

ANNEX C: SUSTAINABILITY REPORT

This Sustainability Report generally follows the guidelines set forth by the Sustainability Guidelines for Publicly-Listed Companies embodied in Securities and Exchange Commission Memorandum Circular No. 4 Series of 2019.

General Disclosures

Organizational Profile

NOW Corporation is an IT company primarily engaged in the business of providing telecommunications, media and information technology (TMT) products and services under its three key operating business segments, namely: (i) Software Licenses and Services; (ii) IT Manpower and Resource Augmentation; and (iii) Broadband and Wireless Cable TV Services. The Company's diverse products and services portfolio include software application development and maintenance, collaboration software solutions, web integration, web and mobile applications development, technical and maintenance services, IT manpower and resource augmentation, project implementation and management, managed services outsourcing, and fixed wireless broadband services, among others. The Company also offers value-added services through partnerships with companies licensed to provide wired and wireless, fixed and mobile communications and cable TV services. The Company has affiliates and subsidiaries but this report will solely focus on the operations of NOW.

The Company's principal address is located at:

Unit 5-I, 5th Floor OPL Building
100 C. Palanca corner Dela Rosa and Gil Streets
Legaspi Village Makati City, Philippines

Ownership and Legal Form

Originally incorporated on June 5, 1996 as MF Schroder & Co. Inc., the Company was initially engaged in the purchase and sale of securities. In 1998, the Company was renamed to MFS Markets, Inc. and thereafter to Cashrounds Inc. in 2002. The primary purpose of the Company then was to engage in the business of securities brokerage relating to the sale, transfer or exchange of every description of shares of stock and bonds, and to execute such transactions with the use of information technology. After a series of restructuring, which included venturing into diversified businesses by transitioning to telecommunications, media and information technology sector, the Company later on changed its corporate name to ICTV, as approved by the SEC on September 19, 2006. Afterwards, the Company added professional and manpower services in its portfolio through a subsequent amendment of its secondary purpose which the SEC approved on August 25, 2011. On August 16, 2013, the SEC approved the Company's change of name to its current corporate name, NOW Corporation. The Company has since grown into a telecommunications, media and information technology company, with an extensive portfolio of products and services.

Markets Served

NOW primarily serves the domestic market in the following industries: hospitality, banking, education, media and broadcasting, e-sports and gaming, business process outsourcing, manufacturing and real estate as well as various government entities.

Scale of the organization:

2

Direct economic value generated (revenue)	171,813,444
Direct economic value distributed:	
a. Operating costs	81,509,925
b. Employee wages and benefits	22,486,466
c. Payments to suppliers, other operating costs	37,447,568
d. Dividends given to stockholders and/or Interest payments to loan providers	23,983,273
e. Taxes given to government	7,367,098

Information on employees and other workers:

Number of Employees	
Male	Female
47	31

Supply chain:

NOW sources its electric power, electronic equipment, and internet bandwidth from various suppliers located in the Philippines, Japan, United Kingdom and China, all of which employ automated and mechanized processes and are not labor-intensive.

Significant changes to the organization and its supply chain:

There are no significant changes to the organization's size, structure, ownership and supply chain including the location of its operations, capital structure, location of and relationship with suppliers.

Membership in associations:

- Makati Business Club
- American Chamber of Commerce of the Philippines
- British Chamber of Commerce of the Philippines
- Philippine Information Communications Technology Organization

Strategy

NOW management believes that the company must operate in a manner that enables it to grow its present business without compromising the ability of the Company now and in the future to meet its own needs. By way of Sustainability Reporting, the Company can assess and manage its economic, environmental and social impacts which will benefit stakeholders having faith and confidence in the organization's ability to create value over time including employees, customers, suppliers, regulators, business partners and investors.

Risk Management

The Board has formulated a risk management process focused on the need to properly identify, evaluate, treat and monitor risks that may potentially affect the achievement of business objectives. Established policies, both local and national, are being considered to reduce energy related

Metrics and Targets

As provider of access to broadband internet, the Company relies on base stations, switches and data centers to provide service to its customers which comprise a substantial part of the Company's total greenhouse gas emissions. Network operations have become a primary focus of carbon reduction efforts and the adoption of technology innovations.

2. Ethics and Integrity

The Company endeavors to create an organizational culture that is guided by values centered on Integrity, Customer Focus, Innovation, Teamwork, Excellence and Social Responsibility.

