



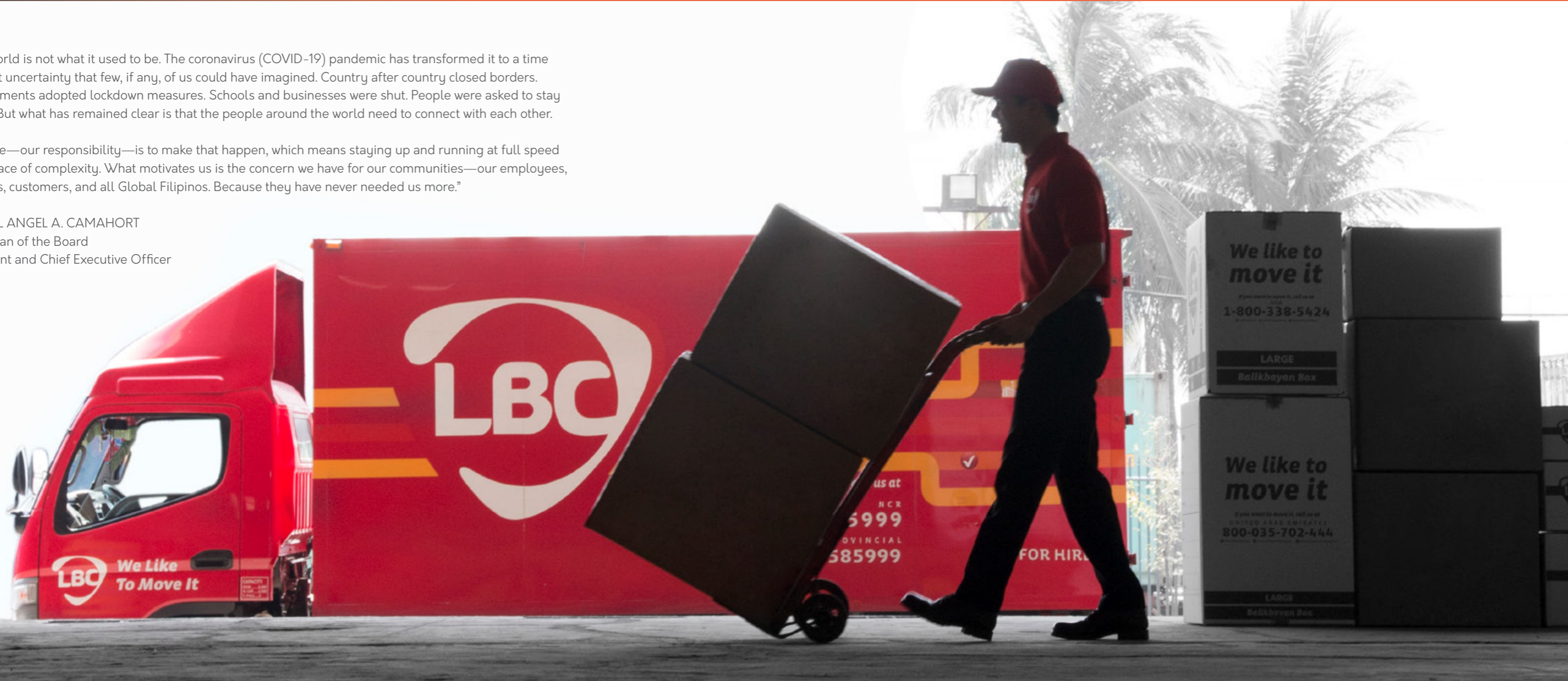
LBC EXPRESS HOLDINGS INC.
2019 ANNUAL REPORT



“The world is not what it used to be. The coronavirus (COVID-19) pandemic has transformed it to a time of great uncertainty that few, if any, of us could have imagined. Country after country closed borders. Governments adopted lockdown measures. Schools and businesses were shut. People were asked to stay home. But what has remained clear is that the people around the world need to connect with each other.

Our role—our responsibility—is to make that happen, which means staying up and running at full speed in the face of complexity. What motivates us is the concern we have for our communities—our employees, families, customers, and all Global Filipinos. Because they have never needed us more.”

MIGUEL ANGEL A. CAMAHORT
 Chairman of the Board
 President and Chief Executive Officer



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The Way

What Moves and Drives Us

Our Vision. LBC shall be the access and delivery solutions provider of choice, professionally and technologically equipped to serve Filipino families and business entities through total customer experience.

Our Mission. Linking and bridging customers through our network and innovating new solutions to provide faster, easier, and more cost-effective delivery solutions.

What We Commit To

Our Brand Promise:

“A friend who makes your day”

LBC is the warm and helpful partner who enjoys moving packages, goods and money for you. We understand that people look forward to what you're sending, so we provide clarity, certainty and convenience to help make everyone's day.”

What Inspires Us

Our Brand Tagline:

“We like to move it”

What We Are All About

Our Culture

These are the values that define everything we do in LBC:

- Humility
- Integrity
- Trust
- Commitment
- Social Responsibility
- Customer First
- Teamwork
- Innovative
- Positive Thinking

Our Brand Attributes

Clarity

We believe in providing transparent and timely information to give customers peace of mind. We want to pay particular attention to:

- The process of moving items or money
- The schedule and timing of your delivery
- Clear communication of our cost

Certainty

We believe in providing our various stakeholders with certainty through:

- Presenting relevant options for different needs
- Our staff's commitment to set expectations and deliver on our promises
- Fair and timely updates of information

Convenience

We promise to make your experience as hassle-free as possible by:

- Constantly improving our processes and adding new and relevant capabilities
- Easy access to call center and frontline staff
- Growing of our network coverage



The Way

How We Deliver Our Mission

LBC's mission has always been to link and bridge customers through our ever expanding network and innovating new solutions to provide faster, easier, and more cost-effective delivery solutions.

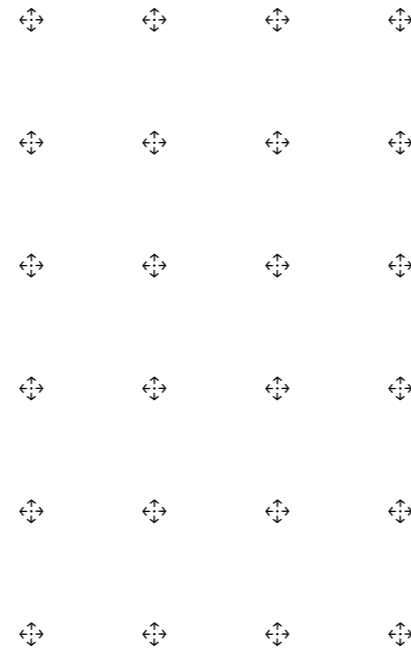
But the world is changing rapidly—and along with it, the needs of people and businesses who depend on LBC.

In response, we go back to the LBC Way—a tried and tested approach that allows us to be flexible, adaptable, and innovative.

- 1 History and Network**
Integrate core competencies to create a solid foundation for our service commitment.
- 2 Understand and Learn**
Gain meaningful insight into the evolution of the modern customer and apply to reinvent the business model.
- 3 Quality and Service**
Apply new capabilities to win customers through quality and customer satisfaction.
- 4 Innovate and Execute**
Ensure resilience and agility as well as maintain market position by delivering high value products and services.

Our Businesses at a Glance

We are a brand recognized for our heritage and experience in the courier and logistics industry. LBC continues to serve as a benchmark for how businesses could thrive and evolve to become a global business.





LOGISTICS

93%

Revenue Contribution (%)

Revenue (in million pesos)



	Retail	Corporate
	 COURIER AIR CARGO BALIKBAYAN BOXES	 BUSINESS SOLUTIONS SPECIALIZED CORPORATE SOLUTIONS FREIGHT FORWARDING E-COMMERCE
	65%	28%
	P9,944.62	P4,290.14

MONEY

7%

Revenue Contribution (%)

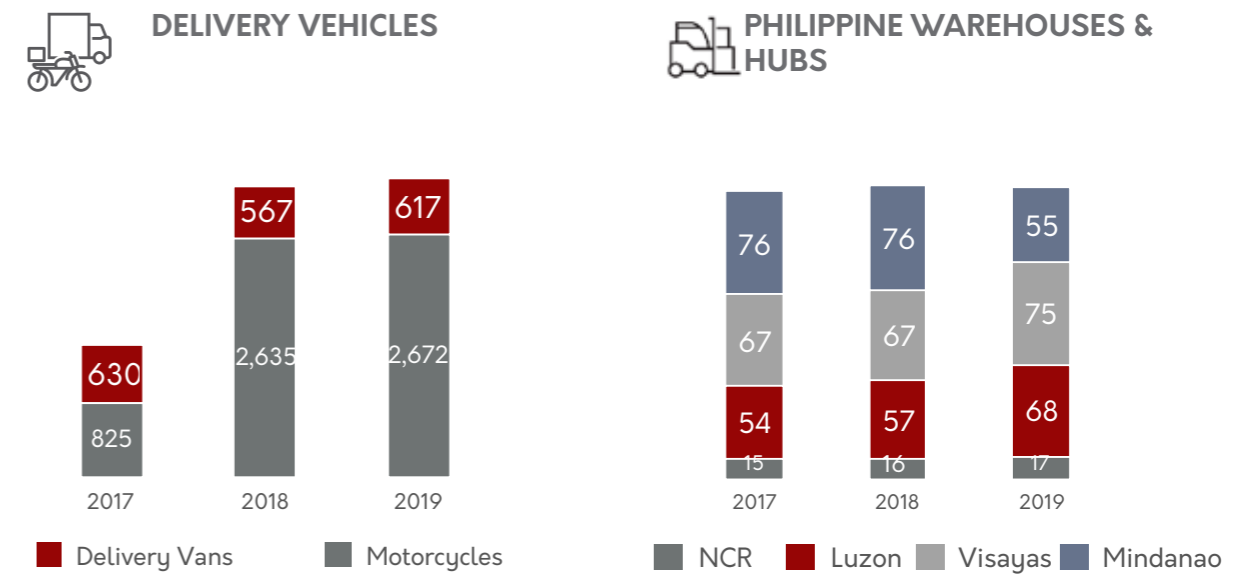
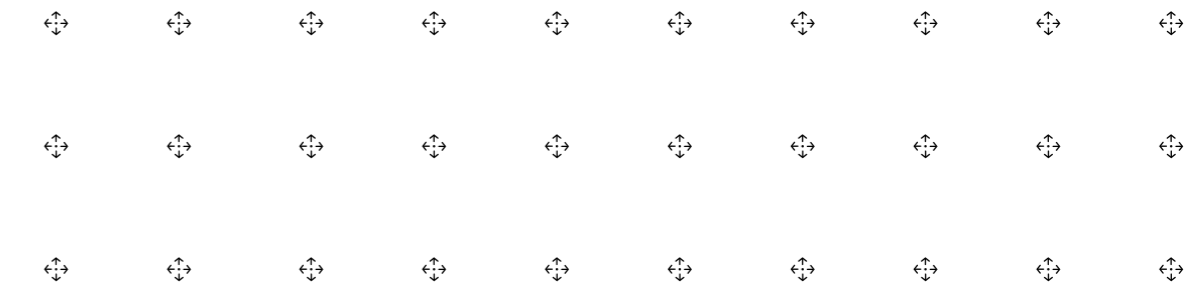
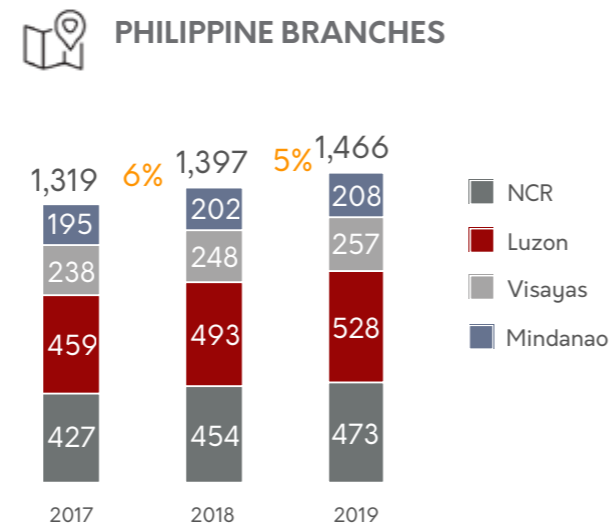
Revenue (in million pesos)

	Remittance	Payment Solutions
	 MONEY EXPRESS INSTANT PESO PADALA PESOPAK DELIVERY	 BILLS PAYMENT CASH ON PICK-UP/ CASH ON DELIVERY
	6%	1%
	P859.66	P132.63

Our Footprint

For global Filipinos, LBC has become a verb to connote all things related to sending— in Filipino, “*magpaLBC*” or “*ipa-LBC*.” Why? Because we are everywhere. And nobody else in our industry knows the Philippines better than we do.

Every year since 2017, we’ve added at least 60 branches across the Philippines to grow our network coverage. In 2019 alone, we opened 69 retail branches all over the country—19 in NCR, 35 in Luzon, 9 in Visayas and 6 in Mindanao. In the process, we’ve also expanded our ground transport and tripled our motorcycle fleet in two years.



1,466
PHILIPPINE BRANCHES

3,289
DELIVERY VEHICLES
OPERATING LOCALLY

215
WAREHOUSES AND HUBS
NATIONWIDE

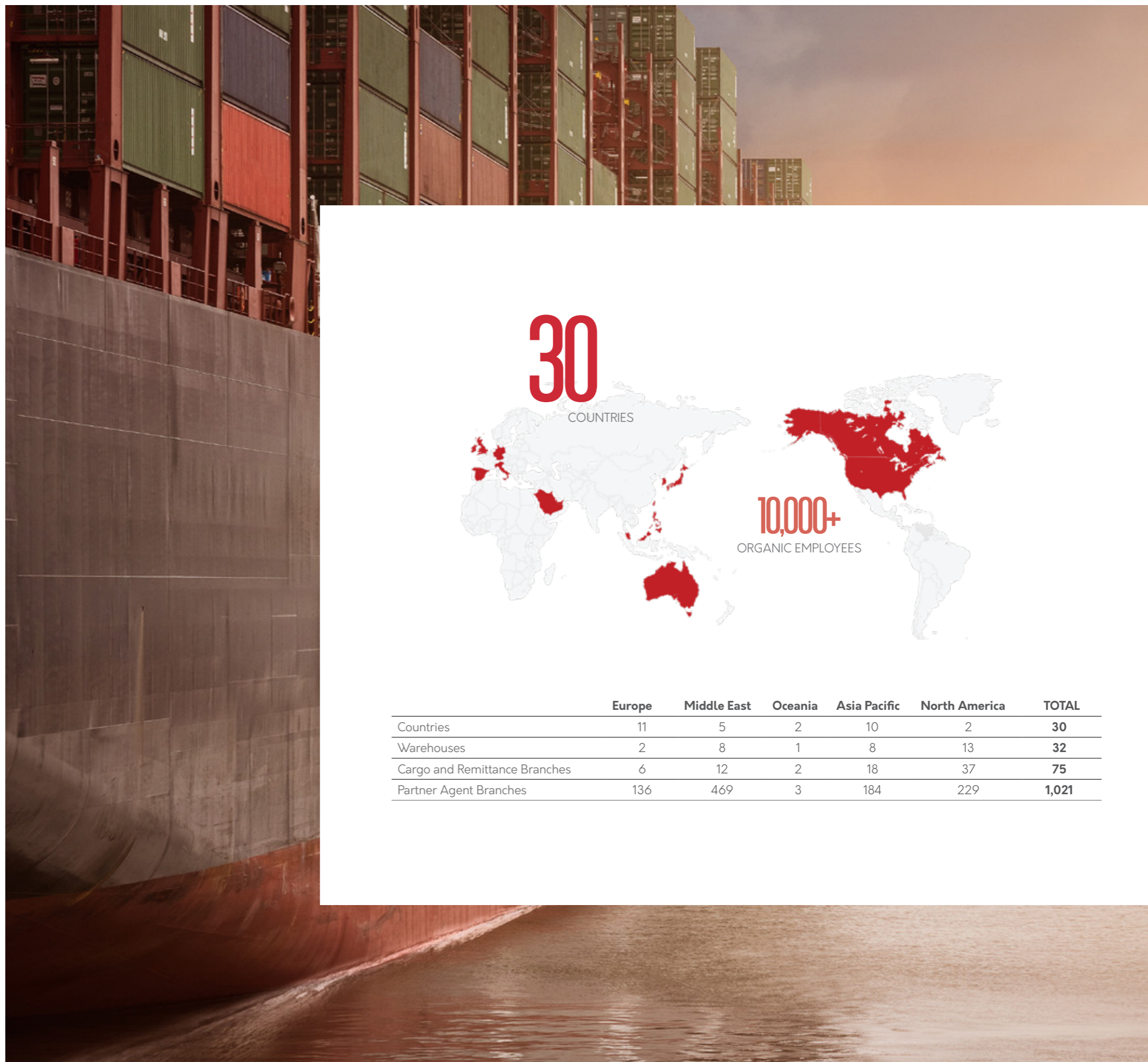
Today, we are in 30 countries and territories around the globe providing logistics and remittance solutions to families, communities, and businesses of all sizes. We've established 1,466 company-owned branches and 33 warehouses nationwide, and 75 cargo and money branches and 1,021 partner-agent branches across Europe, Middle East, Oceania, Asia Pacific, and North America. Including remittance partners, our reach spans over 500,000 locations covering more than 200 countries and areas of the world.

Yet we still have a long way to go. We see great potential to add more outlets in the years ahead—to move Filipinos wherever they are—just as we have for almost 70 years.

NEARING
1,600
OWNED BRANCHES
WORLDWIDE

NEARING
6,000
PARTNERS & AGENTS

APPROXIMATELY
20 MILLION
CUSTOMER BASE GLOBALLY



	Europe	Middle East	Oceania	Asia Pacific	North America	TOTAL
Countries	11	5	2	10	2	30
Warehouses	2	8	1	8	13	32
Cargo and Remittance Branches	6	12	2	18	37	75
Partner Agent Branches	136	469	3	184	229	1,021

Message from the Chairman and President's Report

Dear Fellow Shareholders,

Two years ago, we committed to transforming LBC for the long-term by initiating digital transformation. In many ways, it is the biggest, most complex change management we ever had to work together for a 70-year old company—a heritage brand—with over 10,000 employees around the globe.

The results we've seen so far confirm that our strategy is working.

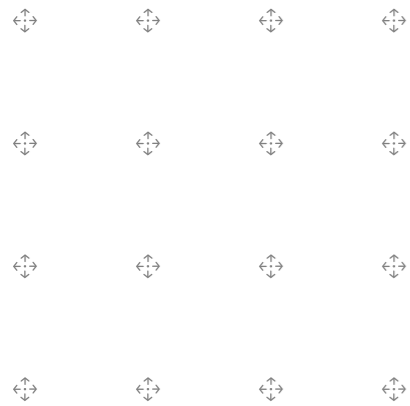
We are Delivering Leading Performance.

In 2019, we achieved record high revenues of ₱15.2 billion, a 23% increase from the prior year and a five-year compounded annual growth rate of 17%.

Our Logistics revenues rose 25% to ₱14.2 billion—almost double from just three years ago—with strong performance across all customer types and geographic markets. At the same time, our Money Transfer Services revenues returned to growth with 3% increase to ₱992.3 million. We generated ₱2.1 billion of operating cash and delivered ₱356.5 million to shareholders in cash dividends. Above all, we gained market share in both our business segments—a key indicator for our future success.

“...it is the biggest, most complex change management we ever had to work together for a 70-year old company—a heritage brand—with over 10,000 employees around the globe..”





We are Innovating with the New.

The numbers only tell part of the story. They do not fully reflect the journey and the many changes under way.

Today, we are making progress in our transformation. Data analytics whether operational or predictive is now available to us and it already informs the business decisions that matter most. For example, we use GPS information to create a database for last mile deliveries, and Business Intelligence to drive insights and decisions based on real-time data.

