



THE PHILIPPINE STOCK EXCHANGE, INC.

2019

Sustainability Report

Annex A: Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

Contextual Information

Company Details	
Name of Organization	The Philippine Stock Exchange, Inc.
Location of Headquarters	6th to 10th Floors, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City 1634
Location of Operations	Philippines
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	The Philippine Stock Exchange, Inc.
Business Model, including Primary Activities, Brands, Products, and Services	The PSE is the only stock exchange in the Philippines, which provides a venue for listing and trading of listed securities. PSE has been duly-licensed by the Securities and Exchange Commission ("SEC") as a self-regulatory organization ("SRO") under the Republic Act No. 8799 or the "Securities Regulation Code" which allows the PSE to exercise regulatory functions over listed issuers and trading participants, and allows PSE to enforce its rules as approved by the SEC.
Reporting Period	January 1, 2019 to December 31, 2019
Highest Ranking Person responsible for this report	Ramon S. Monzon President and CEO

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics. ¹
<p>Recognizing its dual role as a business and regulator, the PSE maintains open communication channels with its regulator, the Securities and Exchange Commission (SEC), as well as other stakeholders. This consultation comes in the form of non-formal or formal dialogues, seminars, press conferences, forums and analyst briefings. For instance, proposed rule revisions go through a public comment period to solicit relevant feedback and suggestion from the public. Feedback gathered from stakeholder groups greatly influence PSE's business strategy.</p> <p>The PSE Management reviewed the comments received and proposed courses of action that may be taken to address them. Some issues require the development of new products, development or revision of rules and regulations, and improvement of processes. All these concerns are in varying phases of action and resolution.</p>
ECONOMIC

¹ See [GRI 102-46](#) (2016) for more guidance.

Economic Performance

Direct Economic Value Generated and Distributed

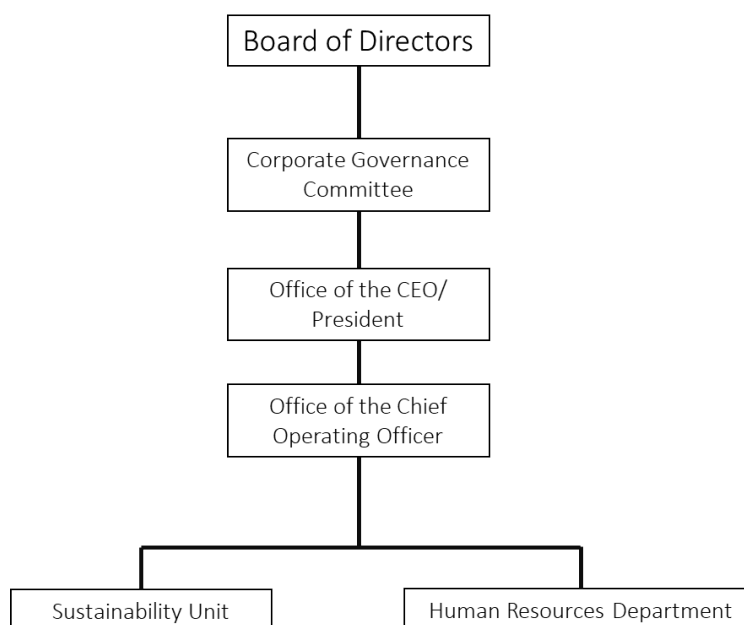
Disclosure	Amount	Units
Direct economic value generated (revenue)	Php 1,290,949,022	PhP
Direct economic value distributed:		
a. Operating cost	Php 725,004,837	PhP
b. Employee wages and benefits	Php 238,353,132	PhP
c. Payments to suppliers, other operating costs	Php 495,896,653.78	PhP
d. Dividends given to stockholders and interest payments to loan providers	Php 747,998,266	PhP
e. Taxes given to government	Php 197,428,154	PhP
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?	Which stakeholders are affected?	Management Approach
PSE functions as a market operator and, at the same time, performs regulatory functions to ensure a fair and orderly market. As a venue for capital raising, PSE helps listed companies raise the funds they need for acquisition, research and development, expansion, debt payment, and other strategic or operational initiatives. These corporate activities have helped boost economic activity and generate jobs.	Listed companies Trading participants Regulators and policymakers Investors and shareholders Employees Community	The PSE remains committed to its mandate to provide market efficiency and enable market development through the introduction of new products and services as well as the expansion of both the listed company and investor bases. Technology continues to be at the core of PSE's ability to better meet these objectives, with the domestic market and its various stakeholders being the ultimate beneficiaries of the digital journey that will underpin PSE's transformation into a stronger and more efficient stock exchange.
What are the Risk/s identified?	Which stakeholders are affected?	Management Approach
Revenue generation may be disrupted primarily by technology risks and acute physical risks such as extreme weather conditions or other catastrophic events.	Listed companies Trading participants Investors and shareholders Employees Community	The PSE recognizes that business continuity is important in maintaining its revenue generation capability. Hence, the PSE conducts disaster resiliency seminars with its employees and market participants, and organizes quarterly market-wide disaster risk management exercises.

