

MAKATI FINANCE CORP.

SUSTAINABILITY REPORT

YEAR 2020

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A. CONTEXTUAL INFORMATION

1.) COMPANY DETAILS	
Name of Organization	MAKATI FINANCE CORPORATION (MFIN) or “The Company”
Location of Headquarters	3 rd Floor Mazda Makati Building, 2301 Chino Roces Avenue, Brgy. Magallanes, Makati City
Location of Operations	MFIN’s operations are located in Metro Manila, and nearby provinces such as Rizal, Laguna, Cavite, Batangas, etc.
Report Boundary: Legal entities (e.g. subsidiaries) included in this report *	This report covers the sustainability report of Makati Finance Corporation.
Business Model, including Primary Activities, Brands, Products and Services	The Corporation is a publicly listed Finance Company (with the Philippine Stock Exchange). Its Primary Purpose authorizes the Corporation to extend credit facilities to consumers and to industrial, commercial or agricultural enterprises, either by direct lending or by discounting or factoring commercial papers or accounts receivables, or by buying or selling contracts, leases, chattel mortgages, or other evidences of indebtedness, or by financial leasing of movable as well as immovable property. Products and Services include Business Loans, Doctors Loans, Factoring of Receivables, Car Loans, Personal Loans, Pension Loans and Motorcycle Financing.
Reporting Period	January to December 2020
Highest Ranking Person responsible for this report	Marcos E. Larosa, Chief Finance Officer

2.) MATERIALITY PROCESS

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.
MFIN considered internal and external factors in identifying material topics. These include the Company’s overall mission and competitive strategy, and the concerns expressed directly by its stakeholders.

B. ECONOMIC

The Corporation is a publicly listed Finance Company (with the Philippine Stock Exchange). Its Primary Purpose authorizes the Corporation to extend credit facilities to consumers and to industrial, commercial or agricultural enterprises, either by direct lending or by discounting or factoring commercial papers or accounts receivables, or by buying or selling contracts, leases, chattel mortgages, or other evidences of indebtedness, or by financial leasing of movable as well as immovable property. Products and Services include Business Loans, Doctors Loans, Factoring of Receivables, Car Loans, Personal Loans, Pension Loans and Motorcycle Financing.

1.) ECONOMIC PERFORMANCE

a. Direct Economic Value Generated and Distributed

Disclosure	Amount (in millions)	Units
Direct Economic Value Generated (revenue)	181	Php
Direct Economic Value Distributed:		
a. Operating Costs	38	Php
b. Employee Wages and Benefits	54	Php
c. Payments to Suppliers	14	Php
d. Dividends given to stockholders and interest payments to loan providers	49	Php
e. Taxes Given to the Government	25	Php
f. Investment to community (e.g. donations, CSR)	-	Php

What is the impact and where does it incur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company contributes to the economy by extending credit facilities to consumers and to industrial, commercial or agricultural enterprises, either by direct lending or by discounting or factoring commercial papers or accounts receivables, or by buying or selling contracts, leases, chattel mortgages, or other evidences of indebtedness, or by financial leasing of movable as well as immovable property. Products and Services include Business Loans, Doctors Loans, Factoring of Receivables, Car Loans, Personal Loans, Pension Loans and Motorcycle Financing.	Customers, suppliers, employees, shareholders and business partners.	The Company shall continue to position itself as among the top players and the financing company of choice in the market we serve. MFIN capitalizes its 55 years of existence and its vast experience in prudent lending activities and shall continuously adapt and raise the quality of the services it provide to all its clients.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Due to the COVID 19 pandemic, the Company's operation was interrupted by Enhanced	Customers, suppliers, employees, shareholders and business partners.	In order to mitigate the risk, the company's strategies are:

