

CEBU HOLDINGS, INC.
ASEAN CORPORATE GOVERNANCE SCORECARD
ASSESSMENT YEAR: 2016
PART C. ROLE OF STAKEHOLDERS

		Guiding Reference	Yes / No	Assessor's Remarks
PART C. ROLE OF STAKEHOLDERS				
C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected.			
	Does the company disclose a policy and practices that address :			
C.1.1	The existence and scope of the company's efforts to address customers' welfare?	OECD Principle IV (A): The rights of stakeholders that are established by law or through mutual agreements are to be respected. In all OECD countries, the rights of stakeholders are established by law (e.g. labour, business, commercial and insolvency laws) or by contractual relations. Even in areas where stakeholder interests are not legislated, many firms make additional commitments to stakeholders, and concern over corporate reputation and corporate performance often requires the recognition of broader interests.	Y	<p>The Company has a Stakeholder engagement program for its customers.</p> <p>The company has a Customer First Policy that prioritizes added value in the delivery of products and services to continually satisfy the changing expectations of customers.</p> <p>It takes steps to ensure that it is attuned and responsive to the needs of its customers through service delivery and health and safety initiatives. They are provided with information to make educated decisions, and at all times we keep customer data safe.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 162, 185) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. Company Website – Section on Sustainability (Stakeholder Engagement) http://www.cebuholdings.com/sustainability_list/7/</p> <p>c. SEC Annual Corporate Governance Report – ACGR (page 72) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p>
C.1.2	Supplier/contractor selection procedures?		Y	<p>The company implements standard procurement policies and procedures across its business units. Regular supplier accreditation and annual performance evaluation are observed.</p> <p>Supporting Document:</p> <p>a. 2016 Annual and Sustainability Report (page 54)</p>

				<p>a. http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 73) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p>
C.1.3	The company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?		Y	<p>The Company has adopted a Sustainability Policy.</p> <p>At CHI, we are committed to continuously improve our business strategy and sustainability performance throughout our value chain to maintain a long-term strategic position while driving society towards a sustainable future.</p> <p>Supporting Document:</p> <p>a. 2016 Annual and Sustainability Report (page 54) a. http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. Company Website – Section on Sustainability Policy http://www.cebuholdings.com/sustainability_list/2/</p> <p>c. SEC Annual Corporate Governance Report – ACGR (page 73) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p>
C.1.4	The company's efforts to interact with the communities in which they operate?		Y	<p>The Company strives to be socially responsible in all our dealings with our neighboring communities in the areas we operate. We ensure that our interactions serve our environment and stakeholders in a positive and progressive manner, fully supportive of a comprehensive and balanced type of development.</p> <p>The Company believes in the power of business and entrepreneurship to improve lives and create pathways for sustainable growth. By extending market opportunities and creating innovative platforms for the exchange of new goods and services, we aim to elevate more people from the bottom of the pyramid and into the economic mainstream. The increasing number of jobs we create, our investments in community development, our capacity building programs for small scale and social enterprises—these are some of the areas that we pursue towards making Cebu a much better city to live in.</p> <p>Supporting Document:</p> <p>a. 2016 Annual and Sustainability Report (page 54, 130) a. http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. Company Website- Section on Stakeholder Engagement http://www.cebuholdings.com/wp-content/uploads/2016/12/outcome_of_stakeholder_engagement_2016.pdf</p> <p>c. SEC Annual Corporate Governance Report – ACGR (page 74)</p>