More importantly, a key benefit that this process brings is innovation—and there is evidence that our digital transformation is laying the groundwork for innovation and customer satisfaction. It helps us improve our understanding of customers’ evolving needs and provides us with a platform to envision new products and customized solutions for an overall enhanced total customer experience. Our website, for example, is no longer primarily a source of information. It is now capable of online real-time transaction processing and customer service, with interactive

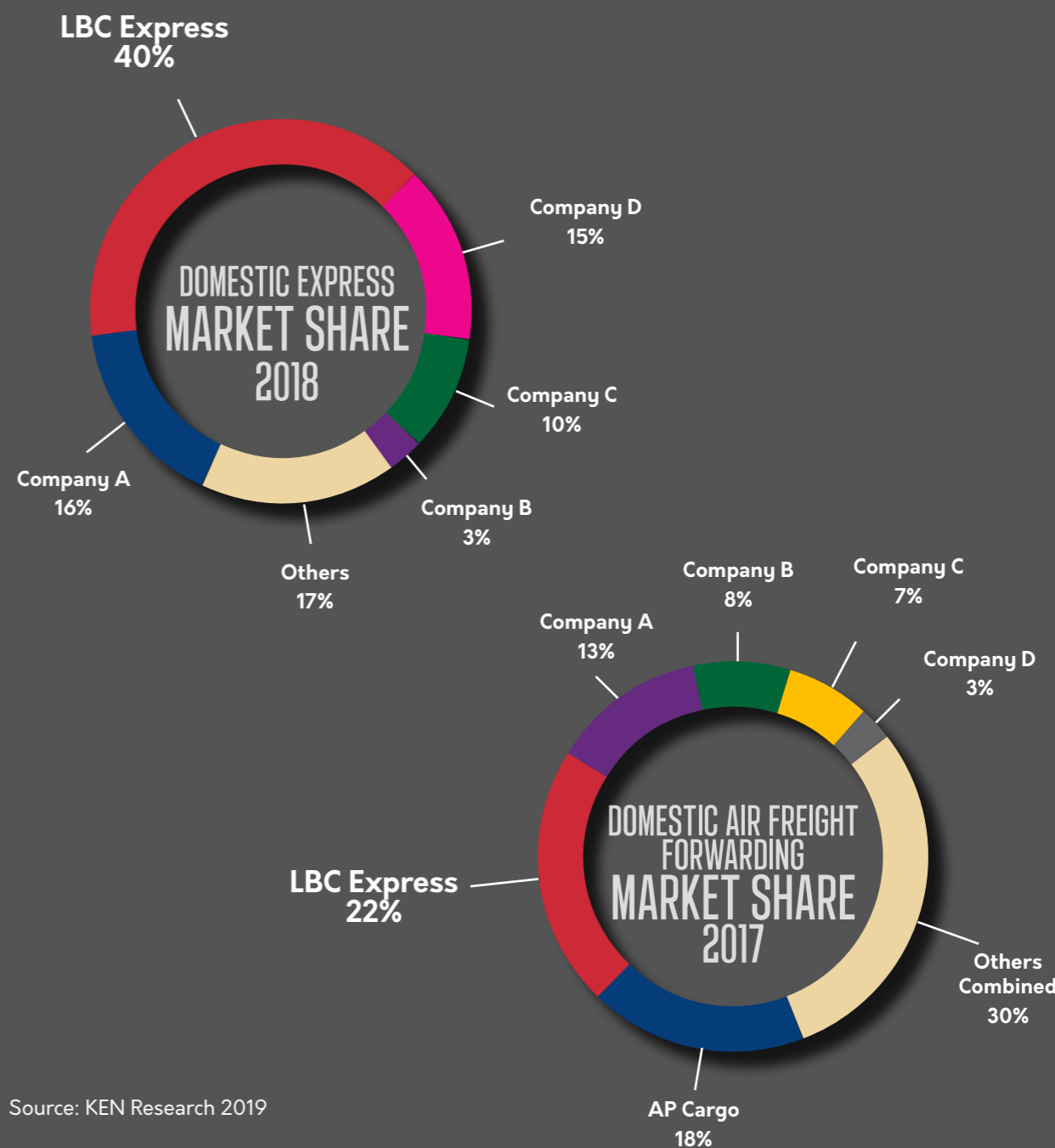
Market Share

We help our customers become more connected, no matter where they are—often in some of the most geographically remote areas in the country.

Fueled by our scale and network of partners, we’ve maintained leading positions in our chosen business segments for decades. And it’s no

coincidence. Because to stay on top, we know we have to move better—across the nation, around the world, and on any device.

With a growing team of more than 10,000 people serving over 20 million customers worldwide, we continue to be the Philippines’ leader in domestic express delivery and air freight forwarding. Today, we are the largest among national industry players with a market share of 40% in express delivery and 22% in air freight forwarding.



Source: KEN Research 2019

Year-on-Year Growth and GDP

The Philippines has one of the most remarkable economic transformations in Asia in recent decades powered by strong consumer demand, large, young, and globally competitive workforce as well as resilient remittances from overseas Filipinos.

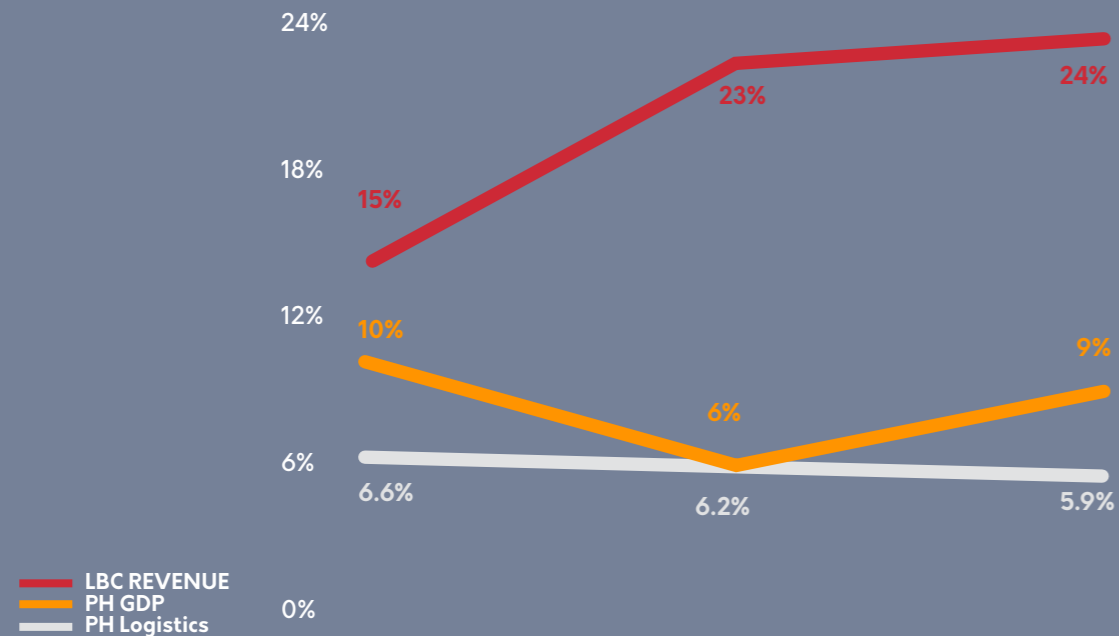
From 2010 to 2019, the economy has expanded by a compound annual average of 6.3% compared to 4.4% gross domestic product (GDP) growth in the past decade. More recently, it has continued to evolve quite steadily—increasing public infrastructure and human capital investments such as in education, skills, and health and growing by 6.4% per year from 2015 to 2019. In the last three years, GDP growth rates were 6.7% in 2017, 6.2% in 2018 and 5.9% 2019.

Similarly, the local logistics and warehousing market has witnessed tremendous growth, rising from ₱404.0 billion revenues in 2013 to ₱623.51 billion in 2018, representing a 9.1% annual growth on a compound basis according to Ken Research. The freight forwarding segment, where our industry is,

captured 76.5% of the market at ₱477 billion, with an annual growth of 8.4%. In terms of volume, the market registered an increased domestic container freight traffic from 2.1 million twenty-foot equivalent units (TEUs) in 2013 to 3.1 million TEUs in 2018.

At LBC, we've grown our revenues by 17% per year in the same five-year period from 2015 to 2019, with growth rates of 15% in 2017, 24% in 2018 and 23% in 2019. Over that time, we've entered new markets, expanded our services, embarked on a digital transformation, invested in our team, and ultimately sought to understand the evolving customer needs. In doing so, we believe we have truly differentiated ourselves and that our results validate our conviction that our strategy was appropriate and well-timed.

See our Financial Performance for more information.



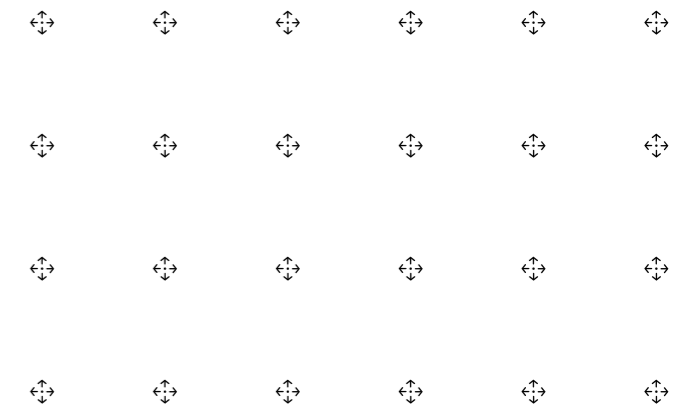
features such as package tracking, rate calculators and scheduling of pick-ups for parcels and cargo, as well as real-time customer service support through the “Live Talk” capability. Other examples are our new services such as retail Cash-On-Delivery and Cash-On-Pickup, and online remittance service.

In the years ahead, we aren't slowing down our efforts. We expect to see further improvements in our productivity, data integrity, and scope for planning and optimization as we deploy new logistics systems throughout the second half of 2020.

We are Making Good Choices.

Strategy is about making choices and right decisions—framing new positions, but also accepting limits. During the year, we refocused and divested in QUAD X to realign its strategic direction and with a view of re-tuning performance separately from LBCEH. We completed a number of acquisitions in North America and Hawaii to further strengthen our position in these markets. Key acquisitions included LBC Mundial, LBC North America and LBC Mabuhay Hawaii which operate as a cargo and remittance company in California, USA, New Jersey, and Hawaii, respectively. In addition, LBC Mundial owns a subsidiary operating in Nevada, USA as with LBC North America in Canada. All in all, acquired businesses during the year contributed ₱1.8 billion in revenues.

We also thoughtfully added to our branch footprint as well as expanded our ground delivery fleet. Today, we are in 30 countries and territories around the world providing logistics and remittance solutions to families, communities, and businesses of all sizes. We've established 1,466 company-owned branches and 33 warehouses nationwide, and 77 cargo and money branches and 1,021 partner-agent branches across Europe, Middle East, Oceania, Asia Pacific, and North America. Including remittance partners, our reach spans over 500,000 locations covering more than 200 countries and areas of the world.



“Today, we are in 30 countries and territories around the world providing logistics and remittance solutions to families, communities, and businesses of all sizes.”

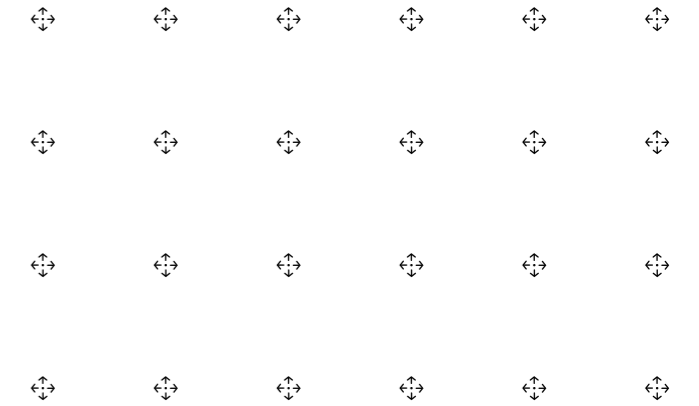
“What motivates us is the concern we have for our communities—our employees, families, customers, and all Global Filipinos. Because they have never needed us more.”

We are Moving with the Filipino.

The world is not what it used to be. The coronavirus (COVID-19) pandemic has transformed it to a time of great uncertainty that few, if any, of us could have imagined. Country after country closed borders. Governments adopted lockdown measures. Schools and businesses were shut. People were asked to stay home. But what has remained clear is that the people around the world need to connect with each other.

Our role—our responsibility—is to make that happen, which means staying up and running at full speed in the face of complexity. What motivates us is the concern we have for our communities—our employees, families, customers, and all Global Filipinos. Because they have never needed us more.

Yet, for the first time in our history, global air cargo came to a near standstill. Being the largest air freight forwarder in the country, we knew this required new ways of thinking and working.



With this in mind, we've launched a clear set of objectives, anchored on our core values, for how we would approach an evolving situation in which we are collectively living through. Our guiding objectives are:

1. Lead employees and customers to safety (our frontline);
2. Boost revenues amid uncertainty (our topline); and
3. Compress and control costs (our bottomline)

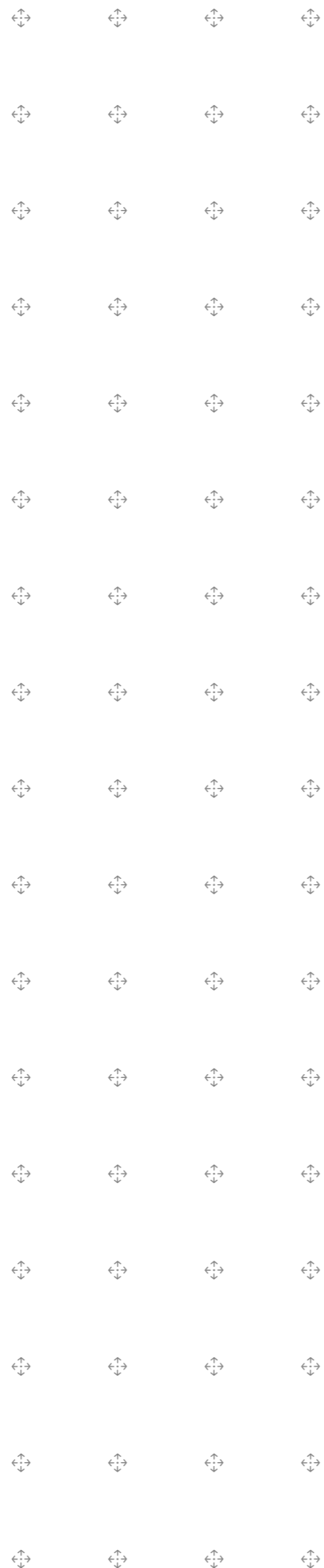
As ever, none of these priorities and objectives happens overnight or without the commitment and capabilities of an incredible workforce. I want to thank our teams in 30 countries for staying focused on our customers, creating value for our shareholders, and rebuilding the foundations for a better society.

Thank you, and stay safe.

MIGUEL ANGEL A. CAMAHORT
Chairman of the Board
President and Chief Executive Officer

Key Performance Indicators

We're on a mission to provide our customers with fast, easy, and cost-effective delivery solutions only we can provide. That's why monitoring our performance is a constant focus for us. This calls for a range of metrics to help us track our freight forwarding and money transfer volumes. Specifically, we measure: balikbayan boxes, domestic cargo, international TEUs and parcels, and remittance transactions.

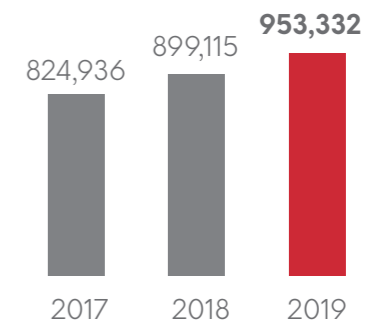


In 2019, we achieved higher volumes across the board whether for logistics or money transfer services. For the first time in our history, we've delivered over 950,000 balikbayan boxes to families and friends in the Philippines.

On the front end, we hit the ground running for 70 new branches to expand our footprint and support our offerings for retail customers, including courier, air cargo forwarding and balikbayan boxes. We also launched new remittance partnerships with TrueMoney, Remitly, Dragonpay, PayMaya, and Cebuana Lhuillier to reach more Filipinos and bring our services closer to everyone.



BALIKBAYAN BOXES FORWARDED



953,332
BALIKBAYAN BOXES
FORWARDED

38,390
TONS DOMESTIC
CARGO FORWARDED

24,241,105
REMITTANCE
TRANSACTIONS

On the back end, we continued to pursue our ongoing warehouse expansion as well as our re-fleeting program that began in 2014 for delivery trucks and in 2017 for motorcycles. We also outfitted all our couriers with the latest handheld scanners and fully implemented a put-to-light sorting system for non-bulk mail to drive efficiency and effectiveness.

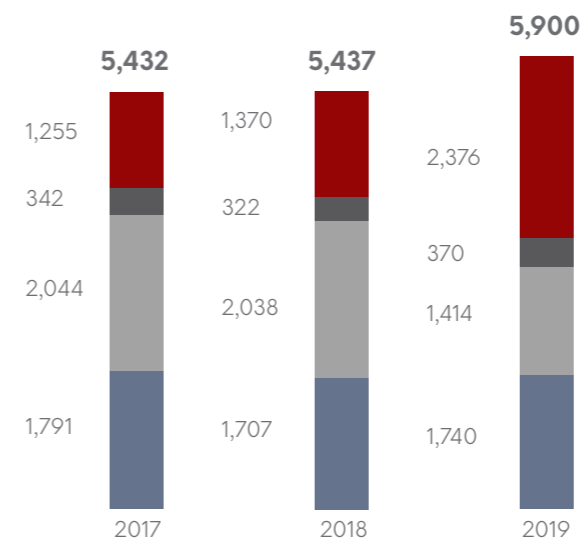
All in all, we made it easier for customers to tap our deep industry expertise and take advantage of the scale of our enterprise. Going forward, we expect to see further improvements in our productivity, data integrity, and scope for planning and optimization as we deploy new logistics systems throughout the second half of 2020.

9,452
 TWENTY-FOOT
 EQUIVALENT UNITS
 SEA CARGO
 FORWARDED

286,510
 PARCELS FORWARDED
 FROM INTERNATIONAL
 ORIGINS

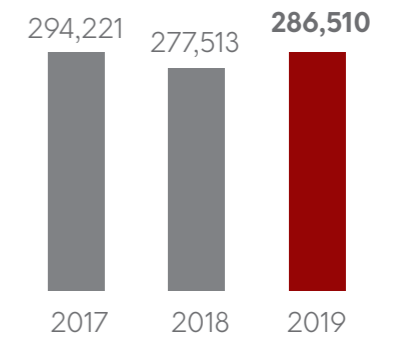


 **INTERNATIONAL TEUs FORWARDED**



- Middle East
- North America
- Europe
- Asia-Pacific

 **INTERNATIONAL PARCELS FORWARDED**



Revenues

For many years, we've built on our distinctive strengths—worldwide presence, strong culture, and close to 75 years of experience—to move lives and deliver smiles around the world. And we did so while growing our revenues to its highest level.



In 2019, we reached a key milestone. We surpassed ₱15.2 billion in annual revenues, up 23% after a comparatively strong 24% increase in the prior year, and achieved a five-year compound annual growth rate (CAGR) of 17% from 2014 to 2019.

By Segment

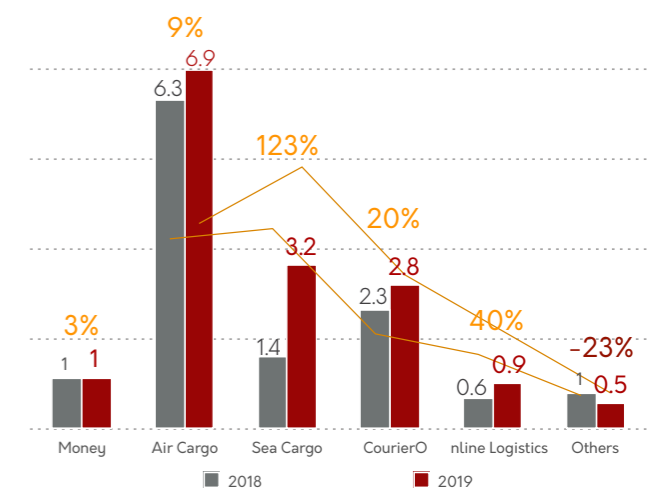
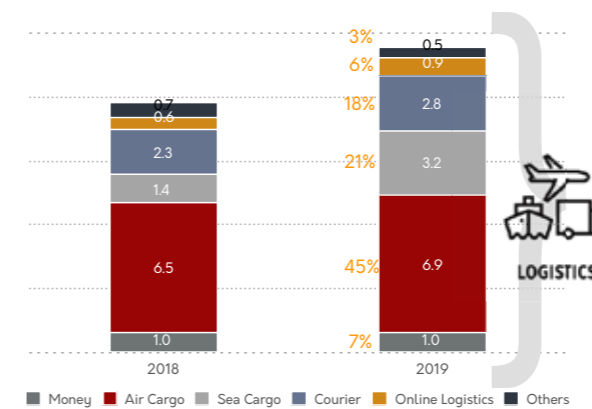
We manage our business around the types of services we offer. As such, we are organized in two operating segments: Logistics and Money Transfer Services. This structure allows us to operate the business from a product perspective and effectively allocate resources and assess performance for the benefit of our customers.

Our Logistics services include domestic and international courier, and freight forwarding services via air, land and sea. Our Money Transfer Services comprise remittance services, bills payment collection, and corporate remittance payouts. Overseas, we also offer fulfillment services for inbound remittances to the Philippines through our own branches, and network of international remittance agents.