What are the Opportunity/s identified?	Which stakeholders are affected?	Management Approach
In line with the global thrust towards ESG investing, the PSE aims to become a champion of ESG in both its capacity as a market regulator and a listed company.	Listed companies Trading participants Regulators and policymakers Investors and shareholders Employees Community	The PSE will continue its efforts in developing new products and services such as index futures, ESG index, new clearing and settlement system, e-KYC and data analytics platforms, and the review and revision of its rules consistent with global benchmarks and practices.

Climate-related risks and opportunities

Management Approach



The Board of Directors is the highest governing body tasked to develop, set and review the Exchange's goals, values, strategy as well as its risk management process. Sustainability initiatives are formulated by the PSE management, as well as the risk analysis. If needed, the management team seeks the advice of the Board for the formulation of the initiatives.

Climate-Related Risks		
Transition Risks	Policy and Legal Risks	As a financial institution, transition risks due to climate change or environmental factor has minimal impact to the PSE.
	Technology Risk	However, despite the minimal exposure to environmental risks, PSE actively seeks to transition to a greener energy source to lessen the carbon footprint of the PSE.

Climate-Related Risks		
Physical Risk	<u>Acute Risk</u> These are physical risks identified that are caused by extreme weather events such as earthquake, typhoons, etc.	The PSE offices are located in the PSE Tower, at the corner of 5 th Avenue and 28 th Street in Bonifacio Global City, Taguig City. PSE Tower was completed more than two (2) years ago and is in full compliance with the requirements under Republic Act No. 6541 or the “National Building Code of the Philippines”. Further, PSE has institutionalized risk management systems and protocols, managed by the Emergency Response Team, against known disasters to manage and mitigate environmental and disaster risks.
	<u>Chronic Risk</u> These are physical risks identified that are caused by a longer-term shifts in climate pattern which results to sea level rise and/or chronic heat wave.	

Climate-Related Opportunities	
Resource Efficiency	The PSE conducted several awareness campaigns in relation to resource efficiency this year. In 2020, the PSE is embarking in an initiative to lower the carbon footprint of PSE’s operations. Some of these initiatives are (1) Paperless Transaction or digitization of PSE’s operations; (2) Green Procurement; and (3) sourcing of green energy sources in cooperation with the Ayala Property Management Corp. (“APMC”), PSE Tower’s building manager.

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		

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Which stakeholders are affected?	Management Approach
Spending by the PSE on local suppliers promotes economic inclusion and stability.	Suppliers	The PSE has been implementing its Bids and Procurement Policy, and Supplier Accreditation Guidelines and Procedures to ensure fair and efficient selection of suppliers or contractors.

What are the Risk/s identified?	Which stakeholders are affected?	Management Approach
Technological requirements of the PSE may not be met by local suppliers.	Suppliers Listed companies Trading participants	By implementing its Bids and Procurement Policy, and Supplier Accreditation Guidelines and Procedures, the PSE evaluates the expertise and fitness of its supplier-candidates.
What are the Opportunity/s identified?	Which stakeholders are affected?	Management Approach
Commencement of its monitoring of engagement with current local suppliers will enable the PSE to formulate and execute policies and procedures for a more-inclusive environment for local suppliers.	Suppliers Community	<i>No monitoring was conducted on local supplies for the year 2019. PSE's monitoring will start in 2020.</i>

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 communicated to	100%	%
Percentage of directors and management that have received anti-corruption training	0*	%
Percentage of employees that have received anti-corruption training	20%	%

