



First Pacific Company Limited

(Stock Code: 00142)

Environmental, Social and Governance Report 2016

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1 ABOUT FIRST PACIFIC

First Pacific Company Limited (“First Pacific” or “the Company”) is headquartered in Hong Kong Special Administrative Region (“Hong Kong SAR”) where our shares are listed on the Stock Exchange of Hong Kong Limited (“SEHK”) under stock code 00142. We are an investment management and holding company with operations located in Asia-Pacific. Our principal business interests relate to consumer food products, infrastructure, natural resources and telecommunications.

Our mission is to invest responsibly and unlock and enhance value in the companies under our stewardship by:

- Delivering dividend/distribution returns to shareholders;
- Delivering share price/value appreciation of First Pacific and our investee companies; and
- Making further investments in our businesses taking into consideration all relevant criteria, including Environmental, Social and Governance (“ESG”) factors, to better manage risk and generate sustainable long-term returns.

Our investment criteria are based on principles of responsible investing, including ESG factors, and they are:

- Investments must be related to our areas of expertise and experience (consumer food products, infrastructure, natural resources and telecommunications);
- Investments must meet not only our criteria on potential financial returns, but also our minimum requirements on ESG;
- Investee companies must have a strong or dominant market position in their sectors;
- They must possess the potential for significant cash flows; and
- We must obtain management control or significant influence to ensure our goals can be met.

Our strategies are threefold:

- Identify undervalued or underperforming assets with strong potential for growth and synergies;
- Manage investments by setting strategic direction, developing business plans and defining targets; and
- Raise standards to world-class levels at the investee companies including a strong focus on ESG.

First Pacific's shares are also available for trading in the United States through American Depositary Receipts under ticker FPAFY. Our main source of income is dividends from our investments.

Consolidated revenues in the year ended 31 December 2016 amounted to US\$6.8 billion while recurring profit was US\$264.9 million and reported net profit was US\$103.2 million. Total equity amounted to US\$8.0 billion and total assets were US\$17.2 billion. At the end of 2016, First Pacific Head Office had gross debt of US\$1.8 billion and net debt of US\$1.5 billion.

First Pacific's portfolio has a balance of more mature assets in PLDT Inc. ("PLDT") and PT Indofood Sukses Makmur Tbk ("Indofood") which deliver steady dividend flows allowing investment for growth in Metro Pacific Investments Corporation ("MPIC"), Goodman Fielder Pty Limited ("Goodman Fielder"), Philex Mining Corporation ("Philex"), PacificLight Power Pte. Ltd. ("PLP") and Roxas Holdings, Inc. ("RHI").

PLDT is the dominant telecommunications services provider in the Philippines and Indofood is the largest vertically integrated food company in Indonesia. MPIC is the Philippines' largest infrastructure investment management and holding company with investments in the Philippines' largest electricity distributor, toll road operator, water distributor, hospital group and rail, as well as the largest electricity generator in the Visayas region of the Philippines. Goodman Fielder is a leading food company in Australasia. Philex is one of the largest metal mining companies in the Philippines, producing gold, copper and silver. PLP is the operator of one of Singapore's most efficient gas-fired power plants and RHI runs an integrated sugar and ethanol business in the Philippines.

As at 31 December 2016, the gross asset value ("GAV") of First Pacific's investments is valued at US\$7.2 billion, with the following geographic breakdown:

Philippines	53%
Indonesia	36%
Australasia	8%
Singapore	3%

GAV is made up of the attributable market capitalization of First Pacific's listed investments plus the investment or carrying costs of unlisted investments.

As at 31 December 2016, First Pacific's economic interest in PLDT was 25.6%, in Indofood 50.1%, in MPIC 42.0%, in FPW Singapore Holdings Pte. Ltd. ("FPW"), the parent company of Goodman Fielder, 50.0%, in Philex 31.2% (Two Rivers Pacific Holdings Corporation, a Philippine affiliate of First Pacific, holds an additional 15.0% economic interest in Philex), in FPM Power Holdings Limited ("FPM Power"), the parent company of PLP, 67.8% and in FP Natural Resources Limited ("FP Natural Resources"), the parent company of RHI, 79.4%.

First Pacific is a member of the Hong Kong Management Association. Looking ahead, the Company plans to coordinate with other Group operating companies to work towards membership of leading ESG organizations whose aims are to promote responsible and sustainable investment.

We will now turn to the companies which are First Pacific's major investments.

PLDT is a leading telecommunications services provider in the Philippines. Through its principal business groups – fixed line and wireless – PLDT offers a wide range of telecommunications services across the Philippines' most extensive fibre optic backbone and fixed line and cellular networks. It has over 62.7 million mobile subscribers, over 1.7 million broadband subscribers and more than 2.4 million fixed-line subscribers. At the end of 2016 it had 18,038 employees.

Further information about PLDT can be found at: www.pldt.com.

Indofood is one of the largest food companies in Indonesia, with four complementary strategic business groups:

- Consumer Branded Products, which produces a diverse range of consumer branded products including noodles, dairy, snack foods, food seasonings, nutrition and special foods, and beverages.
- Bogasari, a producer of wheat flour as well as pasta with business operations supported by its own shipping and packaging units.
- Agribusiness, with principal activities ranging from research and development, seed breeding, oil palm cultivation and milling, to the production and marketing of branded cooking oils, margarine and shortening. Indofood also cultivates and processes rubber, sugar cane and other crops.
- Distribution, encompassing the most extensive distribution network to retailers in Indonesia and delivering Indofood's consumer products as well as those manufactured by third parties.

Over 92% of Indofood's sales are to domestic customers, including retailers and food processors. At the end of 2016 it had 83,310 employees.

Further information about Indofood can be found at: www.indofood.com.

MPIC is a leading infrastructure holding company in the Philippines with investments in water utilities, toll roads, electricity distribution and generation, hospital operations and light rail. It also has toll road investments in Thailand and Vietnam, though the bulk of its revenues come from the services and products it delivers domestically. At the end of 2016 MPIC and its operating units employed 9,517 people.

Further information about MPIC can be found at: www.mpic.com.ph.

Goodman Fielder is a leading regional food company with operations across Australia, New Zealand and Asia Pacific. It manufactures, packages, distributes, markets and sells a wide range of food products including bread, milk, cheese, chicken, flour, cooking oils, spreads, baking ingredients, ice cream and snacks. Goodman Fielder boasts an excellent portfolio of consumer brands including Meadow Fresh, Helga's, Wonder White, Puhoi Valley, Crest, MeadowLea, Edmonds, Vogel's, Molenberg, Tuckers and many more. Its biggest market by sales is Australia, followed in order of size by New Zealand, Papua New Guinea, Fiji, China and others. Most of its customers are food retailers. At the end of 2016 Goodman Fielder employed 5,293 people.

Further information about Goodman Fielder can be found at: www.goodmanfielder.com.au.

Philex is one of the largest gold and copper mining companies in the Philippines. Its Padcal Mine has been operating in Benguet since 1955 and has been certified under ISO 14001:2004 and OHSAS 18001:2007 since 2015. Most of its production is sold to a refiner in Japan under long-term contracts. It employed 1,982 people at the end of 2016.

Further information about Philex can be found at: www.philexmining.com.ph.

PLP is a Singapore-based power generator and electricity retailer committed to helping businesses effectively manage their energy needs. The company operates an 800MW advanced power generation facility located on Jurong Island. The state-of-the-art combined-cycle gas turbine power plant is one of the most efficient electricity generators currently operating in Singapore and the first to be completely fuelled by liquefied natural gas. It is highly reliable and meets stringent emissions standards. It sells electricity to a wide range of commercial, industrial and retail customers in Singapore. It employed 129 staff at the end of 2016.

