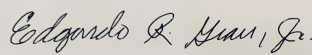


Annex A: Reporting Template

Contextual Information

Company Details	
Name of Organization	iPeople, Inc.
Location of Headquarters	3 rd Floor Grepalife Building, Sen. Gil Puyat Avenue Makati City
Location of Operations	With schools across Metro Manila, Calabarzon, Bicol Region, and Mindanao
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	<p>Report includes information from the following:</p> <ol style="list-style-type: none"> 1. Malayan Education Systems, Inc. (operating under the brand name “Mapua University”) – 1 school with 2 campuses 2. Malayan Colleges Laguna (A Mapua School), Inc. 3. Malayan Colleges Mindanao (A Mapua School), Inc. 4. Malayan High School of Science, Inc. 5. Affordable Private Education Center, Inc. (operating under the brand name “APEC Schools”) – 1 school with 23 branches 6. University of Nueva Carceres 7. National Teachers College
Business Model, including Primary Activities, Brands, Products, and Services	<p>iPeople, Inc. (IPO) provides quality and accessible education to students from kindergarten to post-graduate across all income segments.</p> <p>IPO through its subsidiary schools, aims to promote research and innovation that addresses the concerns of communities and solve problems of industries. IPO also aims to become one of the best in the fields of Science, Technology, Engineering, and Mathematics (STEM) and leverage on the strength of its subsidiary schools in STEM, Outcomes-Based Education (OBE), distance learning, and cost-effective EdTech.</p> <p>https://ipeople.com.ph/home/our-company/corporate-profile/</p>
Reporting Period	January 1 to December 31, 2019
Highest Ranking Person responsible for this report	<p>Edgardo R. Grau, Jr. IPO Chief Risk Officer</p> 

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics

The IPO Senior Management underwent several trainings and workshops on what their material topics are, whilst reviewing the role of sustainability within the company. It is a process wherein sustainability issues were communicated with the top executives in the company and widened perspectives to determine performance driven not just by financial metrics, but also non-financial aspects. The materiality principle IPO employed are as follows:

1. Understanding the Sustainability Context: This step encouraged the Company to think outside financial aspects and allow a framework driven by sustainability to guide the discussions on how their core business can contribute to society.
2. Identifying material topics: An initial list of material topics was identified by the IPO Senior Management and further validated through group discussions with sustainability point persons per school, including middle management, school heads, stakeholder touch points (to grasp stakeholder perspectives), and data handlers and verifiers whose functions are highly related to the theme of each group. In finalizing the material topics, we used the guide questions in the memorandum:
 - (a) Is it a key capital/risk/opportunity?
 - (b) Does our key business activities impact it?
 - (c) Does our supply chain contribute significant impacts?
 - (d) Does our product/service contribute significant impacts to the topic?
 - (e) Is there a trend that will make the topic material in the future?
3. Defining Performance and Management Approach: Once the list of material topics were identified, the Company gathered metrics to measure business performance under the guidance of the GRI reporting standards, a globally recognized sustainability reporting tool. To further enhance this, management approaches were created to better improve and monitor performance against the set metrics.

The UN Sustainable Development Goals (SDGs) were also used as a guideline for identifying the Company's societal, environmental, and economic impact and value.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	3,019,659,658.28	PhP
Direct economic value retained	573,929,446.77	PhP
Direct economic value distributed:	2,445,730,211.51	PhP
a. Employee wages and benefits	1,098,723,539.34	PhP
b. Payments to suppliers, other operating costs	915,143,797.11	Php
c. Dividends given to stockholders and interest payments to loan providers	223,259,359.87	PhP
d. Taxes given to government	77,782,659.17	PhP
e. Investments to community (e.g. donations, CSR)	130,820,856.02	PhP

Reported direct economic value generated, retained, and distributed for the former AC Education schools (APEC Schools, NTC, and UTC) are for May 2019 to December 2019, post-merger with IPO.

Direct Economic Value

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO's economic impacts are a product of its business activities, and the scale of the impact will increase or decrease according to the scale of IPO's business.

With the merger of IPO and AC Education in May 2019, there was a general increase in economic impacts, in particular, increased payments to suppliers, increased employment of both faculty and support staff, and increased community investments (in the form of scholarships and other grants).

Affected stakeholders are students, faculty and staff, suppliers, local communities, and government. In 2019, IPO generated ₱3,019,659,658.28 of direct economic impact, of which 80.99% was distributed among suppliers, employees, providers of capital, government, and community investments/donations.

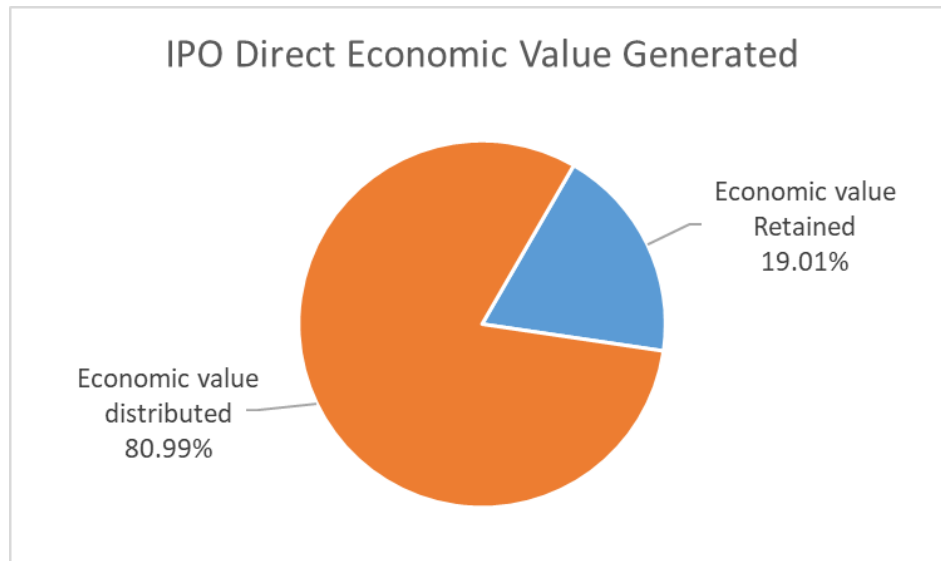


Figure 1 IPO Direct Economic Value Generated. IPO distributed 80.99% of direct economic value generated and retained 19.01%.

Majority of the value was distributed to employees as wages and benefits (44.92%) and as payment to suppliers [operating cost] (37.42%).

IPO's dedication to providing quality education to all Filipinos is highlighted in its distribution of 5.35% of its direct economic value generated in the form of scholarships, tuition discounts, and corporate social responsibility (CSR) projects. CSR projects include providing technical expertise to local governments and communities and community outreach projects. These projects involved the schools, employees, and students.

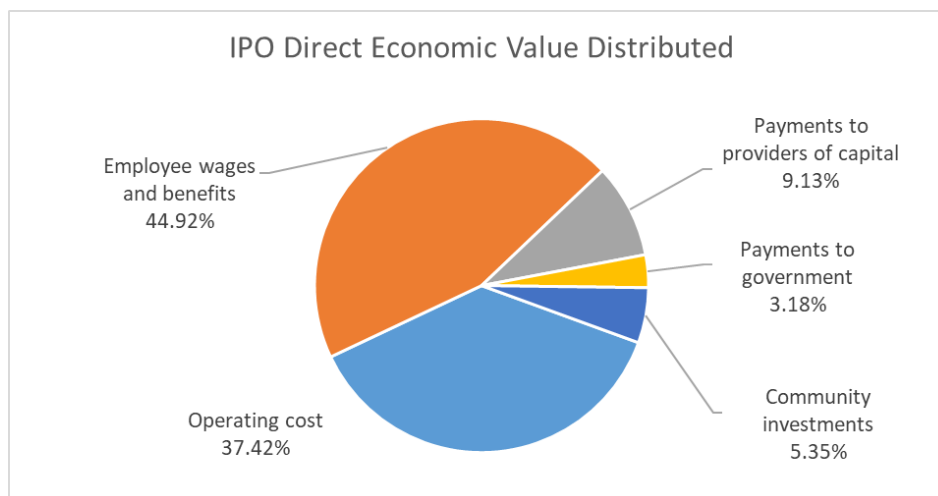


Figure 1 IPO Direct Economic Value Distributed. Majority of the value (44.92%) was distributed to employees as wages and benefits, followed by operating cost (37.42%).

