated to learn, and even small things like prizes made us feel encouraged."

More than the activities, the experience left a lasting imprint.

"Looking back, it was a training ground," she says. "Not just for school, but for life."

These early foundations would later shape her academic and professional choices.

When she reached college, financial constraints posed a significant barrier. With limited resources, pursuing her initial ambition of an architecture degree became unfeasible. Axelum's scholarship program provided critical support, enabling her to continue her studies and easing the financial burden on her family.

"College was challenging," she shares. "But Axelum made it easier. When your finances are stable, everything else becomes more manageable."

Novie ultimately pursued a degree in education, passed the licensure examination, and entered the teaching profession. Like many new graduates, she anticipated a smoother transition into working life but instead encountered the realities of professional growth, requiring resilience and adaptability.

Today, she serves as a public elementary school teacher and a facilitator in the Level Up Ta! Saturday Classes program she once attended. From her current role, she contributes to shaping her students' futures, drawing from her own experience on both sides of the program.

"It's very fulfilling," she says. "Before, I was just a student sitting there. Now, I tell them—I am a living testimony of the program."

For Novie, the initiative goes beyond academics.

"It's not just about being intelligent," she explains. "You also need determination. That is the formula for success."

Her commitment to growth continues as she pursues a PhD in Educational Administration, with Axelum's support once again playing a role in her journey.

"It was a blessing," she says simply. "I didn't expect that opportunity would come again."

From student to scholar, educator, and doctoral candidate, Novie's journey demonstrates how sustained support can shape long-term outcomes. At each stage, Axelum's programs have helped remove barriers, create opportunities, and reinforce the value of perseverance.

Reflecting on the impact of programs like Level Up Ta!, she is unequivocal.

"This is the foundation," she says. "The bedrock of the community. If the foundation was not there, my career would not exist."

Today, she advances that same foundation in her own classroom—emphasizing lifelong learning, self-worth, and resilience. Her story highlights how educational investment can extend beyond a single intervention, evolving into a cycle of impact where beneficiaries become enablers of opportunity.

Livelihood

Supporting resilient livelihoods is at the heart of Axelum's commitment to community development. Through farmer education, Fairtrade partnerships and livelihood initiatives that promote enterprise, productivity and income diversification, Axelum continues to create opportunities for farming communities to grow and become more self-sustaining.

FARMER EDUCATION

For Axelum, farmer education goes beyond skills development—it is about empowering farming communities to strengthen livelihoods, build resilience against market and climate-related pressures, and unlock opportunities beyond traditional income sources. Through training on sustainable farming practices, alternative livelihood programs and provisioning of farm inputs, Axelum works with farmers to enhance productivity while cultivating avenues for income diversification.

In 2025, these efforts were further advanced through partnerships and needs-based interventions, including support for fast-growing crops and leadership training for Fairtrade officers. These initiatives are designed not only to address immediate needs but also to foster long-term self-sufficiency among partner farming communities.

FAIRTRADE PROGRAM

FEATURE STORY
MAGSAYSAY COCONUT TRADING

Through its Fairtrade program, Axelum continues to support coconut farming communities not only through premiums and direct assistance, but also by helping establish systems that strengthen long-term livelihood security. A notable example is the Magsaysay Coconut Trading initiative, where cluster members developed and implemented their own trading model to lessen dependence on intermediaries and improve income opportunities for participating farmers.

What started as a seed-funded initiative and subsequently expanded through collective community action, underscores the ability of organized cooperation to generate meaningful economic outcomes. Beyond the growth of the trading model, this initiative signifies a broader transition from assistance to empowerment. As Fairtrade membership expands and new clusters emerge, such programs demonstrate how communities can fortify resilience with the necessary resources, institutional trust and capacity to lead their own progress.

Health

Health is a key pillar of Axelum's community development agenda, focused on expanding equitable access to essential healthcare services and supporting overall community well-being. Through strategic partnerships and targeted medical campaigns, Axelum strives to address immediate health needs while fostering healthy and resilient communities in the long-term.

SURGICAL AND DENTAL MISSIONS

FEATURE STORY
PARTNERSHIP WITH PHILIPPINE DENTAL ASSOCIATION

In November 2025, Axelum conducted a dental mission at San Isidro General Hospital (SIGH) in partnership with the Philippine Dental Association (PDA) – Misamis Oriental Chapter. Volunteer dentists provided tooth extraction services to 75 beneficiaries aged 18 and up from Medina and nearby communities.

This project marked a pioneering joint dental mission between Axelum, AMDG Foundation, SIGH and PDA. Tooth extraction was prioritized due to its minimal equipment requirements, enabling efficient and scalable delivery of care. Building on the success of this effort, a follow-up dental mission is already being planned for 2026, with wider community reach and expanded range of services covering both major and minor procedures.

Planet

Safeguarding the environment is integral to how Axelum creates long-term value for communities and future generations. Through activities that support reforestation, coastal protection and employee-led environmental action, Axelum aims to contribute to climate resilience while helping preserve the natural ecosystems where it operates. Grounded in partnership and shared stewardship, these efforts reflect Axelum's commitment to transforming environmental responsibility into meaningful action for the people and the planet.

TREE GROWING

FEATURE STORY
PARTNERSHIP WITH HIGAONON TRIBE

In 2025, Axelum further reinforced its commitment to environmental stewardship through a tree growing partnership with the Higaonon Tribe and Fairtrade partner farming communities. Together, a total of 1,260 coconut seedlings were planted across communities in Medina and Gingoog City – the highest number of seedlings planted by Axelum in a single year. This initiative reflects a shared purpose of restoring green spaces, enhancing climate resilience and creating long-term value for local communities.

Working alongside partner farming communities, Axelum was guided in the proper identification of suitable planting locations, constant monitoring and nurturing of seedlings. Through these efforts, Axelum proves that collaborative environmental action continues to serve as a platform to building stakeholder relationships, enabling communities and advancing sustainable development.

COASTAL CLEAN UP

In June 2025, Axelum commemorated World Environment Day with a coastal clean-up and mangrove planting activity in Pangasihan, Gingoog City, bringing together 15 employee volunteers united by a common mindset to protect coastal and marine ecosystems.

The mangrove planting highlighted the vital role of nature-based solutions in building climate resilience and preserving coastal habitats. For Axelum, the initiative offered a meaningful opportunity to demonstrate environmental stewardship and volunteerism. Through continued collaboration with local communities, Axelum remains committed to promoting healthier marine environments and building a more sustainable future.

Material Sustainability Topics [GRI 3-1, 3-2]

Axelum conducted a materiality review for the year 2025 to reassess key priorities across ESG topics that impact both its business and stakeholders. Material topics were determined based on the identified impacts of operations and community development initiatives for the current year, covering both positive and negative dimensions as well as actual and potential effects.

Engagement with priority stakeholder groups was undertaken to capture insights on their main concerns and the sustainability issues most relevant to them. These insights informed a comprehensive assessment that also incorporated a review of business activities, benchmarking and research, prior year material topics and alignment with recognized global frameworks such as the GRI Standards and Sustainability Accounting Standards Board (SASB) Processed Foods Industry Standard.

For 2025, Axelum introduced Operational Efficiency and Tax as new material topics, refined Employee Engagement into Employee Well-Being and Engagement and Hiring and Retention, and streamlined its disclosures by excluding Noise Pollution and reframing topics related to Waste Management and Data Privacy.

2025 Material Topics			
Economic	**Environmental**	**Social**	**Governance**
• Profitability • Investor Interest • Economic Performance • Operational Efficiency* • Market Presence • Indirect Economic Impacts • Procurement Practices • Tax*	• Materials • Energy • Water and Effluents • Greenhouse Gas Emissions • Air Pollution • Waste Management* • Biodiversity	• Diversity and Equal Opportunity • Human Rights • Training and Development • Labor Management • Occupational Health and Safety • Employee Well-being and Engagement* • Compensation and Benefits • Hiring and Retention* • Customer Health and Safety • Product Quality • Customer Satisfaction • Data Privacy* • Marketing and Labeling • Corporate Social Responsibility • Community Development	• Regulatory Compliance • Business Ethics and Integrity

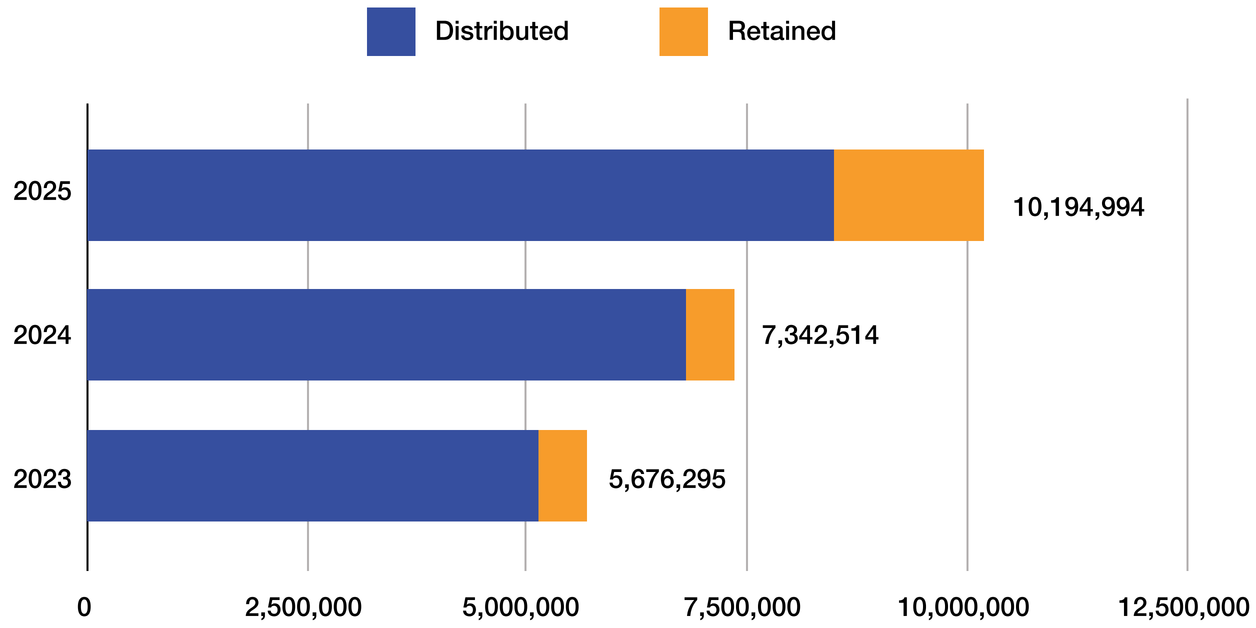
*New or reframed topic for 2025

Economic

Economic Performance [GRI 3-3, 201-1]

Axelum understands that sustained economic performance is essential to creating long-term value for the many stakeholders it serves. By aligning business strategy with economic performance, Axelum is able to accurately measure its various impacts across stakeholders. This pertains to its ability to compensate Axelum's people, meet supplier and creditor obligations, declare dividends, remit government taxes and continuously fund community development projects. For 2025, Axelum registered a record topline of ₱10.2 billion, of which ₱8.5 billion was distributed to key stakeholders. Operating costs, which include payments to suppliers, came in at ₱7.7 billion, while employee wages and benefits stood at ₱469.5 million. Total bank servicing was at ₱102.0 million, while government tax remittances amounted to ₱223.4 million. A total of ₱7.1 million was programmed for community-building projects. Axelum's economic performance is closely monitored at the Board level to ensure sustained viability in the long-term.

DIRECT ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED (₱ THOUSANDS)



DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

Disclosure	Amount (thousands)			Units
	2025	2024	2023	
Direct Economic Value Generated (Revenue)	10,194,994	7,342,514	5,676,295	₱
Direct Economic Value Distributed:	8,476,810	6,809,022	5,141,215	₱
a. Operating Costs	7,674,931	6,225,688	4,706,384	₱
b. Employee Wages and Benefits	469,454	409,214	233,817	₱
c. Dividends Distributed to Stockholders and Interest Payments to Loan Providers	101,981	84,346	65,325	₱
d. Taxes Paid to Government	223,368	88,422	130,733	₱
e. Community Investments	7,076	1,352	4,956	₱

Market Presence [GRI 3-3]

Since 1986, Axelum has been a key and steadfast economic partner to the Municipality of Medina, Misamis Oriental. As a consistent top taxpayer, Axelum has made significant direct and indirect contributions to progressive rural development, combined with various social initiatives that enable local communities to thrive.

For 2025, Axelum generated permanent jobs for 4,489 people, with over 90% recruited from host communities, offering fair compensation that are to some extent above industry benchmarks. In addition, Axelum purchases fresh coconuts sourced from more than 11,000 smallholder farmers across the Mindanao region, providing marginalized farmers with steady means of livelihood. Through constant stakeholder engagement, Axelum fosters trust and healthy relationships with business partners including shareholders, customers, suppliers and creditors, to align expectations and explore areas of further collaboration.

RATIO OF ENTRY-LEVEL WAGE COMPARED TO LOCAL MINIMUM WAGE, BY GENDER [GRI 202-1]

	Ratio	
	Metro Manila	Misamis Oriental
Female Employees	1:1	1:1
Male Employees	1:1	1:1

Indirect Economic Impacts
[GRI 3-3, 203-2, 413-1]

Through the years, Axelum has invested in a number of infrastructure and service projects to respond to various community needs. Axelum recognizes that these projects have generated positive effects to the welfare of its stakeholders. These sustaining impacts are centered on four core areas: Education, Livelihood, Health and Planet, organized under the AMDG Foundation.

For 2025, Axelum repaired a classroom in Bangbang Integrated School and renovated Gasa Elementary School in Medina to improve safety and learning conditions of young students. Furthermore, Axelum has admitted 50 new freshmen under the college scholarship program and organized a certified welding course that benefited 20 community residents via upskilling. Moreover, Axelum has sponsored post-graduate enrollment of three community teachers to encourage skills development and distributed essential school materials to 3,851 students across 31 public elementary schools in Medina and surrounding areas. Lastly, Axelum hosted weekly half-day proficiency classes for 90 top elementary students to enhance mastery in Math, Science and English.

On the other hand, Axelum coordinated education and micro-entrepreneurship initiatives for 1,330 farmers under its Fairtrade program, while organizing surgical and dental missions in partnership with private medical associations to render healthcare to 347 community members. On the environmental front, Axelum has planted 1,260 coconut seedlings in neighboring areas as part of its reforestation and carbon sequestration efforts.

SIGNIFICANT INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED IN 2025 [GRI 203-1]

Project/Initiative	Duration	Cost (*₱ thousands*)
Classroom Renovation of Bangbang Integrated School	2 months	144.98
Classroom Renovation of Gasa Elementary School	8 months	1,382.05
College Scholarship Program	10 months	1,289.61
Certified Welding Training Course	2 months	566.82
Distribution of School Supplies to Public Elementary Schools	2 months	1,980.63
Post-Graduate Degree for Community Teachers	7 months	330.00
Special Proficiency Classes for Top Elementary Students	7 months	318.75
Surgical and Dental Missions for Host Communities	2 days	330.42
Planting of Coconut Seedlings in Surrounding Areas	9 months	147.12
Various Community Development Activities	12 months	585.62
Total		**7,076.00**

Procurement Practices [GRI 3-3]

Axelum procures the bulk of its raw materials from local vendors, ensuring stability of supply, while promoting economic development and social inclusion. Fresh coconuts are sourced from thousands of smallholder farmers across the Mindanao region via consolidators, providing a regular source of income for marginalized coconut farming communities. From a planning standpoint, materials that are bought locally are easier to monitor in terms of quality, reliability and logistics, allowing Axelum to benefit from operational savings and efficiency in the long-term. For 2025, 100% of the procurement budget for the Medina Plant was spent on domestic suppliers.

Axelum's Vendor Accreditation Policy establishes a formal process to assess supplier capabilities based on performance, credentials and qualifications. This process involves comprehensive profiling, due diligence and submission of requisite documents. In cases of policy violations, Axelum may revoke or terminate a supplier's accreditation status. This control procedure reduces the risk of supply chain issues that may negatively impact operational efficiency and product quality.

PERCENTAGE OF PROCUREMENT BUDGET SPENT ON LOCAL SUPPLIERS[a] [GRI 204-1]

Disclosure	Quantity			Units
	2025	2024	2023	
Misamis Oriental	100	65	68	%
Metro Manila	12	-	-	%

[a] Local is defined as goods sourced within the Philippines

Anti-Corruption and Anti-Competitive Behavior

[GRI 3-3, 205-1, 206-1]

Corruption undermines an organization's credibility and business performance, while contributing to economic underdevelopment or decline. Corruption can be linked to marginalization, characterized by extreme poverty, poor infrastructure and healthcare, abuse of human rights and social inequality.

Axelum is principally committed to transparency, accountability and best practices in the conduct of its business. As a public company, Axelum is held to a higher standard of governance to protect minority interests and stakeholder rights. Axelum upholds the provisions stated in the Manual of Corporate Governance and Code of Business Ethics to guide professional conduct and promote integrity across the organization.

For 2025, the Human Resources Department conducted batch training sessions from April to July on fraud and bribery, attended by 371 employees holding the rank of Manager, Supervisors and Rank and File. In addition, the Board of Directors and Senior Management participated in an online training session on corporate governance held on December 3, 2025.

Axelum has established a Whistleblowing Policy to encourage the reporting of observed or suspected corrupt activity without fear of retribution. Likewise, the Internal Audit Department is tasked to ensure that the risk management system and internal control procedures are adequate and functioning in a manner that effectively identifies and manages risks promptly including corruption.

On anti-competitive behavior, Axelum believes that monopolistic behavior is detrimental to the industry and stakeholders particularly smallholder coconut farmers. In general, Axelum's pricing and cost structure is significantly influenced by external market forces including consumer preferences, weather patterns and logistics, all of which may contribute to volatility on the demand and supply fronts.

Axelum is not involved in any monopolistic or abusive market practices and adheres to the Philippine Competition Act to safeguard consumer welfare and promote fair industry competition.

TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES [GRI 205-2]

Disclosure	Quantity			Units
	2025	2024	2023	
Percentage of Employees to Whom the Organization's Anti-Corruption Policies and Procedures Have Been Communicated	87	100	100	%
Percentage of Business Partners to Whom the Organization's Anti-Corruption Policies and Procedures Have Been Communicated	100	100	-	%
Percentage of Directors and Senior Management that have Received Anti-Corruption Training	100	100	100	%
Percentage of Employees that have Received Anti-Corruption Training	87	100	100	%

INCIDENTS OF CORRUPTION [GRI 205-3]

Disclosure	Quantity			Units
	2025	2024	2023	
Number of Incidents in which Directors were Removed or Disciplined for Corruption	0	0	0	#
Number of Incidents in which Employees were Dismissed or Disciplined for Corruption	0	0	0	#
Number of Incidents when Contracts with Business Partners were Terminated Due to Incidents of Corruption	0	0	0	#

Tax [GRI 3-3, 207-1, 207-2, 207-3]

Axelum approaches tax as an integral part of responsible corporate governance and its contribution to nation-building. As a publicly listed and tax-abiding company, Axelum has consistently been recognized as a top taxpayer in the Municipality of Medina, reflecting its commitment to fiscal responsibility, regulatory compliance and responsible business conduct. Through the timely remittance of national and local taxes, Axelum contributes to public programs and broader socio-economic development.

Axelum's tax approach is guided by applicable laws and regulations and supported by internal controls designed to promote accuracy, transparency and compliance. Tax obligations are determined using recognized accounting standards, with taxable income derived from accounting profit and adjusted for permanent and temporary differences. Axelum applies statutory tax rates, recognizes deferred tax assets and liabilities where applicable and maintains established review and approval procedures to support accurate filing and timely payment.

TAX-RELATED DISCLOSURES [GRI 207-4]

	Amount (₱ thousands)
Income/(Loss) Before Income Tax	1,079,533
Income Tax Expense Computed at Statutory Tax Rate	269,883
Additions to (reductions in) Income Tax Resulting From: • Nondeductible Expenses • Interest Income Subject to Final Tax • Income Subject to Income Tax Holiday • Derecognized Net Operating Loss Carry-Over • Others	(39,936)
Income Tax Paid	229,947

Tax governance forms part of Axelum's broader control and risk management framework. Relevant finance and management functions oversee tax compliance, supported by regular monitoring and internal review processes to help manage tax-related risks and ensure adherence to applicable requirements. Clear roles and responsibilities are in place, with significant tax matters subject to appropriate management review and approval. Tax-related risks are managed through review procedures, segregation of duties, reconciliations and documentation requirements, while tax positions and obligations are regularly monitored to promote accuracy and timeliness. Aligned with its commitment to transparency and integrity, Axelum upholds high standards of compliance with tax laws and alignment with corporate governance and ethical business practices.

Axelum paid ₱229.9 million in corporate income taxes for fiscal year 2025. In addition, Axelum continues to avail of incentives granted by the Philippine Board of Investments for qualified products and operations, consistent with applicable regulations.

Environment

Axelum adopts a disciplined, enterprise-wide approach to sustainability—driving measurable improvements across energy, water, emissions, waste and biodiversity while strengthening the resilience of its value chain. Through responsible resource stewardship and continuous innovation, Axelum delivers operational excellence without compromising the ecosystems and communities integral to its long-term success.

Biodiversity [GRI 3-3, 101-1, 101-2]

Axelum is committed to preserving and enhancing biodiversity by undertaking several initiatives that protect various elements of nature including recycling, reforestation and investments in climate-efficient technology. Preserving natural ecosystems and biodiversity within its area of operations is a significant factor in maintaining a sustainable value chain.

In 2025, Axelum planted 1,260 coconut seedlings in local communities to help increase the population of young coconut trees in Mindanao. Axelum is targeting to plant 10,000 seedlings by 2030 with the help of community volunteers. To minimize solid waste, Axelum processes packaging material waste into chipboards that can substitute for plywood or other construction inputs. To safeguard marine biodiversity, Axelum has invested in a modern wastewater treatment plant to ensure that effluent quality meets regulatory standards to eliminate pollution risks that threaten life below water.

Aside from these initiatives, Axelum runs a community demonstration farm that trains farmers in organic agricultural techniques to improve soil health, avoid toxic chemical use and promote biodiversity. Last year, Axelum volunteers participated in mangrove planting and coastal clean-up drives in celebration of World Environment Day in Pangasihan, Gingoog City.

Disclosure	Actions
Actions Taken to Avoid Negative Impacts on Biodiversity and Minimize Negative Impacts	Axelum operates a wastewater treatment facility to promote water recycling and comply with regulatory effluent quality standards to safeguard marine life. Axelum also maintains a recycling plant that converts Tetra paper waste into chipboards for alternative uses to reduce waste diverted to landfills and mitigate pollution risks.
Actions Taken to Restore and Rehabilitate Affected Ecosystems	Axelum's reforestation program aims to replace aging trees to enhance harvest yield and productivity.
Goals and Targets Related to Biodiversity	Total of 10,000 seedlings planted by 2030
Actual Progress Versus Target	5,810 total seedlings planted as of 2025

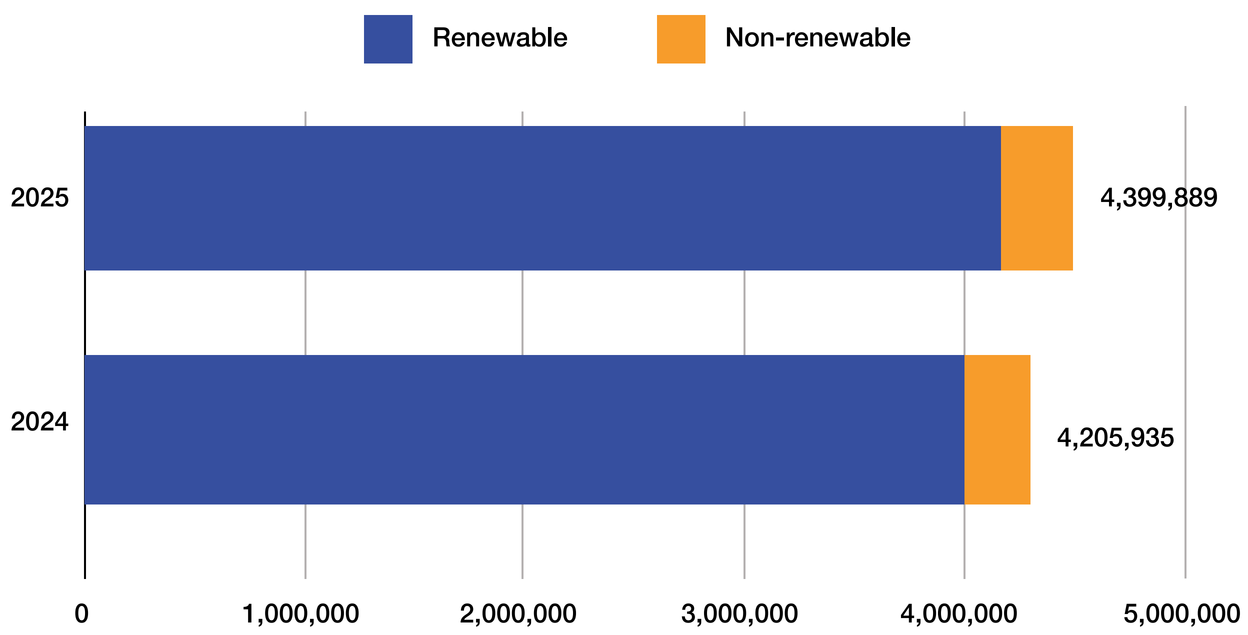
Materials [GRI 3-3]

Axelum sources coconuts, which are considered as a renewable material, from thousands of smallholder farmers in Mindanao across the CARAGA, Northern Mindanao, Lanao and Davao regions. These areas are located within approximately 350 kilometers from the Medina Plant. To promote a sustainable value chain, Axelum engaged in various reforestation efforts mainly tree growing and seedlings distribution involving local communities. In 2025, Axelum planted 1,260 coconut seedlings in neighboring areas and distributed 4,472 coconut seedlings to community farmers which also forms part of its social program. These initiatives are envisioned to sustain young and productive coconut tree populations in the long-term.

In terms of packaging, Axelum uses recyclable materials including Tetra paper, carton and kraft paper bags which comprise over 90% of packaging materials. In particular, Tetra paper is known for its recyclability, presenting opportunities for recovery from operational and post-consumer waste. Axelum is constantly exploring feasible means to recycle or reuse some of its non-renewable input materials.

Axelum manages its inventory of raw materials using an automated system to provide real-time availability, enhance forecast accuracy and prevent obsolescence.

PACKAGING MATERIALS USED (KG)



MATERIALS USED [GRI 301-1]

Disclosure	Quantity			Units
	2025	2024	2023	
Renewable/Recyclable				
Coconut Shell	44,592,767	40,867,487	43,448,530	kg
Carton	1,718,906	1,683,211	1,271,878	
Paper Bag/Kraft Bag	194,616	195,397	183,761	
Tetra Paper	2,171,406	2,120,580	1,553,638	
Non-Renewable				
Plastic Bag	239,455	164,005	151,286	kg
Others[a]	75,506	42,742	-	

[a] Includes pouches, polyethylene terephthalate (PET) bottles, tin cans and Scholle bags

Energy [GRI 3-3, 103-1]

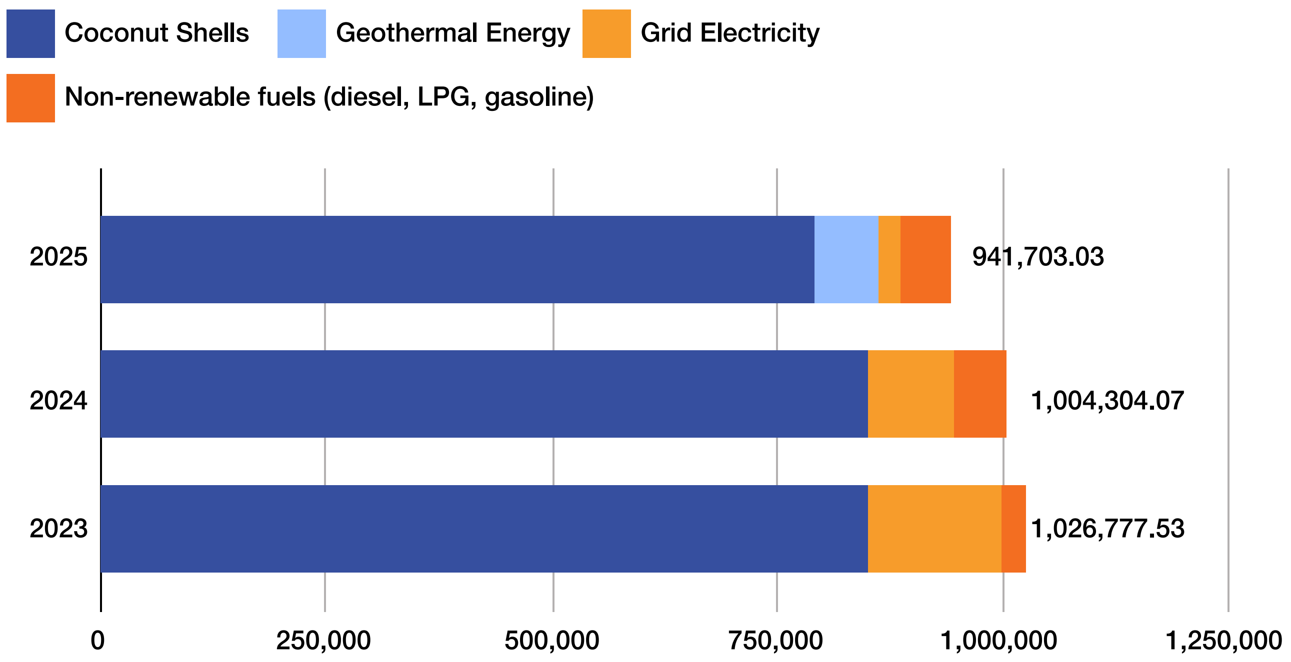
Energy efficiency is a key priority to strengthen overall operational and environmental performance. This leads to significant cost savings while making more efficient use of natural resources to help mitigate associated climate impacts.

To increase energy efficiency, Axelum implements a multi-phase modernization program across its operations including replacement of aging equipment, upgrading legacy systems and antiquated fixtures. Periodic equipment maintenance is regularly conducted to achieve optimal machine and energy usage.

Coconut shells account for more than 80% of total energy consumption, serving as feedstock to power boiler operations to avoid reliance on fossil fuel. In 2025, Axelum transitioned its electricity source to clean energy as part of its long-term climate strategy. Axelum partnered with First Gen Corporation (First Gen), the country's leading provider of renewable energy, for direct supply of geothermal energy from the Mount Apo Geothermal Power Plant in Cotabato to support manufacturing activities at the Medina Plant. This project has translated to lower utility charges and various environmental benefits.

Axelum estimates between 20,000 to 22,000 tCO_2e of yearly carbon avoidance as a result of its renewable energy shift in 2025.

ENERGY CONSUMPTION WITHIN THE COMPANY (GJ)



DIRECT ENERGY CONSUMPTION (ENERGY CONSUMPTION WITHIN THE COMPANY) [GRI 103-2]

Disclosure	Quantity			Units
	2025	2024	2023	
Renewable				
Coconut Shell	790,221.64	850,043.73	903,734.62	GJ
Electricity (Geothermal)	71,244.48 (19,790,132.00 kWh)	-	-	
Non-Renewable				
Diesel[a]	54,782.86	56,321.61	27,887.65	GJ
Gasoline	152.51	145.08	264.00	
Liquefied Petroleum Gas	839.50	880.90	862.50	
Electricity (Non-Renewable)	24,462.04 (6,795,012.00 kWh)	96,912.75 (26,920,208.00 kWh)	94,028.76 (26,119,100.00 kWh)	

[a] Total diesel consumed by generators and vehicle fleet

Total energy consumption was 6% lower in 2025 compared to the prior year, mainly driven by a 7% decrease in coconut shell utilization, which represents 84% of total energy consumption. This can be attributed to lower milling days and the effects of modern boilers which require lesser quantities of coconut shells to produce manufacturing steam. Electricity usage came in lower by 2% in 2025, while noting that nearly 75% of this was supplied by geothermal energy, raising the share of renewable sources from 85% to 91%.

Meanwhile, the consumption of diesel, gasoline and liquefied petroleum gas was relatively maintained year-on-year.

FEATURE STORY
TRANSITION TO RENEWABLE ENERGY

Axelum's transition to renewable energy, anchored on its partnership with First Gen under the Retail Competition and Open Access program, has delivered significant cost efficiencies alongside measurable environmental benefits. The collaboration has also enhanced operational reliability, with First Gen managing energy supply through its power grid and transmission network.

Building on these gains, Axelum plans to install solar rooftop panels and develop an inverter system in 2026, further accelerating its shift to clean energy while driving sustained long-term efficiencies.

Water and Effluents [GRI 3-3, 303-1, 303-2]

Axelum is cognizant of the importance of water as a shared resource for its manufacturing companies and local communities. Water consumed for its business operations is withdrawn from four deep-wells located inside the Medina Plant. Daily measurements of water withdrawal are taken based on flow meter readings. To maximize water usage, Axelum recycles a portion of treated wastewater for domestic uses such as surface cleaning and ground sanitation. For 2025, Axelum recycled around 1.3% of its total treated wastewater.

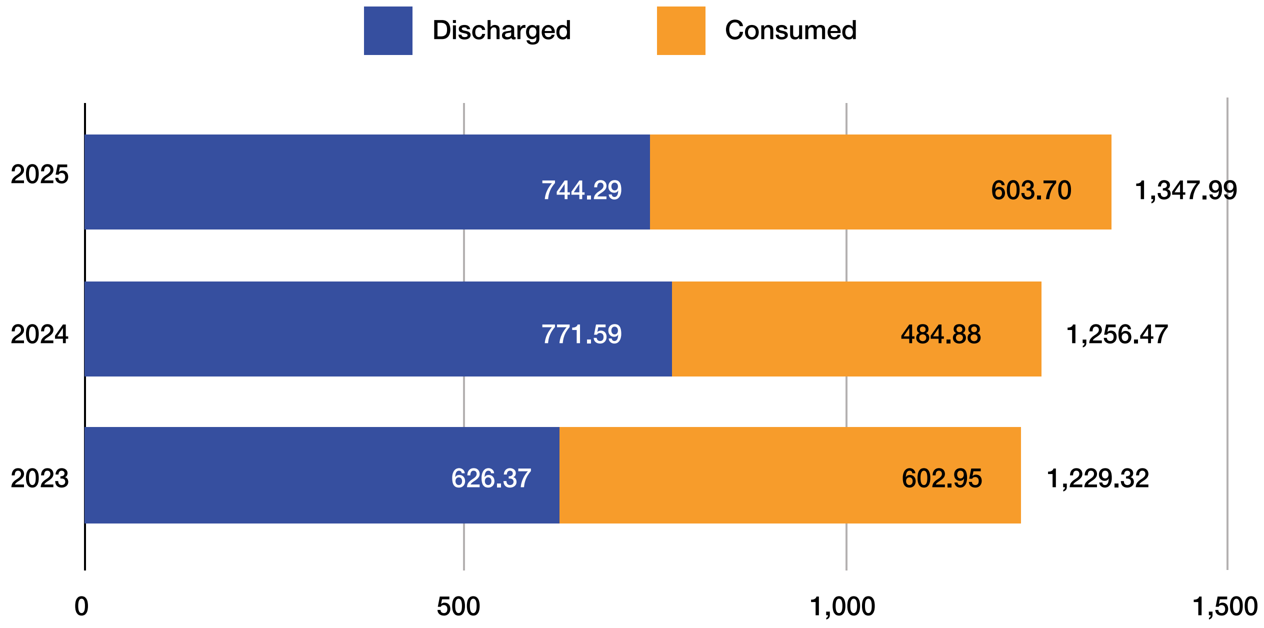
Effluents generated from manufacturing activities are processed by a state-of-the-art wastewater treatment facility to ensure compliance with regulatory quality standards prior to discharge.

Axelum regularly maintains its wastewater treatment facility to guarantee optimal performance and prevent substandard effluent quality.

In 2025, Axelum upgraded wastewater treatment capabilities by installing a centrifuge tricanter to integrate the separation of solid, liquid and oil elements into a single continuous process. This technology effectively reduces sludge volume, maximizes purity and improves effluent quality.

Axelum continues to monitor water-related impacts, which will form the basis for developing policies and targets in the near-term.

