

# SUSTAINABILITY AT PHILEX

The pursuit of sustainable practices is at the heart of Philex's purpose to be a responsible miner.

In the past 68 years, we continued to focus on the economic, social, and environmental impacts and contributions of its mining operations in the Philippines, considered one of the world's richest in mineral resources, but also among the most vulnerable to climate change.

As part of our unwavering commitment to right and principled mining, we have been enhancing our sustainability approach and practices, not only to create meaningful and lasting impact, but also to minimize the adverse effects of our operations on the environment and on our host and neighboring communities. We demonstrate our adherence to the highest principles of transparency and accountability by reporting on issues material to our business and operations with respect to sustainable development.

At the core of our business strategy is right and principled mining – a commitment that evolved from the principles under Republic Act (RA) No. 7942, also known as the Philippine Mining Act of 1995 and its Revised Implementing Rules and Regulations (IRR).

# OUR SUSTAINABILITY FRAMEWORK

Driven by our commitment to right and principled mining, we have developed a sustainability framework hinged on five unified pillars.





# SUSTAINABILITY AT PHILEX

## SUSTAINABILITY FRAMEWORK

These pillars are what makes right and principled mining real and tangible for our various stakeholders.

### Adherence to Good Governance



As a responsible corporate citizen, we conduct our activities in accordance with the highest ethical standards. We comply with our Code of Conduct, as well as all applicable laws, rules, and regulations for the mining industry.

Beyond our own operations, we also lend our expertise to our partners in the mining industry and initiate constructive and informed conversations on issues that are relevant to the industry and society.

### Promotion of Employee Wellness



Our employees power our day-to-day operations. We aim to hone our employees to their fullest potential. Our Core Values include to respect and value our employees, and uphold the principles of human rights, health and safety, and nondiscrimination in the workplace.

Part of promoting employee wellness is providing our employees fair compensation for their hard work, constructive feedback on their performance, and meaningful opportunities for further professional growth and development. We also engage our employees on issues that affect them in the workplace, in a bid to improve our overall workplace safety and operational efficiency.

### Community Empowerment



We strive to address the social, cultural, environmental, and economic impacts of our operations. We constantly engage with local government units (LGUs), non-government organizations (NGOs), and civil society to achieve long-term and mutually beneficial resource development for our host and neighboring communities. We prioritize partnerships that help promote local enterprises and build a more inclusive local economy. As such, we also prioritize hiring local workers, particularly indigenous peoples (IPs), for our various exploration projects.

### Environmental Protection



Due to the highly extractive nature of mining operations, we recognize our responsibility to preserve, conserve, and rehabilitate the environment where we operate. As a right and principled environmental steward, we promote the wise use of natural resources through proven management controls. We strive to monitor and manage the environmental impacts of our operations and implement controls to ensure compliance with relevant environmental policies and standards. We also invested in environmental management systems that can help protect our immediate environment for future generations and safeguard the sustainability of our host and neighboring communities.

### Workplace Safety



Recognizing the inherent risks that come with large-scale mining operations, we strive to manage operational risks to ensure the health and safety of our employees. We have established occupational health and safety management protocols for our employees and their families, host and neighboring communities, and our business partners. We expect all our employees and contractors to observe strict compliance with these protocols.

Our health and safety systems also provide for the necessary equipment, training, and resources that will promote safe work conditions. In addition, we also enforce effective security controls, standards, policies, and procedures that help protect our employees, assets, reputation, and host and neighboring communities without sacrificing their inherent human rights and dignity. We strive to uphold human rights for all individuals who may be affected by our operations.

Guided by these unified pillars, we will continue to strengthen our approach to sustainability and uphold our advocacy of right and principled mining.

## MATERIALITY PROCESS



The Global Reporting Initiative (GRI) defines "materiality" as "topics and indicators that reflect the organization's significant economic, environmental, and social impacts or that would substantively influence the assessments and decisions of stakeholders."

Since 2015, we have been identifying the most material topics to our business operations and to our stakeholders. We continue to assess these topics every year along with tracking our performance. To determine the risks, opportunities, and other factors that materially impact our ability to create long-term sustainable value, we undergo a materiality process.

### 1. Identification

We perform risk assessments to ensure that we can address them expeditiously and in the most efficient way. We undergo risk management processes, review of internal performance and our impacts on the external environment, and robust engagement with both internal and external stakeholders.

### 2. Analysis

Material matters are evaluated according to the significance of their potential effects to our business and our key stakeholders.

### 3. Prioritization

The material topics are built into our corporate strategy, governance frameworks, risk management systems, and operational management processes.

### 4. Reporting

We report the information to our stakeholders through the annual publication of our Sustainability Report that expands on our financial reporting.

### 5. Engagement

Most material matters relating to sustainability are determined through continuous engagement with internal and external stakeholders, such as employees, contractors, affected people in our host communities and government representatives. The information obtained from these engagements is analyzed and collated into material topics most representative of the sentiments of all stakeholder groups.

# SUSTAINABILITY AT PHILEX

## MATERIAL TOPICS

FOCUS AREAS	MATERIAL TOPICS	STAKEHOLDERS AFFECTED	RELEVANCE
<b>Financial Returns</b>	Revenue Payments Local employment Share value (stocks) Fluctuation in metal prices (world market) Mining exploration	Company Shareholders Business partners, lenders Employees Contractors, suppliers	Consistent earning power and steady financial growth help ensure our sustainability as an enterprise.
<b>Corporate Governance</b>	Leadership in corporate governance Internal process management	Company Shareholders Business partners, lenders, suppliers	Good governance in the form of obeying company codes of conduct, avoiding bribes, adhering to procurement rules, among other things helps us realize long-term benefits, including reducing risks, attracting new investors and shareholders, and increasing our equity.
<b>Legal Compliance</b>	Compliance with regulatory requirements	Regulators Lenders	Adhering to strict regulatory guidelines and policies enables us to protect our reputation as well as our relationships with our stakeholders.
<b>Labor Practices</b>	Strikes, lockouts Freedom of association Recruitment and employment Employee relations	Company Employees	We consider our workforce as our most valuable asset and believe that sound labor practices and relationships are key to the long-term sustainability of our enterprise.
<b>Environmental Conservation</b>	Energy Management • Electricity generation and consumption • Energy efficiency in operations • Fuel consumption  Water Management • Impact on water sources and of water pollution • Water quality and discharge • Tailings pond management • Efficiency in water consumption • Water recycling	Company Regulators Local communities Civil society	Reducing or minimizing the environmental impact of our operations is paramount to the creation of our sustainable value and reputation.

FOCUS AREAS	MATERIAL TOPICS	STAKEHOLDERS AFFECTED	RELEVANCE
	<p>Waste/Chemicals Management</p> <ul style="list-style-type: none"> <li>• Oil spill management</li> <li>• Reagents management</li> <li>• Solid waste management</li> </ul> <p>Land Resource Management</p> <ul style="list-style-type: none"> <li>• Land rehabilitation and reforestation</li> <li>• Biodiversity and Ecosystem Management</li> <li>• Geologic risk assessments</li> </ul> <p>Air Quality Management</p> <ul style="list-style-type: none"> <li>• Ambient air quality monitoring</li> <li>• Dust and noise pollution</li> </ul> <p>Climate Change Adaptation and Mitigation</p>		
<b>Community Development</b>	<p>Diseases and illnesses</p> <p>Risks and conflicts with local communities and indigenous peoples Information, consultation, and participation mechanisms</p>	Stakeholders in the communities where we operate	PMC provides Social Development and Management Programs to demonstrate its corporate social responsibility and long-term commitment to the sustainability of its host communities.
<b>Health and Safety</b>	<p>Education and training</p> <p>Safety procedures in the facility</p> <p>Safety performance monitoring</p>	Employees, workers Contractors	Strict enforcement of safety standards and protocols and safeguarding the health and well-being of its employees and workers are essential to the Company's sustainable practices.
<b>Facility Protection</b>	<p>Emergency preparedness</p> <p>License to operate</p> <p>Supplier screening</p> <p>Security of site</p>	Company Employees, workers Contractors	Ensuring the protection of its facility is critical to PMC's local operations and the creation of long-term value.

# SUSTAINABILITY AT PHILEX

## Philippine Mining Industry Regulations

The exploration, development and utilization of the country's natural resources is governed principally by the 1987 Philippine Constitution, which provides that the State may directly explore, develop, and utilize the country's natural resources, or it may enter into co-production, joint venture or production-sharing agreements with Filipino citizens or corporations or associations, at least 60% of whose capital is owned by such citizens.

The Constitution also authorizes the President of the Republic of the Philippines to enter into technical or financial assistance agreements with foreign-owned corporations for large-scale exploration, development, and utilization of minerals, petroleum, and other mineral oils in accordance with the general terms and conditions of applicable laws, based on real contributions to the economic growth and general welfare of the country.

Several laws have since been enacted to implement these Constitutional principles and directives. These include the following which affect mining operations, particularly on the costs of compliance reflected either as expense or as capital asset under generally accepted accounting principles:

**Republic Act (RA) 7942 or the Philippine Mining Act of 1995:** This sets out the provisions governing mining and mining-related activities in the country. It declares the areas open for mining operations and enumerates those closed for mining applications. More importantly, this law sets forth the mining cycle and the corresponding permits needed for each phase: from exploration to the declaration of mining project feasibility, to the positive determination of commercial viability of a project, to the execution of mineral agreements with the government prior to actual operations, until the required rehabilitation after operating a mine.

**RA 8371 or the Indigenous Peoples' Rights Act of 1997 (IPRA Law):** This law introduced the requirement of Free and Prior Informed Consent (FPIC) which means the consensus of members of the concerned Indigenous People (IP)/Indigenous Cultural Community (ICC). Under this law, all departments and governmental

agencies are strictly enjoined from issuing, renewing, or granting any concession, license or lease or entering into a production sharing agreement, without prior certification from the National Commission on Indigenous Peoples (NCIP), which certification can only be issued after the FPIC with the IPs/ ICCs concerned is secured and the process concluded.

**Presidential Decree No. 1586, Environmental Impact Assessment System (EIA):** This introduced the Environmental Impact Assessment System (EIA) which mandates that no person, partnership, or corporation shall undertake or operate any such declared environmentally critical project or area without first securing an Environmental Compliance Certificate issued by the President or his duly authorized representative. Hence, pursuant to PD No. 1586, the Mining Act of 1995 requires mining companies to secure an Environmental Compliance Certificate (ECC) on all phases of mining activities, except during the exploration stage.

**RA 6969: Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990:** This regulates the importation, manufacture, processing, distribution, use and disposal of chemical substances and mixtures.

**RA 8749: Philippine Clean Air Act of 1999:** This outlines the measures to reduce air pollution.

**RA 9003: Ecological Solid Waste Management Act of 2000:** This provides a systematic ecological solid waste management program.

**Executive Order 79:** This law created the Mining Industry Coordinating Council (MICC) and instituted changes to ensure the practice of responsible mining in the country. It also provides that no new mineral agreements shall be entered into until a legislation rationalizing existing revenue sharing schemes and mechanisms shall have taken effect. The DENR may nevertheless, continue to grant and issue Exploration Permits under existing laws, rules, and guidelines.

