



DMCI HOLDINGS
INCORPORATED



2023 SUSTAINABILITY REPORT

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About the Report

DMCI Holdings, Inc. is pleased to present its 2023 Sustainability Report. This report provides a comprehensive and transparent assessment of our environmental, social, and governance (ESG) performance throughout the year. It underscores our commitment to responsible operations, building upon our sustainability initiatives and addressing key concerns.

Scope of the Report

This report covers a wide range of initiatives and performance indicators, providing insights into the sustainability practices across all our subsidiaries and affiliate, namely:

- D.M. Consunji, Inc. (DMCI)
- DMCI Homes
- Semirara Mining and Power Corporation (SMPC)
- DMCI Power Corporation (DMCI Power)
- DMCI Mining Corporation (DMCI Mining)
- Maynilad Water Services, Inc. (Maynilad)

Reporting Boundary

This report presents consolidated data from our five subsidiaries, unless otherwise specified. Data and information on Maynilad are presented in a separate section.

Transparency, Context, and Commitment

We acknowledge the limitations in our current coverage, which we openly disclose in pertinent sections. While there are challenges in collecting and validating data due to the diverse nature and dispersed locations of our operations, we are committed to continuously improving our future reports to better communicate our sustainability progress and align with the expectations of our stakeholders.

Reporting Period

The data and information in this report cover our activities conducted between January 1, 2023 and December 31, 2023.

Reporting Standard

Adhering to the Global Reporting Initiative (GRI) 2021 standards, this report ensures consistency and comparability with international sustainability reporting practices.

Contact Information

For questions and clarifications regarding the contents of the report, please contact:

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Statement from the Leadership

In recent years, stakeholders have come to expect more from the business sector, scrutinizing not only a company's financial performance but also the ethical and sustainable practices that underpin its operations.

At DMCI Holdings, our definition of success has always gone beyond financial results. We focus on positive impacts, anchored in transparency, accountability and the integration of Environmental, Social and Governance (ESG) principles. Our approach is designed to sustainably advance our business while adhering to ethical business conduct.

This report serves as a testament to our strategic approach to sustainability, recounting our progress and accomplishments in promoting economic resilience, environmental stewardship, social responsibility and good governance.

It outlines the specific actions we have taken and the tangible impacts we have made to generate lasting value for our stakeholders.

Economic Performance

Our consolidated revenues dropped by 14% from ₱142.6 billion to ₱122.8 billion, mainly due to normalized prices for coal, nickel and electricity, a slowdown in construction accomplishments and more canceled real estate sales.

Total cash costs decreased by 8% from ₱85.9 billion to ₱79.2 billion, largely because the government's share in coal revenues dropped by 33% from ₱15.9 billion to ₱10.7 billion.

As a result, our net income fell by 20% from ₱31.1 billion to ₱24.7 billion on lower contributions from our coal, nickel and construction subsidiaries, despite better results from our power, water and real estate businesses.

We ended the year with a record dividend payout of ₱1.44 per share, totaling ₱19.12 billion. This payout translates to a dividend yield of 13.2% against the 2023 volume-weighted average price of ₱10.9180, and a payout ratio of 61% of the previous year's core net income, which is well above our dividend policy of 25%.

Environmental Stewardship

In 2023, we formalized our commitment to preserving biodiversity through the adoption of a Biodiversity Policy. This policy gives precedence to the use of native species in our conservation efforts and compensatory actions, including the implementation of afforestation and reforestation initiatives. Moreover, it incorporates our goal to raise biodiversity awareness through educational programs.

To strengthen our commitment to environmental responsibility, we updated our Climate Change Policy. The revisions are aimed at enhancing our environmental stewardship by adopting energy-efficient technologies, supporting climate change research and incorporating climate-

related risks into our strategic planning processes. Our Eco-Design Policy has also been revised to focus on product safety, resource efficiency and waste reduction.

We capped the year with a notable victory for Zambales Diversified Metals Corporation (ZDMC), a subsidiary of DMCI Mining.

ZDMC received the prestigious Presidential Mineral Industry Environmental Award (PMIEA) for its outstanding commitment to environmental protection, safety, community development and social responsibility. This accolade is ZDMC's inaugural PMIEA win and marks the third victory for DMCI Mining, following Berong Nickel Corporation's receipt of the award in 2020 and 2021.

Social Responsibility and Good Governance

DMCI Holdings and Semirara Mining and Power Corporation (SMPC) were included in the Bloomberg Gender-Equality Index (GEI) for the third year in a row, reflecting our consistent focus on transparent gender-data reporting.

We also published our first Annual Diversity, Equity, and Inclusion (DEI) Report in 2023, marking a step forward in our commitment to transparency in gender reporting and the development of a diverse and inclusive work environment.

Additionally, DMCI Holdings and SMPC received the 3-Golden Arrow award from the Institute of Corporate Directors (ICD), which recognizes companies that scored between 100 to 109 points in the 2022 ASEAN Corporate Governance Scorecard (ACGS) Assessment. Both companies have been consistently recognized as ACGS Golden Arrow awardees since 2019.

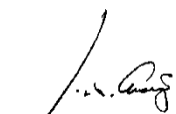
Looking Ahead

Heading into 2024, we maintain a cautiously optimistic outlook for our performance, driven by key economic trends. The anticipated reduction in inflation and steady interest rates present a favorable environment for our businesses.

Additionally, we are closely monitoring external factors, such as the slowdown in China's economy and the modest growth of the domestic energy sector, to assess their potential impact on our coal, nickel and power subsidiaries.

In light of these dynamics, we expect the DMCI Group to demonstrate its characteristic resilience. Our history of strategic responses and adaptability to market shifts positions us well to navigate challenges.

With a focus on overcoming these challenges, we aim to uphold our track record of stable returns and contributing meaningfully to our stakeholders.



Isidro A. Consunji
Chairman and President

About Our Company

Established in March 1995, DMCI Holdings is the only publicly listed holding company in the Philippines with construction as its core competency.

It was listed on the Philippine Stock Exchange on December 18, 1995 to extract greater value from the engineering expertise and construction resources of D.M. Consunji, Inc. (DMCI), the pioneering contractor behind some of the biggest and most complex infrastructures in the Philippines. DMCI Holdings trades under the PSE ticker symbol DMC.

Since its listing, DMC has expanded into other construction and engineering-related industries, namely real estate development, coal and nickel mining, power generation and water services.

Vision

We are the leading integrated engineering and management conglomerate in the Philippines.

Through our investments, we are able to do the following:

- **Deliver** exceptional shareholder value
- **Motivate** and provide employees with opportunities and just rewards to achieve their full potential
- **Cultivate** progress in remote areas, unserved markets, and growth industries
- **Integrate** sustainable development with superior business results through principled contracting and innovative engineering

Mission

To invest in engineering and construction-related businesses that bring real benefits to the people and to the country.

Values

In our dealings, we are guided by the following:	Integrity We base our decisions on what is right, just and ethical.	Customer Focus We strive to build lasting relationships with our customers.	Innovation We adapt and innovate to generate value for our stakeholders.
Fairness We honor agreements and treat others with respect and dignity.	Teamwork We collaborate to solve tough problems and strengthen our organization.	Accountability We take responsibility for our actions and deliver on our commitments.	Sustainability We drive progress by balancing economic growth, social wellbeing and environmental stewardship.

Corporate Strategy

- We choose industries that allow us to leverage our engineering and management expertise and construction resources, while promoting development.
- We engage and retain our employees by investing in skills development and career opportunities.
- We pursue businesses with unrealized value that could be unlocked through innovative engineering and management.
- We manage our businesses in accordance with relevant government standards on environment, safety, quality, and corporate governance practices.

The DMCI Creed

We believe that:

Construction is a noble profession whose activities are vital to economic development and national progress;

Fair competition is essential to the growth and stability of the construction industry;

A contractor's primary responsibility to his client is to give his best in faithful compliance with their agreement;

Labor and capital should cooperate with one another so that labor may live with dignity and capital may find its just rewards;

The ill-gotten violates business ethics and the ill-conceived wreaks havoc on the public good;

The ultimate objectives are to serve not only man but humankind, and to build not only an enterprise but an institution that will serve society.

2023 in Review

CONSOLIDATED FINANCIAL HIGHLIGHTS

Key Figures as of and for the period ending 31 December 2023

₱122.8 Billion Revenue	₱24.7 Billion Net Income	₱40.1 Billion EBIT
₱24.7 Billion Core Net Income	23.4% ROE – Parent	13% Net Debt to Equity
₱1.86 Per Share EPS	₱19.1 Billion Dividend Payout	8.21 BVPS
₱32.2 Billion Consolidated Cash Balance	₱21.5 Billion Capital Expenditures	₱3.1 Billion Net Loan Payment

AWARDS AND RECOGNITION

DMCI Holdings

- 2023 Bloomberg Gender Equality Index (GEI) member
- Corporate Governance Asia 13th Asian Excellence Awards
 - Asia's Best CEO – Mr. Isidro A. Consunji
 - Asia's Best CFO – Mr. Herbert M. Consunji
 - Best Investor Relations Professional – Ms. Cherubim O. Mojica
 - Best Investor Relations Company – DMCI Holdings
- Alpha Southeast Asia 13th Institutional Investor Corporate Awards
 - Best Senior Management Investor Relations Support (4th place)
 - Best Strategic CSR (4th place)
 - Most Consistent Dividend Policy (5th place)
- 2022 ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards by the Institute of Corporate Directors
 - 3 Golden Arrow Award

D.M. Consunji, Inc.

- 14th National Construction Safety Conference
Safety Organization of the Philippines, Inc. (SOPI)
 - Perfect Safety Record - Equipment Management Group
 - Award of Merit - Equipment Management Group
 - Award of Honor - Equipment Management Group

DMCI Homes

- 2022 Top 10 Corporate Taxpayers in Parañaque City
- 2022 Top 10 Taxpayers in Mandaluyong City
- 2022 Top 4 Real Property Taxpayer and Top 3 Business Taxpayer in Pasig City
- 2022 Top 6 Real Property Taxpayer in Davao City
- BCI Asia Awards 2024
 - 2023 Asia Top 10 Developers Award
- The Outlook 2023 by Lamudi Philippines
 - Wellness-Focused Development of the Year (Silver Awardee) - Fortis Residences
- Pillar Awards by the Chamber of Real Estate and Builders' Associations (CREBA)
 - Best Vertical Residential (Mid to Upper-Mid Market Category) - Lumiere Residencesz

- One of the Philippines' Best Employers for 2024 according to the Philippine Daily Inquirer and Statista

SMPC

- 2023 Bloomberg Gender Equality Index (GEI) member
- 2022 ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards by the Institute of Corporate Directors
 - 3 Golden Arrow Award
- FinanceAsia 2023 Asia's Best Managed Companies Poll
 - Best Energy Company (Silver)
- 58th Anvil Awards by the Public Relations Society of the Philippines
 - Multimedia Tools (Silver) - "Ano'ng Kwentong Semirara Mo?" Social development video documentary series
- 2022 Top 5 Taxpayers in the City of Calaca, Batangas

DMCI Power

- 2022 Top 5 Corporate Taxpayers in Palawan Province

Zambales Diversified Metals Corporation

- Presidential Mineral Environmental Industry Award (PMEIA), Department of Environment and Natural Resources (DENR) Mines and Geosciences Bureau
- Top Taxpayer (GOLD) in Candelaria, Zambales

Maynilad

- 58th Anvil Awards by the Public Relations Society of the Philippines
 - Crisis/Risk Communication for Private and Public Sector (Silver) - Sobriedad Pipe Realignment Information Campaign
 - Crisis/Risk Communication for Private and Public Sector (Silver) - Pipe Breakage at Pureza: Managing the Public Backlash
 - Multimedia – Social Media Tool (Silver) - Sagot ni Kuya Dong: Maynilad NEW WATER Facebook Videos
 - Multimedia – Social Media Tool (Silver) - "Mayni-LAD to the rescue!" Wastewater Video Episode 5
 - Special Events and Exhibits (Silver) - Alab CXRO Midyear Rally 2022

- 2023 Europa Awards by the European Chamber of Commerce of the Philippines (ECCP)
 - Clean and Green Energy Recognition

- 2023 Asia-Pacific Stevie Award
 - Product Innovation Achievement (Silver Stevie) - NEW WATER: Maynilad's Foray into Potable Water Reuse

- 2023 International Business Awards
 - Product Innovation Achievement (Gold Stevie) - NEW WATER: Maynilad's Foray into Potable Water Reuse
 - Communications or PR Campaign of the Year, Integration of Traditional and New Media (Silver Stevie) - Ceremonial Launch of Maynilad's NEW WATER

- 2023 Global Water Awards
 - Water Reuse Project of the Year: Parañaque New Water plant

- International Water Association
 - Climate Smart Utilities (Outstanding Recognition)

D.M. Consunji, Inc.

DMCI was founded in 1954 by Engr. David M. Consunji, the Grandfather of the Philippine Construction Industry.

It is one of the country's leading engineering-based integrated construction companies, with expertise in building residential, commercial and infrastructure projects. It operates in two construction segments: building and infrastructure. It also has separate business units for joint ventures and project support (i.e., concrete production, steel fabrication and equipment rental).

To date, DMCI has completed over 1,000 projects of varying scale and magnitude. Some of these projects include the Royal Palace of Brunei, Cultural Center of the Philippines, Dambana ng Kagitingan, Philippine International Convention Center, Enchanted Kingdom, Light Rail Transit Line 1, Solaire Resort and Casino, Tarlac - Pangasinan - La Union Expressway, Ikea Pasay among others.

Key Figures

₱16.5 Billion Revenues	₱14.9 Billion Total Cash Cost	10% Core EBITDA Margin	₱757 Million Core Net Income
₱783 Million Net Income	₱382 Million Capex	₱41.9 Billion Order Book	Zero Debt

DMCI Homes

Launched in 1999, DMCI Homes is one of the leading mid-segment developers in the Philippines, offering best-in-class amenities and value-for-money properties in Metro Manila and other key urban areas.

The company is known for its innovative and sustainable design approach, which incorporates green spaces, open areas, and natural ventilation to create a comfortable and healthy living environment for residents. It also prides itself on its quality craftsmanship, attention to detail and customer-centric approach to property development.

The first Quadruple A developer in the country, DMCI Homes has a portfolio of over 80 projects, with over 70,000 units sold. It has been expanding into luxury, leisure and microflat projects, in addition to providing property management, elevator maintenance, and construction services (to its joint venture project projects).

Key Figures

₱19.2 Billion Revenues	₱15.6 Billion Total Cash Cost	19% Core EBITDA Margin	₱4.7 Billion Net Income
₱15.9 Billion Capex	₱8.3 Billion Sales and Reservations	196.9 Hectares Total Landbank	₱37.4 Billion Debt

Semirara Mining and Power Corporation

SMPC is the largest and most modern coal producer in the Philippines, accounting for 99% of the country's coal production and export. Since 1983, its shares have been listed in the Philippine Stock Exchange under the ticker SCC.

A vertically integrated energy company, SMPC is the only power producer in the country that runs on its own fuel. Its two wholly owned subsidiaries—Sem-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC)— generate affordable baseload electricity for the Luzon-Visayas grid.

SMPC also supplies coal to other local power plants, cement manufacturers and small boiler users. Its excess inventory is exported to China, South Korea, Thailand, Cambodia, Vietnam, Brunei and India.

Key Figures

₱77.0 Billion Revenues	₱41.2 Billion Total Cash Cost	₱28.0 Billion Core Net Income	₱27.9 Billion Net Income
15.8 MMT Coal Shipments	4,515 GWh Total Power Sales	₱4.0 Billion Capex	₱6.7 Billion Debt
₱10.7 Billion Government Share	₱4.4 Million ER 1-94		

DMCI Power Corporation

Established in 2006, DMCI Power is the largest off-grid energy company in the Philippines. It contributes to the National Government's energy security program by generating affordable electricity for unserved and underserved smaller islands and remote locations in the country.

DMCI Power supplies electricity through long-term and emergency power supply agreements with Masbate Electric Cooperative (MASELCO), Oriental Mindoro Electric Cooperative (ORMECO) and Palawan Electric Cooperative (PALECO). As of year-end 2023, it had a total installed capacity of 159.8 MW.

The company currently operates and maintains thermal, bunker and diesel power plants in parts of Masbate, Oriental Mindoro and Palawan.

Key Figures

₱7.4 Billion Revenues	₱5.8 Billion Total Cash Cost	₱946 Million Net Income	₱860 Million Capex
₱4.7 Billion Debt	479.7 GWh Gross Power Generation	452.6 GWh Total Power Sales	₱4.0 Million ER 1-94

DMCI Mining Corporation

Formed in May 2007, DMCI Mining is primarily involved in the exploration, mining and development of mineral resources, particularly nickel ore, which is an essential component in the production of stainless steel and electric vehicle batteries.

Its subsidiaries—Berong Nickel Corporation (BNC) and Zambales Diversified Metals Corporation (ZDMC)—have nickel assets in Palawan and Zambales. ZDMC expanded its annual production capacity from 1 million metric tons to 2 million metric tons, effective January 2023.

BNC fully depleted its Berong mine in December 2021, leaving ZDMC as the sole operating mine of DMCI Mining. Efforts are underway to fully permit over 8,000 hectares of nickel resource in Palawan and Zambales.

Key Figures

₱3.4 Billion Revenues	₱2.0 Billion Total Cash Cost	₱623 Million Core Net Income	₱623 Million Net Income
₱283 Million Capex	₱350 Million Debt	1.7 Million WMT Total Production	1.7 Million WMT Total Shipments

Maynilad Water Services, Inc.

Maynilad is the largest water service provider in terms of customer base in the Philippines, with over 1.5 million water service connections. It is managed by Maynilad Holdings Corporation, which is jointly owned by Metro Pacific Investments Corporation (52.8%), DMCI Holdings (27%), Marubeni Corporation (20%) and eligible employees (0.2%).

Under Republic Act 11600, Maynilad has a 25-year franchise to establish, operate and maintain the waterworks system and sewerage and sanitation services in the West Zone of Metro Manila and the Province of Cavite.

Maynilad currently has 8 water treatment plants, 23 wastewater plants, 39 pumping stations, 39 reservoirs, 35 in-line boosters and over 11,000 kilometers of water pipelines.

Key Figures

₱27.3 Billion Revenues	₱10.1 Billion Total Cash Cost	₱9.1 Billion Core Net Income	₱9.0 Billion Reported Net Income
₱2.2 Billion DMC Net Income Share	₱19.7 Billion Capex	538.5 MCM Billed Volume	10.3 Million Population Served

Our Sustainability Strategy

Sustainability Framework

DMCI Holdings follows a comprehensive, multi-faceted approach designed to guide our organization in achieving its sustainability goals. This framework is delineated by five key pillars that encompass the diverse aspects of our commitment to sustainable development and corporate responsibility.

