



METRO GLOBAL HOLDINGS CORP.
2020 SUSTAINABILITY REPORT

Contextual Information

| COMPANY DETAILS | |
|--|--|
| Name of Organization: | METRO GLOBAL HOLDINGS CORPORATION ("MGHC") |
| Location of Headquarters : | Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, Metro Manila |
| Location of Operations : | Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, Metro Manila |
| Report Boundary: Legal entities (e.g. subsidiaries) included in this report* | <p>Metro Global Holdings Corporation is a holding company. The Company has investments in Metro Rail Transit Holdings I and Metro Rail Transit Holdings II – parent company of Metro Rail Transit Corporation (MRTC), thus, resulting in an indirect 29% equity interest in MRTC. The Company has 28.47% direct equity interest in Monumento Rail Transit Corporation and 15.79% direct equity in MRT Development Corporation.</p> <p>On May 19, 2017, the company acquired 99% ownership of MGHC Royal Holdings Corporation (MGHC Royal).</p> <p>On August 25, 2020, the Company approved the organization/incorporation of a new special purpose vehicle company called Metro Renewable Transport Solutions, Inc.,(Metro Transport).</p> |
| Business Model, including Primary Activities, Brands, Products, and Services | <p>Metro Global Holdings Corporation is an investment holding company. The Company has investments in companies engaged in (1) infrastructure development of light rail systems through Metro Rail Transit Corporation (29% indirect) and Monumento Rail Transit Corporation Inc. (29.47% direct) (2) property development through MRT Development Corporation (15.79% direct); and (3) renewable energy generation and operation through Metro Solar Power Solutions, Inc. (acquisition of 100% direct equity presently pending with the Securities & Exchange Commission).</p> <p>Metro Global Holdings Corporation has subsidiaries:</p> <ol style="list-style-type: none"> 1. MGHC Royal Holdings Corporation (99%), engage in the business to invest or purchase, otherwise acquire, and own, hold, use, sell, assign, transfer, pledge, exchange, or otherwise dispose of real and personal property of every kind and description. 2. Metro Renewable Transport Solutions, Inc. (100%), engage in infrastructure development or providing services in relation with and in connection thereto, including but not limited to the construction of whatever kind and nature and for whatever purpose, buildings, needs, bridges, railways, ports, highways and other passages and facilities for transportation and communication. |
| Reporting Period | For the Year Ending December 31, 2020 |
| Highest Ranking Person responsible for this report | Mr. Robert John L. Sobrepeña, Chief Executive Officer Ramon G. Jimenez, Chief Finance Officer |

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.

The Company used Selected GRI Sustainability Reporting Standards (Core Option) in accordance with the GRI 102: General Disclosures, to report on contextual information about itself and its impacts on the economy, the environment and society.

The Company's economic and environmental sustainability principles are exercised through its affiliate, Metro Rail Transit Corporation (MRTC). MRTC is the owner of the Metro Rail Transit (MRT) 3 System along the 16.9 kilometer stretch of Epifanio de los Santos Avenue (EDSA). The MRT 3 System is leased to the Department of Transportation and Communication, which operates and maintains the system for 25 years commencing 2000. In 2019, the wholly electrically-powered MRT-3 ferried an average of 300,000 daily passengers along its 13-station route from North Triangle to Taft Avenue along EDSA. However, due to social distancing restrictions imposed in the MRT trains, because of the Covid-19 pandemic, train capacity was reduced to 30% and at 16 hours operation. Thus, the average no. of daily passengers was reduced, from 300,000 in 2019 to 113,280 in 2020.

The Company has a 28.47% equity interest in Monumento Rail Transit Corporation which, allows participation in the MRT 3 (Phase 2) system extension, the airport link from the Taft Avenue Station up to the airport and the envisioned rail extension from Ayala Station to Buendia Station via a loop through Ayala Avenue and Gil-Puyat Avenue (the Makati loop)

The Company acquired 15.79% equity interest in MRT Development Corporation (MRTDC) on December 2018. MRTDC has exclusive rights to all commercial developments along the MRT-3 System, including in the 13 Stations and air space above the 13 Stations, which include all commercial leasing rights in the 13 Stations, advertising rights, development of the air space above all the 13 stations, and all other commercial activities within the entire MRT-3 System.

MATERIALITY

The key findings of the materiality analysis are as follows:

The Company does not plan any product research and development within the next 12 months. There are no expected purchases or sale of plant and significant equipment within the same period as the Company is not engaged in any manufacturing business.

The Company does not engage in business operations that are subject to regulations, which require compliance with environmental laws.

The Company has ten (10) employees in year 2020 while in 2019, the Company only had two (2) employees. Management of the Company is currently being undertaken by the executive officers of the parent company. Starting September 1, 2020, the CEO and President of the Company by virtue of their position, receive compensation from the company.

The trading of the Company's shares of stock at the PSE has been voluntarily suspended since March 20, 2007 to allow the Company to re-align its business and explore new strategic directions.

The Company plans to expand its primary purpose to include investments in businesses engaged in solar, wind and other renewable energy generation facilities.

The revised strategy will deliver the reference values for sustainability related action beyond 2020.

MATERIALITY COMPLETENESS

The report takes into account all significant impacts of MGHC along its value chain. The reporting processes ensure that the data collected includes the results from all entities with significant impacts regarding material topics.

STAKEHOLDERS INCLUSIVENESS is ensured by considering feedback from stakeholder engagement.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

In 2020, no part of the Company's Revenue or Income over the last three years has been derived from foreign sales. MGHC generated a total value of P9,237,097 which is a 70% decrease from the previous year due to the pandemic. The General and Administrative Expenses amounted to P12,659,211 of which, P9,648,650 was distributed among the following: Employee wages and benefits, payment to suppliers, other operating costs, taxes given to government—**For year 2020, the Company's net operating income decreased by 97% or P33.5 million (from P34.4 million as at December 31, 2019 to P0.9 million as at December 31, 2020). Other factors that brought about the decrease in net income, aside from the decrease in depot royalty income previously mentioned, is the increase in operating expenses of P7.8 million, brought about by the increase in salaries and wages in view of the secondment of several FEMI executives.**

The pandemic and the consequent quarantine measures imposed by the government have resulted to lower depot royalty income for the group in 2020.

