

# Strength in Diversity

## Rationale

The monumental growth and strength of the DMCI group amidst the pandemic rests in the collective and dedicated contributions of our workforce. As such, we owe our awards and recognitions to the men and women of the DMCI. Our Creed, which highlights equality, inclusion, and shared value, calls us to remain steadfast in prioritizing and protecting our people while advancing as a Company.

## About the Report (102-46)

This report is a documentation of the company's initiatives in supporting its people, customers, and communities, through the second year of the pandemic, 2021. It also covers the sustainability journey of DMCI, particularly its Economic, Social, and Governance (ESG) contributions and impacts.

This report complements the DMCI Annual Report for 2021, which covers the company's financial performance. The governance framework and other corporate disclosures are available at [www.dmciholdings.com](http://www.dmciholdings.com).

Reporting Period: January 1 to December 31, 2021 (102-50)

## Reporting Standards

### Global Reporting Initiative (GRI) Standards

This report has been prepared in accordance with the GRI Standard: Core option. A gold standard in sustainability reporting, the GRI Standards are used by organizations worldwide to report their performance and impacts on the economy, environment, and society.

### Task Force for Climate-related Financial Disclosures (TCFD)

The DMCI Sustainability Report 2021 also follows the TCFD Framework, ensuring the alignment of the organization's governance structures, business strategies, environmental disclosures, impacts, and future metrics and targets with the global requirements. The TCFD established the framework to develop climate-related disclosures in sustainability reporting, as well as to understand the concentration of carbon-related assets within the organization and its exposure to climate-related risks.

## **About DMCI (102-1, 102-2, 102-16)**

DMCI Holdings, Inc. is the only publicly listed holding Company in the Philippines with construction as its core competency. Its common shares of stock are listed and traded on the Philippine Stock Exchange (PSE) under the symbol "DMC."

Since November 2010, DMCI has been a member of the benchmark Philippine Stock Exchange Composite Index (PSEi), which includes thirty of the country's biggest and most actively traded stocks.

DMCI is among the highest dividend-paying stocks in the local market, with a dividend payout ratio of at least 26% of the preceding year's consolidated core net income. The Company is also recognized for its commitment to good corporate governance and gender equality.

DMCI Holdings has consistently scored high in the ASEAN Corporate Governance Scorecard (ACGS) initiative of the ASEAN Capital Markets Forum (ACMF) since 2015. The Company was recognized as one of the Top ASEAN Asset Class Publicly Listed Companies at the 2019 ACGS Awards. DMCI Holdings also scored 104.45 out of 130 points in the 2020 ACGS conducted by the Institute of Corporate Directors (ICD), the domestic ranking body in the Philippines for Corporate Governance.

DMCI Holdings and its subsidiary, Semirara Mining and Power Corporation (SMPC), were also included in Bloomberg Gender-Equality Index (GEI), a reference index that measures gender equality across five pillars: female leadership and talent pipeline, equal pay, and gender pay parity, inclusive culture, sexual harassment policies, and pro-women brand.

### **Our 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**

## Our Mission

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

## Our Corporate Values

Integrity, Fairness, Customer Focus, Teamwork, Accountability, Innovation  
Sustainability

## 2021 in Review

### Financial Highlights

Key Figures as of and for the period ending 31 December 2021

<b>18.4 Billion Net Income</b>	<b>87.8 Billion Equity Attributable to Parent</b>
<b>36.8 Billion EBITDA</b>	<b>1.39 Per Share EPS</b>
<b>34 % EBITDA Margin</b>	<b>194 % Total Dividend Payout</b>
<b>22 % ROE - Parent</b>	<b>102.4 Billion Market Capitalization</b>
<b>32% Net Debt to Equity</b>	

### Pandemic Response

As the pandemic continued in its second year, DMCI Holdings, along with our subsidiaries, continued enforcing health and safety policies. We did this together with the rollout of vaccines for our employees, with an initial order of 30,000 Moderna doses. We received over 12,000 registrations for the vaccines, and by the end of 2021, the workforce from DMCI (89.95%), DMCI Homes (97%), and Maynilad (99.20%) had already received their COVID-19 vaccines. The DMCI Group Employee Vaccination Program covered employees in Manila, Batangas, Bulacan, Masbate, Palawan, and Semirara Island. At the same time, over 4,000 of our employees were also vaccinated in coordination with their local government units (LGUs).

In Quezon, Palawan (Brgys. Berong, Aramaywan, and Narra), DMCI Mining provided medical assistance, medical supplies and equipment, and relief operations. The segment also supported medical frontliners and the local community through COVID-19 testing centers, mobility, and ambulatory services. RT-PCR tests were conducted for

free as well in the Lipay office. DMCI mining also implemented in-house vaccination programs and community assistance during vaccination drives. To further extend support, our mining segment distributed financial aid or *ayuda* in its local community.

With the limitations of the ongoing pandemic and the majority of the public losing their livelihood, it became a challenge for many to access primary and essential supplies. To help address this, DMCI Construction initiated the Malasakit Pantry, an internal donation drive to help its workers and laborers with food supplies and other basic needs.

For our water services segment, Maynilad prioritized public health and safety by ensuring a stable supply of clean and potable water. Its operations remain compliant with the national government's health and safety protocols, guidelines, and advisories. Maynilad also empowered the communities it serves by helping them generate additional income through outreach activities, resulting to:

- PHP2,617,220.00 for Kapwa, with PHP692,800.00 augmenting the income of 20 women in STM<sup>1</sup> Tondo
- PHP1,306,220.00 for Green Badge, augmenting the income of 14 women in STM Riverview
- PHP618,200.00 for Sining Ipo, augmenting the income of 30 Dumagat families in Ipo Watershed

Maynilad's Advocacy and Marketing (ADMARK) department also helped train representatives from communities in producing pandemic supplies, which provided additional income to 34 indigent families in the West Zone. The department also helped 30 Dumagat families near Ipo Watershed acquire skills in making plant pot stands out of driftwoods as a livelihood. Maynilad also donated the following, through its Corporate Social Responsibility (CSR) advocacy, GinhaW.A.S.H:

- 400 bidets
- 57 modular lavatories
- 20 drinking fountains

These were distributed to quarantine facilities, hospitals, barangay halls, and health centers throughout the West Zone service area.

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<sup>1</sup> *Samahang Tubig Maynilad (STM) is one of Maynilad's CSR programs that seeks to empower underserved communities and help them gain access to potable and affordable water.*

## **Message from the Chairman and President (102-14)**

Dear Stakeholders,

In the 1960s, my father and our founder, David M. Consunji, wrote The DMCI Creed to remind us of what we stand and strive for as a company.

Part of it reads: “labor and capital should cooperate with one another so that labor may live with dignity and capital may find its just rewards”.

He advocated for equality, inclusion, and shared value even before these concepts became part of mainstream business. He also made no distinction between men and women, choosing to refer to them in the collective form. Clearly, he was a man ahead of his time.

### **Staying True (102-11)**

Much has changed since my father wrote The DMCI Creed. Companies have become more cognizant and supportive of gender issues. However, they also face sustainability issues because of the COVID-19 pandemic, weak economy and changing regulations—our Company is no exception.

But while these events seriously tested the resilience of our businesses, they did not shake our core beliefs. We stayed true to our creed:

- Labor with dignity. We did not retrench people. We treated them fairly and protected them the best way we could from the virus.
- Cooperation. Whether in-person or virtually, our people worked together to keep our operations going. They also introduced innovations and enhancements, which allowed us to manage and adapt to the pandemic.
- Just rewards. We shared our gains with our stakeholders. This means so much more now because of the severe financial impacts of COVID-19 on our economy and host communities.

## People

Increasing our construction accomplishments was a key component of our pandemic recovery plan. This meant recruiting more people for our job sites, which were upended because of the 71-day lockdown in 2020.

To ramp up hiring amid the strict quarantine restrictions, our subsidiaries used social media, digital platforms and mobile payment systems. Our hires for the year totaled 12,686 employees and workers, who were mostly assigned to our infrastructure and real estate projects.

One of our subsidiaries, D.M. Consunji, Inc. (DMCI), was even recognized as a Top Job Provider by the city government of Valenzuela for 2021.

In line with our commitment to protect our people, we adopted a parallel approach to getting them vaccinated against COVID-19. After some delays because of logistical issues, we kickstarted our employee vaccination drive in July using the Moderna vaccines we procured through the ICTSI Foundation.

Prior to that, we started assisting our eligible employees and workers with securing vaccination slots with various local government units (LGUs). Consequently, we were able to fully vaccinate 96% of our workforce by year-end.

Another highlight of our 2021 was the inclusion of DMCI Holdings and our subsidiary, Semirara Mining and Power Corporation (SMPC) in the 2021 Bloomberg Gender-Equality Index (GEI). 380 companies from across the world made it into the list, and only three came from the Philippines.

GEI is a reference index that measures gender equality across five pillars: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies, and pro-women brand.

This is the first time that our companies landed on the list, and we hope to maintain our position in the coming years.

## **Planet**

In September, SMPC was recognized at the ASEAN Energy Awards for the accelerated rehabilitation of its South Panian mine in Semirara Island, Antique.

The rehabilitation work is the fastest of its kind and scale in the Philippines.

In less than two years, SMPC did what should have taken 5 to 10 years to complete. They backfilled and reforested 168 hectares of open pit, from an elevation of 260 meters below sea level (MBSL) to an area of 5 to 11 meters above sea level (MASL). 260 meters is roughly the height of a 78-story building

By December, SMPC had also covered 98% of the North Panian mine with backfill material, bringing the company closer to fully rehabilitating what was once the largest open pit mine in the Philippines.

Berong Nickel Corporation (BNC), a subsidiary of DMCI Mining, is likewise embarking on its own final rehabilitation program for its Berong mine in Palawan, following its full depletion in December.

BNC has allocated ₱110 million to stabilize the mined-out area through benching, drainage construction and planting of endemic and indigenous trees. Its goal is to restore and enhance the 109-hectare surface mine so that its economic and ecological value is similar to—  
if not better than—when BNC started operations in the area.

## **Profits (102-7)**

Our consolidated revenues and core net income hit all-time highs in 2021, demonstrating the soundness of our pandemic recovery plan and business portfolio.

From ₱67.7 billion, our topline grew 60% to ₱108.3 billion mainly due to higher coal and real estate sales, followed closely by construction contracts and electricity sales. Meanwhile, our core net income surged by 164% to ₱17.4 billion as all of our subsidiaries delivered solid results.

Core earnings contributions from DMCI, DMCI Homes, SMPC and DMCI Mining all grew triple-digits while DMCI Power posted an 8-percent upturn. Pandemic restrictions continued to weigh down affiliate Maynilad, which had flat contributions.

In Php mn	2021	2020	Change
SMPC (56%)	9,234	2,009	360%
DMCI Homes	4,397	1,940	127%
Maynilad (25%)	1,559	1,540	1%
DMCI Mining	1,206	483	150%
DMCI Power	580	537	8%
D.M. Consunji, Inc.	378	109	247%
Parent & Others	11	(51)	122%
Core net income	17,365	6,567	164%
Nonrecurring items	1,031	(708)	246%
Reported net income	18,396	5,859	214%

Including a nonrecurring income of ₱1 billion in 2021 mostly from deferred tax remeasurement under the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act and nonrecurring loss of ₱708 million mainly from sales cancellations for a real estate project in 2020, our consolidated net income expanded by 214% to ₱18.4 billion.

Our 2021 bottom line is 75% more than our pre-pandemic profit level of ₱10.5 billion, and the second highest in our corporate history.

