NAC
NICKEL ASIA CORP.

Towards Our Green Future

2023 Integrated Report

About the Report

GRI 2-3

NAC
NICKEL ASIA CORP.

Nickel Asia Corporation ("NAC" or "the Company") reports on the current situation of the Sustainability programs of NAC and its subsidiaries namely Cagdianao Mining Corporation (CMC), Dinapigue Mining Corporation (DMC), Hinatuan Mining Corporation (HMC), Rio Tuba Nickel Mining Corporation (RTN), Taganito Mining Corporation (TMC), CDTN Services Company Inc. (CDTN), Emerging Power Inc. (EPI), and Jobin-SQM Inc. (JSI), collectively known as the "NAC Group" or "the Group."

This report covers activities for the calendar year 2023. The Company's initiatives are in support of the United Nations Sustainable Development Goals (UN SDGs). The report was prepared in accordance with Global Reporting Initiative (GRI) Standards, International Financial Reporting Standards (IFRS), Sustainability Accounting Standards Board (SASB), Integrated Reporting <IR> Framework, and aligned with the United Nations Global Compact (UNGC) principles. NAC uses a comprehensive framework of indicators as a consistent and transparent tracker of performance. This gives our stakeholders a clear picture of the Company's economic, environmental, and social developmental accomplishments.

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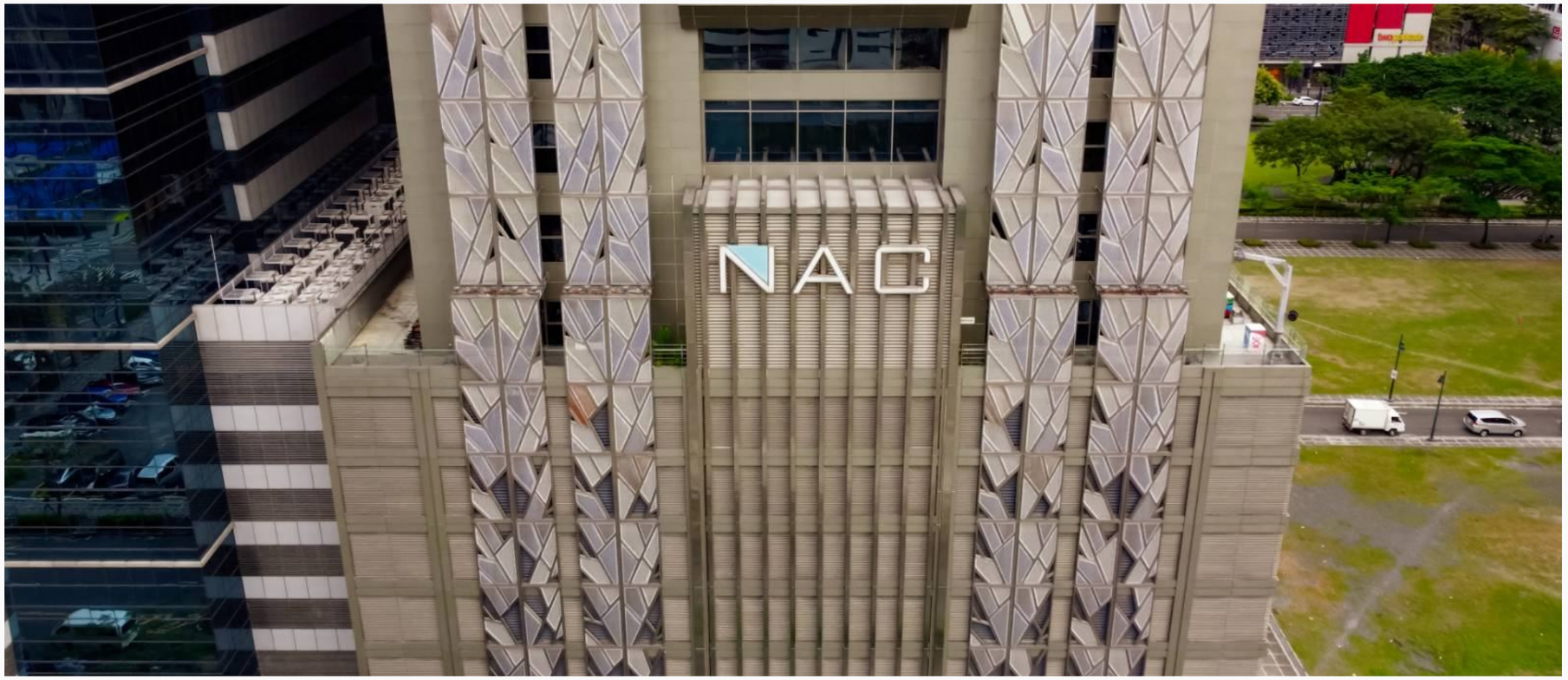
1 Who We Are

GRI 2-1, 2-6



COMPANY PROFILE

NAC is a diversified natural resources development company focusing on mining and renewable energy, seeking to align business priorities with society's needs while ensuring that stakeholders benefit from the Company's success. To this end, NAC has committed to be the premier Environment, Social, and Governance (ESG) investment company in the country, and to rank among the largest and most profitable enterprises that are part of the Philippine Stock Exchange in terms of market capitalization – all by 2025.

The NAC Group's operational history in metals and mining traces its roots to 1968 when a geologist was sent to evaluate a deforested area in Rio Tuba, Bataraza town, at the southernmost area of Palawan Island. Soil samples were sent back to Manila for testing to reveal what at that time was arguably the largest known deposit of lateritic nickel ore in Southeast Asia. Rio Tuba Nickel Mining Corporation (RTN) was born, and in 1977, began shipments of high-grade ore to Japan.

Today, the Group's combined mining operations produce the largest volume of lateritic nickel ore in the country and is one of the largest in the world. Beyond Rio Tuba, NAC has expanded its operations to four areas: Taganito (TMC) in Claver and Hinatuan (HMC) in Tagana-an, both in Surigao del Norte; Cagdianao (CMC) in Dinagat Islands; Dinapigue (DMC) in the Northern Luzon province of Isabela; and our newest operational mine, HMC in Manicani, Guiuan, Eastern Samar.

Scan this QR code for more information

These mines produce saprolite and limonite ore, which are exported to China and Japan for processing into ferronickel and nickel pig iron for the manufacturing of stainless steel. The NAC Group's two largest mines, RTN and TMC, are part of the global supply chain for electric vehicle battery components. These mines supply low-grade ore to Coral Bay Nickel Corporation (CBNC) and Taganito HPAL Nickel Corporation (THPAL), the Philippines' only two nickel processing plants – whose customers process nickel into battery materials that are linked to world-leading electric vehicle manufacturers in the downstream market. CBNC, commissioned in 2006 as the first hydrometallurgical metal processing plant in the Philippines, has the capacity to produce 24,000 metric tons of contained nickel and 2,500 metric tons of contained cobalt annually. THPAL, commissioned eight years later, has a production capacity of 36,000 metric tons of contained nickel and 3,000 metric tons of contained cobalt per year. These are materials used in solar cells, super capacitors, and electrode materials. NAC has 15.62% and 10% equity interest in CBNC and THPAL, respectively.

In 2015, NAC ventured into the area of renewable energy by taking a 66% stake in Emerging Power, Inc. (EPI). In a short period of time, it has built up a portfolio of renewable energy service contracts across solar and geothermal which are at various stages of development. Today, NAC's stake in EPI is at 86.29% and an 82.87% ownership in EPI's subsidiary, Jobin-SQM Inc. (JSI).

JSI has solar power facilities in an 800-hectare area covered by a 50-year lease in Mt. Sta. Rita, Subic Bay Freeport Zone, Zambales, with an aggregate of 172-megawatt peak capacity already delivering renewable energy to the national grid.

Northern Palawan Power Generation Corporation (NPPGC), a wholly owned subsidiary of EPI, has secured a long-term land lease agreement in Cawag, Subic Bay Freeport Zone for the development of a 145-megawatt peak solar power plant, the construction for which is expected to begin by mid-2024

EPI partnered with Shell Overseas Investments B.V. (SOIBV) in 2022 to jointly develop, own, operate, and maintain onshore renewable energy projects through Greenlight Renewable Holdings, Inc. (GRHI). The joint venture, which is 60% owned by EPI and 40% by SOIBV, aims to develop 1 gigawatt of onshore solar, onshore wind, and battery storage capacity by 2028. GRHI is already scheduled to launch its first project – a solar power plant in Leyte with an initial capacity of 120-megawatt peak – to be completed by the first quarter of 2025.

Meanwhile, EPI's geothermal subsidiaries, Biliran Geothermal Inc. and Mindoro Geothermal Power Corp., are also developing geothermal power projects in Biliran and Oriental Mindoro, respectively.

In Biliran, the initial 2-megawatt turbines have been installed and energization activities are ongoing. This paves the way for the next phase of the 10-megawatt capacity expansion, with the goal of attaining an aggregate capacity of 50 megawatts in the medium term.

All of us at NAC are proud of all these successes, built on the practice of social responsibility towards our people, our communities, and our environment. As the appointed contractors by the Philippine government, we take to heart our duty to continuously strive to improve our operations and processes for the greater good, to be of service, and to preserve the nation's patrimony for the benefit of our communities and our country.

Through the years, we have been mindful of our social license to operate – a practice for which we have been recognized many times over. Our RTN operation was lauded as the first-ever ASEAN Mineral Awards recipient in 2017 given by the Association of Southeast Asian Nations, besting entries from other nine ASEAN countries, and was runner-up in 2019. Our HMC operation also emerged as a runner-up during the 2023 biennial awards.

Just as important, RTN, TMC, CMC, and HMC have all been awarded the Presidential Mineral Industry Environment Awards (PMIEA), the highest annual recognition given by the President of the Philippines to the best mining industry operations in the country. TMC has been awarded six times, RTN five, CMC three, and HMC three consecutive times.

NAC's corporate governance performance was recognized by the Institute of Corporate Directors (ICD) during the ICD awards in 2023. NAC received Two Golden Arrows for the ASEAN Corporate Governance Scorecard, which measures the performance of companies in the areas of governance, transparency, and accountability.

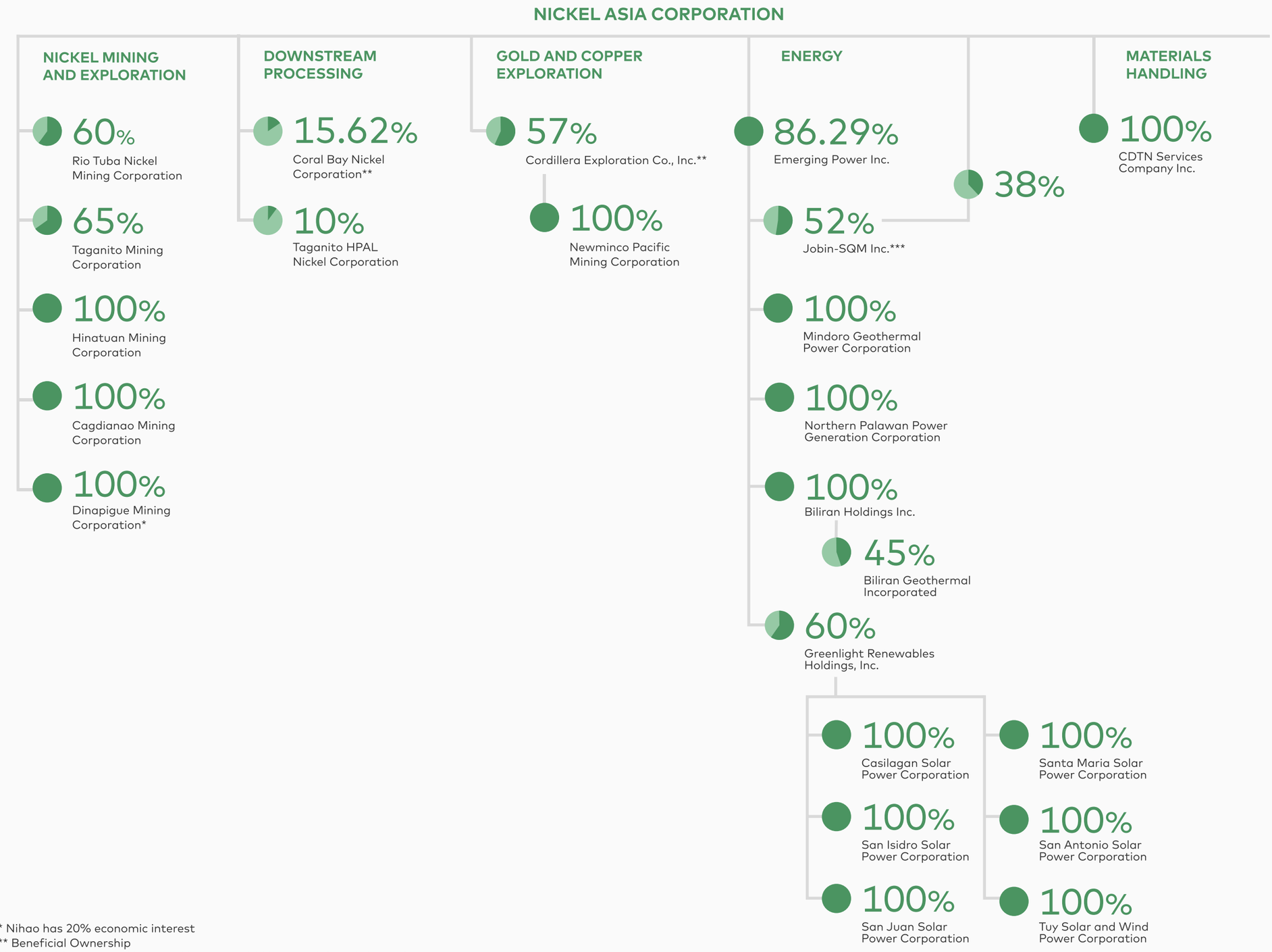
Outside of the Philippines, we are also recognized by FinanceAsia, the premier capital markets publication in the region. NAC received a Gold citation and was one of only four companies in the Basic Materials Company sector recognized in 2023. During the Asiamoney's 2022 Outstanding Companies Poll, NAC was also recognized as the Most Outstanding Company in the Philippines within the Materials Sector.

All these have contributed to the inclusion of NAC in the Philippine Stock Exchange index as among the 30 largest and most active common stocks in the country.

With a track record of success both on the business and social side of what we do, we remain inspired to carry on with our Sustainability Agenda *towards our green future*.

CORPORATE STRUCTURE

GRI 2-1, 2-6



* Nihao has 20% economic interest
** Beneficial Ownership
*** Jobin-SQM Inc. is 52% owned by EPI, and 38% owned directly by NAC

2 Joint Message to Shareholders

GRI 2-22

In 2023, we remained true to our commitment to create lasting and transformational impact in our communities while setting the stage for future growth in our operations.

Since ingraining resilience and Sustainability into the very fabric of our operations, we have made remarkable progress towards our 2025 objectives: becoming the premier ESG investment in the Philippines and securing a position among the Top 25 companies on the Philippine Stock Exchange by market capitalization.

TOWARDS OUR GREEN FUTURE

Since the inception of our first operation over 50 years ago, we have recognized the synergy between profitability and Sustainability. Consequently, we've prioritized initiatives that advance both aims. Establishing a Board-level Sustainability Committee and partnering with an ESG analytics and research firm allowed us to align our metrics with global standards. Beyond establishing baselines and identifying gaps and risks, we undertook initiatives yielding measurable progress.

In the pursuit of Sustainability, we piloted the use of hybrid heavy equipment and provided employees at our head office complementary electric vehicle (EV) shuttle services commencing in 2024.

We maintained our zero lost time accidents resulted in achieving ahead of our 2025 target of 80 million safe manhours as early as June 2023, this also boosted the morale and productivity of the Group.

Acknowledging the collective responsibility for Sustainable practices, we fostered collaborations with global Sustainability consultancy firms ERM and Sustainalytics. Self-assessment against the standards of Initiative for Responsible Mining Assurance (IRMA) and ongoing collaboration with University of the Philippines-Los Baños to measure our land use change greenhouse gas emissions underscore our commitment to transparency and accountability.

Active participation in industry associations and initiatives, including the UN Global Compact, Philippine Mineral Reporting Code Committee, and National Economic and Development Authority's SDGs Stakeholders' Chamber, demonstrates our dedication to uplifting industry standards.

We ensure that the NAC Integrated Report comprehensively reflects the NAC Group's performance and ensures its alignment with the Integrated Reporting Framework.

ECONOMIC & SOCIAL CONTRIBUTIONS

Our commitment to being a responsible corporate citizen is best exemplified by our actions and how we impact the lives of our communities and people.

Through EPI, we achieved a significant milestone in renewable energy production, effectively reducing emissions equivalent to removing 22,673 cars from the road or planting 1.7 million tree seedlings grown for 10 years based on US Environmental Protection Agency computations.

In terms of taxes, we added ₱1.8 billion to national and local government coffers in 2023. With respect to social support, expenditures from our Social Development and Management Program (SDMP) and our Corporate Social Responsibility (CSR) programs amounted to ₱458.36 million, which includes ₱247.47 in CSR projects and ₱167.4 million in royalties dedicated to supporting Indigenous Peoples' communities.

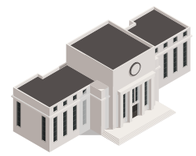
At peak operations, we directly employed 3,692 people, and our labor relations have been excellent. We have existing Collective Bargaining Agreements with our unionized operating companies.

OPERATING RESULTS

Our five operating mines achieved a total sales volume of 16.5 million wet metric tons (WMT) of nickel ore, a 3% increase compared to the prior year's 15.9 million WMT.

Piloted the use of hybrid heavy equipment

Reducing emissions equivalent to 22,673 cars or 1.7 million tree seedlings



₱1.8 billion to national and local government coffers in 2023

SDMP and CSR programs amounted to ₱458.36 million

Exports of saprolite ore to Chinese and Japanese customers increased to 7.9 million WMT from 7.4 million WMT in the prior year. Similarly, exports of limonite ore increased to 1.0 million WMT from 0.8 million WMT in 2022. On the other hand, we sold 7.5 million WMT of low-grade limonite ore to our associate companies, CBNC and THPAL which is slightly lower than the 7.8 million WMT sold in the prior year.

In terms of prices, we recorded an average of US$30.59 per WMT for our saprolite and limonite ore exports, representing a 22% decrease from the prior year's average of US$39.39 per WMT.

We realized an average of US$9.89 per pound of payable nickel on our limonite sales to the two HPAL plants compared to US$11.64 per pound in the prior year. These prices, which are linked to London Metal Exchange (LME) nickel prices, translate to US$14.66 and US$18.48 per WMT, respectively. On a combined per WMT basis, our average was at US$23.30 versus US$29.17 in 2022.

Our consolidated revenue for the year was ₱24.7 billion, lower than the ₱28.0 billion in the prior year due to nickel ore prices. Our revenue in 2023 includes ₱2.3 billion in services and other activities provided to the HPAL plants and ₱687.5 million in electricity sales from Jobin-SQM Inc. (JSI).

Our attributable net income for the year – inclusive of our share of equity losses in CBNC and THPAL – was ₱3.7 billion, a decrease from last year's ₱7.9 billion.

DIVIDENDS

The Board of Directors approved a special cash dividend of ₱0.07 per common share in November 2023. Based on the results for 2023, a regular cash dividend of ₱0.08 per common share and special cash dividend of ₱0.05 per common share was also approved on March 13, 2024. The amount of ₱1.81 billion was paid on April 12, 2024, to shareholders of record as of March 27, 2024.

NICKEL OUTLOOK

The year 2023 witnessed a downturn in nickel prices due to a surplus which is largely the result of much higher output from Indonesia, which now accounts for about 40% of global supply. In the absence of any policy shifts by the Indonesian government, we can expect the surplus to continue in the medium term. Nevertheless, the future of nickel remains encouraging.

Concerning Class 1 nickel which is used in the manufacturing of batteries, the robust EV sector remains the primary driver of nickel consumption, with global EV sales surging 34% to 9.8 million units in 2023. Global EV penetration at 11% is projected to escalate to 34% by 2030, requiring about 1.3 million tons of nickel. This underscores the growing significance of nickel, with nickel-rich batteries expected to dominate the EV battery market because of their higher quality – in the form of higher energy density and greater storage capacity – and economical price point. While Indonesia has helped to narrow the Class 1 nickel deficit, it remains uncertain whether the supply of Class 1 nickel can fully meet potential EV industry demand in the long term.

As for Class 2 nickel which is used in manufacturing stainless steel, the growth in Indonesia's nickel pig iron output (NPI) has more than compensated for weak NPI production in China. The eventual recovery of the Chinese economy from "Zero-COVID" is expected to stimulate global recovery and contribute to the rebound of Class 2 nickel.

PRESIDENTIAL MINERAL INDUSTRY ENVIRONMENTAL AWARD

HMC RUNNER UP IN THE 2023 ASEAN MINERAL AWARDS

TWO GOLDEN ARROWS FOR ITS ASEAN CORPORATE GOVERNANCE REPORT

NAC INCLUSION IN THE 30 MEMBER PHILIPPINE STOCK EXCHANGE INDEX (PSEi) IN OCTOBER 2023

RENEWABLE ENERGY OUTLOOK

RR-ST-000.A, RR-ST-000.B, RR-ST-000.C, RR-ST-160a.2

Our Sustainability Agenda gains greater significance with the expansion of our renewable energy subsidiary, EPI.

EPI's solar generation capacity, driven by its subsidiary JSI, has almost tripled from 2022, reaching 172-MWp in the first quarter of 2024. Moreover, pre-development activities for our second solar project in Subic, namely the Subic-Cawag project, are nearing completion, with construction of the 145-MWp plant expected to commence in 2024. By the first quarter of 2025, we plan to complete the 120-MWp solar power project in Leyte under GRHI, our joint venture with SOIBV.

In the realm of geothermal energy, the installation of the initial 2-MW turbines under BGI has paved the way for the next phase 10-MW capacity expansion, aiming to reach full capacity of 50 MW in the medium term.

Our optimism about renewable energy in the Philippines is bolstered by supportive government initiatives such as the Green Energy Auction Program, Green Energy Option Program, and Renewable Portfolio Standards.

Furthermore, renewable energy has become economically competitive against conventional energy sources, especially for solar due to the significant reduction in EPC costs resulting from falling prices of panels and mounting structures. From solar during solar peak hours to geothermal for baseload, and ultimately to solar/battery hybrids for mid-merit, renewable energy offers versatility and Sustainability. As an asset class, renewable energy offers a long sustainable life while leveraging domestic resources, countering the challenges posed by aging and costly fossil plants that currently supply a significant portion of the country's power needs.

RECOGNIZED FOR EXCELLENCE

Our commitment to purpose-driven performance is reflected in our achievements. All our mining subsidiaries received accolades at the 69th Annual National Mine Safety and Environment Conference (ANMSEC), with most of our operations honored with the Presidential Mineral Industry Environmental Award. Furthermore, our corporate governance performance was acknowledged by the Institute of Corporate Directors, with NAC receiving Two Golden Arrows for its ASEAN Corporate Governance Scorecard.

Meanwhile, EPI was the sole CSR awardee for Subic Bay Metropolitan Authority's 2023 Mabuhay Business Awards – besting 1,700 locators. It was also included among 76 out of 423 participants under the Wholesale Electricity Spot Market (WESM) that were cited by the Department of Energy as a Compliant Electric Power Industry Participant. Lastly, EPI ranked 4th out of 47 solar generator operators in Luzon and Visayas under WESM for its exemplary performance in forecast accuracy and reporting.

Internationally, HMC was recognized as runner-up at the 2023 ASEAN Mineral Awards under the Best Practices in Distribution Category. Moreover, we received prestigious citations from FinanceAsia and Asiamoney, showcasing our dedication to our investors.

These milestones validate our relentless pursuit of excellence, culminating in NAC's inclusion in the 30-member Philippine Stock Exchange index in October 2023, a significant stride towards our 2025 targets.

(SGD)
Gerard H. Brimo
Executive Director
Chairman of the Board of Directors

LEAVING A LASTING AND TRANSFORMATIONAL IMPACT

Despite current challenges in the global nickel industry, we are steadfast in our pursuit of corporate ambitions. We are enthusiastic about three promising nickel projects – Dinapigue, Manicani, and Bulanjao – scheduled to either ramp up or kick off in 2024. Notable progress is also being made with our gold and copper exploration subsidiary, Cordillera Exploration Co, Inc., a joint venture with our shareholder Sumitomo Metal Mining of Japan, which will be drilling in 2024 on multiple gold and copper targets in a tenement in northern Luzon. Together, these initiatives are poised to significantly enhance our operations in the years ahead. Furthermore, our diversification into renewable energy remains on track.

As we usher in another year, we remain committed to becoming a natural resources development company that serves our country, our people, and the environment. Nickel and renewable energy, as well as copper, are central to building a green future, and we are confident in our ability to succeed in these domains.

With the expertise of our directors, the dedication of our colleagues, and the support of our shareholders and our partner communities, we are empowered to confront challenges head-on, as we have done successfully in the past.

(SGD)
Martin Antonio G. Zamora
Executive Director
President and Chief Executive Officer

OneNAC VISION
GRI 2-23

We strive to contribute to sustainable national development by adopting our ESG Roadmap in order to achieve the highest standards in the responsible utilization of our country's natural resources.

OneNAC MISSION

We exist to responsibly and sustainably develop our country's natural resources to meet society's needs, contributing to a brighter future for our people, our communities, and our stakeholders, always conscious of being stewards of the environment where we operate.

CORE VALUES

- Responsibility
- Leadership
- Financial Growth
- Integrity
- Respect
- Safety
- Teamwork

SALES AND FINANCIAL HIGHLIGHTS
GRI 2-6

SALES INDICATOR	2023	2022	2021
Total Sales (Thousands WMT)	16,452	15,938	17,935
LME-Based Sales (Thousands WMT)	7,533	7,793	7,144
Realized LME Price (US$/lb.)	$9.89	$11.64	$8.36
Tonnage-Based Sales (Thousands WMT)	8,919	8,145	10,791
Average Price (US$/WMT)	$30.59	$39.39	$40.40
Weighted Average Price (US$/WMT)	$23.30	$29.17	$29.13
TOTAL REVENUES (Millions ₱)	₱24,700	₱28,003	₱27,404

FINANCIAL HIGHLIGHTS In Millions ₱, except per share amounts	2023	2022	2021
Operating Results			
Sale of Ore	21,554	25,739	26,099
Services and Others	3,146	2,264	1,305
Total Revenues	24,700	28,003	27,404
Operating Costs and Expenses	15,740	15,364	14,611
Net Income	5,794	10,876	10,638
Attributable to Equity Holders of the Parent	3,750	7,931	7,813
Attributable to Non-Controlling Interests	2,044	2,945	2,825
Basic Earnings per Share (₱)	0.27	0.58	0.57
Financial Condition			
Cash, Cash Equivalents and Other Financial Investment	17,279	14,668	17,215
Other Current Assets	6,210	6,287	6,796
Noncurrent Assets	34,438	28,804	27,690
Current Liabilities	9,990	4,773	11,925
Noncurrent Liabilities	4,832	4,455	3,447
Equity	43,105	40,531	36,329
Book Value per Share (₱)	2.60	2.62	2.42

KEY PERFORMANCE INDICATORS
GRI 2-4, 2-6

INDICATOR	2023	2022	2021
Sales Volume (Thousands WMT)			
Saprolite	7,883	7,384	9,574
Limonite	8,569	8,554	8,361
Total Cost/WMT (₱/WMT)	₱803	₱853	₱749
Attributable Net Income ((Millions ₱)	₱3,750	₱7,931	₱7,813
Hectares of Open Areas per Million WMT Sold	17.81	16.61	14.01
Frequency Rate	0.00	0.00	0.00

PRODUCT MIX
GRI 3-3, 2-6, 417-1, EM-MM-000.A

	2023	2022	2021
Saprolite			
Shipments (Thousands WMT)	7,883	7,384	9,574
Prices (US$/WMT)	$31.49	$41.72	$42.09
Revenue (Millions ₱)	₱13,876	₱17,002	₱19,950
Limo-HFE			
Shipments (Thousands WMT)	1,036	761	1,217
Prices (US$/WMT)	$23.76	$16.74	$27.12
Revenue (Millions ₱)	₱1,376	₱711	₱1,626
Limo-HPAL			
Shipments (Thousands WMT)	7,533	7,793	7,144
Prices (US$/WMT)	$14.66	$18.48	$12.11
Revenue (Millions ₱)	₱6,127	₱7,810	₱4,278

Financial Review

13	Revenues
14	Operating Costs and Expenses
15	Financial Condition, Liquidity and Capital Resources

REVENUES

GRI 3-3, 201-1

Nickel ore shipments increased to 16.45 million WMT in 2023 compared to 15.94 million WMT in 2022. Direct export of ore, which accounted for 54% of total shipments, increased to 8.92 million WMT in 2023 from 8.15 million WMT in 2022. Ore deliveries to the two HPAL plants, which comprise the remaining 46% of total shipments, slightly decreased to 7.53 million WMT in 2023 compared to 7.79 million WMT in 2022.

The Company realized an average of US$9.89 per pound of payable nickel on its shipment of ore to the HPAL plants in 2023, the pricing of which is linked to quoted prices in the LME. This compares to an average price of US$11.64 per pound of payable nickel sold in 2022 and US$8.36 in 2021. Regarding export sales, the Company achieved an average price of US$30.59 in 2023 compared to US$39.39 in 2022 and US$40.40 in 2021. On a combined basis, the average price received for sales of both ore exports and ore deliveries to the two plants in 2023 was US$23.30 per WMT, lower than the US$29.17 achieved in 2022 and US$29.13 in 2021.

The realized ₱/US$ exchange rate was ₱55.78 in 2023 compared to ₱54.90 in 2022. Our consolidated revenues were ₱24.70 billion from ₱28.00 billion in the prior year because of lower nickel ore prices caused by the growth in Indonesian nickel production.

	FOR THE YEARS ENDED DECEMBER 31			% CHANGE	
SALE OF NICKEL ORE	2023	2022	2021	2023 vs 2022	2022 vs 2021
Revenue (Millions ₱)	₱21,379	₱25,523	₱25,854	-16	-1
Volume (Thousands WMT)	16,452	15,938	17,935	3	-11
Average price - LME-based (US$/lb.)	$9.89	$11.64	$8.36	-15	39
Average price - tonnage-based (US$/WMT)	$30.59	$39.39	$40.40	-22	-3
Sale of limestone, services and others (Millions ₱)	₱3,321	₱2,480	₱1,550	34	60
TOTAL REVENUE (Millions ₱)	₱24,700	₱28,003	₱27,404	-12	2

	FOR THE YEARS ENDED DECEMBER 31		
REVENUE BREAKDOWN PER PRODUCT (In Millions ₱)	2023	2022	2021
Saprolite - Japan	487	742	2,130
Saprolite - China	13,389	16,260	17,820
Limonite - China	1,376	711	1,626
Limonite - HPAL	6,127	7,810	4,278

OPERATING COSTS AND EXPENSES

The cash operating cost per volume of ore sold provides a cost profile for each operating mine and allows us to measure and compare operating performance, as well as changes in per unit costs from year to year.

The cash operating cost includes cost of sales, shipping and loading costs, excise taxes and royalties, general and administrative, and marketing expenses incurred by the mining subsidiaries. On a per WMT of ore sold, total cash costs and expenses increased to ₱728 per WMT in 2023 compared to ₱790 per WMT in 2022 and ₱683 per WMT in 2021.

The net income for 2023 is inclusive of a ₱1,037.8 million equity loss from the Company's investment in THPAL and in CBNC, compared to equity income of ₱942.1 million in 2022 and ₱557.9 million in 2021.

	FOR THE YEARS ENDED DECEMBER 31			% CHANGE	
IN MILLIONS ₱	**2023**	**2022**	**2021**	**2023 vs 2022**	**2022 vs 2021**
Cost of sales, services and others	10,031	9,237	8,295	9	11
Shipping and loading	2,174	2,162	2,256	1	-4
Excise taxes and royalties	1,874	2,487	2,706	-25	-8
General and administrative	1,543	1,306	1,145	18	14
Marketing	118	172	209	-31	-18
Total operating costs and expenses	15,740	15,364	14,611	2	5
Total cash operating costs and expenses	11,976	12,589	11,559	10	9

	FOR THE YEARS ENDED DECEMBER 31		
CASH COSTS	**2023**	**2022**	**2021**
Cost of sales	57%	55%	49%
Shipping and loading	18%	16%	18%
Excise tax and royalties	16%	20%	23%
General and administrative	8%	8%	8%
Marketing	1%	1%	2%

	FOR THE YEARS ENDED DECEMBER 31			% CHANGE	
IN MILLIONS ₱	**2023**	**2022**	**2021**	**2023 vs 2022**	**2022 vs 2021**
Net Income	5,794	10,876	10,638	-47	2
Net income attributable to equity holders	3,750	7,931	7,813	-53	2

	FOR THE YEARS ENDED DECEMBER 31		
PROFITABILITY RATIOS	**2023**	**2022**	**2021**
Return on assets	10%	22%	21%
Return on equity	13%	27%	29%
Net profit margin	23%	39%	39%

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

GRI 2-4

The Company continued with the annual upgrade of its mining fleet and facilities at its operating mines, with total capital expenditures in 2023 of ₱3.46 billion compared to ₱0.92 billion and ₱0.68 billion in 2022 and 2021, respectively.

On the other hand, for the Company's solar plant facilities, it incurred a total capital expenditure of ₱2.95 billion, ₱1.38 billion, and ₱1.09 billion in 2023, 2022 and 2021, respectively. Capital expenditures were financed from available cash resources and from bank loan proceeds. Relative to this, at year end, the Company's financial position reflected total assets of ₱57,926.8 million.

The Company has consistently paid out cash dividends to its shareholders totaling ₱3,290.5 million in 2023 and ₱6,133.9 million in 2022 and 2021.

CASH FLOWS	**FOR THE YEARS ENDED DECEMBER 31**		
In Millions ₱	**2023**	**2022**	**2021**
Net cash flows from operating activities	8,967	12,876	9,676
Net cash flows used in investing activities	(6,169)	(3,899)	(2,819)
Net cash flows from (used in) financing activities	1,868	(8,824)	(8,048)
FINANCIAL POSITION (In Millions ₱)	**2023**	**2022**	**2021**
Cash, cash equivalents and other financial investments	17,279	14,668	17,215
Other current assets	6,210	6,287	6,796
Noncurrent assets	34,438	28,804	27,690
Total assets	57,927	49,759	51,701
Current liabilities	9,990	4,773	11,925
Noncurrent liabilities	4,832	4,455	3,447
Equity attributable to equity holders of the parent company	36,259	35,689	32,940
Non-controlling interests	6,846	4,842	3,389
Total equity	43,105	40,531	36,329

OTHER FINANCIAL INVESTMENTS	**2023**	**2022**	**2021**
Cash and cash equivalents	83%	68%	61%
Managed funds offshore	7%	18%	27%
Managed funds domestic	3%	6%	9%
Local debt and equity instruments	7%	8%	3%

LIQUIDITY AND DEBT-EQUITY RATIO	**2023**	**2022**	**2021**
Current ratio	2.35	4.39	2.01
Quick ratio	1.89	3.64	1.61
Debt-to-equity ratio	0.34	0.23	0.42

Operational Review

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19 Review of Operations

SUMMARY OF ORE RESERVES AND RESOURCES

TOTAL MINERAL RESERVES: AS OF DECEMBER 31, 2023

OPERATION	MINERAL TYPE	CLASSIFICATION	TONNES (kWMT)	TONNES (kDMT)	%Ni	%Fe	Contained Ni (kt)
RTNMC	Saprolite	Proved and Probable	27,588	19,063	1.42%	15.30%	271
	Limonite	Proved and Probable	44,450	30,832	1.24%	33.17%	382
TMC	Saprolite	Proved and Probable	84,341	58,251	1.44%	12.00%	839
	Limonite	Proved and Probable	59,303	39,594	1.00%	46.99%	396
CMC	Saprolite	Proved and Probable	5,354	3,480	1.36%	23.66%	47
	Limonite	Proved and Probable	1,299	845	1.03%	40.84%	9
HMC-TNP	Saprolite	Proved and Probable	3,777	2,569	1.37%	18.18%	35
	Limonite	Proved and Probable	1,376	936	0.95%	48.97%	9
DMC	Saprolite	Proved and Probable	29,400	19,110	1.36%	18.39%	260
	Limonite	Proved and Probable	59,600	38,740	0.99%	42.98%	384
Total Reserves	**Saprolite**	**Proved and Probable**	**150,460**	**102,473**	**1.42%**	**14.45%**	**1,452**
	Limonite	**Proved and Probable**	**166,028**	**110,947**	**1.06%**	**41.82%**	**1,180**

TOTAL MINERAL RESOURCES (1) (2) (3) (4): AS OF DECEMBER 31, 2023

OPERATION	MINERAL TYPE	CLASSIFICATION	TONNES (Mwmt)	TONNES (Mdmt)	%Ni	%Fe	Contained Ni (kt)
Rio Tuba	Saprolite[5]	Measured and Indicated	31.4	19.5	1.48%	14.89%	289
	Limonite[5]	Measured and Indicated	45.2	31.1	1.26%	33.10%	392
	Saprolite	Inferred	5	3	1.39%	13.68%	44
	Limonite	Inferred	5	4	1.17%	31.74%	41
Taganito	Saprolite[6]	Measured and Indicated	84.8	58.5	1.35%	13.11%	790
	Limonite[6]	Measured and Indicated	94.8	63.3	0.97%	48.04%	612
	Saprolite	Inferred	3	2	1.24%	14.55%	24
	Limonite	Inferred	0	0	0.68%	45.52%	2
Cagdianao	Saprolite	Measured and Indicated	16.2	10.5	1.19%	25.89%	126
	Limonite	Measured and Indicated	5.7	3.7	0.93%	43.68%	35
	Saprolite	Inferred	2	1	1.12%	23.36%	15
	Limonite	Inferred	0	0	0.89%	42.94%	2
Hinatuan (Taganaan)	Saprolite	Measured and Indicated	10.6	6.9	1.29%	22.02%	89
	Limonite	Measured and Indicated	3.9	2.5	0.95%	47.38%	24
	Saprolite	Inferred	3	2	1.27%	18.81%	22
	Limonite	Inferred	0	0	0.94%	48.75%	2
Dinapigue	Saprolite	Measured and Indicated	41.8	24.9	1.35%	16.80%	335
	Limonite	Measured and Indicated	86.6	51.2	1.02%	43.70%	520
	Saprolite	Inferred	13	8	1.26%	17.83%	99
	Limonite	Inferred	4	2	0.96%	42.58%	21
Total Resources	Saprolite	Measured and Indicated	184.8	120.4	1.35%	15.80%	1,629
	Limonite	Measured and Indicated	236.2	151.9	1.04%	43.40%	1,583
	Saprolite	Inferred	26	16	1.26%	17.21%	204
	Limonite	Inferred	10	6	1.07%	36.97%	68

[1] Mineral Resources and Mineral Reserves tonnages are shown in full. Nickel Asia Corporation owns 60% of Rio Tuba, 65% of Taganito, and 100% of Cagdianao, Hinatuan and Dinapigue operations.
[2] Inclusive of Mineral Resources converted to Mineral Reserves.
[3] Mineral Resources include stockpiles.
[4] The Contained Ni does not consider mining losses and dilution.
[5] The mineral resource of RTN consists of 0.6 million WMT of saprolite and 3.6 million WMT of limonite within economic zone.
[6] The mineral resource of TMC consists of 3.5 million WMT of saprolite and 10.2 million WMT of limonite within economic zone.