**Directors and Key Officers of the PSE are provided on-boarding orientation which includes the Anti-Corruption Policy of the PSE.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The PSE upholds the highest level of integrity by ensuring that the organization prohibits and imposes sanctions on employees or service providers found to have engaged in unethical or corrupt practices. PSE is an SRO that performs regulatory functions. Hence, its reputation and integrity are crucial for PSE to be effective in its functions to maintain	Listed companies Trading participants Regulators and policymakers Investors and shareholders Employees Community Suppliers Directors	The PSE has a clear anti-corruption policy as reflected in its Code of Ethics and Business Conduct and Revised CG Manual, which is accessible to all employees of the Exchange. Anti-Corruption training is conducted and attended by representatives from all departments and

the efficiency and integrity of the market.		subsidiaries of the Exchange. All employees, including directors and the management receives an annual reminder regarding PSE's policy on Gifts, Meals and Entertainment.
What are the Risk/s identified?	Which stakeholders are affected?	Management Approach
Tarnished reputational value of the PSE will adversely affect local and foreign investor confidence on the Philippine capital market and the economy, in general.	Listed companies Trading participants Regulators and policymakers Investors and shareholders Employees Community Suppliers Directors	PSE's operations are regularly assessed for key risks through its risk register. The risk register is a tool that helps PSE track issues and address any potential problem. PSE has institutionalized mitigating measures to manage the risk and will continue to evaluate its policies, procedures, and programs in terms of effectiveness and efficiency in addressing this risk.
What are the Opportunity/s identified?	Which stakeholders are affected?	Management Approach
The commitment of the Board of Directors and management to its role of upholding policies curbing corrupt practices, and the continuous training of stakeholders will safeguard the reputational value of the PSE from damages.	Employees Directors	The PSE will continue to conduct anti-corruption trainings for all of its directors, management and employees.

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The PSE upholds the highest level of integrity by ensuring that the organization prohibits and imposes	Listed companies Trading participants Regulators and	The PSE has a clear anti-corruption policy as reflected in its Code of Ethics and Business Conduct and

sanctions on employees or service providers found to have engaged in unethical or corrupt practices. PSE is an SRO that performs regulatory functions. Hence, its reputation and integrity are crucial for PSE to be effective in its functions to maintain the efficiency and integrity of the market.	<p> policymakers Investors and shareholders Employees Community Suppliers Directors </p>	<p>Revised CG Manual, which is accessible to all employees of the Exchange.</p> <p>Anti-Corruption training is conducted and attended by representatives from all departments and subsidiaries of the Exchange. All employees, including directors and the management receives an annual reminder regarding PSE's policy on Gifts, Meals and Entertainment.</p>
What are the Risk/s identified?	Which stakeholders are affected?	Management Approach
Given the unique role of PSE as an SRO, the success of its market development program and regulatory initiatives hinges on PSE's reputation as a professional and rules-based regulator.	<p> Listed companies Trading participants Regulators and policymakers Investors and shareholders Employees Community Suppliers Directors </p>	<p>PSE's operations are regularly assessed for key risks through its risk register. The risk register is a tool that helps PSE track issues and address any potential problem.</p> <p>PSE has institutionalized mitigating measures to manage the risk and will continue to evaluate its policies, procedures, and programs in terms of effectiveness and efficiency in addressing this risk.</p>
What are the Opportunity/s identified?	Which stakeholders are affected?	Management Approach
The commitment of the Board of Directors and management to its role of upholding policies curbing corrupt practices, and the continuous training of stakeholders will safeguard the reputational value of the PSE from damages.	<p> Employees Directors </p>	The PSE will continue to conduct anti-corruption trainings for all of its directors, management and employees.

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable resources)	N/A	GJ
Energy consumption (gasoline)	250.96 GJ	GJ
Energy consumption (LPG)	N/A	GJ
Energy consumption (diesel)	191.75 GJ	GJ
Energy consumption (electricity)	1,140,606 kWh	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	26.02 GJ	GJ
Energy reduction (LPG)	N/A	GJ
Energy reduction (diesel)	42.63 GJ	GJ
Energy reduction (electricity)	N/A	kWh

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
What are the Risk/s identified?	Management Approach
What are the Opportunity/s identified?	Management Approach

REMARKS: PSE moved to its current premises in 2018. Because of this migration, its data on energy, water and waste management cannot be considered as normal operations data for the year 2018. It is then deemed best that PSE will use 2019 as a baseline for data for monitoring purposes.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	N/A	Cubic meters
Water consumption	180.45	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?	Management Approach
What are the Risk/s identified?	Management Approach
What are the Opportunity/s identified?	Management Approach

REMARKS: PSE does not manage water recycling and reusing at the PSE Tower.

