



LEARNING. MOVING. EVOLVING.

2017 Sustainability Report

About the Cover

The Sweetheart Locket

This nostalgic cover brings together the past and the present through two photographs depicted on a sweetheart locket.

The sweetheart locket was chosen to illustrate how PLDT places great value on sustainability — how it is close to the heart of the organization.

The locket is also shaped to represent the 90th anniversary logo of PLDT, highlighting the milestone it has achieved.



About the Report

This is our third consecutive year of reporting on sustainability performance, published as a supplement to the PLDT Group's 2017 Annual Report which is available online at www.pldt.com.

Prepared based on the previous report that was released in June 2017, this Sustainability Report comparably covers the performance of the PLDT Group — PLDT Inc. itself, its wireless subsidiary Smart Communications, as well as Voyager Innovations and ePLDT. The SR uses the term PLDT Group to refer to these four companies.

The reporting period is from January 1 to December 31, 2017 and covers the highlights of issues defined as material to the PLDT Group's stakeholders.

This report has been prepared in accordance with the GRI Standards: Core option. For 2017, we transitioned from GRI G4-based reporting to the updated GRI Sustainability Reporting Standards which allow us to further elaborate on management approach for the material topics identified.

Independent external assurance on selected disclosures is provided by SGV & Co, which serves as objective verification to the merit and reliability of the selected assured information (see pages 107-111 for more details).

For any concerns or feedback on the 2017 Sustainability Report, please contact:

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2017

Sustainability Performance at a Glance



Financial Highlights

(PLDT Group Consolidated Numbers in Millions, PhP)



162,750
Direct Economic Value Generated

117,650

Economic Value Distributed

45,100

Economic Value Retained

● Operating Costs	62,235
● Employee Wages and Benefits	22,782
● Payments to Government	8,520
● Payments to Providers of Capital	23,693
● Community Investments	420

Actual Capex for 2017

40,299

Dividends

60% of core earnings

Social Highlights



13,869
Total Employees*

**Figure covers employees of PLDT, Smart, DMPI, ePLDT, and Voyager Innovations (including FINTQnologies and PayMaya Philippines)*



32,000

Graduates of PLDT Infotech Outreach Program, to date



14,000

Teachers Given Training under Gabay Guro, to date



830

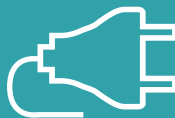
PLDT Volunteer Hours



582

Smart Volunteer Hours

Environmental Highlights



Electricity Used
669,008.65
mWh



Greenhouse Gases Emitted
325,856.57
Metric Tons of CO₂e



Fuel Consumed
12,151.60
Cubic Meters



Water Consumed
650,173.41
Cubic Meters

Spill kits provided to cellsites to prevent and contain fuel spills

• **292 Units**

Worth of Used Batteries Donated

• **PhP10.7 million**

Message from the Chairman President, and CEO



***“As the Philippines’
pioneering and leading
company in the fields of
telecommunications
and digital services,
the PLDT Group is moving
towards the future with
the confidence of a young
90-year-old innovator.”***

We have been doing the hard work, making the difficult decisions, and implementing the many changes needed for our company to continue playing our leading role in the digital transformation of the country into a Smart Nation.

The PLDT Group has taken on the challenge, quite mindful of what we need to do:

We must keep learning. This Sustainability Report is an important tool for us to learn and discover more about ourselves and what we can do to improve the results in our triple bottom line of economic, social, and environmental performance. Consistently measuring and monitoring different aspects of our operations, projects, and programs gives us robust data with which to assess and design process improvements.

We must keep moving. There are numerous barriers and challenges, especially for such a large-scale and major transformative process as ours. But by keeping our eyes firmly on our goals, we can pursue our long-term strategies with agile tactics and immediate solutions. A culture of innovation keeps our people prepared and enabled to take action and add value for our customers.

And we must keep evolving. We began our digital transformation in 2016, aware of how much work and commitment it demanded

from all of us. The investment of time, effort, and resources we are making now is a testament to the importance we put in evolving to ensure our sustainable future.

This Sustainability Report is part of that investment, and an important one. I believe that the discipline of sustainability reporting helps the organization remain focused on our goals as it helps drive fresh and purposeful innovation that adds value. It is this innovative spirit in our DNA which compels us to keep finding the better way forward towards our goal of building a Smart Nation for all.

We hope you find this report useful as a tool to chart the Group's progress in our continuing sustainability journey. We understand that we will always have more ground to cover, but with this report, we are hoping our stakeholders can see how we are learning, moving, and evolving in pursuit of our vision of a better tomorrow for all Filipinos.

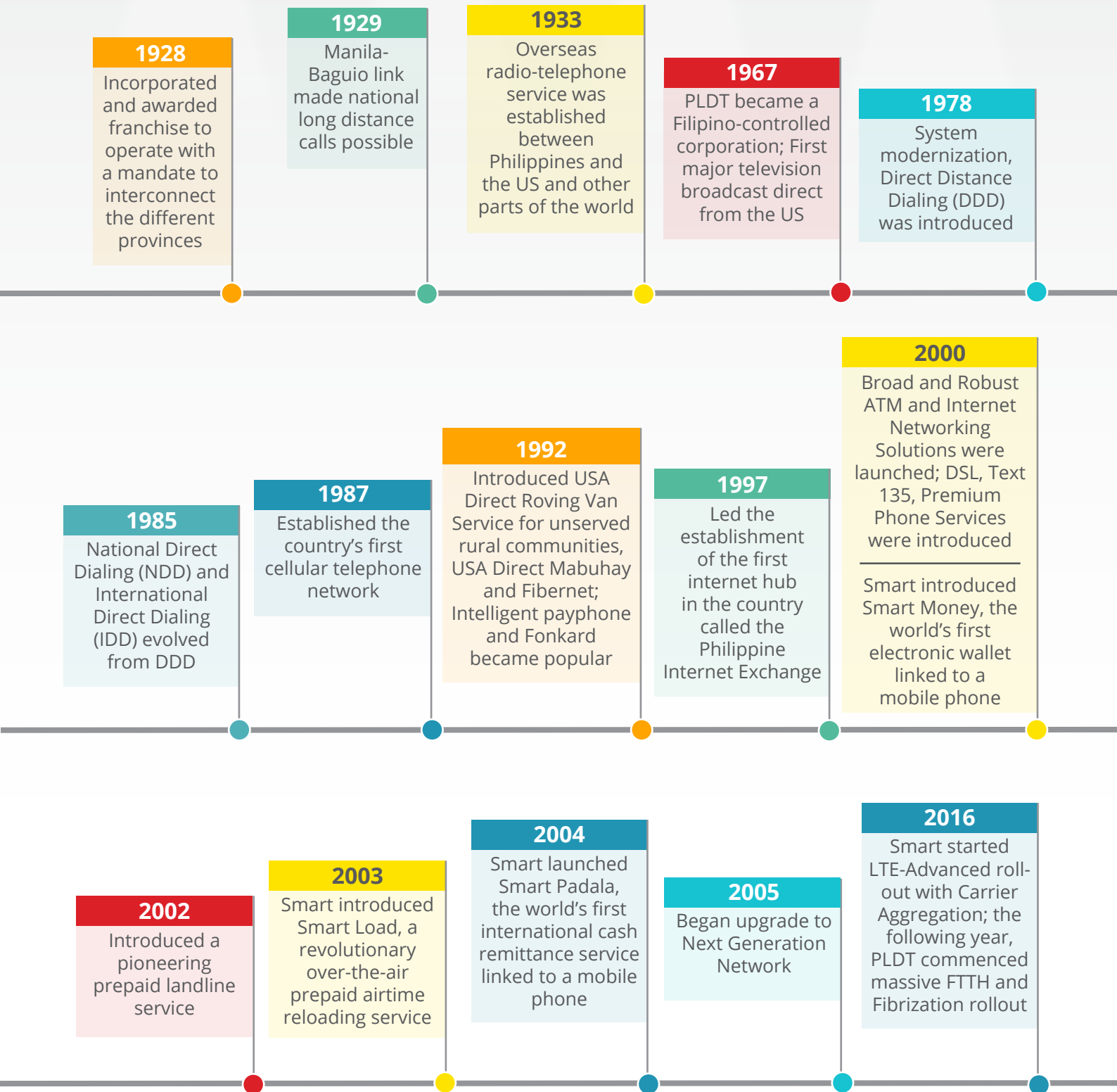


Manuel V. Pangilinan
Chairman, President, and CEO
PLDT

A Young Innovator at 90



Innovation Milestones



After nine decades of service and innovation in the Philippine telecommunications industry, the PLDT Group maintains leadership in its principal market segments of Home, Enterprise, ICT (Information and Communications Technology), and Digital Innovations – and it still has the country’s most extensive fiber optic backbone and fixed line and cellular networks which serve 4.6 million fixed-line and broadband subscribers and 58.3 million mobile subscribers (as of end-2017).

With main headquarters in the business district of Makati City, PLDT is listed on the Philippine Stock Exchange (PSE:TEL), with its American Depositary Shares listed on the New York Stock Exchange (NYSE:PHI). It has one of the largest market capitalizations among Philippine-listed companies.

PLDT’s core brands are:



The country’s leading broadband and digital services provider allows seamless, simultaneous streaming for all devices at home with its Fibr, DSL, Ultera, and Telpad services, and keeps Filipino homes connected.



Empowers small and medium-sized enterprises with technologies suited for their needs: from voice, broadband, and mobility solutions, to enterprise-level ICT and cloud services. This suite of products helps entrepreneurs overcome key business challenges and fulfill their role as the backbone of the Philippine economy.



PLDT ALPHA Enterprise, PLDT’s corporate business group, is the preferred and trusted ICT partner of Tier-1 enterprises in the country.



With offices in the Philippines and Hong Kong, it operates as the international marketing, sales, and operating arm of PLDT, providing high-quality value-added and traffic wholesale services through its points of presence located worldwide.

The group’s wholly owned subsidiaries include Smart Communications, Voyager Innovations and its business arms FINTQnologies and PayMaya Philippines, and ePLDT.



Smart is the country’s most extensive wireless services provider and is renowned for having introduced innovations and world-first wireless offerings such as Smart Money, Smart Load, and Smart Padala. Today, it offers a variety of prepaid, postpaid, and mobile broadband services including 3G, HSPA+, and LTE services. Its Smart Satellite service provides communications to the global maritime industry.

Through Voyager Innovations and its business arms, close to 20 million Filipinos are now enjoying groundbreaking inclusive digital services such as digital payments via PayMaya, remittance through Smart Padala, digital lending via Lendr, digital commerce with Takatack and TackThis!, sponsored data access and rewards with Freenet, and digital marketing customer engagement through Hatch.

Meanwhile, ePLDT is the industry-leading enabler of digital business solutions in the Philippines with expertise in managed, hybrid, end-to-end cloud solutions, robust and world-class data center infrastructure and services, a complete suite of cyber security solutions, and IT management. ePLDT is the trusted partner of today’s growing and established organizations in ensuring business resiliency in the Age of Experience.





Looking into the Digital Future

For Individual Consumers

Home - Data

- Fiber
- DSL
- TD LTE
- Infotainment
- Video Services

Mobile

- Postpaid
- Premium
- Prepaid
- Broadband
- Satellite
- Value-Added Services

Home – Voice

- Landline
- Prepaid
- Call Cards

For Enterprises

Fixed – Data Domestic

- Fiber
- Metro Ethernet
- IP VPN
- Leased Line
- VSAT
- DSL

Wireless

- Postpaid
- Prepaid

PLDT Global

- US
- UK
- Hong Kong
- Singapore
- Malaysia
- Japan
- Macau*
- Taiwan*
- Guam*
- Spain*

*Branded partnership

Fixed – Data International

- Carrier Ethernet
- Private Leased Circuits
- IP VPN

Wireless – Broadband

- TD-LTE
- LTE
- VSAT

ICT Solutions

- Data Center
- Cloud
- Cyber Security
- Managed IT Services

Wireless – Solutions

- Prepaid Loading
- Messaging
- Security
- Machine-to-Machine and Internet of Things

Fixed – Voice

- Direct Line
- Trunkline
- Managed Services
- Audio and Video Conferencing

Wireless - Satellite

- Prepaid
- Broadband - Land
- Broadband - Maritime
- Over the Top (OTT)



Digital Innovations

Access and Customer Engagement

- Sponsored Mobile Data Consumer App and Enterprise Platform
- Over-the-Top Communications
- Application Protocol Interfaces (APIs)
- SMS+ Mobile Marketing Platform
- Mobile Magazine
- Digital Advertising Platform Management
- Digital Marketing Agency

eCommerce Platforms

- Online Store Builder
- Online Marketplace
- Online Marketplace Builder
- eCommerce Wallet for Employee Rewards Program

Digital Financial Services

- Digital Payments for Consumers
- Domestic Remittance and Person-to-Person Money Transfers
- Merchant Payment Acceptance and Processing
- Mobile Money Platform Back-end Processing
- Digital Lending Platform
- Loans Marketplace
- Digital Micro Insurance
- Financial Disbursements Tool
- Digital Monitoring and Evaluation Tool for Conditional Cash Transfers



Awards and Recognition

INVESTOR RELATIONS

Institutional Investor All-Asia Executive Team

- Best IR Professional #2 – Melissa Vergel de Dios
- Best Website #3

Finance Asia

- Best at Investor Relations #2
- Best at Corporate Social Responsibility #5 – PLDT
- Most Committed to Corporate Governance #4

SMART

Asia Communications Awards

- Digital Service Provider of the Year
- Best Brand Campaign – Welcome Change Campaign

World Communication Awards

- Best Brand Campaign – Welcome Change Campaign
- Social Contribution Award – SHINE OS+ (Secured Health Information Network and Exchange)

International Public Relations Association's Golden World Awards

- Healthcare Category – SHINE OS+
- Events Management Category – TNT Super Panalo Day

Public Relations Society of the Philippines (PRSP) Anvil Awards

- Company of the Year for second consecutive year (with 17 Gold Anvils and seven Silver Anvils)

International Association of Business Communicators (IABC) Philippine Quill Awards

- 2nd Runner-up: Company of the Year (with 12 Excellence Awards and nine Merit Awards)

Open Signal Awards

- Fastest Network Overall in the Philippines
- Fastest LTE Network in the Philippines
- Lowest Latency on LTE in the Philippines
- Lowest Latency on 3G in the Philippines

LinkedIn Awards

- Most Socially Engaged Company

World Branding Institute

- Asia's Best Employer Brands

FINANCIAL MANAGEMENT

2017 BizNewsAsia Excellence in Financial Management
June Cheryl Cabal - Revilla, PLDT and Smart

PLDT ENTERPRISE

PRSP Anvil Awards

PLDT ALPHA

- 2017 Customer Engagement Campaign
- Changing the Way You Do Business Campaign
- Customer Satisfaction Campaign
- Hot Joe Magazine Volumes 24 to 28

PLDT SME Nation

- BIG Talks Series
- Make it BIG Campaign
- #BeTheBoss Awards
- Tech Mobile
- TechIsland 3.0: Challenge, Change, Conquer

IABC Philippine Quill Awards

PLDT ALPHA

- Hot Joe Magazine Volumes 24 to 28
- PLDT Pasasalamat Night
- 2016 Philippine ICT Leadership Convention: Digital Now!

PLDT SME Nation

- #BeTheBoss Awards
- BIG Talks Series
- TechIsland 3.0: Challenge, Change, Conquer



MEF 2017 Awards

- Retail Service Provider of the Year – APAC
- Wholesale Service Provider of the Year – APAC
- Enterprise Application of the Year – Business

PLDT HOME

PRSP Anvil Awards

Gold Awards

- PLDT Home Ultera’s Strengthening the Volleyball Community with the Volleyfriends
- PLDT Home DSL’s #MostBeautifulConnection Video
- PLDT Gabay Guro

Silver Awards

- PLDT Gabay Guro Teacherfest
- PLDT Home’s Regine Series Nationwide Tour
- PLDT Home Fibr Planner
- New Kiddie Gadget Alert—the Smart Watch by PLDT Home
- Data Sharing with PLDT Home

PANATA Awards 2017

- Awardee for Brand-Integrated Program, Tactical (Promotions) Category - New Kiddie Gadget Alert: the Smart Watch by PLDT Home
- Awardee for Brand-Integrated Program, Tactical (Promotions Category) - Data Sharing with

PLDT Home

- Awardee for Brand-Single Medium-Activation Category - PLDT Gabay Guro TeacherFest

PR Week Asia 2017

- PLDT Home Ultera: Strengthening the Volleyball Community with the VolleyFriends

IABC Philippine Quill Awards 2017

- Pay to Win with PLDT Home
- PLDT Gabay Guro Training and Scholarships
- PLDT Home Fibr Planner
- PLDT Home DSL #MostBeautifulConnection Video

Readers’ Digest Trusted Brand 2017

- Gold Award for Broadband Services – PLDT Home Fibr
- Platinum Award for Landline Phone Services – PLDT Home

ePLDT

- 2017 Microsoft Country Partner of the Year
- Cisco 2-Tier Partner of the Year
- AGS subsidiary: ToP SAP Business One Award for the Philippines and Southeast Asia
- AGS: SAP certifications – SAP S4 HANA Partner Center of Expertise, SAP SuccessFactors Certified Partner, and SAP C4C Certified Partner

PLDT

JobStreet Awards for Top Ten Companies Filipinos Aspire To Work For

VOYAGER INNOVATIONS

First Pacific Leadership Academy Innovation Congress Culture of Innovation Award

PRSP Anvil Awards

Gold Awards

- Freenet. The Free and Fun Way to Connect
- Smart Padala. #AsensoTacloban: Restoring Tacloban Through the Introduction of Digital Financial Services

Silver Awards

- Freenet. The Free and Fun Way to Connect
- #PadaLapit Lang with Smart Padala: A Consumer PR Campaign on Trusted and Convenient Remittance Service
- PayMaya, #NowNation: Providing the Millennials Instant Access to the Digital Economy

The Asset Triple A Digital Awards Most Innovative Fintech Collaboration - Lendr and KasamaKa

VOYAGER INNOVATIONS

Asian Banker Innovation Leadership Achievement Award for the Philippines
Orlando B. Vea, CEO and President

The Asian Banker Philippine Country Awards
Best Consumer Finance Product Award for the Philippines - Lendr

Asian CEO Awards
Most innovative Company of the Year

Asian Banking & Finance Singapore
New Consumer Lending Product of the Year - Smart Salary Loan Program

IABC Philippine Quill Awards

Excellence Awards

- PayMaya. #NowNation: Providing Millennials Instant Access to the Digital Economy

- Freenet. The Free and Fun Way to Connect

Merit Awards

- Voyager Voices: The New Millennial Spokespersons
- #PadaLapit Lang with Smart Padala

Membership in Associations

Local

- Philippine Association of Private Telephone Companies (PAPTELCO)
- Philippine Chamber of Telecommunication Operators (PCTO)
- FintechAlliance.PH (for FINTQnologies, Inc., PayMaya Philippines, and Smart)
- Philippine Payments Management, Inc. (for PayMaya Philippines)
- Philippine Business for the Environment
- Philippine Business for Education

- Philippine Business for Social Progress
- Supply Chain Management Association of the Philippines
- Emergency Telecoms Cluster, National Disaster Risk Reduction and Management Council

International

- Metro Ethernet Forum (MEF)
- International Telecommunications Union (ITU)
- International Inbound Services Forum (IISF)
- International IP Interconnect Forum (i3F)
- International Telecoms Week (ITW)
- Pacific Partners Meeting (PPM)
- Global Settlement Council (GSC)
- Asian Carriers Conference

External Initiatives/Charters

EXTERNAL CHARTER	PARTICIPATION
Philippine Disaster Resilience Foundation (PDRF)	The Business Continuity and Resilience Office (BCRO) is head of the Telecom Cluster.
Corporate Network for Disaster Response (CNDR)	PLDT-Smart is a member company of the Quadrant-based Approach on disaster response, in coordination with Metro Manila Development Authority's Oplan Yakal.
Groupe Speciale Mobile Association (GSMA)	Smart actively participates in GSMA's telco audit on disaster preparedness. The BCRO represents Smart in the GSMA Disaster Response's Humanitarian Connectivity Charter.
United Nations Office for Disaster Risk Reduction (UNISDR)	PLDT-Smart is a member of the Private Sector Alliance for Disaster Resilient Societies (ARISE) in the Philippines
Asia Pacific Alliance for Disaster Management (APAD)	In partnership with the Citizens' Disaster Response Center
ISO 22301	Business Continuity Management
ISO 31000	Risk Management
ISO 27001	Organizational Security, Technical Security, and Physical Security
Global Reporting Initiative	Sustainability Reporting



The Birth of a Smart Nation

The PLDT Group is dedicated to the service of the nation. This commitment to foster inclusive progress and development for all also makes it essential for the organization to place sustainability at the core of its business strategy.

The principles of sustainability guide its every step and informs its decisions on matters concerning investments, product and service innovations, organizational development, marketing strategies, and institutional partnerships.

With its focus on sustainable growth, the PLDT Group has aligned its programs with the Philippine Development Plan *Ambisyon Natin 2040* and the country's commitment to the United Nation's 2030 Agenda for Sustainable Development.



The Life of all Filipinos in 2040: Matatag, Maginhawa, at Panatag na Buhay

By 2040, Filipinos enjoy a strongly rooted, comfortable, and secure life.

In 2040, we will all enjoy a stable and comfortable lifestyle, secure in the knowledge that we have enough for our daily needs and unexpected expenses, that we can plan and prepare for our own and our children's future. Our family lives together in a place of our own, and we have the freedom to go where we desire, protected and enabled by a clean, efficient, and fair government.

The Group therefore pushes for the advancement of sustainability through the following key areas:



Overcoming the Geographic Digital Divide

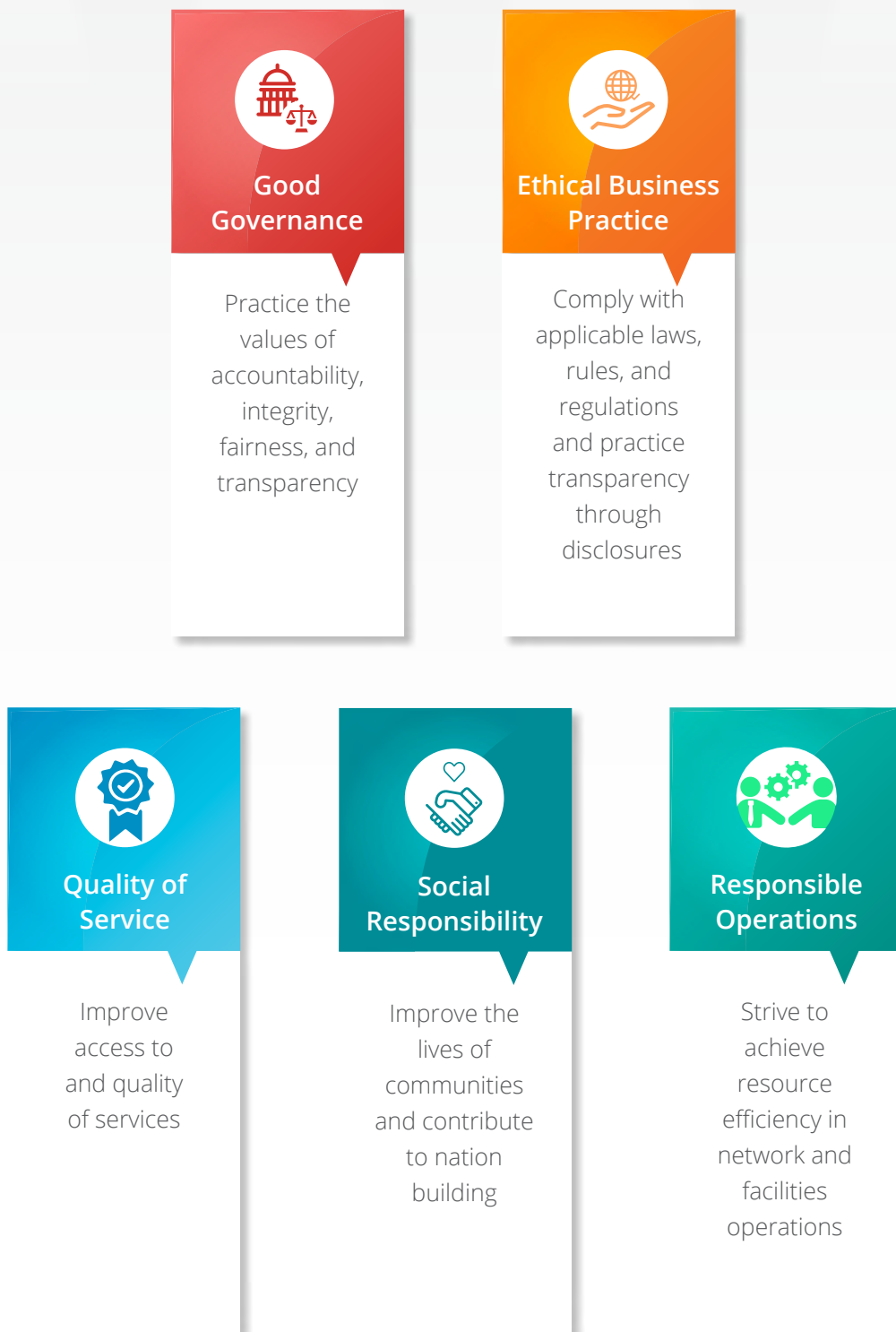
Empowering Social Digital Inclusion

Leading Research and Innovation for Product and Service Development

Ensuring Customer Privacy and Data Security

Offering Technological Solutions for Citizens and Enterprises to Reduce Environmental Footprint