WATER WITHDRAWAL AND BREAKDOWN BY AMOUNT CONSUMED AND DISCHARGED (ML) [GRI 303-3, 303-5]



EFFLUENTS AND RECYCLING [GRI 303-4, 2-4]

Disclosure	Quantity			Units
	2025	2024	2023	
Total Volume of Water Discharges (Seawater)	744.29	771.59	626.37	Megaliters
Wastewater Recycled and Reused	9.76	11.16[a]	10.46[a]	
Percent of Wastewater Recycled and Reused	1.3	1.4[a]	1.7[a]	%

[a] Data on wastewater recycled and reused in 2024 was restated due to a change in methodology

FEATURE STORY
ENHANCED LIQUID WASTE PROCESSING

In 2025, Axelum enhanced its wastewater management system through the Centrifuge Tricanter Project, improving liquid waste processing efficiency while minimizing environmental impact. The integration of three-phase separation technology enabled more effective sludge treatment and strengthened operational readiness.

The project also marked a shift toward greater operational self-sufficiency. By reducing reliance on third-party sludge treatment providers, Axelum lowered hauling and disposal costs while allowing the recovery of acid oil from sludge for resale—promoting value creation and circularity.

In parallel, the upgraded system improved effluent quality, decreased sludge volume and reinforced compliance with discharge standards. Increased process automation further strengthened resilience and long-term efficiency of Axelum's wastewater treatment operations.

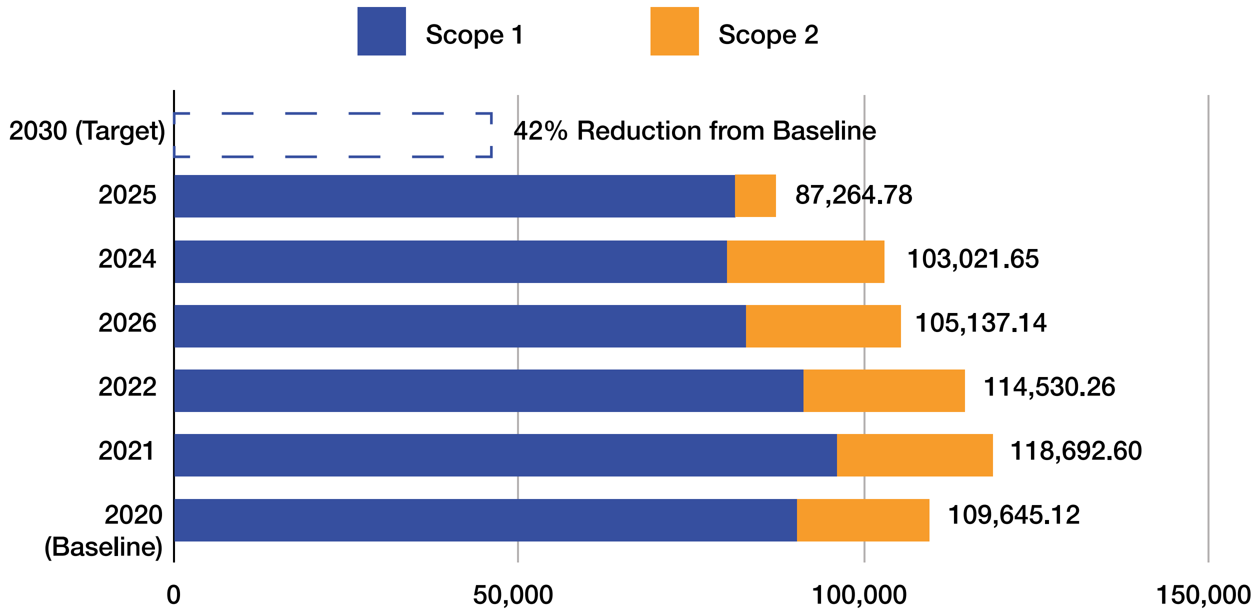
Emissions [GRI 3-3, 102-1, 102-4]

Transitioning to a low-carbon business is a long-term priority to minimize impacts on climate change. Aligned with the objectives of the Paris Agreement, Axelum has set a target to reduce greenhouse gas (GHG) emissions by 42% by 2030 from a 2020 baseline. In 2025, emissions performance reflected meaningful progress toward this target, achieving a 20% reduction since 2020.

Axelum has implemented various initiatives to increase energy efficiency, use of renewable power sources and establishing a circular-oriented value chain.

In 2025, Axelum completed its shift to geothermal energy to support its manufacturing operations, resulting in a 75% reduction in Scope 2 emissions. In addition, Axelum recently finalized agreements with an international partner to install rooftop solar panels in the Medina Plant within two years.

TOTAL SCOPE 1 AND 2 GHG EMISSIONS VS TARGET AND BASELINE (tCO_2e)



Scope 1 emissions are related to the use of coconut shell feedstock, diesel, gasoline and liquefied petroleum gas for manufacturing activities. For 2025, Axelum expanded the scope of its direct emissions to include fugitive emissions from the use of refrigerants. This accounted for an additional 6,451.51 tCO_2e to the total inventory, leading to a 2% increase in Scope 1 emissions from the previous year. Excluding fugitive emissions, Scope 1 emissions from fuel combustion decreased by 6% in 2025, owing to improved operational efficiencies.

Scope 2 emissions are derived from electricity supplied by traditional power sources, which constituted 26% of its electricity consumption in 2025 following the migration to geothermal energy by April 2025. This renewable shift led to a 75% reduction in Scope 2 emissions for 2025.

Scope 3 emissions are generated from upstream and downstream value chain activities. In 2025, Axelum started to disclose baseline Scope 3 emissions in its 2024 ASR. The calculations cover Categories 1–7 as defined by the GHG Protocol: Purchased Goods and Services, Capital Goods, Fuel, Upstream Transportation, Waste Generated, Business Travel and Employee Commuting. For the reporting period, Category 1 (Purchased Goods and Services) remained the dominant source, accounting for 89% of total Scope 3 emissions. The notable year-on-year increase in Scope 3 emissions was driven by higher activity under Categories 1 and 2, reflecting reduced plant downtime compared to 2024 and increased procurement of consumables and capital goods to sustain continuous operations.

GHG EMISSIONS [GRI 102-5, 102-6, 102-7]

Disclosure	Quantity			Units
	2025	2024	2023	
Scope 1 – Direct GHG Emissions[a]	81,474.07	80,079.44	82,877.66	tonnes CO_2e
Scope 2 – Indirect GHG Emissions (Electricity)	5,790.71	22,942.21	22,259.48	
Scope 3 - Other Indirect GHG Emissions	16,055.09	4,331.99	-	

[a] Emissions from coconut shells and fuel combustion. Scope 1 includes fugitive emissions from refrigerants for 2025

FEATURE STORY
ALIGNING WITH PARIS AGREEMENT GOALS

In 2025, Axelum bolstered its climate ambition by aligning its GHG reduction target with the Paris Agreement, committing to a 42% reduction in emissions by 2030 from a 2020 baseline. This reaffirms Axelum's view on climate action as both a global priority and a key driver of long-term resilience and value creation.

This commitment builds on ongoing initiatives to improve power efficiency, expand renewable energy use and lower emissions intensity. The migration to geothermal energy, coupled with continuous process improvements and operational efficiency investments, supports Axelum's broader decarbonization pathway while enhancing the reliability and competitiveness of its business.

To fortify its approach, Axelum has advanced its greenhouse gas accounting and reduction planning, including partial Scope 3 emissions reporting to identify opportunities across its value chain. This signifies an important step toward aligning its climate strategy with globally recognized frameworks and embedding emissions rationalization into business planning.

More than a target, this commitment underscores Axelum's role in supporting the transition to a low-carbon economy, reinforcing the balance between sustainable growth and responsible environmental stewardship.

Other air pollutants include nitrogen oxides, sulfur oxides and particulate matter emanating from the operation of boilers, generator sets and heat exchangers. Anti-pollution devices, such as multi-cyclone dust collectors and wet scrubbers, are installed in boiler equipment to remove pollutants from flue gas. Emissions testing is conducted annually for generator sets and semi-annually for boilers. Ambient air quality is regularly monitored and submitted in compliance with environmental regulations.

OTHER AIR POLLUTANTS [GRI 305-7]

Disclosure	Quantity			Units
	2025	2024	2023	
Nitrogen Oxides (NO_x)	131.84	152.35	134.40	MT/year
Sulfur Oxides (SO_x)	24.52	3.16	3.26	MT/year
Particulate Matter (PM)	50.32	47.85	32.19	MT/year

Note: Increase in sulfur oxides in 2025 can be attributed to moisture levels and quality of coconut shells used for boilers.

Waste [GRI 3-3, 306-1, 306-2]

Axelum adopts a circular-oriented approach to waste management, continuously finding ways to convert waste into a strategic resource to enhance operational efficiency and reduce environmental impacts.

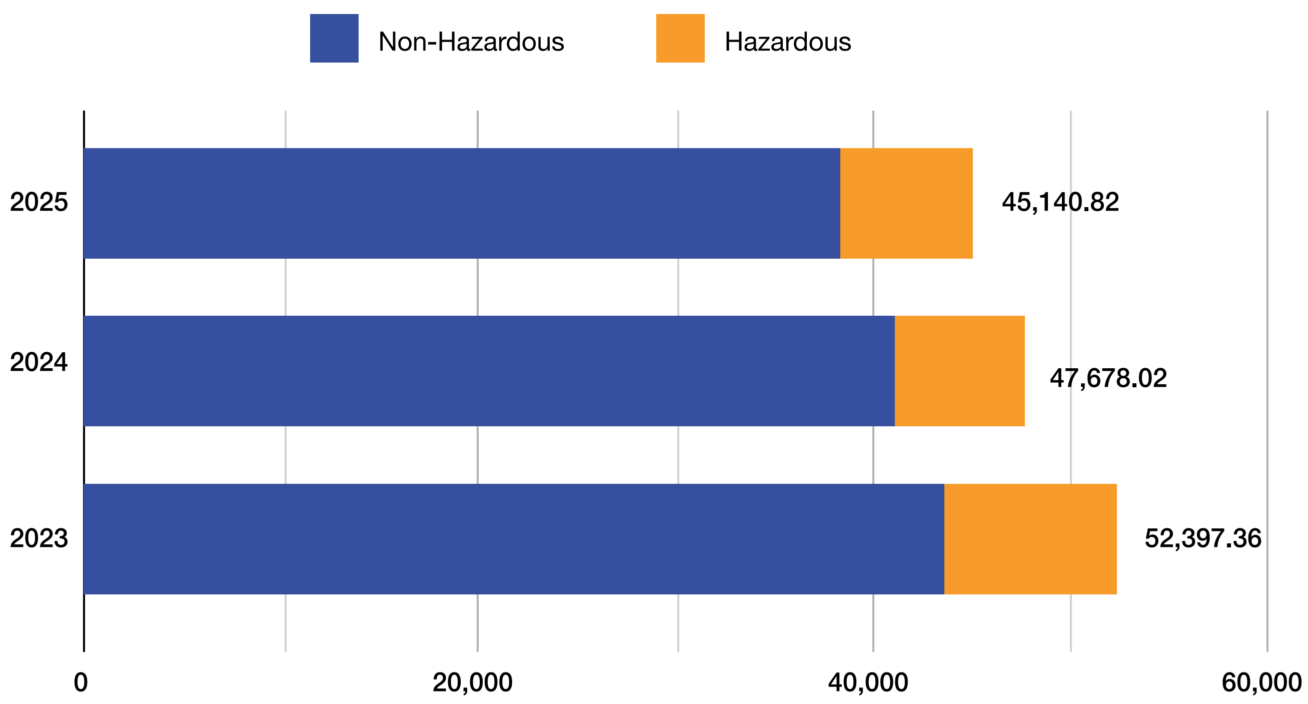
Axelum's manufacturing operations make full-use of coconuts to produce a wide range of high-quality food products. Coconut shells are utilized as feedstock to power industrial boilers that generate culinary steam. In general, solid waste from operations is transported to the materials recovery facility and residual containment area for sorting. Non-hazardous waste, including food and garden waste, are processed into organic fertilizer to be distributed in Axelum's community demonstration farm, while Tetra paper waste is repurposed into chipboards and sleeping mats for various applications. In 2025, a total of 434 pieces of recycled chipboards were used to fabricate 120 armchairs that were donated to public elementary schools.

Hazardous waste is stored in a specialized storage facility for safekeeping and hauled by accredited transporters. Other residual garbage is subjected to landfilling to ensure environmental hygiene.

In summary, Axelum's waste management system aims to significantly decrease solid waste generated from operations to mitigate potential negative risks that may compromise the well-being of stakeholders and pollute natural ecosystems.

In 2025, Axelum reused or recycled 84% of total waste generated, majority of which were coconut shells used as boiler fuel. The remaining 16%, including hazardous waste, were diverted offsite for recovery operations. Landfilled waste accounted for less than 1% of total waste generated.

WASTE GENERATED BY TYPE (TONNES)



WASTE GENERATED, DIVERTED AND DISPOSED [GRI 306-3, 306-4, 306-5]

Disclosure	Quantity			Units
	2025	2024	2023	
Total Solid Waste Generated	**45,140.61**	**47,678.01**	**52,397.36**	
Non-Hazardous	38,351.15	41,112.63	43,614.15	
Hazardous	6,789.46	6,565.39	8,783.21	
Total Waste Diverted from Disposal	**45,121.33**	**47,655.07**	**52,387.67**	
Reusable	7.16	2.25	2.16	MT
Recyclable	40.40	55.18	31.02	
Incinerated (with Energy Recovery)	37,991.42	40,867.49	43,448.53	
Other Recovery Operations	7,082.35	6,730.15	8,905.96	
Total Waste Disposed to Landfill	**19.28**	**22.95**	**9.69**	

Employment [GRI 3-3]

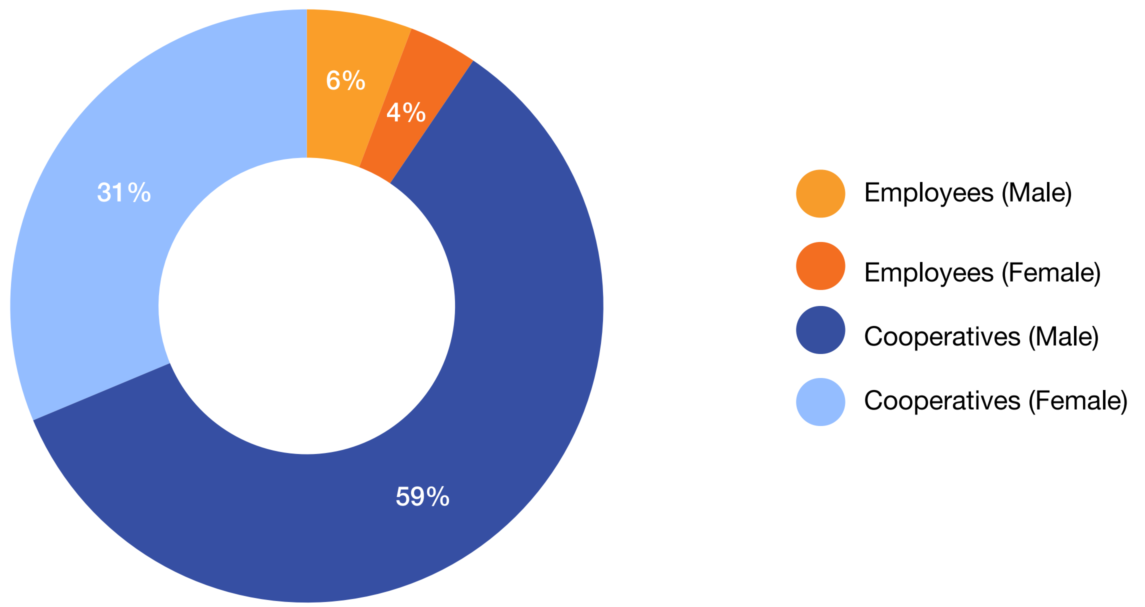
Axelum is considered the top employer in Medina, Misamis Oriental, providing steady jobs to thousands of community members, whether through direct employment or independent labor cooperatives.

Majority of its workforce is recruited from local communities to fulfill operational requirements of the Medina Plant. Axelum screens candidates based on educational attainment, competency and relevant experience, without bias on gender, religion, ethnicity or race. This hiring approach allows Axelum to tap into a wider pool of talent to maximize opportunities and promote inclusion.

Axelum offers competitive compensation packages to help attract and retain talent and improve performance. Axelum has also assigned a representative to coordinate with labor cooperatives to ensure that its workers receive fair wages and statutory benefits in accordance with government regulations.

For 2025, Axelum has a total of 426 employees and 4,063 contracted workers engaged from various labor cooperatives, for a total workforce of 4,489 personnel. In the long-term, the growing base of its operations may result in increased workforce requirements and provide more livelihood opportunities for local communities.

WORKFORCE BY SEGMENT AND GENDER



WORKFORCE [GRI 2-7, 2-8]

Disclosure	Quantity			Units
	2025	2024	2023	
Total Workforce (Employees and Workers)	4,489	4,396	3,534	#
Total Number of Employees	426	401	400	#
• Number of Female Employees (Regular)	168	152	160	#
• Number of Male Employees (Regular)	258	249	240	#
Total Number of Contracted Workers	4,063	3,995	3,134	#
• Number of Female Workers (Labor Cooperative)	1,405	1,333	996	#
• Number of Male Workers (Labor Cooperative)	2,658	2,662	2,138	#
Attrition Rate[a]	6	0[b]	4	%
Ratio of Lowest Paid Employee Against Minimum Wage	1:1	1:1	1:1	ratio

[a] Attrition Rate = (No. of New Hires – No. of Turnover) / (Average of Total No. of Employees in 2025 and 2024)
[b] Number of new hires was equal to employee turnover in 2024

FULL-TIME EMPLOYEE BENEFITS [GRI 401-2]

List of Benefits	Yes/No[a]	% of Female Employees Who Were Provided/ Availed in 2025	% of Male Employees Who Were Provided/ Availed in 2025
Social Security System	Yes	100%	100%
PhilHealth	Yes	100%	100%
Pag-IBIG	Yes	100%	100%
Parental Leaves	Yes	8%	5%
Paid Time Off	Yes	77%	78%
Health Maintenance Organization Insurance	Yes	100%	100%
Company Retirement	Yes	2%	0%
Telecommuting	Yes	24%	9%
Group Life Insurance	Yes	100%	100%

[a] This refers to whether the benefit is provided only to full-time employees

Labor Management/Relations

[GRI 3-3, 2-30]

Constant and open communication are key to forging strong labor management relations. Axelum partners with reputable labor cooperatives that provide the bulk of the workforce requirements to sustain manufacturing operations. Axelum meets with labor cooperative representatives on a monthly basis to discuss service level agreements, resolve urgent concerns and explore areas for improvement. Lastly, Axelum monitors the compliance of labor cooperatives with local regulations to ensure that its workers receive fair compensation and statutory benefits.