In 2019, we made great strides in both businesses.

Revenues from Logistics segment rose 25% to ₱14.2 billion—approximately 93% of total revenues and almost double the revenues just three years ago. In fact, it grew faster than company-wide revenues at 20% CAGR over the last five years. This outperformance was due to the additional 69 retail branches opened during the year and further supported by a price increase that became effective in October 2018.

Revenues from Money Transfer Services returned to growth with 3% increase to ₱992.3 million, accounting for the remaining 7% of our revenues. The full-year impact of new services, Cash on Delivery and Cash on Pick-Up, was the highlight, generating ₱807.3 million in revenues compared to ₱123.6 million in 2018.



See our KPIs for more information on our transaction volumes.



By customer type
We serve two primary customer groups: Retail and Corporate.

In Logistics, we provide Retail customers with express delivery services (courier and air cargo forwarding), and Balikbayan box services. For Corporate clients, we develop specialized solutions tailored to their specific needs in addition to our courier and air cargo forwarding services. Such solutions include sea cargo shipments and value-added services, including onsite operations, cold chain, warehousing, and cross-border logistics.

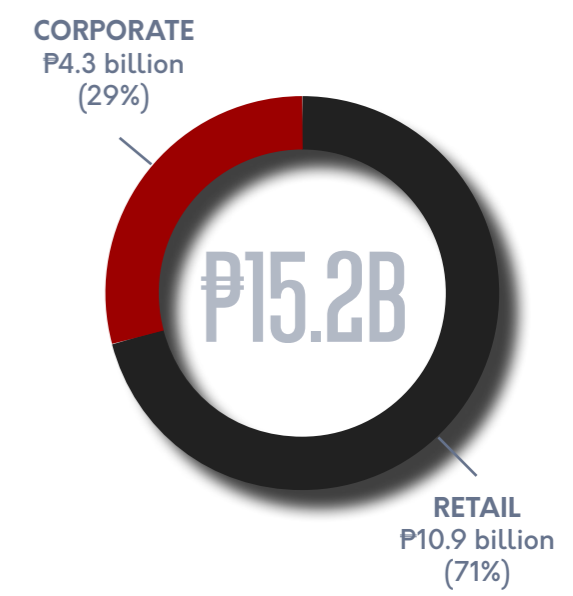
In Money Transfer Services, our Retail customers are primarily the unbanked population whose various needs are typically different from those addressed by traditional financial services companies. As diverse as they are, our branch retail remittance services enable them to choose their preferred fulfillment options for their beneficiaries, including instant branch pick-up, door-to-door delivery, and remit to account. Under our services for corporate clients, we work with numerous

enterprises to facilitate bills payment collection and carry out payout services such as payroll and encashment through our branch network. We've also introduced new services for the e-commerce market—Cash on Delivery and Cash on Pick-Up—where we bundled payment solutions with our logistics capabilities to serve online sellers and other micro, small and medium enterprises.

In 2019, Retail customers represented 71% of our revenues while Corporate clients accounted for 29%. Revenues were higher for both customer groups, benefiting from sustained double-digit growth in Logistics.

Revenues from Retail expanded 35% to P10.9 billion driven by a 38% increase in Logistics along with an 8% increase in Money Transfer Services to P925.8 million.

Revenues from Corporate increased 1% to P4.4 billion due to a 2% increase in Logistics to P4.3 billion, partially offset by a 36% decline in Money Transfer Services to P66.5 million.



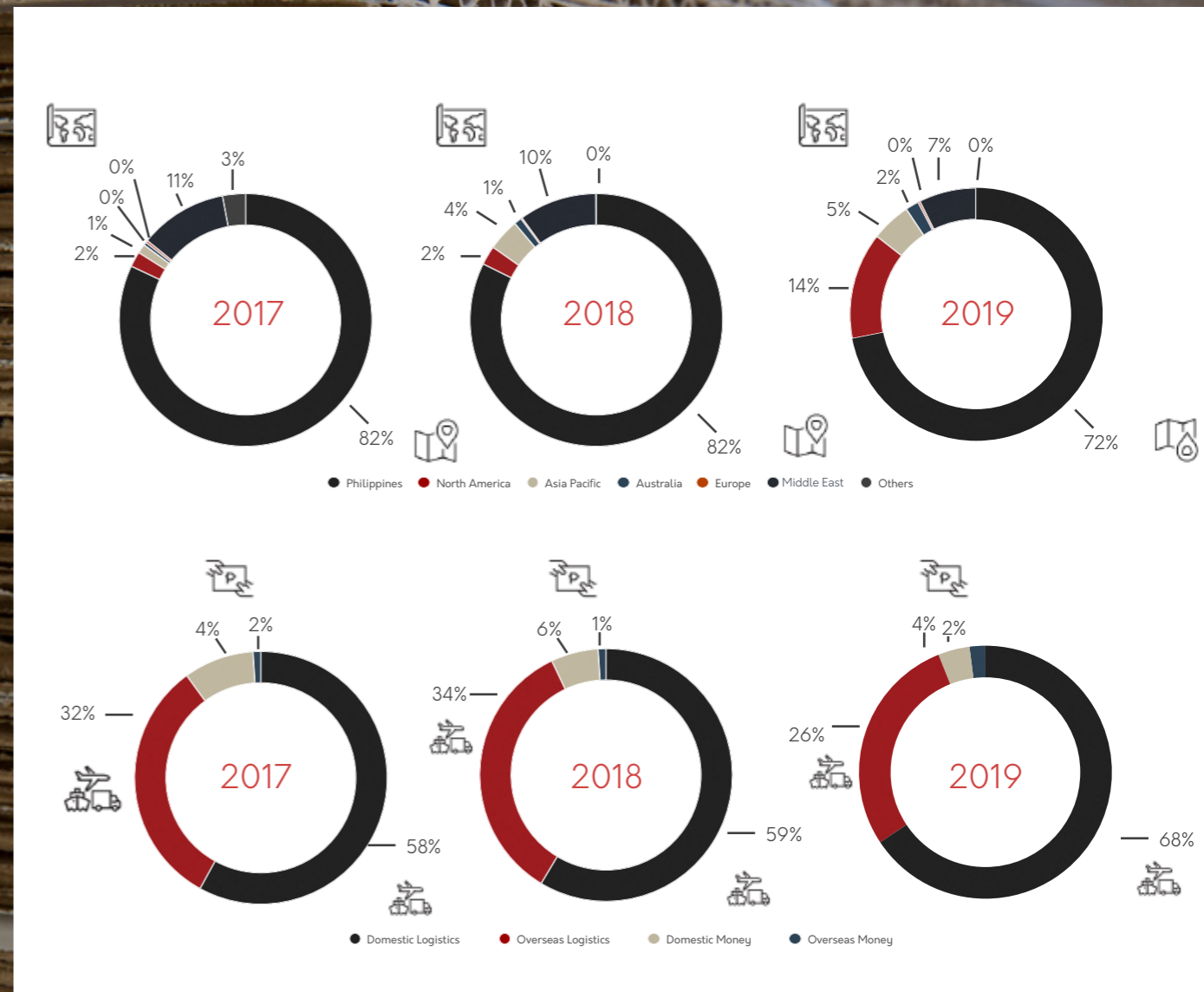
By geographic market

We derive most of our revenues from the Philippines, and secondarily from North America, Middle East, Asia Pacific, Australia, Europe, as well as other emerging markets.

In 2019, we earned 72% of our revenues in the Philippines and 28% Overseas. Revenues reflected solid results across these markets led by strong contribution from Overseas.

The Domestic market was up 8% to ₱10.9 billion as Logistics saw continued positive momentum, rising 10% to ₱10.3 billion. Domestic business for Money Transfer Services, on the other hand, was down 18% to ₱659.1 million.

Overseas markets had another excellent year for both segments, with revenues climbing 92% to ₱4.3 billion. Logistics were up 91% to finish the year with ₱3.9 billion while Money Transfer Services accelerated 104% to ₱333.2 million.



Cash on Delivery / Cash on Pick-up Performance

Supporting the Philippine economy to grow is fundamental to our business—the unbanked and the micro, small and medium enterprises (MSMEs) included.

More and more Filipinos are shopping online. Yet cash remains the preferred mode of payment of those who do. The high percentage of Filipino adults who do not have an account in a formal institution—currently at 71%— is arguably one of the biggest challenges to a cashless transaction.

That's why, as the country's leading company in express delivery and money remittance, we laid out an ambitious agenda: capture the e-commerce market at its origin. In 2018, we launched Cash on Pickup (COP) and Cash on Delivery (COD) services to support online sellers and MSMEs in their delivery and payment collection requirements, thereby fostering local entrepreneurship and creating value for our stakeholders in strategic and meaningful ways. Fast forward to the following year, we are right where we want to be: making LBC an end-to-end logistics service provider.

In June 2018, we introduced retail Cash-On-Delivery (COD) and Cash-On-Pickup (COP) services in all our branches. COD/COP is our payment solution bundled with our logistics capabilities to make transactions safer and more secure for both buyers and sellers—“Kaliwaan System.” Through our “Cash On Delivery” (COD) and “Cash On Pick-up” (COP) services, we enable online sales transactions faster and more convenient by:

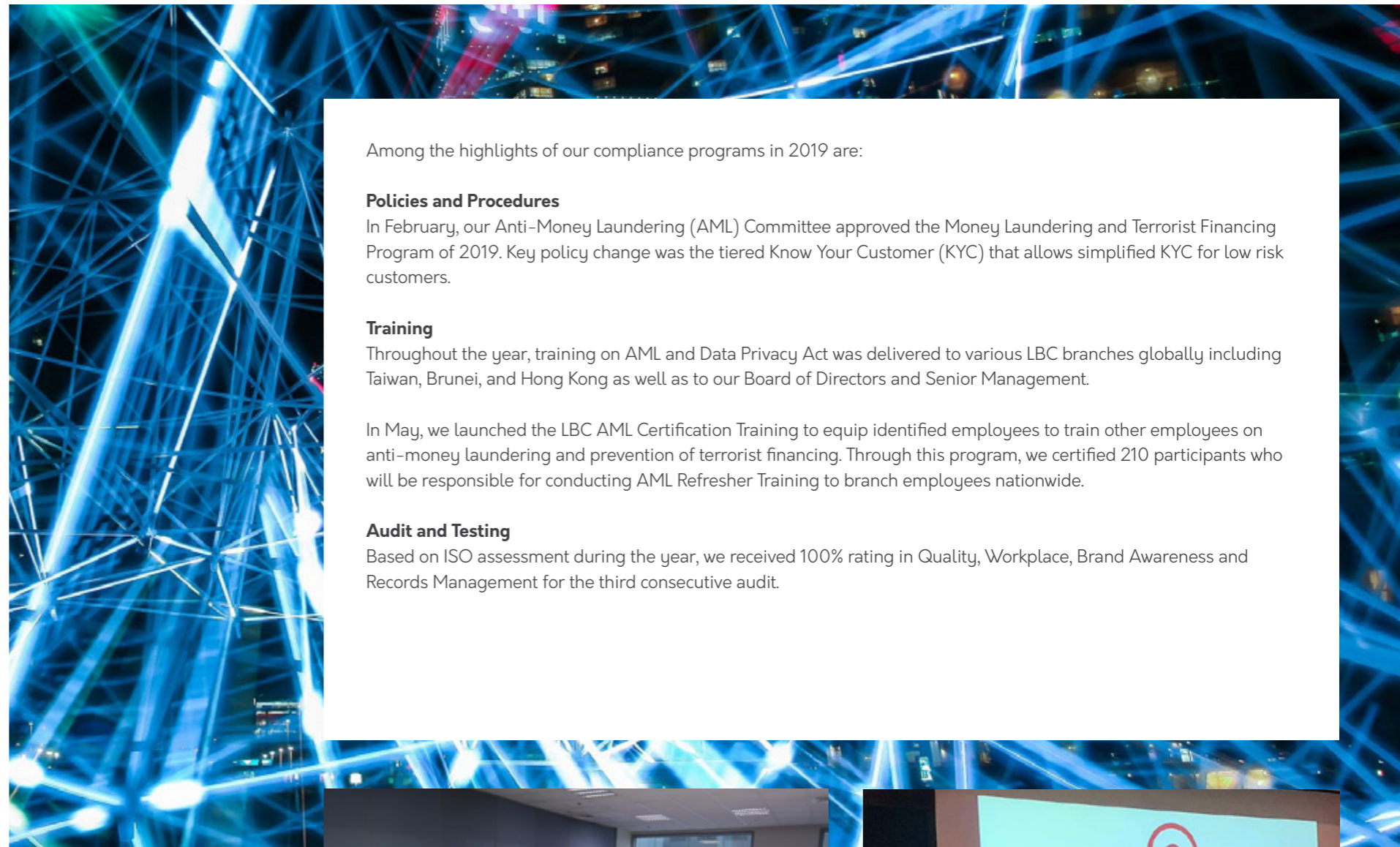
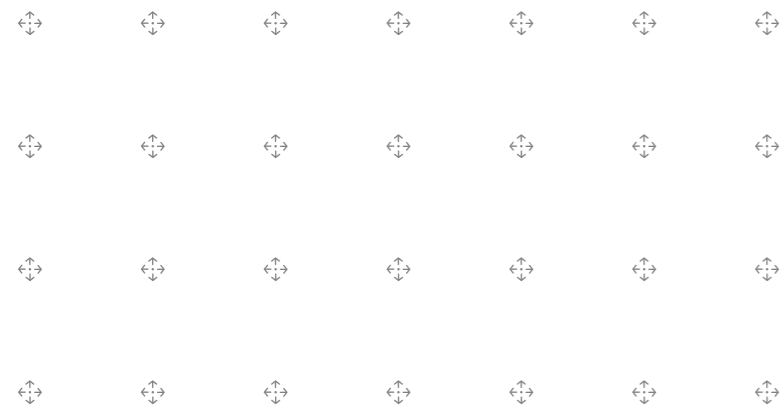
1. **Offering our branches as a venue for transaction between micro-entrepreneurs and their buyers:** A buyer can pay for merchandise upon Pick-Up at a branch (COP); or
2. **Serving as collection agents for micro entrepreneurs: A buyer pays for their merchandise upon delivery (COD).** Proceeds are transferred to the seller's bank account within one to three days of transaction.



Compliance, Data Protection and Privacy

Core to our risk governance is our compliance with all regulatory requirements and our company specific policies. These standards are intended to create a sound risk culture that is lawful, ethical and responsible.

In our money transfer business, we have an established Anti-Money Laundering (AML) program framework that details our approach to management of risk. It defines the compliance function across our organization, policies and procedures, training, and audit and testing. To put this into practice, we regularly review and enhance our reporting, training, and surveillance activities. We also take a dynamic approach to ensure that structures and processes are in place in response to changes in business operations, outcomes of ongoing due diligence, and the requirements and expectations of regulators.



Among the highlights of our compliance programs in 2019 are:

Policies and Procedures

In February, our Anti-Money Laundering (AML) Committee approved the Money Laundering and Terrorist Financing Program of 2019. Key policy change was the tiered Know Your Customer (KYC) that allows simplified KYC for low risk customers.

Training

Throughout the year, training on AML and Data Privacy Act was delivered to various LBC branches globally including Taiwan, Brunei, and Hong Kong as well as to our Board of Directors and Senior Management.

In May, we launched the LBC AML Certification Training to equip identified employees to train other employees on anti-money laundering and prevention of terrorist financing. Through this program, we certified 210 participants who will be responsible for conducting AML Refresher Training to branch employees nationwide.

Audit and Testing

Based on ISO assessment during the year, we received 100% rating in Quality, Workplace, Brand Awareness and Records Management for the third consecutive audit.





The basis of the country’s future is its people. That’s why what we do today matters.

The LBC Foundation works to make a real difference in the lives of Filipinos by linking and bridging them to resources that will empower underserved communities across the country. The outcome may be difficult to quantify but the important work has already taken place and the transformative impact will be seen for years to come.

23,324
BENEFICIARIES

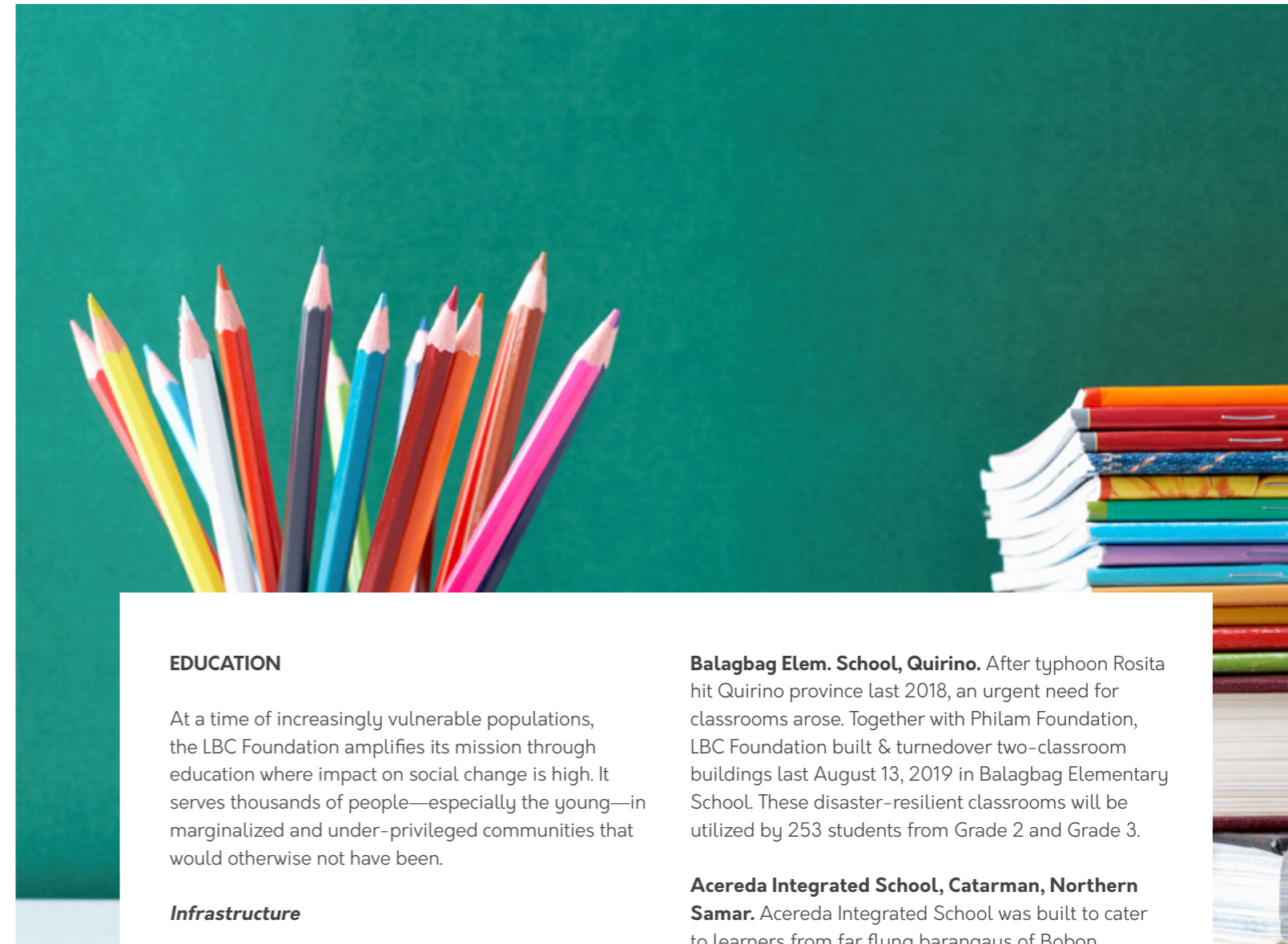
5,904
STUDENTS SERVED

17
CLASSROOMS
DONATED

343
SCHOLARS

29
RECEIVED MEDICAL
ASSISTANCE

107
VOLUNTEER ACTIVITIES
NATIONWIDE



EDUCATION

At a time of increasingly vulnerable populations, the LBC Foundation amplifies its mission through education where impact on social change is high. It serves thousands of people—especially the young—in marginalized and under-privileged communities that would otherwise not have been.

Infrastructure

Mapandi Elem. School, Marawi City. In support of the DepEd’s efforts to accommodate more students displaced in Marawi city, LBC Foundation and Philam Foundation donated a two-classroom building in Mapandi Elementary School in Marawi City, Lanao Del Sur last June 28, 2019. A total of 200 students benefited.