This development agenda is reflected in the PLDT Group's **Five Pillars of Sustainability** that are promulgated, practiced, and instilled in its everyday corporate culture:



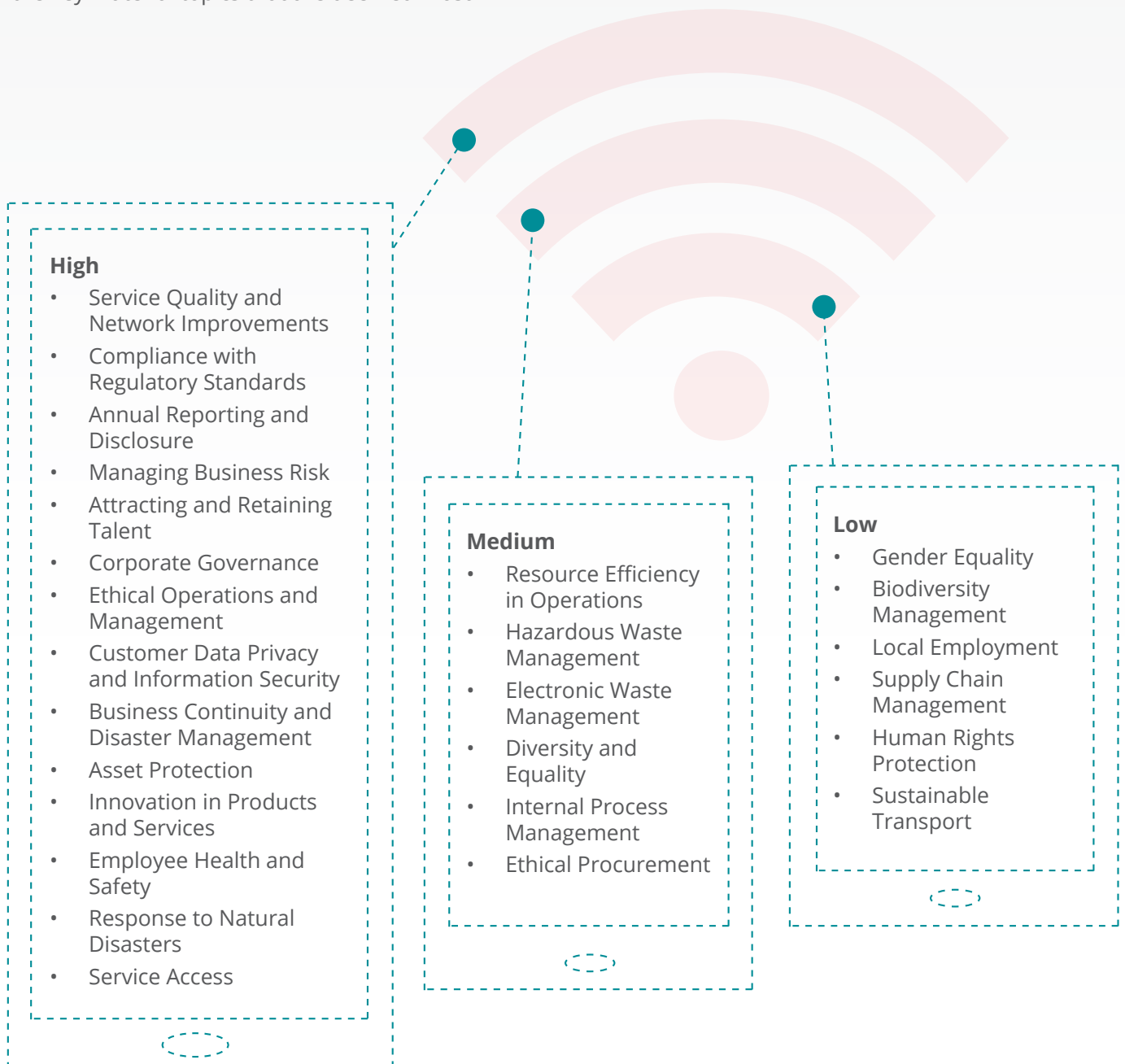
Mapping Our Sustainability Journey

The Group has chosen to collaborate with its stakeholders in order to strategize an effective sustainability roadmap. It conducted Materiality Assessment workshops to identify the issues most important to stakeholders and those that impact their relationship with the Group. Both internal and external factors were considered and explored in these assessment workshops.

The exercise helped identify, assess, and prioritize the key material topics that are deemed most

relevant to the different stakeholders. The results from the workshops were presented to the PLDT Board of Directors who concurred and confirmed the materiality of the topics and their significance to the operations and success of the PLDT Group.

The material aspects are shown below, categorized under low, medium, and high importance:



From the materiality matrix, the Group was then able to categorize them under the Five Pillars of Sustainability, and then identify the standard monitoring and reporting protocols that would be applied and used for this Sustainability Report:



- Corporate Governance
- Board Diversity
- Annual Reporting and Disclosure
- Managing Business Risk



- Ethical Operations and Management
- Compliance with Regulatory Standards
- Anti-competitive and Anti-trust Behavior



- Service Access
- Service Quality and Network Improvements
- Customer Experience
- Innovation in Products and Services



- Employment and Talent Management
- Employees' Health and Safety
- Training and Education and Performance Reviews
- Corporate Social Responsibility
- Business Continuity and Disaster Management



- Resource Efficiency in Operations (Hazardous Waste Management; Energy, Water, and GHG Emissions)
- Asset Protection
- Customer Data Privacy and Information Security





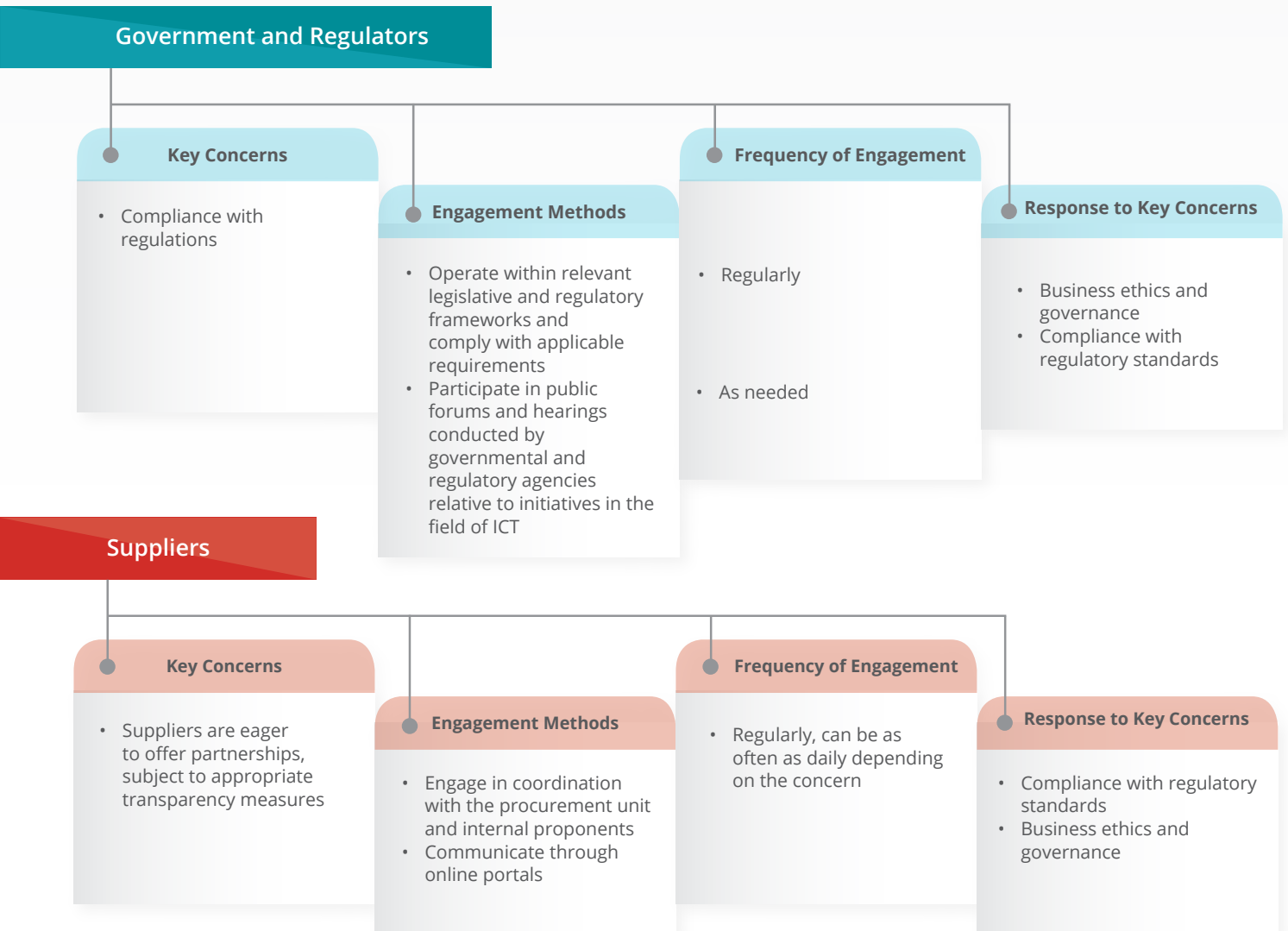
Stakeholder Engagement: Moving Together

The PLDT Group actively engages both its internal and external stakeholders through a comprehensive Stakeholder Management Plan that maximizes communication channels and methods within its arsenal of tools and tactics.

External stakeholders refer to customers, shareholders and investors, local government agencies, government regulators, suppliers and service providers, and communities where the Group operates. Meanwhile, internal stakeholders refer primarily to employees.

The plan was put together to ensure that the Group is able to maintain coherence among business strategy and roadmap, actual performance, and material issues relevant to stakeholders. Through the implementation of the plan, the Group is able to gather feedback and market intelligence which enable it to modify solutions and address gaps. The idea is to be agile in providing solutions that are timely, efficient, and effective.

Stakeholder Management Plan



Shareholders and Investors

Key Concerns

- Company's operational and financial performance
- Recent developments in the industry and the Company's outlook and future plans
- Company's compliance with corporate governance metrics

Engagement Methods

- Make public disclosures to investors and shareholders through the Annual Report, which includes the following: Management Discussion and Analysis (MD&A), Financial Statements, Audit Committee Report, Corporate Governance Report, Enterprise Risk Management Report, and Corporate Social Responsibility Report
- Issue and file with the PSE and appropriate regulators the company's press releases and disclosures on important developments
- Have regular dialogues with shareholders, fund managers, investors, and analysts

Frequency of Engagement

- Quarterly release of financial statements, MD&A, and analyst presentations
- Quarterly conference calls/briefings with the press, investors, and analysts to announce the company's financial and operating results, respond to queries/clarifications and provide outlook
- Face-to-face briefings: upon announcement of first half and full-year results
- Regular participation in investor forums/conferences
- Meetings/conference calls with analysts, fund managers, and investors

Response to Key Concerns

- Annual reporting and disclosure
- Managing business risk
- Business continuity and disaster management
- Business ethics and governance

Employees

Key Concerns

- Employee experience
- Leadership development
- Digital culture transformation
- Skills training
- Career opportunities
- Health and safety
- Work-life blend
- Working conditions

Engagement Methods

- Align functional goals with top management goals
- Conduct employee engagement surveys to measure the level of engagement among the employees of the company
- Conduct pulse surveys
- Develop skills and capabilities through regular training programs as those by Telecommunications Training and Education Center (TelTEC) and Smart University
- Organize programs to support the wellbeing of employees
- Embed an online internal communication platform for keeping employees informed and engaged with relevant company and business news
- Provide comprehensive health and medical benefits to employees

Frequency of Engagement

- Cycle of goal-setting and performance appraisal activities, at least once a year plus performance coaching sessions spread across the year for employees
- Employee engagement surveys, regularly every 2-3 years
- Pulse surveys at the end of major engagement programs
- Skills training programs, regularly
- Leadership development programs at every promotion stage in the employee's life cycle
- Digital dialogues and cascades, 2-3 times per year
- Functional town halls, at least once a year
- Medical check-ups, annually

Response to Key Concerns

- Attracting, developing, and retaining talent
- Employees' health and safety
- Business continuity and disaster management

Customers

Key Concerns

- Company image
- Marketing and promotions
- Products portfolio
- Quality of service
- Pricing
- Application process
- Service provisioning process
- Repair and restoration service
- Channels/means to contact
- Service Level Agreements for service provisioning, restoration, and queuing and transaction times
- Billing process
- Payment and collection
- Project proposals
- Data privacy

Engagement Methods

- Market research studies to understand customer needs and pain points
- Voice of the Customer studies to monitor company performance from the customer's point-of-view (e.g. satisfaction, advocacy)
- Monitoring and analysis of internal customer metrics to optimize network, channel, and service delivery performance
- Customer interactions across various touchpoints and channels:
 - Business offices
 - Call centers
 - Online services (email, website, social media)
 - Self-service facilities
 - Sales agents
 - Relationship managers
 - Technicians/contractors
 - Bill delivery service providers
 - SMS facility
- Operation of online customer panels to crowdsource customer feedback and ideas

Frequency of Engagement

- By way of annual research program with planned quarterly activities
- Year-round
- Year-round
- 1-3 times per month per panel member

Response to Key Concerns

- Service access
- Service quality and network improvements
- Customer data privacy and information security
- Innovation in products and services

Communities

Key Concerns

- How their lives may be improved
- How they may be affected by operations of the company

Engagement Methods

- Engage with the communities through CSR projects in education, health, livelihood development, culture and arts, youth development, sports, disaster resiliency and preparedness, and environmental protection

Frequency of Engagement

- Daily-Weekly on average

Response to Key Concerns

- Response to natural disasters/calamities
- Resource efficiency and operations
- Corporate social responsibility

BUILDING BLOCKS OF SUSTAINABILITY

This section presents the material topics that reflect the PLDT Group's significant economic, environmental, and social impacts, and those that influence the decisions of its stakeholders as identified through materiality assessments.

Categorized under five Pillars of Sustainability, these topics are ranked as highly important for stakeholders and as such, are monitored and evaluated regularly through set standards and mechanisms that adhere with global best practices.

Good Governance



Corporate Governance is the cornerstone of the PLDT Group's business strategy. As such, its principles and best practices are imbedded in the Group's corporate DNA, influencing all strategic and tactical management decisions and actions that are always aiming for accountability, integrity, fairness, and transparency.

As a publicly listed Philippine corporation, PLDT adheres to the Corporate Governance rules and regulations of the Philippine Securities and Exchange Commission (PSEC) and the Philippine Stock Exchange (PSE). As a foreign private issuer with American Depository Shares listed and traded in the New York Stock Exchange (NYSE), the Group also voluntarily complies with the Governance standards of the U.S. Stock Exchange Commission (US SEC) and the NYSE. In addition, the Group is an associated company of First Pacific Company Ltd., which is listed in the Hong Kong Stock Exchange that also promulgates stringent Governance standards.

In the PLDT Group, corporate governance is everyone's business - the Board, Management, and employees. It is the role of all who have pledged to uphold the core principles of integrity, accountability, fairness, and transparency in all business dealings and transactions.

PLDT's Corporate Governance structure is laid out in its Articles of Incorporation, By-Laws, Manual on Corporate Governance (CG Manual), Code of Business Conduct and Ethics (Code of Ethics), and Corporate Social Responsibility Statement which are published online at www.pldt.com/corporate-governance-in-pldt.

PLDT Board of Directors

Manuel V. Pangilinan	Executive Director
Ray C. Espinosa	Executive Director
Ma. Lourdes C. Rausa-Chan	Executive Director
Bernido H. Liu	Independent Director
Artemio V. Panganiban	Independent Director
Pedro E. Roxas	Independent Director
Helen Y. Dee	Non-Executive Director
James L Go	Non-Executive Director
Shigeki Hayashi ¹	Non-Executive Director
Hideaki Ozaki ²	Non-Executive Director
Albert F. del Rosario	Non-Executive Director
Atsuhisa Shirai	Non-Executive Director
Amado D. Valdez	Non-Executive Director
Marife B. Zamora	Non-Executive Director

1. Elected to the Board of Directors on August 10, 2017
vice Mr. Hideaki Ozaki.

2. Replaced by Mr. Shigeki Hayashi on August 10, 2017.

The primary responsibility of ensuring good corporate governance in PLDT is vested in the Board of Directors which is entrusted with authority to act for and on behalf of the Company. Therefore, the Directors are expected to perform their duties diligently and in good faith, and devote sufficient time and attention to overseeing the business. They are duty-bound to act in the best interest of the Company and for the common benefit of its stockholders and other stakeholders.

Meanwhile, the Board Committees, namely: Audit Committee, Risk Committee, Executive Compensation Committee, Technology Strategy Committee, and Governance and Nomination Committee, assist the Board in the performance of its functions and responsibilities for decision-making on economic, environmental, and social topics.

The Audit Committee (AC) helps the Board fulfill its oversight responsibilities on compliance with legal and regulatory policies, its auditing procedures, and the performance of the internal audit unit and external auditors. These include PLDT's financial reporting, internal control system, audit

mechanisms, as well as the qualifications and independence of the external auditors.

The Governance and Nomination Committee (GNC) takes charge of the development and enforcement of corporate governance policies. It also assists the Board in the review and evaluation of the qualifications of persons nominated to the Board, the Board Committees, as well as those nominated for election to other positions requiring appointment by the Board. It also assesses the Board's effectiveness in the process of replacing or appointing new members of the Board and/or the Board Committees, and develops and implements the board's performance evaluation process.



The Executive Compensation Committee (ECC) supervises the development and implementation of PLDT's compensation system in accordance with its culture, strategy, and control environment. Additionally, the Committee extends assistance to the Board on performance evaluation, succession planning, and the professional development of its officers.

The Risk Committee (RC) oversees Management's system of identification, assessment, monitoring, and management of identified risks; reviews Management's reports on major risk exposures; and reviews Management's plans and initiatives to minimize, control, and manage the impact of risks.

The Technology Strategy Committee (TSC) helps review PLDT's overall strategy, technology strategy, and roadmap. It helps in ensuring that the Company maximizes the power of technology and utilizes its important role in the achievement of its business objectives and performance targets.

In addition, there is the Advisory Committee that provides guidance to the Board of Directors by giving suggestions whenever necessary, during Board deliberations. This Committee is made up of individuals possessing a wide range of knowledge, skills, expertise, and experience, which complement those of the Board Members.

Particular to the topic of governance, the GNC plays a significant role. As part of its oversight function on governance matters, it receives updates from the Sustainability Reporting team led by Public Affairs, Financial Reporting and Controllershship (FinRepCon), and PLDT-Smart Foundation on PLDT's social, environmental, and sustainability programs. It also receives updates from the Internal Audit and Fraud Risk Management Group on governance in significant subsidiaries.

Further assisting the Board and the GNC is the Corporate Governance Office which ensures implementation of the corporate governance policies adopted by the Board. The unit is supervised by the Chief Governance Officer who monitors compliance with the provisions and requirements of corporate governance laws, rules and regulations; reports violations and recommends the imposition of disciplinary actions; and adopts measures to prevent the repetition of such violations.

An in-depth discussion of PLDT's Board Committees and their composition, collective knowledge and expertise, strategic roles, nomination and selection process, trainings, and evaluation, performance, and remuneration process is comprehensively presented in the PLDT Group Corporate Governance Report section of the 2017 Annual Report (pages 33 to 53) which is available online at www.pldt.com.

It is useful to present in this supplemental Sustainability Report the highlights of new policies introduced for the year:

On May 12, 2017, the Board of Directors approved the Company's new CG Manual which contains most of the governance standards and best practices recommended in the Code of Corporate Governance for Publicly Listed Companies issued by the PSEC on November 22, 2016.

On November 9, 2017, the Board adopted its Charter which will serve as guide for the Board and each director in performing their functions and fiduciary duties.



Board Diversity

The issues of diversity and inclusion have always been material to the PLDT Group's stakeholders and impact on the business. The organization's long history has shown how a diverse group of talent, voices, and ideas significantly boosts productivity and helps ensure sustainability. Through diversity, the mixture and complementation of knowledge, expertise, skills, gender, age, ethnicity, and culture work together to inform optimal decision making. In particular, the PLDT Group understands the impact of having a knowledgeable, well-informed, and well-rounded Board of Directors for the overall health and sustainability of a company pursuing strategic digital transformation goals. With studies showing that a board's performance closely correlates to the company's performance, the PLDT Group considers board diversity as integral to its governance strategy.

Board diversity includes a broad range of aspects including knowledge, skills, professional and business experience, cultural and educational

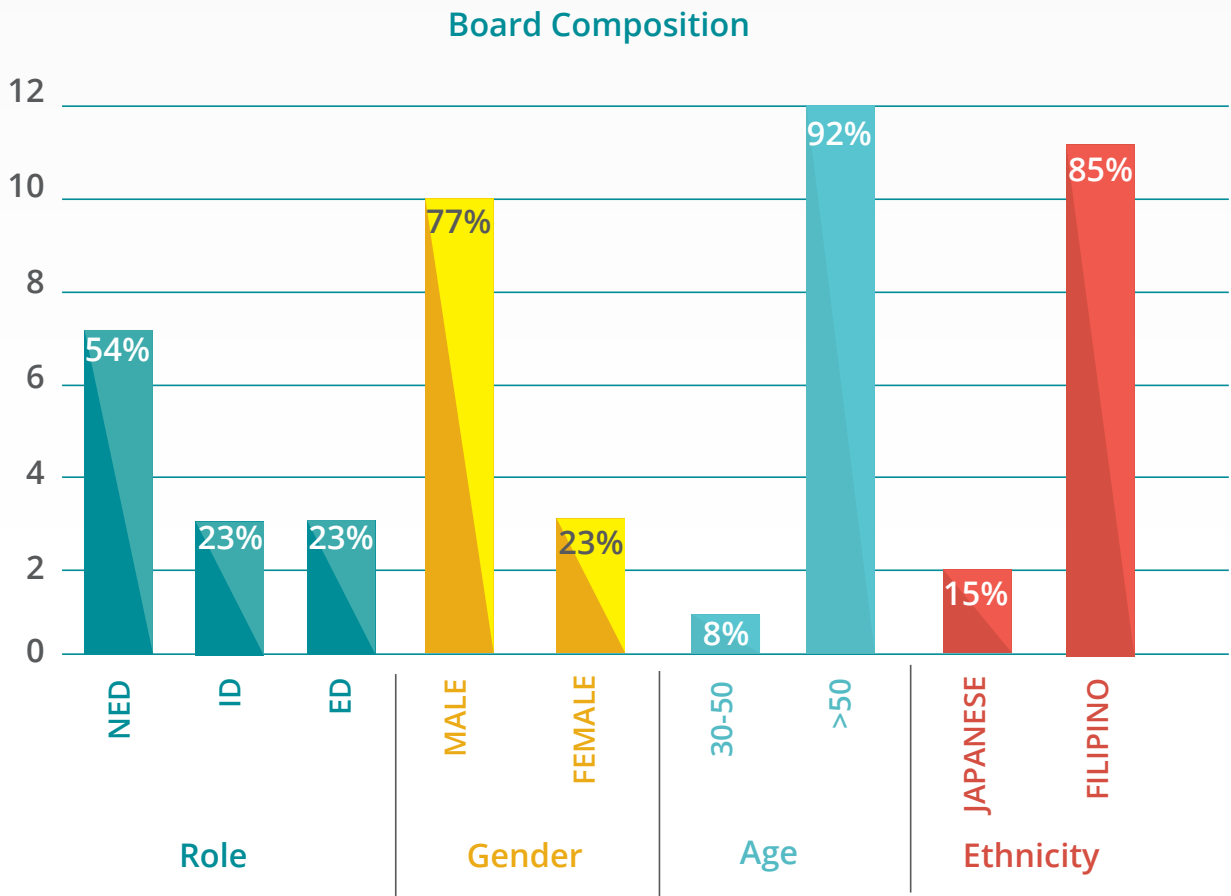
background, ethnicity, gender, age, length of service, and mix of executive, non-executive, and independent directors. The Board Diversity Policy was adopted in accordance with Recommendation 1.4 of the Code of Corporate Governance for Publicly Listed Companies which was issued by the PSEC in 2016.

Without infringing on the cardinal right of the stockholders to nominate and vote for Directors, the Governance and Nomination Committee and the Board consider the appropriate mix, complementation, and interplay of the various diversity aspects in the selection of qualified Director-nominees. This includes Independent Director-nominees, who will be recommended for election by the stockholders or the Board, as the case may be.

The Governance and Nomination Committee identifies potential board members through a selection process that follows the Company's

Guidelines on the Search, Screening, and Selection of Directors and the Screening Checklist. The checklist contains, among others, the criteria and qualifications for directorship and a matrix on the skills, expertise, and experience relevant to the responsibilities of the Board, and considers other relevant factors, such as conflict of interest and directorships and/or positions in other corporations. The process ensures that the selection of directors and independent directors is aligned with the Company's Mission, Vision, and strategic objectives.

In PLDT, the diversity of the board is reflected in terms of varied business experience and professional backgrounds, the number of male and female directors, and ethnicity. The Company ensures that at least one non-executive director has operating experience in the telecommunications industry, and notably, Mr. James L. Go, Mr. Shigeki Hayashi, and Mr. Atsuhisa Shirai all have experience in the industry. Furthermore, ensuring that women are part of its diverse board, the Group has included three female directors since 2016.