NOW is committed to develop and maintain highly trained employees. As an "equal opportunity employer" NOW adheres to the policy and practice of providing equal opportunities for employment, development and advancement for those qualified, and offering job vacancies and opportunities to qualified existing personnel, without regard to sex, age and creed. Bound by the fundamental principles of decency and propriety, NOW employees should refrain from any behavior and relationships which border on or might be considered obscene, indecent or immoral. As much as possible, let a good, wholesome and clean atmosphere pervade the workplace.

Customers

NOW shall at all time, seek to attain customer satisfaction and loyalty by delivering only quality products and services, stressing value and safety to the user while affirming the company's reliability. To enhance and maintain customer confidence, an NOW employee is expected to attend to customers in an ethical manner and with utmost competence, knowing that the customers are the reason for the company's existence.

Shareholders

Being the very source of NOW's lifeblood, shareholders deserve no less than fair and full disclosure of information on the Company's worth and status.

Competitors

NOW abides by the basic rules of free competition and fair play in promoting and marketing its products and services and avoids resorting to negative publicity and similar unfair practices aimed at securing undue advantage over its competitors.

Government

Having in mind the nobility of the government and the integrity of its officials and employees, NOW shall not resort to offering or giving questionable payments, expensive gifts, bribes or other similar payments and gifts to public officials and personnel, with or without anticipation of favor, privilege or facilitation. It shall faithfully comply with pertinent and existing statutes, ordinances and regulations. NOW shall comply with applicable laws pertaining to donations for political purposes.

Community

Being a responsible corporate citizen, NOW undertakes to share in the concerns of the communities where it operates. In conducting its business, it shall observe safe and environment-

friendly practices. NOW shall comply with all applicable environmental and ecological statutes, ordinances and regulations.

4

Suppliers/Contractors

NOW will only do business with suppliers or contractors who deliver quality materials and services, who safeguard the rights and welfare of its workers by providing wages and benefits that comply with government laws and regulations, and who do not engage in forced labor and the hiring of minors. NOW will only do business with suppliers/contractors who commit to contribute and abide with the company's programs on security, health, safety, environment and social responsibility. NOW will place an order for production, maintenance, or other services to a contractor with a written document that specifies all purchase conditions, and not engage in unfair treatment of contractors, including unjustified delay in payment, unjustified return, or unjustified discount to the agreed price. NOW shall not give/receive any gift or entertainment to/from a customer or business partner that is outside accepted social norms.

Governance

The Company adopts a system of stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal and social obligations towards their stakeholders; a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board and senior management accountable for ensuring ethical behavior – reconciling long-term customer satisfaction with shareholder value – to the benefit of all stakeholders and society.

Board of Directors

The Board of Directors is the governing body elected by the stockholders that exercises the corporate powers of the Corporation, conducts all its business and controls its properties. High standard of best practice for the company is primordial therefore the Board conducts itself with utmost honesty and integrity in the discharge of its duties and responsibilities.

Board Committees

The following committees are constituted, each directly reporting to the Board, with specific board functions to aid in the performance of its duties and responsibilities.

Audit and Risk Management Committee

The Board has established an Audit and Risk Management Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. The committee shall consist of at least three (3) appropriately qualified non-executive directors, the majority of whom, including the Chairman, shall be independent. All of the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The Chairman of the Audit and Risk Management Committee is the Chairman of the Board or of any other committees. The committee shall have the following functions:

- a) Recommend the approval of the Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversee the implementation of the IA Charter;
- b) Through the Internal Audit (IA) Department, monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances shall

be in place in order to (a) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the Corporation's financial data, and (d) ensure compliance with applicable laws and regulations;

c) Oversee the Internal Audit Department, and recommend the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit Committee shall also approve the terms and conditions for outsourcing internal audit services;

d) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he should directly report to the Audit and Risk Management Committee;

e) Review and monitor Management's responsiveness to the Internal Auditor's findings and recommendations;

f) Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;

g) Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Corporation's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, shall be disclosed in the Corporation's Annual Report and Integrated Annual Corporate Governance Report;

h) Review and approve the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:

- h.1.) Any change/s in accounting policies and practices;
- h.2.) Areas where a significant amount of judgment has been exercised
- h.3.) Significant adjustments resulting from the audit
- h.4.) Going concern assumptions
- h.5.) Compliance with accounting standards
- h.6.) Compliance with tax, legal and regulatory requirements

i.) Review the disposition of the recommendations in the External Auditor's management letter;

j) Perform oversight functions over the corporation's Internal and External Auditors to ensure the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;

k) Recommend to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the SEC, who undertakes an independent audit of the Corporation, and provide an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders; and

l) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;

m) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation;

- n) Review the annual internal audit plan to ensure its conformity with the objectives of the Corporation;
- o) Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, including financial reporting control and information technology security;
- p) Review the reports submitted by the internal and external auditors;
- q) Coordinates, monitors and facilitates compliance with laws, rules and regulations;
- r) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit and Risk Management Committee.