To recall, our consolidated net income reached ₱18.9 billion in 2013 because of a one-time gain of ₱8.4 billion when we sold some of our Maynilad stake to Marubeni of Japan.

## Prosperity

Our financial gains translated to shared prosperity for our shareholders and government-partners.

We distributed record-high dividends at ₱0.96/share, which translates to a yield of 15 percent based on our average daily closing price for the year of ₱6.38.

Three of our subsidiaries also generated record-high government shares from their operating revenues.

- From record-high coal sales, SMPC recorded ₱6.4 billion in government share—the highest in its 41-year history.
- Bulk (60%) of the remittances will go to the national government while the rest will be shared by the host LGUs. In accordance with the law, the Municipality of Caluya will receive 18% while Barangay Semirara and Tinogboc will receive 14%. The remaining 8% will go to the Province of Antique.
- DMCI Mining recorded ₱170.9 million in excise taxes from its all-time high nickel ore shipments.
- These collections will form part of the internal revenue allotment (IRA) of our host LGUs, which they can use to provide residents with basic goods, services and other forms of developmental assistance.
- With record electricity sales, DMCI Power was able to generate ₱3.6M in financial benefits under Energy Regulation No. 1-94 (ER 1-94), which provides that host communities get a share of one centavo for every kilowatt-hour (P0.01/kWh) generated by power plants operating in its area.

Under ER 1-94, the host community can use the fund for its electrification, development and livelihood programs, in addition to reforestation, watershed management, health, and environmental enhancement initiatives.

## **Conclusion**

In 2021, we had a breakthrough performance because of the men and women of the DMCI group.

Their teamwork, sacrifices and dedication allowed us to manage COVID-19 workplace transmission, boost productivity and ride tailwinds from stronger-than-expected coal, nickel and electricity prices.

As a result, we were able to steward the resources entrusted to us and generate real value for our stakeholders.

We should be proud of what our Company accomplished because behind it lies the strength and diversity of our people.



**Isidro A. Consunji**  
Chairman and President

## Awards and Recognition

### DMCI Power

#### 2021 Corporate Social Responsibility (CSR) Initiative of the Year

- Asian Power Organization for its Microenterprise Program for Tugbo Women's Organization

### DMCI Mining

#### Presidential Mineral Industry Environmental Award (PMIEA) Awards

- Zambales Diversified Metals Corporation (ZDMC)
  - PMIEA Platinum Award for Surface Mining Category
  - PMIEA 3rd Runner Up for Best Mining Forest
- Berong Nickel Corp. (BNC)
  - PMIEA Presidential Award for Surface Mining Category
  - PMIEA Best Mining Forest Winner for Metallic Category
  - PMIEA Runner Up for Safest Surface Mines

### Maynilad

- Anvil Awards (Gold Anvil)
  - Public Relations Society of the Philippines for "*Optimizing Water Supply for Reliable Service*" Maynilad 2019 Sustainability Report
- 2021 Going Digital in Infrastructure Awards (Finalist)
  - Bentley Systems, Inc. (Bentley) for "Water, Wastewater and Stormwater Networks"
- Philippine Quill Awards (*Excellence and Merit*)
  - "Explaining the rotational water service interruption in the West Zone" (Excellence Award)
  - "Kubeta Talks – Let's Talk Dirty" (Excellence Award)
  - "Golden Kubeta Awards – Bringing Wastewater Conversations to the Mainstream" (Excellence Award)
  - "Maynilad Simpleng Ginhawa Online Videos" (Merit Award)
  - "Development of the Post-ECQ Plan – Workplace Re-entry Guidelines for Maynilad Employees" (Merit Award)
  - "Maynilad Post-ECQ Sanitation Service Information Campaign" (Merit Award)
- CEM Insight Award for Leadership in Energy Management
  - Conferred by the Clean Energy Ministerial (CEM) for excellent implementation of an Energy Management System (EnMS) based on ISO 50001:2018—the international standard for structured monitoring of energy utilization and performance

- Gawad Kaagapay Award for Most Outstanding Stakeholders (WASH in Schools Category)
  - Quezon City SDO\* from Quezon City Health Department and SDO-Quezon City
- Seven (7) Stakeholder's Recognition
  - Department of Education (DepEd) SDOs
- Department of Education Partnership Appreciation
  - In recognition of its dedicated partnership with DepEd through the External Partnership Service as shown by its unstinting support for DepEd's Basic Education Learning Continuity Plan

*\*Schools Division Office (SDO)*

#### DMCI Construction

- Safety Seal Certification
  - Department of Labor and Employment (DOLE) Field Office
- 5,000,000 Safe Manhours with Zero Major Accident Milestone
  - Safety Recognition from Taisei-DMCI Joint Venture Project (North-South Commuter Railway Project) on achievement of NSCR CP01 Project
- 6,000,000 Safe Manhours without LTI\* Milestone
  - Safety Recognition from Technimont JGC
- 1,000,000 Safe Manhours without LTI
  - Safety Recognition from ELS Consultancy
- 2,000,000 Safe Manhours without LTI
  - Safety Recognition from Fluor Daniel Pacific, Inc. and for excellent Health, Safety, Security & Environment (HSSE) performance
- Top Job Provider
  - City Government of Valenzuela
- Chairman's Report Award
  - PAG IBIG Fund for highest number of multi-purpose loans approved in NCR southwest
- Philippine Excellence in Concrete Construction Awards 2021
  - Philippine Constructors Association, Inc.
- Major Water and Wastewater Facilities Winner
  - Maynilad 11th Top Achievement for Partners Awards
- Appreciation for Environmental Protection and Sustainability Initiatives
  - Department of Environment and Natural Resources National Volunteer Month
- ISO 9001:2015 and ISO 14001: 2015 Recertification and Migration to ISO 45001:2018 Standard
  - Certification International, QSCert

*\*Loss Time Incident (LTI) refers to an event or chain of events which caused fatality, injury, illness or damage/loss to assets, environment, reputation or third party.*

## DMCI Homes

- Top 50 Taxpayers
  - Business Tax and in Real Property Tax from City Government of Manila
- Top Developer for 2020 Nationwide Category
  - BPI Family Savings Bank
- Overall winner, 1st Philippines Excellence in Concrete Construction Awards
  - Philippine Constructors Association
- Winner for Repair and Restoration category
  - Philippine Constructors Association
- BCI Asia Top Ten Developers 2020
  - BCI Asia Philippines, Inc.
- Top Ten Taxpayers
  - Local Government of Bacoor City, Cavite

## Semirara

- Winner, Special Submission category,
  - Accelerated Coal Mine Rehabilitation of South Panian Mine in 2021 ASEAN Energy Awards
- 2021 Bloomberg Gender-Equality Index
  - Bloomberg L.P.
- Asia's Best Employer Brand Award in 16th Employer Branding Awards
  - Employer Branding Institute (India)
- 2021 Top Exporter of the Year
  - Bureau of Customs - Port of Iloilo
- ISO 45001:2018 (Occupational Health and Safety Management System) of SCPC and SLPGC
  - Certification International Philippines
- Excellence Award for Publications and Writing categories in 2019 Annual and Sustainability Report: "Transcending Towards Sustainability"
  - 18th Philippine Quill Awards
- Most Active Placement Partner
  - University of Batangas
- International Association of Business Communicators Philippines

## Our Contribution to the UN Sustainable Development Goals

In our third year, DMCI Holdings, Inc. continues our commitment to communicating our economic, social, environmental, and governance performance in our Sustainability Reports. Through the public disclosure of our operations, initiatives, and impacts, we uphold accountability as a company and transparency to our shareholders and stakeholders.

Our 2021 Sustainability Report also adapts the modular structure of the GRI Standards to clearly outline the environmental, social, and governance (ESG) aspects of our operations. Year after year, we continue to measure and monitor our data to efficiently address our impacts while enhancing our internal systems and processes.

It is also through our ESG initiatives that DMCI contributes to our national progress as well as the global vision of achieving the United Nations Sustainable Development Goals (SDG). We focus and work on programs that improve the lives of local communities as we make positive impacts and generate the most value for our stakeholders.

### **SDG 11: Sustainable cities and communities**

Through the construction of the hospital that caters to the needs of the national government and law enforcement personnel, as well as the construction of the educational building for the Philippine General Hospital, we advance the welfare of public health and further enhance the services of the country.

Our contribution to the improvement of the national highways and expressways, as well as local roads, enables enhanced mobility for the public. These roads also play a vital role in the connectivity of the provinces and the metro. In addition, these roads are instrumental in decreasing the traffic congestion evident in major cities.

**Highlight:** 26.5 kilometers of new roads for better national mobility

### **SDG 06: Clean water and sanitation**

In support of clean water and sanitation for all, we constructed a water treatment plant to increase supply and deliver stable, clean, and affordable water. To ensure quality, we also expanded our laboratory facilities and established a new plant for wastewater treatment.

**Highlight:** 947.62 million cubic meters of potable water served to 1,501,371 customers or about 9.9 million people by Maynilad

### **SDG 15: Life on land**

The Company and our subsidiaries advocate reforestation, rehabilitation, and conservation of our natural resources. These forests, in turn, enhance our national biodiversity, provide a natural habitat for the wildlife, create livelihood opportunities for the communities, and offer protection against natural hazards. To contribute to national decarbonization initiatives, re-greening of the country, and improving air quality.

**Highlight:** 671.51 hectares in total covered in reforestation initiatives from 2007

DMCI Power successfully planted a total of 1,445 trees for 2021. ( 1,225 endemic tree seedlings in Barangay Sagpangan, Aborlan, Palawan; 100 mahogany trees in Barangay Sta. Isabel, Calapan City, Oriental Mindoro; and 120 bamboo seedlings in Barangay Tugbo, Mobo, Masbate)

Total No. of Hectares covered in reforestation activities: 3.05 Hectares

### **SDG 02: Zero hunger**

With the pandemic making food and other basic supplies inaccessible to many Filipinos, we launched several programs that help address this challenge. These include the Malasakit Pantry, a donation drive to provide food supply to our workers and contractors and their families, as well as the financial support or *ayuda* for select underserved households in our local communities.

**Highlight:** 974 households benefited from the community pantry

### **SDG 04: Quality education**

We believe in the power of education in uplifting lives and advancing the economy. Through our subsidiaries, we continued educational programs and initiatives to promote learning. These include scholarship grants, webinars, and Brigada Eskwela initiatives to extend support to our partner schools and the Filipino youth.

**Highlight:** 1,000 students/schools reached through various educational programs

### **SDG 14: Life below water**

With water as one of our primary resources, we understand the need to protect our waterways and the marine environment. We do this in partnership with the public and private sectors in the rehabilitation of Manila Bay. Our initiatives on mangrove forests and coral gardening, both critical to the ecosystem, are important activities as well, along with the restocking of giant clams that help in water filtering.

**Highlight:** 448 hectares of coastal ecosystems ongoing rehabilitation

### **SDG 08: Decent work and economic growth**

We help elevate the quality of life of the people in the communities we operate in through livelihood opportunities, evidenced in one of our awards - Top Job Provider in Valenzuela City. We also support small-scale businesses through financial funding and training to help them acquire skills. Adding to this, we supply some of the raw resources of our social enterprise groups to alleviate costs on materials.

Data highlight: PHP 322,371.00 Gross total revenue of social enterprise programs for 2021 (Bakery Business Gross Profit Php 210,37; Rags-for-Profit Masbate- Gross Php 44,000; Rags for Profit Calapan Gross Php 68,000)

## **Construction (102-2, 102-7)**

D. M. Consunji, Inc. (DMCI) is one of the Philippines' leading construction companies, with projects ranging from residences to multi-story hotels and condominiums, irrigation dams, kilometer-long concrete bridges, power transmission lines, industrial plants, and large commercial complexes.