**Department Administrative Order (DAO) No. 2015-07:**

This institutionalizes an environmental management system that ensures the adherence of local mining operations to international standards, particularly the ISO 14001 Certification, as a measure of responsible mining in the country. It ensures that appropriate measures are put in place to achieve minimal negative impacts of mining on the environment. As mandated under EO 79, it will also guarantee the compliance of mining contractors with applicable mining and environmental laws, regulations, and requirements in mining operations while gearing towards growth.

**DAO No. 2017-7:** Issued by the DENR, this mandates mining contractors to participate in the Philippine Extractive Industries Transparency Initiative (PH-EITI). All mining contractors shall comply with the disclosure requirements of PH-EITI, as set by the Philippine Multi-stakeholders Group where the government, the industry, and civil society are represented. Failure of the mining contractor to comply with the disclosure requirements shall cause the suspension of the pertinent ECC and non-issuance of Ore-Transport and/or Mineral Export Permit until such time that said contractor has complied.

**DAO No. 2017-10:** Issued by the DENR, this prohibited the use of the open pit mining method in the extraction of copper, gold, silver and/or complex ores. Open pits allegedly bring adverse impacts to the environment due to the generation of acidic and/or heavy metal-laden water, erosion of mine waste dumps and/or vulnerability of tailings dams to geological hazards.

**RA 10963: Tax Reform for Acceleration and Inclusion (TRAIN):** This law increased the excise tax on gold, copper and other metallic minerals to 4% based on the actual market value of the minerals gross output from 2% (under the National Internal Revenue Code).

**RA 11534 or The Corporate Recovery and Tax Incentives for Enterprises (CREATE Act):** This law introduced reforms to the corporate income tax and incentives systems based on industry and location tiers that aims to attract more investments and maintain fiscal prudence and stability. Among others, it will reduce corporate income tax to 25% from 30% for large corporations and to 20% for small businesses. This is retroactive from July 1, 2020.

**EO 130:** This amends Section 4 of EO No. 79, thereby lifting the moratorium on new mineral agreements.

**DAO No. 2021-25:** Issued by the DENR, provides for the Implementing Rules and Regulations (IRR) of EO No. 130 through DAO No. 2021-25, Institutionalizing and Implementing Reforms in the Philippine Mining Sector, Providing Policies and Guidelines to Ensure Environmental Protection and Responsible Mining in the Utilization of Mineral Resources.

**DAO No. 2021-40:** Issued by the DENR, this lifts the ban on the open pit method of mining for copper, gold, silver and complex ores in the country that had been imposed under DAO No. 2017-10. This DAO aims to revitalize the mining industry and usher in significant economic benefits to the country and to establish enhanced parameters and criteria for surface mining methods under the DMPF to address the environmental and safety issues of surface mining methods, particularly with open pit mining.

**DAO No. 2022-04 issued on March 4, 2022:** Issued by the DENR, this DAO (Enhancing Biodiversity Conservation and Protection in Operations) aims to provide adequate measures for responsible mining towards ensuring the biodiversity conservation and protection including progressive and final rehabilitation of mined-out areas. It also aims to minimize negative impacts on biodiversity and ensure its conservation of biodiversity, thereby promoting sustainable development and utilization of the country's natural and mineral resources for the benefit of present and future generations.

**DAO No. 2023-01 issued on January 13, 2023:** This imposes additional guidelines for projects applying for Environmental Compliance Certificate (ECC) which are within or with close proximity to Protected Areas (Pas) and/or Ramsar Sites. ECCs of Non-Environmentally Critical projects located within the PA and/or Ramsar sites including their duly approved buffer zones shall require the approval of the Office of the Secretary (OSEC). Environment Management Bureau (EMB) Central and Regional Offices that are handling the ECC applications are required to secure a Clearance from the OSEC prior to the final approval of the technical scoping checklist. The OSEC will review the scoping checklist to add, if necessary, other issues/impacts to be included in the Environmental Impact Assessment Study.



# SUSTAINABILITY AT PHILEX



## STAKEHOLDER ENGAGEMENT

Engaging our stakeholders is important to building trust and earning a good reputation, particularly in the host and neighboring communities which are impacted by our operations' use of resources such as water, energy, and land.

Engaging with the right groups of stakeholders is critical, given the highly regulated industry and the dynamic social, economic, and environmental landscape in which we operate. As such, we develop policies and guidelines that will enable us to develop a comprehensive business approach and fulfill our obligations to our shareholders and investors.

We engage our stakeholders by sharing timely and relevant information, gathering feedback, and working together on important initiatives that guide our sustainability approach. We hold regular stockholders' meetings to keep our stockholders informed of the current condition of the Company, as well as of its future plans and outlook. These practices are aligned with our adherence to principles of transparency and accountability in all our stakeholder engagements.

Given the significant scale of our operations, we also work closely with our host and neighboring communities, including indigenous peoples' (IPs) communities. We provide various forms of assistance and support through our Social Development and

Management Program (SDMP) and ensure that we maintain strong and productive relationships with our host and neighboring communities. We also have a duty to the local government units (LGUs) in the areas where we operate, particularly in terms of managing our environmental impact and addressing their social development concerns.

We comply with our own Code of Conduct, as well as all applicable laws, rules, and regulations for the mining industry. We lend our expertise to our partners in the mining industry and initiate constructive and informed conversations on issues that are relevant to the industry and society.

Our employees are at the forefront of our operations. To maintain high standards of performance and productivity, our Human Resources Division (HRD) implements programs to help ensure that we address our employees' concerns through regular consultations and labor-management meetings.

We accredit suppliers and contractors who meet our standards of safety and efficiency. This also helps ensure that we maintain close communication and coordination with our suppliers and contractors, which is necessary to meet requirements and guarantee timely and smooth operations.

## OUR STAKEHOLDERS MATTER

### Shareholders and Investors

#### Issues & Concerns

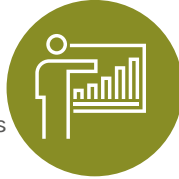
- Production
- Financial returns
- Minimum risks related to business and expansion

#### Company Response

- Continuous process improvements
- Financial disclosures
- Dividends

#### Modes of Engagement

- Annual Stockholders' Meeting
- Direct communications through our Investor Relations Group
- One-on-one investor meet



### Local Government Units

#### Issues & Concerns

- Environmental management
- Socioeconomic development

#### Company Response

- Rehabilitation of disturbed areas and implementation of reforestation projects
- Briefings and meetings
- Partnerships

#### Modes of Engagement

- Social Development and Management Program (SDMP)
- Community Development Program (CDP)
- Community meetings and consultations
- Focus group discussions
- One-on-one visits
- Annual, quarterly, and monthly monitoring reports



### Regulators

#### Issues & Concerns

- Adoption of best practices
- Accurate disclosures
- Legal and regulatory compliance

#### Company Response

- Development of corporate social responsibility (CSR) manuals
- Adoption of ISO standards
- Implementation audits

#### Modes of Engagement

- Annual, quarterly, and monthly reports
- Audits
- Taxes and certification processes



### Suppliers and Contractors

#### Issues & Concerns

- Labor Code practice by contractors
- Availability of supplies
- Supplier accreditation
- On-time payments
- Product specification
- Integrity of bids

#### Company Response

- Proper sourcing of suppliers
- Proper communication and coordination with suppliers

#### Modes of Engagement

- Accreditation process
- Contractual agreements



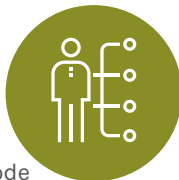
# SUSTAINABILITY AT PHILEX

## OUR STAKEHOLDERS MATTER

### Employees

#### Issues & Concerns

- Attendance
- Productivity and work performance
- Proper interpretation of Collective Bargaining Agreement (CBA) and Code of Conduct
- Workplace safety
- Work-life balance



#### Company Response

- Manpower attendance audit
- Changes in attendance monitoring procedures
- Values formation seminars
- Rationalization of sections, departments, and divisions to enable efficiency
- Proper communication with employees and promotion of teamwork
- Career advancement
- Labor-management meetings
- Employee advisories
- Improvement and enhancement of standard operating procedures (SOP) and safe job procedures (SJP)
- Strict implementation of SOP and SJP training
- Representation of employees to the Human Resources Department (HRD)

#### Modes of Engagement

- Consultations
- Issuance of employee advisories
- Employee engagement program

### Customers

#### Issues & Concerns

- Quality products
- Accessibility and convenience
- Account security
- Improved benefits
- Financial advice
- Timely service



#### Modes of Engagement

- Website
- Relationship teams

### Media

#### Issues & Concerns

- Product briefing and details
- Transparency
- Timeliness of announcements



#### Modes of Engagement

- Press releases and press conferences
- Interviews
- Official statements
- Public advisories

### Host and Neighboring Communities (including indigenous peoples)

#### Issues & Concerns

- Sustainable livelihood and income
  - Education for youth
  - Land claims
  - Environmental rehabilitation during post-exploration activity



#### Company Response

- Technical assistance, infrastructure support, and financial assistance to qualified community organizations
- Improvements and enhancements to education programs
- Continuous negotiation and coordination
- Community immersion

#### Modes of Engagement

- Social Development and Management Program (SDMP)
- Community meetings and consultations

### Industry Associations

#### Issues & Concerns

- Sharing of industry standards and best practices



#### Modes of Engagement

- Industry meetings and fora

### Partners

#### Issues & Concerns

- Transparency in disclosures
- Alignment of advocacies



#### Modes of Engagement

- Corporate events and fora

## ENVIRONMENT

Environmental sustainability is an essential aspect of our sustainability approach due to the highly extractive nature of mining activities. We carry out best practices and effective environmental management – from our day-to-day activities onsite, to corporate strategic planning. We are committed to complying with applicable laws and regulations, and adopting relevant environmental standards, aligned with being a right and principled miner.