Should the company become a subsidiary of a foreign corporation covered by the Revised Code of Corporate Governance, the internal auditor shall be independent of the Philippine operations and shall report to the regional corporate headquarters.

Corporate Governance Committee

The Board has established a Corporate Governance Committee that is tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee. It is composed of at least three (3) members, all of whom should be independent directors, including the Chairman.

The Corporate Governance Committee (CG Committee) is tasked with ensuring compliance with and proper observance of corporate governance principles and practices. It has the following duties and functions, among others:

- a. Oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it remains appropriate in light of material changes to the corporation's size, complexity and business strategy, as well as its business and regulatory environments;
- b. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conduct an annual self-evaluation of its performance;
- c. Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- d. Recommend continuing education/training programs by directors, assignment of tasks/projects to Board committees, succession plan for the Board members and senior officers, and remuneration packages for corporate and individual performance;
- e. Adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance;
- f. Propose and plan relevant trainings for the members of the Board;
- g. Determine the nomination and election process for the company's directors and have the special duty of defining the general profile of Board members that the company may need and ensure appropriate knowledge, competencies and expertise that complement the existing skills of the Board; and

- h. Establish a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Corporation's culture and strategy as well as the business environment in which it operates.

Board Risk Oversight Committee

Subject to the Company's size, risk profile and complexity of operations, the Board shall establish a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness. The BROC should be composed of at least three (3) members, the majority of whom should be independent directors, including the Chairman. The Chairman should not be the Chairman of the Board or of any other committee. At least one member of the committee must have relevant thorough knowledge and experience on risk and risk management.

The BROC has the following duties and responsibilities, among others:

- a. Develop a formal enterprise risk management plan which contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures;
- b. Oversee the implementation of the enterprise risk management plan through a Management Risk Oversight Committee. The BROC conducts regular discussions on the company's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;
- c. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The BROC revisits defined risk management strategies, looks for emerging or changing material exposures, and stays abreast of significant developments that seriously impact the likelihood of harm or loss;
- d. Advise the Board on its risk appetite levels and risk tolerance limits;
- e. Review at least annually the company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the company;
- f. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the corporation and its stakeholders;
- g. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management; and
- h. Report to the Board on a regular basis, or as deemed necessary, the company's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

Related Party Transaction Committee

The Board has established a Related Party Transaction (RPT) Committee, which is tasked with reviewing all material related party transactions of the company and is composed of at least three (3) non-executive directors, two of whom should be independent, including the Chairman.

The following are the functions of the RPT Committee, among others:

- a. Evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators/supervisors;
- b. Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. Management Committee

The BOD has created a Management Committee composed of not less than three (3) members of the BOD, including the Chairman thereof

Nominations and Election Committee

The Nominations Committee pre-screens and shortlists all candidates nominated to the Board elections in accordance with the qualifications and disqualifications and submits the same to the Board for further review and approval.

Compensation and Remuneration Committee

The Compensation and Remuneration Committee is responsible for developing and fixing executive remuneration packages of by-laws officers and directors, and provides oversight over remuneration of senior management and other key personnel to ensure that compensation is consistent with NOW's culture, strategy and internal control environment.

Conflicts of interest

All employees are mandated to ensure that personal interests do not conflict with the interests of the Company. They are also mandated to declare under the penalty of perjury all existing business interests or shareholdings that may directly or indirectly conflict in the performance of their duties.

If actual or potential conflicts of interest arise, employees are encouraged to fully and immediately disclose it to the Company and are refrained from participating in the decision-making process involving or may involve such interest.

Review of economic, environmental, and social topics and communicating critical concerns:

NOW has Executive Committee meetings, Board of Directors' meetings, and meetings of committees where updates in company operations, financials, and relevant risks faced by the company are discussed.

