



DMCI HOLDINGS
I N C O R P O R A T E D

Sustainability Reporting Annex 2019

For submission to the Securities and Exchange Commission (SEC)

TABLE OF CONTENTS

| | Page Number |
|--|-------------|
| 1. Contextual Information | 4 |
| 2. Materiality Process | 6 |
| 3. Economic Data | |
| 3.1 Economic Performance | 9 |
| 3.1.1 Direct Economic Value Generated and Distributed | 9 |
| 3.1.2 Defined benefit plan obligation and retirement plans for employees | 9 |
| 3.2 Indirect Economic Impacts | 11 |
| 3.2.1 Significant Indirect Economic Impacts | 11 |
| 3.3 Climate-related risks and Opportunities | 13 |
| 4. Environmental Data | |
| 4.1 Energy | 14 |
| 4.1.1 Energy consumption within the organization | 14 |
| 4.2. Effluents and Wastes | 15 |
| 4.2.1 Water discharge by quality and destination | 15 |
| 4.2.2 Waste by type and disposal method | 16 |
| 4.2.3 Transport of hazardous wastes | 17 |
| 5. Social Data | |
| 5.1 Employment | 18 |
| 5.1.1 New Employee Hires and Employee Turnover | 18 |
| 5.1.2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 20 |
| 5.1.3 Parental Leave | 20 |
| 5.2 Labor/Management Relations | 21 |
| 5.2.1 Minimum notice periods regarding operational changes | 21 |
| 5.3 Occupational Health and Safety | 22 |
| 5.3.1 Workers covered by an Occupational Health and Safety Management System | 22 |
| 5.4 Training and Education | 22 |
| 5.4.1 Average training hours per employee per gender | 22 |
| 5.4.2 Programs for upgrading employee skills and transition assistance programs | 23 |
| 5.5 Local Communities | 24 |
| 5.5.1 Operations with local community engagement, impact assessments and development programs | 24 |
| 5.5.2 Operations with significant actual and potential negative impacts on local communities | 25 |
| 5.6 Customer Health and Safety | 25 |
| 5.6.1 Assessment of the health and safety impacts of product and service categories | 26 |
| 5.6.2 Incidents of non-compliance concerning the health and safety impacts of products and services | 26 |
| 5.7 Socioeconomic Compliance | 26 |

| | |
|--|-----------|
| 5.7.1 Non-compliance with laws and regulations in the social and economic area | 27 |
| 6. UN Sustainable Development Goals | 28 |
| ANNEX A.1: SEC Management Approach Template and other Specific Disclosures (per subsidiary) | 31 |
| A.1.1 Economic | |
| A.1.1.1 Economic Performance: Management Approach | 31 |
| A.1.1.2 Indirect Economic Performance: Management Approach | 32 |
| A.1.1.2.3 Significant Indirect Economic Impacts per subsidiary | 33 |
| A.1.2 Climate-related risks and opportunities | |
| A.1.2.1 D.M. Consunji, Inc. (DMCI) | 36 |
| A.1.2.2 Maynilad Water Services, Inc. (Maynilad) | 38 |
| A.1.2.3 Semirara Mining and Power Corporation (SMPC) | 40 |
| A.1.2.4 DMCI Mining Corporation | 43 |
| A.1.3 Environment | |
| A.1.3.1 Energy: Management Approach | 45 |
| A.1.3.2 Effluents and Wastes: Management Approach | 48 |
| A.1.3.2.1 Water discharge by quality and destination | 47 |
| A.1.4 Social | |
| A.1.4.1 Employment: Management Approach | 48 |
| A.1.4.2 Labor/Management Relations: Management Approach | 49 |
| A.1.4.3 Occupational Health and Safety: Management Approach | 50 |
| A.1.4.4 Training and Education: Management Approach | 51 |
| A.1.4.5 Local Communities: Management Approach | 52 |
| A.1.4.6 Customer Health and Safety: Management Approach | 53 |
| A.1.4.7 Socioeconomic Compliance: Management Approach | 55 |

Annex A: Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

1. Contextual Information

| Company Details | |
|--|--|
| Name of Organization | DMCI Holdings, Incorporated |
| Location of Headquarters | 3rd Floor, Dacon Building 2281 Chino Roces Avenue, Makati City, Metro Manila, Philippines |
| Location of Operations | Philippines |
| Report Boundary: Legal entities (e.g. subsidiaries) included in this report* | <p>This sustainability report covers the sustainability performance and data from DMCI Holdings, Inc. and its five subsidiaries, namely:</p> <ul style="list-style-type: none"> ● D.M. Consunji, Inc. (DMCI) ● DMCI Project Developers, Inc. (a subsidiary 100% owned by DMCI Holdings, Inc. and the parent company of DMCI Homes.) ● Semirara Mining and Power Corporation (SMPC) ● DMCI Power Corporation ● DMCI Mining Corporation <p>Likewise, the Company has indirect ownership in Maynilad Water Services, Inc. (Maynilad) through a 27.19% stake in Maynilad Water Holding Company, Inc., a consortium between Metro Pacific Investments Corporation (MPIC), DMCI Holdings, Inc. and MCNK JV Corporation (MCNK). The consortium owns 92.85% of the water concessionaire Maynilad.</p> |
| Business Model, including Primary Activities, Brands, Products, and Services | <p>DMCI Holdings, Inc. is a diversified engineering and management conglomerate in the Philippines which specializes in general construction, real estate development, power generation, mining, water distribution, and manufacturing. It became publicly listed on December 18, 1995, and since then, it is the sole public company that focuses its core investment on construction. It is one of the few publicly listed holding companies in the Philippines with engineering as their core investment.</p> <p>OUR STRATEGY</p> <p>At DMCI, we deliberately choose to invest in industries where we can optimize our engineering and management expertise and</p> |

| | |
|--|---|
| | <p>construction resources on. Our company’s technical proficiency can be attributed to our skilled and experienced employees in the field. Therefore, we prioritize their well-being and personal development by providing career opportunities and adequate compensation and benefits. We also ensure that our employees contribute effectively to our business performance while considering our compliance with the standards on environment, safety, quality, and corporate governance.</p> |
| Reporting Period | January 1 to December 31, 2019 |
| Highest Ranking Person responsible for this report | Isidro A. Consunji Chairman and President DMCI Holdings, Inc. |

**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.*

2. Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.¹

This report covers the sustainability performance of DMCI Holdings, Inc. and its subsidiaries namely D.M. Consunji, Inc. (DMCI), DMCI Project Developers, Inc. (a subsidiary 100% owned by DMCI Holdings, Inc. and the parent company of DMCI Homes), Semirara Mining and Power Corporation (SMPC), DMCI Power Corporation, and DMCI Mining Corporation. Likewise, the report includes the environmental and social sustainability performance of Maynilad Water Services, Inc., a joint venture company with Metro Pacific Investments Corporation (MPIC) and Marubeni Corporation.

For this sustainability report, we commissioned the University of Asia and the Pacific - Center for Social Responsibility (UA&P-CSR) to conduct various stakeholder consultations in order to determine the material topics and disclosures to be included in the report. Stakeholder engagement is a requirement of the Global Reporting Initiative (GRI) Standards, the sustainability reporting framework that our Company has adopted for this reporting cycle. At the same time, we were able to determine the interests and concerns of our stakeholders about our operations through these consultations, which were done through surveys and focus group discussions (FGDs).

Following the materiality principle of the GRI Standards, UA&P-CSR designed the survey questionnaire to identify the GRI disclosures and topics that may or may not be material to our stakeholders in terms of (1) influence on stakeholder assessments and decisions, and (2) significance of economic, environmental and social impacts. Respondents were asked to identify the impact of the disclosure to them as well as determine the influence that they have on a particular disclosure-

On the other hand, the FGDs were conducted to encourage the stakeholders to comprehensively share their views and opinions regarding their experiences with our operations, as well as their interests and concerns that were not covered by the survey questionnaire.

We consulted a total of 164 individuals, both representing internal and external stakeholders of our subsidiaries. The list of stakeholder groups consulted for each subsidiary were drawn using rigid stakeholder identification techniques and can be shown in the table below:

Table 1. List of Stakeholder Groups Consulted

| | D.M. CONSUNJI, INC. | DMCI PROJECT DEVELOPERS, INC. | DMCI MINING CORPORATION | DMCI POWER CORPORATION |
|----------------------------|----------------------------|--------------------------------------|--------------------------------|-------------------------------|
| Government Agencies | ✓ | ✓ | ✓ | ✓ |
| Employees | ✓ | ✓ | ✓ | ✓ |
| Customers | ✓ | ✓ | | |

¹ See [GRI 102-46](#) (2016) for more guidance.

| | | | | |
|--------------------------------------|---|---|---|---|
| Third-party Service Providers | ✓ | ✓ | ✓ | ✓ |
| Media | | | ✓ | ✓ |
| Community | | | ✓ | |
| Electric Cooperatives | | | | ✓ |

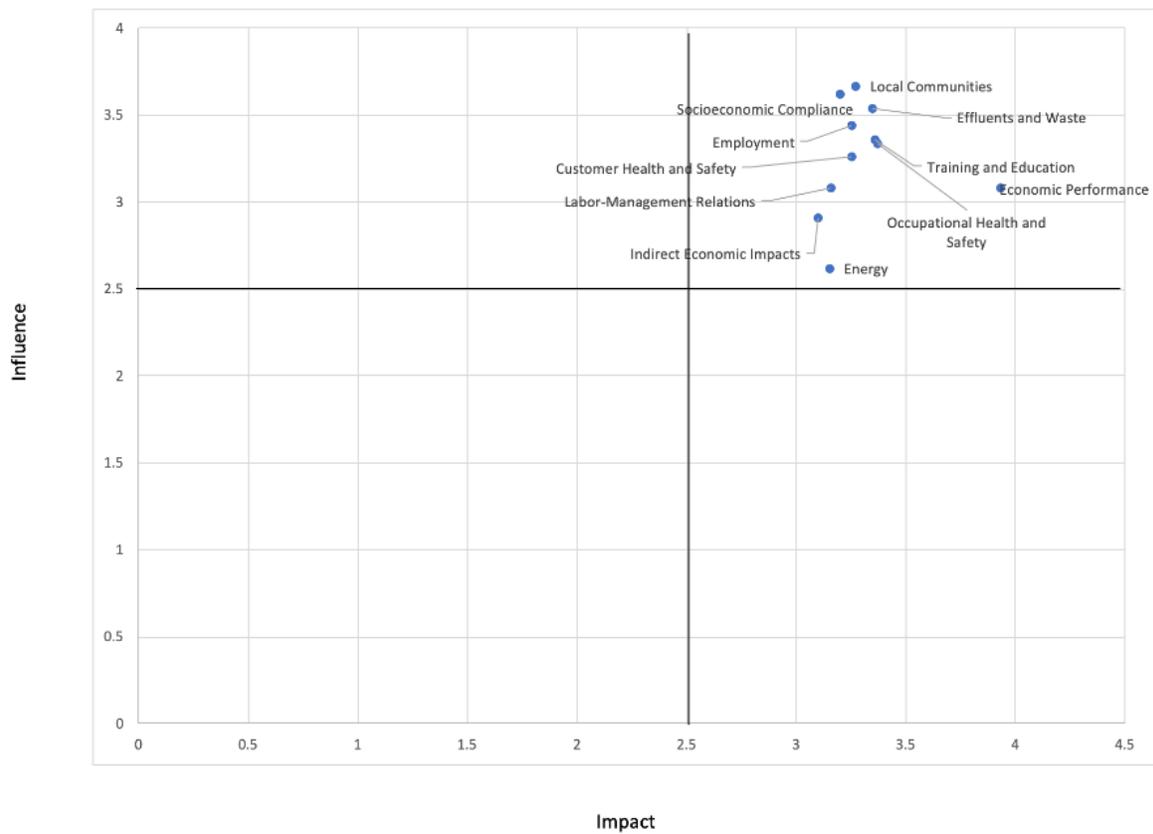
However, the stakeholders of our subsidiaries that have earlier published their own sustainability reports, such as SMPC and Maynilad, were excluded in the consultation process since they have already engaged them as part of their respective materiality processes. The results of which were integrated into the overall DMCI Holdings, Inc.'s materiality process.

