



PART C: ROLE OF STAKEHOLDERS

Question	Source	Reference
C.1 The rights of stakeholders that are established by law or by mutual agreement are to be respected.		
<i>Does the company disclose a policy that:</i>		
C.1.1 Stipulates the existence and scope of the company's efforts to address customers' welfare?	<p>Annual Report page 47-48</p> <p>Annual Corporate Governance Report (ACGR H page 148)</p>	<p>YES. Our policy and commitment to the welfare of customers is clearly stated in our Corporate Objectives and disclosed in our website, (http://www.meralco.com.ph/about-us/meralcos-mission-vision-values-and-principles)</p> <p>The Customers are its reason for being, and therefore, they should always be treated with dignity. The Company must be fully responsive to their needs. The Company has the responsibility to:</p> <ul style="list-style-type: none"> •Provide the customers with the highest quality products and services, consistent with their requirements and with international standards; •Treat the customers fairly, courteously and with integrity in all of its business transactions; •Act promptly on their immediate concerns and be receptive to their long-term needs and interests; and •Make every effort to ensure that the health, safety and general well-being of its customers are enhanced by its products and services. <p>The above information is likewise reported in the Annual Corporate Governance Report (ACGR H page 148)</p>
C.1.2 Explains supplier/contractor selection practice?	<p>Annual Report page 46-47</p> <p>Annual Corporate Governance Report (ACGR H page 152)</p>	<p>YES. The Company prescribes clear and detailed procurement policies and procedures to ensure mutually beneficial relationship with its suppliers, as discussed in page 46 of the 2014 Annual Report.</p> <p>The Company's suppliers are required to undergo an accreditation process. Part of the requirements for accreditation is the supplier's written commitment to the Company's Suppliers Business Conduct (SBC) policy. Only accredited suppliers will be considered for inquiry and award. The selection of suppliers is done through competitive and transparent bidding process.</p>



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		The above information is likewise reported in the Annual Corporate Governance Report (ACGR H page 152)
C.1.3 Describes the company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	Annual Report page 48 Annual Corporate Governance Report (ACGR H page 156)	<p>YES. The Company is committed to protect the environment and mitigate the adverse impact of climate change, as explained on page 48 of the 2014 Annual Report</p> <p>The Company has adopted an Environment Safety and Health (ESH) Policy that ensures environmentally-friendly value chain and compliance with all pertinent environmental laws. An Environment, Safety and Health (ESH) Office was created to design and oversee the implementation of the above ESH policy.</p> <p>The above information is likewise reported in the Annual Corporate Governance Report (ACGR H page 156)</p>
C.1.4 Elaborates the company's efforts to interact with the communities in which they operate?	Annual Report page 48 Annual Corporate Governance Report (ACGR H page 157)	<p>YES. The Company, through One Meralco Foundation (OMF), actively interacts with the communities located within and outside its franchise area. The community interaction is principally focused on the following pillars which are enumerated in detail on page 157 of the 2014 ACGR:</p> <ul style="list-style-type: none"> 1)Community Electrification 2)Grassroots Partnerships 3)Youth and Sports Advocacy 4)Emergency Preparedness and Disaster Response <p>The above information is likewise reported in the Annual Corporate Governance Report (ACGR H page 157)</p> <p>Details of the OMF programs are published in a separate annual report which, together with the OMF community interaction pillars and their respective programs, are likewise disclosed in the One Meralco Foundation Website, (http://www.onemeralcofoundation.org)</p>