Highest governance body's role in sustainability reporting:

The Sustainability Report is prepared by the management team and approved by the Board of Directors.

Reporting Practice

9

Entities included in the consolidated financial statements of NOW (Parent)
i-Resource Consulting International, Inc. and i-Professional Search Network, Inc. (Subsidiaries)

Defining report content and topic boundaries

This report covers the operations of NOW (Parent)

List of material topics Materiality Table

Protecting the Environment	Developing Employees	Helping Build Communities	Safeguarding Health & Safety	Contributing to Local and National Economies
<ul style="list-style-type: none"> • Energy conservation • Waste generation, treatment & disposal • GHG emissions • Biodiversity • Environmental advocacy 	<ul style="list-style-type: none"> • Employment • Training & Development • Employee Engagement 	<ul style="list-style-type: none"> • Customer Health & Safety • Customer Service • Community Programs • Business Continuity 	<ul style="list-style-type: none"> • Occupational Health & Safety • Compliance to regulations • Customer product handling training 	<ul style="list-style-type: none"> • Economic performance • Indirect economic impacts • Procurement practices • Business partners • Supplier assessment • Risk management • Integrity and anti-corruption

Reporting period:

01 January to 31 December 2023

Date of most recent report:

This is the fourth Sustainability Report submitted by the Company.

Reporting cycle:

Annual

Contact point for questions regarding the report:

Angeline L. Macasaet
Corporate Secretary – Chief Legal Counsel - Acting Compliance Officer
angeline.macasaet@now-corp.com

Procurement Practices

The Company follows the standard procurement practices that promote transparency and equality among suppliers aimed to conduct business with its suppliers on an arm's length basis and under fair terms and conditions. Compliance with the established procurement policies is required for all officers and employees of the Company involved in the procurement process for materials and services.

NOW suppliers are expected to deliver the goods and/or services within the established requirements whereby a vendor accreditation process is developed to examine the suppliers' impact on the Company's operation. The Company selects its suppliers from those that have complied with all the regulatory requirements and are able to manifest financial ability to supply the needed goods and/or services.

Suppliers' performance is evaluated annually based on their ability to meet criteria focusing on the quality of the product delivered, timeliness of delivery and price competitiveness.

Anti-Corruption

Operations assessed for risks related to corruption:

NOW has developed its Code of Conduct and Discipline and policies (as the need arises) all of which outline the ethical principles and core values that the Company adheres to and serves as a guide in relating with co-employees, customers, and all the Company's other stakeholders.

NOW requires its employees not to offer, pay, make, seek, accept or authorize a personal payment, gift, favor or any other advantage, whether directly or through any other person or entity, to or for the use or benefit of any public official or any political party, candidate or official or private individuals and entities, where such payment, gift, favor or advantage would violate laws and regulations of the Philippines or of countries on which it operates.

Through the Human Resources Department, all employees are required to execute a written confirmation of their understanding and acceptance of the Code.

Confirmed incidents of corruption and actions taken:

There was no incident of corruption, reported or investigated during 2023.

Resource Management

Energy Consumption

The water consumption within the organization for the reporting year ended 31 December 2023:

Energy consumption (electricity)	235,600	kWh
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The Company recognizes the importance of energy for the continuous delivery of its services that is why it strives to use energy responsibly and seeks for improved efficiencies through better technology and processes. Its energy consumption covers all the facilities in its area of operation.

Affected Stakeholders

Employees, customers, suppliers and communities are affected by the Company's energy consumption.

Management Approach

Reduce the global greenhouse gas emissions require energy conservation and resource consumption efficiency. Practical energy conservation initiatives such as changing of busted fluorescent lamps with LED lights; use of more energy efficient air conditioning units were initiated in 2019 that translated to substantial electricity saved.

Identified Risk/s, Affected Stakeholders, and Management Approach

11

Some solutions to energy conservation may be costly; employees and shareholders may be affected by this risk.

The Company has designated the Operations Group to monitor and implement improvements to processes and mechanisms that would reduce and mitigate impact on the environment with primary focus on new technological solutions.

Identified Opportunities, Benefited Stakeholders, and Management Approach

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Present is the opportunity to maximize the utility of digital solutions to promote less fuel-powered activities and more digital-enabled work interfaces which result in carbon avoidance scheme where employees, vendors, and suppliers stand to ultimately gain from.