| Disclosure | Units | Amount (2020) |
|--|-------|---------------|
| Direct economic value generated (revenue) | PhP | 9,429,483 |
| Direct economic value distributed: | | |
| a. General and Administrative Expenses | PhP | 5,010,561 |
| b. Employee wages and benefits | PhP | 5,853,323 |
| c. Payments to suppliers, other operating costs | PhP | 514,060 |
| d. Dividends given to stockholders and interest payments to loan providers | PhP | |
| e. Taxes given to government | PhP | 3,616,611 |
| f. Investments to community (e.g. donations, CSR) | PhP | |

| What is the impact and where does it occur? What is the organization's involvement in the impact ? <i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain. Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i> | Which stakeholders are affected? <i>(e.g. employees, community, suppliers, government, vulnerable group)</i> | Management Approach <i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i> |
|---|--|---|
| The company's internal source of liquidity comes primarily from its share in the rental income termed as "depot royalty income" it receives from the operations of Trinoma Mall, a commercial mall owned and managed by North | Stockholder- Fil-Estate Management, Inc. (FEM), the parent company of MGHC | The company's external source of financing comes from advances made by FEMI, the parent company of MGHC. |

| Triangle Depot Commercial Corporation (NTDCC), a company substantially owned by Ayala Land, Inc. | | |
|--|------------------------------------|--|
| What are the Risk/s Identified? <i>Identify risk/s related to material topic of the organization</i> | Which stakeholders are affected? | Management Approach |
| <p>The Company's principal financial exposures consist of its payables to associates and stockholders. Such financial instruments were used in prior years to raise funds for working capital and to retire interest-bearing US Dollar denominated bank loans.</p> <p>1. Cash Flow Risk/ Liquidity Risk arises from the possibility that the Company may encounter difficulties in raising funds to meet or settle its obligations and to support the Company's operations and activities.</p> <p>2. Credit Risk. The Company's exposure to credit risk arises primarily from its deposits with banks of good credit rating. The maximum exposure to credit risk is equivalent to the carrying amount of these cash in</p> | <p>Parent Company</p> <p>Banks</p> | <p>The Company, as a matter of policy, discourages the use of any foreign currency denominated obligations to avoid foreign currency risks and exchange losses. On the other hand, the Company encourages the creation of US dollar denominated assets to take advantage of potential gains arising from foreign exchange movements. On balance, the Company maintains a margin currency position in its asset and liability management function. The Company coordinates and negotiates closely with each principal stockholder to manage cash flow risks by jointly identifying new sources of cash flow infusions into the Company over the next five years. The Group manages the liquidity risk by maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves and reserve borrowing facilities as necessary in accordance with internal policies. Short-term advances from related parties are availed to cover for immediate expenses and maturing obligations. The Group is also able to defer payments of some of its due to related party balances. These cash in banks are deposited with a reputable bank that belonged to the top three banks in the Philippines and approved by management</p> <p>Depot royalties are collected in</p> |

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| <p>banks.</p> <p>The Company's significant concentration of credit risk is on its transactions with NTDCC, its sole customer.</p> <p>3. Equity Price Risk. The Company is exposed to fair value changes on its AFS financial assets in listed equity services.</p> | <p>Shareholders</p> | <p>accordance with the agreement and the Group's credit policy with no reported defaults and write-offs in previous years. In addition, credit risk is minimized by monitoring receivables regularly.</p> <p>The Company's policy is to maintain risk at an acceptable level. The Company's shares are not traded at the PSE at the moment. Once the voluntary suspension of the trading of the Company's shares is lifted, movement in share price will be monitored regularly to determine the impact on its financial position.</p> <p>The Company continuously conducts an internal review of its capital and financial risk management objective and policies.</p> |
| <p>What are the Opportunity/ies Identified?</p> <p><i>Identify the opportunity/ies related to material topic of the organization</i></p> | <p>Which stakeholders are affected?</p> | <p>Management Approach</p> |
| <p>New sources of cash flows through potential future investment and or cash infusions into the Company over the next five years.</p> <p>Entry into renewable energy generation and operation shall provide a constant source of cash flows once the Power Purchase Agreement with the offtaker is signed.</p> | <p>Investors and Shareholders</p> | <p>The Company coordinates and negotiates closely with its Parent Company to manage cash flow risks.</p> |

Climate-related risks and opportunities

| Governance | Strategy | Risk Management | Metrics and Targets |
|---|---|--|---|
| <p>Disclose the organization's governance around climate-related risks and opportunities</p> | <p>Disclose the actual and potential impacts of climate-related risks and opportunities</p> | <p>Disclose how the organization identifies, assesses, and manages</p> | <p>Disclose the metrics and targets used to assess and manage relevant climate-</p> |

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|--|--|---|--|
| | on the organization's business, strategy, and financial planning where such information is material | climate related risks | related risks and opportunities where such information is material |
| Recommended Disclosures | | | |
| a) Describe the board's oversight of climate-related risks and opportunities | a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term. | a) Describe the organization's processes for identifying and assessing climate-related risks | Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. |
| Board established a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness. | Company plans to expand its primary purpose to include investments in business engaged in solar, wind and other renewable energy generation facilities. MGHC plans to increase its authorized capital stock from 2million shares at P100 per share to 5 million shares at P100 per share. As of report date, the Company is in the process of finalizing the documentary requirements necessary for the planned increase in authorized capital stock. The Company intends to offer to the public at the right time the unsubscribed portion of its increase in authorized capital stocks. | The management has assessed that the Company will be able to continue as a going concern. | The Company is continuously assessing the impact of the COVID-19 on the performance of the Company based on latest developments. |
| b) Describe management's role in assessing and managing climate-related risks and opportunities | b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning | b) Describe the organization's processes for managing climate-related risks | b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets |
| Board has a strategy execution process (i.e. Annual Planning) that | With the intended increase in the Company's Authorized Capital Stock from P2 Billion to | The Vision and Mission are reviewed by the Board regularly to ensure that | The comparative financial Key Performance Indicators (KPIs) and non-financial KPIs are |

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| facilitates effective management performance and is attuned to the company's business environment, and culture. | P5Billion and with additional subscription by FEMI to P750 million, the Company's Stockholder's Equity Balance is expected to result in a positive net equity balance. | corporate business directors, strategies, and objectives are consistent and coherent with the Mission and Vision of the Company. | reviewed regularly. |
| | c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario | b) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management | |
| | The Board of Directors oversee the development of, formulate and approve the corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance in order to sustain the company's long-term viability and strength. | The Board of Directors review and guide corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans; set performance objectives; monitor implementation and corporate performance; and oversee major capital expenditures, acquisitions and divestitures. | |

15 Adapted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

16 For this disclosure, impact refers to the impact of the climate-related issues on the company

Procurement Practices

Proportion of spending on local suppliers

| Disclosure | Quantity | Units |
|--|----------|-------|
| Percentage of procurement budget used for significant locations of operations that is spent on local suppliers | N/A | % |

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| <p>What is the impact and where does it occur? What is the organization's involvement in the impact?</p> <p><i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Which stakeholders are affected?</p> <p><i>(e.g. employees, community, suppliers, government, vulnerable groups)</i></p> | <p>Management Approach</p> <p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> |
| <p>There are no expected purchases or sale of plant and significant equipment within the next 12 months as the Company is not engaged in any manufacturing business. Not being engaged in the manufacturing of any product, the Company does not require any raw materials, energy or other items from suppliers for conducting its business.</p> | <p>Not Applicable</p> | <p>MRT projects complements other train systems and various public transportation modes available in Metro Manila such as buses, taxis and UV Express.</p> |
| <p>What are the Risk/s Identified?</p> <p><i>Identify risk/s related to material topic of the organization</i></p> | <p>Which stakeholders are affected?</p> | <p>Management Approach</p> |
| <p>Not Applicable</p> | <p>Not Applicable</p> | <p>Not Applicable</p> |
| <p>What are the Opportunity/ies Identified?</p> <p><i>Identify the opportunity/ies related to material topic of the organization</i></p> | <p>Which stakeholders are affected?</p> | <p>Management Approach</p> |
| <p>The Company's interest in Monumento Rail expectedly allows the Company's participation in the train systems expansion and additional train/vehicle procurement</p> | <p>Government</p> | <p>Monumento Rail is in the process of negotiation with the government.</p> |