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C.1.5 Describe the company's anti-corruption programmes and procedures?	Annual Report page 47 Annual Corporate Governance Report (ACGR H page 162)	<p>BE RIGHT (Open Communication) Policy & Anti-Corruption Program</p> <p>YES. The Company has adopted the BE RIGHT Communication Policy, which promotes responsible and free interaction between Management and its stakeholders, including its employees.</p> <p>E-Report Mo is the Company's whistle-blowing program that provides a comprehensive channel for reporting any violation or misconduct of the Company's directors, officers, employees and suppliers, through hotlines, emails, fax and the Company website. Through this program, the Company also provides appropriate protection for the whistle-blowers against retaliation.</p> <p>Any stakeholder can use the E-Report Mo reporting channel, prominently displayed in the Company website. The Corporate Governance Office immediately acts on the reports received through E-report channel. The full details of this program are also available in the Company website (http://www.meralco.com.ph/corporate-governance/companys-policies)</p> <p>The above information are reported in the Annual Corporate Governance Report (ACGR H page 162)</p> <p>The E-Report Mo program, as part of the anti-corruption campaign of the Company was also highlighted in the 2014 Annual Report (page 47)</p>
C.1.6 Describes how creditors' rights are safeguarded?	Annual Report page 48	<p>YES. The Company respects the rights of creditors and strictly abides by its obligations to them. Our Corporate Objectives emphasized this valuable commitment such as:</p>



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	Annual Corporate Governance Report (ACGR H page 163)	<p>Being our business partners, our relationship with them must be based on mutual respect and benefit. The Company has the responsibility to:</p> <ul style="list-style-type: none"> •Foster long-term stability, direct relation and continuous development with suppliers to attain quality, competitiveness, process efficiency and performance reliability; •Seek fairness, truthfulness, integrity and transparency in all of its business dealings with them; and •Seek, encourage and prefer suppliers whose business practices respect human dignity and the environment. <p>Above commitment to our Stakeholders is reported in the Annual Corporate Governance Report (ACGR H page 163)</p> <p>The Corporate Objectives to our Creditors is also published in the Company Website, (http://www.meralco.com.ph/about-us/meralcos-mission-vision-values-and-principles)</p>
<i>Does the company disclose the activities that it has undertaken to implement the above mentioned policies?</i>		
C.1.7 Customer health and safety	Annual Report page 47-48 Annual Corporate Governance Report (ACGR H page 148)	<p>YES. The Company is fully responsive to the health and safety of its customers. Every effort is made to ensure that the health, safety and general well-being of its customers are enhanced by its products and services. Programs that promotes the health and safety and well-being of its Customers are imbedded in the One Meralco Foundation advocacy programs such as:</p> <ol style="list-style-type: none"> 1. Household Electrification Program which provides affordable and safe electric service in organized depressed communities. 2. Electric & Safety Inspection of Public Schools



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		<p>which is done during the annual Brigada Eskwela, involves electrical and safety audit or assessment, inspection of service wires and tree trimming for selected public schools.</p> <p>3. Emergency Preparedness and Disaster Response – we lend our experience and resources in emergency and disaster preparedness to support other utilities and communities. This sharing of expertise and resources aims to further harness response to major emergency situations, natural calamities and disasters.</p> <p>More details of the Company programs related to customer health and safety are found in the Annual Corporate Governance Report (ACGR H page 148)</p>
C.1.8 Supplier/Contractor selection and criteria	Annual Report page 46-47 Annual Corporate Governance Report (ACGR H page 152)	<p>YES. The Company prescribes clear and detailed procurement policies and procedures to ensure mutually beneficial relationship with its suppliers, as discussed in page 46-47 of the 2014 Annual Report</p> <p>The Company's suppliers are required to undergo an accreditation process. Part of the requirements for accreditation is the supplier's written commitment the Company's Suppliers Business Conduct (SBC) policy. Only accredited suppliers will be considered for inquiry and award. The selection of suppliers is done through competitive and transparent bidding process.</p> <p>The above information is likewise reported in the Annual Corporate Governance Report (ACGR H page 152)</p>
C.1.9 Environmentally-friendly value chain	Annual Report page 48 Annual Corporate Governance Report (ACGR H page 156)	<p>YES. The Company is committed to protect the environment and mitigate the adverse impact of climate change, as explained on page 48 of the 2014 Annual Report</p> <p>The Company has adopted an Environment Safety and Health (ESH) Policy that ensures environmentally-friendly value chain and compliance with all pertinent environmental laws.</p>