Further information about PLP can be found at: www.pacificlight.com.sg.

RHI is one of the largest integrated sugar business and the biggest ethanol producer in the Philippines. At the forefront of the Philippine sugar and ethanol industries, it is a trusted brand recognized for its contributions and legacy in the areas of sugar and ethanol production. RHI owns and operates one of the largest milling operations in the Philippines as well as the second-largest sugar refinery and two of the country's pioneering ethanol plants. Its customers include producers of alcoholic and sweetened beverages as well as food retailers. At the end of 2016 its headcount was 1,126.

Further information about RHI can be found at: www.roxasholdings.com.ph.

CONTRIBUTION AND PROFIT SUMMARY

For the year ended 31 December US\$ millions	Turnover		Contribution to Group profit ⁽ⁱ⁾	
	2016	2015	2016	2015 (Restated) ⁽ⁱⁱ⁾
PLDT ⁽ⁱⁱⁱ⁾	–	–	127.7	180.7
Indofood	5,010.5	4,763.4	137.9	123.9
MPIC	940.2	816.5	117.2	118.2
FPW ^(iv)	–	–	24.0	13.3
Philex ⁽ⁱⁱⁱ⁾	–	–	10.2	4.9
FPM Power	575.3	663.5	(13.9)	(10.7)
FP Natural Resources	253.0	193.6	(2.9)	(3.8)
Contribution from operations^(v)	6,779.0	6,437.0	400.2	426.5
Head Office items:				
– Corporate overhead			(28.4)	(31.8)
– Net interest expense			(95.7)	(94.4)
– Other expenses			(11.2)	(12.8)
Recurring profit^(vi)			264.9	287.5
Foreign exchange and derivative losses ^(vii)			(9.1)	(48.5)
Gain on changes in fair value of biological assets			2.6	0.2
Non-recurring items ^(viii)			(155.2)	(158.6)
Profit attributable to owners of the parent			103.2	80.6

(i) After taxation and non-controlling interests, where appropriate.

(ii) The Group has restated its 2015 contribution from Indofood to US\$123.9 million from US\$130.3 million and changes in fair value of biological assets to a gain of US\$0.2 million from a loss of US\$1.7 million following its adoption of the amendments to Hong Kong Accounting Standard (HKAS) 16 and 41 “Agriculture: Bearer Plants” with effect from 1 January 2016. Accordingly, First Pacific Group’s 2015 recurring profit has been restated to US\$287.5 million from US\$293.9 million and its 2015 profit attributable to owners of the parent has been restated to US\$80.6 million from US\$85.1 million.

(iii) Associated companies.

(iv) Joint venture.

(v) Contribution from operations represents the recurring profit contributed to First Pacific Group by its operating companies.

(vi) Recurring profit represents the profit attributable to owners of the parent excluding the effects of foreign exchange and derivative losses, gain on changes in fair value of biological assets and non-recurring items.

(vii) Foreign exchange and derivative losses represent the losses on foreign exchange translation differences on First Pacific Group’s unhedged foreign currency denominated net borrowings and payables and the changes in the fair values of derivatives.

(viii) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 2016’s non-recurring losses of US\$155.2 million mainly represent First Pacific Group’s impairment provisions for assets, including FPM Power’s goodwill related to its investments in PLP (US\$44.8 million), PLDT’s investment in Rocket Internet shares and other intangible assets (US\$35.4 million), Philex’s deferred exploration costs and other assets (US\$31.4 million) and MPIC’s investments in Landco Pacific Corporation (US\$6.8 million), PLP’s provision for onerous contracts (US\$6.0 million) and MPIC’s project expenses (US\$3.8 million). 2015’s non-recurring losses of US\$158.6 million mainly represent First Pacific Group’s impairment provision in respect of its investments in Philex (US\$89.1 million), PLDT’s impairment provisions for its fixed assets affected by network upgrade (US\$32.7 million) and investment in Rocket Internet shares (US\$28.7 million) and MPIC’s project expenses (US\$5.7 million).

2 ABOUT THIS REPORT

2.1 Overview

This is the first ESG Report of First Pacific. Going forward, it will be published annually.

This report discusses the Company's ESG performance for the reporting period of 1 January to 31 December 2016. It is to be read in conjunction with First Pacific's 2016 Annual Report (<http://www.firstpacific.com/wp-content/uploads/2015/08/ew0142.pdf>), in particular the Corporate Governance Report contained therein, as well as the Corporate Governance Section of the First Pacific website (<http://www.firstpacific.com/corporate-governance/>).

2.2 Scope of this Report

As First Pacific's first-ever ESG Report, this document aims to comply with the ESG Reporting Guide of the SEHK and follows the standards of the Global Reporting Initiative ("GRI"). Some of the companies First Pacific is invested in have published or intend to publish their own ESG reports in accordance with GRI. Under these circumstances, this initial ESG Report by First Pacific will cover the Hong Kong-based First Pacific ("First Pacific Head Office" or "the Head Office") only. However, in the course of this report examples of ESG programs of selected investee companies have been included to serve as illustrations of what steps a number of investee companies have already taken to adopt ESG practices.

2.3 Reporting Reference

This ESG Report is prepared in accordance with the general disclosure requirement of the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") in Appendix 27 of the Rules Governing the Listing of Securities on the SEHK (the "Listing Rules"), meeting the "comply or explain" provision of the ESG Reporting Guide. This report is also prepared in accordance with the GRI Sustainability Reporting Standards, Core Option. First Pacific has commissioned Carbon Care Asia Limited ("Carbon Care Asia") to verify the carbon emission data under Section 6.2 "Emissions".

An ESG Reporting Guide Content Index that maps the information contained in this report to the ESG Reporting Guide is provided in Appendix I while a GRI Content Index in Appendix II likewise refers to the relevant information in this report.

2.4 Endorsement and Approval

This ESG Report was reviewed and endorsed by the Corporate Governance Committee (the "CG Committee") and approved by the Board of Directors on 7 June 2017.

2.5 Feedback to this Report

We welcome any comments and suggestions you may have on the ESG Report. You may provide your feedback online (<http://www.firstpacific.com/contact-us/>) or directly to First Pacific at sustainability@firstpacific.com.

3 MESSAGE FROM THE CHIEF EXECUTIVE

Thank you for opening up the maiden edition of First Pacific's ESG Report. For the first time ever, First Pacific is staking out its sustainability claims and commitments in a document directly comparable to the claims and commitments of other businesses listed in Hong Kong and in other advanced financial jurisdictions around the world. Again for the first time ever, we are measuring ourselves against universally accepted sustainability principles and committing First Pacific to meeting environmental, social and governance standards in a formal and measurable manner.

We do this with no small amount of trepidation. At First Pacific we have always prided ourselves on delivering to our shareholders access to emerging market performance under the aegis and protection of the Listing Rules and Hong Kong's longstanding English common law-based legal system, matching low mature market risks with the explosive demand growth of less advanced economies. This has served our investors well over more than three decades of dramatic evolution in our home markets. We have long since come to be regarded as a safe Hong Kong-based proxy for Manila and Jakarta market performance.