<p>Community Quarantine or ECQ which was declared in mid-March 2020 and the imposition of Bayanihan 1 and Bayanihan 2 for FY 2020, providing extensions on payment terms of our customers.</p>		<ul style="list-style-type: none"> • support long time and good business loans and factoring clients by offering them hassle free renewals • continue to process motorcycle loans, both brand new and repossessed • offer loan restructuring to good clients • continue to generate new accounts with prudence <p>Safety protocols were also strictly observed in the workplace in order to protect our employees and clients.</p>
<p>What are the Opportunity/ies Identified?</p>	<p>Which stakeholders are affected?</p>	<p>Management Approach</p>
<p>As the Government starts opening the economy, we see lending opportunities will increase as soon as SME's starts opening their businesses.</p> <p>The Company supported its good and long time clients during pandemic; as a result, we believed the gesture of the Company will develop loyalty among its customers.</p>	<p>Customers, suppliers, employees, shareholders and business partners.</p>	<p>Our aim is to assist our existing clients in overcoming the impact of the pandemic by closely working with them on their repayment, by providing alternatives to keep their account with us moving. MFIN believes that the success of our clients in overcoming this global pandemic will also be our organization's invaluable achievement which will catapult us into a new milestone amid this new normal in doing business.</p> <p>Also, the Company continued to support its employees by providing salaries during the lockdown period; as a result, we believed the gesture of the Company will develop loyalty among its personnel.</p>

2.) CLIMATE-RELATED RISKS AND OPPORTUNITES

<p><u>GOVERNANCE</u> <u>Disclose the organization's governance around climate related risks and opportunities</u></p>	
<p>a. Describe the board's oversight of climate-related risks and opportunities</p>	<p>To be identified.</p>

b. Describe management’s role in assessing and managing climate-related risks and opportunities.	To be identified.
STRATEGY: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material	
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, long term	To be identified.
b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	To be identified.
c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	To be identified.

Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks	
a. Describe the organization’s processes for identifying and assessing climate-related risks	To be identified.
b. Describe the organization’s processes for managing climate-related risks	To be identified.
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	To be identified.
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	To be identified.
b. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	To be identified.

3.) PROCUREMENT PRACTICES

a. Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers*	100	%

*Local suppliers are those registered and are operating in the Philippines.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Corporation has a broad base of local suppliers and is not dependent on one or limited number of suppliers.	Local suppliers	MFIN's procurement practices ensure that while value for money is important, quality is equally necessary.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Unethical procurement practices may expose the Company to compromised business integrity and ethics.	Local suppliers	The Company ensures that we deal with utmost honesty and of high ethical standards with customers, suppliers, competitors, employees and other stakeholders in all matters.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the opportunity to develop and improve its procurement practices.	Local suppliers	The Company ensures that we deal with utmost honesty and of high ethical standards with customers, suppliers, competitors, employees and other stakeholders in all matters.

4.) ANTI-CORRUPTION

a. Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anticorruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anticorruption training	100	%
Percentage of employees that have received anticorruption training	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>Directors, management and employees are informed that based on the Code of Business Conduct and Ethics of the Company during orientations/in house trainings.</p> <p>The customers are also informed during signing of loan documents.</p>	Employees, Management, Board of Directors	The Company sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the business risks involved if no constant reminders, re – orientations are being done.	Employees, Management, Board of Directors	To ensure the mitigation of corruption within the organization, the management disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the opportunity to develop and improve its anticorruption seminars/orientations	Employees, Management, Board of Directors	The Company establishes a suitable framework for whistle blowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation

b. Incidents on Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Directors, management and employees are informed that based on the Code of Business Conduct and Ethics of the Company during orientations/in house trainings.	Employees, Management, Board of Directors	The Company sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the business risks that will affect the organization due to corruption.	Employees, Management, Board of Directors	To ensure the mitigation of corruption within the organization, the management disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the opportunity to ensure that the organization remains without any incident of corruption.	Employees, Management, Board of Directors	The Company establishes a suitable framework for whistle blowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation

C. ENVIRONMENT

1. RESOURCE MANAGEMENT

a. Energy Consumption within the organization

Disclosure	Quantity /Year	Units
Energy Consumption Electricity	44,460	kwh
Energy Consumption Diesel	0	liters
Energy Consumption Gasoline	14,400	liters
Energy Consumption LPG	0	
Energy Consumption Renewable Sources	0	

c. Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	No Data yet	
Energy reduction (LPG)	No Data yet	
Energy reduction (diesel)	No Data yet	
Energy reduction (electricity)	No Data yet	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Energy consumed by MFIN primarily comes from electricity used in office. It also uses gasoline for its Company-owned vehicles and service motorcycles of our field personnel.	Employees and management	By continuously monitoring and keeping track the consumption of each vehicle and electricity consumption of our office.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The amount of energy consumption relates to climate-related risks as well as increase operating costs of the Company.	Employees and management	The Company uses GPS to ensure vehicles are used mainly for official business related purposes only to minimize fuel consumptions.