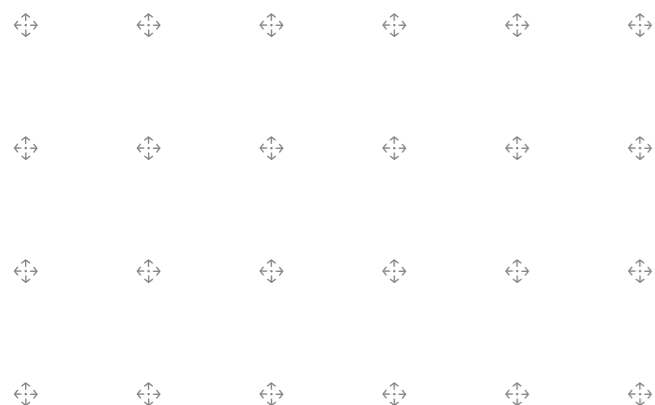
Balagbag Elem. School, Quirino. After typhoon Rosita hit Quirino province last 2018, an urgent need for classrooms arose. Together with Philam Foundation, LBC Foundation built & turned over two-classroom buildings last August 13, 2019 in Balagbag Elementary School. These disaster-resilient classrooms will be utilized by 253 students from Grade 2 and Grade 3.

Acereda Integrated School, Catarman, Northern Samar. Acereda Integrated School was built to cater to learners from far flung barangays of Bobon, Catarman, Northern Samar who walk 1-2 hours to school. Together with Philam Foundation, LBC Foundation built and turned over this two-classroom building last August 15, 2019.

The classrooms will be utilized by 300 Grade 7 and Grade 8 students.

17
CLASSROOMS
DONATED

1,966
STUDENTS SERVED



Compol Elementary School, Catarman Camiguin. LBC Foundation turned over a two-classroom building for Compol Elementary School in Catarman, Camiguin last September 24, 2019. A total of 207 students benefitted.

Progreso Este Elementary School, Odiongan, Romblon. LBC Foundation, in partnership with Philam Foundation, turned over a two-classroom building for Progreso Este Elementary School in Odiongan, Romblon last October 25, 2019. A total of 232 students benefitted.

San Juan Central Elementary School, San Juan, Siquijor. In partnership with Philam Foundation, LBC Foundation turned over a two-classroom building for San Juan Central Elementary School in San Juan, Siquijor last November 14, 2019 in partnership with Philam Foundation. The new classrooms will be utilized by 234 Grade 4,5 and 6 students.

Educational tools, training and equipment

San Jose National, Agricultural and Industrial High School San Jose, Mindoro. Last August 23, 2019, LBC Foundation donated 200 school chairs to San Jose National, Agricultural and Industrial High School. These will be used by 1,800 students specifically Grade 7 to Grade 10 and 92 teachers in San Jose, Mindoro.

Edukasyon Mula sa Kalooban in Coron, Palawan. LBC Foundation in partnership with Philippine Women’s University launched Edukasyon Mula sa Kalooban in Coron Palawan, an interdisciplinary, multidimensional, community-based and intergenerational process of reflection and learning.

Scholarships

Sponsored children through World Vision. LBCF has 96 sponsored children through World Vision Phils. Through this support the children are not only able to continue going to school but have access to nutritious food, clean water and health care.

Of the 96 sponsor children, 4 children graduated from Senior High School.

Sponsored children through Kagabay. LBCF supports Kagabay’s Early Child Care and Development (ECCD) Program that gave rise to the St. Marie Eugenie Learning Center (SMELC). This program addresses the need to provide children, aged 3–4 years old, with free but quality Kinder education that includes a 120-day feeding program designed to combat moderate to severe malnutrition.

The Learning Center will become the convergence point for organizing the childrens’ mothers, enabling KaGaBay to implement its Women in Communities (WIC) Program. This program involves training the mothers in a 4-K curriculum (Kalusugan, Kalikasan, Kabuhayan at Katatagan).

A total of 66 pre school students and 66 mothers benefitted.

Sponsored children through Upskills Foundation.

Project	Output
Scholarship program	30 elementary students 5 college students
Alternative Learning System (ALS)	20 students – Junior High School 20 students – Elementary
On-the-job training	4 College Graduates 3 Current College students
Infrastructure	ALS room equipped with TV, chairs, tables & fans 40 students 25 special students 13 staff



1,800
STUDENTS SERVED

92
TEACHERS SERVED



MOVE IT FORWARD

The Foundation has an incredibly strong base upon which to build even further. Through LBC, it provides shipping services to aid partner communities, thereby maximizing our collective results where the need is greatest.

Yellow Boat of Hope Foundation. Three boxes of slippers for Concepcion Sur Elementary School in Romblon and Cebu International School in Pit-os, Cebu City last January 8, 2019. A total of 759 students benefitted.

Library Renewal Partnership.

- 5 boxes of books from Manila to Butuan, Agusan Del Norte last April 2, 2019 for 200 students.
- 10 boxes of books from Manila to Davao last April 23, 2019 for 200 students.
- 6 boxes of indestructible balls from Manila to Iligan City and 10 boxes of books to Libona, Bukidnon for 300 students.
- 10 boxes of books from Hongkong to Manila for 400 students.

Kagabay.

- 1 truckload of 90 chairs from Marikina to Saint Marie Eugenie Daycare Center in Dela Paz and Barangay San Jose, Antipolo for 90 students.
- 1 truckload of bakery eqpt bound to Calauan, Laguna for 80 families.

Bikes for the Philippines.

- 160 pairs of shoes from Manila to their school beneficiary Sarah Jane Ferrer National High School in Vinzons, Camarines Norte for 160 learners
- 3 boxes of books and school supplies sent from Texas, USA to Manila last July 19, 2019 for 100 learners.

Assumption Mission Schools

- 17 boxes of school supplies in Sta Rita Academy in Antique
- 34 boxes of school supplies in Xavier de Kibangay High School in Lantapan, Bukidnon
- 20 boxes of school supplies in St. Vincent Academy Kauswagan, Lanao del Norte
- A total of 1,949 students benefitted.

Ateneo de Manila University

- 37 boxes of school supplies, books, shoes and old clothes for Sta. Teresita of Miarayon Community School in Malaybalay, Bukidnon for 200 students
- 63 boxes of books and school supplies for Sta. Teresita of Miarayon in Malaybalay, Bukidnon for 400 students

Philippine Toy Library. 2 boxes of books and toys for SPED Marawi for 100 students November 14, 2019.

Give A Textbook Foundation.

- 10 boxes of books from Australia bound to LBC Foundation partners for 3,381 students
- 3 boxes of books from Quezon City to Iloilo last September 9, 2019 for 300 students benefitted.
- 3 boxes of books from Quezon City to Iloilo last October 2, 2019 for 300 students

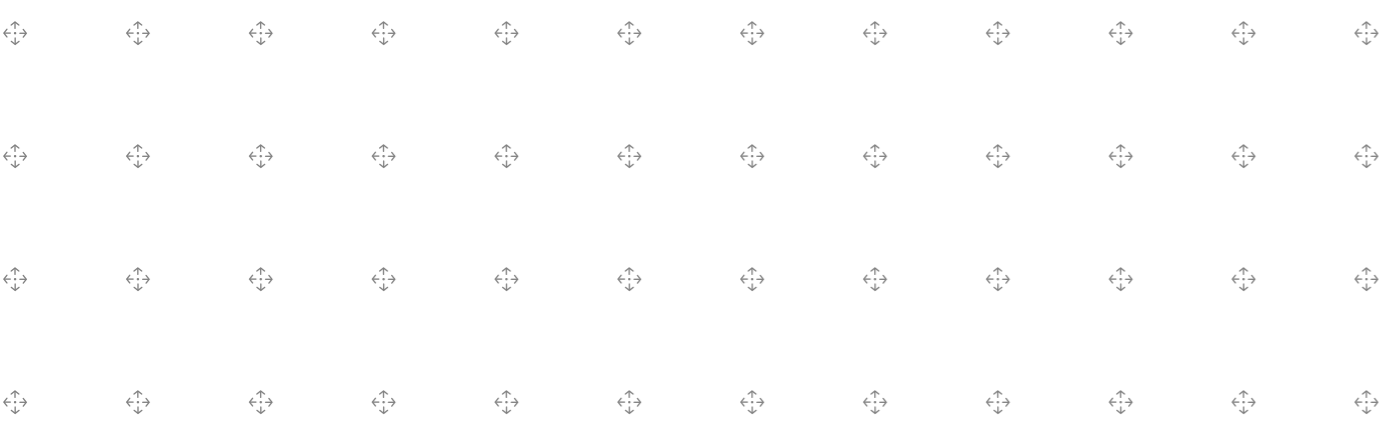
Partner Organization	Number of students benefitted
Kagabay	480
Move. Org	1,100
Mano Amiga	231
Upskills+	370
World Vision	900
Project Pearls	300

C & E Foundation. 50 boxes of books from Quezon City to Stairway Foundation, Barangay Aninuan, Puerto Galera last June 6, 2019 for 1,000 students

Children's Hour. 5 boxes of Happy-2-Help school Kits to Nannarian Elementary School, Penablanca Cagayan last February 8, 2019 for 20 students

Soulciety Non-Profit Org. 30 boxes with 100 refurbished personal computers from USA to Manila to bring techies and educators to Batangas and Bohol last July 7, 2019.

Project Pearls. Sponsor shipping of 3 boxes of donation items from US bound to Manila.



Lifestream Worship Center. 20 boxes of medical supplies and donation items from US bound to their beneficiaries Iloilo and Bacolod last July 11, 2019 for 1,000 persons

Museo Pambata. 1,000 books from US bound to Manila last October 29, 2019.

Cable Tow. 32 boxes of notebooks from Manila bound to Bacolod, Cebu, Isabela, Bukidnon and Tuguegarao for 2,000 students.

International School of Manila. 15 boxes of gift-wrapped toys and food for 500 children in Marawi

Christopher Mills. 10 boxes of books from Canada bound to Manila and donate to public schools and libraries in the Philippines.

Monastery of the Holy Spirit. 5 boxes of Donations from Tagbilaran bound to Leyte last July 9, 2019 where 300 children benefited.

Hope Worldwide Philippines. 2 boxes or 30 pieces water filters from Roxas City bound to Davao to install in earthquake affected areas in Mindanao. A total of 300 families benefited.

561
BOXES SHIPPING
SPONSORSHIP

42
COMMUNITIES
SERVED

12,639
STUDENTS SERVED

900
FAMILIES SERVED

1,000
INDIVIDUALS
SERVED

1,800
KIDS SERVED

INTERNAL ASSISTANCE

Our responsibility to the wellbeing of our employees is a shared commitment with LBC Foundation.

Medical Assistance. LBC Foundation offers medical assistance to LBC employees & their dependents who are in need of financial assistance for hospitalization expense.

For the year 2019, 29 employees and dependents were helped by LBC Foundation. Total amount used for medical assistance is ₱469,742.16.

Scholarship Program. For the school year 2019-2020, LBC provides scholarship grants to 16 scholars.

As of December 2019 amount used was ₱1,236,931.84 or 59% of the budget.

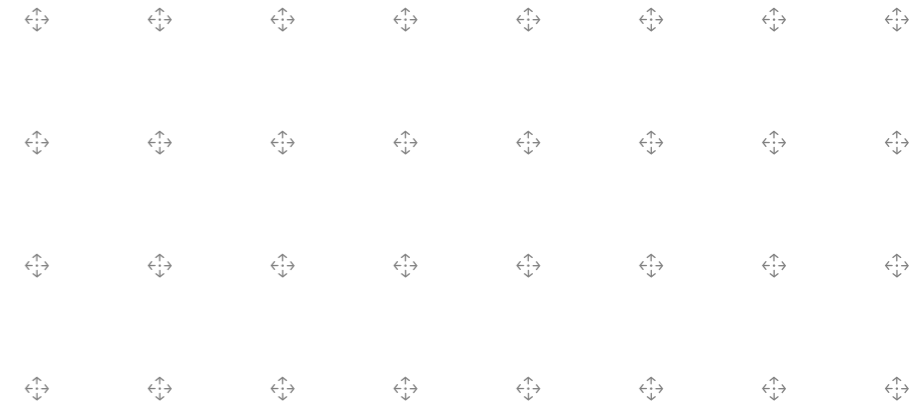
YEAR LEVEL	NUMBER OF SCHOLARS
1st year	7
2nd year	9
3rd year	0
4th year	0
TOTAL	16

AREA	NUMBER OF SCHOLARS
Luzon	1
Visayas	2
Mindanao	7
NCR	6
TOTAL	16

₱469K
SPENT ON MEDICAL
ASSISTANCE

16
SCHOLARS FROM LBC
DEPENDENTS

₱1.2M
SCHOLARSHIP GRANTS
FOR DEPENDENTS



EMPLOYEE ENGAGEMENT

Through volunteer engagement initiatives, LBC Foundation gives back to the communities in which our employees live and work by contributing service and financial support to the causes they care most about.

- 1,215 unique volunteers in 2019, 33% of which came from NCR
- Held a total of 105 CSR activities and 2 PSR activities (26 of the two combined activities were in the NCR)
- Corporate Solutions Department interacted with elders and children with disabilities in Bahay Aruga in Manila
- Strategic Sourcing and Procurement Department organized Brigada Eskwela activities in Aloleng Elementary School in Pangasinan for 250 kids and 200 families

Ronda Pilipinas. LBC Foundation facilitated all 4d CSR activities during Ronda Pilipinas last February 8 to February 14, 2019. A total of 82 volunteer hours or 41 volunteers participated from Iloilo, Guimaras, and Capiz. A total of 120 kids and 28 elders benefited.

Project Pearls. LBC Foundation sponsored Project Pearls' After School Program in Tondo and Bulacan for 1,200 kids and 600 families benefited. This program encourages children to showcase their passion for arts and craft activities. It also held short story telling activities and the children watched an educational film.

Department of Education. 478 employees assisted with Brigada Eskwela activities nationwide, refurbishing 104 classrooms, 420 chairs, 8 school fences, and 6 hallways.

Make A Wish Foundation. Children diagnosed with life threatening illnesses were granted wishes and given gifts by LBC Foundation.

Upskills+ Foundation. 28 volunteers helped distribute donation in Batia, Bulacan during their "Market Day". In addition, 30 selected kids of Upskills+ community in Tondo Manila interacted with LBC Express employees during their tour in Kidzania in BGC, Taguig.

Mano Amiga. LBC Foundation joined 85 Mano Amiga Academy students during their Around the World and CoTeacher activities. LBC Express volunteers interacted with the kids by teaching arts and crafts.

Kagabay. LBC Foundation provided arts and crafts activities to 178 SMEDC students in their communities in Rizal and Quezon City, dedicating 84 volunteer hours. 64 LBC Express volunteers also interacted with students through games and feeding.

Department of Social Welfare and Development (DSWD). LBC volunteers dedicated 978 volunteer hours during the 27 CSR activities with the DSWD, interacting with the elderly and kids in various communities around the country.

Other Partners. LBC Foundation worked with various organizations by packing relief goods, going on medical missions, and interacting with different communities around the country:

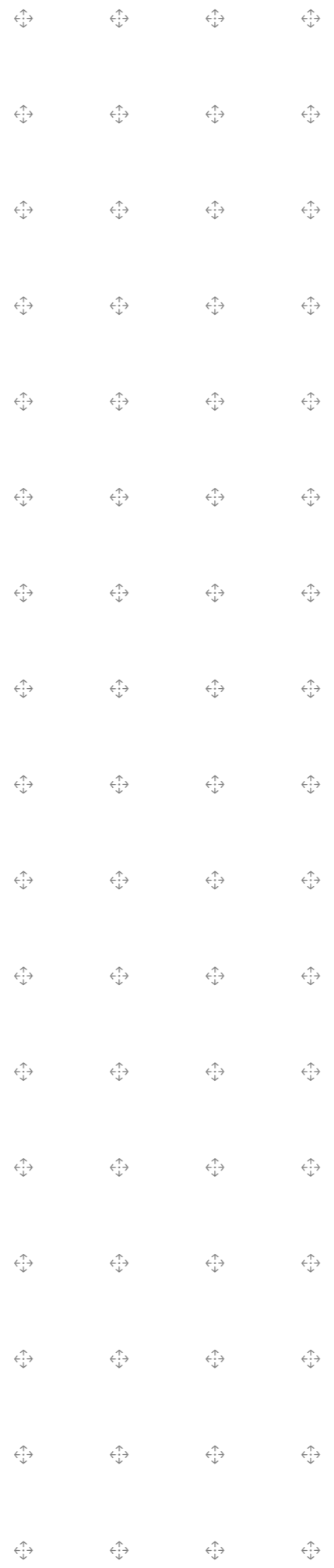
- San Jose National Agricultural Industrial High School
- Adventist Pasay Central Church
- Lifestream Worship Center

1,470
TOTAL VOLUNTEERS

1,215
UNIQUE VOLUNTEERS

105
CSR ACTIVITIES

LBC in the News



LBC Forges Historic Alliance with Xpress Money

LBC Express begins 2019 on a positive note as it proudly announces a new partnership with Xpress Money, one of the most dependable money transfer companies in the world. This partnership between LBC and Xpress Money greatly expands LBC's global reach and allows the global Filipino, specially OFWs from the Americas, Europe, the Middle East, Africa and Asia to send remittances through Xpress Money and enables their beneficiaries to claim these remittances at any LBC branch.



(L-R) LBC Express Inc. SVP – Philippine Branch Operations, Mr. Oliver Valentin, LBC Express Inc. President / Chief Operating Officer, Mr. Mike Camahort, Xpress Money Chief Operating Officer, Mr. Sudhesh Giriyan, Xpress Money Cluster Manager, BD, APAC, Mr. Lohitt Shetty

Xpress Money is one of the fastest growing money transfer brands in the world which currently has one of the strongest networks with over 160,000 locations across 160 countries. With this partnership, Xpress Money is now one of the largest money transfer companies in the Philippines with over 16,500 locations spread across the country. OFWs can enjoy Xpress Money's instant money transfer services with great exchange rates and low fees. Additionally, Xpress Money does not charge any backend fees to beneficiaries while the money is received in the Philippines. Filipinos can be rest assured that by using Xpress Money their money and data are protected using the company's best-in-quality security checks and the most secure fire walls. Xpress Money's

operations are also fully compliant to regulatory authorities across the world. To assure its customers about the safety of their transactions, Xpress Money provides SMS confirmations and around the clock customer support for any assistance required. Xpress Money's COO, Sudhesh Giriyan expressed his views on the partnership with LBC saying: "Having been in the business of money transfers for close to two decades now we keenly understand our customers. OFWs have been an intrinsic part of our journey and we will leave no stone unturned to ensure they have a seamless money transfer experience with Xpress Money. Customers and their convenience have always been at the heart of our business and we are happy to have found a like-minded partner in LBC. I am certain that the trust and legacy associated with LBC will have a positive impact on this partnership".

By partnering with Xpress Money, LBC re-establishes how committed it is in linking and bridging its customers, wherever they may be. According to LBC President Mike A. Camahort: "With this alliance with Xpress Money, we want to show that we will stop at nothing to expand, innovate and improve our services so it can serve the ever-evolving and increasing needs of the Global Filipino".

The services offered through the partnership of LBC and Xpress Money will be available beginning February 15, 2019.

About 'Xpress Money':

Established in 1999, 'Xpress Money' is a global money transfer brand with a thriving presence in more than 160 countries across all continents through partnerships that have a network of over 160,000 locations. It is one of the most dependable and renowned international money transfer brands across the globe. 'Xpress Money' provides customers convenient, simple and secure ways to transfer money across geographies. Its widespread network is strengthened by collaborations with renowned organizations that include international money transfer operators (IMTOs), banking as well as non-banking institutions, retail chains, online remittance players and fintech companies. Xpress Money's state of the art compliance and security policies ensure customers a secure and hassle-free money transfer process.

Xpress Money is part of the Finablr network of brands. With category renowned brands in its fold, Finablr provides a broad array of innovative and trusted financial solutions for consumers, corporates and enterprises, through its deep regulatory know-how, relentless focus on technological innovation and a global network of retail stores, digital channels, payments platforms and industry partnerships.

LBC Gives Thanks to Partners via Annual Shippers' Night



LBC Business Solutions held a thanksgiving party recently for all their clients via the 2019 Shippers' Night.

With the theme "Disco Inferno", the annual gathering was held at 12 Monkeys Pub at El Pueblo in Ortigas. DJ Chacha of MOR 101.9 FM hosted the event with the Spirit of 67 and DJ Marrion providing the live music. Aside from the music of the 70's all through the 90's, what turned the party up a notch was the series of raffle prizes- which brought much anticipation to the already worked up crowd.

Among the companies represented during the celebration were National Bookstore, MSI, Primeline Product Philippines, Philippine Premium Kleene, RSG Flawless, Magic Potions Beauty Shop, Usana, AsianLife, Ever Bilena, Filholland Corp. , Cliq n Ship, Atomy Philippines, Asus, Mind Alliance (Memoxpress), Asia Pacific Cosmetic Philippines, Telppt Service Corp., Orient Freight, and Handles Pro Marketing.