While we have been building our reputation for nearly four decades, the march of science has deepened and broadened our understanding of the world we live in and our place in it. The more we learn about how our businesses affect the environment and society we are part of, the wider becomes our stakeholder base and the deeper our sense of responsibility for our role in this world, hence our embrace of responsible investing which incorporates ESG criteria in investment management. Going forward, First Pacific will formalise its investment guidelines as the foundation of its Sustainability practices to ensure that First Pacific and the companies we invest in are in the vanguard of responsible investors.

As an investment management and holding company, First Pacific has historically been relatively small, with a few dozen staff at most. But over the past nearly 40 years our investments have grown and grown until they touch the lives of more than 100,000 employees at the companies we are invested in as well as their families. More than 200 institutional investment funds representing countless retail investors own shares in First Pacific. Our plantations in Indonesia cover almost a third of a million hectares – that's twice the land area of London. Our mobile phone services in the Philippines touch the lives of tens of millions of people.

Moving forward in ESG Reporting

By any of these measures, First Pacific is large for a company of just 22 women and 21 men. First Pacific's investments operate in some of the largest markets in Asia with hundreds of millions of customers and tens of thousands of employees. With this ESG Report we are only beginning to formalise and gather under one policy framework a commitment to sound ESG principles across the entire First Pacific Group. We are not attempting to accomplish such a large task with the very first effort in the certainty that such an effort could be incomplete, delayed or poorly coordinated. Instead, we are beginning with an articulate, clear and sound ESG Report covering just the core of the First Pacific Group.

We plan to enhance the scope of this annual ESG Report as more First Pacific Group companies begin publishing their own ESG reports in accordance with GRI and we are actively encouraging our Group companies to do so.

The first companies in the First Pacific Group to begin publishing ESG reports in accordance with GRI Sustainability Reporting Standards, Core Option, include three businesses in industries which can have relatively large impacts on the environment: Indofood Agri Resources Ltd. ("IndoAgri"), the plantation subsidiary of Indofood, PLDT and Philex.

IndoAgri

IndoAgri is an established ESG reporter with a newly strengthened no-deforestation policy and a commitment to Roundtable on Sustainable Palm Oil ("RSPO") certification for its palm oil.

IndoAgri had 300,536 hectares under cultivation as at the end of 2016. Of this total, 247,430 was devoted to oil palm from which crude palm oil is extracted and processed into a wide variety of products including cooking oil, shortening, margarine and other products.

IndoAgri is fully committed to be a responsible agribusiness group which embraces "Managing Sustainability" by integrating sustainable practices across its internal processes and supply chain. IndoAgri buys into the global long-term goal of safe and sustainable food supplies. For more than ten years, IndoAgri has been steadily improving its contribution to this goal through the delivery of safe, traceable and high-quality food products. Its focus has been on attaining RSPO and Indonesian Sustainable Palm Oil ("ISPO") sustainability certification. IndoAgri respects global institutional objectives on sustainable development and listens to the wide range of stakeholders who highlight their concerns on material sustainability issues and risks relating to its operation.

PLDT

Like First Pacific, PLDT endeavors to deepen its ESG reporting with each successive annual Sustainability Report. And like First Pacific's own 2016 ESG Report, PLDT's document adheres to Standard Disclosures from the GRI.

PLDT's Sustainability Report shows it is making progress in its sustainability journey and is focused on delivering the best possible triple bottom line of economic, social and governance results. This year, PLDT has taken the next step of having the report go through an assurance process to further strengthen its monitoring and reporting protocols.

Philex

Philex is one of the largest and oldest mining companies in the Philippines with decades of award-winning environmental stewardship.

In its commitment to environmental sustainability, Philex strives to protect, reclaim, and enhance the environment in which it operates. Philex has a responsibility to preserve and conserve the environment in which it operates, encouraging wise environmental stewardship and diligently applying proven management controls to achieve this goal. Through its comprehensive Environmental Protection and Enhancement Programme, it is committed to:

- Ensuring that environmental effects are being addressed adequately;
- Ensuring that controls are in place for compliance with corporate environmental policies and obligations;
- Supporting environmental management systems with adequate resources and financial provisions;
- Protecting the environment for future generations; and
- Safeguarding the sustainability of nearby communities.

Going forward, First Pacific is committed to working with other First Pacific Group companies using ESG governance to inculcate a common approach and standards in ESG reporting as First Pacific Group develops its responsible investment and stewardship policies.

This publication will grow in coverage in the years ahead as we further refine and expand our commitment to protecting and strengthening what our stakeholders hold dear. Heightened investor and regulatory scrutiny demand a more formal approach to sustainability reporting with a concomitant requirement for transparency and accuracy.

We are new to the process of taking a formal approach to reporting our commitment to the environment, to society and to good governance. However, in the name of shareholder value and of simply doing what's right, we are determined to do well by our stakeholders. This report is an initial step in this direction. Our commitment to making ESG a strength is unwavering.

4 OUR ESG APPROACH

First Pacific Group is committed to achieving long-term and sustainable development through responsible investment. This entails incorporating ESG criteria and the precautionary principle into investment decisions. The responsible investment framework currently being developed along with Stewardship principles for existing investments will be the main mechanisms to achieve group-wide standards and progress. As an investment management and holding company, our influence on the Group's ESG practices is predominantly realized through active management of, or considerable influence over our investments.

First Pacific is currently working with external consultants to develop a roadmap towards the establishment of responsible investment policies at First Pacific Head Office and group-wide ESG guidelines over the remaining years of this decade. The vision is two-fold: to put responsible investment at the heart of First Pacific, in our culture as well as in our practices and investment decisions; and to incorporate ESG standards into the core of our stewardship of our investments.

It is our objective that the 2017 ESG Report from First Pacific will contain this roadmap.

4.1 CG Committee

Our CG Committee has formalized its responsibility not only for corporate governance but also for matters, including risks, affecting the environment and pertaining to First Pacific's social responsibility. It is comprised of a majority of Independent Non-Executive Directors ("INEDs") and chaired by an INED.

First Pacific's Board of Directors has delegated to this committee responsibility for overseeing the First Pacific Group of companies' corporate governance functions and the process of ESG reporting in compliance with the requirements of the Hong Kong Listing Rules. The CG Committee meets at least two times a year. First Pacific's corporate governance and ESG documents, policies and codes will be uploaded to our website (<http://www.firstpacific.com/corporate-governance/>) as soon as practicable.

4.2 Stakeholder Engagement

First Pacific has identified a range of internal and external stakeholders in the First Pacific Group, including but not limited to shareholders, customers, and staff of the First Pacific Group of companies. Consultations were begun with representatives of all of these groups in 2016. Going forward, we aim to facilitate and expand stakeholder engagement to ensure that voices representing all stakeholders are heard in all their diversity and depth.

First Pacific management regularly meet with stakeholders in the course of their duties. Company executives held 146 meetings with investors in 2016, while phone calls and teleconferences with executives and staff of Group companies take place several times a week, supplemented by quarterly and ad hoc meetings.

As a large majority of stakeholder meetings in 2016 took place with First Pacific shareholders, concerns raised were dominated by financial and operational matters. However, there was a sharp increase in the number of shareholders bringing up ESG concerns in meetings with First Pacific executives compared with the year-earlier period.

In 2016, in preparing First Pacific's first ESG Report, for the first time we have conducted stakeholder engagement specifically on ESG topics. The prime objectives of our engagement were to:

- Introduce and inform our existing investee operations about the mandatory SEHK ESG disclosure requirements enacted at the Head Office in Hong Kong and the associated implications to them;
- Identify the respective status of our investee operations on ESG reporting and their potential gaps in aligning with the SEHK requirements on ESG reporting;
- Meet the ESG counterparts of our investee operations, interview and survey them with the aim to identify the material ESG issues of the investee companies as a whole so the Group can more strategically plan on the monitoring of ESG performance and data disclosure; and
- Gain a preliminary understanding of the potential ESG risks or issues of our investee operations and the preparedness of their controls and measures over these risks.

