



2020

Sustainability Report

PSE Sustainability Report 2020

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. (PSE)
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. The 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 enforce its rules as approved by the SEC.
Reporting Period	January 1, 2020 to December 31, 2020
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

1. Material Topic Identification

Recognizing its dual role as a business and regulator, the PSE maintains open communication channels with its regulator, the SEC, and other stakeholders. These communication channels come 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 comments and suggestions from the public and concerned sectors. In the same way, feedback gathered from stakeholder groups through other forms of dialogue greatly influence PSE’s business strategy and regulatory policies and procedures.

Management reviewed the comments PSE has received and courses of action to address the feedback were proposed and introduced to the organization and the market, in general. Proposed projects addressing the feedback included the development of new products, revision of rules and regulations, and enhancement of systems and processes

2. Management Approach

In managing the sustainability issues of the PSE, management follows a three-phase approach after the identification of the issue.

1. **Data Gathering**

In order to create an effective policy and/or initiative, the first step is to gather data and monitor trends.

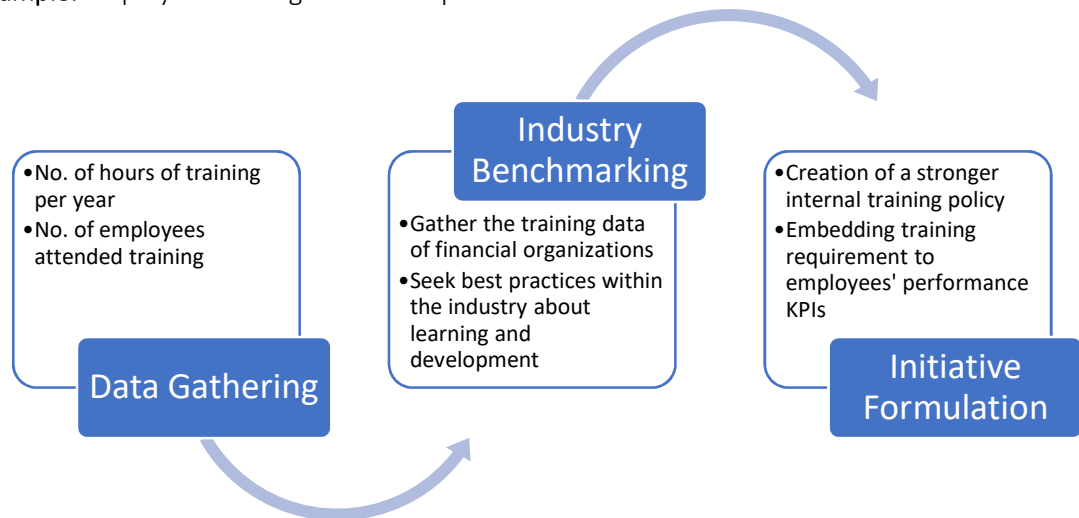
2. **Gap Analysis and Benchmarking**

Identify the industry standard and best practices related to the material issue. This approach provides insight on how the organization is performing against its peers.

3. **Initiative Development and Implementation**

Data on performance trends, gap analysis and industry benchmark assist the creation of objectives and strategies, and the development and implementation of actions plans.

Example: Employee Training and Development



Note: Discussions in this report regarding impacts, risk, opportunities and management approaches are done per topic and not per key performance indicator (KPI). This process limits the possibility of redundant information and repeated remarks. For example, the discussion of impacts, risk, opportunities and management approaches for resource management shall encompass the data for (1) energy consumption, (2) energy reduction, (3) water consumption and (4) materials used in the organization.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	PHP 1,314,362,972	PhP
Direct economic value distributed:		
a. Operating cost	PHP 661,105,322	PhP
b. Employee wages and benefits	PHP 217,787,037	PhP
c. Payments to suppliers, other operating costs	-	PhP
d. Dividends given to stockholders and interest payments to loan providers	PHP 747,998,266	PhP
e. Taxes given to government	PHP 209,163,409	PhP
f. Investments to community (e.g. donations, CSR)	-	PhP

Impacts, Risks and Affected Stakeholders

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 activities, PSE helps listed companies to raise the funds they need for acquisition, research and development, expansion, debt payment, and other strategic or operational requirements. In turn, these corporate endeavors boost economic growth including employment generation.