Pioneering advanced construction technologies, DMCI attracts new clients and remains a trusted partner to our veteran customers. As an industry leader with expertise and experience spanning over fifty years, we have successfully worked with some of the biggest partners in the industry, along with banking and educational institutions, both domestic and overseas.

### **2021 Highlights**

- Order Book: Php49 billion
- Capital Expenditures: Php757 million
- Goods and Services Spending: PHP15 billion
- Value of Equipment: PHP3 billion
- DMCI Const. Total Workforce: 11,630
- DMCI Malasakit Pantry: 974 bags of assorted groceries
- CALAEx Project: 18 km completed
- CCLEEx Project: 8.5 km completed
- LRT Line 2: 3.97 km completed
- Tree planting: 1,000 assorted fruit-bearing trees were planted in Sitio San Ysiro, Brgy San Jose, Antipolo City, Rizal. DMCI also adopted a 10 Hectares in 5 years Program.

*\*direct labor, direct materials, and subcontractor*

## **Uplifting public healthcare (203-1, 203-2)**

In support of advancing the quality of healthcare and accessibility of medical services for the Philippines, DMCI, together with its partners, collaborated on the construction of the following:

Philippine General Hospital (PGH) Felicidad Sy Multi-Specialty Building

This new 15-story hospital building is being built to augment the capacity of PGH as it

expands its public healthcare services to the Filipinos. The building has a 1,290-bed capacity and will include spaces for clinical laboratories, dialysis center, reproductive health and child protection, intensive care unit for burn and surgery, neuro skills laboratory, and charity and pay nursing units, among others.

### **Presidential Security Group (PSG) Hospital Project**

The PSG Station Hospital is a 2-story health facility built inside Malacanang Palace. It has a 51-bed capacity, intended to boost the medical and health services for the military, particularly the presidential security group uniformed personnel, including immediate family members and the President.

### **University of the Philippines College of Medicine (UPCM) Henry Sy Sr. Medical Sciences Building**

An 11-story educational institution building inside the UP Manila complex, the UPCM is established to support the university's goal of promoting collaborative research on the country's health challenges and providing a venue for future doctors to obtain dual and higher education research-based degrees. The building is powered by renewable energy and has a renewable water system, facilities for online learning, two auditoriums with over 200 seating, state-of-the-art medical simulation laboratories, and 41 classrooms, among others.

## **Real Estate**

Building homes for today and onwards, DMCI Homes develops properties with first-rate amenities and resort-inspired aesthetic, making it one of the most sought-after real estate firms in urban spaces, catering to middle-income earners. DMCI Homes is also an active steward of the environment with an understanding of its impacts and responsibilities. In creating an environment-friendly community, DMCI Homes built proprietary innovations such as the Lumiventt® Design Technology that enhances natural light and airflow, three-story-high sky patios, breezeways, and atrium. All of its properties also adhere to the company's 102-point inspection quality management system, in alignment with the DMCI Homes Quality Seal that guarantees quality and excellence.

DMCI has completed more than 60 resort-inspired projects for over 37,977 households residents in Baguio City, Boracay Island, Davao City, and Mega Manila. It has been recognized as the country's first Quadruple A developer, the highest license given to a contractor that meets the stringent requirements of the Philippine government.

### **2021 Highlights**

- Units Turned Over: 5,280
- Total Workforce: 13,790
- Capital Expenditures: PHP15.76 billion
- Goods and Services Spending: PHP 4.11 billion
- Total Landbank: 186.49 hectares

## **Transforming real estate with Homebuying and Customer Relationship Management**

Adapting to the changing requirements of the ongoing pandemic and making the most of the technology available, DMCI Homes has invested in ramping up its virtual listings and digital acceptance of units. While physical site visits are still available for clients who prefer it, the demand for virtual tours has increased, enabling better service and convenience while ensuring safety for everyone.

Aside from offering live online presentations, 360 property virtual tours and walkthroughs and digitizing pre-purchase processes starting from the online client registration, unit holding, up to the reservation and payment, DMCI Homes also made available virtual turnover of units in completed projects. 74 homebuyers, mostly staying abroad, availed of the service.

In addition, DMCI Homes launched its D365 Customer Relationship Management (CRM) Program that aims to integrate customer services. From 2021, continuous enhancements on the system were made to better respond to customer requests, concerns, and inquiries.

In 2021, continuous enhancements were also made on DMCI Homes' mobile app to give homeowners easy access to property management and resident services. The DMCI Communities mobile app helps residents keep tabs on community activities and transact with their Property Management Offices (PMOs) conveniently at their fingertips.

## **Customer feedback:**

Testimonial on online homebuying- David and Mae Nouvelot, Verdon Parc unit owners  
<https://www.dmcihomes.com/whats-new/news/online-homebuying-helps-couple-find-dream-resort-style-davao-home>

## **Integrated Power**

Semirara Mining and Power Corporation (SMPC) is an emerging key player in the Philippine power industry, with its significant coal reserves and increasing power generation capacity. Incorporated in the Philippines on 26 February 1980, SMPC has exclusive rights to explore, extract and develop the largest coal mine in the country. The mine site is located in Semirara Island in Antique province. After commencing commercial operations in 1983, the Company struggled through operational inefficiencies, debt restructuring, loan foreclosures, falling coal prices and the devaluation of the Philippine Peso. In April 1997, Philippine Stock Exchange-listed DMCI Holdings, Inc. (DMC) acquired a 40% interest in SMPC's Common Shares, including PHP2.5 billion of its outstanding loans. Following SMPC's sustained financial difficulties, DMC agreed to a debt-to-equity conversion in 1998, raising its total interest in SMPC to 74%. After gaining a controlling interest in SMPC, DMC appointed a new management team in August 1999. The team was composed of local and expatriate staff. Since then, SMPC has adopted flexible, cost-efficient and more advanced mining techniques to increase the quantity and improve the quality of its coal production. From an initial annual product coal production of 806,451 tons run-of-mine (ROM) coal in 1997, the Company was able to produce 7.12 million MT ROM coal in 2013. DMC currently holds 56% ownership of SMPC.

### **2021 Highlights**

- Government Payments: PHP7.16 Billion
- Wages and Benefits: PHP2.65 Billion
- Environmental and Community Spend: PHP112 Million
- Inland Reforested Trees Planted to Date: 1.97 Million
- Employees: 3,943
- Talent Retention: 98%

## **SMPC mine rehab wins ASEAN award**

Integrated energy company Semirara Mining and Power Corporation (SMPC) received top honors in the recently held ASEAN Energy Awards, Southeast Asia's highest recognition for excellence, creativity, practicality, and dedication to a cause in the field of energy.

SMPC was declared as the winner in the Special Submission category for its accelerated rehabilitation of its South Panian pit in Semirara Island, Antique.

The category is reserved for projects that involve innovative, creative, best practices, and excellent cases in the field of coal development and utilization. Entries are required to show the contribution of the project to energy transition and energy resilience, as well as low carbon sustainable development.

"We share this recognition with the Department of Energy, the driving force behind this unprecedented feat. They wanted South Panian to be the model of sustainable and responsible mining in the country, and we did what we could to make this happen," said SMPC President and COO Maria Cristina C. Gotianun.

The fastest of its kind and scale in the Philippines, SMPC's South Panian mine rehabilitation involved the accelerated backfilling and reforestation of the 168-hectare open pit.

Panian pit was closed in September 2016 following the depletion of its mineable coal reserves. In less than two years, SMPC completed what should have been a five to 10-year rehabilitation plan for South Panian.

From an elevation of 260 meters below sea level—equivalent to a 78-story building, the mined-out area is now 5 to 11 meters above sea level with rolling terrain and over 350,000 seedlings of endemic and native trees.

## Mining

DMCI Mining Corporation (DMCI Mining) is in the business of comprehensive enterprise activities, ranging from exploration and mining to buying, shipping, and transporting all kinds of ore, metals, and minerals, through its subsidiaries - Berong Nickel Corporation (BNC) and Zambales Diversified Metals Corporation (ZDMC).

### 2021 Highlights

- Nickel Ore Produced: 1,853,647 WMT\*
- Number of Shipments: 36
- Total Workforce: 1,563\*\*
- Manhours without lost time accident since 2018: 3,483,088
- Value of Equipment: PHP342,091,827

*\*Wet Metric Ton (WMT)*

*\*\*Including manpower agency, contractors, and service providers*

With significant operations in the provinces of Zambales and Palawan, DMCI Mining contributes to local economic growth and community projects. For three consecutive years, the Philippine Mine Safety and Environment Association (PMIEA) and the Department of Environment and Natural Resources (DENR) Mines and Geosciences Bureau recognized DMCI Mining for its continuous rehabilitation efforts and workplace safety. In 2021, the prestigious award-winning body bestowed five awards to DMCI Mining, two of which were presidential awards.

The PMIEA-DENR MGB awards recognition to the deserving mining contractors/permit holders/permittees for their outstanding levels of dedication, initiatives, and innovations in the pursuit of excellence in environmental protection, safety and health management, and community development.

### **Elevating lives with safe, clean water**

We uphold our corporate marching order of helping create self-resilient and sustainable communities; by first addressing the basic needs of the people we serve. With this, we delivered a clean, safe, and potable water supply to the residents of our host communities in Zambales and Palawan.

Working with the local government, DMCI Mining provided access to the potable water supply, which features a reverse osmosis structure to ensure safe and hygienic water

access for the community. We also facilitated the direct distribution of water to people's homes, so the residents no longer have to collect water from a source and carry it back home.

## **Off-Grid Power**

The DMCI Power Corporation (DMCI Power or DPC), the power arm of the conglomerate, was established in 2006 to provide sufficient and reliable electricity to missionary areas that are not connected to the main transmission grid. Our off-takers include the electric cooperatives in Masbate, Palawan and Oriental Mindoro. In 2009, DPC added a thermal coal-fired power plant in Batangas to its portfolio.

### **2021 Highlights**

- Total Installed Rated Capacity: 136.42 MW
- Contracted Capacity: 76.34 MW
- Consolidated Power Sales: 367.54 GWh
- Consolidated Sales Value: PHP4.65 Million
- Total Workforce: 389 employees
- Capital Expenditures: PHP1.40 Million

### **Powering the future through renewable and indigenous sources**

The DMCI Masbate Power Corporation (DMPC) is the only independent power provider (IPP) on the main island of Masbate. Our partnership with off-taker Masbate Electric Cooperative, Inc. (MASELCO) enables DMPC to ensure the reliability, availability, adequacy, and sustainability of electricity supply in the area. This reliable energy supply contributed to the growth and development of Masbate, leading to an economic boost and generation of employment opportunities.

In 2021, the DMPC's 15MW Thermal Power Plant in Barangay Tugbo, Mobo, Masbate, started operating the baseload at full capacity, with a total generating capacity of 47.55MW, including the ability from its existing bunker and diesel units. The thermal plant powers businesses in the region and the households of the local community. This affordable energy provides the next generation with access to electricity, facilitating a more conducive learning environment and uplifting lives. DPC also contributes to the local economy and society by providing opportunities to the residents and the surrounding locality, enabling them to attain progress for all.

Further, DPC constructed a hybrid facility in Masbate, generating 12MW from diesel and 4MW from solar energy. DPC also invested a combined PHP3.5 million in Masbate and Palawan to generate off-grid electricity for its host communities.

