

## ACGS Level 1 – C

### C.1.1

Does the company disclose a policy and practices that address: the existence and scope of the company's efforts to address customers' welfare?

### RESPONSE

**YES.** ICTSI continues to implement projects aimed at improving services for its customers. As the business continues to grow, ICTSI aims to develop more products and solutions for its valued customers. Through its Commercial arm, it continues to engage its customers through weekly client calls, 24/7 customer care service, regular conferences, and industry association meetings.

The following overview of highlights of customer service enhancement policies and activities pertain specifically to Manila International Container Terminal (MICT)'s commercial clients and other port users: establishment of the MICT Customer Experience and Sales and Marketing Teams; provision of MICT Transparency Tools; total revamp of the billing system and cashiering services; improvement and implementation of old and new port system procedures such as Terminal Appointment Booking System (TABS); equipment investment and port facilities improvement; and, the implementation of dredging projects, among others

#### Sources:

##### [ICTSI Website](#)

Investor Relations

[click to open](#)

Corporate Governance

[click to open](#)

Policies and Practices

[click to open](#)

##### [Latest Integrated Annual Corporate Governance Report \(“i-ACGR”\)](#)

Principle 14, Duties to Stakeholders, pages 98-99

[click to open](#)

##### [Latest Annual Report on Corporate Governance \(“CG Report”\)](#)

Role of Stakeholders, page 53

[click to open](#)

##### [Inaugural Sustainability Report](#)

Role of Stakeholders, page 74

[click to open](#)

### C.1.2

Does the company disclose a policy and practices that address: supplier/contractor selection procedures?

#### RESPONSE

**YES.** In the selection of suppliers, ICTSI ensures that suppliers are selected based on their ability to meet contract requirements including quality system and any specific quality assurance requirements.

**Source:**

[i-ACGR](#)

Principle 14, Duties to Stakeholders, pages 98-99  
[click to open](#)

[CG Report](#)

Role of Stakeholders, page 53  
[click to open](#)

### C.1.3

Does the company disclose a policy and practices that address: the company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?

#### RESPONSE

**YES.** ICTSI continues to live up to its commitment to conduct its business activities in a manner that reduces the environmental implications of its activities and protect the environment of the sites and communities in which it operates. This commitment is documented and implemented through a management framework for MICT. ICTSI-MICT's Integrated Management System (IMS) was reconfirmed by ISO 9001:2008 and ISO 14001:2004 issued by Certification International Philippines, Inc. (CI).

Also, ICTSI is determined to uphold the principles of Sustainable Development in its operations, and its thrusts are documented in its Annual Sustainability Report. This was launched in 2017, and its initial submission focused on the flagship Manila International Container Terminal. The Report, currently in its second year, has improved its scope by including the Eight Key Terminals in ICTSI's Portfolio.

**Source:**

[ICTSI Website](#)

Sustainability  
[click to open](#)

[i-ACGR](#)

Principle 16, Duties to Stakeholders, pages 105-106

[click to open](#)

[CG Report](#)

Role of Stakeholders, page 54

[click to open](#)

[2018 Sustainability Report Primer](#)

[click to open](#)

[Inaugural Sustainability Report](#)

[click to open](#)

## C.1.4

Does the company disclose a policy and practices that address: the company's efforts to interact with the communities in which they operate?

## RESPONSE

**YES.** Community interaction is a basic tenet of the operation of ICTSI wherever it operates. In the MICT and other ICTSI local and foreign subsidiaries, either through the ICTSI Foundation the Sustainability and Development Unit, or designated Community Relations Officers, ICTSI seeks to contribute in the over-all effort of addressing community concerns within its area of operation. It has always worked closely with barangay leaders and other government entities, as well as with non-government-organizations (NGOs), to converge ideas and efforts in the identification, planning and execution of projects for the marginalized sector. These projects include scholarship programs, volunteerism programs, livelihood and technological education assistance, medical missions, outreach activities, support to sports programs, Christmas-related activities, construction of classrooms, donations, disaster and environment related awareness programs, relief operations and various school-based assistance, among others.

**Sources:**

[ICTSI Website](#)

Sustainability – ICTSI Foundation

[click to open](#)

[i-ACGR](#)

Principle 16, Duties to Stakeholders, pages 105-106

[click to open](#)

[CG Report](#)

Role of Stakeholders, pages 55-56

[click to open](#)

## C.1.5

Does the company disclose a policy and practices that address: the company's anti-corruption programmes and procedures?