LBC Business Solutions hosts the annual Shippers' Night to give thanks to their clients who have shown unwavering support for their various services- from logistics, cold chain solutions, NVOCC, specialized logistics, warehousing, remittance and printing. According to VP For Corporate Sales Jerome Santos: "The Shippers' Night is not just a platform to celebrate our successful collaborations but a platform for us to look into the future with the common goal to further our respective businesses with more ease and efficiency".

Trends and Transformations Take Front and Center at the 2019 Asia Logistics Summit

New trends, current challenges and the future of logistics were brought to the fore, anew, as LBC Business Solutions spearheaded the annual Asia Logistics Summit held at the Solaire Resorts Manila.

In partnership with ASIA CEO Events, the nation's largest business events organization, this year's summit focused on the theme: "All Good Things Must Come to a New Beginning". Topics discussed during the whole-day forum included: Uber-ization of trucking, warehouse and even logistics staff; robotization of warehouses; the rise in government infrastructure investments; omni channel shipping; supply chain social responsibility; the blurred lines between logistics providers; and the rise of virtual logistics teams. These talking points were regarded relevant in today's global logistics industry specially when the explosive growth of technology-enabled companies is destroying some businesses while driving insane progression for many others.



Speakers during the summit included Robin Bradshaw, Country Manager, Cathay Pacific Airways, Philippines Guam; Jeffrey Dy, Deputy Commissioner (MISTG), Bureau of Customs; George Barcelon, Chairman of the Philippine Chamber of Commerce and Industry (PCCI); Henry Basilio, Assistant Professor of Public Administration, University of the Philippines; Janlo Delos Reyes, Head of Research and Consulting, JLL Philippines; Aman Hau, Regional IT Head, Federal Express; Dennis Ng, Founder and CEO, Mober; Chris Leung, CEO and Ryan Lee, COO, Banlu Tech; Robbie

Torres, President, Auto-Delta Volvo Bus; and, Jet Paulo, Head of Large Enterprise Sales, LBC Business Solutions. Paulo underlined the honor and importance of hosting the Asia Logistics Summit to LBC: "To be able to gather the corps d' elite of the Philippine Logistics industry in one arena to find ways to cope with the dramatic shifts in technology is very crucial at this time. It is with hope that through this summit, we will be able to exchange information and ideas on how to help the Filipino people through efficient and reliable logistics service".

LBC empowers MSMEs with ₱80 Pasabog Promo for Cash on Pick-Up Transactions

As its way of empowering micro, small, and medium enterprises, LBC, the leading logistics service company in the Philippines, recently launched its Cash on Pick-up (COP) ₱80 Pasabog Promo. The increasing number of deliveries initiated by the flourishing eCommerce prompted LBC to offer a fixed rate of ₱80, which it will offer until August 31, 2019.

LBC COP ₱80 Pasabog Promo is, so far, the courier service's most affordable offering to allow online sellers and buyers to do as many transactions as they can.

LBC has been the most reliable logistics company in the country and is synonymous with better service. People who want to assure that their parcels will arrive on time in

Large, KB Mini, KB Slim, and KB Small. A minimum charge of ₱15 will be added as a valuation fee and may increase depending on the declared value of the shipment.

LBC continues to introduce innovations as its response to the changing business landscape in the country. Ecommerce has allowed individuals to operate businesses within the confines of their homes while buyers can purchase an item using the internet or through an app.

These developments not only gives MSMEs the opportunity to expand their livelihood but it also contributes to the economy.



its destination rely heavily on LBC's courier service. The rates have always been competitive, even the smallest businesses will be able to avail themselves of.

The flat rate of ₱80 is applicable to deliveries or shipments within the Philippines of up to 3 kilograms. Anything that exceeds the weight will have an additional fee, which is commensurate to the given fixed rate.

The LBC COP ₱80 flat-rate offer is applicable for the following LBC parcels and boxes: N-Pack Small, N-Pack

LBC boasts 1,400 branches nationwide which also now serve as pick-up points especially in hard-to-reach areas where transportation is limited. With the introduction of "Kaliwaan System," buyers and sellers are assured of smooth and fast transactions. It eliminates the constant worry of whether the item was sent or received. This is one of the issues LBC's innovation is able to address.

LBC hopes to encourage more entrepreneurs to expand their business reach with COP ₱80 Pasabog Promo.

LBC Launches Free Pick-Up Service in Visayas and Mindanao

Pinoys in Cebu, Bacolod, Iloilo, Davao, and Cagayan de Oro can now avail of the logistics company's free pick-up service

Shipping items to your loved ones or customers has now become easier with LBC's free pick-up service. LBC, the leading cargo company in the Philippines, has launched its free pick-up service in select areas in Visayas and Mindanao. This latest innovation will allow more Filipinos to operate their businesses and send their parcels without leaving their homes, saving Pinoys precious time to work on other priorities.

The free pick-up service was initially offered in Metro Manila. After a successful run, LBC extended the service to Davao, Cagayan de Oro, Cebu, Bacolod, Iloilo, Zamboanga, Tacloban, Ormoc, Dumaguete, Pagadian, Dipolog, Iligan, and Ozamis.

An LBC representative will immediately process the request, after which a pick-up team will arrive at the customer's address to pick-up the items. The customer then pays for the shipment fee through the pick-up team. The package will be processed in LBC's warehouses in Visayas and Mindanao.



This latest innovation is LBC's response to the ever-changing business landscape in the Philippines, where the e-commerce market grew to about P44 trillion in 2018 from about P36 trillion in 2017, according to a report by Statista. As the country's e-commerce market is set to grow even more in 2019, LBC is continuously working to introduce innovations that cater to consumers and businesses alike.

LBC Strengthens its Foothold in the South with New Davao Warehouse

LBC continues to expand its reach and operations to meet the growing demand of its various markets. To cover the southern part of the country, the opened its new Davao Lanang Warehouse, designed to improve LBC's Visayas and Mindanao operations. The warehouse is strategically located 5.3 kilometers or minutes from the Davao International Airport and only 3.7 kilometers or 10-20 minutes from the seaport (Sasa Wharf).

The warehouse sits on a 8,215 sqm lot with a covered area of 4,570 sqm. It houses LBC's various units like Business Solutions, Systems and Warehousing with elevated loading bays with up to 12 doors and soon solar panels will be installed, making the warehouse environment-friendly and cost-efficient which is inline with our commitment to reducing our carbon foot print

The opening of Lanang Warehouse, to serve the southern market and the recent opening of LBC's Kapayapaan Warehouse in Pampanga, to serve the northern market, solidifies LBC's commitment to scale up its operations in the entire Philippines. By building strategically located warehousing facilities, LBC is moving as briskly as possible to become the leading complete supply chain solution for businesses in the Philippines.

Beyond warehousing, LBC also offers other business solutions including: Cold Chain services, which offers a dedicated, fully monitored and temperature-controlled movement of sensitive products anywhere in the Philippines for volumes of Container or Full Truck Load (FTL); Specialized Logistics, which helps businesses fulfill their quality service promise to customers nationwide; and, NVOCC (Non-Vessel Operating Common Carrier), which makes maximum use of LBC's extensive logistics expertise to import and export domestic and international cargo – moving container shipments to gateway ports.

"LBC endeavors to always be a step ahead in making sure that all logistical concerns of businesses are fully met," says Jerome S. Santos, LBC Vice President for Corporate Sales.

"It is only in investing and enhancing with appropriate tools and software can we continuously be the leader of the various segments of the chain. We are in the process of changing the rules of engagement in order for us to be ahead in the industry," says Dinna B. Tiongson, LBC Vice President for Corporate Operations.

LBC Powers Through North to South with New Warehouses

LBC continues its dominance over the Philippines' logistics industry with the opening of warehouses to serve customers- all the way from the North down to the South.

Currently in full operations is the 6,300 sqm Kapayapaan Warehouse located within the Mexico Industrial Complex, Brgy. Panipuan, Mexico Pampanga aimed to service the northern region. About 90 kilometers from Metro Manila via the North Luzon Expressway, the facility's expanse has elevated loading bays that can receive up to 20 x 40w trucks and side loading bays that can accommodate 4 x 10' trucks simultaneously. It also boasts of a spacious parking for big trucks and vehicles. The state-of-the-art warehouse, which has an optimum capacity of 5,200 pallets, is properly lit and ventilated and equipped with a Fire Detection and Alarm System.

The Kapayapaan warehouse is the first step of a planned program of northward expansion that includes the opening of another warehouse in the northern Luzon area this year. LBC's move to strategically erect warehouses close to TPLEX aims to minimize the entry of big trucks into congested and traffic prone cities.

This year, LBC opened yet another warehouse facility located at Lanang, Davao- this time to cater to the booming economies of both Visayas and Mindanao. Boost in sales by 28% from 2018 coming from various key existing and new accounts is reflective of the overall economic uptrend.

Strategically located at 5.5 kilometers from the Davao International Airport and only 3.7 kilometers from the seaport (Sasa Wharf), the warehouse sits on a 8,215 sqm lot with a covered area of 4,570 sqm. It also has elevated loading bays with up to 12 doors and will soon be installed with solar panels, making the warehouse environment-friendly and cost-efficient.

According to Jerome Santos, LBC's Vice-President for Corporate Sales: "The country's brisk economic activity need to be matched with above-par services from LBC. Only by providing structures that offer a complete supply chain solution for businesses can we confidently say that we have served the Filipino consumers well".



LBC Shows Its Full Support for SMEs Via the 8th Philippine SME Business Expo and Conference

LBC demonstrated its indisputable support for the thousands of SMEs in the country by joining the 8th Philippine SME (Small and Medium) Business Expo and Conference 2019.

Held from May 2 to 3 at Hall 3, SMX Mall of Asia in Pasay City, the exhibit gave SMEs the opportunity to showcase their products and services, much to the appreciation of exhibit goers who were looking for unique enterprises, quality goods and out of the box ideas.

LBC's Chief Marketing Officer Javier Mantecon, who headlined the opening of the expo, said LBC's participation is in recognition of the thousands of SMEs whose growth has been vital to the economy- as well as to LBC's business. "That is why we at LBC are constantly calibrating and innovating down to the tiniest aspect of our operations so we can help SMEs get the desired output from all their hard work. Only by giving SMEs the right support can they focus on other aspects of the business, like quality control, product enhancement and marketing."

LBC'S booth, strategically located at the entrance of the exhibit hall, were manned by LBC agents who oriented SMEs on the various LBC services available for them. LBC also gave out minor prizes to booth visitors who answered LBC's trivia questions correctly. LBC also set up a freedom wall where guests were enjoined to jot down their answers to the question: "How do you move your passions?"

During the event, LBC's Business Solutions' Corporate Account Managers Jos Meilat and Jo Valera represented LBC in the expo's conference. Together with other sponsors and partners, LBC came face to face with SMEs to answer their queries and impart expert advice on how to grow their operations.

Top things to enjoy at So Shop! A Social Sellers' Bazaar Empowered by LBC

Online shopping offers a different level of convenience for shoppers but to those who want to touch, feel, and experience a product before throwing in the bucks, LBC Express Inc. (LBC), the leading courier and logistics company in the Philippines, is providing a venue for both the buyer and the seller.

LBC is holding "So Shop! A Social Sellers' Bazaar Empowered by LBC" on October 5 at SMX Manila, Seashell Lane, Mall of Asia Complex, Pasay City to provide customers an opportunity to interact with their favorite online sellers in person!

To go or not to go is not even a question. LBC's "So Shop!" is definitely a must and here are the things to see and expect from the bazaar.

#1 "Shop 'til you drop" cliché could never be more true with "So Shop!" as it offers a diverse and wide array of products from cosmetics to clothes to household items to fitness equipment. The whole bazaar caters to all types of shoppers from all walks of life. If you have been looking for one particular item for a long time, this may be the place to finally get hold of it.

Neri Miranda, and Neon Island founders Alyssa Gibbs and Aira Medina and listen to success stories that may inspire your own shopping story.

#4 This is an opportunity to meet and mingle with the online seller you have been communicating with for weeks or even months. Are you a fan of a specific



#2 Get to experience a potential purchase from the booth of your favorite online seller. It's a chance to hold, feel, and inspect an item before parting with your cash or credit card. Online sellers will now have a chance to meet their patrons while shoppers can score exclusive deals offered only during the bazaar. Online shoppers will get to personally choose their next purchase from an assortment of products from cosmetics to ready-to-wears to household items from the booths of their favorite online shops.

#3 While still focused on finding the next purchase, the bazaar is holding live engagement with customers, thought leaders, and influencers. Get to see and interact with popular celebrity entrepreneurs and influencers like Dennise Lazaro and Ashley Gosiengfiao, content creator Wil Dasovich, momprenneur

online shop? It may be your chance to get to know the brains behind the creative ideas!

#5 This is an opportunity for aspiring entrepreneurs to get a headstart and finally live the dream. Learn how you can effectively use LBC's Cash on Pick-up and Cash on Delivery services for your online business. As part of its mission to assist micro, small, and medium enterprises, LBC invites aspiring online entrepreneurs to see for themselves the opportunity that awaits them. Just by visiting each booth will give them the idea of what products they want to sell or which ones actually sell.

LBC customers can now remit and encash remittances via Cebuana Lhuillier, vice versa

Customers of LBC Express Inc. and Cebuana Lhuillier will now have easy access to the combined network of the two market leaders in the Philippines.

LBC Express Inc. (LBC), the market leader in retail and corporate courier and cargo, money remittance, and logistics services, and Cebuana Lhuillier (Cebuana), the Philippines' largest micro-financial services provider, recently inked a partnership with the aim of broadening networks to serve their customers' domestic financial needs.

Customers can rest assured that their financial transactions are safer and more secured given the track record of the two companies. Just go to any LBC or Cebuana Lhuillier branch to send money to your loved ones and encash it — whichever is more convenient or nearer to you.

"This partnership gives us the opportunity to serve more people with our combined networks and branches," said LBC Express Inc. president Miguel Angel A. Camahort. "LBC is constantly looking for ways to make remittance — as well as other services — accessible to more Filipinos."

The collaboration between the two brands is a practical step to boost both companies' remittance business nationwide.

"Our partnership with LBC Express will make money remittance easier and more accessible to Filipinos. This is in line with our company's decades-long commitment to provide unbanked and underbanked Filipinos better access to financial services," said Cebuana Lhuillier president and CEO Jean Henri Lhuillier.



**magpadala at tumanggap
ng peso padala
sa 2,500 branches ng
Cebuana Lhuillier
nationwide**

LBC has been the country's most trusted delivery and cargo shipping and 24-hour door-to-door delivery. It expanded its products and services in tune with the changing market needs. At present, it operates a combined network of 6,400 locations, partners, and agents in over 30 countries, offering not only courier services but also remittance products.

Cebuana Lhuillier, for its part, operates 2,500 branches offering not only remittance but also other micro-financial services.

LBC Unveils “Branch Collect” For Online Sellers With No Bank Accounts

Online shopping is now the trend for people who would rather shop using their smartphones. That’s why LBC has launched their newest services to benefit the e-commerce industry: Cash on Pick-up and Cash on Delivery.



The only problem is that many sellers like Liza Chavez, do not have any bank account. “My small online business has been a very good source of income for my family”, says Liza. But business can be better, if I can collect payments without having to go out and meet my buyers individually”. Joseph Quitevis, who just started his small online business selling men’s apparel, shares the same view saying: “It would be great if there was a way for people like me who don’t have a bank account

to have a place that will help us facilitate the payments of our buyers- who come from different parts of the country”.

LBC knows too well how important fast and easy transactions are, not only for the buyer but also for the seller. That’s why LBC is happy to introduce its newest service to Liza, Joseph and other online sellers who don’t have a bank account.

The new service is called “Branch Collect”, where merchants can collect payment from buyers even without a bank account. This is different from before when one requirement for an online seller to avail of LBC’s Cash on Pick-up (COP) And Cash on Delivery (COD) option is for them to have a bank account which can be used by LBC to deposit a buyer’s payment.

With Branch Collect, a seller can simply get their collection from an LBC Branch. All a Seller needs is to declare that he or she will utilize Branch Collect. If a collection is below ₱10,000, a Seller can just go to any LBC branch to get the payment. If it’s more than ₱10,000, a Seller needs to identify the LBC branch where he/she can pick up the payment. Under Branch Collect, a Seller will also receive a notification from LBC that the money is already available for pick-up.