I. Environmental Stewardship: Our commitment to mitigating our environmental footprint is a top priority. We strive to optimize resource use, minimize waste generation, and incorporate eco-friendly practices throughout our operations. We invest in mine rehabilitation, carbon offsetting and sustainable architecture, in addition to implementing rigorous environmental management systems to ensure compliance with Philippine government standards. Our goal is to manage our environmental footprint while maintaining sustainable business practices.

II. Social Responsibility: We recognize the importance of fostering a positive impact on our employees, host communities and other key stakeholders. Our focus on social responsibility includes promoting employee well-being, providing equal opportunities and upholding fair labor practices. Additionally, we collaborate with residents, community leaders and local government units to support community development initiatives, education and healthcare programs.

III. Economic Prosperity: We pursue sustainable growth by balancing our economic objectives with environmental and social considerations. Our aim is to create long-term value for our stakeholders while minimizing negative externalities. We prioritize ethical business practices, good corporate governance, and diligent risk management to ensure financial stability and responsible growth.

IV. Innovation and Adaptation: We support innovation by investing in tools and technologies that could aid better performance across our business units. We foster a culture of continuous improvement and performance management, encouraging employees to develop new ideas and adapt existing processes to improve efficiency, reduce waste and minimize environmental impact.

V. Stakeholder Engagement: Open communication and collaboration with our stakeholders are essential to our sustainability. We actively engage with employees, customers, suppliers, regulators, and local communities to gather feedback, identify areas of improvement, and find a way to meet their expectations.

By incorporating these key pillars into our daily operations and decision-making processes, we aim to create a lasting positive impact on the environment, society, and economy while ensuring the long-term success of our organization.

OUR SUSTAINABILITY PILLARS

Environmental Stewardship

- Environmental Management
- Climate
- Energy
- Air Emissions
- Water
- Waste
- Biodiversity and Land Use Management
- Power Generation

Social Responsibility

- Employment Practices
- Diversity, Equity, and Inclusion
- Training and Development
- Talent Attraction and Retention
- Occupational Health and Safety
- Human Rights
- Supply Chain Management
- Corporate Citizenship and Philanthropy
- Community Impacts and Involvement
- Customer Relationship Management
- Ethical Marketing and Brand Management

Economic Prosperity

- Economic and Financial Performance
- Corporate Governance
- Business Ethics and Compliance
- Risk Management
- Crisis Management and Business Resilience

Innovation & Adaptation

- Technology and Innovations
- Information Security and Cybersecurity
- Sustainable Human Settlements
- Training and Development

Stakeholder Engagement

- Approach to Stakeholder Engagement
- Stakeholder Engagement Channels
- Stakeholder Concerns
- Stakeholder Engagement Initiatives

Stakeholder Engagement

We prioritize both financial and non-financial performance, and maintain a steadfast commitment to our stakeholders' well-being. Through ongoing communication and collaboration, we gain valuable insights into their expectations, particularly regarding sustainability initiatives.

To ensure alignment with best practices and regulatory standards, we adhere to the GRI Standards 2021 and the guidelines outlined by the Securities and Exchange Commission (SEC).

Stakeholder Engagement Survey

For 2023, DMCI Holdings and its subsidiaries (excluding SMPC) conducted a Stakeholder Engagement Survey. This initiative was designed to collect feedback, enhance our understanding of stakeholder needs and identify specific areas for improvement. The survey was conducted online over a period of three (3) weeks.

Respondents were randomly selected from among our stakeholders. Those chosen were invited to participate through a link sent to their email addresses. This method was designed to encourage broad participation across our diverse stakeholder base.

Participants

The survey garnered responses from 146 stakeholders, primarily representing the suppliers/service providers and customers of DMCI and DMCI Homes. Other participants included government agencies, investors, analysts, media, community representatives and electric cooperatives, among others.

Our Approach

The survey comprised four main parts:

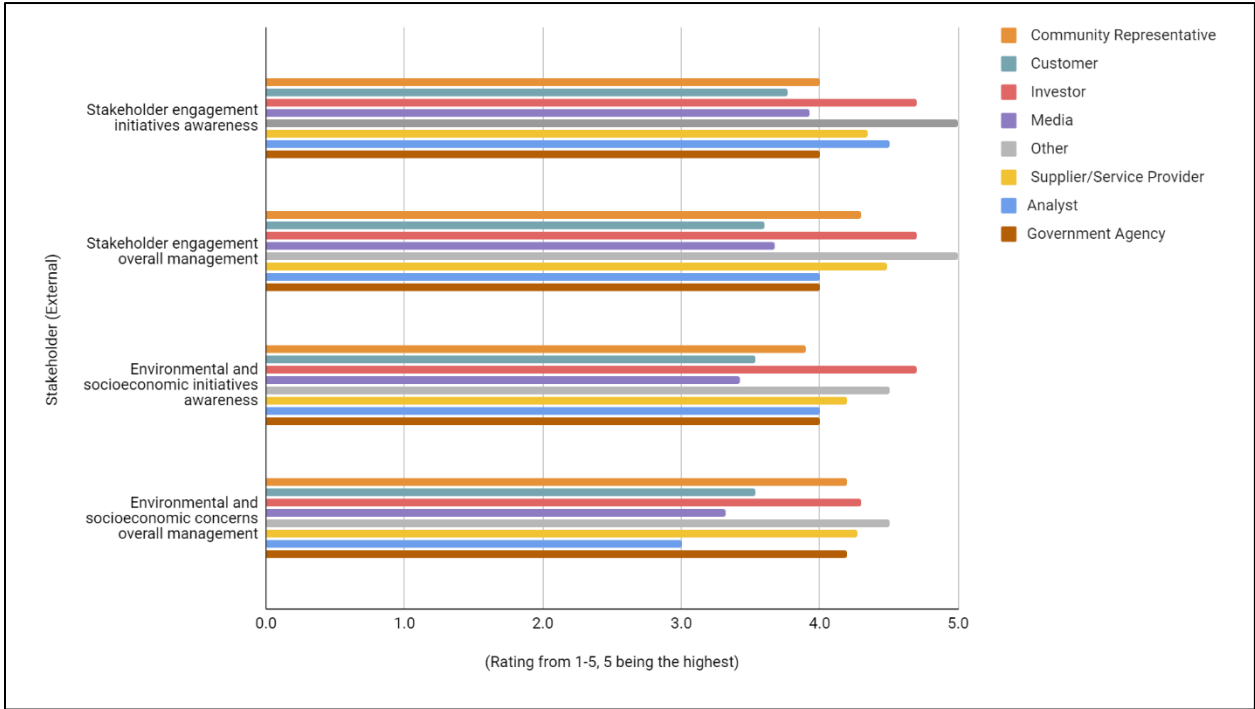
- **Stakeholder Engagement Initiatives:** Questions centered on stakeholders' awareness of the company's engagement initiatives, their assessment of the management of engagement efforts, opportunities for improvement and suggestions for new initiatives.
- **Environmental and Socioeconomic Initiatives:** This section explored stakeholders' awareness of the company's environmental and socioeconomic initiatives, their priority concerns, evaluation of the company's management of these concerns, opportunities for improvement and suggestions for future programs.
- **Interaction:** The survey assessed stakeholder interaction frequency, preferred interaction modes, and channels for communicating concerns and receiving updates on engagement and sustainability initiatives.
- **Comments and Feedback:** Stakeholders were invited to share their key concerns regarding our companies, provide feedback on our specific engagement or sustainability initiatives, and describe those initiatives' impact on their organization or community.

Survey Results

We noted strong stakeholder awareness of our engagement initiatives (4.2 out of 5 average rating) and favorable perception of how we manage these efforts (4.0 out of 5 average rating).

However, survey results indicate variations in awareness and perception of our environmental and socioeconomic initiatives among different stakeholder groups. These initiatives received an average rating of 3.9 out of 5.

Stakeholders’ Awareness of Our Initiatives and Perception of Our Management Efforts



A. Suppliers and Service Providers (N: 83)

We actively engage our suppliers and service providers through various channels, including social media, emails, community events, and both in-person and virtual meetings. The frequency of our interaction ranges from weekly to quarterly.

Their concerns revolve around supply needs, operations and service, profitability, timely communication of invoices and payments and sustainability, among others.

The priority ESG issues for our suppliers and service providers include reducing dust, waste and emissions; implementing responsible water management; advancing green building initiatives; enhancing health and safety programs; and supporting education and poverty reduction efforts.

B. Customers (N: 32)

DMCI Homes customers are engaged through various channels such as social media, phone/mobile communications, emails, community events, face-to-face meetings and online

surveys. Customer interaction occurs at regular intervals spanning from weekly to annually, ensuring consistent and well-organized touchpoints.

Survey results indicate that customers prioritize expedited reimbursement for construction bonds and seek enhanced transparency and involvement in decision-making processes. They also advocate for clearer communication on announcements, billing and community events. Additionally, there is a marked emphasis on safety and security measures, specifically effective pet waste management and infrastructure improvements such as new roads and walkways.

Their priority ESG issues include proper waste management practices, maintaining a clean environment, tree planting initiatives, community wellness activities, opportunities for small businesses, financial transparency and animal welfare programs.

C. Host Communities (N: 9)

Host community engagement is done through phone/mobile communication, face-to-face meetings, online surveys, social media platforms, community events and orientation/training sessions. The frequency of these interactions is varied, occurring weekly, monthly or quarterly, allowing for continuous and more targeted communication.

Host community members listed several key areas of concern such as livelihood and skills training programs (especially for women), open communication (particularly regular updates and office visits), faster processing and funding of local projects and better enforcement of rules and security measures, among others.

On the ESG front, the respondents identified the following as priority issues: efficient waste management, improved sanitation, calamity assistance, environmental education, reforestation, and the support of community livelihood, education, health and safety.

D. Media (N: 9)

We engage with our media stakeholders via social media, phone/mobile communication, emails, in-person and virtual meetings, as well as online surveys. Our interactions take place monthly or quarterly, often aligning with the dissemination of our corporate updates.

Media stakeholders were concerned about the prompt and accurate release of information and swift, efficient responses to their inquiries. Additionally, they emphasized the importance of having knowledgeable spokespersons to conduct interviews with the regional press.

Identified priority ESG issues include rehabilitating mine sites, controlling air and water pollution, tackling climate change, safeguarding marine life health, advancing reforestation, managing waste effectively, fighting hunger and poverty, creating livelihood opportunities, and securing healthcare access for communities.

E. Government Agencies (N: 6)

Engagement with government agencies is conducted by way of social media, phone/mobile, emails, face-to-face and virtual meetings, community events and orientation trainings. The frequency of these interactions is either monthly or quarterly.

Public sector respondents identified alignment with the government's economic agenda and regulatory compliance as concerns.

They also listed reforestation, water resource protection, community livelihood, information dissemination, waste and water management, and community healthcare access as key ESG issues.

F. Investors (N: 3)

We connect with our investors using diverse and flexible channels such as virtual and in-person meetings, phone/mobile communications and emails. These interactions typically occur on a quarterly basis to coincide with our earnings updates.

Investor concerns primarily revolve around cash flow stability due to our asset-heavy, cyclical businesses, and the management of ESG-related risks and regulations. There is also an interest in increasing external representation on our board.

ESG priorities include enhancing worker welfare, protecting the environment, rehabilitating mine sites, reducing our carbon footprint, engaging with communities, increasing the use of renewable energy and planning for an energy transition.

G. Analysts (N: 2)

We engage with our covering analysts through a multi-channel approach that includes virtual and in-person meetings, phone/mobile communication and emails. The frequency of our interaction ranges from monthly to quarterly, coinciding with the release of our periodic and quarterly disclosures.

Their concerns centered on the company's growth prospects, participation in conferences and roadshows, as well as financial and operating results. In terms of ESG, clean energy was their priority issue.

H. Other Stakeholders (N: 2)

This group includes bank partners, electric cooperatives and other partners, with whom we engage through a variety of channels including social media, phone/mobile communications, emails, community events, face-to-face discussions and online surveys. Our interaction frequency ranges from weekly to annual, ensuring that we promptly and effectively address their diverse needs.

Their concerns are likewise diverse, covering collaboration with non-government organizations (NGOs), timely announcement of outages, supply reliability, community engagement initiatives and proactive property checking, among others.

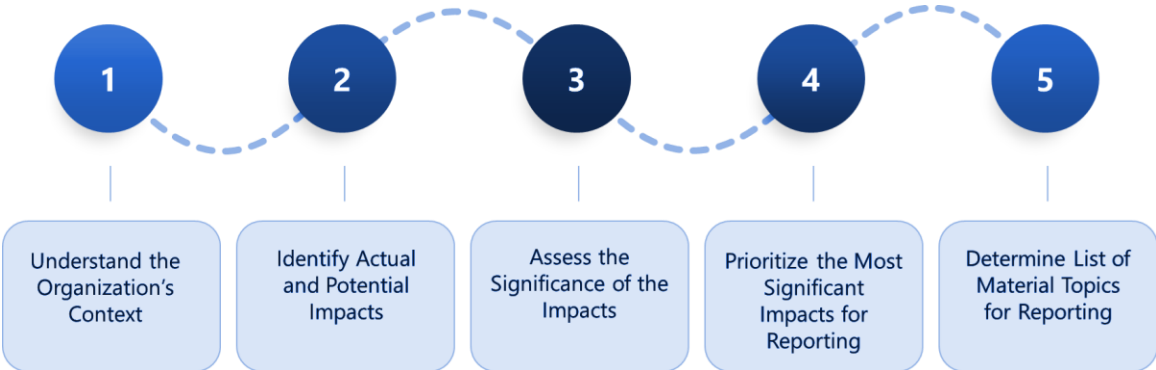
Priority ESG issues for this group include waste management, community wellbeing, environmental sustainability, financial transparency and calamity assistance.

Materiality Assessment

In 2023, we continued to follow the materiality assessment process established in the previous reporting year, as the identified topics remained relevant. The process, based on the modified materiality assessment process required by the GRI Standards 2021, involved key stakeholders from all our subsidiaries.

To identify our material topics, we started with in-depth industry research and gathered feedback from our stakeholders. We considered our company's specific situation, including legal guidelines, product and service offerings, supply chain details and our overall business goals.

A workshop was conducted to educate key stakeholders on the materiality assessment process and its associated tool. An online survey was used to gather inputs on the actual and potential impacts of the material topics on the economy, environment and society, including human rights. These impacts were then ranked based on their severity and likelihood.



Our existing risk-based approach was utilized to create a structured method for determining material topics and addressing stakeholder concerns. In the reporting year, our focus was on insights gathered from both internal and external stakeholders through various engagement sessions, including our employee engagement survey, media and analysts' briefings, external stakeholder engagement survey, and more.

The gathered inputs were analyzed and prioritized using an agreed-upon ranking system, which defined the scope of our reporting. The table below outlines our high, medium and low priority material topics.

High Priority	Medium Priority	Low Priority
Occupational Health & Safety	Biodiversity & Land Use Management	Employee Training & Development
Climate Change	Waste	Quality Management System
Customer Relationship Management	Crisis Management & Business Resilience	Political Engagement & Policy Influence

High Priority	Medium Priority	Low Priority
Economic & Financial Performance	Environmental Impact on Surrounding Communities	Ethical Marketing & Brand Management
Environmental Management	Technology, Innovations, and Modernization	Human Rights
Water	Employment Practices	Diversity, Equity, & Inclusion
Business Ethics, Anti-Corruption, Compliance		Sustainable Human Settlements
Air Quality (other emissions)		Material Efficiency & Sustainability
Risk Management		Sustainability Promotion among Customers
Procurement Practices / Supply Chain Sustainability		
Power Generation / Energy Transition		
Relations with Local Communities		
Energy (Fuel and Electricity)		
Information Security & Cybersecurity		
Talent Attraction & Retention		
Corporate Citizenship & Philanthropy		

The table below seeks to explain why these topics are material to us and how they contribute to the United Nations Sustainable Development Goals (SDGs).

Theme	Material Topic	Description	Relevant Indicators	Impact Boundary	SDGs
Environmental Stewardship	Climate Change	Our operations and equipment emit greenhouse gases, one of the main drivers of climate change.	GRI 305: Emissions (GHG)	Within and outside DMC	13 – Climate Action 7 – Affordable and Clean Energy
	Energy	Energy is a vital component in our operations, and increased usage could lead to higher costs and energy insecurity.	GRI 302: Energy	Within and outside DMC	13 – Climate Action 7 – Affordable and Clean Energy
	Air Quality	Our operations comply with air emissions limits, and we work to minimize and remove carbon emissions from the atmosphere whenever possible.	GRI 305: Emissions (Air)	Within and outside DMC	13 – Climate Action 7 – Affordable and Clean Energy
	Water	Water is a crucial resource in our operations, and we are conscious of our consumption and adherence to effluent discharge standards.	GRI 303: Water and Effluents	Within and outside DMC	14 – Life below water 6 – Clean Water & Sanitation 12 – Responsible Consumption & Production
	Waste	Waste generation and discharges can significantly impact soil and groundwater, which could lead to water quality and stakeholder relationship issues for our businesses.	GRI 306: Effluents and Waste GRI 306: Waste 2020	Within and outside DMC	6 – Clean Water & Sanitation 12 – Responsible Consumption & Production
	Biodiversity and Land Management	Construction and mining can disrupt or damage the ecosystem, requiring careful planning, restoration and reforestation.	GRI 304: Biodiversity	Within and outside DMC	14 – Life below water 15 – Life on Land
	Power Generation and Energy Transition	DMC sees coal as critical in the Philippine energy mix, but also recognizes the need for renewable energy investments.	Non-GRI: Plan for renewable energy transition in the future / current practices on increasing RE share	Within and outside DMC	13 – Climate Action 7 – Affordable and Clean Energy

Theme	Material Topic	Description	Relevant Indicators	Impact Boundary	SDGs
	Material Efficiency and Sustainability	Overuse of renewable and non-renewable materials could contribute to scarcity, increasing overall material cost.	GRI 302: Materials	Within DMC	12 – Responsible Consumption & Production
Social Responsibility	Employment Practices	Our workplace policies and practices promote employee well-being, which significantly contributes to business results.	GRI 401: Employment	Within DMC	8 – Decent Work & Economic Growth
	Diversity, Equity, and Inclusion	We foster talent diversity and inclusion to increase productivity and create a healthy work environment.	GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination	Within DMC	5 – Gender Equality 8 – Decent Work & Economic Growth 10 – Reduced Inequalities
	Talent Attraction and Retention	Opportunities for growth and collaboration, supportive leadership and recognition enable us to attract and retain talent.	Non-GRI: Practices followed to create a congenial work environment	Within DMC	8 – Decent Work & Economic Growth
	Occupational Health & Safety	We uphold the welfare of our employees by minimizing the risk of accidents and illnesses in the workplace.	GRI 403: Occupational Health and Safety	Within DMC	3 – Good Health & Wellbeing 8 – Decent Work & Economic Growth
	Human Rights	To maintain our stakeholder relationships and social license to operate, we adhere to human rights practices and conventions.	GRI 402: Labour / Management Relations GRI 407: Freedom of Association and Collective Bargaining GRI 408: Child Labour GRI 409: Forced or Compulsory Labour GRI 410: Security Practices GRI 411: Rights of Indigenous Peoples	Within and outside DMC	10 – Reduced Inequalities 16 – Peace, Justice, Strong Institutions 17 – Partnerships for the Goals
	Supply Chain Sustainability	We promote sustainability among our diverse suppliers to minimize negative impact and optimize shared value.	GRI 204: Procurement Practices	Within and outside DMC	12 – Responsible Consumption & Production