The grades used to estimate Mineral Resources are as follows:

Rio Tuba	Saprolite: ≥ 1.00% Ni, < 20% Fe	Limonite: ≥ 0.5% Ni, ≥ 20% Fe
Taganito	Saprolite: ≥ 0.95% Ni, < 40% Fe	Limonite: ≥ 40% Fe
Cagdianao	Saprolite: ≥0.75 %Ni	Limonite: <0.75 %Ni, ≥ 40%Fe
Taganaan	Saprolite: ≥ 1.00% Ni	Limonite: <1.3% Ni, ≥ 46% Fe
Dinapigue	Saprolite: ≥1.1 Ni%, <25Fe%	Limonite: ≥0.80 Ni%, ≥ 25 Fe%

REVIEW OF OPERATIONS

GRI 3-3, 416-1

RTN (Rio Tuba Nickel Mining Corporation)

RTN has proven itself a leader in environmental stewardship by consistently earning recognition for its commitment to excellence. The company was awarded by Philippine Mine Safety and Environment Association (PMSEA) the Platinum Award for its Nickel Mining Project, Winner for the Safest Surface Mining Operation, and Most Improved Safety Performance.

MINING VOLUME

RTN holds the Mineral Production Sharing Agreement (MPSA) – MPSA-114-98-IV-Amended I – covering 4,538.44 hectares. Throughout the year, 4,163.914 WMT of ore was mined, consisting of 1,535,467 WMT of saprolite and 2,528,446 WMT of limonite.

SHIPMENTS

For the year 2023, RTN successfully sold a total volume of 4,163,914 WMT of ore. Among these shipments, 1,635,468 WMT of saprolite was sent to China, while 2,528,047 WMT of limonite was transported to the HPAL plant at an average price of US $15.03 per WMT.

It was also hailed as the overall champion of the Fire Brigade and Fire Fighting competition during the 69th Annual National Mine Safety and Environment Conference (ANMSEC).

The company's commitment to safety was demonstrated through its outstanding safety record. As of December 2023, RTN has accumulated 26,590,229 safe manhours worked without any Lost Time Accidents.

RTN has maintained its adherence to International Organization for Standardization (ISO) Standards, including ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, and ISO 45001:2018 Occupational Safety and Health Management System.

In addition to these operational and safety merits, RTN was listed by the Provincial Government of Palawan as one of the top five highest corporate taxpayers of 2023.

Scan this QR code for more information.

TMC (Taganito Mining Corporation)

For this year, TMC secured its 6th Presidential Award under PMSEA. The company's dedication to excellence was further underscored by its achievement as the Overall Champion in the Mining Forest Program for 2023, marking its 5th win.

MINING VOLUME

TMC holds the amended MPSA-266-2008-XII-SMR – covering 4,862.71 hectares that is active until June 2034. Throughout the year, 8,230,383 WMT of ore was mined, consisting of 3,704,312 WMT of saprolite and 4,526,071 WMT of limonite.

SHIPMENTS

During the period, TMC achieved successful sales of ore totaling 8,230,383 WMT. Of these shipments, 197,429 WMT of saprolite was sent to Japan, while 2,852,953 WMT of saprolite was delivered to China. Additionally, 4,526,071 WMT of limonite was transported to the HPAL plant at an average price of US$14.46 per WMT.

TMC also demonstrated its leadership in safety by earning 1st Place in both the Fire Fighting Competition and the First Aid Competition during the 69th ANMSEC.

As of December 2023, TMC logged 29,728,749 safe manhours worked without Lost Time Accidents. This accomplishment reflects the company's unwavering commitment to prioritizing the well-being of its employees and fostering a culture of safety across all its operations.

TMC has successfully maintained its certifications for Integrated Management Systems, including the ISO 9001:2015 Quality Management System and the ISO 45001:2018 Occupational Safety and Health Management System.

Scan this QR code for more information.

HMC (Hinatuan Mining Corporation)

HMC's excellence in environmental stewardship was further highlighted in 2023 as the company won 2nd runner-up under the Best Practices in Distribution Category of the ASEAN Mineral Awards (AMA) and clinched the Presidential Award under PMSEA for the 3rd consecutive year.

MINING VOLUME

HMC's Tagana-an project holds the MPSA-246-2007-XIII-SMR active until July 2030. Throughout the year, 1,638,310 WMT of ore was mined, including 655,280 WMT of saprolite and 983,030 WMT of limonite.

SHIPMENTS

For the year 2023, HMC achieved successful sales of ore totaling 1,638,310 WMT. Among these shipments, 655,280 WMT of saprolite and 983,030 WMT of limonite were delivered to China.

The company was honored as the regional winner in the 2023 Search for Outstanding Labor Management Cooperation for Industrial Peace, an award given out by the National Concilliation and Meditation Board. This recognition highlights HMC's exceptional commitment to fostering harmonious labor-management relations within the CARAGA Region

As of December 2023, HMC accumulated 39,776,191 safe manhours worked without any Lost Time Accidents.

HMC maintained its Integrated Management System Certification covering the ISO 9001:2015 Quality Management System, the ISO 14001:2015 Environmental Management System, and the OHSAS 18001:2007 Occupational Health and Safety Assessment Series, successfully transitioning to the ISO 45001:2018 Occupational Health and Safety Management System. HMC is the first company under the Group to integrate these three ISO Management Systems.

Scan this QR code for more information.

CMC (Cagdianao Mining Corporation)

During this year's PMIEA, CMC clinched the award for Surface Mining Operations. This award stands as the highest citation for mining companies excelling in environmental protection, safety, health management, and community development.

MINING VOLUME

CMC's current MPSA-078-97-XIII-SMR is active until March 2047. Throughout the year, 2,086,177 WMT of ore was mined, consisting of 1,678,130 WMT of saprolite and 408,047 WMT of limonite.

SHIPMENTS

For the year 2023, CMC achieved successful sales of ore totaling 2,086,177 WMT. Of these shipments, 1,678,128 WMT of saprolite was sent to China, while 408,047 WMT of limonite was transported to the HPAL plant at an average price of US$15.00 per WMT.

The company's dedication to safety is underscored by its receipt of the Safety Milestone (SMILE) recognition from the Department of Labor and Employment (DOLE).

As of December 2023, CMC accumulated 10,619,604 safe manhours worked without Lost Time Accidents, underscoring CMC's proactive approach to safety measures and continuous efforts to uphold the highest safety standards across its operations.

CMC maintained its Integrated Management Systems Certification covering the ISO 9001:2015 Quality Management System, the ISO 14001:2015 Environmental Management System, and the ISO 45001:2018 Occupational Safety and Health Management System.

Scan this QR code for more information.

DMC (Dinapigue Mining Corporation)

DMC was acknowledged with the Titanium Achievement Award in the Surface Mining Category at the 69th ANMSEC.

MINING VOLUME

DMC recently acquired its MPSA-258-2007-II – covering 2,392.8041 hectares which will be active until June 2032. Throughout the year, 333,455 WMT of ore was mined, consisting of 209,685 WMT of saprolite and 123,769 WMT of limonite.

SHIPMENTS

For the year 2023, DMC achieved successful sales of ore totaling 333,455 WMT. Of these shipments, 209,686 WMT of saprolite and 52,933 WMT of limonite were sent to China, while 70,836 WMT of limonite was transported to the HPAL plant at an average price of US$12.50 per WMT.

The company also received recognition as the health partner of the Municipal Health Office of Dinapigue, Isabela, emphasizing DMC's dedication in addressing healthcare needs in its communities.

As of December 2023, DMC accumulated 3,729,659.00 safe man-hours without lost-time accident. DMC maintains its certification as an ISO 14001:2015 Environmental Management System-certified company.

Scan this QR code for more information.

Review of Exploration

EM-MM-210a.3

25	Nickel
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NICKEL

TMC

Exploration activities of TMC were focused at the Kepha Mining Exploration Limited Company (KMELC) mining claim. Drilling activities commenced in June and were completed by the end of September.

The drilling operations were conducted at the southeast of Mt. Maganlo utilizing three YBM YHP 1 drill rigs. A total of 40 holes were completed over an area of ~165 hectares producing about 567.45 meters of samples. Holes are strategically located with drilling distances ranging from 225 to 100 meters.

The limonite has an average thickness of 3 meters while that of saprolite is around 10 meters. All samples were analyzed at TMC's in-house laboratory. The average nickel and iron grades of limonite are 0.72 %Ni and 35.62 %Fe while the saprolite has average grades of 0.72 %Ni and 9.58 %Fe.

Upon the end of the drilling season in November 2023, all drillhole locations were re-vegetated and the holes were plugged with concrete monuments.

As we go to press, TMC and Kepha Limited Mining Corporation have mutually agreed to rescind the exploration project in Gigaquit, Surigao del Norte. A copy of the agreement was forwarded to the DENR and MGB Regional Office XIII. The effectivity of the said agreement is January 30, 2024.

As part of the formal process, TMC and Kepha conducted community information awareness programs in compliance with government regulations.

The monthly financial assistance amounting to PHP 63,000.00 for the tribal leaders of the 7 affected ICCs pursuant to the Memorandum of Agreement dated October 5, 2007 until January 30, 2024 was shouldered by TMC. Beyond the aforementioned date, Kepha Limited Mining Company will shoulder the commitment.

The financial assistance for the 14 college students of the Gigaquit LGU and the 10 college students of. The Camam-onan BLGU along with support to existing livelihood projects was also turned over to Kepha Limited Mining Company.

HMC-MANICANI

A total of 453 drill holes with an accumulated meterage of 6,140.89 meters were drilled in HMC Manicani Nickel Project this year.

Around 79% of the holes drilled equivalent to 4,437.90 meters were carried out by a drilling service contractor, and the remaining 21% with a total meterage of 1, 702.99 meters were completed by in-house drilling. The drilling commenced in January 2023 and was completed by July 2023. Core samples were sent to HMC Tagana-an and analyzed at the in-house laboratory. The analysis of all drilling samples is expected to be completed within the 1st quarter of 2024.

Alongside its drilling campaign, in-situ density determination was also conducted. Twenty-three drill holes traversing the island in an East-West direction were used for the testing. A total of 38 limonite samples, 36 saprolite samples, and three bedrock samples were collected and utilized for the density analysis.

GOLD AND COPPER

Cordillera Exploration Company, Inc.

In November 2010, the Parent Company purchased CEXCI from Anglo American, a subsidiary of Anglo American Plc. In May 2011, the Parent Company entered into a Participation and Shareholders' Agreement wherein SMM invested US$1.5 million in CEXCI for a 25% equity interest. The additional investment by SMM of US$2.8 million in 2015 raised its equity in CEXCI to 40%.

CEXCI has an Application for Financial or Technical Assistance (AFTA) denominated as AFTA-008 within the adjoining provinces of Benguet, Ilocos Sur and the Mountain Province. The original area applied for was 77,549 hectares, which was subsequently reduced to 54,940 hectares following the excising of national parks, built-up, and agricultural areas. Parts of the AFTA have been converted to applications for Exploration Permits (EP).

In December 2015, CEXCI acquired 100% equity interest in Newminco, in the Province of Zambales, which holds an EP designated as EP-001-2015-III for copper, gold, and related base and precious metals.

In April 2019, CEXCI acquired a tenement application from Marian Mineral Exploration Co. Inc. and Olympus Mineral Exploration Co. Inc. via a Deed of Assignment with Royalty Agreement. The property, located in the province of Isabela has a pending application for a Mineral Production Sharing Agreements (APSA) denominated as APSA-000021-II.

In July 2019, CEXCI filed for the conversion of the APSA into an Exploration Permit Application (EXPA) as extensive exploration work is required. The tenement was denominated as EXPA-000166-II. The application was approved in December 2022, registered in January 2023, and designated as EP000026II with an area of 5,544 hectares.

CEXCI's various properties are described below:

Zambales

In 2016, Newminco proceeded with its exploration program in the tenement located in the municipalities of Cabangan, San Felipe and San Marcelino in Zambales. Geologic mapping and surface sampling which identified prospects and possible drilling areas were conducted. Six hundred and sixty meters of exploratory trenches were dug, logged, sampled, and rehabilitated. Diamond core drilling was conducted within 3,799.50 meters and 401 samples were sent to the laboratory for multi-element geochemical analysis.

Results of the 2016 exploration campaign verified gold mineralization in the area drilled. However, further exploration precluded Newminco from defining any commercial viability. Rehabilitation works on disturbed areas were completed in 2017.

In 2017, a tenement-wide ridge and spur soil sampling program was implemented to define targets for more detailed work. The EP expired in July 2017 and was given its first renewal in September 2020. The ridge and spur soil sampling survey were completed in mid-2021 while focused grid sampling was completed by the 4th quarter of 2021. The second year was mainly focused on geologic mapping and review of data for the different prospects within the tenement.

The EP expired in September 2022, renewed the same month, and was registered in February 2023. A drone magnetic survey was completed by AUSTHAI Geophysics in December 2022 over the Takipan-Malabeg-Mabibituin Corridor. Results were discussed in a technical meeting in March. A hydrogeological study was conducted as part of the requirements of MGB Region III for the renewal of the Environmental Work Program. Detailed mapping was conducted in the Takipan magnetic low anomalies, and the results were discussed in the July technical meeting. The current working model for Zambales is a concealed intrusion-related porphyry with epithermal mineralization, which was discussed in September. Verification mapping and stream sediment sampling was the focus in Mabibituin, Angeles, Loong, South Takipan, and Malabeg. These areas were identified for follow-up surveys from the magnetic survey results. An initial reprocessing of the soil geochemical data was also started in the latter part of 2023.

Isabela and Nueva Vizcaya

The Marian Property was designated as APSA-000021-II, covering 6,325 hectares, mainly located in the Isabela with some portions in Nueva Vizcaya. Porphyry copper outcrops have been identified within the tenement while a gold deposit within the property was mined in the 1970s-1980s.

On January 29, 2020, MGB approved the Deed of Assignment with Royalty Agreement and the conversion of the APSA to an EXPA. The documentary requirements and evaluation work for issuing the EP have been completed. The EP of Marian Parcel 1 was approved in December 2022 and registered through MGB Region II in January 2023, designated as EP-000026-II. The project was then presented to the Provincial Board of Nueva Vizcaya. DENR also signed the Memorandum of Agreement regarding the experimental forest within the tenement.

An environmental baseline survey was conducted followed by field mapping on a 1:10,000 scale. Two advanced argillic zones were identified together with epithermal style veining. Porphyry style mineralization was identified within some of the prospects. Both epithermal and porphyry-style of mineralization were identified in one prospect by the presence of banded epithermal quartz veins and Cu-oxides.

Detailed mapping was conducted at 10,365 meters of traverse and 376 samples sent for assay. Drone magnetic and radiometric survey was initiated mid-December, expected to be completed by the 1st quarter of 2024.

EXPA 116 - Mankayan

Part of AFTA-008 within the municipalities of Mankayan and Bakun in the Province of Benguet, consisting of 5,157 hectares, was converted into an EXPA.

Following the conversion, a Field-Based Investigation (FBI) by the National Commission on Indigenous Peoples (NCIP) was conducted as a prelude to Free, Prior and Informed Consent (FPIC) with the Indigenous Cultural Communities (ICC). Two distinct ancestral domains (ADs) were identified - Bakun and Mankayan. The FPIC process was considerably delayed due to the local elections of 2016 and was subsequently suspended to give way to the FPIC for the municipality of Cervantes.

A request was made in January 2020 to resume the FPIC process in Mankayan but was further hampered by the COVID-19 pandemic. Intensive community engagements throughout 2021 followed, including Community Consultative Assemblies for each of the two ADs.

A Resolution of Non-Consent was issued by the Mankayan AD. CEXCI filed a Motion for Reconsideration in January 2022. The NCIP arranged for CEXCI's presentation of its Motion for Reconsideration to the barangays of the Mankayan AD. The consensus building and decision meetings were postponed and CEXCI eventually deferred the FPIC for Mankayan. CEXCI continues to engage with its stakeholders in the communities to gather support for the proposed exploration project.

EXPA 116 - Bakun

The consent to the proposed exploration project was given by the Bakun AD in March 2022 after the community consultative assemblies in Bakun. Two MOA negotiation meetings were conducted when it was temporarily stopped due to FPIC- and MOA-related issues belatedly raised by some members of the host communities. CEXCI continues to engage with the communities by constantly updating the MGB – Cordillera Administrative Region on the status of its FPIC. The company also meets with NCIP to push for the resumption of MOA negotiations.

EXPA 116 - Cervantes

Part of AFTA-008 within the municipality of Cervantes, Ilocos Sur, consisting of 6,012 hectares was converted into an EXPA. Just like in the Mankayan EXPA, extensive community engagement with the ICCs was initiated after the conduct of FBI by the NCIP to explain the exploration work program of CEXCI. As part of the FPIC process, three general assemblies were conducted with consensus building in between the second and third general assembly.

To announce the results, the 3rd and final General Assembly was conducted on March 13, 2017. Six out of the nine barangays voted for the approval of the exploration program. However, protests and petitions to discredit the results of the general assembly were filed by opposing groups. A validation exercise to investigate the protests was made by the NCIP in November 2017, which upheld the results of the voting.

The exploration work program was presented to the local government officials as community engagements continued and as CEXCI also secured the consent of the agricultural reform community beneficiaries within their tenement. In January 2020, the NCIP commissioners agreed that the FPIC process should proceed, and the decision was communicated to the NCIP Regional Office. However, the FPIC process was once again put on hold as COVID-19 pandemic restricted group assemblies.

After the lockdowns and restrictions on assemblies were lifted, a decision to resume the FPIC process after the May 2022 elections was made. Although a majority approval for the exploration project was obtained, some Indigenous Peoples Mandatory Representatives (IPMRs) rescinded their support. However, initial validation by the NCIP confirmed that concerned barangays expressed continued support for the project. The supportive barangays pushed for the resumption of the MOA negotiations, countering that the decision of their IPMRs does not reflect their collective decision. In the meantime, CEXCI continues to engage the communities and other stakeholders providing updates on the status of the application for exploration. The NCIP conducted validation activities in the first half of 2023 and CEXCI is awaiting the results of the validation as well as NCIP's recommendations.

Mountain Province and Benguet

In December 2020, three portions of AFTA-008 within the provinces of Benguet and Mt. Province were converted to EXPAs, denominated as EXPA 119 covering 3,645 hectares within Mt. Province; EXPA 120 covering 2,835 hectares in Mt. Province and Benguet; and EXPA 121 covering 5,751 hectares in Mt. Province. The remaining areas of AFTA-008 in the Cordillera Administrative Region (CAR) were withdrawn.

Groundwork for the EXPAs commenced with the engagement of a consultant to get a consensus on the stand of the communities with regards to mineral exploration and mining. The results showed however that it would be difficult to obtain a social license to operate. This was further validated by CEXCI's personnel. The withdrawal of the three applications was submitted and approved in February 2023.

AFTA-008 Aluling

The remaining portions of AFTA-008, covering 3,869 hectares in the municipality of Cervantes, Ilocos Sur, was officially relinquished in April 2022. The other remaining portion of about 2,835 hectares in Barangay Aluling was converted to an EXPA denominated as EXPA-123-I. Planned pre-FBI/FPIC activities in Aluling is deferred until after the MOA negotiations in Cervantes have been conducted.

6 Our Journey to Sustainability

As the first company in the Philippines with mining assets to be admitted as a member of the United Nations Global Compact (UNGC), NAC is well on its way towards realizing its ambitious Sustainability Agenda. The direction, contained in its Sustainability Roadmap (Roadmap), is to concentrate on the three-pillar ESG framework of environment, social, and governance to institutionalize Sustainability as a business strategy.

Working hand in hand with its stakeholders, NAC continues to discover ways to stay in the frontline of progress and to elevate its processes in accordance with global standards.

As part of its strategic vision, NAC, in alignment with the United Nations call on Climate Action, made business choices that supported its Sustainability Roadmap in 2023, achieving the buy-in of all its stakeholders through transparency, collaborations, and strong, well-meaning decisions.

The goals and objectives under the NAC Sustainability Roadmap were crafted by everyone in the organization and its external stakeholders. This propelled the creation of Technical Working Groups (TWGs) in all its operations to identify strategic processes that impact the Company's critical Sustainability indicators.

Since day one of NAC's Sustainability Agenda, it has taken the path of strengthening community resiliency by supporting livelihood and education and pushing for biodiversity enhancement. This is in full support of the nation's drive towards inclusive progress and the global community's Sustainable Development Goals.

Working hand in hand with its stakeholders, NAC continues to discover ways to stay in the frontline of progress and to elevate its processes in accordance with global standards.

FIGURE 1: NAC MINING COMPANIES' BUSINESS ACTIVITIES

01 EXPLORATION

- Identify potential mineral-rich areas using geological, geophysical, and geochemical techniques.
- Conduct detailed surveys and collect samples for analysis.
- Assess the size, grade, and accessibility of the mineral deposit.

02 ASSESSMENT, EVALUATION & PLANNING

- Evaluate the economic viability of extracting mineral deposits.
- Conduct environmental and social impact assessments with stakeholder engagement.
- Prepare a feasibility study outlining the mining plan and financial projections.
- Develop a comprehensive mine plan in accordance with Philippine Mineral Reporting Code of 2020 guidelines.
- Obtain necessary permits and approvals from government agencies and stakeholders.
- Secure funding for the mining project.

03 EXTRACTION

- Employ surface mining techniques to extract minerals from the ground.
- Utilize specialized equipment to excavate, transport, and store the mineral.
- Adhere to safety and environmental regulations throughout the extraction process.

04 TRANSPORTATION AND SHIPMENT

- Transport the extracted minerals to a processing facility or market.
- Ensure proper handling to prevent contamination.

05 REHABILITATION & REFORESTATION

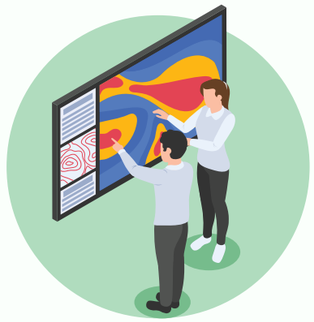
- Implement progressive rehabilitation of the mined-out area especially with endemic plant species to restore the natural ecosystem.
- Implement the Final Mine Rehabilitation and Decommissioning Plan
- Monitor the site to ensure the success of rehabilitation efforts.

FIGURE 2: NAC RENEWABLE ENERGY BUSINESS ACTIVITIES

01 REGISTRATION AND APPLICATION

- Registering the business entity as a renewable energy company and developer.
- Securing the RE Service Contract from DOE, other necessary permits, licenses, and approvals from government agencies to operate a renewable energy project.
- Obtaining endorsements from local government units and communities in the project site.
- Ensuring compliance with EPIRA Law (RA 9136) and Renewable Energy Law (RA 9153).

02 PRE-DEVELOPMENT



- Identifying potential locations for renewable energy projects.
- Evaluating the feasibility of a project, considering environmental impact, HSSE&SP factors, costs, timeline, technical design, potential energy production, grid connection, offtake and market conditions, and overall risks and related mitigations.
- Analyzing wind patterns, sunlight availability, and other factors to determine suitability.
- Registering for the availment of tax incentives under the RE Law.
- Arranging the grid connectivity, offtake arrangement, EPC contract, and appropriate financing for the project.
- Accessing grid connectivity.

03 CONVERSION

- Obtaining necessary approvals and managing the conversion of land for the renewable energy project.
- Preparing the site for development.

04 PROJECT DEVELOPMENT (CONSTRUCTION AND COMMISSIONING)

- Designing the renewable energy system, including the number and size of turbines/panels needed.
- Securing construction permit/s.
- Building the infrastructure for the project in accordance with the approved project plans and industry standards.
- Procuring and installing the renewable energy equipment (turbines, solar panels, etc.).
- Completing all necessary testing and commissioning to ensure the project functions as planned.
- Connecting the system to the power grid.

05 MONITORING

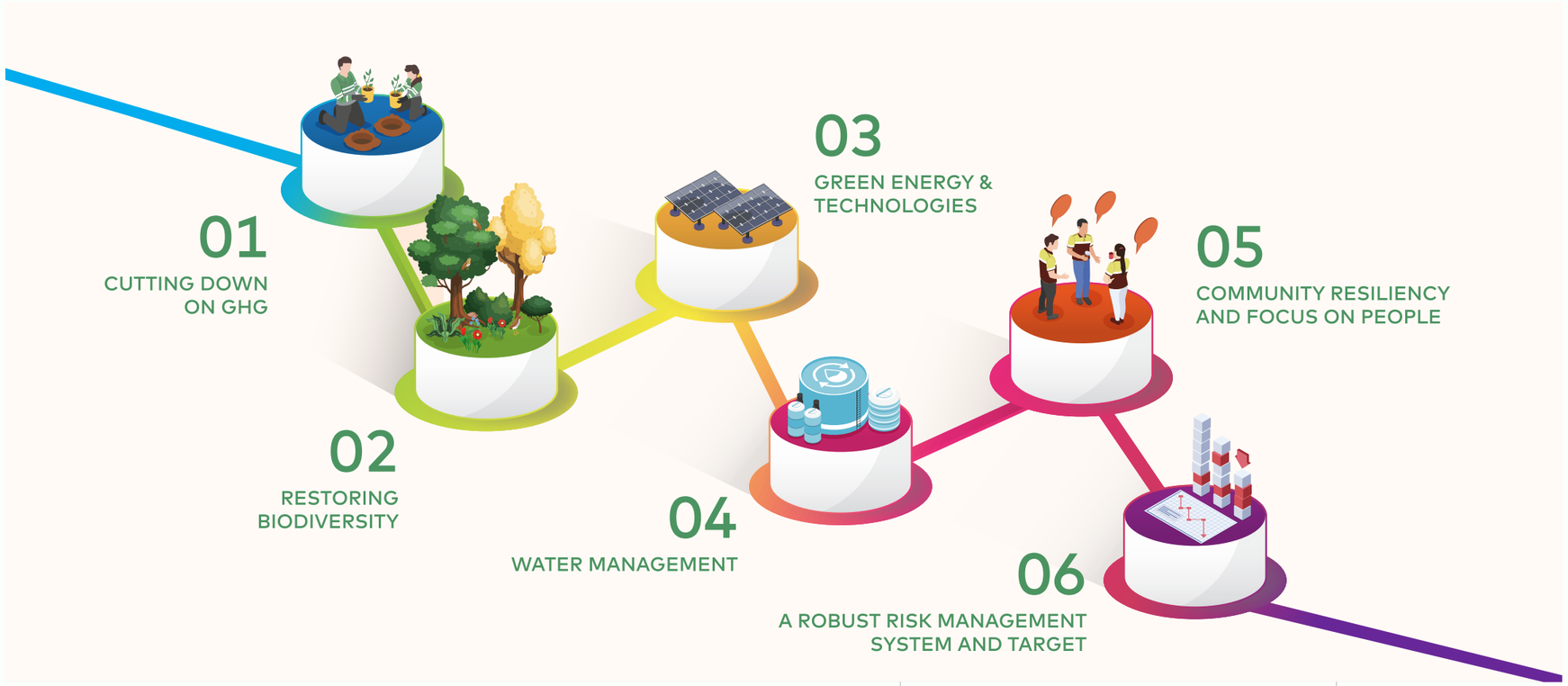
- Monitoring the performance of the renewable energy system to ensure optimal energy production.
- Performing routine and preventative maintenance on the equipment to keep it functioning efficiently.
- Addressing any issues that arise with the system to ensure its continued operation.

06 END-OF-PROJECT

- Abiding by the provisions of the DOE RE Service Contract on decommissioning, abandonment and termination of power plant operations, including dismantling and disposal of equipment and facilities.

Business Strategies & Opportunities

Nickel Asia has started to aggressively drive its business strategies with sustainability goals aligned with the United Nations Sustainable Development Goals (UN SDGs).



01. CUTTING DOWN ON GHG

Beginning with the baselines of the materiality of Sustainability issues, NAC highlighted the most pressing concerns starting with the challenge of cutting down greenhouse gas emissions across the organization.

Scientists attest that global warming is the one big challenge deterring us from achieving our SDG ambitions and that the only way to combat global warming is to prevent the further release of greenhouse gases into the atmosphere mainly driven by human activities.

The commitment to cutback 35,000 tons of carbon dioxide emissions (tCO_2e) by 2025 is an internal target meant to jumpstart the Group's processes and systems. NAC believes that its ambitious Sustainability Agenda can only be successful if achieved through transparency and with a strong decisive goal; therefore, after achieving the buy-in of all its stakeholders, it has declared a collective target of reducing GHG emissions by 42% by 2030 across the organization.

To fuel this strategy, it is critical to increase investments in renewable energy and in low carbon technologies. At NAC, strategic ways to cut CO_2 emissions are being employed through investing heavily in technologies that reduce CO_2 emissions caused by its mining operations. The Company is also investing in nature-based solutions including the planting of mangroves and trees by the millions.

35k
reduction of tCO_2e by 2025

807
hectares of land restored within our MPSA

5
biodiversity offset sites established

650
megawatts of renewable energy produced

02. RESTORING BIODIVERSITY

The Group embarked on land restoration and biodiversity conservation initiatives aiming to restore 807 hectares of land within its MPSAs, consisting of, but not limited to, the development areas and buffer zones. NAC also declared to establish and maintain at least five biodiversity offset sites.

03. GREEN ENERGY & TECHNOLOGIES

NAC likewise invested heavily in renewable energy projects such as solar, geothermal, and energy storage systems through its subsidiary EPI to achieve 650 megawatts of renewable energy power production by 2025.

As a natural resource development company, NAC has always been an integral part of development, of building societies and nations, and in achieving a green future. After all, the materials needed for developing the 'green technologies' such as solar panels, wind turbines, electric vehicles, and even disaster-detection equipment must first be mined.

04. WATER MANAGEMENT

Sustainable water management is also part of the Sustainability goals of NAC. The Group took the opportunity to enhance its investment in wastewater treatment technologies to improve the quality of effluent throughout its operations.

05. COMMUNITY RESILIENCY AND FOCUS ON PEOPLE

Strengthening community resiliency by supporting livelihood and education and pushing for biodiversity enhancement and protection has also been a focus of NAC from day one of its operations, and now, in alignment with the UN's "no one left behind" mantra.

NAC ensured that its strategy was laid out clearly – to achieve its goal in diversity and inclusion by providing decent work at all levels across the organization, and to institutionalize diversity and inclusion policies, programs, and initiatives aimed at achieving a level of Sustainability in communities where it operates.

This can be done through engaging with all its stakeholders to identify and address their needs.

Integral to this is acquiring the support of an empowered and participative indigenous cultural community by conducting trainings and development opportunities for the indigenous people.

06. A ROBUST RISK MANAGEMENT SYSTEM AND TARGET

NAC has also outlined a strategy to establish a robust risk management system to achieve a third-party ESG risk rating of "medium" or lower by 2025. NAC has set its commitment to robust reporting and disclosure practices, consistent transparency in tax payments, social contributions, and environmental funds and disbursements.

The NAC Sustainability Roadmap

Part of the NAC Sustainability Roadmap, declared in 2021, was the announcement of its objective to be the premier ESG investment in the country and to be counted among the top 25 Philippine Stock Exchange listed companies in terms of market capitalization by 2025. The Company has taken key steps to move closer towards this twin goal.

In 2022, NAC became the first Company in the country with mining assets to create a Board-level Sustainability Committee and designate a Chief Sustainability Officer (CSO). The Sustainability Committee is in charge of overseeing, identifying, and assessing the economic, environmental, ethical, and social impacts of NAC operations, and has the immense responsibility of steering the Company into becoming a better business operator and contributor to national development. The Committee actively works to develop a Sustainability culture within the Group and ensure that everyone continues to operate with the utmost respect for the people and environment.

As shown in the Tables below, the Roadmap was implemented in phases and batches. Phase 1 covered 3 goals for each pillar: Environment, Social, and Governance and was completed in December. Phase 2 added another three goals for both Environment and Social pillars. In terms of organizational scope, Batch 1 covered 10 Business Units including the NAC Head Office. Batch 2 added four more Business Units.

In 2023, the Group completed Phase 2 goals for the first batch of its Business Units and Phase 1 goals for the second batch. The roadmap not only covers nickel mining and exploration but also energy, particularly clean and renewable energy.

GOALS	PHASE 1	PHASE 2
ENVIRONMENT	• Net Zero Carbon by 2050 • No Net Loss Impact by 2025; Net Positive by 2030 • Net Positive Water Impact by 2030	• Circular Economy in all Camp/Townsites by 2030 • 100% Clean Energy by 2050 • Climate Resilient Operations by 2030
SOCIAL	• Good Health and Well-being of all Employees • Equal Opportunities at all Levels and across all Backgrounds • Sustainable Communities	• Decent Work at all Levels • Empowered and Self-reliant Indigenous Cultural Communities • Catalyst for Economic Growth
GOVERNANCE	• Inclusive Leadership and Management • Strong Organizational Culture • Robust and Comprehensive Risk Management Systems	• Inclusive Leadership and Management • Strong Organizational Culture • Robust and Comprehensive Risk Management Systems

BUSINESS UNITS	BATCH 1	BATCH 2
HOLDING COMPANY	• Nickel Asia Corporation	
NICKEL MINING	• Cagdianao Mining Corporation (CMC) • Dinapigue Mining Corporation (DMC) • Hinatuan Mining Corporation (HMC) • Rio Tuba Mining Corporation (RTN) • Taganito Mining Corporation (TMC)	• HMC – Manicani Nickel Project (HMC-MNP)
GOLD & COPPER EXPLORATION	• Cordillera Exploration Co., Inc. (CEXCI) • Newminco Pacific Mining Corporation (NEWMINCO)	
RENEWABLE ENERGY	• Emerging Power Inc. (EPI) • Jobin-SQM Inc. (JSI)	• Biliran Geothermal Incorporated (BGI) • Mindoro Geothermal Power Corporation (MGPC
SERVICES		• CDTN Services Company, Inc.

Highlights

While working on the Sustainability Roadmap, the Company is moving towards its targets. In 2023, NAC focused on sustainable investments, allocating funds to various initiatives:

ENVIRONMENTAL PROTECTION

₱477.85m

INVESTED IN EPEP

Expected to cover programs for environmental monitoring, research, and conservation values assessments.

HEALTH AND SAFETY

₱111.62m

SPENT ON HEALTH AND SAFETY

119m

SAFE MANHOURS

WATER PROTECTION

₱173.36m

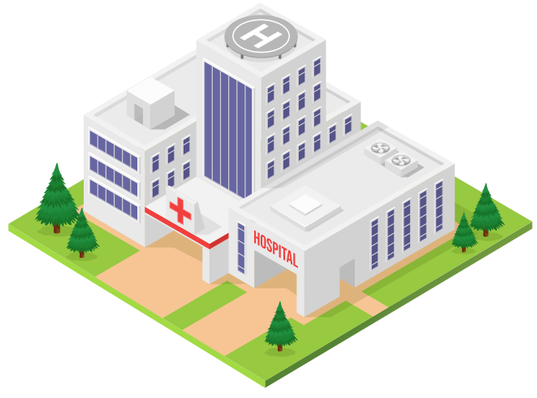
ALLOCATED FOR WATER MANAGEMENT

GREENER OPERATIONS

₱24.68m

INVESTED IN HYBRID EXCAVATORS

Expected to reduce fuel consumption and reduce emissions.



SUSTAINABLE COMMUNITIES INITIATIVES

₱458.36m

SPENT ON SDMP AND CSR

For community development including improved healthcare access

2,781

SCHOLARSHIPS AWARDED

CMC employee in rehabilitation area

NET ZERO CARBON TARGET

NAC publicly announced its commitment to reduce greenhouse gas emissions by 42% at year-end 2030 using 2021 baseline numbers, eventually achieving a Net Zero Carbon Target by 2050. This will be made possible with investments in new technologies and the use of market-available low-emission equipment in its mining operations. To further solidify these commitments, the Company submitted these targets to the Science Based Targets initiative (SBTi), making NAC the first Philippine company with mining assets to do so.

SBTi is a global body that promotes best practices in emissions reduction grounded on accepted climate science. It enables listed companies to set ambitious emissions reduction targets and keeps track of these targets to ensure companies deliver on their commitments based on the pledged timelines.

