

C. ROLE OF STAKEHOLDERS

C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected.	Guiding Reference	Yes/No	MPI Remarks
Does the company disclose a policy and practices that address:				
C.1.1	The existence and scope of the company's efforts to address customers' welfare?	<p>OECD Principle IV (A): The rights of stakeholders that are established by law or through mutual agreements are to be respected. In all OECD countries, the rights of stakeholders are established by law (e.g. labour, business, commercial and insolvency laws) or by contractual relations. Even in areas where stakeholder interests are not legislated, many firms make additional commitments to stakeholders, and concern over corporate reputation and corporate performance often requires the recognition of broader interests.</p>	Yes	<p>The Company's Group is responsible for a broad range of essential products and services that impact the lives of millions of people across the country. The Company acknowledges this and is committed to deliver exceptional service to all customers.</p> <p>We monitor our company performance from the customers' standpoint through satisfaction surveys and advocacy campaigns. We further monitor and analyze internal customer metrics to optimize network and delivery performance. Customer engagement and interactions are conducted year-round as part of daily operations.</p> <p>Sustainability Journey https://www.mpic.com.ph/sustainability/</p>

			<p>Innovative and Exceptional Service https://www.mpic.com.ph/sustainability/innovative-and-exceptional-service/</p> <p>Sustainability Report (pages 7-10, 12, 42-47) https://www.mpic.com.ph/wp-content/uploads/2021/04/mpic-2020-sr.pdf</p> <p>Code of Business Conduct and Ethics (page 4) https://www.mpic.com.ph/corporate-governance/code-of-business-conduct-and-ethics/</p> <p>Annual Report (pages 32-34) https://www.mpic.com.ph/wp-content/uploads/2021/05/MPIC_AR20.pdf</p>
C.1.2	Supplier/contractor selection procedures?		<p>Yes</p> <p>The Code of Business Conduct and Ethics sets the Company’s business principles and values which shall guide and govern all business relationships of the Company, its directors, officers, and employees, including their relationship with the Company’s business partners and suppliers.</p> <p>The Supplier Code of Conduct further lays down the principles that the Company</p>

			<p>shall adhere to in its dealings with suppliers.</p> <p>Code of Business Conduct and Ethics https://www.mpic.com.ph/corporate-governance/code-of-business-conduct-and-ethics/</p> <p>Supplier Code of Conduct https://www.mpic.com.ph/wp-content/uploads/2019/06/MPIC-Supplier-Code-of-Conduct.pdf</p>
C.1.3	The company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?		<p>Yes</p> <p>The Company's Sustainability Framework articulated its purpose, sustainability thrusts, and impact and contribution to the achievement of the United Nations 17 Sustainable Development Goals Operating in the Philippines, which is one of the 17 megadiverse countries – a group of nations where more than 70% of the world's biodiversity can be found - the Company is serious in its responsibility of taking care of our environment and natural ecosystems in light of the country's importance to the planet's health. Having a diverse portfolio assets, all our businesses have a pervasive impact not just in our country's progress but in the natural resources protection and preservation. Thus, we always integrate environmental</p>

			<p>stewardship in our business. We think of our business as part of the natural environment, thus, we design, build, and operate with the least environmental and social disruption. For example, we carefully designed and built our Cebu-Cordova Bridge in the south of the Philippines to protect the existing 278-hectare mangroves ecosystem and avoid disruption to the fisherfolk communities in the area.</p> <p>As a Participant member (engagement at the global level) of the United Nations Global Compact, the Company espouses a principles-based approach in doing business. It is committed to uphold the fundamental responsibilities in the areas of human rights, labor, environment, and anti-corruption. In 2019, the Company became the first and only Carbon Disclosure Project (CDP) Supporter in the Philippines and is committed to continue its support in 2021. We also became one of the pioneer Task Force on Climate-Related Financial Disclosures (TCFD) Supporters in the Philippines in February 2021. We have tapped the services of a third party to assess our climate-related risks and opportunities in preparation to aligning with the TCFD framework, which we will disclose in our 2021 SR.</p>
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C.1.4	The company's efforts to interact with the communities in which they operate?		Yes	<p>Stakeholder engagement is an integral element of our overall sustainability strategy and as such, the Company listens to and engages directly with stakeholders through frequent dialogues, information exchanges, consultations, and collaborations, through a variety of channels and interactions.</p> <p>With the desire to make a difference, we launched our six Gabay (in English, “to guide”) advocacies with specific focus areas on education, health and sports, livelihood development, youth and leadership community engagement, and environmental stewardship Through these programs, we engage with communities and our various stakeholders. Our advocacies are anchored on our purpose to contribute to national progress and improve the lives of the Filipinos.</p> <p>Our community engagement policies and activities are disclosed in our Sustainability Report and Annual Report. MPIFI issues an Annual Report on our</p>