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		<p>An Environment, Safety and Health (ESH) Office was created to design and oversee the implementation of the above ESH policy.</p> <p>The above information is likewise reported in the Annual Corporate Governance Report (ACGR H page 156)</p>
C.1.10 Interaction with the communities	Annual Report page 48 Annual Corporate Governance Report (ACGR H page 157)	<p>YES. The Company, through One Meralco Foundation (OMF), actively interacts with the communities located within and outside its franchise area. The community interaction is principally focused on the following pillars which are enumerated in detail on page 157 of the 2014 ACGR:</p> <ol style="list-style-type: none"> 1)Community Electrification 2)Grassroots Partnerships 3)Youth and Sports Advocacy 4)Emergency Preparedness and Disaster Response <p>The above information is likewise reported in the Annual Corporate Governance Report (ACGR H page 157)</p> <p>Details of the OMF programs are published in a separate annual report which, together with the OMF community interaction pillars and their respective programs, are likewise disclosed in the One Meralco Foundation Website, (http://www.onemeralcofoundation.org)</p>
C.1.11 Anti-corruption programmes and procedures	Annual Report page 47 Annual Corporate Governance Report (ACGR H page 162)	<p>YES. E-Report Mo, the Company's whistle-blowing program, provides a comprehensive channel for reporting illegal and unethical behavior of the Company's directors, officers, employees and suppliers. Any stakeholder can use the E-Report Mo reporting channels: hotline, e-mail, fax and the Company website. The Corporate Governance Office immediately acts on the reports received through these E-report channels. Confidentiality and anonymity of the identity of the reporting person is maintained. In case of an</p>



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		<p>unauthorized disclosure of the identity of the reporting person or witness, appropriate disciplinary action shall be enforced on the responsible employee.</p> <p>All reports must be referred to CGO for preliminary validation. CGO will refer reports to the Assisting Investigation Unit whenever necessary.</p> <p>Detailed procedures for the E-Report Mo anti-corruption program are explained in the Annual Corporate Governance Report (ACGR H page 162)</p> <p>A comprehensive discussion of the E-Report Mo program is likewise included in the Corporate Governance section of the 2014 Annual Report</p>
C.1.12 Creditors' rights	Annual Report page 48 Annual Corporate Governance Report (ACGR H page 163)	<p>YES. The Company strictly complies with its credit agreements through timely loan and interest payments, and adherence to loan covenants. It competently operates the business to assure creditors of the Company's financial standing and credit rating.</p> <p>The Company provides prompt and accurate reports of its financial standing to creditors.</p> <p>Above commitment to our Stakeholders is reported in the Annual Corporate Governance Report (ACGR H page 163)</p>
C.1.13 Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?	Annual Report page 177 Annual Corporate Governance Report (ACGR H.1. page 164)	<p>YES. The Company has a separate Annual Report. It can be found in the Company's Corporate Social Responsibility (CSR) Program's separate website, (http://www.onemeralcofoundation.org)</p> <p>The CSR website is also reported in the Annual Corporate Governance Report (ACGR H.1. page 164)</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.		
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?	Company Website/ Contact Us Annual Report page 173	<p>YES. The Company website (http://www.meralco.com.ph/), has a section, “Contact Us” that can be can be used by all stakeholders in sending feedback, complaints or inquiries:</p> <ul style="list-style-type: none"> •Contact details of Business Centers – http://www.meralco.com.ph/contact/category/business-centers •Contact details of Corporate and Sales Offices - http://www.meralco.com.ph/contact-us/sales •Contact details of Investors Relations Office: http://www.meralco.com.ph/investor-relations/investor-relations-program •Contact details for Suppliers/Contractors http://www.meralco.com.ph/for-suppliers/procurement-office-directory <p>Company Contact details are likewise reflected in the 2014 Annual Report</p>
C.3 Performance-enhancing mechanisms for employee participation should be permitted to develop.		
C.3.1 Does the company explicitly disclose the health, safety, and welfare policy for its employees?	Annual Report page 47-48 Annual Corporate Governance Report (ACGR H.2.(a) page 164)	<p>YES. The Company implements its Environment, Safety and Health policy by committing to the promotion of the safety and health of its employees and stakeholders along with the protection of the environment. As such, the Company will:</p> <ul style="list-style-type: none"> •Promote safety as a way of life by providing safe and healthy working conditions to prevent accidents, injuries and work-related illnesses. •Take action and responsibility on climate change by preventing pollution through the optimization of the use of natural resources, minimizing wastes generated by processes and being an active partner in reforestation.