We ensure that mitigating measures are in place to address any environmental impact that may be brought by our operations. We continuously conduct the following activities:

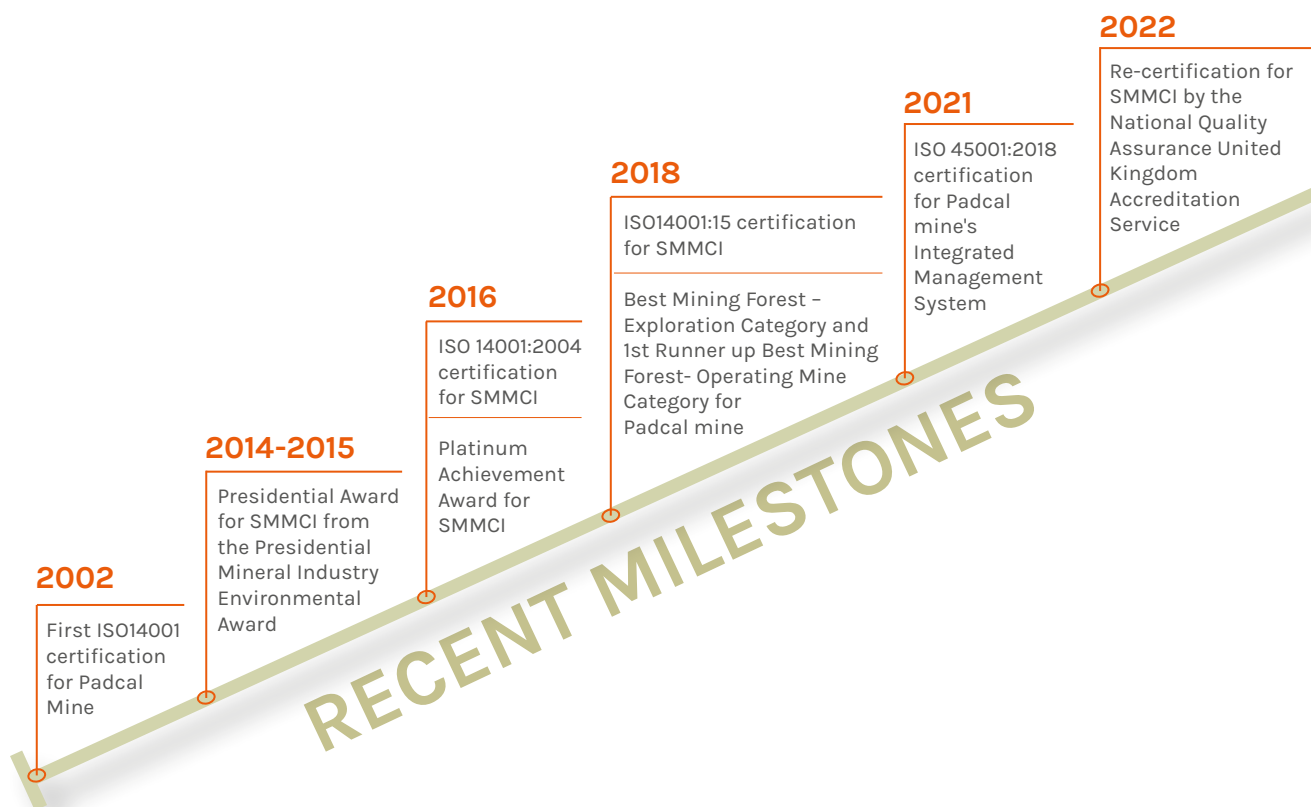
- Air Quality Monitoring
- Water Resource Management
- Ecological Solid Waste Management
- Energy Management
- Biodiversity Conservation
- Reforestation
- Rehabilitation

### Environmental Compliance

The mining industry in the Philippines is highly regulated. Our operations are subject to the pertinent and applicable environmental regulations set forth by the Department of Environment and Natural Resources (DENR). We regularly report the results of our environmental inspection and monitoring to the DENR's Environmental Management Bureau (EMB).

We adhere with the following pertinent and applicable local environmental laws:

- Presidential Decree (P.D.) No. 1586: Establishing an Environmental Impact Statement System
- Republic Act (R.A.) No. 6969: Toxic, Hazardous, and Nuclear Waste Act
- R.A. No. 8749: Philippine Clean Air Act
- R.A. No. 9275: Philippine Clean Water Act
- R.A. No. 9003: Ecological Solid Waste Management Act





# SUSTAINABILITY AT PHILEX

## Environmental Programs and Management

Republic Act No. 7942 or the Philippine Mining Act of 1995, and its Revised Implementing Rules and Regulations (IRR) require mining companies to submit an Environmental Protection and Enhancement Program (EPEP) prior to starting any mining development project. The EPEP must contain the mining company's plans on the rehabilitation, regeneration, revegetation, and reforestation of mineralized areas; the slope stabilization of mined-out or waste management covered areas; watershed development; and water conservation.

Department Administrative Order (DAO) No. 2010-21 also mandates the implementation of an EPEP, which provides the link between our responsible mineral resource utilization and our environmental protection and enhancement commitments. Under R.A. 7942, the minimum required budget for the Annual EPEP ranges from 3% to 5% of the direct mining and milling costs of the mining company.

In 2022, Philex spent Php278 million in its EPEP, equivalent to 7.43% of our direct mining and milling costs. This brings our expenditures from 1967 to date to Php6.592 billion.

The Company also invests heavily on the ongoing environmental management programs at the Silangan, Bulawan, and Sibutad project sites. These investments cover the costs for ambient air and water monitoring, soil erosion control and prevention, the establishment of new tree plantations, as well as the maintenance and protection of established reforestation areas within the project sites.

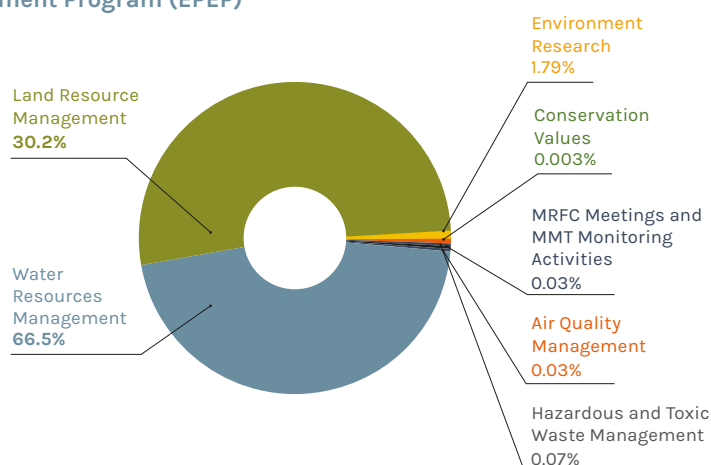
The approved Annual Environmental Protection and Enhancement Program (AEPEP) of SMMCI and the implementation of the approved Final Mine Rehabilitation and/or Decommissioning Program (FMRDP) of PGPI are submitted, approved, and monitored by the Mines and Geosciences Bureau (MGB) of the DENR.

**Land Resource Management.** We promote the progressive rehabilitation of land resources as part of our land resource management. Protecting habitats and biodiversity is also part of our commitment to our host and neighboring communities.

## 2022 Annual Environmental Protection and Enhancement Program (EPEP)

In Php millions

Land Resource Management	84
Water Resources Management	185
Hazardous and Toxic Waste Management	2
Air Quality Management	1
Environmental Research	5
Conservation Values	0.1
MRFC Meetings and MMT Monitoring Activities	1
<b>Total</b>	<b>278.1</b>



A vertical bamboo stalk is on the left side of the page, and several green bamboo leaves are at the top right. The background is a light green gradient.

## From Bamboo and Beyond

When Philex Mining Corporation started to plant bamboo trees in 1999, it was addressing potential problems of soil erosion, landslides, and flooding in its Padcal mining operations in Itogon, Benguet.

The Company embarked on bamboo plantation initiatives way ahead of the memorandum issued by the Mines and Geosciences Bureau (MGB) of the Department of Environment and Natural Resources (DENR) in 2020, calling for the establishment of bamboo plantations in mining areas.

More than two decades since it started its bamboo plantation initiatives, the Company was able to cover 8.3 hectares inside Padcal Mine's Tailings Storage Facility (TSF) 1 in Sal-angan, Ampucao, Itogon, Benguet (5.3 has.) and in its subsidence area in Camp 3, Tuba, Benguet (3 has.). The company supports a bamboo nursery at the rehabilitated TSF1 where it grows various species of bamboo such as Kawayang Tinik, Chinese Bamboo, Giant Bamboo, and Bayog. The bamboo nursery is also dedicated to providing propagules to support tree-planting activities.

In September 19, 2022, the Watershed and Water Resources Research Center (WWRDEC) of the DENR donated various bamboo species in support to the nationwide bamboo planting. A combined team of Philex and DENR employees planted 130 propagules at the TSF3. The species donated are String Bamboo, Oldham, Malay Dwarf, Weavers, Yellow Bamboo, Golden, Chinese, Bolo Green, Iron Bamboo, and Multiplex Bamboo. Many species were also brought to the TSF1 for propagation.

Matured bamboo culms harvested from the plantation area are used in the construction of forestry facilities such as tree guards and fences of seedlings planted in plantation areas where cows, goats, and other cattle graze. About 4,650 bamboo culms were already harvested from the established bamboo plantation area. Of this, 1,150 were used in the construction of tree guards for the fruit seedlings planted inside the mine camp during the celebration of the Philippine Environment Month. Members of nearby communities also harvested bamboo poles for the construction of tunnel greenhouses for their vegetable farms.

Going beyond bamboo, the Company also planted coffee, herbs such as lemongrass, fruit trees, and cuttings in the vegetation. Animals such as native pigs, cows, chickens, ducks, rabbits, and catfish were introduced as part of the bigger plan to transform the area for agroforestry.

Philex also recently expanded its animal-raising initiative at its forest nursery to include raising rabbits. The resulting rabbit manure and urine serve as organic fertilizer for the seedlings propagated in the area. The improved growth of seedlings prompted the application of the same at the bamboo plantation.

The long-term plan for the bamboo plantation and the forest nursery includes the establishment of a camping ground, a fishpond, a fire pit for bonfires, a coffee station, a view deck, and generally a place for people to come together.

When Padcal mine finally closes, Philex hopes the area will serve as an eco-tourism site to continue to be a source of economic benefits, leaving a lasting legacy for the community.

# SUSTAINABILITY AT PHILEX

**Reforestation.** We maintain a forest nursery to supply our reforestation activities and to donate to individuals/groups in support of tree planting and livelihood activities.

We also have a bamboo plantation with a target of producing 3,000 bamboo propagules to support the government's initiative of promoting the planting and use of bamboo.

**Rehabilitation.** We promote the progressive rehabilitation of land resources in our decommissioned mine sites in Sibutad, Zamboanga del Norte and Bulawan, Negros Occidental by planting seedlings in plantations within and outside our tenements, which is also part of our National Greening Program (NGP). We are also continuing progressive rehabilitation initiatives in Padcal mine site while it is still operational.

**Biodiversity Conservation.** In 2019, we commissioned an independent Biodiversity Assessment Study which

will serve as the baseline for its Biodiversity Conservation Plan. The study was conducted by the researchers at the University of the Philippines in Los Baños, Laguna.

The results of the Biodiversity Assessment Study conducted by the researchers of the University of the Philippines Los Baños has been shared with respective local government units and appropriate government agencies through an Information, Education, Communication (IEC) activity in January 2020. Most of the recommendations in the study were considered in the planning and budgeting activity for 2022. The study also served as the baseline and basis for the Biodiversity Management and Conservation Plan of the company.

Other Biodiversity programs have been included in current operational practices through the following:

- Setting up biodiversity monitoring transect walks in three biodiversity conservation areas
- Improving existing nurseries
- Starting the Comprehensive Development and Management Program for 5 of 25 hectares near TSF 3 operations



Philex's forest nursery and TSF1 Bamboo Plantation have expanded to include animal-raising activities.