We have engaged a third-party facilitator and have begun the engagement with our internal stakeholders, namely representatives from the Head Office and overseas operations in the Philippines, including PLDT, MPIC and Philex. We have carried out ESG training as well as group discussion forums, including wide-ranging discussions of ESG matters as a group, with many staff participating.

In addition, we have conducted interviews and questionnaire surveys to collect views in more detail from the various different parties. We have also visited on-site operations such as Philex's Padcal Mine in the Philippines to more closely understand their ESG practices and experiences, ranging from their Health and Safety practices to engagement with local indigenous communities, and from waste water treatment processes to material reuse etc. In the coming years, we have plans to further stakeholder engagement by visiting our operations in Indonesia.

For external stakeholders, we have selected a number of institutional stakeholders and carried out questionnaire surveys with them. Their results were also incorporated as part of the initial materiality assessment.

In subsequent ESG reports, First Pacific aims to widen and deepen its stakeholder engagement to improve the coverage of the resulting data to obtain a better understanding of key topics and concerns of stakeholders.

4.3 Materiality of First Pacific

Materiality as an Investment Management and Holding Company

First Pacific has taken into consideration communication with our most influential stakeholders – our shareholders, who consistently focus on dividend income and the value of First Pacific’s investments as primary concerns. Overall, First Pacific’s ability to make profitable investments is a significant component of First Pacific’s competitive strategy and has accordingly a major influence on the Company’s share price.

ESG risk is increasingly considered by First Pacific institutional shareholders as a factor in making investment decisions. The ESG topic brought up most frequently by the Company’s shareholders were enquiries on First Pacific’s strategy for improving its ESG reputation. ESG scores issued by ESG ratings providers attempt to make risks measurable and will increasingly be used in this way by institutional investors as they make their investment decisions.

Referencing from the ESG aspects per SEHK’s ESG Reporting Guide and the engagement with our senior management and the external stakeholders, a materiality matrix derived from this group of stakeholders is provided below:

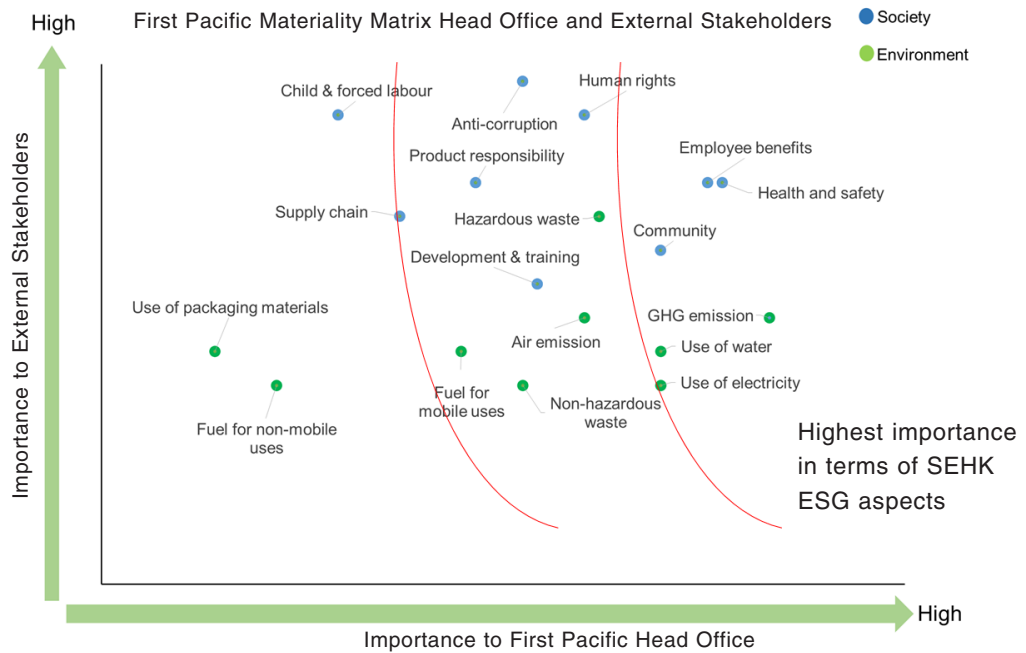


Figure 1 Materiality Matrix Head Office and External Stakeholders

As a result, First Pacific has primarily identified the material topics at the Head Office as including:

- Operational, reputational and financial risks from ESG matters arising from First Pacific's investment activities
- Health and safety
- Community
- People's welfare, such as, employee benefits
- Anti-corruption
- Use of electricity, greenhouse gas ("GHG") emissions, water, and waste disposal

These material topics were defined in consultations with stakeholders, including First Pacific senior management.

Materiality among Investee Companies and External Stakeholders

As described in Section 4.2, we have carried out engagement activities with many stakeholders. While they did not represent a full coverage of the investee companies nor external stakeholders, their engagement was the initial step we have taken to better understand the key ESG topics and concerns of stakeholders. And we are committed to expand our scope of engagement over time.

The preliminary First Pacific group-wide materiality assessment was based on the interviews and surveys carried out during the stakeholder engagement as well as on prior materiality results of several investee companies. The survey questionnaire was designed based on the ESG aspects of General Disclosures and environmental key performance indicators ("KPIs"), which are mandatory in 2016 and 2017 respectively in accordance with the SEHK ESG Reporting Guide. Stakeholders were asked to rate the relevance/importance of these ESG aspects for their respective organization, considering factors such as:

- Key company policies, strategies, goals and targets
- Direct financial implications to the company
- Level of impact the activities have on the environment and society
- Significant risks to the company
- Main ESG interests/topics and KPIs raised by stakeholders
- Relevant laws and regulations with strategic significance to the company and its stakeholders

The preliminary First Pacific group-wide materiality result is shown in the matrix below. The materiality results provided us the basis to support our stewardship on ESG matters towards investee companies, develop group-wide policies and standards, as well as monitor the ESG performance as a group.

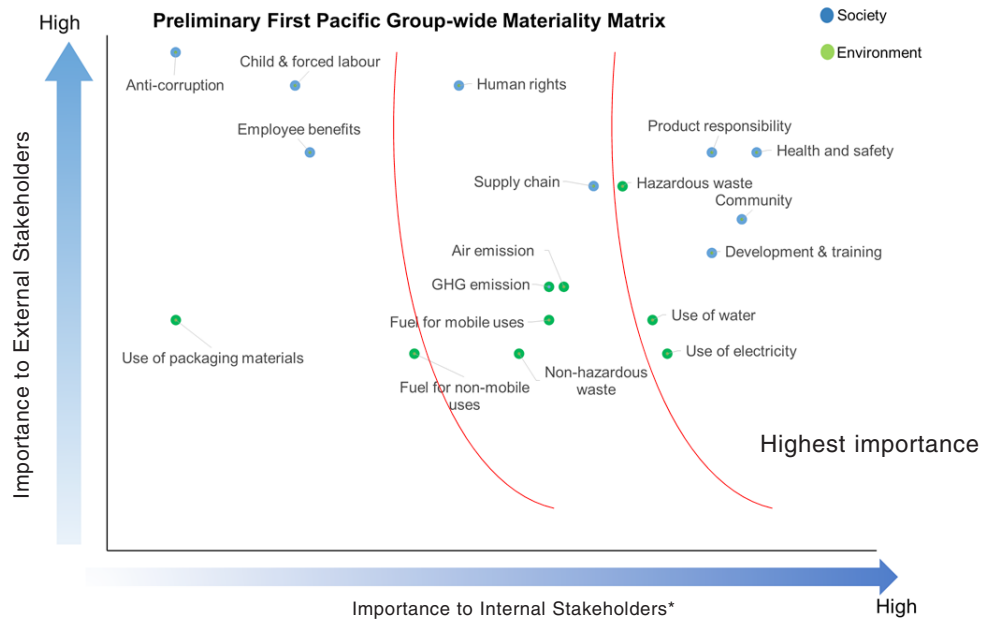


Figure 2 Preliminary First Pacific Group-wide Materiality Matrix

* Data obtained from surveys of the Head Office and MPIC, and materiality results from IndoAgri, Philex and PLDT 2015 Sustainability reports.