			http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf
C.1.5	The company's anti-corruption programmes and procedures?	Y	<p>The Company adopts a Whistleblowing Policy to encourage and empower all our employees, third-party business partners, and other stakeholders to report any suspected or known illegal or unethical activity.</p> <p>The company complies with all legal, consumer, and financial reporting requirements against corruption, including extortion and bribery.</p> <p>The company is in compliance with all applicable laws and regulations. To this end, there has been no reported incident of any violation</p> <p>Supporting Document:</p> <p>a. 2016 Annual and Sustainability Report (page 55, 185) a. http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 75) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> <p>c. Company Website- Section on Stakeholder Engagement http://www.cebuholdings.com/wp-content/uploads/2016/12/outcome_of_stakeholder_engagement_2016.pdf</p> <p>d. Company Website – Section on Whistleblowing Policy http://www.cebuholdings.com/governance_list/13/</p> <p>e. Whistleblowing Policy http://www.cebuholdings.com/wp-content/uploads/2016/12/Whistleblowing-Policy.pdf</p> <p>f. Whistleblowing System http://chiwhistle.cebuholdings.com/chiwhistle/</p>
C.1.6	How creditors' rights are safeguarded?	Y	<p>The company presents creditors with all the information required to evaluate our credit standing.</p> <p>Supporting Document:</p> <p>a. 2016 Annual and Sustainability Report (page 54, 185) a. http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. Company Website- Section on Stakeholder Engagement http://www.cebuholdings.com/wp-content/uploads/2016/12/outcome_of_stakeholder_engagement_2016.pdf</p>

				<p>c. SEC Annual Corporate Governance Report – ACGR (page 76) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p>
C.1.7	Does the company have a separate report/section that discusses its efforts on environment/economy and social issues?		Y	<p>The Company adopts GRI reporting and disclosure. Aside from following the Global Reporting Initiative (GRI) Guidelines, the Company has taken the first steps in accounting for our strategic focus, broad base of capitals, and how the interconnectivity of these strategies, resources, and relationships can create value for our stakeholders over varying degrees of time.</p> <p>Supporting Document: a. 2016 Annual and Sustainability Report http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. Company Website- Sustainability Section http://www.cebuholdings.com//sustainability_list/2</p> <p>c. SEC Annual Corporate Governance Report – ACGR (page 77) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p>
C.2	Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.			
C.2.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	OECD Principle IV (B): The legal framework and process should be transparent and not impede the ability of stakeholders to communicate and to obtain redress for the violation of rights.	Y	<p>Contact details are provided to stakeholders.</p> <p>Supporting Document: a. 2016 Annual and Sustainability Report (page 287) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. Company Website- Section on Shareholder Information http://www.cebuholdings.com/investor_rel_list/8/</p>

C.3	Mechanisms for employee participation should be permitted to develop.			
C.3.1	Does the company explicitly disclose the policies and practices on health, safety and welfare for its employees?	<p>OECD Principle IV (C): The degree to which employees participate in corporate governance depends on national laws and practices, and may vary from company to company as well. In the context of corporate governance, mechanisms for participation may benefit companies directly as well as indirectly through the readiness by employees to invest in firm specific skills. Examples of mechanisms for employee participation include: employee representation on boards; and governance processes such as work councils that consider employee viewpoints in certain key decisions. International conventions and national norms also recognise the rights of employees to information, consultation and negotiation. With respect to performance enhancing mechanisms, employee stock ownership plans</p>	Y	<p>The Company supports and respects the protection of human rights and ensures that the institution does not tolerate human rights abuses. It complies with all existing labor laws including retrenchment, redundancy, and resignation. In terms of employee feedback mechanism, there are various channels to obtain feedback across the organization Open lines of communication are available, including but not limited to, regular departmental meetings, townhall events and a semi-annual internal customer survey.</p> <p>Ensuring the health and well-being of our people has been the central focus of our CHI P.L.U.S Program for the past two years. As such, we conducted activities to promote physical vitality and holistic development. We also extended the participation of this program to employees of our contractors, MDC and APMC, whom we engage on a daily basis.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 150) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 77, 78) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> <p>c. Company Website- Section on Stakeholder Engagement http://www.cebuholdings.com/wp-content/uploads/2016/12/outcome_of_stakeholder_engagement_2016.pdf</p>
C.3.2	Does the company explicitly disclose the policies and practices on training and development programmes for its employees?	<p>International conventions and national norms also recognise the rights of employees to information, consultation and negotiation. With respect to performance enhancing mechanisms, employee stock ownership plans</p>	Y	<p>The Company has training and development programs for its employees. The Company invests on its people, by providing them development programs in a work environment that is creative, healthy and safe.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 150) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 78) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> <p>c. Company Website- Section on Stakeholder Engagement http://www.cebuholdings.com/wp-content/uploads/2016/12/outcome_of_stakeholder_engagement_2016.pdf</p>
C.3.3	Does the company have a reward/compensation policy that accounts for the performance of the	<p>With respect to performance enhancing mechanisms, employee stock ownership plans</p>	Y	<p>We focus on growth, profitability, return on equity, asset efficiency, and total shareholder return as key result areas for our management team on a corporate, divisional, and individual level. These form the basis of incentives such as management promotions, allocation of a performance-based cash bonus, and executive stock ownership plan grants</p> <p>Supporting Documents:</p>