## HABITATS PROTECTED OR RESTORED

Project	Area disturbed (hectares)	Project Status	Area reforested (hectares)	Type of reforestation	Species planted
Padcal Mine (PMC)	580	MPSA-276 Operation	3,345	Forest Plantation/ Agroforestry	<p><b>Fruit trees:</b> coffee, mango, pomelo, guyabano, papaya, tamarind, guava, calamansi, chesa, santol, star apple, atis, rambutan, jackfruit, marang, avocado, cacao, duhat, blackberry, orange</p> <p><b>Forest trees:</b> anstoan dilau, Benguet pine, tibig, oak tree/palayan, Ceylon tea, cotton tree, madre de agua, ice cream beans, banaba, acacia/ raintree, butterfly tree, tuel, narra, sagat/molave, alnus, caliandra, acapulco, acacia mangiums, tikem</p> <p><b>Cuttings:</b> bamboo, balete, dapdap, tricanthera</p> <p><b>Grass/Vines:</b> vetiver grass</p>
Bulawan (PGPI)	146	MLC-MRD510 Care & Maintenance	842.66*	Forest Plantation	mangium, auri, mahogany, gmelina, raintree, coffee, native trees
Sibutad (PGPI)	38	MPSA-063 Care & Maintenance	192.63	Forest Plantation	mangium, auri, falcata, coffee, cacao, bamboo, narra, lombayao
			39.16	Mangrove Plantation	bakauan (Rhizophora Mucrunata)
Lascogon (PMC-LMC)	37	MPSA-148 Exploration	10	Forest and Agroforestry	falcata, narra, mangium, coffee, mahogany, fruit trees
Silangan ( SMMCI)	33.696	MPSA-149	197.8	Agroforestry	mahogany, mangium, falcata, narra, cacao, coffee, Palawan cherry, lanzones, marang, rambutan, etc.
Kalayaan (PMC)	14		9	Agroforestry	falcata, coffee
<b>Total</b>	<b>848.69</b>		<b>4,636.25</b>		

\* Areas on Assisted Natural Regeneration (ANR) are included

## ECOSYSTEMS AND BIODIVERSITY (UPLAND/WATERSHED OR COASTAL/MARINE)

Disclosure	Quantity
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None
Habitats protected or restored	4,636.25 hectares
IUCN <sup>1</sup> Red List species and national conservation list species with habitats in areas affected by operations	44 plant species 38 animal species*

\* International Union for Conservation of Nature



# SUSTAINABILITY AT PHILEX

**Water Resource Management.** Water is an increasingly valuable but scarce resource globally. In our mill plant operations, raw water is drawn from three sources: the Sal-angan river, CYM tunnel, and Smith Tunnel water reservoir overflow. Sal-angan river is the main source of raw water for the mill year-round while CYM and Smith tunnels provide water during rainy seasons.

Water is a shared resource between Philex and our host and neighboring communities. Thus, we recognize our responsibility to prudently manage our water consumption and monitor the water quality in our areas of operation, both for surface water and drinking water sources.

During the dry season in the Philippines, which runs from February to May, water supply poses a major challenge for the processing plant so we promote efficient water management to ensure continuous operations. In 2022, total volume of raw water pumped from Sal-angan river amounted to 9,660,661 cubic meters.

The Company is compliant with the Philippine Clean Water Act RA 9275 (2004) by following the standards set for management of water quality and effluent/discharge standards through a multi-sectoral and participatory approach.

A Water Management Plan is integrated in the IMS Manual Vol. 2 (ENV-STD-006 Water Management) ensuring that processes are developed, implemented, and maintained by the company to comply with the applicable regulations of RA 9275.

To prudently manage our water consumption and monitor the water quality in our areas of operation, both for surface water and drinking water sources, we limit the amount of water we extract at source based on the allowed withdrawal stipulated in our regulatory permit, which has been set at 1,700 cubic meters per day.

There are four different groups that monitor and manage our water quality:

1. Tailings Storage Facility (TSF) Team (daily)
2. Mine Environmental Protection and Enhancement Office (MEPEO) (weekly)
3. Government-led Multi-Partite Monitoring Team (quarterly for operating mine)
4. Community Technical Working Group (every three months for exploration projects)

Philex Mill reclaims process water by operating two units of 250-feet diameter thickeners. The overflow from the tailings thickeners is re-circulated back to the plant as process water while the underflow (remaining dense slurry) is fed into the tailings storage pond (Tailings Storage Facility or TSF) through a 2.7-kilometer long pipeline. A system for flocculant addition is provided to promote faster solid settling in the thickeners and to increase water recovery. A tailings cyclone was also installed to increase the percentage of water recovery. Rehabilitation of the 250-feet thickeners is done annually wherein major structure, rake and cables are replaced to restore reliability. These mega structure thickeners were commissioned in 1972 and play an important role in the milling process which reduced Philex's dependence on fresh/raw water source. For 2022, a total volume of 8,903,399 cu.m. of water were reclaimed.

A detailed Tailings Management Framework (ENV-STD-001 Tailings Management) is included in our IMS Manual, containing policy and commitment, planning, good practices, implementation, and management review for continuous improvement.



Water sampling in Padcal mine

**Ecological Solid Waste Management.** We practice ecological solid waste management as part of being a responsible miner and in accordance with the requirements under our Environmental Compliance Certificate issued by the Environmental Management Bureau (EMB) of the DENR.

We operate a sanitary landfill at the Tailings Storage Facility (TSF) No. 2 for residual waste and segregation at source is strictly enforced. It also recycles materials, which are sorted and then sold to DENR-accredited recycling companies.

A Waste Management Plan is integrated in our IMS Manual Vol. 2 (ENV-STD-002 Waste Management), ensuring that processes are developed, implemented, and maintained in the proper identification, treatment, storage, and disposal of waste.

We ensure strict compliance with Republic Act 9003 (Ecological Solid Waste Management Act), RA 6969 (Hazardous Materials Management), as well as the Department of Health's and the DENR's Joint Order # 2, Series of 2005 on Policies and Guidelines on Effective and Proper Handling, Collection, Transport, Treatment, Storage and Disposal of Health Care Waste.

In 2022, PMC implemented the following:

- Solid Waste Management Program
- Hazardous waste disposal and treatment through accredited transporters and treaters
- Community re-greening activities using recycled materials
- Recycling of industrial water at the processing plant
- Regular Effluent Monitoring and analysis (continuous monitoring of effluent analysis from the established sampling points)
- All safety measures and maintenance works are undertaken to ensure smooth operations of tailings conveyance to TSF # 3 reservoir.
- Planting of vetiver grass at the Spillway and at the TSF3 Spanish Culvert

#### All About Water

	2022	2021
Water withdrawal (in m <sup>3</sup> )	10,148,233	7,666,051
Water consumption (in m <sup>3</sup> )*	19,052,327*	15,190,730
Water recycled and reused (in m <sup>3</sup> )**	8,903,399**	7,524,680
Total volume of water discharged (in m <sup>3</sup> )	57,514,933***	43,362,184.70
Wastewater recycled (%)	0	0

\*Sum of total withdrawn, total recycled, domestic consumption, and Head Office consumption

\*\* Pumped from Sal-angan River and water recycled and reused

\*\*\* Estimated Waste Water Discharged at the TSF 3

# SUSTAINABILITY AT PHILEX

**Hazardous and Toxic Waste Management.** We collect and store oil and lubricants, and other oil-contaminated wastes in the Banget sludge pond and oil depository. Chemical and medical wastes are also properly stored. These wastes are collected for disposal by the DENR accredited transporter and treaters. To prevent oil from reaching our river systems and surrounding areas, we also installed oil-water separators in various areas, which are then monitored regularly.

An alternative spillway to an elevation of 615ML spilling level was completed in 2018 to the tune of Php55 million. This not only ensures the structural integrity of TSF No. 3, but also sustains a 1,000-year maximum probable flood. In addition, we also strengthened the maintenance of our 2.7-kilometer Tailings Tunnel and our 4-kilometer high-density polyethylene (HDPE) pipelines. Conveyance facilities were also developed to transport the tailings and impound at the TSF No. 3.

## Hazardous Waste

In tonnes

By Type	Quantity	Disposal Method
Sulfuric Waste	0.009	Neutralized and disposed in Tailings Storage Facility (TSF) 3
Hydrochloric Acid	0.550	
Nitric Acid	1.030	
Ammonium Hydroxide	0.058	
Lime Slurries	2,280.49	
Lead Compounds (Lead-contaminated Cupels/Slag)	12.259	Treated by DoloMatrix Philippines, Inc. For SMMCI: properly stored onsite and disposal will be through an accredited EMB TSD Facility
Lead Compounds (Used Lead-acid Batteries)	2.976	
Mercury and Mercury Compounds (Busted Fluorescent Lamps)	0.340	Treated by Joechem Environmental Corp. For SMMCI: .04 is properly stored onsite and disposal will be through an accredited EMB TSD Facility
Other Waste with Inorganic Chemicals (Mine Tailings)	7,347,679.00	Disposed in TSF3
Explosive and Unstable Chemicals (Sodium Isobutyl Xanthate)	259.860	Disposed in TSF3
Oil-Water Mixture	1.47	For SMMCI: properly stored onsite and disposal will be through an accredited EMB TSD Facility
Oil-contaminated Materials	89.510	Treated by Dolomatrix Philippines Inc. For SMMCI: properly stored on-site and disposal will be through an accredited EMB TSD Facility
Used Industrial Oil including Sludge	52.898	Treated by Joechem Environmental Corporation For SMMCI: 2.33 is properly stored onsite and disposal will be through an accredited EMB TSD Facility
Polychlorinated Biphenyl (PCB) Wastes		
Used Industrial Grease	1.91	For SMMCI: properly stored onsite and disposal will be through an accredited EMB TSD Facility
WEEE (Waste Electrical and Electronic Equipment)	0.30	
Containers Previously Containing Toxic Chemical Substances	1.514	
Pathological or Infectious Wastes ( Hospital Wastes, Expired Medicines)	0.005	For SMMCI: (expired medicines) properly stored onsite
	<b>7,350,384.18</b>	

## Materials Used

By Weight or Volume

	2022	2021	2020
Renewable water (m <sup>3</sup> )	8,903,399	7,524,680	8,489,242
Non-renewable (Reagents) tonnes	2,585	2,396	3,307
• Collectors	260	292	271
• Frother	44	42	50
• Lime	2,281	2,162	2,796

**Air Quality Management.** We conduct regular Ambient Air Quality Monitoring quarterly, both in the industrial and administrative areas of the Padcal Mine, and around the vicinity of our host and neighboring communities. We strive to maintain the allowable concentration levels stipulated in the Occupational Health and Safety Standard regulations by initiating stringent gas measurement and monitoring in our areas of operation.

The Company is compliant with the Philippine Clean Air Act – Republic Act 8749 (1999) by following the set ambient air quality standards and pollutant limitation.

To ensure that we follow the set ambient air quality standards and pollutant limitation under the law, we undertake the following:

### Underground Operations:

- Maintained and sustained the operations of the ventilation system in the underground to ensure the production/generation of good quality air in the working areas;
- Driving of ventilation drifts/raises and maintenance of all existing blowers were undertaken; and
- Use of respirators was also enforced among workers assigned in the different working areas.