Opportunities

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.

Management Approach

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.

The PSE recognizes that business continuity is important in maintaining its revenue generation capability. Hence, the PSE conducts disaster resiliency programs and information awareness seminars for its employees and market participants, and organizes quarterly market-wide disaster risk management exercises.

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 with the goal of elevating them to be on par with global 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 including risk analysis are formulated and implemented by the PSE management, while the Board of Directors advises the PSE management and oversees the implementation of the initiatives.



Climate-Related Risks		
Transition Risks	<u>Policy and Legal Risks</u>	As a stock exchange, transition risks due to climate change or environmental factors have minimal impact to the PSE.
	<u>Technology Risk</u>	The PSE, as a stock exchange, has a small environmental footprint. However, we aim to manage this prudently through seeking environment-friendly solutions such as renewable energy.
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 three (3) 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 patter which results to sea level rise and/or chronic heat wave.	

Climate-Related Opportunities	
Resource Efficiency	As identified from last year’s report, the PSE recognized the existence of an opportunity on resource management that it can realize. Hence, the PSE embarked on an initiative to switch the electricity source of the organization to

Climate-Related Opportunities	
	<p>a renewable source. Due to the limitations brought about by the pandemic, the implementation of several initiatives, including said switch to renewable energy, had to be delayed and is scheduled for 2021.</p> <p>In 2021, the PSE shall seek opportunities that will increase efficiency in the Exchange’s resource consumption. These initiatives include, but are not limited to, (1) paperless transactions, (2) green procurement, (3) recycling campaign, and (4) renewable energy source.</p>

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	%

Discussion on Non-Material Issue

As a financial institution, the products, services and operations of the Exchange is not heavily dependent on raw materials. Our suppliers are engaged mostly due to technology maintenance and update, third party services (i.e., maintenance and security) and office supplies.

This issue is non-material to the Exchange as its impact to our operations and services is minimal.

However, it is noteworthy to indicate that the PSE is implementing its Bids and Procurement Policy, and Supplier Accreditation Guidelines and Procedures to ensure fair and efficient selection of suppliers or contractors, and evaluation of the expertise and fitness of its supplier-candidates. The evaluation standards employed by the PSE includes ESG-related criteria.

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	100%	%
Percentage of employees that have received anti-corruption training	100%	%

**Directors, key officers and all employees of the PSE are provided on-boarding orientation which includes the Anti-Corruption Policy of the PSE.*

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	#

Impacts, Risks and Affected Stakeholders

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, hence, maintaining its reputation and integrity is crucial in order for PSE to be effective in its mandate to maintain the efficiency and integrity of the market.

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.

Opportunities

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.

Management Approach

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 subsidiaries of the Exchange. All employees, including directors and the management receive an annual reminder regarding PSE's policy on Gifts, Meals and Entertainment.

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 addresses 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.

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)	1,514.86	Gallon
Energy consumption (LPG)	N/A	GJ
Energy consumption (diesel)	1,183.56	Gallon
Energy consumption (electricity)	945,950.84	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	423.21	Gallon
Energy reduction (LPG)	N/A	GJ
Energy reduction (diesel)	846.50	Gallon
Energy reduction (electricity)	194,655.16	kWh

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	N/A	Cubic meters
Water consumption	3,161.64	Cubic meters
Water recycled and reused	N/A	Cubic meters

Materials used by the organization

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

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
IUCN ¹ Red List species and national conservation list species with habitats in areas affected by operations	N/A	

¹ International Union for Conservation of Nature

Environmental Impact Management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	14.8	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	739	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)		Tonnes