Axelum also cascades significant operational changes and employee-related policies via townhalls, departmental meetings or internal memos. In addition, the Human Resources Department holds consultative sessions across various levels of management to obtain valuable feedback and insights to further strengthen employee engagement.

In 2025, there were no major conflicts or disputes between Axelum and employees and labor cooperatives.

LABOR MANAGEMENT/RELATIONS

Amount (₱ thousands)	2025	2024	2023	Units
Percentage of Employees Covered with Collective Bargaining Agreements[a]	0	0	0	%
Number of Consultations Conducted with Employees Concerning Employee-Related Policies	1	1	1	#

[a] Axelum has no existing collective bargaining agreements

Occupational Health and Safety [GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8]

Maintaining a safe work environment involves a proactive, holistic and collaborative approach to occupational health and safety. This approach aims to safeguard and promote worker health by identifying risks, evaluating hazards and applying the hierarchy of controls to prevent both physical and mental harm.

Axelum implements an Occupational Health and Safety Management System (OHSMS) in compliance with Republic Act 11058, aligned with the standards of the International Labour Organization (ILO) and Sedex Members Ethical Trade Audit (SMETA). Axelum is subjected to audit by the government, customers and international certifying bodies to periodically assess conformity with safety practices.

The OHSMS covers all employees and workers across all areas of manufacturing and administrative functions. All outside contractors are required to secure permits and undergo safety orientation prior to rendering of services. The Safety Officer on duty is tasked to monitor work-related activities in designated areas and enforce safety protocols. Axelum's Safety Officers are trained and Basic Occupational Safety and Health (BOSH) certified.

Axelum follows a Hazard Identification, Risk Assessment and Controls (HIRAC) approach in identifying work-related hazards and assessing risks. After hazard identification, the Safety Department determines appropriate control measures—engineering, administrative and personal protective equipment. The Safety Department conducts a yearly risk assessment to evaluate current practices and possible hazards. In case of new equipment installations, procedural overhauls or safety-related incidents, the Safety Department conducts a spot investigation and HIRAC assessment as standard protocol to determine corresponding actions.

Axelum formed the Safety, Health and Preservation of Environment (SHAPE) Committee, a technical working group comprising various functions, that convenes every month to review current policies, procedures and identify areas for improvement to reinforce overall safety management in consultation with labor cooperative representatives.

Axelum also promotes a speak-up culture where employees and workers are encouraged to report observed hazards for immediate mitigation. Workers may remove themselves from situations they believe could cause injury or ill health without fear of reprisal, reinforcing that safety is a shared responsibility embedded across its workplace.

Employees and workers complete at least two hours of occupational health and safety training each year and undergo periodic physical examinations to help monitor fitness for work and promote early intervention when needed. These efforts are complemented by its onsite clinic, which provides first-aid response and ambulance services for urgent cases, supported by the proximity of SIGH located less than 2.5 kilometers from its manufacturing plant and readily accessible to employees and workers from surrounding communities. This broader health support system is further strengthened through AMDG Foundation-led initiatives, including dental, circumcision and surgical missions that extend health services to employees, workers and community members, while maintaining strict confidentiality of patient records and medical information.

For 2025, Axelum recorded a total of 6,356,204 safe man-hours. Aside from minor injuries (cuts and abrasions) and sickness (flu symptoms and muscle pain), there were no reported major work-related accidents and fatalities.

SAFETY METRICS [GRI 403-9, 403-10]

	2025	
	Employees	Cooperatives
Hours Worked	881,452	7,304,891
Work-Related Injuries[a]		
Fatalities as a Result of Work-Related Injury	0	0
High-Consequence Work-Related Injuries (excluding fatalities)	0	0
Recordable Work-Related Injuries	1	137
Days Lost to Work-Related Injuries	47	1,065
Work-Related Ill Health[b]		
Fatalities as a Result of Work-Related Ill-Health	0	0
Cases of Recordable Work-Related Ill-Health	53	731

[a] Majority of work-related injuries are due to minor cuts and abrasions.
[b] Refers to recorded cases of work-related illness that are not necessarily occupational or directly caused by workplace conditions. These include flu-like symptoms including headache, muscle pain, colds and dry cough.

Training and Education [GRI 3-3]

Axelum acknowledges that a skilled and motivated workforce translates to improved performance, better efficiency, higher morale and retention. Continuous development helps drive innovation by equipping employees with the capability to stay abreast with industry advancements and trends.

Axelum offers various training courses which are conducted in-house or outsourced to professional institutions. Among the core training modules include chemical handling, quality assurance, anti-corruption and technical skills. In 2025, Axelum organized advanced training sessions covering topics on project management, leadership, crisis management, total quality and change management, among others.

Aside from training, Axelum performs career reviews to evaluate current skillset and identify potential opportunities for development. Results of performance reviews provide structured feedback and insights on the suitability of an employee's role to support further career development or advancement. Moreover, performance reviews help align individual objectives with business strategies and foster a culture of accountability across the organization.

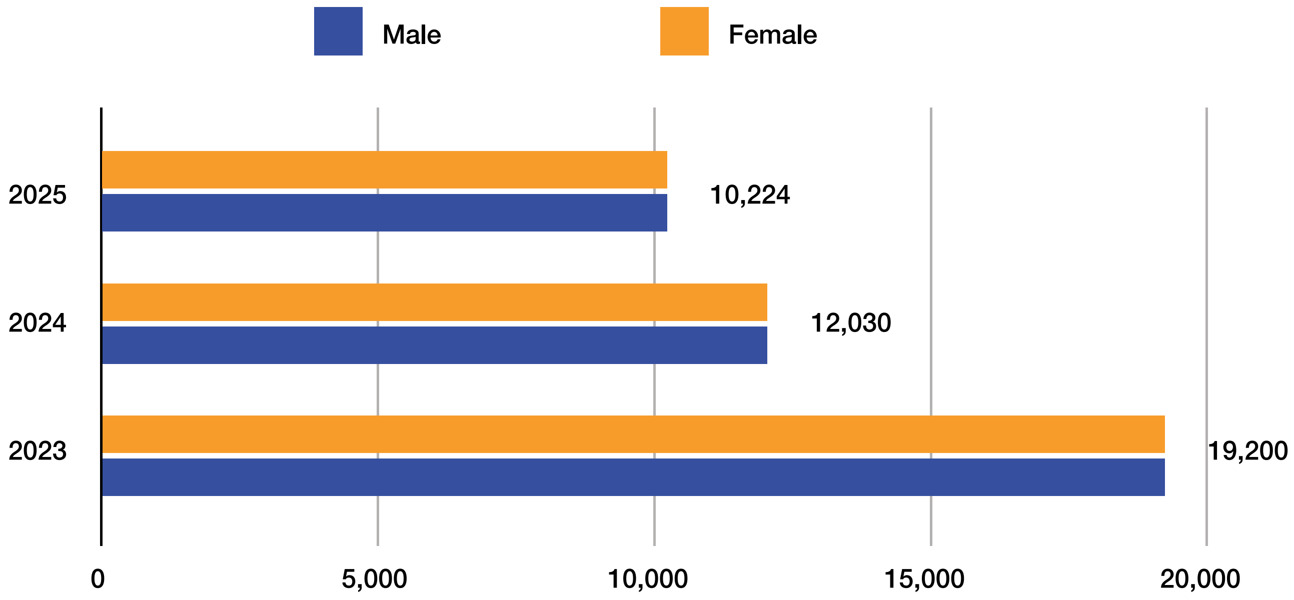
The Human Resources Department is primarily responsible for managing training and performance review systems to measure effectiveness and ensure compliance.

For 2026, Axelum has engaged a third-party consulting firm to help improve Axelum's performance evaluation process.

2025 TRAINING COURSES [GRI 404-2]

- Basic Coaching and Mentoring
- Change Management
- Certified Lean Six Sigma
- Clean-in-Place (CIP) System Training
- Effective Communications and Delegation
- Finance for Non-Finance Professionals
- First Aider Training
- Innovation and Digital Transformation
- Lean Management
- Problem Solving Decision Making
- Project Management
- Risk and Crisis Management
- Supervisor Skills Training
- Time Management
- Total Quality Management

TOTAL TRAINING HOURS BY GENDER



Note: Total training hours is calculated as the average hours of individual training for the year multiplied by the total number of employees for the year.

AVERAGE TRAINING HOURS PROVIDED TO EMPLOYEES [GRI 404-1]

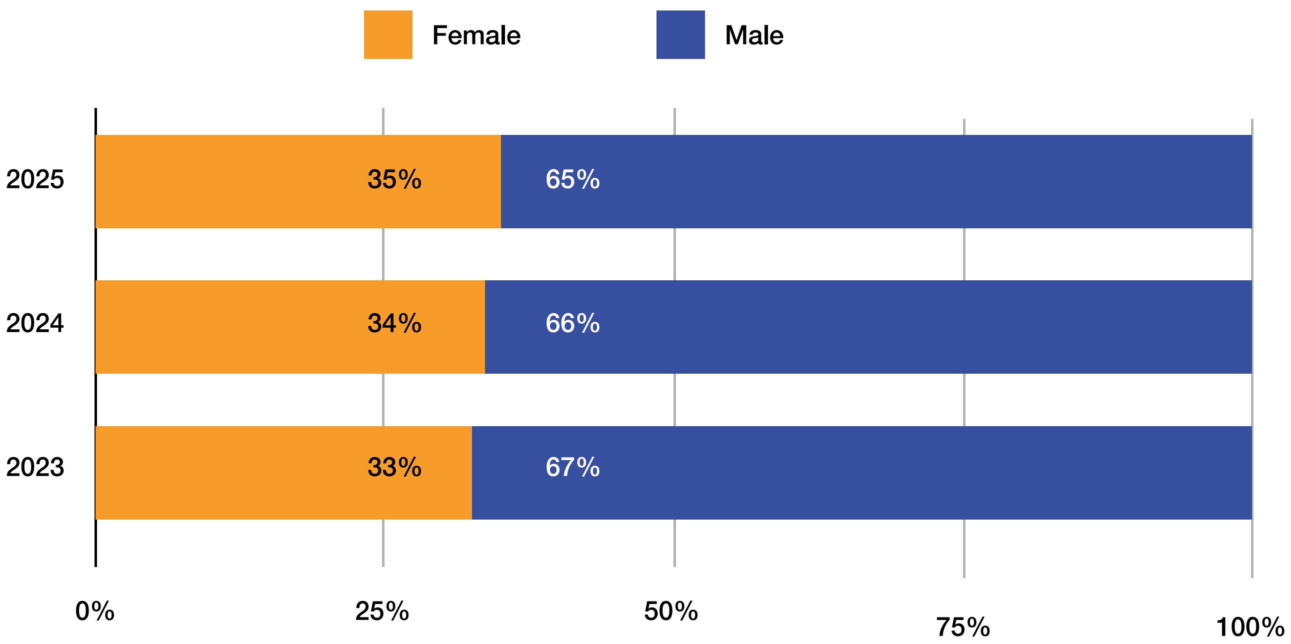
Disclosure	Quantity			Units
	2025	2024	2023	
Female Employees	24	30	48	hours/ employee
Male Employees	24	30	48	hours/ employee

Diversity and Equal Opportunity [GRI 3-3, 406-1]

Axelum espouses a fair and collaborative workplace by recruiting from diverse backgrounds and ensuring equitable treatment regardless of gender, religion and ethnicity. This approach allows Axelum access to a larger base of talent specifically from local communities to help promote social stability and rural development.

Women are well-represented in Axelum, accounting for 39% of total employees and 35% of its entire workforce including cooperative workers for 2025. Women are afforded the same opportunity to take on operational roles that are traditionally male-oriented.

TOTAL WORKFORCE GENDER RATIO [GRI 405-1]



At the Board level, Axelum has adopted a Board Diversity Policy that aims to optimize performance by ensuring a sound and diverse mix of qualified individuals to aid in strategic decision-making.

There were zero identified incidents of discrimination in 2025.

EMPLOYEES BY CATEGORY AND GENDER [GRI 405-1]

	Male	Female	Total
Rank and File	188	108	296
Middle Management	63	56	119
Senior Management	7	4	11
Total	258	168	426

Child and Forced Labor [GRI 3-3, 2-23]

Axelum promotes a safe and inclusive workplace by ensuring that employees, workers and other stakeholders are treated fair and equally based on merit. Axelum is firmly committed to upholding human rights in the conduct of its business and has instituted various policies to support this principle.

Aligned with the standards of the ILO, Axelum's Code of Business Ethics includes provisions that prohibit any form of discrimination, harassment, child and forced labor, hazardous working conditions and other unscrupulous labor practices.

Topic	Reference in the Company policy
Forced Labor	Code of Business Ethics; Paragraph 1
Child Labor	Code of Business Ethics; Paragraph 4
Human Rights	Code of Business Ethics; Paragraph 10-K

Note: The Code of Business Ethics can be found on the company website at axelum.ph/corporate/code-of-ethics

Employees have mutually-agreed legally binding contracts that clearly define the terms of their employment, including compensation, duties and responsibilities, to eliminate incidents of forced labor.

To prevent child labor, all hiring candidates are interviewed and required to submit valid birth certificates to verify legal age. Axelum believes that child labor deprives the youth of their ability to realize their full potential.

Lastly, Axelum is audited by SMETA, one of the world's most widely-used audit methodologies, to evaluate its labor, health, safety and environmental performance to ensure a conducive working environment for employees and workers.

Axelum has a Whistleblowing Policy to encourage the reporting of suspected or observed incidents of discrimination and unethical behavior without fear of retaliation. The Human Resources Department is in charge of the strict implementation and monitoring of policies related to discrimination and human rights.

In 2025, there were no reported incidents or cases related to discrimination and violations of human rights.

Disclosure	Quantity			Units
	2025	2024	2023	
No. of Legal Actions or Employee Grievances Involving Forced or Child Labor	0	0	0	#

Security Practices [GRI 3-3]

Axelum hires trained security personnel from third-party security agencies to reinforce workforce safety and ensure business continuity. The presence of security personnel acts as a deterrent from possible internal and external physical threats, while observing proper conduct and human rights. Security personnel have been oriented on human rights policies and are trained in the appropriate use of force when security risks and similar incidents arise.

In 2025, there were no reported incidents related to violations of human rights and use of excessive force involving security personnel.

SECURITY PERSONNEL FORMALLY TRAINED IN AXELUM'S HUMAN RIGHTS POLICIES [GRI 410-1]

Disclosure	Quantity			Units
	2025	2024	2023	
No. of Security Personnel who have Received Formal Training in the Organization's Human Rights Policies	115	111	114	#
Total Number of Security Personnel	115	111	114	#

Local Communities [GRI 3-3, 413-1, 413-2]

Axelum actively engages with various stakeholders to assess its social and environmental impacts in relation to its business operations. Through regular stakeholder consultations, Axelum receives critical feedback that helps identify and address concerns of local communities.

Through the years, Axelum has developed several programs that promote the welfare of stakeholders; more information on these can be found in the *Core Impact Areas* and *Indirect Economic Impacts* sections of this report.

Axelum's manufacturing operations offer a permanent source of livelihood for thousands of local residents and coconut farming communities across the Mindanao region. Axelum has invested in a modern wastewater treatment plant to ensure compliance with effluent quality standards and eliminate pollution risks that endanger marine ecosystems. Lastly, Axelum operates a Tetra paper recycling facility that converts packaging waste into alternative materials for other productive uses. This initiative aims to reduce the volume of solid waste diverted to landfills to mitigate potential environmental issues.

Axelum will continue to adopt this approach and explore opportunities to further strengthen relationships with local communities.

SIGNIFICANT IMPACTS ON LOCAL COMMUNITIES

Operations with Significant Impacts on Local Communities[1]	Location	Vulnerable Groups (if applicable)	Does the Particular Operation Have Impacts on Indigenous People?	Collective or Individual Rights that are of Particular Concern to Local Communities	Mitigating or Enhancement Measures
Manufacturing Operations	Medina, Misamis Oriental	Coconut farmers, elderly, solo parents, persons with disabilities and marginalized sectors	Yes	No Poverty	Provides livelihood for coconut farmers and regular jobs for nearly 5,000 people, most of whom are from local communities
Wastewater Treatment Plant	Medina, Misamis Oriental	Community Members	Yes	Good Health and Well-Being Sustainable Cities and Communities	Ensures that effluent quality meets regulatory standards to mitigate environmental risks that may pose health issues to local communities
Tetra Paper Recycling Facility				Responsible Consumption and Production	Reuse of packaging waste to help reduce solid waste volume diverted to landfills

Note: Excluding corporate social responsibility projects

Customer Health and Safety

[GRI 3-3, 416-2]

Axelum adopts a meticulous and stringent approach on customer health and safety, adhering to the highest international food safety standards to guarantee superior product quality for its customers. Axelum's manufacturing operations are backed by multiple global quality certifications in food processing, catering to the increasing requirements and specifications of some of the largest consumer brands in the world. Each year, Axelum is subjected to around 20 audits conducted by customers, government and third-party auditors. This is to ensure compliance with strict food safety and export regulations to eliminate risks of contamination or diseases that may compromise customer health. While information related to customer issues are deemed confidential, all substantiated customer complaints are thoroughly evaluated and immediately addressed.

For 2025, Axelum recorded no identified incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of its products.

ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES [GRI 416-1]

Disclosure	Quantity		
	2025	2024	2023
Percentage of Significant Product and Service Categories for which Health and Safety Impacts are Assessed for Improvement	100%	100%	100%

Marketing and Labeling

[GRI 3-3, 417-2, 417-3]

Any form of misrepresentation on marketing and labelling have considerable implications including legal consequences, consumer health risks and financial losses due to potential product recalls, impugned brand credibility and adverse environmental impacts. Axelum only taps reputable marketing channels and does not engage in false advertising. Aside from mandatory labeling requirements, Axelum's packaging design features product use suggestions, approved product claims and quality certifications. In the near-term, Axelum plans to incorporate various sustainability impacts on its packaging design to raise market awareness and respond to evolving consumer preferences.

TYPES OF INFORMATION INCLUDED IN AXELUM'S PRODUCT LABELING [GRI 417-1]

- Nutritional facts
- Content, including substances that might produce an environmental or social impact
- Sourcing of ingredients
- Approved product claims and quality certifications
- Product use suggestions
- Safe use of the product
- Disposal of the product

For 2025, there were no identified or substantiated complaints related to product marketing and labeling. Axelum also recorded no identified incidents of non-compliance with regulations or voluntary codes concerning marketing communications, product information and labeling.

