



NATURE AND BIODIVERSITY LEADER

MPIC: investing in nature and biodiversity in the Philippines.

Metro Pacific Investments Corporation (MPIC) is committed to preserving natural resources and enhancing biodiversity-rich sites

MPIC is one of the largest private investors in infrastructure and essential services in the Philippines. It has raised billions in financial capital and has invested to improve the lives of millions of people, while preserving finite resources and strengthening its social capital.

The company has interests in power, water, toll roads, light rail, healthcare, agriculture and waste management. Its activities take place largely in the Philippines, but it also has investments in energy, water and toll roads in Vietnam, Indonesia and Singapore.

In 2021, it embedded integrated thinking into the company's disclosures, which has enabled MPIC to gain a broader view of value creation, improve its strategies and connect various business units and interests under one coherent sustainability strategy.

What integrated thinking means to MPIC



At a time when climate change and geopolitical pressures are increasingly posing business risks, MPIC knows it must value and balance various non-financial capitals – such as social and environmental – to meet stakeholder demand and achieve long-term growth,



says Chaye Cabal-Revilla, MPIC's Chief Finance, Risk, and Sustainability Officer.

For MPIC, integrated thinking goes beyond a narrow focus on financial metrics; it also considers the broader impacts, risks, and interdependencies of MPIC's value creation process and resource use.

Effective communication is crucial to further embed sustainability in the company's decision making and business practices. It enables MPIC to engage stakeholders, align efforts,



drive transparency and learn from collective experiences, ultimately enhancing overall performance and value creation.

"As a company that uses and exerts influence on large amounts of financial capital and natural resources, MPIC knows it must find the best approach to meeting public and regulatory demand for accurate and transparent corporate disclosures," says Cabal-Revilla.

Communicating integrated thinking

MPIC demonstrates integrated thinking primarily through its 2021 and 2022 annual integrated reports, the content of which follows MPIC's Sustainability Framework, updated in 2021 in response to the post-pandemic environment.



Both reports illustrate critical resources and relationships that MPIC and its operating companies rely on to create value,



says Cabal-Revilla. "The reports also detail how MPIC's purpose and vision, operating environment, yearly performance, governance, risks and opportunities, market trends and outlook influence its value creation process and those of its business units."

The reports provide additional disclosures on the group's 'Sustainability Focus Areas'. These categorise MPIC's sustainability impacts on shareholders, society and the environment into the areas in which MPIC companies have the most influence.

Effectively communicating its integrated thinking approach has allowed MPIC to reduce its average interest rates despite the unfavorable market conditions, with realized savings of around \$20 million annually.



The role of the Finance team



Driven by integrated thinking, MPIC's Finance team conducts financial risk analysis and aims to ascribe values to non-financial inputs, particularly natural and social capital,



says Cabal-Revilla.

"The Finance team also studies the financial implications of sustainability-related risks and opportunities. The CFO's team – including the Financial Controller, Head of Financial Planning and Reporting and their respective units – undergo regular training to integrate sustainability into MPIC's overall business strategy."

The team conducts demand and supply analysis, operational planning, and cost impacts and efficiencies to achieve financial goals aligned with sustainability targets.

Because MPIC's CFO is also its Chief Sustainability Officer and Chief Risk Officer, a siloed approach to valuing all forms of capital has been eliminated.



Nature and Biodiversity Leader

With the scale and significance of its investments in the Philippines, MPIC ensures that environmental protection is at the core of its business operations and strategies. It is guided by its four sustainability strategies, such as: 1) Integrate environment stewardship with business; 2) Invest in environmental protection programs; 3) Protect nature through collaboration and technology; and 4) Promote circular economy.

This programme has benefitted the Tubbataha Reefs Natural Park in Palawan, a declared UNESCO World Heritage Centre and many other coastal regions in Batangas, Surigao and Marinduque, among other marine biodiversity-rich sites.

Now on its 14th year, the award-winning Shore It Up! programme being implemented by Metro Pacific Investments Foundation, has been allocating funds to preserve and conserve Philippine coastal and marine ecosystems, and provide sustainable livelihood for the local communities. To date, it has protected over 100,000 hectares of Ramsar sites or Wetlands of International Importance, trained 2,800 junior environmental scouts and provided alternative

livelihood to around 100 marine park rangers and guardians and mangrove eco-guides.

In 2022, MPIC inked a landmark three-year urban biodiversity public-private partnership with various government agencies. The project's primary goal is to increase Metro Manila's access to functional green spaces and enhance awareness of local communities on the importance of biodiversity-friendly cities. MPIC has partnered with the ASEAN Centre for Biodiversity to further regional biodiversity conservation and cooperation.

Moreover, it established the MPIC Group Sustainability Council to ensure that sustainability efforts are harmonized and coordinated across the group. To create a wider positive impact on communities and the environment, the Council rallies behind the group's notable reforestation efforts such as Meralco's One for Trees, which rehabilitates damaged forests and empower communities to care for the planet; Maynilad's Plant for Life, which protects critical watersheds and engages Indigenous Peoples as forest caretakers; and Metro Pacific Tollways' Greening the Expressways that uses science-based and nature-centered approach in turning its expressway into "green highway".

As part of its company culture, MPIC employees are also encouraged to join its various reforestation efforts as volunteers.

The judges' view:

MPIC's focus on integrating economic, environmental, social and governance considerations into decision making and communicating this to investors was commended by the judges.



The leadership and passion from the Finance team was clearly and effectively demonstrated, as was the commitment to sharing knowledge and continuously improving.



The company is a Nature and Biodiversity Leader because it recognises that it is at the front line of the climate and nature emergency, and it sees nature as a solution to the transition. It embeds nature and biodiversity into its business decision-making, especially in relation to issues such as mergers and acquisitions, due diligence, capital investments and working with investee companies.

The judges also commended MPIC for partnering with others to invest in large-scale nature and biodiversity protection programmes, and for using influence to call for further action.

The Finance for the Future Awards recognise the role of finance in driving sustainable economies.

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