Theme	Material Topic	Description	Relevant Indicators	Impact Boundary	SDGs
			GRI 208: Supplier Environmental Assessment GRI 414: Supplier Social Assessment		17 – Partnerships for the Goals
	Corporate Citizenship and Philanthropy	As a responsible corporate citizen, we actively support and engage in community projects and initiatives to make a positive social impact.	GRI 203: Indirect Economic Impacts	Outside DMC	1 – No Poverty 2 – Zero Hunger 3 – Good Health & Wellbeing 4 – Quality Education 10 – Reduced Inequalities 13 – Climate Action 14 – Life below water 15 – Life on Land
	Community Impacts and Involvement	We manage our environmental impact by adopting sustainable practices and technologies, demonstrating our commitment to local communities.	GRI 413: Local Communities	Outside DMC	12 – Responsible Consumption & Production 6 – Clean Water & Sanitation 7 – Affordable and Clean Energy 14 – Life below water 15 – Life on Land
	Customer Relationship Management	We place high priority on our customers and strive to continuously improve our understanding of their expectations to serve them better.	GRI 416: Customer Health and Safety	Within and outside DMC	17 – Partnerships for the Goals
	Ethical Marketing and Brand Management	Avoiding unethical marketing practices is necessary for ensuring long-term trust, business survival and customer base expansion.	GRI 417: Marketing and Labelling	Within DMC	12 – Responsible Consumption & Production
Economic Prosperity	Economic and Financial Performance	Economic and financial outcomes are critical drivers of sustainable growth and development.	GRI 201: Economic Performance GRI 207: Tax	Within DMC	8 – Decent Work & Economic Growth

Theme	Material Topic	Description	Relevant Indicators	Impact Boundary	SDGs
	Business Ethics and Compliance	Compliance and ethical practices create a positive impact on ESG, enhancing sustainability.	GRI 205: Anti-Corruption GRI 206: Anti-Competitive Behavior	Within DMC	16 – Peace, Justice, Strong Institutions
	Crisis Management & Business Continuity	As a result of the pandemic, having a business resilience plan is necessary to avoid shutdowns and job losses.	GRI 202: Market Presence	Within and outside DMC	8 – Decent Work & Economic Growth 9 – Industry, Innovation, Infrastructure
	Risk Management	Accurate risk assessment, particularly of ESG-related threats, is essential for business continuity.	Non-GRI: Efforts to estimate impacts of sustainability risks, risk management framework, table of risks	Within DMC	8 – Decent Work & Economic Growth
Innovation and Adaptation	Technology, Innovation, Modernization	Keeping up with the shifts in technology is essential to maintain competitiveness and cost-efficiency.	Non-GRI: Innovations over the years, instances of adoption of new technology	Within DMC	9 – Industry, Innovation, Infrastructure
	Information Security Cybersecurity	Maintaining customer trust and loyalty hinges on ensuring the security of their information.	GRI 417: Customer Privacy	Within and outside DMC	9 – Industry, Innovation, Infrastructure
	Sustainable Human Settlements	Safe, climate-resilient and affordable green housing leads to better social and economic opportunities to residents.	GRI 203: Indirect Economic Impacts	Within DMC	11 – Sustainable Cities & Communities
	Training and Development	Employee training and development enhance skills, job satisfaction, and retention, benefiting both our workforce and businesses.	GRI 404: Training and Education	Within DMC	8 – Decent Work & Economic Growth

Our Contributions to the United Nations SDGs

SDG	DMC's Contribution
1 – No Poverty	<p>We contribute to poverty reduction by providing employment opportunities, supporting local economic activity and promoting corporate social responsibility initiatives that enhance local and national gross domestic product.</p> <p>Our coal, nickel and power businesses also contribute to the National Treasury, local government and/or host communities through their royalty, excise tax and ER 1-94 payments. Additionally, our businesses consistently rank as top corporate taxpayers in their respective areas.</p>
Highlight	<p>₱10.8 Billion Combined remittance of SMPC, DMCI Power and DMCI Mining in 2023</p>
2 – Zero Hunger	<p>We contribute to zero hunger by generating jobs and ensuring regular payments to our employees, suppliers and the government. We also support livelihood projects, feeding programs and disaster relief efforts in the areas where we operate.</p>
Highlight	<p>₱60 Billion Total payment to suppliers, sub-contractors and service providers in 2023</p>
3 – Good Health & Wellbeing	<p>We prioritize employee health and safety and hold an ISO 45001 certification. We provide Health Maintenance Organization (HMO) coverage, invest in personal protective equipment (PPE) and conduct wellness seminars.</p>
Highlight	<p>Employees: 0.15 Contractors: 0.07 Lost Time Injury Frequency Rate per 200,000 working hours in 2023</p>
4 – Quality Education	<p>Our businesses fund public and private schools, vocational training centers, scholars and public school teachers to promote quality education, particularly in remote and marginalized areas. We also regularly donate school supplies and other learning materials to our host communities.</p>
Highlight	<p>397 Total number of scholars in 2023</p>
5 – Gender Equality	<p>Guided by our diversity and inclusion policy, we do not discriminate based on gender, race, or caste in any aspect of our core operations. Our recruitment, onboarding, and ongoing employment practices ensure equal opportunities for our female employees.</p>
Highlight	<p>DMC and SCC included in Bloomberg Gender Equality Index</p>
6 – Clean Water & Sanitation	<p>Our affiliate, Maynilad, has a 25-year franchise to establish, operate and maintain the waterworks system and sewerage and sanitation services in the West Zone service area of Metro Manila and the Province of Cavite.</p>
Highlight	<p>In 2023, Maynilad delivered clean water services to 10.3 million people, with sewer service coverage reaching a record high of 3.1 million.</p>
7 – Affordable and Clean Energy	<p>SMPC and DMCI Power are committed to providing affordable and reliable electricity to their customers. As such, they invest in maintaining and optimizing their facilities to meet environmental standards, avoid wastage and reduce downtime. DMCI Power is also building solar and wind farms in Masbate and Semirara Island, respectively.</p>

SDG	DMC's Contribution
Highlight	DMCI Power has two 15 MW hybrid power plants that can run on coal and biomass, providing affordable energy to its host community.
8 – Decent Work & Economic Growth	We prioritize a positive work environment that aligns with our code of conduct and human resource policies. Our employee benefits are competitive and encourage financial sustainability. Our economic performance contributes to local economic growth.
Highlight	The Code of Conduct outlines accessible employee grievance procedures.
9 – Industry, Innovation, Infrastructure	DMCI and DMCI Homes are the first in their industries to secure “Quadruple A” classification, the highest level of standard given by the Philippine Contractors Association Board (PCAB). The classification is based on financial capacity, building experience and technical expertise.
Highlight	Lumiventt® Design Technology patented by DMCI Homes
10 – Reduced Inequalities	We promote a discrimination-free workplace, ensuring equal treatment for all employees. We provide fair pay, reducing societal inequalities. Our community contributions promote equitable income distribution.
Highlight	₱143 Million Social Investment in 2023
11 – Sustainable Cities & Communities	We promote sustainable construction through value engineering, green projects and environmental initiatives. As an integrated contractor, DMCI identifies ways to improve the value of a project by analyzing its functions and reducing costs while maintaining or improving performance, quality, and safety. DMCI Homes dedicates around 60% of its total project land area to green open spaces, which includes landscaped gardens, parks, playgrounds, and other recreational amenities.
Highlight	DMCI Homes launched four (4) projects in 2023, all of which will have full water reuse capability.
12 – Responsible Consumption & Production	We continuously monitor and manage environmental and social performance, specifically air quality, raw material and energy consumption, water use, waste generation, and community sentiment. This data helps us make responsible resource usage and improvement decisions.
Highlight	Operational sustainability data is monitored closely according to the ISO 14001:2015 environmental management system guidelines.
13 – Climate Action	We recognize the importance of climate change adaptation and mitigation. As such, we invest in technologies and initiatives that will allow us to better monitor and eventually reduce our GHG emissions.
Highlight	In 2023, we strengthened our Climate Change Policy and continued to enhance the scope and coverage of our Scope 3 GHG emissions reporting.
14 – Life below water	SMPC invests in the Semirara Marine Hatchery Laboratory (SMHL) and Semirara Biodiversity Conservation Center (SBCC), which spearhead marine rehabilitation and wildlife conservation efforts in Semirara Island. DMCI Mining and DMCI Power are also involved in reforestation and biodiversity conservation initiatives.
15 – Life on Land	
Highlight	The DMCI Group reforested 1,649 hectares of land, planted 661,000 mangroves and 2.7 million trees, rescued 364 animals and propagated 186,305 giant clams in 2023.

SDG	DMC's Contribution
16 – Peace, Justice, Strong Institutions	We prioritize ethical corporate governance and a harmonious workplace for our employees. Our conflict resolution measures are outlined in this report.
Highlight	Since 2019, DMCI Holdings and SMPC have been recognized as the top-performing Philippine listed companies by the Institute of Corporate Directors (ICD). In 2023, the two companies received the prestigious 3 Golden Arrow award, a testament to their sustained commitment to top-tier corporate governance standards.
17 – Partnerships for the Goals	To achieve organizational and sustainability goals, our businesses regularly partner with a number of stakeholders. We partner with other companies, academic institutions, professional organizations, local government units and non-government organizations to enhance our research, environmental and other CSR initiatives.
Highlight	SMPC directly supports three women's organizations in Semirara Island: Alegria Women's Organization, Semirara Women's Organization and the Tinogboc Women's Organization. These groups, representing a total of 326 women, benefit from the skills training, equipment, job opportunities and livelihood projects (e.g. dressmaking, seaweed farming and chips production, etc.) provided by SMPC.

Environmental Stewardship

DMCI Holdings recognizes the environmental impact of its operations. As a responsible corporate entity, we are committed to minimizing our footprint through a comprehensive environmental management strategy.

Our strategy balances business objectives with environmental stewardship, reflecting our deep respect for nature and commitment to sustainable practices.

How We Are Doing It

Environmental Risk Assessments: We conduct regular monitoring and assessments to identify and mitigate potential environmental hazards, ensuring the safety of our surroundings and communities.

Environmental Management System: We have obtained ISO 14001:2015 certifications for most of our operations, demonstrating our commitment to systematically identify, monitor and manage environmental risks and opportunities.

Ecological Offsets: We support biodiversity preservation and enhancement through habitat restoration, creation, protection and captive breeding and release programs.

Resource Efficiency: We prioritize resource efficiency, optimizing the use of raw materials, water, and energy to minimize waste and depletion.

Pollution Prevention: We employ engineering and administrative controls to minimize environmental impact and prevent pollution.

Green Technologies: We strategically invest in energy-efficient equipment and buildings to reduce our carbon footprint and promote resource-conscious practices.

Collaboration and Partnerships: We collaborate with stakeholders, including employees, local communities, government agencies and academe, to address shared environmental concerns and promote sustainability.

Environmental Management

Majority of our subsidiaries have obtained ISO 14001:2015 certification for their Environmental Management Systems (EMS). This internationally recognized standard offers a systematic framework for managing environmental risks, setting objectives, monitoring performance, and driving continuous improvement.

Attaining this certification involves a rigorous audit conducted by an accredited third-party certification body, which evaluates a company's environmental management practices thoroughly. Typically valid for three years, the certification requires annual surveillance audits to validate ongoing compliance and sustained progress.

Environmental Management Systems

Subsidiary	Is an EMS in place?	ISO 14001:2015 Certification
D.M. Consunji, Inc.	Yes	Yes
DMCI Homes	Yes	Not yet
SMPC	Yes	Yes
DMCI Power	Yes	Yes ¹
DMCI Mining	Yes	Yes

¹ Coverage: DMCI Power head office and Calapan Power Plant

DMCI Power is preparing for Stage 1 of ISO 14001:2015 certification for its Masbate operations. This process includes documenting EMS policies and procedures, implementing robust operational controls for environmental risk management, and comprehensive personnel training.

In 2023, eight (8) environmental non-compliance cases resulted in fines totaling ₱50,000. These issues were addressed and resolved through effective dispute resolution mechanisms, including negotiations and administrative appeals.

Environmental Impacts on Surrounding Communities

SMPC, DMCI Power, and DMCI Mining take a comprehensive approach to environmental stewardship, closely monitoring their impact on surrounding communities. This commitment extends to various aspects, including:

- **Air Quality Assessments:** Regular monitoring of air emissions ensures compliance with regulations and minimizes the impact on respiratory health within the community.
- **Shared Water Body Monitoring:** Rigorous testing of water quality in shared lakes, rivers, or groundwater sources safeguards the health and well-being of residents who rely on these resources.
- **Water Disposal Channel Evaluation:** Careful assessment of wastewater disposal channels prevents contamination of local water supplies, protecting the environment and public health.

- **Land and Noise Pollution Mitigation:** Proactive measures like dust control and responsible equipment operation minimize land degradation and noise disturbances, creating a more peaceful and healthy living environment for the community.
- **Aquatic and Terrestrial Biodiversity Conservation:** Monitoring and protecting plant and animal life within the vicinity of operations ensures a healthy ecosystem and contributes to the overall sustainability of the surrounding environment.

With these environmental measures, our companies are able to:

- **Minimize Disturbance:** Reduced air, water, land, and noise pollution ensures a more comfortable and healthy living environment for the community.
- **Preserve Ecological Balance:** Monitoring and responsible practices help maintain a healthy ecosystem, benefiting both the community and the companies' long-term operations.
- **Develop a Harmonious Relationship with Host Communities:** By demonstrating a commitment to environmental responsibility, our businesses foster trust and goodwill with residents, leading to a more open, positive and collaborative relationship.

Climate

DMCI Holdings acknowledges the importance of climate change, a worldwide concern impacting human health, food security, water resources, biodiversity, and economies. We are aware of our contribution to climate change and are dedicated to mitigating our environmental footprint.

While the nature of our businesses may limit our ability to significantly reduce greenhouse gas (GHG) emissions, we believe we can contribute meaningfully to addressing the issues of climate change and global warming.

Guided by our enhanced Climate Change Policy, we implement the following initiatives to address the reality of climate change:

- Enhancing the knowledge, capacities and readiness of our employees and other relevant stakeholders on climate change adaptation and mitigation;
- Encouraging our subsidiary companies to develop and implement environmental stewardship programs in their host communities;
- Adopting energy-efficient technologies and energy conservation practices across the DMCI group;
- Partnering with stakeholders and supporting programs/projects on climate change research, mitigation, adaptation, preparedness and resilience;
- Monitoring and reporting our greenhouse gas emissions and climate change mitigation activities; and
- Considering climate risks and opportunities and integrating them in our business strategy and risk management.

In September 2023, the DMCI group participated in a two-day Sustainability Summit organized by SMPC and DMCI Holdings. The summit featured strategic climate change discussions and training on the Task Force on Climate-related Financial Disclosures (TCFD) framework for the DMCI Holdings and SMPC Boards of Directors, enhancing their ability to address climate-related financial risks and opportunities.

Day two focused on capacity building for the management teams and employees of SMPC and DMCI Holdings subsidiaries. Intensive training sessions provided in-depth TCFD knowledge and practical implementation strategies for their respective operations.

Building upon our 2022 efforts, we continued to calculate and report GHG emissions in 2023 according to the GHG Protocol. Our GHG inventory expanded to include comprehensive coverage of DMCI Power's Scope 3 emissions and additional sources from other subsidiaries.

Greenhouse Gas Emissions¹

Thousand Metric Tons CO ₂ e	2021	2022	2023
Direct emissions (Scope 1) ²	3,395 ³	3,737 ⁴	4,190
Indirect emissions (Scope 2) ⁵	20	22	16.5
Other indirect emissions (Scope 3)	-	17,630 ⁶	19,639 ⁷

¹ Includes CO₂, CH₄ and N₂O emissions

¹ GHG Accounting Consolidation Approach: Equity share approach

² GHG emissions from coal, diesel, gasoline and oil consumption

^{3,4} Restated coverage: SMPC, DMCI Power, DMCI Holdings Corporate Office, DMCI (partial), DMCI Homes (partial), and DMCI Mining (partial)

⁵ Scope 2 location-based emissions

⁶ Coverage and included categories: SMPC (Purchased goods & services, capital goods, waste, business travel, employee commuting, leased assets, upstream transport & distribution, fuel and energy related activities; SMPC Coal Segment Scope 3 categories: Use of sold products, transportation & distribution of coal; SMPC Power Segment Scope 3 categories: Transport & distribution of coal, leased assets), and DMCI Holdings Corporate Office (fuel and energy related activities and employee commuting)

⁷ Coverage and included categories: SMPC (Purchased goods & services, capital goods, waste, business travel, employee commuting, leased assets, upstream transport & distribution, fuel and energy related activities; SMPC Coal Segment Scope 3 categories: Use of sold products, transportation & distribution of coal; SMPC Power Segment Scope 3 categories: Transport & distribution of coal, leased assets), DMCI Power (purchased goods & services, fuel and energy related activities, upstream transportation, waste, business travel, and employee commuting), DMCI (fuel and energy related activities, and waste), DMCI Homes (fuel and energy related activities, and waste), DMCI Mining (fuel and energy related activities, and waste), and DMCI Holdings Corporate Office (fuel and energy related activities, and employee commuting)

IN FOCUS

BNC Expedites Berong Mine Rehabilitation Efforts

Berong Nickel Corporation (BNC), a subsidiary of DMCI Mining, has expedited its rehabilitation efforts at the Berong mine site. In just six months, the company rehabilitated over 30 hectares, exceeding 88% of its annual target of 34 hectares.

BNC has also ramped up erosion control and soil stabilization measures, installing 672 coconets – nearly six times its annual target of 116. Additionally, the company laid down 1,721 meters of geo-textiles, further enhancing the ecological stability of the rehabilitated areas.

Land preparation, involving slope benching and soil matting, is crucial for preventing landslides and promoting vegetation growth. BNC's focus on these practices has accelerated the restoration process.

Exceeding its seedling production and transplantation goals, BNC produced 214,052 seedlings, 152% higher than its target of 85,000. The company has already planted 81,709 seedlings, surpassing 96% of its annual target.

The Berong final rehabilitation program, spanning six years from June 2022, covers 109 hectares of surface mine, 209 hectares of silt control structures, and 25 hectares of stockpile area.

Upon completion, these areas could be repurposed for eco-tourism, agro-forestry, and inland fish farming, benefiting various stakeholders.

BNC's expedited rehabilitation efforts and innovative techniques demonstrate a commitment to environmental stewardship and sustainable mining practices, setting a foundation for a more sustainable future.