Water Consumption

The water consumption within the organization for the reporting year ended December 31, 2023:

Water consumption	1,324	Cubic meters
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Potential Impact and Company's Involvement in the Impact

Responsible water consumption as part of resource efficiency is promoted by the Company in all aspects of its day to day operation. This is important because of the use of water for the comfort of employees in the workplace.

Affected Stakeholders

Employees and communities may be affected by water consumption impacts.

Management Approach

Given the nature of the Company's business, water usage is confined to the employees' personal use. The Company has initiated water conservation measures in order to minimize water consumption. Water consumption efficiency is monitored and measured for long term solutions.

Identified Risk/s, Affected Stakeholders, and Management Approach

Insufficient water supply affects the employees and communities therefore the Company actively supports the government's water conservation campaigns.

Identified Opportunities, Benefited Stakeholders, and Management Approach

Initiatives that ensure sufficient water consumption will benefit the Company's employees, customers, industry partners, communities, and government regulators. Management will look at organizations and programs that would promote water conservation and provide support for such.

Materials Used

The following table shows materials used within the organization for the reporting year ended 31 December 2023:

Quantity	
Materials used by weight of volume	
* Renewable	N/A
* non renewable	N/A
Percentage of recycled input materials used to manufacture the Company's primary products and services	N/A

Potential Impact and the Company's Involvement in the Impact

The Company is not in the business of manufacturing goods, as such, this aspect is not material nor applicable for reporting. Any and all electronic equipment and gadgets offered to subscribers are instead sourced from vendors who are certified and compliant with global standards and regulations.

Affected Stakeholders

Not applicable, see explanation above.

Our Management Approach

Not applicable, see explanation above.

Identified Risk/s, Affected Stakeholders and our Management Approach

Not applicable, see explanation above.

Identified Opportunities, Benefited Stakeholders, and our Management Approach

Not applicable, see explanation above.

Ecosystem and Biodiversity

The following table shows materials used within the organization for the reporting year ended 31 December 2023:

Quantity	
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None
Habitats protected and restored	None
IUCN Red list species and national conservation list species with habitats in areas affected by operations	None

Potential Impact, our Involvement in the Impact, Affected Stakeholders, and Management Approach

None of the Company's infrastructures is established in protected areas and in coastal settlements that will affect community residents and the local government units.

Identified Risk/s, Affected Stakeholders, and Management Approach

The Company observes the applicable construction, operational, and resource use permits/clearances from national and local government agencies prior to site establishment and

Identified Opportunities, Benefited Stakeholders, and our Management Approach

The Company has started taking a collaborative approach to help create a more sustainable environment and help fight climate change by acting as carbon sinks.

Environmental Impact Management

Air Emissions

GHG*

	Quantity
Direct (Scope 1) GHG Emissions	
1. Fixed – Vehicles	<1,000 CO ₂ e
2. Wireless – Vehicles	<1,000 CO ₂ e
3. Fixed – Diesel Gensets	<1,000 CO ₂ e
4. Wireless – Diesel Gensets	<1,000 CO ₂ e
Energy indirect (Scope 2) GHG Emissions	
1. Fixed	<1,000 CO ₂ e
2. Wireless	<1,000 CO ₂ e
Emissions of ozone depleting substances (ODS)	<1,000 CO₂e

Potential Impact, our Involvement in the Impact, and Affected Stakeholders

The Company's industry illustrates the important role that communications can play in reducing emissions in other sectors and industries. On the other hand, NOW's business operations require the use of gasoline and diesel fueled vehicle and equipment that contribute to emissions to the atmosphere which affect customers, employees, communities public, and government regulators.

Management Approach

The Company as provider of access to broadband internet has made plans to internet services even more accessible to a greater area than voice and text services that are offered by telecommunication companies.

Identified Risk/s, Affected Stakeholders, and our Management Approach

We are undertaking efforts to make our growth, with our accompanying energy consumption and GHG emissions, sustainable. Increase in the atmospheric concentrations of GHG impacts global climate and is seen to produce a warming effect. If industries are not able to control their carbon footprint, more harmful climate events may affect operations and revenue. Our customers, employees, general public, and regulators are affected by these climate related risks.

Our GHG emissions arise from several sources which include energy consumed by our network in operation, emissions associated with the deployment of our network equipment, emissions associated with buildings we run, and emissions from fleet transport. We are focused on finding collaborative solutions to address this impact by ensuring that we use energy efficient networks

Identified Opportunities, Benefited Stakeholders, and Management Approach

The Company is committed to undertake measures that will reduce energy consumption rate as well as the amount of greenhouse gases and other pollutants that are emitted as a result of its operations.