NAC began the transition to low-carbon operations in 2016, setting up a conveyor belt system in the Taganito mine site in Claver, Surigao del Norte, and significantly reducing its fossil fuel usage per wet metric ton of nickel ore produced.

In 2023, the Company piloted the use of hybrid excavators in TMC which enable energy efficiency by capturing and recycling energy exerted during operations. An additional nine units are set to be deployed in 2024. Technologies such as this are among the solutions in the Company's resources that will enable it to achieve its commitments.

42%

reduction of GHG by 2030

9

additional hybrid excavators to be deployed in 2024

0

Lost Time Accidents

30%

female participation in Managerial and Supervisorial roles

OCCUPATIONAL HEALTH AND SAFETY

In 2023, all operating companies (Opcos) maintained a commendable safety record with Zero Frequency Rate (FR) and Zero Severity Rate (SR), signifying Zero Lost Time Accidents (LTA). An LTA is an incident in the workplace resulting in an injury that causes an employee to miss work beyond the date of injury.

By the end of 2023, the accumulated safe manhours reached over 119 million, with HMC leading at 39.70 million safe manhours. The safety statistics of all service contractors were included in the computations.

In the implementation of Total Loss Control Management (TLCM) System Audit, RTN and TMC achieved success by passing the Level 5 TLCM system program and physical audit, earning them the Award of Excellence. Other Opcos also achieved various levels of progression and showed their unwavering commitment to safety.

TLCM audits are programmed annually and are part of the key performance targets of Opcos.

Scan this QR code for more information

DIVERSITY EQUALITY AND INCLUSION (DEI)

Demonstrating an unwavering dedication to creating a workplace that respects, values, and celebrates the uniqueness of every individual, NAC promulgated an official Policy on Diversity, Equality, and Inclusivity, that is aligned with the UN SDGs on Gender Equality.

The policy encompasses a range of explicit commitments that include ensuring diversity within the Company's leadership and a commitment to hire and promote employees based on merit and performance. Rooted in the Company's values, the policy is designed to guarantee a safe and respectful work environment, free from harassment or discrimination.

The implementation rollout includes comprehensive training to equip and ensure that employees have the necessary tools and understanding of diversity, equality, and inclusivity. At the same time, NAC advocates and encourages its stakeholders, partners in joint ventures, subsidiaries, affiliates, partnerships, and supply chain members to adopt similar diversity, equality, and inclusivity policies.

RISK MANAGEMENT

With the establishment of the NAC Risk Management Roadmap in the previous year, the Company rolled out several key initiatives in 2023 designed to secure the buy-in of every internal stakeholder to the NAC Integrated Enterprise Risk Management (ERM) System.

34.8
ESG risk assessment score

66th
out of 228 firms under the Diversified Metals category

45th
out of 186 firms under the Diversified Metals Mining sub-industry

49.2
ESG risk management score

To lay the foundation of an efficient risk management system, each subsidiary has deployed its own Risk Officer while managers and officers at the sites were mandated to attend the first NAC risk management conference held in Cebu in 2022. As a follow-up, another risk management conference was held in Metro Manila which were attended by managers and members of the Management Committee, completing the Group's risk assessment.

In May, the Resident Mine Managers, Risk Officers, and Operations leaders gathered in Angeles, Pampanga, for a three-day alignment workshop on risk mitigation initiatives. The workshop took off from the completed 2023 NAC Risk Registry where risk assessment results from the sites, the sectors, and the Management Committee were consolidated, and the top risks for the Group were identified. The workshop resulted in proposed mitigation activities that can be implemented within the year.

By June, the Company started the cascade of the two critical programs of the risk management sector across all the subsidiaries. All operating mines' respective Risk Management Committee conducted workshops, such as Incident Management Crisis Resolution (IMCR) training which focused on the rollout of the incident notification, reporting, and escalation protocols as outlined in the NAC Integrated Enterprise Risk Management Manual; Business Continuity Plan (BCP) Cascade which included an overview of BCP; and the completion of the Business Impact Assessments of the process owners per site.

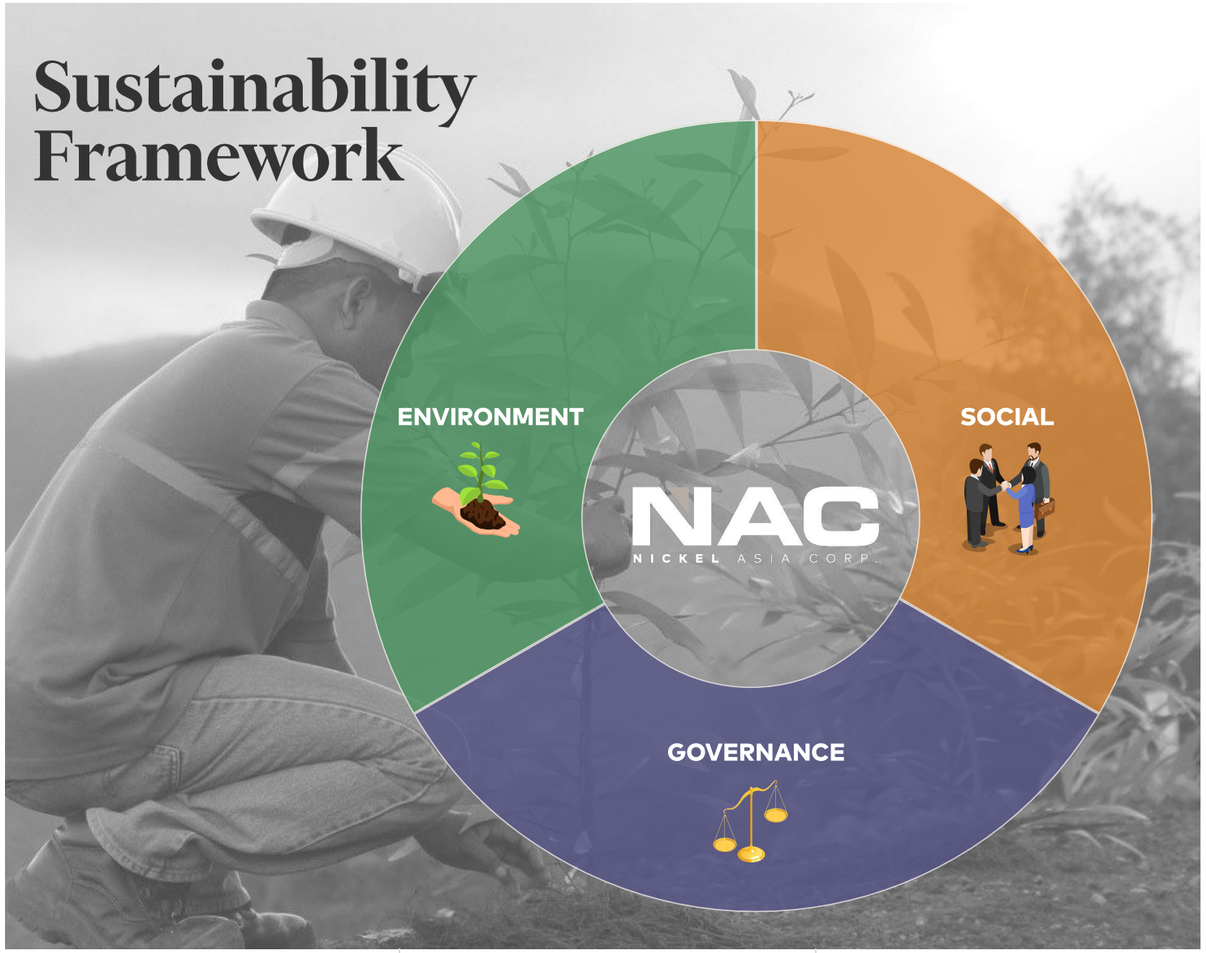
Rated MORNINGSTAR | SUSTAINALYTICS

EXTERNAL ASSESSMENT

Results of the 2023 assessment by Sustainalytics, a leading independent ESG and corporate governance analytics firm, have been positive and show clear progress. Covering over 70 management ESG performance indicators, the ESG risk assessment score of NAC improved from 43.7 to 34.8, moving the Company from "Severe Risk" to the "High Risk" category. Out of 228 firms assessed, NAC ranked 66th assessed under the Diversified Metals category and 45th out of 186 firms under the Diversified Metals Mining sub-industry.

Emissions, Effluents and Waste, Community Relations, and Occupational Health and Safety are the notable material ESG issues identified during the Sustainalytics assessment. On the other hand, NAC received strong marks in risk management across the following indicators: Carbon – Own Operations, Occupational Health and Safety, Land Use and Biodiversity, Bribery and Corruption, and Business Ethics. As a result, NAC earned an ESG risk management score of 49.2 out of 100 – higher than the Diversified Metals industry average management score of 41.1.

Sustainability Framework



LEGEND

- Environment ESG and Materiality Topics
- Social ESG and Materiality Topics
- Governance ESG and Materiality Topics

NAC pursues sustainable growth through a framework of policies and processes anchored on our OneNAC Vision.

This means that the Group's strategies and decisions place utmost consideration to its lasting impact in the communities where it operates, fostering the balance in resource utilization and ecological stability, and ensuring accountable risk management in governance. All throughout, NAC monitors and measures assessments using benchmarks and metrics.

NAC is confident that the trove of best practices developed from its continued vigilance in its Sustainability performance had a positive impact on its Sustainability Agenda, which is aligned with the country's commitments to the UN SDGs.

As NAC engages its stakeholders and seeks to create value for all, the framework helps identify issues that are most relevant and most likely to affect the economic, social, and environmental impacts of its operations and supply chain.

The Company's relationship with its stakeholders is built on trust and corporate ethics, and this framework serves to continuously strengthen such bonds for sustained growth momentum in the short, medium, and long term.

ESG & MATERIALITY TOPICS
GRI 3-2

ENVIRONMENT

6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 14 LIFE BELOW WATER | 15 LIFE ON LAND

THEMES & GOALS	E1. Greenhouse Gases	E3. Water Management	E5. Energy Efficiency
	E2. Biodiversity Protection	E4. Waste Management	E6. Climate Resilience
PHASE 1	E1. Greenhouse Gases: Net Zero Carbon Target by 2050; Carbon Sequestration	E2. Biodiversity Protection: No Net Loss Impact by 2025 and Net Positive by 2030	E3. Water Management: Net Positive Water Impact by 2030
PHASE 2	E4. Waste Management: Circular Economy in All Camp/Townsite by 2030	E5. Energy Efficiency: 100% Clean Energy by 2050	E6. Climate Resilience: Client Resilient Operations by 2030

SOCIAL

3 GOOD HEALTH AND WELL-BEING | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES | 11 SUSTAINABLE CITIES AND COMMUNITIES

THEMES & GOALS	S1. Health & Safety	S3. Sustainable Communities	S5. Indigenous Peoples Partnership
	S2. Diversity and Inclusion	S4. Work Conditions	S6. Nation Building through Economic Growth
PHASE 1	S1. Health & Safety: Good Health and Well-being	S2. Diversity and Inclusion: Equal Opportunity at All Levels and Across All Backgrounds	S3. Sustainable Communities: Sustainable Communities After Conversion
PHASE 2	S4. Work Conditions: Decent Work at All Levels	S5. Indigenous Peoples Partnership: Empowered and Self-reliant Indigenous Cultural Communities	S6. Nation Building through Economic Growth: Catalyst for Economic Growth

GOVERNANCE

5 GENDER EQUALITY | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

THEMES & GOALS	G1. Corporate Governance	G2. Corporate Behavior	G3. Incident/Risk Management Systems
	G1. Corporate Governance: Inclusive Leadership and Management	G2. Corporate Behavior: Strong Organizational Culture	G3. Risk Management Systems: Robust and Comprehensive Risk Management Systems

NAC'S CONTRIBUTION TO

Sustainable Development Goals (SDGs)

Through the Sustainability Framework, NAC integrates its ESG initiatives with its commitment to the UN SDGs and ensures that programs and policies have meaningful and beneficial impacts that benefit all its stakeholders.

RANK	MATERIAL TOPICS	UNGC PRINCIPLE	PERFORMANCE
ENVIRONMENT			
1	Water Management	**Environment** *Principles 7* Businesses should support a precautionary approach to environmental challenges; *Principles 8* Undertake initiatives to promote greater environmental responsibility; and *Principle 9* Encourage the development and diffusion of environmentally friendly technologies.	Water extracted (cu.m) – 682,314.09 Silt Collected (WMT) – 572,297.07 Water discharged (cu.m) - 0.00
2	Waste Management		Non-hazardous waste diverted from disposal (kg) - 250,419.52 Percentage of total waste diverted from disposal - 35.27%
3	Biodiversity Protection		Budget for water protection programs (Million ₱) - 173.36 Number of seedlings planted – 1,110,409 Land area rehabilitated (has.) – 67.77 Land area reforested (has.) – 65.69
4	Energy Efficiency		Total renewable energy generated (kWh) – 143.77M Fuel consumed (L) – 29,439,657.56 Electricity consumed (MWh) – 8,184.66
5	Climate Resilience		Investment in EPEP (Million ₱) – 477.85
6	Greenhouse Gas		Total emissions avoided (tCO2e) – 59,255.47
SOCIAL			
1	Health & Safety	**Human Rights** *Principle 1* Businesses should support and respect the protection of internationally proclaimed human rights; and *Principle 2* Make sure that they are not complicit in human rights abuses. **Labor** *Principle 3* Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. *Principle 4* The elimination of all forms of forced and compulsory labor; *Principles 5* The effective abolition of child labor; and *Principles 6* The elimination of discrimination in respect of employment and occupation.	Expenditure on health and safety programs (Million ₱) – 111.62 Household assisted – 1,281 Total safe manhours – 119M
2	Sustainable Communities		Expenditure on infrastructure projects (Million ₱) - 29.06 Total amount spent on road construction/improvement (Million ₱) - 1.78
3	Nation Building Through Economic Growth		WMT ores sold (thousand WMT) - 16,200.70 Percentage of spending on local suppliers – 91.00% Expenditure on livelihood programs (Million ₱) - 24.14
4	Indigenous Peoples Partnership		Indigenous population supported by SDMP – 24,714 Indigenous Peoples hired in the workforce – 261 Number of People's Organizations benefited – 53
5	Work Conditions (Decent Work)		Total training hours for employees - 64,312 Total number of employees – 3,743 Employees under CBA – 1,157 Employees hired from local communities – 3,000 Entry-level wage exceeds the local minimum wage requirement by 6%
6	Diversity & Inclusion		Percentage of women in the workforce – 19.20% Percentage of women returned to work after parental leave – 96.00% Percentage of women in supervisory, managerial positions – 30.00%
GOVERNANCE			
1	Corporate Governance	**Anti-Corruption** *Principle 10* Businesses should work against corruption in all its forms, including extortion and bribery.	Number of women on the board – 2
2	Corporate Behavior		Incidents of corruption – 0
3	Incident/Risk Management Systems		Number of data breaches – 0

Engaging with our Stakeholders

GRI 2-29, 207-3

Stakeholder engagement and communication play a vital role in the business of NAC. It is embedded in the Company's operational DNA to be sensitive and responsive to the respective concerns of all stakeholders. Key concerns are defined to align with stakeholders' understanding and acceptance of Sustainability concept. Material issues are addressed to achieve the support and collaboration from both internal and external stakeholders. Programs and initiatives are designed to drive further NAC's Sustainability goals. Events are conducted to promote stakeholder interactions and discussions. NAC puts a premium on annual reports and various collaterals such as the corporate website and access to social media for accurate communication.

Communication is vital to maintain transparency, accountability, and integrity.

On July 23, 2023, NAC staged the first-ever NAC Sustainability Run which drew more than 2,000 participants.

This was held simultaneously in Pasay City in Manila, Puerto Princesa City in Palawan, and Surigao City in Surigao del Norte. For every participant, NAC committed to plant mangroves in coastal barangays in Hagonoy and Malolos in Bulacan.

In January 2024, NAC employees together with members of partner-organizations facilitated and supported the planting of 32,175 mangrove seedlings.

Scan this QR code for more information

NAC also held its first NAC Sustainability Contest in August 2023. Fifteen teams from different universities nationwide participated wherein each was given a ₱100,000 research grant in support of their proposals. The teams were selected by a panel of expert judges from entries received by the Company between February to June 2023. The results of the research will be presented in the Sustainability Innovators Award in 2025. This provides a platform for the students to exchange knowledge and showcase their respective sustainable solutions to the public.

The NAC Sustainability Contest is part of the Company's Sustainability stakeholder engagement plan. The contest is designed to encourage students to engage in research projects that utilize science-based techniques that can enhance environmental practices and promote responsible utilization of natural resources.

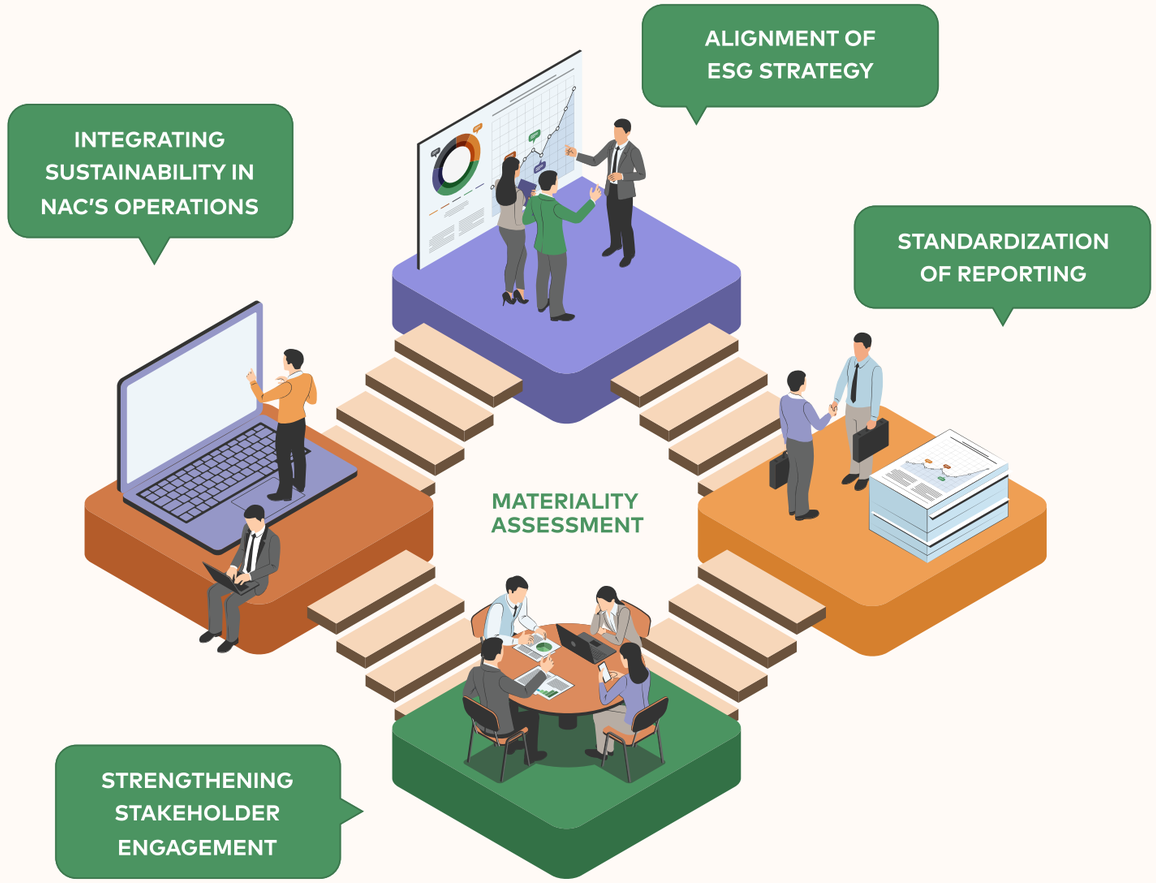
Scan this QR code for more information

STAKEHOLDERS / STAKEHOLDER GROUP	KEY ISSUES / CONCERNS IDENTIFIED	ENGAGEMENT CHANNELS	ENGAGEMENT ACTIVITIES HIGHLIGHTS
EMPLOYEES	Equal Opportunities at All Levels and All Backgrounds	Survey, Trainings, Information dissemination, E-learning platforms, Health and safety seminars	• NAC Policy on Diversity, Equality, and Inclusivity approval and implementation
	Work Life Balance		• Implementation of NAC LiveWell programs and activities such as: Mental Health Awareness, Disease awareness and prevention, Medical Advisories and Outpatient procedures
	Occupational Health and Safety - Mental Health - Healthcare Access		• Implementation of Occupational Health and Safety programs and activities
	Protection of Human Rights		• Implementation of NAC Group's Human Rights policy and ongoing formulation of the NAC Human Rights Policy
	Freedom of Association and Collective Bargaining		• Labor management consultations and presence of grievance mechanism venues
	Human Capital Development		• Continuing learning and development programs
	Climate Change Issues		• Conduct of Climate Risk Assessment
	Data Protection and Cybersecurity		• NAC Personnel Data Privacy Governance and Management Manual approval and implementation
CONTRACTORS, BUSINESS PARTNERS, SUPPLIERS	Occupational Health and Safety - Mental Health - Healthcare Access	Survey, Trainings, Information dissemination, Health and safety seminars	• Contractual obligation of Service Contractors to comply with Occupational Safety and Health Standards • Annual monitoring and evaluation of safety performance • Awareness and Trainings on Safety and Health
	Freedom of Association and Collective Bargaining		• Acknowledgement and adherence to the existing NAC's Code Business Conduct and Ethics, Anti-Bribery Policy, and other applicable policies by the Supply Chain
	Protection of Human Rights		• Inclusion of the Supply Chain in the Human rights policy, human rights risk assessment and due diligence

STAKEHOLDERS / STAKEHOLDER GROUP	KEY ISSUES / CONCERNS IDENTIFIED	ENGAGEMENT CHANNELS	ENGAGEMENT ACTIVITIES HIGHLIGHTS
GOVERNMENT AND REGULATORY AGENCIES	Transparency, Anti-Corruption , Tax Strategy	Public consultations, meetings, conferences	• Strong supporter of Philippine Extractive Industry Transparency Initiative (Ph-EITI)
	Zero Bribery		
	Data Protection and Cybersecurity		• Annual Data Protection Officer Registration • Registration of Data Processing System • Annual Security Incident Report
	Environmental impacts Management		• Implementation and monitoring of environment programs; regular monitoring of abidance to related environment parameter standards and regulations
	Climate Change Issues		
	Energy Management and Security		
	Community Climate Resilience and Disaster Risk Reduction and Management		• Capacity building and training for Local DRRM units, support in rescue and relief efforts
	Opportunity for Local and Marginalized Populations		• Partnership with TESDA for training & accreditation of facilities and personnel as training centers
	Access to Basic Services		• Support in the LGU's master development plan
	Sustainable Livelihoods		• Collaboration with DTI and other responsible agencies for livelihood creation and technology support for community groups.
	Natural Habitats Protection		• Biodiversity management plans & implementation
	Preservation of Biodiversity		• Conduct of biodiversity assessment and formulation of biodiversity management programs
	People's Organizations and Good Governance		• Capacity building and support for transparency and values formations of local and partner People's Organizations
	Access to Clean Water		• Water management programs & regular monitoring of water quality parameters to ensure abidance to water quality standards & regulations
	Proper Waste Management		• Development and implementation of waste management programs
	Protection of Human Rights		• Collaboration with DOLE in ensuring labor and human rights standards are being followed

STAKEHOLDERS / STAKEHOLDER GROUP	KEY ISSUES / CONCERNS IDENTIFIED	ENGAGEMENT CHANNELS	ENGAGEMENT ACTIVITIES HIGHLIGHTS
COMMUNITY AND INDIGENOUS PEOPLES	Opportunity for Local and Marginalized Populations	Public consultations, meetings, conferences, site visits, community programs, projects and activities	• Provision of training and skills development for the local and vulnerable groups
	Access to Basic Services		• Support for the construction for the access to clean and safe water; construction of roads, pathways and bridges; and provision of electricity systems to the community and households
	Sustainable Livelihoods		• Support for feasible and sustainable livelihoods, provision of capacity building trainings, value adding facilities and marketing
	Community Climate Resilience and Disaster Risk Reduction and Management		• Conduct of rescue and relief efforts, provision of relief packages
	Natural Habitats Protection		
	Preservation of Biodiversity		• Biodiversity management plans and implementation
	Climate Change Issues		• Active membership in the SDGs Chamber of the National Economic and Development Authority (NEDA)
	People's Organizations and Good Governance		• Capacity building and support for transparency and values formations of local and partner People's Organizations
	Access to Clean Water		• Implement water risk mitigation and enhancement of water management programs
	Proper Waste Management		• Implementation of waste management programs and provision of support to community
	Indigenous Peoples Partnership		
	Protection of Human Rights		• Community involvement and human rights due diligence, open and transparent grievance mechanism avenues
ACADEME AND RESEARCH INSTITUTIONS	Climate Change Issues	Conferences, consultations, meetings, research implementation	• Conduct of research with state university on environment and mining related topics including but not limited to Land Use Change Greenhouse Gas emission, water, biodiversity • Conduct of Sustainability Contest with students and faculty as contestants to boost research and development and help country achieve sustainable development
	Environmental Impacts Management		• Tap academic experts on conducting capacity building on Biodiversity Protection for Environment staff of NAC Group; Attended conferences related to Environmental Protection and Management organized by Academic and Research Institutions

STAKEHOLDERS / STAKEHOLDER GROUP	KEY ISSUES / CONCERNS IDENTIFIED	ENGAGEMENT CHANNELS	ENGAGEMENT ACTIVITIES HIGHLIGHTS
CIVIL SOCIETY ORGANIZATIONS AND INDUSTRY ASSOCIATIONS	Climate Change Issues	Public consultations, meetings, conferences, information dissemination	• Active membership in the SDGs Chamber of the National Economic and Development Authority (NEDA) • Active participant of United Nations Global Compact (UNGC) and local chapter of the network, Global Compact Network Philippines (GCNP) • Membership in the major industry associations in the Philippines - Chamber of Mines of the Philippines (COMP) and Philippine Nickel Industry Association (PNIA)
	Nation Building Through Economic Growth		• Active membership in the SDGs Chamber of the National Economic and Development Authority (NEDA
	Sustainable Communities		• Strong supporter of Philippine Extractive Industry Transparency Initiative (Ph-EITI)
	Community Climate Resilience and Disaster Risk Reduction and Management		• Conduct of Sustainability Run with proceeds to be used in mangrove rehabilitation in partnership with non-government organization and community organization
	Environmental Impacts Management		
	Protection of Human Rights		
	Transparency, Anti-Corruption and Anti-Bribery, Tax Payments		
INVESTORS AND SHAREHOLDERS	Sustainability Reporting and Disclosures	Consultations, meetings, information dissemination, and reporting	• Quarterly results briefing • Investor conferences • Sustainability reporting



Material Aspects of Sustainability

A Materiality Assessment was conducted from December 2021 to April 2022 to identify and validate the issues and opportunities most relevant to the Group and the communities where it operates. To create a shared vision with its stakeholders, it was imperative to identify the issues material to the Company's continued ability to grow. The assessment results were crucial to the value creation and Sustainability Agenda of NAC.

The Materiality Assessment was designed to surface and align key issues with the Group's Sustainability strategies, strengthen the approach to stakeholder engagement, refine the implementation of commitments and policies toward a sustainable business and community, and set a standard for Sustainability reporting

The Group will use insights from the Materiality Assessment to steer strategies and operations toward its commitment to contribute to a sustainable world for everyone, for generations to come.

Methodology

In 2022, NAC Board of Directors and Management Committee identified the following material topics on Environment, Social, and Governance:

- Climate Resilience
- Corporate Behavior
- Corporate Governance
- Diversity and Inclusion
- Energy Efficiency
- Greenhouse Gas
- Health and Safety
- Incident/Risk Management Systems
- Indigenous Peoples Partnership
- Nation-building through Economic Growth
- Sustainable Communities
- Waste Management
- Water Management
- Work Conditions

The identified topics were validated through a survey that covered both internal stakeholders (regular and probationary employees), and external stakeholders (government agencies, media, academe, downstream market, community, and civil society organizations). Random sampling was done for the total population of internal and external stakeholders with a 9% to 10% margin of error.

A total of 1,914 internal stakeholders participated in the survey. RTN and TMC have the greatest employee population and, thus, the largest sample size. For external stakeholders, the Group identified 724 stakeholders, of which RTN and DMC have the largest sample size. Among external stakeholders, the government, both national regulatory agencies and local government units, composed 36% of the respondents. Community members accounted for 25% of external stakeholders, with civil society organizations following at 18%.

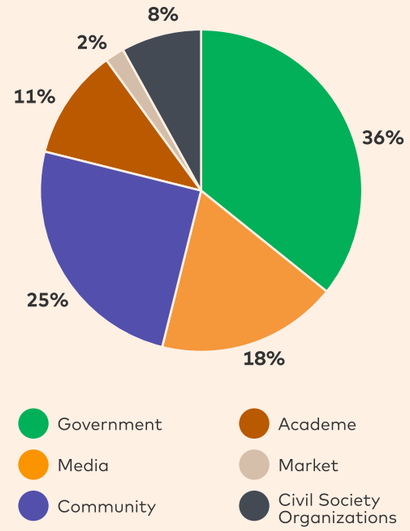
The survey was designed to assess the significance, impact, and relevance of ESG issues to stakeholders and businesses. Respondents were either sent a survey via email or were interviewed in person. The interviews were conducted by the Community Development and Relations Office and Human Resources of each subsidiary.

IMPACT ON STAKEHOLDER		IMPACT ON STAKEHOLDER	
1	Least important to stakeholders	1	Least relevant to stakeholders
2	Somewhat Important	2	Somewhat Relevant
3	Important	3	Relevant
4	Very Important	4	Very Relevant

TABLE 1: POPULATION AND SAMPLE SIZE OF INTERNAL AND EXTERNAL STAKEHOLDERS

OPCO	INTERNAL STAKEHOLDERS		EXTERNAL STAKEHOLDERS	
	POPULATION	SAMPLE SIZE (10% MoE)	POPULATION	SAMPLE SIZE (9% MoE)
NAC	121	6	17	7
RTN	568	28	234	28
TMC	677	36	80	14
CMC	253	13	22	7
HMC	296	3	62	12
DMC	42	2	116	16
JSI	45	2	41	10
CEXCI/NEWMINCO	12	1	152	3
TOTAL	**1,914**	**91**	**724**	**97**

FIGURE 1:
COMPOSITION OF EXTERNAL RESPONDENTS



The materiality matrix on top summarizes the assessment results. The horizontal axis shows the importance of ESG Material Topics to stakeholders, while the vertical axis shows the importance of ESG Material Topics to business. According to the matrix, the most important and relevant topics to both NAC and its stakeholders are Health and Safety, Water Management, and Waste Management.

ENVIRONMENT

1. Water Management
2. Waste Management
3. Biodiversity Program
4. Energy Efficiency
5. Climate Resilience
6. Greenhouse Gas

SOCIAL

1. Health and Safety
2. Sustainable Communities
3. Nation-building through Economic Growth
4. Indigenous Peoples Partnership
5. Work Conditions (Decent Work)
6. Diversity and Inclusion

GOVERNANCE

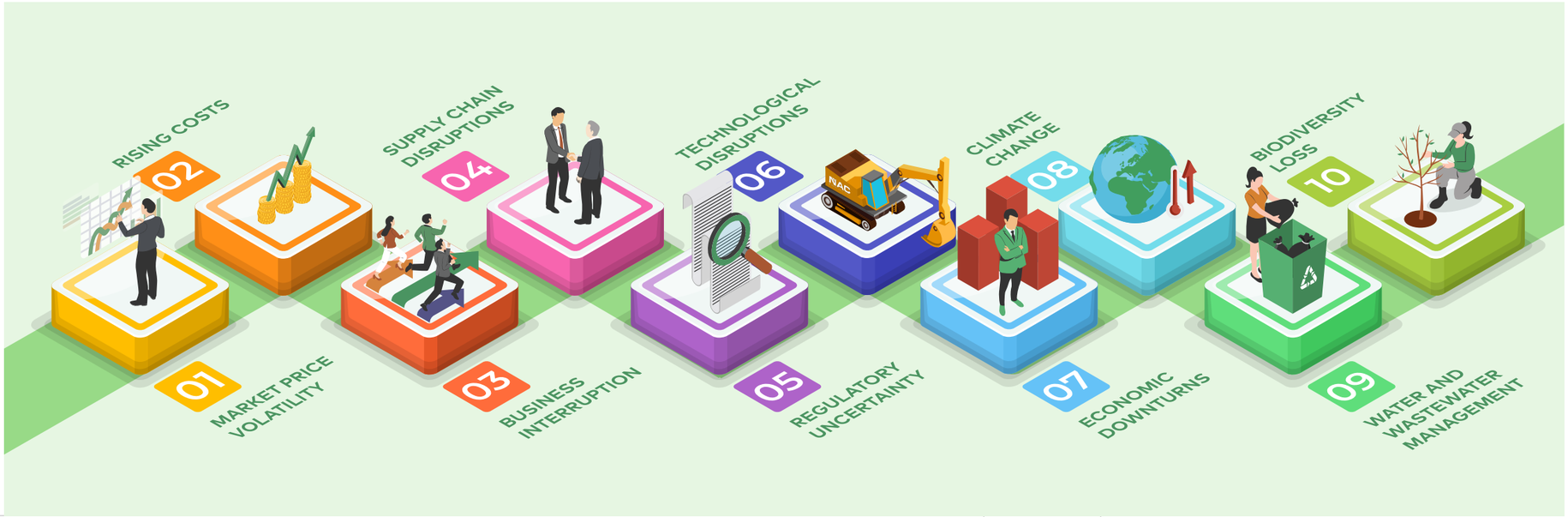
1. Incident/Risk Management Systems
2. Corporate Governance
3. Corporate Behavior

Value Creation Model

CAPITALS	MATERIAL TOPICS	INPUT		OUTPUT	OUTCOMES	LONG-TERM GOALS
FINANCIAL , NATURAL	**E** • Water Management • Waste Management • Biodiversity Protection • Energy Efficiency • Climate Resilience • Greenhouse Gas	• Investment in EPEP - ₱477M • Budget for water protection programs - ₱173M • Emissions from NAC operations are within regulatory limits • NAC has a Risk and Assurance Group that monitors the business risks, including environmental compliance, on a daily basis • Supply Chain Management Approach uses an accreditation process whose criteria includes environmental performance	**OneNAC VISION MISSION CORE VALUES**	**MINING BUSINESS ACTIVITIES** • Exploration • Assessment, Evaluation, and Planning • Extraction • Transportation • Rehabilitation and Reforestation	• Number of hectares rehabilitated - 67.77 • Number of hectares reforested within Mineral Production Sharing Agreement (MPSA) area - 65.69 has. • Number of hectares reforested outside Mineral Production Sharing Agreement (MPSA) area - 294 has. • Total emissions avoided (tCO2e) - 59,255.47 • Total renewable energy generated (kWh) - 143.77M • Non-hazardous waste diverted from disposal (kg) - 250,419.52kg • Percentage of total waste diverted from disposal - 35.27% • Number of seedlings planted - 1,110,409 • WMT ores sold - 16,200.70 WMT	• Climate Resiliency • Environmental Protection • Land Rehabilitation 	**PHASE 1** E1 Greenhouse Gases E2 Biodiversity Protection E3 Water Management **PHASE 2** E4 Waste Management E5 Energy Efficiency E6 Climate Resilience
FINANCIAL, INTELLECTUAL, HUMAN, SOCIAL AND RELATIONSHIP	**S** • Health and Safety • Sustainable Communities • Nation Building through Economic Growth • Indigenous Peoples Partnership • Work Conditions (Decent Work) • Diversity and Inclusion	• Employees hired from local communities - 3,000 • Code of Business, Conduct and Ethics policy • Health and Safety policy • Employee compensation and benefits • Expenditure on SDMP programs - ₱210M • Expenditure on CSR programs - ₱247M • Expenditure on health and safety programs - ₱111M • Expenditure on relief goods - ₱0.18M • Expenditure on road construction/improvement - ₱1.78M • Expenditure on suppliers - ₱15,941M • Expenditure on infrastructure development - ₱29.06M		**RENEWABLE ENERGY BUSINESS ACTIVITIES** • Registration and Application • Pre-development • Conversion • Project Development (Construction and Commissioning) • Monitoring • End-of-Project	• Total training hours for employees - 64,312 • Employees under CBA - 1,157 • 194 employees in the health and safety committee • 119M safe manhours • 25 occupational injuries/illnesses • 0.094% incidence rate • Safety Seal Certification by the Department of Labor and Employment (DOLE) for DMC • Zero lost days, severity rate lost-time accidents, and work-related fatalities • Indigenous People hired in the workforce - 261 • Household assisted - 1,281 • Patients/cases treated in hospital - 12,719 • Number of scholars supported - 2,781	• Employment Opportunities • Diversity and Inclusivity • Healthier and Safe Work Environment • Skills and Competency Development • Communities Empowerment 	**PHASE 1** S1 Health and Safety S2 Diversity and Inclusion S3 Sustainable Communities **PHASE 2** S4 Work Conditions S5 Indigenous Peoples Partnership S6 Nation Building Through Economic Growth
FINANCIAL, MANUFACTURED	**G** • Incident / Risk Management Systems • Corporate Governance • Corporate Behavior	• Total costs and expenses (operations, products, and services) - ₱15.74B • Total assets - ₱57.9B • Total liabilities and capital - ₱57.93B • Code of Business, Conduct and Ethics policy • Anti-corruption and anti-bribery policy • Annual Data Protection Officer Registration • Registration of Data Processing System			• Local taxes - ₱379M • National taxes - ₱5,797M • Royalties - ₱167.4M • Incidents of corruption - 0 • Incidents of data breaches - 0	• Economic Growth • Infrastructure Development • Good Governance • Transparency 	G1 Corporate Governance G2 Corporate Behavior G3 Incident/Risk Management Systems

Risks and Opportunities

Recognizing the dynamic landscape of the nickel mining sector, NAC proactively identified key risks and opportunities for 2023 aligned with industry trends in both global and Philippine scenarios. The following summarizes these critical risks and opportunities and outlines NAC strategies to mitigate risks and create opportunities:



MARKET PRICE VOLATILITY

NAC proactively addresses the risk of declining nickel prices by capitalizing on the growing demand for nickel through the diversification of its product portfolio, ensuring its resilience and adaptability in a dynamic market.