Energy

Energy conservation and management are integral to our operations, focusing on both energy and cost savings. These initiatives are governed by our ISO-certified environmental management systems and Climate Change Policy.

Our primary energy consumption sources include coal, diesel, gasoline, and electricity. While specific reduction targets are not currently in place, we maintain a vigilant approach to monitoring our energy usage.

To advance our energy conservation goals, we have implemented several initiatives across our companies. Notably, DMCI has adopted solar lighting for select project sites, while SMPC has enhanced boiler efficiency, installed solar lights, upgraded lighting to LED and replaced outdated motors.

Energy Consumption

Thousand Gigajoules (GJ)	2021 ¹	2022 ²	2023
Coal, diesel, gasoline, oil	25,189	26,271	35,057
Electricity	49	50	63
Total energy consumption	25,238	26,321	35,120

^{1, 2} Restated coverage: DMCI Holdings Corporate Office, DMCI (partial), DMCI Homes (partial), SMPC, DMCI Power and DMCI Mining (partial)

Air Emissions

In compliance with the Department of Environment and Natural Resources (DENR) directives, our operations strictly adhere to Ambient and Source Emissions Standards. This commitment is particularly critical in our power generation facilities, where air quality could directly impact human health, the environment and surrounding communities.

We continuously monitor ambient air quality and emissions across DMCI Holdings. Power plants undergo strict emissions testing to ensure compliance with Air Pollution Source Equipment permits and licenses.

We employ diverse engineering controls, including electrostatic precipitators, limestone injections, wet scrubbers, cyclone separators, windbreak fences, water sprinklers, and covered coal yards, to maintain acceptable levels of particulate matter and pollutants like SO_x and NO_x.

These engineering solutions are complemented by administrative controls such as coal blending, predictive sulfur dioxide emissions monitoring, and the installation of continuous air quality monitoring stations.

To minimize waste and further optimize resource use, SMPC and DMCI Power collect fly ash, a coal combustion by-product, for reuse as a cement additive or in other industrial applications.

Our coal mining operations also actively mitigate fugitive air emissions with water sprinklers, suppressors, mobile water trucks and atomizers.

Air Emissions¹

Metric Tons	2021 ²	2022 ²	2023
Nitrogen oxides (NO _x)	1,974	1,538	4,220
Sulfur oxides (SO _x)	9,499	7,492	17,940
Particulate Matter (PM)	287	317	319

¹ Coverage: Power generation and coal mining operations

² Restated 2021 and 2022 figures as a result of error correction

Water and Effluents

Construction, mining, power generation and real estate development are industries that heavily rely on water. We are dedicated to implementing practices that promote responsible and efficient water usage, aiming to reduce our impact on local shared water sources.

The majority of our water supply is derived from the sea. SMPC extracts and treats seawater for various industrial and domestic purposes within the mine site, infirmary, employee housing villages and community facilities.

This water supply is utilized for a wide range of activities including dust suppression, cooling, steam generation, cement mixing, reforestation, food preparation, sanitation, hygiene, and drinking among others.

Water Withdrawal

Megaliters (ML)	2021	2022	2023
Surface water	3,639	3,366	2,700
Groundwater	120	1,931	215
Third-party water	614	514	1,495
Total freshwater withdrawal	4,373	5,811	4,410
Seawater withdrawal	931,287 ¹	807,395 ²	1,174,964

^{1,2} Restated to include DMCI Power seawater withdrawal

To address the impacts of our water-intensive operations, we have implemented various water conservation and management strategies. These include utilizing alternative water sources such as rainwater collection systems at DMCI Homes, SMPC and DMCI Mining, which supplement our operational and administrative needs.

DMCI Homes is building the first residential condominium in the Philippines with a full water recycling and treatment facility. Expected to open in 2027, this innovative initiative could potentially save up to 314 million liters of water annually.

DMCI Mining, particularly through BNC, has adopted water conservation measures. A key strategy involves establishing an Energy and Water Management Committee, responsible for developing and implementing policies to enhance water conservation efforts.

Additionally, the Mine Environmental Protection and Enhancement Office (MEPEO) actively engages in Information, Education, and Communication (IEC) activities. These initiatives aim to educate and raise awareness among BNC employees and visitors about the importance of water conservation and best practices.

In our commitment to minimize our impact on water resources, we strictly adhere to the Water Quality Guidelines and General Effluent Standards of the DENR. Our operations implement wastewater treatment processes, regular testing, monitoring and compliance reporting to ensure effluents meet or exceed required quality standards before discharge.

At SMPC and DMCI Power, various wastewater treatment facilities are in place, including pocket sumps, settling ponds, cooling canals and oil-water separators. Effluents from SCPC and SLPGC undergo treatment using neutralization, oil-water separators and coal sedimentation ponds.

Water Discharge by Destination Type

Megaliters (ML)	2021¹	2022²	2023³
Third-party water	559	394	1,087
Seawater	930,440	806,779	1,174,240

^{1,2} Coverage correction: DMCI, SMPC and DMCI Mining

³ Coverage: DMCI, DMCI Homes, SMPC and DMCI Mining

Waste

Waste management is a crucial component of our operations. Ensuring the safe, proper and compliant disposal of waste generated by our industrial activities not only meets regulatory requirements but also minimizes our environmental impact, promotes sustainability and improves cost efficiency.

Our primary waste management strategy focuses on minimizing the waste generated by our businesses. The key waste management initiatives we have implemented in 2023 are the same as our initiatives in 2022:

- **D.M. Consunji:** DMCI maintains a Material Recovery Facility and Hazardous Waste Storage Facility for sorting and storing of waste materials prior to proper disposal.
- **DMCI Homes:** Implementation of BIM (Building Information Management Systems) for all projects to minimize re-work which could lead to higher waste generation. Through BIM, the company clearly spells out the specific quantity of materials to be used for each project, which minimizes excessive purchase of materials. Material segregation is also implemented in all project sites to allow the recovery of reusable/recyclable materials, wherever possible.
- **SMPC:** Placement of waste segregation bins in operating sites, and establishment of facilities for material recovery, composting and temporary hazardous waste storage. Used oil is reintegrated into the operations as start-up fuel while fly ash is sold to and repurposed by a third party for concrete and cement mixture. Additionally, bottom ash is repurposed by the community for roadworks and as inputs for hollow block production.
- **DMCI Power:** Information drive campaigns on waste management, including reduction of generation at source.
- **DMCI Mining:** Implementation of a "No Plastic" Policy, regular disposal and treatment of hazardous wastes, collection and disposal of domestic wastes, and monitoring of accumulated wastes.

Waste Generation

Metric Tons	2021 ^{1, 2}	2022 ³	2023
Non-hazardous waste	30,454	44,949	30,848
Hazardous waste	9,960	9,928	11,327
Total waste generated	40,414	54,877	42,176

¹ Coverage correction: DMCI, SMPC, DMCI Power and DMCI Mining

^{2, 3} Restated due to error correction

Waste Recovery

Metric Tons	2021 ¹	2022 ¹	2023
Reused (Non-hazardous)	211	0.5	-
Reused (Hazardous)	8,945	8,666	9,915
Recycled (Non-hazardous)	2,418	1,564	2,135
Recycled (Hazardous)	248	18	8
Other recovery operations (Non-hazardous)	284	299	834
Other recovery options (Hazardous)	17	-	8
<i>Total non-hazardous waste recovered</i>	<i>2,913</i>	<i>1,862</i>	<i>2,969</i>
<i>Total hazardous waste recovered</i>	<i>8,962</i>	<i>8,684</i>	<i>9,931</i>
<i>Total waste recovered</i>	<i>11,875</i>	<i>10,546</i>	<i>12,900</i>

¹ Restated due to error correction

¹ Coverage correction: DMCI, SMPC and DMCI Power

Waste Disposal

Metric Tons	2021 ¹	2022 ¹	2023
Landfilling (Non-hazardous)	27,528	24,839	20,167
Landfilling (Hazardous)	200	280	53
Other disposal methods (Non-hazardous)	-	18,246	7,714
Other disposal methods (Hazardous)	784	980	1,279
<i>Total non-hazardous waste disposed</i>	<i>27,541</i>	<i>43,087</i>	<i>27,879</i>
<i>Total hazardous waste disposed</i>	<i>998</i>	<i>1,244</i>	<i>1,396</i>
<i>Total waste disposed</i>	<i>28,539</i>	<i>44,331</i>	<i>29,276</i>

¹ Restated due to error correction

¹ Coverage correction: DMCI, SMPC and DMCI Power

Data monitoring on waste management is done differently across the different subsidiaries:

- **DMCI** monitors data through its Material Recovery Facility and Hazardous Waste Storage Facility.
- **DMCI Homes** measures general waste generated at each project site by weighing materials and consolidating monthly tonnage reports from waste collectors. Project Safety Officers gather and record this data from Project Office Engineers.
- **SMPC** measures the weight, volume and pieces with regard to waste generation onsite.
- **DMCI Power**, segregates and labels non-hazardous waste for daily disposal. An accredited vendor collects and disposes of hazardous waste.
- **DMCI Mining** has a dedicated Integrated Waste Management team that sorts, weighs and records waste data. The Waste Management Committee analyzes this data in monthly meetings, implementing waste reduction programs as needed.

Biodiversity and Land Use Management

In 2023, we formalized our commitment to biodiversity conservation through our Biodiversity Policy. This policy outlines our pledge to protect biodiversity through conservation, mitigation, afforestation and reforestation initiatives across our organization.

DMCI Holdings avoids operations within critical biodiversity areas, including protected reserves. Our conservation and offsetting efforts prioritize native species, imperiled habitats and biodiversity hotspots, with a focus on rehabilitating degraded ecosystems.

We are committed to fostering a culture of biodiversity awareness throughout our company and communities. Through education, we will engage employees, stakeholders and host communities on the importance of biodiversity, its challenges, and the vital role of conservation.

Conservation and Protection of Aquatic Biodiversity and Habitats

Since 2010, SMPC has been spearheading marine rehabilitation efforts in Semirara Island through its Semirara Marine Hatchery Laboratory (SMHL). One of the few facilities worldwide to propagate bivalve mollusks, SMHL is the only private facility among four in the Philippines to breed eight species of giant clams. As of 2023, it has successfully spawned over 186,300 bivalves from an initial brood stock of 96.

Known as *Tridacna gigas*, these giant clams are crucial to Semirara Island waters as they act as bio-indicators of the overall health of the marine ecosystem. SMHL also propagates and protects abalone, coral fragments and seagrass. To date, SMPC has transplanted 2,100 corals and deployed 10 reef balls.

SMPC has also adopted mangrove sanctuaries on Semirara Island to ensure the preservation and expansion of the island's mangrove population. The company successfully planted over 623,000 mangroves as of 2023 as part of this initiative.

BNC also plays an active role in coastal biodiversity conservation. The company conducts regular biodiversity assessments in impacted and adjacent coastal areas, alongside continuous mangrove restoration efforts. In 2023 alone, BNC successfully planted 37,640 mangroves in adopted areas.

Additionally, BNC partners with the DENR on its Pawikan Conservation Project. Through this initiative, the company protects sea turtle populations by rescuing trapped adults and releasing hatchlings into the waters of Berong Bay.

Conservation and Protection of Terrestrial Biodiversity and Habitats

SMPC operates and maintains the Semirara Biodiversity Conservation Center (SBCC), serving as a wildlife rescue center on the island. The SBCC rehabilitates fallen or injured birds, as well as other vulnerable wildlife.

In 2023, the company rescued a total of 178 wildlife animals mostly consisting of avian species. It also plans to introduce programs to revive nearly extinct wildlife species on the island through breeding initiatives.

SMPC plants and protects tree species in Semirara Island and Calaca, actively monitoring vegetation in areas affected by mining activities. As of 2023, the company has planted more than 2.15 million trees.

DMCI Mining has collaborated with the DENR through its Community Environment and Natural Resources Office (CENRO) and People's Organizations (POs) to enhance the National Greening Program.

The program covers over 200 hectares of land, with 80 hectares already planted with various tree species and more than 120 hectares being prepared for planting. The program aims to produce over 400,000 seedlings and carry out maintenance and protection activities in compliance with special tree cutting and earth-balling permits (STCEPs) for mining operations.

In 2023, the DMCI Group made significant strides in biodiversity and habitat conservation, achieving the following milestones:

	2023
Habitats Adopted	1,875 hectares
Reforested Areas	1,649 hectares
Mangroves Planted	660,657
Trees Planted	2,737,452
Animals Rescued	364
Giant Clams Propagated	186,305
Corals Transplanted	2,100
Reef Balls Deployed	10

Mine Site Rehabilitation

Since July 2022, BNC has been actively implementing its Forestland Management and Rehabilitation Development Plan (FMRDP). This plan includes land preparation, stabilization, soil enrichment, erosion control and reforestation of mined-out areas.

To date, BNC has successfully rehabilitated 102 hectares, planting over 439,000 native forest tree species and installing extensive erosion control measures. These efforts, integrated into the company's Ridge-to-Reef Programs, demonstrate a comprehensive approach to environmental stewardship. BNC spent ₱47.7 million for mine rehabilitation in 2023.

The company's Mining Forest Program drives conservation efforts across various initiatives. This includes the 15.236-hectare Biak-na-Bato Ridge Afforestation Project, a 24.5-hectare Assisted Natural Regeneration Area, and the restoration of 146.67 hectares of mined-out areas. Additionally, BNC established a 20-hectare Bamboo and Agro-forestry Plantations, promoting sustainable land use. It also supports the Enhanced National Greening Program (ENGP) through the adoption of 256 hectares of ENGP sites.

On the other hand, SMPC has completed the backfilling of Panian mine, once the largest open-pit mine in the Philippines, last 2022. The company fully covered the pit in six years, well ahead of the original 10-year mine rehabilitation plan. It is now developing a science-based plan to reforest and restore the biodiversity in the area. SMPC spent ₱1.4 billion for mine rehabilitation in 2023.

Power Generation

DMCI Holdings is committed to supplying Filipinos with affordable and reliable electricity. To achieve this goal, its power subsidiaries SMPC and DMCI Power invest in maintaining and enhancing power facilities to comply with environmental regulations, minimize waste and reduce outages.

SMPC employs various engineering and administrative pollution controls in its Calaca Power Complex, which houses SCPC and SLPGC. It also implements energy efficiency measures by upgrading its power infrastructure and equipment to minimize energy waste.

Electricity Generation by Source

GWh	2021	2022	2023
Coal ¹	3,959	3,729	4,890
Diesel ²	27.31	3.9	0
Coal ³	96.36	96.87	141.75
Diesel ⁴	160.57	153.63	171.81
Bunker Fuel ⁵	131.13	196.9	174.03
Total	4,374.37	4,180.30	5,377.59

^{1, 2} SEM-Calaca Power Corporation (SCPC) / Southwest Luzon Power Generation Corporation (SLPGC)

^{3, 4, 5} DMCI Power

Electricity Generation Capacity by Source

MW	2021	2022	2023
Coal ¹	900	900	900
Diesel ²	50	50	0
Coal ³	15	15	30
Diesel ⁴	64.7	55	88
Bunker Fuel ⁵	42	42	42
Total	1,071.7	1,062	1,060

^{1, 2} SEM-Calaca Power Corporation (SCPC) / Southwest Luzon Power Generation Corporation (SLPGC)

^{3, 4, 5} DMCI Power

Thermal Efficiency of Power Plants

Fuel Source	2022	2023
Coal	28-37%	24%-30%
Diesel	-	21%-43%
Bunker	-	36%-39%

Social Responsibility

At DMCI Holdings, we recognize that the advancement and welfare of our employees are fundamental to our company's success.

Our strong commitment to prioritizing employee health and safety, engagement and diversity underscores our dedication to cultivating a positive work environment. We strive to consistently deliver high-quality training and attract top talent, while fostering an inclusive and supportive workplace culture.

The nature of our businesses and our presence across various sectors and communities enable us to make a substantial impact on the Philippine economy. By building vital infrastructure, generating employment opportunities, supplying affordable electricity, contributing to exports and paying government royalties and taxes, we play a critical role in fostering economic growth and alleviating poverty throughout the nation.

DMCI Holdings acknowledges the importance of establishing enduring and mutually beneficial relationships with our customers, regulators and host communities, as we believe that our success is tied to their continued support. By fostering such collaborations, we promote shared prosperity and contribute to the welfare of our key stakeholders.

Employment

We take pride in fostering a diverse workforce that acts as a team to achieve common objectives. Our employees bring a wealth of ideas, perspectives and solutions to the challenges faced by our organization and the broader society.

By harnessing individual strengths and working cohesively toward shared goals, our people contribute to the Company's pursuit of innovation and creativity. In return, we are committed to providing them with a secure work environment, competitive compensation and benefits, opportunities for professional growth and development, and a positive, inclusive work culture.

In 2023, our workforce comprised 33,012 regular, probationary, fixed-term and third-party employees. Of this total, 23 employees (0.08% of our direct workforce) are covered by a collective bargaining agreement.

Our direct employees include 30% permanent staff (8,085) and 70% temporary or fixed-term employees (19,069). To support regional development, 31% of our total workforce (10,356 employees) is located outside Metro Manila.

Over 99% of our employees are Filipino nationals, demonstrating our commitment to developing local talent. This commitment extends to our management team, where Filipino professionals comprise over 99% of senior, middle and junior management positions.

Total Workforce

	2023
Employees (direct employees)	27,154
Contractors (indirect employees)	5,858
Total Workforce	33,012

Direct Employees Breakdown¹

¹ Direct employees include permanent and temporary or fixed-term employees

by business unit	2021	2022	2023	% 2023
D.M. Consunji, Inc.	11,950	11,148	9,287	34.2
DMCI Homes	13,000	14,711	12,599	46.4
SMPC	3,943	4,381	4,651	17.13
DMCI Power	276	298	386	1.42
DMCI Mining	181	180	219	0.81
DMCI Holdings	11	12	12	-
Total	29,361	30,730	27,154	100

by gender	2021	2022	2023
Male	27,481	28,855	25,165
Female	1,880	1,875	1,989
Total	29,361	30,730	27,154

by age	2021	2022	2023
Under 30	8,983	8,977	7,178
30-50	17,708	18,750	16,881
Above 50	2,670	3,003	3,095
Total	29,361	30,730	27,154

by employee category	2021	2022	2023
Senior Management	76	72	82
Middle Management	407	448	365
Supervisors, Specialists and Operational Support	28,878	30,210	26,707
Total	29,361	30,730	27,154

Diversity, Equity, and Inclusion

At DMCI Holdings, we believe that diversity, equity and inclusion (DEI) are fundamental principles that drive organizational success, innovation and resilience. By cultivating an inclusive environment that respects and values all perspectives, we empower our employees to thrive.

Our approach to talent management is deliberate and comprehensive, encompassing both internal initiatives and external collaborations aimed at nurturing the diverse talent within our ranks.

Through targeted programs and initiatives, we provide opportunities for growth and advancement, ensuring that our employees feel supported and empowered to reach their full potential within our organization.