Air Pollutants

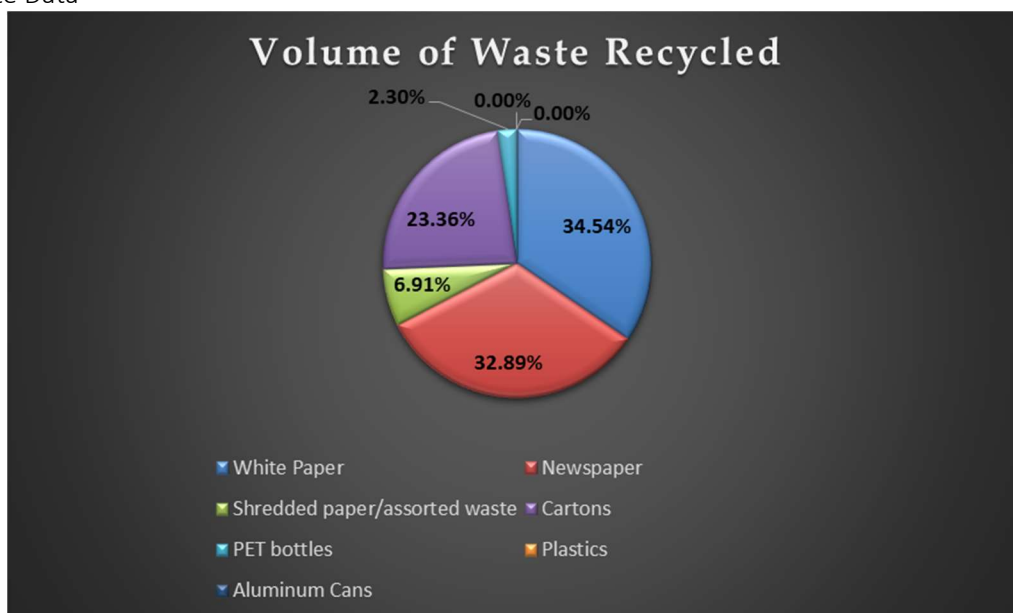
Disclosure	Quantity	Units
NO _x	N/A	Kg
So _x	N/A	Kg
Persistent organic pollutants (POPs)	N/A	Kg
Volatile organic compounds (VOCs)	N/A	Kg
Hazardous air pollutants (HAPs)	N/A	Kg
Particulate matter (PM)	N/A	Kg

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated		
Reusable		Kg
Recyclable	304	Kg
Composted		Kg
Incinerated		Kg
Residuals/Landfilled		Kg

PSE Waste Data



Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	N/A	Kg
Total weight of hazardous waste transported	N/A	Kg

Effluents

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

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 0.00	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

Impacts, Risks and Affected Stakeholders

The Philippines is a country which is highly vulnerable to the effects of climate change. Some of the identified key climate impacts are in (1) agriculture, (2) water, (3) energy and, (4) infrastructures and services. The PSE's environmental impact is relatively small; however, we strive to manage our impact prudently, guided by our corporate responsibility principle in promoting market growth hand in hand with community welfare.

Opportunities

The PSE recognizes the opportunities in the sustainability issues under the environmental theme in two folds: (1) opportunities in PSE's internal operations and (2) opportunities in the capital market.

The opportunities in the PSE's internal operations focus mainly on resource management. Energy, fuel, water and materials consumption of the PSE are part of the overall operations cost. If managed efficiently, resources could have a beneficial impact towards the cost of operations.

Products in green finance, such as sustainability index, are opportunities that are unique to the PSE. As the only stock exchange in the country, the PSE is in a unique position to help the transition of the issuers, regulators and other participants in the Philippine capital market in adopting a greener and sustainable business practice.

Management Approach

Guided by our corporate responsibility in promoting market growth hand in hand with community welfare, the PSE recognizes that in creating products and services, we have to take into consideration its impact to the community and the environment.