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• Renewable		Kg/liters
• Non-renewables		Kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services		%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
What are the Risk/s identified?	Management Approach
What are the Opportunity/s identified?	Management Approach

REMARKS: Data for this issue is unavailable for the year 2019. PSE starts its monitoring in 2020.

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	(identify all sites)	
Habitats protected or restored		Ha
IUCN ² Red List species and national conservation list species with habitats in areas affected by operations	(list)	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
What are the Risk/s identified?	Management Approach
What are the Opportunity/s identified?	Management Approach

REMARKS: The PSE does not own, lease or manage protected areas and areas of high biodiversity value

² International Union for Conservation of Nature

Environmental Impact Management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	753.98 tons of Co ₂ e (Electricity)	Tonnes Co ₂ e
Energy indirect (Scope 2) GHG Emissions	18.59 tons of Co ₂ e (Gasoline) 14.77 tons of Co ₂ e (Diesel)	Tonnes Co ₂ e
Emissions of ozone-depleting substances (ODS)		Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
What are the Risk/s identified?	Management Approach
What are the Opportunity/s identified?	Management Approach

Air Pollutants

Disclosure	Quantity	Units
NO _x		Kg
So _x		Kg
Persistent organic pollutants (POPs)		Kg
Volatile organic compounds (VOCs)		Kg
Hazardous air pollutants (HAPs)		Kg
Particulate matter (PM)		Kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
What are the Risk/s identified?	Management Approach
What are the Opportunity/s identified?	Management Approach

REMARKS: PSE operations does not emit air pollutants. This is a non-material issue for the PSE.

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated		
Reusable		Kg
Recyclable	856.50	Kg
Composted		Kg
Incinerated		Kg
Residuals/Landfilled		Kg

PSE Waste Data

Date of collection	16-Jan-19	2-Jul-19	TOTAL	
White paper	63 KG	0 KG	63	kg
Newspaper	119 KG	83 KG	202	kg
Shredded paper/assorted waste	20 KG	98 KG	118	kg
Cartons	232 KG	229 KG	461	kg
PET bottles	3 KG	5 KG	8	kg
Cartridges	6 units	5 Units		
Plastics	4 KG	0 KG	4	kg
Aluminum Cans	0.5 KG	0 KG	0.5	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
What are the Risk/s identified?	Management Approach
What are the Opportunity/s identified?	Management Approach

REMARKS: This is a non-material issue for the PSE. However, monitoring is in place as a sustainability initiative.

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated		Kg
Total weight of hazardous waste transported		Kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach

What are the Opportunity/s identified?	Management Approach
What are the Risk/s identified?	Management Approach

REMARKS: This is a non-material issue for the PSE. However, monitoring is in place as a sustainability initiative. The PSE do not dispose of hazardous materials. The data for this item is not available. However, PSE shall start monitoring any hazardous waste needed for disposal (e.g., ink cartridges).

Effluents

Disclosure	Quantity	Units
Total volume of water discharges		Cubic meters
Percent of wastewater recycled		%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
What are the Risk/s identified?	Management Approach
What are the Opportunity/s identified?	Management Approach

REMARKS: PSE does not manage effluents at the PSE Tower.

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		PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations		#
No. of cases resolved through dispute resolution mechanism		#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
What are the Risk/s identified?	Management Approach
What are the Opportunity/s identified?	Management Approach

REMARKS: This is a non-material issue for the PSE.

SOCIAL

EMPLOYEE MANAGEMENT

Employee Hiring and Benefits

Employee Data

Disclosure	Quantity	Units
Total Number of Employees		
a. Number of female employees	76	#
b. Number of male employees	45	#
Attrition Rate	15% (Ave HC = 125; Resignation = 19)	Rate
Ratio of lowest paid employee against minimum wage	PH minimum wage = Php537/day (21.833 days/month = Php11,724.48) Lowest salary at PSE = Php13,888.86	Ratio Note: PSE is monthly rate following the 21.8333 days per month rate

Employee Benefits

List of Benefits	Y/N	% of female employees who availed for a year	% of male employees who availed for a year
SSS	YES	6.60%	6.67%
PhilHealth	YES	10.53%	4.44%
Pag-ibig	YES	7.89%	4.44%
Parental leaves	YES	0	2.22%
Vacation leaves	YES	100%	100%
Sick Leaves	YES	100%	100%
Medical benefits (aside from PhilHealth)	YES	100%	100%
Housing Assistance (aside from Pag-ibig)	NO	-	-
Retirement fund (aside from SSS)	YES	1.31%	6.67%
Further education support	YES	1.31%	0
Company stock options	YES	15.79%	15.56%
Telecommuting	NO	-	-
Flexible Working Hours	NO	-	-
(OTHERS)	See Below		