We considered a threshold of at least 3.00 and above for both impact and influence for a topic to be considered as material. Based on the results of the survey, 11 out of the 33 GRI topics are material to our stakeholders.

Table 2. List of Material Topics

| ECONOMIC | ENVIRONMENTAL | SOCIAL |
|-------------------------------|----------------------|--------------------------------|
| Economic Performance | Energy | Employment |
| Indirect Economic Performance | Effluents and Wastes | Labor/Management Relations |
| | | Occupational Health and Safety |
| | | Training and Education |
| | | Local Communities |
| | | Customer Health and Safety |
| | | Socioeconomic Compliance |

The materiality matrix below shows the topics that have the greatest impact and influence to our stakeholders:



Based on the FGDs, our stakeholders acknowledged the efforts and determination of our subsidiaries in contributing to the economic growth of several barangays and municipalities, complying with environmental regulations, and establishing programs that would benefit the local communities in their areas of operation. With this, our stakeholders also provided suggestions to improve certain aspects of our operations, such as prioritization of local hires, information dissemination and monitoring and evaluation of our environmental and social programs. The feedback helped us evaluate the impact of our businesses on the local communities and understand their key priorities.

3. ECONOMIC

3.1 Economic Performance

DMCI Holdings aims to increase shareholder value and grow our core income by optimizing capital and operational expenditures to fuel our business expansion activities. Beyond profit, we provide public service and contribute to reducing inequities in society.

With our diverse portfolio, we contribute to the society and the nation's progress while working towards greater professionalism and reasonable returns for the Company and its employees. With this, we are able to contribute higher taxes and royalties and continuously develop social programs for our host communities. Likewise, we ensure that our employees obtain fair compensation and benefits. Lastly, we conduct third party financial audits in all Company transactions.

3.1.1 Direct Economic Value Generated and Distributed (201-1)

In 2019, DMCI Holdings generated a total value of Php 91,501 million which is a 5.54% increase in revenues from the previous year. About 83.76% (Php 76,638 million) of it was distributed among the following: operating costs, employee wages and benefits, dividends given to stockholders and interest payments to loan providers, taxes given to the government, and investments to our host communities.

| Disclosure | Amount (PHP mil) |
|--|------------------|
| Direct economic value generated (revenue) | 91,501 |
| Direct economic value distributed: | |
| a. Operating costs | 48,803 |
| b. Employee wages and benefits | 8,793 |
| c. Dividends given to stockholders and interest payments to loan providers | 11,557 |
| d. Taxes given to government | 7,409 |
| e. Investments to community (e.g. donations, CSR) | 76 |

3.1.2 Defined benefit plan obligation and retirement plans for employees (201-3)

All of our subsidiaries share the same policy as far as the employee benefit and retirement plans are concerned such as offering regular employees non-contributory, defined benefit plans subject to the number of years of service in the Company.

| Defined benefit plan obligation and retirement plans for employees (201-3) | | | | |
|--|--|--|---|--|
| Employee Group | Total Number of Employee | Number of Employee Who Are Entitled to Benefit Plan Obligation | Number of Employee Who Are Entitled to Retirement Plans | Percentage of salary contributed by employee or employer (%) |
| D.M. Consunji, Inc. | 18,158 | 18,158 | 127 | 100% by Employer |
| DMCI Project Developers, Inc. | Data gathering in process | Data gathering in process | Data gathering in process | Data gathering in process |
| Maynilad | 2,218 (regular & probationary) 333 (project-based) | - | 2,217 | 100% by Employer |
| Semirara Mining and Power Corporation | SMPC has a noncontributory defined benefit plan | | | |
| DMCI Mining Corporation | 175 (144 regular, 13 under probationary, 4 consultants, 14 project-based employees) | 175 | 144 | Data not available |
| DMCI Power Corporation | 282 | N/A | 282 | 100% by Employer |

| Employee Group | Total Number of Employee | Amount Released (Php) | Amount Allocated (Php) |
|---------------------------------------|---|---------------------------|---------------------------|
| D.M. Consunji, Inc. | 53 | 25,953,197.29 | 59,107,573.19 |
| DMCI Project Developers, Inc. | Data gathering in process | Data gathering in process | Data gathering in process |
| Maynilad | 2,551 (2,218 regular & probationary and 333 (project-based)) | 49,966,981.00 | Data not available |
| Semirara Mining and Power Corporation | SMPC has a noncontributory defined benefit plan | | |
| DMCI Mining Corporation | 175 (144 regular employees, 13 under probationary, 4 consultants, 14 project-based employees) | Data not available | Data not available |

| | | | |
|------------------------|-----|-----------|---|
| DMCI Power Corporation | 282 | 6,297,622 | 26,861,140 (Total Amount allocated for DPC and DMPC for the year 2020 only. There is no available information for 2019. DPC only allocates periodically, albeit the period is not defined, and not yearly.) |
|------------------------|-----|-----------|---|

Semirara Mining and Power Corporation has a non-contributory defined benefit plan. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit liability at the end of the reporting date reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions.

3.2 Indirect Economic Impacts

Our responsible and innovative investments play an important role in building a thriving society in our areas of operations and throughout the Philippines. These spur growth in terms of livelihood and business opportunities during and after the projects' completion. We also use our expertise and advanced technologies to address the urgent and unmet needs in our communities. We work responsibly on behalf of our employees, customers, communities, and all other stakeholders. Moreover, we are continuously working to improve our businesses, our communities, and the society around us.

The local workforce benefits through skills enhancement and additional knowledge provided in the communities where our projects are located. We also ensure that we prioritize the hiring of local manpower in the project vicinity and the utilization of local materials and subcontractors for our projects as these areas are the ones impacted by our operations.

We aim to expand our service coverage to the poor and informal settler communities and to look for solutions to the financial, legal, and technical hurdles to connect these communities to the network. We also set a coverage target for the year and evaluate our success based on our adherence to these targets and to our budget.

Our approach is to also translate the business agenda into social good. For example, our duty of communicating the importance of good sanitation and the protection of waterways inevitably leads to encouraging our customers to avail of the services of our companies.

3.2.1 Significant Indirect Economic Impacts (203-2)

DMCI Holdings, through our subsidiaries, helps in uplifting the lives of the families residing in areas of our operations. With our social initiatives, we hope that we make the most impact and value for the Filipino people and our nation. For instance, we are able to provide local employment to many Filipinos in various provincial areas such as Batangas, Palawan, Masbate, Zambales, Mindoro, Antique, Davao, Marinduque, Ormoc, Zambales, Tacloban, and Iligan. The employment of the local workers generates small businesses like canteens, sari-sari stores, laundry shops, food stalls, and apartments.

Some of the highlights include:

D.M. Consunji, Inc. In relation to employee training and development, D.M. Consunji, Inc. has collaborated with the Technical Education and Skills Development Authority (TESDA) to upgrade the skills of the company's construction workers. With this, DMCI hopes to set above industry standards in the implementation of its construction work activities.

Maynilad Water Services, Inc. We provided 41% or Php 90.93 lifeline discount per monthly billing to each of our 341,881 customers. For 2019, we have given an estimated amount of Php 373 million for our lifeline customers. This discount is also given to our 2,180 senior citizen customers that amounted to Php 6 million per month.

We are also able to generate an estimated 34,276 jobs from our Capital Expenditures investment for 2019. Moreover, our local hires for our projects have resulted in an increase in zonal value.

Furthermore, accounts under our Carriedo Will are able to enjoy free services. For 2019, we supplied 228,912 cubic meter (cu.m.) of water for free of charge which is equivalent to Php 20,500,053.44 (VAT exclusive).

SMPC. Local small and medium-sized enterprises (SMEs) thrive in a robust economy driven by our operations in several municipalities and provinces. For instance, Barangay Semirara, a direct impact community in Semirara Island, has recorded 283 renewal business permits and 181 new permits in 2019. In addition, local residents are able to enjoy an affordable electricity rate of Php 5 per kwh because of SMPC's continuing electricity subsidy of Php 2.50 per kwh through the Antique Electric Cooperative, Inc. (ANTECO).

SMPC has also developed a Master of Arts in Education Program for public and private school teachers in the island. This program started in 2019 which aims to improve the teachers' competency and to continue their professional development. To date, 183 teachers from 10 public and private schools have completed the program and have applied their learnings in improving their teaching methods and curriculum to their respective schools. SMPC has already invested Php 1.8 million for this program.

DMCI Mining Corporation. Barangay Berong in Quezon, Palawan, where Berong Nickel Corporation (BNC) is situated, is currently the second most economically stable barangay in the municipality. The Company has also contributed to the increase in income of local SMEs brought about by the rise in the consumer power of the residents.

In the area of education, DMCI Mining has helped 116 students from 2011 to 2019 graduate from college. The graduates have been employed by the Company and are able to provide for their family.

DMCI Power Corporation. The continuous efficient operation of DMCI Power has brought about the increase of growth-inducing potential for the communities situated in its areas of operations. Reliable electricity is an essential factor in attaining development in these areas. Lesser power outages brought about by the existence of the Company's power plants have made possible a steady pace in progress through relentless construction of new buildings for tourism, improvement of infrastructure, building of hospitals, schools, and churches.

(See Annex A.1.1.2.3 for Significant Indirect Economic Impacts per subsidiary)

3.3 Climate-related risks and opportunities

DMCI Holdings takes into consideration the climate-related risks and opportunities in all its business operations and activities. All the subsidiaries are responsible for managing climate-related concerns in terms of governance, strategy, risk management, and metrics and targets used.

When it comes to governance, climate-related risks are monitored and reviewed by the Board. Moreover, they oversee if the environmental objectives of the Company are fulfilled. In D.M. Consunji, Inc., the head of the Environmental Management System (EMS) and the Integrated Management Representative (IMR) are tasked to evaluate climate-related issues. Climate change risks are also covered under the enterprise risk management in Maynilad and Berong Nickel Corporation's strengths, weaknesses, opportunities, and threats (SWOT) analysis in DMCI Mining. In Semirara Mining and Power Corporation, the integrated Governance, Risk, and Compliance (GRC) framework are aligned with the pillars of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).

To assess the appropriate strategies, climate-related risks and opportunities are identified over short-, medium-, and long-term periods. In general, the operations in DMCI Holdings will be greatly affected due to climate change. There will be a decrease in productivity, thus resulting in less revenue for the Company. It may also cause health and safety hazards especially to the employees in various sites. Such risks are then mitigated through a detailed assessment process that complies with regulatory standards. In D.M. Consunji, Inc., they utilize the Context of the Organization (COTO) Process to determine climate-related risks and opportunities. Their risk and opportunity assessment process also includes the following factors: Impact (I), Probability (P), and the effects of existing Control (C) on the identified risks. For Maynilad, environmental scanning is conducted during the top management meeting. Semirara Mining and Power Corporation aims to develop and improve its adaptive capacity to respond to climate-related risks to better manage the associated risks and seize opportunities, including the ability to respond to transition risks and physical risks. This includes improving our communication of key climate-related material information to our stakeholders. Likewise, DMCI Mining performs its risk management through daily monitoring of the weather in their sites.

Furthermore, several metrics and targets were used in each subsidiary to ensure that the climate-related risks and opportunities are effectively managed.

(See Annex A.1.2 for climate-related risks and opportunities per subsidiary)

4. ENVIRONMENT

4.1 Energy (302)

The nature of our businesses and our reliance on technology necessarily entail high consumption of energy. Hence, we optimize our energy consumption in relation to our operational needs. We aim to reduce our greenhouse gas (GHG) emissions by lowering our energy and fuel consumption.

We have full time safety officers to monitor and control the use of fuel and energy dependent on the volume of construction activities in the specific phase of construction projects through the use of efficient equipment and power conservation in the facilities. Additionally, specific actions for our goals include the right selection of equipment size efficiency and capacity, and energy conservation programs through awareness campaigns.