In the short term, the PSE regularly monitors our environmental KPIs such as, electricity, fuel and water consumption and, waste management. Through this data gathering process, management identifies reasonable targets and plan of action for the operations.

In the long-run, the PSE will be implementing solutions that will minimize its environmental footprint and, at the same time, influence publicly listed companies to adopt sustainable business practices. These initiatives include, but not limited to, renewable energy source, green procurement and green financial products.

SOCIAL

EMPLOYEE MANAGEMENT

Employee Hiring and Benefits

Employee Data

Disclosure	Quantity	Units
Total Number of Employees		
a. Number of female employees	61	#
b. Number of male employees	46	#
Attrition Rate	16%	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 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	9.83%	17.39%
PhilHealth	YES	9.84%	2.17%
Pag-ibig	YES	3.28%	4.35%
Parental leaves	YES	100%	100%
Vacation leaves	YES	94.74%	86.05%
Sick Leaves	YES	85.96%	67.44%
Medical benefits (aside from PhilHealth)	YES	100%	100%
Housing Assistance (aside from Pag-ibig)	NO		

Retirement fund (aside from SSS)	YES	100%	100%
Further education support	YES	0%	0%
Company stock options	YES	21.05%	39.53%
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	3.51%	4.65%
Continuing Education	0%	0%
Car Interest Subsidy	18%	17%
Employee Wellness (Free Zumba Sessions)	0%*	0%*
Birthday Leave Benefit	73.77%	65.22%
Employee Service Award	100%	100%
Special Leave Benefits for Women employees	100%	
Clothing Allowance	100%	98%
Vitamins and Supplements Reimbursement Benefit**	98%	93%

*Event suspended due to the pandemic

**Management-initiated benefit in response to the pandemic

***the percentage computed is number of availment over number of entitled employees

Employee Training and Development

Disclosure	Quantity	Units
Total Training hours provided to employees		
a. Female employees	153 hours	Hours
b. Male employees	57 hours	Hours

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	#

Diversity and Equal Opportunities

Disclosure	Quantity	Units
% of female workers in the workforce	57%	%
% of male workers in the workforce	43%	%
Number of employees from indigenous communities and/or vulnerable sector*	PWD – 3 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)

Impacts, Risks and Affected Stakeholders

As a financial institution, employees play a crucial role in the operations of the Exchange, as well as in maintaining the integrity and reputation of the institution they represent.

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 relevant experience and training required in the performance of regulatory and operational functions.

Opportunities

Retaining and attracting competitive and passionate talents in the employ of the PSE is crucial for business continuity and achievement of PSE's vision to be a world-class stock exchange. The PSE employee-base are regularly exposed to best practices and are in constant communications with their peers in other ASEAN exchanges for capacity building and mutual exchange of best practices and standards.

Management Approach

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 sustainability. Thus, it strives to create a work environment conducive to developing and sustaining excellent talent that will contribute in creating value for its business.

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.

In sourcing the right candidate for a position, the PSE is committed to upholding inclusivity and diversity. We do not discriminate on the basis of gender or other factors other than competence and experience of the candidate. Further, the PSE provides equal opportunities to all its employees, especially in terms of learning and development, which ensures that the PSE workforce remains committed to and aligned with 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 high performers and exhibiting management potential.

WORKPLACE CONDITIONS, LABOR STANDARDS AND HUMAN RIGHTS

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	224,272	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	0	#

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

- Employment Practices:
 - o Harassment-Free Workplace
 - o Health and Safety

Impacts, Risks and Affected Stakeholders

The PSE maintains a safe working environment for the employees and trading participants. 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 workplace-related injuries and illnesses.

COVID-19 Pandemic: New Normal at PSE

Since the onset of the global COVID-19 pandemic, the PSE implemented health and safety protocols to minimize the risk of exposure to the COVID-19 virus for all PSE employees while they are reporting on-site. The PSE has strictly adhered to the COVID-19 Inter-Agency Task Force for the Management of Emerging Infectious Diseases (“IATF”) guidelines to manage the health risk posed by the COVID-19 pandemic to its employees.