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Corporation recognizes opportunities to minimize operating costs by strict monitoring of electric/fuel consumptions.	Employees and management	The Company uses GPS to ensure vehicles are used mainly for official business related purposes only to minimize fuel consumptions.

c. Water Consumption within the organization

Disclosure	Quantity	Units
Water Consumption	486	Cubic meters
Water Withdrawal	Not measured	Cubic meters
Water Recycled and Reused	Not measured	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company manages the water consumption of its office.	Employees and management	The Company's Admin manages its water consumption by regular monitoring and tracking method.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the risks in overconsumption of water, which may lead to climate-related risks.	Employees and management	The Company's Admin manages its water consumption by regular monitoring and tracking method.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
There are opportunities in developing ways to conserve water.	Employees and management	The Company's Admin manages its water consumption by regular monitoring and tracking method.

d. Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
- Cement	0	NA
- Steel Bars	0	NA
- Aggregates	0	NA
Percentage of recycled input materials used to manufacture the organization's primary products and services	Not measured	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a

e. Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	
Habitats protected or restored	N/A	Ha
IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a

2. ENVIRONMENTAL IMPACT MANAGEMENT

a. Air Emissions

GHG

Disclosure	Quantity*	Units
Direct (Scope 1) GHG Emissions	n/a	
Energy Indirect (Scope 2) GHG Emissions	n/a	
Emissions of ozone-depleting substances (ODS)	n/a	

*Figures represent an approximate amount of emissions based on local and international standards on GHG emissions.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a

b. Air Pollutant

Disclosure	Quantity	Units
NO _x	Not measured	Kg
SO _x	Not measured	Kg
Persistent organic pollutants (POPs)	Not measured	Kg
Volatile organic compounds (VOCs)	Not measured	Kg
Hazardous air pollutants (HAPs)	Not measured	Kg
Particulate matter (PM)	Not measured	Kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
n/a	n/a	n/a

c. Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	Not measured	Kg
Reusable	Not measured	Kg
Recyclable	Not measured	Kg
Composted	Not measured	Kg
Incinerated	Not measured	Kg
Residuals/Landfilled	Not	Kg
	measured	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company is currently implementing a systematic process of collecting waste and its proper disposal observing the proper segregation of waste duly transporting the same to appropriate places suitable for its disposal.	Employees and management	The Company manages the proper segregation as well as proper disposal of its solid waste.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the climate-related risks of mismanaging solid waste and failing to reduce the amount of such waste resulting from its operations.	Employees and management	The Company manages the proper segregation as well as proper disposal of its solid waste.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the opportunities in improving its waste management system and reducing the total residual waste resulting from its operations.	Employees and management	The Company manages the proper segregation as well as proper disposal of its solid waste.

d. Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	Not measured	Kg
Total weight of hazardous waste transported	Not measured	Kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company is in the process of establishing measures to reduce and properly manage its hazardous waste, if any.	Employees and management	The Company is in the process of establishing measures to monitor and reduce the amount of hazardous waste generated from its operations, if any.

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the climate-related risks of mismanaging hazardous waste.	Employees and management	The Company is in the process of establishing measures to monitor and reduce the amount of hazardous waste generated from its operations, if any.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the opportunities in improving its reducing the amount of hazardous waste generated from its operations, if any.	Employees and management	The Company is in the process of establishing measures to monitor and reduce the amount of hazardous waste generated from its operations, if any.

e. Effluents

Disclosure	Quantity	Units
Total volume of water discharges	Not measured	Cubic meters
Percent of wastewater recycled	Not measured	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company is in the process of establishing measures to reduce water discharges and to recycle wastewater in its operations.	Employees and management	The Company is in the process of establishing measures to monitor and reduce the amount of water discharges generated from its operations.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes the climate-related risks of damage due to untreated wastewater.	Employees and management	The Company is in the process of establishing measures to monitor and reduce the amount of water discharges generated from its operations.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes opportunities in improving its measures to reduce water discharges and to recycle wastewater in its operations.	Employees and management	The Company is in the process of establishing measures to monitor and reduce the amount of water discharges generated from its operations.

f. Environmental Compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company is required to comply with environmental laws and regulations in the course of its business.	Management	To date, the Company is compliant with relevant environmental regulations. We ensure all recommendations/assessments during inspection are properly complied with.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Non-compliance with such laws may negatively affect the financial performance of the Company.	Management	To date, the Company is compliant with relevant environmental regulations. We ensure all recommendations/assessments during inspection are properly complied with.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company recognizes opportunities in entering environmental initiatives.	Management	To date, the Company is compliant with relevant environmental regulations. We ensure all recommendations/assessments during inspection are properly complied with.