We also implemented energy conservation initiatives such as power management, process optimization and improvement, installation of solar panels for renewable energy, refurbishment of equipment, automation, LED lights, and installation of variable frequency drives for large pumps and motors.

4.1.1 Energy consumption within the organization (302-1)

DMCI Holdings aims for the continuous efficient use of energy in all its subsidiaries. Maynilad has the highest total electricity consumption, and the lowest total electricity consumption comes from DMCI Mining.

In terms of fuel, D.M. Consunji, Inc. and Maynilad both consumed diesel and gasoline only. Meanwhile, DMCI Project Developers, Inc. and DMCI Mining utilized LPG in addition to diesel and gasoline.

| Energy consumption within the organization (302-1) | | | | | |
|--|--|-------------------|-----------|------------------------------|---------------------------------------|
| Subsidiary | Total Fuel Consumption | | | | Total electricity consumption (KW/hr) |
| | Diesel (liters) | Gasoline (liters) | LPG (kgs) | Other types of Fuel (liters) | |
| D.M. Consunji, Inc. | 640,000.33 | 1,121.92 | 0 | 0 | 539,865.70 |
| DMCI Project Developers, Inc. | 5,000 | 43,200 | 3,168 | 0 | 280,000.00 |
| Maynilad | 1,674,788.79 | 87,470.46 | - | 0 | 129,548,696.00 |
| Semirara Mining and Power Corporation | 182,877,723 | 22,278 | 5.75 | 2,365,428,746 (tons)- Coal | 313,538,333 |
| DMCI Mining Corporation | 44,145.14 | 34,126.57 | 322.00 | 0 | 10,991.93 |
| DMCI Power Corporation | 39,032,695.80 (HFO) 48,368,952.68 (LFO) | N/A | N/A | N/A | 7,523,649.95 |

4.2. Effluents and Wastes (306)

Guided by our core values, we aim to lessen our water consumption, ensure that the quality of water discharge is passed in accordance with the regulatory standard, and reduce the volume of generated hazardous and solid wastes. We also comply with applicable legislation and the needs of relevant interested parties associated with our operations and services.

One of our goals in DMCI Holdings is to ensure the protection of the environment and the occupational health and safety of our workforce. As such, our subsidiaries are certified to various international standards per industry as a symbol of our responsibilities in relation to environmental protection in the conduct of our businesses and in compliance with government regulations, particularly the Department of Environment and Natural Resources (DENR).

We have set in place treatment and waste management programs in accordance with the applicable laws such as RA 9003 (Ecological Solid Waste Management Act of 2000) and RA 6969 (Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990). These include transportation and treatment of waste through DENR-accredited haulers and treaters, waste segregation at source, and most importantly, recycling.

With the expertise of our EMS manager and our pollution control officers, our goals for environmental management include zero environmental complaints and zero environmental incidents. In addition, we provide personnel as well as infrastructure such as material recovery facilities, waste treatment facilities, and accredited hazardous waste haulers and treaters.

4.2.1 Water discharge by quality and destination (306-1)

We have a set of water sources and discharge destinations for each of our subsidiaries to ensure the quality of water in the area of our operations. Our subsidiary, SMPC, has the highest amount of water discharge at 878,105,860 cubic meter (cu.m.).

Meanwhile, D.M. Consunji, Inc. operates in Taguig Complex and collects water from Manila Water. We do not have any discharge as (per ECC) we also treat and recycle our water.

DMCI Homes' headquarter is in Bangkal, Makati City and stores water discharge at two septic tanks with capacities of 75 cu.m. and 20 cu.m., to treat it with Vigormin which overflows at the barangay sewer.

Moreover, Maynilad has business activities in different locations in Metro Manila (Manila, Muntinlupa, Caloocan, Quezon City, Pasay, and Paranaque) and sources water either from Angat Dam or Laguna Lake. Our water discharge amounted to 74,499,823.93 cu.m. proceeds to different destinations (such as Estero De Santibanez, Pasong Diablo River, Maypajo Creek, Culiati Creek, Dario Creek, San Francisco River, Mairbolo Creek, San Juan River, Talayan Creek, Delain Creek, Malabon Creek, and Manila Bay).

DMCI Mining's site in Barangay Berong, Quezon Palawan sources water from Libungan River with a water discharge of 954,579 cu.m., while our operations in Sitio Acoje, Barangay Lucapon South, Sta. Cruz, Zambales sources water from Kinabuang Kabayo.

DMCI Power also conducts its operations in different provinces namely, Palawan, Masbate, and Oriental Mindoro. Our project in Palawan sources water from deep well and rain water and discharges a total amount of 15,154 cu.m. Our power plant in Barangay Tugbo, Mobo, Masbate collects water from deep

well and water district, and disposes water based on the discharge permit issued by the DENR-EMB which is less than or equal to 17 cu.m. per day then proceeds to the Mobo Bay (classified as class SB water body by the DENR-EMB). Meanwhile, our operations in Sta. Isabel, Calapan City, Oriental Mindoro sources water from Calapan Water.

(See Annex A.1.3.2.1 for water discharge by quality and destination per subsidiary.)

4.2.2 Waste by type and disposal method (306-2)

Most of the non-hazardous wastes generated were either recycled, composted, or brought to the landfill. Among our subsidiaries, D.M. Consunji, Inc. has the highest total solid waste generated.

Maynilad has stored the largest amount of hazardous wastes onsite, followed by DMCI Mining. Maynilad also has the largest amount of hazardous wastes that were disposed of and treated by a third-party contractor, while SMPC has acquired the smallest amount.

Non-Hazardous Wastes

| Subsidiary | Reused (kgs) | Recycled (kgs) | Composted (kgs) | Residuals/Landfilled (kgs) | On-site stored Weight (kgs) | Total Solid Waste Generated (kgs) |
|---------------------------------------|--------------------|--------------------|--------------------|----------------------------|--------------------------------|-----------------------------------|
| D.M. Consunji, Inc, | 9,188,337 | 6,125,558 | 21,439,453 | 24,502,232 | Data not available | 61,255,580 |
| DMCI Project Developers, Inc. | 0 | 2,640 | 1,320 | 240 | 1,320 (wet paper, mixed trash) | 0 |
| Maynilad | 0 | 19,628 | 26,809 | 12,546 | Data not available | 58,982 |
| Semirara Mining and Power Corporation | No Data | 1,078,953 | 14,465 | 191,500 | No Data | 1,284,918 |
| DMCI Mining Corporation | 0 | 2,752 | 15,212 | 9,258 | 25,618.250 | |
| DMCI Power Corporation | Data not available | Data not available | Data not available | Data not available | Data not available | Data not available |

Hazardous Wastes

| Subsidiary | On-site stored | Disposed / Treated by Third Party Contractor |
|---------------------------------------|----------------|--|
| | Weight (kgs) | Weight Disposed / Treated (kgs) |
| D.M. Consunji, Inc, | 26,840 | Data not available |
| DMCI Project Developers, Inc. | 120 | Data not available |
| Maynilad | 113,873.64 | 56,836.28 |
| Semirara Mining and Power Corporation | 137,559 | 59,320 |
| DMCI Mining Corporation | 159,810 | 37,800 |
| DMCI Power Corporation | 344,400.50 | 421,483.00 |

4.2.3 Transport of hazardous wastes (306-4)

None of our subsidiaries either imports or exports its hazardous wastes. Among them, Maynilad has the largest amount of hazardous waste that is transported, treated, and generated hazardous wastes.

| Subsidiary | Hazardous waste transported (kgs) | Hazardous waste imported (kgs) | Hazardous waste exported (kgs) | Hazardous waste treated (kgs) | Hazardous waste generated (kgs) |
|---------------------------------------|--|---------------------------------------|---------------------------------------|--------------------------------------|--|
| D.M. Consunji, Inc, | 26,840 | 0 | 0 | 26,840 | 26,840 |
| DMCI Project Developers, Inc. | Data not yet available | Data not yet available | Data not yet available | Data not yet available | Data not yet available |
| Maynilad | 56,840 | 0 | 0 | 56,840 | 113,870 |
| Semirara Mining and Power Corporation | 59,320 | 0 | 0 | 59,320 | 196,879 |
| DMCI Mining Corporation | 37,800 | 0 | 0 | 27,000 | 65,730 |
| DMCI Power Corporation | 421,483 | 0 | 0 | 421,483 | 421,483 |

5. SOCIAL

5.1 Employment (401)

In DMCI Holdings, we aim for inclusivity in terms of hiring our employees and personnel. Our Company ensures that we hire competent and skilled employees. We have established a comprehensive process for direct labor recruitment, technical and management personnel recruitment, compensation and benefits, training and development, and employee relations.

As one of the leading companies in the country, we always aim to comply with labor laws and address the concerns of our employees in such a way that labor and capital complement each other. With our Human Resource (HR) Department leading the way, we conduct local job fairs in project site localities, source candidates through third-party vendors, websites, social media accounts, and even advertise job openings. Furthermore, we measure our employee performance through an HR Performance Management System wherein competencies are identified, and gap analysis is conducted to establish the areas for skills training, basis for merit increases and promotions.

5.1.1 New Employee Hires and Employee Turnover (401-1)

Our subsidiary, DMCI, has the highest record of new male employee hires, and male and female employee turnovers of 2,882, 997, and 92, respectively, that all range from 18 years old and above. While DMCI Project Developers, Inc (DMCI Homes) has the highest record of new female employee hires of 173 that also range from 18 years old and above.

| New Employee Hires | | | | | |
|--------------------|---------------------|-------------------------------|------------|-------------------------|------------------------|
| MALE | | | | | |
| Age Group | D.M. Consunji, Inc. | DMCI Project Developers, Inc. | Maynilad | DMCI Mining Corporation | DMCI Power Corporation |
| 18-30 | 1,316 | 1,393 | 124 | 7 | 24 |
| 31-50 | 125 | 1,316 | 38 | 27 | 36 |
| Over 50 years old | 1,441 | 125 | 1 | 11 | 7 |
| TOTAL | 2,882 | 2,834 | 163 | 45 | 67 |

| New Employee Hires | | | | | |
|--------------------|---------------------|-------------------------------|-----------|-------------------------|------------------------|
| FEMALE | | | | | |
| Age Group | D.M. Consunji, Inc. | DMCI Project Developers, Inc. | Maynilad | DMCI Mining Corporation | DMCI Power Corporation |
| 18-30 | 38 | 159 | 68 | 4 | 14 |
| 31-50 | 1 | 14 | 12 | 0 | 27 |
| Over 50 years old | 0 | 0 | 0 | 0 | 5 |
| TOTAL | 39 | 173 | 80 | 4 | 46 |

| Employee Turnover | | | | | |
|-------------------|---------------------|-------------------------------|------------|-------------------------|------------------------|
| MALE | | | | | |
| Age Group | D.M. Consunji, Inc. | DMCI Project Developers, Inc. | Maynilad | DMCI Mining Corporation | DMCI Power Corporation |
| 18-30 | 535 | 95 | 50 | 0 | 5 |
| 31-50 | 381 | 16 | 48 | 1 | 3 |
| Over 50 years old | 81 | 0 | 12 | 2 | 2 |
| TOTAL | 997 | 111 | 110 | 3 | 10 |

| Employee Turnover | | | | | |
|-------------------|---------------------|-------------------------------|-----------|-------------------------|------------------------|
| FEMALE | | | | | |
| Age Group | D.M. Consunji, Inc. | DMCI Project Developers, Inc. | Maynilad | DMCI Mining Corporation | DMCI Power Corporation |
| 18-30 | 68 | 74 | 28 | 0 | 4 |
| 31-50 | 24 | 15 | 11 | 0 | 5 |
| Over 50 years old | 0 | 0 | 7 | 0 | 0 |
| TOTAL | 92 | 89 | 46 | 0 | 9 |

Semirara Mining and Power Corporation

| | New Employee Hires | Employee Turnover |
|---------------------|--------------------|-------------------|
| By Age Group | | |
| Under 30 years old | 267 | 225 |
| 30-50 years old | 326 | 106 |
| Over 50 years old | 2 | 6 |
| Total | 595 | 337 |
| By Gender | | |
| Male | 535 | 309 |
| Female | 60 | 28 |
| Total | 595 | 337 |

5.1.2 Benefits provided to full-time employees that are not provided to temporary or part-time employees (401-2)

Our employees play a major role in the continuous growth of our business operations. The compensation benefits and personal development programs that we provide may help in further boosting their performance as we strive to constantly hone their skills in the workplace.