Anti-corruption

Training on Anti-corruption Policies and Procedures

| Disclosure | Quantity | Units |
|---|----------|-------|
| Percentage of employees to whom the organization's anti- corruption policies and procedures have been communicated to | 100 | % |
| Percentage of business partners to whom the organization's anti-corruption policies and procedures have been | 100 | % |

| | | |
|--|-----|---|
| communicated to | | |
| Percentage of directors and management that have received anti-corruption training | 100 | % |
| Percentage of employees that have received anti-corruption training | 100 | % |

| | | |
|--|---|--|
| <p>What is the impact and where does it occur? What is the organization's involvement in the impact?</p> <p><i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Which stakeholders are affected?</p> <p><i>(e.g. employees, community, suppliers, government, vulnerable groups)</i></p> | <p>Management Approach</p> <p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> |
| No incidents of violations of the company policy found and reported. | Employees, Directors | <p>Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Business Ethics & Conduct.</p> <p>The Company requires continuous management attention at all corporate levels to assure compliance with the spirit and letter of this policy.</p> |
| <p>What are the Risk/s Identified?</p> <p><i>Identify risk/s related to material topic of the organization</i></p> | Which stakeholders are affected? | Management Approach |
| <i>Not applicable</i> | Not applicable | Not applicable |
| <p>What are the Opportunity/ies Identified?</p> <p><i>Identify the opportunity/ies related to material topic of the organization</i></p> | Which stakeholders are affected? | Management Approach |
| <i>Not applicable</i> | Not applicable | Not applicable |

Incidents of Corruption

| Disclosure | Quantity | Units |
|--|----------|-------|
| Number of incidents in which directors were removed or disciplined for corruption | nil | # |
| Number of incidents in which employees were dismissed or disciplined for corruption | nil | # |
| Number of incidents when contracts with business partners were terminated due to incidents of corruption | nil | # |

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|--|---|---|
| <p>What is the impact and where does it occur? What is the organization's involvement in the impact?</p> <p><i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Which stakeholders are affected?</p> <p><i>(e.g. employees, community, suppliers, government, vulnerable groups)</i></p> | <p>Management Approach</p> <p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> |
| Not Applicable | Not Applicable | Not Applicable |
| <p>What are the Risk/s Identified?</p> <p><i>Identify risk/s related to material topic of the organization</i></p> | <p>Which stakeholders are affected</p> | <p>Management Approach</p> |
| Not Applicable | Not Applicable | Not Applicable |
| <p>What are the Opportunity/ies Identified?</p> <p><i>Identify the opportunity/ies related to material topic of the organization</i></p> | <p>Which stakeholders are affected?</p> | <p>Management Approach</p> |
| Not Applicable | Not Applicable | Not Applicable |

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Reduction of energy consumption

| Disclosure | Quantity | Units |
|--|----------|-------|
| Energy consumption (renewable sources) | N/A | GJ |

| | | |
|----------------------------------|-----|-----|
| Energy consumption (gasoline) | N/A | GJ |
| Energy consumption (LPG) | N/A | GJ |
| Energy consumption (diesel) | N/A | GJ |
| Energy consumption (electricity) | N/A | kWh |

| Disclosure | Quantity | Units |
|--------------------------------|----------|-------|
| Energy reduction (gasoline) | N/A | GJ |
| Energy reduction (LPG) | N/A | GJ |
| Energy reduction (diesel) | N/A | GJ |
| Energy reduction (electricity) | N/A | kWh |
| Energy reduction (gasoline) | N/A | GJ |

| | | |
|---|---|--|
| <p>What is the impact and where does it occur? What is the organization's involvement in the impact?</p> <p><i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Which stakeholders are affected?</p> <p><i>(e.g. employees, community, suppliers, government, vulnerable groups)</i></p> | <p>Management Approach</p> <p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> |
| <p>The Company does not engage in business operations that are subject to regulations, which require compliance with environmental laws.</p> | <p>Community, Government</p> | <p>The Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p> |
| <p>What are the Risk/s Identified?</p> <p><i>Identify risk/s related to material topic of the organization</i></p> | <p>Which stakeholders are affected?</p> | <p>Management Approach</p> |
| <p>None of the projects will spew any harmful by-products - gas emissions or solid and liquid secretions - into the earth's soil or atmosphere.</p> | <p>Not Applicable</p> | <p>Not Applicable</p> |
| <p>What are the Opportunity/ies Identified?</p> <p><i>Identify the opportunity/ies related to material topic of the organization.</i></p> | <p>Which stakeholders are affected?</p> | <p>Management Approach</p> |
| <p>MRT-3 trains are operating purely on</p> | <p>Public commuters,</p> | <p>Averting diesel consumption. Approximately 1,450 buses a</p> |

| | | |
|---|-----------|---|
| electrical power, which is NOT directly derived from fossil fuels (e.g. gasoline or diesel engines as busses have) that otherwise carry or have direct and intense emissions. | community | day do not have to ply EDSA because of the MRT-3 operating under the average normal condition of 300,000 passengers ferried daily . However, due to social distancing restrictions imposed in the MRT trains, because of the Covid-19 pandemic, train capacity was reduced to 30% and at 16 hours operation. Thus, the average no. of daily passengers was reduced, from 300,000 in 2019 to 113,280, in 2020. |
|---|-----------|---|

Water consumption within the organization

| Disclosure | Quantity | Units |
|---------------------------|----------|--------------|
| Water withdrawal | N/A | Cubic meters |
| Water consumption | 2,000 | Cubic meters |
| Water recycled and reused | N/A | Cubic meters |

| What is the impact and where does it occur? What is the organization's involvement in the impact? <i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i> | Which stakeholders are affected? <i>(e.g. employees, community, suppliers, government, vulnerable groups)</i> | Management Approach <i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i> |
|--|--|--|
| <i>Average day-to-day consumption of employees and executive officers of the Company.</i> | <i>Employees/Officers</i> | <i>To conserve energy. Meeting the needs of the present without compromising the ability of future generations to meet their own needs.</i> |
| What are the Risk/s Identified? <i>Identify risk/s related to material topic of the organization.</i> | Which stakeholders are affected? | Management Approach |
| <i>Not Applicable</i> | <i>Not Applicable</i> | <i>Not Applicable</i> |
| What are the Opportunity/ies Identified? <i>Identify the opportunity/ies related to material topic of the organization</i> | Which stakeholders are affected? | Management Approach |
| <i>Not Applicable</i> | <i>Not Applicable</i> | <i>Not Applicable</i> |