CORPORATE GOVERNANCE TRAININGS ATTENDED BY DIRECTORS IN 2017*

- Governance and Customer Experience: A Survey of Global Customer Experience Strategies
- People and Culture Transformation Strategies in the Digital Age
- Charting the Digital Age, Its Risks, and Strategies through Governance and a Responsive Corporate Culture
- 5th Annual GGAPP Forum on Good Governance, Ethics, and Compliance
- Corporate Governance Seminar
- Cybersecurity Seminar with Anti-Money Laundering Updates
- Corporate Governance and AMLA Seminar: Updates on Corporate Governance Regulatory Developments in 2016 and Pointers to Ensure Effective Corporate Governance
- Corporate Governance and AMLA Seminar: Corporate Risk Management- An Effective Framework in Corporate Governance
- Corporate Governance and AMLA Seminar: Compliance with Anti-Money Laundering Law

**Eleven out of 13 Directors (85%) attended at least one of these trainings. Mr. James L. Go has been granted by the PSEC permanent exemption from its corporate governance training requirement.*

Networking

PLDT is a sponsoring partner of the Ethics and Compliance Initiative (ECI) based in Arlington County, Virginia, USA. As such, PLDT takes part in ECI's Annual Ethics and Compliance Conferences and is provided access to ECI's vast online library on CG and related topics. PLDT officials also get the chance to know corporate governance and ethics experts from corporations around the world and compare local governance systems and policies with those of other companies.

PLDT is also a member of the Good Governance Advocates and Practitioners of the Philippines (GGAPP). In addition, the Company participates in roundtable discussions, working sessions, and other activities of the Institute of Corporate Directors.



Annual Reporting and Disclosure

Being in a publicly listed Philippine corporation, the Board appreciates the importance of maintaining regular, credible, and transparent channels for information on the goings-on in the company — channels that will keep all stakeholders, specially shareholders and investors, updated and knowledgeable regarding the Group. Stakeholders deserve to have reliable channels of trustworthy information that will be the basis for their decisions regarding their relationship with the Group.

PLDT follows all the reporting and disclosure requirements of the Philippine SEC, the PSE, Philippine Dealing and Exchange Corp. (PDEX), the US SEC, and the NYSE. The Board ensures the timely reporting and disclosure of all relevant information required by law to be disclosed in the Philippines and the US which includes earnings results, acquisition or disposal of significant assets, off balance-sheet transactions, related party transactions, Board membership changes, shareholdings of directors and officers and any changes thereto, and remuneration of directors and officers, among others.

The Group therefore follows an Internal Disclosure Controls and Procedures protocol that ensures all relevant information disclosed are in accordance with applicable rules. The Group has a Disclosure Committee composed of members of Senior Management, Board of Directors, and Audit Committee who reviews and approves all major company announcements.

The PLDT Group uses a variety of channels to disseminate information:

For shareholders/ investing public	For employees
<ul style="list-style-type: none"> • Disclosures and filings to the PSEC, US SEC, PSE, and NYSE • Annual Report • Sustainability Report • Company website/s • Social media platforms • Annual Stockholders' Meeting • Investors/Analyst Briefings • One-on-one meetings/ company visits/investor conferences/non-deal roadshows • Quarterly press conferences/briefings • Electronic direct mail 	<ul style="list-style-type: none"> • Online internal communication platform • Electronic direct mail • SMS blasts • Townhall sessions

Managing Business Risk

The effective management of risk is essential to the organization's sustainability and the achievement of its business goals. Risk management reduces uncertainty associated with business performance, enables the organization to take advantage of opportunities, and promotes planning for the allocation of resources and cost management. It therefore directly contributes to business resilience, increases profitability, drives competitive advantage, and grows shareholder value.

In the PLDT Group, Enterprise Risk Management (ERM) plays a critical role in business as it provides the structure to effectively manage existing and emerging risks in order to reduce uncertainty and increase likelihood of success. As a framework, it promotes a comprehensive understanding of the business, and consequently aids in decision-making, planning, and prioritization, and contributes to the more efficient allocation of capital and resources. It also protects and adds value to the organization by protecting and enhancing assets and company image. As such, it complements other corporate governance initiatives, strengthens compliance with various regulatory requirements, and enhances internal and external stakeholders' confidence in the organization.

The Group formulated its ERM procedures through:

- Involvement of the Board of Directors and Top Management through their strong and sustained commitment and support of the initiative
- Creation of a central risk function whose role is to facilitate risk management efforts and coordinate risk discussions across the organization
- Setting of a common definition for risk across the organization
- Identification of risk owners who shall be responsible for managing their respective identified risks
- Alignment of risk accountability with the business model, where decisions made in relation to risks are in accordance with the business model or strategy
- Employment of a standard risk evaluation process
- Creation of an ERM knowledge warehouse

THE PLDT GROUP RISK MANAGEMENT PHILOSOPHY STATEMENT

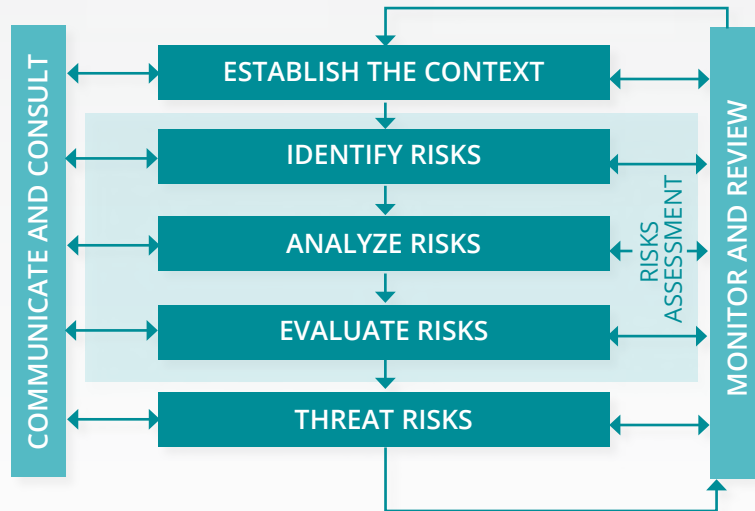
The PLDT Group operates in a complex and dynamic business environment which gives rise to a variety of risks that can be both threat and opportunity. Recognizing that these risks are an integral part of its business, the PLDT Group is committed to managing its overall risk exposure in a systematic way and in such a manner that supports its strategic decision-making process. Accordingly, the PLDT Group employs a comprehensive, integrated risk management program, effected across all levels of the organization, with the goal of identifying, analyzing, and managing the Group's risks to an acceptable level, so as to enhance opportunities, reduce threats, and thus sustain competitive advantage. The PLDT Group believes that an effective risk management program will contribute to the attainment of objectives by PLDT and its subsidiaries, thus creating value for the business and its stakeholders.

The PLDT Group's commitment to the proactive management of existing and emerging risks is reinforced by the Group Enterprise Risk Management Department (GRMD). Meanwhile, the Risk Committee assists the PLDT Board in overseeing Management's adoption and implementation of a system for identifying, assessing, monitoring, and managing key risk areas. The committee reviews Management's reports on the company's major risk exposures as well as Management's plans and actions to minimize, control, or manage the impact of such risks.

The GRMD reports developments to the PLDT Risk Committee on a quarterly basis and to the PLDT Board of Directors on a semi-annual basis.

The GRMD's ERM process is based on the International Standard of ISO 31000.

ISO 31000: Risk Management Process



The implementation of the ERM process ensures that high-priority risks are well understood and effectively managed across all functions and units within the PLDT Group.

PLDT GROUP TOP RISKS

A risk assessment exercise was undertaken by the Top Management Team (TMT) to identify and prioritize the most important risks affecting the PLDT Group for 2017. These top risks included:

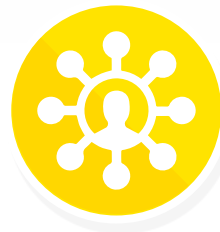
- Competitive situation and economic conditions
- Rapid speed of disruptive innovations and new technologies
- Regulatory changes/scrutiny
- Privacy/identity management challenges and increase in information security issues
- Regular occurrence of natural disasters

The TMT also identified events that might have an effect on environmental, social, and governance aspects. Often used to determine sustainability, these are considered important measures of the ethical impact of the company's initiatives and investments.



ENVIRONMENTAL

- Possible non-compliance with environmental and natural resources laws that may lead not just to penalties but to activities that may harm the environment



SOCIAL

- Recruitment and retention of skilled personnel
- Succession plan challenges



GOVERNANCE

- Changing political/regulatory landscape that may affect governance

Ethical Business Practices



While the PLDT Group is busy staying on top of the sweeping changes rampaging through the global technological landscape, there are basic things that the organization and its leadership have taken great pains to anchor stalwartly as their foundation for sustainability — these are the corporate values, principles, and ethical standards that govern their actions.

The Group understands how ethical business practices simply make good business sense, and how important it is to all stakeholders that the Group's actions and decisions are responsible, transparent, fair, and based on ethics.

Ethical Operations and Management

The PLDT Group has articulated its ethical business policies into a set of Corporate Governance Policies, namely:

- Code of Business Conduct and Ethics
- Anti-Corruption Policy
- Internal Disclosure Controls and Procedures
- Restriction on Trading of Shares
- Conflict of Interest Policy
- Policy on Gifts, Entertainment, and Sponsored Travel
- Policy on Gift-Giving Activities
- Supplier-Contractor Relations Policy
- Expanded Whistleblowing Policy (Policy on Employee Disclosure on Violations of the Corporate Governance Rules, Questionable Accounting or Auditing Matters, and Offenses covered by PLDT's Table of Penalties)

The Code of Business Conduct and Ethics clearly conveys the Group's mandate that all activities, decisions, and business dealings by its Directors, officers, and employees should consistently and conscientiously be in harmony with its principles of accountability, integrity, fairness, and transparency.

PLDT's Anti-Corruption Policy, as embodied in the Code of Business Conduct and Ethics and the Policy on Gift-Giving Activities, provides clear guidelines, safeguards, and internal controls to prevent incidents of corruption from taking place within the organization. This policy is buttressed by the promulgation of the other policies, especially those that regulate the supplier-contractor relationship. Expressly prohibiting bribery and its many subtle forms, the Policy on Gifts, Entertainment, and Sponsored Travel, along with the Conflict of Interest Policy and the Expanded Whistleblower Policy are strong deterrents to corruption.

Furthermore, the Conflict of Interest Policy provides guidelines for the members of the PLDT Group on how to always act in the best interest of the company, following fair business principles and judgment without partiality. Directors, officers, employees, and consultants who find themselves in situations with potential conflict of interest are obligated to disclose the matter and are required to inhibit from any action or transaction involving this conflict of interest.

Meanwhile, the Supplier-Contractor Relations Policy provides essential guidance for best practices in supply chain management, mandating the PLDT Group's commitment to equal opportunity and

fair treatment of its suppliers by having clear rules governing business transactions. To achieve this, the policy implements vendor accreditation, competitive bidding, and other practices to guarantee that only qualified and accredited vendors offering the best value get contracts from the Group. At the same time, the policy decrees that in procuring products and services, the PLDT Group should practice integrity, accountability, fairness, and transparency.

In this regard, PLDT has also set in place mechanisms for third party due diligence which effectively guide vendor management through required processes, namely: accreditation and performance review, acknowledgment of corporate governance guidelines for suppliers, inclusion of anti-corruption and corporate governance provisions in procurement contracts, and provision of policy briefings for suppliers.

Providing muscle to these policies is the Expanded Whistleblowing Policy (EWP) that offers a trustworthy framework to encourage employees to report violations of the Code and the many policies that govern the organization. The EWP provides necessary protection to the whistleblowers and establishes confidentiality and fairness in the handling of such reports. The EWP contains the procedures for handling, investigating, processing the complaints, and penalizing confirmed violations through clear guidelines that also assure whistleblowers of anonymity, confidentiality, and protection from possible retaliation.

These policies are periodically reviewed — at least once every two years — and assessed for their relevance and efficacy, alignment with global best practices, and compliance with laws and regulations. Afterwards, the policies are revised accordingly whenever necessary.

And to guarantee compliance with anti-corruption policies, PLDT also implements the following mechanisms: Stringent Sarbanes-Oxley Act Section 404 (SOX 404) internal controls, accounting and auditing controls, guidelines for the review and approval of donations, and policies for gift-giving practices.

The Group recognizes that ensuring compliance and observance of these important policies takes continuous training, education, and monitoring of its people and processes.

Information on anti-corruption policies and procedures are communicated to all members of the Governance body as well as employees across the PLDT Group, the latter primarily during Human Resources orientations. In 2017, a total of 393 new Smart hires (58% of new hires, 6% of entire Smart workforce) underwent New Employees Orientation with topics on corporate governance and anti-corruption.

In 2017, 93% (5,832) of Smart employees took part in the annual online Corporate Governance Policy sign-off. The Code of Discipline online policy sign-off, which includes anti-corruption guidelines, had a 94% (5,891) employee participation from Smart.

The anti-corruption policy is available on the PLDT website for the information of all stakeholders, including all business partners.

The PLDT Group provides continuous corporate governance training and ethical behavior training to all its directors and senior management, with enhancement sessions consistently conducted since 2007. What's more, all personnel go through corporate governance orientation that includes modules on these policies. Information and education communication materials such as posters, calendars, and newsletters are also



produced for this specific objective. Global news updates, along with periodic advisories, are provided to directors, officers, and executives to arm them with the latest business intelligence on the matter.

Other learning methods used to promote the policies are the annual focus group discussions (FGDs), online learning modules, and face-to-face learning interventions. For new employees, a follow-through survey is deployed to monitor their performance over a period of five years. The survey intends to monitor the employees' observance of the policies and check their perception on whether their unit or group is also compliant. The PLDT Group has designed an Ethics Perception Survey to yield qualitative data that can be more easily monitored and managed.

Meanwhile, for monitoring and assessing compliance with all the Corporate Governance policies for the entire organization, the Group uses a cross-functional evaluation system that examines the groups and units within the organization. The heads of the various business and support groups are made responsible for filling in questionnaires about their processes and practices in relation to

governance regulations and submitting them to the Chief Financial Officer and to the Chief Governance Officer. The CGO consolidates the data and presents a final report to the President and CEO which will then serve as the major reference point for PLDT's disclosures to regulators.

Furthermore, the PLDT Group understands that its activities can have an impact on human health and the environment. Hence, it has integrated the precautionary principle into its development agenda. The Quality, Health, and Environmental Management System of the PLDT Group provides the guidelines for the Group to adopt and implement a management system that will proactively address all identified quality, environmental, health, and safety exposures.

Identifying environmental aspects includes reviewing operating activities like waste generation, energy use, natural resource use, etc. Health impact assessment includes reviewing operations, routine activities of staff who have access to the workplace, hazards originating inside and outside the workplace, infrastructure, equipment. It also involves assessment of risks to employees and analyzing workplace accident statistics, etc.

Compliance with Regulatory Standards

The telecommunications industry provides an essential public service and consequently is highly regulated. Compliance with regulatory standards is thus highly material to the PLDT Group as it impacts the organization's ability to sustain operations. Interestingly, no significant fines and non-monetary sanctions for non-compliance with laws and/or regulations were found in the social and economic area in 2017.

The Group ensures that it conforms with all laws and requirements of local government units (LGUs) where it operates, as well as those of national agencies such as the PSEC, Department of Trade and Industry (DTI), Department of Labor and Employment (DOLE), Department of Environment and Natural Resources (DENR), Bureau of Internal Revenue (BIR), Department of Information and Communications Technology (DICT), and the National Telecommunications Commission (NTC) which approves every PLDT product and service and their corresponding price levels.

NTC clearance and type-approval is required for all equipment such as handsets, set-up boxes, routers, network facilities, and node equipment. The Procurement and Logistics teams are also required to get permits from the NTC before custom importation of equipment can be processed and finalized. Furthermore, both the NTC and DTI require the Group to follow regulations and guidelines on customer grievance mechanisms and processes.

There is also the PLDT Corporate Affairs and Legal Services (CorLeg) that provides essential support in its engagement with various stakeholders – customers, shareholders, employees, suppliers, creditors, government, and the community at large.

CorLeg helps PLDT ensure compliance with laws and regulations in both letter and spirit. It manages the efficient and proactive provisioning of legal services in governmental, regulatory, administrative, court, and arbitral proceedings. CorLeg also provides legal services to various PLDT organizational units in the preparation, review, and negotiation of contracts. Furthermore, it renders legal advice and opinions on the legal viability of proposed actions and projects, the enforcement of obligations, the exercise of rights, and the resolution of disputes.

In addition, CorLeg ensures compliance with reportorial, disclosure, and other requirements of the PSEC, PSE, US SEC, and NYSE.

Meanwhile, PLDT coordinates with the DENR to ensure compliance with environmental regulations. PLDT's Property and Facilities Management Sector (PFM) is tasked to monitor and implement improvements to processes and mechanisms that would reduce and mitigate impacts on the environment.

For 2017, the highest fine recorded by the PLDT PFM, based on its environmental compliance monitoring, was in relation to a Clean Water Act issue (i.e. discharging water pollution not fully complying with Effluent Standards in Year 2014) at the PLDT Manila International Toll Center (Sampaloc) and formerly New Sampaloc Operations Building (Mayon) facilities. Upon resolution, a fine of PhP380,000 was imposed and settled in September 2017. The issue was addressed by putting up mitigation measures the moment it was inspected, and the eventual construction of a permanent sewage treatment plant.



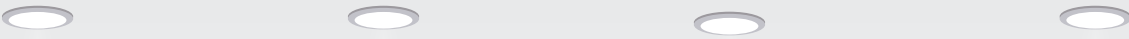
On the other hand, marketing and advertising regulations are complied with through coordination with the Ad Standards Council, Inc. (ASC) which is a non-stock, non-profit organization that serves as the regulator for the advertising and marketing industry and a strong advocate for truth and fairness in the practice. All marketing and advertising materials with market and product claims are forwarded to the ASC for clearance.

In terms of specific companies, Voyager Innovations' financial services arms PayMaya Philippines and FINTQnologies (FINTQ) abide by the rules and regulations of the Bangko Sentral ng Pilipinas (BSP). Both PayMaya and FINTQ push digital innovations to allow consumers to transact payments and access financial services with the convenience of their mobile phones and e-wallets.

PayMaya is regulated on a broader scale than FINTQ, being an e-Money issuer and BSP-registered remittance agent. PayMaya is also an acquirer that allows businesses to accept payments from all types of MasterCard and Visa cards.

FINTQ, as a service provider that enables banks and other financial institutions with innovative digital financial platforms, is mostly covered by BSP regulations on Anti-Money Laundering (AML), Business Continuity Management, IT Security, and Data Privacy.

Voyager Innovations goes beyond compliance and fosters a culture of good governance with the highest industry standards. Its goal is to ensure product and service quality as well as security and reliability in order to win the trust of customers, and to deliver customer satisfaction and excellent customer experience.



In 2017, Voyager Innovations' business arm PayMaya Philippines further demonstrated its commitment to good governance through the following initiatives:

- The Enterprise Risk Management team was created in October 2017, approved by the PayMaya Board, in compliance with BSP Circular 971 on Risk Governance Framework.
- The Technology Group Governance Committee was formed in September 2017. This is a Board-level committee focusing on technology risk management.
- The Outsourcing Steering Committee held its first meeting in May 2017, leading to the Outsourcing Policy Manual for PayMaya being approved by the Board in June 2017.
- In October 2017, the Board approved the procurement of a more robust Anti-Money Laundering solution to ensure that best available technologies are monitoring transactional behavior.
- The Updated Money Laundering Prevention Program Manual was approved by the Board in October 2017. It includes new provisions against Money Laundering and Terrorist Financing pursuant to BSP Circular 950.
- Refresher course on AML for employees was conducted in 2017.

As the regulatory environment continuously evolves vis-a-vis the evolution of financial technologies, Voyager Innovations strives to maintain its good working relationship with regulators and ensures that new products and initiatives to enhance efficiency of business

operations such as cloud computing are aligned with regulations. These ensure that its business arms PayMaya and FINTQ are always at the forefront in product innovation as well as in managing security risks.

Anti-competitive and Anti-trust Behavior

Compliance with anti-competition and anti-trust laws is extremely important to the Group. As an organization that pushes for national progress and development, the Group appreciates the benefits of robust competition for the continued growth of the market and the industry.

PLDT has proactively undertaken key initiatives to ensure full compliance with competition-related laws, rules, and regulations:

- A Competition Law Briefing for PLDT officers and executives, held on March 24, 2017
- Review of contract provisions to further ensure compliance with the Philippine Competition Act and its Implementing Rules and Regulations

As regards legal actions on competition-related rules, there is one pending case per the Legal Services Center. The case is PLDT vs. Philippine Competition Commission (PCC), which is being handled by external counsel.

Ethical Procurement

The PLDT Group finds that supporting the global movement promoting ethical procurement practices is important to its own sustainability journey.

The ethical procurement movement advocates for the inclusion of environmental, economic, and social factors along with price and quality into all of the organization's procurement strategies. The Group's stakeholders, especially customers and investors, want to understand how the Group manages its supply chain.

The Group has institutionalized an official Procurement Policy which has been in force since April 2016. This policy guides the organization's Supply Chain Management (SCM) processes and procedures, providing the vision and mission statement and overarching approach for supply chain transformation that is in accordance with the Group's sustainability goals.

The policy promotes a relationship with suppliers that is anchored on the standards set by the PLDT Code of Ethics and the Corporate Governance manual. PLDT's SCM department spearheads the management of end-to-end procurement for critical group-wide projects. It also strengthens working relationships with internal and external stakeholders to reinforce the performance management frameworks based on best practices.

The policy required the creation of a senior management council to ensure, promote, and maintain the highest standards of integrity, transparency, and ethics in all procurement practices. The policy has since contributed to savings, improved the overall procurement cycle, and speeded up the approval of critical projects.

The Group has three procurement units:

- **Network Procurement** - focused on network elements, equipment, materials, and services
- **IT Procurement** – focused on platforms, operational and business support systems, enterprise and business intelligence service requirements, technical support and maintenance services, and hardware and cloud infrastructure
- **Marketing and General Services Procurement** – focused on marketing devices/customer premises equipment (CPE), materials and services, construction materials and services, and general/corporate products and services

The related functions are clearly assigned: The Contracts Management Unit handles all the supply chain contracts; the Operational Support Unit provides the policies, guidelines, processes, performance data, and supplier qualification; while the Logistics Unit attends to the inbound and outbound flow of materials.

Recognizing the influence it wields on its suppliers, the Group conscientiously maintains only those suppliers whose operations align with its corporate values. This is to encourage present and future suppliers to explore and provide more sustainable solutions for the Group.

The PLDT Group has a Vendor Qualification Policy to ensure that all its vendors are screened before signing contracts. The Policy requires vendors to:

- Conform with/uphold the internal policies and guidelines of PLDT – Code of Business Conduct and Ethics, Supplier Relationship, disclosure of any and all conflict of interest issues, appropriate gift giving practices, etc.
- Comply with statutory requirements – DOLE Department Order 174 (Rules Implementing Articles 106 to 109 of the Labor Code, as Amended), Republic Act No. 4566 (Contractor Licensing Law), Occupational Safety and Health Standards (OSHS), R.A. 7610 (Protection against Child Abuse, Exploitation, Discrimination), General Labor Standards (GLS)

In 2017, there were 1,257 vendors who were issued purchase orders. About 89% of these vendors were from the Philippines, demonstrating the Group's efforts to maximize sourcing locally. Sourcing is done on a competitive basis through fair bidding procedures. Of the PhP89.63 billion spending that passed through SCM, 56% was sourced from vendors in the Philippines. ("Vendors in the Philippines" means registered legal entities doing business in the Philippines.)

The PLDT Supply Chain Management transformation continues to undergo process improvement in pursuit of achieving results and performance targets and in its quest for world-class standards and adherence to global best practices.





Quality of Service



As a provider of essential public service in a competitive market environment, the PLDT Group's continued viability as a business hinges on the quality of the service it provides. Highly material to its stakeholders, therefore, is the Group's commitment to the highest standards.

As a measure of performance, "quality of service" is an amalgam of interrelated aspects of providing equitable access through relentless innovation and continuous improvement to ensure excellent customer experience.



Service Access

The PLDT Group is committed to providing equitable access to world-class digital services to the highest number of people, ensuring that more people around the country enjoy the benefits of the latest technologies, through both infrastructure build-up and product marketing strategies.

In 2017, for instance, the focus of efforts was the transformation of PLDT's and Smart's fixed and mobile networks so that the companies can deliver world-class internet services. PLDT expanded the coverage of its fiber-powered broadband network to over 4 million homes passed by end-2017, adding 1.2 million homes from end-2016. At the same time, it doubled available port capacity to over one million lines. In this expansion program, PLDT is deploying fiber-to-the-home (FTTH) and technologies such as VDSL and G.fast that deliver fiber-fast speeds over copper lines.

Meanwhile, Smart more than doubled the number of LTE base stations in its mobile network to over 8,700, and increased by 60% to over 4,300 the cell sites equipped with LTE base stations. Smart also

increased its 3G base stations to over 9,800, and its cell sites equipped with 3G base stations to about 7,500. Base stations are the cellular radio equipment that run on specific radio frequencies like 700 MHz and 1800 MHz, while cell sites refer to the towers that house several of these base stations.

Reinforcing these network transformation efforts is the continuing expansion of PLDT's fiber optic network. It grew the coverage of this fiber network by 45% from 120,000 kilometers (km) in end-2015 to over 176,000 km by end-2017. PLDT will add another 35,000 km of fiber cable in 2018, raising the total to about 210,000 km. At the same time, it is increasing the capacity of its overseas fiber cable system by 80% to 8.9 Terabits per second (Tbps) by end-2019 from 5.0 Tbps in end-2017.