### Mill Plant:

- Maintained the dust collectors of the secondary crushing plant;
- Maintained the fume heads at the secondary heads at the secondary crushing plant;
- Provision of PPE (Dust masks/respirators) is continuously being enforced among workers assigned in the area;
- Monitoring of ambient air within the Mill Plant was conducted; air quality index is rated good to fair; and
- Emission test certificates of vehicles and equipment are submitted to the Land Transportation Office during annual license registrations.

An Emissions Management Strategy is integrated in the IMS Manual Vol. 2 (ENV-STD-004 Emissions Management), ensuring that processes are developed, implemented, and maintained by the Company to comply with the applicable regulations of RA 8749.

In addition, we implement a 5-minute warm-up on cold engines to minimize unburn gases (Fuel-Air Mixture). We also strictly follow a preventive maintenance schedule for all company surface equipment.





# SUSTAINABILITY AT PHILEX

## All About Air

2022	
Greenhouse Gas (GHG) Emissions (Tonnes CO <sub>2</sub> e)*	
Direct (Scope 1) GHG Emissions	11,775.80
Energy indirect (Scope 2) GHG Emissions	151,507.90
Emissions of ozone-depleting substances (ODS)	
Air Pollutants (kg)	
NO <sub>x</sub>	We monitor air quality through the Air Quality Monitoring equipment (EBAM) PM 10. The results range from good to fair.
SO <sub>x</sub>	
Persistent organic pollutants (POPs)	
Volatile organic compounds (VOCs)	
Hazardous air pollutants (HAPs)	
Particulate matter (PM)	



## Air Quality Monitoring

Air Pollutants	Location	Daily Average** (µg/m3)												Maximum Permissible Limit* (µg/m³)
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
PM10	Mill Plant	158	110	173	161	180	230	181	123	205	145	105	146	200
	Outside Mill Plant	86	101	96	94	100	105	-	129	47	62	90	-	150

**Energy Management.** Energy is a critical input factor for our production and represents a significant cost. Reducing or minimizing the environmental impact of our operations is paramount to the creation of our sustainable value and reputation.

Our Mine and Mill Electrical Services Department continuously monitors our power consumption and the areas that can be subjected to power adjustment. To generate savings without sacrificing operational efficiency and productivity, we implement the following initiatives:

- An Energy Conservation Program integrated in the IMS Manual Vol. 2 (ENV-STD-007 Energy Conservation) that ensures that processes are developed, implemented, and maintained for the efficient use of natural
- resources, energy, and high-value materials in areas of our operation.
- A Power Load Shedding (PLS) Program that started in 2014 aims to reduce electricity supply in the residential areas in Padcal by up to five hours a day.
- Our Philex substations have a Certificate of Electrical Inspection from the Mines and Geosciences Bureau-Cordillera Administrative Region, which is renewed annually.
- A Power Optimization Program is also being observed in Padcal Operations, resulting in total energy savings of 12,054,523 kwh.

## All About Energy

Energy Consumption within the Organization	2022	2021	2020
Electricity (including consumption of Head Office, SMMCI, for PGPI - Sibutad only) (MWh)	251,547	263,282	267,559
Gasoline (liters)	61,684.91*	10,841	7,681.4
LPG (GJ)	N/A	N/A	N/A
Diesel (liters)	4,979,939*	3,849,011	3,473,543

\* Increase in value is due to inclusion of Head Office, SMMCI, and PGPI consumptions for 2022

Reduction of Energy Consumption	2022	2021	2020
Gasoline (GJ)	Increase of 1,821.58GJ due to inclusion of Head Office consumption	108.05	-
LPG (GJ)	N/A	N/A	N/A
Diesel (GJ)	Increase of 51,131.07 GJ due to inclusion of Head Office consumption and in the Silangan Project activities	Increase of 528.96 GJ due to inclusion of SMMCI and PGPI data in 2021	3,473,543
Electricity (GJ)	42,247	15,399	3,774
Percentage of electricity reduction (vs. 2021)	4.46%	1.38%*	11.997%

Load Center	2022	2021	2020
Mill	170,650,816	171,169,460	172,273,337
Mine	57,993,935	61,601,476	61,289,338
Banget Compressor	9,417,396	7,107,843	19,445,087
Residential, School Buildings	6,871,073	2,497,896	7,689,709
Padcal Compressor	1,583,708	17,120,240	3,366,003
Domestic Water	2,200,172	447,385	1,924,178
Assay	989,617	2,011,046	625,272
Surface Shops and Offices	1,225,627	1,031,520	764,955
Head Office	228,245	203,113	181,337
SMMCI	385,267	91,651	
PGPI	778	162	
<b>Total</b>	<b>251,546,634</b>	<b>263,281,793</b>	<b>267,559,217</b>

## SUSTAINABILITY AT PHILEX

# OUR COMMUNITIES



Mining provides inputs for industries that are vital for sustaining the wellbeing of people and the functioning of economies. It also generates direct and indirect social benefits for host and neighboring communities.

For more than six decades now, our large-scale mining operations have been generating much-needed employment and livelihood opportunities, provide access to quality health services and education, and help local communities and local government units respond to the socioeconomic impact of disasters, calamities, and the COVID-19 global pandemic, among others.

Year after year, we strive to further strengthen our relationships with those touched by our operations; uphold fundamental human rights; invest in meaningful community projects and sustainable development; and respect human rights, indigenous cultures, customs and values, while engaging in open and inclusive dialogue.

We actively engage with local communities, national and local government units, non-government organizations (NGOs), people's organizations, civil society, and other interest groups within our areas of responsibility to achieve long-term resource development that benefits all our stakeholders.



In accordance with DENR Administrative Order (DAO) No. 2010-21, pursuant to the "Philippine Mining Act of 1995," we seek to operate in a manner that considers broader social and environmental concerns, as well as economic factors. DAO No. 2010-21 mandates that mining companies, and other contractors, permit holders, and lessees involved in mining shall assist in the development of their host and neighboring communities.

We primarily focus our local community engagement, impact assessments, and development programs to our host and neighboring communities in Padcal Mine, our base of operations and main source of revenue. As such, our social responsibility is anchored on our in-depth understanding of the social and cultural dynamics of our host and neighboring communities, as framed within the context of human and natural resource development. Our commitment to local capacity building also compels us to prioritize the employment of locals, particularly from various indigenous groups, as supported by community training that empowers them to plan, implement, monitor, and assess projects.

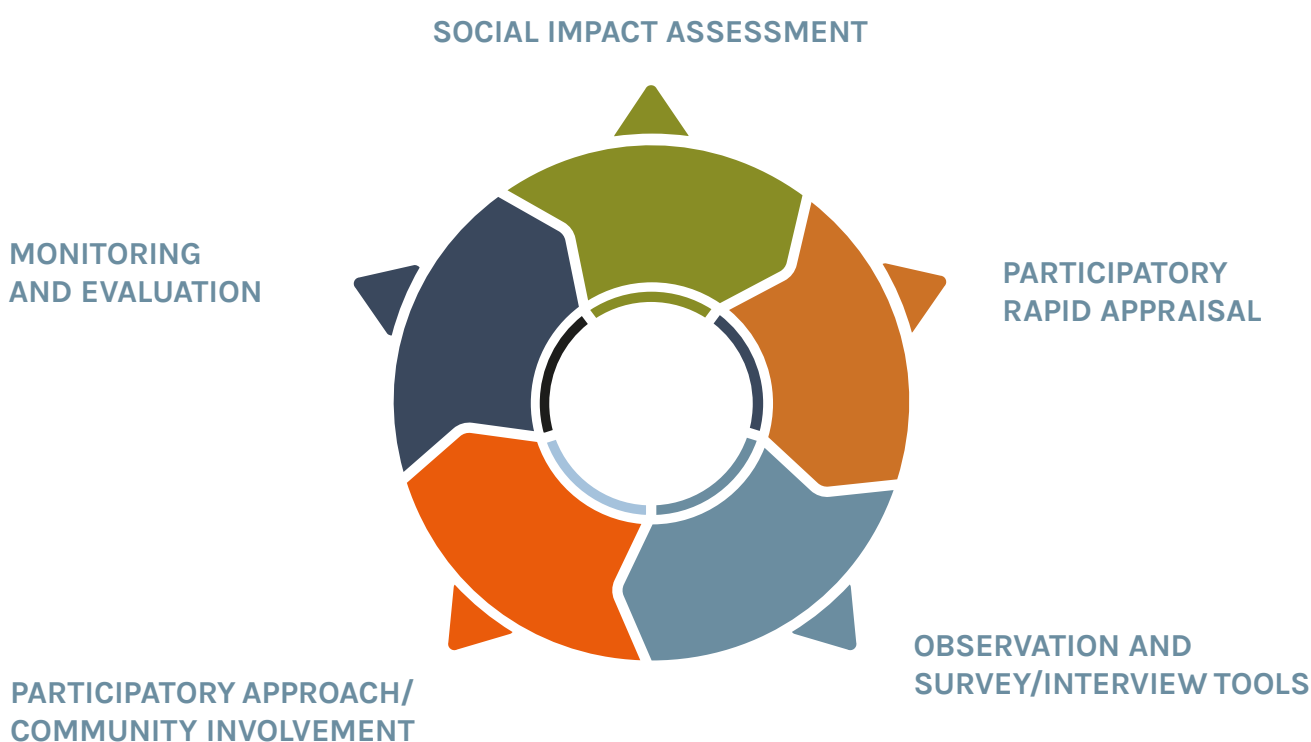
Through our active Information, Education, and Communication (IEC) programs, we are also able to provide accurate and timely information to all our stakeholders, and to listen and respond to their feedback and grievances appropriately. This helps ensure that local communities are enabled to make informed decisions regarding the activities, projects, and programs that might affect them. This reflects our desire to operate in a manner that respects the interests of all our stakeholders, while promoting open and constructive dialogue and engagement.

Aligned with right and principled mining, we work together with our host and neighboring communities to create social development programs that serve to empower them towards resilience and self-sufficiency.

#### Corporate Social Responsibility (CSR) Manual

Our commitment to CSR is articulated in an ISO 26000 Declaration: Corporate Social Responsibility Manual, which contains all our commitments, policies, and practices in adherence with the ISO 26000 Guidelines. The ISO 26000 Guidelines is an international standard developed to help organizations assess and address social responsibilities

## Social Development and Management Program (SDMP) Methodology





## SUSTAINABILITY AT PHILEX

relevant to their mission and vision, operations and processes, stakeholders, and environmental impact. It is anchored on the principles of accountability, transparency, ethical behavior, and respect for stakeholder interest, the rule of law, international norms of behavior, and human rights.

Our CSR Manual, drafted in 2018, was audited by the ECC International Corporation (ECCI), a leading process improvement solutions provider. It has been found to be comprehensive and aligned with the ISO 26000 Guidelines.

### Social Development and Management Program (SDMP)

Pursuant to RA 7942's Implementing Rules and Regulations (IRR) and DAO No. 2010-21, Section 134, mining companies must set aside at least 1.5% of their total operating costs for their SDMP. The allocation must correspond with the Development of Host and Neighboring Communities; Information, Education, and Communication; and the Development of Mining Technology and Geo-Sciences. An additional 10% of our exploration cost is allocated for the Community Development Program of areas under exploration.