### RESPONSE

**YES.** Pursuant to the Code of Business Conduct, ICTSI rolled out an Anti-Bribery Compliance Policy and Procedure. This shall provide guidance to all ICTSI employees, suppliers, and third parties acting on its behalf. This Policy sets out procedures specifically targeted at addressing corruption risks. ICTSI holds itself to the highest ethical standards and is committed to acting with integrity in business dealings and relationships, both locally and internationally. ICTSI employees are prohibited from asking for, accepting or receiving bribes, or any other personal benefit that would induce the employee to breach his/her duty to act in good faith, to act impartially or in accordance with a position of trust. ICTSI also strictly implements its programs against tipping and other similar acts.

#### Sources:

##### [ICTSI Website](#)

Corporate Governance, Policies  
[click to open](#)

##### [i-ACGR](#)

Principle 1, The Board's Governance Responsibilities, page 46  
[click to open](#)

Principle 15, Duties to Stakeholders, pages 101-103  
[click to open](#)

##### [CG Report](#)

Policies, page 45  
[click to open](#)

## C.1.6

Does the company disclose a policy and practices that address: how creditors' rights are safeguarded?

### RESPONSE

**YES.** ICTSI Group manages its liquidity profile to be able to finance its working capital and capital expenditure requirements including the timely servicing of debt, payment to suppliers and other corporate payables. As part of liquidity risk management, ICTSI maintains strict control of its cash and ensures that excess cash held by ICTSI subsidiaries are up streamed timely to ICTSI, the Parent Company. In line with this objective, ICTSI subsidiaries are allowed to maintain cash

at a maximum equivalent to its working capital requirement. ICTSI monitors its receivables and payables to ensure positive position and optimize cash conversion cycle. In addition, it regularly updates and evaluates its projected versus actual cash flow information and continually assesses the conditions in the financial market to pursue fund raising initiatives when needed. To further mitigate liquidity risk, ICTSI ensures that it has sufficient credit lines from a broad list of local and foreign banks and it has diverse funding sources such as the capital market and loan market.

**Source:**

[CG Report](#)

Role of Stakeholders, page 55

[click to open](#)

### C.1.7

Does the company disclose a policy and practices that address: does the company have a separate report/section that discusses its efforts on environment/economy and social issues?

## RESPONSE

**YES.** The matter of community impact has always been a vital concern for ICTSI, dating back to the Company's establishment and its bid for the then-newly-privatized MICT. As ICTSI has grown, its focus has remained largely on acquiring, building, or redeveloping international container terminal facilities with total annual throughput in the 50,000-3,000,000 TEU range. This is primarily in developing economies, where the Company can effectively parlay experience and expertise gained from and honed in the Philippines. In these markets, concerns over sustainable economic development often touch on providing greater opportunities for marginalized and vulnerable sectors—in particular, the youth. ICTSI sees the role that its port projects play in the accomplishment of national and even regional development goals for nations; it also sees the manifold impacts that ports, which are often located in port cities, may have on the quality of life in these communities, and in their hinterlands, as well.

ICTSI is determined to uphold the principles of Sustainable Development in its operations, and its thrusts are documented in its Annual Sustainability Report. This was launched in 2017, and its initial submission focused on the flagship Manila International Container Terminal. The Company's sustainability initiatives serve as both its compass and ballast and enable an accurate evaluation of its performance in terms of targets in social, environmental, and economic impacts.

The Report, currently in its second year, has improved its scope by including the Eight Key Terminals in ICTSI's Portfolio: (1) Manila International Container Terminal (*Manila, Philippines*); (2) Suape Container Terminal (*Pernambuco, Brazil*); (3) Guayaquil Container & Multipurpose Terminals (*Guayaquil, Ecuador*); (4) Madagascar International Container Terminal (*Tomasina, Madagascar*); (5) Pakistan International Container Terminal (*Karachi, Pakistan*); (6) Basra Gateway Terminal (*Umm Qasr, Iraq*); (7) Specialized Container Terminal 2 (*Manzanillo, Mexico*); and (8) Specialized Container and General Cargo Terminal (*Cortes, Honduras*).

**Sources:**

[ICTSI Website](#)

Sustainability  
[click to open](#)

[2018 Sustainability Report Primer](#)

[click to open](#)

[Inaugural Sustainability Report](#)

[click to open](#)

### 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?

### RESPONSE

**YES.** ICTSI provides contact details via the Company's website and Annual Report, which the stakeholders can use to voice their concerns and/or complaints.

**Sources:**

[ICTSI Website](#)

Contact Us  
[click to open](#)

Investors

[click to open](#)

[CG Report](#)

Corporate Information, pages 57-59  
[click to open](#)

### C.3.1

Does the company explicitly disclose the policies and practices on health, safety, and welfare policy for its employees?