RISING COSTS

NAC acknowledged the rising costs of production as a key risk, yet sees an opportunity in the emergence of new, potentially cost-efficient production technologies. By actively investing in research and development and adapting to potential changes in transport costs, NAC aims to mitigate production cost increases and even leverage the opportunity to gain a competitive edge.

BUSINESS INTERRUPTION

NAC acknowledged the threat of rising production costs and operational risks. However, the Company actively seeks to turn these challenges into opportunities. Government support for the nickel industry provides a buffer against rising costs, while community development programs cultivate trust and reduce operational risks. Additionally, implementing strict environmental and social standards not only fulfills regulatory requirements but also potentially attracts further government support and mitigates operational risks.

SUPPLY CHAIN DISRUPTIONS

While supply chain disruptions pose a potential threat, NAC mitigates this risk by establishing a diverse network of suppliers and partners. This strategy strengthens resilience and adaptability across the supply chain. Additionally, NAC invests in digital technologies to improve supply chain visibility and efficiency, enabling it to anticipate and respond to disruptions more effectively, turning potential challenges into opportunities for cost optimization.

REGULATORY UNCERTAINTY

Navigating the dynamic landscape of government support and regulations requires a strategic approach. NAC monitors and complies with state policies in the Philippines which minimizes risks and ensures smooth operations. The Company even goes beyond compliance through engaging with policymakers and industry associations to advocate for value-adding regulations. This collaboration ensures the industry's voice is heard and contributes to shaping regulations that benefit both NAC and the broader sector.

TECHNOLOGICAL DISRUPTIONS

The dynamic landscape of technology presents both risks and opportunities for NAC. Recognizing this, the Company embraces new technologies to optimize mining processes and minimize environmental footprint.

By investing in research and development of innovative solutions, NAC mitigates the risks of technological disruption and seizes the opportunity to establish itself as a leader in sustainable and efficient mining practices.

ECONOMIC DOWNTURNS

Economic downturns pose a significant risk, but NAC sees an opportunity to strengthen its position. By diversifying its product portfolio and venturing into new markets especially in the energy sector, NAC reduces its vulnerability to fluctuations in any single sector. Additionally, NAC implements cost-saving measures and optimize operations, ensuring financial efficiency even in challenging economic conditions. This forward-thinking approach transforms potential threats into opportunities for diversification, adaptability, and long-term Sustainability.

CLIMATE CHANGE

While climate change presents a growing challenge, NAC sees an opportunity to be a leader in responsible mining practices. By empowering operations to adapt and mitigate climate change impacts, NAC does not only reduce risks but also seizes the opportunity to position itself favorably in an increasingly environmentally conscious market. The Company's approach focuses on investing in renewable energy sources and reducing carbon emissions.

WATER AND WASTEWATER MANAGEMENT

NAC proactively mitigates the challenges of water and wastewater management by implementing water conservation measures and developing sustainable water management practices. The Company sees this not just as risk mitigation but also an opportunity to create a positive impact by collaborating with local communities to address water issues, NAC strengthens community relations, fosters responsible resource management, and creates shared value that further strengthen sustainable water management

BIODIVERSITY LOSS

Recognizing the critical issues on biodiversity loss, NAC goes beyond simply mitigating this risk. The Company sees this as an opportunity to be a leader in environmental stewardship by actively protecting biodiversity and restoring ecosystems through conservation measures such as establishing biodiversity corridors, supporting community-based programs, and undertaking reforestation and rehabilitation. This approach minimizes impact on the environment, fosters positive relationships with local communities, and makes for a responsible and sustainable business.

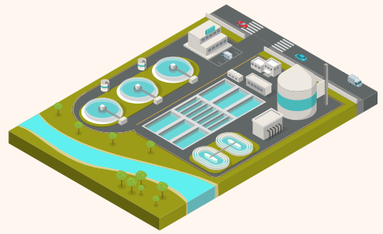
Our Sustainability Performance

62	Stewards of the Planet
64	Sustainable Stewardship of the Planet
65	Greenhouse Gas and Non-Greenhouse Gas
67	Biodiversity Protection
72	Water Management
74	Waste Management
76	Integrated Management Systems
78	Energy Efficiency

Highlights

Accounted for Scope 1 and Scope 2 GHG emissions including Land Use Change and Degradation

Continued implementation of Environmental Management System that has management oversight, compliance with regulations, measurable targets and deadlines, and certifications



572,297 WMT
Silt collected

35.27%
Total waste diverted from disposal

₱477.85 m
Spent on environmental enhancement and protection

₱186 m
On Land and Biodiversity Protection

₱47 m
On Air Protection

₱173 m
On Water Protection

₱25 m
On Environmental Monitoring

1,110,409
Seedlings planted

798 has.
Habitats protected or restored

65.69 has.
Land reforested

67.77 has.
Land rehabilitated

143.77 m kWh
Renewable energy generated

₱24.68 m
Invested in hybrid excavators

59,255.47
tCO_2e avoided

Stewards of the Planet

ENVIRONMENT		RTN	TMC	HMC	CMC	DMC	CDTN	JSI
1	**Total spending on environmental protection and enhancement program (EPEP) (Million ₱)**	85.09	186.85	100.35	77.25	28.31	N/A	0.50
2	**Rehabilitation efforts (has.)**							
	Number of hectares rehabilitated	2.00	35.00	20.60	10.17	0.00	N/A	N/A
3	**Reforestation efforts**							
	Number of hectares reforested within Mineral Production Sharing Agreement (MPSA) area (has.)	18.00	10.00	6.00	6.00	5.69	N/A	N/A
	Number of hectares reforested outside MPSA area (has.)	10.00	32.00	2.00	250.00	0.00	N/A	N/A
4	**Pollution control**							
	Total renewable energy generated (kWh)	N/A	N/A	N/A	N/A	N/A	N/A	143,771,527.26
	Avoided emission (tCO_2e)	N/A	N/A	N/A	N/A	N/A	N/A	59,255.47
	Consumption of energy (MWh)	1,560.71	3,018.83	0.00	1,184.40	364.05	8.80	1,104.09
	Total fuel consumption – generator sets (L)	197,200.00	52,113.38	302,881.00	582,331.00	344,484.00	65,861.00	834.00
	Total fuel consumption – vehicles (L)	9,113,547.00	10,715,992.56	2,277,854.0	4,928,597.00	2,387,252.00	5,147,799.00	16,415.00
	Total Greenhouse Gas (GHG) emissions (tCO_2e)	24,002.91	64,048.68	298,843.89	26,721.51	123,619.74	13,991.45	719.31
5	**Waste management**							
	Amount of hazardous waste (kg)	68,000.00	187,550.00	40,540.00	98,727.70	11,524.00	(no data)	349.70
6	**Watershed management**							
	Volume of silt collected (WMT)	92,085.00	292,648.00	102,419.40	67,825.00	17,319.67	N/A	N/A
	Volume of water consumption (cubic meters)	218,737.59	317,068.00	56,565.55	70,915.90	16,293.49	80.56	2,653.00
	Volume of water discharge (cubic meters)	0.00	0.00	0.00	0.00	0.00	N/A	0.00
7	**Land use**							
	Disturbed (has.)	1,213.77	1,005.63	488.69	294.19	92.01	N/A	196.60
	Rehabilitated (has.)	208.54	332.89	374.89	10.17	0.00	N/A	N/A
	Other use (has.)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sustainable Stewardship of Our Planet

The idea of an ecosystem that emphasizes the interconnection of everything motivates the Group to approach environmental stewardship in a balanced and holistic way. Guided by the principles of Sustainability and responsible mining, NAC affirms its commitment to the UN SDGs by aligning its business operations with scientifically-based programs for land restoration and enhancement.

The Group's environmental management approach – a standard in all its operating mines – is guided by its Environmental Protection and Enhancement Programs (EPEPs). These are comprehensive and strategic blueprints that map detailed sustainable resource management plans covering water protection, air protection, and land protection. These are supported with annual funds mandated by law that may also be used to provide investment for environmental monitoring, research, and conservation values assessments.

As a result, its mining subsidiaries were awarded the prestigious PMIEA for Best Forest and Environmental Protection Best Practices. The PMIEA is given to companies that have exhibited exemplar initiatives in reforestation, rehabilitation of disturbed areas, construction and maintenance of environmental facilities, solid waste management, hazardous waste management, air quality monitoring, and downstream water quality preservation. These are reported publicly through the Annual EPEP scorecard that is overseen by the MGB under the DENR Department Administrative Order (DAO) 2018-02.

PMIEA Award for 2023

EPEP SPENDING (₱)	RTN	TMC	HMC	CMC	DMC	TOTAL
Land Protection	37,016,034.00	59,022,006.00	39,967,093.00	31,289,836.00	18,666,542.00	185,961,511.00
Air Protection	10,910,847.00	18,892,313.00	7,169,962.00	8,922,629.00	1,395,946.00	47,291,697.00
Water Protection	21,219,093.00	86,512,510.00	40,445,230.00	20,934,965.00	4,262,748.00	173,374,546.00
Environmental Monitoring	1,327,033.00	6,628,466.00	6,391,095.00	9,585,909.00	820,132.00	24,752,635.00
Other Initiatives	14,618,286.00	15,797,966.00	6,378,874.00	6,516,796.00	3,159,809.00	46,471,731.00
TOTAL EPEP	85,091,293.00	186,853,261.00	100,352,254.00	77,250,135.00	28,305,177.00	477,852,120.00
TOTAL APPROVED EPEP BUDGET FOR 2023	101,869,618.00	208,699,296.00	96,385,262.00	94,945,201.00	35,114,841.00	537,014,218.00
PERCENTAGE ACCOMPLISHMENT	83.52%	89.53%	104.12%	81.36%	80.61%	88.98%

GREENHOUSE GAS AND NON-GREENHOUSE GAS

GRI 3-3, EM-MM-110a.2

NAC previously conducted a GHG inventory to gather the five-year historical baseline data of the GHG emissions from all its subsidiaries. Emissions classified under Scopes 1 and 2 were covered by the said inventory. The inventory is used as the main reference material for the ongoing assessments and analysis and is expected to aid in the identification of the most feasible emission reduction strategies.

The Company, in partnership with the University of the Philippines Los Baños (UPLB), is conducting a study on Land Use Change and Degradation Emission. The research is expected to be completed in 2024 and results will be integrated into the Group's GHG inventory to better account for emissions coming from land use change especially in mining operations. The Sustainability Roadmap GHG goal accounts for land use change using data from existing studies. Land use change is a major source of GHG emission of mining operations as well as the land development for renewable energy especially solar.

For non-GHG, operating companies conduct regular emission testing and measurement of emissions to ensure compliance with all air quality regulations. In-house testing of air quality parameters is being done quarterly for Total Suspended Particulate (TSP) and Particulate Matter (PM10), and annually for other parameters. Independent air quality testing is being done based on the Environmental Management Bureau (EMB) issued Permit to Operate Air Pollution Source and Control Installations. Monitoring reports are submitted to EMB to ensure emissions are well within the regulatory limits.

Ozone-depleting substances (ODS), including refrigerants, were also monitored by regularly checking all equipment and conducting vehicle maintenance activities.

Per DENR Administrative Order 2004-26, or the Amending Rule XIX of DENR Administrative Order No. 2000-81 (Implementing Rules and Regulations of RA 8749), companies are mandated to test for ODS in accordance with the source-specific monitoring and reporting requirements indicated by the permit issued by the DENR through EMB. All operating mining companies tested ODS in 2022 to strengthen the materials inventory system to screen and determine ODS used in operations.

RTN consistently conducts stack emission sampling of new air pollutant sources. As a result, RTN identified fugitive dusts as the primary emission from its operations. It uses additional water trucks for road watering and acquired a road vacuum sweeper. Meanwhile, TMC deploys water lorries to designated strategic areas to address dust excesses and integrated a new contract requirement for its contractor specifying the provision of water lorries to help address dust issues.

The regularly conducted tests throughout the year yielded clear results, with no recorded instances of air pollution levels above regulatory limits. Still, the Group remains vigilant in monitoring and has committed itself to reducing GHG and non-GHG emissions in the next years. For instance, it monitors the refrigerants used in air conditioning units (ACUs) and identifies other possible sources of ODS in operations. It also complies with the phase-out schedule, ban, and control of importation of ODS based on the mandates issued by the DENR.

In 2023, NAC initiated the Scope 3 Emissions Inventory in alignment with its 2025 target of 100% completion of GHG accounting. For the quantification of all Scope 3 emissions, it was essential to involve and get the support of the members of the Group's supply chain. A Group-wide survey was conducted to determine and quantify the contributions from the commute of all employees to GHG emissions. Through the cooperation of the management and all Business Units, the survey garnered a 100% response rate.

JSI is already in the process of updating its internal energy conservation policy and program while also piloting a mechanical battery system to decrease dependence on purchased electricity and move forward with the Group's objective to shift to 100% clean energy use in its operations by 2050.

AIR QUALITY: GRI 305-1, 305-2, 305-3, 305-6, 305-7, EM-MM-110a.1, EM-MM-120a.1

2023	RTN	TMC	HMC	CMC	DMC	JSI	TOTAL
Avoided emission	N/A	N/A	N/A	N/A	N/A	59,255.47	59,255.47
GHG (Scope 1) TCO_2	22,771.71	62,203.68	298,819.89	26,721.51	123,619.00	43.63	534,179.43
GHG (Scope 2) TCO_2	1,231.20	1,845.00	24.00	0.00	0.00	675.68	3,775.88
GHG (Scope 3) TCO_2	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing	
Ozone-depleting substances (ODS) (kg)	Not tested	Not tested	Not tested	Not tested	Not tested	N/A	
Nitrous Oxides (NOx) (mg/Ncm)	Not tested	17.00	Not tested	36.00	Not tested	N/A	
Sulfur Oxides (SOx) (mg/Ncm)	Not tested	5.00	Not tested	2.00	Not tested	N/A	
Persistent organic pollutants (POP)	Not tested	Not tested	Not tested	Not tested	Not tested	N/A	
Volatile organic compounds (VOC)	Not tested	Not tested	Not tested	Not tested	Not tested	N/A	
Hazardous air pollutants (HAP)	Not tested	Not tested	Not tested	Not tested	Not tested	N/A	
Particulate matter (PM) (ug/Ncm)	47.00	36.29	Not tested	76.00	17.06	N/A	
Mercury (Hg)	Not tested	Not tested	Not tested	Not tested	Not tested	N/A	
Lead (Pb)	Not tested	Not tested	Not tested	Not tested	Not tested	N/A	

*Parameters not tested for 2023 are subject for emission testing frequency depending on issued Permit to Operate Air Pollution Source and Control Installations by EMB.

BIODIVERSITY PROTECTION

GRI 3-3, 304-2, EM-MM-160a.1

At the start of 2023, the environmental teams across the Group outlined the corporate direction for the year, beginning with dissecting a new environmental law issued by the DENR - DAO 2022-04.

The new DAO directs that all appropriate measures for responsible mining – geared towards the preservation and protection of biodiversity – should be brought immediately to the forefront as early as the planning stage of mining operations going into progressive rehabilitation and onto the end of mine life.

The DAO also mandates the establishment of a 'reference forest,' or a portion of the mining property that shall remain in its original state from its pre-mining status to serve as the guiding image or model for ecosystem restoration or responsible rehabilitation after mining.

As a proud champion of responsible mining, the Group places emphasis on the protection and conservation of native and endemic species to efficiently bring back the natural functions of the forests after mining.

As responsible stewards of the environment and a strong advocate of biodiversity protection, the Group has consistently moved to safeguard the ecosystems within its areas of operations, implementing mitigating measures and initiatives, and funding programs toward environment protection and enhancement.

To extensively assess the existing biodiversity ecosystems within the Group's MPSAs, it continues to collaborate with experts from UPLB. Through this, it discovered that some flora and fauna within the areas of its operations are included in the 'Red List of Threatened Species' under the conservation list of the International Union for Conservation of Nature (IUCN). The Group protects these identified species.

118,654

seedlings donated

1,110,409

trees planted

To guarantee that operations will have the least possible impact on the environment, the Group follows science-based guidelines in crafting its Environmental Work Program (EWP) in each mine site from exploration to mining operation and rehabilitation. Through efficient mine planning, optimal areas for development are determined while critical areas where there are surrounding biodiversity and ecological systems are protected at all costs.

Biodiversity management is a major component of the operating mining companies' AEPEPs and includes programs such as buffer zone establishment, reforestation inside MPSAs, accreditation of deputized

environment and natural resources officers (DENROs), conduct of flora and fauna assessment, and the establishment of mangrove plantations, coral nurseries, and artificial coral reefs, among other initiatives.

The Group strongly supports the government's National Greening Program (NGP), donating large numbers of various seedlings, most particularly fruit-bearing trees. The Group's Information Education and Communications (IEC) campaigns emphasize the objectives and overarching message of its NGP initiatives on climate change and environmental awareness and promote biodiversity protection and conservation.

In 2023, the Group donated 118,654 seedlings and planted 1,110,409 trees within mining camps and in other areas identified by the NGP campaigns. The Group is fully committed to the directives of the Philippine Mining Act of 1995, requiring mining companies to restore and rehabilitate mined out areas.

LAND PROTECTION[1]
GRI 304-1, 304-2, 304-3

2023	RTN	TMC	HMC	CMC	DMC	JSI	TOTAL
Total Area Disturbed (has.)	1,213.77	1,005.63	488.69	294.19	92.01	416.69	3,510.98
Total Area Used for Other Purposes (has.)	0.00	0.00	0.00	0.00	0.00	N/A	2.92
Total Area Rehabilitated (has.)	2.00	35.00	20.60	10.17	0.00	N/A	67.77
Total Area Reforested (has.)	18	10	6	26	5.69	N/A	65.69
Area of land used for extractive use (has.)	53	143.10	13.53	44.92	5.44	N/A	259.99
Area of land used for construction and development	51.01	160.36	35.90	28.52	41.07	0.00	316.86
Percentage of land requiring biodiversity management plans	100%	100%	100%	100%	100%	N/A	
Operational sites owned, leased, managed in, or adjacent to, protected area and areas of high biodiversity value outside protected areas (has.)	N/A	N/A	773.70	80.00	106.27	554.59	1,514.56
Habitats protected or restored (has.)	650.00	N/A	N/A	80.00	68.81	N/A	798.81

[1] Data in Total Area Disturbed, Areas of land used for extractive use and Area of land used for construction and development are cumulative data based on the Annual Land Use Report

HMC Mangrove

BIODIVERSITY PROGRAMS

RTN	
Mangrove rehabilitation projects	47.00 has.
Protection of Ursula Island game refuge and bird sanctuary	17.00 has.
Rehabilitation of mined-out areas	208.54 has.
National Greening Program	543.97 has.
Bamboo Plantation Project	58.30 has.
Community Partnership Program	57.00 has.

HMC	
Mining Forest Program	24.00 has.

CMC	
Habitats protected or restored	80.00 has.

TMC	
Flora and fauna monitoring	4,862.71 has.
Restoration Development Program	4.00 has.

Ursula Island

IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS

GRI 304-4, EM-MM-160a.3

1 | Rio Tuba Nickel Corporation (RTN)

LEAST CONCERN	Great Egret, Eurasian Coot, Wandering Whistling Duck, Olive-backed Sunbird, Osprey, Common Iora, Common Emerald Dove, Whitevented Shama, Monitor Lizard, Palawan Flowerpecker, Brahminy Kite, White-bellied Sea Eagle, Blue Paradise Flycatcher, Blue Rock Thrush, Crested Serpent Eagle, Yellow-throated Leafbird, Yellow-vented Bulbul, Scaly-breasted Munia, Pygmy Flowerpecker, Paddy Field Pipit, Grey Wagtail, Palawan Bulbul, Hooded Pitta, Tufted Duck, Garganey, Crested Goshawk, Changeable Hawk-Eagle, Oriental Dwarf Kingfisher, Pink-necked Green Pigeon, Gunther's Whip Snake, Green-crested Lizard, Palawan Flying Lizard

Schultze's Pitviper

Alocasia Culionensis

2 | Hinatuan Mining Corporation (HMC)

CRITICALLY ENDANGERED	Short Haired Paphiopedilum, Mapilig
ENDANGERED	Pitcher Plant, Mangkono
VULNERABLE	Zebra Plant, Antipolo, Borneo Teak, Philippine Mahogany, Tanguile
NEAR THREATENED	Giant Philippine Frog, Small Flying Fox, Anislag, Guijo
LEAST CONCERN	White-bellied Sea Eagle, Collared Kingfisher, Pygmy Swiftlet, Glossy Swiftlet, Large-billed Crow, Emerald Dove, Orange-bellied Flowerpecker, Red-keeled Flowerpecker, Olive-backed Sunbird, Yellow-vented Bulbul, Malaysian Pied Fantail, Asian Glossy Starling, Eurasian Tree Sparrow, Gecko, Lesser Short-nosed Fruit bat, Lesser Musky Fruit Bat, Geoffroy's Rousette

Geoffroys Rousette

Short Haired Paphiopedilum

3 | Taganito Mining Corporation (TMC)

CRITICALLY ENDANGERED	Yakal, *Pandanus patelliformis*
ENDANGERED	Saguisi-mina, Pasnit-kitid, Pandan, Lady's Slipper Orchid, Dayopod, Dalinsoi
VULNERABLE	Palosapis, Dalindingan, Kalingag, Mancono, Pitcher Plant, Philippine Duck, Philippine Warty Pig, Philippine Sailfin Lizard
NEAR THREATENED	Malapandan

Philippine Warty Pig

Pasnit-kitid

4 | Cagdianao Mining Corporation (CMC)

CRITICALLY ENDANGERED	Buhon-buhon, Yakal, Mayapis
ENDANGERED	Philippine Forest Turtle, Pitcher Plant (*Nepenthes bellii and Nepenthes surigaoensis*), Teakwood, Tugas, Philippine Ironwood (Mangkono), Tree Fern
VULNERABLE	Philippine Sailfin Lizard, Lapnisan, Antipolo, Kamagong Dagat, Kamagong, Ituman, Red Nato, Wakatan, Narra, White Lauan, Red Lauan, Tanguile, Tiga Pula, Tiga Puti, Dao
NEAR THREATENED	Mindanao Fanged Frog, Philippine Tarsier, Island Flying Fox, Katmon, Kalingag, Anislag, Duguan, Balakat, Lokinay

Philippine Tarsier

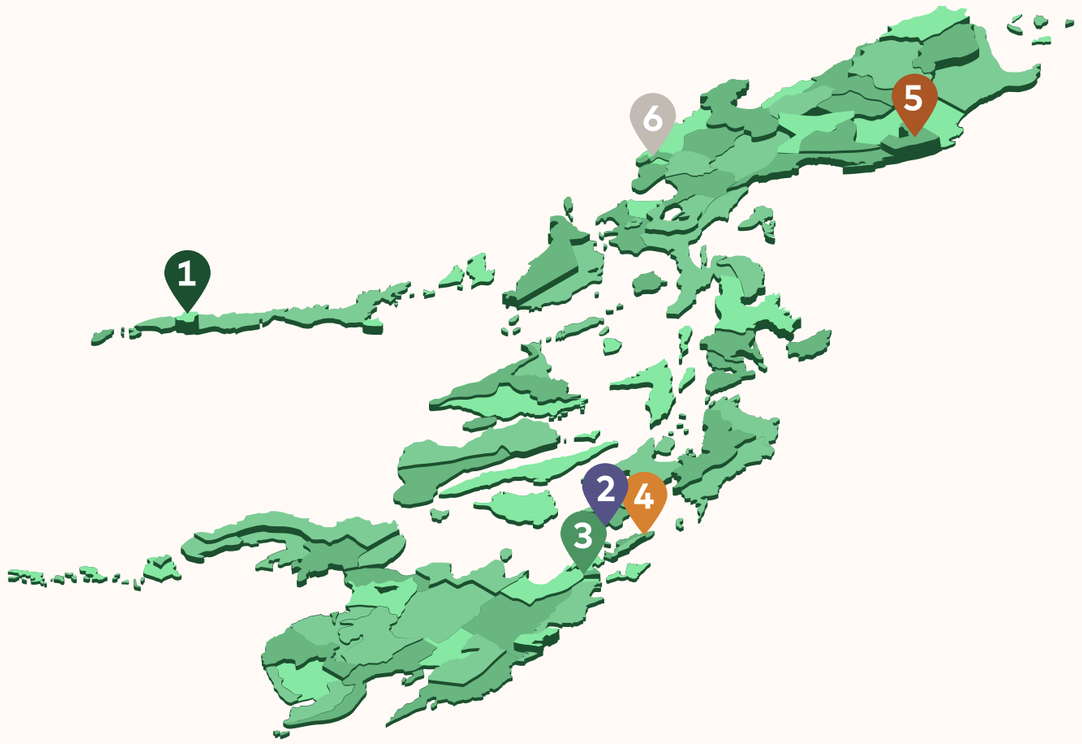
Kalingag

5 | Dinapigue Mining Corporation (DMC)

CRITICALLY ENDANGERED	Philippine Eagle
ENDANGERED	Dalingdingan, Yakal, Igem-dagat, Narra, Kamagong
VULNERABLE	Philippine (Dwarf) Kingfisher, Philippine Duck, Philippine Eagle-Owl, Ashy Thrush, Southeast Asian Box Turtle, Dalingdingan, Guijo/Red Balau, Red Nato, Malaikmo
NEAR THREATENED	Almon, Batikuling, Manaring, Ipil/Merbau
LEAST CONCERN	Asian Water Monitor, Red Lauan, Tanguile, Mayapis, Agoho, Duguan, Gatasan, Malabayabas, Malakmalak, Palomaria/Tamanu, Kulipapa, Maladuhat/Bikuas, Malasantol/Sentul

Philippine Eagle

Sentul



6 | Jobin-SQM Inc. (JSI)

VULNERABLE	Alalangad, Kupang, Lauan, Akle
NEAR THREATENED	Puso-Puso, Lanete
LEAST CONCERN	Balete, Bilua, Gmelina, Lamio, Antipolo, Putat

Lauan

Lanete

WATER MANAGEMENT

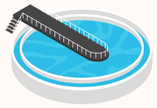
GRI 3-3, 303-1, 303-2, RR-ST-140a.2

Water resources are essential for mining processes as these are indispensable for domestic and operational use. Water is used to maintain domestic facilities. In operations, it is particularly used for drilling activities, in maintenance and cleaning of equipment, in road watering as a dust suppression measure, in the maintenance of nurseries and rehabilitation areas, and in fire/emergency response.

In 2023, operating mining companies recorded 682,314.09m³ as the total volume of water withdrawn, mostly from surface and groundwater resources. Each operating mining company implements a water management plan under the EMS Framework retrofitted for their specific needs while ensuring the proper utilization of the resources. Water usage and discharge are regularly monitored, and proper mitigation measures are implemented for any known risks. The plan is supplemented by several policies and practices on water conservation, use efficiency, and quality enhancement.

To lessen water extraction, operating mining companies also practice and promote water recycling through the reuse of the water captured by settling ponds for dust control and plant watering activities. Establishment of siltation ponds is a proven effective mitigation measure against water wastage as it serves as water impoundment for effluents used in vehicle washing and road spraying activities. It also prevents contamination by trapping in silts from the runoff. These structures are regularly desilted to remain functional and to prevent spillage of silted wastewater.

Other mitigation measures include the installation of water reservoirs and establishment of activated carbon gabions. Exposed slopes were also prioritized in the rehabilitation and planting to reduce exposed areas that are prone to erosion. Eroded surfaces when exposed to water and precipitation generate silted effluents which could contaminate the receiving water bodies. Other exposed areas such as ore stockpiles – wherein previously mentioned mitigation activities are not applicable – were covered to ward off external erosion factors.



Recycling
of water captured by settling ponds

Water Reservoir

Rainwater Harvesting
spearheaded by RTN

Close Partnerships
with DENR and local government

In addition to NAC-wide initiatives, RTN spearheaded the installation of rainwater harvesting facilities. The water collected from the precipitation is used as a water source for toilets in select buildings. Other initiatives include the installation of desilting pads on three siltation ponds which increased water attenuation and water recycling.

Phytoremediation, another decontamination technique, is also among the best practices implemented by operating mining companies to improve the quality of the mines' effluents and discharges. Vetiver grasses were planted in ponds to extract contaminants that may have potentially penetrated the soil.

NAC strongly believes in working together towards the common goal of water management; hence, its strengthened engagement with the DENR particularly in watershed management programs. The Company invested in partnerships for the preservation, protection, and conservation of identified water-rich areas in and outside its areas of responsibility. Further, as part of the requirements set by government agencies, Operating mining companies host and participate in Multipartite Monitoring and any initial findings are immediately addressed. All Opcos adhere to the government-prescribed guidelines and continuously review and improve their respective water management practices.

Aside from the proper utilization of water resources through responsible extraction, operating mining companies also take pride in the proper handling of effluents as guided by the standards set forth by the Republic Act 9275 or the Clean Water Act of 2004, DENR DAO No. 2016-08 or the Water Quality Guidelines and General Effluent Standards, and DAO 2021-19 or the Updated Water Quality Guidelines (WQG) and the General Effluent Standards (GES) for Selected Parameters.

WATER USE AND PROTECTION

GRI 303-3, 303-4, 303-5, EM-MM-140a.1, RR-ST-140a.1

2023	Extraction		Discharge		Silt Collected (WMT)
	Water Body	Volume (cu.m)	Water Body	Volume (cu.m)	
RTN	Ground Water, Recycled Wastewater	218,737.59	Surface Water	0.00	92,085.00
TMC	Surface Water	317,068.00	Surface Water	0.00	292,648.00
HMC	Surface Water	56,565.55	Surface Water	0.00	102,419.40
CMC	Surface Water, Groundwater, Recycled Wastewater	70,915.90	Surface Water	0.00	67,825.00
DMC	Surface Water	16,293.49	Surface Water	0.00	17,319.67
JSI	Surface Water	2,653.00	Surface Water	0.00	N/A
CDTN	Surface Water	80.56	Surface Water	0.00	N/A
TOTAL		**682,314.09**		**0.00**	**572,297.07**

Efficient handling of wastewater is an integral part of the water management plan to arrest downstream pollution. Preliminary initiatives such as effluent filtration are supported by continuous improvement of drainage systems and maintenance of the wastewater treatment facilities and oil water separators, proper waste management, and the construction of new pollution mitigation facilities like sewage treatment facilities for oil-contaminated soil and sludge.

Monthly and quarterly monitoring of water quality as well as the Total Suspended Solids (TSS) from designated sampling points were conducted through physical and chemical procedures. External service providers conduct the sampling required by the government agencies to ensure transparency and accuracy whereas in-house sampling activities were also conducted for self-monitoring purposes.

Initiatives to prevent soil and underground contamination ensure that potential contaminants are prevented to be in contact with the ground, and hazardous wastes are properly contained in facilities with impermeable flooring and bund walls. For example, HMC installed surfactant traps at its laundry facility and grease traps at its kitchen areas to intercept most grease and solids before entering a wastewater disposal system. Regular monitoring and maintenance of water pipes were also conducted to help prevent any leakages.

NAC recognizes the importance of analyzing water risks across its operations and identifying activities in stressed regions.

The Company also made use of internal communication channels to drive campaigns on water conservation. All subsidiaries continue to encourage employees and guests to conserve water and be conscious of water consumption. Signage and posters in strategic areas remind people to turn off the faucet when not in use. NAC also strengthened the knowledge and preparedness of its constituents by cascading the Emergency Response Procedures for accidental release of contaminated water. Measuring devices were installed to strategically monitor the actual water extractions of its operations and campsites. NAC is exploring ways to integrate water risk assessments into its operations management strategies and continues to be guided by the insights offered by the World Resources Institute's (WRI) Aqueduct tool for assessing water stress levels. Implementing a comprehensive analysis of all operations based on this specific methodology requires dedicated resources and infrastructure, which are still under development within the Group.

WASTE MANAGEMENT

GRI 3-3, 306-1, 306-2

As part of its roadmap, NAC aims to institute circular economy in all its operations' campsites and townsites by 2030. To achieve this, it is integral to implement holistic programs and policies to manage waste efficiently.

NAC's operating mining companies comply with DENR Memorandum Order No. 99-32 Series of 1999 that provides Policy Guidelines and Standards for Mine Wastes and Mill Tailings Management. Mine wastes, particularly silts from the siltation ponds, are typically used as back filling materials for surface mining openings, road construction, and rehabilitation of mined-out areas.

The total quantity of non-hazardous waste generated by the operating mining companies and JSI amounted to 314,750.40 kilograms, representing 43.63% of the total waste generated. Through collective efforts, these companies diverted 250,419.52 kilograms of non-hazardous wastes from going to the landfill. NAC is committed to increasing the amount of waste recycled or reused through initiatives such as upcycling and waste utilization.

These operating companies diligently implemented an effective solid waste management plan monitored by the Pollution Control Office (PCO) team, with the goal to protect the health and welfare of employees and communities by maintaining a clean and healthy workplace for all. Initiatives to reduce or control solid wastes included the use of plastic melter and densifier machines for plastic waste reduction. Properly labeled waste bins were also deployed throughout the sites to promote and encourage the practice of waste segregation at the source.

Additionally, operating mining and renewable energy companies continue the practice of upcycling and place high value on technologies that help manage wastes effectively, such as the Department of Science and Technology's bioreactor, vermicomposting, and mulching for biodegradable wastes; the use of Materials Recovery Facilities (MRF) for recyclable and reusable wastes; and using sanitary landfill for residual wastes.

This year, DMC introduced a waste utilization campaign through its "*Basura mo, Iresiklo ko*" project. Glasses and plastic sheets are mixed to make eco-bricks while solid wastes are used for bund walls and berm.

CMC conducted solid and ecological waste management IECs for all mine personnel and members of host and neighboring communities. Waste segregation bins were installed with monitoring forms for collection and waste management policies were strictly implemented. CMC also held daily coordination with process owners regarding the status of their commitment to waste management.

Meanwhile, HMC continues to produce bio-organic fertilizers from biodegradable kitchen wastes and vermicomposting. Biogas technology was also utilized to accommodate all kitchen waste, especially food waste. HMC also uses jobo pots or pots made of pandan in nursery operations.

In all business units, hazardous waste management is implemented with the assistance of an external treater. Hazardous waste transport is done by a DENR-accredited third-party service provider, with corresponding permits acquired from the EMB. Once the waste is disposed and treated properly, the external party will then process its Certificate of Treatment (COT) from EMB and forward the document to the Company's PCO. The PCO will then report the details of the hazardous waste being treated including its COT to EMB.

NAC is committed to increasing the amount of waste recycled or reused through initiatives such as upcycling and waste utilization.

Also, contractors reported their solid and hazardous waste generation on a bi-monthly basis. The generated wastes are reflected in the Self-Monitoring Reports (SMR) and Compliance Monitoring Reports (CMR) submitted on a quarterly and semi-annually basis, respectively. These were monitored by the Multi-Partite Monitoring (MMT), the Mine Rehabilitation Fund Committee (MRFC), and the EMB for Environmentally Critical Projects (ECP).

The total quantity of hazardous waste generated by the Group in 2023 totals 406.59 tons. This represents 56.37% of the total waste generated. All hazardous waste is handled and disposed of in accordance with DENR DAO 2013-22. For some Opcos, the volume of hazardous wastes transported exceeded the volume generated for 2023 since some of the hazardous wastes from 2022 were carried over. This is due to the semi-annual hazardous waste collection schedule set by the third-party collector and treater company hence, the wastes generated post collection dates were stored temporarily and transported alongside the 2023 actual generated volume.

WASTE MANAGEMENT IN KG
GRI 306-3, 306-4, 306-5, RR-ST-150a.1

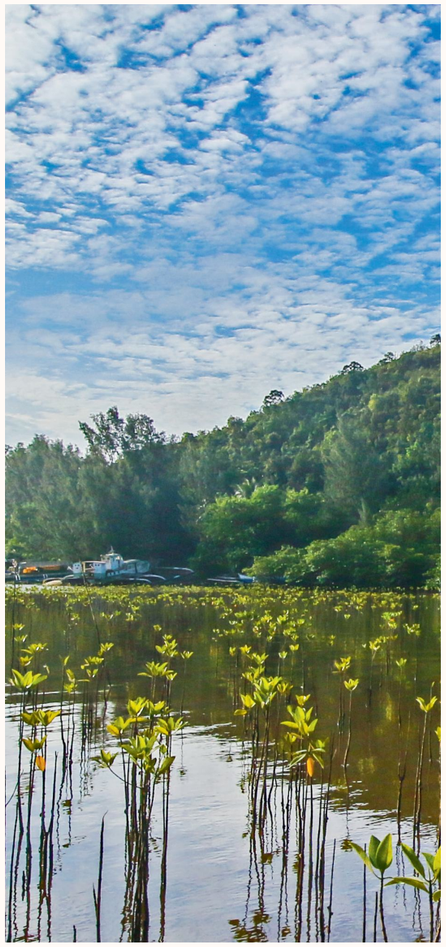
2023	RTN	TMC	HMC	CMC	DMC	JSI	TOTAL
Non-Hazardous	207,510.00	28,862.26	40,559.90	24,906.24	8,812.00	4,100.00	314,750.40
Hazardous	67,904.10	187,550.00	40,540.00	98,727.70	11,524.00	349.70	406,595.50
Total Waste Generated	275,414.10	216,412.26	81,099.90	123,633.94	20,336.00	4,449.70	721,345.90
Non-Hazardous	181,110.00	20,074.62	20,802.00	20,049.70	6,083.20	2,300.00	250,419.52
Hazardous	11.00	0.00	0.00	0.00	3,955.80	0.00	3,966.80
Total Waste Diverted from Disposal	181,121.00	20,074.62	20,802.00	20,049.70	10,039.00	2,300.00	254,386.32
Non-Hazardous	59,120.00	7,980.53	20,084.40	4,327.88	2,728.69	1,800.00	96,041.50
Hazardous Waste	56,313.60	251,650.80	40,540.00	98,727.70	0.00	349.70	447,581.80
Total Waste Directed to Disposal	115,433.60	259,631.33	60,624.40	103,055.58	2,728.69	2,149.70	543,623.30

INTEGRATED MANAGEMENT SYSTEMS

All operating mining companies are ISO 14001:2015 (Environmental Management System) certified. In addition, CMC, HMC- Taganaan, HMC- Manicani Nickel Project, RTN, and TMC are ISO 9001:2015 (Quality Management System), and ISO 45001:2018 (Occupational Health and Safety Management System) certified.