Materials used by the organization

| Disclosure | Quantity | Units |
|---|----------|-----------|
| Materials used by weight or volume | | |
| •renewable | N/A | kg/liters |
| •non-renewable | N/A | kg/liters |
| Percentage of recycled input materials used to manufacture the organization's primary products and services | N/A | % |

| | | |
|---|---|---|
| <p>What is the impact and where does it occur? What is the organization's involvement in the impact?</p> <p><i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Which stakeholders are affected?</p> <p><i>(e.g. employees, community, suppliers, government, vulnerable groups)</i></p> | <p>Management Approach</p> <p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> |
| Not Applicable | Not Applicable | Not Applicable |
| <p>What are the Risk/s Identified?</p> <p><i>Identify risk/s related to material topic of the organization</i></p> | <p>Which stakeholders are affected?</p> | <p>Management Approach</p> |
| Not Applicable | Not Applicable | Not Applicable |
| <p>What are the Opportunity/ies Identified?</p> <p><i>Identify the opportunity/ies related to material topic of the organization</i></p> | <p>Which stakeholders are affected?</p> | <p>Management Approach</p> |
| Not Applicable | Not Applicable | Not Applicable |

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

| Disclosure | Quantity | Units |
|---|----------|-------|
| Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | N/A | |
| Habitats protected or restored | N/A | ha |
| ICUN Red List species and national conservation lit species with habitats in areas affected by operations | N/A | |

| | | |
|---|--|--|
| <p>What is the impact and where does it occur? What is the Organization's involvement in the impact?</p> | <p>Which stakeholders are affected?</p> <p><i>(e.g. employees, community, suppliers,</i></p> | <p>Management Approach</p> <p><i>What policies, commitments, goals and targets, responsibilities, resources,</i></p> |
|---|--|--|

| | | |
|---|----------------------------------|--|
| Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship) | government, vulnerable groups) | grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic? |
| Not Applicable | Not Applicable | Not Applicable |
| What are the Risk/s Identified? Identify risk/s related to material topic of the organization | Which stakeholders are affected? | Management Approach |
| Not Applicable | Not Applicable | Not Applicable |
| What are the Opportunity/ies Identified? Identify the opportunity/ies related to material topic of the organization | Which stakeholders are affected? | Management Approach |
| Not Applicable | Not Applicable | Not Applicable |

Environmental impact management

Air Emissions

GHG

| Disclosure | Quantity | Units |
|---|----------|--------------------------|
| Direct (Scope 1) GHG Emissions | N/A | Tonnes CO ₂ e |
| Energy indirect (Scope 2) GHG Emissions | N/A | Tonnes CO ₂ e |
| Emissions of ozone-depleting substances (ODS) | N/A | Tonnes |

| | | |
|---|---|---|
| What is the impact and where does it occur? What is the organization's involvement in the impact? Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship) | Which stakeholders are affected? (e.g. employees, community, suppliers, government, vulnerable groups) | Management Approach What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic? |
| Not Applicable | Not Applicable | Not Applicable |

| | | |
|---|----------------------------------|---------------------|
| What are the Risk/s Identified? <i>Identify risk/s related to material topic of the organization</i> | Which stakeholders are affected? | Management Approach |
| Not Applicable | Not Applicable | Not Applicable |
| What are the Opportunity/ies Identified? <i>Identify the opportunity/ies related to material topic of the organization</i> | Which stakeholders are affected? | Management Approach |
| Not Applicable | Not Applicable | Not Applicable |

Air pollutants

| Disclosure | Quantity | Units |
|--------------------------------------|----------|-------|
| Persistent organic pollutants (POPs) | N/A | kg |
| Volatile organic compounds (VOCs) | N/A | kg |
| Hazardous air pollutants (HAPs) | N/A | kg |
| Particulate matter (PM) | N/A | kg |

| | | |
|---|--|--|
| What is the impact and where does it occur? What is the organization's involvement in the impact? <i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i> | Which stakeholders are affected? <i>(e.g. employees, community, suppliers, government, vulnerable groups)</i> | Management Approach <i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i> |
| Not Applicable | Not Applicable | Not Applicable |
| What are the Risk/s Identified? <i>Identify risk/s related to material topic of the organization</i> | Which stakeholders are affected? | Management Approach |
| Not Applicable | Not Applicable | Not Applicable |

| What are the Opportunity/ies Identified? <i>Identify the opportunity/ies related to material topic of the organization</i> | Which stakeholders are affected? | Management Approach |
|---|----------------------------------|--|
| Easing Traffic Congestion, Improving Traffic Management for Baguio City, Minimizing Environmental Impact and Increasing Benefits of Transportation to the Public in General | Community, Government | Approval of the signing of a Memorandum of Understanding (MOU) with the City of Baguio concerning the Development of an Intelligent Transport System as a Sustainable Long-Term Strategy to Urban Mass Transport Management for Baguio City. |

Solid and Hazardous Wastes

Solid Waste

| Disclosure | Units | MGH | MRTC (annual) | MRTDEVCO (annual) | MONUMENTO (annual) |
|-----------------------------|-------|----------|------------------|----------------------|-----------------------|
| | | Quantity | | | |
| Total solid waste generated | kg | 1 | 2 | 61 | Nil |
| Reusable | kg | 1 | 1 | 1 | Nil |
| Recyclable | kg | | 1 | 60 | Nil |
| Composted | kg | N/A | N/A | N/A | N/A |
| Incinerated | kg | N/A | N/A | N/A | N/A |
| Residuals/Land filled | kg | N/A | N/A | N/A | N/A |

| What is the impact and where does it occur? What is the organization's involvement in the impact? <i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i> | Which stakeholders are affected? <i>(e.g. employees, community, suppliers, government, vulnerable groups)</i> | Management Approach <i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i> |
|---|--|--|
| <i>The company produces solid waste like used bond paper, used printer cartridges, used computer hardware, used telephones, etc. in its operations.</i> | <i>Employees, Suppliers</i> | Recycle of used bond paper and refill of printer cartridges. |

| | | |
|---|----------------------------------|---|
| What are the Risk/s Identified? <i>Identify risk/s related to material topic of the organization</i> | Which stakeholders are affected? | Management Approach |
| <i>Pest infection of office premises.</i> | Employees | Quarterly Pest Control program of the work place. |
| What are the Opportunity/ies Identified? <i>Identify the opportunity/ies related to material topic of the organization</i> | Which stakeholders are affected? | Management Approach |
| <i>Not Applicable</i> | Not Applicable | Not Applicable |