List of Benefits (Others)	% of female employees who availed for a year	% of male employees who availed for a year
Financial Assistance Loan	6.58%	6.67%
Continuing Education	1.31%	0
Car Interest Subsidy	7.89%	1.11%

List of Benefits (Others)	% of female employees who availed for a year	% of male employees who availed for a year
Employee Wellness (Free Zumba Sessions)	38.16%	4.44%
Birthday Leave Benefit	76.32%	97.73%
Employee Service Award	14.47%	2%
Special Leave Benefits for Women employees	2.63%	-
Clothing Allowance	100%	100%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
As a financial services company, employees play a crucial role in the operations of the Exchange, as well in maintaining the reputation and branding of the institution they represent.	Employees	A truly sustainable business appreciates the value of its human capital. The PSE understands that its human resource is a critical element for long-term profitability. Thus, it strives to create a work environment conducive to developing and sustaining excellent talent that will contribute in creating value for its business.
What are the Risk/s identified?	Which stakeholders are affected?	Management Approach
As the only stock exchange in the country, one of the biggest risks that the PSE faces is the scarce supply of candidates and talents who are equipped with the skillset required for the operations of the PSE as well as its regulatory function as an SRO.	Employees	Due to this risk, the management keeps the compensation and benefits of PSE employees benchmarked against other financial institutions to maintain its competitiveness as an employer. The compensation and benefits system of PSE allows it to retain and attract talented and passionate employees to work at the Exchange.
What are the Opportunity/s identified?	Which stakeholders are affected?	Management Approach
Retaining and attracting competitive and passionate talents in the employ of the PSE is crucial in order to achieve PSE's vision to be a world-class stock exchange.	Employees	<p>In sourcing the right candidate for a position, the PSE does not discriminate on the basis of gender or other factors other than competence and experience of the candidate.</p> <p>Further, the PSE provides equal opportunities to all its employees, especially in terms of learning and development. This program ensures</p>

		that the PSE workforce remains competitive and passionate to the mission and vision of the Exchange. In fact, PSE has an active program to send to graduate degree programs (e.g., Masters in Business Administration) its employees who have been identified to be promising and high performers.
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Employee Training and Development

Disclosure	Quantity	Units
Total Training hours provided to employees		
a. Female employees	452 (Ave = 5.95 hours per employee)	Hours
b. Male employees	296 (Ave = 6.58 hours per employee)	Hours

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
As a financial services company, employees play a crucial role in the operations of the Exchange, as well in maintaining its reputation and branding.	Employees	A truly sustainable business appreciates the value of its human capital. The PSE understands that its human resource is a critical element for long-term profitability. Thus, it strives to create a work environment conducive to developing and sustaining excellent talent that will contribute in creating value for its business.
What are the Risk/s identified?	Which stakeholders are affected?	Management Approach
As the only stock exchange in the country, one of the biggest risks the PSE face is the lack of candidates and talents for the operation of the stock exchange.	Employees	Due to this risk, the management keeps the compensation and benefits of PSE employees as competitive as possible in the market. This is to retain and attract talented and passionate employees to the Exchange.
What are the Opportunity/s identified?	Which stakeholders are affected?	Management Approach
Retaining and attracting competitive and passionate talents in the employ of the PSE is crucial in order to achieve PSE's vision to be a world-class stock exchange.	Employees	In sourcing the right candidate for a position, the PSE abide to a non-discriminatory hiring, focusing on the talents and experience of candidate.

		Further, the PSE provides equal opportunities to all its employees, especially in terms of learning and development. This is to ensure that the PSE workforce remains as professional and competent as other global exchanges consistent with the vision of the PSE to be a world-class exchange.
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Labor Management Relations

Disclosure	Quantity	Units
% of employees with Collective Bargaining Agreement	PSE employees do not have a union/CBA	%
Number of consultations conducted with employees concerning employee-related policies	Not Applicable	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
What are the Risk/s identified?	Management Approach
What are the Risk/s identified?	Management Approach

REMARKS: PSE employees do not have a union/CBA

Diversity and Equal Opportunities

Disclosure	Quantity	Units
% of female workers in the workforce	63% (45 out of 121)	%
% of male workers in the workforce	37% (76 out of 121)	%
Number of employees from indigenous communities and/or vulnerable sector*	PWD – 2 Solo Parent – 1	#