Given the materiality results, we are taking relevant actions, for instance, to officially document group-wide guidance for our investee companies and to actively encourage them to follow such guidance. For environmental KPIs, hazardous wastes, use of water and electricity as well as other social data such as health and safety data will be the core for future ESG performance monitoring.

5 GOVERNANCE AND MANAGEMENT

5.1 Governance Framework

First Pacific's Board of Directors conducts regular board meetings to focus on business strategy, operational issues and financial performance. First Pacific's Board of Directors actively participate on the boards of subsidiaries, associated companies and joint venture companies, to the extent allowed under applicable law. The First Pacific Board of Directors is responsible for approving parent company budgets for each operating company covering strategy, financial and business performance, key risks and opportunities. It is also responsible for monitoring compliance with applicable laws and regulations, and with the First Pacific Code. The Board of Directors also monitors the quality, timeliness, and content of internal and external reporting and monitors risks and the effectiveness of internal controls.

First Pacific is committed to building and maintaining exacting standards of corporate governance throughout the group and is actively encouraging our investee companies to follow. The Company's CG Committee is chaired by an INED and INEDs make up a majority of the Committee. This Committee is delegated with the responsibility to supervise the Company's corporate governance functions and regularly reviews its corporate governance practices to ensure compliance with the Listing Rules requirements. The CG Committee is also tasked with the responsibility to oversee ESG reporting, in compliance with the Listing Rules requirements.

The Company has adopted its own Corporate Governance Code (the "First Pacific Code"), which incorporates the principles and requirements set out in the Corporate Governance Code contained in Appendix 14 of the Main Board Listing Rules (the "CG Code"). First Pacific is actively encouraging adoption of its governance and management approach throughout the Group to align individual governance frameworks, as much as practicable, to be consistent with First Pacific's stewardship principles.

5.2 Whistleblowing Policy

To promote good governance, the Company has put in place a Whistleblowing Policy, which is intended to assist employees and those who deal with the Group to disclose information relevant to any suspected misconduct, malpractice or irregularity which he/she has become aware of or genuinely suspects that the Group has been or may become involved in. Any suspected cases can be reported through a confidential reporting channel directed to the Chairman of the Audit and Risk Management Committee. The policy is regularly reviewed to ensure its effectiveness and is posted on the Company's website (<http://www.firstpacific.com/wp-content/uploads/2015/08/e0142Whistle.pdf>). In 2016, the Company did not receive any disclosure of information under the Whistleblowing Policy.

5.3 Board Diversity

The Directors are collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. The Board has a balance of skill and experience appropriate for the requirements of the Group's businesses. For the reporting period of this ESG Report, Members of the Board came from different backgrounds, with a diverse range of academic, business and professional expertise. Brief biographical information of each of our Directors is set out in the section "Board of Directors and Senior Executives" on pages 44 to 47 of the Annual Report 2016.

The Board considers that its diversity, including gender diversity, is a vital asset to its businesses. In August 2013, the Board adopted a Board Diversity Policy, which is available on the Company's website under Corporate Governance Section (www.firstpacific.com/corporate-governance/). Board appointments are based on merit and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company remains committed to meritocracy in the board room, which requires a diverse and inclusive culture where Directors believe that their views are heard, their concerns are attended to and they serve in an environment where bias, discrimination and harassment on any matter are not tolerated.

5.4 Directors' Training

The Board was informed of updates of current Listing Rules, accounting practices and disclosure requirements, as and when necessary. Further, all Directors are provided with briefings and training on an on-going basis each year to ensure that they have a proper understanding of the Company's operations and business and are fully aware of their responsibilities under the applicable laws, rules and regulations. Such briefings and training are provided at the Company's expense. During the year, the Company arranged for a Directors' training session relating to ESG reporting, which was attended by a majority of our Directors and senior management.

Furthermore, certain Directors also attended external seminars on topics relevant to their duties as Directors, including topics such as disclosure of inside information, risk management and internal controls. The Company maintains proper records of the training provided to and received by its Directors during the year.

5.5 Board Committee

The Board has set up four Committees, namely the Audit and Risk Management Committee, Remuneration Committee, Nomination Committee and CG Committee, to assist the Board in carrying out its responsibilities.

5.6 Risk Management and Internal Control

As a decentralized organization in which local management have substantial autonomy to run and develop their respective businesses, the Group views well developed reporting systems and internal controls as essential. The Board plays a key role in the implementation and monitoring of risk management and internal controls, and has appointed a Chief Risk Officer to assist in overseeing the process.

In respect of the financial year ended 31 December 2016, the Board confirmed that it has received confirmations from the operating companies' audit committees, risk committees and/or internal auditor/chief risk officers on the effectiveness of the Group's risk management and internal control systems and that there is no significant area of concern to be disclosed.

The key controls and risk management measures undertaken by the operating companies are categorized as operational controls, financial controls, compliance controls and risk management, for which further details can be referenced from pages 86 to 89 of the Annual Report 2016.

5.7 Communications with Shareholders

First Pacific encourages an active and open dialogue with all of its shareholders, private and institutional, large and small. The Board acknowledges that its role is to represent and promote the interests of the Company as a whole and that its members are accountable to shareholders for the performance and activities of the Company. As such First Pacific is always responsive to its shareholders and has a wide range of means of communication with them, such as regular meetings at investor conferences, on non-deal road shows, and on an ad hoc basis at shareholders' requests. More formal channels of communication are also employed, such as the issuance of press releases, shareholder circulars and SEHK announcements, and the publication of annual and interim reports. First Pacific posts all these publications on its corporate website in English and Chinese.

Further details on our Corporate Governance Report can be obtained from the Annual Report 2016.

6 ENVIRONMENTAL RESPONSIBILITY

6.1 Environmental Policy

At First Pacific, we are committed to environmental protection and strive to minimise the impact of our existing business activities on the environment by supporting resource conservation and environmental protection programs. We are committed to environmental compliance. We acknowledge that though we have a far smaller environmental impact than the companies we invest in, the ESG considerations that we plan to adopt in our investment decisions will indirectly influence the environmental policies and thus the impact on companies that First Pacific invests in.

As First Pacific adopts the principle of responsible investment, we will incorporate ESG factors into our future investment decisions. We will seek to invest in companies that care about their environmental and social performance, and those who properly manage their potential impacts. We believe proper management of ESG risks is key to generating sustainable long-term returns.

We also act locally at our Head Office in Hong Kong to reduce our environmental impact. We adopt green office practices such as double-sided printing and copying, the use of FSC paper, recycling, and the reduction of energy consumption.