We are dedicated to advancing equity by ensuring fair pay and equal access to opportunities and benefits for all employees. Our DEI policy provides guidelines on bereavement leave, annual employee engagement surveys and supporting gender equality and representation.

In 2023, the DMCI group published its inaugural DEI Report, highlighting our efforts and progress in advancing DEI within our workplace. To access a copy, please click [here](#).

Gender Diversity

	2021	2022	2023
Percent Women in Total Direct Employees	6	6	7
Percent Women in Senior Management	38	36	37
Percent Women in Middle Management	26	25	35
Percent Women in Supervisory Positions	-	-	21
Percent Women in Rank and File Positions	-	-	6

Age Diversity in 2023

	Under 30	30-50	Above 50
Percent in Total Direct Employees	26	62	12
Percent in Senior Management	0	41	59
Percent in Middle Management	2	80	18
Percent in Supervisory Positions	8	67	25
Percent in Rank and File Positions	28	62	10

Employees from Minority and Vulnerable Groups

	2023
Senior Citizens	93
Solo Parents	33
Persons with Disability (PWD)	7
From Indigenous Communities	24

DMCI Holdings actively promotes workplace equity by providing employees with equal opportunities, training and mentorship. We recognize that removing barriers to participation enhances employee engagement, promotes innovation and contributes to our organizational success. Our subsidiaries share this commitment and adopt tailored initiatives to foster inclusion within their respective operations:

- **DMCI** collaborates with the Department of Labor and Employment (DOLE) and the Philippine National Police (PNP) to conduct learning sessions on women's rights. DMCI also includes gender equality orientation during the onboarding process for new hires and ensures equal opportunities for growth and development for all employees.
- **DMCI Homes** introduced the Site Superintendent Development Program aimed at training and developing project site supervisors or foremen. Though this has traditionally been a male-dominated program, the company welcomes women trainees, displaying a commitment to gender equality in recruitment, training, promotion and compensation. The organization focuses on performance and competency as the sole criteria for promotion to supervisory and higher positions.
- **SMPC** employs women in roles such as welders, mechanics, motor pool equipment operators and technical experts, defying stereotypes in the traditionally male-dominated fields of mining and power. Its company policies ensure gender equality in the HR process, including recruitment, performance appraisal, promotion, compensation and employee discipline. They also conduct women empowerment talks and offer HMO coverage for women-specific health check-ups.
- **DMCI Power** practices gender-neutral recruitment, benefit provisions, succession planning, career progression and promotion practices. It also conducts gender equality orientations and seminars among its employees.
- **DMCI Mining** empowers women field workers by training them as backhoe operators and welders, challenging stereotypes associated with traditionally male-dominated roles. The company ensures a non-discriminatory hiring process and a safe work environment free from harassment. Additionally, DMCI Mining provides necessary facilities such as breastfeeding rooms for lactating mothers.

Training and Development

The DMCI Group puts a strong emphasis on the professional development and growth of its workforce. Our training programs are specifically designed to cultivate well-rounded leaders and proficient employees throughout the organization.

We invest in the continuous education and skills development of our employees. The Human Resources Department within each subsidiary conducts needs analyses to design individualized training programs for our employees. Additionally, our permanent full-time employees receive regular performance and career development reviews.

To promote employee development, we provide a wide array of in-house and external training and development opportunities:

- Onboarding training introduces new employees to the company's culture, policies and procedures, as well as job-specific training.
- Technical training develops employees' technical skills related to their job functions, such as equipment operation, engineering, accounting and other production and industrial skills.
- Leadership development prepares employees for leadership positions within the organization by providing soft skills training in areas like communication, delegation and decision-making.
- Diversity and inclusion training provides employees with practical tools and strategies to address unconscious bias and promote respectful interactions.
- Soft skills training enhances employees' interpersonal skills, such as communication, teamwork and time management.
- Management training equips managers with the skills and knowledge necessary for effectively leading their teams, including coaching, performance management and conflict resolution.
- Compliance training ensures employees are aware of the company's policies and procedures related to legal and regulatory compliance, including anti-discrimination laws, environmental, health and safety regulations and data privacy laws.

In 2023, we continued to prioritize the following focus areas:

Program Type and Scope	Additional Assistance	Transition Assistance Programs
<ul style="list-style-type: none"> ● Technical, functional, leadership, compliance and behavioral trainings ● Individual Development Plan 	<ul style="list-style-type: none"> ● Coaching, mentoring, and training through the Learning Advocate Program ● Financial coverage for external training ● Cash advance and coordinating with the vendor, registrations and payment ● Finding a training that is tailor-fit for employee needs 	<ul style="list-style-type: none"> ● Supervisory Development Program for Team Leaders and Supervisors ● Leadership Development Program for Managers ● Outplacement support in the form of workshops and individual career coaching (personal financial planning, investment planning, navigating change, resume writing and job interviewing, and job search strategies) ● Retirement pay equivalent to the years of service of the employee and counselling on transitioning to a non-work life

DMCI Homes utilizes a variety of learning methodologies, including self-paced learning through its Talent Learning Management System, classroom training and other learning interventions. Employees receive personalized Individual Development Plans (IDPs) based on their unique training needs.

SMPC provides a comprehensive learning and development program to enhance employee performance and prepare them for future opportunities. Training covers leadership, behavioral skills, technical expertise and critical areas like environment, safety and various climate-related topics. The company adopts diverse learning formats, including seminars, workshops, online modules and conferences.

In 2023, the DMCI group spent a total of 512,507 hours on employee training and development.

Average Employee Training Hours

by gender	2021¹	2022	2023
Male	8	16	17
Female	15	37	38

¹ Coverage: DMCI, DMCI Homes, SMPC and DMCI Power

by employee category	2021¹	2022	2023
Executives	8	10	16
Managers	20	30	38
Supervisors, Specialists, and Operational Support	8	17	19

¹ Coverage: DMCI, DMCI Homes, SMPC and DMCI Power

Total Average Training Hours Per Employee

2021¹	2022	2023
13	8	19

¹ Coverage: DMCI, DMCI Homes, SMPC and DMCI Power

Talent Attraction and Retention

We strive to build a strong employer brand by focusing on company culture, competitive compensation and benefits, and equitable growth opportunities. Across our organization, we promote open communication, actively soliciting employee feedback through regular meetings, surveys and other feedback mechanisms.

As part of our commitment, we implement performance-based profit-sharing mechanisms that directly link rewards and incentives for employees with the company's financial performance. Additionally, deserving senior professional employees are granted representation on the Board of Directors of our operating subsidiaries.

Whenever applicable or possible, we offer flexible work arrangements like flexible hours and remote work options. This approach promotes work-life balance and fosters a more adaptable workforce.

Furthermore, DMCI Holdings places significant emphasis on family and work-life balance. Our parental leave policies afford new parents ample time to bond with their children and adapt to the demands of parenthood. We offer 17 weeks of fully paid primary parental leave, and a week of fully paid secondary parental leave.

In 2023, we supported 73 female and 303 male employees taking parental leave. We are proud to note that 96% of female employees and 97% of male employees returned to work following their leave.

New Hires Breakdown

by gender	2021 ¹	2022	2023
Male	13,473	9,027	3,968
Female	510	438	508
Total	13,983	9,465	4,476

¹ Coverage: DMCI, DMCI Homes, SMPC and DMCI Power

by age	2021 ¹	2022 ²	2023
Under 30	5,661	4,193	2,672
30-50	7,629	4,893	1,717
Above 50	693	379	87
Total	13,983	9,465	4,476

¹ Coverage: DMCI, DMCI Homes, SMPC and DMCI Power

Employee Turnover Breakdown

by gender	2021 ¹	2022	2023
Male	4,986	6,506	7,723
Female	296	400	422
Total	5,282	6,906	8,145

¹ Coverage: DMCI, DMCI Homes, SMPC and DMCI Power

by age	2021 ¹	2022	2023
Under 30	2,150	3,202	2,764
30-50	2,147	3,424	4,799
Above 50	985	280	582
Total	5,282	6,906	8,145

¹ Coverage: DMCI, DMCI Homes, SMPC and DMCI Power

Majority of our new hires are project-based or fixed-term employees, particularly in our construction projects. Our high turnover is largely due to the contract expiration of our fixed-term employees.

Employee Engagement

DMCI Holdings conducted its first group-wide Employee Engagement Survey (EES), to establish a benchmark of employee satisfaction, engagement and commitment. This data is intended to drive strategic improvements in talent management and inform decision-making to enhance the employee experience.

The EES focused on key drivers of employee experience:

- **Engagement:** Assessed employee commitment, satisfaction, pride in the company and perceptions of workplace culture.
- **Leadership:** Evaluated the effectiveness of managers and leaders in communication, inspiration and team motivation.
- **Enablement:** Measured employee access to resources, tools, and support structures, including opportunities for professional development.
- **Alignment:** Explored the connection between job expectations, recognition, alignment with company goals, and employee perception of work quality.
- **Development:** Evaluated employee perceptions of growth potential, including the availability of training, mentoring and coaching to enhance skills and support career advancement.

- **Company Confidence:** Assessed employee trust in the company's strategic direction, leadership decisions, resource allocation, and overall prospects for success.

EES Insights

Our inaugural EES yielded valuable insights into the workforce experience. Excluding SMPC, 40% of our regular employees participated in the survey. The majority of respondents were millennial males in rank-and-file positions with 1 to 5 years of service. Key findings from the survey include:

- **Strong Company Affinity:** 88% of respondents expressed pride in working for DMCI, indicating a connection to the company's mission. 64% saw themselves employed within the organization in two years, and 71% believed in good internal career opportunities.
- **Confidence in Leadership:** Positive ratings for leadership communication (71%) and clarity of expectations (85%) demonstrate trust in management. 69% also believed the company efficiently allocated resources toward its goals.
- **Optimistic Outlook:** Significant optimism about the company's potential for success (81%) and commitment to quality (79%) aligned with a growth-minded workforce.
- **Targeted Growth Areas:** The survey highlights opportunities to enhance company culture and benefits packages.

Overall, the EES results suggest an engaged workforce with a desire for enhancements in company culture and benefits. To address these findings, the organization is launching targeted initiatives to drive improvement in these areas.

Occupational Health & Safety

The DMCI Group mostly operates within heavy industries, making occupational health and safety (OHS) a crucial and high-priority concern for our organization. We expect our subsidiaries to strictly adhere to the highest standards of safe working environments to ensure the well-being of their employees.

Our Health, Safety, General Welfare, and Development of Employees policy requires the allocation of essential resources—including staff, facilities, and financing—to minimize negative health and safety impacts and promote the overall welfare of our workers. Our health and safety programs encompass:

Health and Safety	General Welfare
<ul style="list-style-type: none"> • Coverage under a health care maintenance program/insurance • Coverage under a group term life and accident insurance • Annual physical examinations, free medical consultations and health facilities. • Wellness facilities such as gyms, basketball and badminton courts • Sports and recreation programs 	<ul style="list-style-type: none"> • Annual team building and socialization events to promote camaraderie and interactions among employees and subsidiaries • Employee participation in clubs and organizations outside the Company to be able to further develop their skills and maintain contacts with colleagues in the industry. • In-house and outsourced trainings and seminars

Our companies have established Occupational Health and Safety Management Systems (OHSMS) which are designed to identify and manage OHS risks, prevent accidents and injuries, and promote a healthy and safe workplace for our employees and other stakeholders. Majority of our companies' OHSMS are certified to the ISO 45001:2018 standard.

Occupational Health and Safety Management Systems

Subsidiary	Is an OHSMS in place?	ISO 14001:2015 Certification
D.M. Consunji, Inc.	Yes	Yes
DMCI Homes	Yes	Not yet
SMPC	Yes	Yes
DMCI Power	Yes	Yes ¹
DMCI Mining	Yes	Not yet

¹ Coverage: DMCI Power head office and Calapan Power Plant

Occupational Health and Safety at DMCI

DMCI maintains a dedicated Occupational Health and Safety Team responsible for employee safety, alongside a Medical Team for addressing health-related concerns. The company actively

monitors its performance on OHS indicators and metrics against established targets. DMCI evaluates, audits and acts upon the results to ensure continuous improvement of its OHS management system.

DMCI has implemented a process for identifying safety hazards and risks, encouraging workers to report hazards without fear of reprisal through an "Open Door Policy." Employees have various platforms to communicate their concerns, such as worker representative elections, toolbox meetings, Take 5 programs and hazard spot reporting.

The company ensures that all employees attend mandatory health and safety seminars, emphasizing their right to refuse unsafe work during training sessions. Moreover, workers assigned to critical activities, including but not limited to working at heights, confined space entry, and erection and dismantling of scaffolds and equipment, undergo specialized training designed to equip them with the knowledge and skills needed for hazard identification and the implementation of appropriate controls.

DMCI carries out corrective actions and system improvements through management review meetings, safety committee meetings, objective setting, reviewing procedures, work instructions, and policies, enhancing operational controls, emergency preparedness planning, supplier evaluation, implementing rewards and recognition systems, and reinforcing the use of Hazard Identification, Risk Assessment and Control (HIRAC) for accident prevention.

Occupational Health and Safety at DMCI Homes

DMCI Homes has a Health and Safety Policy that aims to achieve an accident-free workplace. The company conducts daily inspections and risk assessments, with results regularly reported to management for review.

To reinforce safety, DMCI Homes' safety team provides training programs, such as daily toolbox meetings, near-miss reporting, and weekly hazard identification. A root cause analysis procedure is in place to identify the underlying causes of on-site accidents, and regular risk assessments are conducted to prevent future incidents.

All employees at project sites are required to undergo physical and medical examinations. The Medical Team also monitors the health status of workers with existing health conditions through hot list monitoring. DMCI Homes has established Memorandums of Agreement with nearby hospitals, located within a 5-kilometer radius of each project site, to provide emergency medical services.

The company is committed to the continuous improvement of its Occupational Health and Safety (OHS) management system, focusing on enhancing administrative and engineering controls to mitigate accidents and other unwanted incidents in the workplace.

Occupational Health and Safety at SMPC

SMPC continuously strives to improve its safety protocols beyond minimum requirements, with the Occupational Health team conducting regular risk assessments. The company cultivates a safety culture among its employees through regular training on safe work practices.

To provide essential medical services, SMPC maintains an on-site clinic and infirmary staffed with medical professionals who conduct regular check-ups for employees at risk of work-related impairments. The company also offers 24/7 emergency transportation and health services on-site.

SMPC established an Occupational Health Office to efficiently address workers' health-related needs, saving time and resources by eliminating the need to travel to the infirmary. Monthly meetings of the Environmental, Health, and Safety Committees are held to monitor and report on the effectiveness of the health and safety program.

At its mine site, SMPC implements planning and assessment measures to mitigate critical risk factors such as slope stability, including geohazard mapping, pre-start inspections, and toolbox meetings. The company invests in innovative technologies like weather station typhoon and rainfall monitoring, slope stability radars, and PR03-Advanced Equipment Simulators for heavy equipment operators.

In its Calaca Power Complex, SMPC addresses equipment and plant-related risks, such as electrical shocks, burns, boiler fires, explosions, and contact with hazardous chemicals. The company offers pre-job planning, EPR equipment, and employee safety training. The Risk and Safety Management Program oversees day-to-day plant operations, mandating the reporting of safety incidents, root cause analysis and incident investigation management.

Occupational Health and Safety at DMCI Power

DMCI Power prioritizes safety by conducting safety orientations for all new employees, including training on Hazard Identification, Risk Assessment and Control (HIRAC) procedures. Furthermore, the company requires all employees to undergo physical and medical examinations before deployment.

The Occupational Safety and Health (OSH) Committee empowers employees to halt activities if they deem the situation unsafe. The committee is responsible for incident reporting and management, encompassing investigations, corrective actions, and regular risk assessments. A root cause analysis procedure is also in place to identify the sources of on-site accidents.

To enhance occupational safety and health, employees participate in a variety of training and awareness programs on topics such as basic occupational safety and health, construction occupational safety and health, loss control management, HIRAC procedures, standard first aid, CPR, basic firefighting, search and rescue, emergency preparedness and response (including emergency drills), and mental health.

DMCI Power also supports additional health initiatives, including voluntary blood donation activities, fitness programs, ergonomic chairs and work areas, toolbox meetings, and provision of required personal protective equipment. Safety signage, floor markings, and first aid kits are supplied in all work areas.

Occupational Health and Safety at DMCI Mining

DMCI Mining has implemented comprehensive policies, standards, and programs to effectively manage and control all occupational health and safety risks. The company engages accredited health and safety professionals to oversee the execution of these processes.

Before deployment, all workers are required to undergo safety orientation and physical and medical examinations. Furthermore, the company encourages workers to participate in the development, implementation and evaluation of the Occupational Health and Safety (OHS) management system.

DMCI Mining offers training on risk assessment, firefighting, basic first aid, mental health, basic occupational safety and health, and emergency preparedness.

The company also highlights the right of employees to refuse unsafe work during these training sessions. Additionally, DMCI Mining provides health facilities such as the BNC and ZDMC clinics, which are available 24/7 for emergencies.

The company has developed a risk assessment book that covers all stages of mining operations and contains procedures on hazard identification, evaluation, and control. Employees are encouraged to report any unsafe conditions observed during safety and toolbox meetings. DMCI Mining has also established an incident reporting and investigation procedure to identify root causes and implement appropriate preventive and corrective actions.

The effectiveness of the company's OHS management system has been recognized by the Mines and Geosciences Bureau, as evidenced by the Safest Mines Award. This recognition demonstrates DMCI Mining's commitment to maintaining a safe and healthy workplace for its employees.

Health and Safety of Contractors

Our contractors undergo thorough safety orientation and induction training, encompassing hazard identification, evaluation and control measures. They are also informed about emergency procedures and evacuation plans and are equipped with appropriate personal protective equipment.

Regular safety inspections and audits are conducted to identify and address any safety concerns or hazards. Our companies' safety management systems encompass contractors, offering them clear guidelines for reporting unsafe conditions or incidents. This approach ensures that safety remains a priority across all aspects of our operations, including the work performed by our contractors.

Safety Performance

	2021	2022	2023
Work-related fatalities – employees	3	2	5
Work-related fatalities – contractors	2	1	0
TRIR – employees	0.43	0.53	0.46
TRIR – contractors	0.12	0.13	0.12
LTIFR – employees	0.15	0.2	0.15
LTIFR – contractors	0.04	0.02	0.07

TRIR: Total Recordable Incident Rate = total number of recordable incidents x 200,000 / total hours worked by all employees or contractors

LTIFR: Lost-Time Injury Frequency Rate = total number of lost-time injuries x 200,000 / total hours worked by all employees or contractors

Human Rights

DMCI Holdings acknowledges and values the dignity and rights of every individual. We are dedicated to promoting and safeguarding human rights in accordance with the principles outlined in the United Nations Universal Declaration of Human Rights.

In 2023, we enhanced our Human Rights Policy to reflect our commitment to uphold our responsibilities towards our employees, stakeholders and host communities.

Our company ensures fair employment practices by offering equal opportunities in recruitment, hiring, pay, job assignments, training, promotions, benefits and career development.