Under Department of Environment and Natural Resources (DENR) regulations, the SDMP must be done in consultation and in partnership with the host and neighboring communities, and should cover and include all plans, projects, and activities of the mining company aimed towards enhancing their social development.

To determine the most pressing social needs of our host and neighboring communities in the Padcal Mine, we conduct a socio-economic baseline survey, or a rapid situation analysis. This enables us to identify the various resources, funds, skills, potentials, weaknesses, threats, and opportunities already present within the communities.

Through annual planning and community forums, we provide community leaders and stakeholders a venue to express their opinions on issues that affect their communities. Together with the members of our Host and Neighboring Communities Technical Working Group (HNC-TWG), Barangay and Municipal Local Government

Units we regularly monitor the implementation of our social programs, and then evaluate them to assess and document their effects on the communities. Through this approach, we have determined the most pressing social needs of our host and neighboring communities in the Padcal Mine.

### Four Pillars

Our SDMP serves as the primary platform for our social responsibility work. It is anchored on four pillars: Health, Education, Livelihood, Public Infrastructure, and Socio-cultural programs (HELPS).

Through this platform, we were able to bring quality health services closer to our host and neighboring communities. Our educational program significantly lessened expenditures in every household, and Philex scholars continue to be role models in their own communities. Livelihood projects and assistance led to better agroforestry production resulting to increased income. Infrastructure development and the provision of various equipment lowered farm inputs resulting to increased savings at the household levels. The development and improvement of water systems ensured availability of water for the community's household, and farm needs.

Pursuant to RA No. 7942's Implementing Rules and Regulations (IRR) and DAO No. In 2022, the Company spent Php108.79 million for its mandated SDMP in Padcal, and Php4.35 million in advance SDMP for the Silangan Project.



Php **109M**

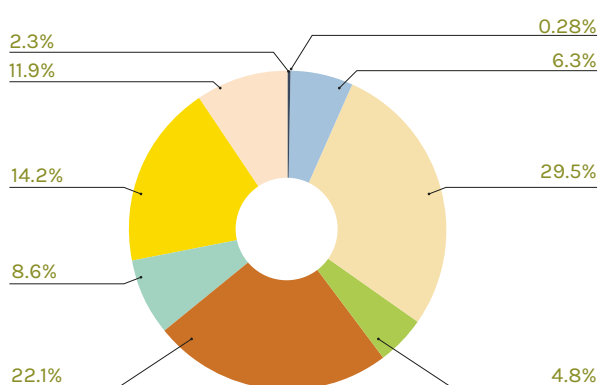
SDMP expenditures  
of Philex for Padcal in  
2022

## 2022 SDMP

	Amount (in Php millions)
Education	32.1
Public Infrastructure	24.0
Information, Education, Communication (IEC)	15.5
Development of Mining Technology & Geosciences (DMTG)	12.9
Health	9.4
Livelihood	6.9
Socio-Cultural Development	5.2
Contingency Fund	2.5
Human Resources and Capacity Development	0.3
<b>Total</b>	<b>108.8*</b>

\* Including carry-over project expenses from 2021

SMDP Allocations



Note: Figures may not tally due to rounding off

## Philex (Padcal Mine)

### Health and Sanitation Programs

We help uplift the quality of life of the people touched by our business by improving access to basic health services. Our health and sanitation programs proved particularly vital during the COVID-19 pandemic in curbing the spread of the coronavirus among our workers and in our host and neighboring communities.

As part of these programs, we extend health insurance (PhilHealth), medical assistance, medical and dental missions, health facilities, and health center improvements, among others. We also engage the affected communities during annual planning sessions to identify the target number of beneficiaries per year, as PhilHealth premiums are paid yearly.

To manage the health needs of our partner-communities, we actively coordinate with the Department of Health (DOH), the Municipal Health Offices, barangay (village) health workers (BHWs), and the community elders and leaders of Tuba and Itogo municipalities. The Municipal Health Officer leads in the implementation of medical missions, and BHWs provide inputs on the prevailing health conditions of their respective areas of responsibility. In response, we provide medicines and other medical supplies, facilitate the transportation and food of the medical teams, and oversee the medical missions.



Philex employees and residents in host and neighboring communities have access to healthcare and medical services at the Philex Sto. Niño Prime Hospital in Padcal.

# SUSTAINABILITY AT PHILEX

Philex Sto. Niño Prime Hospital in Padcal



## Health and Sanitation Programs in 2022



**904** beneficiaries of Maintenance Medicine Distribution

**23** beneficiaries of Social Health Care Program

**278** beneficiaries of Medical Assistance

**907** beneficiaries of Health Care Services at the Sto. Nino Hospital

**4** Health centers improved

**308** individuals provided health training

**1** brand-new emergency vehicle provided

Medical and dental services are also offered to our employees and the residents of our host and neighboring communities at the Philex Sto. Niño Primary Hospital. In addition, we provide support in terms of provisions such as medical kits, medical tools, and hospital equipment.

While the threat of COVID-19 has dissipated in 2022, we continue to safeguard the health of our employees through our vaccination program and comply with government safety and health protocols. In 2022, we provided COVID-19 booster shots to our employees. In the Head Office, all employees were also given free pneumococcal and flu vaccines.

### Education

Our educational programs aim to upgrade the quality of education through scholarships and financial assistance, as well as through teaching and learning enhancement projects. Specific education needs identified by our host and neighboring communities are the following: scholarships in college, financial assistance through allowances for senior and junior high school students, as well as subsidized education for elementary and junior high school students.

We provide free primary education at the Philex Mines Elementary School, and heavily subsidized secondary schooling at the St. Louis High School. Technical-vocational training is also provided through the Technical Education and Skills Development Authority (TESDA) and the Special Program for the Employment of Students (PSES). Families of our scholars have potentially increased their economic capacity due to employability of the graduates.





## Education Programs in 2022



**1,471**

Total number of scholarships given, as follows:

- 537 college students (with 26 graduates)
- 385 Senior High students
- 434 Junior High School students
- 89 Technical/Vocational students

**812**

Pupils with subsidized education

**487**

Students with subsidized high school education

**49**

Total number of schools supported (23 elementary schools, 8 high schools, and 18 Child Development Centers)



We also provided support and various assistance to other schools within our host and neighboring communities. Philex shares the firm belief with our host and neighbouring communities that education can help them transform their lives.



# SUSTAINABILITY AT PHILEX



## Livelihood and Skills Development

Our livelihood and skills development programs enable beneficiaries to gain entrepreneurial skills, access cheaper farm inputs, and generate income for their households.

We offer equal opportunities for employment to members of our host and neighboring communities, including indigenous peoples (IPs) present in our areas of operation. We also build capacity and foster self-reliance among community members so they can pursue sustainable livelihood opportunities beyond Padcal Mine's operating life.

We provide seed capital and technical assistance for various livelihood projects that the communities determine as well as to qualified community organizations. Livelihood and skills development training and seminars, cooperative development

training, and infrastructure support such as farm-to-market roads, are also extended.

We strive to further strengthen our relationship and partnerships with the Department of Trade and Industry, Department of Health, Department of Agriculture, Bureau of Fisheries and Aquatic Resources, Cooperative Development Authority, and the Bureau of Internal Revenue, and other line agencies involved in livelihood development.

Livelihood development programs are managed in our partnercommunities by actively coordinating with the Barangay Livelihood Committee (BLC), the community elders and leaders, and the officers and members of active livelihood associations and cooperatives. This enables succession planning in program implementation.



## Livelihood and Skills Development Programs in 2022



13

Livelihood associations (12) and 1 cooperative assisted

2

Barangays (Camp 3 and Dalupirip) that received support for their tourism programs



### Public infrastructure support

We promote safe and convenient access to basic services for our host and neighboring communities through meaningful public infrastructure projects. By providing power line connections, households are able to enjoy social activities and engage in economic endeavors. Road pavements give residents safer access and enable farmers to transport their produce faster and cheaper.

### Socio-Cultural Preservation Program

We provided support and assistance to various socio-cultural activities, religious activities, bereaved families, as well as in the construction and improvement of multipurpose halls within our host and neighboring communities.

#### Public Infrastructure Programs in 2022



<b>1.36</b>	Kilometers of roads paved
<b>18</b>	Retaining wall/flood control structures/pathway railings constructed
<b>14</b>	Water systems constructed and improved
<b>8</b>	Multipurpose buildings constructed/improved
<b>152</b>	Households that benefited from electrification projects

#### Socio-Cultural Preservation Programs in 2022



<b>93</b>	Families given bereavement assistance
<b>13</b>	Religious groups assisted
<b>5</b>	Barangays given support for promoting the practice and preservation of cultural and social values



# SUSTAINABILITY AT PHILEX



## Silangan Project

Silangan Mindanao Mining Co., Inc. (SMMCI) commits itself to develop the host and neighboring communities through the implementation of its Advance Social Development and Management Program (ASDMP).

Notwithstanding the limited resources under its current mine development status, the company implemented its ASDMP in 2022. Out of its approved ASDMP budget of Php4.35million for 2022, SMMCI realigned Php4 million for the victims of Typhoon Odette in December 2021. The remaining budget of Php350,000 was spent for its regular projects, programs, and activities.

SMMCI continuously implemented projects on Education, Livelihood, Health, Public Infrastructure, Promotion of Socio-Cultural Activities, and Information Education Communication Program within its host communities of 11 barangays and four municipalities in the province of Surigao del Norte.

### Information, Education, Communication

SMMCI continuously conducts extensive and comprehensive information, education and communication (IEC) program within its host and neighbouring communities and other stakeholders.

### Education

In 2022, the company provided more than 100 sacks of cement to nine partner schools within its host barangays for minor repairs and improvements in preparation for their return to school under the Department of Education's Brigada Eskwela program.

### Promotion of Socio-cultural Awareness

SMMCI sustained its limited but significant support to various socio-cultural activities such as Charter Day celebrations of its host communities, Christmas gift giving, and other religious activities.



### Land Resource Management

SMMCI sustained its partnership with the LGU of Barangay San Pedro, Sison (host community) and the Department of Social Welfare and Development (DSWD) in the establishment of a communal agricultural complex within its two-hectare property. This serves as a modality of the cash-for-work program which aims to ensure food security by planting cash crops such as vegetables as part of the local government unit's COVID-19 pandemic response.

Under the Silangan Rice Initiative thru Community Engagements (RICE) Project, the religious group Seventh Day Adventist sustained its rice production within the property in Brgy. San Pedro. In 2022, the partner organization expanded into vegetable gardening to maximize the areas and potentially increase their income.



Php **4.35M**  
2022 ASMDP of SMMCI





# Women Power in Tapsan

Women are key agents in rural development. They play an integral role in their households' and communities' food security, income generation, and overall well-being. However, women and young girls face hurdles that dampen their efforts to improve their lives as well as those of others around them, especially in the rural areas.

Knowing this, Philex Mining Corporation strives to support organizations and causes advocating women empowerment. One of these is the Saes Community Consumers Cooperative (SaCCCo).