	company beyond short-term financial measures?	or other profit sharing mechanisms are to be found in many countries. Pension commitments are also often an element of the relationship between the company and its past and present employees. Where such commitments involve establishing an independent fund, its trustees should be independent of the company's management and manage the fund for all beneficiaries.		<p>a. 2016 Annual and Sustainability Report (page 83, 186) a. http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 78) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> <p>c. Company Website- Section on Stakeholder Engagement http://www.cebuholdings.com/wp-content/uploads/2016/12/outcome_of_stakeholder_engagement_2016.pdf</p>
C.4	Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.			
C.4.1	Does the company have a whistle blowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behaviour and provide contact details via the company's website or annual report	OECD Principle IV (E): Unethical and illegal practices by corporate officers may not only violate the rights of stakeholders but also be to the detriment of the company and its shareholders in terms of reputation effects and an increasing risk of future financial liabilities. It is therefore to the advantage of the company and its shareholders to establish procedures and safe-harbours for complaints by	Y	<p>The Company adopts a Whistleblowing Policy to encourage and empower all our employees, third-party business partners, and other stakeholders to report any suspected or known illegal or unethical activity.</p> <p>Supporting Document:</p> <p>a. 2016 Annual and Sustainability Report (page 55, 185) a. http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 75) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> <p>c. Company Website – Section on Whistleblowing Policy http://www.cebuholdings.com/governance_list/13/</p> <p>d. Whistleblowing Policy http://www.cebuholdings.com/wp-content/uploads/2016/12/Whistleblowing-Policy.pdf</p> <p>e. Whistleblowing System http://chiwhistle.cebuholdings.com/chiwhistle/</p>

		employees, either personally or through their representative bodies, and others outside the company, concerning illegal and unethical behaviour.		
C.4.2	Does the company have a policy or procedures to protect an employee/person who reveals alleged illegal/unethical behaviour from retaliation?		Y	<p>The Company adopts a Whistleblowing Policy to encourage and empower all our employees, third-party business partners, and other stakeholders to report any suspected or known illegal or unethical activity. The whistleblower is protected against retaliation.</p> <p>By reporting through any of the CHI Business Integrity Channels, a Whistleblower is protected from any retaliation against him, provided that the report is made in good faith. Cases of retaliation against any Whistleblower may be reported through any of the CHI Business Integrity Channels.</p> <p>The Retaliation Complaint shall be dealt with in accordance with the Whistleblowing policy, or other relevant company policies and procedures, and any applicable laws.</p> <p>Supporting Document:</p> <p>a. 2016 Annual and Sustainability Report (page 55, 185) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 75) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> <p>c. Company Website – Section on Whistleblowing Policy http://www.cebuholdings.com/governance_list/13/</p> <p>d. Whistleblowing Policy http://www.cebuholdings.com/wp-content/uploads/2016/12/Whistleblowing-Policy.pdf</p> <p>e. Whistleblowing System http://chiwhistle.cebuholdings.com/chiwhistle/</p>