In 2019, 51,308 students were enrolled in IPO schools, from Junior HS to post-graduate. Fifty-three percent (53%) of the students also belonged to economic segments E, D, and C2, wherein their monthly household income ranged from below ₱10,000 to ₱64,999.

To increase enrollment of lower income and high-performing students (academic and athletic), IPO provided ₱127,864,844.06 in scholarships to 1,593 students. IPO also assists students in applying for government- and privately-funded scholarships.

IPO's achievements in graduating students that are ready for higher education and/or the workforce can be seen in the graduates' employment rate. In 2019, IPO schools produced 10,695 senior high school, undergraduate, and post-graduate graduates. Of these, 75.75% received job offers within 120 days of graduation (data from MESI, MCL, NTC, and APEC Schools only). These graduates then become productive members of society. Aside from their individual benefit of earning a higher salary vs a non-graduate, graduates contribute more to economies through direct spending and taxes.

Aside from scholarships, providing affordable quality education that is accessible to the segments with lower income levels is also embedded in the business model of some IPO schools. APEC Schools, established in 2012, is a chain of private high schools offering affordable education from Grades 7 to 12, with the goal of preparing its graduates for immediate employment and/or to pursue higher education. It has managed to do this even while offering a tuition fee rate that is relatively lower compared to other private high schools. In 2019, APEC Schools enrolled 15,815 students across all campuses, with 43.78% of them belonging to segments D and E (with monthly household income of ₱24,999 and below). The schools also provided ₱1,260,418 in scholarships (does not include discounts, e.g. employee benefit, family discount, etc.). Upon graduation, 93% of students received job offers.

At the holding company level, IPO identified risks, mostly financial in nature, and will also have direct impacts to its direct economic performance. Some risks such as school strikes could disrupt our day-to-day operations and its ability to optimize revenue generation and lead to a negative perception on the quality of its programs. These could also lead to unnecessary operational costs.

Executive management takes an active role overseeing the business operations of IPO schools. Management oversight is conducted through various meeting such as the monthly IPO Management Committee (Mancom) and Operations meetings. These meetings are conducted in addition to the various management meetings held at the school level to address issues and regularly assess the school's operations and performance. Discussion topics include business developments, financial, subsidiary schools' operations and performance, governance, and regulatory compliance.

Implementation of the IPO Enterprise Risk Management Framework is carried out by the IPO Risk Team, which consists of Risk Officers from the schools. The Risk Team is overseen by the IPO Chief Risk Officer (CRO). Internal Audit (IA) continues to provide valuable input to risk management through their regular audits. Risk related concerns are discussed during the quarterly Board Risk Oversight Committee (BROC) meetings. For a more detailed discussion on risks faced by IPO, please refer to the Risk Management Section of the 2019 IPO Annual Report (Form 17A).

In the event of calamities, strikes, pandemic events, and the like that could hamper the operations of the schools, IPO and all schools have their respective protocols and procedures to manage each particular type of risk. In particular, Mapúa has tested and instituted the use of online facilities such as Blackboard,

its learning management system, that enables the school to conduct real-time online classes and facilitates online learning on a school-wide level. This enables the school to continue its classes with minimal disruption. Online learning is likewise being adopted by the other IPO schools by the use of online tools and facilities that approximate a learning management system. Mapua also has fully online post-graduate degree courses, implemented online admissions and examinations, and uses e-books instead of traditional school textbooks for all undergraduate and Senior High School students through subscriptions to Wiley and Cengage. Such technologies are also currently being adopted by other IPO schools.

In order to manage the risks (i.e. low enrollment) posed by K+12 and the implementation of the Universal Access to Tertiary Education, schools have intensified their marketing campaigns in order to attract more students. The schools also upgraded their facilities (i.e. new buildings, renovations). New program offerings, fully online degree programs (for Mapua), certificate courses, scholarships and discounts are likewise being offered.

Discussion on Opportunities

IPO and its subsidiary schools are currently looking for more opportunities to expand in terms of investment in technology such as offering more online programs, the use of other alternative modes of learning and expansion of programs offered, and possible expansion of campuses.

Climate-related risks and opportunities

At present, though climate-related risks are already being discussed by IPO's Board Risk Oversight Committee (BROC), IPO does not yet have a complete working plan for addressing climate-related risks to the group. The Company is putting together the system to understand our vulnerabilities at different climate change scenarios to be able to fully disclose on this. IPO will begin work in 2020 by using 2019 baseline data, and be able to disclose in 2021.

Governance – Disclose the organization's governance around climate-related risks and opportunities

1) Describe the board's oversight of climate-related risks and opportunities

IPO has a Board Risk Oversight Committee (BROC), an extension of the full Board of Directors, which meets every quarter to discuss key risks and opportunities of the company. One of the BROC's main roles is to review management's effectiveness in managing risks. The BROC also provides direction and guidance on how the company will not only respond to risks, but also take advantage of opportunities. For 2020 onwards, monitoring efforts towards meeting goals set forth in the to-be-developed Environmental Impact Reduction Plan (EIRP) will be communicated and evaluated by the BROC.

Risks and opportunities related to climate change is one topic in these meetings, and its effect to operations and strategy are discussed.

Typhoons and floods have become more frequent. Such phenomena impact employee and student safety and well-being. IPO has policies and procedures in place to protect its employees and students.

- 2) Describe management's role in assessing and managing climate- related risks and opportunities

Assessing climate risks is led by IPO Sustainability and Risk Management. Currently, risks identified are those that relate to natural occurrences such as flood, typhoons, and earthquakes. For 2020, IPO Sustainability and Risk Management will present plans for adoption by the Board that would ensure that climate-related risks, in addition to natural calamities, are adequately identified and addressed.

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

- 1) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term

Performance targets for climate change risk are currently under evaluation by IPO Sustainability Team and Risk Management. These will be part of the EIRP.

- 2) Describe the impact of climate- related risks and opportunities on the organization's businesses, strategy and financial planning.

IPO acknowledges the existence of climate change and its intensifying effect. The group of companies have insurances and business continuity programs for managing the effects of these perils to the business units. One example is the use of online learning systems by the Mapua Schools, wherein the schools declare Digital Days when the LGUs declare the suspension of classes. This allows the students to continue their lessons in the safety of their homes via online classes. As awareness of climate change risk increases throughout IPO, additional risks and opportunities identified and required funding (if necessary) will be integrated onto the operations of the company.

- 3) Describe the resilience of the organization's strategy, taking into consideration different climate- related scenarios including a 2°C or lower scenario

The Company is putting together the system to understand our vulnerabilities at different climate change scenarios. IPO will begin work in 2020 using 2019 baseline data, and be able to disclose in 2021.