The Masbate facility is slated for completion in 2022, while the Palawan plant is expected to go live in 2023. Once operational, the Palawan and Masbate power plants will increase the company's installed capacity in the missionary areas from 136.42MW to 163.72MW.

DPC's COO, Mr. Antonino E. Gatdula, Jr., noted, "These investments are in response to the government's mandate to accelerate the exploration, development, and utilization of renewable energy and indigenous fuel resources, thus decreasing our dependence on imported fuel."

These initiatives power DPC's host communities with clean energy, propelling the country to the much-needed shift to renewable energy. The operation of the new power plants is also expected to lower the cost of electricity in Palawan, which will reduce the subsidy paid by all consumers, benefitting our stakeholders.

## **Water Services**

Maynilad Water Services, Inc. (Maynilad) is the Philippines' largest private water and wastewater services provider in customer base, with about 9.9 million customers across 17 cities and municipalities that comprise the West Zone of the Greater Manila area covering 540 square kilometers.

Its concessionaire area includes the cities of Manila (certain portions), Quezon City (certain portions), Makati (west of South Super Highway), Caloocan, Pasay, Parañaque, Las Piñas, Muntinlupa, Valenzuela, Navotas and Malabon, all in Metro Manila; the cities of Cavite, Bacoor and Imus, and the towns of Kawit, Noveleta and Rosario, all in Cavite Province.

### **2021 Highlights**

- Population Served: 1,690,325\*
- Customers Served with 24-hour Availability: 98%
- Pipes Laid: 18.59 km
- Capital Expenditures: PHP 11.8 Million

- Total Workforce: 2,275\*\*
- Pipes replaced: 166.23 km
- Ave. NRW (DMA): 31.83%
- Wastewater treated and discharged: 69,477,155 cubic meters
- Sanitation coverage: 8,291,846\*\*\*
- Total hours of health and safety training: 8,700

*\*Billed and unbilled customers*

*\*\*Includes regular, probationary, and project-based*

*\*\*\*Customers offered desludging services*

## **Reducing carbon footprint with solar energy**

As a key contributor to the country's shift toward renewable energy, Maynilad invested in a Solar Power Farm expected to augment the power supply for the La Mesa Pumping Station North C. This shift also enables Maynilad to lower its carbon footprint by decreasing emissions and reducing the plant's non-renewable power consumption by approximately 10% annually.

This initiative marks another milestone in our journey to decarbonized and sustainable operations. Maynilad also enjoys a more economical resource that is not dependent on increasing electricity costs by harnessing solar energy.

Maynilad also built a second solar power project at its La Mesa site. This will reduce the power consumption of Water Treatment Plant 1 by approximately 30% per day. In addition, other facilities and buildings in the Maynilad plant can also source power from the solar farm.

## **Our Approach to Stakeholder Engagement (102-42, 102-43)**

Our reporting practice is done in accordance with the GRI Standards and is also consistent with the guidelines set by the Securities and Exchange Commission (SEC). We recognize that we have responsibilities to our stakeholders; therefore, knowing their needs and understanding their concerns is important to us.

For this report, we built on our engagement process of the previous year by reaching out to our stakeholders, both internal and external. Given the challenges and limitations caused by the pandemic, we had to forego face-to-face engagements and instead utilized a survey questionnaire prepared and administered by our communications partner. In this way, we revisited the material topics we reported on last year and updated them with insights into our stakeholders' concerns for this reporting year.

Stakeholder	Engagement Channel/s	2021 Concerns
Government Agencies	Email, virtual, hone, face-to-face meetings	<p>Compliance to government requirements amid the pandemic</p> <p>Compliance to OSH-DOLE, DPWH, and DOH guidelines</p> <p>Challenges in meeting DENR effluent standards</p>
Employees	<p>Email, phone, virtual meetings, face-to face-meetings</p> <p>COVID-19 meetings and Information, Education, and Communication (IEC) materials</p> <p>Postman, Meetings, Bulletin Board, Video, Orientation / Trainings</p>	<p>Workplace health and safety</p> <p>Employee Wellness and Mental Health</p> <p>Learning and Development</p> <p>On-site and Work-from-Home Employee Engagement</p> <p>Job security and Company resiliency</p> <p>Business continuity, affected operations due to employees contracting COVID-19</p> <p>Provision of COVID-19 protection and prevention supplies</p>

		Compliance and support to mitigate organizational risks
Customers	<p>Customer Satisfaction Survey</p> <p>Social Media/SMS Advisories</p> <p>Email, Phone, Face-to-Face Meetings by appointment</p>	<p>Timely and safe delivery of quality projects amid pandemic</p> <p>Payment concerns and collection efficiency</p> <p>Investing in condominium projects during pandemic</p> <p>Meeting Service Level Agreements (SLA)</p>
Third Party Service-Providers	<p>Virtual and On-site Orientation and Trainings</p> <p>Email, Phone, Virtual and Face-to-Face Meetings</p>	<p>Business continuity</p> <p>On-time payment of service/goods rendered and sold</p> <p>Transportation</p> <p>Support and availability of supplies and services during community quarantines</p> <p>COVID-19 vaccines</p> <p>Restricted maximum allowable workers on-site</p> <p>Worker availability due to rising COVID-19 infection rate</p> <p>Workplace health and safety guidelines</p>

		Provision of COVID-19 protection and prevention supplies
Community	<p>Property Management</p> <p>Phone, Email, Social Media</p> <p>Virtual and Face-to-Face meetings</p> <p>Meetings and dialogue with concerned community and barangay officials, and relevant departments</p> <p>Open discussion through public scoping</p>	<p>Health and safety concerns</p> <p>Maintenance concerns</p> <p>Building concerns (technical, maintenance, amenities)</p> <p>Dust generation during hauling operations</p> <p>Local employment</p> <p>Residents engagement</p> <p>Online payment channels</p>
Media	<p>Informational emails, newsletters</p> <p>Email, SMS, Phone</p> <p>Messenger/Viber</p> <p>Media briefings (virtual and face-to-face)</p>	<p>Information dissemination</p> <p>Corporate Communication</p> <p>Prompt response to issues</p> <p>Assistance to service complaint</p> <p>Updates on company developments</p>
Electric Cooperatives (COOP)	<p>Video conferencing through different platforms</p> <p>Email</p> <p>Teleconference</p>	<p>Continuous power generation to avoid power outbreak</p>

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## Material Topics and GRI Disclosures (102-12, 102-47)

Sustainability Area	Material Topics	GRI Disclosures
Economic	<p>Financial stability</p> <p>Healthy and reasonable economic returns</p> <p>Creation of local employment opportunities</p> <p>Promotion of local procurement</p>	<p>GRI 201 Economic Performance</p> <ul style="list-style-type: none"> <li>• GRI 201-1 Direct economic value generated and distributed</li> <li>• GRI 201-3 Defined benefit plan obligations and other retirement plans</li> <li>• GRI 203 Infrastructure investments and services supported</li> </ul> <p>GRI 203 Indirect Economic Performance</p> <ul style="list-style-type: none"> <li>• GRI 203-1 Infrastructure investments and services supported</li> <li>• GRI 203-2 Significant indirect economic impacts</li> </ul>
Environment	<p>Compliance with environmental laws and regulations</p> <p>Proper management of hazardous waste</p>	<p>GRI 302 Energy</p> <ul style="list-style-type: none"> <li>• GRI 302-1 Energy consumption within the organization</li> </ul> <p>GRI 303 Effluents and Waste</p>

	<p>Responsible water use</p> <p>Effluent management</p> <p>Responsible energy use</p> <p>Energy and fuel efficiency</p> <p>Solid waste management and recycling</p>	<ul style="list-style-type: none"> <li>● GRI 303-1 Interactions with water as a shared resource</li> <li>● GRI 303-2 Management of water discharge related impacts</li> <li>● GRI 303-3 Water withdrawal</li> <li>● GRI 303-4 Water discharge</li> </ul> <p>GRI 305 Emissions</p> <ul style="list-style-type: none"> <li>● GRI 305-1 Direct GHG Emissions</li> <li>● GRI 305-2 Energy Indirect GHG Emissions</li> </ul> <p>GRI 306 Effluents and Waste</p> <ul style="list-style-type: none"> <li>● GRI 306-2 Waste by type and disposal method</li> <li>● GRI 306-4 Transport of hazardous waste</li> </ul>
<p>Social</p>	<p>Provision of a safe and healthy workplace</p> <p>Occupational health and safety</p> <p>Management and mitigation of social and environmental impact on our stakeholders and communities</p> <p>Health and safety impact assessment and management of our</p>	<p>GRI 401 Employment</p> <ul style="list-style-type: none"> <li>● GRI 401-1 New employee hires and employee turnover</li> <li>● GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees</li> <li>● GRI 401-3 Parental Leave GRI</li> </ul> <p>402 Labor Management Relations</p>

	<p>products and services Workforce recruitment, hiring, and retention</p> <p>Compliance with socioeconomic regulations</p> <p>Employee training and development</p> <p>Provision of comprehensive benefits to employees</p> <p>Development of community infrastructure</p> <p>Social assistance programs</p>	<ul style="list-style-type: none"> <li>● GRI 402-1 Minimum notice periods regarding operational changes</li> </ul> <p>GRI 403 Occupational Health and Safety</p> <ul style="list-style-type: none"> <li>● GRI 403-1 Occupational health and safety management system</li> <li>● GRI 403-2 Hazard identification, risk assessment and incident investigation</li> <li>● GRI 403-3 Occupational health services</li> <li>● GRI 404-4 Worker participation in occupational health and safety</li> <li>● GRI 403-5 Worker training on occupational health and safety</li> <li>● GRI 403-6 Promotion of worker health</li> </ul> <p>GRI 404 Training and Education</p> <ul style="list-style-type: none"> <li>● GRI 404-1 Average hours of training per year per employee</li> <li>● GRI 404-2 Programs for upgrading employee skills and transition assistance programs</li> </ul>
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		<p>GRI 419 Socioeconomic compliance</p> <ul style="list-style-type: none"> <li>● GRI 419-1 Non-compliance with laws and regulations in the social and economic area</li> </ul> <p>GRI 413 Local Communities</p> <ul style="list-style-type: none"> <li>● GRI 413-1 Operations with local community engagement, impact assessments, and development programs</li> </ul> <p>GRI 416 Customer Health and Safety</p> <ul style="list-style-type: none"> <li>● GRI 416-1 Assessment of the health and safety impacts of product and service categories</li> </ul>
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## Economy (201-2)

SDG: 2, 5, 7, 8, 9

As a developing country, economic growth is an important part of progress for the Philippines. DMCI's diverse business operations contribute to this through our economic activities and job generation. Our financial performance affects the organization's overall health, catalyzing the achievement of our business objectives. We proactively managed these through prudent financial activities and collaborative efforts in finding new business opportunities.

In power, reliable and affordable electricity is an essential factor contributing to the economic development in the areas where we provide electricity. Risks include the existence of the new power provider player and unexpected or sudden breakdowns of the generating units. The opportunity is that when the economy improves, the demand for electricity will also increase.

We implemented strict monitoring to mitigate negative impacts while observing key performance indicators (KPIs) through generated revenue, collected funds, and a positive cash flow. For our power and water services, this also means 100% availability of our core services to the customers we serve.