Air Pollutants

Quantity

Ox	< 1 kilo
SO _x	< 1 kilo
	N/A
Persistent organic pollutants (POPs)	N/A
Volatile organic compounds (VOCs)	N/A
Hazardous air pollutants (HAPs)	N/A
Particulate matter (PM)	N/A

Potential Impact, our Involvement in the Impact, and Affected Stakeholders

The major source of air pollutants are the generator sets located in operational areas that emit smoke and produce noise particularly in offices, cellsites, and hubs.

Management Approach

The Company endeavors to implement operational standards that establish clean and energy efficient operations in all its facilities. The Operations Group regularly monitors the performance of facilities, equipment, and generator sets. Repair and/or replacement will be made of those that are identified to be performing lower than standards.

Identified Risk/s, Affected Stakeholders, and our Management Approach

Machinery, vehicles and equipment that cause pollution is a potential source to be penalized by government regulators. The Company therefore ensures that pollutants will not affect the communities where it operates.

Identified Opportunities, Benefited Stakeholders, and Management Approach

The operations Group is tasked to oversee facilities and network operations and is likewise mandated to propose measures for energy reduction.

Solid and Hazardous Wastes

Solid Waste

Quantity

Total solid waste generated	
1. Fixed	<1 metric ton
2. Wireless	<1 metric ton
Reusable	N/A
Recyclable	N/A
Metal	
1. Fixed	< 1 metric ton

2.	Wireless	<1metric ton	15
Paper			
1.	Fixed	<100 kilos	
2.	Wireless	<100 kilos	
Plastic			
1.	Fixed	<1 metric ton	
2.	Wireless	< 1 metric ton	
Composted			N/A
Incinerated			N/A
Residuals/Landfilled			N/A

Potential Impact, our Involvement in the Impact, and Affected Stakeholders

Various consumables and supplies used in the offices and facilities comprise a portion of materials utilized by the Company. In addition, the Company produces outdoor advertising materials and marketing collaterals, which create solid waste.

Solid wastes may affect employees, customers, and communities.

Management Approach

The Company has initiated efforts to shift to ecofriendly solutions for a sustainable environment that includes use of ecofriendly materials in the production of outdoor advertising materials and investing in more practical materials to avoid wastage.

Identified Risk/s, Affected Stakeholders, and Management Approach

Consumers are now conscious of protecting the environment call out companies that do not address the concern on waste management. Employees, customers, and communities may be affected.

By virtue of the Ecological Solid Waste Management Act of 2000, each local government unit is mandated to adopt a systematic, comprehensive and ecological solid waste management program under which the Company is subject to. The Company adheres to solid waste management schemes as provided by the local government units, in addition to its own environmental management plan.

Identified Opportunities, Benefited Stakeholders, and our Management Approach

Waste management efforts have been made manageable by the strict monitoring by the Operations Group of the amount of solid waste produced by the Company. Transactions for office processes what will require less use of paper such as paperless billing and non-print advertisements will also be strongly encouraged.

Hazardous Waste -

Quantity

Total weight of hazardous waste generated*	
Fixed ton	< 1 metric ton
Wireless ton	< 1 metric ton
Total weight of hazardous waste transported*	
Fixed	<1 metric ton
Wireless	<1 metric ton

Potential Impact, our Involvement in the Impact, and Affected Stakeholders

16

Waste materials have an impact long after their utilization has ended as most of them end up being hazardous wastes that need to be handled properly for the safety and health of the employees and the community. The health of the employees and members of the communities may be affected.

Management Approach

Environmental compliance guidelines are followed by the Company in the identification, segregation, and disposal of hazardous wastes.

Identified Risk/s, Affected Stakeholders, and our Management Approach

The health and safety of the employees, the members of the community and the suppliers will be compromised by improper handling of hazardous wastes, not to mention exposure to sanction and penalty from government regulators.

The Company follows the policies and guidelines formulated by the national government, the local government units as well as its own environmental management plan in the proper disposal of hazardous waste.

Identified Opportunities, Benefited Stakeholders, and Management Approach

Equipment, photocopying toner/ink, computers, laptops, mobile phones, and batteries are disposed of by getting a trade in value or recycled.