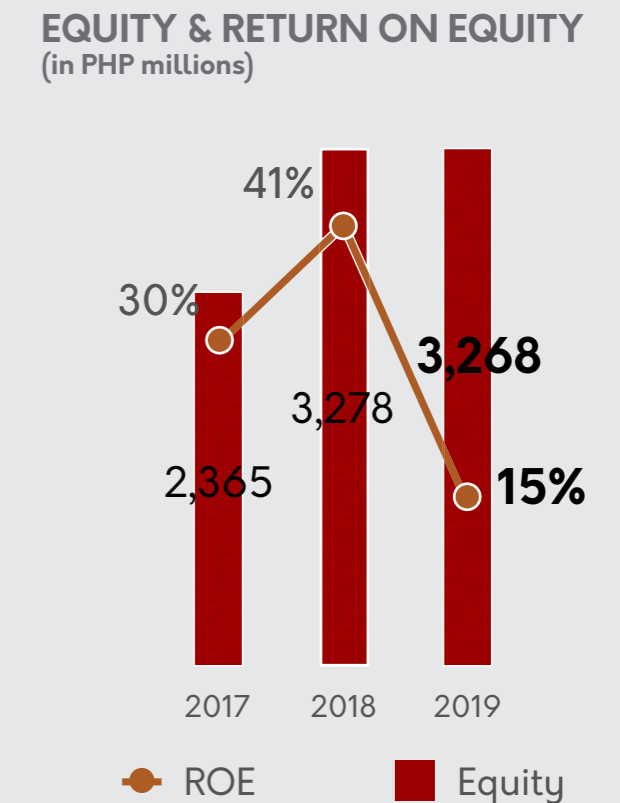
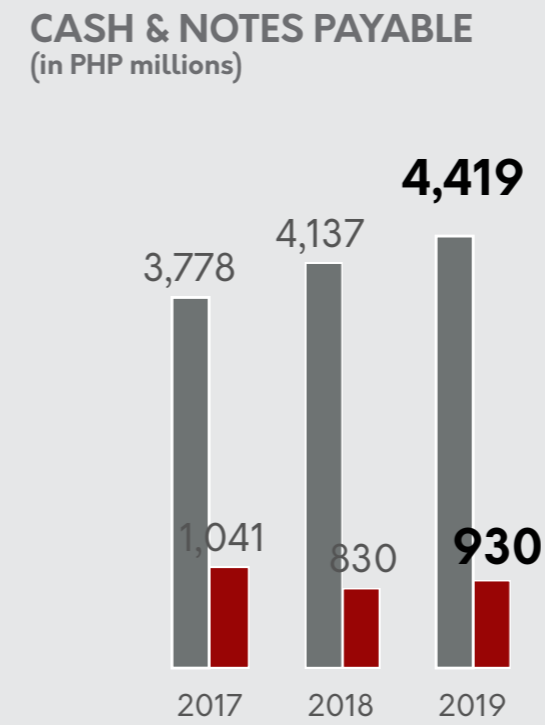
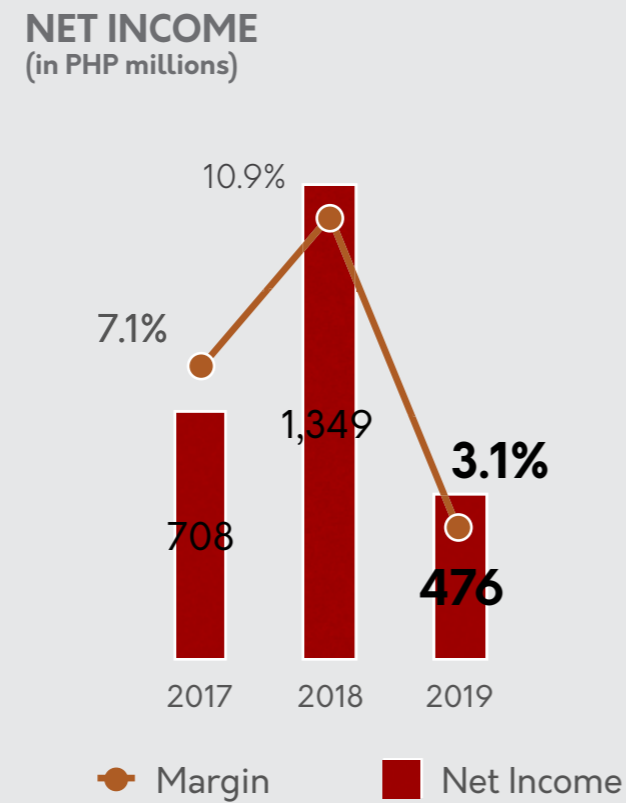
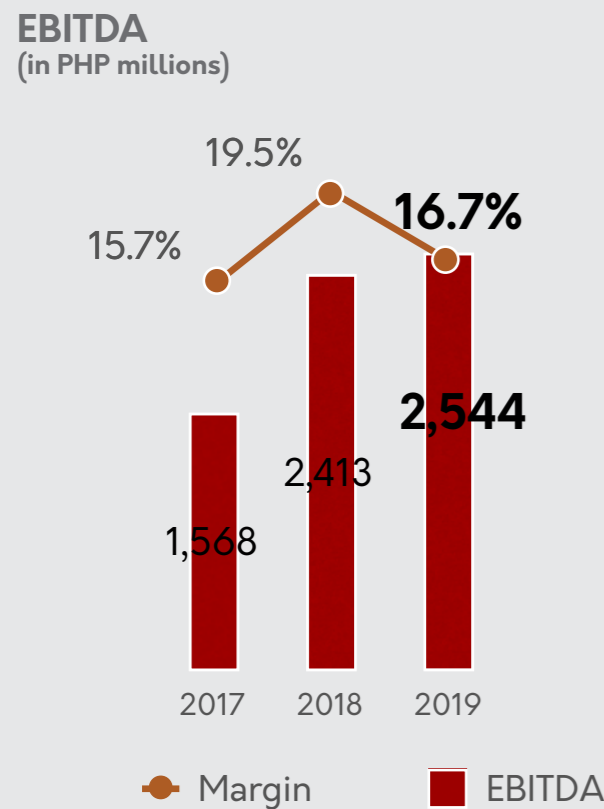
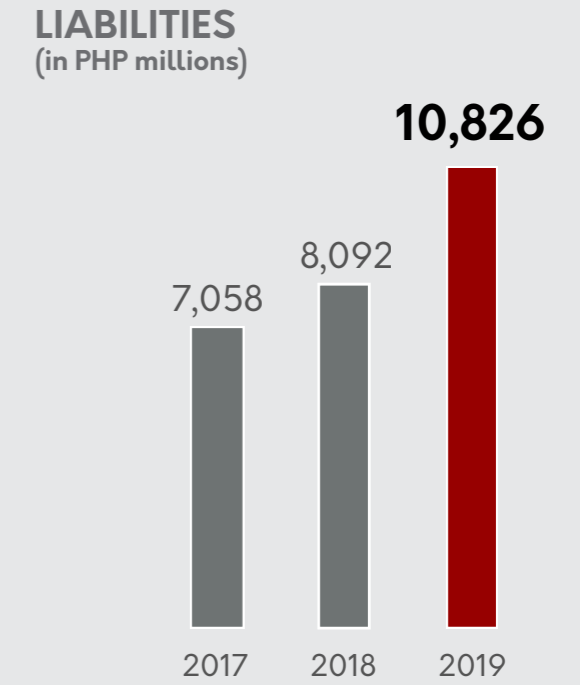
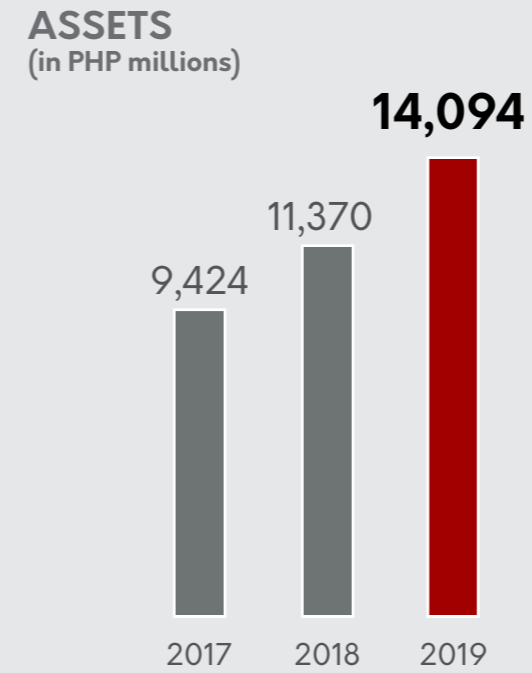
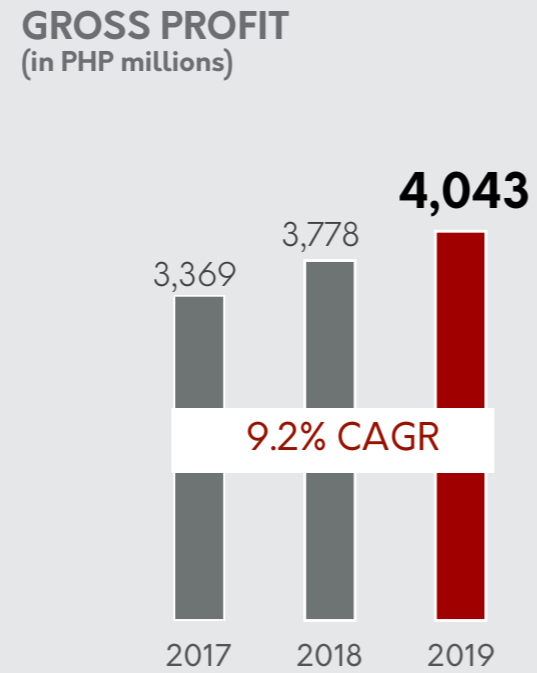
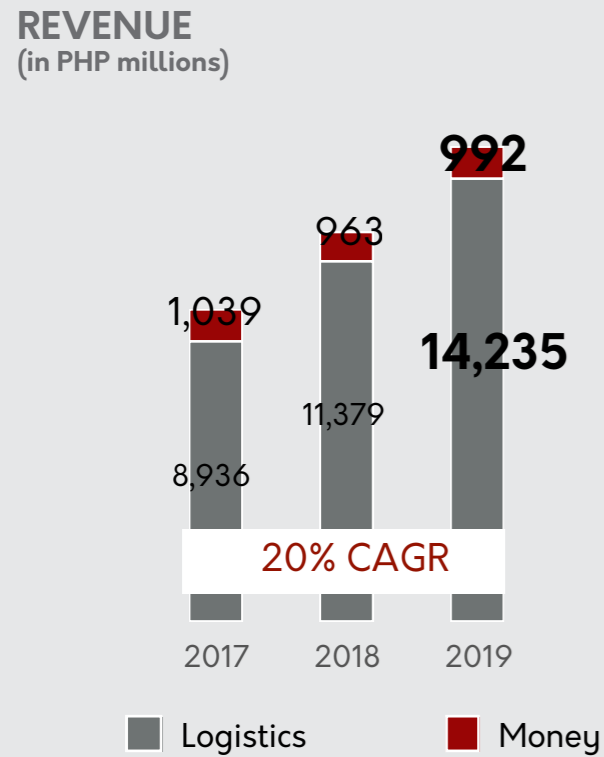
The benefit of using Branch Collect for current COP and COD users is that merchants with minimum transactions can get their investment immediately so they can use it again as capital. Liza says: “From now on, I will now use LBC Branch Collect! Not only because LBC’s services are already tried and tested, but because they always have their customers’ welfare in mind”. Joseph, meanwhile, is looking forward to using LBC Collect saying: “I am confident that with LBC by my side, the future of my small business looks better”.



Key Financials

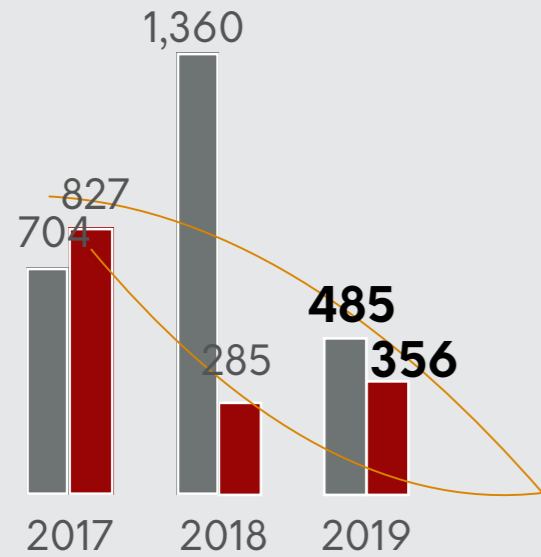
To view our audited financial statements, click [here](#)

Key Profit and Loss Items



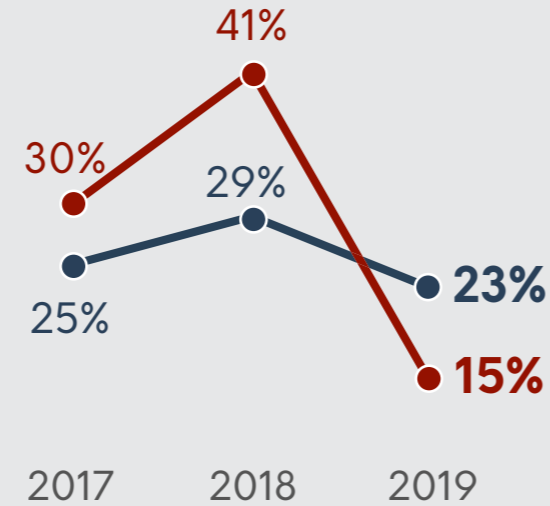
Share Data and Key Ratios

SHARE INFORMATION (in PHP millions)



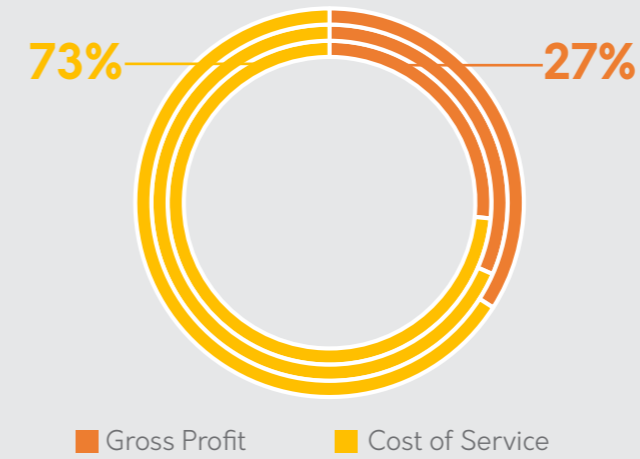
■ Net income attributable to shareholders
■ Cash dividends

RETURN ON EQUITY & SHAREHOLDERS' EQUITY RATIO (in PHP millions)



● Shareholders Equity Ratio
● Return on Equity

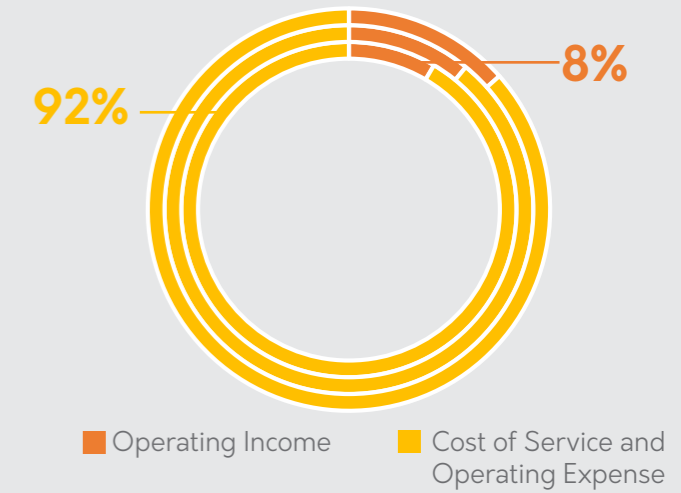
GROSS PROFIT: COST OF SERVICE



■ Gross Profit ■ Cost of Service

	Gross Profit	Cost of Service
2017	34%	66%
2018	32%	68%
2019	27%	73%

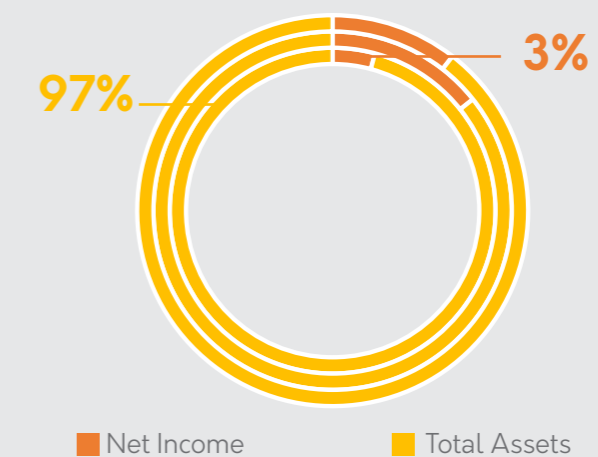
OPERATING INCOME: COST OF SERVICE AND OPERATING EXPENSE



■ Operating Income ■ Cost of Service and Operating Expense

	Operating Income	Cost of Service and Operating Expense
2017	14%	86%
2018	11%	89%
2019	8%	92%

NET INCOME: TOTAL ASSETS



■ Net Income ■ Total Assets

	Net Income	Total Assets
2017	8%	92%
2018	12%	88%
2019	3%	97%

Corporate Governance

The Board of Directors and Management, and employees of LBC EXPRESS HOLDINGS, INC. (the “Company”) commit themselves to the principles of good governance, as contained in its Revised Manual on Corporate Governance approved in May 2017 and July 2014. The Board of Directors and Management, employees and shareholders, believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization as soon as possible.

The Board of Directors

The Articles of Incorporation of the Company provides that the Board of Directors shall be composed of nine (9) members. As of 31 December 2019, the Board of Directors of the Company consists of nine (9) directors.

As required by the Securities and Exchange Commission (“SEC”), the Company, being a publicly listed company, is mandated to nominate at least two (2) independent directors. Moreover, pursuant to the SEC Memorandum Circular 19-16, the Board is recommended to have at least three independent directors, or such number as to constitute at least one-third of the members of the Board. Thus, of the nine (9) directors of the Company, three (3) were elected as independent directors in accordance with the ByLaws of the Company.

In 2019, the Board of Directors held eleven (11) meetings consisting of ten (10) special board meetings and one (1) board organizational meeting. We list below the attendance of the members of the Board of Directors during such board meetings, as follows:



2019 Board Meetings

Date of Meeting	Miguel A. Camahort	Enrique V. Rey	Rene E. Fuentes	Mark Werner J. Rosal	Solita V. Delantar	Luis N. Yu	Augusto G. Gan	Jason Michael Rosenblatt	Anthony A. Abad
5 February 2019	P	P	P	P	P	P	P	P	P
12 March 2019	P	P	P	P	P	P	P	P	P
15 March 2019	P	P	P	P	P	P	P	P	P
12 April 2019	P	P	P	P	P	P	P	P	P
16 May 2019	P	P	P	P	P	P	P	P	P
29 May 2019	P	P	P	P	P	P	P	P	P
29 July 2019 Organizational	P	P	P	P	P	P	P	P	P
12 September 2019	P	P	P	P	P	P	P	P	P
13 September 2019	P	P	P	P	P	P	P	P	P
28 October 2019	P	P	P	P	P	P	P	P	P
31 October 2019	P	P	P	P	P	P	P	P	P

P – Present | NP – Not Present

Board Committees

Pursuant to the SEC Memorandum Circular 19-16, the Board of Directors of the Company resolved to reconstitute the following committees on 12 March 2019: (1) the Audit Committee; (2) the Corporate Governance Committee which shall replace and assume the functions of the Nomination Committee and the Compensation and Remuneration Committee; (3) the Board Risk Oversight Committee which shall be responsible for the oversight of the Company’s Enterprise Risk Management System; and (4) the Related Party Transactions Committee, which shall be tasked with reviewing all material related party transactions of the Company.

As of 31 December 2019, the board committees and its members are as follows:

	Audit	Board Risk Oversight	Corporate Governance	Related-Party Transaction
Miguel Angel A. Camahort				
Rene E. Fuentes		Member		
Enrique V. Rey, Jr.		Member		
Solita V. Delantar	Chairperson	Member	Member	
Mark Werner J. Rosal				
Luis N. Yu, Jr.	Member	Chairperson	Member	Member
Augusto G. Gan				Member
Anthony A. Abad	Member		Chairperson	Chairperson
Jason Michael Rosenblatt				

Audit Committee

The Audit Committee is responsible for overseeing the senior management in establishing and maintaining an adequate, effective and efficient internal control framework. It ensures that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets.

The Audit Committee consists of at least three (3) appropriately qualified non-executive directors, the majority of whom, including the Chairman, should be independent.

All of the members of the committee must have accounting, audit and finance backgrounds. Each member shall have adequate understanding at least or competence at most of the corporation's financial management systems. The chair of the Audit Committee should not be the chairman of the Board or of any other committees and should be an independent director.

Corporate Governance Committee

The Corporate Governance Committee was constituted to assist the Board in the performance of its corporate governance responsibilities, and ensuring compliance with and proper observance of corporate governance principles and practices.

It shall be composed of at least three (3) members, all of whom should be independent directors, including the Chairman.

Board Risk Oversight Committee

The Board established a separate Board Risk Oversight Committee (BROC) that is responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness. The BROC should be composed of at least three (3) members, the majority of whom should be independent directors,

including the Chairman. The Chairman should not be the Chairman of the Board or of any other committee. At least one member of the committee must have relevant thorough knowledge and experience on risk and risk management.

Related Party Transactions Committee

The Board established a Related Party Transaction (RPT) Committee, which is tasked with reviewing all material related party transactions of the company and should be composed of at least three (3) non-executive directors, two (2) of whom should be independent, including the Chairman.

External Auditor

The external auditor contributes to the enforcement of good governance through independent examination of the financial records and reports of the Company. The external auditor of the Company is the accounting firm of SyCip Gorres Velayo & Co. ("SGV & Co."). The Board, upon the recommendation of the Company's Audit Committee, approved the reappointment of SGV & Co. as the Company's independent auditor for 2019 based on their performance and qualifications.

The Company has not had any material disagreements on accounting and financial disclosures with its current independent auditor for the same periods or any subsequent interim period. SGV & Co. has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities of the Company. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

Audit and Audit-related Fees

The following table sets forth the aggregate fees billed for each of the last two years for professional services rendered by SGV & Co.:

	2019	2018
in millions		
Audit and Audit-Related Fees ¹	P6.83	₱5.68
Total	P6.83	₱5.68

(1) Audit and Audit-Related Fees. This category includes the audit of annual financial statements, review of interim financial statements and services that are normally provided by the independent auditor in connection with statutory and regulatory filings or engagements for those calendar years

Compliance Officer

The Board of Directors appoints a Compliance Officer who shall report directly to the Chair of the Board.

The Compliance Officer is tasked with, among others, monitoring the compliance by the Company with the rules and regulations of regulatory agencies such as the SEC and the Philippine Stock Exchange ("PSE"), and submitting reports in accordance with the rules of such agencies and other pertinent laws.

The Company submitted last 27 July 2020 its Annual Report on Corporate Governance for year 2019.

As of 31 December 2019, the Company has complied with the principles and practices contained in its Manual on Good Corporate Governance.

Disclosure and Transparency

The Company acknowledges that the essence of corporate governance is transparency. Thus, all material information about the Company which could adversely affect its viability or the interest of its stockholders and other stakeholders are publicly and timely disclosed by the Company. The Company and its Board of Directors

commit at all times to full disclosure of material information dealings, and as such, has caused the filing of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the commission for the interest of its stockholders and other stakeholders.

Commitment to Good Corporate Governance

The Company has established, and continues to implement and adopt, corporate governance rules in accordance with the rules and regulations of the SEC. As such, the manuals adopted and issued by the Company have been revised to be in line with the policies and rules of the SEC.



Board of Directors

ENRIQUE V. REY, JR.

Director
Chief Finance Officer and Investor Relations Officer

Mr. Enrique V. Rey Jr. assumed the position of Investor Relations Officer of the Company on September 2015 and elected as the Chief Finance Officer of LBCEH on September 2017 after being an officer-in-charge for the same position since December 2015. Mr. Rey, Jr. was also a director of LBC Systems, Inc. from 2008 to 2010 and LBC Mundial Inc. from 2005 to 2008. Prior to joining the Company, Mr. Rey, Jr. worked for Coca-Cola Phil ATS, where he was the Senior Head of Sales from 2003 to 2005 and the Associate Vice President for Institutional Sales from 2000 to 2003. Mr. Rey, Jr. attended De La Salle University and completed a Management program at the Ateneo Business School. Mr. Rey, Jr. has also attended INSEAD and received training in Finance. Since 2010, Mr. Rey, Jr. has been a member of the Institute of Internal Auditors.

RENE E. FUENTES

Director

Mr. Enrique V. Rey Jr. assumed the position of Investor Relations Mr. Rene E. Fuentes is currently the Senior Vice President for Global Retail Operations of LBC Express, Inc. Prior to joining the Company, Mr. Fuentes served as President of Documents Plus, Inc. from 1996 to 2001, and as Regional Manager, Vice-President of EFC Food Corporation from 1996 to 2001. Mr. Fuentes attended De La Salle University and completed a Key Executive Program in November 2013 at the Harvard Business School.