Aside from the government-mandated benefits for employees such as leaves, 13th month pay, and health insurance, DMCI Holdings provides additional aid to boost our employees' well-being and keep them motivated at work.

| Employee Benefits | D.M. Consunji, Inc. | DMCI Project Developers, Inc. | Maynilad | Semirara Mining and Power Corporation | DMCI Mining Corporation | DMCI Power Corporation |
|------------------------------------|---------------------|-------------------------------|----------|---------------------------------------|-------------------------|------------------------|
| Accident life insurance | YES | YES | YES | YES | YES | YES |
| Health Care Insurance | YES | YES | YES | YES | YES | YES |
| Disability and invalidity coverage | YES | YES | YES | YES | NO | YES |
| Retirement provision | YES | YES | YES | YES | YES | YES |
| Stock ownership | NO | NO | YES | NO | NO | NO |
| SSS | YES | YES | YES | YES | YES | YES |
| Pag-Ibig | YES | YES | YES | YES | YES | YES |
| Phil Health | YES | YES | YES | YES | YES | YES |

5.1.3 Parental Leave (401-3)

All employees of DMCI Holdings' subsidiaries who availed of their parental leave benefit in 2019 have returned to work after the leave duration.

| MALE | D.M. Consunji, Inc. | DMCI Project Developers, Inc. | Maynilad | Semirara Mining and Power Corporation | DMCI Mining Corporation | DMCI Power Corporation |
|---|---------------------|-------------------------------|----------|---------------------------------------|-------------------------|------------------------|
| Entitled to Parental Leave | 413 | 166 | 1906 | 3191 | 86 | 125 |
| Employees who took Parental Leave | 413 | 25 | 72 | 41 | 3 | 4 |
| Employees who returned to work after parental leave ended | 413 | 25 | 72 | 41 | 3 | 4 |

| | | | | | | |
|---|------|------|------|------|------|------|
| Employees who returned to work after parental leave ended who were still employed twelve months after their return to work | 379 | 5 | 72 | 41 | 2 | 4 |
| % Retention Rate | 100% | 100% | 100% | 100% | 100% | 100% |

| FEMALE | D.M. Consunji, Inc. | DMCI Project Developers, Inc. | Maynilad | Semirara Mining and Power Corporation | DMCI Mining Corporation | DMCI Power Corporation |
|---|----------------------------|--------------------------------------|-----------------|--|--------------------------------|-------------------------------|
| Entitled to Parental Leave | 26 | 788 | 645 | 245 | 58 | 57 |
| Employees who took Parental Leave | 26 | 44 | 32 | 14 | 4 | 5 |
| Employees who returned to work after parental leave ended | 26 | 43 | 32 | 14 | 4 | 5 |
| Employees who returned to work after parental leave ended who were still employed twelve months after their return to work | 24 | 40 | 32 | 14 | 3 | 5 |
| % Retention Rate | 100% | 100% | 100% | 100% | 100% | 100% |

5.2 Labor/Management Relations (402)

DMCI Holdings sees to it that our relationship with our employees, whether regular or project-based, is always healthy and fruitful. As such, our HR and administration departments have a dedicated process and resources to address issues with labor relations such as new employment contracts, renewal of contracts and transfer notifications, and employee engagement programs.

Our Company has Code of Business Conduct and Ethics which all employees must follow. Applicable labor laws and regulations are also being complied with. Moreover, we aim to comply with applicable legislation and the needs of relevant interested parties associated with our operations and services which include its own workforce. These are all done with the goal of developing and maintaining the best workforce in the construction industry. Thus, employee engagement programs such as sports festivals, contests, and surveys are implemented to pursue this goal. With our HR department at the fore, employee relation issues are discussed during the monthly corporate administration department meetings such as the number of violations, the status of cases, and other issues concerning the welfare of employees.

5.2.1 Minimum notice periods regarding operational changes (402-1)

In terms of operational changes, our employees are provided a minimum notice period of 30 days, except for Semirara Mining and Power Corporation with a minimum notice period of 1 week. Additionally, our Code on Proper Conduct is reviewed and amended annually as deemed necessary.

5.3 Occupational Health and Safety (403)

In our business, safety is of the highest priority. Thus, our Company aims to provide the highest operational health and safety standards, and the prevention of accidents, injury, loss, or damage. Another part of our Company goals is to provide appropriate resources and facilitate a safety mindset of all employees, regular or project based, and our subcontractors.

One of the strongest objectives of our Company is building structures of technical integrity that enhance both the society and the nation's progress while ensuring the protection of the environment and a healthy and safe workplace for our employees and other stakeholders affected by our business operations. As such, our Environment, Health, and Safety (EHS) Department ensures zero loss time as well as an accident and injury-free workplace. Also, a labor representative is elected in each project's health and safety committee as a medium to convey concerns to our top management. Our adherence to health and safety include daily tool box meetings, consultations with regulatory bodies, mandatory safety orientation and training, annual physical exam, provisions of personal protective equipment (PPEs), clinic, occupational health personnel, and first aiders. Lastly, incidents and accidents are reported in the monthly EHS meetings and appropriate actions are discussed for implementation. All workers of the six subsidiaries of DMCI Holdings are covered by their respective occupational health and safety management systems.

5.3.1 Workers covered by an Occupational Health and Safety Management System (403-8)

All employees of all DMCI Holdings subsidiaries, including Maynilad, are covered by an Occupational Health and Safety Management System (OHSAS 18001:2007) that has been internally and externally audited.

5.4 Training and Education (404)

We invest in the future by providing our employees and workers with the necessary skills to be effective in carrying out their tasks and responsibilities. Additional training and education will help to improve the skills of our people, thereby improving the standard of services and raising employee morale.

We have internal training programs to address the training requirements of our employees. We conduct Engineers' Development Program, Management Development Program, and National Certification II Trainings. Additionally, training evaluation is conducted to determine the effectiveness of the training given. The results of training evaluation are reviewed, and necessary modifications are implemented.

Training programs are selected and implemented based on HR's training needs analysis every year. The HR competency framework identifies the required skill sets, knowledge, and abilities per role under each division or functional category. Also, all employees of our subsidiaries receive performance and career development review to assess their proficiencies on their respective tasks (404-3). This review is also the basis of the type of training to be provided to our people the next year.

5.4.1 Average training hours per employee per gender (404-1)

DMCI Holdings provided an average of 32.69 training hours for male and 35.83 training hours for female employees last 2019.

| Average Training Hours (MALE Employees) | Quantity (hrs/employee) |
|---|-------------------------|
| D.M. Consunji, Inc, | 10.19 |
| DMCI Project Developers, Inc. | 9.43 |
| Maynilad | 36.16 |
| Semirara Mining and Power Corporation | 72.55 |
| DMCI Mining Corporation | 60.40 |
| DMCI Power Corporation | 7.39 |
| AVERAGE | 32.69 |

| Average Training Hours (FEMALE Employees) | Quantity (hrs/employee) |
|---|-------------------------|
| D.M. Consunji, Inc, | 16.11 |
| DMCI Project Developers, Inc. | 9.00 |
| Maynilad | 38.68 |
| Semirara Mining and Power Corporation | 84.51 |
| DMCI Mining Corporation | 56.50 |
| DMCI Power Corporation | 10.18 |
| AVERAGE | 35.83 |

5.4.2 Programs for upgrading employee skills and transition assistance programs (404-2)

We believe that by providing our employees and workers with the needed skills, it will help them to effectively carry out their tasks and responsibilities. The following are training programs attended by our people to address the skills requirement for their respective positions:

| D.M. Consunji, Inc. | DMCI Project Developers, Inc. | Maynilad | Semirara Mining and Power Corporation | DMCI Mining Corporation | DMCI Power Corporation |
|--|---|--|---|-------------------------|--------------------------------|
| Soft Skills Training Programs | Soft skills training (classroom)0 internal and external | Professional Development Program (FIDIC, Basic Internal Controls, etc.) | Behavioral | People Management | Technical Training |
| Technical and Leadership Training Programs | Technical skills training- classroom training and actual exposure provided by internal and external training providers (TESDA< DMCTC< DOLE, etc.) | Integrated Management System (8Hr Mandatory OHS Orientation, Management Briefing on ISO 45001, etc.) | Environment, Health and Safety (EHS) Training | Leadership Program | Safety and Compliance Training |

| Management Development Program | E-learning-webinars | Participation in Conferences | Leadership Program | Core Competencies | Behavioral Training |
|--------------------------------|---------------------|--|--|---------------------------------|------------------------------------|
| Quality Training | | 2019 Annual Corporate Governance Enhancement Session (ACGES) for Directors & Officers, etc.) | Professional and Technical Development | Technical Skills | Managerial and Leadership Training |
| Other Certification Training | | IT Related Users Training (Computerized Maintenance Management System, BI Archiving, etc.) | Quality Management System | Team Development | |
| | | Core Competency Development Program (Business Writing, Interpersonal Effectiveness, etc.) | | Management Development Program, | |
| | | Leadership Program | | ISO, OSH, GIS Trainings | |
| | | Cadet Program (Facilitation Skills for Cadet Trainers) | | | |

5.5 Local Communities (413)

One of our Company's policies for our local communities is to formally assess the environmental aspects in all stages of the construction life cycle and incorporate systems that eliminate or control impacts. Local communities are directly affected by the operations of our subsidiaries. Since these communities are our primary source of manpower and space to produce our goods and services, it is our responsibility to maintain a good relationship with the residents and the local government units of these municipalities and provinces. Our social responsibility as a Company is stated in our Corporate Mission and in one of the corporate values. Finally, we also intend to contribute to meeting the national targets for the United Nations Sustainable Development Goals (UN SDGs).

5.5.1 Operations with local community engagement, impact assessments and development programs (413-1)

All subsidiaries of DMCI Holdings have implemented local community engagement, impact assessments, and/or development programs in their operational sites. For DMCI, all projects have Aspect Identification and Impact Assessment (AIIA) programs within the construction period.

We engage with our local communities through different development programs across our subsidiaries. In Maynilad, we have a Plant for Life project where we planted a total of 36,070 mangroves covering

approximately 39.4 hectares. We also partnered with various schools to implement programs that involve the students. To improve quality education, we participated in Brigada Eskwela of which we adopted 170 schools. In addition, as we value having clean and safe water in the communities, we installed 50 drink-wash areas in a total of 541 beneficiary schools since 2008, and converted another 150,000 elementary and high school students into “Water Warriors.”

Another subsidiary, DMCI Power, also took part in regular social development programs in its sites in Mindoro, Palawan, and Masbate. It has a wide range of programs for the communities in various areas such as in livelihood (small-scale broiler chicken raising/poultry farm production, skills training on bread and pastry production, turmeric cultivation), environment (river clean-up and rehabilitation and nationwide tree planting activity), health (dental mission, busog-lusog nutrition feeding program, and Doktor ng Barangay program), among others.

5.5.2 Operations with significant actual and potential negative impacts on local communities (413-2)

We ensure to provide quality services to our stakeholders in local communities, but at the same time, we recognize our significant actual and potential negative impacts. In DMCI, some of our potential negative impacts include dust and noise from construction activities, vehicular traffic in infrastructure project locations, and contamination of hazardous wastes such as used oil and batteries. Moreover, in DMCI Power, we are currently monitoring potential effects such as oil spills, emissions, pollution, and wastewater management.