6.2 Emissions

At the Head Office of First Pacific, GHG and general waste remain the most significant aspects under environmental emissions. Listed below are more details on the two aspects.

Greenhouse Gas

Although this is our first ESG Report, our Head Office has been conducting carbon audits since 2013 (our base year). The assertion of GHG emissions in the period 1 January 2016 – 31 December 2016 of First Pacific Head Office has been verified by Carbon Care Asia in accordance with *ISO 14064-3:2006* as meeting the requirements of *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010)* published by the Environmental Protection Department and the Electrical and Mechanical Services Department of the Government of the Hong Kong SAR.

According to independently verified data, our GHG emissions have demonstrated a continuous reduction for the past three years, in terms of both the absolute value or by intensity of carbon emission by floor area independently.

For the reporting period from 1 January 2016 to 31 December 2016, the GHG emission for Scope 1 and 2 combined was 81.4 tonnes of CO₂-e where Scope 1 and Scope 2 were 6.7 tonnes (8.2%) and 74.7 tonnes (91.8%) of CO₂-e respectively. Both the absolute and the intensity by floor area¹ GHG emissions in the reporting year was reduced by 38.6% compared to the base year 2013. The results including both the breakdown in Scope 1 and 2 emissions are provided in the table below:

Table 1 GHG Emission at the Head Office in Hong Kong

GHG performance	Unit	2016	2015	2014	2013
Scope 1 emission (Use of gasoline in vehicles)	tonne CO ₂ -e	6.7	7.4	4.7	4.5
Scope 2 emission (Purchased electricity)	tonne CO ₂ -e	74.7	80.2	130.6	128.0
Total of Scope 1 & 2 emissions	tonne CO ₂ -e	81.4	87.6	135.3	132.5
Intensity by gross floor area	kg CO ₂ -e/ft ²	6.3	6.8	10.5	10.3

The use of purchased electricity contributes to the majority of Scope 1 and 2 GHG emissions. Since 2013, we have implemented a number of initiatives to reduce electricity consumption. Refer to Section 6.3 “Use of Resources” for further details.

The Head Office was granted a CarbonCare® Label Award in 2016 for a third year in recognition of how its efforts contributed towards GHG reduction.

Waste

The major waste source from the Head Office pertains to paper waste and food packaging generated by our staff. For a number of years, we have installed dedicated facilities for recycling paper, plastic and aluminium. Both general wastes and recycled wastes are disposed of by the landlord as part of the renter’s services. Only domestic detergents are used in the office and thus we do not generate any hazardous waste.

Compliance

There were no incidents of non-compliance at the Head Office in relation to environmental laws and regulations for the year 2016.

6.3 Use of Resources

Given our office environment, the key resource consumptions are the use of electricity and stationery such as paper. Water use only pertains to use in the pantry and toilets.

¹ The total floor area has remained the same as 12,900 ft² throughout the GHG reporting since 2013.

Energy Consumption

To better manage our energy consumption, First Pacific has since 2014 been replacing its lighting at the Head Office in Hong Kong with light emitting diode (“LED”) lamps by phases. Together with the practice of turning off our lights and electrical appliances in the office outside office hours, these efforts have resulted in a reduction in electricity use of about 43% since 2014.

In 2016, First Pacific also participated in the energy audit service offered by the electricity provider Hong Kong Electric to identify potential energy savings. Excluding the central air-conditioning provided by the landlord, our electricity profile was estimated to be 31% from lighting, and the remaining 69% from the sump pumps in the pantries, electric water heaters for washing and cleaning as well as small power equipment (electric appliances and office equipment, etc.). More energy saving measures in lighting were identified as a result of the audit and we will continue to look for additional opportunities for further reduction.

Table 2 Amount of Purchased Electricity at the Head Office in Hong Kong

Resource Use	Unit	2016	2015	2014	2013
Purchased Electricity	kWh	94,581	101,558	165,367	164,096

Water Use

The impact of freshwater use is relatively insignificant. Our office has two pantries and as a tenant in a multi-storey building, there is no individual water meter that measures our use. Water rate charges do not form a separate item in the rent, yet we encourage our staff to reduce water wastage, for example, by not running water taps while cleaning their lunch boxes in the pantry. Our toilet has sensor-type faucets and uses seawater flushing and therefore contributes to a significant reduction in the amount of freshwater use.

Paper Consumption

Reduction in paper use indirectly reduces the overall GHG emission at the Head Office. First Pacific has been taking the following steps to reduce paper consumption:

- Print fewer annual and interim reports and replace these with e-communication with a majority of First Pacific’s registered shareholders;
- Print fewer copies of Board and Board committee papers through the use of an electronic platform for distribution; and
- Reduce the use of paper by printing or photocopying on both sides of paper, where applicable.

In addition, we have begun using paper sourced from responsible sources for publications such as First Pacific’s annual report and for our general A4 printing paper.

6.4 The Environment and Natural Resources

Significant impacts of First Pacific Head Office are already covered under Section 6.2 “Emissions” and Section 6.3 “Use of Resources”.

7 EMPLOYMENT AND LABOUR PRACTICES

At First Pacific, we believe that our devoted, hardworking and skilled employees are the foundation of our company's success. Our top priorities are to attract and retain the best talent, and keep our people safe at work. We employ a transparent recruitment scheme that respects human rights and the dignity of all people. First Pacific provides comprehensive benefits packages along with a wide range of learning and professional development opportunities to our staff, to help employees achieve their full potential.

Staff turnover at First Pacific Head Office is far lower than the average in Hong Kong, with just one member of staff resigning in the two-year period 2015-2016 (he was not replaced). According to the Hong Kong Institute of Human Resources Management, the weighted average turnover rate in the first half of 2016 was 10.2%² in Hong Kong, whereas that for the Head Office was 0% for the entire year 2016.

First Pacific Head Office's commitment to people's welfare is enshrined in its Code of Conduct and commitment to Freedom of Association which will be uploaded to the Company's website (www.firstpacific.com) as soon as practicable.

7.1 Employment

We encourage an open and inclusive culture at First Pacific. We hire and employ regardless of ethnicity, culture, religion, age, physical disability, gender or sexuality. It is our policy to treat all job applicants fairly, with respect and courtesy, throughout the selection and hiring process. We follow strictly on the *Disability Discrimination Ordinance and Sex Discrimination Ordinance* since 1996.

We are committed to providing our staff with an excellent working environment and reward employees for their contribution through a comprehensive benefits and incentive programme that exceeds statutory requirements. Compensation packages at First Pacific include a base salary with comprehensive benefits which are reviewed and adjusted regularly. Staff are not only entitled to all the local public holidays, but also to annual leave benefits in accordance with our annual leave policies. Details are documented in our *Employee Benefits Handbook*. Staff's leave entitlement is clearly documented, including for example, number of sick leave in accordance with their duration of service and special leaves such as 5-day marriage leave after probation.

The Company highly values work-life balance and the welfare of our staff, we follow a "five-day-work and two-day-off pattern" and 8 hours per working day.

We wish to nurture a sustainable business culture that allows employees to develop individually and with the Group. Movement between Group companies is encouraged not least as a mechanism for spreading and nurturing the First Pacific culture, including dissemination of our emerging ESG framework across the Group.