Hazardous Waste

| Disclosure | Quantity | Units |
|---|----------|-------|
| Total weight of hazardous waste generated | N/A | kg |
| Total weight of hazardous waste transported | N/A | kg |

| | | |
|---|--|--|
| What is the impact and where does it occur? What is the organization's involvement in the impact? <i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i> | Which stakeholders are affected? <i>(e.g. employees, community, suppliers, government, vulnerable groups)</i> | Management Approach <i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i> |
| <i>Not Applicable</i> | <i>Not Applicable</i> | Maintains well ventilated and nonhazardous workplace through daily inspection and maintenance of facilities and supplies. |
| What are the Risk/s Identified? <i>Identify risk/s related to material topic of the organization</i> | Which stakeholders are affected? | Management Approach |
| <i>Not Applicable</i> | Not Applicable | Not Applicable |
| What are the Opportunity/ies Identified? <i>Identify the opportunity/ies related to</i> | Which stakeholders are affected? | Management Approach |

| <i>material topic of the organization</i> | | |
|---|-----------------------|--|
| Potential into Renewable energy generation. | Community, government | The company will be adding to its original portfolio, projects or objectives in three phases over the next 10 years that involve solar (panels), wind (turbines), hydro and waste-to-energy power generation – all quintessentially “Green” initiatives. |

Effluents

| Disclosure | Quantity | Units |
|----------------------------------|----------|--------------|
| Total volume of water discharges | N/A | Cubic meters |
| Percent of wastewater recycled | N/A | % |

| | | |
|--|---|---|
| <p>What is the impact and where does it occur? What is the organization's involvement in the impact?</p> <p><i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Which stakeholders are affected?</p> <p><i>(e.g. employees, community, suppliers, government, vulnerable groups)</i></p> | <p>Management Approach</p> <p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> |
| Not Applicable | Not Applicable | Not Applicable |
| <p>What are the Risk/s Identified?</p> <p><i>Identify risk/s related to material topic of the organization</i></p> | <p>Which stakeholders are affected?</p> | <p>Management Approach</p> |
| Not applicable | Not Applicable | Not Applicable |
| <p>What are the Opportunity/ies Identified?</p> <p><i>Identify the opportunity/ies related to material topic of the organization</i></p> | <p>Which stakeholders are affected?</p> | <p>Management Approach</p> |
| Not Applicable | Not Applicable | Not Applicable |

Environmental compliance

Non-compliance with Environmental Laws and Regulations

| Disclosure | Quantity | Units |
|--|----------|-------|
| Total amount of monetary fines for non-compliance with environmental laws and/or regulations | N/A | nil |
| No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations | N/A | nil |
| No. of cases resolved through dispute resolution mechanism | N/A | nil |

| | | |
|--|---|---|
| <p>What is the impact and where does it occur? What is the organization's involvement in the impact?</p> <p><i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Which stakeholders are affected?</p> <p><i>(e.g. employees, community, suppliers, government, vulnerable groups)</i></p> | <p>Management Approach</p> <p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> |
| The Company does not engage in business operations that are subject to regulations, which require compliance with environmental laws. | community, government | Not Applicable |
| <p>What are the Risk/s Identified?</p> <p><i>Identify risk/s related to material topic of the organization</i></p> | Which stakeholders are affected? | Management Approach |
| Not Applicable | Not Applicable | Not Applicable |
| <p>What are the Opportunity/ies Identified?</p> <p><i>Identify the opportunity/ies related to material topic of the organization</i></p> | Which stakeholders are affected? | Management Approach |
| Not Applicable | Not Applicable | Not Applicable |

SOCIAL

Employee Management
Employee Hiring and Benefits

Employee data

Employee benefits

SOCIAL

| Disclosure | Units | MGH | MRTC | MRTDEVCO | MONUMENTO |
|------------|-------|-----|------|----------|-----------|
|------------|-------|-----|------|----------|-----------|

| | | Quantity | | | |
|--|-------|----------|-------|------|-----|
| a. Number of female employees | # | 5 | 1 | 4 | 0 |
| b. Number of male employees | # | 5 | 0 | 9 | 0 |
| Ratio of lowest paid employee against minimum wage | ratio | n/a | 1:1.7 | 1:17 | n/a |

MGHC

| List of Benefits | Y/N | % of female employees who availed for the year | % of male employees who availed for the year |
|---|-----|--|--|
| SSS | Y | none | none |
| PhilHealth | Y | none | none |
| Pag-ibig | Y | none | none |
| Parental leaves | Y | none | none |
| Vacation leaves | N | none | none |
| Sick leaves | Y | none | none |
| Medical benefits (aside from PhilHealth)) | Y | none | none |
| Housing assistance (aside from Pag-ibig) | Y | none | none |
| Retirement fund (aside from SSS) | Y | none | none |
| Further education support | Y | none | none |
| Company stock options | N | none | none |
| Telecommuting | Y | none | none |
| Flexible-working Hours | Y | 100% (during ECQ/MGCQ only) | 100% (during ECQ/MGCQ only) |

MRTC

| List of Benefits | Y/N | % of female employees who availed for the year | % of male employees who availed for the year |
|---|-----|--|--|
| SSS | Y | none | none |
| PhilHealth | Y | none | 18% |
| Pag-ibig | Y | none | none |
| Parental leaves | Y | 25% | none |
| Vacation leaves | N | 100% | 100% |
| Sick leaves | Y | 100% | 100% |
| Medical benefits (aside from PhilHealth)) | Y | 50% | 25% |
| Housing assistance (aside from Pag-ibig) | Y | none | none |
| Retirement fund (aside from SSS) | Y | none | none |
| Further education support | Y | none | none |
| Company stock options | N | none | none |

| | | | |
|------------------------|---|----------------------------|----------------------------|
| Telecommuting | Y | 50% (during ECQ/MGCQ only) | 50% (during ECQ/MGCQ only) |
| Flexible-working Hours | Y | 50% (during ECQ/MGCQ only) | 50% (during ECQ/MGCQ only) |
| (Others) | | none | none |

MRTDEVCO

| List of Benefits | Y/N | % of female employees who availed for the year | % of male employees who availed for the year |
|---|-----|--|--|
| SSS | Y | none | None |
| PhilHealth | Y | 25% | 22% |
| Pag-ibig | Y | none | None |
| Parental leaves | Y | None | None |
| Vacation leaves | Y | 100% | 100% |
| Sick leaves | Y | 100% | 100% |
| Medical benefits (aside from PhilHealth)) | Y | 50% | 25% |
| Housing assistance (aside from Pag-ibig) | Y | none | None |
| Retirement fund (aside from SSS) | Y | none | None |
| Further education support | Y | none | None |
| Company stock options | N | none | None |
| Telecommuting | Y | none | None |
| Flexible-working Hours | Y | none | None |
| (Others) | | none | None |