**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)*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
A diverse workforce creates a competitive, productive and innovative workplace. As PSE embark in the institutionalization sustainable business practices, a diverse workforce offers a unique	Employees	A truly sustainable business appreciates the value of its human capital. The PSE understands that its human resource is a critical element for long-term profitability. Thus, it strives to create a work environment conducive to

perspective for product development and strategic planning.		developing and sustaining excellent talent that will contribute in creating value for its business.
What are the Risk/s identified?	Which stakeholders are affected?	Management Approach
As the only stock exchange in the country, one of the biggest risks the PSE face is the difficulty of sourcing competent and experienced individuals who can perform various operational and regulatory roles in the PSE.	Employees	Due to this risk, the management keeps the compensation and benefits of PSE employees as competitive as possible in the market. This is to retain and attract talented and passionate employees to the Exchange.
What are the Opportunity/s identified?	Which stakeholders are affected?	Management Approach
Retaining and attracting competitive and passionate talents in the employ of the PSE is crucial in order to achieve PSE's vision to be a world-class stock exchange.	Employees	<p>In sourcing the right candidate for a position, the PSE does not discriminate on the basis of gender or other factors other than competence and experience of the candidate.</p> <p>Further, the PSE provides equal opportunities to all its employees, especially in terms of learning and development. This program ensures that the PSE workforce remains competitive and passionate to the mission and vision of the Exchange. In fact, PSE has an active program to send to graduate degree programs (e.g., Masters in Business Administration) its employees who have been identified to be promising and high performers.</p>

WORKPLACE CONDITIONS, LABOR STANDARDS AND HUMAN RIGHTS

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	219,232	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	3	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
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The PSE maintains a safe working environment for the employees and trading participants.	Employees Trading Participants	<p>The PSE established as Health and Safety Committee, headed by the Administrative Services Department, to manage and monitor the health and safety at the PSE premises.</p> <p>The Health and Safety Committee provides recommendations to management regarding policies and initiatives that will foster and reinforce the health and safety considerations for employees and other stakeholders.</p>
What are the Risk/s identified?	Which stakeholders are affected?	Management Approach
Unlike other industries, such as manufacturing and construction, PSE's risks in line with occupational health and safety is limited to office-based risks, such as ergonomic injuries.	Employees Trading Participants	<p>The PSE has an operational clinic with a registered nurse on-site. The clinic is equipped with a first-aid kit and over-the-counter medicines.</p> <p>Further, the PSE conduct regular training in emergency preparedness for the employees and security staff.</p>
What are the Opportunity/s identified?	Which stakeholders are affected?	Management Approach
	Employees Trading Participants	

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

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

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	YES	PSE Code of Ethics and Business Conducts <i>Compliance with Laws, Rules and Regulations</i>
Child labor	YES	PSE Code of Ethics and Business Conducts <i>Compliance with Laws, Rules and Regulations</i>
Human Rights	YES	PSE Code of Ethics and Business Conducts <i>Compliance with Laws, Rules and Regulations</i>

PSE Code of Ethics and Business Conduct

[https://www.pse.com.ph/resource/staticcontent/PSE%20Code%20of%20Ethics%20&%20Business%20Conduct%20\(2014\).pdf](https://www.pse.com.ph/resource/staticcontent/PSE%20Code%20of%20Ethics%20&%20Business%20Conduct%20(2014).pdf)