² <http://www.hkihrm.org/index.php/mb/members-area/hr-statistics/manpower-trend-manpower-change-turnover-rate-vacancy-rate/569-s/mb/member/hr-statistics/manpower-trend-manpower-change-turnover-rate-vacancy-rate/1870-turnover-rate-and-vacancyrate-1st-half-of-2016-en>

First Pacific's contribution to employees' health, safety, and welfare typically includes pension contributions, health insurance including free health check-ups, life and accident insurance, and others. We maintain open communications between management and staff through various formal and informal channels such as the in-house magazine *The View* and staff birthday celebrations.

First Pacific's Human Resources department reports that the Company employed 43 staff as of 31 December 2016 of whom 22 were women and 21 were men. One female staff member was on a part-time contract. All other staff were on permanent contracts. Office cleaners are provided by First Pacific's landlord on a daily basis. There are no other activities performed by workers who are not employees of First Pacific, according to data held by First Pacific's Human Resources Department.

First Pacific has no collective bargaining agreements with any of its 43 members of staff. In 2016, there were no non-compliance cases noted in relation to employment laws and regulations during the year 2016.

7.2 Labour Standards

First Pacific adheres to Hong Kong labour regulations and standards including: The Employment Ordinance, Cap. 57; The Employees' Compensation Ordinance, Cap. 282; the Minimum Wage Ordinance, Cap. 608; legislation related to Occupational Safety and Health; and others. Employment is based on the principle of fairness, openness and willingness, and all staff enter into labour contracts for legal employment without acts of forced labour.

First Pacific Head Office has policies regarding freedom of association, discrimination and others. These will be uploaded to the Company's website (www.firstpacific.com) as soon as practicable.

There were no non-compliance cases noted in relation to labour standards, laws and regulations during the year 2016.

7.3 Anti-corruption

First Pacific is committed to achieving the highest standards of openness, probity and accountability. We have a whistleblowing policy to provide a means for staff and others who deal with the Company to raise concerns with the Audit and Risk Management Committee of the Board regarding possible improprieties in any matters relating to First Pacific. The Committee ensures that proper arrangements are in place for fair and independent investigation of such matters and for appropriate follow-up action.

First Pacific's Code of Conduct also addresses the Company's commitment to acting with integrity in all its operational activities including issues from ethics and business integrity, avoiding conflicts of interest, and no bribery etc. The Code of Conduct is referred to as part of the Employee's Handbook and will be uploaded to the Company's website (www.firstpacific.com) as soon as practicable.

To the best of the Company's knowledge in the reporting period, no reported instances of corruption were noted at First Pacific.

7.4 Health and Safety

Ensuring employees' health and safety is of our highest priority. First Pacific strives to maintain a sound and safe working environment to prevent injury and illness, in compliance with all relevant legislation. We manage the safety of the office in accordance with relevant occupational health and safety laws and regulations. We make sure that first aid kits and fire extinguishing equipment are located at prominent locations and are properly maintained. Evacuation and escape exercises are regularly performed and staff participate on an annual basis, at a minimum. There were no work-related injuries or incidents recorded in 2016.

The impact of health and safety occurs within the boundaries of employment of First Pacific staff, which lie mostly within the Company's office. It is only within its physical Head Office that First Pacific is able to take responsibility for health and safety. First Pacific Head Office's health and safety policy will be uploaded to the Company's website (www.firstpacific.com) as soon as practicable. First Pacific is committed to ensuring a safe and healthy work environment for its staff and has a goal of zero injuries to staff.

7.5 Development and Training

To build a career path for talented individuals, we carefully look at an employee's performance, role and potential, and we listen to their aspirations. In response, we provide training courses where appropriate to help employees develop a range of skills from core competencies to leadership. We like to retain talent, and we recognise that welfare and opportunities for development contribute to the attractiveness of a workplace. We aim to keep staff turnover low for cost, commercial and reputational reasons.

Apart from classroom training, we also understand the importance of a well-rounded development and work-life balance. Therefore, we have organised family events, community service activities, and a Staff Recreation Club which sponsors excursions, cultural events and other activities for First Pacific staff and their families.

8 PRODUCTS AND SERVICES

As an investment management and holding company, First Pacific's main purpose is to deliver value to its shareholders through responsible investing. The service we provide is the management of our investments. We strive to maximise sustainable long-term investment returns to our investors while upholding the highest standards of integrity.

8.1 Product Responsibility

First Pacific believes that attention to ESG matters is necessary for long-term value creation. We strive to maximise returns to our investors while upholding the highest standards of integrity and acting in a way that enhances the reputation of First Pacific. In the future, we will take into consideration more formally the ESG performance of potential investee companies during the evaluation process and require the disclosure of significant non-compliance relating to ESG matters. For existing operations, we will also continue to provide support in enhancing their ESG performance as a Group.

8.2 Supply Chain Management

At First Pacific Head Office, we work with an array of different product and service providers. In 2016, we had 10 key suppliers at First Pacific Head Office. Key suppliers refer to suppliers whose contract sum amounted to HK\$1.0 million or above. All of the key suppliers were local suppliers, providing property management of our offices, professional services, travel services, IT services and financial services to First Pacific Head Office. During 2016, First Pacific Head Office paid approximately HK\$44.5 million to these key suppliers.

We exercise green procurement for our office supplies where applicable and practicable. Paper products purchased by First Pacific come from sustainable sources such as FSC sourced paper. We try to select suppliers which have high sustainability standards and our suppliers are highly encouraged to align their value with First Pacific in respect of ESG issues, including but not limited to:

- Environment (We encourage our suppliers to adopt environmentally friendly practices to reduce the negative environmental impacts of their operations)
- Business ethics (Suppliers shall not engage in any form of bribery, corruption, extortion or embezzlement, any violation of this prohibition may result in immediate termination of the contract and/or legal action)
- Discrimination, child and forced labour
- Labour practise (working hours, wages and benefits, health and safety)

First Pacific Head Office plans to develop and publish a Supplier ESG Code of Conduct during 2017 and require suppliers to comply with this Code when doing business with First Pacific by the end of 2018.

The supply chains of companies First Pacific is invested in run across multiple industries and geographies. First Pacific is encouraging Group companies to establish their own Supplier ESG Codes of Conduct appropriate to their industries and markets while at the same time adhering to universal principles.

9 COMMUNITY DEVELOPMENT

At First Pacific, we sincerely believe that our growth is closely tied to that of our surroundings, both the environment and community. Hence, we are committed to being closely involved with the communities where our businesses operate. First Pacific Head Office supports our communities by encouraging and supporting our staff to participate in community events or activities and through charitable donations.

For example, First Pacific supports the Hong Kong community with a focus on education scholarships to Lingnan University, support for the Community Chest, and contributions to the Society for the Relief of Disabled Children.

In October 2016, the First Pacific Charitable Fund and the First Pacific Staff Recreation Club supported Lingnan University's "Walking with Lingnanians" Fundraising Walkathon. First Pacific employees and their families participated, raising funds for university development and to promote Lingnan's distinguished liberal arts education to the public.

More about First Pacific's support to our community can be found in our 2016 Annual Report (<http://www.firstpacific.com/wp-content/uploads/2015/08/ew0142.pdf>).

10 EXAMPLES OF FIRST PACIFIC GROUP OF COMPANIES' ESG REPORTING

At First Pacific, while our own environmental and social impacts are relatively limited, the companies we are invested in have much larger ESG impacts and in many cases consistently meet or exceed the regulatory requirements of their jurisdictions. Below are examples from three Group companies, IndoAgri, PLDT and Philex.