MONUMENTO

| List of Benefits | Y/N | % of female employees who availed for the year | % of male employees who availed for the year |
|---|-----|--|--|
| SSS | Y | n/a | n/a |
| PhilHealth | Y | n/a | n/a |
| Pag-ibig | Y | n/a | n/a |
| Parental leaves | Y | n/a | n/a |
| Vacation leaves | N | n/a | n/a |
| Sick leaves | Y | n/a | n/a |
| Medical benefits (aside from PhilHealth)) | Y | n/a | n/a |
| Housing assistance (aside from Pag-ibig) | Y | n/a | n/a |

| | | | |
|----------------------------------|---|-----|-----|
| Retirement fund (aside from SSS) | Y | n/a | n/a |
| Further education support | Y | n/a | n/a |
| Company stock options | N | n/a | n/a |
| Telecommuting | Y | n/a | n/a |
| Flexible-working Hours | Y | n/a | n/a |
| (Others) | | n/a | n/a |

| | |
|--|--|
| <p>What is the impact and where does it occur? What is the organization's involvement in the impact?</p> <p><i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Management Approach</p> <p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> |
| <p>The Company has no employee who is not an executive officer who is expected by the Company to make a significant contribution to the Business.</p> | <p>The Company has ten (10) employees in year 2020 while in 2019, the Company only had two (2) employees. Management of the Company is currently being undertaken by the executive officers of the parent company. Starting September 1, 2020, the CEO and President of the Company by virtue of their position, receive compensation from the company.</p> |
| <p>What are the Risk/s Identified?</p> <p><i>Identify risk/s related to material topic of the organization</i></p> | <p>Management Approach</p> |
| <p>Not applicable</p> | <p>Not Applicable</p> |
| <p>What are the Opportunity/ies Identified?</p> <p><i>Identify the opportunity/ies related to material topic of the organization</i></p> | <p>Management Approach</p> |
| <p>The Company's business is not highly dependent on the services or any key personnel.</p> | <p>The Company's By-Laws on compensation provides that "Each director shall receive a reasonable per diem allowance for his attendance at each meeting of the board. As a compensation, the Board shall receive and allocate an amount of not more than five (5%) percent of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper.</p> |

Employee Training and Development

The Company is committed to having a workplace prepared to meet current and future business objectives by providing its employees, at all levels, with appropriate education and training-

| Disclosure | Units | MGH | MRTC | MRTDEVCO | MONUMENTO |
|--|----------------|----------|------|----------|-----------|
| | | Quantity | | | |
| Total training hours provided to employees | | | 2 | 26 | Nil |
| a. Female employees | hours | | 2 | 8 | Nil |
| b. Male employees | hours | | 2 | 22 | Nil |
| Average training hours provided to employees | | | | | |
| a. Female employees | hours/employee | | 2 | 2 | Nil |
| b. Male employees | hours/employee | | 2 | 2 | Nil |

| | |
|--|---|
| <p>What is the impact and where does it occur? What is the organization's involvement in the impact?</p> <p><i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Management Approach</p> <p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> |
| <p>The management of MGHC is currently being undertaken by the executive officers and employees of the parent company, FEMI, which officers and employees are seconded by MGHC.</p> | <p>We provide intensive training and management support for our people and offer personal and financial growth through progressive hiring and promotion practices</p> <p>All employees are oriented in the philosophy, ethics, values, principles and business priorities of the company, such as induction into their group/department, through its Management Development Program</p> |
| <p>What are the Risk/s Identified?</p> <p><i>Identify risk/s related to material topic of the organization</i></p> | <p>Management Approach</p> |
| <p><i>Gap in Knowledge, Skills and Attitude of employees</i></p> | <p>Attendance to public seminars and workshops are required to Address gap per KSA.</p> |
| <p>What are the Opportunity/ies Identified?</p> <p><i>Identify the opportunity/ies related to material topic of the organization</i></p> | <p>Management Approach</p> |
| <p>Officers (Managers up) are also encouraged to attend seminars to update their KSAs.</p> | <p>In-house training is provided and is customized to the job as well as personal needs.</p> |

| | |
|--|--|
| | All first time managers shall successfully complete specified supervisory training within a specified period of appointment. - Promotional Program, Management Development Program |
|--|--|

Labor

-Management Relations

Metro Global Holdings, Inc.'s sees to it that our relationship with our employees is always healthy and fruitful.

Our Company has code of Business Conduct and Ethics which all employees must understand and follow. Applicable labor laws and regulations where we do business are also being complied with. Moreover, we are responsible for preventing violations of laws and for speaking up if we see possible violations.

| Disclosure | Units | MGH | MRTC | MRTDEVCO | MONUMENTO |
|---|-------|----------|------|----------|-----------|
| | | Quantity | | | |
| % of employees covered with Collective Bargaining Agreements | % | nil | nil | nil | n/a |
| Number of consultations conducted with employees concerning employee-related policies | # | | 1 | 15 | n/a |

| | |
|--|---|
| <p>What is the impact and where does it occur? What is the organization's involvement in the impact?</p> <p><i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Management Approach</p> <p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> |
| <p>Management of MGHC is currently being undertaken by the executive officers of the parent company.</p> | <p>The company has no existing employment contract with any executive officer nor is there any existing compensatory plan or arrangement, even on payments to be received from the Company, with respect to an executive officers employment with the Company and its subsidiaries or from a change-in-control of the Company or a change in the name executive officers' responsibilities following a change-in-control where the amount involved, if any including all periodic payments or installments, which exceeds P2.5M</p> |
| <p>What are the Risk/s Identified?</p> <p><i>Identify risk/s related to material topic of the organization</i></p> <p><i>In case unsure if action is not permitted by law or MGH policy.</i></p> | <p>Management Approach</p> <p>We seek the advice of resource experts/consultants.</p> |

| | |
|---|---------------------|
| What are the Opportunity/ies Identified? <i>Identify the opportunity/ies related to material topic of the organization</i> | Management Approach |
| Not Applicable | Not Applicable |

Diversity and Equal Opportunity

*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

| Disclosure | Units | MGH | MRTC | MRTDEVCO | MONUMENTO |
|---|-------|----------|------|----------|-----------|
| | | Quantity | | | |
| % of female workers in the workforce | % | nil | Nil | Nil | n/a |
| % of male workers in the workforce | % | nil | Nil | Nil | n/a |
| Number of employees from indigenous communities and/or vulnerable sector* | # | nil | nil | nil | n/a |

| | |
|---|--|
| What is the impact and where does it occur? What is the organization's involvement in the impact? <i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i> | Management Approach <i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i> |
| Not Applicable | Not applicable |
| What are the Risk/s Identified? <i>Identify risk/s related to material topic of the organization</i> | Management Approach |
| Not applicable | Not applicable |
| What are the Opportunity/ies Identified? <i>Identify the opportunity/ies related to material topic of the organization</i> | Management Approach |
| Not applicable | Not Applicable |