Effluents -

	Quantity
Total volume of water discharges	N/A
Percentage of wastewater recycled	N/A

Potential Impact and Company Involvement in the Impact

There are no effluents that are generated by the Company's operations. As such, this is not applicable to the NOW Group's operations.

Affected Stakeholders

Not applicable, see reason above.

Our Management Approach

Not applicable, see reason above.

Identified Risk/s, Affected Stakeholders, and our Management Approach

Not applicable, see reason above.

Identified Opportunities, Affected Stakeholders, and our Management Approach

Not applicable, see reason above.

Environmental Compliance

Non-compliance with Environmental Laws and Regulations

The following table shows the information on NOW's non-compliance with environmental laws and regulations:

	Quantity
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Total amount of monetary fines for non-compliance with environmental laws and/or regulations	Php 0.00
Number of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0
Number of cases resolved through dispute resolution mechanism	0

Potential Impact, our Involvement in the Impact, and Affected Stakeholders

The Company strictly observes the implementation of policies that it has developed on pollution prevention and control, waste recycling and segregation, proper waste disposal, health and safety, and conservation of vital resources. It is very much aware that non-compliance thereof may negatively affect the environment and compromise the health and safety of the employees and the public.

Management Approach

The Company strictly implements the policies it has established in its environmental management plan and likewise monitors technology and environmental management practices nationally and globally, and continually improves its involvement in the protection of the environment.

Identified Risk/s, Affected Stakeholders, and our Management Approach

The Company hopes to create a synergy between protecting the environment and the business of providing exceptional service to its customers. The environmental policies that have been established serve as guide to attain this.

Identified Opportunities, Affected Stakeholders, and Management Approach

Protecting the environment and at the same time providing high-quality to customers require dedication and focus. The Company is strongly committed to comply with environmental laws and regulations.

Employment

Benefits provided to full-time employees that are not provided to temporary or part-time employees

1. Medical Insurance (HMO) including dependents
2. Vacation Leaves
3. Sick Leaves
4. Maternity Benefit
5. Christmas Package
6. Retirement Benefit
7. Loyalty Awards
8. Company stock options (case to case basis)
9. Flexible working hours
10. Transportation Allowance / Shuttle Service

Parental leave:

As stated in NOW Employee Handbook, any employee, who has been certified as a solo parent by the Department of Social Welfare and Development (DSWD), shall be entitled to avail of seven (7) working days parental leave in any given year subject to the allowable reasons stated in the company's policy on leaves under the Solo Parent Act.

Labor/Management Relations

18

Minimum notice periods regarding operational changes

There are several communication channels in place to notify operational changes.

1. Through memos at least one-week prior to implementation.
2. For significant operational changes which created new rules and guidelines, 2 notices are given – the first is for the soft implementation and the second notice for full implementation after at least a month.
3. Operational changes are communicated through Department meetings, weekly production planning, monthly labor-management meetings through the Industrial Peace Council and Council of Solidarity, and monthly Safety Council meetings.
4. A quarterly publication, the Pipeline, also features information of significant operational changes.

Occupational Health and Safety

Occupational health and safety management system:

The Company is committed to the prevention of work-related injuries and illnesses to workers and to provide safe and healthy workplaces. Accordingly, the Company takes effective preventive and protective measures to eliminate hazards and minimize Occupational Health and Safety (OH&S) risks.

Hazard identification, risk assessment, and incident investigation:

The Company has a documented procedure on Hazard Identification, Risk Assessment and Determining Controls, or HIRADC. Hazards due to interaction with people, work environment, machines/equipment, and materials are identified for the following: routine and non-routine activities, off-site activities done by people under the control of the Company, activities outside the plant premises but may affect the workplace, new or proposed/modified processes, and new activities that are part of corrections and/or corrective actions. The OH&S risks are then identified for each hazard and an assessment of the risks is performed. The hazard is significant if it is covered by legal or regulatory requirements and if incidents have occurred in the past with respect to the identified hazard.

Occupational health services:

The Company is compliant to the requirements mandated by Republic Act 11058 and the Occupational Safety and Health Standards by the Department of Labor and Employment (DOLE) with regard to the provision of competent and qualified Occupational Health (OH) personnel and facilities.

Employees' personal health-related information is private and subjected to strict confidentiality.

Worker participation, consultation, and communication on occupational health and safety:

The Company ensures that appropriate communication, participation, and consultation processes are established on OH&S related matters. Workers are involved, consulted, and represented in the development and review of policies and procedures to manage OH&S issues.