Extracted and adapted from IndoAgri's 2016 Sustainability Report:

Materiality Assessment

The IndoAgri Group's material sustainability issues were formally identified during the period from 2013 to 2014, and revalidated at the executive committee level in 2015. The materiality of an issue is assessed based on its potential risk and impact on the Group's business, both internal and external stakeholders, and the environment. The Group's materiality assessments are carried out through internal workshops, peer reviews, engagement with international non-governmental organizations and social impact assessments at the site level.

In 2016, the executive committee of IndoAgri also engaged with various investor stakeholders with regards to its material sustainability issues, ensuring such material issues remained relevant and valid. This process was in line with the GRI G4 Guidelines.

For detail on IndoAgri's materiality process, and where the impacts occur, and for more on the key issues for IndoAgri stakeholders and how we engage with them, please see <http://www.indofoodagri.com/sustainability-approach.html>

For detail on IndoAgri's sustainability governance arrangements, including sustainability management team structure, please see <http://www.indofoodagri.com/sustainability-governance.html>

For more on IndoAgri's Corporate Governance and Enterprise Risk Management, please see <http://www.indofoodagri.com/ir.html>

Extracted and adapted from PLDT's 2016 Sustainability Report:

The PLDT Group has integrated the sustainability approach into a collaborative stakeholder engagement plan to closely align strategy, roadmap, performance indices, and programs to the key material aspects that were identified through global-standard research and analysis and materiality assessment workshops.

The workshops revealed the topics and impacts most relevant to stakeholders, and consequently helped the PLDT Group identify, assess, and prioritize the standard disclosures related to them.

Both internal and external factors were considered in the assessment of materiality, guided by the PLDT Group's mission and vision, core values, corporate culture, management strategy, and stakeholder feedback.

An independent third party performed limited assurance procedures on certain data in PLDT's 2016 Sustainability Report and concluded that the data was presented fairly. For detail on PLDT's Sustainability Report, please see <http://www.pldt.com/investor-relations/annual-and-sustainability-reports>.

Extracted and adapted from Philex's 2016 Sustainability Report:

Philex has been and continues to proactively pursue environmental management long before this was required by legislation. In fact, mine waste management and social development were policies already set in place before the 1995 Mining Act was enacted. Other such initiatives include community-based reforestation activities in the 1960s as livelihood projects even before the Man and Biosphere Program was launched by the United Nations Educational, Scientific and Cultural Organization in 1971, and being the first metallic mine to be ISO 14001 certified in the country in 2002, before the release of Administrative Order 2003-14 by the Department of Environment and Natural Resources in the Philippines in June 2003, which mandates self-regulation towards improved environmental performance. Across the organization, Responsible Mining is the working culture at Philex.

For detail on Philex's Sustainability Report, please see <http://www.philexmining.com.ph/sustainability-report>.

APPENDIX I - ESG REPORTING GUIDE CONTENT INDEX

Aspect	“Comply or explain” Provisions	Description	Section No.
Environment	A1 Emissions	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	6.2
	A2 Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials	6.3
	A3 The Environment and Natural Resources	Policies on minimizing the issuer’s significant impact on the environment and natural resources	6.2 to 6.4
Social	B1 Employment	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefit and welfare	7 and 7.1
	B2 Health and Safety	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	7.4

Aspect	“Comply or explain” Provisions	Description	Section No.
Social	B3 Development and Training	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities	7.5
	B4 Labour Standards	Information on: (a) the policies; and (b) compliance with laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	7.2
	B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain	8.2
	B6 Product Responsibility	Information on: (a) the policies; and (b) compliance with laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	8 and 8.1
	B7 Anti-corruption	Information on: (a) the policies; and (b) compliance with laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	7.3
	B8 Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities’ interests	9

APPENDIX II - GRI CONTENT INDEX

GRI Standards				
GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	Reference
GRI 102	General Disclosures	102-1	Name of the organization	Disclosed in Section 1, "About First Pacific"
GRI 102	General Disclosures	102-2	Activities, brands, products, and services	Disclosed in Section 1, "About First Pacific"
GRI 102	General Disclosures	102-3	Location of headquarters	Disclosed in Section 1, "About First Pacific"
GRI 102	General Disclosures	102-4	Location of operations	Disclosed in Section 1, "About First Pacific"
GRI 102	General Disclosures	102-5	Ownership and legal form	Disclosed in Section 1, "About First Pacific"
GRI 102	General Disclosures	102-6	Markets served	Disclosed in Section 1, "About First Pacific"
GRI 102	General Disclosures	102-7	Scale of the organization	Disclosed in Section 7, "Employment and Labour Practices"
GRI 102	General Disclosures	102-8	Information on employees and other workers	Disclosed in Section 7, "Employment and Labour Practices"
GRI 102	General Disclosures	102-9	Supply chain	Disclosed in Section 8.2, "Supply Chain Management"
GRI 102	General Disclosures	102-10	Significant changes to the organization and its supply chain	N/A
GRI 102	General Disclosures	102-11	Precautionary principle or approach	Disclosed in Section 4, "Our ESG Approach"
GRI 102	General Disclosures	102-12	External initiatives	Disclosed in Section 2.1, "Overview"
GRI 102	General Disclosures	102-13	Membership of associations	Disclosed in Section 1, "About First Pacific"

GRI Standards				
GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	Reference
GRI 102	General Disclosures	102-14	Statement from senior decision-maker	Disclosed in Section 3, "Message from the Chief Executive"
GRI 102	General Disclosures	102-16	Values, principles, standards, and norms of behavior	Disclosed in Section 3, "Message from the Chief Executive"
GRI 102	General Disclosures	102-18	Governance structure	Disclosed in Section 4.1, "CG Committee"
GRI 102	General Disclosures	102-40	List of stakeholder groups	Disclosed in Section 4.2, "Stakeholder Engagement"
GRI 102	General Disclosures	102-41	Collective bargaining agreements	Disclosed in Section 7, "Employment and Labour Practices"
GRI 102	General Disclosures	102-42	Identifying and selecting stakeholders	Disclosed in Section 4.2, "Stakeholder Engagement"
GRI 102	General Disclosures	102-43	Approach to stakeholder engagement	Disclosed in Section 4.2, "Stakeholder Engagement"
GRI 102	General Disclosures	102-44	Key topics and concerns raised	Disclosed in Section 4.2, "Stakeholder Engagement"
GRI 102	General Disclosures	102-45	Entities included in the consolidated financial statements	Disclosed in Section 1, "About First Pacific"
GRI 102	General Disclosures	102-46	Defining report content and topic boundaries	Disclosed in Section 2.2, "Scope of this Report"
GRI 102	General Disclosures	102-47	List of material topics	Disclosed in Section 4.3, "Materiality of First Pacific"
GRI 102	General Disclosures	102-48	Restatements of information	N/A

GRI Standards				
GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	Reference
GRI 102	General Disclosures	102-49	Changes in reporting	N/A
GRI 102	General Disclosures	102-50	Reporting period	Disclosed in Section 2.1, "Overview"
GRI 102	General Disclosures	102-51	Date of most recent report	N/A
GRI 102	General Disclosures	102-52	Reporting cycle	Disclosed in Section 2.1, "Overview"
GRI 102	General Disclosures	102-53	Contact point for questions regarding the report	Disclosed in Section 2.5, "Feedback to this Report"
GRI 102	General Disclosures	102-54	Claims of reporting in accordance with the GRI Standards	Disclosed in Section 2.3, "Reporting Reference"
GRI 102	General Disclosures	102-55	GRI content index	Disclosed in Appendix II
GRI 102	General Disclosures	102-56	External assurance	Disclosed in Section 6.2 "Emissions"