TMC was endorsed for certification by the international certifying body TÜV Rheinland. RTN's ISO certifications were endorsed by TÜV Nord; while the ISO certifications of CMC, HMC-Tagana-an, DMC, and HMC Manicani Nickel Project were endorsed by the NQA Global Accredited Certification body.

Scan this QR code for more information



ISO 14001:2015
(Environmental Management System)

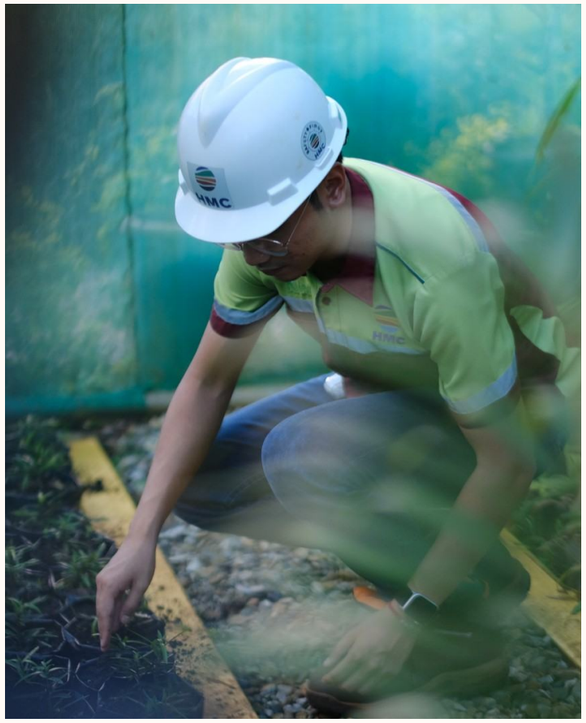
Provides details on the specifications for an environmental management system that a company can use to improve its environmental performance

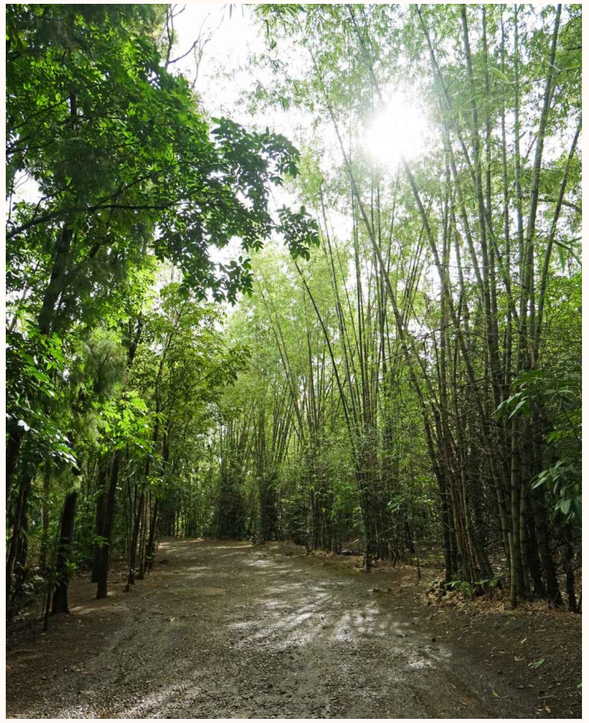
ISO 9001:2015
(Quality Management System)

Specifies requirements for a quality management system to demonstrate a company's ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements

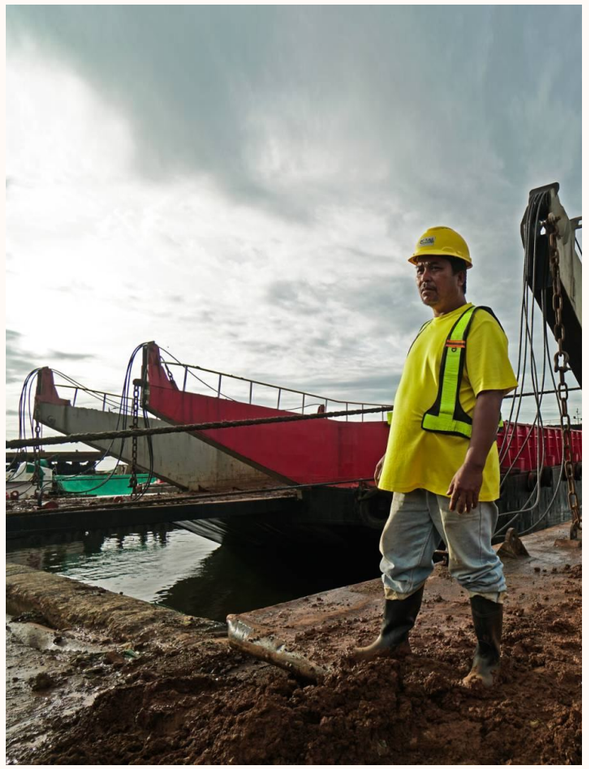
ISO 45001:2018
(Occupational Health and Safety Management System)

Gives guidance on providing a safe and healthy workplace and implementing the OH&S management system





The scope of these ISO certifications covers the following: Mining Operations and Post Mining Activities, Minesite, Campsite, and Pier Site/Wharf Facilities including landing craft transports.



LEGEND:
1. NAC EMPLOYEE TAKING CARE OF SEEDLINGS
2. REHABILITATED MINED-OUT AREA AT RTN
3. PIER SITE

ENERGY EFFICENCY

GRI 3-3

In 2023, the Group sought to reduce overall energy consumption with new market-available technologies, the efficient use of resources, practical resource management plans, and investment in renewable energy sources.

The Company is already investing in renewable energy sources through its subsidiary, EPI, and its joint venture agreement (JVA) with Shell Investments, B.V. that focuses on utility-scale solar photovoltaics. The JVA will also evaluate opportunities for onshore wind and energy storage.

NAC prioritizes the improvement of operational efficiency and productivity through strategic investments in manufactured capital. In 2023, NAC invested ₱24.68 million in hybrid excavators deployed at TMC. The use of hybrid excavators enable energy efficiency by capturing and recycling the exerted energy from these vehicles during operations. Combined with the efficiency of fuel-efficient Articulated Dump Trucks (ADT) and the use of TMC's conveyor belt system that reduced trucking needs, the innovation is seen to have contributed to the climate action goals of the Company.

All the operating mines aim to reduce energy usage by installing LED-type lighting and using inverter appliances which are believed to impact long-term costs and maintenance.

Furthermore, HMC has been using solar technology as an alternative source of power for streetlights. HMC's power consumption reduction program included the scheduled use of generator sets by identifying peak and off-peak hours to optimize usage.

ACTIVITIES/EQUIPMENT THAT CONSUME THE MOST ENERGY IN THE OPERATIONS

TMC

Hauling equipment (e.g. trucks) and excavating equipment (e.g.Backhoes)

CMC

Daily mine operations, daily office and camp utilization

DMC

Mining equipment, heating and ventilating equipment, and industrial ovens

RTN

Mining equipment, Assay Laboratory and Sample Preparations

HMC

Mining equipment (dump trucks, backhoes, etc.)

JSI

Nighttime operations

EPI

Air conditioners, Refrigerators, Microwaves, and Computers/Laptops

Head Office

Office work (computer workstations, lights, aircon)

ENERGY CONSUMPTION

GRI 302-1, 302-3, EM-MM-130a.1, RR-ST-130a.1

2023	RTN	TMC	HMC	CMC	DMC	JSI	TOTAL
Genset (L)	197,200.00	52,113.38	302,881.00	582,331.00	344,080.00	834.00	1,479,439.38
Energy Generated by Genset (MwH)	135.82	168.18	329.03	1,184.40	364.05	0.00	2,181.48
Vehicles - Diesel (L)	9,061,888.00	10,696,510.00	2,277,854.00	4,918,308.50	2,387,252.00	16,415.00	29,358,227.50
Vehicles - Gasoline (L)	51,659.00	19,482.56	0.00	10,288.50	0.00	0.00	81,430.06
Total fuel consumption (vehicles)	9,113,547.00	10,715,992.56	2,277,854.00	4,928,597.00	2,387,252.00	16,415.00	29,439,657.56
Total number of vehicle/s used	528.00	518.00	172.00	454.00	85.00	6.00	1,763.00
Energy Intensity (Vehicle)	15,732.20	20,687.24	13,243.34	10,855.94	28,085.32	2,735.83	91,339.87
Electricity from Local Supply (MwH)	1,879.07	3,018.83	0.00	0.00	1.59	1,104.09	6,003.58
LPG (KG)	649.00	2,740.00	869.00	3,650.00	2,442.00	276.00	10,626.00
Total fuel consumption	9,310,747.00	10,768,105.94	2,580,735.00	5,510,928.00	2,731,332.00	17,249.00	30,919,096.94
Total electricity consumption (MwH)	2,014.89	3,187.01	329.03	1,184.40	365.64	1,104.09	8,184.66
Total area in sqm	441,595.00	413,079.00	136,700.00	82,700.00	18,700.00	1,220,000.00	2,312,774.00
Energy Intensity (Electricity)	0.0046	0.0077	0.0024	0.0143	0.0196	0.0009	0.0035

DMC also used the same strategy of optimizing generator use based on the load requirement. It monitored power generation parameters every hour and maintained a 0.46 to 0.62 liters of fuel per kilowatt hour. In addition, DMC has gradually incorporated greener technology by utilizing solar power to operate the lights illuminating the causeway area.

Preventive maintenance on all fuel-burning equipment is regularly scheduled to maintain efficiency and ensure no fuel leakages. Fuel purchased and consumed were monitored, and trips were combined and maximized for efficient vehicle use. Data and insights from energy and fuel consumption monitoring are available as resource materials for new developments that aim to further align with NAC environmental goals.

NAC prioritizes improving operational efficiency and productivity through strategic investments in manufactured capital.

All operating mining companies conduct information dissemination and awareness training for employees and contractors to emphasize the need for energy conservation. Signages on energy conservation are posted in strategic locations.

In 2023, the Group consumed a total of 144,869,096.05 MwH. NAC is committed to reduce reliance on fossil fuel-powered generator sets and increase use of renewable energy.

Creating Shared Value

84	Maintaining a Safe and Healthy Workplace
88	Diversity and Inclusion
92	Building Sustainable Communities
94	Community Relations
96	Community Health and Wellness
98	Educational Support
100	Strengthening Livelihood Programs
102	Community Disaster Resilience
104	Work Conditions
112	Freedom of Association and Collective Barganining
113	Indigenous Peoples Partnership
114	Nation Building through Economic Growth

Highlights

119 m
safe manhours

0
Lost Time Accidents

64,312
Training hours for employees

30%
Of women in supervisory or managerial positions

₱111.62 m
Spent on health and safety programs

13,349
People received healthcare/ emergency services

Diversity, Equality, and Inclusivity Policy

Equal opportunity, diversity and inclusion, professional development and comprehensive benefits for employees

First-ever NAC Sustainability Run and NAC Sustainability Contest

₱211 m
Spent on social development and management program

261
Indigenous people hired

1,157
Employees covered by collective bargaining agreements (CBA)

53
People's Organizations received financial support

1,281
Families assisted during and after calamities

2,781
Scholars supported

96%
Return-to-work rate after parental leave

6%
Percentage by which entry-level wage exceeds local minimum wage

3,743
Employees

₱379 m
Local taxes

₱14,476 m
Spent on local suppliers

₱5,797 m
National taxes

91%
Spending on local suppliers

₱167.4 m
Royalties

₱40.6 m
Infrastructure spending

₱3,750 m
2023 Attributable Net Income

SOCIAL		RTN	TMC	HMC	CMC	DMC	CDTN	JSI
1	**Employees**							
	Percentage of employees under collective bargaining agreement (CBA)	79.00%	56.00%	39.00%	39.00%	0.00%	69.00%	0.00%
	Average training hours/employee	19.40	49.60	67.00	33.40	53.40	18.50	14.90
2	**Health and Safety**							
	Total spending for health and safety programs (Million ₱)	34.15	24.89	10.05	26.83	7.27	7.69	0.74
	Number of employees in health and safety committee	24	40	29	50	25	20	6
	Total safe manhours	26,590,229.00	29,728,749.00	39,776,191.00	10,619,604.00	3,729,659.00	3,271,392.00	5,917,350.00
	Incidence rate	0.017	0.012	0.033	0.138	0.970	0.056	0.000
	Total lost days	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	**Communities**							
	Total spend on Social Development and Management Program (SDMP) (Million ₱)	53.43	93.39	20.70	35.63	7.74	N/A	N/A
	Population of host and neighboring communities	85,439	36,033[1]	3,385	5,611	6,513	N/A	11,191
	Number of Indigenous People communities residing near the mine site	22,126	952	N/A	N/A	1,636	N/A	1,920
4	**Social Development Focus Area (SDMP + Corporate Social Responsibility)**							
	I. Education							
	Total Investment (Million ₱)	10.23	31.85	8.40	11.30	0.91	N/A	0.12
	Scholars supported	581	894	1,217	44	45	N/A	N/A
	II. Health							
	Total Investment (Million ₱)	9.55	8.75	3.02	4.40	1.16	N/A	0.15
	Number of patients/cases treated in hospital	10,812	509	0	2,028	0	N/A	0
	Families assisted during and after calamities	1,281	0	0	0	0	N/A	0
	Admitted/confined patients	1,272	244	0	99	0	N/A	0
	Number of patients that benefited from medical missions	355	2,312	1,217	428	399	N/A	300
	III. Infrastructure							
	Total Investment (Million ₱)	2.72	18.77	0.00	5.13	2.15	N/A	0.29
	Length of roads constructed/improved (km)	1.20	0.20	0.00	1.30	0.12	N/A	0.06
	Amount spent on road construction (Million ₱)	0.50	0.20	0.00	0.33	0.46	N/A	0.29
	Amount spent on other infrastructure projects (Million ₱)	2.22	18.57	0	4.80	1.69	N/A	0.00
	Number of barangays supported by infrastructure projects	9	12	0	4	6	N/A	1
	IV. Livelihood							
	Total Investment (Million ₱)	7.35	7.50	0.98	7.27	1.04	N/A	0.00
	Peoples' Organizations that were provided financial assistance[1]	13	10	4	12	14	N/A	0
	Members	355	224	150	600	743	N/A	0

MAINTAINING A SAFE AND HEALTHY WORKPLACE

GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-6, 403-7

Safety is a critical aspect in maintaining responsible and sustainable operations. In addition to implementing stringent safety and health programs and strategies, employees need to be properly equipped to be able to protect themselves through skills and knowledge on standard processes, procedures, and policies that place health and safety as key priorities. They must also be provided with safety equipment and reliable work machineries.

NAC implements a comprehensive occupational health and safety management system for all its operating companies. It goes beyond compliance with regulations, which helps the Group look after the well-being of its employees, service contractors, suppliers, visitors, host communities, and other stakeholders, along with the security of its assets.

The operating companies' Central Safety and Health Committee (CSHC) is responsible for planning, implementing, and evaluating the safety and health programs of NAC. The CSHC holds monthly meetings and tackles concerns, suggestions, and action plans related to safety and health.

NAC ensures a hazard identification risk assessment and risk control (HIRARC) process to ensure that occupational health and safety hazards, the risks posed by their presence, and the controls in place to avoid or mitigate these risks, are systematically identified, documented, analyzed, prioritized, and monitored. The Company ensures that risk assessment is conducted regularly with the participation of supervisors and workers to account for all possible hazards/risks. All reported hazards and risks, as well as the corrective actions, are recorded in the hazard registry database.

PERSONNEL INVOLVED:

RISK ASSESSMENT TEAM

SUPERVISORS

WORKER/ WORKER REPRESENTATIVE

SECTION / DEPARTMENT / DIVISION HEADS

THE PROCEDURE FOR FORMULATING THE HIRARC IS AS FOLLOWS:

1. Review processes and operations and identify hazards
2. Rate significance of hazards identified
3. Review the ratings
4. Develop operational control/s
5. Review and approve ratings
6. Maintain and update register
7. Maintain a central file under the custody of the lead document controller

INJURIES AND ACCIDENTS[2]

GRI 403-8, 403-9, 403-10, EM-MM-320a.1

2023	RTN	TMC	HMC	CMC	DMC	JSI	CDTN	TOTAL
No. of employees in health & safety committee	24	40	29	50	25	6	20	194
Total hours of health & safety and emergency response training	791	1,620	284	304	339	452	1,336	5,126
Total man hours	5,867,191	8,211,615	2,943,405	3,621,833	1,648,488	2,507,217	1,778,784	26,578,533
Safe man hours	26,590,229	29,728,749	39,776,191	10,619,604	3,729,659	5,917,350	3,271,392	119,633,174
Lost time accidents	0	0	0	0	0	0	0	0
No. of occupational injuries/ illnesses	1	1	1	5	16	0	1	25
Incidence rate[3]	0.017	0.012	0.033	0.138	0.97	0	0.056	0.094
Severity rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lost days	0	0	0	0	0	0	0	0
Fatalities	0	0	0	0	0	0	0	0
Work-related fatalities	0	0	0	0	0	0	0	0
No. of safety drills	20	15	17	7	12	2	7	80

By the end of 2023, the NAC Group accumulated Safe Manhours of over 119 million, with HMC leading at 39.7 million safe manhours.

THE SAFETY STATISTICS OF ALL SERVICE CONTRACTORS WERE INCLUDED IN THE COMPUTATIONS.

[2] Not applicable for EPI

[3] IR = (No. of NLTA X 200,000)/Manhours NLTA - No Lost Time Accidents

Each employee, regardless of role or rank, is an agent of health and safety and is encouraged to proactively report any health and safety issues and concerns. Employee engagement is encouraged through the use of hazard identification cards for ease of reporting. The Toolbox Meetings are also an avenue for raising safety issues and concerns in the workplace.

Review and audit of HIRARC controls are done annually or as needed, depending on the severity of hazards and risks being managed. The audit helps assess the effectiveness of controls and identify the areas for improvement. A third-party auditor is also engaged to ensure transparency of the processes.

Essential to the effectiveness of these OSH management systems is the level of awareness and understanding of stakeholders. Therefore, safety orientation and mandatory OSH refresher courses are provided to all employees.

The Company also provides non-occupational medical and healthcare services that aim to look after employees' physical and mental wellness.

TRAINING PROGRAMS ON HEALTH & SAFETY
GRI 403-5, EM-MM-320a.1

2023	RTN	TMC	HMC	CMC	DMC	JSI	TOTAL
Number of Employees Attended	2,324	938	130	212	145	47	39
Medical Trainings	1	5	1	6	1	1	0
Road Safety Trainings	48	12	1	1	1	0	3
Fire Safety Trainings	1	1	0	1	2	2	1
Occupational Health and Safety Trainings	20	61	7	14	19	1	4

WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM
GRI 403-8

2023		RTN	TMC	HMC	CMC	DMC	JSI	CDTN	TOTAL
Legal requirements and/or recognized standards/ guidelines?	Regular/Probationary	533	701	200	235	113	36	203	2,021
	Seasonal	201	473	163	89	129	0	0	1,055
	Project-based	173	36	0	0	1	0	47	257
	Fixed Term	163	0	0	0	0	0	0	163
	Consultant	3	2	0	3	4	0	0	12
	Service Contractors	913	1,381	944	1,014	573	67	381	5,436
Legal requirements and/or recognized standards/ guidelines that has been internally audited?	Regular/Probationary	533	701	200	235	113	36	203	2,021
	Seasonal	201	473	163	89	129	0	0	1,055
	Project-based	173	36	0	0	1	0	47	257
	Fixed Term	163	0	0	0	0	0	0	163
	Consultant	3	2	0	3	4	0	0	12
	Service Contractors	913	1,381	944	1,014	573	50	381	5,419
Legal requirements and/or recognized standards/ guidelines that have been audited or certified by an external party?	Regular/Probationary	533	701	200	235	0	0	0	1,669
	Seasonal	201	473	163	89	0	0	0	926
	Project-based	173	36	0	0	0	0	0	209
	Fixed Term	163	0	0	0	0	0	0	163
	Consultant	3	2	0	3	0	0	0	8
	Service Contractors	913	1,381	944	1,014	0	0	0	4,988

In 2023, all operating companies (Opcos) maintained a commendable safety record with Zero Frequeny Rate and Zero Severity Rate, signifying Zero Lost Time Accidents.

The Opcos' Incidence Rate (IR) showed continued improvement, decreasing from 1.99 in 2019 to an IR of 0.094 in 2023. The IR is calculated by multiplying the number of all accidents (injuries and property damage) during the period by 200,000 and then dividing it by the man-hours worked during the same period.

Truck operator at TMC

DIVERSITY AND INCLUSION

GRI 3-3

NAC promulgated its official Policy on Diversity, Equality and Inclusivity, that is aligned with the UN SDG on Gender Equality.

The policy encompasses a range of explicit commitments that include ensuring diversity within NAC's leadership and in the entire organization, and a commitment to hire and promote employees based on merit and performance. Rooted in the Company's values, the policy is designed to guarantee a safe and respectful work environment, free from harassment or discrimination.

Implementation rollout includes comprehensive training to equip employees with the necessary tools and understanding of diversity, equality, and inclusivity. The policy also advocates and encourages stakeholders, joint venture partners, subsidiaries, affiliates, partnerships, and supply chain members to adopt similar diversity, equality, and inclusion policies.

NAC is proud to be an Equal Opportunity Employer – hiring and promoting individuals based on merit and qualifications, without discrimination or bias based on race, gender, age, religion, or political affiliation. Job advertisements emphasize the Company's commitment to these principles, and both job advertisements and job descriptions are crafted with gender-neutral language.

As part of its commitment to closing the gender gap, NAC encourages and are open to accepting qualified female applicants for technical roles that have traditionally been dominated by male personnel. Information on opportunities is available and open to everyone through bulletin boards, online platforms, and social media portals, as well as government agency programs and job fairs (PESO, DOLE, LGUs, BLGUs, TESDA).

EMPLOYMENT BY CONTRACT TYPE AND GENDER

GRI 202-2, 2-8

		RTN	TMC	HMC	CMC	DMC	HEAD OFFICE	EPI	JSI	CDTN	TOTAL
Male	Regular/Probationary	467	584	145	182	84	120	13	29	194	1,818
	Seasonal	201	411	149	80	124	0	0	0	0	965
	Project-based	312	7	0	0	1	3	0	0	46	369
	Total	980	1,002	294	262	209	123	13	29	240	3,152
Female	Regular/Probationary	66	117	55	53	29	96	15	7	9	447
	Seasonal	0	62	14	9	5	0	0	0	0	90
	Project-based	24	29	0	0	0	0	0	0	1	54
	Total	90	208	69	62	34	96	15	7	10	591
Total Regular / Probationary		533	701	200	235	113	216	28	36	203	2,265
Total Seasonal		201	473	163	89	129	0	0	0	0	1,055
Total Project-based		336	36	0	0	1	3	0	0	47	423

EMPLOYMENT BY POSITION AND GENDER (REGULAR/PROBATION)

GRI 405-1, EM-MM-000.B, 2-7

2023		RTN	TMC	HMC	CMC	DMC	HEAD OFFICE	EPI	JSI	CDTN	TOTAL
Male	Managers	24	42	11	9	7	20	3	5	4	125
	Supervisors	61	117	13	61	33	23	2	2	10	322
	Non-supervisory/technical	30	45	33	0	0	5	2	4	6	125
	Rank and File	351	379	87	112	44	41	3	18	174	1,209
	Officers	1	1	1	0	0	30	3	0	0	36
Female	Managers	8	13	3	6	4	16	8	2	0	60
	Supervisors	13	29	2	41	17	30	3	3	1	139
	Non-supervisory/technical	34	42	39	0	0	8	0	1	7	131
	Rank and File	11	33	11	6	8	33	2	1	1	106
	Officers	0	0	0	0	0	10	2	0	0	12
	TOTAL	533	701	200	235	113	216	28	36	203	2,265

EMPLOYMENT BY POSITION AND AGE GROUP (REGULAR/PROBATION)

	RTN	TMC	HMC	CMC	DMC	HEAD OFFICE	EPI	JSI	CDTN	TOTAL
Below 30 Years Old										
Managers	0	8	0	1	1	3	2	0	0	15
Supervisors	8	51	2	45	27	19	1	1	1	155
Non-supervisory/technical	13	19	29	0	0	5	0	2	7	75
Rank and File	4	17	6	8	13	16	2	5	15	86
Officers	0	0	0	0	0	0	0	0	0	0
TOTAL	25	95	37	54	41	43	5	8	23	331
30 to 50 Years Old										
Managers	26	22	13	13	10	28	8	7	4	131
Supervisors	51	70	11	50	22	25	4	4	9	246
Non-supervisory/technical	46	59	34	0	0	7	2	3	6	157
Rank and File	273	277	70	77	34	48	2	11	136	928
Officers	0	0	0	0	0	17	3	0	0	20
TOTAL	396	428	128	140	66	125	19	25	155	1,482
Over 50 Years Old										
Managers	6	25	1	1	0	5	1	0	0	39
Supervisors	15	25	2	7	1	9	0	0	1	60
Non-supervisory/technical	5	9	9	0	0	1	0	0	0	24
Rank and File	85	118	22	33	5	10	1	3	24	301
Officers	1	1	1	0	0	23	2	0	0	28
TOTAL	112	178	35	41	6	48	4	3	25	452
OVERALL TOTAL	553	701	200	235	113	216	28	36	203	2,265

EMPLOYMENT FROM LOCAL COMMUNITIES AND INDIGENOUS PEOPLES
GRI 202-2

		RTN	TMC	HMC	CMC	DMC	HEAD OFFICE	EPI	JSI	CDTN	TOTAL
Male	Regular/Probationary	462	581	42	77	39	8	0	23	194	1,426
	Seasonal	201	411	103	61	52	0	0	0	0	828
	Project-based	312	7	0	0	0	1	0	0	46	366
	Employees from the Local Community (%)	99.50%	99.70%	49.30%	52.50%	43.30%	7.30%	0.00%	79.30%	100.00%	83.12%
	Local Communities (Total)	975	999	145	138	91	9	0	23	240	2,620
	Indigenous People	158	80	0	0	0	0	0	2	1	241
Female	Regular/Probationary	63	113	12	15	13	8	0	4	9	237
	Seasonal	0	62	13	9	5	0	0	0	0	89
	Project-based	24	29	0	0	0	0	0	0	1	54
	Employees from the Local Community (%)	96.70%	98.10%	36.20%	38.70%	52.90%	8.30%	0.00%	57.10%	100.00%	64.30%
	Local Communities (Total)	87	204	25	24	18	8	0	4	10	380
	Indigenous People	12	4	0	0	1	0	0	3	0	20
TOTAL LOCAL COMMUNITIES		1,062	1,203	170	162	109	17	0	27	250	3,000

BUILDING SUSTAINABLE COMMUNITIES

GRI 3-3, EM-MM-210b.1, 203-1, 203-2

Sharing a common goal for inclusive progress, operating mining and renewable energy companies continue to strengthen its relationship with its host and neighboring communities through the implementation of Social Development Management Programs (SDMP) and Corporate Social Responsibility (CSR) initiatives, which address the most pressing needs of the communities.

SDMP & CSR

SDMP & CSR SPENDING (MILLION ₱)

2023		RTN	TMC	HMC	CMC	DMC	JSI	TOTAL
SDMP	Required Spending	53.56	93.39	20.91	44.90	7.74	N/A	220.50
	Actual Spending	53.43	93.39	20.70	35.63	7.74	N/A	210.89
CSR	Non-IP Communities	169.24	32.81	13.32	10.15	3.38	N/A	228.90
	IP Communities	13.38	2.29	N/A	N/A	0.40	2.00	18.57

COMMUNITY RELATIONS

To ensure that the needs of the Host and Neighboring Communities (HNC) are met, the Community Relations (ComRel) team holds engagements through household surveys and barangay consultations. They also facilitate Barangay Development Council Focus Group Discussions and Planning to come up with projects.

This approach follows the MGB Circular 2021-06 guiding the formulation of the SDMP. Once plans are approved, ComRel discusses with the communities how the projects will be implemented. Implementation is then monitored through regular consultations and meetings that update stakeholders on project development. Once completed, reports and post-monitoring activities are conducted to reinforce learnings and insights that may be applied to other projects.

JSI partnered with the Tribong Ayta Ambala ng Pastolan Inc. (TAAPI) for a special indigenous cultural activity to promote cultural preservation and appreciation. The 1st TAAPI "Patuduyan" (Cultural Olympics) highlighted the heritage of the Pastolan Aetas through several competitions on the Aeta Ambala language, their traditional songs, dances, and their way of life.

PROJECT / PROGRAM		EXPENDITURE	NUMBER OF BENEFICIARIES	IMPACT / EXPECTED IMPACT
RIO TUBA **Local Festivities** RTN supported the IP communities in the celebration of their Tribal Festivals. During these celebrations, members of the tribes presented their cultural heritage through dance, song, and traditional games.		₱ 2,424,306.47	5,520 tribal members	Indigenous People empowerment by supporting the enrichment and preservation of their culture, customs and tradition.
TAGANITO **Support to Socio-cultural and Religious Activities** TMC supported customary community activities such as fiesta celebrations such as traditional 'Araw Celebration'. TMC also donated musical instruments to local religious organizations.		₱ 6,382,793.84	Three (3) mining barangays that hold 'Araw Celebrations'. Four (4) mining barangays for their Year-end Activities. Ten (10) non-mining barangays with various cultural activities	Preservation and promotion of the communities' socio-cultural traditions by raising cultural awareness through IEC activities.
HINATUAN **Initiatives on Development Programs in the Communities Through Enhanced Religious Festivities** Supported activities such as religious fiesta, providing construction materials and equipment to religious organizations in Barangay Talavera, Sitio Bagong Silang, and Sitio Campandan.		₱ 2,569,541.00	10 churches, in 17 barangays	The communities acknowledge the support that improved their facilities and the resulting vibrant fiesta activities in Barangay Talavera and two Sitios that brought together 3,500 residents, fostering connectivity and camaraderie, which also empower 17 other neighboring and non-mining barangays, fueling grassroots projects and driving inclusive growth and progress.
CAGDIANAO **Assistance to Infrastructure Development and Support Services** The townsite development project in Valencia enhanced infrastructure and amenities, while assistance to the building of the farm-to-market road in Bayanihan improved access, transportation and connectivity for agricultural produce.		₱ 3,490,136.15	3,392 members of the communitie	The enhanced infrastructure and amenities helped to improve quality of life through enhanced economic activities in Valencia. While the assistance to the development of the farm-to-market road will facilitate easier access and transportation for agricultural goods.
DINAPIGUE **Engagement and Communication Strategies for Community Development** The communities acknowledge the support that improved their facilities and the resulting vibrant fiesta activities in Barangay Talavera and two Sitios that brought together 3,500 residents, fostering connectivity and camaraderie, which also empower 17 other neighboring and non-mining barangays, fueling grassroots projects and driving inclusive growth and progress.		₱ 1,180,666.84	111 participants, 8 tour groups, from 6 barangays and 6 BGUs	Production of enhanced materials for IEC, that helped raise awareness on responsible mining and an increased understanding of SDMP and CSR-funded projects. Showcased environmental practices, foster transparency for improved relationships with the communities by addressing community concerns, collaborating on projects for sustainable development, and the conduct of social impact assessment to enable informed decision-making.

Volunteer doctor at Surigao Medical Mission

COMMUNITY HEALTH AND WELLNESS

GRI 413-1

In partnership with the Provincial Government of Surigao del Norte, NAC and THPAL successfully conducted its Medical-Surgical Mission on February 13 to 17, 2023, at the Surigao del Norte Provincial Hospital. The five-day medical mission performed both major and minor operations on cases such as myomectomy, cholecystectomy, parotidectomy, thyroidectomy with a total of 180 patients served for major cases and 169 patients served for minor cases. Medical consultations were also conducted at Barangay Taganito, Claver on February 16, 2023.

Simultaneous medical consultations and minor surgeries on lipoma, sebaceous cyst were also conducted at Albor District Hospital in Dinagat Islands, with 106 patients served for minor cases.

RTN continued its regular Medical/Surgical Missions that began in 1990 in collaboration with Hope for the World Foundation, Inc., Manila Adventist Hospital, Palawan Adventist Hospital, and Rio Tuba Nickel Foundation Inc. (RTNFI) Hospital. The Mission is hosted in RTNFI Hospital and ran for four days. In 2023, RTN spent ₱3,466,358.55 which benefited 526 individuals - delivering 106 major surgeries, 176 minor surgeries, 19 ophthalmology surgeries, and 225 ophthalmology out-patient consultations.

RTN and Coral Bay Nickel Corp. (CBNC) bolstered its joint campaign for the improvement of community health services with a ₱3.6 million donation for the Bataraza District Hospital (BDH). This was in keeping with the momentum of last year's launch of the collaboration with the Provincial and Local Government of Bataraza and BDH. The multi-million RTN and CBNC donation allowed BDH to acquire state-of-the-art medical equipment, hire skilled healthcare professionals, and improve the overall quality of their basic health services.

Through a partnership with the Rural Health Unit (RHU) of Dinapigue, DMC held a Medical Mission for the Agta tribes and other members of the communities.

HMC provided the RHU of Tagana-an a new Analytical Chemistry Analyzer in support to their care and health screening programs.

JSI's Medical Mission which focused on essential healthcare services to the community offered much-needed medical consultations and medicines. The activity raised awareness on local health issues, encouraging community members to seek healthcare services when needed.

Other projects implemented include:

COMMUNITY HEALTH PROJECTS

PROJECT / PROGRAM	EXPENDITURE	BENEFICIARIES	IMPACT / EXPECTED IMPACT
RIO TUBA: Access to Healthcare Services			
RTNFI Hospital programs have been providing free hospitalization for Bataraza IPs and indigent residents. Ten percent of RTN's SDMP budget was allotted to support the program.	₱ 5,179,183.50	3,337 Indigents and 7,475 IPs	Better healthcare services to a wider reach
TAGANITO: Access to Health Services, Health Facilities and Professionals			
Initiatives include subsidies for 26 Community Health Center manpower, support to Community Health Center BHW activities, support the trainings of Community Health Workers, also provided a brand-new X-ray machine for Claver RHU.	₱ 8,752,824.00	26 community Health Centers, 4 mining barangays, and 2 non-mining barangays	Improved health services
HINATUAN: Comprehensive Community Health and Welfare Program			
Quarterly medical-dental missions with consultations and dental services. Providing senior citizens and PWDs with health food supplies. Subsidy for Barangay Health Workers. Indigent families were provided financial aid for health emergencies and bereavement.	₱ 2,625,858.08	1,878 beneficiaries	Improved health services
CAGDIANAO: Access to Health and Services, Health Facilities and Professionals			
The program provides medical services and essential medicines, also offering assistance for health emergencies. Provided health food supplies to senior citizens, and dental and medical check-ups. Supported capacity training for health workers in host and neighboring communities.	₱ 4,398,221.07	5,450 beneficiaries	Improved health services
DINAPIGUE: Integrated Health Initiative: Strengthening Healthcare Infrastructure and Programs			
Free medical consultations, medicines; IEC on preventive healthcare for 6 barangays in Dinapigue	₱ 722,384.16	5,078 beneficiaries	Improved health services

EDUCATIONAL SUPPORT

In 2023, NAC continued to support quality education.

RTN's Indigenous Learning System (ILS) program, a project of the RTNFI, provided quality and free non-formal education for the Indigenous People (IP) in the impact communities of RTNMC and CBNC. Two major programs of the Alternative Learning System (ALS) in the 38 Community Learning Centers in Bataraza spent a total of ₱10,815,075 in 2023. Free school supplies and monthly feeding activities were provided. Notable in this program is the scholarship provided to high school graduates who opted to pursue further college education.

RTNFI also supports the Leonides S. Virata Memorial School (LSVMS), a private institution offering grade school and high school education to dependents of employees and other qualified community members, spending a total of ₱10,538,905 in 2023.

For its part, HMC supported the repair of the ALS Building that was damaged by the Super Typhoon Odette.

JSI supported the Department of Education's (DepEd) Brigada Eskwela, an annual nationwide community engagement initiative to prepare public schools at the start of every academic year. JSI also installed solar flood lights in schools and donated materials for early childhood development.