This network rollout has opened the service stream to a wider consumer base. In fact, PLDT Home's robust 13% revenue growth rate in 2017 was driven by the 12% growth in subscriptions, which added some 431,000 new Home customers. This subscriber growth was powered largely by the



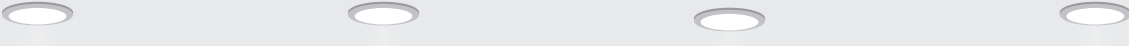
increase in fiber customers which grew by 131% – an increase made possible by the rollout of fiber lines in the priority areas identified during the network planning process.

PLDT Home and the Wireless Consumer Group have both launched enhanced data plans for fixed fiber and LTE-powered mobile data services.

Consumer business units are raising the bar further by pushing bundled offers. In December 2017, PLDT Home launched its first “Best Buy Bundle” as a Christmas promo. Under this package, customers can sign up for two or three services – either a PLDT Home Fibr plan, a Smart mobile phone subscription, and/or a Cignal TV subscription – with discounts ranging from 10% to 15% off their combined bill.

Meanwhile, PLDT Enterprise launched its Smart City program to offer local governments and communities digital connectivity and solutions that would promote economic growth, public safety, citizen welfare, and digital infrastructure. The first initiative under this program was #READY, which seeks to boost the ability of local governments to handle and manage emergency and disaster situations. One solution being offered through this initiative is the Smart SOS Dispatch, an emergency communications and information management system.

To strengthen the country’s digital infrastructure, the VITRO Network of Data Centers continued its expansion program across the Philippines, with two new locations in Clark, Pampanga, and Davao City, the country’s first commercial data center in Mindanao. This brought the Group’s data center capacity to over 8,000 racks.



To bring more technology innovations to customers, PLDT Enterprise sealed key partnerships with leading international and local technology providers.

Convergence has been a key strategy in the Group's rollout plan. For instance, PayMaya and the other digital payments and marketing services of Voyager Innovations are growing not only as standalone businesses; these are also becoming vital components of converged programs of PLDT and Smart.

Nearly 20 million Filipinos are now enjoying various digital services through the platforms of Voyager Innovations. These include digital payments via PayMaya, remittances through Smart Padala, digital lending via Lendr, digital commerce with Takatack, sponsored data access and rewards with Freenet, as well as digital marketing customer engagement through Hatch.

To boost the usage of cashless technologies, PayMaya in Messenger was introduced in October 2017, allowing customers to create a PayMaya wallet and access financial services through the popular messaging app. It also introduced its scan-to-pay service PayMaya QR through key merchants.

On the enterprise side, Voyager equipped over 300 businesses – ranging from banks to government agencies, large firms, and small and medium enterprises (SMEs) – so they can expand their reach and enrich their services to customers through digital channels. To support this thrust, Voyager launched its Voyager DigiHub Program in December 2017, as well as affordable bundles for micro, small,

and medium enterprises (MSMEs) under its Digital Plus packages, in cooperation with PLDT.

On the financial technology side, Voyager's FINTQnologies (FINTQ) now has the most extensive digital lending footprint nationwide, with over Php27 billion in loans disbursed (as of end-2017) through its Lendr platform since 2015. In September 2017, Voyager launched KasamaKA, a cost-efficient, convenient, secure, and transparent shared services platform to help Filipinos access banking services. At the same time, KasamaKA is also a community income builder program whose members are rewarded for doing financial transactions. Through KasamaKA, FINTQ is providing one million free microinsurance policies to unbanked and underserved Filipinos, in cooperation with the Liga ng mga Barangay sa Pilipinas.

To encourage greater participation in the growing digital economy, Voyager has also expanded its free internet platform Freenet beyond merely providing sponsored data access to its partner apps and sites. It is now also providing reward points that users can exchange to redeem prepaid load and data packages from all mobile networks within the Freenet app.

Through PLDT's partnership with Go Negosyo and the Department of Trade and Industry (DTI), Voyager is also enabling MSMEs with eCommerce capabilities as well as broader access to funding and capital to jumpstart their businesses.



Service Quality and Network Improvements

The PLDT Group's digital transformation demonstrates that the organization is willing to take great pains to ensure that continuous improvements in all aspects of the business redound to the benefit of the customer and the sustainability of the enterprise.

Alongside the aggressive fixed network expansion was the massive upgrade of Smart's mobile network. Smart doubled the number of LTE base stations in its cellular network to over 8,700 and increased its 3G base stations to over 9,800.

These new LTE base stations are using low-frequency bands such as 700 MHz and 850 MHz to provide better indoor coverage, combined with high-frequency bands like 1800 MHz, 2100 MHz, and 2300 MHz to increase capacity. Third party studies

confirm that Smart's LTE speeds and coverage have improved significantly. A report of mobile analytics firm OpenSignal covering the last quarter of 2017 cited Smart for its leadership in LTE data speeds and LTE and 3G latency, a measure of the network's responsiveness.

And to further improve network quality, Smart deployed four-component carrier (4CC) aggregation technology in its Metro Manila network in November. This will provide very high LTE-Advanced (LTE-A) mobile data speeds to users with capable devices. In a series of tests conducted recently in Marikina City using Samsung Galaxy S8 and S8+ smartphones, Smart's LTE-A network consistently delivered speeds of over 300 Mbps in a single-user scenario, and over 200 Mbps in a multi-user, daytime setup.

Using carrier aggregation (CA) or the combination of multiple frequency channels to provide a much wider highway for the flow of mobile data, Smart is deploying LTE-A initially in the country's urban areas where there are predominantly more users of advanced devices. The rollout will then proceed to the rest of the country. In a large part of the National Capital Region, this will be done using 4CC, or the combination of four separate frequency channels to deliver much greater capacity and speeds.

Towards the end of 2017, internal tests in Parañaque recorded median LTE download speeds of 17.9 Mbps and median upload speeds of 12 Mbps, while median download and upload speeds of 27.6 Mbps and 16.1 Mbps, respectively, were posted in Caloocan. In Taguig, Smart LTE posted median download speeds of 18.6 Mbps, while median upload speeds were at 13.7 Mbps.

To complement its fixed and mobile internet rollouts, PLDT is also rolling out carrier-grade Wifi in more areas throughout the country. By early 2018, Smart Wifi had been installed in nearly 400 sites nationwide offering high-speed, carrier-grade internet service.

For instance, Smart upgraded its service in the Light Rail Transit (LRT) Line 1 as part of a broad initiative to improve the mobile experience of the 600,000 daily LRT commuters. Smart installed carrier-grade Wi-Fi in the 20 stations and platforms, and will eventually do the same inside the coaches. Similar network improvements are also underway for Metro Rail Transit Line 3 (MRT3).

All these initiatives are part of a major network expansion in Metro Manila to improve the overall quality of service for Smart, TNT, and Sun subscribers.

In cooperation with the Department of Information and Communications Technology, Smart also launched carrier-grade Smart Wifi service in the 13 MRT stations and on the street level of EDSA, Metro Manila's main thoroughfare. This provides a seamless mobile experience to EDSA and MRT commuters every day, regardless of their network. Smart Wifi, with a backhaul capacity of up to one gigabit per second, can support up to 3,000 connected users with robust connectivity. The deployment of Smart Wifi complements the continued LTE rollout which aims to improve indoor coverage, as well as increase capacity to handle more calls, texts, and the ever-increasing mobile data traffic.

PLDT and Smart also continued to deploy carrier-grade Smart Wifi service at the Ninoy Aquino International Airport (NAIA) and in key regional airports, seaports, and transport hubs all over the country. The service has also been deployed in high-traffic areas such as tourist spots, hospitals, schools, city halls, and malls, among others.

Apart from its presence in the four passenger terminals of NAIA, super-speed Smart Wifi services are also available in Bacolod Airport, Laguindingan Airport in Cagayan de Oro, Mactan Cebu International Airport, Clark International Airport, Davao International Airport, Dipolog Airport, Dumaguete Airport, General Santos International Airport, Iloilo International Airport, Kalibo International Airport, Laoag International Airport, Legazpi International Airport, Puerto Princesa Airport, Roxas Airport, Tacloban Airport, Tagbilaran Airport, Tuguegarao Airport, Zamboanga International Airport, and Caticlan Airport.



Those who travel by land and sea are served by Smart Wifi available in Bacolod Port, Cagban Boracay Jetty Port, Caticlan Jetty Port, Cebu Port, Daima Port in Misamis Occidental, Dapitan Port, Dumaguete Port, the Port of Batangas, the Port of Calapan, Puerto Princesa seaport, Tagbilaran Port, and Zamboanga Port, as well as in bus terminals in Bacolod, Cebu (North and South), Imus, Partas in Vigan, Solid North Bus Terminal in Quezon City, and Victory Liner in Pasay.

Smart Wifi is also available in leading tertiary hospitals nationwide, such as Asian Hospital and Medical Center, De Los Santos Medical Center, Marikina Valley Hospital, Philippine Orthopedic Center, Our Lady of Lourdes Hospital, Sacred Heart Hospital in Malolos, Central Luzon Doctors Hospital, Bacoor Medical Hospital, Emilio Aguinaldo Hospital in Cavite, Davao Doctors Hospital, West Metro Medical Center in Zamboanga City, Bacolod Adventist Medical Center, Doctors' Hospital Bacolod, Cebu Doctors University, and Lipa Medix in Batangas.

Moreover, Smart Wifi is now available in schools and universities across the Philippines, including Adamson University, De La Salle University, University of the Philippines Diliman, Ateneo de Naga, Pangasinan State University in Lingayen and Alaminos, Divine Word College in Laoag, Letran Calamba, Southern Luzon State University, Cebu Institute of Technology University, Eastern Visayas State University, Sacred Heart-Ateneo de Cebu, University of Cebu, University of Negros Occidental Recoletos, West Visayas State University, Bukidnon State University, and Holy Cross of Davao College.

Smart Wifi is now also available in government offices, provincial capitols, and city halls in Metro Manila, Batangas, Benguet, Bulacan, Cavite, Ilocos Norte, Laguna, Palawan, Cebu, Iloilo, Negros Occidental, Leyte, Cagayan de Oro, Davao, and Misamis Oriental, among others.



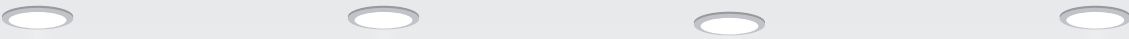
Innovation in Products and Services

One of the reasons that the PLDT Group took on the immense work of a digital transformation was to continue being a maverick in bringing innovative products and services to the market. Quality service and innovation fuel the growth of the business and ensure its relevance and sustainability in the digital age.

For instance, PLDT now offers Cignal over IP service to its enterprise customers which allows the broadcast of Cignal TV programs via the internet, using PLDT's most powerful broadband Fibr and iGate, PLDT's Dedicated Internet Access service. This collaboration with Cignal TV enhances PLDT's significance as a partner for businesses not just in delivering fixed and wireless services, but also in becoming a more valuable technology solutions provider.

With this added service, PLDT is able to deliver premium entertainment and popular shows in high definition or HD over Fibr to enterprise customers. Industries that require fast, reliable connectivity and at the same time, need to provide HD TV viewing experience to their customers can now watch clear and exclusive Cignal TV channels through PLDT. This enterprise connectivity solution is particularly strategic for hotels, resorts, and hospitals with multiple rooms offering individual entertainment. It also serves the needs of restaurants, bars, retail stores, schools, and public terminals.

PLDT Home, meanwhile, partnered with American video streaming pioneer Roku, Inc. to introduce the new TVolution box – an all-in-one, plug-and-play entertainment solution loaded not only with video on demand titles from iflix and Netflix, but also pay-TV channels from Cignal, free content from



YouTube, and over 100 other streaming channels. For subscribers, this means easy access to all their favorite entertainment content, without having to switch between multiple devices.

PLDT has also partnered with Australia's top parental control device FAM ZONE to help parents protect their children from cyber threats while using the internet. With the FAM ZONE device, Filipino families can enjoy the benefits of a digitally connected Smart Home while promoting a safe internet experience for the entire family. Among its many features is a website filtering feature so parents can restrict access to inappropriate sites and content. They can also set alerts and reporting functions to monitor their kids' online activities and identify pre-approved sites that their kids can visit.

FAM ZONE also has a time management feature that allows parents to assign usage schedules for their kids: study time, play time, sleep time, and so on. FAM ZONE is an ideal complement to the home monitoring system FAM CAM and the multi-functional kiddie gadget Smart Watch.

For its part, PLDT Enterprise introduced the first initiative under PLDT's Smart City program, the #READY. The program provides LGUs digital communications and information management solutions that enable them to manage public safety as well as emergency and disaster situations more effectively. The #READY initiative falls under Public Safety – the first main pillar of the Smart City campaign. The other three major pillars are economic growth, citizen welfare, and digital infrastructure.

These initiatives will equip LGUs with the digital tools to build a connected, resilient, and sustainable community and move towards becoming a future-ready Smart City. Under #READY, PLDT is working with the National Disaster Risk Reduction Management Council (NDRRMC) to help LGUs better perform their roles as first responders and frontliners during emergencies and disasters with the aid of digital solutions.

An example of a solution to enhance public safety is PLDT Enterprise's SOS Dispatch which provides LGUs with ruggedized mobile communication units and automated SMS broadcast service as a basic package. This service can be expanded to include data center services, 911 hotlines, Smart SMS broadcast service, a full customer relationship management (CRM) command center, website development, dedicated fiber connectivity, and satellite phones. The Smart SOS Dispatch can also enable small and large communities such as large-scale corporations and university campuses to bolster their public safety answer points and emergency response systems.

The Smart SOS Dispatch is a comprehensive mobile solutions package that combines Smart's robust network coverage with the Genaker IP-based PTT (Push To Talk) and NowForce emergency response application, for rapid, long distance, and high-speed communication between the command center and first responders.

SOS Dispatch is especially designed around the Philippine 911 system. From the built-in CRM to the mobile applications, as well as the data, voice, and SMS allocations, SOS Dispatch aims to answer the need of large corporate communities such as industrial zones and commercial banks,



as well as LGUs and other organizations for a more systematic emergency response experience. In line with the government's mandate to modernize current systems, the city of Bacoor in Cavite and the province of Ilocos Norte are already going for full implementation of the Smart SOS Dispatch solution.

Through PLDT Enterprise, PLDT has also partnered with the Provincial Bus Operators Association of the Philippines to equip their members with Wifi connectivity, CCTV monitoring, and vehicle tracking through the SmartBus suite of services from the Smart Biz LTE bundle. The SmartBus suite aids bus operators in complying with the government's plans to modernize the country's public bus transport system, which includes requiring bus operators to install a GPS monitoring device in their buses for commuter safety.

The package comes with an industrial-grade robust modem router able to resist heat and vibration, and that auto reboots to refresh its connection. It can accommodate up to 25 users simultaneously and has a bandwidth shaper feature which allows more users to connect, delivering LTE speeds. After a successful pilot run, PLDT is now partnering with more bus operators within the year to equip their bus units with high-speed connectivity. By end-2017, an estimated 2,300 buses nationwide were fitted with the SmartBus solution, benefiting millions of the commuting public.

2017 was also a year of innovations for Smart as the company, together with Ericsson, made the country's first successful mobile call using Voice over LTE or VoLTE. This will enable users with LTE-capable devices to utilize the 4G/LTE network for making or receiving calls, providing users direct global reach with enhanced voice quality. LTE is the

best technology to help bring fast, affordable, and reliable internet services to as many customers as possible, as more LTE devices become available in the market. LTE also provides the platform that will easily allow Smart users to step up to even more advanced technologies like LTE-Advanced (LTE-A).

Smart was also the first operator to offer LTE-A in the Philippines in 2017, when it demonstrated the capability of high-speed mobile internet through Carrier Aggregation. Together with technology partner Huawei Technologies Philippines, Smart deployed four-component carrier (4CC) aggregation in Boracay and Marikina. With 4CC, four frequency channels are combined, resulting in much higher data speeds.

Smart also launched its groundbreaking app RoamFree, which allows users to connect to travel services without data roaming charges. A one-stop portal, RoamFree gives free instant access to up to 21 partner apps at the user's destination, even without a roaming data package. The app is now available for use in 26 destinations, including the United States, Australia, Canada, China, Hong Kong, Macau, Japan, Singapore, Thailand, Taiwan, and United Kingdom. It is also accessible for free in Indonesia, Malaysia, Vietnam, Cambodia, Albania, Czech Republic, Denmark, Finland, Germany, Greece, Ireland, Malta, Portugal, Romania, and the United Arab Emirates.

As for Voyager Innovations and its financial services arm PayMaya Philippines, they are changing the game once again by enabling Filipino motorists traversing the North Luzon Expressway

(NLEX) to pay their tollway fees by simply tapping their beep and contactless debit, prepaid, and credit cards, including their Tap and Go Smart MasterCard, Visa Paywave, and MVP Rewards Visa cards powered by PayMaya.

Launched in September 2017 initially with Smart MasterCard powered by PayMaya, the milestone for the first ever tollways system acceptance for MasterCard payments in the country was made possible in collaboration with Metro Pacific Tollways Corporation (MPTC), the country's largest toll road operator. This development is a leap forward in accelerating cash-lite transactions in the country and in helping bridge the digital divide for financial inclusion. It supports the National Retail Payment System (NRPS) framework led by the Bangko Sentral ng Pilipinas (BSP), which envisions at least 20% of the country's financial transactions to be made through electronic payments by 2020.

Building One Cashless Society was the theme for PayMaya's drive on several fronts to enable institutions in their digital transformation journey and empower the unbanked and underserved with a convenient payment wallet—their first entry point to the formal financial system—opening the vast opportunities that a digital economy has to offer and leveraging on the higher penetration rate of mobile phones vis-a-vis bank accounts in the country.



PayMaya QR

This is an in-app feature based on Quick Response technology, which makes payments easier. Users simply need to open the app and scan the QR code. This seeks to enable enterprises to accept digital payments and consumers to pay using just their smartphone.

→ STI students scan the QR code to make cashless payments at the school canteen with PayMaya. Their school IDs also double as PayMaya cards that can be swiped at card-accepting establishments.

PayMaya in Messenger

Knowing that 46% of the population actively uses the Facebook Messenger app (according to We Are Social 2017), PayMaya collaborated with Facebook to enable the latter's users to create a PayMaya account, pay bills, buy load, and send money through Messenger.

PAYMAYA IS NOW

LIVE

IN MESSENGER



PayMaya ID Plus

With the vision to create Digital Communities and Digital Cities, PayMaya sealed partnerships with LGUs to provide seamless cash and reward disbursement processes by distributing Citizen IDs powered by PayMaya.

→ Through a partnership with Lingkod Muntinlupa Foundation, the city government is providing its constituents with better services via their Muntinlupa Care Cards which are being used for disbursement of financial assistance, among other benefits.

PayMaya also gives consumers a mobile app with a virtual prepaid MasterCard or Visa that they can immediately use to shop and pay online, and a physical prepaid card for face-to-face store purchases. Users of PayMaya-issued physical cards, such as the Tap and Go Smart Mastercard and PayMaya Visa, can upgrade their accounts to facilitate ATM withdrawals in any Bancnet partner bank. PayMaya accounts can be topped up at over 15,000 touchpoints nationwide, including Petron Stations along NLEX and Ministop with Touchpay Kiosks, UnionBank ATMs, Smart Padala centers, 7 Eleven with Cliqq Kiosks, BDO online banking, SM Malls Business Centers, and Robinsons Department Stores.

Meanwhile, FINTQ launched KasamaKa, a national and multisectoral coalition for financial inclusion that brought together over 40 partner banks and financial institutions and hundreds of NGOs (nongovernment organizations) and people's organizations at its launch at the Bangko Sentral ng Pilipinas in September 2017. KasamaKa (Filipino for "you are included") is designed to carry loans, savings, investments, and insurance products to unbanked and underserved individuals, and include them in the formal financial sector whereas they were once outside the reach of banking services and vulnerable to loan sharks and predators.

Through KasamaKa, the unbanked can now conveniently access affordable financial services through their mobile phones. The program was also created as a way to support and operationalize the BSP's National Strategy for Financial Inclusion (NSFI) and the NRPS 2020 target.

Also in 2017, Voyager launched Digihub — a physical facility in its Launchpad headquarters in Mandaluyong City that entrepreneurs can use as a space for consultation and mentoring. Digihub is a way for Voyager to extend its digital transformation (DX) program to micro, small, and medium scale enterprises (MSMEs).

Voyager aims to foster collaboration, accelerate learning, and catalyze best practices among industry leaders, big enterprises, and MSMEs. For instance, MSMEs that sign up for the program are offered a special Digital Plus package that includes Voyager platforms and solutions.

Meanwhile, ePLDT added two important VITRO Data Centers in 2017, bringing the Group's total number of data center facilities to nine with a combined rack capacity of more than 8,000. The new facilities are located in Davao and Clark.

The Davao data center facility is the first such facility built in the Mindanao region. It caters to the growing data service requirements of thriving industries in the south. The PLDT Group hopes to help boost economic development in the region by providing the solid foundation for its much needed digital infrastructure.

VITRO Davao is a Tier 2 facility designed to meet global data center standards required by industries with heavy data security requirements like financial institutions. It will address colocation, server hosting, and business continuity requirements of Mindanao-based enterprises and can serve as a backup location for businesses with their data already housed in other data centers across the country.

VITRO Clark, the first commercial data center outside of Metro Manila to receive the TIA-942 Rated 3 Certification, seeks to serve the many companies in various sectors that have been looking to expand their operations north of Manila. The secure facility, combined with a growing and highly capable workforce that operates according to global standards, is perfectly located to provide the growing IT-BPO (business process outsourcing) and finance industries in the area.

VITRO Clark assures co-locators of structural robustness as it is designed and built based on seismic zone 4 standards. This enables the facility to withstand earthquakes up to magnitude 8 on the Richter scale. VITRO Clark also employs eleven layers of physical security equipped with vein-scanning biometric devices to ensure the highest level of confidence to clients.



Customer Experience

The PLDT Group's continuous improvement of the quality of its service redounds to adding value to customer experience (CX), which is considered the new currency in the digital era. And rightly so. The digital age empowers the customer with a variety of options, enabling them to find the service that really suits their needs.

The Group appreciates how faster internet on its fixed and mobile networks is naturally stimulating customer demand and usage of more data and digital services and solutions. The approach to this unfolding situation is not just to offer more connectivity services, but also to move up the value chain of services and solutions to deliver richer, more fulfilling experiences for customers. Convergence has acquired a deeper meaning today – when digital connectivity, content, and solutions are coming together to provide customers with richer experiences.

The PLDT Group takes pains to fulfill customers' requirements and expectations, and strives to always bring to the market innovative products and services, world-class quality of service, and creative pricing and product bundling.

It is in the same spirit of creating fulfilling CX that the Group gives attention to customer engagement. It aims to always streamline processes for new applications, repair requests, and billing.

The Group serves a broad range of customers – individual, residential, enterprises, and even the public sector. It continuously engages with these customers through various touchpoints to know and understand their product and service needs, to promptly address concerns, and to identify areas where it could further enhance their experience.

To ensure a common CX vision and strategy, the PLDT Group unified CX functions across PLDT Home, PLDT Enterprise, and Smart in 2017.



It also created a CX Governance Office to ensure adherence to global best practices. Moreover, it established a CX Strategy Framework and a unified Customer Journey Model on which to anchor the following initiatives:

- Service Delivery and Fulfillment - continued expansion of Fibr network facilities, launch of quality audit process for new installs, enhancement of online store and conversion process, simplification of customer application form, creation of advisory process to update customers on the status of applications, etc.
- Quality of Service - alignment of customer profile across network elements to ensure delivery of subscribed speed, proactive migration of fixed wireless customers to DSL/ Fibr facilities, plan speed upgrades, etc.
- Employee/Culture – immersion program for employees to learn more about customer channels and processes
- Getting Help and Service Assurance – launch of proactive advisories for outages, enhancement of first line troubleshooting process, enhancement/extension of additional system tools to customer care agents for better troubleshooting and complaints handling, enhancement of technician tools for better trouble diagnosis and resolution

Other definite steps to positively impact CX include the following:

- Improved hotline call experience. Unified eight hotline numbers into one customer care hotline number (171) for easy recall and to improve customer access. This hotline number is supported by an improved voice recording system (IVRS) with simplified options and additional customer enabling features.
- Increased engagement in social media. Improved digital customer care experience by optimizing channel data analysis to provide the appropriate tone and voice of engagement. Initiative in this area resulted in a 40% decrease in social media customer waiting time and a 20% increase in online customer engagement.
- Improved self-help website tools. Enhanced PLDT Home's customer support page and provided customers with a portal of frequently asked questions and a guide to troubleshooting and device setup that empowered customers with self-help references.



Social Responsibility



As the PLDT Group set a path for its sustainability journey via digital transformation, the organization also set its key priorities – one of which is people. People management has always been a priority for PLDT as a company that aims to make a positive impact on people's lives.

With fresh leadership ideas, new ways of working, fresh perspectives, and a variety of skill sets and experiences in this digital world, the Group moves forward and continues to develop its people, to ensure that it is constantly poised to deliver innovative growth.

Employment and Talent Management

The PLDT Group's digital transformation has brought with it a slew of related changes, not least of which is the fresh focus on nurturing a people culture that inspires innovation and encourages a deeper appreciation of the totality of employee experience (EX).

In 2017, understanding the inevitable cultural transformation that accompanies this digital pivot, PLDT and Smart purposefully drove the process and decided to begin it on the right foot through a culture assessment survey. With over 93% survey participation from employees, along with over 30 face-to-face qualitative coffee sessions, the companies were able to objectively gauge the strong interest across the organization in shifting to a more high-performing digital culture.