5.6 Customer Health and Safety (416)

The health and safety impacts of our businesses to our customers directly affect the brand and reputation of DMCI Holdings and its subsidiaries. Our customers are one of the major contributors to the economic success of our businesses, so we have to maintain a good relationship with them by providing the best quality of our products and services.

We comply with the applicable legislation and needs of relevant interested parties associated with our operations and services which include the National Building Code and other codes and specifications. This is in relation to our mission which is to focus on building structures of technical integrity that enhance both the society and the nation’s overall progress.

We also manage the quality of our products and services by conducting regular and systematic assessments to ensure that it will not cause any harm to our customers. One of our subsidiaries, SMPC, reported that 100% of our products and services are assessed for improvement. At SMPC, we also conduct orientations on stockpile management for our customers. Moreover, our other subsidiaries also have different initiatives to ensure the health and safety impacts of our products and services to our customers.

in DMCI, we aim to be 100% compliant to applicable codes and specifications based on the contract requirements. Moreover, as part of our value-creation for our clients, issues with workmanship defects are reported during the defect liability period, and issues with warranty are addressed by the project team. We also ensure that professional indemnity insurance is applied to cover issues that may arise on the design, safety, and performance. We also conduct corporate quality assurance and control meetings to discuss issues with quality performance and non-conformities identified in the ongoing and completed

project. Occupancy permit inspections are transmitted to the Company as the contractor for necessary corrective actions in case of deficiencies and nonconformities with all applicable laws and regulations.

In Maynilad, our policies on customer health and safety are guided by the Philippine National Standards for Drinking Water (PNSDW). To assure that we are distributing a good and safe quality of water to our customers, the water samples we collect undergo strict bacteriological, physical, and chemical examinations. Our newly expanded central laboratory is accredited by the Department of Health (DOH) as a laboratory for drinking water analysis. Our lab technicians ensure that we follow the new quality parameters set by the DOH's updated PNSDW. We also invested in a new central laboratory and equipment in the area of our operations.

5.6.1 Assessment of the health and safety impacts of product and service categories (416-1)

For DMCI Holdings, all our projects have established a Hazard Identification, Risk Assessment & Control (HIRAC) process. For Maynilad, we have established a company-wide system procedure for HIRAC which was implemented to all its divisions. We also have a Maynilad Water Safety Plan, and we separated a tool for assessing the OHS risk of our contractors and subcontractors. For DMCI Mining, we have established an effective process of implementing programs to identify, evaluate, and control the hazards and risks that we might encounter. Thus, it resulted in a good safety performance record for the company. In fact, we have no record of fatal incidents and reduction of our recorded accidents to zero since the inception of the project.

5.6.2 Incidents of non-compliance concerning the health and safety impacts of products and services (416-2)

Our efforts and hard work are the reasons for our Company's best results. We take pride that DMCI Mining has no record of non-compliance with laws and voluntary codes. Unfortunately, despite our best efforts, one of our subsidiaries, DMCI, has recorded two different incidents of non-compliance concerning the health and safety impacts of our products and services. One incident of non-compliance with regulations resulting in warning was due to an infrastructure-environmental complaint, while the other was four incidents of non-compliance with voluntary codes based on the findings of the external audit.

5.7 Socioeconomic Compliance (419)

Business continuity is vital to any business, and DMCI Holdings aims to comply with all government regulations, specifically on social and economic areas. It is our responsibility to be transparent to the government to avoid sanctions, penalties, or worse, suspension of our operations. Compliance obligations such as applicable laws, regulations, and ordinances are being identified through the compliance obligations registries related to labor, business and EHS laws. Compliance with these obligations is being reported on a quarterly basis to the Corporate Compliance Officer (CCO).

In DMCI Holdings, we comply with applicable legislation and the needs of relevant interested parties associated with our operations and services. Our administration and legal departments, as well as our corporate compliance officers, ensure zero fines and work stoppage due to non-compliance with

regulatory requirements. We also conduct compliance obligations reviews, results of which are reported to the CCO for applicable actions.

5.7.1 Non-compliance with laws and regulations in the social and economic area (419-1)

However, our socioeconomic obligations also involve transparency at all times. Thus, in 2019, we have encountered instances in one of our subsidiaries involving non-compliance. There is a case between the Metropolitan Waterworks and Sewerage System (MWSS) and Pollution Adjudication Bureau and Environmental Management Bureau wherein Maynilad was ordered to pay the following: (1) Php 921,464,184 for the period 7 May 2009 to 6 August 2019, and (2) Php 322,102 per day, subject to further 10% increase every two years until full compliance with Section 8 of the Clean Water Act. As of writing, the Motion for Reconsideration is still pending with the Supreme Court.

Another case faced by Maynilad in 2019 is the Notice of Non-Conformance from the MWSS Regulatory Office, specifically 26 incidents of non-compliance with water and wastewater quality standards (22 for water quality standards, and four for wastewater quality standards). As of writing, there is still no formal communication regarding the corresponding penalties/fines for the case. Nevertheless, the MWSS Regulatory Office (MWSS RO) fined Maynilad amounting to Php 2,500 per water service connection which is equivalent to Php 5,792,500 for the 2,317 severely affected accounts as the situation has already affected the customers in PMP Pagkakaisa, CAA Las Pinas City for more than 15 consecutive days. Furthermore, a total of Php 574,080 was fined to Maynilad for the 19,136 accounts affected by the water discoloration occasioned by the water interruption. These penalties were settled in a form of rebates that were provided to Maynilad customers.

6. UN SUSTAINABLE DEVELOPMENT GOALS

Achieving the UN SDGs is important as it improves the quality of life in order to establish a sustainable society. Hence, our Company, through its subsidiaries and joint venture, takes effort to meet the UN SDGs, by ensuring that our key products and services contribute in addressing global social and environmental issues. As we strengthen our economic, environmental, and social values and mitigate our negative social and environmental impacts, we also help our Company achieve sustainable economic growth.

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 |
|--|--|---|--|
| Infrastructure (D.M. Consunji, Inc.) | <p>SDG 9- Industry, Innovation and Infrastructure</p> <p>DMCI's contribution to UN SDG is our construction of quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.</p> | There is an increase in carbon dioxide emission through the use of cement and other building materials. | We address our negative impact through the use of recycled material in construction such as the extensive use of Pulverized Fuel Ash (PFA) as partial replacement of cement to reduce the carbon footprint. |
| Building Design and Construction (D.M. Consunji, Inc.) | <p>SDG 11- Sustainable Cities and Communities</p> <p>We make cities and human settlements inclusive, safe, resilient and sustainable.</p> | There is an increase in the use of energy and other resources. | We are now investing in the construction of sustainable buildings that were designed and built using LEED strategies aimed at improving performance across all the metrics such as: energy savings, water efficiency, CO2 emissions reduction, improved indoor environmental quality, and stewardship of resources and sensitivity to their impacts. |
| Properties (DMCI Property) | <p>SDG 11- Sustainable Cities and Communities</p> <p>The main goals of the Company are</p> | The following are the potential negative | We coordinate with the LGUs and barangays to ensure that construction of condominiums |

| | | | |
|--|---|---|--|
| Developers, Inc.) | increased sales, additional land acquisition, improvement in local economic activities (opportunities for small business), and encourage neighboring areas to develop and promote tourism. We also aim to promote environmental protection as the Company complies with landscape requirements and provide a home environment for the residents with proper ventilation and natural lighting, clean and maintained creeks and plant nurseries. DMCI Project Developers, Inc. also believes that the goals will positively affect the stakeholders through sharing of knowledge among employees, succession planning and management training programs. | impacts of our operations: - Noise pollution - Dusts, debris and construction by-products - Traffic at construction sites - Road wear at construction sites | will not affect the residents and businesses by holding meetings, dialogues and face-to-face conversations with stakeholders. We ensure that all wastes and by-products from construction sites are properly disposed We support the environmental and community activities of the LGUs and barangays. |
| Coal and Power (Semirara Mining and Power Corporation) | <p>SDG12 – Responsible Consumption and Production: We have upgraded ISO certifications, namely ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System), and OHSAS 18001:2007 (Occupational Health and Safety Management System), proving the Company’s contribution to global standards on environment social responsibility.</p> <p>SDG 7- Affordable and clean energy We have a program on continuing subsidy of electricity cost through Antique Electric Cooperative, Inc. (ANTECO) to provide Semirara Island residents with an affordable and reliable electricity at P5/KwH, one of the lowest rates in the country.</p> | Emissions a. Powerplant units Fugitive emissions from coal stockyard | Emissions control a. Circulating Fluidized Bed Technology, Electrostatic precipitator Coal compaction, water spray, atomizer |
| Electricity (DMCI Power Corporation) | SDG 7- Affordable and Clean Energy DPC offers affordable, reliable, sustainable, and modern energy to the SPUG areas (those not connected to the main grids of Luzon, Visayas, and Mindanao). | DPC uses fuel-based and thermal technology for power generation, which are challenged for their contribution to CO2 emissions. | DPC, in as far as practicable, incorporates renewable energy in its new projects to comply with the Renewal Portfolio Standards. DPC also utilizes Circulating Fluidized Bed (CFB) technology for its |

| | | | |
|----------------------------------|---|--|--|
| | | | thermal power plants, which conforms to the Clean Air Act standards. |
| Nickel (DMCI Mining Corporation) | SDG12 – Responsible Consumption and Production | Our operations in our mine sites require tree-cutting activities that affect the biodiversity in the areas. Also, there is an identified discoloration of water tributaries nearby our operations. | We implement tree replacement programs in all of our mine sites. We initiated the construction of silt traps and ponds to contain potential silted water. |
| Water (Maynilad) | SDG 6- Clean Water and Sanitation We provide access to safe and affordable water supply. | The following are the potential negative impacts of our operations: -Generation of sludge -Noise -Discharge of brine to Laguna Lake | Sludge is disposed off-site thru a DENR-accredited service provider Equipment are installed with sound proofing, trees are planted which can act as noise buffers. We maintain acceptable quality of water within the mixing zone, secure discharge permit from Laguna Lake Development Authority. |
| Sanitation (Maynilad) | SDG 6- Clean Water and Sanitation We Improve water quality by reducing pollution load of wastewater prior to discharge to water bodies | The following are the potential negative impacts of our operations: -Generation of sludge -Noise -Discharge of untreated wastewater | Sludge is disposed off-site through a DENR-accredited service provider. Equipment are installed with sound proofing, trees are planted which can act as noise buffers.. We conduct regular maintenance of equipment, interceptor lines to ensure continuous operation. |

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

Annex A.1: SEC Management Approach Template and other Specific Disclosures (per subsidiary)

A.1.1 ECONOMIC

A.1.1.1 Economic Performance: Management Approach

| What is the impact and where does it occur? What is the organization's involvement in the impact? Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i> | Which stakeholders are affected? <i>(e.g. employees, community, suppliers, government, vulnerable groups)</i> | Management Approach <i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i> |
|---|--|---|
| <p>We believe that the construction industry is vital to economic development and national progress. By building structures of technical integrity, we help in enhancing both the society and the nation's progress while working towards greater professionalism and reasonable returns for the Company and its employees.</p> <p>We contribute higher taxes and royalties. Likewise, we are able to develop social programs for our host communities.</p> | <p>Employees, suppliers, government sector, investors and shareholders, community</p> | <p>Our Company provides fair compensation and benefits.</p> <p>Additionally, the Integrated Management System (IMS) helps the Company ensure that it complies with all labor-related compliance obligations required by law and other government regulations.</p> <p>We also ensure that we conduct third party financial audits in all Company transactions.</p> |
| What are the Risk/s Identified? Identify risk/s related to material topic of the organization | Which stakeholders are affected? | |
| | | |

| | | |
|--|---|--|
| What are the Opportunity/ies Identified? <i>Identify the opportunity/ies related to material topic of the organization</i> | Which stakeholders are affected? | |
| | | |