### Direct Economic Value Generated and Distributed; Economic Performance (201-1)

Amount in Million Pesos

Disclosure	Amount in PhP mn
Direct economic value generated (revenue)	133,092
Direct economic value distributed	111,061
Operations	62,065
Employee wages and benefits	11,180

Dividends given to stockholders and interest payments to loan providers	26,124
Taxes given to government	11,351

#### Defined benefit plan obligations and other retirement plans (201-3)

a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.	2,768,413,288
b. If a separate fund exists to pay the plan's pension liabilities:	Yes
i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them;	4,312,423,601
ii. the basis on which that estimate has been arrived at;	December 31, 2021 Actuarial Report
iii. when that estimate was made.	December 31, 2021
c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.	It is recommended that the Company continues making contributions to the retirement fund
d. Percentage of salary contributed by employee or employer.	Average of 106% contributed by employer
e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.	100%

## **Indirect Economic Impact (203)**

SDG: 2, 3, 8, 10, 17

Always and has been, DMCI seeks to aid in nation-building through its projects and services. In our infrastructures, DMCI ensures to "build structures of technical integrity that enhance both society and nation's progress while working towards greater professionalism and reasonable returns." Always and has been, DMCI seeks to aid in nation-building through its projects and services. Integral to our operations is our Quality, Environment, and Health and Safety (QEHS) Policy and Corporate Objectives observed throughout the company. We conduct regular audits and review our established KPI performance.

As a form of *Malasakit*, DMCI Power Corporation (DPC) ensures that caution and great care are observed to avoid or minimize all negative impacts and flourish the positive for the benefit of all. We conduct annual testing of our emissions and effluents in DENR-accredited laboratories and in compliance with the LGUs' implementing rules and regulations.

## **Supply Chain (102-9, 204)**

Through our procurement practices, we provide transparency in all our operations. We support local vendors, ensure a consistent supply of materials and services, sustain operations amid challenges, and reduce costs to deliver higher value to shareholders.

Our construction segment established a Supply Chain Management (SCM) team and operations implemented procurement planning to take advantage of early purchases, discounts, and proper supply management. It also focused on strategic sourcing to obtain the best value in resources. DMCI encountered risks in price volatility, shortage of stocks, budget constraints due to inflation, increasing price of commodities, and other regulatory risks. We established a company-wide implementation of ISO standards in our Supply Chain Management Policy and Procedures and long-term booking for a better price to address these. A Whistle Blower Policy is in place as well to air grievances. KPIs in SCM include cost savings and on-time delivery of supplies.

Power sourced reputable and qualified suppliers and service providers to ensure the

best procurement practices. A Bids and Awards Committee was put in place to ensure fairness in all procurement activities and continuously monitor the ratio of local and foreign suppliers.

### Procurement practices spending on local suppliers (204-1)

#### Proportion of spending on local suppliers

Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally).

Location of operation	Percentage of local procurement
NCR	100%
Region 4A	
Region 4B	
Region 5	
Region 11	
Masbate	
Palawan	
Oriental Mindoro	
Makati city	
Calaca, Batangas	
Caluya Antique	
West Zone of NCR and Cavite Province	
The organization's definition of 'local'	Locally purchased or produced in the area. Maynilad sources its materials both here and abroad. By local suppliers, we refer to Philippine-based companies.
The definition used for 'significant locations of operation'	Projects within the Region

## **Supplier Environmental and Social Assessment (308, 308-1, 414)**

To fulfill its operations, DMCI Holdings engages with suppliers and subcontractors. The Company enforces policies and procedures for supplier accreditation and re-accreditation, working only with suppliers that will meet the cost-established benefit criteria and enhance the organization's environmental compliance.

In ensuring business continuity and credibility, DMCI implements ISO 14001:2015, which provides the mechanism for identifying, assessing, and managing significant impact using the lifecycle approach regarding the organization's operations. DMCI has established policy, procedures, targets, objectives, and programs in conformance with ISO 14001:2015 requirements and Environmental Laws and Regulations. These mitigate the risks that DMCI is exposed to from its engaged suppliers and subcontractors, including compliance with legal laws and delays in acquiring materials or services.

Supplier performance was assessed through audits, contract reviews, complaints, and two-way engagements.

Further, as part of DMCI's social responsibility, supplier social assessment helps identify issues, opportunities, and high-risk areas in the supply chain, affecting our value chain. These external risks are material sourcing, transport, and range of resources -- all of which we consider in our decision-making process.

With our environmental criteria, DMCI also implements social criteria to screen new suppliers. In 2021, there were zero complaints and incidents related to supplier and subcontractor performance; and DMCI was not subjected to any fines and penalties.

## **Enhancing national mobility in support of government projects**

DMCI joins the nation in its journey to progress and development by providing support to government projects. These projects seek to enhance ease of mobility for the public and efficiency in logistics for businesses. These include the construction of the North-South Commuter Rail (NCSR) Project, the Segment Completion of Cavite–Laguna

Expressway (CALAEX) Project, and the completion of the additional stations for the Light Rail Transit (LRT) 2 Extension.

The completion of the LRT-2 East Extension project reduced passengers' travel time from Antipolo to Manila from three (3) hours to 40 minutes, benefiting over approximately 80,000 Filipinos on top of the regular 240,000 commuters prior to the extension project. The extension project also minimized traffic congestion and air pollution.

In addition, DMCI Construction also started the initial work on the PHP30-billion Cebu-Cordova Link Expressway (CCLEX) Project, bridging mainland Cebu to Cordova town in Mactan Island. With its design speed of 80 kilometers per hour, CCLEX is expected to serve at least 50,000 vehicles daily, increase the economic activities in the province, and decongest traffic in Cebu and the rest of the Visayas region.

DMCI also employed 472 local workers in the projects, contributing to job generation and economic boost in the project areas.

## **Employment (102-8, 401)**

Our employees are the true assets of our organization, contributing effectively to achieving the organization's ultimate goals. As we provide job opportunities, we also contribute to local and national economic growth.

DMCI Construction follows a strategic and detailed recruitment process to ensure employee management and the hiring of qualified applicants. Our metrics in employee management are measured by the timely delivery of workforce requirements, employee tenure, and turnover rate. In construction, we have a Performance Management System for regular evaluation of all our employees. At the same time, power strictly monitors compliance with labor laws as well as the status of grievances lodged by the employees.

Power's Management Committee is also composed of experienced professionals from various fields and industries responsible for directing organizational programs, providing leadership, and delivering the outcomes needed in achieving the segment's vision of becoming a prime mover of sustainable development and inclusive growth in missionary areas.

Further, diversity in management and human resources is essential for the operations of DMCI Holdings and our subsidiaries. We seek to provide equal opportunity to qualified individuals continuously. Through diversity, we break through barriers and limitations, benefiting the individuals and the company.

On all of our sites, we do not tolerate harassment, discrimination, or intimidation of any form.

New Employee Hires [401-1]: Direct Labor						
Male						
Age Group	DMCI	DMCI Homes	SMPC	DMCI Power	DMCI Mining	Maynilad
18-30	135	176	339	5	3	95
31-50	78	26	144	3	12	42
Over 50	26	2	3	0	4	1
Total	239	204	486	8	19	138
Female						
Age Group	DMCI	DMCI Homes	SMPC	DMCI Power	DMCI Mining	Maynilad
18-30	1	4	91	0	2	23
31-50	0	0	23	0	0	5
Over 50	0	0	0	0	0	0
Total	1	4	114	0	2	28

Employee Turnover [401-1]: Direct Labor						
Male						
Age Group	DMCI	DMCI Homes	SMPC	DMCI Power	DMCI Mining	Maynilad
18-30	1,030	138	146	8	2	109
31-50	1,018	35	165	3	6	114
Over 50	161	7	5	0	0	56
Total	2,209	180	316	11	8	279
Female						
Age Group	DMCI	DMCI Homes	SMPC	DMCI Power	DMCI Mining	Maynilad

18-30	95	94	16	7	2	49
31-50	44	26	25	0	2	13
Over 50	3	1	3	0	0	24
Total	142	121	44	7	4	86

**Benefits provided to full-time employees that are not provided to temporary or part-time employees [401-2]**

Employee Benefits	DMCIHI	DMCI	DMCI Homes	SMPC	DMCI Power	DMCI Mining	Maynilad
Life insurance	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health care insurance	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Disability and invalidity coverage	No	Yes	Yes	Yes	No	All employees covered by SSS	Yes
Retirement provisions (aside from SSS)	Yes	Yes	Yes	Yes	No	Yes	Yes
Stock Ownership	No	No	No	No	No	No	Yes
SSS	Yes	Yes	Yes	Yes	Yes	Yes	Yes
PhilHealth	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Pag-Ibig	Yes	Yes	Yes	Yes	Yes	Yes	Yes

## Parental leave [401-3]

Gender	Total Number of Employees				
	Entitled to Parental Leave	Employees who took Parental Leave	Employees who returned to work after parental leave ended	Employees who returned to work after parental leave ended who were still employed twelve months after their return to work	% Retention Rate
Male	16,569	340	340	304	100%
Female	2,605	137	118	72	86%

## Upholding Women Leaders and Creating Inclusive Workspaces

DMCI Holdings recognizes the need to create a work environment that fosters equity, diversity, and collaboration among its people, with gender being one of the key areas. With this, DMCI and its subsidiaries ensured workplaces that enable, encourage, and support women to be leaders, advancing gender equality and women empowerment in the male-dominated mining industry.

In 2021, the Bloomberg Gender-Equality Index (GEI) included DMCI Holdings and its subsidiary, Semirara Mining and Power Corporation (SMPC), in its reference list. The index measures gender equality within organizations based on female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies, and pro-women brand.

Through the GEI, gender-related practices and policies are put at the forefront and communicated to the stakeholders. The disclosure of DMCI Holdings and SMPC's gender-related metrics in line with GEI is also a commitment to promote further women empowerment in their respective industries and the country. It also ensures more comprehensive data on a publicly listed company's environment, social, and governance (ESG) initiatives.

The GEI includes only three Filipino-owned companies. The index consists of 44 countries, 380 companies, and 11 sectors ranging from automotive, banking, consumer services, retail, and engineering and construction. Both the framework and the GEI are voluntary and have no associated costs. The index is not ranked and must not be used as a financial benchmark.

For DMCI Mining, gender sensitivity was evidenced in Berong Nickel Corporation (BNC) receiving various awards, including the 2021 Gender-Sensitive Mining Company in MIMAROPA Region by the Department of Environment and Natural Resources-Mines and Geosciences Bureau in the National Women's Month Celebration. In the same event, two (2) BNC Employees were also awarded as the Most Empowered Women in Mining in the MIMAROPA Region.

Rofely M. Saldajeno, a widowed mother of three, worked as a mine site security guard before joining BNC as an ore checker. When BNC launched its free training program for backhoe operators in 2015, she was one of the five women who signed up.

Hired initially as a mining secretary, Deborah A. Arquio availed of the company's free training and career development seminars, which paved the way to her promotion as Mine Administration Supervisor and now Officer-in-Charge of the Community Relations department.

**Training [404]**

We further empower and help our people hone their knowledge and skills through training and development. A happy, equipped, and productive workforce is a mutual win for the employee and the Company. This also aids employee retention by increasing job satisfaction and employee morale. Without proper training, there is the risk of learned behaviors and skills that might cause challenges for our people in performing their jobs.

With diversified businesses, our subsidiaries heavily rely on the manpower needed not only in head offices but, more importantly, in-plant sites.

The Human Resources Department of each subsidiary oversees employee development programs to help our people grow professionally and personally. We implement different training programs along with regular coaching and mentoring. We also ensure employees get training to help them keep abreast of all new knowledge and innovations necessary in business operations.