AUGUSTO G. GAN

Director

Mr. Augusto G. Gan was appointed Director of LBCEH in September 2015. Mr. Gan concurrently serves as a Director of Atlantic Gulf and Pacific Company, Investment and Capital Corp of the Philippines, Pick Szeged ZRT and Sole-Mizo Zrt. He is also the Managing Director of Ganesp Ventures and the Chairman of the Board of Anders Consulting Ltd. Previously, Mr. Gan was the President of the Delphi Group from 2001 to 2012 and the Chief Executive Officer of Novasage Incorporations (HK) from 2006 to 2007. He has also served as a Director of AFP Group Ltd. (HK) from 2005 to 2007 and ISM Communication from 2003 to 2004, as well as the Chairman of the Boards of Cambridge Holdings from 1995 to 2000 and Qualibrand Industries from 1988 to 2001. Mr. Gan holds a Master in Business Management degree from the Asian Institute of Management.

MIGUEL ANGEL A. CAMAHORT

Chairman of the Board
Chief Executive Officer and President

Mr. Miguel Angel A. Camahort, Mike, as how he wants to be called by colleagues and friends, is a well-known, respected personality and a subject matter expert in the transport and logistics industry, with proven track record of innovations and process changes, a strategic leader and a mentor.

Mr. Camahort brings with him a degree in Business Management and Economics from the College of Notre Dame in Belmont, California. He gained an extensive training course on Advanced Transportation and Logistics Management from the Northwestern University in Evanston, Illinois, Chicago and Finance for Executives from INSEAD Business School in Fontainebleau, France.

A well-rounded transport professional, Mike has 36 years of combined solid experience in sales, marketing, customer service, purchasing, logistics, warehouse operations, fleet management and supply chain. He joined the Aboitiz Group of Companies in 1995, has moved up a few times and held various positions during his stint in Aboitiz and became a member of its Management Committee for over 12 years. He left the Aboitiz Group holding the position of Senior Vice-President and Chief Operating Officer for 2GO Solutions. Mr. Camahort joined LBC Express Inc, in October 2009 and currently the Chairman, President and CEO of LBC Express Holdings, Inc. and President of LBC Express Inc. He is currently an Independent Board Member of Nhat Tin Investment Trading Development, Inc. in Vietnam.





MARK WERNER J. ROSAL

Director

Atty. Rosal became a director of LBCEH on April 28, 2015. Born in Cebu City, Atty. Rosal, prior to taking up law, has a Bachelor's Degree in Physical Therapy from Cebu Velez College and is a licensed Physical Therapist. Atty. Rosal graduated in the top 5% of his law school batch at the University of San Carlos, Cebu City, in 2002 and was admitted to the Philippine Bar in 2003. He spent his early years in the practice of law at Balgos and Perez Law Offices and Angara Cruz Concepcion Regala and Abello (ACCRALAW). Currently, he is the Managing Partner of Rosal Diaz Bacalla and Fortuna Law Offices, a Cebu-based law firm. As part of his law practice as retained counsel of private corporations, he is a director (holding nominal shares) of Cebu Agaru Motors Inc., Wide Gain Property Holdings, Inc., and Sem-Ros Food Corp. (a non-operational corporation).



JASON MICHAEL ROSENBLATT

Director

Mr. Jason Rosenblatt is currently a Partner at Crescent Point, a private equity and investment firm based in Singapore. Mr. Rosenblatt assumed a director position at LBC Express Holdings, Inc. in March 2018. His previous positions include: Laurasia Capital Management, Director; Standard Bank, Global Head of Special Situations; DKR Oasis, Head of Principal Strategies; Ritchie Capital Management, Director; McKinsey Company, Associate; and Bank One, Associate.

SOLITA V. DELANTAR

Independent Director

Ms. Solita V. Delantar was appointed Director of LBCEH in March 2014. She concurrently serves as Independent Director on the Board of Directors at Anchor Land Holdings, Inc., Executive Director at PMAP Human Resources Management Foundation (since July 2013) and Vice President at PONTICELLI, Inc. (since 2006). Previously, Ms. Delantar served as Vice-President, Human Resources Management & Development Administration (November 1999 - September 2003), Consultant (July 1997-July 1998), Vice-President, Finance & Administration (May 1988 - June 1996) and various other positions at Honda Philippines, Inc. Ms. Delantar is a Certified Public Accountant, Fellow in Personal Management and professional business mediator. From September 1998 to March 2007, she served as a Member of the Professional Board of Accountancy, which administers licensure examinations for CPAs. Ms. Delantar received her Bachelor of Science degree in Commerce with a major in Accounting from Far Eastern University and participated in a Bachelor of Laws program at Ateneo de Manila University.



ANTHONY A. ABAD (Not in photo)

Independent Director

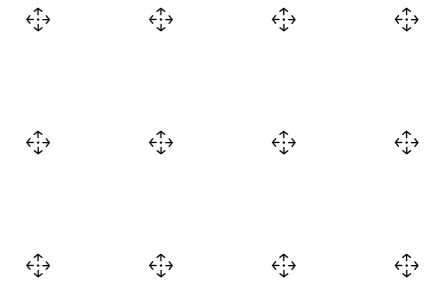
Atty. Anthony A. Abad is currently the CEO and Managing Director of TradeAdvisors, as well as a partner of Abad Alcantara & Associates. He graduated from the Harvard University - John F. Kennedy School of Government with a Master's Degree in Public Administration, and a Fellow in Public Policy and Management at the Harvard Institute for International Development. Atty. Abad graduated from the Ateneo de Manila School of Law with a Juris Doctor degree, and a Bachelor of Arts degree, Major in Economics (Honors). Other current engagements include: Bloomberg Philippines, Anchor; Ateneo Center for International Economic Law, Director; Ateneo de Manila University, Professor; World Trade Organization, Panelist. Previously, Atty. Abad was Key Expert, Trade Policy & Export Development Trade Assistant for the European Union, Chairman and Secretary's Technical Advisor at the Department of Agriculture, and President and CEO of the Philippine International Trading Corporation.

LUIS N. YU, JR. (Not in photo)

Independent Director

Mr. Luis Yu, Jr. is the Founder and Chairman Emeritus of the 8990 Holdings, Inc. Mr. Yu is also the Chairman Emeritus of IHoldings, Inc. (2012 to present). He is also the Chairman of 8990 Cebu Housing Development Corporation, 8990 Visayas Housing Development Corporation, 8990 Davao Housing Development Corporation, 8990 Mindanao Housing Development Corporation, 8990 Iloilo Housing Development Corporation and 8990 Luzon Housing Development Corporation (2009 to present), 8990 Housing Development Corporation (2006 to present), Ceres Homes, Inc. (2002 to present), N&S Homes, Inc. (1998 to present), L&D Realty Holdings, Inc. (1998 to present), and Fog Horn (1994 to present). Mr. Yu is currently the President of DECA Housing Corporation (1995 to present). Mr. Yu holds a Master in Business Management degree from the Asian Institute of Management. Mr. Yu has more than 30 years of experience managing and heading companies engaged in Mass Housing subdivision development.

Management Team



MIGUEL ANGEL A. CAMAHORT
Chief Executive Officer and President

Mr. Miguel Angel A. Camahort, Mike, as how he wants to be called by colleagues and friends, is a well-known, respected personality and a subject matter expert in the transport and logistics industry, with proven track record of innovations and process changes, a strategic leader and a mentor.

Mr. Camahort brings with him a degree in Business Management and Economics from the College of Notre Dame in Belmont, California. He gained an extensive training course on Advanced Transportation and Logistics Management from the Northwestern University in Evanston, Illinois, Chicago and Finance for Executives from INSEAD Business School in Fontainebleau, France.

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Mr. Camahort joined LBC Express Inc. in October 2009 and currently the Chairman, President and CEO of LBC Express Holdings, Inc. and President of LBC Express Inc. He is currently an Independent Board Member of Nhat Tin Investment Trading Development, Inc. in Vietnam.



ENRIQUE V. REY JR.
Investor Relations Officer,
Chief Finance Officer

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CRISTINA S. PALMA-GIL FERNANDEZ
Corporate Secretary

Atty. Palma Gil-Fernandez assumed the position of Corporate Secretary of LBCEH in September 2015. Atty. Palma Gil-Fernandez graduated with a Bachelor of Arts degree, Major in History (Honors) from the University of San Francisco in 1989, and with a Juris Doctor degree, second honors, from the Ateneo de Manila University in 1995. She is currently a Partner at Picazo Buyco Tan Fider & Santos Law Offices and has more than 20 years of experience in corporate and commercial law, with emphasis on the practice areas of banking, securities and capital markets (equity and debt), corporate reorganizations and restructurings and real estate.



ROSALIE H. INFANTADO
Treasurer

Ms. Infantado assumed the position of Treasurer of LBCEH in September 2017. She graduated with a Bachelor of Science degree, Major in Accountancy from the Polytechnic University of the Philippines in 1997. She is currently Vice-President - Financial Reporting and Analysis at LBC Express, Inc., and has been a Certified Public Accountant since 1998. With 20 years of experience in accounting, audit, and financial reporting, Ms. Infantado's previous professional experiences include employment at prestigious companies such as KPMG Philippines (Manabat SanAgustin & Co.), Concordia Advisors (Bermuda) Ltd., CITI Hedge Fund Services, Ltd. (Bermuda), and PriceWaterhouseCooper Philippines.



MAHLEENE G. GO
Assistant Corporate Secretary,
Corporate Information Officer and
Compliance Officer

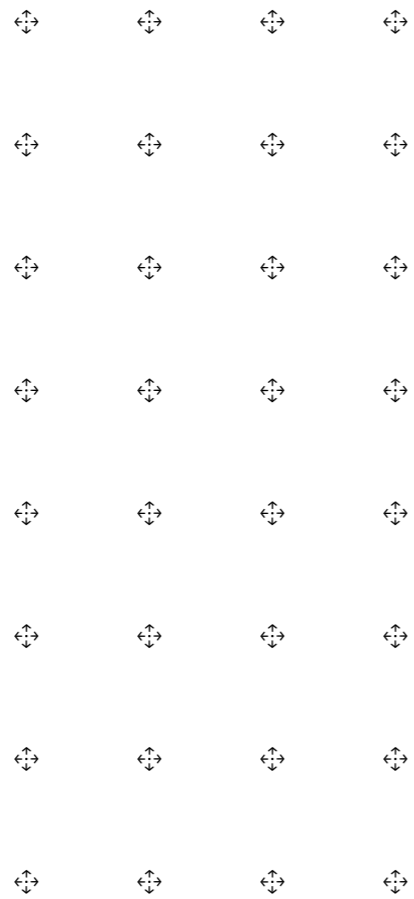
Atty. Mahleene G. Go assumed the position of Assistant Corporate Secretary, Compliance Officer and Corporate Information Officer of LBCEH in September 2015. Born on April 25, 1980, Atty. Go graduated with the degree of Bachelor of Arts, Major in Political Science, from the University of the Philippines in 2001, and with the degree of Juris Doctor from Ateneo De Manila University-School of Law in 2005. She also received a Certificate of Mandarin Language Training for International Students from 2011 to 2012 in Peking University, Beijing, China. She served as a Junior Associate at Picazo Buyco Tan Fider & Santos Law Offices from 2007 to 2010 and 2012 and is currently a Senior Associate at the same office. She currently serves as Trustee and Corporate Secretary for the Center for Empowerment and Resource and Development, Inc.



ERNESTO C. NAVAL III
Alternate Corporate Information
Officer

Atty. Ernesto C. Naval III assumed the position of Alternate Corporate Information Officer of LBCEH in June 2018. Born on November 4, 1992, Atty. Naval graduated with the degree of Bachelor of Science, Management, from the Ateneo De Manila University in 2013, and with the degree of Juris Doctor from Ateneo de Manila School of Law in 2017. He is a Junior Associate at Picazo Buyco Tan Fider & Santos Law Offices from 2018 to present.

LBC Express, Inc. Board of Directors



JHAYNER V. BUFI



JAVIER C. MANTECON



JOSE RAMON R. GARCIA

- MIGUEL ANGEL A. CAMAHORT
Chairman of the Board
- ENRIQUE V. REY, JR.
Director
- RENE E. FUENTES
Director
- JHAYNER V. BUFI
Director
- JAVIER C. MANTECON
Director
- AUGUSTO G. GAN
Director
- JOSE RAMON R. GARCIA
Director
- ANTHONY A. ABAD
Independent Director
- SOLITA V. DELANTAR
Independent Director

LBC Express, Inc. Management Team

- MIGUEL ANGEL A. CAMAHORT
President, Acting Chief Executive Officer,
Chief Operating Officer
- ENRIQUE V. REY, JR.
Chief Finance Officer, Chief Risk,
Compliance & Investor Relations Officer
- JAVIER C. MANTECON
Chief Marketing Officer
- JHAYNER V. BUFI
Chief People Officer
- ALEXANDER FRANCIS D. DEATO
Senior Vice-President, Information Technology
- OLIVER L. VALENTIN
Senior Vice-President, Philippines Business Unit
- RENE E. FUENTES
Senior Vice-President, Overseas Retail &
Systems Operations
- LUIS MANUEL L. GATMAITAN
Corporate Secretary
- JOHN PAUL LOUIS D. MISA
Assistant Corporate Secretary
- LUIS MANUEL D. ERMITAÑO
General Counsel



OLIVER L. VALENTIN



LUIS MANUEL L. GATMAITAN



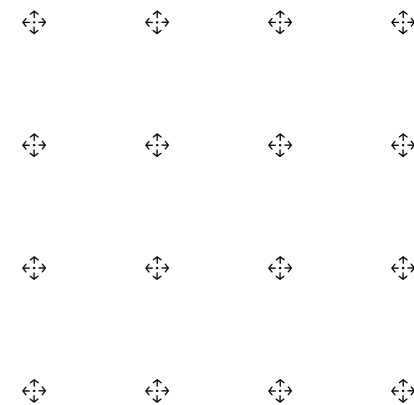
ALEXANDER FRANCIS D. DEATO



JOHN PAUL LOUIS D. MISA



LUIS MANUEL D. ERMITAÑO



Sustainability

The LBC way is what makes us a great place to work and a great partner to maintain connection back home—in short, it’s what makes a great community. Together with our mission, our values define everything we do—they guide our actions and give us a shared language on how we do business and how we approach sustainability. Even more, they bring out positive outcomes and create shared value to our many stakeholders.

As a preliminary report, we collected partial 2018 data on environment, human resource and other relevant information for our 2019 State of Play report. The core information includes: GHG emission, employment profile, and employee safety.

Given the spread and complexity of our operations, we focused on available environmental performance data from Central Exchange, our 24-hour facility where all deliveries are centralized and sorted before delivery. We expect to improve on the scope and reporting of our progress over the next few years as we prepare for a GRI-based annual sustainability report and as sustainability reporting grows in strategic value to the company.

SUSTAINABILITY FRAMEWORK

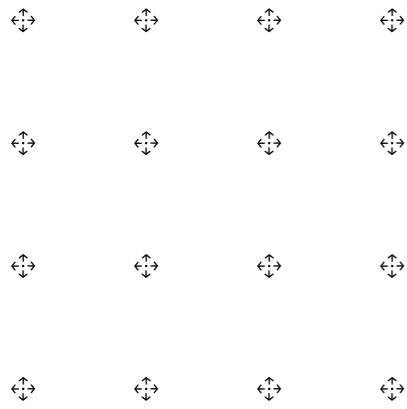
As the country’s pioneer and market leader in express delivery, shipping, courier, and remittance services, we are taking our success as an opportunity for greater responsibility by moving towards sustainable logistics. In 2019, we had an opportunity to re-assess the economic, environmental, and social impacts of our business, revisit our initiatives with sustainability objectives, think beyond our usual operations and plan for more inclusive business model.

MATERIAL ISSUES

To inform our actions, we organized a roundtable interview with senior management and an internal survey of 155 respondents representing all departments across our operations to identify significant non-financial issues of our business. We then we based our sustainability context on materiality, stakeholder inclusion and our brand pillars of clarity, certainty, and convenience. Following this analysis, we’ve chosen to focus on nine sustainability priorities across three thematic areas where we can deliver the most significant value. These are:

1. Environment
2. Energy use in terms of fuel consumption for vehicles and electricity use and efficiency in operations
3. Use of raw materials and recycled input materials in operations to minimize waste
4. Compliance with laws and regulations
5. Social Issues
6. Employee hiring and retention
7. Compensation and benefits
8. Employee training and development (including lifelong learning)
9. Product responsibility
10. Customer Satisfaction
11. Innovation and future technologies
12. Data security, protection and privacy

This consultative engagement also enabled us to align our strategy to support 10 of the 17 U.N. Sustainable Development Goals (SDGs). At this preliminary stage, we collected partial data for three core information: GHG emission, employment profile, and employee safety. In the years ahead, we aim to report our material topics and performance according to Global Reporting Initiative (GRI) Standards as well as turn our data into business intelligence as we work towards a sustainable future.



ECONOMIC

We know that if we run our business in the right way, our economic success can contribute to achieving No poverty (SDG 1), Peace, justice and strong institutions (SDG 16) and Partnerships for the goals (SDG 17).

Our impact

Growth is our responsibility to the Global Filipinos. Founded in 1945 as a brokerage and air cargo agent, we pioneered express delivery and cargo shipping and 24-hour door-to-door delivery in the Philippines. Today, we are the most trusted courier, cargo and logistics, and remittance service provider of the Global Filipino with over 20 million customer base globally. We are present in 30 countries worldwide and in 1,397 branches across the Philippines.

By moving lives, businesses, and communities, we have an important role in supporting sustainable economic development for our stakeholders. Specifically, our financial performance impacts various stakeholders such as our employees, business partners, service providers, suppliers, shareholders, as well as wider groups including the government and the society.

Our management approach

Our business decisions and growth aspirations are guided by sustainable practices and full compliance with laws and regulations, and internal governance principles.

To deliver on our financial targets, our Board oversees the development, review, approval, and monitoring of our business objectives and strategies. They also establish effective performance management framework that ensures that our performance is at par with the standards set by the Board and management.

One such strategy is to protect our competitiveness. Back in 2011, we shifted from simple compliance that was grounded on a set of policies and processes to a more forward-thinking approach focused on identifying and addressing the risk and opportunities that the business may face. This work plan was built around earning an International Organization for Standardization (ISO) certification for quality management to highlight our brand's focus on quality, reliability, and customer satisfaction. We then expanded our approach to include other aspects of the business such as Central Exchange, Warehousing, Remittance, and Payment Solutions.

Over the years, that same quality standard, which uses the Plan-Do-Check-Act Framework, has equipped us with a robust system to ensure consistency across the enterprise. In 2019, we celebrated our 9th year of being certified with the ISO 9001:2015 Quality Management Standard, becoming one of the few logistics companies in the country with the longest-running ISO certification for quality management. We also received the most number of sites certified with this standard. Through our ISO certification, our stakeholders are assured that quality is integrated into every aspect of our operations—our brand attributes, management supervision, and professionally and technologically equipped employees—to meet and go beyond our customers' expectations.

Another recent and ongoing initiative is our digital transformation. Introduced in 2017, our strategy is aimed at accelerating business activities, processes and competencies that will, in turn, impact the stakeholders in strategic and meaningful ways. Under our digital transformation, we aim to improve internal performance, partner relationships, and expand reach across different business segments. Specifically, we intend to:

- Further develop the first mile to make us accessible for pick-ups for the retail market, and small-corporate accounts (MSMEs);

- Set up our cross-border operations to capture the e-commerce market at its origin, making LBC an end-to-end logistics service provider;
- Partner with other logistics service providers through crowdsourcing, making our pick-up and delivery operations “burstable”;
- Utilize crowdsourcing to fulfill the need for surge of volume, thus providing a cost-effective solution to demand;
- Expand our Returns Services to Reverse Logistics through reselling, liquidation or disposal of returned items;
- Expand money transaction through digital currency solutions, allowing peer-to-peer payments or C2B payments; and
- Ensure improved efficiencies in our hubs.

Risks and Opportunities

A significant segment of our business activities and assets are in the Philippines. As such, we face risks associated with the country, including the performance of, and impacts of global conditions on the Philippine economy. It also means we are subject to Philippine laws and regulations, and any changes in government policies could adversely affect our operations and profitability.

We view sustainability program and reporting as an opportunity to upgrade and expand our system of



“...a 25-man team, dubbed the LBC Heroes, who can volunteer to respond to emergency situations and assist affected communities strategically.”

corporate governance—to monitor our performance and to effectively manage key business risks. With this in mind, the succeeding steps include the formalization of an infrastructure that will address our current data gap. More details about our Procurement Practices and Policies will be reported next year.