A.1.1.2 Indirect Economic Performance: Management Approach

| | | |
|---|--|--|
| What is the impact and where does it occur? What is the organization’s involvement in the impact? <i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i> | Which stakeholders are affected? <i>(e.g. employees, community, suppliers, government, vulnerable groups)</i> | Management Approach <i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i> |
| <p>Our Company believes that our responsible and innovative investments play an important role in building a thriving society in our areas of operations and throughout the Philippines. These spur growth in terms of livelihood and business opportunities during and after the projects’ completion. We also use our expertise and advanced technologies to address the urgent and unmet needs in our communities. We work responsibly on behalf of our employees, customers, communities and all other stakeholders. Moreover, we are continuously working to improve our businesses, our communities, and the society around us.</p> | <p>Employees, Local communities</p> | <p>The local workforce benefits through skills enhancement and additional knowledge provided in the communities where our projects are located. We also ensure that we prioritize the hiring of local manpower in the project vicinity and the utilization of local materials and subcontractors for our projects as these areas are the ones impacted by our operations.</p> <p>We aim to expand our service coverage to the poor and informal settler communities and to look for solutions to the financial, legal, and technical hurdles to connect these communities to the network. We also set a coverage target for the year and evaluate our success based on our adherence to these targets and to our budget. Our approach is to translate the business agenda into social good. For example, our duty of communicating the importance of good sanitation and the protection of waterways inevitably leads to</p> |
| What are the Risk/s Identified? <i>Identify risk/s related to material topic of the organization</i> | Which stakeholders are affected? | |
| | | |

| What are the Opportunity/ies Identified? <i>Identify the opportunity/ies related to material topic of the organization</i> | Which stakeholders are affected? | encouraging our customers to avail of the services of our companies. |
|---|---|--|
| | | |

A.1.1.2.3 Significant Indirect Economic Impacts per subsidiary (203-2)

D.M. CONSUNJI, INC. (DMCI)

One of the greatest contributions of D.M. Consunji, Inc. is spurring developments where its infrastructure and other buildings projects are located. For instance, we were able to provide local employment to construction workers in various provincial areas such as Batangas, Davao, Marinduque, Ormoc, Zambales, Tacloban, and Iligan. The employment of the local workers generates small businesses like canteens, sari-sari stores, laundry shops, food stalls, and apartments.

D.M. Consunji, Inc. has also collaborated with the Technical Education and Skills Development Authority (TESDA) to upgrade the skills of the Company’s construction workers. With this, we hope to set above industry standards in the implementation of its construction work activities. Additionally, we conduct in-house professional skills training and career development of their engineers, architects, and other professionals.

Furthermore, D.M. Consunji, Inc. participates in Leadership in Energy and Environmental Design (LEED) projects. The LEED is the premier global program for green and sustainable buildings and communities. Through these projects, we efficiently use energy and practices environmental protection of the built environment.

DMCI PROJECT DEVELOPERS, INC. (DMCI HOMES)- *Data not yet available*

MAYNILAD WATER SERVICES, INC. (MAYNILAD)

We provided 41% or Php 90.93 lifeline discount per monthly billing to each of our 341,881 customers. For 2019, we have given an estimated amount of Php 373 million for our lifeline customers. This discount, amounting to Php 6 million per month, is also given to our 2,180 senior citizen customers.

We are also able to generate an estimated 34,276 jobs from our capital expenditures investment for 2019. Moreover, our local hires for our projects have resulted in an increase in zonal value.

Furthermore, accounts under our Carriedo Will are able to enjoy free services. For 2019, we supplied 228,912 cubic meter (cu.m.) of water for free of charge which is equivalent to Php 20,500,053.44 (VAT exclusive).

SEMIRARA MINING AND POWER CORPORATION

Local small and medium-sized enterprises (SMEs) thrive in a robust economy driven by SMPC's mining and related activities. Brgy. Semirara, a direct impact community in Semirara Island, has recorded 283 renewal business permits and 181 new permits in 2019. In addition, local residents are able to enjoy an affordable rate of Php 5 per kwh because of SMPC's continuing electricity subsidy of Php 2.50 per kwh through the Antique Electric Cooperative, Inc. (ANTECO).

SMPC's infirmary services have also served 28,735 patients in 2019. About 49% of which are employees, while 28% are employee dependents. Moreover, the infirmary catered 6,488 community members. Currently, the infirmary employs three physicians, two dentists, three medical technologists, one radiologic technologist, one midwife, and 11 nurses.

SMPC has also allotted Php 7.1 million to develop and maintain infrastructure in the island such as a 31-km main road network and flyover. SMPC also provided dredging works for the completion of the Pinagpala Public Seaport facility which is now used by passenger boats and fishing vessels plying to and from Semirara Island. This project provides easier sea transportation access to the community. Likewise, SMPC spends more than Php 500,000 annually to operate its bus transport service. There are eight bus trips scheduled at regular intervals to ply the 22km Semirara – Alegria route daily. SMPC grants free transportation to the employees, students, and community members. Around 1,600 personnel utilize the bus service daily.

The Company has also developed a Master of Arts in Education Program for public and private school teachers in the island. This program started in 2019 which aims to improve the teachers' competency and to continue their professional development. To date, 183 teachers from 10 public and private schools have completed the program and have applied their learnings in improving their teaching methods and curriculum to their respective schools. SMPC has already invested Php 1.8 million for this program.

Since 2006, SMPC has also partnered with the Semirara Training Center, Inc. (STCI) in providing TESDA-certified skilled manpower to support the Company's operations. Graduates are trained in the fields of automotive servicing, shielded metal arc welding, machine shop practice and electrical installation and maintenance. In 2019, there were 138 students enrolled in this program.

DMCI MINING CORPORATION

DMCI Mining's operations have significantly driven economic development in its areas of operations. For instance, Brgy. Berong in Quezon, Palawan is currently the second most economically stable barangay in the municipality. The Company has also contributed to the increase in income of local SMEs brought about by the rise in the consumer power of the residents. The locals who are working in the Company are able to purchase home appliances and transportation vehicles. Moreover, DMCI Mining provides potable water to its community members.

In the area of education, DMCI Mining has helped 116 students from 2011 to 2019 graduate from college. The graduates have been employed by the Company and are able to provide for their family.

DMCI Mining has also provided skills training in agro-forestry and aquafarming. This increased the quality and quantity of farmers and fishermen in Brgys. Berong and Aramaywan. Likewise, the Company continuously enhances the skills of its community health workers.

DMCI POWER CORPORATION

The continuous efficient operation of DMCI Power has brought about the increase of growth-inducing potential for the communities situated in its areas of operations. Reliable electricity is an essential factor in attaining development in these areas. Lesser power outages brought about by the existence of the Company's power plants have made possible a steady pace in progress through relentless construction of new buildings for tourism, improvement of infrastructure, building of hospitals, schools, and churches.

Likewise, DMCI Power has induced changes to the pattern of land use or the construction and rehabilitation of road networks, leading to and from communities that now have access to electricity. This opens them to opportunities for commerce and trade.

DMCI Power has generated employment in nearby communities, wherein areas teeming with business and potential for growth attract individuals who view these areas as avenues for opportunities to improve or uplift their social well-being.

There has also been an increase in recreational activities in areas where electricity is reliable, consistent, and affordable, providing people the necessary respite, enjoyment, and pleasure to achieve the appropriate balance in their lives.

A.1.2 Climate-related risks and opportunities

A.1.2.1 D.M. CONSUNJI, INC. (DMCI)

| Governance | Strategy | Risk Management | Metrics and Targets |
|--|---|---|---|
| Disclose the organization's governance around climate-related risks and opportunities | Disclose the actual and potential impacts ² of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material | Disclose how the organization identifies, assesses, and manages climate-related risks | Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material |
| Recommended Disclosures | | | |
| Describe the board's oversight of climate-related risks and opportunities | Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term | Describe the organization's processes for identifying and assessing climate-related risks | Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process |
| Semi-annual risk management meetings are conducted to report the enterprise risk including the climate-related risk and its proposed treatment to the Board. | Short Term – (R) Strict and enhanced emissions-reporting obligations to government regulators Medium Term - (R) Changes in precipitation patterns and extreme variability in weather patterns | D.M. Consunji, Inc. has adapted the ISO 14001:2015 Environmental Management System standard in identifying the risks and opportunities related to climate and the environment. The Context of the Organization (COTO) | Short Term - Motor equipment depreciation rates Medium Term – Number of productive working days per year |

² For this disclosure, impact refers to the impact of climate-related issues on the Company.

| | | | |
|--|---|--|---|
| <p>The Board considers climate-related issues when reviewing and guiding strategy, major plans of action, and risk management policies of the Company.</p> <p>The Board monitors and oversees the progress in achieving the environmental objectives of the Company to climate-related issues.</p> | <p>Long Term – (O) Move to more efficient buildings</p> | <p>Process is the driver in identifying these climate-related risks and opportunities. Moreover, the regulatory requirements are managed and monitored through monthly Compliance Obligations Registries.</p> | <p>Long Term – Number of LEED or BERDE projects constructed</p> |
| <p>Describe management’s role in assessing and managing climate-related risks and opportunities</p> | <p>Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.</p> | <p>Describe the organization’s processes for managing climate-related risks</p> | <p>Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</p> |
| <p>The organization has assigned all climate-related responsibilities to the head of the Environmental Management System and the Integrated Management Representative (IMR). The IMR reports to the top management and is responsible for assessing and/or managing climate-related issues through the semi-annual Management Review (MR) meeting.</p> | <p>Short Term Impact - Motor equipment asset early retirement due to policy changes</p> <p>Medium Term Impact - Reduced revenue from decreased productivity due to weather interruptions</p> <p>Long Term Impact - Increased construction volume and value of fixed assets of highly rated energy efficient buildings</p> | <p>D.M. Consunji, Inc manages all climate-related risks through a risk and opportunity assessment process by considering the Impact (I), Probability (P) and the effects of existing Control (C) on these identified risks. This is where decisions to mitigate, transfer, terminate, or tolerate those risks are based.</p> | <p>Short Term – 5% reduction of equipment depreciation cost through investment in EURO-4 and higher compliant motor equipment</p> <p>Medium Term – 10% increase of productivity through investment in new construction technology</p> <p>Long Term – construct at least one (1) LEED project per year</p> |
| | <p>Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario</p> | <p>Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management</p> | |
| | <p>We believe that the strategies of the Company may be affected by climate-related risks and opportunities. The strategies need to be constantly updated to address such potential risks and opportunities in the time horizon considered.</p> | <p>The processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall Enterprise Level Risk & Opportunities Management System guided by ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 standards.</p> | |

A.1.2.2 Maynilad Water Services, Inc. (Maynilad)

| Governance | Strategy | Risk Management | Metrics and Targets |
|---|--|---|--|
| <p>Disclose the organization’s governance around climate-related risks and opportunities</p> | <p>Disclose the actual and potential impacts³ of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material</p> | <p>Disclose how the organization identifies, assesses, and manages climate-related risks</p> | <p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</p> |
| <p>1. Climate change related risk is covered in Maynilad Enterprise Risk Management.</p> <p>2. Climate change related risk is being reported to top management.</p> | <p>1. Climate change has a significant impact on Maynilad water sources.</p> <p>Angat Dam - Rapid depletion of water levels - Increasing water quality levels</p> <p>Laguna Lake - Increasing water quality levels</p> | <p>1. Top management meeting: Environmental scanning 2. Enterprise Risk management</p> | <p>ISO 31000 Risk Management Framework</p> |
| <p>Recommended Disclosures</p> | | | |
| <p>1. Semi-annual risk management reporting to Risk Management Committee</p> <p>Responsibilities: a. Oversees the implementation and effectiveness of the</p> | <p>Maynilad identified the following climate change related risks:</p> <p>1. El Niño - Causing rapid depletion of Angat Dam water - Health and safety hazard to field personnel</p> | | |

³ For this disclosure, impact refers to the impact of climate-related issues on the Company.