More importantly, the PSE has implemented several health and safety measures to reinforce the health and safety protocols for the employees. All entrances to the PSE Tower have been equipped with a temperature scanner to ensure that everyone entering the premises is not exhibiting fever. A Health Declaration Form is required to be accomplished and submitted by both employees and external parties before entering the PSE Tower. Further, alcohol dispensers are installed at the entrances and elevator lobbies to encourage everyone to sanitize regularly. The elevators are also limited to the use of maximum of four (4) people at a time to ensure that everyone maintains a safe social distance. These protocols were put in place in accordance to the guidelines released by the IATF. To further ensure that safe social distancing is practiced at all times, the PSE installed acrylic dividers at all workstations, the Board room,

and pantry tables at the canteen. All premises of PSE are regularly cleansed and, disinfected and properly maintained to minimize the transmission of COVID-19 virus in common surfaces.

More than maintaining safety measures at the workplace, the PSE puts premium on the health, safety and wellness of its employees. A work-from-home set up was implemented on a rotation basis for 50% of the workforce during the enhanced community quarantine (“ECQ”) period. This set-up aims to (1) minimize the number of employees on-site to maintain safe social distance; and (2) to encourage the employees to stay at home and limit their chances of getting exposed to the virus. We also instituted a daily monitoring questionnaire to gather data about the health conditions of all employees and timely identify risk factors. The PSE Health and Safety Committee closely monitor employees who exhibit symptoms or have been exposed to the virus.

With no major disruption to the PSE’s operations, PSE employees also did not experience any pay cuts and received all their benefits such as, 13th month pay, 14th month pay and leave credits. The PSE, with the aid of its dedicated management team, was able to ensure that the PSE operates continuously ensuring that all jobs of the employees are protected and the PSE did not reduce the workforce.

Management Approach

The PSE established a Health and Safety Committee, led by the Head of the Facilities Management Department of the Exchange, to manage and monitor the health and safety of its employees and other stakeholders at the PSE premises.

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.

The PSE has a clinic managed by a registered nurse. The clinic is equipped with a first-aid kit and over-the-counter medicines. Further, the PSE conducts regular training in emergency preparedness for the employees and security staff.

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	

Impacts, Risks and Affected Stakeholders

As a corporation, the PSE has a long-standing relationship with third parties to support the Exchange's business functions. This includes engaging third party providers of specialized services or proprietary systems, cloud-based technology, and other consultancy services. With this, the PSE recognizes that outsourcing services to third-party presents risks that may affect the Exchange's operations and reputation. In this regard, the PSE strictly implements its Bids and Procurement Policy and Supplier Accreditation Guidelines and Procedures. Our enterprise risk management procedures and business continuity programs are regularly assessed and reinforced to take into account operational risks which may be magnified during the pandemic.

To illustrate, the trading engine and the front end system used by the trading participants are tools that are sourced from a third-party supplier. The possibility of the occurrence of system failures and other system-related issues are risks that the Exchange has to manage. In response to these risks, all members of the PSE team that handle the trading operations are trained and equipped to provide level one support and provide timely assistance to the concerns of the trading participants. The Exchange aims to minimize its dependency to third party system providers in maintaining the systems needed for trading operations.

During the lockdown, the PSE trading floor was able to operate smoothly with the help of capable PSE employees who were able to implement PSE's enterprise risk management procedures and business continuity programs. Taking into account operational risks, the PSE institutionalized systems and protocols to efficiently respond to issues and ensure that the capital market remains open for business during the pandemic.

Another tool provided by a third party supplier to the Exchange is a cloud-based solution that enables employees to access their emails and work files securely at any location. This system includes video calls, office-based chat system and file-sharing system. This system allowed the PSE to implement a work-from-home policy effectively, and for the PSE to function efficiently despite having a reduced workforce reporting on-site.