We are also committed to creating a work environment that prioritizes health, safety and well-being. Recognizing the risks associated with our industries, our companies take proactive measures to prevent harassment, accidents, injuries and occupational illnesses.

We do not tolerate any form of discrimination, harassment or abuse within our organization. Our company respects and protects the inherent dignity and rights of our employees and stakeholders, regardless of race, ethnicity, social origin, gender, sexual orientation, religion, nationality, age, disability, civil status or any other characteristic.

DMCI Holdings also respects and supports our employees' rights to freedom of thought, expression and privacy. We will protect their personal information and respect their private lives, while also promoting a culture of openness and dialogue within the company.

Furthermore, we strictly prohibit the use of child labor, forced labor, human trafficking or any form of exploitation within our organization.

Our companies typically provide employees and their representatives with at least a week's notice before implementing significant operational changes that could substantially affect them.

In the past three years, our Company has not recorded any incidents of violations involving the rights of indigenous peoples. Similarly, during the same period, our companies have not had any legal actions or grievances related to child labor, forced labor and human trafficking.

Supply Chain Management

Our procurement practices are guided by a Supplier and Contractor Policy that mandates collaboration with organizations demonstrating ethical practices, compliance with government rules and regulations, and a strong track record for business performance.

We acknowledge that there is room for improvement in our approach to integrating ESG criteria into our supplier selection processes and supply chain management. At present, our companies require that our suppliers possess all necessary environmental permits to operate and maintain compliance with health and safety laws and regulations.

In 2023, we engaged a total of 231 new suppliers, of which 35% and 68% were assessed using environmental and social criteria, respectively.

Our network of over 8,000 suppliers includes 82 critical vendors essential to our operations. Excluding SMPC, we invested ₱14.5 billion (24% of our total vendor expenditure) into local partnerships in 2023. This commitment supports the local economy and strengthens our supply chain resilience.

Corporate Citizenship and Philanthropy

Our commitment to value creation extends beyond business operations. We actively support job generation, contribute significantly to tax revenues, promote local microenterprises and sponsor education programs. These social investments directly benefit our host communities, driving socioeconomic development and enhancing quality of life.

Our Community Interaction Policy guides our strategic corporate social responsibility (CSR) approach. Through targeted investments and partnerships, we focus on initiatives addressing local needs and promoting sustainable development for a lasting, positive impact.



Infrastructure

- **SMPC** partnered with the Department of Energy (DOE) to provide rainwater collection systems in 16 schools in Caluya, Antique. A total of 80 units of 1,000-liter bulkainers were installed in daycare centers, elementary and secondary schools, providing reliable water supply to 5,966 students and teachers in the islands of Semirara, Sibay, Caluya, Liwagao and Sibolo.
- On May 30, 2023, **DMCI Masbate Power Corporation (DMPC)** handed over the newly installed Handwashing Facility Project with 21 faucets that will cater to 420 students of Bagong Baryo Elementary School in Mobo, Masbate. The turnover ceremony was attended by the school staff, community leaders and DMPC employees.

- **ZDMC's** Infrastructure and Support Services Program enhanced community infrastructure and services in various barangays of Zambales. Initiatives included the provision of materials for land and slope protection to farmers, construction of solar streetlights, renovation of chapels and barangay halls, and maintenance support for essential infrastructure such as water systems and streetlights. The company also contributed raw materials for community development projects.
- To improve the safety and security of the constituency of Barangay Berong, Quezon, Palawan, **BNC** installed 30 units of streetlights in 2023. The company also provided construction materials for educational and childcare facilities. This involved funding the construction of a KALAHI school building unit at Marnek Elementary School. Additionally, materials were allocated to improve community daycare centers, supporting over 200 toddlers and teachers.

Education and Training

- In 2023, **DMCI** organized two youth programs. The first, on January 14, brought 15 participants from the Life Project for Youth (LP4Y) Green Village to the Equipment Management Group (EMG), offering them an up-close look at construction maintenance operations. The second, on September 23, sponsored 23 LP4Y participants in a program designed to expose them to construction projects, including a tour of the PGH Hospital Felicidad Sy MSB Phase 2 Project, to impart practical construction knowledge and outline potential career opportunities. Furthermore, on September 27, the company provided soft skills training to bolster the participants' self-confidence and presentation skills.
- **DMCI** collaborated with the Youth Inclusion Network (YIN) and Enfants du Mekong (EDM) to conduct a job-hunting seminar for 23 graduating EDM scholars at the Jesus of Nazareth Parish in Matandang Balara, Quezon City. The May 2023 seminar aimed to prepare these scholars for their transition into professional careers, focusing on job search strategies and resume writing to improve their market readiness.
- In a show of support for education, **DMCI** participated in the October 15 launch of the Hooked on Books (HOB) Library at Ricardo P. Cruz Sr. Elementary School in Lower Bicutan, Taguig City. DMCI collaborated with the Philippine Constructors Association (PCA) to finance the establishment and refurbishment of the school library. The HOB initiative, led by the non-profit organization Linking Individuals to Nurture Kids' Success (LINKS), aims to foster a love for reading and maintain high-quality learning environments for children and students. The fully air-conditioned library has a diverse collection of books, vibrant wall artworks, a treehouse-inspired bookshelf and a designated storytelling area.
- On February 17, 2023, **DMCI Homes** employees organized a Virtual Charity Bingo Event under the company's "Kaakbay sa Pamayanan" CSR Program. The event successfully

raised ₱30,000, which will be used to buy learning and resource materials for public schools in Barangay Bangkal.

- **DMCI Homes** contributed a ₱600,000 special fund to the UP College of Engineering for professorial chair awards and teaching research grants. This funding aims to supplement the salaries and retain top faculty members at the college.
- Reaffirming its commitment to promoting research-driven solutions in the construction industry, **DMCI Homes** donated a 2000 kN Universal Testing Machine to the Construction Materials and Structures Laboratory (CoMSLab) of the University of the Philippines-Institute of Civil Engineering (UP ICE). The official turnover of the equipment, along with laptop computers and laboratory furniture, took place on July 28, 2023, marking another milestone in the long-standing partnership between DMCI Homes and UP-ICE.
- In August 2023, **DMCI Power** actively supported 'Brigada Eskwela' programs across its host communities. DMCI Masbate Power Corporation donated paint to refurbish Bagong Baryo Elementary School, while in Calapan, Oriental Mindoro, additional trees were planted around school perimeters. Furthermore, DPC Palawan aided San Isidro National Elementary School by installing a new water supply system, ensuring over 600 students and faculty members access to clean water.
- **DMPC** backed the Department of Education's National Learning Camp (NLC) at Bagong Baryo Elementary School, a month-long program designed to boost students' reading and comprehension skills for the upcoming school year. The event attracted over 70 participants, including learners, teachers, and volunteers, all of whom were provided snacks by the company.
- In partnership with TESDA-RTC Batangas, **SEM -Calaca Power Corporation (SCPC)** and **Southwest Luzon Power Generation Corporation (SLGPC)** successfully facilitated a 720-hour Domestic Refrigeration and Air-Conditioning (DomRAC NCII) course for 23 local residents. This program, which concluded on October 31, 2023, equipped participants with trade skills and certifications, enhancing their employment prospects and potential income.
- **SCPC** and **SLPGC** donated a Replica Testing and Metal Specimen Sample Preparation Equipment to the UP Department of Mining, Metallurgical, and Materials Engineering (DMMME) to enhance the department's research capabilities.
- **ZDMC** subsidized child development workers and donated construction materials, furniture, educational supplies and electronic devices such as printers, laptops and SMART TVs to schools and communities in Zambales. The company also set up internet access and solar-powered streetlights to improve learning environments in its host communities.

- **BNC** supported an educational tour for 26 University of the Philippines (UP) students and teachers, organized by the UP Geology Alumni Association. The tour, held in Palawan, focused on studying rock exposures and provided practical, field-based learning opportunities for the participants.

Welfare and Livelihood

- **DMCI** conducted bloodletting activities in the cities of Makati and Davao, and collected a total of 103 units in partnership with Veterans Memorial Medical Center, Philippine Red Cross - Davao, and Santa Cruz, Davao del Sur Local Government Unit.
- **DMCI Homes** donated ₱25,000 to Bangkal Lokal, an initiative by the Bangkal Local Government Unit (LGU) to promote local entrepreneurship and services.
- **DMCI Power's** "Doktor ng Barangay" program continued to offer essential medical support in Brgy. Irawan, Palawan, assisting 409 residents with healthcare services.
- Through the 'Malasakit sa Komunidad' program—a collaboration between **DMCI Power**, Barangay Sta. Isabel Health Station and the City Government of Calapan—50 senior citizens in the host community received free influenza vaccines and health kits.
- **SMPC** donated 75 fiberglass boats equipped with fishing implements and solar kits to fishermen on Semirara Island as part of a livelihood program initiated in 2022. The company also provided 25 individuals with 480 hours of comprehensive skills training in Refrigeration and Air Conditioning in collaboration with TESDA.
- The **SMPC** Infirmary, together with Tabang Antique Medical Missions and the Quezon City Dental Association, conducted a 3-day mission that benefited over a thousand patients in Barangay Semirara. A separate medical mission was conducted in Barangay Alegria, providing essential healthcare to 202 beneficiaries.
- **SMPC** expanded its livelihood initiatives by partnering with DOE, the Caluya LGU, and the Bureau of Fisheries and Aquatic Resources to distribute 16,000 kilos of seaweed propagules to farmers.
- The "Semirara Carnival 2023," organized by **SMPC** in partnership with the DOE and the Semirara LGU, featured free rides and activities for over 700 student athletes and coaches from November 17, 2023, to January 15, 2024.
- **ZDMC** provided health assistance including subsidies for health workers, medical supplies for children, and feeding programs benefiting over 200 children. The company also supported economic empowerment in Zambales by providing resources for farming, fishing and other microenterprise projects.
- **BNC** donated an ambulance to Barangay Aporawan, enhancing emergency medical services for 4,000 community members. The company also provided free dental and medical services to community members in Barangay Berong and neighboring areas in Quezon, Palawan.

Emergency Preparedness

- In response to the oil spill in Oriental Mindoro, **DMCI Power** promptly initiated an emergency operation to control and lessen the environmental damage. This quick response included working with local authorities to evaluate the impact and swiftly implement protective measures for the marine ecosystems and coastal communities.
- SMPC likewise participated in the oil spill cleanup, which resulted in the collection of 51,000 kilograms of oil-contaminated debris from the sunken ship in Mindoro. The company was later recognized for its contributions by the DENR.

Environmental Stewardship

- **DMCI** conducted coastal clean-up activities at Sitio Cababalo Puting Bato, West Calaca, Batangas, and collaborated with Nature Advocates Society for highway clean-ups in Dacanlao, Calaca as part of the "Adopt-the-Highway Clean-Up Drive" initiative. Additionally, the company participated in the 'Calyenisan' Project, which involved cleaning stretches of highway in Calaca, Batangas.
- **DMCI** donated 31 kilograms of recyclable waste, including used plastic bottles, to Barangay Fort Bonifacio's Environmental Program. It also planted 1,000 Narra tree seedlings over 2 hectares in Sitio San Ysiro, Brgy. San Jose, Antipolo City, Rizal.
- **DMCI Power** planted 1,830 trees, including various species of bamboo and trees like Molave, Narra, Abio, and Balayong across Oriental Mindoro, Masbate and Palawan.
- In collaboration with the Municipal Agriculture Office and other local agencies, **DMCI Power** conducted a Coastal Clean-up in Brgy. Licuson, Mobo, Masbate. This activity, part of the Fishery Month, aimed to protect marine areas. The company also initiated another clean-up at Tugbo River, Mobo, Masbate to supporting local estuary conservation.
- **DMCI Power** employees and CENRO staff celebrated Arbor Day by planting various endemic species in Brgy. Taritien, Narra, Palawan. In Masbate, the company partnered with the Philippine Ports Authority and other organizations to plant 5,000 trees, including mahogany, narra, kamagong, gemilina, and bamboo, in Uson as part of the DENR's National Greening Program.
- During the National Clean-Up Month, DENR EMB V and **DMCI Power** organized a river clean-up of Tugbo River, Mobo, Masbate, aiming to preserve the river's ecosystem and the surrounding community's environment.
- **SCPC** and **SLPGC** employees collected 408 kilos of plastic waste, 440 kilos of tree branches, and 240 kilos of biodegradables in a Beach Clean-Up, maintaining clean coastlines and protecting marine biodiversity.
- **BNC** released 105 sea turtle hatchlings at Sitio Tagbolante, Barangay Berong, Quezon, Palawan, contributing to the conservation of the local pawikan population.

Community Impacts and Involvement

We conduct community and stakeholder consultations with our host communities. During these consultations, we discuss our environmental impact, as well as how we can contribute to their socioeconomic development.

The timely and fair resolution of stakeholder complaints is a top priority for our companies:

- **DMCI Homes** has a Community Relations Committee that addresses complaints and grievances of its homeowners and residents.
- **SMPC** has a proactive community engagement and relations program, as well as a grievance reporting channel in place.
- **DMCI Power** conducts weekly consultations with the local officials in their host communities as well as conducts community surveys and interviews.
- **DMCI Mining** facilitates complaints reporting through their Grievance Mechanism Form.

Our companies play a significant role as economic drivers in the missionary, remote and rural communities where we operate.

In 2023, SMPC's community investments reached ₱67.8 million, while DMCI Mining's Social Development and Management Program (SDMP) spending and social investments amounted to ₱64 million. Overall, the DMCI group's overall community investment reached ₱143 million for the reporting year.

During the same period, government royalties from coal revenues reached ₱10.7 billion while excise taxes from nickel sales reached ₱127 million. Meanwhile, proceeds from ER 1-94 totaled ₱8.4 million.

Customer Relationship Management

DMCI Holdings is committed to meeting client requirements in a mutually fair and satisfactory manner. Through our subsidiaries, we aim to provide construction, real estate, power, mining and water clients/consumers with superior quality products and services at a reasonable price.

To protect customer safety and welfare, we abide by the relevant laws, rules and regulations set by the Philippine government, which include, but are not limited to, the Condominium Act (RA 4726), Electric Power Industry Reform Act (RA 9136), Mining Act (RA 7942), National Water Crisis Act (RA 8041).

We also strive to innovate and adopt global standards wherever applicable and possible. Our construction, coal mining and power businesses have been awarded ISO 9001:2015 certifications for their quality management system (QMS).

The ISO 9001 standard is designed to help organizations to implement a QMS that meets customer requirements and improves overall business performance. To obtain ISO 9001 certification, an organization must demonstrate that it has implemented a QMS that meets the requirements of the standard and is effectively managing its processes to consistently provide products and services that meet customer needs and expectations.

Through our subsidiaries and affiliates, we implement mechanisms, programs and activities that further promote customer welfare and engagement. These efforts include, but are not limited to, customer hotlines, site and home visits, appreciation events, client consultations and customer surveys.

At the Parent level our mandates are:



DMCI Homes leverages its D365 Customer Relationship Management (CRM) Program to deliver integrated customer services. The company continuously enhances the program by monitoring response times, ensuring complaint resolution, and proactively identifying process changes to prevent recurring issues.

Ethical Marketing and Brand Management

Marketing is a particularly material topic for our real estate business, DMCI Homes. Its sales and marketing teams are responsible for ensuring our adherence to ethical marketing guidelines.

As part of its onboarding process, new DMCI Homes employees undergo a module on "Marketing and Branding 101" at the DMCI Homes Academy. To ensure the accuracy and validity of information, all material released to the public undergoes thorough research and validation by its research team.

The company strictly adheres to the DMCI Homes' Brand Guidelines for all online campaign materials. All marketing materials also undergo multi-departmental quality reviews and approvals to guarantee the accuracy of details.

The campaign materials are reviewed by the brands and corporate communications section of the marketing team, as well as the Project Development, Design and Engineering, and Legal departments, if necessary.

DMCI Homes also ensures compliance with legal requirements by obtaining the necessary documents such as License to Sell and Ad Standards Council permits prior to releasing campaign materials to the public.

Economic Prosperity

In 2023, we adopted a strategic approach to cushion the impact of normalizing market prices on our profitability. This involved a focus on maximizing sales volumes and implementing prudent cost control measures. Despite this slowdown from our historic 2022 performance, our 2023 earnings is still the second-highest on record.

At the same time, our companies diligently monitored and assessed their operations and practices to ensure that our economic objectives are aligned with our environmental and social considerations.

Our goal is to ensure compliance with relevant laws and regulations while minimizing our impact on the environment and fostering positive social outcomes. This approach demonstrates our dedication to responsible corporate citizenship and our commitment to long-term, sustainable growth for the benefit of all stakeholders.

Economic and Financial Performance

In 2023, our reported net income dropped by 20% from ₱31.09 billion to ₱24.72 billion largely because of soaring commodity prices in 2022. Despite this downturn, 2023 yielded our second-highest earnings on record, surpassing our pre-pandemic net income of ₱10.53 billion by 134%.

During the same period, consolidated revenues contracted by 14% from ₱142.60 billion to ₱122.83 billion due to normalizing commodity and energy markets.

We are committed to delivering competitive returns to our shareholders. Our Dividend Policy ensures a dividend payout ratio of at least 25% of the preceding year's consolidated core net income.

Our robust financial performance enabled a 20% increase in our 2023 total dividend payout, from ₱1.20 per share to an all-time high of ₱1.44 per share.

	2023		2022	
Regular	Amount	Payment Date	Amount	Payment Date
	₱0.61	April 28	₱0.34	April 29
Special	₱0.11	April 28	₱0.14	April 29
	₱0.72	November 9	₱0.72	November 16
Total	₱1.44		₱1.20	

This translates to a total dividend payment of ₱19.1 billion to our shareholders, which constituted 61% of the company's consolidated core net income for the year 2022.

Government royalties declined by 33% from ₱15.96 billion to ₱10.68 billion (expense) due to lower coal revenues. While bulk of the amount (60%) will go to the National Treasury, 40% will be distributed to the host local government units in accordance with the law.

Coal royalties will be divided among the Antique Provincial Government (20%), Caluya Municipal Government (45%) and Barangay Semirara (35%).

With lower government royalties, our tax and royalty payments decreased by 10% from ₱22.1 billion to ₱20 billion.

Taxes and Royalties

in million ₱	2023	2022	2021
Corporate Income Tax	5,025	4,724	1,482
Government Royalties	9,654	15,963	6,355
Excise tax	1,314	29	85
Other Taxes and Payments	3,996	1,399	1,406
Total	19,989	22,115	9,328

Employee benefits and wages decreased by 35% from ₱11.96 billion to ₱7.82 billion while community investments reached ₱143 million.

In all, DMCI Holdings generated a total economic value of ₱128.87 billion, most of which came from the sale of our products and services. We returned 95% (₱122.7 billion) of this value to our stakeholders in the form of payments, reinvestment, dividends, salary, taxes and royalties.