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		<ul style="list-style-type: none"> •Continuously improve the ESH management system to be at par with global best practice. •Effectively comply with ESH laws, regulations and other requirements subscribed to by the Company. These details may also be found on the Annual Corporate Governance Report (ACGR H.2.(a) page 164)
C.3.2 Does the company publish relevant information relating to health, safety and welfare of its employees?	Annual Report page 47-48 Annual Corporate Governance Report (ACGR H.2.(b) page 165)	YES. An Environment, Safety and Health (ESH) Office, which was specifically created to design, oversee and report the implementation and conduct of ESH policies and programs, which are published in the following: Annual Corporate Governance Report (ACGR H.2.(b) page 165) 2014 Annual Report
C.3.3 Does the company have training and development programmes for its employees?	Annual Report page 48-49	YES. The Company set-up a dedicated office to handle the training and development of its employees, Human Resources Learning and Development. It is committed to the professional development of its employees. Training programs and other developmental interventions are implemented to enable employees to acquire the technical and leadership competencies to effectively perform their jobs and for their professional growth. Learning & development initiatives are delivered using the 70-20-10 framework: 70% on the job learning, 20% from coaching and feedback and 10% formal training Employee training statistics are published in the following: Annual Corporate Governance Report (ACGR H.2.(c) page 166) 2014 Annual Report
C.3.4 Does the company publish relevant information on training and development programmes for its employees?	Annual Corporate Governance Report (ACGR H.2.(c) page 166)	
C.3.5 Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?	Annual Report 17-A Annual Corporate Governance Report	YES. To drive higher levels of employee performance, the Company employs both short-term and long-term incentive plans. These plans are anchored on the achievement of the Company's profitability targets on an annual and long-term basis. Further, as part of the Company's performance management process, employee performance is assessed on the basis of: (1) actual vs. desired results, and (2) how results were delivered in the light of corporate core values. Therefore, the achievement of financial and non-financial measures



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	(ACGR H.2.(d) page 167)	<p>is reflected in performance planning and assessment, and this drives the Company's merit and incentive pay programs.</p> <p>The Company also had an ESPP (Employee Stock Purchase Plan), which entitled participants to purchase Company common shares subject to certain terms and conditions during a nominated offer period</p> <p>The reward and compensation policy was also discussed on the Annual Corporate Governance Report (ACGR H.2.(d) page 167)</p>
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.		
C.4.1 Does the company have procedures for complaints by employees concerning illegal (including corruption) and unethical behaviour?	Annual Report page 49 Annual Corporate Governance Report (ACGR H.3. page 167)	<p>YES. The Company's procedures in handling complaints from employees on illegal and unethical behavior is covered under the E-Report Mo (Whistleblowing) Program Implementing Rules and Regulations (IRR)</p> <p>Details of E-report Mo IRR is discussed in the Annual Corporate Governance Report (ACGR H.3. page 167) and 2014 Annual Report</p>
C.4.2 Does the company have a policy or procedures to protect an employee/person who reveals illegal/unethical behavior from retaliation?	Annual Report page 47 Consolidated Changes in Annual Corporate Governance Report (ACGR H.3. page 167)	<p>YES. This is covered by Company's E-Report Mo (Whistleblowing) Program. Retaliation is prohibited and is dealt with in accordance with the pertinent Company policies, rules and applicable laws. Through E-Report Mo, the Company provides appropriate protection from retaliation. In the event of retaliation, the reporting person or witness shall report to CGO by filling out a Retaliation Protection Report Form. Protection from retaliation will be granted, upon endorsement of CGO, reviewed by the Management Disciplinary Committee or the relevant Board Committee for approval of the CEO, his designated representative or the Chairman of the Board. These requests shall be processed expeditiously.</p>



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		Details of E-report Mo handling of Protection from Retaliation is discussed in the Annual Corporate Governance Report (ACGR H.3. page 167) and 2014 Annual Report