Once the system is in place, the Company will establish an EIRP, anchored on the 2°C scenario. The EIRP will include the metrics to be used, outline strategies to be implemented, and provide for constant feedback to determine if IPO is on track in meet key targets. Adjustments will be made to ensure IPO is on track to meet its commitment. IPO Sustainability and Risk Management will take the lead in managing the EIR.

Risk Management – Disclose how the organization identifies, assesses, and manages climate-related risks

- 1) Describe the organization's processes for identifying and assessing climate-related risk

The company has a Risk Management Council composed of IPO top management. It meets every quarter to discuss the top risks and opportunities to the company and strategies needed to manage such risks. All risk-related concerns are presented to the BROCC. Recommendations by the BROCC are implemented by management and overseen by the CRO. For 2020, IPO top risks will incorporate climate change risk strategies, mitigation measures, and opportunities. In addition, the IPO Sustainability Team will coordinate with Risk Management in initiating climate risk management.

- 2) Describe the organization's processes for managing climate-related risks

Managing climate-related risks will be led by IPO Sustainability Team, supported by Risk Management. Risk identification and management strategies are formulated at this level, then elevated to the RMC, and overseen by the BROCC.

- 3) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management

Identifying and assessing climate change risks is led by IPO Sustainability Team, supported by Risk Management and the RMC, overseen by the BROCC. IPO's current Risk Management process will be updated to incorporate climate-related risks. The Company believes climate change risk is an integral part of the business and just like traditional risks, they must be prudently managed.

Metrics and Targets – Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

- 1) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process

For 2020, the scope of climate change risk will be expanded to include the need for IPO to make a commitment in reducing the impact of its operations on the environment. This is the first year for IPO to collect environmental data. The Company will decide on the metrics that will be used to measure climate change impact and incorporate into its EIRP.

- 2) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

For 2020 onwards, IPO will commit to doing its part in limiting a global rise in temperature to under 2°C by 2030. IPO will develop strategies aimed at reducing the environmental impact of its operations, specifically those that would limit a rise in global temperatures by 2°C. Using data collected from 2019, IPO will commit to reducing its environmental impact by consistently reducing GHG emissions, materials

consumption, and waste generation.

Procurement Practices

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 ¹	99.64	%

¹ "Local suppliers" were defined as suppliers with operations in the Philippines.

Procurement Practices

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Aside from providing accessible high-quality education to Filipinos, IPO further contributes to nation-building by purchasing from local suppliers when possible. Risks related to procurement include rush orders (and thus the risk of not getting the best price due to time constraints) and lack of suppliers for what operations need.

At the YGC Group level, all suppliers are vetted and accredited. In 2019, the former AC Education schools (APEC Schools, UNC, and NTC) supplier and accreditation policies have not been integrated into the YGC Procurement process.

With 99.64% procurement spend on local suppliers, IPO directly impacts its suppliers and its schools (as the end-users of the purchased goods and services). Prices for repeat items are agreed upon beforehand with suppliers to prevent price increases due to rush orders. For schools not yet enrolled into the YGC Procurement process, there is coordination with the Procurement Departments of other schools in order to increase the pool of potential suppliers.

Discussion on Opportunities

While the preference to purchase from local suppliers when possible is being practiced, there is no formal policy nor target metric for this. A formal policy and target metric is under consideration.

Developing SME suppliers that employ PWDs and other vulnerable group to provide them access to economic opportunities may also be considered.

IPO plans to integrate the procurement policies of all schools into the YGC Group.

Anti-corruption

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 ¹	85%	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to ²	36.50%	%
Percentage of directors and management that have received anti-corruption training ³	40.30%	%
Percentage of employees that have received anti-corruption training ⁴	16%	%

¹ Only the Mapua Schools (Mapua, MCL, MCM and MHSS) have communicated the anti-corruption practices to all their employees (100%). For UNC, the policies were communicated to only 25% of their employees.

² Based on Mapua only (no other school or entity has disclosed data on the suppliers).

³ Based on Mapua and UNC. Only Mapua (80%) and UNC (0.6%) have data on the directors who received anti-corruption.

⁴ Based on UNC only (no other school or entity has disclosed data on employee anti-corruption training).

Incidents of 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	1	#

Anti-Corruption

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO treats corruption as a serious issue, as the Company abides by the highest ethical standards and legal principles. Pursuant to this, IPO implements strict anti-corruption protocols and procedures that cover all employees, from officers to rank-and-file employees.

Any incident of corruption within IPO's ranks or operations has serious implications and risks on the Company's operations and reputation, and opens the Company to possible legal consequences. As IPO works within the education sector, damage to reputation is of particular importance since it will also affect reputation and the ability of the subsidiary schools to attract students.

IPO follows the highest ethical and legal standards set by its parent company, House of Investments (HI), and the Yuchengco Group of Companies (YGC). Among the policies issued and enforced in IPO are the following:

- YGC Code of Business Conduct and Ethics
- HI Related Party Transactions
- HI Conflict of Interest
- HI Insider Trading
- HI Whistleblowing Policy

The above-mentioned policies cover all IPO employees, as well as consultants, contractors, and subcontractors (e.g. Housekeeping and Security personnel) working on the Company's premises. Employees are required to refamiliarize themselves with the policies and sign commitments that they read and understand the policies.

IPO's Revised Manual on Corporate Governance also states that each officer and employee holds a position of trust. Thus, officers and employees shall avoid situations where their personal interest is in conflict or appears to be in conflict with the interest of the Company or its clients. More details on provisions of said Manual can be found in the Company's website: <https://ipeople.com.ph/wp-content/uploads/2018/09/2019-Revised-Manual-on-Corporate-Governance-11.29.2019-1.pdf>.

Suppliers must also abide by the Supplier Code of Conduct. For IPO parent and the Mapua schools, supplier accreditation is done at the YGC Group level. APEC Schools, NTC, and UNC have their own supplier accreditation policies and procedures.

The single incident where the supplier contract was terminated on account of possible conflict of interest was resolved and the appropriate measures were implemented in accordance with the set policies on conflict of interest and anti-corruption.

For termination of contracts with suppliers on account of corruption, an internal investigation is conducted by the school's Administration, which includes the Legal Department and Human Resources (if employees are involved). The usual requirements of due process are followed, such as notice and opportunity to be heard, before actual termination.

Discussion on Opportunities

By looking at the extent to which IPO schools have disseminated and trained the Company's stakeholders on anti-corruption, as well as the extent to which these are also carried out in the operating schools, there is much opportunity for anti-corruption procedures to be implemented in the Company.

As stated in the YGC Code of Business Ethics, "YGC member-companies needing stricter or more extensive guidelines applicable to their particular industry or business line should create and maintain their own specific business codes, but the latter should be supplementary to and must not permit more lenient standards or in any way be inconsistent with this Code." IPO may pursue crafting a version of this Code that is more tailor-fit to an academic setting. Moreover, the Company will be stricter in communicating anti-corruption policies and procedures and ensure 100% coverage for employees and business partners for the next report.

ENVIRONMENT

Resource Management

Energy consumption within the organization

Disclosure	Quantity	Unit	Quantity	Units
Energy consumption (renewable sources)	0	kwh	0	GJ
Energy consumption (gasoline)	1,475.00	Liters	51.12	GJ
Energy consumption (LPG)	0	m ³	0	GJ
Energy consumption (diesel)	16,924.83	Liters	648.11	GJ
Energy consumption (electricity)	13,003,679	kWh	46,813.24	GJ

Reference for gigajoules conversion: Biomass Energy Data Book which refers to GREET, The Greenhouse Gases, Regulated Emissions, and Energy Use In Transportation Model, GREET 1.8d.1, developed by Argonne National Laboratory, Argonne, IL, released August 26, 2010.