- Employment Practices:
 - o Harassment-Free Workplace

○ Health and Safety

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The PSE upholds the highest level of integrity by ensuring that the organization prohibits and imposes sanctions on graft and corrupt practices as well as unethical practices not only by its employees but also third party service providers. As an SRO, PSE's reputation is important not only to be effective in its regulatory functions but also to signal to local and institutional investors the professionalism and integrity of the market operator and regulator.	Employees Directors	<p>The PSE has a clear ethics and compliance policy as reflected in its Code of Ethics and Business Conduct and Revised CG Manual, which is accessible to all employees of the Exchange.</p> <p>All employees and officers must respect and comply with the laws, rules and regulations applicable to our business. Employees are expected to be familiar with the legal and regulatory requirements applicable to their business responsibilities and to fulfill their duties in accordance with these laws and regulations. Although employees and officers are not expected to know the details of each of these laws, rules and regulations, it is important to know enough to determine when to seek advice from supervisors or other appropriate personnel. The policy prohibiting employees from trading listed securities in the PSE is well-entrenched and any violation thereof constitutes a grave offense punishable by dismissal after due notice and hearing.</p>
What are the Risk/s identified?	Which stakeholders are affected?	Management Approach
Tarnished reputation of the PSE will adversely affect the regulatory role and functions of PSE. Furthermore, any controversy will adversely affect the confidence not only of the local and foreign investors but also of the listed companies that PSE regulate.	Employees Directors	<p>PSE's operations is regularly assessed for key risks through its risk register. The risk register is a tool that helps PSE track issues and address any potential problem.</p> <p>PSE has institutionalized risk management and mitigation measures to manage the risk and will continue to evaluate its policies, procedures, and programs in terms of effectiveness and efficiency in addressing these risks.</p>
What are the Opportunity/s identified?	Which stakeholders are affected?	Management Approach
The commitment of the Board of Directors and management to its role	Employees Directors	The PSE will aim to conduct more awareness campaigns and information

of upholding policies curbing corrupt practices, and the continuous training of stakeholders will safeguard the reputational value of the PSE from damages.		session among its employees and board of directors. This is to ensure their knowledge and compliance to all applicable laws and regulations.
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SUPPLY CHAIN MANAGEMENT

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

Yes, PSE has a supplier accreditation policy.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the company policy
Environmental Performance	Yes	Environmental Responsibility is cited at PSE's Supplier Accreditation document.
Forced labor	Yes	As part of their agreement with the PSE, suppliers and contractors of the PSE provide a representation that they obey and comply with the laws, rules and regulations applicable to our business. Any violation may nullify the agreement between the Exchange and the supplier and/or contractor.
Child labor	Yes	
Human rights	Yes	
Bribery and corruption	Yes	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The PSE upholds the highest level of integrity by ensuring that the organization is free from activities and partnerships with unethical practices. PSE's reputation is important to the market to maintain their confidence in PSE as a market operator and regulator.	Suppliers	As part of their agreement with the PSE, suppliers and contractors of the PSE provide a representation that they obey and comply with the laws, rules and regulations applicable to our business. Any violation may nullify the agreement between the Exchange and the supplier and/or contractor.
What are the Risk/s identified?	Which stakeholders are affected?	Management Approach
Tarnished reputational value of the PSE will hinder the efficient operation of the stock market.	Suppliers	PSE's operations are regularly assessed for key risks through its risk register. The risk register is a tool that helps PSE track issues and address any potential problem. PSE has institutionalized mitigating measures to manage the risk and will continue to evaluate its policies,

		procedures, and programs in terms of effectiveness and efficiency in addressing these risks.
What are the Opportunity/s identified?	Which stakeholders are affected?	Management Approach
The commitment of the Board of Directors and management to its role of upholding policies curbing corrupt practices, and the continuous training of stakeholders will safeguard the reputational value of the PSE from damages.	Suppliers	The PSE will ensure that all partners of the Exchange are compliant with the applicable laws and regulations through internal checks and balances.

RELATIONSHIP WITH COMMUNITY

Significant Impacts on Local Communities

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)
PSE Stock Market Webinars			No	N/A	Products and services of the Exchange, including its outreach programs, are its positive contribution to building a sustainable community.
PSE Road Shows			No	N/A	The PSE conducts a regular seminars and engagement programs with its local community to increase financial literacy at the PSE Tower.
PSE Stock Market 101			No	N/A	The PSE also conducts road shows at different parts of the nation to ensure that everyone can have access to the resources that the PSE

Engagement Activities / Community Outreach Programs			No	N/A	offers. Further, several outreach programs, like donation drives and coastal clean ups, are conducted by the employees of the Exchange to help the community.
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**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)*

For operations that are affecting 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		#
CP secured		#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
	Community	Products and services of the Exchange, including its outreach programs, are its positive contribution to building a sustainable community.
What are the Risk/s identified?	Which stakeholders are affected?	Management Approach
	Community	The PSE conducts a regular seminars to increase financial literacy at the PSE Tower. The PSE also conducts road shows at different parts of the nation to ensure that everyone can have access to the resources that the PSE offers. Further, several outreach programs, like donation drives and coastal clean ups, are conducted by the employees of the Exchange to help the community.
What are the Opportunity/s identified?	Which stakeholders are affected?	Management Approach