Other projects are shown below:

FLAGSHIP EDUCATIONAL PROGRAMS

PROJECT / PROGRAM	EXPENDITURE	BENEFICIARIES	IMPACT / EXPECTED IMPACT
RIO TUBA: Scholarship Program			
Providing scholarships to elementary, high school, senior high school and college students is RTN's SDMP flagship program. RTNMC ComRel conducts the qualifying examinations. A Memorandum of Agreement is entered between students and their arents and the ComRel to represent the company and witnessed by the Barangay Captain/Tribal Chieftain. Allowances are released every month by the Community Development Coordinator (CDC). Fifteen (15) college students graduated in 2023.	₱ 7,662,464.85	581 students	Increased literacy and increased social mobility and job opportunities.
TAGANITO: Access to Education and Educational Support Program			
The program provided educational grants to college and senior high school students in Claver District Schools as well as subsidy for school manpower. The program also supported various school activities, procurement of supplies and equipment, and school vehicles' mobilization. Also provided funds for training for professional skills development through heavy equipment operations.	₱ 31,849,007.00	894 students, 43 school manpower	Improved quality of education. Aided in relevant measures such as curriculum enhancements, teachers training, and infrastructure development.
HINATUAN: Education Empowerment Initiative: Bridging Access and Opportunities			
HMC provided support to students and educators, which includes supplying school materials, covering basic fees and uniforms, with monthly subsidies to workers and volunteer teachers, with support to the Alternative Learning System, aiding college and Tech/Voc students, and providing financial assistance for various training programs and extracurricular activities.	₱ 8,357,162.49	1172 individuals and 7 schools	Nurturing of 1,500 daycare, elementary, and high school students. The support extended to college, Tech/Voc, and Senior High students, and 300 learners and 50 teachers from seven adopted schools.
CAGDIANAO: Access to Education and Educational Support			
The program includes construction of outdoor playgrounds, comfort rooms, and school facilities, while also providing educational resources and aid to scholars, teachers, and learners. It further extends assistance for transportation, apprenticeship programs, fostering a holistic approach to educational development and community empowerment.	₱ 11,320,029.15	5450	Enhanced quality of education and raising educational standards in the communities including curriculum development, teachers training, and infrastructure improvement.
DINAPIGUE: Supporting Child Development Workers and Community College Scholars			
Provision of monthly subsidy, tuition fee, and allowance to college students, with full scholarship grants. Supporting various renovations and improvements in facilities including playground enhancements.	₱ 1,572,769.25	171[4]	Enhanced educational support to beneficiaries (CDWs and students) and their families. Improved literacy in Dinapigue and enhancement of the Child Development Center for optimal learning.

[4] Beneficiaries are college students, child development workers, and children.

STRENGTHENING LIVELIHOOD PROGRAMS

GRI 413-1

In 2023, initiatives were launched which aimed to enable and empower the HNCs by supporting their livelihood cooperatives and associations, providing raw materials, equipment, trainings, and networking structure to help them sustain growth and profitability.

Some examples are shown below:

RIO TUBA: Handicraft Making and Microenterprise: Empowering Communities

DESCRIPTION
RTN supported the IP Association in Barangay Ocayan in their handicrafts production such as bags and mats made from indigenous materials and providing logistical and technical assistance to microenterprise farmers from Barangay Sandoval

EXPENDITURE
₱ 573,993.35

BENEFICIARIES
213 farmers

IMPACT / EXPECTED IMPACT
Improved household income

TAGANITO: Enterprise Development and Networking

DESCRIPTION
TMC provided financial and technical support to the Taganito Fisher Folks Association, Urbiztondo Crops Producers Cooperative, Cagdianao Forest Seedlings and Pineapple Producers Association, Claver Red Mountain Agriculture Cooperative, and Panatao Aquaculture.

EXPENDITURE
₱ 1,427,755.54

BENEFICIARIES
133

IMPACT / EXPECTED IMPACT
Create an avenue for the communities to enhance and develop their skills and livelihood opportunities that will continue when the mines cease to operate.

HINATUAN: Strengthening Partner POs: POMA Results Implementation and Financial Management Training

DESCRIPTION
HMC conducted the People's Maturity Assessment (POMA) and 3rd Party Financial Audits for selected Livelihood Projects from different Peoples' Organizations.

EXPENDITURE
₱ 999,388.00

BENEFICIARIES
4 POs (TUWA/UFAOBS/CAMFISA)

IMPACT / EXPECTED IMPACT
HMC expects the financial growth of its four partner POs namely TUWA, TMPC, UFAOBS, and CAMFISA. Additionally, HMC will conduct an audit of at least four livelihood projects to ensure transparency and accountability.

CAGDIANAO: Enterprise Development and Networking

DESCRIPTION
CMC helped Farmers' Associations by shouldering the repair and upgrading of free-range chicken facilities and improving the association's food processing toward FDA accreditation. CMC also implemented the carryover budget from the Livelihood Programs from the 2022 ASDMP toward the enhancement of its host and neighboring communities' livelihood projects by providing equipment and training to promote sustainable income.

EXPENDITURE
₱ 7,268,960.65

BENEFICIARIES
23

IMPACT / EXPECTED IMPACT
CMC's financial and technical assistance is aimed toward the increased income and productivity of its beneficiaries.

DINAPIGUE: Empowering Community Associations: Capital Outlay Allocations

DESCRIPTION
DMC promotes livelihood programs for various Peoples' Organizations by providing capital outlay assistance to promote sustainable livelihoods and promote membership in community-based cooperatives.

EXPENDITURE
₱ 1,044,250.00

BENEFICIARIES
611

IMPACT / EXPECTED IMPACT
DMC aims to lay the foundation toward establishing sustainable livelihoods and provide additional sources of income for the various Peoples' Associations of Dinapigue.

COMMUNITY DISASTER RESILIENCE

Among the programs launched in 2023 was CMC's Quick Response Fund designed to provide immediate assistance to families affected by calamities. The Fund allows the capability to immediately provide necessities like water, food, and other essentials in times of crisis for families severely affected.

Below are the other projects for Community Disaster Resilience in 2023:

DISASTER RELIEF PROGRAMS

GRI 3-3, EM-MM-210b.1, 203-1, 203-2

RIO TUBA: SDMP Research Center: Soil Fertilizer Production Using the Bioreactor

DESCRIPTION
The research is being done to continuously support seedling production towards the goal of 5 million trees to be planted. The company has partnered with 2 schools for the school-based tree planting programs.

EXPENDITURE
₱ 899,637.00

BENEFICIARIES
2 schools

IMPACT / EXPECTED IMPACT
Improved students' appreciation of nature and the environment in general. Heightened interest in tree planting among students.

TAGANITO: Community Infrastructure and Other Public Utilities

DESCRIPTION
Construction of Community Solar Street Lights, Coastal Protection Thru Site Embankment, Improvement of Community Centers, Improvement of Barangay Hall Area Improvement of Community Evacuation Center, Concreting of Purok 3 Access Road, Construction of Community Perimeter Fence

EXPENDITURE
₱ 18,773,828.00

BENEFICIARIES
12 barangays

IMPACT / EXPECTED IMPACT
These initiatives are geared toward improving school facilities, boosting their defense against storm surges and flooding and enhancing public facilities and services.

HINATUAN: Support for DRRM-related PPA's

DESCRIPTION
Participation in the 1st CARAGA RESILIENT MINING WEEK held in Surigao del Norte

EXPENDITURE
₱ 4,765,942.00

BENEFICIARIES
25 participated the Caraga Resilient Mining Week

IMPACT / EXPECTED IMPACT
Provided the opportunity for 3 host communities to participate in related DRRM PPAs.

CAGDIANAO: Support to DRRM-related activities

DESCRIPTION
Participated in the 1st Caraga Resilient Mining Week

EXPENDITURE
₱ 540,780.00

BENEFICIARIES
8

IMPACT / EXPECTED IMPACT
Provide additional knowledge to BLGUs of the host and neighboring communities regarding Disaster Risk Reduction and Management.

DINAPIGUE: Infrastructure and Facilities Upgrade Project

DESCRIPTION
Enhanced road monitoring and infrastructure with slope protection, upgrading security with steel gates and fresh paint, advancing Sustainability with solar panels Phase 2, fostering community spaces with fences, pathways, and greenery, and improving public amenities.

EXPENDITURE
₱ 2,360,756.91

BENEFICIARIES
11,060 constituents, BLGU members, residents, households, and students from 1 municipality

IMPACT / EXPECTED IMPACT
This project will provide the barangay with improved access roads and enhanced facilities such as the flood control system, restored electricity access to two isolated barangays, upgrade of tourist spots in the mine sites to comply with DAO 2022 standards, construction of drainage canals for rainwater overflow, ensuring the security of children and school property, and providing a post-harvest facility for barangay farmers.

WORK CONDITIONS

GRI 3-3

The Group diligently follows and promotes the Philippine Labor Code including other regulations governing child labor, forced labor, and human rights. As an Equal Opportunity Employer, the Group enforces a non-discrimination policy from application until employment.

Accusations of discrimination are processed in a private setting. The Compliance Officers and HR Heads of the Group ensure the confidentiality of the complaint and the parties involved.

The Group ensures that all employees have open lines of communication and promotes ongoing interaction between subordinates and employees. Following the Whistleblowing Policy, whistleblowers are protected from reprisals. An assigned email address, phone, and fax number are available for reporting purposes. The option to identify oneself or remain anonymous is available for the complainants depending on their preference.

The Group endeavors to provide a healthy, safe, and productive working environment for all employees.

The relevant provisions of the Labor Code are followed during regular working hours. Exigencies requiring adjustments are also addressed according to regulations. Eligible employees rendering work beyond the prescribed regular hours of work per day receive compensation based on existing national and local orders and Collective Bargaining Agreements, if any. At the same time, eligible employees who are rendering work hours that are subject to "night differential" receive compensation based on agreed guidelines.

All operating companies satisfactorily passed the DOLE audit for general labor and occupational health and safety standards.

STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE
GRI 202-1

2023	GENDER	RTN	TMC	HMC	CMC	DMC	HEAD OFFICE	EPI	JSI	CDTN
Standard entry level wage	Male	355.00	350.00	384.60	420.00	450.00	630.00	610.00	502.00	355.00
	Female	355.00	350.00	384.60	420.00	450.00	630.00	610.00	502.00	355.00
Average hourly wage	Male	44.38	43.75	48.10	52.50	56.25	78.75	76.25	62.70	44.38
	Female	44.38	43.75	48.10	52.50	56.25	78.75	76.25	62.70	44.38
	Ratio	1:1	1:1	1:1	1:1	1:1	1:1	1:1	1:1	1:1
Comparison of standard entry level wage with Local Minimum Wage		0.00%	0.00%	10.00%	20.00%	3.00%	3.30%	0.00%	0.00%	0.00%

The Group is committed to provide a safe, healthy, and rewarding workplace for its employees, where individuals can learn, grow, and develop their career and profession. It has the facilities, resources, policies, and standard processes in place to equip its employees to perform duties and roles safely and professionally.

To ensure good work conditions for all, the following best practices are applied:

- Promotion of a healthy work-life balance.
- Creation of a positive company culture – the Group fosters a supportive, inclusive, and collaborative environment where employees feel comfortable expressing their ideas and concerns. It also holds team-building activities and social events to strengthen relationships among employees.
- Provision of competitive compensation and benefits (e.g., HMO, accident and life insurance, retirement plans, training, additional leaves, bonuses, and various allowances)
- Recognition and reward of employee achievements to boost morale and motivate employees to continue performing at their best.
- Investments in employee development and continuous learning – the Group offers ongoing training, education, and professional development opportunities as part of its commitment to people's growth and success

The Employee Engagement Framework L.I.V.E.Well aims to increase employees' level of engagement and empowerment. This is seen to have a direct impact on the organization's productivity, customer satisfaction, and business transformation.

It comprises of eight key pillars, each representing a distinct aspect of employee experience, development, and involvement:

- Life Skills
- Interest
- Volunteerism
- Engagement on Strategy
- Wellness Spiritual
- Wellness Social
- Wellness Physical
- Wellness Mental Health

By implementing the L.I.V.E.Well framework, the Group is able to prioritize the holistic development and engagement of employees, resulting in a healthier, more motivated, and committed team that contributes positively to achieving both personal and organizational goals. This framework has also been adopted by the Opcos, ensuring that employees from across the Group are able to grow and thrive, in all aspects of their lives.

Employee Training and Benefits

The Group always aims to provide all employees with the opportunity to undergo trainings that support their career development plans. This is a valuable benefit that the Group's employees enjoy and can take full advantage of. Training objectives focus on up-skilling and re-skilling employees and addressing both soft and technical skills. High-performing employees can focus on improving their leadership skills, while those in operations can prioritize developing more technical skills.

The goals of the Group's employee training and development programs include:

SKILL ENHANCEMENT

Improve skills and knowledge through targeted programs.

PERFORMANCE IMPROVEMENT

Address and improve specific performance gaps.

EMPLOYEE ENGAGEMENT

Engage employees and increase job satisfaction, motivation, and commitment.

KNOWLEDGE TRANSFER

Transfer of knowledge from experienced employees to newer hires, preserve institutional knowledge, and ensure the continuity of expertise within the organization.

In 2023, the Group provided 64,312 training hours to boost employee productivity, confidence, motivation, and morale. This investment is expected to boost productivity and enhance employee performance, which is tracked using an established Performance Evaluation and Development Sheet with key performance indicators. Employees who deliver excellent service throughout the year are recognized through the Service Awards program and are given promotions, bonuses and incentives, and salary increases.

For instance, EPI recently introduced the "EPICenter" framework for Learning and Development (L&D) after a successful Training Needs Analysis and skills inventory. EPI created a fresh and responsive L&D plan.

In TMC, seminars were offered by the Women in TMC Service (WITS). The Financial Literacy Seminar shared strategies for budgeting, saving, and investing to financially empower women. WITS also held a session on RA 11313 or the Safe Spaces Act (known as the Bawal Bastos Law). The seminar educated employees on the importance of creating safe spaces for women and the proper conduct to prevent sexual harassment, showing TMC's dedication to gender equality.

TRAINING HOURS
GRI 404-1

2023	RTN	TMC	HMC	CMC	DMC	HEAD OFFICE	EPI	JSI	CDTN	TOTAL
Total Training Hours	21,529	7,392	12,661	6,216	11,952	2,294	231	373	1,664	**64,312**
Average Training Hours	19.40	49.60	66.99	33.42	53.36	18.65	11.55	14.90	18.49	
Average training hours by gender										
Male	17.66	39.63	78.53	37.09	47.63	18.54	5.38	15.82	17.33	
Female	41.07	9.97	83.48	38.65	61.72	18.73	15.67	8.17	34.67	
Average training hours by position										
Manager	82.37	33.69	109.27	42.87	29.20	23.85	16.25	21.00	54.00	
Supervisors	61.42	7.40	72.64	46.94	54.01	21.77	8.42	3.25	20.80	
Non-supervisory/technical	44.75	26.58	96.61	N/A	N/A	10.25	2.00	N/A	30.13	
Rank and File	13.25	3.35	36.76	7.84	62.10	11.69	6.00	18.00	14.40	
C-suite	N/A	N/A	N/A	N/A	N/A	26.00	0.00	N/A	N/A	
Officers	126.50	96	96	69	16	23.14	8.00	N/A	N/A	
Locals who attended the trainings	129	658	56	66	106	6	0	18	90	**1,129**
IPs employees who undertook trainings	5	46	N/A	N/A	0	N/A	N/A	2	1	**54**

PROGRAMS FOR UPGRADING EMPLOYEE SKILLS
GRI 404-2

2023	RTN	TMC	HMC	CMC	DMC	HEAD OFFICE	EPI	JSI	CDTN	TOTAL
Internal trainings	46	58	13	8	0	5	4	2	3	**139**
External trainings	86	105	82	46	23	18	6	4	12	**382**

KEY TRAININGS
GRI 404-2

2023	RTN	TMC	HMC	CMC	DMC	HEAD OFFICE	EPI	JSI	CDTN	TOTAL
Technical Trainings	79	131	47	43	13	17	8	5	12	**355**
Leadership Skills Training	16	12	4	0	2	3	0	1	0	**38**
Soft Skills Training	37	20	44	11	8	3	2	0	3	**128**

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS
GRI 404-3

2023		RTN	TMC	HMC	CMC	DMC	HEAD OFFICE	EPI	JSI	CDTN
Male	Officers	100%	100%	100%	100%	100%	-	100%	-	-
	Managers	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Supervisors	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Non-supervisory/Technical	100%	100%	100%	-	-	-	100%	100%	100%
	Rank and File	100%	100%	100%	100%	100%	100%	100%	100%	100%
Female	Officers	-	-	-	-	-	-	100%	-	-
	Managers	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Supervisors	100%	100%	100%	100%	100%	-	100%	-	-
	Non-supervisory/Technical	100%	100%	100%	-	-	100%	100%	100%	100%
	Rank and File	100%	100%	100%	100%	100%	100%	100%	100%	100%

PARENTAL LEAVE
GRI 401-3

2023		RTN	TMC	HMC	CMC	DMC	HEAD OFFICE	EPI	JSI	CDTN
Parental Leave	Total employees who took paternal leave	12	35	5	7	0	1	0	2	0
	Number of employees who returned to work after paternal leave	12	35	5	7	0	1	0	2	0
	Return to work rate	100%	100%	100%	100%	100%	100%	0%	100%	0%
	Number of employees who are still employed one year after their return from paternal leave	27	13	1	8	0	2	0	0	3
	Retention rate	100%	100%	100%	100%	100%	100%	0%	0%	75%
Maternal Leave	Total employees who took maternity leave	4	8	1	6	0	5	1	0	0
	Number of employees who returned to work after maternity leave	3	8	1	6	0	5	1	0	0
	Return to work rate	75%	100%	100%	100%	100%	100%	100%	0%	0%
	Number of employees who are still employed one year after their return from maternity leave	6	10	2	5	0	4	0	0	0
	Retention rate	67%	100%	100%	100%	0%	100%	0%	0%	0%

NEW HIRES AND EMPLOYEE TURNOVER[5]
GRI 401-1

2023		RTN	TMC	HMC	CMC	DMC	HEAD OFFICE	EPI	JSI	CDTN	TOTAL
Male	New Hires	104	65	11	13	69	11	6	1	28	308
	Turnover (Voluntary)	9	7	12	19	16	11	6	2	6	88
	Turnover (Involuntary)	10	0	0	0	1	2	0	0	1	14
	Turnover	19	7	12	19	17	13	6	2	7	102
Female	New Hires	13	16	11	3	19	15	4	0	3	84
	Turnover (Voluntary)	3	5	5	3	2	16	0	0	0	34
	Turnover (Involuntary)	2	0	0	0	0	0	0	0	0	2
	Turnover	5	5	5	3	2	16	0	0	0	36
TOTAL TURNOVER		24	12	17	22	19	29	6	2	7	138

[5] Turnover figures cover regular and probationary employees only

BENEFITS
GRI 401-2

2023	% OF MALE EMPLOYEES WHO AVAILED									% OF FEMALE EMPLOYEES WHO AVAILED								
	HEAD OFFICE	RTN	TMC	HMC	CMC	DMC	EPI	JSI	CDTN	HEAD OFFICE	RTN	TMC	HMC	CMC	DMC	EPI	JSI	CDTN
SSS	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
PhilHealth	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Pag-Ibig	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Vacation Leaves	81%	100%	100%	100%	100%	100%	100%	100%	80%	93%	100%	100%	100%	100%	100%	100%	100%	70%
Sick Leaves	54%	47%	100%	100%	100%	100%	100%	100%	79%	62%	45%	100%	100%	100%	100%	100%	100%	60%
Medical benefits	100%	65%	100%	100%	100%	100%	100%	100%	100%	100%	64%	100%	100%	100%	100%	100%	100%	100%
Housing assistance	-	65%	-	-	-	-	-	-	80%	-	61%	-	-	-	-	-	-	70%
Retirement benefit	5.6%	2%	2%	3%	0%	1%	-	0%	0%	0%	3%	0%	0%	0%	0%	-	0%	0%
Further education support	-	0%	1%	-	-	-	-	-	1%	-	0.21%	1%	-	-	-	-	-	0%
Company stock operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Telecommuting	100%	-	-	-	-	-	100%	3%	-	100%	-	-	-	-	-	100%	50%	-
Flexible-working hours	100%	-	-	-	100%	-	80%	3%	100%	100%	-	-	-	100%	-	100%	50%	100%
Free accommodation	-	3%	10%	31%	100%	48%	-	23%	8%	-	12%	27%	57%	100%	57%	-	17%	80%
Birthday Leave (BL)	-	88%	100%	100%	100%	-	-	-	-	-	11%	100%	100%	100%	-	-	-	-
Medicine Allowance	100%	-	100%	100%	100%	100%	-	-	80%	100%	-	100%	100%	100%	100%	-	-	70%
Annual Physical Exam	100%	99.8%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Rice Subsidy	100%	100%	100%	100%	100%	100%	100%	100%	-	100%	100%	100%	100%	100%	100%	100%	100%	-
Toiletries	-	-	10%	17%	40%	48%	-	-	-	-	-	27%	57%	40%	57%	-	-	-
Free Laundry	-	-	10%	17%	40%	48%	-	-	-	-	-	27%	57%	40%	57%	-	-	-
Others	-	100%	100%	100%	100%	100%	100%	100%	100%	-	100%	100%	100%	100%	100%	100%	100%	100%

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

GRI 2-30

The Group's employees are afforded Freedom of Association and Collective Bargaining rights. As important partners in business, unions deserve an environment of mutual trust and respect, teamwork, proactive policies, and openness in terms of information sharing, discussions, consultations, and negotiations. As standard practice, unions are included in working committees for programs and employee activities and are involved in formulating strategies to handle company labor issues.

NAC MAINTAINS PROGRAMS THAT ENHANCE WORKERS' PARTICIPATION IN WORK-RELATED DECISION-MAKING SUCH AS:

OPEN-DOOR POLICY

Each company adopt an open-door policy, where employees are encouraged to approach their managers or supervisors with ideas, suggestions, or concerns. This fosters a culture of open communication and empowers people to actively participate in decision-making.

EMPLOYEE SURVEYS AND FEEDBACK

The Company conducts regular employee surveys to gather feedback and input on various work-related matters.

EMPLOYEE REPRESENTATION

The Group encourages a mechanism for employee representation such as LMCs, NAC Group townhall meetings and, for subsidiaries, regular toolbox meetings.

Support for maintaining good relations is institutionalized through both process and structure. For instance, TMC's Labor Management Committee (LMC) supports the relationship-building between labor and management, just like DMC's recently created Labor Management Cooperation Committee. Meanwhile, HMC management and Hinatuan Mining Labor Union representatives hold a monthly Labor Management Committee conference every third Friday of the month.

Similarly, CMC has an existing Collective Bargaining Agreement that provides a monthly LMC meeting every third Friday of the month. The Union has been regularly participating in livelihood seminars conducted by different government agencies.

The Group promulgates a grievance policy that enables employees to voice their concerns through appropriate channels and to expect prompt and fair resolution while ensuring a non-retaliatory environment. The Group has a Whistleblowing Policy in place which protects against retaliation, ensuring that employees can come forward without fear of adverse consequences.

Unionized operating mining companies of NAC operate on the principle that all disputes between unions and management shall be resolved through amicable and constructive negotiations, seeking continuity of work until all issues in the dispute are settled. Together, they make every effort to ensure that any conflict that may disadvantage either party shall be avoided.

COLLECTIVE BARGAINING AGREEMENT

GRI 2-30, EM-MM-310a.1

INDICATOR	RTN	TMC	HMC	CMC	DMC	JSI	CDTN
Total employees that are members of union	421	394	77	92	N/A	N/A	173
Percentage of employees that are members of union	79%	56%	39%	39%	N/A	N/A	69%
Number of unions and collective bargaining agreements in effect							
a. Total number of union organizations	2	1	1	1	N/A	N/A	1
b. Total number of CBAs in effect	2	1	1	1	N/A	N/A	1
c. Total employees under CBA	421	394	96	92	N/A	N/A	173
d. % of employees under CBA	79%	56%	49%	39%	N/A	N/A	69%
No. of consultations conducted with employees concerning employee-related policies	4	15	12	8	0	0	12
Number of labor related cases	8	0	0	1	1	0	1
Cost of labor related cases	297,574	0	0	549,747	0	0	5,000
Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them	1	4	1	1	4	4	4
Number of strikes and lockouts	0	0	0	0	0	0	0
Duration of strikes and lockouts	0	0	0	0	0	0	0

INDIGENOUS PEOPLES PARTNERSHIP

EM-MM-210a.3

STRENGTHENED INDIGENOUS CULTURES	RTN	TMC	HMC	CMC	DMC	JSI	TOTAL
Total IP Population	22,216	952	N/A	N/A	1,636	1,920	26,724
Percentage of IP to total population	26%	3%	N/A	N/A	25%	17%	19.1%
Number of traditional areas protected							
a. Inside the operations area	0	34	N/A	N/A	4	1	39
b. Outside the operations area	0	20	N/A	N/A	5	0	25
Company with IP Education program	Yes	Yes[6]	N/A	N/A	No	No	-
Number of learners/students of the IP education	1,204	179[7]	N/A	N/A	-	-	1,383
Numbers of projects promoting cultural heritage and traditions	2	3[8]	N/A	N/A	1	1	7

SECURED TENURIAL SECURITY OF IPs	RTN	TMC	HMC	CMC	DMC	JSI	TOTAL
Number of Indigenous Cultural Communities (ICCs) with CADT/CADC	0	21	N/A	N/A	1	1	23
Number of ICCs with Ancestral Domains Sustainable Development and Protection Plan (ADSDPP)	0	21	N/A	N/A	0	1	22
Percentage of development area on IP lands	27%	37%	N/A	N/A	4%	10%	
Number of displaced IPs due to operations	0	0	N/A	N/A	0	0	0
Number of IP consultations done per year	34	12	N/A	N/A	13	6	65

[6] Through PNES and scholarships
[7] Students in PNES
[8] Aldaw Ka Mamanwa, Punta Naga Fiesta, and IP month

NATION BUILDING THROUGH ECONOMIC GROWTH

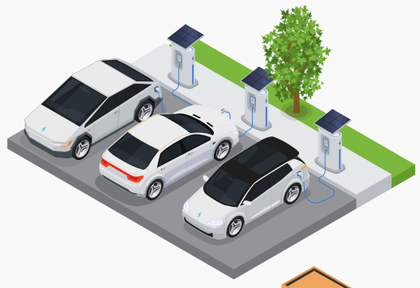
In 2023, the Group's operations continued to benefit the local economies of each province and municipality where its operating mines are located, employing people, stimulating economic activities through local procurement of goods and services, and paying appropriate taxes and royalties for its operations.

The Group assists in nation-building through their CSR programs in addition to the SDMP of operating mining companies.

NAC also reported an attributable net income of ₱3,750 million and at the same time, recorded a total sales volume of 16.54 million WMT of nickel ore from its mining business, up 3 percent from last year.

Regular Cash Dividend of ₱0.17 per share and Special Cash Dividend of ₱0.07 per share were paid to stockholders of record in April and December of 2023, respectively.

NAC remains well-positioned to achieve its twin goals of being included in the PSE index's Top 25 companies in terms of market capitalization and becoming a premier ESG investment by 2025:



Its leading, growing, profitable, and rewarding mining business is underpinned by structurally supportive industry outlook and green mega-trends such as electric vehicles and renewable energy.

Growing renewable energy business diversifies NAC's revenue stream and accelerates its next leg of growth.

Sustainability is ingrained in NAC's DNA, affirmed by the lasting impact in the communities it touches and the recognition from sustainable business operations.

ECONOMIC	RTN	TMC	HMC	CMC	DMC	CDTN	JSI
1. Shareholding Percentage (%)	60.00%	65.00%	100.00%	100.00%	100.00%	100.00%	82.87%*
2. Direct economic value generated (Million ₱)	6,174.49	10,480.22	2,242.37	2,779.04	414.13	1,763.52	687.52
a. Net Sales	6,171.17	10,480.11	2,238.82	2,779.04	414.13	1,763.52	687.52
b. Revenues from Financial investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c. Revenues from sale of assets	3.32	0.11	3.55	0.00	0.00	0.00	0.00
3. Direct economic value distributed (Million ₱)	6,863.42	9,164.03	1,784.60	3,133.21	762.24	1,544.71	686.60
a. Operating Costs	1,948.42	3,073.81	723.25	1,452.18	397.30	1,260.43	337.80
b. Employee wages & benefits	642.38	708.75	181.47	201.01	81.69	129.80	20.92
c. Payments to capital providers	2,250.00	2,000.00	100.00	750.00	0.00	0.00	288.99
d. Payments to government	1,605.18	2,941.69	635.45	580.17	232.00	146.78	34.10
d.1 National	1,471.31	2,788.58	613.87	529.77	219.54	139.40	34.10
d.1.1 Corporate Income Tax	692.45	1,094.24	164.42	168.24	0.00	91.41	7.42
d.1.2 Excise Tax	246.63	398.25	89.55	111.16	16.57	0.00	0.00
d.1.3 Government Royalty Tax	0.00	497.81	111.94	138.95	0.00	0.00	0.00
d.1.4 Others (National)	532.24	798.28	247.96	111.41	202.97	47.99	26.68
d.2 Local	133.87	153.11	21.57	50.40	12.46	7.38	0.00
d.2.1 Business Tax	102.79	95.86	16.69	35.18	8.99	6.69	0.00
d.2.2 Real Property Tax	14.47	21.86	0.11	1.77	1.44	0.00	0.00
d.2.3 Others (Local)	16.61	35.38	4.77	13.46	2.03	0.69	0.00
e. Community Investment	298.20	228.04	34.02	45.78	15.67	0.00	4.05
e.1 Total amount of SDMP	53.43	93.39	20.70	35.63	7.74	0.00	0.00
e.2 Total amount of CSR spending	183.12	35.09	13.32	10.15	3.78	0.00	2.01
e.3 Total IP Royalty Payments	61.66	99.56	0.00	0.00	4.14	0.00	2.04
f. Total amount of other mandatory expenditures	119.24	211.74	110.40	104.08	35.58	7.69	0.74
f.1 ASHP	34.15	24.89	10.05	26.83	7.27	7.69	0.74
f.2 AEPEP	85.09	186.85	100.35	77.25	28.31	0.00	0.00
f.3 Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Retained Economic Value (Million ₱)	(688.94)	1,316.19	457.77	(354.17)	(348.11)	218.81	0.92
Ratios							
Operating Costs	31.56%	29.33%	32.25%	52.25%	95.94%	71.47%	49.13%
Wages and Benefits	10.40%	6.76%	8.09%	7.23%	19.73%	7.36%	3.04%
Capital Providers	36.44%	19.08%	4.46%	26.99%	0.00%	0.00%	42.03%
Payment to Government	26.00%	28.07%	28.34%	20.88%	56.02%	8.32%	4.96%
Community Investments	4.83%	2.18%	1.52%	1.65%	3.78%	0.00%	0.59%
Other mandatory expenditures	1.93%	2.02%	4.92%	3.75%	8.59%	0.00%	0.11%
Amount of ore sold (Thousand WMT)	4,164.56	8,230.38	1,638.31	2,096.61	70.84	0.00	0.00

*NAC holds an effective ownership interest of 82.87% in JSI. This 82.87% consists of a 44.87% indirect ownership through EPI and a 38% direct ownership.

Supply Chain Management

The Supply Chain Management (SCM) of the Group is centralized and serves all its subsidiaries. Its functions include procurement, logistics, and inventory management. This ensures that all domestic or international suppliers are subject to quality service monitoring.

A major initiative was the Supply Chain Engagement and updating of its purchasing procedures to include Green Procurement and Social Suppliers Standards while strengthening the Contractors Safety Program. An Accreditation Committee reviews, analyzes, and approves vendor applications based on their track record, quality, price, delivery lead times, financial stability, and regulatory compliance. SCM will implement an information campaign to all vendors through our current accreditation process which includes providing all NAC policies and requesting their commitment in understanding and complying the same with their organization.

All these processes are carried out through the ERP system, starting from the creation of purchase requisitions, if applicable, to the issuance of goods and/or rendering of services.

Local suppliers are preferred wherever possible, not only due to the advantages of paying in Philippine Peso and customary payment terms but also because the Group recognizes the value of stimulating local economies.

With supply chain disruption being one of the risks identified for the business, SCM strategies are key to operational stability. The Group keeps a roster of different suppliers for products that are critical to operations.

All these processes are carried out through the Enterprise Resource Planning (ERP) system, starting from the creation of purchase requisitions, if applicable, to the issuance of goods and/or rendering of services.

SPENDING ON LOCAL AND OVERSEAS SUPPLIERS
(MILLION ₱)

	RTN	TMC	HMC	CMC	DMC	EPI	JSI	TOTAL
Total spending	2,401.00	5,223.00	1,730.00	1,513.00	949.00	2,929.00	1,196.00	15,941,00
Spending on local suppliers	2,330.00	4,865.00	1,700.00	1,490.00	930.00	2,914.00	246.00	14,476.00
Spending on overseas suppliers	71.00	358.00	30.00	23.00	19.00	15.00	950.00	1,466.00
Percentage of spending on local suppliers	97.00%	93.00%	98.00%	98.00%	98.00%	99.00%	21.00%	91.00%

LOCAL VALUE CHAINS AND PROCUREMENT

	HEAD OFFICE
Total number of contracts awarded to local suppliers and contractors	15,358[9]
Total amount of contracts awarded to local suppliers and contractors	9,282,000,000
Percentage of procurement budget awarded to local suppliers and contractors	99.43%
Total employees of awarded local suppliers	33,214[10]
Total trainings provided to local suppliers and contractors for capacity building	0
Number of suppliers following responsible sourcing	159
Local Suppliers and Contractors' policies	
Percentage of suppliers and contractors providing at least minimum wage to its lowest income level employees	90.00%
Percentage of suppliers and contractors with Human Rights Policy	89.00%
Percentage of suppliers and contractors with Safety and Health Policy	93.00%
Percentage of suppliers and contractors with Anti-Bribery and Anti-Corruption Policy	88.00%
Percentage of suppliers and contractors with Environmental Policy	83.00%
Percentage of suppliers and contractors with Decarbonization Plan	51.00%
Percentage of suppliers and contractors with Green Procurement Policy	59.00%

[9] SAP Number Range only, Approved POs only, Services >2.5M are not PO'd
[10] 64% of vendors responded.

INCLUSIVE LEADERSHIP AND MANAGEMENT

To promote responsive, inclusive, and representative decision-making, NAC values diversity and inclusion among leadership positions. NAC sets a target of 30% average female representation in top-level management positions by 2025. In 2023, NAC has two female members of the Board, representing 28 percent. NAC also aims to achieve diverse Board competencies covering Economic, Environmental, and Social.

Enabling Policies

The principles embodied in the CG Manual and the Code are further underscored by the Company's well-established policies that serve as clear guidance to all directors, officers, and employees in their day-to-day work.

Anti-Bribery and Anti-Corruption Policy

The policy confirms the commitment of the Company to (1) adhere to the highest norms of ethical conduct, not only in words, but more importantly, in its actions; (2) conduct its business honestly, equitably, and fairly; (3) strive for consistency in the Company's actions; and (4) comply with all laws and regulations applicable to its business activities in all communities it operates in. This policy expressly prohibits the direct or indirect commission of all forms of bribery and corruption, including government bribery, commercial bribery, and facilitation payments.

Inside Trading Policy

This policy provides for certain restrictions on corporate insiders' dealings involving the Company's shares or securities. The policy considers all Directors, officers, employees, and consultants of the Company who have access to material non-public information about the Company, and their relatives within the second degree of consanguinity or affinity, as Corporate Insiders. When in possession of material non-public information concerning NAC or its securities, Corporate Insiders shall not trade in, or buy and/or sell, shares of stock and other securities of the Company. Further, such information is to be kept strictly confidential.

Corporate Insiders who do not possess material non-public information are allowed to deal with shares and securities of the Company subject to the disclosure policies of the Company, the provisions of the Securities Regulation Code (SRC) on insider trading, and all rules and regulations pertaining thereto.

Conflict of Interest Policy

All directors, officers, and employees are charged with the duty of loyalty to the corporate interest and their personal interests should not prevail against the interests of the Company. Even the appearance of a conflict of interest must be avoided and any activity that may compromise or seem to compromise the integrity of the Company or of any Director, Officer, or Employee must be avoided.

Procurement Governance Policy

This policy affirms the commitment of NAC to maintain the highest standard of transparency, probity, ethics, and integrity as it seeks to maximize value for money and ensure quality goods and services while ensuring accountability, consistency, and alignment in procurement practices across its various entities and Business Units. The Company shall commit to fair and effective competition, innovation, and continuous improvement; identify sustainable and socially responsible procurement solutions; and provide efficient processes, flexibility and support to the Company and its suppliers.

Gifts, Hospitality and Sponsored Travel Policy

Directors, officers, or employees, as well as consultants, shall not accept gifts, hospitality, or sponsored travel from suppliers and other parties with whom the Company has business dealings, except if the value of such gifts or hospitality is a token amount or such sponsored travel is of a technical or business nature and is relevant to the Company's business. Likewise, gifts, hospitality, or sponsored travel shall not be offered to any person to improperly influence and benefit the Company and its representatives.

Whistleblowing Policy

The policy provides for a system intended to assist those who believe they have discovered impropriety, fraud, or offenses covered by the existing Code or other corporate governance rules of the Company to report such matters to the Company without fear of retaliation or harassment.

Policy on Related Party Transactions

The policy ensures that material transactions between the Company and any Related Party shall be subject to prior review and approval by the Board to ensure that such transactions are at arms' length, and that the terms and conditions of such transactions are fair and will redound to the best interest of the Company, its subsidiaries, and shareholders. This policy also requires the Company to disclose the details of its material related party transactions to the Securities and Exchange Commission and the Philippine Stock Exchange.

Policy on Diversity, Inclusivity and Equality

The Company's core value of Respect includes respect for diversity and inclusivity across the Company and all its subsidiaries. NAC supports the fundamental human rights principle that all human beings are born free and equal in dignity and rights. This Policy on Diversity, Inclusivity, and Equality affirms the Company's commitment to the achievement of gender equality (SDG 5), decent work and economic growth (SDG 8), and reduction of inequality (SDG 10). This policy affirms the Company's commitment to respect diversity and uphold the fundamental rights and dignity of each person in the Group, in the communities where the Group operates, and in its relationship with other stakeholders; create a work environment where every employee is treated with fairness and in a non-discriminatory manner, and valued and given an opportunity to improve and grow; and comply with all laws and policies upholding diversity and equal opportunity applicable to its business activities. The policy was approved by the Board of Directors of NAC in June 2023.