				<p>engagements and long-term commitments with the communities we serve.</p> <p>Sustainability Journey https://www.mpic.com.ph/sustainability/</p> <p>Positive Community Impact https://www.mpic.com.ph/sustainability/gabay-advocacies/</p> <p>Sustainability Report (pages 9, 11-12, 63-73) https://www.mpic.com.ph/wp-content/uploads/2021/04/mpic-2020-sr.pdf</p> <p>Annual Report (pages 24-27) https://www.mpic.com.ph/wp-content/uploads/2021/05/MPIC_AR20.pdf</p> <p>Corporate Social Responsibility https://www.mpic.com.ph/csr/</p>
C.1.5	The company's anti-corruption programmes and procedures?		Yes	<p>The Company has a zero-tolerance approach to bribery and corruption. For this purpose, we have adopted an Anti-Bribery and Anti-Corruption Policy.</p> <p>The Code of Business Conduct and Ethics</p>

			<p>prohibits taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.</p> <p>The Policy on Gifts, Entertainments and Sponsored Travel provides the general guidelines for directors, employees, and consultants on how to handle Gift, Entertainment and Sponsored Travel offered by parties dealing with the Company to ensure that the custom of giving gifts and entertainment is not used by third parties to gain undue advantage or influence the objectivity of the Company’s directors, employees, and consultants in the performance of their duties.</p> <p>Lastly, the Whistle-blowing Policy provides an internal and confidential reporting channel to report any serious concerns about any suspected misconduct, malpractice, or irregularity in the Company.</p> <p>Code of Business Conduct and Ethics (pages 1-2) https://www.mpic.com.ph/corporate-governance/code-of-business-conduct-</p>
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				<p>and-ethics/</p> <p>Anti-Bribery and Anti-Corruption Policy https://www.mpic.com.ph/wp-content/uploads/2021/03/MPIC-Anti-Bribery-and-Anti-Corruption-Policy.pdf</p> <p>Policy on Gifts, Entertainment and Sponsored Travel https://www.mpic.com.ph/wp-content/uploads/2019/06/MPIC-Policy-on-Gifts-Entertainment-and-Sponsored-Travel.pdf</p> <p>Whistle-Blowing Policy https://www.mpic.com.ph/wp-content/uploads/2021/08/MPIC-Revised-Whistleblowing-Policy-approved-04-Aug-2021.pdf</p>
C.1.6	How creditors' rights are safeguarded?		Yes	<p>The primary objective of the Company's capital management policies is to ensure that the Company maintains a strong statement of financial position and healthy capital ratios in order to support its business and maximize shareholder value. The Company ensures that it is compliant with all debt covenants not only at the consolidated level but also at the level of Parent Company and each of its subsidiaries. The Company complies with these debt covenants as part of</p>