**Average hours of training per year per employee category [404-1]**

Average hours of training per year per employee category		
	Male	Female
Senior Management	169.21	184.69
Middle Management	326.03	289.87
Rank and File	153.89	163.11

**Employee training and development**

Total training hours provided to employees	
	Hours
Male	249,387.29
Female	122,492.37

**Average training hours provided to employees**

	Hours/employee
Male	379.79
Female	366.78

**Programs for Upgrading Employee Skills and Transition Assistance Programs [404-2]**

<p>What type and scope of programs do you implement to help upgrade employee skills?</p>	<ul style="list-style-type: none"> <li>● Technical, Functional, Leadership, Mandatory/Compliance, Behavioral Trainings</li> <li>● DHA Academy provides training to all employees via online and self-paced, onboarding</li> <li>● Individual Development Plan</li> </ul>
<p>What other assistance do you provide?</p>	<ul style="list-style-type: none"> <li>● Coaching, Mentoring, training through Learning Advocate Program</li> <li>● Financial coverage for external training</li> <li>● Cash Advance, coordinating with the vendor, registrations, and payment</li> <li>● Finding a training that is tailor-fit for their needs</li> </ul>

What transition assistance programs do you have to help facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

- 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 counseling on transitioning to a non-work life

## Full Roll Out of DMCI Homes Academy

Determined to ensure its employees' continuous learning and development, DMCI Homes has launched a blended learning initiative that maximizes traditional learning methods while boosting access to training resources through online platforms.

Aptly called the DMCI Homes Academy, this learning and development initiative aims to promote employee growth and development by complementing existing training methods with online resources such as Microsoft Teams, TalentLMS, SharePoint, and other applications.

Spearheaded by the DMCI Homes Learning and Development Committee composed of members from Human Resources, Corporate Planning and Sales Training, the DMCI Homes Academy makes available courses and modules that can help employees improve their knowledge and competencies as well as enhance their skills set in their respective fields of specialization.

Among the initial courses offered via the online learning platform are Business Communication; Problem-Solving and Decision-Making; Time-Management; and Intrapersonal and Interpersonal Effectiveness which have subjects customized for assistants up to assistant manager levels.

On the other hand, learning materials that are already available for use on the DMCI Homes Academy are: New Employee Orientation; Marketing and Branding 101; Advanced Excel; a wide selection of TalentLMS courses; E-Books; Harvard Business Review resources; and PowerPoint Templates and Virtual Backgrounds.

Employees are also encouraged to contribute and share their own learning resources such as e-books, case studies, articles, and white papers to the corporate library.

## **Labor Management Relations [402]**

Labor relations can make or break an organization. DMCI Holdings observes a mutual and good understanding with its employees, keeping industrial disputes at a minimum. These disputes are often related to labor, grievances, and standard violations. To address these, we implement effective labor relations management that enhances personnel motivation, increases revenue, reduces conflict, and reduces turnover rates.

We maintain a safe, healthy, and harmonious workplace for our employees, benefiting our people and the entire organization. Employee orientation is conducted for new hires to introduce the company culture, rules, and regulations. They are also furnished with a copy of the Company's Code of Proper Conduct and Discipline.

We strictly monitor compliance with labor laws as well as the status of grievances lodged by the employees.

## **Occupational Health and Safety (OHS) [403-1, 403-2, 403-3, 403-4, 403-5, 403-6]**

DMCI Holdings is committed to protecting the health and safety of our people. Without our OHS guidelines, the organization is exposed to risks such as work stoppages, violation penalties, weakened relations with stakeholders, and loss of income and future

sources of revenue.

DMCI Construction is certified under ISO 45001:2018 (Occupational Health and Safety Management System) for the Provision of Engineering and Construction Services. This standard provides the mechanism for identifying, assessing, and managing significant hazards/risks regarding the organization's operations. The Occupational Health and Safety Section oversees all issues pertaining to Safety, while the Medical Team handles matters related to Health.

For Power, there are training and seminars to ensure the occupational health and safety of all covered employees. All accidents in the plant sites, minor and major ones, are promptly reported and acted upon by the management. Together with the Legal Department, HR likewise provides employees an avenue to air their grievances in compliance with the due process required by law.

We conduct internal audits and inspections to monitor our actual performance versus our targets through OHS indicators and metrics.

## **Workers covered by an occupational health and safety management system [403-8]**

If there is an implemented occupational health and safety management system based on legal requirements and/or recognized standards and guidelines:

How many are covered by the system?	Number	Percentage
Employees	25,746	100%
Workers who are not employees but whose work and/or workplace is controlled by the system	3,550	100%

How many are covered by a system that has been internally audited?	Number	Percentage
Employees	18,418	100%
Workers who are not employees but whose work and/or workplace is controlled by the system	3,550	100%

How many are covered by a system that has been	Number	Percentage
--	--------	------------

audited or certified by external party?		
Employees	3,112	70.81
Workers who are not employees but whose work and/or workplace is controlled by the system	1,283	29.19

Whether, and if so why, any workers have been excluded from this disclosure	N/A
If there are workers excluded, the type of workers excluded	N/A

Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	Safety statistics, DOLE DO 198 series of 2018
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### Consolidated Occupational Health and Safety performance

Safe man-hours	56,337,679
No. of work-related injuries	228
No. of work-related fatalities	5
No. of work-related ill-health	285
No. of safety drills	75

## Workplace Safety with Zero Accidents Program

In 2021, Maynilad continued its commitment to ensuring employee safety through its Zero Accidents Program. Highlights include the conduct of regular inspections to identify hazards, assess, understand and control risks, come up with preventive and mitigating measures as well as resolution to concerns in the day-to-day activities and operations before these may lead to incidents and accidents. This program also includes the implementation of all Maynilad OSH related policies.

Through the Zero Accidents Program, Maynilad established a safe working environment for its people while also promoting maximum productivity that benefited its customers, who are able to enjoy a continuously safe and clean water supply.

## Energy

Energy is what powers our business and with increased energy usage is the risk of resource depletion. The scarcity of energy supply will also increase overall electricity cost, affecting the sustainability of our operations. Throughout our operations, we promote efficient use of energy through technology upgrades and policies, as well as investment in solar energy. Information campaigns and fuel conservation initiatives are also implemented within DMCI Holdings and our subsidiaries.

In construction, we have dedicated officers and departments assigned to monitor and manage our fuel and electricity consumption in our project sites, plants, offices, machinery, and equipment. Our environmental performance versus targets on energy consumption is regularly monitored through internal audits, reviews, and monthly billings.

Meanwhile, our off-grid power business maintains diesel and bunker-fired power plants. A thermal power plant was recently constructed in Masbate, while another one in Palawan is currently being built. Both power plants utilize indigenous coal as their fuel source in generating cheap and reliable electricity for the said provinces.

### Total Fuel Consumption [302-1]

Total Fuel Consumption						
Subsidiary	Diesel	Diesel (J)	Gasoline	Gasoline (J)	LPG	Coal
D.M. Consunji, inc.	29,906	1,285,958,000,000.00	7,403,746.78	327,985,982,354,000	No Answer	
DMCI Homes	N/A		N/A		N/A	
SMPC	225,551,656 Liters	7,447,641,370,000,000	27,230 Liters	471,050,000,000	1.05 Tons	17,079,377,310,000,000
DMCI Power	46,155,973.78 L		750 L		N/A	93,145,210 MT
DMCI Mining (BNC)	2,033,366	87,434,738,000,000	2,464	109,155,200,000	N/A	
DMCI Mining	3,178,268	136,665,524,	22,968.18	1,017,490,374	N/A	

(ZDMC)		000,000		,000		
Maynilad		45,701,981,37 6,098.70		3,076,234,42 5,742.97		

## Emissions

Greenhouse Gas (GHG) emissions are associated with global warming. As the nation and the industry are still on the way to transitioning to renewables and green technology, we recognize the presence of equipment and facilities in our operations that potentially contribute to the degradation of air quality. We keep this at a minimum through Ambient Air Quality Monitoring and continuous emission testing for all air polluting equipment.

### GHG Emissions [305-1, 305-2]

Total Fuel Consumption	Metric tons in CO2 equivalent (Scope1)				Metric tons in CO2 equivalent (Scope 2)
Subsidiary	Diesel	Gasoline	Coal	Others	Electricity
DMCI Construction	25.98	6,198.94			6,934.18
DMCI Homes					2,166.50
SMPC	541,828.00			5,254,159.00	18,506 tCO2e
DMCI Power					13,676.16
DMCI Mining (BNC)	1,766.18	2.06			297.35
DMCI Mining (ZDMC)	2,760.64	19.23			297.35
Maynilad	923.18	58.14			118,335.11

## Water (302-2)

Water is one of the primary resources of DMCI Holdings and its subsidiaries, but beyond this, it is also critical in sustaining life on earth. With this, we understand the need to care for our water sources and comply with the allocations set by the regulating bodies in water withdrawal and discharge. DMCI and its subsidiaries strictly monitor compliance with all regulatory requirements and notice of violations, if any.

Our water services segment Maynilad has assigned departments responsible for water consumption management and wastewater management, including effluent.

For power, it ensures strict monitoring of significant water withdrawal and effluents produced by its equipment in all its power plants as the source of these emissions. It utilizes reliable methods in its calculations material in determining compliance with various laws and regulations.

### Water Withdrawal [303-3]

Maynilad	
Water Source withdrawn from	Megaliters
Surface Water	1,008,124.625
Groundwater	79.47
Water withdrawal from each source	
Freshwater (<1000 mg/L Total Dissolved Solids)	1,008,204.096

Power	
Total water withdrawal broken down by:	Megaliters
Surface water	Not Applicable
Groundwater	20.30
Seawater	2,286.00
Produced water	Not Applicable
Third-party water	2.22

Water withdrawal from each source	
Freshwater (<1000 mg/L Total Dissolved Solids)	N/A
Other Source (>1000 mg/L Total Dissolved Solids)	0

Construction	
Total water withdrawal broken down by:	Megaliters
Surface water	559.13473
Groundwater	N/A
Seawater	N/A
Produced water	N/A
Third-party water	N/A
Water withdrawal from each source	
Freshwater (<1000 mg/L Total Dissolved Solids)	0
Other Source (>1000 mg/L Total Dissolved Solids)	0

HOMES	
Total water withdrawal broken down by:	Megaliters
Surface water	NA
Groundwater	N/A
Seawater	N/A
Produced water	N/A
Third-party water	N/A
Water withdrawal from each source	
Freshwater (<1000 mg/L Total Dissolved Solids)	N/A
Other Source (>1000 mg/L Total Dissolved Solids)	N/A

MINING (BNC)	
Total water withdrawal broken down by:	Megaliters
Surface water	36,608
Groundwater	1,677,339
Seawater	N/A
Produced water	599.344
Third-party water	N/A
Water withdrawal from each source	
Freshwater (<1000 mg/L Total Dissolved Solids)	N/A
Other Source (>1000 mg/L Total Dissolved Solids)	N/A

MINING (ZDMC)	
Total water withdrawal broken down by:	Megaliters
Surface water	N/A
Groundwater	0.000516
Seawater	N/A
Produced water	2.28
Third-party water	N/A
Water withdrawal from each source	
Freshwater (<1000 mg/L Total Dissolved Solids)	N/A
Other Source (>1000 mg/L Total Dissolved Solids)	N/A

SMPC	
Total water withdrawal broken down by:	Megaliters
Surface water	3,639
Groundwater	100
Seawater	930,867

Produced water	1
Third-party water	3
Water withdrawal from each source	
Freshwater (<1000 mg/L Total Dissolved Solids)	N/A
Other Source (>1000 mg/L Total Dissolved Solids)	N/A

#### Water Discharge [303-4]

Subsidiary	Water Source	Water Discharge
DMCI Construction	No data	559.13473 (megaliters)
DMCI Homes	Maynilad	11,078(cu.m.)
SMPC	Surface water, Ground water, Sea water, Third party, & Rainwater collection	930440(megaliters)
DMCI Power	No data	151.05
DMCI Mining (BNC)	Deep well & settling pond	N/A
DMCI Mining (ZDMC)	No data	N/A
Maynilad	Seawater & Surface Water	69,877.27

## Waste

In sourcing and distributing services, businesses generate waste, discharges, and contaminants. These impacts the land and the groundwater, affecting the quality of available water supply for DMCI Holdings, our subsidiaries, customers, and communities. If these are not managed, there is a high probability of health and environmental risks. We ensure that all waste generated is disposed of properly to address this. All our external partners are compliant with relevant environmental laws and have valid and existing permits and licenses. We evaluate the success of our waste management through strict monitoring of Notice of Violations in relation to waste management if any.