Formerly known as the Tapsan Women's Association, SaCCCo is a cooperative focused on economic empowerment and development. When the organization started in 2014, it mostly tackled women's issues, promoting sustainable livelihood by selling dry goods for the members' benefit. It also conducted sports leagues and other social activities that strengthened the women in Tapsan in Ampucao, Itogon, Benguet.



Through its Social Development and Management Program (SDMP), Philex extended a helping hand through trainings and a seed capital of Php150,000 to the former Tapsan Women's Association. This assistance enabled the association to transform into a cooperative. With the need for a bigger establishment, Philex awarded a Php1.4-million cooperative building and facilities to SaCCCo. Since then, SaCCCo has successfully launched another branch at Benguet Village in Barangay Ampucao, Itogon, and now has over 132 members.

The SDMP continues to support the cooperative to strive for greater heights. Sharing their experience-driven guidance and assistance, SaCCCo serves as one of the Company's partners in developing other livelihood associations.

As part of Philex's Community Technical Working Group (TWG), SaCCCo contributes in leading and facilitating the SDMP community planning activities; reviewing and finalizing policies and guidelines per program; screening, assessing, and validating beneficiaries and projects; and coordinating with the barangay local government unit (BLGU) and community members.

Philex takes great pride in supporting SaCCCo in its efforts to promote rural development in these Benguet communities. It strives to extend assistance in far-flung areas to provide communities, especially women, with the tools and resources they need to uplift the quality of their lives.





# Sustaining Communities through Mining

As one of the oldest and biggest mining companies in the Philippines, Philex recognizes its responsibility to communities and the environment. Its goal is to ensure its business contributes to those that benefit from its presence.

From 2018 to 2022, Philex launched several programs, projects, and activities (PPAs) under its Social Development and Management Program (SDMP), a comprehensive five-year plan to improve the living standards of the host and neighboring communities of its Padcal mine in Benguet.

To evaluate the impact of its SDMP, the Company tapped the Institute of Social Research and Development of the Benguet State University to conduct a Social and Economic Impact Assessment (SEIA). The study covers the PPAs of Philex in these areas: Human Resource and Capability Building, Public Infrastructure Development, Education, Livelihood and Enterprise Development, Health, and Sociocultural and other Community Development.

Within the five-year period, Philex was able to conduct capability-building training sessions that enabled residents in barangays Ampucao, Camp 3, Ansagan, and Camp One to gain key knowledge and practical skills they can apply in their respective businesses and organizations. The activities also boosted their confidence and capabilities, allowing them to become

more productive members of their communities.

In the infrastructure sector, its projects greatly improved the mobility and quality of life of the residents in the host barangays. The beneficiaries especially welcomed the farm-to-market roads, water system, building construction, and electrification projects, saying these initiatives opened livelihood and job opportunities and provided the resources they need for their day-to-day household needs.

Roads, walkways, and pathway railings that the Company constructed made daily transportation easier, quicker, and more affordable for the residents. The recorded number of road accidents also decreased, thanks to vastly improved infrastructure.

Health PPAs yielded positive results as well. Families in the targeted communities benefited from the reduced costs of medicines and medical services. They are now more motivated to undergo medication and treatment and actively care for their well-being since healthcare has become more accessible.

On education, the Company's SDMP focused on individuals eager to study but are economically limited to do so. Philex awarded scholarship grants that not only enabled students to finish their schooling, but also lessened their families' expenses so they can allocate more money for food and other essentials.





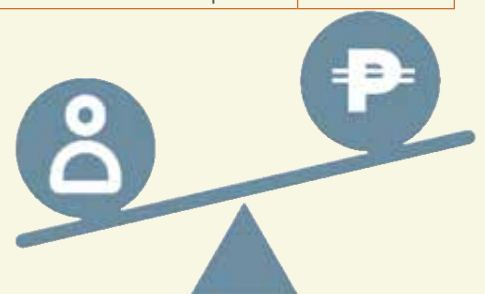
On the other hand, the SEIA cannot quantify the impacts of the sociocultural PPAs although they enriched the residents' lives and heritage, especially the indigenous communities living in the barangays.

Ultimately, most of the PPAs that Philex implemented benefited many families in its host and neighboring communities, as proven by the positive social and economic impacts on the beneficiaries' lives.

## Cost-Benefit Analysis of SMDP Projects

The benefit-cost ratio of the 10 most impactful programs, projects, and activities (PPAs) of Philex under its Social Development and Management Program (SDMP), showing the return for every peso spent, are as follows:

Programs, Projects, Activities	Benefit Cost Ratio (in Php)
Farm-to-Market Road Improvement	30.29
Electrification	14.27
Senior and Junior High School Scholarships	10.53
College Scholarships	10.31
Foot Path and Bridge Development	9.22
Subsidized Elementary and Secondary Education	6.41
Water System Development	6.02
Philhealth Insurance	6.02
Goat Raising	6.00
Health Care Services at Sto. Niño Hospital	5.41





# SUSTAINABILITY AT PHILEX

## OUR PEOPLE



At Philex, people are regarded as the most precious among our assets. Their health, safety, and wellbeing lie at the heart of our responsible business.

In 2022, even as the threat of COVID-19 has waned, we continued to make the health and safety of our employees our utmost priority. The challenging operating environment during the global pandemic has prompted us to draw on our more than six decades of expertise and experience in managing crisis situations to efficiently and effectively implement the vital protocols and measures needed to continue to operate safely.

As of end-2022, our total manpower headcount, including those of our subsidiaries, stood at 1,940, slightly higher than our headcount of 1,910 in 2021. Of the total, Philex (Parent Company) accounted for 1,897 versus 1,894 in 2021.

As of end-2022, there are 71 Head Office-based employees and 1,879 operations and support personnel assigned in Padcal, Silangan, Sibutad, and Bulawan, compared to a headcount of 74 and 1,836, respectively, in 2021.

The average tenure of employees is 12 years, with an average age of 41 years old.

In terms of gender distribution, due to the nature of our business which requires working in an underground mine site, 93% of our employees are male and 7% are female.

We expect to increase the number of probationary and regular employees under our subsidiary, SMMCI, as we continue the in-phase mine development work of the Silangan Project in the ensuing months.

## Employee Hiring

		Total	%
No. of Employees	Regular and probationary	1,940	
Employment by Age	Under 16 years old		
	16-30 years old	311	
	Over 30-50 years old	1,225	
	Over 50 years old	404	
Employment by Rank	Junior Level (Below Manager)	1,839	94.7
	Middle Level (Manager to Senior Manager)	97	5
	Top Level (Above Senior Manager)	4	0.2
Employment by Type	Full Time	1,940	
	Part Time	0	0
Attrition rate			-7
Ratio of lowest paid employee against minimum wage (in Padcal Mine)		1.8:1	

		Total	Turnover Rate
Employee Turnover by Gender	Male	184	10.3%
	Female	36	25%
Employee Turnover by Age	Under 16 years old		
	16-30 years old	58	20.3%
	Over 30-50 years old	93	7.6%
	Over 50 years old	69	16.6%
	Total	220	11.4%
New Employee Hires	Male	66	
	Female	19	
	Total	85	
	16-30 years old	53	
	Over 30-50 years old	29	
	Over 50 years old	3	

## Employee Benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	100	100
Philhealth	Y	100	100
Pag-IBIG	Y	100	100
Parental Leaves	Y	6	5
Vacation Leaves	Y	100	96
Sick Leaves*	Y	100	100
Medical Benefits aside from Philhealth	Y	100	85
Housing Assistance (aside from Pag-IBIG)**	Y	71	97
Retirement Fund (aside from SSS)	Y	4.2	3
Educational Support***	Y	48	51
Company Stock Options	N		
Telecommuting (Work from Home)****	Y	100****	
Flexible Working Hours	N		

\*Unused Sick Leaves (SL) are converted to monetary value / For Head Office unused Vacation Leaves (VL) are forwarded to the succeeding year up to maximum of 30 days total VL balance

\*\*Free housing in Padcal - 99% of Padcal site employees are availing of the free housing

\*\*\*For Head Office - educational support / For Padcal Mine employees - free elementary and subsidized high school education

\*\*\*\*Telecommuting for Head Office only lasted until March 3, 2022

# SUSTAINABILITY AT PHILEX

## Diversity and Equal Opportunity

		Total	%
Employment by Gender	Male	1,797	93%
	Female	143	7%
No. of Employees from Indigenous Communities and/or Vulnerable Sector*		1,143	59%
Employment by Contract, by Gender	Permanent, Female	143	
	Permanent, Male	1,797	
	Temporary Female	37	
	Temporary, Male	291	



# 59%

Percentage of employees from indigenous communities and/or vulnerable sectors\*

\*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).



### Manpower Pool Maintenance Program

We established a Manpower Pool Maintenance Program to create a pool of competent individuals readily available to fill in vacated or open positions. Managed by the Recruitment Section of our Human Resources Department, the program aims to fast-track the replacement of retiring or resigning employees so that there will be an easier turnover of workloads, reducing work backlogs. Regular employees comprise our workforce, which is augmented by accredited third-party suppliers and contractors for certain activities and projects.

We also pursue other initiatives to further strengthen the program. For example, we post career opportunities and job openings in the mine site, as well as through local newspapers, to widen the reach of our talent sourcing. We also coordinate with professional groups and tertiary schools to get recommendations for potential hires.

### Employee Training and Development

		Total
Training Hours	Male	25,523
	Female	3,315
	<b>Total Training Hours</b>	<b>28,838</b>
	Junior Level (Below Manager)	27,244
	Middle Level (Manager to Senior Manager)	1,512
	Top Level (Above Senior Manager)	82
Average Training Hours	Male	14
	Female	23
	Junior Level (Below Manager)	15
	Middle Level (Manager to Senior Manager)	16
	Top Level (Above Senior Manager)	21

### Labor-Management Relations

Employees covered by collective bargaining agreement	86%
Number of Consultations with employees concerning employee-related policies	12

A healthy and harmonious management-labor relationship is a vital ingredient to the sustainability of our business. We thus help ensure continuous employee engagement and business continuity by managing our Labor-Management Cooperation (LMC) to accomplish goals through mutually accepted solutions and processes.

As a right and principled mining company, Philex aims to create a labor environment that is conducive to open discussion and collaboration, enabling everyone to work together towards improving our working conditions and enhancing overall productivity.

We conduct monthly and quarterly LMC meetings, which serve as a platform to promote workers' participation in the decision-making process. Through these meetings, we get to address employee concerns while enlisting their cooperation to achieve common goals and aspirations. LMC meetings also help create a labor relations climate that is open to improvements in overall working conditions and productivity, which can in turn help us achieve and sustain

stellar economic and operational performance. Failure to manage and sustain these monthly and quarterly LMC meetings can threaten the harmonious relationship between the Company and its employees, especially those who are members of labor unions.

Failure to maintain industrial peace can lead to strikes and lockouts, which can disrupt business operations.

The HR Department ensures the regular conduct of these LMC meetings, as supported by other Division and Department Heads of the Company, labor union officers, and third-party representatives from the National Conciliation and Mediation Board (NCMB). On top of conducting regular labor-management meetings, Philex also issues advisories to employees to reiterate company policies and to inform them of any relevant changes in company procedures.