Workplace Conditions, Labor Standards, and Human Rights Occupational Health and Safety

| Disclosure | Units | MGH | MRTC | MRTDEVCO | MONUMENTO |
|----------------|-----------|----------|------|----------|-----------|
| | | Quantity | | | |
| Safe Man-Hours | Man-hours | | | | |

| | | | | | |
|--------------------------------|---|-----|-----|-----|-----|
| No. of work-related injuries | # | nil | nil | nil | n/a |
| No. of work-related fatalities | # | nil | nil | nil | n/a |
| No. of work related ill-health | # | nil | nil | nil | n/a |
| No. of safety drills | # | 1 | 1 | 1 | n/a |

| | |
|--|--|
| <p>What is the impact and where does it occur? What is the organization's involvement in the impact? <i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Management Approach</p> <p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> |
| <p>The management of MGHC is currently being undertaken by the executive officers and employees of the parent company, FEMI, which officers and employees are seconded by MGHC.</p> | <p>The health of every employee shall be maintained at the highest levels:</p> <ol style="list-style-type: none"> 1. With existing health plan coverage, 2. With emergency medicine kit complete with emergency medicines, 3. With company nurse to address employees' health needs; assessment and, or referral of employee/s health condition in the workplace. 4. Employees required to consult a Physician if sick leave is more than two days and a medical certificate/ clearance is required before resumption of work. 5. Pre-employment physical examination of newly hired employees. 6. Annual Physical examinations for all regular employees. |
| <p>What are the Risk/s Identified?</p> <p><i>Identify risk/s related to material topic of the organization</i></p> | <p>Management Approach</p> |
| <p>Presence of any symptoms of a suspected viral illness.</p> | <p>Employee advised to go home and immediately consult a Physician</p> |
| <p>What are the Opportunity/ies Identified?</p> <p><i>Identify the opportunity/ies related to material topic of the organization</i></p> | <p>Management Approach</p> |
| <p>Data relating to health, safety and welfare of its employees.</p> | <ol style="list-style-type: none"> 1. Annual vaccination program with Influenza virus is maintained 2. Monthly purchase of first aid supplies. 3. Maintenance of well-ventilated and nonhazardous workplace through daily inspection and maintenance of facilities/supplies. 4. Quarterly Pest Control program of the work place. |

Labor Laws and Human Rights

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

| Disclosure | Units | MGH | MRTC | MRTDEVCO | MONUMENTO |
|---|-------|----------|--|----------|-----------|
| | | Quantity | | | |
| No. of legal actions or employee grievances involving forced or child labor | n.a | none | none | None | none |
| Topic | Y/N | | If Yes, cite reference in the company policy | | |
| Forced labor | N | | | | |
| Child labor | N | | | | |
| Human Rights | N | | | | |

| | |
|--|---|
| <p>What is the impact and where does it occur? What is the organization's involvement in the impact?</p> <p><i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> <p>Not Applicable</p> | <p>Management Approach</p> <p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> <p>Not Applicable</p> |
| <p>What are the Risk/s Identified?</p> <p><i>Identify risk/s related to material topic of the organization</i></p> <p>Not Applicable</p> | <p>Management Approach</p> <p>Not Applicable</p> |
| <p>What are the Opportunity/ies Identified?</p> <p><i>Identify the opportunity/ies related to material topic of the organization</i></p> <p>Not Applicable</p> | <p>Management Approach</p> <p>Not Applicable</p> |

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

Not being engaged in the manufacturing of any product, the Company does not require any raw materials, energy or other items from suppliers in conducting its business.

MRTC, MRTDC and Monumento have no accreditation policy for its suppliers. The three (3) bid rule is being implemented for company purchases.

Do you consider the following sustainability topics when accrediting suppliers?

On acquisition of supplies for operations like office supplies, computers airconditioners, etc., herewith is the Group's code of ethics and anti-bribery and anti-corruption policy). Link: [Company Policies](#)

| Topic | Y/N | If Yes, cite reference in the company policy |
|-------|-----|--|
|-------|-----|--|

| | | |
|---|---|---|
| Environmental performance | N | |
| Forced labor | N | |
| Child labor | N | |
| Human rights | N | |
| Bribery and corruption | Y | -MGHC strictly prohibits any form of bribery and corruption within the company, as well as in dealing with suppliers, contractors, and potential suppliers and contractors. |
| <p>What is the impact and where does it occur? What is the organization's involvement in the impact?</p> <p><i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Management Approach</p> <p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> | |
| There are no expected purchases or sale of plant and significant equipment within the next 12 months as the Company is not engaged in any manufacturing business. | The Company discloses its policies and practices—specifically those that address the selection procedures with regards to suppliers and contractors thru its Code of Business Conduct and Ethics. | |
| <p>What are the Risk/s Identified?</p> <p><i>Identify risk/s related to material topic of the organization</i></p> | Management Approach | |
| Not Applicable | Not Applicable | |
| <p>What are the Opportunity/ies Identified?</p> <p><i>Identify the opportunity/ies related to material topic of the organization</i></p> | Management Approach | |
| <i>The Company has a 28.47% equity interest in Monumento Rail Transit Corporation which as a result, allows participation in the MRT-3 System train system extension from North Triangle to Monumento (MRT 3 Phase 2); from Taft Avenue Station to the Airport (airport link); and Ayala Avenue Station to Buendia Station(the Makati Loop) in the event these projects are approved by the Philippine Government</i> | The Company continues, through its holdings in Monumento Rail, to actively pursue its participation in the train system extensions. | |

Relationship with Community

Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.

Significant Impacts on Local Communities

MGHC's CSR programs are comprised of Green Outreach Programs focused on three major areas, namely: Environmental, Health and Educational prerogatives.

The three are central to 21st century living and are thus in line with MGHC's historical corporate philosophy of staying abreast with the times – inclusive of when it comes to fulfilling its CSR mandate.

Geographically, MGHC has applied these initiatives not just within its immediate communities but beyond and even on a nationwide basis.

| Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations) | Location | Vulnerable groups (if applicable)* | Does the particular operation have impacts on indigenous people (Y/N)? | Collective or individual rights that have been identified that or particular concern for the community | Mitigating measures (if negative) or enhancement measures (if positive) |
|--|--|------------------------------------|--|--|--|
| <p><i>The MRT system provides a low fare and convenient mode of transport to 350,000 commuters a day.</i></p> <p><i>There are elevators provided for the elderly and persons with disabilities</i></p> | 13 stations from North Triangle to Taft Avenue | Public | Yes | Government | The Government, through Department of Transportation is responsible for the collection of fares and for the day-to-day operations of the system. |

*Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

For operations that are affecting Indigenous Peoples (IPs), indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available:

| Certificates | Quantity | Units |
|----------------------------------|----------|-------|
| FPIC process is still undergoing | N/A | # |
| CP secured | N/A | # |

| What are the Risk/s Identified | Management Approach |
|--|---|
| <p><i>Identify risk/s related to material topic of the organization</i></p> <p>The depletion or destruction of natural resources is altogether a non-issue.</p> <p>None of the projects will require compensatory or remedial measures to restore natural resources and will spew any harmful by-products – gas emissions or solid and liquid secretions – into the earth's soil or atmosphere (such as would be the case in energy being generated from coal, for example).</p> | MGCH will function sustainably to provide power to our country. |

| What are the Opportunity/ies Identified? <i>Identify the opportunity/ies related to material topic of the organization</i> | Management Approach |
|---|---|
| <p>Future objectives in various parts of the country such as Baguio in Benguet province, the NCR, Pililla in Rizal province and Iloilo in the Visayas will not be depleting the planet's natural resources during the company's operations, thus capturing the very definition of Sustainable Development, or "meeting the needs of the present without compromising the ability of future generations to meet their own needs" In the case of waste-to-energy initiatives in Baguio and in Manila, there will be the additional benefit of a significant reduction in extremely detrimental manmade waste, as large quantities of rubbish is converted to genuinely usable power</p> | <p>MGHC shall purchase 100% shares of common stock of Metro Solar Power Solutions, Inc. (Metro Solar) held by FEMI; Metro Solar is a stock corporation registered with the Securities and Exchange Commission (the "SEC") on September 28, 2016 with principal activity to construct, erect, assemble, commission and maintain power-generating plants and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution. As of report date, the Parent Company and FEMI are in the process of finalizing details of the proposed sale and purchase of shares transaction contemplated by the parties.</p> <p>The company acquired two new subsidiaries: Metro Power Solutions, Inc. and Metro Renewable Transport Solutions, Inc.. The company will be adding to its original portfolio (real estate development and management, IT and infrastructure, among others), projects or objectives in three phases over the next 10 years that involve solar (panels), wind (turbines), hydro and waste-to-energy power generation – all quintessentially "Green" initiatives.</p> |