The survey results were a validation that opened the path straight to a High Performance Culture that will be powered by people who are committed to continuing PLDT's rich history and heritage of connecting families and communities, empowering businesses, and building the nation.

Hence, guiding people programs and processes are distinct EX principles: leader-led, employee-owned, and digitally-enabled. Among the fundamental culture-shaping actions in 2017 was "High 5" – the first company goals shared across PLDT and Smart, defined and cascaded through digital channels.



These digital engagements were further boosted by face-to-face huddles with leaders who reiterated how the five goals would bring innovations into the culture. Response from the multi-generation workforce has been generally positive, as Digital Dialogues conducted by top management reached over 15,000 internal social engagements. The online communication platform, meanwhile, engages with a weekly average of 4,000 active users.

Attracting and Retaining Talent

Through all these developments, the PLDT Group's continued standing as employer of choice in the Philippines was an important barometer to its ability to attract and retain quality talent that powers the organization's vision and mission.

Highly material for the Group's sustainability journey is the existence of fair and equal opportunities that ensure that its diverse, experienced, and appropriately skilled set of professionals have an inclusive and welcoming workplace environment that is conducive to innovation and high performance.

In 2017, the PLDT Group was supported by a 13,869-strong workforce. This number is only about 4% lower than the previous year. A great number of this total headcount comes from PLDT and Smart.

Year	2017	2016	2015*
Total Number of Employees	13,869	14,451	14,014

**Inaugural 2015 report included only PLDT and Smart data*

The Group offers a generally level playing field for both sexes with a workforce that is composed of 58% male and 42% female employees. A more granular look at the four different teams under the Group indicates that Smart and Voyager continue to maintain a good diverse demographic, and that ePLDT has shown improvement in its numbers.



2017 Employees by Gender

Year	PLDT		Smart*		Voyager		ePLDT	
		%		%		%		%
Male	4,179	64.30	3,217	51.40	410	54.40	236	65.60
Female	2,320	35.70	3,040	48.60	343	45.60	124	34.40
TOTAL	6,499	100.00	6,257	100.00	753	100.00	360	100.00

*Smart employee count includes DMPI employees.

Year-on-Year Comparison (%)

Year	PLDT		Smart		Voyager		ePLDT	
	2017	2016	2017	2016	2017	2016	2017	2016
Male	64.30	65.00	51.40	51.00	54.40	56.00	65.60	67.00
Female	35.70	35.00	48.60	49.00	45.60	44.00	34.40	33.00
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Meanwhile, other demographic categories such as rank and locations reflect the needs of the businesses and their different operational, systems, and network requirements which are determined by the job roles and functions technically defined to deliver department services and targets.

2017 Employees by Rank

Rank	PLDT		Smart		Voyager		ePLDT	
		%		%		%		%
Officers	63	1.00	52	0.90	16	2.00	5	1.40
Executives	484	7.40	528	8.40	96	13.00	61	17.00
Management	4,828	74.30	2,028	32.40	222	30.00	75	20.80
Rank & File	1,124	17.30	3,649	58.30	419	55.00	219	60.80
TOTAL	6,499	100.00	6,257	100.00	753	100.00	360	100.00

2017 Employees by Age Group

Age Group	PLDT		Smart		Voyager		ePLDT	
		%		%		%		%
Under 30	825	12.70	2,121	33.90	403	53.50	119	33.10
30-50 years	3,112	47.90	3,952	63.20	343	46.50	219	60.80
>50 years	2,562	39.40	184	2.90	7	0.00	22	6.10
TOTAL	6,499	100.00	6,257	100.00	753	100.00	360	100.00

2017 Employees by Region

Region	PLDT		Smart		Voyager		ePLDT	
		%		%		%		%
Luzon	5,717	88.00	5,477	87.54	745	98.94	343	95.30
Visayas	477	7.30	432	6.90	4	0.53	14	3.90
Mindanao	305	4.70	348	5.56	4	0.53	3	0.80
TOTAL	6,499	100.00	6,257	100.00	753	100.00	360	100.00

Employee Turnover and Rate by Region

Region	PLDT		Smart		Voyager		ePLDT	
	Number	%	Number	%	Number	%	Number	%
Luzon	532	8.19	861	13.76	97	12.88	24	6.66
Visayas	34	0.52	62	0.99	0	0.00	1	0.28
Mindanao	24	0.37	67	1.07	2	0.27	0	0.00
TOTAL	590	9.08	990	15.82	99	13.15	25	6.94

Employee Turnover and Rate by Age Group

Age Group	PLDT		Smart		Voyager		ePLDT	
	Number	%	Number	%	Number	%	Number	%
<30	42	0.65	560	8.95	55	7.30	12	3.33
30-50	97	1.49	415	6.63	41	5.45	12	3.33
>50	451	6.94	15	0.24	3	0.40	1	0.28
Total	590	9.08	990	15.82	99	13.15	25	6.94

Employee Turnover and Rate by Gender

Gender	PLDT		Smart		Voyager		ePLDT	
	Number	%	Number	%	Number	%	Number	%
Male	428	6.59	441	7.05	57	7.57	16	4.44
Female	162	2.49	549	8.77	42	5.58	9	2.50
Total	590	9.08	990	15.82	99	13.15	25	6.94

The Group goes beyond the basics of performance management as it piloted a talent tiering program in 2017, geared towards the retention of critical talents. While the program rollout is still at its infancy stage, this has already yielded positive results in improving the retention of identified top-tier talents.

On the other hand, the Group's excellent performance in talent acquisition for its requirements for the year demonstrates that it

has kept the brand strong and attractive for job-hunters, notably including the digital natives — the millennials and the GenZs — whose potential for leadership in innovation is recognized and valued.

In terms of offering equal job opportunities without gender-bias, the data shows that a healthy ratio has been maintained, and both men and women have equally received warm welcome into the organization.

New Employee Hires and Rate by Age Group

Age Group	PLDT		Smart		Voyager		ePLDT	
	Number	%	Number	%	Number	%	Number	%
<30	162	2.49	611	9.76	122	16.20	63	17.5
30-50	69	1.06	63	1.01	67	8.90	30	8.33
>50	1	0.02	5	0.08	0	0	1	0.28
Total	232	3.57	679	10.85	189	25.10	94	26.11

New Employee Hires and Rate by Gender

Gender	PLDT		Smart		Voyager		ePLDT	
	Number	%	Number	%	Number	%	Number	%
Male	117	1.80	334	5.34	108	14.34	59	16.39
Female	115	1.77	345	5.51	81	10.76	35	9.72
Total	232	3.57	679	10.85	189	25.10	94	26.11

New Employee Hires and Rate by Region





Region	PLDT		Smart		Voyager		ePLDT	
	Number	%	Number	%	Number	%	Number	%
Luzon	222	3.41	583	9.32	187	24.83	89	24.72
Visayas	5	0.08	54	0.86	0	0	3	0.83
Mindanao	5	0.08	42	0.67	2	0.27	2	0.56
TOTAL	232	3.57	679	10.85	189	25.10	94	26.11

An integral aspect of talent management is ensuring that Employee Compensation and Benefits are competitive and attractive. The PLDT Group adheres to the Pay for Position, Pay for Performance, and Pay for Person policies.

Pay for Performance is determined by a yearly employee performance review. Smart completed 100% of performance management reviews for its employees in 2016. PLDT, though, is pegged at only 88.5%, owing to a Manpower Reduction Program for that year.


In 2017, the Group focused on strengthening a Pay for Performance Culture and revamped its total rewards program, anchoring it on a philosophy of rewarding for impact and line of sight. Dubbed the "Performance Excellence Program," the new performance management system was standardized to use a global online platform – providing a common yardstick to assess, manage, and reward performance.

The Group provides all its employees with a well-crafted benefits package designed to support employee retention:

 Medical	 Monetary Benefits, Financial Assistance, and Allowances	 Loans
<ul style="list-style-type: none"> Personal Accident Plan Life Insurance Medical Insurance, Hospitalization, Optional Medical Benefits for Dependents Medical, Dental, and Hospitalization for Employees Group Life Insurance Accidental Death and Disablement Assistance Sick Leave 	<ul style="list-style-type: none"> Variable Performance Bonus Provident Fund Financial Assistance during Calamity/Funeral Rice Allowance Uniform Allowance Gas Allowance Communication Allowance Guaranteed 14th and 15th Month Pay Loans and Savings Facility for Cooperatives Maternity/Paternity Assistance 	<ul style="list-style-type: none"> Phone Loan Dental Loan Optical Loan Fitness Loan Gadget Loan Educational Loan
		<div data-bbox="1045 985 1495 1115">  Others </div> <ul style="list-style-type: none"> Christmas Package Company Car for Executives Service SIM Nuptial Leave Vacation Leave Community Service Leave Parental Leave Discounted Gym Membership Rate

One of the significant benefits offered by the Group that resonates with employees is the Parental Leave. This generally refers to maternity and paternity leave credits used by parents to care for a baby or recover from necessary abortion or miscarriage.

Parental Leave helps strengthen the inclusive workplace environment as it demonstrates the Group's regard for its people and their families. The practice has positively impacted the Group and has been a factor for improving employee retention over time.

2017 PARENTAL LEAVES				
	PLDT		ePLDT	
				
Employees entitled to parental leave	3,279	2,320	122	124
Employees that took parental leave	105	45	11	6
Employees that returned to work in the reporting period after parental leave ended	105	45	11	6
Employees that returned to work after parental leave ended that were still employed 12 months after their return (2016 availment)	87 (87)*	41 (42)*	12 (12)	3 (3)
Return to work rates of employees that took parental leave	100%	100%	100%	100%
Retention rates of employees that took parental leave	100%	98%	100%	100%

**Restatement was made due to data extraction issues in 2016.*

 - PATERNITY  - MATERNITY

Employees' Health and Safety

The PLDT Group considers the protection of the safety, health, and wellness of employees, guests, contractors, and neighboring communities as a priority simply because the value of every person is beyond measure of monetary cost. The materiality of this aspect in terms of sustainability is evident in the corporate values that clearly articulate that the organization desires to “take care of our people.”

The PLDT Ramon Cojuangco Building Facilities Management (RCB FM) ensures Operational Health and Safety with its Quality, Environment, Health, and Safety (QEHS) Policy that seeks to support people in the workplace through:

- Compliance with all applicable QEHS regulations and laws
- Promotion of QEHS practices to reduce impact and adopt sustainable practices

- Establishment of QEHS Management Systems to determine internal and external issues, requirements of interested parties, and risks, opportunities related to the issues and requirements, with the objective of setting corporate goals that will continuously improve implementation of the policy

With the stringent implementation of the QEHS Policy, the PLDT RCB FM conforms with the guidelines of ISO 9001:2015, ISO 14001:2015, and OSHAS 18001:2007. Implementation of the policy, as well as planning and execution of health and safety programs, is spearheaded by the Facilities Management group which establishes, implements, and maintains processes on identifying environmental as well as occupational health and safety hazards within the scope of its Integrated Management System. The Facilities Integrated Management System (FIMS) committee has developed a mitigation and control system

that is constantly monitored. The control mechanisms fall under four categories: elimination, substitution, engineering, and administrative and transfer.

The PLDT Group identifies OHS hazards for both routine and non-routine activities. These include those for individuals visiting PLDT Group offices, hazards outside the workplace that can adversely affect the health and safety of people within the company, hazards in the vicinity of the workplace, hazards within the work areas, processes, installations, equipment used, operating procedures, etc. PLDT FM has appointed additional Safety Officers nationwide who ensure all applicable QEHS Management System standards are maintained consistently and constantly.

Meanwhile, among the programs Smart enhanced in 2017 were its Fire Prevention and Protection Program as well as its Accident/Incident Prevention Program. Smart delivered a total of 4,743 fresh batch of fire extinguishers to its cell sites nationwide, and provided additional personal protective equipment to 634 Smart engineers.

The Group also has various working Environmental, Health, and Safety (EHS) committees to ensure the organization stays on top of all EHS issues in the workplace. PLDT has Health and Safety Committees at Division levels, across various sites. In 2017, a new 5S EHS Committee was formed, advocating for the 5S philosophy and methodology for organizing and managing the workplace and work flow to improve efficiency and safety and eliminating waste. For its part, Smart maintains EHS committees across 10 sites.

PLDT EHS/Emergency Management Team (EMT) Committees	
Divisions (Facilities Management)	No. of Members
Greater Metro Manila (GMM) North	628
GMM South	88
Southern Luzon	82
Northern Luzon	199
Visayas	71
Mindanao	241
TOTAL	1,309

Smart EHS/EMT Committees	
Sites (FM)	No. of Members
Bulua	28
Davao Matina	28
Smart Mabolo	51
PLDT South Cebu	47
Tambo	35
Parañaque Local Exchange Carrier (LEC)	82
Smart Tower	19
Piltel Cabuyao	36
Palawan Switch	23
Dagupan LEC	22
TOTAL	371

The PLDT Group constantly keeps track of its health and safety performance to understand key areas for improvement. Every year, the PLDT Group submits an Annual Medical Report, Annual Work Accident or Illness Exposure Data Report, and Report on Health and Safety Organization to the Department of Labor and Employment's Bureau of Working Conditions.

As of end-2017, the total number of safe-man hours logged by PLDT stood at 4,783,264, with the last work-related accident taking place on August 16, 2017 when a staff member of the Panay Customer Service Operations Zone (CSOZ) was injured.

PLDT General Health and Safety Record for 2017	
Total Employees	6,499
Total Man-hours Worked without Lost Time Accidents (LTA)	4,783,264
No. of Non-disabling Injury Record (NDIR)	33
No. of LTA	5
Days Lost due to LTA	152
Average No. of Working Days	5
Frequency Rate (FR) %	0.36
Severity Rate (SR) %	11.01
Occupational Disease Rate %	0
Absentee Rate %	0.47

NOTE: Frequency Rate (FR) = No. of Lost Time Accidents (LTA) x 1,000,000 / Total Man-hours Worked

Safe Man-hours without LTA = No. of Employees x No. of Hours Worked without LTA

Counting of man-hours worked without LTA (safe man hours worked) starts after occurrence of the last LTA

Days Lost Due to LTA / (Total No. of Employees x Average No. of Days)



Occupational Health and Safety Statistics Injury Rate by Gender

Gender	Types of Injury	Number of Cases	Employee Occupational Injury Rate (%)
Male	Contusion, bruises, hematoma	5	7.25
	Abrasions	3	4.35
	Cuts, lacerations, punctures	13	18.84
	Avulsion	1	1.45
	Sprains	3	4.35
	Dislocations/Fractures	3	4.35
	Burns	2	2.90
	Muscle strain	2	2.90
	Dog bites	2	2.90
Female	Abrasions	2	2.90
	Cuts, lacerations, punctures	1	1.45
	Avulsion	1	1.45

Injury Rate by Region

Region	Type of Injury	Number of Cases	Employee Occupational Injury Rate (%)
Metro Manila	Contusion, bruises, hematoma	3	4.35
	Abrasions	3	4.35
	Cuts, lacerations, punctures	8	11.59
	Avulsion	2	2.90
	Sprains	1	1.45
	Dislocations/Fractures	2	2.90
	Burns	1	1.45
	Muscle strain	2	2.90
	Dog bites	2	2.90
North Luzon	Contusion, bruises, hematoma	1	1.45
	Cuts, lacerations, punctures	1	1.45
	Sprains	1	1.45
	Burns	1	1.45
Visayas	Contusion, bruises, hematoma	1	1.45
	Abrasions	2	2.90
	Cuts, lacerations, punctures	5	7.25
	Sprains	1	1.45
	Dislocations/Fractures	1	1.45

Lost Time Rate by Gender			
Gender	Number of Employees/ Incidences of Lost Time	Lost Days	Lost Time Rate (%)
Male	5	152	7.25
Female	0	0	0.00

Lost Time Rate by Region			
Region	Number of Employees/ Incidences of Lost Time	Lost Days	Lost Time Rate (%)
Metro Manila	4	87	5.80
Visayas	1	65	1.45

FORMULA FROM OCCUPATIONAL HEALTH AND SAFETY ASSESSMENT SERIES (OSHAS)
 Incident Rate/Injury Rate = (Number of Cases*200,000)/Total Number of Labor Hours
 Lost Time Rate = (Number of Cases that Contain Lost Work Days*200,000)/ Total Number of Labor Hours

There was no case of work-related fatalities.

Aside from including health maintenance organization (HMO) coverage in the employees' benefits package, the Group also provides clinics and health facilities within its corporate premises to support health and wellness monitoring and provide immediate onsite medical support whenever necessary. In 2017, the most common complaint handled in the clinics were those concerning the heart and blood vessels, reflecting the same trend as the general Philippine population.

Health Complaints Handled in Clinics	
Type of Complaints or Symptoms	Number of Consultations at PLDT Clinics
Skin	10,738
Head	2,157
Eyes	4,966
Mouth and ENT	9,643
Heart and Blood Vessel	42,711
Gastrointestinal	14,427
Genito Urinary	5,581
Reproductive	2,456
Lymphatics and Circulatory	1,357
Infectious Disease	238
Neuromuscular	6,412

In terms of occupational safety procedures, Safety Audits are conducted regularly as standard practice to monitor and evaluate safety performance and identify areas for improvement.

Safety Audits 2017	
Critical Facilities	Date of Audit
PLDT Makati General Office (MGO)	10-Apr-17
PLDT RCB	10-Apr-17
Sampaloc (MITC)	11-Apr-17
Diliman Central Office (CO)	12-Apr-17
Greenhills CO	12-Apr-17
Mandaue Sub-exchange (SE)	24-Oct-17
Cebu Jones Exchange	30-Oct-17
Other Facilities	Date of Audit
Sta. Rosa Warehouse	17-Apr-17
Sta Ana Warehouse	18-May-17
Mactan SE	25-Oct-17
Mabolo SE	25-Oct-17
Talisay SE	26-Oct-17

Continuous training in health and safety has been the key strategy of the QESH Management System, and this includes critical emergency drills that provide a deeper learning experience for employees to rely on during actual incidents when people would normally forget topics they learned through classroom sessions and lectures.

TRAININGS 2017			
Environment			
Course	No. of Hours	Date of Training	No. of Attendees
Pollution Control Officer Training	40	December 5-8, 2017	27
Safety and Occupational Health			
Standard First Aid Training with Basic Life Support	40	November 21-24, 2017	28
		November 27-29 & December 1, 2017	25
		December 5-8, 2017	24
Basic Occupational Safety and Health Training	40	March 27-31, 2017	26

2017 EMERGENCY DRILLS		
DIVISION	SITES	NUMBER OF PARTICIPANTS
Metro Manila (MM) North FM	PLDT V-Sat & OPSIM Building	338
	PLDT-Diliman	60
	PLDT Grace Park CO	74
	MITC	719
	PLDT Novaliches	58
MM South FM	PLDT RCB	1,389
N. Luzon FM	Balanga Exchange	48
	Tuguegarao	43
	Dagupan Exchange	89
	PLDT La Union Cable Landing Station	23
	Malolos Exchange	80
	San Fernando Pampanga Exchange	113
	Cabanatuan Exchange	70
	Cauyan SE	13
	Ilagan SE	14
	Tarlac Exchange	85
	Gapan SE	22
	Muñoz SE	6
	Paniqui SE	10
	Concepcion SE	7
	Camiling SE	6
	San Fernando La Union Exchange	41
S. Luzon FM	Kawit Exchange	80
	Sta. Rosa Warehouse	75
	Batangas Exchange	60
	Batangas Cable Landing Stations	49
	Calamba Exchange	89
	Daet Cable Landing Station	30
	Legazpi Toll Exchange	45
	Lucena Exchange	85
Visayas	Mabolo Sub-customer Service Operation Zone (SCSOZ)	198
	PLDT Jones	130
	La Paz Iloilo CSOZ	73
	Mandaue	48
	Roxas SCSOZ	28
Mindanao	Butuan Domestic Fiber Optic Network (DFON)	6
	Cagayan De Oro DFON	10
	Davao Central CSOZ	281
	Ozamiz SE	25

Going beyond basic health and safety issues, the PLDT Group believes in promoting wellness and the holistic approach to well-being for employees' happiness. The Group encourages its workforce to pursue hobbies and interests by organizing activities such as talent shows, workshops, fitness and wellness programs, Family Fun Days, and sporting events. Sports enthusiasts will readily find encouragement from the Group which is known to support events such as basketball, bowling, volleyball, badminton, track and field, Frisbee, dodgeball, table tennis, football, billiards, tennis, chess, darts, and more.

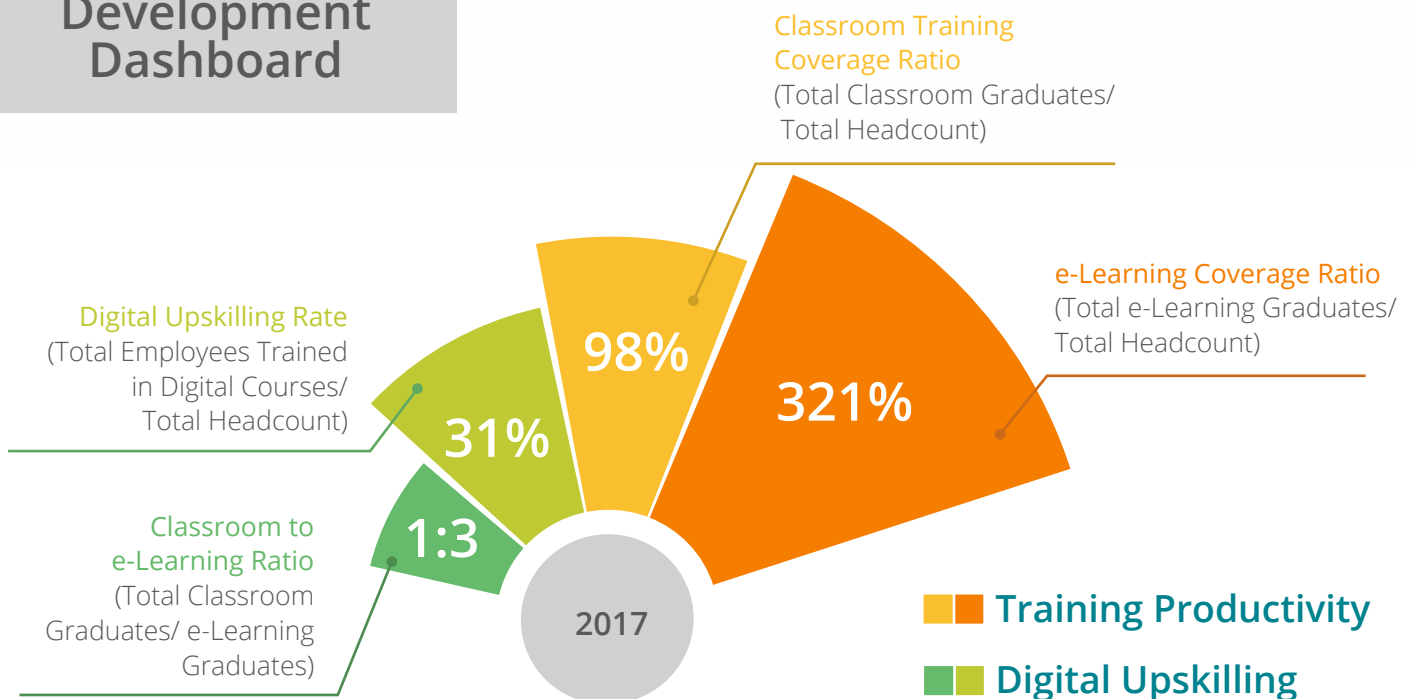
Smart also organizes weekly health and lifestyle-related events called the Road to Wellness Campaign. Activities which include yoga, Zumba, body combat, and retro pop aerobics are held in its Makati, Iloilo, and Davao offices.

Training and Education and Performance Reviews

In the high-speed digital environment where the PLDT Group operates, continuous training and development impact its people's careers as much as these impact the business. Through key investments, the Group promotes its people's ability to adopt digital skills aside from the leadership and other soft skills essential to their continued growth.

One such investment is the comprehensive corporate university which provides a full range of learning experiences and culture-building interventions. In 2017, the Group also launched a new Workforce Learning 2020 Curriculum aligned with the new technology requirements of PLDT and Smart, such as 5G, IPv6, Software-defined Networking (SDN), Cloud, Virtualization, Artificial Intelligence (AI), Programming, and Coding. This curriculum is coupled with the Group's iDIGITAL competency requirements for all employees.

2017 Talent Development Dashboard



The Group maintains a learning center equipped with proper training classrooms, PC training rooms, as well as Internet Protocol (IP) and equipment laboratories, wherein 25 learning sessions are held weekly. The center also includes a residence hall, a digital learning portal, and a multimedia library that enables critical real-time Learning and Development (L&D) capability-building.

The creation of a synergized L&D group across PLDT and Smart in 2017 has widened the reach of the PLDT Group's corporate academe to address the competency development requirements of employees. More than 14,000 employee participants successfully went through PLDT-Smart's corporate training programs including classroom courses on technology, as well as behavioral, leadership and business, and process skills trainings. In terms of e-learning, there were more than 26,000 course completions on both mandatory and development-oriented digital learning modules. This brings classroom to e-learning ratio to 1:3, signifying a high comfort level among employees to now learn in the digital mode which is a more efficient delivery of learning programs.