MARKETING AND LABELING

Disclosure	Quantity			Units
	2025	2024	2023	
No. of Substantiated Complaints on Marketing and Labeling	0	0	0	#
No. of Complaints Addressed[a]	0	0	0	#

[a] Substantiated complaints are defined as complaints from customers that went through formal channels and those that were lodged to and acted upon by government agencies, excluding complaints that have been brought to Axelum's attention and have been resolved to the satisfaction of the customer. Due to data privacy and proprietary information, all customer complaints are bound by confidentiality.

Customer Privacy [GRI 3-3]

Axelum acknowledges the importance of securing customer data to minimize risks of unwarranted breach or loss. Any unauthorized leak of customer information may be used for unlawful purposes including identity theft and financial fraud and may lead to major lawsuits and stiff regulatory sanctions. Aside from legal repercussions, data breaches may cause substantial financial losses and reputational damage among customers and industry stakeholders. Axelum has appointed a Data Privacy Officer to oversee the implementation of data privacy policies and procedures. The Data Privacy Officer is in charge of securing customer information, in compliance with internal controls and provisions stated in the Philippine Data Privacy Act. To further boost data security, Axelum strengthened access controls, conducted regular patching and security hardening and improved backup protection. Axelum is a registered entity with the National Privacy Commission.

In 2025, the Information Technology Department conducted user awareness training on data privacy and phishing, to familiarize employees with vulnerabilities and to protect against risks of data security breaches. There were no identified or substantiated complaints and incidents of customer data privacy violations reported in 2025.

CUSTOMER DATA [GRI 418-1]

Disclosure	Quantity			Units
	2025	2024	2023	
No. of Substantiated Complaints on Customer Privacy[a]	0	0	0	#
No. of Complaints Addressed	0	0	0	#
No. of Customers, Users and Account Holders whose Information is Used for Secondary Purposes	0	0	0	#

[a] Substantiated complaints are defined as complaints from customers that went through formal channels and those that were lodged to and acted upon by government agencies, excluding complaints that have been brought to management's attention and have been resolved to the satisfaction of the customer.

Governance

Governance Framework

As a global industry leader, Axelum is committed to the highest standards of transparency, accountability, integrity and ethical business conduct, aligned with the principles of the Organisation for Economic Co-operation and Development as reflected in the ASEAN Corporate Governance Scorecard.

Axelum is compliant with the Revised Corporation Code of the Philippines and statutory requirements of the Securities Exchange Commission, Philippine Stock Exchange, Department of Environment and Natural Resources and other applicable regulatory bodies.

ASEAN Corporate Governance Scorecard

RIGHTS AND EQUITABLE TREATMENT OF SHAREHOLDERS

DIVIDEND POLICY

In February 2025, Axelum amended its dividend policy to states as follows:

> The Company hereby adopts a dividend policy of distributing up to 30% of the reported net income of the immediately preceding fiscal year, payable primarily in cash within 30 days from the declaration date, subject to the financial condition, operational requirements, and future expansion plans and programs of the Company. The Board of Directors, in its discretion, may also decide to declare dividends to be payable in property or shares instead of in cash.

The Company may declare dividends only out of its unrestricted retained earnings, which represent the net accumulated earnings of the Company with its capital unimpaired which are not appropriated for any other purpose. Any regular cash or stock dividend declaration shall be subject to the exclusion of any retained earnings for expansion, if any, or other purposes. In the case of stock dividends, it should have been approved by at least 2/3 of the Company's total outstanding capital stock at a regular or special meeting called for the purpose. The Company shall likewise conduct a periodic review of the available unrestricted balance of retained earnings for purposes of earmarking any surplus thereof for future capital expenditures or for distributing the same as special cash or stock dividends.

The payment of cash dividends shall be subject to the approval by the Board of Directors and will depend, among others, upon the Company's earnings, cash flow, financial condition, future expansion plans and programs, and operational requirements.

The Board of Directors shall periodically review, amend or update the foregoing dividend policy.

Axelum declared special cash dividends on April 22, 2025, amounting to a total of ₱206,000,000 or equivalent to ₱0.0515 per share, for shareholders as of record date on May 08, 2025, and payable on May 21, 2025.

RIGHT TO PARTICIPATE EFFECTIVELY IN AND VOTE IN GENERAL SHAREHOLDER MEETINGS

Axelum acknowledges the right of shareholders to participate in decisions concerning fundamental corporate changes including amendments to its Articles of Incorporation, increase of authorized capital stock and issuance of additional shares, and transfer of all or substantially all assets that may in effect result in the sale of the Company.

Shareholders shall have the right to nominate, elect, remove and replace directors and vote on certain corporate acts in accordance with the Revised Corporation Code of the Philippines. Any shareholder may propose items for inclusion in the agenda of any regular meeting of stockholders. Election of Directors shall take place during the Annual Stockholders' Meeting of the Company. As mandated by the Revised Corporation Code, cumulative voting shall be used in the election of directors. In voting upon any matter subject to shareholders' approval during the annual or any special stockholders' meeting, poll voting shall be encouraged. The Company shall also make it easy for shareholders to exercise proxy voting by making available in its website sample proxy materials.

The minutes of any annual or special shareholders' meeting shall be posted on the Company website within five (5) business days from the date of the meeting and, in the interest of transparency, the results of the votes taken during the most recent annual or any special shareholders' meeting shall likewise be available in the Company website.

The Board shall be transparent and fair in the conduct of the meetings of the shareholders. The shareholders may personally attend such meetings and are likewise informed that if they cannot attend, they shall have the right to appoint a proxy. Subject to the requirements of the By-Laws, the right to designate a proxy shall not be unduly restricted.

Pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 06, Series of 2020 allowing voting through remote communication or in absentia, shareholders may participate in the Annual Stockholders Meeting by remote communication and cast their votes by remote communication or in absentia on or before the deadline set by the Company.

Although directors may be removed with or without cause, a director shall not be removed without cause if it will deny minority shareholders representation in the Board. The Company shall encourage active shareholder participation in the Annual Stockholders' Meeting by sending to the Company shareholders the notice therefor at least ten (10) business days or such other periods required by law prior to the date of the meeting and posting said notice in the Company website and publication in a newspaper of general circulation. For 2025, the Company published the Notice of the Annual Stockholders Meeting in the business section of the print and online editions of Manila Standard and Business Mirror on May 28 and 29, 2025.

Minutes of the most recent Annual Stockholders Meeting, which contains details of the voting procedures and results, quorum, agenda and resolutions, questions raised by shareholders and responses provided by the Board and other matters, can be viewed and downloaded from the Company's website. The most recent Annual Stockholders Meeting was held on June 26, 2025 via remote communication for the safety and ease of participation of the directors, stockholders, business partners and employees. Majority of the members of the Board were in attendance including all three independent directors.

For 2025, the Company appointed R.G. Manabat & Co (KPMG Philippines), to count and validate the votes at its 2025 Annual Stockholders' Meeting.

MARKETS FOR CORPORATE CONTROL IN AN EFFICIENT AND TRANSPARENT MANNER

If deemed necessary, the Board may engage professional independent parties to evaluate the fairness of transaction prices in cases of mergers, acquisitions and/or takeover requiring shareholders' approval.

EXERCISE OF OWNERSHIP RIGHTS BY ALL SHAREHOLDERS

Beyond the Annual Stockholders' Meeting, Axelum regularly communicates with various institutional and retail shareholders through one-on-one meetings, email, conferences and roadshows.

SHARES AND VOTING RIGHTS

It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of stockholder information necessary to make informed decisions subject to legal constraints. Each common share entitles the person in whose name it is registered in the books of the Company to one (1) vote with respect to all matters to be taken up during the annual meeting of stockholders. Shareholders may cast their votes by remote communication or in absentia, or by proxy. Please refer to Annex "A" of the Company's Definitive Information Statement disclosed on May 27, 2025 via PSE EDGE for the procedures and requirements for voting and participation in the most recent Annual Stockholders Meeting last June 26, 2025.

NOTICE OF ANNUAL GENERAL MEETING

The Company's notice of meeting is entirely in the English language and includes a detailed explanation for each item in the meeting agenda requiring shareholders' approval. There is no bundling of several items into the same resolution. Sample proxy documents are attached to the notice distributed to shareholders prior to the meeting. The Definitive Information Statement, which is distributed together with the notice of meeting, contains the profiles of directors for election/re-election and auditors seeking appointment/re-appointment.

INSIDER TRADING

All directors, officers and employees of the Company are mandated to strictly observe and maintain the confidentiality of all material non-public information that they may acquire or learn by reason of their position. Directors, officers and employees are prohibited from: (i) trading the Company's securities based on this inside information, or (ii) tipping or passing such inside information to someone who may use such information to the trade the securities of the Company, during prescribed trading blackout periods.

The Company enforces a trading blackout period for covered individuals starting from at least five (5) trading days before and two (2) full trading days after disclosure of material information. Directors are required to report their dealings in the Company's securities within three (3) business days.

RELATED PARTY TRANSACTIONS

[GRI 2-15]

The Company recognizes that related party relationships are normal in commerce and business, and transactions between and among related parties create financial, commercial and economic benefits to parties and/or to the entire group where they belong. The Company has adopted a Material Related Party Transaction Policy which applies to all entities within the group, taking into account their respective size, structure, risk profile and complexity of operations.

The policy is intended to provide a mechanism for identification, review, approval and reporting of related party transactions, and the determination, monitoring and management of material related party transactions.

Any related party transactions must be:

- at arm's length, which must be on terms no less favorable than any such terms offered by, nor more favorable than any such terms given to, unrelated third parties under the same or similar transactions or circumstances;
- in compliance with applicable laws, rules and regulations and the requirements in the policy; and
- to the best interest of the Company and insure that no stakeholder is unduly advantaged.

Through this Policy, the Company endeavors to enhance transparency in its transactions and promote the best interest of its shareholders and other stakeholders.

The Related Party Transaction Committee, which is chaired by an independent director and composed of a majority of independent directors, is responsible for reviewing material related party transactions to determine whether they are in the best interest of the Company and its shareholders. In the event of related party transactions, directors are required to abstain from participating in the Board discussion on a particular agenda when they are conflicted. All directors and employees are mandated to promptly disclose any related party transactions with the Company to determine potential areas of conflict of interest.

PROTECTING MINORITY SHAREHOLDERS FROM ABUSIVE ACTIONS

All related party transactions are required to be executed at fair value and arm's length basis. In case of related party transactions requiring shareholders' approval, minority shareholders have the right to participate and vote during the annual or special stockholders' meeting.

SUSTAINABILITY AND RESILIENCE

MATERIAL SUSTAINABILITY TOPICS

Axelum's material sustainability topics for 2025 are listed in the "Material Sustainability Topics" section on page 47.

SUSTAINABILITY PRACTICES AND STAKEHOLDER ENGAGEMENT

[GRI 2-12, 2-13, 2-14, 2-29]

Since 2019, Axelum has been publishing its yearly sustainability report that discloses information in accordance with the Global Reporting Initiative Standards and can be accessed in the corporate website. Axelum's sustainability report is reviewed and approved by the President, and discloses sustainability-related performance in comparison to its previous year's results. Moreover, the sustainability report discloses how the Company manages climate-related risks and opportunities. In line with this, Axelum partnered with Basecheck Carbon Management Services in 2025 to validate its Scope 1, 2 and 3 greenhouse gas emissions accounting.

The Board oversees the sustainability framework of the Company including the assessment of sustainability-related risks and opportunities. The Executive Committee oversees and decides on the Company's economic, environmental and social impacts, acting on the recommendations of the Board Committees and Senior Management, and ensuring these principles are integrated into corporate strategies.

Senior Management, in coordination with various departments, is responsible for managing the Company's sustainability activities. Organizational impacts are carefully assessed to maximize opportunities and mitigate risks of adverse outcomes. Department heads are responsible for continuously monitoring impacts within their functional scopes and providing timely and accurate feedback to Senior Management for appropriate action. Significant matters related to the Company's impacts are elevated and discussed at Board meetings.

Axelum's main engagement channels with stakeholder groups are the Investor Relations Department, Human Resources Department and External Affairs Department. This includes identifying and resolving sustainability-related issues concerning shareholders, media, employees, workers, business partners, local government and host communities, among others. Axelum maintains open communication channels to effectively assess and address stakeholder concerns in a timely and proper manner. In 2025, Axelum engaged with key stakeholder groups to gather insights on its material sustainability-related impacts.

SUSTAINABILITY TARGETS

Axelum has aligned its carbon reduction target with the stated goals of the Paris Agreement, which is to cut 42% of global greenhouse gas emissions by 2030. Since 2020, Axelum has managed to decrease its direct carbon footprint by 20% as of 2025, following the implementation of various decarbonization initiatives.

ROLE OF STAKEHOLDERS ON SUSTAINABILITY MATTERS

Axelum engages both internal and external stakeholders to exchange views and gather feedback on sustainability matters that are material to the business of the Company.

The Board, in coordination with the Audit Committee, reviews on annual basis that the Company's capital and debt structure is compatible with its strategic goals and associated risk appetite.

CUSTOMER WELFARE

Axelum recognizes that customer health and safety is of utmost priority and, pursuant thereto, adopted the following:

- The Company's core manufacturing operations strictly adheres to the highest standards in food processing and is backed by multiple quality certifications issued by local and international certifying bodies.
- The Company is accredited by the British Retail Consortium, Global Food Safety Initiative, Hazard Analysis and Critical Control Points System, International Organization for Standardization, Sedex Members Ethical Trade Audit, Good Manufacturing Practices, Kosher Certification, Halal Certification, Customs-Trade Partnership Against Terrorism, Organic and Sustainability Certifications, among others.
- The Company is subjected to around 15–25 yearly operational audits by its customers and independent parties to ensure conformity with best practices.
- Finished products undergo extensive quality assurance procedures to guarantee freshness and food safety.

SUPPLIER/CONTRACTOR SELECTION

Axelum transacts with top reputable suppliers with a proven track record in terms of product quality and reliability.

The following is a summary of the Company's supplier accreditation process:

- Profiling is conducted to ensure that the supplier is legitimate and compliant with local government regulations
- Supplier products are subjected to outlining which involves validation of all relevant technical documents and certifications.
- To promote fairness and integrity in supplier transactions, the Company observes the following:
  - No purchase can be made to a supplier who is related to any employee up to the third-degree of consanguinity.
  - Commercial transactions are exclusively conducted by purchasers. Only end-users are permitted to discuss technical concerns to suppliers in the presence of purchasers.
  - Non-preferential treatment is strictly observed during product canvassing.

Shortlisted suppliers are given equal opportunity to submit individual quotations with a prescribed period of time.
- Receiving cash or any gifts in kind are strictly prohibited. In cases of proven ethical breach, employee involved is subjected to outright termination.
- Solicitating personal favors from suppliers is strictly prohibited.

All suppliers are required to abide by the Company's Supplier Code of Conduct, and are expected to be transparent, responsible and ethical in the conduct of business. The Company implements yearly audits and physical inspections of supplier facilities including adherence to social and environmental practices.

VALUE CHAIN

Axelum promotes environmentally-sound practices within its end-to-end value chain. The Company implements the following activities to protect its natural eco-systems:

- Coconut shells are utilized as feedstock to fuel industrial boilers that generate culinary-grade steam. This initiative results to zero-waste from raw materials and eliminates the risk of pollutant emissions that may harm the natural environment.
- The Company operates a modern wastewater treatment facility to ensure that effluent quality is compliant with regulatory standards.
- The Company operates a Tetra Pak recycling plant that converts used packaging materials into chipboards that serve as plywood substitute, sleeping mats and table partitions.

COMMUNITY INTERACTION

Axelum actively engages its host communities through social programs focused on education, livelihood and health. Axelum employs more than 4,000 people at its main production facility, majority of which are residents of host communities. Axelum also extends support to various local government initiatives and community-based programs.

ANTI-CORRUPTION

Axelum observes the principles of integrity and transparency in the conduct of its business. The Company does not engage in any form of corruption in all of its dealings with both the private and public sector. Employees undergo regular training in topics related to anti-corruption. Axelum implements its Code of Ethics and Conflict of Interest policies, which can be viewed in the Company's website.

SAFEGUARDING CREDITOR'S RIGHTS

Axelum acknowledges the role of its creditors as key business partners. The Company honors all of its contractual obligations and discloses material information including financial statements, risk exposures, press releases and other relevant documents to major lenders. Axelum has remained in excellent credit standing with no history of default.

ENVIRONMENTAL, ECONOMIC AND SOCIAL ISSUES

Axelum publishes an Annual Sustainability Report which details its materiality assessment and performance in addressing various environmental, economic and social issues. Axelum's Annual Sustainability Report may be accessed in the corporate website.

STAKEHOLDER CONTACT

The Company discloses the following contact information through its company website and Annual and Sustainability Report, which stakeholders may refer to escalate concerns or complaints for violation of rights:

Office of the President
1052 EDSA Magallanes Village, Makati City 1232
Email: axelum@axelum.com.ph
Tel: +63 (2) 88510730

EMPLOYEE HEALTH, SAFETY AND WELFARE

Axelum maintains an on-site clinic equipped with the necessary equipment and ambulance service to render basic healthcare and first-aid response to medical emergencies. Employees are encouraged to undergo annual physical examination and regular vaccination. Axelum ensures that occupational hazards are identified and immediately addressed to prevent major accidents. All personnel are required to wear personal protective clothing and observe proper sanitation in designated work areas.

EMPLOYEE TRAINING AND DEVELOPMENT

Employees are subjected to mandatory yearly trainings for purposes of skills development and career advancement. The Company offers various learning courses conducted in-house or through third-party professionals including selected modules accredited by the Technical Education and Skills Development Authority.

COMPENSATION POLICY BEYOND SHORT-TERM FINANCIAL MEASURES

Axelum has a compensation policy for employees that account for corporate performance beyond short-term financial measures, including long-term incentives, retirement, variable bonuses, among others.

GRIEVANCE REDRESSAL

[GRI 2-25, 2-26]

Axelum recognizes its responsibility to manage the impacts of its operations on stakeholders and remains committed to conducting business in accordance with applicable laws, regulatory requirements and recognized standards of governance. To address actual and potential adverse impacts, it implements measures that promote accountability, responsiveness and stakeholder welfare, while providing appropriate remedies when concerns arise.

The Company maintains formal grievance mechanisms that enable both internal and external stakeholders to raise concerns and seek resolution. These mechanisms include grievance boxes, exit interviews, performance reviews and formal written escalations, providing accessible channels for reporting issues and feedback. Valid grievances are acknowledged, investigated and addressed through established procedures to support a fair and positive working environment.