Customer Management

The Company is a holding company and has no direct business operations that entail direct interaction with customers.

Business Operations of Affiliates

Monumento Rail

Monumento Rail currently has no project and is not in operation hence it has no direct interaction with customers.

MRTC

The operations and maintenance of MRT3 System is being handled by DOTR hence MRTC has no business operation that entails direct interaction with customers;

MRTDC

MRT Development Corporation's (MRTDC) main line of business is the leasing out of about 160 commercial retail spaces and about 1,200 outdoor and 1,000 indoor advertising assets located in all 13 MRT-3 stations and guide way structures along the stretch of EDSA

from North Avenue in Quezon City to Taft Avenue in Pasay City, constantly uphold the highest standards in servicing its tenants and advertisers with quality care and assistance under terms and conditions that are fair and satisfactory. Through the hard work and dedication of its management and employees, MRTDC will continue to sustain its quality service delivery to its tenants and advertisers, whose growth and success are also the company's.

Customer Satisfaction

| Disclosure | Score | Did a third party conduct the customer satisfaction study (Y/N)? |
|-----------------------|-------|--|
| Customer satisfaction | N/A | No. |

| | |
|--|---|
| <p>What is the impact and where does it occur? What is the organization's involvement in the impact?</p> <p><i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Management Approach</p> <p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> |
| The Company is a holding company and has no direct business operations that entail direct interaction with customers. | Not Applicable |
| <p>What are the Risk/s Identified?</p> <p><i>Identify risk/s related to material topic of the organization</i></p> | Management Approach |
| Not Applicable | Not Applicable |
| <p>What are the Opportunity/ies Identified?</p> <p><i>Identify the opportunity/ies related to material topic of the organization</i></p> | Management Approach |
| Not Applicable | Not Applicable |

Health and Safety

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

For MRTC and MRTDC, there were no reported or filed cases of any violation relating to Health and Safety Standards. For the operation and maintenance of the MRT-3 train system, DOTR is responsible for any operational related cases.

| Disclosure | Quantity | Units |
|---|---|-------|
| No. of substantiated complaints on product or service health and safety* | N/A | # |
| No. of complaints addressed | N/A | # |
| <p>What is the impact and where does it occur? What is the organization's involvement in the impact?</p> <p><i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> | <p>Management Approach</p> <p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs,</i></p> | |

| | |
|---|---|
| Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship) | and initiatives do you have to manage the material topic? |
| Not Applicable | Not Applicable |
| What are the Risk/s Identified? <i>Identify risk/s related to material topic of the organization</i> | Management Approach |
| Not Applicable | Not Applicable |
| What are the Opportunity/ies Identified? <i>Identify the opportunity/ies related to material topic of the organization</i> | Management Approach |
| Not Applicable | Not Applicable |

Marketing and labeling

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

| Disclosure | Quantity | Units |
|--|----------|-------|
| No. of substantiated complaints on marketing and labeling* | N/A | # |
| No. of complaints addressed | N/A | # |

| | |
|---|--|
| What is the impact and where does it occur? What is the organization's involvement in the impact? <i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i> | Management Approach <i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i> |
| Not Applicable | Not Applicable |
| What are the Risk/s Identified? <i>Identify risk/s related to material topic of the organization</i> | Management Approach |
| Not Applicable | Not Applicable |
| What are the Opportunity/ies Identified? <i>Identify the opportunity/ies related to material topic of the organization</i> | Management Approach |
| Not Applicable | Not Applicable |

Customer privacy

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

MRT Development Corporation (MRTDC) strictly adheres to its responsibility towards confidential information provided by its tenants and advertisers. Unless in cases authorized by law, the company is accountable and compelled to protect all information provided by its tenants and advertisers. The company's leasing and advertising operations group, through the guidance of its corporate lawyers, is in-charge of handling tenants and advertisers' data privacy, reviewing guidelines and policies, executing strategies, establishing internal controls to protect these data and ensuring that these data are not compromised. MRTDC's policy on data privacy is in accordance with the Data Privacy Act. The company continues to educate its employees on the significance and confidentiality of tenants and advertisers' information.

| Disclosure | Quantity | Units |
|--|---|-------|
| No. of substantiated complaints on customer privacy* | N/A | # |
| No. of complaints addressed | N/A | # |
| No. of customers, users and account holders whose information is used for secondary purposes | N/A | # |
| <p>What is the impact and where does it occur? What is the organization's involvement in the impact? <i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Management Approach</p> <p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> | |
| Not Applicable | Not Applicable | |
| <p>What are the Risk/s Identified?</p> <p><i>Identify risk/s related to material topic of the organization</i></p> | Management Approach | |
| Not Applicable | Not Applicable | |
| <p>What are the Opportunity/ies Identified?</p> <p><i>Identify the opportunity/ies related to material topic of the organization</i></p> | Management Approach | |
| Not Applicable | Not Applicable | |

Data Security

| Disclosure | Quantity | Units |
|---|---|-------|
| No. of data breaches, including leaks, thefts and losses of data | N/A | # |
| <p>What is the impact and where does it occur? What is the organization's involvement in the impact? <i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> | <p>Management Approach</p> <p><i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> | |

| | |
|---|--|
| <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i> | |
| Since 2007, the Company's securities are not traded due to voluntary suspension to allow the Company to re-align its business and explore new strategic directions. | Shareholders records are maintained by BDO Stock Transfer Agent. |
| What are the Risk/s Identified? | Management Approach |
| <i>Identify risk/s related to material topic of the organization</i> | |
| Not Applicable | Not Applicable |
| What are the Opportunity/ies Identified? | Management Approach |
| <i>Identify the opportunity/ies related to material topic of the organization</i> | |
| Not Applicable | Not Applicable |

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to United Nations SDGs

Key products and services and its contribution to sustainable development.

| Key Products and Services | Societal Value / Contribution to UN SDGs | Potential Negative Impact of Contribution | Management Approach to Negative Impact |
|---------------------------|--|---|--|
|---------------------------|--|---|--|