D. SOCIAL

1. EMPLOYEE MANAGEMENT

a. Employee Hiring and Benefits

Employee Data

Disclosure	Quantity	Units
Total Number of Employees	165	
Female Employees	64	#
Male Employees	101	#
Attrition Rate	28%	rate
Ratio of lowest paid employee against minimum wage	No below minimum wage	ratio

Employee Benefits

Disclosure	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	34%	25%
PhilHealth	Y	9%	2%
Pag-ibig	Y	16%	16%
Parental leaves	Y	6%	3%
Vacation leaves	Y	100%	100%
Sick leaves	Y	91%	82%
Medical benefits (aside from PhilHealth)	Y	100%	100%
Housing assistance (aside from Pag-ibig)	N	N/A	N/A
Retirement fund (aside from SSS)	N	N/A	N/A
Further education support	N	N/A	N/A
Company stock options	N	N/A	N/A
Telecommuting	Y	100%	100%
Flexible-working Hours	y	55%	35%
(Others)			

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company had maintained its number of workforce despite the pandemic in order to address the needed manpower for its lending and collections services.	<p>The Company aims to keep its attrition rate low to minimize disruption in its operations and promote the development of its employees. However, due to the pandemic, several employees got scared and decided to resign in 2020 to return to their respective provinces.</p> <p>The Company ensures that employee benefits accorded by law are complied with.</p>
What are the Risk/s Identified?	Management Approach
High attrition rates may negatively impact productivity in the workforce.	The Company values its employees and strives to promote good working conditions and work culture.
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes the opportunity to increase its engagement with its employees to identify issues and areas of improvement.	The Company implements measures to identify employee concerns and get feedback to improve working conditions.

b. Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	528	Hours
a. Female employees	160	Hours
b. Male employees	368	Hours
Average training hours provided to employees		
a. Female employees	16	Hours/employee
b. Male employees	16	Hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company encourages its employees to be competent in their skills so that they can grow professionally and support the overall goals of the organization. The Company provides trainings and opportunities to enhance their skills and knowledge. Experienced employees are hands on with new hires to guide them in their growth and professional journey in the organization.	The Company supports the development of its employees' skills and professional growth by providing training and seminars to all of its employees through HR training programs.

What are the Risk/s Identified?	Management Approach
The Company recognizes the business risks resulting from the stagnant development of its employees, which may affect its financial performance.	The Company supports the development of its employees' skills and professional growth by providing training and seminars to all of its employees through HR training programs
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes opportunities for growth for its employees that will contribute to the overall success and financial performance of the Company.	The Company supports the development of its employees' skills and professional growth by providing training and seminars to all of its employees through HR training programs.

c. Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	N/A	%
Number of consultations conducted with employees concerning employee-related policies	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company encourages the participation of its employees in regular staff meetings, coordination meetings and consultations.	The Company assures the rights of employees to self-organization and collective bargaining. Moreover, the Corporation implements measures to identify and quickly resolve employee concerns.
What are the Risk/s Identified?	Management Approach
The Company recognizes the business risks in having low employee engagement to performance and productivity.	The Company implements measures to identify and quickly resolve employee issues and concerns.
What are the Opportunity/ies Identified?	Management Approach
The Corporation recognizes the opportunity to increase its engagement with its employees to identify issues and areas of improvement.	The Company implements measures to identify and quickly resolve employee issues and concerns.

d. Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	39	%
% of male workers in the workforce	61	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company provides equal opportunities to its employees and fosters diversity in its workforce.	The Company adopts non-discrimination policy in its hiring process and management of employees.
What are the Risk/s Identified?	Management Approach
The Company recognizes the risks in financial performance and productivity due to discrimination in the recruitment process and management of employees.	The Company adopts non-discrimination policy in its hiring process and management of employees.
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes opportunities in having a diverse workforce and providing equal opportunities to sustain competitiveness and a policy of meritocracy.	The Company adopts non-discrimination policy in its hiring process and management of employees.