There were no recorded energy reductions in 2019.

Energy consumption and reduction

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO's school operations are dependent on a consistent source of energy. Without electricity, the classrooms and equipment will not run. Fuel is used for the Company's service vehicles and for the backup generators. Energy consumption impacts the students, faculty, and staff present in the schools.

Increased energy consumption means increased costs for the Company. The schools have strict implementation of preventive maintenance for facilities and equipment, replacement of LED lights from fluorescent units, replacement of non-inverter air conditioning units to inverter-type, as well as behavioral approaches such as checking and shutting off all electrical equipment when not in use. Environmental programs were established by Mapua to reduce the consumption of electricity and in line with the ISO 14001:2015 Certification.

There are no declared energy reductions for 2019 as the major energy conservation activities (e.g. equipment replacement) were done prior to 2019.

Discussion on Opportunities

Considering that this is the Company's first year of reporting after IPO's merger with AC Education (with IPO as the surviving entity), the Company is still in the process of integrating management approaches and identifying opportunities. However, individually, the subsidiary schools have already started to implement energy reduction/saving policies such as using more energy efficient lights and appliances (LED lights, inverter appliances); implementing energy conservation policies where lights and appliances are turned off when there are no classes or activities and will continue to implement these on a wider scale to further reduce energy consumption.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	181,158.75	Cubic meters
Water consumption	141,031.75	Cubic meters
Water recycled and reused	6,723.00	Cubic meters

Water consumption

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
Water is a necessity for IPO and its subsidiary schools' operations and its students, faculty, employees.

The main risk associated with water withdrawal and consumption is running out of water. This water shortage was acutely felt in 2019, when low water levels in Angat and Ipo Dams due to the lack of rain severely restricted the amount of available water to Metro Manila. The water shortage resulted in having additional water delivered via tankers (and thus increased expenses) and disruptions of operations. For schools, the water shortage was addressed by issuing advisories to students and staff on how to reduce water use, reducing watering of plants, and quickly fixing leaks or other defects. Prior to the water shortage, water reduction initiatives such as regular preventive maintenance, installation of low-flow fixtures, and usage of rainwater collection systems were already in place. Both Mapua and MCM collect rainwater for use such as cleaning and watering plants.

Discussion on Opportunities

Considering that this is the Company's first year of reporting after IPO's merger with AC Education (with IPO as the surviving entity), the Company is still in the process of integrating approaches and identifying opportunities across all subsidiary schools. However, individually, the schools already implemented several initiatives designed to conserve water (i.e. collection of rainwater for watering plants, immediate repair of leaks). These initiatives may be further enhanced and improved to help in the water conservation efforts of the company.

Materials used by the organization

Disclosure	Material	Quantity	Units
Materials used by weight or volume			
• renewable	Paper	14,654	reams
• non-renewable		0	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services		0	%

Materials consumption

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

As IPO has several educational institutions under its fold, the most significant material that the Company consumes is paper. Paper is used in all aspects of the schools' operations: from application, admissions, enrollment, teaching, recording of grades, student services, to contracts and administrative work. Employees, faculty, students, suppliers, contractors and academic partners all use paper in a considerable amount.

In 2019, IPO consumed 14,654 reams of paper. Though renewable, the Company also recognizes that the process of making paper has considerable environmental impact if it is not sustainably sourced. With this in mind, the individual schools implemented various programs designed to reduce paper consumption. In particular, Mapua implemented online application and examination for prospective students, fully online degree programs, online classes and examinations to lessen paper consumption, and the use of e-books instead of regular textbooks. Paperless transactions (i.e. online filing of leave for employees, online enrollment, and submission of reports on Blackboard for students) were also implemented. Mapua's implementation of online delivery of classes and online processes were replicated by MCL and MCM. NTC, UNC, and APEC also adopted their own modified online delivery of classes.

In 2019, IPO conducted construction work for a new site for the Mapua Makati campus and renovation work in NTC. However, the specific materials consumption for these projects was not recorded.

Discussion on Opportunities

There is an opportunity to ensure that the paper used by the Company is sustainably sourced. IPO is also looking for ways to (1) integrate paper reduction initiatives in its processes, (2) provide more programs and processes that are less paper- and material-intensive, and (3) replicate and improve current programs and practices among the subsidiary schools that are designed to reduce paper consumption.

Ecosystems and biodiversity

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

Ecosystems and biodiversity

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

This topic is not material to IPO as the Company does not have operations in or adjacent to protected areas or areas of high biodiversity value.

However, the schools still participate in environmental-related CSR activities, such as coastal cleanups. In partnership with D' Bone Collector Museum, MCM conducted a coastal clean-up at Brgy. 76-A Bucana, Davao City. NSTP students, student volunteers, MCM employees, and the staff, volunteers and founder of D' Bone Collector Museum joined the cleanup. Mapua also regularly conducts native tree-planting activities and takes care of the trees already planted in a protected site in Rizal as part of its CSR activities.

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions ¹	48.65	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions ²	9,324.76	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	0	Tonnes CO ₂ e

1 Scope 1 emissions calculated using Greenhouse Gas Protocol calculation tools: <https://ghgprotocol.org/calculation-tools>

2 Scope 2 emissions calculated using Grid Emissions Factors (GEFs) provided by the Department of Energy (DOE): <https://www.doe.gov.ph/electric-power/2015-2017-national-grid-emission-factor-ngef>

GHG Emissions

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Greenhouse gases (GHGs) are responsible for anthropogenic climate change, and climate change will have a severe impact on IPO's areas of operations through stronger and more frequent weather disturbances, changes in rainfall patterns, flooding, increasing surface temperature, and the like. Therefore, monitoring and controlling the Company's GHG emissions is also an important contribution to nation-building.

The Company's GHG emissions are dependent on the type and amount of energy used. Majority of the Company's GHG emissions are Scope 2 due to the extensive use of electricity in operations.

The schools have strict implementation of preventive maintenance for facilities and equipment, replacement of LED lights from fluorescent units, replacement of non-inverter air conditioning units to inverter-type, as well as behavioral approaches such as checking and shutting off all electrical equipment when not in use. Environmental programs were established by Mapua to reduce the consumption of electricity and in line with of the ISO 14001:2015 Certification.

Discussion on Opportunities

Considering that this is the Company's first year of reporting after IPO merger with AC Education (with IPO as the surviving entity), the Company is still in the process of integrating approaches and identifying opportunities across all its subsidiaries.

Air Pollutants

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

Air pollution

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO potential sources of air pollutants are standby generator sets. As these are for standby only, they are only used if grid power is unavailable. All generators requiring Permit to Operate (PTO) are compliant to the PTO's conditions, including NOx and CO emissions. Compliance is met through emissions testing and quarterly submission of the Self-Monitoring Report (SMR) to DENR. Thus, air pollution is not a material topic for the Company.

Discussion on Opportunities

Considering that this is the Company's first year of reporting after IPO's merger with AC Education (with IPO as the surviving entity), the Company is still in the process of integrating approaches and identifying opportunities across all schools. However, individually, the subsidiary schools such as Mapua, MCL and NTC through research and innovation can help find solutions to reduce air pollution.

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	279,509.61	Kg
Reusable	0	Kg
Recyclable	202,053.66	Kg
Composted	0	Kg
Incinerated	0	Kg
Residuals/Landfilled	77,455.95	Kg

Solid waste

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Solid wastes are produced from discarded school and office materials, as well as wastes from the kitchens and cafeterias. Solid waste is a risk to both human health and the environment as a whole. Improper disposal of solid waste can lead to the spread of diseases and the release of harmful substances into the environment. It is also violation of RA 9003 and will pose regulatory risks and serve as a poor example to the Company's stakeholders, especially to the students. It will also have an impact on aesthetics and cleanliness of the schools.