| | | | |
|---|--|--|---|
| <p>Company's risk management framework.</p> <p>b. Reviews and provides recommendation and guidance to Maynilad management on risk strategies.</p> <p>2. Quarterly reporting to Maynilad Top Management</p> <p>Responsibilities:</p> <p>a. Reviews and monitors the identified significant risks of the Company including emerging risk, trends and control measures</p> | <p>2. Monsoon/Heavy rains/Typhoons</p> <ul style="list-style-type: none"> - Increase of water quality levels of Angat Dam and Laguna Lake water - Flooding within facilities causing damages to physical assets - Health and safety hazard to field personnel | | |
| <p>Describe the board's oversight of climate-related risks and opportunities</p> | <p>Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term</p> | <p>Describe the organization's processes for identifying and assessing climate-related risks</p> | <p>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p> |
| <p>Describe management's role in assessing and managing climate-related risks and opportunities</p> | <p>Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.</p> | <p>Describe the organization's processes for managing climate-related risks</p> | <p>Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</p> |
| | <p>Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario</p> | <p>Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management</p> | |

A.1.2.4 Semirara Mining and Power Corporation

| Governance | Strategy | Risk Management | Metrics and Targets |
|---|---|---|--|
| Disclose the organization's governance around climate-related risks and opportunities | Disclose the actual and potential impacts⁴ of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material | Disclose how the organization identifies, assesses, and manages climate-related risks | Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material |
| Recommended Disclosures | | | |
| <p>We recognize climate change is a cross-cutting issue and a challenge that affects all sectors globally. Our integrated Governance, Risk, and Compliance (GRC) framework are aligned with the pillars of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).</p> <p>Our Board, Board Committees and Management regularly discuss and evaluate the impact of climate-related risks and opportunities</p> | <p>Our organization aims to develop and improve its adaptive capacity to respond to climate-related risks to better manage the associated risks and seize opportunities, including the ability to respond to transition risks and physical risks. This includes improving our communication of key climate-related material information to our stakeholders.</p> <p>We also recognize the climate-related</p> | <p>Our GRC framework enables a proactive identification, assessment, monitoring and evaluation of climate-related and associated risks related to the transition to a lower-carbon economy and those related to the physical impacts of climate change. Our risk process involves risk information updates, controls, and mitigation. Risk reporting is made through regular Management Committee</p> | <p>Our adoption of the GRI-based Reporting Standards assists the organization in developing a system of reporting metrics and targets to manage sustainability impacts and to enhance stakeholder communication of our material issues, including climate-related metrics such as our GHG emissions, energy use, and water withdrawal, among others.</p> |

⁴ For this disclosure, impact refers to the impact of climate-related issues on the Company.

| | | | |
|--|---|---|--|
| relevant to our strategies to ensure the long-term sustainability of our business. | opportunities to engage in resource efficiency and cost savings and building resilience through our supply chain. | meetings and to the Board on a timely basis. Our disaster resilience program consists of regular drills and training in strong collaboration with the different government agencies, local government units, and host communities. | |
|--|---|---|--|

Relevant TCFD Recommended Disclosures (SMPC)

| Type | Climate-Related Risks | Potential Financial Impact |
|------------------|---|--|
| Transition Risks | Policy and Legal <ul style="list-style-type: none"> · Mandates and regulations · Increased pricing · Enhanced energy and emissions-reporting obligations | <ul style="list-style-type: none"> · Republic Act 10963 Tax Reform for Acceleration and Inclusion <p>Increased excise taxes on coal to P 100/MT on January 1, 2019, and P150MT on January 1, 2020.</p> <ul style="list-style-type: none"> · Republic Act 9513 Renewable Energy Act of 2008, Department of Energy (DOE) Circular No. DC2017-12-0015 Renewable Portfolio Standards (RPS) Rules for On-Grid Areas. <p>Anchored on the country’s aspirational target of 35% Renewable Energy (RE) share in the energy mix by 2030. The two-year transition period ended in 2019. Effective 2020, the minimum RE sourcing will be imposed immediately to mandated participants. At least 1% percent of annual energy demand must be sourced from eligible RE sources.</p> <ul style="list-style-type: none"> · Republic Act 11285 Energy Efficiency Law. <p>Higher compliance costs – hiring of energy technical and management levels, annual assurance.</p> <ul style="list-style-type: none"> · Stranded coal plant assets |
| | Technology | <ul style="list-style-type: none"> · Costs to adopt low-carbon technology and processes. |
| | Market <ul style="list-style-type: none"> · Change in the power market and customer behavior | <ul style="list-style-type: none"> · Reduction or restriction in capital availability |
| | Divestment and Reputation <ul style="list-style-type: none"> · Stigmatization of sector · Global shift of investors and | <ul style="list-style-type: none"> · Negative impacts on workforce talent attraction · Negative share price impact from divestment · Incremental cost in Capex and working capital financing |

| | | |
|---------------------|--|---|
| | <p>capital market from coal energy investments</p> <ul style="list-style-type: none"> · Negative stakeholder feedback | |
| Physical Risks | <p>Acute and Chronic</p> <ul style="list-style-type: none"> · Increased severity of extreme weather events, e.g. cyclones, floods · Variability in weather patterns | <ul style="list-style-type: none"> · Increased capital costs – damage to capital assets, facilities, and telecommunications infra · Reduced revenue from reduced production and lower sales · Reduced revenue and higher costs from negative impacts on the workforce – safety, health, absenteeism · Increased insurance premiums and potential for the reduced or limited cover of assets |
| Resource Efficiency | <ul style="list-style-type: none"> · Use of more efficient mine equipment and modes of transport · Use of more efficient equipment · Use of recycling · More efficient buildings · Reduced water usage and consumption · Use of eco-friendly buildings | <ul style="list-style-type: none"> · Increased revenues through operational efficiency · Republic Act 11285 Energy Efficiency Law. <p>Reduced operating costs through efficiency gains and cost reductions.</p> |

A.1.2.4 DMCI Mining Corporation

| Governance | Strategy | Risk Management | Metrics and Targets |
|--|--|--|--|
| <p>Disclose the organization’s governance around climate-related risks and opportunities</p> | <p>Disclose the actual and potential impacts⁵ of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material</p> | <p>Disclose how the organization identifies, assesses, and manages climate-related risks</p> | <p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</p> |
| <ol style="list-style-type: none"> 1. Climate change risk is covered under Berong Nickel Corporation’s SWOT analysis as recommended by the Palawan Council for Sustainable Development (PCSD). 2. Climate change risk is reported to top management. | <p>Climate change has the following negative impact to operation:</p> <p>During Wet Season</p> <ol style="list-style-type: none"> 1. Shortened shipping windows due to heavy rain 2. Slowdown of mining production <p>During Dry Season</p> <ol style="list-style-type: none"> 1. Extreme dry season results to dust generation along haul roads and stockpile areas 2. Scarcity of water supply due to extreme heat – which is supposed to be utilized for road sprinkling, nursery and rehab | <ol style="list-style-type: none"> 1. Daily rainfall recording in both mine site area and camp area 2. Weather monitoring for shipping windows | |

⁵ For this disclosure, impact refers to the impact of climate-related issues on the Company.

| | | | |
|---|--|---|--|
| | maintenance, and for camp utilization | | |
| Recommended Disclosures | | | |
| Describe the board's oversight of climate-related risks and opportunities | Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term | Describe the organization's processes for identifying and assessing climate-related risks | Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process |
| Describe management's role in assessing and managing climate-related risks and opportunities | Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning. | Describe the organization's processes for managing climate-related risks | Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets |
| | Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario | Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management | |

A.1.3 ENVIRONMENT

A.1.3.1 Energy: Management Approach

| <p>What is the impact and where does it occur? What is the organization's involvement in the impact? Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Which stakeholders are affected? (e.g. employees, community, suppliers, government, vulnerable groups)</p> | <p>Management Approach <i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> |
|--|--|--|
| <p>The nature of our businesses, and our reliance on technology necessarily entails high consumption of energy. We optimize our energy consumption in relation to our operational needs. We aim to reduce our greenhouse gas (GHG) emissions by lowering our energy and fuel consumption</p> | <p><i>Employees, investors, government sector</i></p> | <p>We have full time safety officers to monitor and control the use of fuel and energy dependent on the volume of construction activities in the specific phase of construction projects through the use of efficient equipment and power conservation in the facilities.</p> <p>Additionally, specific actions for our goals include the right selection of equipment size efficiency and capacity, and energy conservation programs through awareness campaigns.</p> |
| <p>What are the Risk/s Identified? <i>Identify risk/s related to material topic of the organization</i></p> | <p>Which stakeholders are affected?</p> | <p>We also implemented energy conservation initiatives such as power management, process optimization and improvement, installation of solar panels for renewable energy, refurbishment of equipment, automation, LED lights, and installation of variable frequency drives for large pumps and motors.</p> |
| | | |
| <p>What are the Opportunity/ies Identified? <i>Identify the</i></p> | <p>Which stakeholders are affected?</p> | |

| | |
|--|--|
| <i>opportunity/ies related to material topic of the organization</i> | |
| | |

A.1.3.2 Effluents and Wastes: Management Approach

| What is the impact and where does it occur? What is the organization's involvement in the impact? Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i> | Which stakeholders are affected? (e.g. employees, community, suppliers, government, vulnerable groups) | Management Approach <i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i> |
|---|---|--|
| Our water consumption and waste management practices affect the area of our operations since our Company is utilizing their resources. The Company is responsible for ensuring that the quality of water discharge complies with the regulatory standards, and the generated hazardous and solid wastes are reduced. | Employees, local community, government sector | We have set in place treatment and waste management programs in accordance with the applicable laws such as RA 9003 (Ecological Solid Waste Management Act of 2000) and RA 6969 (Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990). These include transportation and treatment of waste through the Department of Environment and Natural Resources (DENR) accredited haulers and treaters, waste segregation at source, and most importantly, recycling. |
| What are the Risk/s Identified? <i>Identify risk/s related to material topic of the organization</i> | Which stakeholders are affected? | With the expertise of our Environmental Management System Manager and our Pollution Control Officers, our goals for environmental management include zero environmental complaints and zero environmental incidents. Also, we provide personnel as well as infrastructure such as material recovery facilities, waste treatment facilities, and accredited hazardous waste haulers and treaters. |
| | | |
| What are the Opportunity/ies Identified? <i>Identify the</i> | Which stakeholders are affected? | |

| | |
|--|--|
| <i>opportunity/ies related to material topic of the organization</i> | |
| | |

A.1.3.2.1 Water discharge by quality and destination (306-1)

| Water discharged by quality and destination (306-1) | | | | |
|--|---|---|---|--|
| Subsidiary | Project Location | Water Source | Discharge Destination | Water Discharge (cu.m.) |
| D.M. Consunji, Inc, | Taguig Complex | Manila Water | - | Zero Discharge (per ECC); Water is treated and recycled |
| DMCI Project Developers, Inc. | Bangkal, Makati City | | Water discharge at the septic tank is treated with Vigormin. Then overflow at the Barangay Sewer. | SEPTIC TANK CAPACITY Septic Tank 1 75cum Septic Tank 2 20cum |
| Maynilad | Manila, Muntinlupa, Caloocan, Quezon City, Pasay, Paranaque | Angat Dam/Laguna Lake | Estero De Santibanez, Pasong Diablo River, Maypajo Creek, Culiati Creek, Dario Creek, San Francisco River, Mairbolo Creek, San Juan River, Talayan Creek, Delain Creek, Malabon Creek, Manila Bay | 74,499,823.93 |
| Semirara Mining and Power Corporation | Semirara Island, Caluya, Antique Calaca, Batangas Makati | Ilugao Bay, Balayan Bay, Manila Water | Ilugao Bay, Balayan Bay | 878,105,860 |
| DMCI Mining Corporation | Brgy. Berong, Quezon, Palawan | Llabungan River (water consumed for haul road water sprinkling) | - | 954,579 |
| | Sitio Acoje, Brgy. Lucapon South, Sta. Cruz, Zambales | Kinabuang Kabayo | - | |
| DMCI Power Corporation | Palawan | DeepWell and Rain Water | | 15,154 |
| | DMCI Masbate Power Brgy. Tugbo, Mobo, Masbate | Deep Well and Water District | Destination is Mobo Bay (Classified as Class SB waterbody by DENR EMB) | Water discharged per Discharge Permit issued by DENR EMB is less than or equal to 17 cubic meter per day. |
| | Sta Isabel Calapan City, Oriental Mindoro | Calapan Water | - | Water discharged is maximum of 1.0 cubic meter per day based on the Discharge Permit issued by DENR-EMB Region IV-B MIMAROPA |

