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## 1. POLICY STATEMENT

The Manila Electric Company (“MERALCO” or the “Company”) is committed to advancing workforce diversity and nurturing an inclusive and safe workplace for all its employees.

To fulfill this commitment, the Company developed this Diversity and Inclusion Policy (“Policy”), taking into consideration the best interest of its people, to ensure that MERALCO provides equal employment opportunities to every qualified individual.

## 2. SCOPE AND APPLICABILITY

This Policy applies to MERALCO’s directors, officers, and employees.

The Company is committed to working with and encouraging its subsidiaries and affiliates to uphold the principles laid down in this Policy and implement within their own jurisdiction pertinent policies and conditions that promote workforce diversity and an inclusive and safe workplace.

## 3. COMMITMENTS

MERALCO respects all individuals and values differences in gender, age, ethnicity, physical appearance, health, religion, sexual orientation, socio-economic background, and family status. The Company believes that when its people feel respected, valued, and treated fairly, they are more motivated to perform—delivering the MERALCO core value of *malasakit* when serving customers and communities.

**“Diversity”** refers to differences in gender, age, ethnicity, physical appearance, health condition, religion, sexual orientation, socio-economic background, and family status.

**“Inclusion”** refers to fostering a culture where all differences are respected and valued, and a work environment where everyone can learn, contribute, and succeed.

MERALCO’s commitment to recognizing workplace diversity and inclusion extends to all areas of its business, including, but not limited to:

- Employee Attraction, Selection and Retention;
- Performance Management and Remuneration;
- Learning and Development;
- Employee Health, Safety, and Wellness;
- Talent Management and Succession Planning;

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- Employee Relations.

### **On Employee Attraction, Selection and Retention**

MERALCO provides equal opportunities for employment. Employment decisions are based on merit, considering an individual's qualifications, skills, performance, and achievements. The Company does not tolerate discrimination against any employee or applicant for employment based on personal attributes which are not work-related.

In an industry where workforce population is predominantly male, MERALCO is implementing programs and adopting measures to increase the women population in all levels of the organization.

### **On Performance Management and Remuneration**

The Company recognizes and rewards employees based on performance. An established performance management system is in place, which enables both supervisors and employees to do objective performance planning, monitoring, development, and evaluation.

MERALCO's pay philosophy is anchored on fairness and merit. To attract, retain, and motivate talent, the Company ensures the competitiveness of its remuneration program across all levels and positions in the organization. Internal pay equity is also ensured, such that an employee is compensated based on the worth of his/her job and granted pay adjustments based on the value contributions he/she delivers to the Company.

### **On Learning and Development**

The Company offers continuous learning and development opportunities for its people across all levels and positions in the organization. To cultivate a culture of innovation and professional growth, learning interventions and tools are made available to all employees throughout the course of their employment in the Company, based on job and business requirements.

### **On Employee Health, Safety, and Wellness**

To promote its people's physical, mental, and spiritual well-being, the Company conducts health and wellness events and activities covering various areas of interest, and strongly encourages employee engagement and participation.

MERALCO invariably aims for zero safety incidents in the workplace. The Company mandates its employees to undergo occupational health and safety training and strictly adhere to related guidelines and protocols.

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### **On Talent Management and Succession Planning**

The Company provides fair and equal opportunities for job promotion and career advancement based on employee skills and competencies. Career paths for both leadership and individual contributor roles are offered to employees. A talent management and succession planning program is in place to ensure that deserving employees are identified and selected for advancement.

MERALCO is committed to nurturing diversity in its Board and across the various leadership levels of the organization.

### **On Employee Relations**

MERALCO exercises zero-tolerance towards any form of discrimination, harassment, and bullying. The Company condemns and will not tolerate offensive or improper conduct that could lead to harassment of employees by supervisors or co-workers. Harassment or bullying by the Company's employees towards non-employees with whom its employees have a business or professional relationship is also not tolerated. MERALCO takes allegations of discrimination, harassment, and bullying seriously, and encourages its employees to report such conduct through the Company's feedback/grievance mechanism, for proper investigation and resolution.

## **4. SUPPORTING POLICIES**

The following Company policies support the overall implementation of this Policy:

- Talent Resourcing Policy
- Promotions Policy
- Compensation Policy (Inclusive of Salary and Benefits Programs)
- Training and Development Policy
- Talent Management and Succession Planning Policy
- Health and Safety Policy
- Anti-Sexual Harassment Policy
- Code on Right Employee Conduct (COREC)

## **5. COMPLIANCE**

Actions that hinder diversity and inclusivity in the workplace shall be subjected to investigation by human resources as documented in the supporting policies. Appropriate sanctions shall be enforced on a case-to-case basis, depending on the nature and outcome of the offense.

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## 6. APPROVAL

The Company has reviewed the contents of this document and hereby approve its implementation effective March 1, 2022 .

Approved by D&I Sponsors:

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