The waste generated by IPO comes from the thousands of students, faculty, staff, and visitors that use the school facilities.

Solid waste management in the schools is practiced through consistent reminders on SWM, waste segregation at source, recycling programs, waste reduction programs (e.g. promotion of Bring Your Own containers/cups/utensils in order to reduce single-use plastic), and having a Materials Recovery Facility (MRF) in each school.

The high volume of recyclable waste collected means that only 27.7% of generated waste is sent to landfills. These are collected by accredited third party-haulers.

Solid waste disposal is done by DENR-accredited waste haulers and disposed at accredited landfills.

Discussion on Opportunities

Considering that this is the Company's first year of reporting after IPO's merger with AC Education (with IPO as the surviving entity), the Company is still in the process of integrating approaches and identifying opportunities across all schools. However, individually, the subsidiary schools may explore ways to further reduce or find alternative uses for its solid waste.

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	27,842.78	kg
Total weight of hazardous waste transported	27,842.78	kg

Hazardous Waste

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Hazardous waste poses a serious risk to human health and safety and the environment as a whole. Risks include accidental spills, deliberate releases into the environment, improper storage, and improper disposal. These risks, if unmanaged, may lead to injuries, potential fatalities, severe pollution of the environment, and potential death of flora and fauna. It also opens the Company to legal repercussions.

Hazardous wastes are a serious health and safety concern. As such, all regulations regarding hazardous waste handling, storage, transport, and treatment/disposal are observed. Majority of the hazardous wastes produced by the schools are chemical waste from the laboratories. Students who work with chemicals in the laboratories are taught proper laboratory safety techniques. They are also not allowed to work without proper supervision and safety equipment, such as lab gowns and goggles. Laboratory assistants are licensed chemists to ensure that they know how to safely handle hazardous wastes. Appropriate personal protective equipment (PPE) are provided.

The wastes are stored in a secured, onsite hazardous waste storage room. Treatment/disposal is done via DENR-accredited hazardous waste haulers and treaters. Records are kept via the Certificate of Treatment provided by these treaters.

Discussion on Opportunities

Current protocols, procedures, and technologies used may also be assessed to see if there are ways to improve the school's processes as to avoid or minimize the generation of hazardous waste.

Effluents

Disclosure	Quantity	Units
Total volume of water discharges ¹	40,127.00	Cubic meters
Percent of wastewater recycled ²	16.8%	%

1 Data from MCM, NTC, and UNC only

2 Only MCM recycles its wastewater

Effluents

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Improper wastewater discharge has a negative effect on the environment through pollution, increased sedimentation, and potentially spreading diseases. It also opens IPO to legal repercussions.

All of the schools are either connected to a centralized sewage treatment plant (STP), connected to its own septic tank, or operates its own STP. This is in compliance with DENR requirements on wastewater discharge.

MCM is the only school within IPO that operates its own STP. The STP has a Discharge Permit, and wastewater parameters are monitored and complied with in accordance to the permit requirements. This is accomplished through regular monitoring and preventive maintenance. MCM uses the treated wastewater for watering the landscape.

The rest of the schools are connected to the centralized sewage treatment plants (i.e Manila Water or Maynilad, etc.).

Discussion on Opportunities

Considering that this is the Company's first year of reporting after IPO's merger with AC Education (with IPO as the surviving entity), the Company is still in the process of integrating approaches and identifying opportunities across all schools. However, individually, the subsidiary schools may explore ways to reuse treated water. MCM may explore the possibility of double-piping so that the treated wastewater can be used for other purposes, such as flushing toilets.

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	#

Environmental Compliance

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO strives to comply with all environmental laws applicable to the Company's operations. Any non-compliance has regulatory risk, resulting in fines and/or sanctions which could disrupt the schools' operations and/or classes. The Company did not receive any fines or sanctions for the reporting period.

The company ensures that all subsidiary schools comply with applicable environmental laws. Most of the schools are required to have their own Pollution Control Officers who are tasked to closely monitor their respective school's compliance.

Discussion on Opportunities

No opportunities were identified during this reporting period.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ¹	1,502	
a. Number of female employees	865	#
b. Number of male employees	637	#
Attrition rate ²	10%	rate
Ratio of lowest paid employee against minimum wage	1.43 : 1	ratio

¹ Disclosure includes permanent employees only

² Attrition rate = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year. May also be considered as Labor Turnover.

Consolidated employee benefits

List of Benefits	Y/N	% coverage to female employees	% of female employees who availed for the year	% coverage to male employees	% of male employees who availed for the year
SSS	Y	100.00%	39.59%	100.00%	35.09%
PhilHealth	Y	100.00%	28.73%	100.00%	27.72%
Pag-ibig	Y	100.00%	36.73%	100.00%	39.44%
Parental leaves ¹	Y	96.14%	13.94%	88.01%	26.11%
Vacation leaves ¹	Y	91.00%	92.25%	86.88%	83.88%
Sick leaves ¹	Y	91.00%	82.04%	86.88%	74.54%
Medical benefits (aside from PhilHealth)	Y	84.29%	29.43%	78.88%	27.17%
Housing assistance (aside from Pag-ibig)	N				

List of Benefits	Y/N	% coverage to female employees	% of female employees who availed for the year	% coverage to male employees	% of male employees who availed for the year
Retirement fund (aside from SSS) ²	Y	94.83%	3.59%	92.17%	1.17%
Further education support ³	Y	93.80%	26.64%	90.60%	23.96%
Company stock options	N				
Telecommuting ⁴	Y	0.56%	0.00%	0.44%	0.00%
Flexible Working Hours ⁵	Y	67.87%	100.00%	34.26%	100.00%

"Coverage" was defined as the proportion of employees who are entitled to receive that benefit.

"Availed" was defined as the proportion of covered employees who used the benefit.

Benefits discussed are available to Permanent employees

1 Parental, vacation, and sick leaves are provided upon regularization

2 Offered by Mapua schools (MESI, MCL, MCM, MHSS), NTC, and UNC. Not offered by iPeople parent company and APEC Schools.

3 Offered by MESI, MCL, MCM, NTC, and UNC. Not offered by iPeople parent company, MHS, and APEC

4 Only offered by MCL

5 Only offered by MCL, MCM, and APEC Schools

Employee data and benefits

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

As a nature of its business, IPO needs highly-educated and competent faculty in order to provide the best education to its students and establish its reputation of providing quality and accessible education.

Risks include delays in hiring qualified personnel and high personnel turnover. If teaching positions are left unfilled, this may result in operational disruptions (as some subjects may not be offered), and burnout of existing faculty (due to taking additional load to fill the gaps).

Faculty members are vital to the schools' operations. IPO subsidiary schools address the risk of losing good faculty by offering competitive salaries; providing benefits which are comparable to the other schools and above the minimum set by law; opportunities for training and development and for further study is given; research opportunities and incentives for research publications; and support for local and international paper presentations. Children of employees also receive discounts if enrolled in IPO schools. IPO also invests in a company culture that is nurturing and supportive.

IPO and its subsidiary schools experience high employee turnover, especially in the APEC Schools. This is because the APEC Schools offer basic education and teachers are poached by public schools. To address this, APEC invests in the training of its people, including building training capacities internally so they are not dependent on external trainers. By quickly upskilling new hires, they are able to make up the gaps left by more experienced teachers.