CUSTOMER MANAGEMENT

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer Satisfaction		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
What are the Risk/s identified?	Which stakeholders are affected?	Management Approach
What are the Opportunity/s identified?	Which stakeholders are affected?	Management Approach

REMARKS: PSE has an internal feedback mechanism that allows trading participants, the investing public, and other stakeholders to lodge any complaints that they may have. The PSE Helpdesk System which has been institutionalized through a web-based platform that allow users to communicate and raise issues on system and services provided by the PSE.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*		#
No. of complaints addressed		#

*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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
What are the Risk/s identified?	Management Approach
What are the Risk/s identified?	Management Approach

REMARKS: As a financial services corporation, the PSE does not manufacture or distribute products and/or services that may affect the health and safety of its clients.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*		#
No. of complaints addressed		#

**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*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
What are the Risk/s identified?	Management Approach
What are the Risk/s identified?	Management Approach

REMARKS: As a financial services corporation, the PSE does not manufacture or distribute products.

Customer Privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, user and account holders whose information is used for secondary purposes	0	

**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*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The PSE upholds the highest level of integrity by ensuring that all sensitive personal information of data subjects such as its clients, employees and partners are protected in accordance with Republic Act No. 10173 or the Data Privacy Act.	Trading Participants Issuers Data Clients	The PSE appointed a Data Protection Officer, who reports directly to the President and CEO, to ensure the full compliance with the provisions of the Republic Act No. 10173 or the Data Privacy Act.
What are the Risk/s identified?	Which stakeholders are affected?	Management Approach
Tarnished reputation of the PSE will erode investor confidence in the market and negatively affect the functions of PSE as an SRO in the market.	Trading Participants Issuers Data Clients	The PSE appointed a Data Protection Officer, who reports directly to the President and CEO, to ensure the full compliance with the provisions of Republic Act No. 10173 or the Data Privacy Act.

What are the Opportunity/s identified?	Which stakeholders are affected?	Management Approach
The commitment by the Board of Directors and management to fully uphold the legal requirements to protect sensitive personal information will mitigate the legal risks from a data breach or violation of Republic Act No. 10173 or the Data Privacy Act.	Trading Participants Issuers Data Clients	The PSE appointed a Data Protection Officer, who reports directly to the President and CEO, to ensure the full compliance with the provisions of Republic Act No. 10173 or the Data Privacy Act.

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

**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*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The PSE upholds the highest level of integrity by ensuring that all sensitive personal information of data subjects such as its clients, employees and partners are protected consistent with the requirements under Republic Act No. 10173 or the Data Privacy Act.	Trading Participants Issuers Data Clients	The PSE appointed a Data Protection Officer, who reports directly to the President and CEO, to ensure the full compliance with the provisions of Republic Act No. 10173 or the Data Privacy Act.
What are the Risk/s identified?	Which stakeholders are affected?	Management Approach
Tarnished reputational value of the PSE will hinder the efficient operation of the stock market.	Trading Participants Issuers Data Clients	The PSE appointed a Data Protection Officer, who reports directly to the President and CEO, to ensure the full compliance with the provisions of Republic Act No. 10173 or the Data Privacy Act.
What are the Opportunity/s identified?	Which stakeholders are affected?	Management Approach
The commitment of the Board of Directors and management to fully uphold the legal requirements to protect sensitive personal information will mitigate the legal risks from a data breach or violation of Republic Act No. 10173 or the Data Privacy Act.	Trading Participants Issuers Data Vending Clients	The PSE appointed a Data Protection Officer, who reports directly to the President and CEO, to ensure the full compliance with the provisions of Republic Act No. 10173 or the Data Privacy Act.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN 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
Public Offerings	<p>SDG 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p> <p>SDG 8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all</p> <p>As a stock market, the PSE provides an avenue for issuers to raise funds and for the public to invest. The stock exchange indirectly contributes to the achievement of SDG 1: No Poverty, SDG 2: Zero Hunger, and other sustainable development goals.</p> <p>Through the stock exchange, many local companies are able to develop and progress, enhancing their contributions to the United Nations Sustainable Development Goals.</p> <p>Further, the PSE conducts regular webinars, Stock Market 101 sessions and roadshows to increase the financial literacy rate of the country.</p>		
Stock Market 101			
PSEasy			
Roadshows and Webinars			
Sustainability Engagements and Community Outreach Programs	<p>SDG 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p> <p>SDG 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by</p>		

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
(cont.) Sustainability Engagements and Community Outreach Programs	<p>eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard</p> <p>SDG 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>		

**None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*