A.1.4 SOCIAL

A.1.4.1 Employment: Management Approach

| <p>What is the impact and where does it occur? What is the organization's involvement in the impact? Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Which stakeholders are affected? (e.g. employees, community, suppliers, government, vulnerable groups)</p> | <p>Management Approach <i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> |
|--|--|--|
| <p>The employees have a major role in the continuous growth of our business operations. The compensation benefits and personal development programs that we offer may help in further boosting their employee performance as we strive to constantly hone their skills in the workplace. Our compliance with labor laws also always indicates our priority to protect the rights of our employees.</p> | <p>Employees</p> | <p>We established a comprehensive process for direct labor recruitment, technical and management personnel recruitment, compensation and benefits, training and development, and employee relations.</p> <p>We conduct local job fairs in project site localities, source candidates through third-party vendors, websites, social media accounts, and even advertise job openings. Furthermore, we measure our employee performance through a Performance Management System wherein competencies are identified, and gap analysis is conducted to establish the areas for skills training, which is a basis for merit increases and promotions.</p> |
| <p>What are the Risk/s Identified? Identify risk/s related to material topic of the organization</p> | <p>Which stakeholders are affected?</p> | |
| | | |
| <p>What are the Opportunity/ies Identified? Identify the opportunity/ies related to material topic of the organization</p> | <p>Which stakeholders are affected?</p> | |
| | | |

A.1.4.2 Labor/Management Relations: Management Approach

| <p>What is the impact and where does it occur? What is the organization's involvement in the impact? Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Which stakeholders are affected? (e.g. employees, community, suppliers, government, vulnerable groups)</p> | <p>Management Approach <i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> |
|--|--|---|
| <p>Our labor management relations directly affect our primary business operations since it involves our Company's relationship with our employees. Thus, our Company ensures that our relationship with them, whether they are regular or project-based, is always healthy and fruitful.</p> | <p>Employees</p> | <p>DMCI Holdings has established a Code on Proper Conduct and Discipline which all employees must follow. Applicable labor laws and regulations are also being complied with. Moreover, our Company aims to comply with applicable legislation and the needs of relevant parties associated with our operations and services which include its own workforce. These are all done with the goal of developing and maintaining the best workforce in the construction industry. Thus, employee engagement programs such as sports festivals, contests, and surveys are implemented to pursue this goal. With our Human Resources (HR) department at the fore, employee relation issues are discussed during the monthly Corporate Administration department meeting such as number of violations, status of cases, and other issues concerning the welfare of employees. Additionally, our Code on Proper Conduct is reviewed and amended annually as deemed necessary.</p> |
| <p>What are the Risk/s Identified? Identify risk/s related to material topic of the organization</p> | <p>Which stakeholders are affected?</p> | |
| | | |
| <p>What are the Opportunity/ies Identified? Identify the opportunity/ies related to material topic of the organization</p> | <p>Which stakeholders are affected?</p> | |
| | | |

A.1.4.3 Occupational Health and Safety: Management Approach

| <p>What is the impact and where does it occur? What is the organization's involvement in the impact? <i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Which stakeholders are affected? <i>(e.g. employees, community, suppliers, government, vulnerable groups)</i></p> | <p>Management Approach <i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> |
|---|---|---|
| <p>The occupational health and safety of our employees directly affect our primary business operations. Hence, safety is of the highest priority in all of our businesses. DMCI Holdings aims to provide the highest operational health and safety standards, and the elimination of accidents, injury, loss, or damage.</p> | <p>Employees</p> | <p>We assess the occupational hazards in all stages of planning and construction, incorporating systems that eliminate or mitigate risks in the workplace through the Hazard Identification, Risk Assessment and Control (HIRAC) process. We also provide the highest operational health and safety standards, and the elimination of accidents, injury, loss, or damage.</p> |
| <p>What are the Risk/s Identified? <i>Identify risk/s related to material topic of the organization</i></p> | <p>Which stakeholders are affected?</p> | <p>Part of DMCI Holdings' objectives includes building structures of technical integrity that enhance both the society and the nation's progress, while ensuring protection of the environment and a healthy and safe workplace for our employees and other stakeholders affected by our business operations. As such, our Environment, Health, and Safety (EHS) department ensures zero loss time as well as an accident-free and injury-free workplace. Also, a labor representative is elected in each project's health & safety committee as a medium to convey concerns to our top management. Part of our adherence to health and safety includes daily toolbox meetings, consultations with regulatory bodies, mandatory safety orientation and training, annual physical exam, provisions of Personal Protective Equipment (PPEs), clinic, OH personnel, and first aiders. Lastly, the incidents and accidents are reported in the monthly EHS meetings and</p> |
| | | |
| <p>What are the Opportunity/ies Identified? <i>Identify the opportunity/ies related to material topic of the organization</i></p> | <p>Which stakeholders are affected?</p> | |
| | | |

| | | |
|--|--|---|
| | | appropriate actions are discussed for implementation. |
|--|--|---|

A.1.4.4 Training and Education: Management Approach

| <p>What is the impact and where does it occur? What is the organization's involvement in the impact? Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Which stakeholders are affected? (e.g. employees, community, suppliers, government, vulnerable groups)</p> | <p>Management Approach <i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> |
|--|--|--|
| <p>The training and education we provide to our employees will directly impact our primary business operations. We believe that by providing our employees and workers with the skills they need, it will help them to effectively carry out their tasks and responsibilities. We also believe that additional training and education will improve the skills of our people, thereby improving the standard of services and raising employee morale.</p> | <p>Employees, workers</p> | <p>We have internal training programs to address the training requirements of our employees. We conduct Engineers' Development Program, Management Development Program, and National Certification II Trainings. Additionally, training evaluation is conducted to evaluate the effectiveness of the training given. The results of training evaluation are reviewed and necessary modifications are implemented.</p> <p>Training programs are selected and implemented based on the HR training needs analysis every year. The HR competency framework identifies the required skill sets, knowledge, and abilities per role under each division/functional category.</p> |
| <p>What are the Risk/s Identified? Identify risk/s related to material topic of the organization</p> | <p>Which stakeholders are affected?</p> | |
| | | |
| <p>What are the Opportunity/ies Identified? Identify the opportunity/ies related to material topic of the organization</p> | <p>Which stakeholders are affected?</p> | |
| | | |

A.1.4.5 Local Communities: Management Approach

| <p>What is the impact and where does it occur? What is the organization's involvement in the impact? Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Which stakeholders are affected? (e.g. employees, community, suppliers, government, vulnerable groups)</p> | <p>Management Approach <i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> |
|---|--|--|
| <p>Local Communities directly affect the operations of our subsidiaries. Since these communities are our primary source of manpower and space to produce our goods and services, it is our responsibility to maintain a good relationship with the residents and the local government units of these municipalities and provinces. Our responsibility to our local communities is stated in our Corporate Mission and in one of the corporate values.</p> | | <p>One of the policies of DMCI Holdings is to formally assess the environmental aspects in all stages of the construction lifecycle, incorporating systems that eliminate or control impacts. Our Company's goal is to ensure protection of the environment and to implement the approaches that contribute to sustainable development by delivering economic, social, and environmental benefits to all stakeholders.</p> <p>Our environmental officers and top management work hand in hand with the local government units (LGUs) of our areas of operation. Furthermore, we conduct aspect identification and impact assessment and review of compliance obligations registry to verify the compliance of the projects to applicable laws and regulations. Lastly, internal and external audits are also conducted to verify the effectiveness of aspect controls.</p> |
| <p>What are the Risk/s Identified? <i>Identify risk/s related to material topic of the organization</i></p> | <p>Which stakeholders are affected?</p> | |
| | | <p>We also intend to contribute to meeting the national targets for United Nations Sustainable Development Goals (UN SDGs). Through various programs that promote hygiene, education, and social enterprise, we do not only meet the needs of our community stakeholders, but we also adhere to the global advocacy towards a clean, safe, and sustainable environment. In the pursuit of these common objectives, we have</p> |
| <p>What are the Opportunity/ies Identified? <i>Identify the opportunity/ies related to material topic of the organization</i></p> | <p>Which stakeholders are affected?</p> | |

| | | |
|--|--|---|
| | | established partnerships in the public and private sectors. |
|--|--|---|

A.1.4.6 Customer Health and Safety: Management Approach

| <p>What is the impact and where does it occur? What is the organization's involvement in the impact? <i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Which stakeholders are affected? <i>(e.g. employees, community, suppliers, government, vulnerable groups)</i></p> | <p>Management Approach <i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> |
|---|---|---|
| <p>The health and safety impacts of our businesses to our customers directly affect the branding reputation of DMCI Holdings and its subsidiaries. Our customers are one of the major contributors to the economic success of our businesses so we have to maintain a good relationship with them by providing the best quality of our products and services.</p> | | <p>We aim to be 100% compliant to applicable codes and specifications based on the contract requirements. Moreover, as part of our value-creation for our clients, issues with workmanship defects are reported during the defect liability period and issues with warranty are addressed by the project team. We also ensure that professional indemnity insurance is applied to cover issues that may arise on the design, safety, and performance. We also conduct corporate Quality Assurance (QA)/Quality Control (QC) meetings to discuss issues with quality performance and non-conformities identified in the ongoing and completed project. The results of the evaluation of</p> <p>In the case of DMCI, Occupancy Permit Inspections are transmitted to the Company as the contractor for necessary corrective actions in case of deficiencies and nonconformities with all applicable laws and regulations.</p> |
| <p>What are the Risk/s Identified? <i>Identify risk/s related to material topic of the organization</i></p> | <p>Which stakeholders are affected?</p> | <p>Our policies on customer health and safety are guided by the Philippine National Standards for Drinking Water (PNSDW). To assure that we are distributing a good and safe quality of water to our customers, the water samples we collect undergo strict bacteriological, physical, and chemical examinations.</p> |
| | | |

| | | |
|--|--|--|
| <p>What are the Opportunity/ies Identified? <i>Identify the opportunity/ies related to material topic of the organization</i></p> | <p>Which stakeholders are affected?</p> | <p>Our newly expanded central laboratory is accredited by the Department of Health (DOH) as a laboratory for drinking water analysis. Our lab technicians ensure that we follow the new quality parameters set by the DOH's updated PNSDW. We also invested in a new central laboratory and equipment in the area of our operations.</p> |
| | | |

A.1.4.7 Socioeconomic Compliance: Management Approach

| <p>What is the impact and where does it occur? What is the organization's involvement in the impact? <i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> | <p>Which stakeholders are affected? <i>(e.g. employees, community, suppliers, government, vulnerable groups)</i></p> | <p>Management Approach <i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> |
|---|---|--|
| <p>Part of our obligations as a Company is to abide by the government regulations, specifically on social and economic areas. It is our responsibility to be transparent to the government to avoid sanctions, penalties or worse, suspension of our operations.</p> | | <p>We aim to comply with applicable legislation and the needs of relevant interested parties associated with our operations and services. Our administration department, legal department, as well as our corporate compliance officers, ensure zero fines and work stoppage due to non-compliance with regulatory requirements and legislations. We also conduct compliance obligations reviews, results of which are reported to the Compliance Officer for applicable actions</p> |
| <p>What are the Risk/s Identified? <i>Identify risk/s related to material topic of the organization</i></p> | <p>Which stakeholders are affected?</p> | |
| | | |

| What are the Opportunity/ies Identified? <i>Identify the opportunity/ies related to material topic of the organization</i> | Which stakeholders are affected? |
|---|---|
| | |