			<p>maintaining a strong credit rating with its creditors.</p> <p>The Company provides a timely and accurate report of its financial performance. Our website has a dedicated page on the Company's financial performance for each year. Financial statements are available for viewing and download at our website.</p> <p>Moreover, our Enterprise Risk Management ("ERM") system aims to identify, analyze, evaluate, and manage risks that may affect the achievement of the Company's business objectives, through a practical approach. The ERM process implemented is based on International Standards Organization (ISO) 31000: 2018 Risk Management Guidelines.</p> <p>Finally, to maintain the integrity and transparency of the Company, we have adopted a Related Party Transactions Policy on material related policy transactions in accordance with the Philippine Securities and Exchange Commission ("SEC") Rules on Material Related Party Transactions.</p> <p>Creditors</p>
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			<p>https://www.mpic.com.ph/corporate-governance/key-partners/</p> <p>2015 Updates and Changes in the ACGR (pages 110-111) https://www.mpic.com.ph/wp-content/uploads/2019/06/2015-Updates-and-Changes-in-the-ACGR-as-of-December-2016.pdf</p> <p>Financial Performance https://www.mpic.com.ph/investor-relations/financial-performance/</p> <p>Enterprise Risk Management https://www.mpic.com.ph/corporate-governance/enterprise-risk-management/</p> <p>Revised Manual on Corporate Governance (Article 8, Section 6; Article 9) https://www.mpic.com.ph/wp-content/uploads/2021/04/mpic-revised-manual-on-corporate-governance.pdf</p> <p>Related Party Transactions Policy https://www.mpic.com.ph/wp-content/uploads/2019/10/MPIC-Revised-RPT-Policy-Approved-18-Oct-2019.pdf</p>
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C.1.7	Does the company have a separate report/section that discusses its efforts on environment/economy and social issues?		Yes	<p>Environmental, social and governance factors are key considerations in the Company’s investment decision making process and in guiding existing portfolio of companies.</p> <p>Also, our Environment and Social Impact (“ESIA”) Policy seeks to formalize ESIA as a mandatory item in the Company’s M&A due diligence.</p> <p>The Company’s Sustainability Report has a dedicated section on the Company’s efforts to address sustainability, environmental, and social issues.</p> <p>Sustainability Journey https://www.mpic.com.ph/sustainability/</p> <p>Effective Environmental Stewardship https://www.mpic.com.ph/sustainability/effective-environmental-stewardship/</p> <p>Sustainability Report (pages 26-54, 63-73) https://www.mpic.com.ph/wp-content/uploads/2021/04/mpic-2020-sr.pdf</p> <p>Environment and Social Impact Assessment Policy</p>
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C.2	Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.	Guiding Reference	Yes/No	MPI Remarks
C.2.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	<p>OECD Principle IV (B): The legal framework and process should be transparent and not impede the ability of stakeholders to communicate and to obtain redress for the violation of rights.</p>	Yes	<p>Our contact details are posted on our website. Stakeholders may contact us via phone, email, or through our social media platforms.</p> <p>Reports of any suspected misconduct, malpractice or irregularity may be sent to the Compliance Governance Officer at our office or by sending an email to coporategovernance@mpic.com.ph.</p> <p>Contact Details https://www.mpic.com.ph/contact-us/</p> <p>Whistle-Blowing Policy (Section 6) https://www.mpic.com.ph/wp-content/uploads/2021/08/MPIC-Revised-Whistleblowing-Policy-approved-04-Aug-2021.pdf</p>

C.3	Mechanisms for employee participation should be permitted to develop.	Guiding Reference	Yes/No	MPI Remarks
C.3.1	Does the company explicitly disclose the policies and practices on health, safety and welfare for its employees?	<p>OECD Principle IV (C):</p> <p>The degree to which employees participate in corporate governance depends on national laws and practices, and may vary from company to company as well. In the context of corporate governance, mechanisms for participation may benefit companies directly as well as indirectly through the readiness by employees to invest in firm specific skills. Examples of mechanisms for employee participation include: employee representation on boards; and governance processes such as work councils that consider employee viewpoints in certain key decisions. International conventions and national norms also recognise the rights of employees to information, consultation and negotiation. With respect to performance enhancing mechanisms, employee stock ownership plans or other profit sharing mechanisms are to be found in many countries. Pension commitments are also often an element of the relationship between the company and its past and present employees. Where such commitments involve establishing an independent fund, its trustees should be independent of the company’s management and manage the fund for all beneficiaries.</p>	Yes	<p>The Company is committed to human capital excellence by implementing various programs for the benefit of its employees, particularly during the time of the pandemic. The Company recognizes the importance of human capital culture that values the depth and breadth of employee experience. This policy is disclosed in our website at: https://www.mpic.com.ph/sustainability/human-capital-excellence/</p> <p>Our policies and practices on health, safety and welfare for our employees are disclosed in our Sustainability Report and Annual Report.</p> <p>Environmental, Health and Safety Policy https://www.mpic.com.ph/wp-content/uploads/2021/08/Environmental-Health-and-Safety-Policy.pdf</p> <p>Sustainability Report (pages 55-60) https://www.mpic.com.ph/wp-content/uploads/2021/04/mpic-</p>