Direct Economic Value Generated and Distributed

<i>in PHP millions</i>	2023		2022		2021	
Direct Economic Value Generated	128,869	100%	145,894	100%	111,142	100%
Revenue	122,829	95%	142,600	98%	108,343	97%
Interest Income	1,989	2%	859	1%	395	0%
Other Income	3,135	2%	1,630	1%	1,599	1%
Dividend Income	916	1%	805	1%	805	1%
Economic Value Distributed	122,743	95%	118,391	81%	97,588	88%
Operating cost	59,874	46%	56,248	39%	58,098	52%
Employee benefits and wages	7,824	6%	11,959	8%	8,928	8%
Payment to providers of capital	34,913	27%	27,911	19%	21,027	19%
Payment to government	19,989	16%	22,062	15%	9,328	8%
Community investments	143	0%	211	0%	207	0%
Economic Value Retained	6,126	5%	27,503	19%	13,554	12%

Corporate Governance

DMCI Holdings is guided by a nine-member Board of Directors with diverse backgrounds. The Board's key responsibilities include setting the Company's strategic direction, evaluating senior executives' performance, and ensuring operations adhere to legal and ethical standards.

Our goal is to maintain a board composition with a balanced mix of skills and experience, helping us adapt to changing business conditions and regulatory requirements.

Our board members bring expertise in various fields such as operations, finance, economics, business development, legal and regulatory affairs, corporate governance and sustainability.

In keeping with our commitment to diversity and inclusion, Independent Directors make up one-third of the board, and women account for nearly 50% of the board's members. Notably, our Lead Independent Director is a woman, further emphasizing our dedication to inclusive leadership.

For additional information about our directors, including their education and areas of expertise, please visit our website.

Our Board of Directors

Name	Gender	Position
Isidro A. Consunji	Male	Chairman and President
Cesar A. Buenaventura	Male	Vice Chairman (Non-Executive Director)
Jorge A. Consunji	Male	Non-Executive Director
Ma. Edwina C. Laperal	Female	Director / Treasurer (Executive Director)
Luz Consuelo A. Consunji	Female	Director (Non-Executive)
Maria Cristina C. Gotianun	Female	Director / Assistant Treasurer (Executive Director)
Cynthia R. Del Castillo	Female	Lead Independent Director
Roberto L. Panlilio	Male	Independent Director
Bernardo M. Villegas	Male	Independent Director

The selection process for the Board of Directors is governed by our Board Charter, which outlines the composition, positions, committees, and election procedures for board members. The Charter also specifies the required number of annual meetings and the expected conduct during these gatherings.

As part of their roles and responsibilities, the Board of Directors evaluates the company's long-term strategies and approves resource allocations, capital investments, and Environmental, Social, and Governance (ESG)-related projects.

Board remuneration is determined and approved by the Compensation and Remuneration Committee. Meanwhile, the performance of the Board and the CEO is assessed annually by the Nomination and Election Committee (NOMELEC).

The Corporate Governance Committee establishes the process for performance evaluations, while various subcommittees under the Board of Directors are entrusted with executing the Board's decisions and fulfilling their delegated responsibilities.

The Nomination Committee ensures compliance with the "Board Diversity Policy," aiming to maintain a diverse Board.

Candidates for the Board of Directors are usually nominated by the corporation's stockholders. The NOMELEC then selects members based on their expertise, experience, diversity, and integrity, creating a balanced Board composition.

Currently, no specific ESG qualifications or experience are required for board membership, but candidates must demonstrate integrity, probity and a strong work ethic.

Assisting the Board in the implementation of good corporate governance are five (5) Committees, namely:

- Audit and Related Party Transaction Committee
- Board Risk Oversight Committee
- Corporate Governance Committee
- Executive Committee
- Strategy and Sustainability Committee

The Board Remuneration Policy outlines the compensation structure for executive and non-executive directors, illustrating DMCI Holdings' commitment to a transparent and fair approach to board member compensation, while supporting the Company's long-term success.

Type of Remuneration	Process for deciding remuneration
Fixed remuneration	The Compensation and Remuneration Committee (ComRem) under the Corporate Governance Committee assesses and evaluates the annual performance of the CEO. The ComRem reports to the Board and recommends the remuneration of the CEO for approval.
Variable remuneration	Performance-based mechanisms that directly align rewards and incentives to employees with the financial results of the company.
Per diem allowance	Per diem for attendance to Board meetings
Bonus and other incentives	Attainment of company and employee goals, as measured against key performance metrics. These financial and non-financial metrics are determined during the planning or goal-setting sessions of the different companies.

Business Ethics and Compliance

To foster ethical conduct across our operations, we advocate for transparent and inclusive policies not only within our organization but also with our partners and suppliers.

At the core of our ethical framework are principles of accountability, transparency and disclosure. We take full responsibility for our business decisions and conduct, ensuring that all duties and functions are performed with the utmost responsibility.

We prioritize transparency by consistently disclosing fair and accurate accounting information in our annual reports. This commitment ensures accountability and fosters informed decision-making by our stakeholders.

Meanwhile, our corporate governance framework outlines our policy commitments, detailing various procedures and preventive measures to address concerns, grievances and potential negative incidents. These policies include:

- **Alternative Dispute Resolution Policy:** Promotes the use of alternative methods (outside of litigation) to resolve conflicts involving the Company, shareholders, third parties, and regulators
- **Anti-Corruption and Bribery Policy:** Prohibits corruption, bribery, and other unethical practices in business dealings
- **Anti-Sexual Harassment Policy:** Protects employees from sexual harassment and outlines complaint procedures
- **Code of Business Conduct and Ethics:** Establishes principles for ethical behavior, adherence to laws, and fair business practices, including Accountability, Transparency & Disclosure, Observance of Law, Conflict of Interest, Compliance, Fair Dealings, Intellectual Property Rights, Confidentiality, Corporate Opportunities, Fair Competition, and Anti-Money Laundering; a compliance checklist is filled annually to monitor adherence to laws and a hotline number is indicated to answer employee queries about the Code
- **Disclosure Policy:** Outlines procedures for consistent, transparent, and timely public disclosure of material company information
- **Insider Trading Policy:** Sets rules for securities transactions involving the Company's shares
- **Investor Relations Policy:** Details the role of the Investor Relations team in communicating material company information to analysts and investors
- **Material Related Party Transactions Policy:** Governs review, approval, and disclosure requirements for transactions involving related parties of significant value

- **Safeguarding Creditors Rights Policy:** Protects creditors' rights and interests in the Company's financial transactions by disclosing information about compliance with loan agreements, collaterals, and guarantees established with lenders
- **Whistleblower Policy:** Provides a channel for stakeholders to report concerns about malpractice, violations, fraud, or misconduct

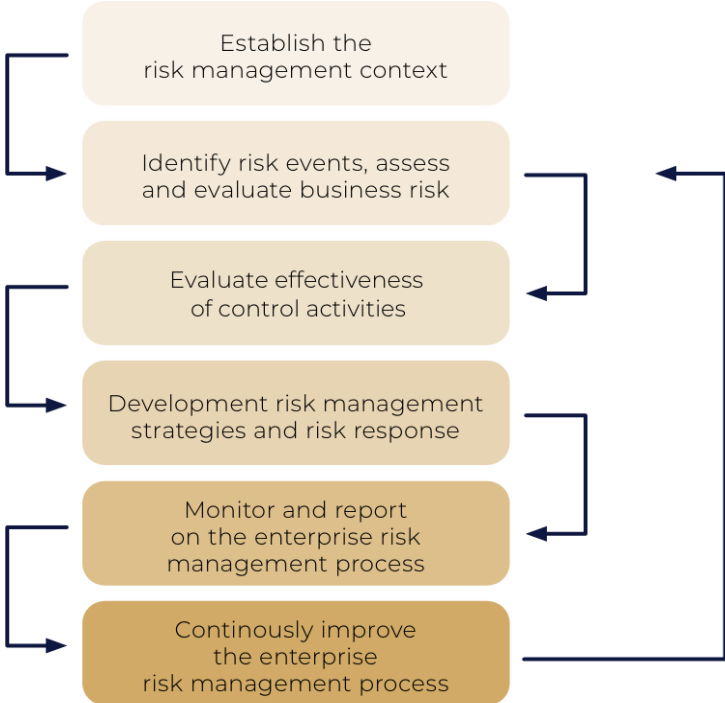
The Company recorded no cases or legal actions regarding money laundering, anti-competitive behavior and violations of antitrust and monopoly legislation in the years 2019 to 2023. Similarly, DMCI Holdings has no record of incidents of corruption and bribery for the same years.

From 2019 to 2023, our Company has not made any contributions, either directly or indirectly, in any form, to political parties, politicians or their campaigns.

Risk Management

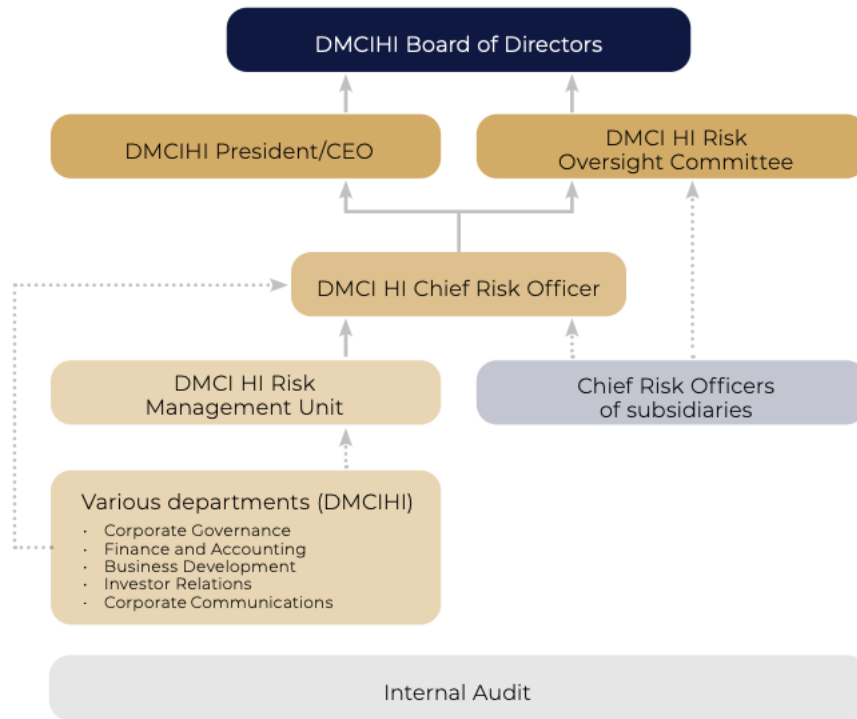
DMCI Holdings recognizes Enterprise Risk Management (ERM) as a critical driver for effective corporate governance and the achievement of the group's strategic objectives. We are committed to integrating robust risk management practices across strategic, tactical, and operational levels.

Our risk management efforts are guided by an enterprise-wide management framework. This policy details the vision, goals, and objectives of our risk management approach, defines roles and responsibilities related to the process, and provides procedures for risk analysis and reporting. An overview of our risk management process is provided below.



We have created a management structure to facilitate the successful implementation of our risk management framework. This structure helps ensure an integrated and independent assessment of risks across various categories, including strategic, operational, compliance, and financial.

By implementing this structure, we can broaden risk coverage, minimize functional inefficiencies and overlaps, and prevent confusion among personnel due to a lack of structured communication and reporting lines.



To effectively manage risks and ensure successful implementation of our Enterprise Risk Management (ERM) framework, DMCI Holdings has established a management structure led by the Board of Directors and Risk Oversight Committee.

Senior executives including the Chief Risk Officer, General Counsel, and Chief Compliance Officer work collaboratively to achieve our risk management objectives.

We are committed to continually improving our ERM process, and our internal audit function provides an independent assessment to evaluate its effectiveness.

Crisis Management and Business Continuity

Recognizing the critical importance of readiness for potential crises, such as natural disasters, fires, cyber-attacks, system failures, and other unforeseen challenges, we have implemented a robust business continuity framework.

Within this framework, we have devised clear plans and procedures, incorporating backup systems and redundancies, aimed at ensuring uninterrupted operations during disruptions. A key aspect of this strategy revolves around our commitment to maintaining transparent communication channels with both internal and external stakeholders.

Through ongoing training and preparedness initiatives, we empower our employees to properly respond to unexpected events as they arise.

Regular review and testing of our business continuity plan is being conducted to ensure its relevance and effectiveness. A structured revision management process is in place to facilitate timely updates in line with evolving threats and industry best practices.

Innovation and Adaptation

Our innovation strategy is linked with our commitment to sustainability and business growth.

We start by understanding our customers and markets, identifying how innovative solutions and sustainable practices can address shareholder commitments and stakeholder needs.

Through close collaboration with our customers, host communities and business partners, we enhance the sustainability of our core operations and uncover new avenues and opportunities for growth.

Across our organization, we are continuously exploring and adopting advanced methodologies and modern technologies that support sustainability. This includes strategic investments aimed at enhancing our capabilities and improving the overall value proposition we bring to our customers.

Technology and Digitization

Our companies adopt digital technologies at the workplace to streamline operations and improve operational and business processes.

The following technologies were introduced to improve business operations and enhance our sustainability:

- **DMCI:** Advanced construction technologies are utilized in joint venture projects, while time-keeping is digitized, and foremen are provided the option to use tablets for their record keeping. The company has also implemented online approval workflows, paperless processes, and the use of printers and computers that consume less energy. In addition, a cloud-based email system has been adopted for better communication.
- **SMPC:** Emissions are managed through onsite technology to limit particulates and emissions. The company also uses state-of-the art equipment for mine wall and slope monitoring, as well as immersive technology for simulation training sessions. Data analytics and business intelligence tools are likewise used in monitoring and managing company performance.
- **DMCI Power:** Operational and performance reports are digitized for easier access and monitoring. The status of emissions in the Masbate plant can be accessed online, and environment, health and safety manuals and procedures are now accessible through QR code, eliminating the need for physical manuals. E-signing of documents is also implemented for more efficient processes.
- **DMCI Mining:** The company switched to LED lighting systems and energy efficient office equipment to reduce its carbon footprint.

IN FOCUS

DMCI Homes Embraces Workplace Innovations

DMCI Homes has strategically invested in key areas such as cybersecurity, communications/internet infrastructure, and cloud-based Enterprise Resource Planning (ERP) systems to modernize operations and address potential risks from obsolescence and cybersecurity threats.

To boost efficiency and effectiveness in its design, engineering and construction operations, it has implemented significant process enhancements, which include the adoption of flat slab construction techniques, optimized pile usage, and the incorporation of precast elements, along with the elimination of tap cards in barrier systems.

The transition to flat slab construction streamlines formwork and rebar placement, offering considerable time and cost savings. Optimizing pile usage through in-house drop hammer tests for bored piles not only enhances the piling process's efficiency and cost-effectiveness but also leverages underutilized steel sections for improved structural integrity.

The use of precast components such as stairs, walls, and trench covers speeds up construction times, improves safety on site and reduces overall costs. Moreover, eliminating tap card systems in car barriers enhances security while simplifying the equipment needed.

Additionally, DMCI Homes' adoption of modular steel forms reflects its dedication to sustainable building practices. These forms are not only versatile and efficient but also minimize material waste, thereby reducing the environmental impact and lowering project costs.

Information Security and Cybersecurity

DMCI Holdings acknowledges the growing risk of cyber-attacks and data privacy threats, and places great emphasis on strong data privacy controls to protect the data of our employees, businesses, and customers.

Our data protection policies are outlined in our Data Privacy Manual, which is in compliance with the Republic Act 10173 (Data Privacy Act of 2012) and the guidelines of the National Privacy Commission (NPC).

We conduct regular Vulnerability Assessments and Penetration Testing, performed by a third-party organization, to evaluate our performance in data protection. Additionally, any breaches are reported annually to the NPC since 2018.

In 2023, the DMCI group did not experiences any cases information security and cybersecurity breaches involving clients, customers, suppliers and employees.

Sustainable Human Settlements

DMCI Homes was established with the goal of providing affordable yet high-quality homes for middle-class families in Metro Manila. In order to achieve this, our real estate projects undergo careful design and continuous updates to ensure that residents can enjoy healthy and well-balanced lives.

Our residential condominiums are conveniently located near major business centers, malls, schools, hospitals, and government offices, and are easily accessible by public transportation. Each community has a gated entrance and perimeter fence, with a limited number of buildings for security and privacy.

To promote sustainable living, most of our buildings adopt the Lumiventt Design Technology, a patented feature that creates cross-ventilation using basic principles of airflow through sky patios, breezeways, vents, and 3-storey high openings on both sides of the building.

This engineering feature is complemented by central garden atriums and single-loaded hallways, providing an open and airy feel to the interior spaces. Rainwater harvesting systems, sewage treatment facilities and waste segregation areas are also found in some DMCI Homes projects.

The company also prioritizes green spaces and maintains a 60:40 footprint-to-building space ratio to ensure ample room for gardens and other open areas. Our residents have access to resort-like amenities such as adult and kiddie swimming pools, badminton and basketball courts, landscaped open areas, playgrounds, jogging and biking paths, and more.

Our focus on promoting healthy and well-balanced living extends beyond the buildings themselves, to the green spaces and amenities that enrich our communities. We are dedicated to creating a safe, comfortable, and enjoyable living experience for our residents.

Eco-Friendly Condo Living

DMCI Homes demonstrates its commitment to sustainability through initiatives fostering environmental consciousness within its communities.

The 2023 Homegreens Campaign promotes home gardening, showcasing resident successes to inspire others. Informational seminars on balcony gardening, composting and hydroponics provide residents with the knowledge and resources for self-sufficient practices.

Alongside gardening, DMCI Homes encourages energy and water conservation. Infographic campaigns and community programs raise awareness, while standard practices like reduced lighting in common areas and signages reinforce the message of mindful consumption.

DMCI Homes actively promotes waste reduction, recycling and reuse. Partnerships like the "Cartons for Communities" initiative with Tetra Pak and the Del Monte Foundation facilitate beverage carton recycling. Additionally, decluttering and recycling programs, as well as community clean-up activities, directly engage residents in waste reduction efforts.

Sustainability at Maynilad

Maynilad continued to provide high quality, sustainable water and wastewater services in 2023 while strategically expanding its raw water sources and treatment capacity.

The company opened a new water treatment plant in Poblacion, Muntinlupa, its third facility to source raw water supply from Laguna Lake. With a design capacity of 150 million liters per day (MLD), it began operations in December with an initial output of 50 MLD.

In June, it commissioned the Anabu Modular Treatment Plant (ModTP) in Imus, Cavite, which is capable of producing up to 16 MLD of potable water from adjacent river sources. The reactivation of 20 deep wells also translated to another 32 MLD of supply.

During the year, Maynilad was granted a permanent operational permit for its NEW WATER facility in Parañaque, which converts used water to drinking water. The permit was issued after the facility showed consistent adherence to the Philippine National Standards for Drinking Water (PNSDW), and strict compliance with requirements set forth in the Implementing Rules and Regulations of the "Code on Sanitation of the Philippines".