For concerns raised by external stakeholders, Axelum maintains close coordination with local communities and other affected groups to identify potential risks and implement appropriate mitigation measures. The grievance mechanisms are regularly reviewed to ensure their effectiveness, with performance reviews, stakeholder feedback and post-evaluation of outcomes serving as key inputs for continuous improvement.

WHISTLEBLOWING

Axelum has adopted a whistleblowing policy to encourage directors, officers, employees, suppliers, business partners, contractors and subcontractors, and others to report suspected or actual occurrence(s) of illegal, unethical or inappropriate events (behaviors or practices) without retribution. The policy provides the formal mechanism and an avenue to raise such concerns and an assurance that whistleblowers will be protected from and shall not receive any reprisals, harassment or disciplinary action as a result of any report where the report is made in good faith and the whistleblower believes it to be true and is not made maliciously or for personal gain. The Company's whistleblowing policy can be viewed in the corporate website. Whistleblowers may make a report by sending it directly to:

Office of the President
1052 EDSA Magallanes Village,
Makati City 1232
Email: whistleblowing@axelum.com.ph
Tel: +63 (2) 88510730

DISCLOSURE AND TRANSPARENCY

TRANSPARENT OWNERSHIP STRUCTURE

The Company submits its public ownership report on a quarterly basis, which contains the direct and indirect shareholdings of directors, principal officers, principal/substantial shareholders, affiliates, and others. The Company is likewise required to submit a report on any change in shareholdings of its directors, principal officers, and principal/substantial shareholders for a specific month. The Company also discloses details of its parent company, subsidiaries, associates, joint ventures and special purpose vehicles on its audited consolidated financial statements. These reports can be accessed in the corporate website and the Philippine Stock Exchange (PSE) Edge platform.

QUALITY OF ANNUAL REPORT

For 2025, Axelum submitted its SEC Form 17-A on April 13, 2025, which contains the Company's objectives, financial performance indicators, non-financial performance indicators, dividend policy and biographical details of all directors and officers. In addition, Axelum publishes a separate glossy annual report which likewise contains the aforementioned details. The Company's SEC Form 17-A can be accessed in the company website and the PSE Edge platform.

BOARD REMUNERATION

[GRI 2-19, 2-20]

The Board has adopted a remuneration policy for its directors which covers fixed and variable components, including per diem for attendance in Board meetings. A fixed monthly allowance in the initial amount of ₱120,000 plus an additional month in December for a total of 13 months, which monthly allowance may be increased at the discretion of the Chairman of the Board depending on the performance of the Company in the succeeding years. The amount of ₱50,000 as per diem for attendance at Board meetings, with a maximum total amount of ₱300,000 to be given as per diem for each director. For 2025, total directors' remuneration aggregated to ₱9.9 million.

The Corporate Governance and Nomination Committee supports the Board in establishing an executive compensation policy that attracts, retains, and appropriately rewards the Company's key executives. The policy links compensation to the achievement of business objectives and aligns executive interests with the long-term interests of shareholders. The Corporate Governance and Nomination Committee is authorized to engage external advisors, as needed, to assist in fulfilling its responsibilities, including the development of remuneration policies.

RELATED PARTY TRANSACTIONS

The Company's Related Party Transactions policy can be viewed in the corporate website. Details on related party transactions are disclosed in Note 21 of the Company's Audited Financial Statements.

DIRECTORS AND PRINCIPAL OFFICERS' TRANSACTIONS IN COMPANY SHARES

Below is a summary of the transactions of the directors and principal officers in company shares as of December 31, 2025:

Title of Class	Name	Balance as of December 31, 2024	Acquired	Disposed	Balance as of December 31, 2025
Directors					
Common	Romeo I. Chan	267,221,764	-	-	267,221,764
Common	Henry J. Raperoga	264,705,509	-	-	264,705,509
Common	Manuel V. Pangilinan	1,000	-	-	1,000
Common	Jason M. Rosenblatt	1	-	-	1
Common	Ricardo C. Lopa, Jr.[1]	208,471	-	-	208,471
Common	Juan Victor I. Hernandez[2]	1,000	-	-	1,000
Common	Laurito E. Serrano	88,889	-	-	88,889
Common	Rosemarie P. Rafael	425,001	-	-	425,001
Common	Joseph Augustin L. Tanco[3]	1,000	-	-	1,000
Principal Officers					
Common	Preciosa D. Castillo	125,061,386	-	-	125,061,386
Common	Paul C. Cheah	-	-	-	-
Common	Dominic V. Isberto	-	-	-	-
Common	Paul Rene Z. Tayag	111,211,035	-	-	111,211,035
Common	Karilagan Imelda Z. Gorospe	1,260,000	-	-	1,260,000
Common	Maria Theresa Z. Paguirigan	722,000	-	-	722,000
Common	Macario R. Pelaez	2,450,000	-	-	2,450,000

Common	Gerardo V. Gorospe	600,000	-	-	600,000
Common	Mariam C. Brimer	104,929,286	-	-	104,929,286
Common	Leon Victor L. Lainez[4]	100,000	-	-	100,000
Common	Hazel Marie B. Reyes[5]	-	-	-	-
Total		**878,986,342**	**-**	**-**	**878,986,342**

[1] Mr. Ricardo C. Lopa, Jr. resigned as Regular Director on December 19, 2023 and was re-elected as Regular Director on February 21, 2024
[2] Mr. Juan Victor I. Hernandez was elected as Regular Director on February 21, 2024
[3] Mr. Joseph Augustin L. Tanco was elected as Independent Director on February 12, 2024
[4] Mr. Leon Victor L. Lainez was appointed as Assistant Vice-President for Supply Chain effective on September 10, 2025
[5] Ms. Hazel Marie B. Reyes was appointed as Assistant Vice-President for Research and Development and Business Development effective on July 24, 2024

AUDIT AND AUDIT-RELATED FEES

Axelum appointed R.G. Manabat & Co. as external auditor, with Mr. Warren R. Angeles as partner in-charge for audit year 2025. Details of fees paid to R.G. Manabat & Co. in the last two years are as follows:meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of stockholder information necessary to make informed decisions subject to legal constraints.

Year	Audit and Audit-Related Fees
2025	₱5,970,000.00
2024	₱5,750,000.00

For 2025, the audit-related fees did not exceed the audit fees.

MEDIUM OF COMMUNICATION

Axelum is committed to the timely and accurate disclosure of material information to regulators and the investing community, including financial results, major corporate transactions, press releases and other disclosable information. The Company's Investor Relations Office actively engages shareholders and other stakeholders through pre-arranged meetings, small group discussions, email, virtual platforms, roadshows and conferences. The Company submits its annual and quarterly report to regulators, organizes separate briefings with various analysts and reaches out individually to business journalists. For more information, the general public may access the Company's website at https://axelum.ph.

FINANCIAL REPORTING

The Company releases its Audited Financial Statements and Annual Report (SEC Form 17-A) within 120 days from the end of fiscal year. The true and fair representation of the Audited Financial Statements and Annual Report are affirmed and attested to by key officers of the Company and its external auditor.

COMPANY WEBSITE

The following information are uploaded in Axelum's corporate website at https://axelum.ph:

- Financial Statements
- Analysts' Presentation
- Downloadable Annual and Quarterly Report
- Notice of Annual Stockholders' Meeting
- Minutes of Annual Stockholders' Meeting
- Articles of Incorporation and By-Laws
- SEC Current Reports/PSE Disclosures
- Public Ownership Report and Statement of Changes in Beneficial Ownership

INVESTOR RELATIONS

The Company has appointed Mr. Paul C. Cheah as Vice-President for Investor Relations.

For inquiries, Mr. Cheah may be reached at the following:

Email: paul.cheah@axelum.com.ph
Telephone: +63 (2) 8851-0739

RESPONSIBILITIES OF THE BOARD

BOARD DUTIES

The Board shall be primarily responsible for the institution of, and compliance with, the principles of good corporate governance. It is the Board's responsibility to foster the long-term success of the Company, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities to ensure a high standard of best practice for the Company, its stockholders and other stakeholders.

POLICIES RELATING TO THE BOARD

[GRI 2-16]

Board Diversity Policy

- The Company shall promote and observe a policy on diversity in the composition of its Board of Directors.
- Diversity in age, gender, ethnicity, experience, field expertise, and personal qualities shall be considered by the Company and by the Board to ensure a mix of competent directors and key officers.

Policy on Multiple Board Seats

- A director shall exercise due discretion in accepting and holding directorships outside of the Company. A director may hold directorships outside of the Company provided that these positions do not detract from his capacity to diligently perform his duties as a director of the Company.
- However, as a matter of policy, the non-executive members of the Board of Directors may concurrently serve as directors in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, review Management's proposals/views, and oversee the long-term strategy of the Company.

Access to Information

- To enable the Board to properly fulfill their duties and responsibilities, Management provides directors with complete and timely information about the matters in the agenda of the meetings. Directors are given independent access to Management and the Corporate Secretary, as well as to independent professional advice should they need to do so in connection with their duties as directors.

COMPANY MISSION, VISION AND CORE VALUES

MISSION

To deliver quality food products that nourish people and impact lives. We are committed to creating shared value for our stakeholders by enabling self-sufficient communities.

VISION

To become a global leader in food manufacturing, anchored on superior quality, renewable sourcing, product innovation, operational excellence and sustainable practices, all through our greatest asset – OUR PEOPLE.

CORE VALUES

- **'Quality'**
  We adhere to the highest quality standards in food processing and safety.
- **'Malasakit'**
  We care deeply about our teams, our local communities and our environment.

- 'Bayanihan'
  We believe in the Filipino tradition of bayanihan – a spirit of shared work and cooperation. As a team, we constantly strive to do better and support each other's efforts and ideas.
- 'Accountability'
  We uphold the principles of trustworthiness and good governance and consistently take ownership of our performance.
- 'Stewardship and Servant Leadership'
  We regard ourselves as mere stewards of God's creation. Our leadership principles are guided and inspired by our commitment to provide for the needs of the thousands of people we serve in our communities.

The Board reviews the mission, vision and core values annually and the last review was conducted in 2025. In addition, the Board assumes a leading role in the process of developing, implementation, monitoring and review of the Company's strategies.

BOARD STRUCTURE AND COMPOSITION [GRI 2-9]

The Board shall be composed of such number of directors as provided in the Articles of Incorporation, who shall be duly elected by the stockholders that are entitled to vote in accordance with the By-Laws, the Revised Corporation Code and the Securities Regulation Code.

The Board of Directors should, as far as practicable, be composed of qualified individuals with diverse backgrounds (gender, age, ethnicity, culture, skills, competence and knowledge) to effectively enable the Board to decide on corporate matters with the benefit of the varied experiences of the board members. A majority of the Board should be non-executive directors.

The Board shall be composed of nine directors who shall be elected at each annual meeting of the stockholders, to serve for a term of one year. Each director shall be eligible for re-election in accordance with the Articles of Incorporation of the Company.

The names of directors submitted for election or re-election shall be accompanied by sufficient biographical details to enable shareholders to make an informed decision in respect of their election.

As a publicly listed company, and unless another number is required by law, the Company shall have at least two independent directors or such number as to constitute at least twenty percent (20%) of the members of the Board, whichever is higher. The Independent Directors must possess qualifications as required by law and the Corporate Governance Manual of the Company.

Independent directors may serve for a maximum cumulative term of nine years, after which, the independent director shall be perpetually barred from re-election as independent director in the Company.

Such independent director, however, may continue to qualify for nomination and election as a non-independent director. In exceptional cases, however, the Company may retain an independent director who has already served for nine years; provided, that the Company should provide meritorious justifications therefor and seek stockholders' approval during the annual stockholders' meeting. The nine-year maximum term for independent directors shall be reckoned from 2012, as per SEC Memorandum Circular No. 9 series of 2011 and SEC Memorandum Circular No. 4 series of 2017.

The Board shall designate a Lead Independent Director among the Independent Directors.

For 2025, there are no Executive Directors who serve on more than two boards of listed companies outside of the group.

CODE OF ETHICS [GRI 2-23, 2-24]

Axelum's commitments to responsible business conduct are formalized in its Manual on Corporate Governance and Code of Business Ethics, which articulate its principles on human rights and ethical business practices. The Code of Business Ethics contains provisions aligned with domestic laws, International Labour Organization, UN International Bill of Human Rights and globally recognized audit standards covering human rights, occupational safety and environmental performance. These include policies prohibiting child and forced labor, ensuring safe working conditions, fair compensation and working hours, equal opportunity employment and safeguarding the natural environment.

Directors, senior management and employees are required to comply with the code. These policy commitments are communicated to employees, workers, business partners and other relevant stakeholders through general assemblies, face-to-face meetings, group trainings and company memorandums.

Existing policies are reviewed annually and may be amended in consideration of business strategies, regulatory requirements and other relevant factors. The Human Resources Department leads the review process and recommends updates to Senior Management based on organizational needs.

Axelum's commitment to responsible business conduct is embedded in its core strategies to minimize negative impacts and create long-term value. This includes upholding human rights and ethical standards and promoting circularity across its operations.

The Company's Code of Ethics, including the process to implement and monitor compliance, can be viewed in the corporate website.

BOARD COMMITTEES

CORPORATE GOVERNANCE AND NOMINATION COMMITTEE

The Corporate Governance and Nomination Committee shall consist of a minimum of three (3) members appointed by the Board of Directors, all of whom should be independent directors including the Chairman. It shall have the powers and duties defined in the Manual on Corporate Governance and in the By-laws of the Company, as may be applicable. The Chairman and members of the Committee shall be appointed annually by the Board. Vacancies shall be filled by election by the Board, and any member of the Committee may be removed by the Board. The Committee shall have the power and authority to delegate any of its duties or responsibilities herein to a subcommittee comprised of one or more members of the Committee.

The Charter of the Corporate Governance and Nomination Committee including its duties and responsibilities can be viewed in the corporate website. The Committee is tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee such as establishment of a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Company's culture and strategy as well as the business environment in which it operates.

SUMMARY OF COMMITTEE MEETINGS AND ATTENDANCE FOR 2025:

Director	No. of Meetings Held	Attendance
Mr. Laurito E. Serrano (Chairman, Independent Director)	2/2	100%
Ms. Rosemarie P. Rafael (Independent Director)	2/2	100%
Mr. Joseph Augustin L. Tanco (Independent Director)	2/2	100%

AUDIT COMMITTEE

The Audit Committee shall consist of a minimum of three non-executive directors appointed by the Board of Directors, the majority of whom, including the Chairman, shall be independent. All members must have relevant knowledge and/or experience in areas of accounting, auditing and finance.

All Committee members should be financially literate, have adequate understanding of the Company's financial management systems and environment and at least one member of the Committee should have accounting or related financial management expertise or relevant business experience as determined by the Board.

The Chairman of the Audit Committee is a Certified Public Accountant and an experienced financial advisor to several companies while its members have experience in financial and credit management and are currently holding, or have held, top executive positions in other companies.

The Audit Committee is primarily responsible for recommending the appointment and removal of the Company's external auditor to the Board. The Charter of the Audit Committee, including its other duties and responsibilities, can be viewed in the corporate website.

SUMMARY OF COMMITTEE MEETINGS AND ATTENDANCE FOR 2025:

Director	No. of Meetings Held	Attendance
Mr. Laurito E. Serrano (Chairman, Independent Director)	4/4	100%
Ms. Rosemarie P. Rafael (Independent Director)	4/4	100%
Mr. Joseph Augustin L. Tanco (Independent Director)	4/4	100%

BOARD PROCESSES

BOARD MEETINGS AND ATTENDANCE

The schedule of Board meetings is finalized prior to the start of the year and the Board meets a minimum of six times during the year. Board materials are circulated to directors at least five business days in advance of the meeting. A majority of the members of the Board shall constitute a quorum for its meetings, while a majority of the directors present is required for the approval of any resolution. The Corporate Secretary plays a significant role in supporting the Board in the discharge of its responsibilities and is knowledgeable in legal, accountancy and company secretarial practices.

As of December 31, 2025, the Company's Board of Directors is composed of nine members, majority of which are non-executive directors. For 2025, the Company held a total of 11 meetings with director attendance summarized as follows:

Board	Name	No. of Meetings Held During the Year	No. of Meetings Attended	%
Chairman and Chief Executive Officer	Romeo I. Chan	11	11	100%
President and Chief Operating Officer	Henry J. Raperoga	11	10	91%
Non-Executive	Jason M. Rosenblatt	11	11	100%
Non-Executive	Manuel V. Pangilinan	11	5	45%
Non-Executive	Ricardo C. Lopa, Jr.[1]	11	11	100%
Non-Executive	Juan Victor I. Hernandez[2]	11	11	100%
Independent	Laurito E. Serrano	11	11	100%
Independent	Rosemarie P. Rafael	11	11	100%
Independent	Joseph Augustin L. Tanco[3]	11	10	91%

[1]Mr. Lopa was elected as additional Regular Director during the Special Stockholders Meeting on February 21, 2024
[2]Mr. Hernandez was elected as additional Regular Director during the Special Stockholders Meeting on February 21, 2024
[3]Mr. Tanco was elected as Independent Director during the Regular Board Meeting on February 12, 2024 to serve the unexpired term of Mr. Raymundo N. Suarez who resigned on December 19, 2023

For 2025, non-executive directors met at least once during the year without the presence of executive directors to discuss the results for the previous year, the objectives for the current year and business strategy to be implemented by Management.

BOARD APPOINTMENT AND RE-ELECTION [GRI 2-10]

The criteria and procedure for the nomination and election of directors, including the independent directors, are disclosed by the Company in its Definitive Information Statement that is distributed to stockholders before the annual stockholders meeting. The names of directors submitted for election or re-election shall be accompanied by sufficient biographical details to enable shareholders to make an informed decision in respect of their election.

The Board shall be composed of nine directors who shall be elected at each annual meeting of the stockholders, to serve for a term of one year. Each director shall be eligible for re-election in accordance with the Articles of Incorporation of the Company. However, Independent Directors may only serve for a maximum cumulative term of nine years, after which, the independent director shall be perpetually barred from re-election as an independent director in the Company but may continue to qualify for nomination and election as a non-independent director. In exceptional cases, however, the Company may retain an independent director who has already served for nine years; provided, that the Company should provide meritorious justifications therefor and seek stockholders' approval during the annual stockholders' meeting. The nine-year maximum term for independent directors shall be reckoned from 2012, as per SEC Memorandum Circular No. 9 series of 2011 and SEC Memorandum Circular No. 4 series of 2017.