Discussion on Opportunities

Considering that this is the Company's first year of reporting after IPO's merger with AC Education (with IPO as the surviving entity), the Company is still in the process of integrating approaches and identifying opportunities across all schools. However, individually, the subsidiary schools are exploring ways to attract competent and distinguished faculty and evaluate the current employee salaries benefits to ensure that they are still competitive and at par with industry standards.

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees ¹	50,433	hours
a. Female employees	29,221.00	hours
b. Male employees	21,212.50	hours
Average training hours provided to employees ¹	18.53	hours/employee
a. Female employees	18.71	hours/employee
b. Male employees	18.30	hours/employee

¹ Includes both permanent and temporary employees

Employee training and development

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Aside from supporting further education, IPO invests in its people through continuous in-house and external training to promote career and professional growth. Without this continued investment, IPO risks high employee attrition, operational disruptions, low quality of education provided to students, and loss of Company reputation.

IPO schools have regular assessment programs to assess the needs of their teaching and non-teaching employees. They also provide opportunities for training, certifications, and attendance in seminars and conferences to upgrade their skills. Faculty members are given opportunities for further study and research; incentives for publication; and support for paper presentations both local and international. Schools also have strong in-house training programs with CPD credits (APEC Schools) and in-house training for employees (Mapua). All schools have training facilities in various forms.

Discussion on Opportunities

IPO and its subsidiary schools are constantly reviewing best practices and processes, leveraging on the YGC and AC connections, to effectively identify and improve career gaps reviews and designing more effective training programs for employees.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	21.97%	%
Number of consultations conducted with employees concerning employee-related policies	As needed	#

Employee training and development

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Within IPO, 21.97% of employees are covered by two separate Collective Bargaining Units (unions) and are covered by two separate Collective Bargaining Agreements (CBAs). They are members of the Faculty Association of Mapua Institute of Technology (FAMIT) [faculty union] and Mapua Institute of Technology Labor Union (MITLU) [non-teaching employees' union]. Mapua is the only school with unions. The unions represent all permanent employees of Mapua University, except the Confidential permanent employees and the Deans of the Schools. CBAs providing for employee benefits and other terms are effective for a period of three to five years: financial items in the CBA are negotiated after three (3) years, while non-financial or political items are negotiated every five (5) years.

Risks due to negative relations with the union include effect on operations (work stoppage or strike); financial risk (effect on enrollment, productivity), and reputation (loss of confidence in the company by its stakeholders). Unresolved issues with the union may lead to unfair labor practice (ULP), which may be grounds for filing administrative (labor), civil, or criminal cases.

Proactively engaging with the union through informal dialogues and regular Labor Management Council (LMC) meetings and the adherence to transparent and frequent communication under CBA processes reduces the probability of employer-employee dispute. Through engaging and negotiating in good faith, the company and the union are able to execute agreements that are fair and equitable to all concerned.

Discussion on Opportunities

To ensure that there is a fair and transparent resolution of all union-related issues, Mapua holds the regular LMC sessions. LMC sessions may also be used as avenues to eventually agree on the policies that would be beneficial to both management and the employees and to ensure that good relations between the union and the company is maintained.

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce ¹	57.6%	%
% of male workers in the workforce ¹	42.4%	%
Number of employees from indigenous communities and/or vulnerable sector*	13	#

*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).

¹ Includes both Permanent and Temporary employees

Diversity and equal opportunity

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO implements policies that provide equal opportunity to all employees regardless of sex, gender identity, race, or religion. This is evident in hiring faculty members and employees where such are not considered as factors in hiring.

At present, 13 employees are solo parents and thus belong to the vulnerable sector. These members of the vulnerable sector are given the benefits and consideration due to them in accordance with law and existing company policies.

As part of its CSR initiatives, IPO supports diversity and equal opportunity by improving the skills of the local community through training. While the trained participants may not always find employment with IPO, the training provided through the Company's assistance will help increase their job prospects or help them establish their own businesses. Some of these trainings include:

SCHOOL	ADULT EDUCATION/TRAINING
Mapua University	PC Troubleshooting and Networking
	Python App Development (Module 1)
	Basic Electrical System Installation
	Strategies and Principles of E-Marketing for Laundry Service Industry
	Welding Seminar, Workshop, and Project – Metal Ladder
UNC	HELP PROGRAM (Health Education and Livelihood Program) <ul style="list-style-type: none"> • Mushroom production • Barangay vegetable farm • Beekeeping • Hog dispersal • Chicken dispersal • Rent-to-own padyak • Rug making • And others

However, as an education provider, majority of IPO 's CSR projects on diversity and equal opportunity focus on child education. This is because if young members of the vulnerable sectors are supported through education early on in their lives, the probability of finishing school and seeking gainful employment increases.

Some of these projects include:

SCHOOLS	CHILD EDUCATION/SUPPORT
APEC	APEC V. Luna: "Read with Me, Count with Me", a literacy campaign for the incoming Grade 1 students from Barangay North Fairview
	APEC Tondo: "Lakbay Aral" aims to help the children ages 5-12 years learn reading and writing skills
	APEC G. Tuazon: "Mini Library" with short reading tutorial every Saturday from 2-3 PM for children aged 5 to 10 years old. Books for the library were donated by students.
	APEC Schools Kalumpang: free summer art workshop for children ages 5 to 7 years old. The workshop encourages the use of imagination and creativity with the various art materials available.
UNC	CARE (Collaborate Assistance for Relevant Education) <ul style="list-style-type: none"> • Skills training and seminars • Literacy program • Pre-school • Remedial and tutorial or enhancement classes • Values formation

Discussion on Opportunities

IPO is currently evaluating its policies and practices to strengthen its commitment to provide equal opportunity to all, and look into possibly working with its partners to provide employment and other opportunities for the vulnerable sector.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours ¹	996,010	Man-hours
No. of work-related injuries	1,740	#
· Employees	137	#
· Students	1,603	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	24	#

¹ Safe man-hours declaration from UNC only

Occupational Health and Safety

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO considers the health and safety of its students, faculty, and staff as a top priority. Risks include unsafe facilities, lack of accessible healthcare in times of emergency, and lack of knowledge on proper safety procedures and what to do in times of emergency – all of which lead to potential loss of human life and reputation, as well as regulatory penalties.

Standard policies and procedures govern responses to health and safety incidents. Each school has a clinic staffed with healthcare providers to address injuries or sickness that occur on-campus. Students who work with chemicals in the laboratories are taught proper laboratory safety procedures. They are also not allowed to work without proper supervision and safety equipment, such as lab gowns and goggles. Certified and trained laboratory assistants are on hand to assist them and ensure the safe handling of chemicals. Health and safety reminders are also regularly communicated school-wide through postings in their websites, emails, and social media. Safety drills are also conducted regularly. First aid training is also given to both employees and students. Policies and emergency procedures are in place and may be readily implemented in case of natural disasters such as floods, fires, earthquakes, and other situations such as bomb threats and pandemic events.

Discussion on Opportunities

IPO is the process of evaluating its health and safety protocols to ensure that such protocols cover all circumstances that may affect the health and safety of its employees and students, particularly in the event of calamities, natural disasters, and pandemic events. This includes the possibility of having regular structural audits to monitor and ensure the structural health of school buildings and other structures within the schools' campuses.

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 the company policy
Forced labor	N	Not explicitly stated in company policy but done as a matter of practice
Child labor	N	Not explicitly stated in company policy but done as a matter of practice
Human Rights	Y	The Employee Manuals of each school and IPO Parent

Labor laws and human rights

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO strictly observes human rights laws, particularly those against forced labor and child labor. While forced labor and child labor are not explicitly addressed in company policy, it is addressed as a matter of practice as the Company complies with all relevant national and local laws in the areas where it operates in. Risks for non-compliance of labor laws include regulatory penalties, loss of reputation for the Company, and even civil and criminal penalties.