Total Waste Generated [306-3]						
Subsidiary	Biodegradable (tonnes)	Non-biodegradable (tonnes)	Recycled (tonnes)	Hazardous (tonnes)	Others	Total Waste Generated (tonnes)
DMCI Construction	14837.16	12163.55	2417.59	155.92		29574.22
DMCI Homes	Data Unavailable	Data Unavailable	Data Unavailable	Data Unavailable	Data Unavailable	Data Unavailable
SMPC	Data Unavailable	Data Unavailable	Data Unavailable	2,452	1009	3,461
DMCI Power	Data Unavailable	208.2	Data Unavailable	165.66	433.57	807.43
DMCI Mining (BNC)	Data Unavailable	Data Unavailable	Data Unavailable	22.85	Data Unavailable	22.85
DMCI Mining (ZDMC)	Data Unavailable	Data Unavailable	Data Unavailable	36.37	Data Unavailable	36.37
Maynilad	Data Unavailable	Data Unavailable	Data Unavailable	54.61	54.13	108.74
Total Waste Diverted from Disposal (tonnes) [306-4]						
Subsidiary	OFFSITE		ONSITE		TOTAL	
DMCI Construction	Data Unavailable		2664.93		2664.93	
DMCI Homes	Data Unavailable		Data Unavailable		Data Unavailable	
SMPC	18.73		2992.77		3011.5	
DMCI Power	72.53		Not Applicable		72.53	
DMCI Mining (BNC)	25.86		26.79		52.65	

DMCI Mining (ZDMC)	Data Unavailable	Data Unavailable	Data Unavailable
Maynilad	Data Unavailable	Data Unavailable	Data Unavailable
<b>Total Waste Directed to Disposal (tonnes) [306-5]</b>			
Subsidiary	OFFSITE	ONSITE	TOTAL
DMCI Construction	Data Unavailable	Data Unavailable	Data Unavailable
DMCI Homes	Data Unavailable	Data Unavailable	Data Unavailable
SMPC	Data Unavailable	Data Unavailable	Data Unavailable
DMCI Power	477.79	Data Unavailable	477.79
DMCI Mining (BNC)	25.86	27.789	53.649
DMCI Mining (ZDMC)	24.25	24.25	48.5
Maynilad	103.83	Data Unavailable	103.83

## Environmental Compliance [307]

DMCI Holdings' businesses operate in compliance with national environmental laws and regulations. Its subsidiary, DMCI Construction, also has an ISO 14001:2015 certification in Environmental management systems.

We comply with the province's Strategic Environmental Plan for Palawan Act for our Palawan operations. Our operations undergo the mandated Environmental Impact Analysis (EIA) to obtain the necessary permits, licenses, and certifications, as required by the Department of Environment and Natural Resources (DENR) and other regulating bodies. It is only after receiving our environmental compliance certificate (ECC) that we can proceed with our operations. We conduct regular reviews and audits to ensure compliance with the guidelines of the ECCs. Affected areas within our operations are rehabilitated and reforested following the regulations of the DENR and the Department of Energy (DOE).

DMCI Power Corporation (DPC) has Environment, Safety, and Health and Project Development Departments to ensure compliance with environmental laws and secure all necessary permits and licenses required by all government agencies.

Adding to this, Maynilad established a Sustainability Department responsible for managing Operational Procedure on Environmental Monitoring and Measurement. The department ensures compliance and timely prompts with government standards; plans and implements periodic environmental monitoring and measurement; establishes baseline data and observes trends on environmental quality; investigates complaints; and makes recommendations for control or mitigating measures. The department

evaluates the following based on internal and external audits and balanced scorecard performance target metrics.

## **Regenerating the future with reforestation, rehabilitation, and coastal conservation**

For its National Greening Program, DMCI Construction focused on providing quality planting materials of fruit, forest, and multi-purpose trees and a three-year project on plantation maintenance. The reforestation of idle lands and previous *kaingin*<sup>2</sup> sites were also prioritized. This initiative is in partnership with the local communities and civic groups.

DMCI and its subsidiaries actively help their host communities rehabilitate their forests, which is critical for economic, environmental, and social sustainability through reforestation efforts. These efforts are also crucial in helping the communities mitigate the impacts of natural disasters and the ongoing climate crisis.

### **Reforestation Highlights**

- D.M. Consunji, Inc.: 10 hectares; Antipolo City, Rizal
- DMCI Mining: 65.9 has; Brgy. Berong, Quezon, Palawan
- Semirara: 447.71 hectares, Semirara Island, Antique
- Maynilad: 71.5 hectares<sup>3</sup> combined for Ipo and La Mesa Watersheds

Recognizing the need to ensure sustainability, DMCI Mining has been actively rehabilitating its previous mining sites. The segment has prioritized genetic resource conservation for its mines in Northern Zambales. In Quezon, Palawan, DMCI-owned Berong Nickel Corporation (BNC) has set aside PHP100 million to decommission and rehabilitate its Berong mine, which was fully depleted by the end of 2021. The rehabilitation will focus on benching, drainage construction, and planting endemic and indigenous trees.

Following the six-year rehabilitation program, the community can utilize the regenerated areas for ecotourism, agroforestry, and inland fish farming, in partnership with the Department of Environment and Natural Resources (DENR), local government units (LGUs), and host communities.

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<sup>2</sup> *Kaingin is the traditional method of swidden farming*

<sup>3</sup> *70 hectares in Ipo Watershed and 0.5 hectares in La Mesa Watershed*

### **BNC Rehabilitation Program Highlights**

- 109 hectares of surface mine
- 209 hectares of silt control structures
- 25 hectares of stockpile area
- 135 jobs are expected to be generated
- 14 hectares to be turned over for community use

Supplementary to its upland efforts, DMCI Mining implemented coastal area initiatives through Adopt-a-Mangrove Program and Coral Gardening. Mangroves and corals play essential roles in the lives and environment of the communities by protecting the coastal areas during storm surges and by providing sources of livelihood for residents.

In rehabilitating the denuded mangrove forests, the project involved residents of the seven (7) host communities in DMCI Mining's project sites. It acquired mangrove propagules and established a three-year mangrove maintenance plan for its community areas.

Coral Gardening was also an important initiative for DMCI Mining, where it installed coral garden platforms on the damaged reefs of Barangay Berong, Palawan. For the Taklobo Conservation program, the giant clams of Berong Bay were restocked. The clams generate additional revenue for the community and help filter waterways and oceans.

## **Local Communities (103-1, 103-2, 103-3)**

### **Social Development [413]**

The local community is a source of social connection for DMCI Holdings and its subsidiaries. Our communities help us promote our DMCI values and foster a positive workplace culture. Beyond these, we are also accountable for the impacts of our operations on the communities we operate in. Together with internal and external partners, our subsidiaries develop Corporate Social Responsibility (CSR) programs based on the needs of the local communities. These CSR initiatives include social development, social enterprise, education, community engagement, and environmental advocacies.

For social development, we also look at social impact, gender, and environmental assessments, local community stakeholder engagement and mapping, and broad-based local community consultation committees and processes that include vulnerable groups. Most of the communities we work with also have formal local grievance processes. [103-1, 103-2, 103-3, 413-1]

## **Creating livelihood for women with Tugbo microenterprise**

A social development initiative, the Tugbo Microenterprise Program from DMCI Power is a livelihood project aimed to empower the community through a bread-making business. The program trained and equipped the residents to manage their bakeshops and produce bread along with other bakery products to help them generate income. The program started last April 2021 to support the women of the Tugbo community in Masbate who were greatly affected by the COVID-19 pandemic.

DMCI Power remains committed to being a partner for growth for the communities and continuously improves its alignment with the UN Sustainable Development Goals (SDG), specifically, SGD 1: No Poverty, by establishing livelihood programs as income sources.

## **Empowering the youth of today and the next generations**

Youth Inclusion Network (YIN), an initiative from DMCI Construction, empowers young adults with the skills they need for their future careers. YIN members organize activities for community youths, including training, company visits, and mock interviews. For previous YIN members now with businesses, some employ younger members who are also part of the program.

DMCI Mining implemented several provisions to support education in its host communities. These include education assistance to college and high school scholars of Zambales Diversified Metals Corporation (ZDMC) and supplemental allowance to daycare workers. The company also provided educational facilities, equipment, materials, and other forms of support through academic and non-academic activities.

## **Ensuring community sustainability and supporting the Estero Rangers**

To help empower the communities within its concessionaire areas, Maynilad implemented several social development programs such as the Bayan Tanim, the donation of Floating Kubo, and the Kapit Kapwa webinar. The Bayan Tanim partnership with Metro Pacific Investments Foundation (MPIF) advocates food sustainability among underprivileged communities through urban farming. With Bayan Tanim, the residents can grow crops in their backyards or any available space, providing sustenance for their families and additional income.

On the other hand, the Floating Kubo supports the eco-tourism program in Laguna Lake. It can be used as a venue for small gatherings with the hope of generating revenue to provide an alternative source of income for the fisherfolk. Kapit Kapwa is a webinar training on fundamental business skills for small enterprise representatives, STM-Pook Pag-Asa partners, and select public school partners. It had almost 1,000 participants including educators and members of disadvantaged communities.

Maynilad has also donated uniform and hygiene kits to the Estero Rangers (ER) in support of the River Rehabilitation Program of the government. The ERs are part of the Environmental Armies deployed to the waterways of Metro Manila, with the task of guarding and caring for the rivers and tributaries and doing regular clean-ups, apprehending polluters, and helping in tree planting activities.

## **Socio-Economic Compliance [419]**

We also ensure compliance with government laws and regulations and collaborate with local governments and organizations in our CSR activities. As such, the Company ensures compliance to avert penalties or issues that may affect achieving a sustainable income as these unnecessary costs will have an impact on the Company's financial results.

For DMCI Mining, BNC is a model taxpayer and a multiple awardee, recognized both locally and nationwide. It has established accounting systems set in place to ensure that all national and local taxes are duly paid correctly. The Company also mandatorily complies with its Social Development and Management Plan (SDMP) and Community

Royalty Development Plan (CRDP), duly approved by the government.

Annual audits are headed by SyCip Gorres Velayo & Company (SGV). At the same time, SDMP and CRDP are monitored by the Mines and Geosciences Bureau (MGB) and the National Commission on Indigenous Peoples (NCIP), respectively.