REMUNERATION MATTERS [GRI 2-19]

The Board approved the following compensation policy for the directors of the Company:

- A fixed monthly allowance in the initial amount of ₱120,000 plus an additional month in December for a total of 13 months, which monthly allowance may be increased at the discretion of the Chairman of the Board depending on the performance of the Company in the succeeding years
- The amount of ₱50,000 as per diem for attendance at Board meetings, with a maximum total amount of ₱300,000 to be given as per diem for each director

INTERNAL AUDIT

The Company has a separate internal audit function through the Internal Audit Department, which reports to the Audit Committee, and is headed by Mr. Jazz A. Villanueva. The Internal Audit Department is tasked to monitor and evaluate the adequacy and effectiveness of the Company's internal control system including financial reporting control and information technology security, and ensure the integrity of the financial reports and protection of the assets of the Company for the benefit of all shareholders and stakeholders.

RISK OVERSIGHT

The Company established a Board Risk Oversight Committee for the purpose of assisting the Board of Directors in overseeing the Company's practices and processes relating to risk assessment and risk management; maintaining an appropriate risk culture, reporting of financial and business risks and associated internal controls. The Board Risk Oversight Committee will assist the Board in providing framework to identify, assess, monitor and manage the risks associated with the Company's business. It helps the Board to adopt practices designed to identify significant areas of business and financial risks and to effectively manage those risks in accordance with Company's risk profile.

Every year, the Board of Directors, through the Risk Oversight Committee and Audit Committee, reviews the Company's material controls and risk management system to ensure adequacy and effectivity.

Enterprise Risk Management

The Company's risk management focuses on safeguarding shareholder value to manage unpredictability of risks and minimize potential adverse impact on its operating performance and financial condition.

The Board Risk Oversight Committee annually reviews the Company's approaches to risk management and recommends to the Board the changes or improvements to key elements of its processes and procedures. After submission of the Board Risk Oversight Committee's recommendation, the Board then evaluates the risk management system.

Risk Exposure	Risk Management Policy	Objective
Financial Risks	The Company's policy is to ensure that the scheduled principal and interest payments are well within its ability to generate cash from its business operations. It is likewise committed to maintain adequate capital at all times to meet shareholders' expectations, withstand adverse business conditions and take advantage of business opportunities.	The Company's objective is to protect investment in the event that there would be significant fluctuations in the exchange rate. On the other hand, the Company's objectives to manage its liquidity are: • to ensure that adequate funding is available at all times; • to meet commitments as they arise without incurring unnecessary costs; and • to be able to access funding when needed at the least possible cost. The long-term strategy is to sustain a healthy debt-to-equity ratio.
Operational Risks	It is the policy of the Company to be prepared for any event which triggers a material business impact or modifies the existing risk profile.	The Company's objective is to protect investments in the event that there would be significant events that would result in material impact to the Company's operations.

The Board, thru the Board Risk Oversight Committee and Audit Committee, reviews the effectiveness of the Company's, including its subsidiaries and affiliates, risk management system with emphasis on monitoring of existing and emerging risks as well as risk mitigation measures and on identifying risks before these causes significant trouble for the business. Based on the set guidelines, directors are assigned specific areas of business where they monitor compliance of the risk management system. Criteria used for review are compliant with established guidelines and controls and the appropriateness of risk management and risk mitigation measures performed.

Risk Exposure	Risk Management Policy	Objective
• Hazards and Natural or Other Catastrophes	Have an emergency response and contingency action plan	Allow the business to continue operations even during natural disaster or calamity
• Regulatory Developments	Review of new laws and regulations	Ensure the business is compliant with all laws and regulations
• Supply of Raw Materials and Packaging Materials	Maintain diverse group of suppliers, get at least three quotations from suppliers	Prevent overdependence on a single supplier, ensure the best price possible
• Consumer Taste, Trends and Preferences	Market study and analysis Maintain close relationships with customer's marketing and research and development team to stay up-to-date with evolving market behavior	Be aware of trends and preferences to develop new products or adopt existing strategy
• Competition	Industry scanning Constant product innovation	Be aware of trends and preferences to develop new products or adopt existing strategy
• Philippine Economic and Political Conditions	Review of business and political situation	Ensure that the business can immediately adapt to changes in economic and political conditions and can devise strategies to meet these changes

RISKS TO MINORITY SHAREHOLDERS

The majority shareholder's voting power in the Company may affect their ability to influence and determine corporate strategy.

PEOPLE ON THE BOARD [GRI 2-11]

The positions of Chairman and Chief Executive Officer are concurrently held by Mr. Romeo I. Chan. The functions of these positions are clearly defined: the Chairman provides strategic leadership to the Board, while the Chief Executive Officer serves as the highest-ranked officer responsible for executing the Company's business strategies and managing day-to-day activities. The Company has elected Mr. Laurito E. Serrano as Lead Independent Director. The duties and responsibilities of the Chairman and Lead Independent Director are disclosed in the Company's Manual on Corporate Governance. All of the Company's non-executive directors have diverse backgrounds in various industries and possess the skills and competencies to effectively discharge their functions.

BOARD PERFORMANCE [GRI 2-17, 2-18]

As part of the Company's commitment to good corporate governance, all directors and key officers of the Company, including, but not limited to the Corporate Secretary, Internal Auditor, and Compliance Officer, shall undergo annual training on corporate governance, which training should be for at least three hours.

All newly-elected directors and key officers shall be required to a seminar on corporate governance, which seminar should be for at least eight hours, with the following topics sufficiently covered therein: Revised Code of Corporate Governance, ASEAN Corporate Governance Scorecard and SEC Annual Corporate Governance Report, board responsibilities; illegal activities of corporations/ directors/officers, insider trading, protection of minority shareholders, short swing transactions, liabilities of directors, confidentiality, conflict of interest, related party transactions, case studies, and financial reporting and audit.

Axelum is considering establishing a process that will objectively evaluate the performance of the Board, Board Committees and individual directors in relation to the effective discharge of their duties and responsibilities.

The Company's Board, key officers and selected employees participated in a corporate governance seminar conducted by the Center for Global Best Practices on December 03, 2025.

Information Security [GRI 3-3]

Axelum is committed to maintaining a robust information security network designed to protect organizational data against a full spectrum of internal and external cyber threats including unauthorized access, data breaches and other events that may lead to system compromise and operational disruption. Axelum values the privacy of its employees, suppliers, customers and business partners, and aims to preserve the integrity and confidentiality of all entrusted data by ensuring that user access is controlled, monitored and governed by established security policies. Axelum mandates all employees to strictly abide by information security guidelines to prevent any form of data misuse and promote a sound digital environment.

In 2025, Axelum's Information Technology Department conducted user awareness training on data privacy and phishing to familiarize employees with vulnerabilities and to protect against risks of data security breaches. There were no identified or substantiated incidents of data breaches for the reporting period.

DATA SECURITY

Disclosure	Quantity			Units
	2025	2024	2023	
No. of Data Breaches including Leaks, Thefts and Loss of Data	0	0	0	#

Awards and Recognition

PLAQUE OF RECOGNITION

Misamis Oriental – II Electric Service Cooperative
April 12, 2025

3 GOLDEN ARROWS

Institute of Corporate Directors
October 23, 2025

CERTIFICATE OF RECOGNITION

Barangay Maanas, Municipality of Medina
July 8, 2025

CERTIFICATE OF APPRECIATION

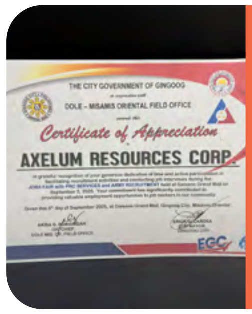
Philippine Coast Guard
November 26, 2025

PLAQUE OF APPRECIATION

Mabuhay Vinyl Corporation
August 20, 2025

CERTIFICATE OF APPRECIATION

Department of Labor and Employment
November 28, 2025



CERTIFICATE OF APPRECIATION

City Government of Gingoog Department of Labor and Employment
September 5, 2025

PLAQUE OF APPRECIATION

Department of Environment and Natural Resources
2025

PLAQUE OF RECOGNITION

Department of Education
September 26, 2025

GHG Emissions Report

Tracking emissions is essential to Axelum's climate goals and GHG reduction targets. In 2025, Axelum strengthened its GHG inventory to enhance reporting, support climate disclosures and provide greater visibility over its value chain carbon footprint. Axelum engaged Basecheck Carbon Management Services to organize the inventory using internationally-recognized methodologies and improve emissions accounting and disclosure readiness.

The inventory was expanded to include refrigerants under Scope 1 and broaden select Scope 3 categories. Axelum continues to disclose Scope 3 emissions for Categories 1-7, with plans to progressively extend coverage in line with evolving priorities and objectives.

Emissions management spans key operational areas, focusing on upstream activities at present while downstream categories may be added in the future. Historical data were reviewed and validated back to 2020, now serving as the baseline for tracking progress.

A summary of the 2025 GHG inventory is presented below, with further details in the emissions section.

2025 Carbon Performance Overview

TOTAL EMISSIONS [GRI 102-5, 102-6, 102-7]

Scope	Emissions (tCO_2e)		
	2025	2024	2023
Scope 1	81,474.07	80,079.44	82,877.66
Scope 2	5,790.71	22,942.21	22,259.48
Scope 3	16,055.09	4,331.99	N/A
Total	**103,319.87**	**107,353.64**	**105,137.14**

SCOPE 1 EMISSIONS

Source	Emissions (tCO_2e)		
	2025	2024	2023
Stationary Combustion			
Cocoshell Consumption	70,673.68	76,023.89	80,825.75
Diesel Consumption (Diesel Generator)	1,714.55	1,339.06	1,137.40
LPG Consumption	78.15	55.97	57.16
Mobile Combustion			
Diesel Consumption (Vehicle)	2,544.46	2,649.68	837.62
Gasoline Consumption (Vehicle)	11.72	10.84	19.73
Fugitive Emissions			
Refrigerants	6,451.51	N/A	N/A
Total	**81,474.07**	**80,079.44**	**82,877.66**

SCOPE 2 EMISSIONS

Source	Emissions (tCO_2e)		
	2025	2024	2023
Electrical Consumption (Mindanao Grid)	5,790.71	22,942.21	22,259.48
Total	**5,790.71**	**22,942.21**	**22,259.48**

SCOPE 3 EMISSIONS

Category	Emissions (tCO_2e)		
	2025	2024	2023
Category 1 - Purchased Goods and Services	14,215.70	2,676.75	N/A
Category 2 - Capital Goods	794.04	301.66	
Category 3 - Fuel-related Activities	676.74	711.82	
Category 4 - Upstream Transportation and Distribution	231.42	451.58	
Category 5 - Waste Generated	2.41	54.92	
Category 6 - Business Travel	66.13	64.55	
Category 7 - Employee Commute	68.64	70.71	
Total	**16,055.09**	**4,331.99**	

SCOPE AND METHODOLOGY

Axelum's GHG emissions were assessed in accordance with the methodology and general formula prescribed by the Greenhouse Gas Protocol (GHG Protocol), as presented on the right. Organizational boundaries were defined based on the operational control approach.

EMISSIONS = ACTIVITY × EMISSION FACTOR

SCOPE 1 EMISSIONS

Scope 1 are direct GHG emissions related to sources owned by an organization typically ranging from emissions coming from fuel combustion of boilers, furnaces and vehicles.

For this report, Scope 1 emissions cover direct emissions from stationary and mobile combustion associated with manufacturing operations, primarily from the use of coconut shells, diesel, gasoline, and liquefied petroleum gas. Fugitive emissions from refrigerants are also included. Emissions were estimated using fuel and refrigerant consumption data, applying GHG Protocol emission factors, except for coconut shells, where Axelum established the applicable emission factor.

SCOPE 2 EMISSIONS

Scope 2 are indirect emissions generated from the purchase of electricity, steam, heating or cooling. While these are taken from an external source, Scope 2 accounts for the organization's energy use.

Scope 2 includes indirect emissions from purchased electricity sourced from the Mindanao power grid. Location-based emissions were calculated using actual electricity consumption data and the most recent emission factor published by the Department of Energy for the Mindanao grid.

SCOPE 3 EMISSIONS

Scope 3 emissions are indirect GHG emissions that result from activities or assets not owned or directly controlled by the reporting organization. Scope 3 emissions include the organization's upstream and downstream activities that are not included in the first two GHG emissions scopes.

Scope 3 covers categories deemed relevant to Axelum's operations, specifically Categories 1 to 7, consistent with the prior year, with improvements in data collection and coverage. Key inputs include both spend- and activity-based data, such as purchase orders, fuel- and energy-related activities, upstream transportation and distribution, waste generated, employee commuting, and business travel.

The calculation approach aligns with the GHG Protocol Corporate Value Chain (Scope 3) Standard and its Technical Guidance. Spend-based emissions were estimated using emission factors from the United States Environmental Protection Agency (USEPA), while activity-based emissions applied factors from the United Kingdom's Department for Environment, Food and Rural Affairs (DEFRA). For spend-based calculations, a conversion rate of ₱57.5051 to $1 was used.

Suppliers are assumed to generate emissions aligned with industry-average benchmarks, with standardized emission factors applied, where appropriate, to specialized materials.

Category 1 – Purchased Goods and Services

Category 1 emissions were determined using plant purchase orders covering third-party services and consumables required for daily operations. Axelum directly identified Category 1 items, replacing the prior year's ₱250,000 threshold previously used to distinguish them from Category 2 (capital goods). These purchases were mapped to USEPA commodity groups to apply the appropriate spend-based emission factors. Source data included item descriptions, supplier details, and total transaction values provided by Axelum.

Category 2 – Capital Goods

Category 2 emissions were calculated from plant purchase orders for assets classified by Axelum as capital goods. These items were mapped to USEPA commodity groups to apply the corresponding spend-based emission factors. Consistent with Category 1, Axelum provided item descriptions, supplier details, and total transaction values.

Category 3 – Fuel-related Activities

Category 3 emissions relate to fuel and energy-related activities associated with resources used by Axelum but consumed by third parties. Consistent with the prior year, coverage is limited to the fuel consumption of Axelum's top four trucking service providers. Emissions are estimated using fuel efficiency metrics and trip data, and calculated using activity-based emission factors from the DEFRA GHG Conversion Factors for Company Reporting.

Coverage may be expanded in future reporting periods to include additional hauling providers, with a transition toward the use of actual fuel consumption data to improve accuracy.

Category 4 – Upstream Distribution and Transportation

Category 4 emissions were estimated based on distances traveled by upstream transportation and distribution providers, particularly coconut suppliers. Coverage was expanded to include ten suppliers, compared to four in 2024. Axelum provided data on the number of trips and trip dates, while distances were estimated based on routes between each supplier's warehouse and the Medina Plant. Emissions were calculated using activity-based emission factors from DEFRA. Future refinements may incorporate actual odometer readings to further improve accuracy.

Category 5 – Waste Generated

Category 5 emissions were approximated based on waste generated, diverted, and disposed of at the Medina Plant, including hazardous waste handled by third-party service providers. Axelum provided data on waste type, treatment processes (where applicable), and disposal methods. Emissions were calculated using activity-based emission factors from DEFRA.

Category 6 – Business Travel

Category 6 emissions were computed based on business travel data, currently limited to air travel. The scope was expanded from Makati-based employees in the prior year to include those based in Medina. Travel distances were derived from airport origin and destination data provided by Axelum, and emissions were calculated using activity-based emission factors from DEFRA.

Category 7 – Employee Commute

Category 7 emissions were calculated based on employee commuting distances and transportation modes between home and workplace. Consistent with Category 6, the scope was expanded to include Medina-based employees. Axelum provided data on transportation modes and areas of origin, with representative reference points within each area (e.g., Barangay Hall) used to derive travel distances to the workplace. Emissions were calculated assuming 262 working days per year and an even distribution across reported commuting patterns, using activity-based emission factors from DEFRA.

As Axelum advances its climate strategy, it will continue to enhance its GHG emissions inventory and assessment processes to support informed decision-making and effective carbon management. Aligned with the objectives of the Paris Agreement and its long-term emissions reduction targets, Axelum will prioritize improvements in data quality, refine emissions accounting methodologies, and pursue initiatives that support a more resilient, low-carbon business.

Annex

Climate-Related Risks and Opportunities [GRI 201-2]

GOVERNANCE AND RISK MANAGEMENT

The Board shall be primarily responsible for the institution of and compliance with the principles of good corporate governance. It is the Board's responsibility to foster the long-term success of Axelum and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities to ensure a high standard of best practice for Axelum, its stockholders and other stakeholders.

Axelum's risk management focuses on safeguarding shareholder value to manage unpredictability of risks and minimize potential adverse impact on its operating performance and financial condition.

The Board is directly responsible for risk management and the Management carries risk management policies approved by the Board. After the Management identifies, evaluates reports and monitors significant risks, and submits appropriate recommendations, the Board approves formal policies for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk and liquidity risk.

The Board Risk Oversight Committee annually reviews the approaches to risk management and recommends to the Board the changes or improvements to key elements of its processes and procedures. After submission of the Committee's recommendation, the Board then reviews the risk management system.

In response to the emerging threats of climate change, Axelum has integrated climate risks and opportunities into its business strategies to build resilience, identify new growth frontiers and ensure long-term sustainability.