				2020-sr.pdf Annual Report (pages 5-6; 120-121) https://www.mpic.com.ph/wp-content/uploads/2021/05/MPIC_AR20.pdf
C.3.2	Does the company explicitly disclose the policies and practices on training and development programmes for its employees?		Yes	<p>We invest in employee training and development to enable our workforce to achieve our business goals sustainably and be responsive to our evolving needs and circumstances. We elevate their technical expertise to excel in their jobs, providing them with the knowledge and opportunities to move forward. We encourage our employees to be leaders and innovators in their roles, providing them with leadership and management training at various levels in their careers. This policy is disclosed in our website at: https://www.mpic.com.ph/sustainability/human-capital-excellence/</p> <p>Our Sustainability Report illustrates the Company's policies and practices on training and development for our employees.</p> <p>Sustainability Report (pages 61-62)</p>

				https://www.mpic.com.ph/wp-content/uploads/2021/04/mpic-2020-sr.pdf
C.3.3	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?		Yes	<p>The Company adopts incentive programs for its key executives that take into account the achievement of an approved target core income of the Company as a condition for the vesting of the incentive. Among such programs is the Long-Term Incentive Plan (LTIP). Each LTIP performance cycle generally covers 3 years with payment intended to be made at the end of each cycle (without interim payments) and is contingent upon the achievement of an approved target core income of the Company by the end of the performance cycle.</p> <p>The Company likewise adopts policies relating to payment of bonuses and long-term incentives to its employees, the amount of which depends on the performance of the company and the individual employee. The performance appraisal is conducted on a semi-annual basis.</p> <p>Our compensation policies are discussed in our website and in our Definitive Information Statement.</p>

				<p>Governance Practices https://www.mpic.com.ph/corporate-governance/governance-practices/</p> <p>Definitive Information Statement (pages 37-38) https://www.mpic.com.ph/wp-content/uploads/2021/05/mpic-definitive-information-statement.pdf</p>
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C.4	Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.	Guiding Reference	Yes/No	MPI Remarks
C.4.1	Does the company have a whistle blowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behaviour and provide contact details via the company's website or annual report?	OECD Principle IV (E): Unethical and illegal practices by corporate officers may not only violate the rights of stakeholders but also be to the detriment of the company and its shareholders in terms of reputation effects and an increasing risk of future financial liabilities. It is therefore to the advantage of the company and its shareholders to establish procedures and safe-harbours for complaints by employees, either personally or through their representative bodies, and others outside the company, concerning illegal and unethical behaviour.	Yes	The Company has a Whistle-blowing Policy as an internal control mechanism, consistent with the purpose of maintaining internal corporate justice. Whistle-Blowing Policy https://www.mpic.com.ph/wp-content/uploads/2021/08/MPIC-Revised-Whistleblowing-Policy-approved-04-Aug-2021.pdf

C.4.2	Does the company have a policy or procedures to protect an employee/person who reveals alleged illegal/unethical behaviour from retaliation?		Yes	<p>The identity of the individual making genuine and appropriate allegation shall be kept confidential unless disclosure is otherwise required by law or with the consent of the reporting person. The Whistle Blowing Policy also provides for the principle of non-retaliation, where whistleblowers are protected from retaliations on account of submitting a report.</p> <p>Whistle-Blowing Policy (Section 5) https://www.mpic.com.ph/wp-content/uploads/2021/08/MPIC-Revised-Whistleblowing-Policy-approved-04-Aug-2021.pdf</p>
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