Since the onset of the global COVID-19 pandemic, the PSE implemented protocols and measures to minimize risk of the pandemic at the PSE while continuously providing services to the clients. The PSE's third-party service providers were essential in ensuring the smooth and continuous operations of the Exchange. The Exchange was able to manage the impact of the pandemic on its trading operations with the technology systems and business continuity management for the Exchange and the trading participants.

Management Approach

The Bids and Procurement Policy of the Exchange aims to maintain the integrity of the bids and procurement process observed by the PSE. This is done by (1) ensuring that the process is executed in full conformity with the PSE's rules and regulations; (2) ensuring fairness and transparency through a competitive bidding, as may be applicable; and (3) promoting economy and efficiency with regard to quantity, quality and timeliness of the products and services to be procured.

Further, the PSE also implements a Supplier Accreditation Policy that provides relevant criteria, tools and procedures for: (1) the assessment and approval of suppliers, (2) the continuous management of supplier relationships, and (3) the ongoing management of the supplier database.

The PSE is also guided by its Enterprise Risk Management Framework to monitor and manage risks to the Exchange. With a risk-based assessment, the PSE is able to identify which services pose a material risk to the Exchange’s operations and, ultimately, its reputation. What the Exchange has likewise learned during the past year is the need to factor in so-called novel risks or those that are plausible and material notwithstanding low probabilities. The capital markets are not immune from these novel risks, and a market operator, like the PSE, will need to properly mitigate and manage these risks to ensure a fair and orderly trading market.

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. The PSE conducts regular seminars and engagement programs with its local community to increase financial literacy at the PSE Tower and webinars. The PSE also conducts road shows at different parts of the nation to ensure that everyone can have access to the resources
PSE Road Shows			No	N/A	
PSE Stock Market 101			No	N/A	

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)
Engagement Activities / Community Outreach Programs			No	N/A	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.

**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		#

CUSTOMER MANAGEMENT

Customer Satisfaction

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

Impacts, Risks and Affected Stakeholders

As the only stock exchange in the country and licensed as a self-regulatory organization (“SRO”) pursuant to Republic Act No. 8799 otherwise known as the Securities Regulation Code, the PSE provides a centralized venue for the buying and selling equities and is guided by global best practices and the latest technology systems in order to maintain a fair and orderly market. With this in mind, the PSE serves trading participants, listed issuers, the investing public and other stakeholders towards furthering national economic development.

The vision of PSE is to become a premier exchange with world-class standards for trading securities and raising capital. The overarching goal of PSE is to serve as a strong engine for a robust Philippine economy. The strategic plans and initiatives of PSE are aimed at being relevant and responsive to the needs and demands of its stakeholders and to be an effective SRO over its stakeholders.

Management Approach

Providing quality service and meeting the highest standards of excellence are part of the institutionalized corporate values of the PSE. Towards these ends, the PSE develops and cultivates a highly motivated and professional workforce to handle the needs of all of the clients of the Exchange.

For each client group, the PSE dedicates a team of experienced and competent employees who are well-equipped to handle the clients' requirements. In 2020, the Exchange rolled out into production a digital platform called the PSE Helpdesk which is an incident management and communication channel that enables the trading participants to seek timely assistance and resolution of any system issues they may encounter as regards to the systems provided by the Exchange. The PSE's corporate values serve as a guide for all transactions with clients.

All employees of the Exchange adhere to the values of professionalism, service, excellence and integrity, and the pervading culture is consistent with these corporate values of 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*

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*

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*

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*

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	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 access to financial services.		
Stock Market 101	SDG 8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.		
PSEasy	As a stock market operator, 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.		
Roadshows and Webinars	Through the stock exchange, many local companies are able to develop and progress, enhancing their contributions to the United Nations Sustainable Development Goals. Further, the PSE conducts regular webinars, Stock Market 101 sessions and roadshows to increase the financial literacy rate of the country.		

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