Compliance

GRI 3-3, 2-27, EM-MM-210a.3

The Compliance Sector has been diligent and effective in informing relevant groups within NAC on relevant laws and policies relating to their work by sending summaries of new government issuances. For example, if the DENR issues new guidelines regarding processes that are relevant to the operations of the subsidiaries of NAC, the Compliance team alerts relevant employees and sends a summary of the new issuance and a link to the full text of the issuance. In addition, the Compliance and Legal Sectors conduct training sessions on relevant laws, such as labor laws, obligations, and contracts, and/or Company policies relating to corporate governance. For example, in 2023, the Sustainability and Compliance Sectors collaborated on a training session on Anti-Bribery and Anti-Corruption where the Company's Anti-Bribery and Anti-Corruption Policy and relevant anti-bribery and anti-corruption laws were discussed in relation to relevant business transactions.

If there are new rules for NAC compliance, Management oversees the coordination among the Company's relevant groups to ensure compliance.

For instance, anticipating the enforcement of the Philippine Mineral Reporting Code of 2020 (PMRC 2020) in 2024 upon completion of the Implementing Rules and Regulations, the Operations teams collaborated with other teams such as Finance and Legal to ensure that the reports shall be compliant with PMRC 2020 requirements. Also, in anticipation of the new guidelines for Sustainability Reporting, Management guided the Sustainability, Finance, Legal, Compliance, and other Sectors of the Company to begin preparation of their reports in compliance with the new reporting guidelines.

Except for (1) the ₱137,000.00 penalty imposed by the Philippine Stock Exchange on NAC on March 6, 2024, for late submission of monthly reports on the availments under the NAC 2018 Stock Option Plan for February and March 2023, and (2) the ₱100,000.00 penalty imposed by the Bureau of Customs on RTN for loading nickel ores onto a without having received yet the Authority to Load from the BOC, the Group has not received any notice of penalties or other sanctions from regulators for material violations of laws and regulations relevant to their business in 2023.

STRONG ORGANIZATIONAL CULTURE

Transparency

NAC is a strong supporter of the Philippine Extractive Industry Transparency Initiative (Ph-EITI) – a government-led, multi-stakeholder initiative implementing EITI, the global standard that promotes open, accountable management, and good governance of oil, gas, and mineral resources. Ph-EITI, through an Independent Administrator, monitors material tax payments, social contributions, and environmental funds and disbursements.

NAC makes every effort to ensure regulatory compliance and is ready to address any specific compliance areas identified during internal and external audits, regular review of regulatory requirements, and the latest regulations applicable to the Company.

The Company's tax strategy is linked to business and sustainable development strategies. Under the ERM, NAC can identify, manage, and monitor tax risks to maintain consistent tax performance and transparency on its tax contributions. This is the way that the Company maintains and builds trust with its stakeholders.

Anti-Bribery and Anti-Corruption

Integrity and honesty are among the core values of NAC. All employees are expected to act with integrity and honesty in their day-to-day work and when dealing with stakeholders.

The Company's Anti-Bribery and Anti-Corruption Policy articulates the commitment of the Company, and Directors, officers, and employees to (1) adhere to the highest norms of ethical conduct, not only in words, but more importantly, in actions; (2) conduct business honestly, equitably, and fairly; (3) strive for consistency; and (4) comply with all laws and regulations applicable to the business activities of NAC in all communities it operates in. This Policy amplifies the Company's stance against bribery and corruption expressed in its Code of Business Conduct and Ethics, Conflict of Interest Policy, Procurement Governance Policy, Policy on Gifts, Hospitality and Sponsored Travel, and Whistleblowing Policy. Further, the Anti-Bribery and Anti-Corruption Policy expressly impose the prohibition against all acts of bribery and corruption upon its Directors, officers, and employees. The policy also requires the Company to ensure that its third-party contractors shall not engage in acts of bribery and corruption.

All employees are required to know, understand, and comply with the Company's corporate governance policies that promote integrity and honesty. All employees are asked to submit an Annual Certificate of Integrity and Compliance to confirm that they have read or refreshed their knowledge of the rules in the CG Manual, the Code, and all the related policies during the year. The Compliance Sector targets 100% for this requirement. In support of this drive, aside from the regular Corporate Governance seminars being offered, there will be online courses on Anti-Bribery and other Corporate Governance policies expected to be launched in 2024. In September 2023, NAC launched its first Sustainability Learning Session, focusing on Anti-Bribery and Anti-Corruption. The session covered key terminologies, relevant laws, and regulations, the Company's Anti-Bribery and Anti-Corruption, and the Whistleblowing Policy. The goal of the session was to empower employees on how to conduct business ethically and responsibly while having a thorough understanding of the subject matter.

There were no reports or findings of bribery and corruption for 2023.

ROBUST AND COMPREHENSIVE RISK MANAGEMENT SYSTEM

Enterprise Risk Management

GRI 2-23

NAC adopts a risk philosophy aimed at enhancing shareholder value by sustaining competitive advantage, managing risks, and enabling the pursuit of strategic growth opportunities with greater speed, skills, and confidence over its competitors.

To put this philosophy into action, the Board, through its Board Risk Oversight Committee, implemented an ERM system that ensures all business risks are identified, measured, and managed effectively and continuously within a structured and proactive framework.

After establishing our Risk Management Road Map in 2022, the Company then rolled out in 2023 several key initiatives designed to secure the buy-in of every internal stakeholder to the Company's Integrated ERM System.

Each subsidiary now has an assigned Risk Officer who then collaborates on a campaign focused on "Laying the Foundation." From the first Risk Management Conference held in Cebu City, there were follow-up conferences in Metro Manila to complete the sector risk assessment and the Management Committee risk assessment.

In May, the Resident Mine Managers, Risk Officers, and Operations leaders gathered in Angeles, Pampanga, for a three-day alignment workshop on risk mitigation initiatives. The workshop took off from the completed 2023 NAC Risk Registry where risk assessment results from the site, the sectors, and the ManCom were consolidated, and the top risks were identified. The workshop resulted in proposed mitigation activities for implementation within the year.

By June, NAC started the cascade of the two critical programs of the risk management sector across all the subsidiaries. All operating mine sites' Risk Management Committees conducted workshops, such as:

- IMCR training which focused on the rollout of the incident notification, reporting, and escalation protocols as outlined in the NAC Integrated Enterprise Risk Management Manual.
- BCP Cascade which included an overview of Business Continuity Planning and the completion of the Business Impact Assessments of the process owners per site.

As part of the efforts of the Risk Management Sector to involve community stakeholders in managing shared disaster risk mitigation strategies, the sector led the first-ever Caraga Resilient Mining Week (CRMW) in Surigao City from July 24 – 29. The event featured several activities including the Professional Development Sessions for Mining Engineers, Industry Stakeholder Forums, a five-day youth camp on responsible mining, a Water Search and Rescue (WASAR) Training and Exhibition, and the launch of a tree planting initiative of the Caraga Mining Community which committed to planting one million trees for each of the five provinces of the region.

Scan this QR code for more information

Data Security

GRI 418-1

NAC recognizes that the industry faces data security risks, as all SAP and Microsoft 365 computing platforms are prone to cyberattacks. Departments such as Finance, Purchasing, Logistics, Budgeting, and HR are potential targets for threat actors.

Despite the absence of data breaches for the year 2023, NAC increased cybersecurity measures by proactively educating end-users on ways to detect and avoid phishing emails. NAC also issued its Personal Data Privacy Governance and Management Manual which sets forth the Company's policy and framework to ensure the protection of personal data processed.

To address data security risks, the Company closely monitors its ICT Infrastructure using integrated next generation firewalls and communication Gateways for inbound and outbound network threats. At the same time, end-points were bolstered with anti-virus, anti-ransomware managed software for workstation protection, Microsoft Active Directory for identity management, and user role access for controls were carefully assigned.

To further add another layer of security for users outside of the Company network, it also implemented VPN (virtual private network) access for users on a work-from-home set-up, utilized DocuSign the application for a secure electronic signature process, and maximized Office 365 for encrypted communications and collaboration.

To protect the Company's systems and its people from predatory behavioral advertising and to secure customer privacy, the Company strictly disallowed the use of corporate email to be used for social media, online shopping accounts, and non-business-related use. Information campaigns on cybersecurity were conducted and timely advisories on data protection were released whenever needed.

Cybersecurity risks are also reviewed by the Board Risk Oversight Committee.

With the governance and leadership of the Board of Directors and the Management Team, the NAC ERM system helps establish a risk management strategy that addresses climate-related risks and identifies action plans, persons responsible, and expected timelines to maintain operations or reduce the duration of operation disruptions. The NAC Board of Directors tackles climate challenges through dedicated oversight structures. The Board-level Sustainability Committee and Board Risk Oversight Committee spearhead the Company's climate strategy, monitor progress, and advise the Board on crucial climate matters. Quarterly reports from Management keep the Board informed of climate risks and opportunities. Climate risks are firmly embedded in the overall risk management framework, and it is part of the Company's implementation of the ERM system.

NAC follows IFRS S2 Climate-related Disclosures/Taskforce for Climate-Related Financial Disclosure (TCFD) guidelines for climate risk. The Risk Management Sector of NAC categorizes, assesses, and prioritizes risks based on impact and develops mitigation/adaptation strategies for the most crucial ones. The Company continuously monitors risks and integrates identified risks and opportunities into plans and processes, influencing procedures, budgets, and long- and short-term planning.

NAC faces both physical and transition risks from climate change. Floods and extreme weather pose short-term threats to infrastructure and production, while carbon pricing and shifting market demands present longer-term challenges. However, NAC also sees these as opportunities in developing low-carbon technologies and tapping new markets.

Over the short, medium, and long term, NAC identified a range of climate-related risks and opportunities. The Company entrusted Sustainable1 to assess its exposure to climate risks. This comprehensive analysis encompasses physical risks, and two key aspects of transition risk: potential impacts from evolving policies and market dynamics.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

GRI 201-2

Climate-related risks and opportunities significantly impact the businesses, strategy, and financial planning of NAC. The Company faces policy, market, and physical risk exposures, potentially impacting demand, input costs, and operations.

RISK CATEGORIES

1 TRANSITION RISK: POLICY RISK EXPOSURE
Risk of policy action to encourage low-carbon transition in direct operations or upstream supply chain (e.g. through carbon taxes).

2 TRANSITION RISK: MARKET RISK EXPOSURE
Increased costs for key suppliers.

3 PHYSICAL RISK EXPOSURE
Increasing frequency and severity of climate hazards generating financial impacts on company assets.

TRANSITION RISK: POLICY RISK EXPOSURE

The emergence of increasing taxes on fuel or GHG emissions may leave the Company with increased expenses which it may choose to either pass on to customers, absorb, or invest in lowering its emissions. NAC carbon pricing risk assessment projects indicate a potential increase in annual expenditure under the high-cost scenario by 2030. This increase translates to a 3% rise in costs. In contrast, the low-cost scenario projects significantly lower potential exposure for the same year.

TRANSITION RISK: MARKET RISK EXPOSURE

Climate change shifts markets through the evolving supply and demand of carbon-sensitive goods. Sustainable1 assessed NAC market risk by analyzing supplier and customer carbon pricing exposure under different scenarios. For suppliers, Sustainable1 calculated "EBITDA at Risk," estimating the potential financial impact of future carbon pricing on their earnings. This allows NAC to identify upstream value chain segments exposed to carbon pricing risks under a 2°C scenario and influence suppliers to reduce emissions, mitigating risk. Similarly, for customers, the assessment identifies downstream segments vulnerable to carbon pricing under a 2°C scenario. All these are crucial to help NAC gauge its level of resilience and adapt its strategies accordingly.

PHYSICAL RISK EXPOSURE

INDICATORS
Atmospheric data related to temperature, precipitation, drought, and wildfire, as well as other data related to coastal flooding, tropical cyclones, water stress, and fluvial flooding to provide a rigorous estimate of risk under various conditions were processed and analyzed.

The top three climate hazards were identified and quantified based on absolute risk. Coastal flooding poses the highest risk to NAC asset value in 2030, followed by temperature extremes and fluvial flooding.

TOP 3 PHYSICAL RISKS

1. Coastal flooding - Changes in frequency of coastal flooding of various magnitudes. Extreme coastal high water depends on average sea level, tides, and regional weather systems. Extreme coastal high-water events are usually defined in terms of the higher percentiles (e.g. 90th to 99.9th) of a distribution of hourly values of observed sea level at a station for a given reference period.
2. Temperature Extremes - Changes in frequency of occurrence of temperature extremes. A temperature extreme event is generally defined as the occurrence of the temperature variable above (or below) a threshold value near the upper (or lower) ends ('tails') of the range of observed values of the variable.
3. Fluvial flooding - The annual probability of a 100-year riverine flood, relative to the historical baseline of 1950-1999. This metric uses three climate variables and four topographic variables.

PHYSICAL RISK SCENARIOS ASSESSED
Sustainable 1 looked at climate scenarios RCP 4.5 and RCP 8.5 over decadal intervals from the 2020s to the 2090s.

RCP 4.5 Moderate Emissions – Strong mitigation actions to reduce emissions to half of current levels by 2080. This scenario is more likely than not to result in warming in excess of 2 degrees Celsius by 2100.

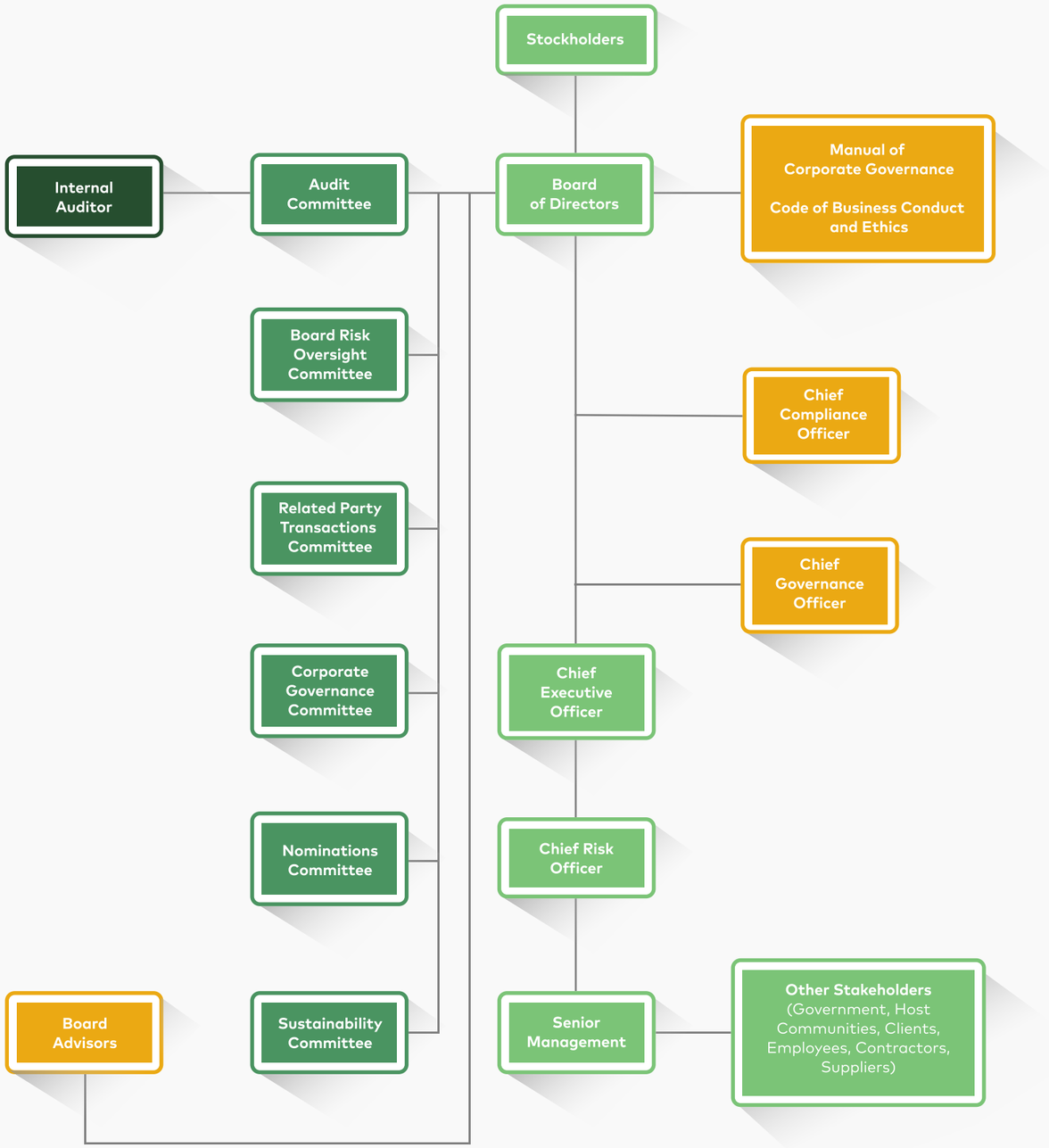
RCP 8.5 High Emissions – Continuation of business as usual with emissions at current rates. This scenario is expected to result in warming in excess of 4 degrees Celsius by 2100.

NAC faces a low physical risk in the 2030s under both RCP 4.5 and 8.5 scenarios. Coastal flooding and temperature extremes dominate the risk landscape, contributing over 83% of the potential financial impact. The majority of NAC assets are classified as low risk for these assessed hazards.

Analyzing the RCP 4.5 scenario, NAC gained insights into the timing of significant increases in specific climate hazards. Notably, water stress emerges as the fastest-growing risk in the 2020s, with an average annual absolute risk increase of 14%. Closely following, coastal flooding exhibits a steady growth rate of 8%, while fluvial flooding and temperature extremes experience the lowest average increases. Interestingly, tropical cyclones, though present, show a projected decrease in financial impact compared to the historical baseline. This decadal risk analysis empowers NAC to prioritize mitigation strategies effectively.

NAC tracks its climate impact and progress through a comprehensive set of metrics and targets. These include carbon emissions, sequestration efforts, adoption of green technologies, tree planting initiatives, rehabilitated land areas, and ongoing environmental research. To further solidify its commitment, NAC has set ambitious emission reduction targets using a 2021 baseline: 10% by 2025, 42% by 2030, and ultimately achieving net-zero carbon emissions by 2050

CORPORATE GOVERNANCE



Leadership Profiles

The NAC Board of Directors is composed of a diverse and experienced team. They represent the interests of our shareholders and are guided by respect, integrity, and transparency.

GERARD H. BRIMO

Executive Director

Chairman of the Board of Directors

Age: 72

Date first elected to the Board: August 1, 2009

Gerard H. Brimo is Nickel Asia's Chairman of the Board of Directors. He is the Chairman of the Corporate Governance Committee of the Company. He is also the Chairman of CMC, DMC, CEXCI, Newminco, and CDTN, Vice Chairman of HMC, and a Director of RTN, EPI and its subsidiaries. He is also an Independent Director of Security Bank Corporation and Commonwealth Foods, Inc. Prior to his career in mining, he worked for Citibank for eight (8) years and was a Vice President in the bank's Capital Markets Group in Hong Kong prior to joining Philex Mining Corporation as Vice President - Finance. Mr. Brimo served as Chairman and CEO of Philex Mining Corporation from 1994 until his retirement in December 2003. He served as President of the Chamber of Mines of the Philippines from 1993 to 1995, as Chairman from 1995 to 2003 and from 2017 to 2021. He received his Bachelor of Science degree in Business Administration from Manhattan College, USA, and his Master of Business Management degree from the Asian Institute of Management.

MARIA PATRICIA Z. RIINGEN

Vice Chair

Age: 58

Date First Elected to the Board: May 20, 2019

Maria Patricia Z. Riingen is the Vice Chair of the Company. She is a member of the Sustainability Committee of the Board, the Vice Chair of RTN and TMC, and a Director of DMC, CDTN, CEXCI, Newminco, and EPI. She also is the Chairman of GRHI. She is the President of Manta Equities, Inc. ("Manta") and Manta Foundation, Inc., and a Director of Mantra Resources, Inc. She previously held various positions in Western Union Company and was the Senior Vice President and Regional Head for Asia Pacific of the said company. Her other previous roles were as Executive Director and a member of the Board of Directors at the Asian Development Bank, Vice President at Citibank N.A., and Brand Manager of Procter & Gamble. She is a member of the Young President's Organization (YPO). She was among Asia's Top 20 People in Cash Management selected by Finance Asia in 2011 for being one of the region's most influential power players and up-and-coming executives in the cash management industry. In 2013, Ms. Riingen was recognized as one of the 100 Most Influential Filipinas in the World for her accomplishments as a Filipina senior executive working in a global company. In the same year, she received the Pinnacle Group's CSR Award for spearheading a range of initiatives for better access to financial services in the Philippines. Ms. Riingen obtained her Bachelor of Science degree in Business Administration, major in Marketing, Magna Cum Laude, from the University of the Philippines.

MARTIN ANTONIO G. ZAMORA

Executive Director

President and CEO

Age: 51

Date First Elected to the Board: June 16, 2010

Martin Antonio G. Zamora is the President and CEO of the Company. He is the President of all the mining subsidiaries of the Company and the Chairman of the Board of Directors of EPI and its subsidiaries. He is the Chairman of the Sustainability Committee and Nominations Committee, and a member of the Board Risk Oversight Committee of the Board. Before joining NAC in 2007, Mr. Zamora was the Philippine Country Manager and a Director of UPC Renewables, a global developer, owner and operator of wind farms and solar facilities. Prior to that, he worked for ten (10) years for finance and investment banking firms such as CLSA, Robert Fleming & Co. (UK), Jardine Fleming, and SGV & Co. He received his Bachelor of Science in Management from Ateneo de Manila University (Philippines), his MBA from London Business School (UK), and his Masters in Organizational Psychology from INSEAD.

HARVEY T. ANG

Director

Age: 50

Date First Elected to the Board: June 3, 2022

Harvey T. Ang is a Director of the Company and a Director of CMC, HMC, CEXCI, Newminco, and EPI. He is the President of Yeeloofa Development Corporation. Prior thereto, he was Business Development Manager of Exchange Properties Resources Corporation from July 2004 to July 2007. He was also the Export Director of Solid Mills, Inc. from July 1999 to October 2003. Aside from his experience in the real estate and textile industries, he has had significant experience in the logistics, retail and marketing industries. Mr. Ang obtained his Bachelor of Science in Management, minor in Legal Management, from the Ateneo De Manila University.

SHIRO IMAI

Director

Age: 51

Date first elected to the Board: June 30, 2022

Shiro Imai is the Chairman of the Related Party Transactions Committee, and a member of the Audit Committee and Nominations Committee of the Board. Mr. Imai is the President of SMMPHC, CBNC, and THNC. He has been working for SMM since 1995. He was with the Sales and Marketing Section of the Electronics Division from April 1995 to January 2001 and the Sales and Marketing Section of the Advanced Materials Division from February 2001 until October 2009. In November 2009, Mr. Imai became a member of the Nickel Sales and Raw Materials Department of the Non-Ferrous Metals Division until June 2014, when he was assigned as SMM's Chief Representative of its London Office. He was the Manager of the Copper and Precious Raw Materials Department from June 2016 until September 2019. He obtained his Bachelor's degree in Economics from Tohoku University in Miyagi, Japan.

YUSUKE NIWA

Director

Age: 57

Date First elected to the Board: August 5, 2021

Yusuke Niwa is the General Manager of the Nickel Sales and Raw Materials Department, Non-Ferrous Metals Division of SMM. He has more than thirty (30) years of experience in SMM's non-ferrous metals and materials businesses, specializing in the fields of accounting, project management and administration. He likewise held significant posts relative to the Sierra Gorda copper mine of SMM in Chile. Mr. Niwa is also an incumbent director of the Company's affiliates, THNC, CBNC, and NAHI. He obtained his Bachelor of Science degree in Political Science and Economics from Waseda University in Tokyo, Japan.

BOARD ADVISORS

LEONIDES JUAN MARIANO C. VIRATA

Director

Age: 43

Date First Elected to the Board: June 30, 2022

Leonides Juan Mariano C. Virata is a member of the Corporate Governance Committee of the Board. Mr. Virata is the CEO of Cavitex Holdings Inc. and the Managing Director of MTC Investment Properties. Prior thereto, he was with the Broking Research team of Platinum Securities from 2006 to 2010. He is a member of Makati Business Club. He received his Bachelor of Arts, Major in Philosophy of Religions from University of Pennsylvania.

FLORENCIA G. TARRIELA

Lead Independent Director

Age: 77

Date First Elected to the Board: August 4, 2022

Florencia G. Tarriela is the Lead Independent Director, Chair of the Audit Committee, and a member of the Board Risk Oversight, Related Party Transactions, and Corporate Governance Committees of the Board. Ms. Tarriela is a Board Advisor of the Philippine National Bank (PNB), an Independent Director of the LT Group Inc., a Director of PNB International Investment Corporation, Gozon Development Corporation and a Trustee of Tulay sa Pag-unlad, Inc., a microfinance NGO. She is also a liaison director to the Financial Executives Institute's Ethics and Financial Inclusion committees, a fellow of the Institute of Corporate Directors, a GoNegosyo mentor and a member of the Filipina CEO Circle and Women Business Council Philippines. She previously served as Board Chair and Independent Director of PNB for 15 years and Undersecretary for the Department of Finance. She was the first Filipina Vice President in Citibank N.A., President of the Bankers Institute of the Philippines, Director of the Bankers Association of the Philippines, and of the Philippine Bible Society. She has co-authored and compiled several books on ethics, mentorship, and gardening, among others, and continues to be a regular columnist for Manila Bulletin and Business World. Ms. Tarriela obtained her Bachelor of Science in Business Administration, major in Economics, from the University of the Philippines and Master's degree in Economics from the University of California, Los Angeles.

ANGELO RAYMUNDO Q. VALENCIA

Independent Director

Age: 56

Date First Elected to the Board: May 8, 2020

Angelo Raymundo Q. Valencia is the Chairman of the Board Risk Oversight Committee and a member of the Related Party Transactions, Sustainability, and Nominations Committees of the Board. Mr. Valencia is a Presidential Adviser on Food Security, Education and Environmental Stewardship of the Integrated Bar of the Philippines, a Senior Fellow at the Development Academy of the Philippines, and a Lecturer at the Armed Forces of the Philippines (AFP) Command Staff Graduate Course. He also serves as Senior Advisor to the NOLCOM Heroes Foundation, Philippine Marine Corps and Armed Forces of the Philippines Leadership Development Center. Mr. Valencia is also an Independent Director at Country Bankers Life and Non-Life Insurance Corporation. He is also the Managing Director of Community Sustainability Ventures, Inc., President and Chairman of YD Trucking Services Corp. and Shitamachi Ramen Philippines, Inc., Director of Just Projects Philippines, Inc. and Mashiglia Inc., and Compliance Officer of A Plus Credit and Lending Group of Companies. He was also a Senior Corporate and Tax Counsel of the Lucio Tan Group and Chief Operating Officer of Mindanao Grains Processing Co.; Inc. Mr. Valencia has received numerous awards and citations for his public service endeavors. He founded the project Klasrum ng Pag-asa, a private sector initiative that builds, augments and reconstructs public school structures nationwide. He obtained his Juris Doctor from the Ateneo School of Law in 1998. He is a member of the Philippine Bar.

MANUEL B. ZAMORA, JR.

Age: 85

Date First Appointed as Board Advisor: June 4, 2021

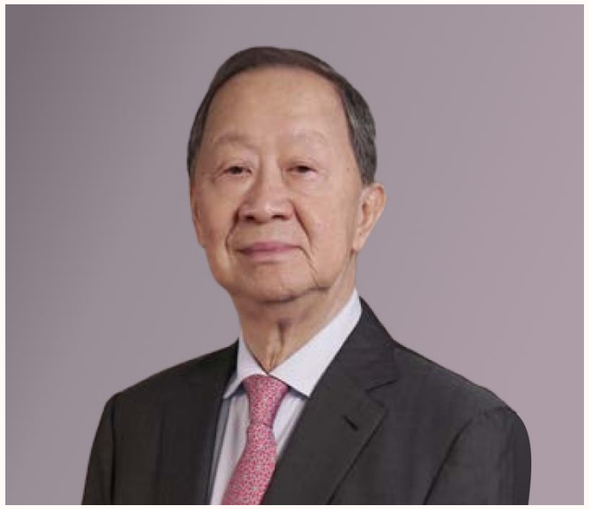
Manuel B. Zamora, Jr. is a founder of the Company and was a Director of the Company from 2008 until 2018. He was also Chairman Emeritus of the Company from 2018 to June 2021. He is a Director of RTN and TMC. He is also a director of a number of other companies in the Philippines including CLSA Exchange Capital, Inc. (CLSA). He once served as Chairman of the Chamber of Mines of the Philippines. Mr. Zamora is a lawyer and a member of the Integrated Bar of the Philippines. He obtained his Bachelor of Science degree from the University of the Philippines. He placed third in the Bar Examinations after receiving his Bachelor of Laws degree from the University of the Philippines.

FREDERICK Y. DY

Age: 68

Date first Appointed as Board Advisor: June 4, 2021

Frederick Y. Dy was an Independent Director of the Company from 2009 to 2021. Mr. Dy is also the Chairman Emeritus of Security Bank Corporation, Chairman of St. Luke's Medical Center. He obtained his Bachelor of Science Degree in Industrial Engineering from Cornell University, USA.



PHILIP T. ANG

Age: 82

Date First Appointed as Board Advisor: June 3, 2022

Philip T. Ang was Vice Chairman of the Board of Directors of the Company, RTN, and TMC, and Director of CMC, DMC, HMC, CEXCI, Newminco, CDTN, and EPI until June 3, 2022. He was previously involved in the textile business as Chairman and President of Solid Mills, Inc. and Unisol Industries and Manufacturing Corp., and as a Director of Investors Assurance Corp. and International Garments Corp. He obtained his Bachelor of Science in Business Administration degree from Oregon State University and his Master of Business Administration from the University of Denver, USA.

BOARD COMMITTEES

AUDIT COMMITTEE

The Audit Committee is composed of Ms. Florencia G. Tarriela (Independent Director) as Chairperson, and Atty. Angelo Raymundo Q. Valencia (Independent Director) and Mr. Shiro Imai as members. The Audit Committee reports to the Board and is required to meet at least once every three months. Aside from overseeing the internal and external auditors of the Company, the Audit Committee is responsible for assisting the Board in its fiduciary responsibilities by providing an independent and objective assurance to the Management and shareholders of the continuous improvement of the risk management system, business operations, and the proper safeguarding and use of Company resources and assets. The Audit Committee provides a general evaluation and assistance in the overall improvement of the risk management, control, and governance processes. Mr. Patrick S. Garcia is the Company's Chief Audit Executive and Vice President for Internal Audit.

The table below shows the attendance of the members of the Audit Committee at Committee meetings held in 2023:

POSITION	NAME	NO. OF MEETINGS HELD IN 2023	NO. OF MEETINGS ATTENDED	PERCENTAGE OF ATTENDANCE
Chairperson	Florencia G. Tarriela	4	4	100%
Member	Angelo Raymundo Q. Valencia	4	4	100%
Member	Shiro Imai	4	4	100%

BOARD RISK OVERSIGHT COMMITTEE

The Board Risk Oversight Committee is composed of Mr. Angelo Raymundo Q. Valencia (Independent Director) as Chairperson, and Mr. Martin Antonio G. Zamora and Ms. Florencia G. Tarriela (Independent Director) as members. The Committee assists the Board in its oversight responsibility for the Company's Enterprise Risk Management and shall review the effectiveness of the risk management system.

The Committee reports to the Board and is required to meet at least once every three months.

The table below shows the attendance of the members of the Board Risk Oversight Committee during its meetings held in 2023:

POSITION	NAME	NO. OF MEETINGS HELD IN 2023	NO. OF MEETINGS ATTENDED	PERCENTAGE OF ATTENDANCE
Chairperson	Angelo Raymundo Q. Valencia	4	4	100%
Member	Martin Antonio G. Zamora	4	4	100%
Member	Florencia G. Tarriela	4	4	100%

CORPORATE GOVERNANCE COMMITTEE: GRI 2-18, 2-19, 2-20

The Corporate Governance Committee is composed of Mr. Gerard H. Brimo as Chairperson, and Mr. Leonides Juan Mariano C. Virata and Ms. Florencia G. Tarriela (Independent Director) as members. The Committee is responsible for ensuring compliance with and proper observance of corporate governance principles and practices. It also oversees the implementation and periodic review of the Company's corporate governance framework to ensure that it remains responsive to the Company's size, complexity, and business strategy. Further, the Committee conducts an annual evaluation of the Board, its Committees, and the Management of the Company; and develops and implements action plans and programs to improve the performance of the Board, Committees, Directors, and the Management of the Company. The Committee also functions as the Compensation and Remuneration Committee. The Committee is tasked to establish and maintain a formal and transparent procedure for developing policy on remuneration of the Directors and officers to ensure that their compensation is consistent with the Company's culture, strategy, and the business environment in which it operates. The Committee is also responsible for administering the Company's stock option policies and plans and for approving bonuses to all employees of the Company and its subsidiaries.

The table below shows the attendance of the members at the Committee meetings held in 2023:

POSITION	NAME	NO. OF MEETINGS HELD IN 2023	NO. OF MEETINGS ATTENDED	PERCENTAGE OF ATTENDANCE
Chairperson	Gerard H. Brimo	2	2	100%
Member	Leonides Juan Mariano C. Virata	2	2	100%
Member	Florencia G. Tarriela	2	2	100%

Related Party Transactions Committee: GRI 2-15

The Related Party Transactions Committee is composed of Mr. Shiro Imai as Chairperson and Ms. Florencia G. Tarriela (Independent Director) and Mr. Angelo Raymundo Q. Valencia (Independent Director) as members. The Committee is tasked with reviewing all material and related party transactions of the Company to ensure that such transactions are conducted on terms which are no more favorable than the terms of similar transactions with non-related parties under similar circumstances, and that no corporate or business resources of the Company are misappropriated or misapplied. The Committee is also responsible for identifying potential or actual conflicts of interest and reputational risk issues that may arise from such related party transactions. The Committee further ensures that transactions between and among related parties are properly identified, monitored, and reflected in reports to the Board and relevant regulatory authorities. The Committee is required to meet at least once a year.

The table below shows the attendance of the members at the Committee meetings held in 2023:

POSITION	NAME	NO. OF MEETINGS HELD IN 2023	NO. OF MEETINGS ATTENDED	PERCENTAGE OF ATTENDANCE
Chairperson	Shiro Imai	6	6	100%
Member	Angelo Raymundo Q. Valencia	6	6	100%
Member	Florencia G. Tarriela	6	6	100%

NOMINATIONS COMMITTEE

The Nominations Committee is composed of Mr. Martin Antonio G. Zamora as Chairperson, and Messrs. Shiro Imai and Angelo Raymundo Q. Valencia (Independent Director) as members. The Nominations Committee is responsible for setting qualification standards to facilitate the selection of potential nominees to Board seats and of all nominees to other positions in the Company requiring appointments by the Board, to provide shareholders with an independent and objective evaluation of, and assurance that, the members of its Board and the officers appointed by the Board are competent and will foster the Company's long-term success and secure its competitiveness.

The Nominations Committee held one meeting in 2023, wherein all members were present.

SUSTAINABILITY COMMITTEE

The Sustainability Committee is composed of Mr. Martin Antonio G. Zamora as Chairman, and Ms. Maria Patricia Z. Riingen and Mr. Angelo Raymundo Q. Valencia (Independent Director) as members.

The Sustainability Committee advises the Board regarding the establishment and review of the sustainability goals, ESG Roadmap and initiatives of the NAC Group, the identification of material ESG issues of the Group's operations and their impact on relevant stakeholders, and the review and monitoring of the continuous professional development of directors and senior management.

The table below shows the attendance of the members at the Committee meetings held in 2023:

POSITION	NAME	NO. OF MEETINGS HELD IN 2023	NO. OF MEETINGS ATTENDED	PERCENTAGE OF ATTENDANCE
Chairperson	Martin Antonio G. Zamora	4	4	100%
Member	Maria Patricia Z. Riingen	4	4	100%
Member	Angelo Raymundo Q. Valencia	4	4	100%

BOARD ADVISORS

The Company's Board has three (3) Advisors: Mr. Manuel B. Zamora, Jr., Mr. Frederick Y. Dy, and Mr. Philip T. Ang.

The Board Advisors (1) attend Board of Directors' meetings and meetings of Board Committees as necessary; (2) provide guidance and suggestions, as may be necessary, on matters deliberated upon during Board and Committee meetings; and (3) provide recommendations and/or key information and materials regarding specific matters being considered by the Board and referred to the Board Advisors.

EXECUTIVE IMPLEMENTATION

Chairman

Mr. Gerard H. Brimo is the Chairman of the Board of Directors of the Company. The Chairman is responsible for leadership of the Board. He ensures the effective operation of the Board and its committees in conformity with the highest standards of corporate governance. He is accountable to the Board. The Chairman ensures that the Board sets an agenda that is focused on strategy, performance, and accountability taking into consideration the recommendations of the Directors and management. He assures the availability of training opportunities to all Directors, including an orientation program for first-time Directors. He ensures that the Board performance is evaluated at least once a year. Mr. Brimo still has executive functions and works with the President and Chief Executive Officer (CEO) to develop the strategy for the Company's future growth, including to identify opportunities for value-enhancing initiatives such as acquisitions and joint ventures, as may be deemed beneficial for the long-term interest of the Company. He also oversees the Company's copper-gold initiatives. Mr. Brimo continues to represent the Company in the Chamber of Mines, of which he is the incumbent Vice Chairman.