For Maynilad, the Board of Directors is responsible for the evaluation of the effectiveness of the segment's socio-economic compliance practices, while DPC has no identified non-compliance. In our construction business, DMCI observes consistent and sustained compliance with regulatory requirements.

In 2021, DMCI Construction, Maynilad, and SMPC reported the following incidents:

**Non-compliance with laws and regulations in the social and economic area [419-1]**

Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:

	DMCI Construction	Maynilad	SMPC
Total monetary value of significant fines	P354,000.00	P90,118,218.12	None
Total number of non-monetary sanctions	None	46	None
Cases brought through dispute resolution mechanisms	64	7	3

Provide information on the context wherein the significant fines and non-monetary sanctions were incurred	On account of the Philippine Supreme Court's "flip-flopping" interpretation of the law on project employment, there have been instances when the Labor Courts rule against DMCI even though it (DMCI) has presented adequate evidence proving the complainant's status as a legitimate project employee who can be validly separated upon completion of the project or phase thereof.	After conducting a random sampling at designated regulatory sampling points ("RSP"), the Regulatory Office ("RO") issues to Maynilad Notice of Non-Conformance with Water and/or Wastewater standards, as may be applicable, whenever there is a breach in the parameters (i) set by the DENR or (ii)	SCPC ERC Case No. 2021-063 SC Violation: Unit 1 - 5.24 days excess of the maximum allowable unplanned outage. ERC promulgated its decision dated September 8, 2021, on January 28, 2022, and found SCPC liable for administrative penalties of
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		<p>under the Philippine National Standards for Drinking Water (PNSDW). The Company is given 15 days to respond to RO stating the actions taken to rectify the non-conformance and to reassess the condition and location of the RSP.</p> <p>For the non-monetary sanctions, usually, these are non-conformances in the network captured by RO during random sampling. For water, it is already after the meter, so we just remind our customers about sanitation and hygiene, or we conduct flushing for instances of low residual disinfectant in the pipelines.</p> <p>For wastewater non-compliance, more on operational issues were encountered due to influent quality that the plant specs cannot handle.</p>	<p>P337,200 for Unit 1 and P3,975,600 for Unit 2.</p> <p>In the computation of penalties, the ERC used the Exception Clause under Section 4, Art. VII of Resolution No. 10. Series of 2020 and considered the yardstick by which reliability may be measured pursuant to Sec. 4, Art. 1 of Resolution 21, Series of 2016, i.e., frequency, duration, and magnitude.</p> <p>SLPGC ERC Case No. 2021-079 SC Violation: Unit 2 – 0.54 days excess of the maximum allowable unplanned outage.</p> <p>ERC promulgated its decision on October 20, 2021, imposing an administrative penalty of P135,400.</p> <p>A MR was filed on November 4, 2021, providing additional documents and justification for reducing and/or</p>
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			<p>non-imposition of penalty.</p> <p>As of December 2021, the MR remains pending for resolution.</p>
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## Customer Welfare and Privacy [416]

As a business conglomerate, we offer diversified service offerings to our customers. The products and sectors may vary; however, our entire operations are driven by a single priority: the health and safety of our customers. Our subsidiaries observe various standards and implement different guidelines and policies to uphold excellent product delivery and customer care. As an AAAA Contractor, DMCI subscribed to ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 Standards (Integrated Management System or Quality, Environment, and Health and Safety Management Systems).

We regularly conduct Customer Satisfaction Surveys to identify our clients' concerns and regularly monitor internal audit and inspection results and performance in terms of indicators. Management Reviews are held as well throughout the organization for internal alignment toward our shared goal of customer welfare. For the year, DMCI reported an average customer management score of 80%, which is beyond the acceptable corporate passing rate of 60%.

Data is also a critical part of our operations. This includes protecting our customer's personal information as well as our corporate data. In Construction, the ICT is responsible for data and network security. A third-party organization does regular vulnerability penetration testing to ensure robust data security. For DPC, strict monitoring and compliance are enforced. To date, no complaint has been lodged either internally or with the NPC.

DMCI Holdings and its subsidiaries are compliant with the national Data Privacy Act (DPA), as part of its terms and conditions, in all contracts.



**Material Topics:**

1. Compliance with Regulatory Requirements
2. Occupational Health and Safety
3. Corporate Social Responsibility
4. Addressing the Negative Impacts of Operations
5. Customer Data Privacy
6. Customer Satisfaction
7. Market Presence
8. Energy Management
9. Profitability
10. Business Ethics and Integrity
11. Water Management
12. Waste Management
13. Fuel Consumption
14. Training and Development
15. Human Rights
16. Compensation and Benefits
17. Customer Service
18. Energy Efficiency of Equipment Used
19. Labor Practices, Management, and Relations
20. Employee Engagement
21. Procurement Practices
22. Tax
23. Use of Energy-Efficient Lighting
24. Economic Performance
25. Air Quality
26. Wastewater Treatment
27. Climate Change Risks to your Business
28. GHG Emissions
29. Customer Health and Safety
30. Land Use
31. Diversity and Equal Opportunity
32. Climate Action
33. Construction Materials
34. Accessibility/Walkability
35. Indirect Economic Impacts
36. Natural Lighting
37. Open Spaces

# GRI Content Index

102-55

GRI 100: UNIVERSAL DISCLOSURES			
Standard	Name of Disclosure	Page Number/ Direct Answer	Direct Answer/ Reason for Omission
<b>GRI 101: Foundation 2016</b>			
<b>GRI 102: General Disclosures 2016</b>			
102-1	Name of the organization	2	
102-2	Activities, brands, products, and services	2, 15	
102-3	Location of headquarters		3rd Floor Dacon Bldg., 2281 Chino Roces Avenue, Makati City, 1231 Philippines
102-4	Location of operations	30	
102-5	Ownership and legal form		2021 Corporate Governance Report <a href="https://www.dmciholdings.com/corporate-governance/page/corporate-governance-report">https://www.dmciholdings.com/corporate-governance/page/corporate-governance-report</a> pp32-34
102-6	Markets served		2021 Corporate Governance Report <a href="https://www.dmciholdings.com/corporate-governance/page/corporate-governance-report">https://www.dmciholdings.com/corporate-governance/page/corporate-governance-report</a> pp23-30
102-7	Scale of the organization	7, 15	
102-8	Information on employees and other workers	38	
102-9	Supply Chain	34	
102-10	Significant changes to the organization and its supply chain		None
102-11	Precautionary Principle or Approach	5	
102-12	External initiatives	28	
102-13	Membership of associations		The Key officers of

			<p>DMCIHI are members of business organizations and other associations such as:</p> <ol style="list-style-type: none"> <li>1. Management Association of the Philippines</li> <li>2. Financial Executives Institute of the Philippines</li> <li>3. Shareholders' Association of the Philippines</li> <li>4. Institute of Corporate Directors</li> <li>5. Philippine Contractors Association</li> <li>6. Philippine Chamber of Commerce and Industry</li> <li>7. United Architects of the Philippines</li> </ol> <p>The Company sends representatives to conferences and seminars conducted by the foregoing organizations. And if necessary, provide monetary sponsorships to seminars and professional development activities of these organizations. Chairman Isidro A. Consunji is a Board Member of Construction Industry Authority of the Philippines (CIAP) and Chairman of the Philippine Overseas Construction Board.</p>
102-14	Statement from senior decision-maker	5	
102-16	Values, principles, standards, and norms of behavior	2	
102-18	Governance structure		<p>2021 Corporate Governance Report  <a href="https://www.dmciholdings.com/corporate_governance/page/corporate-governance-repor">https://www.dmciholdings.com/corporate_governance/page/corporate-governance-repor</a></p>
102-40	List of stakeholder groups	23	
102-41	Collective bargaining agreements		DMCIHI has no

			collective bargaining agreements at present. SMPC has a CBA with 30 union members (1% of Coal Segment).
102-42	Identifying and selecting stakeholders	25	
102-43	Approach to stakeholder engagement	25	
102-44	Key topics and concerns raised	23	
102-45	Entities included in the consolidated financial statements		<ul style="list-style-type: none"> <li>• D.M. Consunji, Inc. (DMCI)</li> <li>• DMCI Project Developers, Inc. (a subsidiary 100% owned by DMCI Holdings, Inc. and the parent company of DMCI Homes.)</li> <li>• Semirara Mining and Power Corporation (SMPC)</li> <li>• DMCI Power Corporation</li> <li>• DMCI Mining Corporation</li> </ul>
102-46	Defining report content and topic boundaries	1	
102-47	List of material topics	28	
102-48	Restatements of information		None
102-49	Changes in reporting		None
102-50	Reporting period	1	
102-51	Date of most recent report		July 2021
102-52	Reporting cycle		Annual
102-53	Contact point for questions regarding the report		Mr. Herbert Consunji Director/Executive Vice President/ Chief Finance Officer/Chief Compliance Officer/ Chief Risk Officer
102-54	Claims of reporting in accordance with the GRI Standards		This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	57	

Standard	Disclosure Number	Name of Disclosure	Page Number/ Direct Answer	Reason for Omission
<b>GRI 200: Economic Standards Series 2016</b>				
GRI 103: Management Approaches 2016	103-1	Explanation of the Material Topic and Its Boundary	28	
	103-2	The Management Approach and its Components	28, 30	
	103-3	Evaluation of the Management Approach	28, 30	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	32	
	201-2	Financial implications and other risks and opportunities due to climate change	32	
	201-3	Defined benefit plan obligations and other retirement plans	33	
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage		None identified
	202-2	Proportion of senior management hired from the local community		None identified
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	15	
	203-2	Significant indirect economic impacts	15	

Standard	Disclosure Number	Name of Disclosure	Page Number/ Direct Answer	Reason for Omission
<b>GRI 300: Environmental Standards Series 2016</b>				
GRI 103: Management Approaches 2016	103-1	Explanation of the Material Topic and Its Boundary	41, 42, 43	
	103-2	The Management Approach and its Components	41, 42, 43, 47	
	103-3	Evaluation of the Management Approach	41, 42, 43	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	48	

GRI 303: Water and Effluents	303-1	Interactions with water as a shared resource	43	
	303-3	Water withdrawal	49	
	303-4	Water discharge	52	
	303-5	Water consumption	46	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	48	
	305-2	Energy indirect (Scope 2) GHG emissions	48	
GRI 306:	306-2	Management of significant waste-related impacts	47	
	306-3	Waste generated	53	
	306-4	Waste diverted from disposal	53-54	
	306-5	Waste directed to disposal	54	
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	37	

Standard	Disclosur e Number	Name of Disclosure	Page Number/ Direct Answer	Reason for Omission
<b>GRI 400: Social Standards Series 2016</b>				
GRI 103: Management Approaches 2016	103-1	Explanation of the Material Topic and Its Boundary	32, 39, 56	
	103-2	The Management Approach and its Components	32, 36, 39, 56	
	103-3	Evaluation of the Management Approach	33, 36, 39, 56	
GRI 401: Employment	401-1	New employee hires and employee turnover	39	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	40	

GRI 402: Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	39	
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	45	
	403-2	Hazard identification, risk assessment, and incident investigation	45	
	403-3	Occupational health services	40	
	403-4	Worker participation, consultation, and communication on occupational health and safety	45	
	403-5	Worker training on occupational health and safety	45	
	403-6	Promotion of worker health	45	
	403-9	Work-related injuries	40	
	403-10	Work-related ill health	40	
GRI 404: Training and Education	404-1	Average hours of training per year per employee	42	
	404-2	Programs for upgrading employee skills and transition assistance programs	43	
	404-3	Percentage of employees receiving regular performance and career development reviews	45	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	57	
GRI 419: Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	59	