Another priority that the Learning and Development Center focused on in 2017 was the development of Globally Certified Technical Talents. PLDT produced a total of 243 new technical certifications for the year. These included technical certifications on Computing Technologies Industries Association (CompTIA) Network Professional, Metro Ethernet Forum Carrier Ethernet Certified Professional (MEF-CECP), Professional Project Management, Fiber Optics, Huawei and Cisco (i.e. Cisco Certified Network Associate [CCNA] Wireless, Cisco Certified Network Professional [CCNP], and Cisco Certified

Internet Experts [CCIE] – the highest level of certification in the Cisco standard). As of end- 2017, PLDT and Smart had more than 1,000 globally certified employees in their roster of key technical talents, including 32 CCIEs.

Meanwhile, Smart and Voyager Innovations have learning programs that demonstrate out-of-the-box thinking. Smart continues to strengthen its Gamified Mobile Learning (mLearning) Program and its online learning system. Voyager Innovations, on the other hand, has a Learning Academy Space Camp that features virtual learning tools.

Furthermore, the Group has taken steps to inspire and promote a new breed of leadership talent that would be essential for winning in the new digital universe. It has implemented the Next Generation Leaders Program and put new officers through a year-long series of mentoring and practical capability-building, where the Chairman and CEO and the Top Management Team act as their coaches and mentors. The PLDT Group has also defined a new leadership standard, emphasizing attributes such as strategic foresight, data-driven decision-making, customer obsession, innovation and creativity, change leadership, constructive communication, and technology aptitude.

And as mentioned earlier, the Group has revamped its total rewards program that would also reflect all these changes in training and development. The new standardized Performance Excellence Program (PEP) is anchored on a philosophy of rewarding for impact and line of sight, and uses a global online platform – providing a common yardstick to assess, manage, and reward performance.

Types of Training in 2017

PLDT	Smart	Voyager	ePLDT
L&D on the Road Program	On-boarding courses	Blast Off (Onboarding for new employees) Trainings on relevant skills at work including Product Development, Project Management, Coaching, and Feedback Corporate Governance	Trainings on technology (new or upgrade) that is relevant to the business
Taking Charge of My Career	Leadership courses	Trainings on leadership	Trainings on self-development such as time management, stress management, etc.
Global Certification Program (Number of globally certified/re-certified talents supporting operational and business initiatives)	Global certifications	Trainings on Quality Management System	Trainings on leadership skills (personal leadership, team leadership, strategic leadership)
Traditional classroom course to digital courses conversion and delivery	Business development courses Technology courses Conferences Compliance courses	Digital marketing Information security Data privacy	

PLDT and Smart have also made available trainings on investments and entrepreneurship to assist retiring employees. Transition coaches are invited to help retirees cope with the dynamics of personal and career changes.

Corporate Governance-related Training Programs across Employee Categories	
TRAINING MODULE	TARGETED LEARNERS
Corporate Governance Orientation	<ul style="list-style-type: none"> PLDT Executives (Managers, Senior Managers, and Assistant Vice Presidents) Supervisors and Officers Rank and File Employees
Ethical Decision Making Workshop	<ul style="list-style-type: none"> PLDT Executives
Managing from a Position of Control	<ul style="list-style-type: none"> PLDT Executives
Corporate Governance Refresher	<ul style="list-style-type: none"> Select PLDT Units and Their Executives, Supervisors, and Rank and File Employees
eLearning Module on the Expanded Whistleblowing Policy	<ul style="list-style-type: none"> PLDT Executives
eLearning Module on the Conflict of Interest Policy	<ul style="list-style-type: none"> Supervisors and Rank and File Employees
Gifts Policy Challenge: Online Quiz and Contest on the PLDT Policy of Gifts, Entertainment, and Sponsored Travel	<ul style="list-style-type: none"> PLDT Executives Supervisors Rank and File Employees
Values at Work	<ul style="list-style-type: none"> Rank and File Employees

Average Training Hours - By Gender		
	Male	Female
PLDT	18.77	11.55
Smart	8.82	7.68
Voyager	2.00	2.50
ePLDT	3.19	3.87



PLDT		
Category	Average Training Hours	Total Training Hours
Officers	1.21	76
Executives	9.91	4,796
Management	15.35	74,112
Rank and File	23.35	26,244
TOTAL		105,228

Voyager		
Category	Average Training Hours	Total Training Hours
Officers	6.50	104
Executives	4.17	400
Management	2.30	512
Rank and File	1.57	656
TOTAL		1,672

Smart		
Category	Average Training Hours	Total Training Hours
Officers	2.96	154
Executives	11.73	6,194
Management	7.46	15,125
Rank and File	8.29	30,255
TOTAL		51,728

ePLDT		
Category	Average Training Hours	Total Training Hours
Officers	0	0
Executives	4.10	248
Management	6.61	496
Rank and File	2.23	488
TOTAL		1,232

Human Rights

The PLDT Group supports the principles of Human Rights as enshrined in the 1987 Philippine Constitution as it acts to protect the rights of its employees and other stakeholders. One of its main doctrines is the right to organize themselves into unions and negotiate their Collective Bargaining Agreements (CBAs) that will contain the mutually agreed upon components.

Employee Subgroup	Union	No. of Employees
PLDT Management	Gabay ng Unyon sa Telekomunikasyon ng mga Superbisor (GUTS) - PLDT Supervisors Union	4,101
PLDT Management	PLDT Sales Supervisors Union (PSSU)	109
PLDT Rank & File	Manggagawa sa Komunikasyon ng Pilipinas (MKP) - PLDT Rank and File Union	1,116

For instance, the CBAs between PLDT and the three labor unions clearly prescribe against any form of discrimination. Working with these unions, PLDT ensures that no discrimination happens against its employees by reason of sex, race, creed, political or religious beliefs, advancing years, or union activity or affiliation.

Moreover, the CBA with the supervisory union GUTS ensures due process and respect for human rights would always be observed in any disciplinary action or dismissal from service that may be imposed against a supervisor.

The PLDT Group considers the protection of Human Rights as a serious commitment and as such its policies preclude employment of minors or children and any forced or compulsory labor. The PLDT Group also implements a policy on Handling Employment-Related Sexual Harassment

Cases where the appropriate union sits in the Committee on Workplace Decorum. In 2017, there were two dismissals related to sexual harassment in the PLDT Group.

Because PLDT operates in a unionized environment, the grievance machinery is in place where both management and the unions espouse the principle that all disputes between them may be settled through friendly negotiations. They have the same interest in the continuity of work until all disputes are discussed and settled. Both parties recognize that open conflict in any form involves losses to both labor and management. Thus, every effort shall be exerted to avoid this.



For its part, Smart has an Anti-Sexual Harassment Policy in place, incorporated in its Code of Discipline to ensure protection of all its employees. No incidents of discrimination were registered in 2017 for Smart, Voyager, and ePLDT.

To ensure that all its employees are aware of the human rights policies relevant to its operations, Smart has a Labor Relations Policy that provides one hour of training for new hires. This includes discussions on human rights and the right to due process. Ninety percent of Smart's employees were able to attend this training. The remaining 10% are either in the C-level top management team or are consultants with separate one-on-one discussions with Smart executive services. While Voyager doesn't have formal training programs for human rights as of yet, ePLDT offers a four-hour training program on human rights for its employees.

PLDT Labor Relations, in coordination with Learning and Development, conducts seminars on Labor Relations (both for staff and executives) where topics relating to Employee Rights, Management Prerogatives, Employee Discipline, Anti-Sexual Harassment Law and Company Policy, and CBA interpretation are discussed and tackled. In 2017, there were eight classes conducted covering 241 graduates (186 staff and 55 execs). The Labor Relations course started in the late 1990s and has since been an annual class offering.

ePLDT conducts internal training to ensure that all its security personnel are trained in human rights policies and procedures through the "Use of Security Force Continuum." For PLDT and Smart, all security personnel are required to undergo retraining and licensing courses provided by the Philippine National Police. These courses discuss rules of engagement and rights of victims, all of which comply with basic human rights. Selected security personnel also undergo training to enhance their customer interfacing skills. This training teaches personnel how to treat customers appropriately. As of 2017, Voyager had no formal trainings on human rights for security personnel.

The PLDT Group has a policy on Employee Disclosure on Violation of the Corporate Governance Rules, Questionable Accounting or Auditing Matters, and Offenses covered by PLDT's Table of Penalties (or the Expanded Whistleblowing Policy), as part of its Corporate Governance policies. Through this, employees are provided with a platform for confidential and anonymous reporting of violations of company policies, including violations of applicable anti-corruption laws. The policy also provides guidelines on handling employee disclosure or complaints.



Corporate Social Responsibility

All the policies, principles, and practices that a company uses in managing its business to yield positive impact on communities is, in actuality, part and parcel of Corporate Social Responsibility (CSR). This particular segment of the report, though, shall discuss the topic using the more common understanding of the concept of CSR as corporate social advocacy, corporate philanthropy, and corporate volunteerism.

Defined by stakeholders as highly material for the PLDT Group's sustainability, the CSR philosophy is anchored on the Group's mission of empowering the Filipino people's potential. The Group believes that investing in programs that help make communities stronger and more resilient,

as well as those that help protect and preserve the environment, are an important aspect of its sustainability strategy.

Within the PLDT Group, there are several units specifically tasked to manage the various CSR initiatives, namely: PLDT-Smart Foundation (PSF), PLDT's Community Relations Division (ComRel) and Smart's Community Partnerships Department. A hundred percent of the PLDT Group's operations implement local community engagement programs based on local communities' needs. These programs are conducted in Metro Manila, Luzon, Visayas, and Mindanao.

The PLDT-Smart Foundation

The PSF is a non-stock, not-for-profit organization that serves as the social outreach arm of the PLDT Group. With the personal involvement and guidance of the Group's Chairman of the Board Manuel V. Pangilinan, the PSF develops and supports projects on education, livelihood and social enterprise, disaster response and recovery, youth and arts, and sports development. PSF builds partnerships with various sectors including farmers, startup companies, public education institutions, universities, and orphanages. The PSF publishes an Annual Report to share with its stakeholders the foundation's overall progress and impact.

PLDT Community Relations

PLDT ComRel provides the human face to PLDT's CSR programs that also involve employee volunteers. ComRel's initiatives offer personalized, long-term, dependable, and timely support to communities across the Philippines.

Smart Community Partnerships Department

This department engages with partner communities to implement various programs, with emphasis on using technology for development, bridging the digital divide, long-term sustainability and integrating these programs in the mandates of its different business units.

Altogether, the PLDT Group sustains its concerted efforts to improve the lives of Filipinos by developing innovative CSR programs imbued with digital solutions in various fields such as education, health, disaster preparedness and resiliency, environmental protection, and sports.

Included in the published 2017 Annual Report is the PLDT Group Corporate Social Responsibility Report which presents detailed updates on the initiatives for the year that covered:



Promoting Digital Literacy



Enhancing Disaster Preparedness and Resiliency



Quality Healthcare



Protecting the Environment



Unifying the Nation through Sports

The CSR Report is found on pages 23 to 27 of the Annual Report which is available online at www.pldt.com.

The PLDT Group's wide-ranging and sustained CSR programs demonstrate how the organization conscientiously cultivates the spirit of volunteerism in its people, a traditional Filipino value that is integral to its corporate culture-building campaign.



EDUCATION

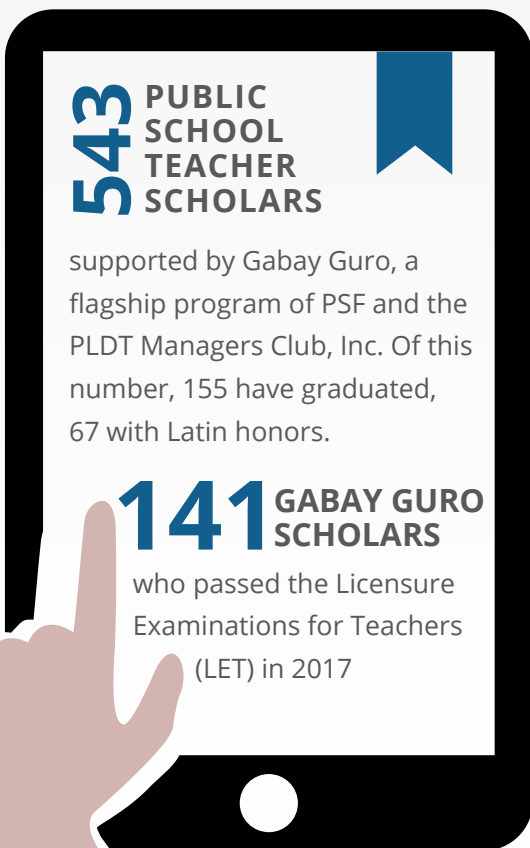


32,000 GRADUATES

of the Infoteach Outreach Program which seeks to empower public high school students and elementary and high school teachers from all over the country to acquire essential digital skills

250 CHILDREN

of PLDT and Smart employees given educational aid via the MVP Academic Excellence Awards



543 PUBLIC SCHOOL TEACHER SCHOLARS

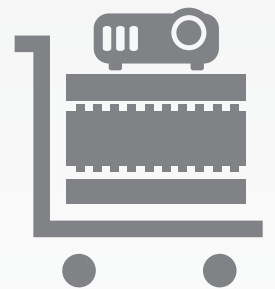
supported by Gabay Guro, a flagship program of PSF and the PLDT Managers Club, Inc. Of this number, 155 have graduated, 67 with Latin honors.

141 GABAY GURO SCHOLARS

who passed the Licensure Examinations for Teachers (LET) in 2017

1,255 STUDENTS

of 14 public schools where Smart TechnoCart units were deployed in 2017. The TechnoCart is a mobile digital laboratory donated by Smart and partner individuals and organizations so underserved communities can benefit from digital learning tools. A TechnoCart contains 20 tablets, a projector, a laptop-tablet, and a pocket Wi-Fi with starter load. The tablets and laptops are preloaded with fun educational content.



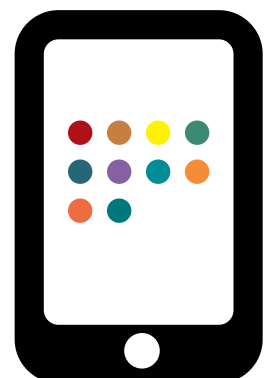
3,604 STUDENTS

of 17 schools where Smart School-in-a-Bag units were deployed in 2017. Similar to the TechnoCart, the School-in-a-Bag contains digital tools and learning content. It comes with a solar panel, for use of schools without electricity. Both the TechnoCart and School-in-a-Bag come with training sessions for teachers and yearlong monitoring.

1,142 TEACHERS AND STUDENTS

directly trained on nine technology topics in 2017 under the Smart Wireless Engineering Education Program (SWEEP). Of this number, 215 were students undergoing on-the-job training from 27 schools.

LEARNING APPS DEVELOPED in various languages and dialects such as Ta'allam (Arabic), Tahderiyah (Arabic), Ilokano, Cebuano, Matigsalug (Indigenous Peoples), and Filipino. Original content produced for the apps includes multi-lingual animated videos and original stories.



ENVIRONMENT



899 FRUIT-BEARING SEEDLINGS PLANTED

by PLDT employees as part of the Sitio Inigan Ecosystem Rehabilitation Program in Rizal



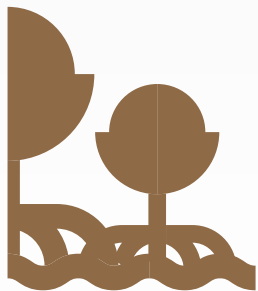
MARIKINA WATERSHED INITIATIVE

Reforestation efforts Smart supports by addressing livelihood needs and providing incentives to those living within conservation areas. PLDT also supports the preservation of this watershed via tree-planting activities, children's outreach, and donation of fiber glass motorized banca to its adopted community.



BIOSENTINEL ENVIRONMENT MONITORING SYSTEM

deployed in the Mt. Makiling Forest Reserve for monitoring and analysis of ecological data. This came from a partnership between Smart and the ASEAN Center for Biodiversity.



13 HECTARES of natural mangroves in Pampanga for restoration through the Connected Mangroves Project in partnership with Smart. An IoT (Internet of Things) solution uses Smart's wireless connectivity to capture data relevant to mangroves' survival such as water level, humidity, soil moisture, temperature, and environment hazards. These data are relayed to stakeholders via a cloud-based dashboard.



PhP10.7 MILLION

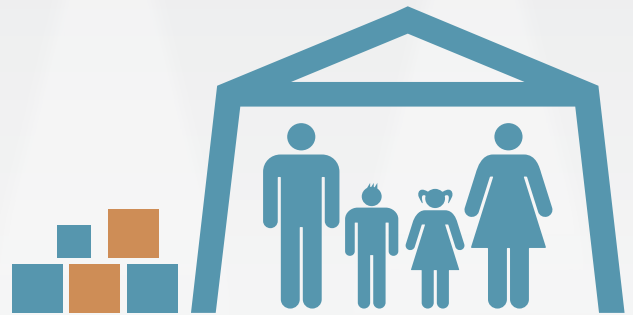
raised from supporting the Motolite-Philippine Business for Social Progress (PBSP) Balik-Bateria Program which promotes proper disposal and recycling of used batteries



DISASTER PREPAREDNESS

1,500

people capacity of the Tulong Kapatid Multi-purpose and Evacuation Center donated to the Archdiocese of Palo, Leyte by PSF in partnership with One Meralco Foundation and Ciena Communications. Leyte was hard-hit by Super typhoon Yolanda in 2013.



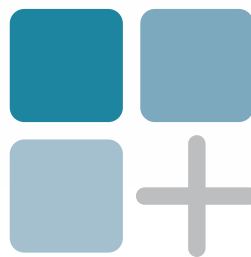
CHARGING AND WI-FI STATIONS set up in areas hit by calamities that caused power outages



COMMUNICATION SERVICES provided in Batangas, Leyte, and Surigao del Norte when they were affected by earthquakes

EMERGENCY COMMUNICATIONS

provided by Smart to support the National Simultaneous Earthquake Drills held in Cebu, Davao, and Cavite



PHP500 MILLION

invested for the Emergency Cell Broadcast System (ECBS) which provides quick location- and hazard-specific alerts, making it an effective warning system during disasters

8,313

students and faculty members of state universities from Luzon to Mindanao engaged in the TNT Tropang Ready disaster preparedness caravan

283 PARTICIPANTS

trained by students of Batangas State University who conducted their own mini-Tropang Ready program after the Batangas earthquake in 2017

HEALTHCARE



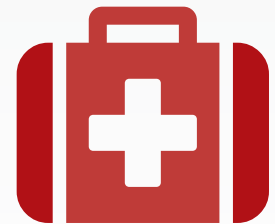
700 BLOOD DONORS

during the Dugong PLDT blood-letting activity held in partnership with the Philippine Children's Medical Center



EPINURSE+ NURSING

a new plug-in for SHINE OS+ created as an emergency risk reduction tool in Nepal



17,700

patient records digitized since 2015 by Smart's SHINE OS+ from 25 rural health units (RHU) covering 23 municipalities in Cebu; four RHUs from Iloilo; four from Rizal; and one each for Bohol, Bulacan, Kalibo, and Masbate

900 PATIENTS

recorded in the Operation Smile Philippines App, which Smart helped develop to enable Operation Smile to get information from cleft patients all over the country

As supplement to the Annual Report's CSR section, the other major CSR initiatives of the Group are presented here:

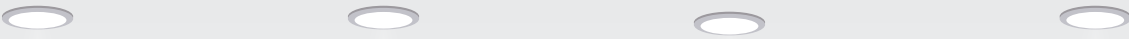
Promoting Filipino Culture and Philippine Tourism

The PLDT Group celebrates ethnic cultures nationwide by supporting special events and gatherings. PLDT also engages the community during such events by showcasing PLDT products and services that would be most beneficial to them. PLDT gave full support to festivals such as Sinulog Festival in Cebu, Dinagyang in Iloilo, Panagbenga Flower Festival in Baguio, Araw ng Dabaw and Kadayawan in Davao, Nuestra Señora del Pilar in Zamboanga, Tuna Festival in General Santos, Feast of Our Lady of Peñafrancia in Naga, and Masskara Festival in Bacolod.

A good example of the activities that PLDT brings to special events is the watercolor painting workshop "Masskara and Me" organized to encourage young artists, including out-of-school youth from five barangays in Bacolod City, to showcase their talent and artistry. The free art workshop attended by 70 participants was led by a professional artist and art instructor.

Meanwhile, efforts to promote the Philippine tourism industry included Smart's initiative in support of medical tourism. Smart partnered with The Medical City (TMC) for a campaign that gives complimentary Smart LTE Tourist SIM cards to foreign medical tourists who come to the country to avail of treatments at TMC.





Smart has also partnered with InnoPub Media to develop the Davao Guide and KulToura app mobile guides. These are handy tools for both tourists and students as these feature interesting information on top destinations and attractions, history and culture, popular personalities, and other trivia obtained from the archives of the National Commission for Culture and the Arts. The project involved the installation of QR codes on special markers, allowing mobile phone users to access the information on their own. This mobile solution is part of Smart's Digital Tourism partnerships with various local government units to help them attract tourists to their unique sites.

Enabling Livelihood Projects

Another important aspect of the Group's CSR is the support for livelihood projects of communities that are looking for their own entrepreneurial paths to economic freedom.

For instance, in partnership with the Philippine Business for Social Progress (PBSP), the Department of Social Welfare and Development (DSWD), and the Elsie Gaches Village (EGV) in Muntinlupa City, PLDT conducted a T-shirt monoprinting workshop for EGV residents. EGV is the only government institution that provides care and rehabilitation to abandoned, neglected, dependent, and foundling children as well as adults with special needs such as those with Autism Spectrum Disorder, Cerebral Palsy, Down Syndrome, and other intellectual disabilities and neuro-developmental disorders. The workshop aimed to provide the EGV residents an avenue to hone their skills and showcase their

talents, as the workshop culminated in an exhibit of the participants' work. The residents were also encouraged to sell their products in bazaars and make the project a self-sustaining enterprise.

Meanwhile, in another program, Smart facilitated the enrollment of 215 families from the Dumagat-Remontado indigenous community to the Zero Extreme Poverty 2030 program. The tribe resides in the protected watershed area in Sitio San Ysiro of Antipolo City where Smart and PSF have supported the watershed reforestation program for years. Adding a livelihood aspect to the initiative directly addressed the concerns of the community inside the area and engaged them fully in helping mitigate environmental degradation.

Another major project that the Group continuously supports is the maintenance of the DALOY reporting platform. The Dedicated Alert Lines for Ocean Biodiversity or DALOY 3456 is a local technology solution for marine enforcement in the Philippines. The platform enables effective reporting of illegal fishing activities in municipal waters that are exclusively reserved for artisanal fishers. Aside from protection of the environment, the project also effectively helps enforce essential support for marginal fishers in municipal fishing grounds who depend on this livelihood to provide for their families' needs.



Special Feature

Helping Marawi bravely rise from the ashes of war

From May to October of 2017, the scenic lakeside city in Lanao del Sur became the battleground between Philippine government troops and extremists linked to the Islamic State of Iraq and the Levant (ISIL). Over a thousand people - combatants and civilians - were killed as a consequence. Entire communities were shattered by bombs and bullets, leaving many families homeless.

After government forces retook the city and allowed the residents of Marawi to start returning to their homes, the people of Marawi were then faced with the overwhelming task of rebuilding their lives amid the ruins of their devastated city and the unspeakable trauma of war. Filipinos all over the country rallied behind them and joined hands to help.

And so it was that PLDT and Smart, together with Tulong Kapatid (Brotherly Help) – the CSR consortium of all the companies led by PLDT Chairman of the Board Manuel V. Pangilinan –

extended support for the people of Marawi. PSF, Meralco through its One Meralco Foundation (OMF), Philex Mining Corporation, and Metro Pacific Investments Corporation (MPIC) pooled their resources to send help to the families in need.

PSF and OMF conducted relief mission in the cities of Iligan and Marawi, donating food packs and clothing for 500 people. OMF and Smart gave additional food packs for more than 1,000 people in evacuation centers. PSF also delivered ice cream to the Maria Cristina evacuation center in Iligan, to bring some much-needed cheer to the children.

In coordination with the Duterte Cabinet Spouses Association, Tulong Kapatid also extended help to the families of the 98 soldiers and three police officers who were killed in battle during the Marawi siege.

PSF also provided 1,000 care packs for soldiers of the 4th Mechanized Infantry Brigade assigned in Iligan City. The care packs contained snacks,



cookies, and sports drinks to supplement the soldiers' usual food rations. PSF delivered 100 portable water filtration devices as well, for both the troops and the evacuees. PSF also donated lifesaving chest seals and hemostatic agents to the Camp Evangelista Hospital in Cagayan de Oro.

Smart set up a mobile cell site to serve government troops in the Marawi military camp. PLDT and Smart provided internet service so that soldiers could communicate more easily with their families at home. Smart also set up Libreng Tawag (Free Calls) booths for evacuees, and provided text blast services via Smart Infocast to help government and the military communicate with the public. These services were used by the Armed Forces of the Philippines, National Disaster Risk Reduction and Management Council (NDRRMC), rescue teams, and other responders to help in the evacuation of residents. PLDT and Smart also made Fibr internet and Wi-Fi routers available to the soldiers.

PLDT and PSF also participated in Paskong Kapatid (Brotherly Christmas) 2017, a project of the First Pacific Group for the Marawi communities. The event brought hope and joy to over 200 families with its Christmas program. Each company under

the First Pacific Group CSR Council provided Noche Buena (Christmas Eve) packs and hygiene kits to the families.

To bring smiles to the children of Marawi, PSF and Tulong Kapatid held a memorable CSR Activity Day where the kids were brought to Kidzania Manila in Bonifacio Global City. Tulong Kapatid made the day more special by giving away thoughtful gifts, while PSF provided baon packs and T-shirts. MPIC's hospital group also gave medical attention to the children.