Workplace Conditions, Labor Standards, and Human Rights

c. Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	N/A	Man-hours
No. of work-related injuries	N/A	#
No. of work-related fatalities	N/A	#
No. of work-related ill-health	N/A	#
No. of safety drills	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company ensures that safety measures are always in place and employees employed are physically fit and able to perform their jobs, healthy and medically-assisted, if necessary.	The Company institutes an annual physical exam to monitor the health and safety of its employees. Newly hired employees have to pass medical exam prior to hiring. Health insurance is also provided upon regularization.

What are the Risk/s Identified?	Management Approach
The Company recognizes the business risks in failing to ensure its employees' health and safety.	The Company regularly assesses its health and safety measures and compliance with the related laws.

What are the Opportunity/ies Identified?	Management Approach
The Company recognizes opportunities to improve health and safety measures in its operations and overall productivity.	The Company regularly assesses its health and safety measures and compliance with the related laws.

f. Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in company policy
Forced labor	N	
Child labor	N	
Human Rights	Y	Sexual Harassment /Bullying & Violence

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company did not have any incidents relating to violations of labor laws and human rights in 2020.	The Company is compliant with all relevant laws.
What are the Risk/s Identified?	Management Approach
The Company recognizes that non-compliance with labor laws and violation of human rights may result in loss of productivity and low employee performance, and thus financially affect the operations.	The Company is compliant with all relevant laws.
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes opportunities in increasing awareness of compliance with labor laws and the protection of human rights, and in improving its grievance mechanisms to allow for employees to report any incidents involving violations thereof.	The Company is compliant with all relevant laws, regulations and codes of best business practices.

2. SUPPLY CHAIN MANAGEMENT

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N/A	
Forced labor	N/A	
Child labor	N/A	
Human Rights	N/A	
Bribery and corruption	N/A	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The compliance of our suppliers with environmental and labor laws, human rights and anti-corruption laws affects the reputation of the Company.	The Company prioritizes suppliers that offer the best value for every cost incurred. Suppliers' selection involves selecting who provides reliability and quality through the products and services they offer.
What are the Risk/s Identified?	Management Approach
The Company recognizes the reputational and financial risks in associating with business that are not compliant to its policies.	The Company continuously reaches out to existing and new suppliers to ensure that the best value of services is derived from them.
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes opportunities in establishing measures to ensure that its long-term business partners are like-minded in the goal to build sustainable communities through best business practices.	The Company continuously reaches out to existing and new suppliers to ensure that the best value of services is derived from them.

3. RELATIONSHIP WITH COMMUNITY

a. Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)	Collective or individual rights that have been identified that is a particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Development of sustainable communities	Metro Manila, Rizal, Cavite, Laguna, Batangas	N/A	N	Job creation; promoting local suppliers	The Company prefers local suppliers in the community where it operates.

*Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available:

Certificates	Quantity	Units
FPIC process is still undergoing	N/A	#
CP secured	N/A	#

What are the Risk/s Identified?	Management Approach
The Company recognizes the business risks in failing to consider the well-being of the local community where it operates.	The Company prefers local suppliers in the community it operates.
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes opportunities in supporting and creating a positive impact on local communities.	The Company prefers local suppliers in the community it operates.

4. CUSTOMER MANAGEMENT

a. Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N?)
Customer Satisfaction	To be determined	N/A

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Customer satisfaction is a significant factor in determining whether the organization has achieved its goal of building sustainable communities.	To attain good customer satisfaction, the Company launched its social media accounts to offer easier venue to all our clients to communicate any issues/concerns they have regarding our services.
What are the Risk/s Identified?	Management Approach
Customer dissatisfaction may lead to a decrease in the Company's financial performance.	To attain good customer satisfaction, the Company launched its social media accounts to offer easier venue to all our clients to communicate any issues/concerns they have regarding our services.
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes opportunities in increasing engagement with its customers to gather feedback.	To attain good customer satisfaction, the Company launched its social media accounts to offer easier venue to all our clients to communicate any issues/concerns they have regarding our services.

b. Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>The Company ensures that our operations do not pose any health and safety risk to its customers.</p>	<p>Due to the COVID-19 pandemic, the Company implemented protocols to safeguard the health and safety of its customers, such as taking proactive steps to maintain a safe workplace and encourages the adoption of practices protecting the health of its employees, clients, and others. The Company's employees, clients, and others are constantly reminded to follow the minimum health standards and safety protocols as defined by the IATF. Also, to minimize contacts, the Company has maximized the use of online payment platforms.</p>
What are the Risk/s Identified?	Management Approach
<p>Due to the COVID-19 pandemic, health and safety has become a top priority for customers and employees; there is significant reputational and financial risk in failure to observe health and safety protocols.</p>	<p>Due to the COVID-19 pandemic, the Company implemented protocols to safeguard the health and safety of its customers, such as taking proactive steps to maintain a safe workplace and encourages the adoption of practices protecting the health of its employees, clients, and others. The Company's employees, clients, and others are constantly reminded to follow the minimum health and safety protocols as defined by the IATF. Also, to minimize contacts, the Company has maximized the use of online payment platforms.</p>
What are the Opportunity/ies Identified?	Management Approach
<p>The Company recognizes the positive impact in its reputation if we value health and safety protocols of our customers and employees.</p>	<p>Due to the COVID-19 pandemic, the Company implemented protocols to safeguard the health and safety of its customers, such as taking proactive steps to maintain a safe workplace and encourages the adoption of practices protecting the health of its employees, clients, and others. The Company's employees, clients, and others are constantly reminded to follow the minimum health standards and safety protocols as defined by the IATF. Also, to minimize contacts, the Company has maximized the use of online payment platforms.</p>

c. Marketing and Labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

*Substantiated complaints include complaints from customers that went through the organization’s formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Management Approach
The Company adopted the necessary measures to solicit feedback from customers with regards to our services.	The Company launched its social media accounts to offer easier venue to all our clients to communicate any issues/concerns they have regarding our services.
What are the Risk/s Identified?	Management Approach
The Company recognizes the reputational risk and financial consequences for unresolved customers’ complaints.	The Company launched its social media accounts to offer easier venue to all our clients to communicate any issues/concerns they have regarding our services.
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes opportunities in improving its mechanisms to solicit feedback and handle complaints from customers on marketing.	The Company launched its social media accounts to offer easier venue to all our clients to communicate any issues/concerns they have regarding our services.

d. Customer Privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

*Substantiated complaints include complaints from customers that went through the organization’s formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company ensures any information collected from customers is protected under the Company's Data Privacy Policy.	The Company, through its designated Data Privacy Officer ensure strict implementation of Data Privacy Policy of the Company.
What are the Risk/s Identified?	Management Approach
The Company recognizes the reputational risks and financial consequences of failing to maintain the privacy of its customers' data.	The Company, through its designated Data Privacy Officer ensure strict implementation of Data Privacy Policy of the Company.
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes opportunities in adopting measures to secure and maintain the privacy of its customers' data.	The Company, through its designated Data Privacy Officer ensure strict implementation of Data Privacy Policy of the Company.

e. Data Privacy

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company did not have any data breach in 2020.	The Company, through its designated Data Privacy Officer ensure strict implementation of Data Privacy Policy of the Company.
What are the Risk/s Identified?	Management Approach
The Company recognizes that data leaks may lead to customer dissatisfaction and pose a reputational risk.	The Company, through its designated Data Privacy Officer ensure strict implementation of Data Privacy Policy of the Company.
What are the Opportunity/ies Identified?	Management Approach
The Company recognizes opportunities to update its cyber security and data protection to protect our customer's information.	The Company, through its designated Data Privacy Officer ensure strict implementation of Data Privacy Policy of the Company.

E. UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

1. Product or Service Contribution to UN SDGs

Key Products and Services	Societal Value/Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impacts
<p>Products and Services include Business Loans, Doctors Loans, Factoring of Receivables, Car Loans, Personal Loans, Pension Loans and Motorcycle Financing.</p>	<p>The Company contributes to the economy by extending credit facilities to consumers and to industrial, commercial or agricultural enterprises, either by direct lending or by discounting or factoring commercial papers or accounts receivables, or by buying or selling contracts, leases, chattel mortgages, or other evidences of indebtedness, or by financial leasing of movable as well as immovable property. Products and Services include Business Loans, Doctors Loans, Factoring of Receivables, Car Loans, Personal Loans, Pension Loans and Motorcycle Financing.</p>	<p>No material negative impacts identified.</p>	<p>The Company shall continue to position itself as among the top players and the financing company of choice in the market we serve. MFIN capitalizes its 55 years of existence and its vast experience in prudent lending activities and shall continuously adapt and raise the quality of the services it provide to all its clients.</p>