Fulfilling its part in preserving its raw water sources, the company broadened its environmental efforts by planting 210,000 native trees in key watersheds under its "Plant for Life" program in 2023. This represents a 133% increase from the previous year's target of 90,000 trees.

This remarkable expansion of the "Plant for Life" program exemplifies the company's overarching strategy to enhance sustainability and address the challenges posed by climate change on its operations.

Recognizing these efforts, the International Water Association (IWA) lauded Maynilad for its transformation into a "climate-smart utility." In particular, IWA highlighted the company's initiatives for climate adaptation and mitigation, including the diversification of water sources, modernization of treatment facilities to address declining water quality, and the substantial reduction of non-revenue water. Moreover, Maynilad's goal to achieve "Climate Neutrality" by 2037 received special mention.

Further affirming its innovative approach, Maynilad received the Water Reuse Project of the Year at the Global Water Awards for its pioneering "NEW WATER: Maynilad's Foray into Potable Water Reuse" project, which also garnered a Gold Stevie Award in the "Achievement in Product Innovation" category from the Stevie® International Business Awards (IBA).

Additionally, the European Chamber of Commerce of the Philippines (ECCP) recognized Maynilad's commitment to eco-friendly energy solutions at the Europa Awards, honoring the company in the "Clean and Green Energy" category. The ECCP highlighted Maynilad's successful implementation of technological advancements that have curtailed energy use in water supply operations, further showcasing the company's dedication to environmental stewardship.

Water Utility Specific Metrics

Maynilad provides water, sewerage and sanitation services to the 17 cities and municipalities that comprise the West Zone of the Greater Metro Manila Area. Since its re-privatization in 2007, the company has spent over ₱240 billion in capital expenditure projects to improve and expand its operations.

To ensure affordable, reliable and sustainable water solutions for customers, Maynilad invests in new treatment plants alongside comprehensive network maintenance and upgrades. This includes leak detection and repair, pipe replacements and facility rehabilitation.

In 2023, Maynilad's water service connections increased from 1.52 million to 1.53 million, representing a 3% uptick in the number of customers served, from 9,966,773 to 10,267,862. The total volume supplied (billed volume) also rose by nearly 2% from 526.9 million cubic meters (MCM) to 538.5 MCM.

Total level non-revenue water (NRW) losses remained steady at 43% in both 2022 and 2023, while NRW losses at the district meter area (DMA) level dropped from 35% in 2022 to 31% in 2023.

Water Metering

	2021	2022	2023
Total number of customers	9,881,684	9,966,773	10,267,862
Total number of customers with individual water meters	1,501,371	1,522,992	1,532,463

Water Losses

m3	2021	2022	2023
Volume of non-revenue water losses (Total level)	425,995,454	403,175,904	404,506,260
Percentage of water losses (Total level)	45%	43%	43%
Volume of non-revenue water losses (DMA level)	243,586,088	228,395,252	236,310,801
Percentage of water losses (DMA level)	32%	35%	31%

Wastewater and Sanitation Metrics

	2022	2023
New domestic sewer service connections	3,009	8,248
New non-domestic sewer service connections	305	208
Septic tanks desludged	69,924	53,857
Sewer manholes cleaned	6,019	6,611
Sewer lines cleaned	418 km	433 km

Economy and Governance

In 2023, Maynilad generated a total economic value of ₱27.31 billion, most of which came from the provision of water and wastewater services. It returned most of this value to its stakeholders in the form of payment, wages and investments.

Direct Economic Value Generated and Distributed

in million ₱	2023
Direct Economic Value Generated	27,306
Revenue	27,068
Interest Income	222
Dividend Income	16
Economic Value Distributed	14,835
Operating cost	2,699
Employee benefits and wages	2,508
Payment to providers of capital	2,462
Payment to government	3,471
Community investments	95
Economic Value Retained	12,471

Anti-Corruption

In upholding the highest standards of integrity, Maynilad firmly opposes any form of bribery and corruption in its business operations. To this end, it has established an anti-corruption policy, mandating compliance from all employees.

In 2023, a total of 985 employees underwent anti-corruption training, reflecting Maynilad's proactive efforts to eradicate corruption. The company recorded zero cases of corruption and bribery in 2023. Similarly, there were no instances of employees being dismissed or disciplined for corruption.

Business Ethics

Maynilad has a code of conduct that outlines the expected standards of behavior that align with its core values of honesty, integrity, customer service, excellence, teamwork and patriotism.

This code addresses various ethical concerns, including discrimination, conflicts of interest, antitrust practices and whistleblowing.

To ensure adherence, the company actively promotes awareness of this code among employees through orientations, mandatory compliance training and integration into employment conditions. Adherence to the code is a critical component of employee evaluations, and any violations trigger disciplinary measures.

Furthermore, Maynilad's whistleblower policy fosters a culture of accountability and integrity, offering protection against retaliation and providing anonymous and confidential avenues for employees to voice concerns.

Information Security and Cybersecurity

Maynilad has taken a proactive approach towards strengthening its cybersecurity and information security measures. By doing so, it aims to protect its assets, save costs, and avoid potential fines from security breaches.

To this end, the company has implemented an information security/cybersecurity policy that is available to all employees. Additionally, it provides awareness training, such as phishing simulations and IT Security 101, to enhance employees' understanding of potential cybersecurity risks.

The organization has also established a clear escalation process for employees to follow in the event of suspicious activity. Any employee breaches on cybersecurity are subject to disciplinary actions.

Furthermore, Maynilad has enhanced its IT/cybersecurity infrastructure and controls, including vulnerability analysis of its IT infrastructure through simulated hacker attacks.

These efforts demonstrate the company's commitment to protecting its assets and preventing security breaches, while also ensuring compliance with industry standards and best practices in cybersecurity.

Quality and Other Management Systems

Maynilad holds an ISO 9001:2015 certification, indicating that its quality management system adheres to the standards prescribed by the International Organization for Standardization. This certification reflects the company's ability to deliver services that fulfill both customer expectations and regulatory obligations, alongside a dedication to improving customer satisfaction.

Its other ISO certifications include:

- Environmental Management Systems (ISO 14001:2015)
- Occupational Safety and Health Management Systems (ISO 45001:2018)
- Business Continuity Management System (ISO 22301:2019)
- Energy Management System (ISO 50001:2018)
- Information Technology Service Management System (ISO/IEC 20000-1:2018)
- Laboratory Quality Management System (ISO/IEC 17025:2017)
- GHG Emissions Inventory and Reporting (ISO 14064-1:2018)

As of December 31, 2023, Maynilad's ISO 9001 certification covers 98% of its workforce, 94% of its sites and offices, and 100% of its business units or divisions.

Crisis Management and Business Continuity

Recognizing the critical importance of maintaining water supply in the face of disasters, pandemics, calamities, and various technical and security emergencies, Maynilad has developed and implemented a robust system for rapid operational recovery.

The company's Business Continuity Management System adheres to internationally recognized best practices, as validated by its ISO 22301:2019 certification. It includes defined responsibilities, employee training, emergency protocols and continuous evaluation for improvements, ensuring steady water supply even during unforeseen events.

Technology, Innovations, and Modernization

Maynilad is investing in upgrading and innovating its infrastructure network to improve water availability, pressure and quality, while supporting a circular water economy.

- **Network Modernization:** In Caloocan City, Maynilad replaced 224 kilometers of old, undersized pipes with wider ones to accommodate increased demand from a growing population. This has resulted in improved water pressure, availability, and the recovery of approximately 6 MLD of water per day.
- **Sewage Treatment Plant Upgrades:** Maynilad awarded a ₱998-million contract to upgrade five sewage treatment plants in Quezon City and Manila. This project aims to ensure compliance with revised Department of Environment and Natural Resources (DENR) effluent standards.
- **Advanced Treatment Technology:** Maynilad invested ₱11 billion build the Poblacion Water Treatment Plant, which uses a multi-stage process of Dissolved Air Flotation, Cloth Filter, Biological Aerated Filter, Ultrafiltration, Reverse Osmosis and Chlorination, ensuring that water sourced from Laguna Lake meets the potability standards of the Philippine government.
- **Water Reuse:** To boost supply, reduce strain on existing sources and support a circular economy, Maynilad is constructing NEW WATER Treatment Plants in Pasay, Valenzuela and Muntinlupa, and expanding an existing one in Parañaque. These plants will provide a combined capacity of 97 MLD, enough to meet the water needs of almost 400,000 customers.

Environment

Underscoring its dedication to environmental stewardship, Maynilad minimizes its ecological impacts through the efficient utilization of energy and resources.

The company is focused on enhancing energy efficiency and optimizing the management of its assets across their lifecycle. This approach is centered on improving performance, managing costs and mitigating risks, thereby maximizing value for both the company and its stakeholders.

Over the past three years, Maynilad has embarked on a series of energy conservation and efficiency measures. These include the transition to Variable Frequency Drives (VFD) for motor controllers, the adoption of LED lighting and inverter-driven air conditioning units, and the implementation of policies to eliminate unnecessary vehicle idling.

In a strategic move to decrease dependency on fossil fuels, Maynilad has significantly expanded its use of solar energy. By 2023, the company successfully increased its solar energy consumption to 2,760.14 gigajoules, aligning with its commitment to sustainable and responsible energy use.

Energy Consumption

Gigajoules (GJ)	2021	2022	2023
Non-renewable energy	724,348	711,586	739,391
Renewable energy (solar)	503	2,161	2,760
Total energy consumption	724,851	713,747	742,151

Water and Effluents

Water use and resource management play a critical role in the sustainable operation of Maynilad.

Efficient water use and resource management enable the company to optimize operations, reduce water losses and improve efficiency, resulting in cost savings and better service levels. Moreover, it enables the company to address the growing demand for water services through conservation, reuse and recycling strategies.

The company sources water from a variety of locations, with the Angat Dam, Laguna Lake, and deep wells serving as primary sources. Recently, it has integrated the process of converting treated effluent back into potable water, along with harnessing water from Cavite rivers, to supplement its supply.

To ensure the delivery of potable water to its customers, Maynilad operates an extensive infrastructure network comprising 8 water treatment plants, 39 pump stations, 39 reservoirs, and over 11,000 kilometers of water pipelines.

The effluent from these facilities complies with the rigorous quality standards set by the DENR, underlining its commitment to environmental compliance and sustainability.

Furthermore, Maynilad developed a comprehensive 5-year business plan that outlines its service obligations performance and targets in relation to water service coverage, reduction of non-revenue water, and expansion of wastewater services, among others.

Water Withdrawal

Megaliters (ML)	2021	2022	2023
Surface water	1,008,125	1,000,184	1,021,410
Groundwater	79	391	549
Produced water	951,536	928,016	964,783

Water Discharge by Destination Type

Megaliters (ML)	2021	2022	2023
Surface water	33,909	30,523	32,072
Seawater		35,988	36,909

Water Conservation, Reuse and Recycling

Megaliters (ML)	2021	2022	2023
Water recycled and reused	24,368,575	23,438,649	24,262
Water consumption reduction as a direct result of conservation and efficiency initiatives	-	4,262.44	1,003,046

Emissions

In a major step towards environmental stewardship and sustainability, Maynilad has adopted a Climate Neutrality Strategy to achieve net zero emissions for Scope 1 and Scope 2 by 2037 by significantly reducing dependence on fossil fuels.

As part of this ambitious plan, Maynilad has set forth clear objectives, including sourcing 35% of its energy from renewable resources, transitioning 50% of its vehicle fleet to electric vehicles, establishing carbon sinks to offset 180,000 tons of CO₂, and reforesting 2,615 hectares between 2007 and 2037.

Greenhouse Gas Emissions

Metric Tons CO ₂ e	2021	2022	2023
Direct emissions (Scope 1)	14,515	6,131	Not yet available
Indirect emissions (Scope 2)	103,151	123,380	Not yet available
Other indirect emissions (Scope 3)	-	-	Not yet available

Waste

To reduce waste and minimize its impact, Maynilad implements several circularity measures which include upcycling uniforms, reusing paper and office supplies, digitizing transactions, and recycling treated wastewater.

To manage hazardous waste, a third-party provider collects and disposes of it, with the company receiving a Certificate of Treatment as proof of compliance. Maynilad also uses a Solid Waste and Hazardous Waste Inventory Form to gather waste-related data, which is then submitted to DENR through quarterly Self-Monitoring Reports (SMR) to ensure regulatory compliance.

Waste Composition

Metric Tons	2021	2022	2023
Non-hazardous waste generated	54.2	165.6	237.3
Hazardous waste generated	170.04	141.5	123.9
Total waste generated	224.2	307.1	361.2
Total waste recycled (non-hazardous)	0	49.01	168.1

Social

Diversity and Equal Opportunities

Recognizing the strategic advantage of diverse skills and perspectives, Maynilad fosters a diverse and inclusive workplace. It maintains a steadfast commitment to creating a safe and equitable environment where all individuals can thrive.

Employment practices are strictly non-discriminatory, ensuring equal treatment regardless of gender, age, sexual orientation, socioeconomic status, ethnicity, or abilities.

Maynilad prioritizes equal employment opportunities for all, with hiring and advancement decisions based solely on merit, performance and potential. While dedicated women's empowerment initiatives are under development, the company proudly upholds workplace equality, actively providing female employees opportunities to excel in roles traditionally dominated by their male counterparts.

Employees Breakdown

by gender	2021	2022	2023
Male	1,713	1,726	1,888
Female	562	530	595
Total	2,275	2,256	2,483

by employee category	2021	2022	2023
Senior Management	67	70	67
Middle Management	391	397	422
Supervisors	397	382	375
Operational Support	1,197	1,112	1,235
Others (project-based)	223	295	384
Total	2,275	2,256	2,483

by age	2021	2022	2023
Under 30	544	540	726
30 to 50	1,372	1,438	1,529
Above 50	359	278	228
Total	2,275	2,256	2,483

Gender Diversity	2021	2022	2023
Percent Women in Total Workforce	25	23	24
Percent Women in Senior Management	31	31	33
Percent Women in Middle Management	34	35	34

Talent Attraction and Retention

Maynilad prioritizes a positive work environment and invests strategically in employee development to attract and retain top talent. This approach has proven successful, with the company steadily increasing its hiring rates while preventing high employee attrition over the past three years.

New Hires Breakdown

by gender	2021	2022	2023
Male	138	279	404
Female	28	102	167
Total	166	381	571

by age	2021	2022	2023
Under 30	118	286	430
30-50	47	95	140
Above 50	1	0	1
Total	166	381	571

Employee Turnover Breakdown¹

¹ Pertains to all workers (regular, probationary and project based) who leave the organization voluntarily or due to end of contract, dismissal, retirement, or death in service.

by gender	2021	2022	2023
Male	278	234	240
Female	85	120	103
Total	363	354	343

by age	2021	2022	2023
Under 30	156	137	150
30-50	127	130	129
Above 50	80	87	64
Total	363	354	343

Training and Education

Believing firmly in the value of its employees as its greatest asset, the company actively invests in their professional growth. A comprehensive range of programs is offered to enhance both hard and soft skills. This includes onboarding sessions, coaching, leadership training, and technical workshops, which are conducted both in-house and through partnerships with external institutions.

The company also provides financial support for external training, along with regular performance and career development reviews, ensuring employees have the resources and guidance they need to reach their full potential.

Average Training Hours

	2021	2022	2023
Senior Management	28	25	29
Middle Management	38	21	22
Supervisory	27	18	18
Rank and File	18	16	11

Occupational Health and Safety

Maynilad commits to providing its employees with a safe and secure work environment, maintaining a robust health and safety management system in compliance with applicable regulations.

This system includes comprehensive policies addressing key health-related areas such as substance abuse, smoking, infectious disease prevention, breastfeeding, mental health and health data privacy.

Robust reporting mechanisms, including real-time incident logging and protection against reporting-related reprisals, have improved incident reporting and categorization across business units. All units maintain updated HIRAC/ESH Risk Registers to proactively identify, assess and mitigate hazards.

The company also provides extensive occupational health services, including on-site clinics, ambulance support, preventative screenings, a 24/7 mental health assistance program and comprehensive HMO coverage.

In 2023, Maynilad invested in 7,529 hours of OSH-related training for employees, contractors and service providers, including mandatory orientations, specialized safety courses and emergency drills.

Safety Performance

	2021	2022	2023
Work-related fatalities – employees	0	0	0
TRIR – employees	0	0.16	0
LTIFR – employees	0	0.92	0

TRIR: Total Recordable Incident Rate = total number of recordable incidents x 200,000 / total hours worked by all employees

LTIFR: Lost-Time Injury Frequency Rate = total number of lost-time injuries x 200,000 / total hours worked by all employees

Supply Chain Management

Maynilad engages with 598 suppliers for its operational needs, investing ₱4.87 billion in these partnerships. The company spent 97% of total supplier spending on local vendors. To mitigate sustainability risks within its supply chain, Maynilad implements a vendor handbook that includes a code of conduct.

This code mandates that direct suppliers adhere to responsible business practices, ensuring environmental integrity in their processes, products, or services. It prohibits the use of child or forced labor, mandates adherence to fundamental human rights, and ensures fair working conditions and wages. Suppliers are also expected to incorporate environmental considerations into their operations, minimize negative environmental impacts, and maintain a safe and healthy workplace.

Out of the 598 suppliers, 73 have undergone assessments based on environmental and social criteria, with no violations reported among them.

Guided by its vendor management policies and standards, Maynilad's supply chain team oversees the entire process, from sourcing and selecting new vendors to monitoring their performance and conducting evaluations, ensuring a responsible and sustainable supply chain.

Customer Satisfaction and Product Safety

Maynilad provides efficient, safe, and sustainable water and wastewater solutions that comply with the standards set by the Philippine government. The company values customer satisfaction and has dedicated business units responsible for maintaining the quality of their services.

To ensure customer satisfaction, Maynilad conducts surveys to obtain insights into their preferences and feedback. By keeping track of their stakeholders' concerns, the company can improve the quality of its services. During the reporting period, all customer complaints related to product and service health and safety were addressed.

In 2023, Maynilad received a customer satisfaction rate of 86%.

Customer Complaints Management	2022	2023
No. of substantiated complaints on product or service health and safety	20,964	23,689
No. of complaints addressed	20,964	23,689

Corporate Citizenship & Philanthropy

In collaboration with civil society organizations, Maynilad worked to address water inaccessibility and inadequate sanitation in underprivileged communities across the West Zone. Through initiatives like the Samahang Tubig Maynilad and Pag-asa sa Patubig Partnerships, residents and stakeholders are enabled to oversee their community water systems effectively.

An investment of ₱3.33 million has been allocated to develop a rainwater harvesting facility, introducing an alternative source of raw water specifically for irrigation purposes.

Furthermore, the GinhaWASH program exemplifies the commitment to enhancing public health and sanitation by providing portable lavatories, drinking fountains, and bidets to essential public service establishments including medical facilities, local government offices, and educational institutions. This initiative ensures that beneficiaries have access to necessary infrastructure to support health, sanitation, and hygiene standards.