PLDT also donated sewing machines for livelihood.

Looking forward, Tulong Kapatid also pledged support for the rehabilitation of Marawi during a special summit sponsored by the United for Marawi consortium. The consortium is made up of the Philippine Disaster Resilience Foundation (PDRF) and the PBSP which are both chaired by Pangilinan.

During that summit, PLDT and Smart committed to build telecoms infrastructure, while PSF's Gabay Guro program pledged to build new classrooms. United in the cause, the PLDT Group is committed and dedicated to strengthening the nation by helping rebuild people's lives.



Business Continuity and Disaster Management

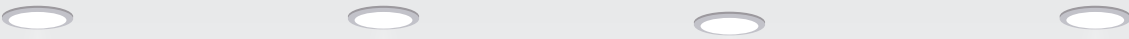
Solving problems like fraud, criminal attacks, and potential damage is of paramount importance to the PLDT Group, especially in the Philippines where citizens are heavily dependent on its services. The Group leaves no stone unturned in its efforts to curb incidences which affect its employees, customers, and stakeholders. It does so by constantly protecting its critical assets and infrastructure.

The PLDT Group has promulgated an enterprise-wide Business Continuity Policy that guides and creates the framework of the Business Continuity Management System (BCMS), whose administration is overseen by the Enterprise Business Continuity and Resilience Office (BCRO) which is under the Corporate Services Group.

Institutionalized in 2015, the BCRO is composed of strategic divisions that perform various functions:

- Risk assessment
- Business impact assessment
- Strategy formulations
- Plan development, testing, and exercising
- Plan/Program governance and continuous improvement
- Business continuity training and awareness

Building upon its achievements in 2016 wherein three cable landing stations (CLS) located in different parts of the country were awarded ISO 22301:2012 certifications, PLDT proceeded to implement the next phase of network resiliency. In 2017, BCMS in several critical network sites located in the Greater Metro Manila Area, particularly those crucial terminals for both domestic and international networks, pursued and eventually received their ISO certification.



The ISO 22301:2012 certification of these sites covers the operations and maintenance of Fixed Core Network Operations, International Gateway Operations, and Fixed Access and Transport Operations for North, East, and West Greater Metro Manila areas, supporting both domestic and international voice, data, and converged multimedia services connectivity. More than just covering the network elements, the certification encompasses the maintenance, protection, security, and safety of these critical facilities.

The ISO 22301:2012 certification provides the assurance that PLDT will be able to resume critical operations swiftly and minimize operational, financial, legal, reputational, and other material risks arising from a disruption, by reducing the impact and/or likelihood of multiple threats such as power outages, fire, earthquake, and the like. The BCM system implemented in such critical sites also helps mitigate systemic risks on other industries such as financial institutions and business process outsourcing industries that rely heavily on telecommunications as an integral part of their operations.

Moreover, to uphold the BCMS culture within the organization, PLDT provides comprehensive support and training to ensure that the concerned personnel are knowledgeable, competent, and empowered to implement the business recovery process when a disruptive event occurs. A series of BCMS activities was conducted with PLDT personnel such as: disaster preparedness orientation, Business Continuity Management (BCM 101)

training, regular review of risks and procedures on how incidents and crises are effectively escalated and resolved, periodic testing of business continuity plans, simulations, safety drills, and other business continuity-related workshops.

These activities form part of a framework which represents a cycle of continuous improvement of the BCMS based on changes in the business and operating environment, audit recommendations, and test results for risks, gaps, or vulnerabilities.

In addition to such activities which increase resilience in business operations, personal and family preparedness training activities were also provided to select PLDT employees – those who perform critical functions during the onset of, and immediately after disruptive incidents. The idea is that by providing them with the necessary knowledge and training to ensure their personal safety as well the safety of their family during and after a disaster, they will be able to focus on business recovery activities with full dedication and without distraction.

In 2017, the company's Asset Protection and Business Continuity Teams, being the first line crisis responders, became the first batch of participants for the aforementioned training which was conducted in coordination with Philippine Disaster Resilience Foundation (PDRF).

The PLDT Group believes that establishing a culture of preparedness and resilience is critical. PLDT therefore conducts regular simulations and safety drills to test the effectiveness of its Business Continuity Plan and to ensure the active participation of employees and collaboration of various business units.

The effectiveness and efficiency of these test activities are augmented through the use of the Hazard Alert Notification for Disasters Application (HANDA), a disaster preparedness mobile application designed exclusively for PLDT Group employees. An initiative of BCRO and the Asset Protection and Risk Management (APRM) unit, HANDA is a multipurpose app which allows the Group to communicate and send official disaster advisories to users via the SMS and newsfeed function. The app also has a direct hotline and incident management system that facilitates emergency rescue/relief support for employees, and an emergency preparedness tool that trains and empowers employees to be self-sufficient and resilient during emergencies.

All these activities form integral parts of the overall program that aligns the existing business-unit level emergency management plans with that of the enterprise-wide BCMS, thus ensuring an organizational resilience that is grounded on common and integrated objectives that give equal importance to people, stakeholder value, corporate competitiveness, and corporate social responsibility.



Responsible Operations



The principles of Responsible Operations spell the most difference for many industries that are mapping their journey towards true sustainability. Ultimately, sustainability means operational efficiency is achieved in a way that resources are optimized and maximized, waste is reduced and pollution is mitigated, assets are protected, and customer data are secured.

As an organization prevailing in an industry and an era pivoting towards digital, the Group is at the same time looking to innovate and seriously rethinking ways of maximizing the use of resources such as office space, paper and plastic products, transport and logistics, etc.

The Group agrees with all stakeholders that continuing to operate responsibly and to explore innovative ways of achieving efficiencies is important and will make a difference to the future not only of the business but also the communities it serves.

Resource Efficiency in Operations

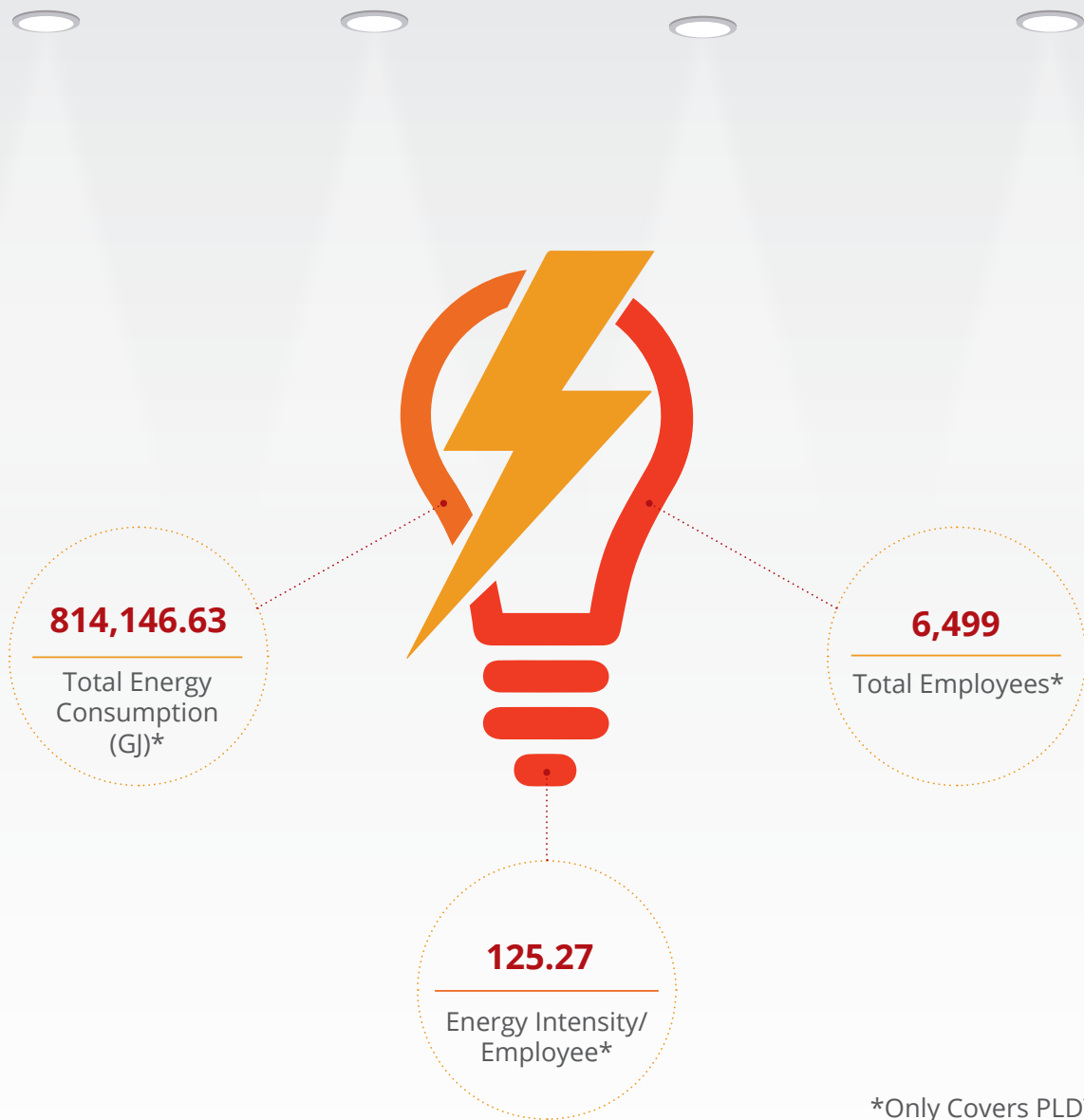
Energy is crucial to the Group's operation, for it to continuously provide services to customers. The Group's energy consumption covers all fixed line and wireless facilities in the Philippines, such as: buildings, fixed network sites, exchanges, stores/business offices, cell sites, warehouses and Remote Digital Line Units/Digital Line Carriers. Transport vehicle fuel makes up a major chunk of energy consumed in the Group's operations.

The work of managing energy consumption is shared by teams with the expertise and skills to plan and implement programs that make a positive impact on the long-term efficiencies of operations. The teams streamline policies and processes for resource monitoring while adding new ways for energy efficiency and savings for the entire organization.

UNIT / TEAM	AREAS OF RESPONSIBILITY
PLDT FM	<ul style="list-style-type: none"> Electricity consumption monitoring of all PLDT buildings and telecom facilities Diesel fuel use and monitoring for generator sets of mixed-use facilities Facilities Management Support Division centrally monitors PLDT-wide electricity consumption and handles payment processing.
PLDT Network	<ul style="list-style-type: none"> Diesel fuel use and monitoring for generator sets on pure core network sites
Smart PFM	<ul style="list-style-type: none"> Electricity and genset fuel management for Smart mixed-use and office facilities
Smart Wireless FM	<ul style="list-style-type: none"> Electricity and genset fuel use for cell sites
PLDT and Smart Logistics	<ul style="list-style-type: none"> Transport vehicles fuel

Below are the Group's 2017 energy consumption and GHG emissions scenarios:

Source	Energy Type	Consumption (GJ)	GHG Emissions (tons CO2e)
PLDT Transport	Transport Fuel (Diesel)-L	79,211.05	5,543.36
	Transport Fuel (Gasoline)-L	24,312.64	1,595.57
PLDT Facilities	Genset Fuel (Diesel)-L	12,628.41	889.05
	Electricity-kWh	697,994.53	97,403.9
PLDT Total Energy		814,146.63	105,431.88
Smart Transport	Transport Fuel (Diesel)-L	53,324.69	3,731.78
	Transport Fuel (Gasoline)-L	25,489.75	1,672.82
Smart Facilities	Genset Fuel (Diesel)-L	2,522.05	177.56
	Electricity-kWh	58,305.76	8,136.47
Smart Cell Sites	Genset Fuel (Diesel)-L	347,640.83	24,474.29
	Electricity-kWh	1,066,683.26	148,853.75
Smart Total Energy		1,553,966.34	187,046.67
ePLDT Facilities	Genset Fuel (Diesel)-L	3,059.44	215.39
	Electricity-kWh	146,880.00	20,496.84
ePLDT Total Energy		149,939.44	20,712.23



*Only Covers PLDT

Refrigerant Consumption and GHG Emissions of PLDT and Smart Facilities

Group	Refrigerant	Type	Quantity (kg)	GHG emissions (tons CO2e)
PLDT	R-22	HCFC	5,717.35	10,062.54
	R-123	HCFC	0	0
	R410A	HCFC	119.60	206.31
	R134A	HFC	114.00	148.20
	R141B	HCFC	1,078.91	843.71
Smart*	R-22	HCFC	613.13	1,079.11
	R-123	HCFC	0	0
	R410A	HCFC	46.00	79.35
	R134A	HFC	5.00	6.50
	R141B	HCFC	307.00	240.07
PLDT Group Total				12,665.79

* Only covers Smart, Sun, and Voyager facilities

Energy conservation is therefore a key strategic concern that facilities managers focus on. The Group has put various measures in place to ensure energy is managed effectively and that business units have energy conservation programs and monitoring systems to help achieve conservation targets. The energy conservation programs generally focus on cooling equipment, efficient lighting, and rationalization of workplace areas for better energy planning.

A major program was the replacement of old air-conditioning units with low operational efficiencies.

As such, the following were implemented in 2017:

- Replacement of old window-type air conditioners with more efficient inverter type units:
 - o 77 inverter type units in PLDT South Luzon Facilities – Cavite, Batangas, Laguna, and Quezon
 - o 10 inverter type units in Bulacan facilities under PLDT North Luzon
- Rehabilitation and conversion of old Precision Air Conditioning Unit (PACU) to Inverter Series 5-TR at PLDT MGO
- Rehabilitation of 6 Units of old PACU at PLDT North Parañaque Exchange

LOCATION	PROJECT DESCRIPTION	ESTIMATED SAVINGS (KW-HR)
SOUTH LUZON FM		
Laguna Sites	Replacement of Dilapidated Water Cooled Condensing Unit (WACU) Air Conditioners with Inverter Series 15 Units	80,841.60
Cavite Sites	Replacement of Dilapidated WACU Air Conditioners with Inverter Series 30 Units	160,963.20
Batangas Sites	Replacement of Dilapidated WACU Air Conditioners with Inverter Series 20 Units	107,308.80
Quezon Sites	Replacement of Dilapidated WACU Air Conditioners with Inverter Series 12 Units	64,385.28
NORTH LUZON FM		
Bulacan Sites	Replacement of Dilapidated WACU Air Conditioners with Inverter Series 10 Units	90,858.24
VISAYAS FM		
South Cebu	Replacement of Outdated PACU Air Conditioners 6-5TR Units at PLDT South Cebu Building (Telco Equipment Room)	83,856.00
Cebu Jones	Replacement of Outdated PACU Air Conditioners 2-7.5TR Units at PLDT Cebu (Jones) Exchange	47,305.00
ESTIMATED TOTAL ELECTRICITY SAVINGS ATTRIBUTED TO OUTDATED PACU and WACU air conditioners replacement		635,518.12

In 2017, PLDT saved 5,439,912.75 kWh of electricity, equivalent to 2,732.87 metric tons CO2e displacement. This was directly measured through monthly billings of electric utility.

Meanwhile, in terms of use of fuel in transport, there were PLDT and Smart fleet management initiatives that aimed to lower fuel consumption. For instance, part of a continuing program to improve the transport equipment is the phase-out of older vehicles and shifting to a new Common Rail Direct Injection (CRDI) technology fleet that is more efficient. The old and conventional diesel engines were replaced with new CRDI technology engines designed to have less carbon footprint. The new additions also have higher fuel efficiency and better safety options.

Total Number of Disposed Old and Aging Service Vehicles

PLDT
136 units



Smart
26 units

2017 Data	Service Vehicle			Total Fuel Consumed (liters)
	Diesel (liters)	Gasoline (liters)	Total Complement	
PLDT	1,714	517	2,231	2,773,669.71
Smart	699	452	1,151	2,130,786.02
			3,382	4,904,455.73

2016 Data	Service Vehicle			Total Fuel Consumed (liters)
	Diesel (liters)	Gasoline (liters)	Total Complement	
PLDT	1,777	554	2,331	3,048,620.00
Smart	702	427	1,129	2,287,417.00
			3,460	5,336,037.00

In 2017, the number of service vehicles for PLDT decreased by 100 units due to disposal of older models, which were not replaced with new ones. Meanwhile, the number of gasoline service vehicles for Smart increased due to the shift from Car Plan vehicles to service vehicles. These old models were replaced with brand new units that were more fuel efficient which caused a decrease in fuel consumption.

What's more, in 2017, Smart had a tie-up with Uber Philippines to supplement its fleet team. Four sales teams enrolled in the pilot run for Metro Manila. This helped not only in delivering good customer experience, but also in promoting efficient fleet management through paperless transactions and analytics.

Group (Smart)	Total No. of Trips	Total Kilometers
Alpha Wireless	1,222	11,726.13
Distributor Sales	366	3,493.97
Retail Channel Development	487	4,160.84
Retail Support	396	5,033.42
Total	2,471	24,414.36

Meanwhile, the Group also monitors and reports on its greenhouse gas (GHG) emissions. GHG are gases in the atmosphere that absorb and re-emit heat which contributes to climate change and global warming. Although GHGs occur naturally in the atmosphere, the uncontrolled increase in its levels are said to be the major contributor to warming the planet beyond what may be sustainable for humans.

For its part, the Group is aware that its use of electricity, generator sets, and transport vehicles are factors for its GHG emissions. The Group therefore tracks GHG data that include those from generator sets in office buildings, fixed network sites, exchanges, stores/business offices, cell sites, and warehouses. GHG from company-owned transport vehicles is also a part of the reporting.

In order to monitor and manage GHG emissions, corporate GHG estimation for Scope 1 emissions and Scope 2 emissions is done on an annual basis. For Scope 1 emissions, facility fuel data is collected from the concerned business units using standard data templates, and converted using standard emission factors. This is done at the corporate level by the Property and Facilities-Risk and Compliance Division (PF-Risk and Compliance). For Scope 2 emissions, electricity consumption data is collected by the Facilities Management Operations Support Division on a monthly basis. Electricity consumption data are then converted into GHG Emissions by PF-Risk and Compliance.

PLDT GHG Emissions	
Scope	Quantity (tCO ₂ e)
Scope1	19,288.73
Scope 2	97,403.90
TOTAL	116,692.63

Smart GHG Emissions*	
Scope	Quantity (tCO ₂ e)
Scope1	31,461.48
Scope 2	156,990.22
TOTAL	188,451.70

* Excludes GHG from refrigerant consumption of cell sites

PLDT GHG Intensity	
Total GHG Emissions	116,692.63 tCO ₂ e
Total Number of Employees	6,499
GHG Intensity	17.96 tCO₂e per Employee

The Group has a sustainability data gathering template through which it monitors and calculates various energy consumption and GHG related parameters:

Parameter	Measurement Method
GHG Emissions from Stationary Combustion (Gensets)	World Resources Institute (2015). GHG Protocol tool for stationary combustion. Version 4.1. World Resources Institute (2015). GHG Protocol tool for stationary combustion. Version 4.7 is for Electricity GHG
GHG Emissions from Fugitive (Refrigerant Leaks)	Global Warming Potential (GWP) Reference: GHG Protocol GWP Values (2014 Intergovernmental Panel on Climate Change or IPCC Fifth Assessment Report)
GHG Emissions from Mobile Combustion (Company-owned Vehicles)	Calculation Tool: World Resources Institute (2015). GHG Protocol tool for mobile combustion. Version 2.6
Genset Fuel Consumption	Based on the data gathering template where in diesel fuel consumption is measured through Genset Fuel Consumption Rate and Running Hours, and/or monitoring data of concerned business units that are operating and maintaining the generator sets
Refrigerant Leaks Measurement	Based on the data gathering template using estimation on refilled refrigerant with reference to available stock and new purchase quantity at the beginning of the month and the remaining quantity at the end of the month Data are accomplished by business units operating and maintaining building/facilities air-conditioning systems.
Vehicles Fuel Consumption	Based on the data gathering template duly filled up by the Logistics/Fleet Office
GHG Emissions from Purchased Electricity	Calculation Tool: World Resources Institute (2015). GHG Protocol tool for stationary combustion. Version 4.7
Electricity Consumption	Consumption Measurement: Data is based on Statements of Account/billing documents from utility companies

In the same vein, managing air quality around operational sites is essential for the Group. PFM and Wireless Facilities Management constantly measure and monitor air quality around operational sites to ensure compliance with provisions of the Clean Air Act and other regulations by the Department of Environment and Natural Resources (DENR) at all times. Because of the requirements of DENR and the Clean Air Act, 52 facilities with standby generator sets of 300kW and above had to be monitored for ambient emissions. DENR-recognized sampling contractor conducted air sampling tests at all these facilities, and all of them were found to have conformed to its regulations.

In 2017, PLDT performed GS Emission Monitoring for generator sets that were 600 KW and above located in 16 facilities. There were 25 genset units in all, and each one passed the standards set by DENR.

Genset Emission Testing				
Facilities	Number of Gensets	Sampling type	Result	
			NOx	CO
South Triangle CO	1	Stack Sampling	Passed	Passed
Garnet Exchange	2			
TelTEC/VSAT	2			
New Pasig Exchange	1			
No. Marikina Exchange	1			
So. Marikina Exchange	1			
MITC Compound	3			
San Pedro Exchange	1			
Las Piñas Exchange	1			
Muntinlupa Exchange	1			
Pasay Exchange	1			
Jupiter Exchange	1			
RCB	2			
MGO	4			
Pamplona Exchange	1			
Lucena Exchange	2			

In the case of water resource, although it is not a significant resource in the telecom sector, the Group recognizes the importance of water for its communities and that efficient water management will still make an impact in the long term. PLDT and Smart therefore monitor water consumption to ensure efficient usage.

Water is primarily sourced through local water utility companies and suppliers of bottled drinking water. Within the Group, water management is handled by PLDT Facilities Management and Smart PFM and the two of them are responsible for:

- Monthly recording of consumption and cost based on delivery receipts/Statement of Accounts
- Utility payment processing and monitoring systems
- Facility inspection for water utility systems regularly performed by concerned business units (PFM / Network)
- Corrective measures initiation by facilities with significant water consumption increase resulting from leaks or unnecessary water use
- Conversion to commercial water supply for buildings utilizing deep well source, whenever local water companies' service line becomes available

Group	Water Source	Total Water Consumed (m ³)
PLDT	Water Utility	447,245.63
	Deep Well	14,244.89
	Bottled Drinking Water	3,313.07
	Rainwater Reservoir	14,714.02
	Total	479,517.61
Smart	Water Utility	107,846
	Deep Well	0
	Bottled Drinking Water	62,389.8
	Rainwater Reservoir	300
	Total	170,535.8
ePLDT	Water Utility	120
	Total	120
PLDT Group Total		650,173.41

Waste Management

The normal course of operations generates non-hazardous as well as hazardous wastes. Paper, plastics, and garden wastes are some of the common non-hazardous wastes in PLDT and Smart. Used oil from generator sets, busted lamps from lighting fixtures, and used batteries from telecom equipment and vehicles are the typical hazardous wastes from operating the business.

Waste segregation is a major component of the Group's waste management agenda. Major facilities in the Group are provided with segregation bins for non-hazardous wastes. In general, collection and disposal of solid waste is done through local garbage collectors from the government. However, in major facilities with a larger volume of solid waste generation, a private garbage waste collector handles the collection. In the Group's Makati facilities, recyclable paper and plastic junk are sorted out and collected from storage areas by the partner contractor of Makati Commercial Estate Association, Inc. (MACEA).

Hazardous wastes are handled differently, through the prescribed procedures mandated by the DENR. Used oil, busted lamps, and used batteries are normally collected, packed, and temporarily stored in the facility before they are taken by authorized haulers for treatment. Facilities Management and Network Operation Teams along with their Pollution Control Officers handle this matter in their respective facilities. The PF-Risk and Compliance team oversees the processes.

Reusable junk materials and recyclables with monetary value such as cables, office furniture, discarded building electrical and mechanical equipment, vehicles, and other materials are sold to vendors.

Meanwhile, under the supervision of the Logistics Division, used batteries are donated to the Balik Baterya Program of PBSP and Motolite. The Balik Baterya Program involves the collection of used lead-acid batteries (ULABs) for proper recycling, including the recovery of reusable components for the production of new automotive and industrial batteries. Its hazardous components are treated through an accredited recycler of the DENR. Motolite buys the ULABs at a premium value and the proceeds are then used to fund various projects on education such as building classrooms for public schools.

To ensure that waste management processes and mechanisms remain efficient, PF-Risk and Compliance performs regular inspection of waste segregation performance. It ensures that only those garbage collectors deputized by local governments are contracted.

Data are collected annually from the Facilities Management and Network Operations by PF-Risk and Compliance in the first quarter of the year. These are updated on the sustainability data gathering template with an enhanced set of instructions to ensure data providers give accurate information. Currently, the Group is putting systems in place enhancing the waste data recording for Smart cell sites.

Group	Waste Type	Amount (tons)
PLDT	Busted Fluorescent Lamp	7.97
	Used Oil	6.79
	Biodegradable	776.72
	Non-biodegradable	240.18
	Recyclables	210.07
Smart/Voyager	Busted Fluorescent Lamp	1.94
	Used Oil	13.50
	Biodegradable	572.11
	Non-biodegradable	259.79
	Recyclables	21.41
ePLDT	CFL Bulbs	200 (pcs)
	Used Oil	40 (pails)
	Used Batteries	10

Wastewater management is also crucial to the PLDT Group. It continues to use the sewage treatment plant that was installed in 2016, a facility that uses a sequencing batch reactor technology which is an excellent mechanism for improving effluent quality.