As a matter of policy, IPO schools do not tolerate bullying or harassment of any kind. The schools have strict anti-bullying policies for students. These policies are specifically included in their student manuals, in compliance with existing laws against bullying. These policies also provide for the instances covered and the procedure for handling cases of bullying, including intervention, remedial measures, and penalties in case of violation.

IPO and its subsidiary schools also have strict sexual harassment policies that are incorporated in their respective employee manuals. The policies include the circumstances which constitute sexual harassment, the process for filing complaints, conduct of investigation and hearings, and the penalty for violation of the policies.

Seminars and orientations are also conducted to ensure that employees and students are aware of the policies and to make sure that they comply with the provisions of the manuals.

Discussion on Opportunities

Considering that this is the Company's first year of reporting after IPO's merger with AC Education (with IPO as the surviving entity), the Company is still in the process of integrating approaches and identifying opportunities across all schools. However, individually, the subsidiary schools are evaluating their current policies to update them and ensure that these policies comply with new laws and issuances

Supply Chain Management

Supply chain management is performed at the YGC Group level. All vendors are screened and vetted, and purchases adhere to procurement policies, procedures and guidelines. The YGC Group has a supplier accreditation 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	Not explicitly mentioned in the Supplier Accreditation Policy, but potential suppliers must submit copies of relevant valid environmental permits as part of the Supplier Document Checklist required for accreditation.
Forced labor	N	Not explicitly mentioned in the Supplier Accreditation Policy, but it is implicit due to suppliers being required to comply with all laws.
Child labor	N	Not explicitly mentioned in the Supplier Accreditation Policy, but it is implicit due to suppliers being required to comply with all laws.
Human rights	N	Not explicitly mentioned in the Supplier Accreditation Policy, but it is implicit due to suppliers being required to comply with all laws.
Bribery and corruption	Y	Code of Ethics for Suppliers, section on Bribes, Kickbacks, and Gifts from Suppliers

For IPO parent and all Mapua Schools (MESI, MCL, MHSS and MCM) the accreditation of suppliers is handled by the YGC Group. The other schools (NTC, APEC Schools, and UNC) have their own supplier accreditation process.

Supply chain management

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO schools' operations require large amounts of supplies and outsourced personnel. Oftentimes in the supply chain, the end-users (such as IPO) are more visible to the public compared to their suppliers. Thus, any non-compliance or negative perception of IPO suppliers may result in reputational risks for the Company, as well as possible regulatory non-compliance.

Each vendor undergoes a strict vetting and accreditation process. As part of the accreditation process, they are required to submit valid proof of compliance with all applicable regulations, such as business permit, DOLE clearance, and environmental permits. During the course of a contract with a service provider (e.g. janitorial services), their progress billing payment will not be released without proof of remittance of SSS, Philhealth, and Pag-ibig remittances for their employees deployed in YGC companies.

Discussion on Opportunities

YGC Procurement will study the potential inclusion of ESG Policies in the accreditation questionnaire for suppliers to declare. This may be required from particular suppliers if necessary.

Relationship with Community

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 or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Operation of schools (K-12, undergraduate, post-graduate)	Luzon, Mindanao	The poor (Class D and E) as part of NSTP Adoption of Communities	No	None	Coordination with local government units to minimize impact of schools on traffic

**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: NOT APPLICABLE

Certificates	Quantity	Units
FPIC process is still undergoing	Not Applicable	#
CP secured	Not Applicable	#

Significant impacts on local communities

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

As hubs for thousands of students, faculty, and staff, IPO schools have significant impacts on the local communities around the school. The most obvious positive impact is the increased number of businesses around the schools that cater to the needs of the students (e.g. eateries, photocopying services, dormitories, etc.), that then contribute to the economic development of the area. A potential negative impact is the increased traffic around the school areas due to increased travel around the area to service students.

IPO works with the local government to develop traffic routing schemes to lessen the schools' impacts on the traffic situation, and work with them to ensure that traffic around the schools do not hamper or impede the flow of traffic.

IPO, through its subsidiary schools, offers online platforms to deliver classes, distance learning modules, and fully online programs so as to diversify its offerings and to lessen the burden on students to go to school. Currently, Mapua, MCL, and MCM have learning management systems that enable them to deliver online classes on a school-wide level in case students are unable to go to school for face-to-face classes. This has become useful in case of flood, pandemic events, and other circumstances. Fully online degree programs are also offered, as well as online application, examinations enrollment and the use of e-books.

Discussion on Opportunities

Considering that this is the Company's first year of reporting after IPO's merger with AC Education (with IPO as the surviving entity), the Company is still in the process of integrating approaches and identifying opportunities across all schools. However, the schools have already implemented several online and distance learning projects.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction		
Net Promoter Score	23% ¹	No. Done internally by the school
Student Happiness Survey	4.85 ²	No. Done internally by the school

1 Net Promoter Score is based on three schools (NTC, UNC, and APEC Schools), as MESI, MCL, and MCM had not yet completed their customer satisfaction surveys at the time of data collection and no data is available. It is a score between 1-10 which polls students. Those who scored you 9-10 are promoters, then you count the number of people who promote you.

2 Student Happiness Survey is based on two schools (NTC and MCM), as MESI, MCL, APEC Schools, and UNC had not yet completed their student happiness surveys at the time of data collection and no data is available.

Customer management

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO ensures that its offered programs, from K-12, undergraduate, and postgraduate, comply with applicable laws and regulations and meet the needs and expectations of students and parents in terms of knowledge and experience gained, overall school experience, and value for money.

Methodologies for student evaluations of the schools' services vary per school and grade level. Overall, students are asked to provide evaluations of teachers and the schools' services and asked to answer the Net Promoter Score and Student Happiness surveys. The feedback from these evaluations are used to look for ways to improve the schools and develop programs and plans which address student concerns.

Discussion on Opportunities

IPO plans to continue using these methods to evaluate the schools' surveys. However, the surveys and methodologies themselves will be periodically reviewed to ensure that they provide a fair and accurate evaluation.

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.*

Health and Safety

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

As a hub for thousands of students, faculty, and staff, IPO considers health and safety to be a top priority. Risks include the spread of diseases which may turn into pandemic events, natural disasters such as floods, fires, earthquakes, and other situations such as bomb threats. Policies and emergency procedures are in place and may be readily implemented in case of pandemic events. Orientations and briefings and safety and emergency drills are regularly conducted. Videos on safety procedures in case of earthquakes and fires were also made as part of the information and awareness campaigns to ensure employees and students know what to do in case of fires, floods, earthquakes, and other emergency situations. The school clinics and their personnel are also trained on how to handle these situations and have set policies in place which augment the institutional policies on health and safety.

IPO schools have Health and Safety Committees that regularly meet to update policies and discuss issues on health and safety. They also have written policies and guidelines to address complaints concerning health and safety.

Schools are required to have licensed healthcare professionals (doctors, nurses, and dentist) on-site to provide adequate healthcare to students and employees. Aside from these, they also have designated Health and Safety Officers. To involve the population, awareness campaigns and seminars on health and safety are regularly conducted, as well as fire and earthquake drills.

Discussion on Opportunities

IPO is in the process of evaluating the health and safety programs of the subsidiary schools (1) to ensure that all scenarios and the risks involved which affect the health and safety of students and employees are covered, and to (2) improve current programs to fill in gaps in the processes.

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.*

Marketing and Labeling

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO takes particular care to not misrepresent itself to its customers and other stakeholders. Risks include loss of reputation of the company, especially now with the widespread use and reach of social media. The schools' reputation is part of its marketing strength.