We also strive to correctly interpret the provisions of their collective bargaining agreements (CBAs) and to ensure the consistent implementation of these provisions.



# SUSTAINABILITY AT PHILEX

Padcal-based employees belong to two collective bargaining agents: the Philex Mines Independent Labor Union (PMILU) for rank-and-file employees, and the Philex Mining Supervisory Employees Union-Association of Professional Supervisory Office Technical Employees Union (PMSEU) for supervisors.

Philex believes that true and lasting industrial peace cannot be achieved if management fails to hold employees accountable for their actions. As such, part of the management's measures to ensure a harmonious relationship with its labor force is the enforcement of the Company Rules and Regulations (CRR).

The Employee Relations Section of our HR Department checks the various types of violations an employee can commit and their corresponding penalties. These guidelines and protocols have been aligned with the pertinent provisions of the Labor Code of the

Philippines, the Camp Administration Code of Conduct, and the CBAs for supervisory (PMSEU) and rank-and-file (PRFEU) employees.

We have a grievance mechanism that gives employees an opportunity to voice out their concerns and grievances and provides a peaceful and systematic way to resolve disputes through fact finding. In some cases, the mechanism even provides individual union members with the ability to appeal a decision, allowing them to exhaust their rights under the grievance procedure or to overturn the decision of the management through arbitration. We conduct focus group discussions (FGDs) and consultations with various department managers, union representatives, company lawyers, and even the employees concerned prior to meting out a decision.



# OUR WORKPLACE



## Occupational Health and Safety

We have an unwavering commitment to improving our health and safety performance by adopting best practices in our workplace and critical controls to prevent fatalities, minimize injuries and eliminate occupational diseases, towards a goal of zero harm.

We developed and implemented pertinent policies and protocols that help promote workplace safety and manage any negative impacts our business operations may have on overall employee health and productivity.

This is anchored on the belief that a safe workplace increases productivity and sustains stakeholder support. Managing workplace safety is also crucial to preventing negative impacts such as manpower loss, government sanctions, and the disruption of operations. Failure to manage workplace safety would negatively impact employee health and productivity, and therefore also affect our mine's production targets. Thus, we strive to protect the health of all our employees and contractors, as well as keep them free from injury during and after their daily work shifts.

We enforce occupational health and safety protocols for the benefit of our employees and contractors, as well as their families and host communities. We also provide the necessary equipment, training, and resources to enable our employees and contractors to work safely.

We comply with rules and regulations relevant to human rights. Philex respects the rights of all stakeholders affected by our operations, and we do not tolerate any human rights violations. We also adopt the necessary controls, standards, policies, and procedures for the security, safety, and protection of our employees, company assets, and host communities. These policies are critical to maintaining our reputation as a right and principled mining company and keeping our social license to operate. Owing to these measures, we have successfully renewed our ISO certification for OHSAS 18001 (Occupational Health and Safety Assessment Series).

## Occupational Health and Safety Governance

Philex is a responsible natural resource company committed to establish, maintain, and continually improve an Integrated Management System in accordance with the requirements of ISO 14001:2015 and on the Standard on Occupational Health and Safety, ISO 45001:2018 audited by TUV NORD. The certificates are valid until July 11, 2024.

Quarterly internal audits are conducted by the Audit and Assessment Committee of the Central Safety, Health, and Environmental Council while Supervisors and Managers, on the operations side also conduct safety audits twice a month. Aside from internal audits, the regional office of the Mines and Geosciences Bureau also conducts monthly, quarterly, annual, and special audits.

## SUSTAINABILITY AT PHILEX

Health and safety policies are embedded in our Integrated Management System (IMS) as follows:

- Ensure sustainable utilization of resources,
- Prevent adverse impact to the environment,
- Prevent injury, ill health and loss of life of workers and all stakeholders, and
- Comply with applicable laws and regulations

### Training

We strive to foster a culture of safety within an organization. We recognize that the mining business has inherent risks, and our more than 60 years of experience in the industry has allowed us to deeply understand the risks and negative impacts associated with our mining operations. As such, we strive to impart this wealth knowledge to our workers and contractors through relevant health and safety training.

Through proper training and follow-up mechanisms, we equip our employees and contractors with the right knowledge on how to assess and manage workplace hazards. Failure to do so may lead to increased occurrence of incidents in the workplace which, in turn, can stifle employee morale and productivity. By properly managing and implementing health and safety trainings, we strive to develop and maintain healthy workers that can handle their jobs safely, for the benefit of the organization and all our stakeholders.

Our trainings are guided by our Safety, Health, and Environmental Policy (SHEP), which is embedded in our IMS. The policy reflects our commitment to safeguard our workers and other stakeholders from sickness and injury, as well as to protect and preserve the environment over the life of our mining operations.

We conduct Health and Safety Trainings in the Padcal Mine, following the calendar of training submitted to the concerned regional office of the Mines and Geosciences Bureau (MGB) of the DENR. The calendar of training, prepared by our Safety, Health, and Risk Management Department, was created to maintain a high level of health and safety awareness among our rank-and-file, supervisory, and managerial employees. These training sessions can be a mix of classroom lectures and practical learning activities, such as field work, workshops, and other immersion activities, to help employees relate the theories to their on-the-job activities. Tenured employees are subject to retake these training sessions to refresh their memory.

We implement a Safe Start Seminar for employees with tenure of less than five years. The seminar was designed to introduce them to various safety programs and standards, rules and regulations, and standard operating procedures relevant to their respective job assignments to enhance safety awareness on and off the workplace. We also intensified our implementation of the Supervisors' Safety Awareness Training to constantly enhance the awareness of our supervisors on basic safety responsibilities.

To continuously improve the quality of our Health and Safety Trainings, we measure their effectiveness at four levels:

### Health and Safety Training Evaluation

Level	Title	Description
1	Subject/Topic Evaluation	Pre-test and post-test done in classroom and/or workplace after the session
2	Post-Training Program Evaluation	Evaluation done in classroom and/ or workplace after the session
3	Workplace Effect Evaluation	Workplace survey and focus group discussion (FGD) conducted by peer group and supervisors
4	Organizational Effect Evaluation	Organizational level survey and FGD conducted by the Human Resources Department (HRD) and the training providers

### Measuring Safety Performance

Philex is committed to preventing its adverse impacts to the environment as well as injury, ill health, and loss of life among its workers and other key stakeholders. It regularly monitors and measures its safety performance.

Through its Safety, Health, and Environmental Policy (SHEP), it demonstrates its desire and commitment to attain an excellent safety performance. This advocacy is cascaded down the ranks to gather support within the organization. Safety performance must be measured and managed to see the big picture when it comes to safety programs, targets, and objectives. Ultimately, safety performance measurement serves as a tool for management to know if safety programs are carried out properly, and if it has achieved the desired results of its safety targets and objectives.

Philex measures its safety performance through periodic audits, which are carried out by a group of internal auditors trained according to the requirements of ISO 45001:2018, a globally recognized health and safety management system. Initially, these internal audits were carried out monthly, but as the program took root, third-party auditors, such as TUV Rheinland Philippines, have observed that monthly audits should not be held too close to each other to be effective. Thus, internal audits are now done quarterly by the Audit and Assessment Committee (AAC) of the Central Safety, Health, and Environment Council to allow for more flexibility in the implementation of corrective actions and to gain a period of stability.

Supervisors and managers on the operations side also conduct safety audits twice a month, which are then reported to the Safety Department. Safety Officers, in turn, monitor the findings and the observations from these safety audits to address safety risks in a timely manner. Aside from internal audits, the regional office of the DENR-MGB also conducts monthly, quarterly, annual, and special audits using their independent system for measuring safety performance.

#### Facility Protection

To ensure the continuity of our mining operations and the delivery of our social programs, we strive to protect our facilities and foster security and safety among our employees and host communities residing within the Padcal mine site. We prevent threats of sabotage, subversion, pilferage, and other criminal acts that could undermine

operational integrity, business continuity, and peace and order within our mine sites and host communities.

Managing facility protection is spearheaded by our Security Department, which is in turn supported by other departments, such as the Legal Department, which provides statutory guidance in the implementation of security operations. Other departments and offices also have their own internal controls to safeguard their respective facilities. For external threats, we seek the support of local law enforcement units stationed in our host municipalities.

#### Compliance with Labor Laws

We are committed to adhering with local and international labor laws such as:

- **Forced Labor:** We do not practice forced labor and ensure the individual's right to personal dignity. This policy is contained in PMC's Corporate Social Responsibility Manual, ISO 26000.
- **Child Labor:** We are compliant with labor standards setting the age of qualified applicants to 18 years old for those in surface operations and 21 years old for underground operations. This is part of our hiring policy.
- **Human Rights:** We are committed to conducting our business with respect for all internationally recognized human rights. We are dedicated to doing so consistently. This policy is contained in PMC's Corporate Social Responsibility Manual, ISO 26000.

#### Occupational Health and Safety

	2022	2021
Total safe man-hours	HO: 128,832 PX: 6,670,284 SMMCI: 3,001,010 PGPI: 207,150	SMMCI : 184,376 PMC : 6,636,847 PGPI: 142,910
Lost Time Accident (Non-Fatal)	10	8
No. of work-related fatalities	2	1
No. of work related ill-health	0	
No. of safety drills/trainings	45	

#### Compliance with Labor Laws and Human Rights

	2022	2021
Total number of non compliance with laws and/or regulations relating to occupational health and safety	0	0
Number of incidents of non-compliance (health & safety)	0	0
Number of incidents of non-compliance (employment, labor standards)	0	0
No. of legal actions or employee grievances involving forced or child labor	0	0



## PHILEX MANAGEMENT COMMITTEE



**EULALIO B. AUSTIN JR.**  
**PRESIDENT & CEO**

**ROMEO B. BACHOCO**  
**TREASURER, CHIEF**  
**FINANCE OFFICER,**  
**CHIEF COMPLIANCE**  
**OFFICER, CORPORATE**  
**GOVERNANCE OFFICER,**  
**AND CHIEF RISK OFFICER**

**WINSTON S. CRUZ**  
**VICE PRESIDENT -**  
**LEGAL & GENERAL**  
**COUNSEL AND DATA**  
**PROTECTION OFFICER**

**VICTOR A. FRANCISCO**  
**VICE PRESIDENT**  
**- ENVIRONMENT**  
**AND COMMUNITY**  
**RELATIONS**



**RICARDO S. DOLIPAS II**  
**VICE PRESIDENT -**  
**PADCAL OPERATIONS**

**PARALUMAN M.**  
**NAVARRO**  
**ASSISTANT VICE**  
**PRESIDENT,**  
**CORPORATE FINANCE**

**NOEL C. OLIVEROS**  
**DIVISION MANAGER,**  
**EXPLORATION**

**VENANCIO GEL**  
**A. ROMERO**  
**DIVISION MANAGER,**  
**CORPORATE**  
**TECHNICAL SERVICES**  
**& BUSINESS**  
**DEVELOPMENT**