Moreover, in the Group's efforts to ensure environmental compliance with various requirements of the DENR, 993 cell sites with gensets and fuel tanks were installed with pads and catch basins to ensure that any potential fuel leaks/spills were contained, and to prevent soil and underground water contamination. Construction of pads and catch basins in the remaining sites are

targeted to be completed by 2018. A total of 292 spill kits will be provided to cell sites as a part of the Spill Response and Containment Program.

The Group has hired Pollution Control Officers (PCO) to ensure DENR compliance. It was also able to get approval for additional PCOs across the nation.

The Group conscientiously submits Self-Monitoring Reports to the DENR in compliance with the provisions under its issued Hazardous Waste Permits.



Asset Protection

As a provider of essential public services that customers rely on for their businesses and day-to-day tasks, the PLDT Group understands the critical importance of providing the highest level of protection for assets and infrastructure that deliver those services. In the face of constant challenges to physical security, the Group has formed a consolidated asset protection unit to manage these threats.

For this function, a Corporate Asset Protection Policy was put in place in 2012. The policy adapts to continuously evolving threats as it undergoes regular review, updates, and revisions to make sure that the Group's response systems are agile and capable of addressing such threats.

The policy's key component involves the protection of critical assets via the Defense-in-Depth approach which boasts of a robust framework for physical security. The Defense-in-Depth approach achieves this via a fusion of capable human resources and cutting-edge technologies – electronic access controls, integrated closed-circuit TV systems (CCTV), intrusion detection alarms, 24/7 security monitoring command center, interspersed physical security barriers, and trained security personnel.

The PLDT Group continues to arm itself with next-generation physical security systems – testing them, and eventually adding them to its roster of security solutions.

And to further strengthen security, the Group engages with both the public and private sectors, working closely with law enforcement agencies to stop, investigate, and prosecute criminal acts and

their perpetrators. The PLDT Group works with experts on critical infrastructure resiliency, national security, and disaster and emergency response operations. It actively monitors and prepares for large public events which may pose additional threats.

Meanwhile, in efforts to boost security for its cell towers and remote transmission equipment, and maintain the capability to respond immediately during security-related incidents, the PLDT Group partners with local government units and communities where it operates. It has programs to educate local communities about the importance of securing these facilities. This endeavor multiplies the Group's ability to ensure continuous, adequate, and quality communication services for all.

Moreover, the Group makes an effort to build connections with the rest of the industry in order to find solutions to common threats such as equipment/cable theft, unauthorized tapping of commercial power, fraudulent misrepresentation by unauthorized personnel, and other criminal activities. These initiatives involve coordination and sharing of business intelligence and best practices on threat mitigation among the PLDT Group and its industry colleagues, which ultimately benefits the telecommunications market in the Philippines.

The PLDT Group also maximizes data analytics to use its resources more effectively and efficiently. It uses a data analytics tool for generating high-value insights that aid in defining trends and incident clusters. These are taken into consideration when developing operational security plans and deployments. Through long-term monitoring of



incidents, emerging and predictive trends emanate which allow the Group to formulate appropriate strategic mitigation mechanisms.

Root Cause Analysis is also undertaken by the Group to understand the cause of incidents and design ways to prohibit these, rather than just reacting and addressing problems as they happen.

The PLDT Group also recognizes the pivotal role of able and highly-trained personnel in ensuring asset protection at all times. The Group therefore ensures that appropriate training is provided to all the organic security personnel. The training provides them with the skills and know-how for

critical activities like surveillance, investigation, intervention, and case management.

A significant aspect of asset management for any enterprise operating in a country prone to natural calamities is disaster management. The Group uses all resources in its arsenal for a strategic preparation and response to occurrences like typhoons and floods.

To provide appropriate, efficient, and timely response, the Group has deployed nationwide trained Search and Rescue units that can provide rescue and relief work to both company employees and the communities where they serve.



Data Privacy and Information Security

Convergence in the digital era poses a host of opportunities for enterprises, but at the same time it poses risks and exposes networks to attacks from global cybercriminals who understand the value of the data sitting in these networks.

With new and robust data privacy and information security regulations now being implemented across the globe and in the country, the Group leaves no stone unturned to go beyond compliance. In order to minimize exposure to cyber security risks, the PLDT Group implements a multi-layered defense mechanism through the following key initiatives:

Creating a culture of security

The Group has embossed its security and privacy impact assessment in the planning cycle for new products and services. Its Security eLearning online program reinforces best practices in the proper management of company and personal data, in support of the Data Privacy Act. The Group has implemented phishing awareness campaigns and employee testing initiatives. It enjoins all employees to participate in industry and group-wide security hackathons to discover new ideas and talents, as well as fresh solutions.



Fortifying perimeter and internal defenses

The business continuously fortifies its network perimeter and internal defenses through the implementation of next-generation network intrusion prevention and detection capabilities.

Expanding security visibility and surveillance

The Group is continuously expanding its ability to collect, retain, and analyze millions of events across a multitude of devices, stations, and hosts. This enhances its security incidents and event management surveillance capability across the massive technology landscape of the organization.

Tightening controls on identity and access management of people, things, and services

The Group has implemented multi-factor authentication to increase its authentication controls. It has also increased the periodicity of its authorization access review to a quarterly basis. Access and entitlements are revoked unless confirmed by the employee's immediate manager.

Identifying, assessing, and remediating vulnerabilities

The PLDT Group has partnered with a consortium of top security industry experts, namely: FireEye-Mandiant, Fortinet, Cisco, and ION. They will provide objective assessment of the organization's level of maturity in its security programs and operations. Key programs to address areas of improvement have been identified and funded, with a number of these programs already being implemented and the progress reported to the Audit Committee on a quarterly basis.

Advancing incident response and threat-hunting capabilities

The Group is going beyond the traditional signature-based malware protection through the implementation of behavior-based analytical and intelligent solutions that will enable the CyberSecurity Operations team to promptly respond and contain incidents, as well as aid in threat attribution.




Protecting company data

The business has implemented the following measures to protect company confidential and sensitive data:

- The PLDT Group has a data leakage protection solution in place that scans and monitors systems and networks in order to prevent and detect leakage or disclosure of sensitive information, whether intended or unintended, via different channels (e.g. email, browsing, or external storage device).
- Instant communication data is treated as part of the body of business information; privacy and security governance, retention policies, and controls are equally applied to protect confidential and sensitive company data transmitted over messaging applications. Developers of commercial messaging applications do not have any contractual obligation to the PLDT Group. In the best case, data stored or transmitted is owned by the individual. In the worst case, the vendor reserves the right to view and reuse the data, which is contrary to the Group's interests. To address this risk, the company has started enforcing the use of MS Teams as its company-vetted messaging application. It has started educating its employees by prohibiting confidential and sensitive company data from being sent or received via consumer or commercial messaging applications.
- The Group has restricted the use of non-sanctioned cloud and portable external storage. It has an existing enterprise license for OneDrive and Sharepoint to address backup and storage requirements; employees need not resort to use of public storage platforms such as GoogleDrive and DropBox, where the company has no visibility nor control over the uploaded data.
- PLDT Group has recently deployed a data erasure solution which provides system custodians with the ability to securely erase digital data that is no longer needed from any storage device without the possibility of recovery, while leaving the disk operable. This removes the risk of data remanence.
- Microsoft Azure Information Protection has been integrated into protecting data, giving users the capability to classify, label, and protect company documents based on sensitivity.

The PLDT Group's security, privacy, and risk management leaders continuously assess and transform their programs to expand security reach, and to remain digital business enablers rather than obstacles to innovation.

With a vision to establish a trusted and resilient ecosystem (people, service, process, technology) and aiming to support the drive of the PLDT Group to remain the market leader in the digital



economy, the Group appointed a Data Privacy and Information Security Governance (DPISG) Head in 2017.

The DPISG Head is tasked to strengthen privacy and information security practices and address multiple challenges in relation to the increasing complexity in the business, regulatory, technology, and threat environment. The charter of the Technology Security group, the enabling arm of DPISG, has also been expanded to encompass management of IT, Service Platforms, and Network security practices, people, and tools, across PLDT and Smart.

In 2017, the PLDT Group had zero formal complaints received concerning breaches of customer privacy and leaks of customer data.

As for ePLDT, it reported no data privacy breaches for the ePLDT Group of companies (which includes ePLDT, AGS, Curo Teknika, ePDS, and IPC) in 2017. ePLDT is in compliance with the Data Privacy Act of the Philippines and has extensively identified systems and processes, policies, procedures, and security measures that ensure protection of personal information at the organizational, physical, and security levels.

Meanwhile, Voyager Innovations has taken the same stringent stance in protecting data privacy and information security. The company, as a matter of course, handles massive amounts of data and personal information in the pursuit of the vision of a world with “no digital divide.” It therefore understands and acknowledges the large responsibility inherent to this. With the help of regulating bodies such as Bangko Sentral ng Pilipinas, Payment Card Industry-Data Security Standard, and National Privacy Commission, Voyager is guided in this responsibility to protect the data of its clients.

Voyager Innovations gave its full support to the Corporate Information Security Policy now being implemented across the organization. The policy is the subject of certification for 100% of all employees, and certification has to be renewed annually. Voyager Innovations also introduced an IT Governance Committee to represent the technology group at the board level. The company implements full review of business units, products, services, and operations for their strict compliance with Republic Act 10173 and its Implementing Rules and Regulations effective after March 31, 2018.



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Independent Limited Assurance Statement to the Management of PLDT, Inc. and Subsidiaries (PLDT Group)

We have performed limited assurance procedures in relation to **PLDT Group's** Sustainability Report 2017 ("The Report") as detailed in the "Subject Matter" below.

The management's responsibility

PLDT Group's Sustainability Report 2017 has been prepared by the Management of PLDT Group, which is responsible for the collection and presentation of the information it contains and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process. There are currently no legally prescribed requirements relating to the preparation, publication and verification of sustainability reports.

The auditor's responsibility

Our responsibility in performing our limited assurance activities is to the Management of PLDT Group only and in accordance with the terms of reference agreed with them. We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance any such third party may place on the Report is entirely at their own risk.

Our review was limited to the information on the select indicators set out within the Report from 01 January 2017 to 31 December 2017 and our responsibility does not include:

- Any work in respect of sustainability information published elsewhere on PLDT Group's Annual Report, website and other publications,
- Sustainability information prior to 01 January 2017 and subsequent to 31 December 2017, and
- Management's forward looking statements such as targets, plans and intentions.

Our multi-disciplinary team has the required competencies and experience to conduct this assurance engagement. Our professionals have experience in both assurance skills and in the applicable subject matter including environmental, social and financial aspects.

Reporting criteria

As a basis for the assurance engagement, we have used relevant criteria in the Global Reporting Initiative (GRI) Sustainability Reporting Standards. We consider these reporting criteria to be relevant and appropriate to review the Report.

Assurance standard used and level of assurance

Our limited assurance engagement has been planned and performed in accordance with the PSAE 3000, *Assurance Engagement Other Than Audits or Reviews of Historical Financial Information*. We have also considered the GRI Sustainability Reporting Standards in conducting our limited assurance procedures.

A limited assurance engagement consists of making enquiries and applying analytical and other limited assurance procedures. Our procedures were designed to provide a limited level of assurance and as such do not provide all the evidence that would be required to provide a reasonable level of assurance.

The procedures performed depend on the assurance practitioner’s judgment including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management’s internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Scope of work

We have been engaged by the Management of PLDT Group to perform limited assurance on selected disclosures of the Report as set out in the Subject Matter below.

Subject matter

The Subject Matters and GRI disclosures (with assured entities) for our limited assurance engagement are as follows:

Subject Matters and GRI Disclosures	Assured Entities
1. Economic <ul style="list-style-type: none"> a. Economic Performance <ul style="list-style-type: none"> i. 201-1 Direct economic value generated and distributed 	PLDT Group

Subject Matters and GRI Disclosures	Assured Entities
b. Anti-corruption i. 205-2 Communication and training about anti-corruption policies and procedures	Smart
c. Anti-competitive Behaviour i. 206-1 Legal actions for anti-competitive behavior, anti-trust	PLDT
2. Environmental a. Emissions i. 305-1 Direct (Scope 1) GHG emissions	PLDT
3. Social a. Employment i. 401-1 New employee hires and employee turnover ii. 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees iii. 401-3 Parental leave	PLDT Group PLDT Group PLDT, ePLDT
b. Occupational Health and Safety i. 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	PLDT
c. Training and Education i. 404-1 Average hours of training per year per employee ii. 404-2 Programs for upgrading employee skills and transition assistance programs iii. 404-3 Percentage of employees receiving regular performance and career development reviews	Smart PLDT and Smart PLDT and Smart
d. Diversity and Equal Opportunity i. 405-1 Diversity of governance bodies and employees	PLDT Group
e. Local Communities i. 413-1 Operations with local community engagement, impact assessments, and development programs	PLDT Group

What we did to form our conclusions

The procedures performed aim to verify the plausibility of information. We designed our procedures in order to state whether anything has come to our attention to suggest that the Subject Matter detailed above has not been reported in accordance with the reporting criteria cited earlier. In order to form our conclusions, we undertook the steps below:

1. Interviewed PLDT Group's Sustainability team to:
 - a. Understand principal business operations
 - b. Appreciate key sustainability issues and developments
 - c. Map out information flow for sustainability reporting and the controls on information collation
 - d. Identify data providers with their responsibilities, and
 - e. Recognize the likelihood of possible manipulation of sustainability data
2. Conducted process walkthrough of systems and processes for data aggregation and reporting, with relevant personnel to understand the quality of checks and control mechanisms, to assess these controls in relation to the concerned subject matters in the Report.
3. Interviewed employees and management (Sustainability, Human Resources, Engineering) to understand key sustainability issues related to the select indicators and processes for the collection and accurate reporting of performance information
4. Obtained documentation through sampling methods to verify assumptions, estimations and computations made by Management in relation to the concerned subject matters in the Report
5. Verified that data and statements had been correctly transcribed from corporate systems and/or supporting evidence, into the Report
6. Obtained various certifications, audit reports and financial statement report in relation to the concerned subject matters in the Report

Our independence

SGV has provided independent assurance services in relation to PLDT Group's Sustainability Report 2017. In conducting our assurance engagement we have met the independence requirements of the Philippine Institute of Certified Public Accountants, Code of Professional Conduct and Ethics. Our SGV independence policies prohibit any financial interests in our clients that would or might be seen to impair independence. Each year, partners and staff are required to confirm their compliance with the firm's policies.

Observations and areas for improvement

Our observations and areas for improvement will be raised in an internal report to PLDT Group's Management. These observations do not affect our conclusion on the Report set out below.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the information in the Report was not presented fairly and calculated in all material respects in accordance with the reporting criteria detailed above.

SYCIP, GORRES, VELAYO & CO.



Joseph Ian M. Canlas
Partner
CPA Certificate No. 46047

11 June 2018

GRI Index

Disclosure	Description	Page numbers	Status	External Assurance
102. GENERAL DISCLOSURE				
Organizational Profile				
102-1	Name of the organization	7	Reported	
102-2	Activities, brands, products, and services	7-10	Reported	
102-3	Location of headquarters	7	Reported	
102-4	Location of operations	7	Reported	
102-5	Ownership and legal form	7	Reported	
102-6	Markets served	7-10	Reported	
102-7	Scale of the organization	1,7,58	Reported	
102-8	Information on employees and other workers	58	Reported	
102-9	Supply chain	38	Reported	
102-10	Significant changes to the organization and its supply chain	No Changes	Reported	
102-11	Precautionary principle or approach	34	Reported	
102-12	External initiatives	13	Reported	
102-13	Membership in associations	13	Reported	
Strategy				
102-14	Statement from senior decision-maker	3	Reported	
Ethics and Integrity				
102-15	Key impacts, risks, and opportunities	29	Reported	
102-16	Values, principles, standards, and norms of behavior	5,32-34	Reported	
Governance				
102-17	Mechanisms for advice and concerns about ethics	32-34	Reported	
102-18	Governance structure	23-28	Reported	

Disclosure	Description	Page numbers	Status	External Assurance
Stakeholder Engagement				
102-40	List of stakeholder groups	20-22	Reported	
102-41	Collective bargaining agreements	74	Reported	
102-42	Identifying and selecting stakeholders	20-22	Reported	
102-43	Approach to stakeholder engagement	20-22	Reported	
102-44	Key topics and concerns raised	20-22	Reported	
Reporting Practices				
102-45	Entities included in the consolidated financial statements	1-29	Reported	
102-46	Defining report content and topic boundaries	17-18	Reported	
102-47	List of material topics	18	Reported	
102-48	Restatements of information	None	Reported	
102-49	Changes in reporting	None	Reported	
102-50	Reporting period	2017	Reported	
102-51	Date of most recent report	July 2017	Reported	
102-52	Reporting cycle	Annual	Reported	
102-53	Contact point for questions regarding the report	PLDT Corporate Office	Reported	
102-54	Claims of reporting in accordance with the GRI Standards	Core	Reported	
102-55	GRI content index		Reported	
102-56	External assurance	107-111	Reported	
201. ECONOMIC PERFORMANCE				
1. Topic-specific Disclosure				
Disclosure 201-1	Direct economic value generated and distributed	1	Reported	✓

Disclosure	Description	Page numbers	Status	External Assurance
204. PROCUREMENT PRACTICES				
1. Topic-specific Disclosure				
Disclosure 204-1	Proportion of spending on local suppliers	38,39	Reported	
205. ANTI-CORRUPTION PRACTICES				
1. Topic-specific Disclosure				
Disclosure 205-1	Operations assessed for risks related to corruption	32-34	Reported	
Disclosure 205-2	Communication and training about anti-corruption policies and procedures	33	Reported	✓
Disclosure 205-3	Confirmed incidents of corruption and actions taken	None	Reported	
206. ANTI-COMPETITIVE BEHAVIOR				
1. Topic-specific Disclosure				
Disclosure 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	37	Reported	✓
302. ENERGY				
1. Management Approach				
103-1	Explanation of the material topic and its boundary	90-91	Reported	
103-2	The management approach and its components	90-91	Reported	
103-3	Evaluation of the management approach	90-91	Reported	
2. Topic-specific Disclosure				
Disclosure 302-1	Energy consumption within the organization	91	Reported	
Disclosure 302-2	Energy consumption outside of the organization	94	Reported	
Disclosure 302-3	Energy intensity	92	Reported	
Disclosure 302-4	Reduction of energy consumption	93	Reported	

Disclosure	Description	Page numbers	Status	External Assurance
303. WATER				
1. Management Approach				
103-1	Explanation of the material topic and its boundary	98	Reported	
103-2	The management approach and its components	98	Reported	
103-3	Evaluation of the management approach	98	Reported	
2. Topic-specific Disclosure				
Disclosure 303-1	Water withdrawal by source	98	Reported	
Disclosure 303-2	Water sources significantly affected by withdrawal of water	None	Reported	
305. EMISSIONS				
1. Management Approach				
103-1	Explanation of the material topic and its boundary	95-97	Reported	
103-2	The management approach and its components	95-97	Reported	
103-3	Evaluation of the management approach	95-97	Reported	
2. Topic-specific Disclosure				
Disclosure 305-1	Direct (Scope 1) GHG emissions	95	Reported	✓
Disclosure 305-2	Energy indirect (Scope 2) GHG emissions	95	Reported	
Disclosure 305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	97	Reported	
306. EFFLUENTS AND WASTE				
1. Topic-specific Disclosure				
Disclosure 306-1	Water discharge by quality and destination	100	Reported	
Disclosure 306-2	Waste by type and disposal method	100	Reported	
Disclosure 306-3	Significant spills	100	Reported	

Disclosure	Description	Page numbers	Status	External Assurance
306. EFFLUENTS AND WASTE				
Disclosure 306-4	Transport of hazardous waste	99-100	Reported	
Disclosure 306-5	Water bodies affected by water discharges and/or runoff	None	Reported	
307. ENVIRONMENTAL COMPLIANCE				
1. Management Approach				
103-1	Explanation of the material topic and its boundary	35-37	Reported	
103-2	The management approach and its components	35-37	Reported	
103-3	Evaluation of the management approach	35-37	Reported	
2. Topic-specific Disclosure				
Disclosure 307-1	Non-compliance with environmental laws and regulations	35-37	Reported	
308. SUPPLIER ENVIRONMENTAL ASSESSMENT				
1. Topic-specific Disclosure				
Disclosure 308-1	New suppliers that were screened using environmental criteria	38-39	Reported	
Disclosure 308-2	Negative environmental impacts in the supply chain and actions taken	38-39	Reported	
401. EMPLOYMENT				
1. Topic-specific Disclosure				
Disclosure 401-1	New employee hires and employee turnover	59-60	Reported	✓
Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	61	Reported	✓
Disclosure 401-3	Parental leave	62	Reported	✓ [PLDT, ePLDT]

Disclosure	Description	Page numbers	Status	External Assurance
403. OCCUPATIONAL HEALTH AND SAFETY				
1. Management Approach				
103-1	Explanation of the material topic and its boundary	62-69	Reported	
103-2	The management approach and its components	62-69	Reported	
103-3	Evaluation of the management approach	62-69	Reported	
2. Topic-specific Disclosure				
Disclosure 403-1	Workers representation in formal joint management-worker health and safety committees	63	Reported	
Disclosure 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	64-66	Reported	✓ [PLDT]
Disclosure 403-4	Health and safety topics covered in formal agreements with trade unions	67	Reported	
404. TRAINING AND EDUCATION				
1. Topic-specific Disclosure				
Disclosure 404-1	Average hours of training per year per employee	73-77	Reported	✓ [Smart]
Disclosure 404-2	Programs for upgrading employee skills and transition assistance programs	71-72	Reported	✓ [PLDT and Smart]
Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	69-70	Reported	✓ [PLDT and Smart]

Disclosure	Description	Page numbers	Status	External Assurance
405. DIVERISTY AND EQUAL OPPORTUNITY				
1. Topic-specific Disclosure				
Disclosure 405-1	Diversity of governance bodies and employees	26,27,57,58	Reported	✓
Disclosure 405-2	Ratio of basic salary and remuneration of women to men	1:1	Reported	
406. NON-DISCRIMINATION				
1. Topic-specific Disclosure				
Disclosure 406-1	Incidents of discrimination and corrective actions taken	74-75	Reported	
407. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
1. Topic-specific Disclosure				
Disclosure 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	74	Reported	
408. CHILD LABOR				
1. Topic-specific Disclosure				
Disclosure 408-1	Operations and suppliers at significant risk for incidents of child labor	None	Reported	
409. FORCED OR COMPULSORY LABOR				
1. Topic-specific Disclosure				
Disclosure 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	None	Reported	
410. SECURITY PRACTICES				
1. Topic-specific Disclosure				
Disclosure 410-1	Security personnel trained in human rights policies or procedures	75	Reported	

Disclosure	Description	Page numbers	Status	External Assurance
411. RIGHTS OF INDIGENOUS PEOPLES				
1. Topic-specific Disclosure				
Disclosure 411-1	Incidents of violations involving rights of indigenous peoples	None	Reported	
412. HUMAN RIGHTS ASSESSMENT				
1. Topic-specific Disclosure				
Disclosure 412-1	Operations that have been subject to human rights reviews or impact assessments	74-75	Reported	
Disclosure 412-2	Employee training on human rights policies or procedures	74-75	Reported	
Disclosure 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	74-75	Reported	
413. LOCAL COMMUNITIES				
1. Topic-specific Disclosure				
Disclosure 413-1	Operations with local community engagement, impact assessments, and development programs	76	Reported	✓
Disclosure 413-2	Operations with significant actual and potential negative impacts on local communities	None	Reported	
414. SUPPLIER SOCIAL ASSESSMENT				
1. Topic-specific Disclosure				
Disclosure 414-1	New suppliers that were screened using social criteria	38-39	Reported	
Disclosure 414-2	Negative social impacts in the supply chain and actions taken	None	Reported	

Disclosure	Description	Page numbers	Status	External Assurance
416. CUSTOMER HEALTH AND SAFETY				
1. Topic-specific Disclosure				
Disclosure 416-1	Assessment of the health and safety impacts of product and service categories	All products are safe	Reported	
Disclosure 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	35-37	Reported	
417. MARKETING AND LABELING				
1. Topic-specific Disclosure				
Disclosure 417-1	Requirements for product and service information and labeling	7	Reported	
Disclosure 417-2	Incidents of non-compliance concerning product and service information and labeling	35-37	Reported	
Disclosure 417-3	Incidents of non-compliance concerning marketing communications	None	Reported	
418. CUSTOMER PRIVACY				
1. Topic-specific Disclosure				
Disclosure 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	35	Reported	
419. SOCIOECONOMIC COMPLIANCE				
1. Topic-specific Disclosure				
Disclosure 419-1	Non-compliance with laws and regulations in the social and economic area	37	Reported	

Material Concerns	Within Organization	Outside Organization
Corporate Governance	✓	
Annual Reporting	✓	
Managing Business Risk	✓	
Ethical Operations and Management	✓	✓
Compliance with Regulatory Standards	✓	
Anti-competitive and Anti-trust Behavior	✓	
Service Access	✓	
Service Quality and Network Improvements	✓	
Customer Experience	✓	
Innovation in Products and Services	✓	
Resource Efficiency in Operations	✓	
Asset Protection	✓	
Customer Data Privacy and Information Security	✓	
Employment and Talent Management	✓	
Employees' Health and Safety	✓	
Training and Education	✓	
Diversity	✓	
Corporate Social Responsibility		✓
Business Continuity and Disaster Management	✓	



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