IPO schools each have a marketing team that double-checks all marketing materials to ensure that all claims made of the schools' successes are accurate. For time-sensitive information, such as rankings, certifications, and board exam passing rates, time references are always included in materials. Periodic review of the schools' websites and other relatively permanently available materials are also done to ensure that they are updated and contain accurate the information. IPO has policies and procedures to address complaints on marketing and false or inaccurate information.

Discussion on Opportunities

IPO and its subsidiary schools are in the process of evaluating current marketing and communication strategies of the schools. This is to ensure that the strategies are appropriate and responsive to the needs of the schools. Plans to upgrade the skills of its current marketing teams which includes crisis communications, management training, and social media management are also being evaluated.

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.*

Customer privacy

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

As IPO and its subsidiary schools are primarily education providers, they collect and have access to personal and sensitive information of students and employees.

As a matter of policy, IPO and its subsidiaries respect and uphold data privacy rights and ensure that all personal data collected from students, their parents or guardians, employees, and other third parties are processed pursuant to provisions of the Data Privacy Act of 2012 as reflected in their respective Data Privacy Manuals.

Designated Data Privacy Officers are tasked to ensure compliance with the Data Privacy Act by implementing the data privacy policies of the schools. They also conducted seminars and orientations on the data privacy to ensure that the schools also strictly comply not only with the Data Privacy Act, but also with the provisions of the Manual of Regulations on Private Higher Education (MORPHE) and the Manual of Regulations on Private Schools (MRPS) on the confidentiality of student records and information. Privacy notices and data privacy statements are present in school forms so that students and parents are informed of how their information will be used. The schools also have policies and protocols in place to handle complaints and inquiries on data privacy.

Audits of the data privacy policies and their implementation are also regularly conducted for some of the schools. Online modules on data privacy are regularly cascaded to and answered by employees to ensure that they understand and apply the data privacy policies.

Discussion on Opportunities

IPO and its subsidiary schools are currently evaluating its policies to ensure that they continue to secure the student and employee records, and that the policies are updated and compliant with current laws and regulations.

Data Security

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

Data security

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

IPO schools have IT policies on data security that are strictly implemented and regularly updated by their respective departments. Data security drills and exercises are also conducted. Students, faculty, and staff are informed about data security through awareness campaigns on the prevention of cybersecurity crimes and data security issues.

The schools have their respective policies and procedures in case of data breach, or violation of data security policies. The schools also have existing data management policies, guidelines, and procedures for

handling and reporting data breaches. Audits of the data security policies and systems are also regularly conducted for some of the schools. Online modules on data security are regularly cascaded and answered by employees to ensure that understand and apply the data security policies

In 2019, no incident of breach or unauthorized access was reported. This is primarily due to the strict implementation of the data security policies.

Discussion on Opportunities

IPO and its subsidiary schools are currently evaluating its policies to ensure that they continue to secure the student and employee records and data, and that the policies are updated and compliant with current laws and regulations.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

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
Education from kindergarten to post-graduate (depending on the school)	<p>4.3 Equal access to affordable technical, vocational, and higher education</p> <p>4.B Expand higher education scholarships for developing countries</p> <p>4.C Increase supply of qualified teachers in developing countries</p> <p>8.6 Promote youth employment, education, or training</p>	<p>Inaccessible to lower-income Filipinos</p> <p>High quality of teacher graduates results in high demand and pay offered by public schools and abroad, which results in loss of qualified teachers for IPO</p>	<p>Partnerships for scholarships (government and private)</p> <p>Internally-funded scholarships and discounts</p> <p>Offer competitive pay, benefits, and incentives for teachers such as opportunity for further study, research incentives, and support for paper presentation</p>
Research and development	Innovation and research that contributes to knowledge and/or contributes to an improved quality of life for Filipinos.	Cost of R&D (overspending)	Develop commercially viable projects, those that are “useful to society”, and those that may solve problems of communities or provide solutions to industries

* None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.

Education

Composed of 7 schools with various campuses, IPO offers education from kindergarten to post-graduate (depending on the school). In 2019, 51,308 students were enrolled in IPO schools, from Junior HS to post-graduate. Fifty-three percent (53%) of the students also belonged to economic segments E, D, and C2, wherein their monthly household income ranged from below ₱10,000 to ₱64,999.

To increase enrollment of lower income and high-performing students (academic and athletic), IPO provided ₱127,864,844.06 in scholarships to 1,593 students. IPO also assists students in applying for government- and privately-funded scholarships.

Aside from scholarships, providing affordable quality education that is accessible to the segments with lower income levels is also embedded in the business model of some IPO schools. APEC Schools, established in 2012, is a chain of private high schools offering affordable education from Grades 7 to 12, with the goal of preparing its graduates for immediate employment and/or to pursue higher education. It has managed to do this even while offering a tuition fee rate that is relatively lower compared to other private high schools. In 2019, APEC Schools enrolled 15,815 students across all campuses, with 43.78% of them belonging to segments D and E (with monthly household income of ₱24,999 and below). APEC schools also provided ₱1,260,418 in scholarships (does not include discounts, e.g. employee benefit, family discount, etc.). Upon graduation, 93% of students received job offers.

IPO's achievements in graduating students that are ready for higher education and/or the workforce can be seen in the graduates' employment rate. In 2019, IPO schools produced 10,695 senior high school, undergraduate, and post-graduate graduates. Of these, 75.75% received job offers within 120 days of graduation (data from MESI, MCL, NTC, and APEC Schools only).

The schools themselves assist students in applying for jobs through a centralized and revamped internship program, career coaching, on-campus career fairs, and activities designed to mimic the job application process.

For those taking board exams, the schools have correlation programs designed to assist and ensure that the examinees are prepared to take the board examinations. This is supplemented by holding review sessions that, in turn, translate to higher passing rates in the board examinations.

School	Top-Performing Courses	Board Exam Passing Rate (%)	National Average Passing Rate (%)
MCL	Electronics Technician	100	72.65
	Mechanical Engineer	94.83	63.51
	Electronics Engineer	90	49.25
MESI	Master Electrician	100	57.99
	Electronics Technician	96.55	72.65
	Chemical Technician	92.16	81.09
NTC	Guidance Counseling	80	62.45
	Secondary Teacher	44	34.38
	Elementary Teacher	38	29.5
UNC	Architect	94.1	58.95
	Nurse	59.4	53.97
	Criminologist	51.7	42.28

Research and Development

Research and Development is a key product of the IPO schools. While R&D in itself is not an SDG goal, it underpins the success of the SDGs.

In 2019, Mapua University spent ₱14,575,371 of internal university funds for R&D (amount does not include research funding received from external sources, such as government, funding agencies, etc.). The University also published 275 research papers in ISI-index journals.

Mapua University also serves as an incubator for commercialized research. The Universal Structural Health Evaluation and Recording (USHER) System is designed to assess and provide real time status on the structural health of buildings and other structures. The USHER system resulted from a research project funded by DOST-PCCEIRD. A spin-off company was established under the FASTRAC project, also funded by the DOST-PCCIER, based on the market and technical validation of the USHER project. The Intellectual Property on the USHER system is owned by Mapua (patent is pending), which is then licensed to the spin-off company for commercialization.

Other Higher Education institutions (MCL, MCM, NTC, and UNC) also invested in R&D, investing ₱2,093,129.89 and with 34 papers published in ISI journals and/ or Scopus- indexed journals. They have also taken other measures to improve research output, such as developed an institutional research agenda, revising their Research Incentive Policy, and providing support for presentation of papers in conferences both in the Philippines and abroad.