Our climate-related risks and opportunities
We are mindful that an occurrence of natural disasters, such as typhoons, earthquakes, fires, floods, and similar events, could adversely affect our business, financial condition, or results of operations. To safeguard against unexpected interruptions due to these risks, we have established business continuity plans and procedures related to information technology, transportation for our logistics business and funding insufficiencies for our remittance segment.

Within the organization, we have also formed a 25-man team, dubbed the LBC Heroes, who can volunteer to respond to emergency situations and assist affected communities strategically. Coming from our various business units from the frontlines to executive management, our LBC Heroes are provided with a fully-equipped Emergency Response Vehicle (ERV) and have undergone training with the Philippine Red Cross and Philippine Coast Guard, emphasizing a critical role of public-private synergy in times of disasters. During storm warnings, the team is deployed as in the case of category 4 typhoon Lando, where they were able to provide onsite medical assistance for over a hundred members of Barangay San Roque in Cabanatuan City. The team also joined the Feast of the Black Nazarene and during the Pahiyas Festival in Lucban to provide medical emergencies and basic first aid.

**Anti-corruption
Our impact**

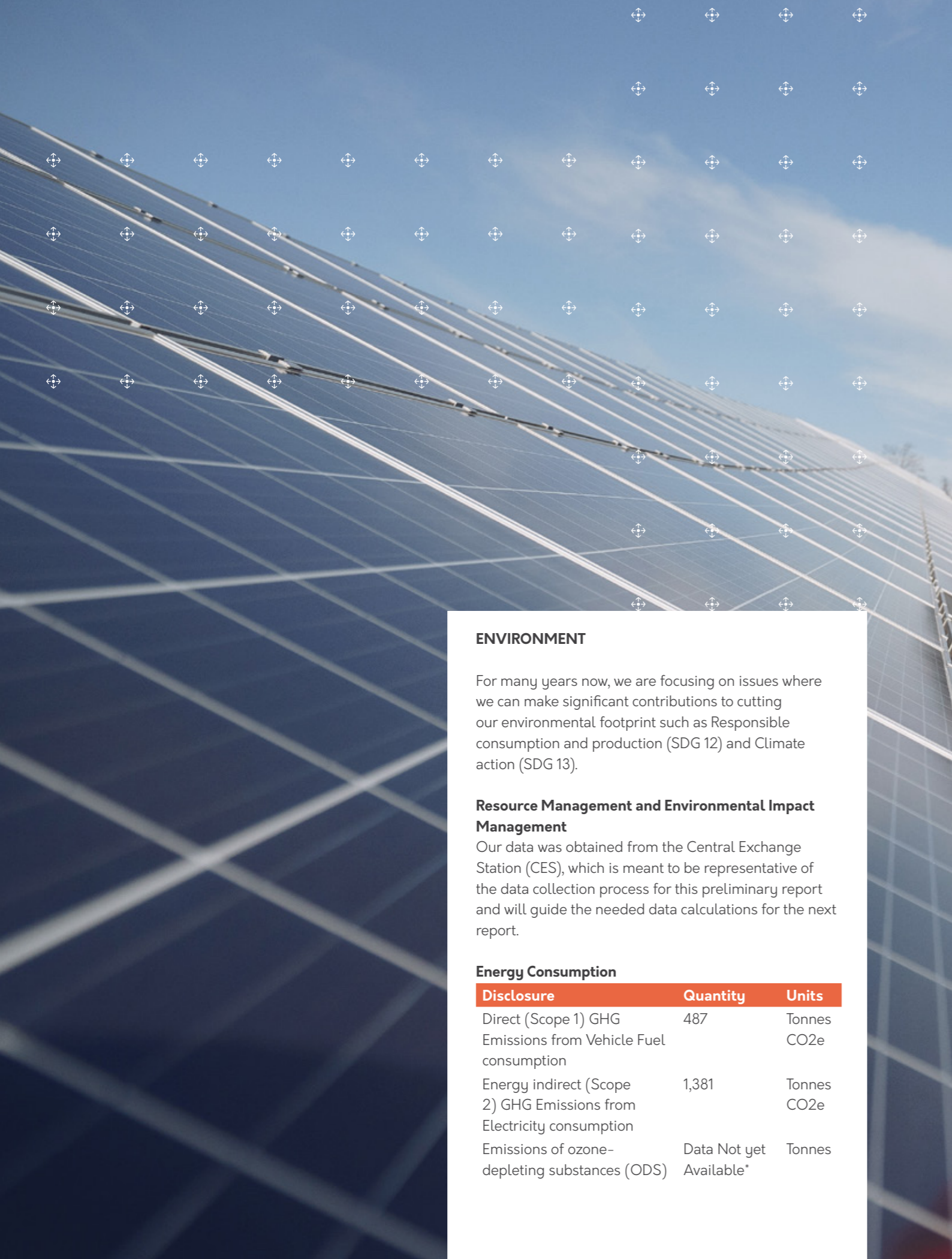
Moving money means taking full responsibility of being compliant with local and international economic regulations. It requires deep knowledge, robust processes, and reporting controls to protect one's financial systems from being misused by individuals and organizations involved in money-laundering and other serious crimes.

In doing our part to assist regulators, we submit Suspicious Transactions Reports (STR) to the Anti-Money Laundering Council (AMLC). In 2018, we submitted a total of 1,430 STRs—a number that may be considered low relative to the scale of our business. Of the STRs we filed, 99.88% were deemed to have High Value for investigation purposes, reflecting the reliability of our parameters in transaction monitoring. From 2015 to 2018, our top five reasons for filing STRs with AMLC are 38% Structuring or evading CTR reporting; 25% Fraud or Swindling; 15% Customer improperly identified; 14% Transaction no underlying legal or trade obligations; and 2% drug-related.

Our management approach

Our strong compliance and anti-money laundering programs protect our customers and our business from illegal transactions and malicious use of our systems. Guided by our policies and framework, our compliance team monitors domestic and international remittance transactions based on risk and materiality to identify which would require further investigations.

We have a regular reporting mechanism in place for suspicious transactions, activities, and matters. When there are reasonable grounds to suspect that a transaction may be an illegal activity or money laundering, we file reports with the relevant financial intelligence units of the various jurisdictions where our remittance business operates. In the Philippines, this is the AMLC which has recognized our transaction monitoring with a high rating in its AML Risk Rating System as with our good governance. AMLC is a public-private partnership that promotes cooperation and coordination to effectively prevent, control, detect and investigate money laundering, terrorism, and financing of terrorism in the country.



ENVIRONMENT

For many years now, we are focusing on issues where we can make significant contributions to cutting our environmental footprint such as Responsible consumption and production (SDG 12) and Climate action (SDG 13).

Resource Management and Environmental Impact Management

Our data was obtained from the Central Exchange Station (CES), which is meant to be representative of the data collection process for this preliminary report and will guide the needed data calculations for the next report.

Energy Consumption

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions from Vehicle Fuel consumption	487	Tonnes CO2e
Energy indirect (Scope 2) GHG Emissions from Electricity consumption	1,381	Tonnes CO2e
Emissions of ozone-depleting substances (ODS)	Data Not yet Available*	Tonnes

Water Consumption

Disclosure	Quantity	Units
Water withdrawal	13,334	Cubic meters

Non-hazardous wastes

Disclosure	Quantity	Units
Total weight of non-hazardous wastes (Plastic and Wood)	60,000	kg

Our impact

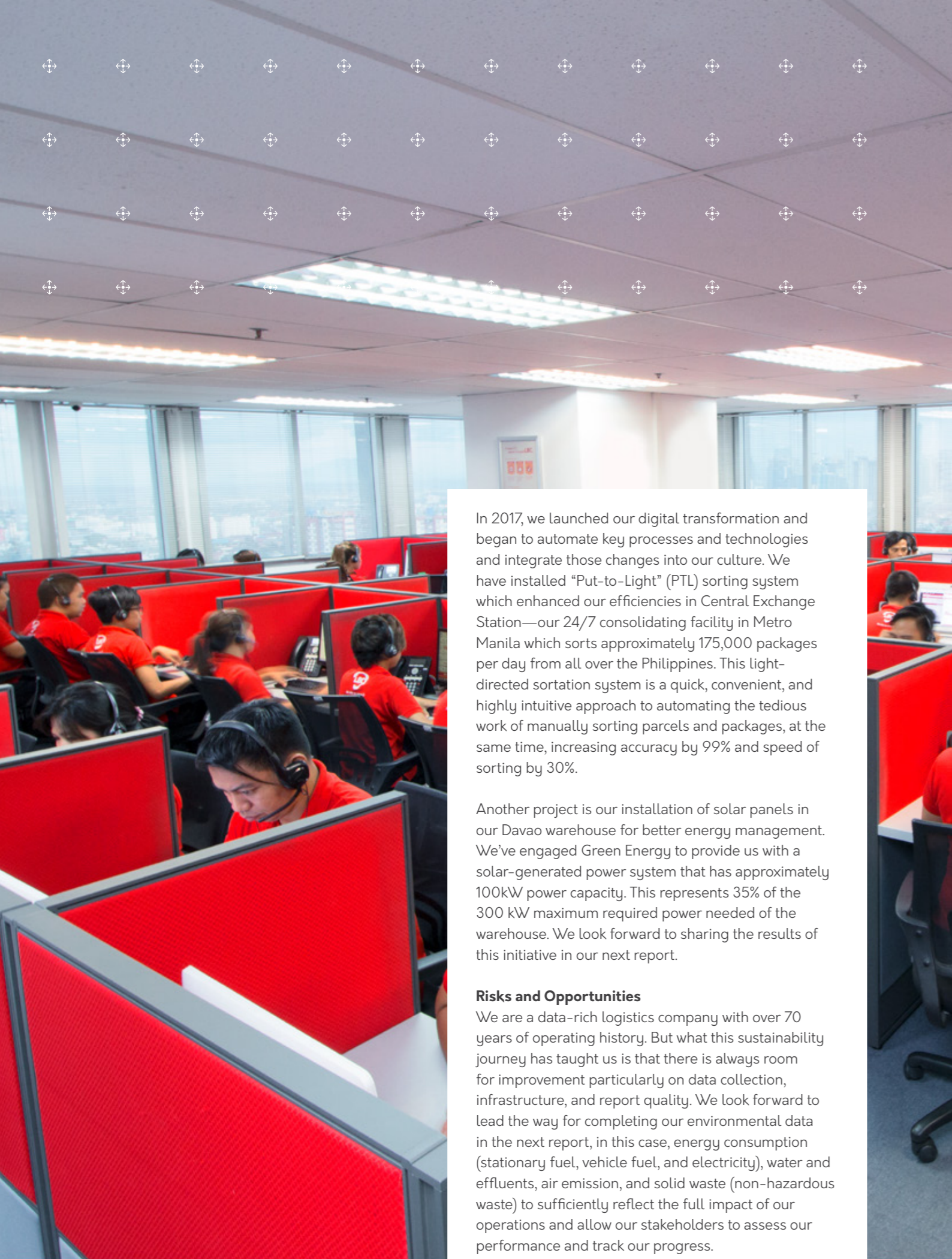
Energy and waste are among the top sustainability issues for the logistics and transport sector, and similarly what came up as aspects of our operations that are material for our stakeholders.

The energy consumption we presented here includes our direct impact on GHG emissions from vehicle fuel consumption as well as indirect GHG emissions from electricity consumption. For vehicle fuel consumption, it tracks the consumption of shuttle vans which travel to and from CES but excludes delivery trucks and is not representative of the whole fleet. For electricity consumption, on the other hand, it represents our total electricity consumed in 2018.

Our management approach

As part of our management’s decision to do the right thing, we’ve made decisive contributions to changing the world we live in for the better. We rolled out several initiatives voluntarily prior to any pressure or requirement from regulators or other stakeholders. For example, in 2012, we introduced biodegradable pouches long before the fight against plastic waste became mainstream in the country. Certified 100% oxo-biodegradable and safe for human use, this packaging breaks down in 1 to 1.5 years when exposed to degradation promoters such as heat, light, or microorganisms such as those in landfills. It does not emit methane when degrading vs. other plastics, including those with cornstarch-based additives. In 2018, we issued 140,000 of these pouches daily.

As part of our management’s decision to do the right thing, we’ve made decisive contributions to changing the world we live in for the better. We rolled out several initiatives voluntarily prior to any pressure or requirement from regulators or other stakeholders.



In 2017, we launched our digital transformation and began to automate key processes and technologies and integrate those changes into our culture. We have installed “Put-to-Light” (PTL) sorting system which enhanced our efficiencies in Central Exchange Station—our 24/7 consolidating facility in Metro Manila which sorts approximately 175,000 packages per day from all over the Philippines. This light-directed sortation system is a quick, convenient, and highly intuitive approach to automating the tedious work of manually sorting parcels and packages, at the same time, increasing accuracy by 99% and speed of sorting by 30%.

Another project is our installation of solar panels in our Davao warehouse for better energy management. We’ve engaged Green Energy to provide us with a solar-generated power system that has approximately 100kW power capacity. This represents 35% of the 300 kW maximum required power needed of the warehouse. We look forward to sharing the results of this initiative in our next report.

Risks and Opportunities
 We are a data-rich logistics company with over 70 years of operating history. But what this sustainability journey has taught us is that there is always room for improvement particularly on data collection, infrastructure, and report quality. We look forward to lead the way for completing our environmental data in the next report, in this case, energy consumption (stationary fuel, vehicle fuel, and electricity), water and effluents, air emission, and solid waste (non-hazardous waste) to sufficiently reflect the full impact of our operations and allow our stakeholders to assess our performance and track our progress.

SOCIAL

Our social commitment begins with our responsibility in taking care of our employees and our brand’s promise to our customers and extends to the improvement of lives of our Foundation’s beneficiaries. Our actions help to achieve the following SDGs: Good health and well-being (SDG 3), Quality education (SDG 4), Gender Equality (SDG 5); Decent work and economic growth (SDG 8), and Industry, innovation and infrastructure (SDG 9).

Employment Data

Employment Type	
Regular:	72%
Probationary:	21%
Contractual:	0%
Other:	7%

Gender	
Female:	35%
Male:	65%

Employment Level	
Senior Management:	0.34%
Middle Management:	1.71%
Supervisor:	5.92%
Rank and File:	92.02%

Age	
<30 years old:	45%
30 to 50 years old:	51%
>50 years old:	4%

New Hire	
<30 years old:	46%
30–50 years old:	26%
>50 years old:	5%

Gender	
Female:	34%
Male:	27%

Overall new hires: 44%

**Refers to the % of new hire: i.e. 46% of employees below 30 years old are new hires, i.e. 34% of females are new hires*

Turnover	
Age*	
<30 years old	30%
30–50 years old	15%
>50 years old	15%

Gender*	
Female:	30%
Male:	27%

Overall turnover 28%

**Refers to the % of new hire: i.e. 30% of employees below 30 years old were turned over, i.e. 30% of females were turned over*

Freedom of association	
Disclosure	Quantity
% of employees covered with Collective Bargaining Agreements	11%

Training			
	Employment Level*	Gender*	Training Cost
SM	37%	F	43%
MM	75%	M	48%
Sup	77%		
RF	33%		

**Refers to the % of training attendees vs their corresponding total category, i.e. 37% of Senior Management received training, i.e. 43% of females received training*
 SM: Senior Management
 MM: Middle Management
 Sup: Supervisor
 RF: Rank and File



Employee Management

Our impact

Expanding from local to global, we depend on our employees to ensure quality and excellence throughout this crucial period of growth. In our view, we can only fully optimize our investments in technological advancements with an engaged and skilled workforce. As such, a key area for us is employee development—one that will enable our people to develop their skills, increase their productivity, and improve their lives in line with our growth.

Key highlights of our employment data include:

- Gender diversity split at 35% female and 65% male;
- New hire rate at 44%; and
- Turnover rate at 28%

Our management approach

To support full, productive employment and decent work for all and to promote lifelong learning opportunities, we invest in personnel development programs and learning management systems. This includes e-Learning, Development Programs for Supervisors, Service Excellence Program, and a Career Development and Succession Planning initiative, among others. We have also started a Competency-based System to ensure effective performance of all functions and responsibilities regardless of position and to help identify and address employee development needs together with their supervisors.

Every year, we perform an assessment called the Leadership Practices Inventory to study and enhance the leadership behavior of supervisors to top management. In 2018, we trained and evaluated 592 leaders and offered training programs to 9,518 employees (of which 39% joined trainings on Compliance, Leadership, Functional/Technical, and 61% attended Customer Service Trainings/Service Excellence Program).

Additionally, we conduct Values Validation Survey and an Employee Engagement Survey annually to ensure that each employee demonstrates and embodies our mission and core values. With 100% employees surveyed, the result of the organization-wide Employee Survey (2018) revealed employee engagement score of 4.06 out of 5 and satisfaction score of 80%; willingness to promote LBC as an employer at 84.5%, and happiness at work at 84.5%. For the Values Validation Ratings, the survey showed that all values have improved over the last three years (2015–2018), with an overall rating of 3.57 from 2015 to 3.69 in 2018.

Our risks and opportunities

Our success depends in large part on our ability to maintain a productive workforce. That's why we ensure that our labor rules and regulations and government-mandated benefits are compliant with national laws. Plus, we maintain good relations with our employees and workers, whether under collective bargaining agreements or not. This is evident with the number of employees staying with the company for 20 to more than 30 years. Although we have not experienced any disruptive labor disputes in the recent past, any strikes, work stoppages, grievances, complaints, or claims of unfair practices, a deterioration in our employee relations could result in failure to meet or fulfill obligations to our customers.

A more detailed assessment of our Workplace conditions, Labor Standards, and Human Rights will be included in our next sustainability report.

Relationship with Community

Our impact

As a trusted corporate citizen, the LBC Foundation seeks to create and redistribute wealth by responding to the needs of society and working towards a sustainable form of support for the underserved Filipino.

Our management approach

LBC Foundation supports stakeholders by enriching life and culture, encouraging the development and education, and empowering those who serve the poor for nation-building. It creates maximum impact by bridging those leading change in their respective fields and fostering a partnership that benefits the organization's stakeholders first.

In 2018, the LBC Foundation had 1,149 volunteers who rendered 3,037 volunteer hours in various programs throughout the country. They served 159 community members, built and outfitted 6 classrooms (2 in Batangas, 2 in Dumaguete, and 2 in Ifugao), donated P1 million worth of in-kind donation (about 80% on educational tools and transportation, and the remaining 20% for free cargo services to assist 20 NGOs and over 100 children supported through World Vision). The foundation also supported 230 scholars across different levels including kindergarten, elementary, and high school.

“There is no business without its challenges but by embedding sustainability throughout our organization, we can continue to take care of our employees and provide exceptional service to all our stakeholders.”

Customer Management

Our impact

We are constantly in touch with our customers. We are the warm and helpful partner who enjoys moving packages, goods and money for them. In many cases, this allows us to learn new capabilities and upgrade the total customer experience.

Our management approach

Our core service advantage stems from our product responsibility. This is because we are rightly committed to quality and customer satisfaction.

Take for example our transition from a processed-based approach towards a market relevant international standards, that is the ISO certification. In line with our thrust for growth and as part of the ISO requirements, we've strengthened our training and employee development programs to ensure that our teams understood its relevance to internal operations. It also sharpened our ability to deliver sound quality management principles anchored on strong customer focus, motivation, process approach, and continuous improvement and review.

Moreover, a key benefit that this progression brings is innovation—and there is evidence that our digital transformation is laying the groundwork for innovation and customer satisfaction. It helps us improve our understanding of customers' evolving preferences and provide us with a strong foundation to envision new products and customized solutions. Our website,

for instance, is no longer primarily for information only. It is now capable of online real-time transaction processing and customer service, with interactive features such as package tracking, rate calculators and scheduling of pick-ups for parcels and cargo, as well as real-time customer service support through the “Live Talk” capability. Other examples are our new online remittance service, the launch of Chatbot through our Facebook account and some unique promotional services for our fellow Filipinos abroad, including an offering we designed for Filipino workers in Hong Kong where they can store their ‘padala’ in our branch up to four months for free before sending the package to their families in the Philippines.

Still, there is of course lots to do in this area. And to get it right, we've developed a set of key metrics which we believe best measure our product responsibility. These are:

- on-time delivery rate;
- productivity per courier; customer care answer level;
- customer care average handling time (minutes);
- customer service total response time (minutes); and
- customer care complaint management in terms of closure rate and closure rate within 24 hours.

Our risks and opportunities

There is no business without its challenges but by embedding sustainability throughout our organization, we can continue to take care of our employees and provide exceptional service to all our stakeholders. We do that by being open to new perspectives so we

can gain meaningful insight into the evolution of the modern customer and applying that intelligence to reinvent the business model.

A few of these risk factors and contingencies are the country's IT infrastructure and changes in freight and transportation costs, which may be beyond our control. In the next sustainability report, we aim to highlight our supply chain standards, practices, and policies which are one of the material topics for the logistics industry.

Contribution to UN Sustainable Development Goals

LBC is committed to supporting the following UN SDGs:



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