Strategy, Metrics and Targets		
Describe the Climate-Related Risks and Opportunities the Organization has Identified Over the Short, Medium and Long-Term	**PHYSICAL RISK** Changes in weather patterns, particularly the increasing frequency and severity of typhoons, may cause significant coconut tree damage and heavy flooding, disrupting raw material supply.	**OTHER OPPORTUNITY** Active reforestation efforts help augment the population of young coconut trees in sourcing areas to improve yield and productivity, and promote carbon absorption.
Describe the Impact of Climate-Related Risks and Opportunities on the Organization's Businesses, Strategy and Financial Planning	Reduced coconut supply translates to lower milling days, higher overhead and revenue opportunity loss.	There is minimal capital requirement to fund tree growing activities.
Describe the Resilience of the Organization's Strategy, Taking into Consideration Different Climate-Related Scenarios Including a 2°C or Lower Scenario	In general, Axelum's strategy demonstrates sound resilience to various climate-related scenarios driven by emission reductions, waste management, safeguarding biodiversity and community building initiatives.	
Describe the Organization's Processes for Managing the Climate-Related Risk or Opportunity	Axelum has established coconut buying stations in strategic locations to maximize its sourcing reach and shorten the travel distance of farmers in the event of heavy flooding. In the event of heavy rains, Axelum provides vehicle shuttles to safely transport employees and workers.	Throughout the year, Axelum organizes tree growing activities in surrounding communities in cooperation with local stakeholders.
Disclose the Metrics and Targets Used to Assess and Manage Relevant Climate-Related Risks and Opportunities	Management monitors coconut prices and supply situation on a daily basis. Key operating metrics are also tracked, including daily coconut deliveries, milling days and production yields.	Through the AMDG Foundation, Axelum has set a target to plant 10,000 seedlings by 2030. Since 2017, Axelum has planted 5,810 seedlings, primarily coconuts, in neighboring areas.
The Costs of Actions Taken to Manage the Risk or Opportunity	-	₱147,118

Additional Data

WASTE GENERATED BY TYPE (TONNES) [GRI 306-3]

	2025	2024	2023
Total Waste Generated	**45,140.61**	**47,678.01**	**52,397.36**
Total Non-Hazardous Waste Generated	**38,351.15**	**41,112.63**	**43,614.15**
Coconut Shells	37,991.42	40,867.49	43,448.53
Paper Bag/Kraft Bag	215.19	184.34	106.58
Plastic Bags	125.26	37.85	49.35
Residuals	19.28	22.95	9.69
Total Hazardous Waste Generated	**6,789.46**	**6,565.39**	**8,783.21**
Lead Compounds	8.79	8.10	5.98
Mercury/Mercury Compounds	0.27	0.04	0.07
Used Industrial Oil	7.16	2.25	2.16
Vegetable Oil with Sludge	6,773.24	6,555.00	8,775.00

NEW HIRES BY AGE GROUP AND LOCATION [GRI 401-1]

Age Group	2025		2024		2023	
	Male	Female	Male	Female	Male	Female
Metro Manila						
Below 30	1	2	1	3	0	2
30 to 44	2	2	3	1	0	0
45 Above	0	0	0	1	0	0
Misamis Oriental						
Below 30	31	32	18	13	26	19
30 to 44	16	4	11	2	1	2
45 Above	2	1	2	0	3	2
Total	**52**	**41**	**35**	**20**	**30**	**25**

EMPLOYEE TURNOVER BY AGE GROUP AND LOCATION [GRI 401-1]

Age Group	2025		2024		2023	
	Male	Female	Male	Female	Male	Female
Metro Manila						
Below 30	2	1	0	2	0	0
30 to 44	4	1	0	1	0	2
45 Above	0	1	1	0	0	0
Misamis Oriental						
Below 30	19	10	12	13	11	8
30 to 44	9	10	10	8	9	1
45 Above	8	3	4	4	9	2
Total	**42**	**26**	**27**	**28**	**29**	**13**

PARENTAL LEAVES AVAILMENT [GRI 401-3]

	2025		2024		2023	
	Male	Female	Male	Female	Male	Female
Entitled to Parental Leave	258	168	214	132	240	160
Employees Who Availed of Parental Leave	12	13	7	13	13	14
Employees Who Returned to Work After Parental Leave	12	13	7	13	13	14
Employees Who Returned to Work After Parental Leave and Were Still Employed 12 Months After	12	13	7	13	10	12

EMPLOYEES BY CATEGORY AND AGE GROUP [GRI 405-1]

	2025			
	Below 30	30 to 44	45 Above	Total
Rank and File	119	118	59	**296**
Middle Management	9	58	52	**119**
Senior Management	-	1	10	**11**
Total	**128**	**177**	**121**	**426**

WORKERS FROM INDIGENOUS COMMUNITIES AND/OR VULNERABLE SECTORS [GRI 405-1]

	2025	2024	2023
Number of Workers from Indigenous Communities and/or Vulnerable Sectors	142	66	119

YEAR-ON-YEAR DATA FOR SOCIAL TOPICS (2023–2024)

WORKFORCE BY SEGMENT AND GENDER [GRI 2-7, 2-8]

	2024			2023		
	Male	Female	Total	Male	Female	Total
Employees	249	152	401	240	160	400
Cooperatives	2,662	1,333	3,995	2,138	996	3,134
Total	**2,911**	**1,485**	**4,396**	**2,378**	**1,156**	**3,534**

EMPLOYEES BY CATEGORY AND GENDER [GRI 405-1]

	2024			2023		
	Male	Female	Total	Male	Female	Total
Rank and File	172	93	**265**	173	104	**277**
Middle Management	70	55	**125**	61	53	**114**
Senior Management	7	4	**11**	6	3	**9**
Total	**249**	**152**	**401**	**240**	**160**	**400**

EMPLOYEES BY CATEGORY AND AGE GROUP [GRI 405-1]

	2024				2023			
	Below 30	30 to 44	45 Above	Total	Below 30	30 to 44	45 Above	Total
Rank and File	94	112	59	**265**	133	98	46	**277**
Middle Management	10	60	55	**125**	14	49	51	**114**
Senior Management	-	3	8	**11**	-	3	6	**9**
Total	**104**	**175**	**122**	**401**	**147**	**150**	**103**	**400**

RESTATEMENTS OF INFORMATION [GRI 2-4]

The values reported under Effluents and Recycling were restated due to a change in calculation methodology.

	2024		2023	
	Previously Reported	Corrected	Previously Reported	Corrected
Wastewater Recycled and Reused (megaliters)	320.4	11.16 (–97%)	307.33	10.46 (–97%)
Percentage of Wastewater Recycled and Reused	26%	1.4% (–24ppts)	25%	1.7% (–23ppts)

Global Reporting Initiative Index

Statement of use	Axelum Resources Corp has reported in accordance with the GRI Standards for the period January 1, 2025 to December 31, 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None. The topics within GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022 related to agricultural food processing were referenced for the assessment of Axelum's material topics, but the Sector Standard is not considered directly applicable to Axelum's business activities.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIRE-MENT(S) OMITTED	REASON	EXPLANATION
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	0; 6			
	2-2 Entities included in the organization's sustainability reporting	0			
	2-3 Reporting period, frequency and contact point				
	2-4 Restatements of information	62; 117			
	2-5 External assurance	None			
	2-6 Activities, value chain and other business relationships	18–22			
	2-7 Employees	69–70; 117			
	2-8 Workers who are not employees				
	2-9 Governance structure and composition	12–17; 96			
	2-10 Nomination and selection of the highest governance body	99			
	2-11 Chair of the highest governance body	102			
	2-12 Role of the highest governance body in overseeing the management of impacts	88–89			
	2-13 Delegation of responsibility for managing impacts				
	2-14 Role of the highest governance body in sustainability reporting				
	2-15 Conflicts of interest	88			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIRE-MENT(S) OMITTED	REASON	EXPLANATION
General disclosures					
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	Critical concerns are taken up during scheduled Board meetings or as necessary depending on the severity of the issue. For 2025, most concerns raised to the Board were related to market and operational risks and were not considered critical concerns.			
	2-17 Collective knowledge of the highest governance body	102			
	2-18 Evaluation of the performance of the highest governance body	102			
	2-19 Remuneration policies	92; 99			
	2-20 Process to determine remuneration	92			
	2-21 Annual total compensation ratio		(a) to (c)	Confidentiality constraints	In general, compensation-related data are considered confidential.
	2-22 Statement on sustainable development strategy	8–11			
	2-23 Policy commitments	77; 96–97			
	2-24 Embedding policy commitments	96–97			
	2-25 Processes to remediate negative impacts	91			
	2-26 Mechanisms for seeking advice and raising concerns	91			
	2-27 Compliance with laws and regulations	There were no significant instances of non-compliance with laws and regulations during the reporting period.			
	2-28 Membership associations	6			
	2-29 Approach to stakeholder engagement	88–89			
	2-30 Collective bargaining agreements	71			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIRE-MENT(S) OMITTED	REASON	EXPLANATION
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	47			
	3-2 List of material topics	47			
Profitability; Economic Performance; Investor Interest					
GRI 3: Material Topics 2021	3-3 Management of material topics	49			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	49–50			
	201-2 Financial implications and other risks and opportunities due to climate change	113–114			
	201-3 Defined benefit plan obligations and other retirement plans	Axelum maintains a non-contributory and funded retirement plan covering all its employees.			
	201-4 Financial assistance received from government	For 2025, Axelum was entitled to tax reliefs and tax credits amounting to P177.18 million for certain product categories.			
Operational Efficiency					
GRI 3: Material Topics 2021	3-3 Management of material topics	23			
Market Presence					
GRI 3: Material Topics 2021	3-3 Management of material topics	50			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	50			
	202-2 Proportion of senior management hired from the local community	100% (11 individuals). Senior Management is defined as employees who hold the rank of Assistant Vice-President and up. Local is geographically defined as any location within the Philippines.			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIRE-MENT(S) OMITTED	REASON	EXPLANATION
Indirect Economic Impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	35; 51			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	35; 51			
	203-2 Significant indirect economic impacts				
Procurement Practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	52			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	52			
Tax					
GRI 3: Material Topics 2021	3-3 Management of material topics	55			
GRI 207: Tax 2019	207-1 Approach to tax	55			
	207-2 Tax governance, control, and risk management				
	207-3 Stakeholder engagement and management of concerns related to tax				
	207-4 Country-by-country reporting	55. Further figures related to tax are available in the Audited Financial Statements in Axelum's 2025 SEC Form 17-A.			
Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	58			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	58–59			
	301-2 Recycled input materials used		(a)	Information unavailable/ incomplete	Processes are not yet established to assess this metric.
	301-3 Reclaimed products and their packaging materials		(a) to (b)	Not applicable	Operations do not include reclamation of products.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIRE-MENT(S) OMITTED	REASON	EXPLANATION
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	59			
GRI 302: Energy 2025	103-1 Energy policies and commitments	59			
	103-2 Energy consumption and self-generation within the organization	60			
	103-3 Upstream and downstream energy consumption		(a) to (b)	Information unavailable/ incomplete	Processes are not yet established to assess these metrics.
	103-4 Energy intensity		(a) to (c)		
	103-5 Reduction in energy consumption		(a) to (f)		
Water and Effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	61			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	61			
	303-2 Management of water discharge-related impacts				
	303-3 Water withdrawal	62			
	303-4 Water discharge				
	303-5 Water consumption				
Greenhouse Gas Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	63			
GRI 102: Climate Change 2025	102-1 Climate transition plan	63			
	102-2 Climate adaptation plan		(a) to (d)	Information unavailable/ incomplete	While a formal plan has not yet been established, Axelum has identified initial climate risks and its management strategies for these (see Annex).
	102-3 Just transition		(a) to (j)		Processes are not yet established to assess this metric.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIRE-MENT(S) OMITTED	REASON	EXPLANATION
Greenhouse Gas Emissions					
GRI 102: Climate Change 2025	102-4 Climate targets	63–64			
	102-5 Scope 1 GHG emissions	64; 108			
	102-6 Scope 2 GHG emissions				
	102-7 Scope 3 GHG emissions	64; 108–109			
	102-8 GHG emissions intensity		(a) to (b)	Information unavailable/ incomplete	Processes are not yet established to assess these metrics.
	102-9 GHG removals in the value chain		(a) to (e)		
	102-10 Carbon credits		(a) to (e)	Not applicable	Axelum has not acquired or cancelled carbon credits.
Air Pollution					
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)		(a) to (d)	Information unavailable/ incomplete	Processes are not yet established to assess this metric.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	65			
Waste Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	66			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	66			
	306-2 Management of significant waste-related impacts				
	306-3 Waste generated	67; 115			
	306-4 Waste diverted from disposal	67			
	306-5 Waste directed to disposal				
Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	57			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIRE-MENT(S) OMITTED	REASON	EXPLANATION
Biodiversity					
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	57			
	101-2 Management of biodiversity impacts				
	101-3 Access and benefit-sharing		(a) to (b)	Information unavailable/ incomplete	Processes are not yet established to assess these.
	101-4 Identification of biodiversity impacts		(a)		
	101-5 Locations with biodiversity impacts		(a) to (d)		
	101-6 Direct drivers of biodiversity loss		(a) to (f)		
	101-7 Changes to the state of biodiversity		(a) to (b)		
	101-8 Ecosystem services		(a) to (b)		
Diversity and Equal Opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	76			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	76; 116–117			
	405-2 Ratio of basic salary and remuneration of women to men		(a) to (b)	Confidentiality constraints	In general, compensation-related data are considered confidential.
GRI 406: Non-dis-crimination 2016	406-1 Incidents of discrimination and corrective actions taken	76			
Human Rights					
GRI 3: Material Topics 2021	3-3 Management of material topics	77–78			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor		(a) to (b)	Information unavailable/ incomplete	While formal risk assessments have not yet been conducted, Axelum has implemented measures to reduce the risk of child and forced labor.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		(a)		
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	78			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIRE-MENT(S) OMITTED	REASON	EXPLANATION
Training and Development					
GRI 3: Material Topics 2021	3-3 Management of material topics	74			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	75			
	404-2 Programs for upgrading employee skills and transition assistance programs	74			
	404-3 Percentage of employees receiving regular performance and career development reviews	100% coverage across all genders and employee categories.			
Labor Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	71			
GRI 402: Labor/ Manage-ment Relations 2016	402-1 Minimum notice periods regarding operational changes	Significant operational changes are communicated two weeks prior to implementation.			
Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	72			
GRI 403: Occupation-al Health and Safety 2018	403-1 Occupational health and safety management system	72			
	403-2 Hazard identification, risk assessment, and incident investigation				
	403-3 Occupational health services				
	403-4 Worker participation, consultation, and communication on occupational health and safety				
	403-5 Worker training on occupational health and safety				
	403-6 Promotion of worker health				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIRE-MENT(S) OMITTED	REASON	EXPLANATION
Occupational Health and Safety					
GRI 403: Occupation-al Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	72			
	403-9 Work-related injuries	73			
	403-10 Work-related ill health				
Employee Well-being and Engagement; Compensation and Benefits; Hiring and Retention					
GRI 3: Material Topics 2021	3-3 Management of material topics	69			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	115–116			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	70			
	401-3 Parental leave	116			
Customer Health and Safety; Product Quality; Customer Satisfaction					
GRI 3: Material Topics 2021	3-3 Management of material topics	81			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	81			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services				
Data Privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	83; 103			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	83			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIRE-MENT(S) OMITTED	REASON	EXPLANATION
Corporate Social Responsibility; Community Development					
GRI 3: Material Topics 2021	3-3 Management of material topics	79–80			
GRI 413: Local Communi-ties	413-1 Operations with local community engagement, impact assessments, and development programs	51; 79–80			
	413-2 Operations with significant actual and potential negative impacts on local communities	79–80			
Marketing and Labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics	82			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	82			
	417-2 Incidents of non-compliance concerning product and service information and labeling				
	417-3 Incidents of non-compliance concerning marketing communications				
Business Ethics and Integrity; Regulatory Compliance					
GRI 3: Material Topics 2021	3-3 Management of material topics	53			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	53			
	205-2 Communication and training about anti-corruption policies and procedures	54			
	205-3 Confirmed incidents of corruption and actions taken				
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	As of 2025, there are no pending or completed legal actions related to anti-competitive behavior.			

Sustainability Accounting Standards Board Index

Topic	Metric	Unit of Measure	Answer/ Location	Reason for omission	Code
Energy Management	Total energy consumed	Gigajoules (GJ)	941,703.03 GJ		FB-PF-130a.1
	(1) Percentage grid electricity	Percentage (%)	2.60%		
	(2) Percentage renewable		91.48%		
Water Management	(1) Total water withdrawn	Megaliters (ML) or thousand cubic meters	1,347.99		FB-PF-140a.1
	• Percentage of this in regions with High or Extremely High Baseline Water Stress	Percentage (%)	0.00		
	(2) Total water consumed	Megaliters (ML) or thousand cubic meters	603.7		
	• Percentage of this in regions with High or Extremely High Baseline Water Stress	Percentage (%)	0.00		
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Number		Data not yet assessed	FB-PF-140a.2
	Description of water management risks and discussion of strategies and practices to mitigate those risks	N/A	p. 61		FB-PF-140a.3
Food Safety	Global Food Safety Initiative (GFSI) audit (1) non-conformance rates and (2) associated corrective action rates for (a) major and (b) minor non-conformances	Rate		Confidentiality	FB-PF-250a.1
	Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognised food safety certification programme	Percentage (%) by cost			FB-PF-250a.2
	(1) Total number of notices of food safety violation received, (2) percentage corrected	Number, Percentage (%)			FB-PF-250a.3
	Number of food-safety-related recalls issued	Number			FB-PF-250a.4
	Total amount of food product recalled	Metric tonnes (t)			

Topic	Metric	Unit of Measure	Answer/ Location	Reason for omission	Code
Health & Nutrition	Revenue from products labelled or marketed to promote health and nutrition attributes	Presentation currency		Data not yet assessed	FB-PF-260a.1
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	N/A	p. 81		FB-PF-260a.2
Product Labelling & Marketing	Percentage of advertising impressions (1) made on children	Percentage (%)		Data not yet assessed	FB-PF-270a.1
	(2) made on children promoting products that meet dietary guidelines		0.00		
	Revenue from products labelled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	Presentation currency	0.00		FB-PF-270a.2
	Total amount of monetary losses as a result of legal proceedings associated with marketing or labelling practices		0.00		FB-PF-270a.4
	Number of incidents of non-compliance with industry or regulatory labelling or marketing codes		None		FB-PF-270a.3
Packaging Lifecycle Management	(1) Total weight of packaging,	Metric tonnes (t)	4,399.89 tonnes		FB-PF-410a.1
	(2) percentage made from recycled or renewable materials, and	Percentage (%)	92.84% renewable		
	(3) percentage that is recyclable, reusable, or compostable		92.84%		
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	N/A	p. 58		FB-PF-410a.2

Topic	Metric	Unit of Measure	Answer/ Location	Reason for omission	Code
Environmental & Social Impacts of Ingredient Supply Chain	(1) Percentage of food ingredients sourced that are certified to a third-party environmental or social standard, and (2) percentages by standard	Percentage (%) by cost		Data not yet assessed	FB-PF-430a.1
	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor nonconformances	Rate			FB-PF-430a.2
Ingredient Sourcing	List of priority food ingredients and discussion of sourcing risks related to environmental and social considerations	N/A	p. 114	Data not yet assessed	FB-PF-440a.2
	Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress	Percentage (%) by cost	0.00		FB-PF-440a.1

Activity Metrics	Unit of Measure	Answer/ Location	Reason for omission	Code
Weight of products sold	Metric tonnes (t)		Confidentiality	FB-PF-000.A
Number of production facilities	Number			FB-PF-000.B

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