Worker training on occupational health and safety:

The Company ensures that employees perform their jobs in the required manner. The Company ensures that persons performing work under its control are aware of the OH&S policies.

The Human Resource Department is responsible for establishing, maintaining, and continuously improving systems and procedures to identify training needs, develop training plans and courses, prepare for conduct of trainings, evaluate training effectiveness, and retain documented information on training. 19

Promotion of worker health:

The Company ensures that workers are protected against health hazards in the workplace and provided with access to adequate medical care and treatment.

Workers are required to undergo physical examinations prior to their employment and every year through the Annual Physical Examination (APE).

Medicines, medical supplies and first aid equipment are also provided in portable kits.

Periodic inspection of premises is conducted to ensure that the working environment is fit for all workers.

Prevention and mitigation of occupational health and safety impacts directly linked by business relationships:

The needs and expectations of the employees that are relevant to the OH&S management system, including those with access to the workplace and their activities, such as contractors, visitors and other persons are taken into consideration.

Workers covered by an occupational health and safety management system:

The scope of the OH&S management system involves the following:

- All NOW employees (including regular and probationary workers)
- In-house contractors or service providers for projects, maintenance, and other service activities
- Suppliers/vendors
- Student On-the-Job trainees
- Visitors (VIP, government inspectors, academe, etc.)
- Other identified interested parties

Work-related injuries:

The Company has not recorded any work-related injury during 2023.

Work-related ill health:

No work-related illnesses occurred for year 2023.

Training and Education

Average hours of training per year per employee

A Training Plan is executed/implemented each year that ensures training for every employee at an average of 18 hours per year:

1. Safety, environment and health related training for 5 hrs.
2. Competency-based training for at least 5 hrs.
3. Continuing Education for Professionals for at least 8 hours

Diversity and Equal Opportunity

The Company aspires for a work environment where respect for each other is present as reflected in the Company's policy against non-discrimination in hiring. Employees are not chosen on the basis of gender, age, religion or if they belong to a particular sector.

The Company support solo parents through the Solo Parent Leave Policy, which provides for an additional seven (7) day leave as defined in Republic Act 8972 or the Solo Parent Welfare Act.

Identified Risk/s and Management Approach

No specific risks identified for this reporting year.

Identified Opportunities and Management Approach

The Company is planning to undertake activities that will promote diversity and equal opportunity among employees.

Non-Discrimination

Incidents of non-discrimination and corrective action taken during 2023:

None.

Freedom of Association and Collective Bargaining

Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk. There are no known operations and suppliers which prevented the employees to their right to freedom of association and collective bargaining.

Child Labor

Operations and suppliers at significant risk for incidents of child labor:

NOW never had an incident of child labor. No individual below 18 years old was employed by the Company. Should a minor be employed, the Company shall make sure that there will be no incidents of child labor starting from the recruitment and employment process and guidelines for work arrangement, work accommodation and continuing education are in place.

Forced or Compulsory Labor

Operations and suppliers at significant risk for incidents of forced or compulsory labor:

NOW ensures that there shall be no incidents of forced and compulsory labor by strict adherence and compliance to Labor Standards and Occupational Health and Safety Standards in all NOW worksites.

Key products and services and its contribution to sustainable development

Key Products and Services	Societal Value /Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
<p>Access to Broadband Internet</p>	<p>With a suite of multimedia services and solutions, NOW helps Filipino families stay connected and provide them easy access to information and quality entertainment anywhere, anytime.</p> <p>NOW provides solutions to both large enterprises and the SMEs across various industries.</p> <p>Delivering digital business solutions that are up to par with global standards help entities in different industries to harness the power of technology in achieving their objectives.</p>	<p>The Company’s key product and services consume high amount of energy resources for uninterrupted operations.</p> <p>Exposure to inappropriate content is a potential hazard for minors who have access to the Company’s key products and services. They can also be preyed upon by unscrupulous individuals.</p> <p>The digital era has produced the proliferation of cyber criminals that exploit any weakness in the networks and victimize the public.</p>	<p>NOW monitors potential environmental impacts, identify solutions to mitigate those impacts, and supports the drive to improve the physical networks for better energy efficiency.</p> <p>NOW keeps itself abreast with the latest cybersecurity technology and advocates customers to protect themselves from cyber criminals.</p>