### RESPONSE

**YES.** ICTSI continues to implement enhancements in its various health, safety, and welfare

policies and programs as part of its efforts to consistently provide a safe and healthy working environment for its employees.

As a matter of policy and practice, the Group generally does not hire contractual employees. Instead, ICTSI chooses to nurture a dedicated staff of permanent employees who grow familiar with the industry, the company, and operations; are willing to be trained to become productive professionals; and, desire to be empowered as better citizens. As a state of relations where management and labor work hand in hand to accomplish certain goals using mutually acceptable means, LMC is based on the belief that both parties have a common interest in the success and growth of the enterprise, and consequently the economy. In terms of remuneration, ICTSI complies with and often exceeds the minimum wages set by the respective government agencies. Benefits for full-time employees in MICT include life insurance, free medical consultations, medical and dental benefits, Health Maintenance Organization (HMO), free annual physical examination.

ICTSI is also fully committed to promoting the most stringent safety culture across its business operations. It continues to implement safety programs and improvements across its terminals, which includes among others, various safety induction and training, regular safety engagements with workers, safety audits, establishment of safe working procedures based on risk assessments, usage of safety software application, and deployment of cargo-handling equipment with enhanced safety features.

#### **Sources:**

##### [ICTSI Website](#)

Governance, Policies

[click to open](#)

##### [i-ACGR](#)

Principle 15, Duties to Stakeholders, pages 99-101

[click to open](#)

##### [CG Report](#)

Policies, pages 48-51

[click to open](#)

##### [Inaugural Sustainability Report](#)

People, pages 56-71

[click to open](#)

## **C.3.2**

Does the company explicitly disclose the policies and practices on training and development programs for its employees?

## **RESPONSE**

**YES.** ICTSI has a policy of providing training opportunities aligned with the requirements of the local operations, based on the principle of supporting for employee development and welfare. In

MICT, the flagship operation, employees regularly undergo skills- and task-related training, as well as broader education on the profession/industry.

Company Orientation Programs cover topics such as: Operations for Non-Operations staff, government mandated benefits, health insurance coverage, counterfeit detection, Claims for Non-Claims staff, ISO Workshop, and CFS Warehousing. There are also orientation sessions for newly-hired employees, as well as retiring employees.

**Sources:**

[ICTSI Website](#)

Governance, Policies

[click to open](#)

[i-ACGR](#)

Principle 15, Duties to Stakeholders, pages 99-101

[click to open](#)

[CG Report](#)

Policies, pages 48-51

[click to open](#)

[Inaugural Sustainability Report](#)

People, pages 72-73

[click to open](#)

### C.3.3

Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?

## RESPONSE

**YES.** ICTSI's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures ICTSI is driven by an organization of competent and dedicated workforce who are in partnership with their customers/clients and other stakeholders. These dimensions result in a decisive difference in the pursuit of service excellence and professionalism. To recognize this, ICTSI is committed to provide fair, timely and equitable compensation that values the comparable worth of jobs and the contribution of individuals.

**Source:**

[i-ACGR](#)

Principle 15, Duties to Stakeholders, page 100

[click to open](#)

## 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 behavior and provide contact details via the company's website or annual report?

### RESPONSE

**YES.** Every stakeholder and, most especially, employees of ICTSI are mandated to immediately report any concern and/or known or suspected violations of the Code on Business Conduct and other company policies. He/she may give such report through the Company's Compliance Officer and/or the relevant Department with the full assurance that the informant identity shall be treated with utmost confidentiality and his/her rights shall be protected based on applicable policies and local laws.

#### Sources:

[ICTSI Website](#)

Governance, Policies

[click to open](#)

[i-ACGR](#)

Principle 15, Duties to Stakeholders, pages 103-104

[click to open](#)

## C.4.2

Does the company have a policy or procedures to protect an employee/person who reveals illegal/unethical behavior from retaliation?

### RESPONSE

**YES.** A whistleblower or informant is given the option to give his/her report through the Company's Compliance Officer and/or the relevant Department with the full assurance that the informant identity shall be treated with utmost confidentiality and his/her rights shall be protected based on applicable policies and local laws. Furthermore, once a complaint is received, ICTSI conducts an administrative due process, which a separate investigation and does not rely solely on the report of an employee. Thus, the identity of the reporting employee is protected.

#### Sources:

[ICTSI Website](#)

Governance, Policies

[click to open](#)

[i-ACGR](#)

Principle 15, Duties to Stakeholders, pages 103-104

[click to open](#)

[CG Report](#)

Policies, page 46

[click to open](#)