

Our Governance

Business Ethics

Upholding Integrity and Accountability in Our Business

We at Meralco recognize our social and legal responsibility to uphold the highest standards of business ethics in everything we do. With a stakeholder network spanning over 8 million, as well as tens of thousands of employees, suppliers, and shareholders, we are committed to conducting our operations with integrity and accountability at all times. We do this not just because our success rests upon a franchise granted by the government—we do this because it is the right thing to do.



To guide this commitment, in 2017, our Board of Directors adopted the Manual of Corporate Governance (“CG Manual”) based on the Securities and Exchange Commission’s (“SEC”) Corporate Governance Code. Our CG Manual provides the framework for good governance and ethical business practices that all our directors, officers, and employees are expected to observe and adhere to in dealing with different stakeholders. Our senior management is tasked with ensuring our operations are aligned with the CG Manual. The CG Manual was amended by the Board on July 29, 2024.



CONDUCTING BUSINESS ETHICALLY

Our Code of Business Conduct and Ethics prescribes the ethical values and behavioral standards that all directors, officers, and employees of Meralco are required to observe in performing their duties and responsibilities. Copies of the policy are disseminated to all officers and employees.

Our Corporate Governance Office (“CGO”) monitors implementation of, and compliance with, the Code of Business Conduct and Ethics. An online Corporate Governance Facility in our human resource portal is made available to all employees for all corporate governance-related requirements. All directors, senior management, and employees are required to annually submit Full Business Interest Disclosure Forms and Conflict of Interest Forms. We also require them to disclose any gifts they receive from business partners through the online Gift Registry.

Employees who fail to comply with our corporate governance requirements are sanctioned accordingly.

Effective management oversight is necessary to ensure that the behavior and decisions of our people are consistent with Meralco’s objectives and strategies. Our Management Control Policy requires our senior management to ensure that our system of checks and balances is properly working, emphasizing the importance of internal controls as an integral part of our governance system and risk management.

For more information about how we conduct business ethically, please refer to pages 224-225 of this report.

PREVENTING BRIBERY AND CORRUPTION

Our Code of Business Conduct and Ethics requires all directors, officers, and employees to observe professionalism, integrity, and good faith in transactions with and obligations to our customers, suppliers, business partners, regulators, creditors, competitors, and employees. It prescribes ethical standards of behavior and discourages any act that may be construed as direct or indirect bribery or corruption, as defined by law, that lead to any perceived or actual favor or advantage.

Our Anti-Bribery and Corruption Policy strictly prohibits corporate gift-giving to private and public entities that constitutes bribery or corruption. It cites specific instances of such corrupt practices to guide our directors, officers, and employees. Our Policy on Solicitation and Acceptance of Gifts, on the other hand, prohibits the acceptance of gifts offered and given by suppliers, contractors, and other third-party business partners to prevent all our directors, officers, and employees from putting themselves in situations that could affect the performance of their duties and responsibilities.

Meanwhile, through our Code of Business Conduct and Ethics for Vendors, we require suppliers to comply, at all times, with all applicable anti-bribery and corruption laws, as well as to not offer, accept, promise, pay, permit, or authorize bribes and kickbacks, which include giving of gifts to any of our directors, officers, and employees or any other means to obtain an undue or improper advantage.

Our Internal Audit department reviews the compliance of directors, officers, and employees with the Code of Business Conduct and Ethics and other corporate governance-related policies and requirements. The result of the Internal Audit’s review is reported to the Audit Committee.

For more information about how we prevent bribery and corruption in our organization, please refer to page 225 of this report.





ENCOURAGING OUR EMPLOYEES TO SPEAK OUT

Our Speak Out Policy, which formalizes Meralco's whistleblowing program, encourages the reporting of any violations of corporate governance rules or policies, questionable accounting or auditing matters, and other malfeasance committed by any directors, officers, or employees. The policy also covers our consultants, vendors, and other third-party business partners and, to the extent specified in the policy, subsidiaries of Meralco. Reports regarding any improper conduct or behavior may be filed by any stakeholder.

While our Speak Out Policy specifically addresses reports related to corporate governance concerns, such as violations of corporate governance rules, questionable accounting or auditing matters, and other malfeasance, we also accept reports that do not fall under these categories. These reports are referred accordingly to the concerned office for proper handling.

Consistent with this, we encourage our vendors to help maintain the integrity of our procurement process by raising concerns, filing complaints, or seeking redress for any grievance related to procurement.

We ensure that concerns, complaints, or grievances related to the procurement process are investigated and dealt with in accordance with existing laws, rules, regulations, internal policies, and procedures.

Appropriate controls or mechanisms are adopted to safeguard the confidentiality of the reports, the conduct of the investigation, and the integrity of the process. To encourage good faith reporting, we prohibit any form of retaliation arising from a Speak Out Report and provide appropriate protection from those committing retaliation. In the event of retaliation, the reporting person or witness may file a report with the CGO.

Our employees, suppliers, customers, and other stakeholders can download a whistleblower and grievance report form from the Company website and submit it via email or regular mail to the CGO.

For more information about how we encourage employees to speak out, please refer to page 226 of this report.

COMMUNICATION OF ANTI-CORRUPTION POLICIES AND PROCEDURES IN MERALCO

	2022	2023	2024
Board of directors	11	11	11
Senior management	749	789	825
Middle management	754	795	809
Rank and file	4,639	4,346	4,372
Fixed-term and project-based hires	323	320	297
Third-party workers	0	0	0
Business partners	707	1,292	409

TRAINING ON ANTI-CORRUPTION IN MERALCO

	2022	2023	2024
Board of directors	11	11	11
Senior management	749	789	825
Middle management	754	795	809
Rank and file	4,639	4,346	4,372
Fixed-term and project-based hires	323	320	297
Third-party workers	0	0	0
Business partners	707	1,292	409

NUMBER OF CORRUPTION INCIDENTS IN MERALCO REPORTED VIA OUR SPEAK OUT PLATFORM

	2022	2023	2024
Under ongoing investigation	0	0	0
Closed with corresponding corrective action	0	0	0
Closed without corresponding corrective action	0	0	0
TOTAL	0	0	0

NUMBER OF REPORTED DISCRIMINATION INCIDENTS IN MERALCO

	2022	2023	2024
Under ongoing investigation	0	0	0
Closed with corresponding corrective action	0	0	0
Closed without corresponding corrective action	0	0	0
TOTAL	0	0	0