President and CEO

Mr. Martin Antonio G. Zamora is the President and CEO of the Company. The President provides the leadership for Management to develop and implement sound business strategies, plans, budgets and a system of internal controls. He ensures that the overall business and affairs of the Company are managed in a sound and prudent manner in accordance with the Company's strategic plan. He also warrants that business risks are identified and properly addressed. He also ensures that operational, financial and internal controls are adequate and effective in order to generate sound and reliable financial and operational information, to maximize the effectiveness and efficiency of operations, to safeguard Company assets and resources, and to comply with all laws, rules, regulations and contracts.

As CEO, he acts as a direct liaison between the Board and the Management of the Company.

The President and CEO, together with the Management, has the responsibility to provide the Board with a balanced, understandable, and accurate account of the Company's performance, financial condition, results of operations and prospects on a regular basis. The President also serves as the link between internal operations and external stakeholders.

Chief Risk Officer

Mr. Jose Bayani D. Baylon, Senior Vice President – Sustainability, Risk Management and Corporate Affairs, and Chief Sustainability Officer, is also the Chief Risk Officer of the Company. The Chief Risk Officer supervises the Company's Enterprise Risk Management System and spearheads its implementation, review, and continuous improvement. He takes the lead in identifying key risks, exposure relating to economic, environmental, social and governance factors that may affect the achievement of the Company's strategic objectives and developing risk mitigation plans for such risks. He communicates the top risks and the status of implementation of the Company's risk management strategies and action plans to the Board Risk Oversight Committee and works with the President and CEO in updating and making recommendations to the Board Risk Oversight Committee.

Chief Governance Officer

Ms. Georgina Carolina Y. Martinez, Senior Vice President, Head of the Corporate Support and Compliance Services Group, is the Company's Chief Governance Officer. The Chief Governance Officer is tasked with ensuring that corporate governance policies are disseminated, adopted throughout the organization, and become an integral part of the Company's culture. In addition, she also ensures that the necessary systems are in place to monitor compliance.

Chief Compliance Officer

Ms. Georgina Carolina Y. Martinez also serves as Chief Compliance Officer of the Company. She ensures the Company's strict adherence to all laws, regulations, guidelines, and specifications relevant to the business.

Corporate Secretary

Atty. Barbara Anne C. Migallos is the Corporate Secretary of the Company. She ensures that all Board procedures, rules and regulations are strictly followed. The Corporate Secretary is a lawyer with years of experience in corporate law practice, including corporate secretarial work. She is also a professional lecturer in advanced securities regulation.

AUDITORS

Chief Audit Executive

Mr. Patrick S. Garcia is the Company's Chief Audit Executive. The Chief Audit Executive is primarily tasked with evaluating the adequacy and effectiveness of the Company's governance and operations, the reliability and integrity of financial information, the safeguarding of assets, and compliance with laws, rules and regulations.

External Auditor

The external auditor is appointed by the shareholders upon the recommendation of the Audit Committee, which reviews its qualifications, performance and independence. To ensure objectivity in the performance of its duties, the external auditor is subject to the rules on rotation and change (every five years for the engagement partner); general prohibitions on hiring of staff of the external auditor; and full and appropriate disclosure and prior approval by the Audit Committee of all audit and non-audit services and related fees. Approval of non-audit work by the external auditor is principally tested against the standard of whether such work will conflict with its role as an external auditor or would compromise its objectivity or independence as such.

INVESTOR RELATIONS PROGRAM

The Company is committed to making timely, full and accurate disclosures and distributing other corporate communication materials in accordance with the disclosure rules of the Philippine Stock Exchange.

External communications are handled by the Corporate Affairs, Corporate Services and Compliance, and Investor Relations Sectors. Major company announcements are reviewed and approved by the VP-Treasury, Investor Relations and Sales, SVP- Sustainability, Risk Management and Corporate Affairs, SVP-Corporate Support and Compliance Services, the Chief Financial Officer, and the President and CEO.

The policy is subject to regular review by senior management and the Board of Directors to ensure its effectiveness. Updates and amendments (as appropriate) will be made to reflect current best practices in our communication with the investment community.

10 Annex

GRI CONTENT INDEX

STATEMENT OF USE	Nickel Asia Corporation has reported in accordance with the GRI Standards for the period 01 January 2023 to 31 December 2023
GRI 1 USED	GRI 1: Foundation 2021
APPLICABLE GRI SECTOR STANDARD(S)	None

GRI STANDARD / OTHER SOURCE		DISCLOSURE	PAGE NUMBERS AND/ OR DIRECT ANSWERS	OMISSION OR REMARKS
GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	2-1	Organizational details	About the Report, 2-5, 175	
	2-2	Entities included in the organization's sustainability reporting	2-8, 154	
	2-3	Reporting period, frequency and contact point	About the Report, 154	
	2-4	Restatements of information	None	
	2-5	External assurance	151	
	2-6	Activities, value chain and other business relationships	2-5, 32-35	
	2-7	Employees	89	
	2-8	Workers who are not employees	89	
	2-9	Governance structure and composition	128-137	
	2-10	Nomination and selection of the highest governance body	137	
	2-11	Chair of the highest governance body	129	
	2-12	Role of the highest governance body in overseeing the management of impacts	129-139	
	2-13	Delegation of responsibility for managing impacts	129-139	
	2-14	Role of the highest governance body in sustainability reporting	129-139	
	2-15	Conflicts of interest	121	
	2-16	Communication of critical concerns	48	
	2-17	Collective knowledge of the highest governance body	129-139	
	2-18	Evaluation of the performance of the highest governance body	129-139	
	2-19	Remuneration policies	136	
	2-20	Process to determine remuneration	136	
	2-21	Annual total compensation ratio	-	Confidential
	2-22	Statement on sustainable development strategy	6	
	2-23	Policy commitments	10, 120-122	
	2-24	Embedding policy commitments	120-122	
	2-25	Processes to remediate negative impacts	112	
	2-26	Mechanisms for seeking advice and raising concerns	Code of Business Conduct and Ethics	
	2-27	Compliance with laws and regulations	122	
	2-28	Membership associations	Chamber of Mines of the Philippines	
	2-29	Approach to stakeholder engagement	48-52	
	2-30	Collective bargaining agreements	112-113	
MATERIAL TOPICS				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	54-55	
	3-2	List of material topics	54-55	
Economic Performance				
GRI 3: Material Topics 2021	3-3	Management of material topics	114	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	115	
	201-2	Financial implications and other risks and opportunities due to climate change	58, 126	
	201-3	Defined benefit plan obligations and other retirement plans	104	
	201-4	Financial assistance received from government	zero	
Supply Chain & Procurement Practices				
GRI 3: Material Topics 2021	3-3	Management of material topics	116	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	117	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	None	
	308-2	Negative environmental impacts in the supply chain and actions taken	None	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Key suppliers	

GRI STANDARD / OTHER SOURCE	DISCLOSURE		PAGE NUMBERS AND/ OR DIRECT ANSWERS	OMISSION OR REMARKS
Supply Chain & Procurement Practices				
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	None	
Tax				
GRI 3: Material Topics 2021	3-3	Management of material topics	123	
GRI 207: Tax 2019	207-1	Approach to tax	123	
	207-2	Tax governance, control, and risk management	123	
	207-3	Stakeholder engagement and management of concerns related to tax	52	
	207-4	Country-by-country reporting	Philippine Operations Only	
Customer Satisfaction				
Marketing and Labeling				
GRI 3: Material Topics 2021	3-3	Management of material topics	19	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	19	
GRI 3: Material Topics 2021	3-3	Management of material topics	19	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	19	
Data Security				
GRI 3: Material Topics 2021	3-3	Management of material topics	125	
GRI 405: Diversity and Equal Opportunity 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	125	
Compliance				
GRI 3: Material Topics 2021	3-3	Management of material topics	123	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	123	
	205-2	Communication and training about anti-corruption policies and procedures	123	
	205-3	Confirmed incidents of corruption and actions taken	123	
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not Applicable	
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	None	
Energy				
GRI 3: Material Topics 2021	3-3	Management of material topics	78	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	79	

GRI STANDARD / OTHER SOURCE	DISCLOSURE		PAGE NUMBERS AND/ OR DIRECT ANSWERS	OMISSION OR REMARKS
Energy				
GRI 302: Energy 2016	302-2	Energy consumption outside of the organization	None	
	302-3	Energy intensity	79	
Emissions				
GRI 3: Material Topics 2021	3-3	Management of material topics	65	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	66	
	305-2	Energy indirect (Scope 2) GHG emissions	66	
	305-3	Other indirect (Scope 3) GHG emissions	66	
	305-6	Emissions of ozone-depleting substances (ODS)	66	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	66	
Water Use				
GRI 3: Material Topics 2021	3-3	Management of material topics	72	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	72	
	303-2	Management of water discharge-related impacts	72	
	303-3	Water withdrawal	73	
	303-4	Water discharge	73	
	303-5	Water consumption	73	
Biodiversity				
GRI 3: Material Topics 2021	3-3	Management of material topics	67	
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	68	
	304-2	Significant impacts of activities, products, and services on biodiversity	67-68	
	304-3	Habitats protected and restored	68	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	70	
Waste				
GRI 3: Material Topics 2021	3-3	Management of material topics	74	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	74	
	306-2	Management of significant waste-related impacts	74	

GRI STANDARD / OTHER SOURCE	DISCLOSURE		PAGE NUMBERS AND/ OR DIRECT ANSWERS	OMISSION OR REMARKS
Waste				
GRI 306: Waste 2020	306-3	Waste generated	75	
	306-4	Waste diverted from disposal	75	
	306-5	Waste directed to disposal	75	
Labor Relations and Employee Relations				
GRI 3: Material Topics 2021	3-3	Management of material topics	88, 104	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	109	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	110-111	
	401-3	Parental leave	109	
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	104	
	202-2	Proportion of senior management hired from the local community	91	
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	113	
GRI 3: Material Topics 2021	3-3	Management of material topics	84	
GRI 403: Occupational Health & Safety 2018	403-1	Occupational health and safety management system	84	
	403-2	Hazard identification, risk assessment, and incident investigation	84-86	
	403-3	Occupational health services	84	
	403-4	Worker participation, consultation, and communication on occupational health and safety	84	
	403-5	Worker training on occupational health and safety	86	
	403-6	Promotion of worker health	84	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	84	
	403-8	Workers covered by an occupational health and safety management system	87	
	403-9	Work-related injuries	85	
	403-10	Worker-related ill health	85	
GRI 3: Material Topics 2021	3-3	Management of material topics	104-106	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	107	
	404-2	Programs for upgrading employee skills and transition assistance program	107	
	404-3	Percentage of employees receiving regular performance and career development reviews	108	

GRI STANDARD / OTHER SOURCE	DISCLOSURE		PAGE NUMBERS AND/ OR DIRECT ANSWERS	OMISSION OR REMARKS
Labor Relations and Employee Relations				
GRI 3: Material Topics 2021	3-3	Management of material topics	88	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	89	
	405-2	Ratio of basic salary and remuneration of women to men	104	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	88, 104	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	112	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	NAC ensures that none of our operations as well as our local suppliers have any incidents of child labor practice	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	104	
GRI 410: Security Practices	410-1	Security personnel trained in human rights policies or procedures	All our security personnel are outsourced and are regularly trained by their agency on human rights topics	
GRI 411: Rights of Indigenous peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	None	
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	None	
	412-2	Employee training on human rights policies or procedures	Implementation of NAC Group's Human Rights policy and ongoing formulation of the NAC Human Rights Policy	
Community Development				
GRI 3: Material Topics 2021	3-3	Management of material topics	92-103	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	92-103	
	203-2	Significant indirect economic impacts	92-103	
GRI 3: Material Topics 2021	3-3	Management of material topics	94	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	94-103	
	413-2	Operations with significant actual and potential negative impacts on local communities	94-103	

SASB INDEX

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	PAGE LOCATED
Compliance					
Business Ethics & Transparency	Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion and Analysis	N/A	EM-MM-510a.1	123
	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Quantitative	Metric tons (t) saleable	EM-MM-510a.2	This is not measured.
Energy					
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	EM-MM-130a.1	79
Water					
Water Management	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m^3), Percentage (%)	EM-MM-140a.1	73
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	Number	EM-MM-140a.2	Zero incidents of noncompliance in 2023.
Biodiversity					
Biodiversity Impacts	Description of environmental management policies and practices for active sites	Discussion and Analysis	N/A	EM-MM-160a.1	67
	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation	Quantitative	Percentage (%)	EM-MM-160a.2	None
	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Quantitative	Percentage (%)	EM-MM-160a.3	Not reported
Emissions					
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO_2-e, Percentage (%)	EM-MM-110a.1	66
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	EM-MM-110a.2	65
Air Quality	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	Quantitative	Metric tons (t)	EM-MM-120a.1	66
Waste					
Waste & Hazardous Materials Management	Total weight of tailings waste, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	EM-MM-150a.1	Not applicable
	Total weight of mineral processing waste, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	EM-MM-150a.2	Not applicable
	Number of tailings impoundments, broken down by MSHA hazard potential	Quantitative	Number	EM-MM-150a.3	Not applicable
Labor Practices & Employee Relations					
Security, Human Rights & Rights of Indigenous Peoples	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Quantitative	Percentage (%)	EM-MM-210a.1	None
	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Quantitative	Percentage (%)	EM-MM-210a.2	None
	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Discussion and Analysis	N/A	EM-MM-210a.3	122
Labor Relations	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	Quantitative	Number, Days	EM-MM-310a.1	113
	Number and duration of strikes and lockouts	Quantitative	Percentage (%)	EM-MM-310a.2	113
Workforce Health & Safety	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	Quantitative	Rate	EM-MM-320a.1	85,86
Community Development					
Community Relations	Discussion of process to manage risks and opportunities associated with community rights and interests	Discussion and Analysis	N/A	EM-MM-210b.1	94
	Number and duration of non-technical delays	Quantitative	Number, Days	EM-MM-210b.2	0

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	PAGE LOCATED
Production of (1) metal ores and (2) finished metal products	Quantitative	Metric tons (t) saleable	EM-MM-000.A	25
Total number of employees, percentage contractors	Quantitative	Number, Percentage (%)	EM-MM-000.B	89

RENEWABLE RESOURCES & ALTERNATIVE ENERGY SECTOR - SOLAR TECHNOLOGY & PROJECT DEVELOPERS

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	PAGE NUMBERS AND/ OR DIRECT ANSWERS
Energy					
Energy Management in Manufacturing	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RR-ST-130a.1	79
Management of Energy Infrastructure Integration & Related Regulations	Description of risks associated with integration of solar energy into existing energy infrastructure and discussion of efforts to manage those risks	Discussion and Analysis	N/A	RR-ST-410a.1	Module soiling, tree shading, unfavorable weather conditions.
	Description of risks and opportunities associated with energy policy and its impact on the integration of solar energy into existing energy infrastructure	Discussion and Analysis	N/A	RR-ST-410a.2	36
Water					
Water Management in Manufacturing	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m^3), Percentage (%)	RR-ST-140a.1	73
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	RR-ST-140a.2	72-73
Waste					
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	RR-ST-150a.1	75
	Number and aggregate quantity of reportable spills, quantity recovered	Quantitative	Number, Kilograms (kg)	RR-ST-150a.2	Not applicable
Community Relations					
Ecological Impacts of Project Development	Number and duration of project delays related to ecological impacts	Quantitative	Number, Days	RR-ST-160a.1	Not applicable
	Description of efforts in solar energy system project development to address community and ecological impacts	Discussion and Analysis	N/A	RR-ST-160a.2	8
Materials					
Product End-of life Management	Percentage of products sold that are recyclable or reusable	Quantitative	Percentage (%)	RR-ST-410b.1	Not applicable
	Weight of end-of-life material recovered, percentage recycled	Quantitative	Metric tons (t), Percentage (%)	RR-ST-410b.2	Not applicable
	Percentage of products by revenue that contain IEC 62474 declarable substances, arsenic compounds, antimony compounds, or beryllium compounds	Quantitative	Percentage (%)	RR-ST-410b.3	Not applicable
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	N/A	RR-ST-440a.1	Planning and ordering the supplies to ensure inventory is more than enough to support the operations.
	Description of the management of environmental risks associated with the polysilicon supply chain	Discussion and Analysis	N/A	RR-ST-440a.2	Not applicable

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	PAGE LOCATED
Total capacity of photovoltaic (PV) solar modules produced	Quantitative	Megawatts (MW)	RR-ST-000.A	8
Total capacity of completed solar energy systems	Quantitative	Megawatts (MW)	RR-ST-000.B	8
Total project development assets	Quantitative	Reporting currency	RR-ST-000.C	8

UNGC INDEX

FUNDAMENTAL RESPONSIBILITIES	PRINCIPLES	PAGE NUMBER
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	104, 121
	Principle 2: Make sure that they are not complicit in human rights abuses.	104, 121
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	112
	Principle 4: The elimination of all forms of forced and compulsory labour;	104
	Principle 5: The effective abolition of child labour; and	104
	Principle 6: The elimination of discrimination in respect of employment and occupation.	104, 88
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;	64-74
	Principle 8: Undertake initiatives to promote greater environmental responsibility; and	64-74
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	74-75, 78-79
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	123

EXTERNAL ASSURANCE STATEMENT

INDEPENDENT ASSURANCE STATEMENT

TOWARDS OUR GREEN FUTURE
2023 Integrated Report

Nickel Asia Corporation (“NAC”) has engaged GCSS Inc. to undertake independent assurance of sustainability / non-financial disclosures in 2023 Integrated Report – Towards our Green Future (the “Report”) for the year ended 31st December 2023. This assurance engagement was conducted using AccountAbility, UK - AA1000 Assurance Standard (AA1000AS v3) and AA1000 AccountAbility Principles (AA1000AP) 2018 and Global Reporting Initiative (GRI) Standards 2021.

Scope of Engagement

The scope of assurance included a review of sustainability activities and performance data for Rio Tuba Nickel Mining Corporation (RTN), Taganito Mining Corporation (TMC), Cagdianao Mining Corporation (CMC), and Hinatuan Mining Corporation (HMC), Dinapigue Mining Corporation (DMC) along with Emerging Power Inc. (EPI) and Jobin-SQM Inc. (JSI).

Material Topics / Subject Matter Assured

Economic Disclosures	
GRI 201-1	Economic Value Generated and Distributed
GRI 201-2	Financial implications and other risks and opportunities due to climate change
GRI 204-1	Proportion of spending on local suppliers
GRI 205-1	Operations assessed for the risk of corruption
Environmental Disclosures	
GRI 302-1	Energy Consumption within the organization
GRI 302-3	Energy Intensity
GRI 303-3	Water Withdrawal
GRI 303-4	Water Discharge
GRI 303-5	Water Consumption
GRI 304-3	Habitats Protected and Restored
GRI 305-1	Direct (Scope 1) Emissions
GRI 305-2	Indirect (Scope 2) Emissions
GRI 306-3	Waste Generated
Social Disclosures	
GRI 401-1	New employee hires and turnover
GRI 403-1	Occupational Health and Safety Management System
GRI 403-9	Work related injuries
GRI 404-1	Average hours of training per year per employee
GRI 406-1	Incidents of discrimination and corrective action taken

Other than the indicators stated above, we did not conduct assurance on other disclosures hence no conclusion can be made.

Assurance Procedure

We used the GRI Principles and Standards to evaluate the performance data together with the company's data protocols for how the sustainability performance data is measured, recorded and reported. This formed the basis of the Reporting Criteria for undertaking our assurance work. In doing so, we have:

- Reviewed the approach towards stakeholder engagement and materiality analysis;
- Validated the accuracy performance data disclosed in the sustainability report;
- Assessed the reliability of internal process for data collection and management;
- Reviewed consistency of data/information within the report as well between the report and the original source;
- Conducted online interviews / discussions with senior management and decision makers;

Financial data reported in the 2023 Integrated Report is taken directly from the independent audited financial statements and the same has not been checked against its source as part of this assurance process.

Limitations

Our scope of work did not include providing conclusions in relation to:

- The completeness or accuracy of information relating to areas other than the subject matters.
- Information reported by NAC other than in its Sustainability section in 2022 Annual and Sustainability Report.
- Management's forward-looking statements.
- Any disclosure made by the subsidiaries not covered within the report boundaries.

Adherence to AA1000 Principles

Inclusivity:
The company have a variety of well-managed mechanisms to regularly engage with its key stakeholders on a timely basis. The company considers stakeholder concerns and addresses them through proper channels as reported. This report clearly indicates the various stakeholders company engages along with their method of engagement and concerns raised.

Materiality:
We reviewed and analyzed the process of defining and assessing the material topics for NAC addressed in this report. The company has identified material topics based on stakeholder concerns, business objectives and its long terms goals.

Responsiveness:
The company has adequate set of policies and guidelines in place to respond to the stakeholder concerns. Some of the key process has been defined in the stakeholder management section of the report.

Impact:
The company is regularly monitoring the impact it creates through its operations on both society and environment. A wide group of stakeholders such as local communities, employees, suppliers are able to grow through the socio-economic / education / health & wellness programs of the company while measuring its resources in an efficient way.

Conclusion

Subject to the section on limitations above and based on our procedures for this limited assurance engagement, we conclude that nothing has come to our attention that causes us to believe that sustainability disclosures are not fairly presented in accordance with the stated criteria.

In our opinion, the company has represented its Sustainability Performance in the report in a fair and balanced manner and meets the requirement of **Type-2, Moderate level** of assurance and as well the GRI principles of report preparation. All material issues of the company's business are adequately reported, and the report gives reliable, accurate and complete information about its sustainability performance for the year. The report adheres to the AA1000 principles of Materiality, Inclusivity, Responsiveness and Impact.

The reporting principles for defining the report content and quality are followed in accordance with the "GRI Standards".

All the Standard disclosure and Performance Indicators disclosure related to the identified material issues have been externally assured and the credibility of the data disclosed has been verified.

Reliability and Quality of Information:
The data sources for the sustainability performance data are based on the reports such as Environmental Protection and Enhancement Program (EPEP) report, Social Development and Management Program (SDMP) and Mine Safety and Health Administration (MHSA) report submitted by the company to the respective regulatory bodies as required. Hence the reliability of data is maintained through regular monitoring and reporting.

Recommendations

Based on the activities conducted during the assurance as stated in the procedure, the assurance team has the following recommendations:

1. Define time-based targets against the identified United Nations Sustainable Development Goals (UN SDGs).
2. Include awareness on Sustainable Development during new employee orientation sessions.
3. Upon the roll out of ESG themes and goals, define the time-based targets the operating companies intend to attain and show progress in the succeeding sustainability reports.

Opinion

Nothing has come to our attention during the assurance engagement that suggests that the company does not adhere to the AccountAbility principles of assurance.

Responsibilities

The Sustainability Report was prepared by the management of NAC, who is responsible for the integrity of the assertions, statements, and claims made therein (including the assertions over which we have been engaged to provide limited assurance), the collection, quantification and presentation of the Specified Performance Indicators and the selection of and adherence to the stated criteria. In addition, NAC management is responsible for the identification and prioritization of stakeholders with respect to the material topics based on its review of the business and the views and expectations of its stakeholders.

NAC management is responsible for maintaining adequate records and internal controls that are designed to support the reporting process and ensure that the Sustainability Report is free from any misstatement.

Our responsibility as the assurance provider is to express an independent conclusion on the company's Sustainability performance disclosed and defined within the scope of work as mentioned above. Our statement represents independent opinion of NAC performance to all stakeholders.

Arpit Shrivastava
Lead Assurer
GCSS Inc.

Date: June 6, 2024
Place: Bonifacio Global City, Philippines

FINANCIAL STATEMENTS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Nickel Asia Corporation and Subsidiaries** (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, for the years ended December 31, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

SGV & Co., the independent auditors, appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

GERARD H. BRIMO
Chairman of the Board

MARIA ANGELA G. VILLAMOR
Chief Financial Officer

MARTIN ANTONIO G. ZAMORA
President and Chief Executive Officer

Signed this 13th day of March 2024.

SUBSCRIBED AND SWORN to before me this MAR 13 2024 at Taguig City, Philippines, affiants who exhibited to me their competent evidence of identity specified below:

Name	Competent Evidence of Identity	Date and Place Issued
Gerard H. Brimo	Passport No. P7274048B	27 July 2021; DFA NCR East
Martin Antonio G. Zamora	Passport No. P5236537B	18 June 2020; DFA NCR East
Maria Angela G. Villamor	Passport No. P9494419B	4 Apr. 2022; DFA Manila

Doc. No. 348;
Page No. 71;
Book No. I;
Series of 2024.

CARLO C. GUEVARA
Appointment No. 143
Notary Public for and in the City of Taguig
Until December 31, 2024
Roll No. 75204
PTR No. 0205747/ 16 January 2023 / Pasig City
MCLE Compliance No. VII-0007592, until 14 April 2025
28th Floor, NAC Tower, 32nd Street, BGC, Taguig City

REPORT OF THE AUDIT COMMITTEE TO THE BOARD OF DIRECTORS

The Audit Committee of Nickel Asia Corporation (the "Company" or "NAC") hereby submits this Report to the Board of Directors in connection with the Committee's compliance with its functions, duties and responsibilities consistent with the Company's Governance Manual and the Charter of the Audit Committee.

1. The Audit Committee confirms that, as constituted by the Board of Directors, the Audit Committee is composed of three (3) Directors, two (2) of whom are Independent Directors and one (1) a Non-Executive. The Chairman of the Committee is an Independent Director.

2. The NAC Audit Committee had four (4) meetings in 2023:
   - March 9, 2023
   - May 10, 2023
   - August 2, 2023
   - November 8, 2023

3. The Audit Committee discussed with the Internal Audit of the Company, headed by the Company's Chief Audit Executive and with the External Auditor, Sycip, Gorres, Velayo & Co. ("SGV") the scope and the plans for their respective audits.

4. Based on the Audit Committee's review of the reports of, and discussions with, the Chief Audit Executive and the internal audit team as well as discussion with the External Auditor, the Audit Committee confirms that the internal control systems, including financial and operational controls, are adequate and effective.

5. The Audit Committee reviewed and approved all audit services provided by SGV to the Company and its Subsidiaries and the audit fees for such services. Such audit fees are reported in the Company's Information Statement.

6. The Audit Committee also reviewed and approved non-audit work undertaken by the External Auditor and evaluated the External Auditor's independence consistent with prevailing independence standards.

7. The Audit Committee reviewed and discussed the audited financial statements of the NAC Group of Companies for the year ended December 31, 2023 with Management, which has the primary responsibility for the financial statements, and with the External Auditor.

8. Based on such review and discussions and consistent with its oversight responsibility, the Audit Committee recommended to the Board of Directors the approval of the Company's audited financial statements for the year ended December 31, 2023 and its inclusion in the Company's annual reports, including its annual report to the Securities and Exchange Commission on SEC Form 17-A.

Submitted on March 12, 2024.

Florencia G. Tarriela
Committee Chair
Independent Director

今井史朗
Shiro Imai
Non-Executive Director
Committee Member

Angelo Raymundo Q. Valencia
Independent Director
Committee Member

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SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Nickel Asia Corporation

Opinion

We have audited the consolidated financial statements of Nickel Asia Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022 and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters.

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Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Recoverability of geothermal exploration and evaluation assets

As at December 31, 2023, the carrying value of the Group's geothermal exploration and evaluation assets amounted to ₱1.9 billion. These geothermal exploration and evaluation assets pertain to costs incurred for the Montelago Geothermal Project. Under PFRS 6, *Exploration for and Evaluation of Mineral Resources*, these geothermal exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount exceed the recoverable amount. Considering the significant delay in the commencement of the project, the Group determined the recoverable amount of the related assets. The ability of the Group to recover its geothermal exploration and evaluation assets depends upon the determination of technical feasibility, success of exploration activities and discovery of geothermal resource that can be produced in commercial quantities. We considered this as a key audit matter because of the materiality of the amount involved, and the significant management judgment required in assessing whether there is any indication of impairment and significant judgment and estimation required in determining the value in use of these exploration and evaluation assets.

The Group's disclosures about geothermal exploration and evaluation assets are included in Notes 3 and 11 to the consolidated financial statements.

Audit Response

We obtained management's assessment on whether there is any indication that geothermal exploration and evaluation assets may be impaired. We inspected the summary of the status of the exploration project as of December 31, 2023, as certified by the Group's technical group head, the type of expenses incurred, and assessed whether ongoing exploration activities exist to support the continued capitalization of these assets under the Group's accounting policies and compared it with the disclosures submitted to regulatory agencies. We inspected the licenses and permits of the exploration project to determine that the period for which the Group has the right to explore in the specific area has not expired, will not expire in the near future, and will be renewed accordingly. We also inquired about the existing concession areas that are expected to be abandoned or any exploration activities that are planned to be discontinued in those areas. We also inquired into the status of these projects and their plans on operations. We tested the key assumptions used and involved our internal specialist in evaluating the methodology used. We assessed the resource assumptions used in the cash flow projection to the resource estimate determined by the Group's experts as of December 31, 2023. We also reviewed the adequacy of the Group's disclosure, including those that have the most significant effect on the determination of the recoverable amount of geothermal exploration and evaluation assets.

Impairment testing of solar farm and construction in-progress

As of December 31, 2023, the Group's solar farm and the related construction in-progress amounted to ₱9.1 billion. The Group may adversely be affected by the volatility in wholesale electricity prices. In the event that an impairment indicator is identified, the assessment of the recoverable amounts of the solar farm and construction in-progress requires significant judgment and involves estimation and assumptions about future production levels and costs, as well as external inputs such as commodity prices and discount rate. Hence, such assessment is a key audit matter in our audit.

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The disclosures in relation to the Group's solar farm and construction in-progress are included in Notes 3 and 9 to the consolidated financial statements.

Audit Response

We involved our internal specialist in evaluating the methodology and the assumptions used. These assumptions include future production levels and costs, as well as external inputs such as commodity prices and discount rate. We compared the key assumptions against the industry benchmark plant life, production reports from operations department, average market price of electricity on Wholesale Electric Spot Market (WESM), current tax laws and Department of Energy regulations, Bangko Sentral ng Pilipinas (BSP) forecasted inflation rate, industry debt ratio and discount rate based on industry weighted average capital cost. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amounts of the solar farm and construction in-progress.

Other Information

Other information consists of the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Eleanore A. Layug.

SYCIP GORRES VELAYO & CO.

Eleanore A. Layug
Partner
CPA Certificate No. 0100794
Tax Identification No. 163-069-453
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-097-2023, September 12, 2023, valid until September 11, 2026
PTR No. 10079951, January 6, 2024, Makati City

March 13, 2024

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (AMOUNTS IN THOUSANDS)

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱15,482,465**	₱10,809,026
Trade and other receivables (Note 5)	**1,571,932**	2,687,062
Inventories (Note 6)	**3,037,699**	2,432,224
Financial assets at (Note 7):		
Fair value through profit or loss (FVTPL)	**1,291,477**	3,361,015
Fair value through other comprehensive income (FVOCI)	**469,914**	447,975
Amortized cost	**35,000**	50,000
Prepayments and other current assets (Note 8)	**1,600,071**	1,167,872
Total Current Assets	**23,488,558**	20,955,174
Noncurrent Assets		
Property and equipment (Note 9)	**18,692,297**	13,815,041
Investments in associates (Note 10)	**5,484,980**	7,147,565
Geothermal exploration and evaluation assets (Note 11)	**1,896,637**	1,882,318
Financial assets at - net of current portion (Note 7):		
FVTPL	**968,493**	758,760
Amortized cost	**375,000**	410,000
Deferred income tax assets - net (Note 35)	**439,600**	400,605
Other noncurrent assets (Note 12)	**6,581,244**	4,389,579
Total Noncurrent Assets	**34,438,251**	28,803,868
TOTAL ASSETS	**₱57,926,809**	₱49,759,042
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 13)	**₱2,940,279**	₱2,207,412
Short-term debts (Note 14)	**5,848,095**	1,498,266
Current portion of:		
Long-term debts (Note 14)	**345,764**	97,571
Lease liabilities (Note 33)	**54,346**	7,621
Income tax payable	**321,993**	625,319
Other current liability (Notes 38k and 39)	**479,722**	336,731
Total Current Liabilities	**9,990,199**	4,772,920
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term debts (Note 14)	**2,341,836**	2,119,280
Lease liabilities (Note 33)	**779,075**	603,548
Deferred income (Note 38m)	**33,519**	37,709
Provision for mine rehabilitation and decommissioning (Note 15)	**909,551**	791,060
Pension liability (Note 34)	**388,720**	435,443
Deferred income tax liabilities - net (Note 35)	**378,923**	468,263
Total Noncurrent Liabilities	**4,831,624**	4,455,303
Total Liabilities	**14,821,823**	9,228,223

(Forward)

	December 31	
	2023	2022
Equity Attributable to Equity Holders of the Parent		
Capital stock (Note 16)	**₱6,999,974**	₱6,849,836
Additional paid-in capital (Note 16)	**9,205,802**	8,271,900
Other components of equity:		
Share in cumulative translation adjustment (Note 10)	**869,185**	1,400,235
Cost of share-based payment plan (Note 17)	**154,296**	522,837
Asset revaluation surplus	**29,799**	30,182
Net valuation losses on financial assets at FVOCI (Note 7)	**(1,315)**	(5,934)
Retained earnings:		
Unappropriated	**19,000,052**	18,618,593
Appropriated (Note 16)	**135,000**	135,000
Treasury stock (Note 16)	**(134,014)**	(134,014)
	36,258,779	35,688,635
Non-controlling Interests (NCI)	**6,846,207**	4,842,184
Total Equity	**43,104,986**	40,530,819
TOTAL LIABILITIES AND EQUITY	**₱57,926,809**	₱49,759,042

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF INCOME (AMOUNTS IN THOUSANDS, EXCEPT EARNINGS PER SHARE)

	Years Ended December 31		
	2023	2022	2021
REVENUES			
Sale of ore and limestone (Notes 30 and 32)	**₱21,553,863**	₱25,739,009	₱26,099,020
Services and others (Notes 30 and 32)	**2,265,057**	1,490,693	797,163
Sale of power (Notes 30 and 38g)	**881,547**	773,448	507,932
	24,700,467	28,003,150	27,404,115
COSTS			
Cost of sales (Note 19)	**7,964,494**	7,930,989	7,611,841
Services (Note 20)	**1,550,783**	902,235	321,622
Power generation (Note 21)	**515,524**	403,893	361,121
	10,030,801	9,237,117	8,294,584
OPERATING EXPENSES			
Shipping and loading costs (Note 22)	**2,173,860**	2,161,858	2,255,570
Excise taxes and royalties (Note 23)	**1,873,845**	2,486,312	2,705,929
General and administrative (Note 24)	**1,542,808**	1,306,278	1,145,907
Marketing (Notes 38e and 38l)	**118,257**	172,124	209,121
	5,708,770	6,126,572	6,316,527
FINANCE INCOME (Note 27)	**524,065**	188,622	162,075
FINANCE EXPENSES (Note 28)	**(446,701)**	(306,783)	(244,081)
EQUITY IN NET INCOME (LOSS) OF ASSOCIATES (Note 10)	**(1,037,821)**	942,143	557,863
OTHER INCOME - net (Note 29)	**21,492**	841,806	701,593
INCOME BEFORE INCOME TAX	**8,021,931**	14,305,249	13,970,454
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 35)			
Current	**2,224,281**	3,604,509	3,162,852
Deferred	**3,715**	(175,373)	169,428
	2,227,996	3,429,136	3,332,280
NET INCOME	**₱5,793,935**	₱10,876,113	₱10,638,174
Net income attributable to:			
Equity holders of the parent	**₱3,749,656**	₱7,931,150	₱7,812,575
NCI	**2,044,279**	2,944,963	2,825,599
	₱5,793,935	₱10,876,113	₱10,638,174
Basic/Diluted Earnings Per Share (EPS; Note 18)	**₱0.27**	₱0.58	₱0.57

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(AMOUNTS IN THOUSANDS)

	Years Ended December 31		
	2023	2022	2021
NET INCOME	**₱5,793,935**	₱10,876,113	₱10,638,174
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) to be reclassified to consolidated statements of income in subsequent periods:			
Share in translation adjustment of associates (Note 10)	**(624,764)**	861,172	310,600
Income tax effect	**93,714**	(60,152)	(93,376)
	(531,050)	801,020	217,224
Net valuation gains (losses) on financial assets at FVOCI (Note 7)	**4,619**	(9,297)	(54,165)
Income tax effect	**–**	–	(243)
	4,619	(9,297)	(54,408)
Net other comprehensive income (loss) to be reclassified to consolidated statements of income in subsequent periods	**(526,431)**	791,723	162,816
Other comprehensive income (loss) not to be reclassified to consolidated statements of income in subsequent periods:			
Remeasurement gains (loss) on pension liability (Note 34)	**(153,343)**	217,147	73,655
Income tax effect	**38,336**	(54,287)	(44,700)
	(115,007)	162,860	28,955
Asset revaluation surplus	**(511)**	(511)	(511)
Income tax effect	**128**	128	128
	(383)	(383)	(383)
Net other comprehensive income (loss) not to be reclassified to consolidated statements of income in subsequent periods	**(115,390)**	162,477	28,572
TOTAL OTHER COMPREHENSIVE INCOME (LOSS) - NET OF TAX	**(641,821)**	954,200	191,388
TOTAL COMPREHENSIVE INCOME - NET OF TAX	**₱5,152,114**	₱11,830,313	₱10,829,562
Total comprehensive income attributable to:			
Equity holders of the parent	**₱3,145,284**	₱8,833,477	₱7,999,522
NCI	**2,006,830**	2,996,836	2,830,040
	₱5,152,114	₱11,830,313	₱10,829,562

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(AMOUNTS IN THOUSANDS)

	Equity Attributable to Equity Holders of the Parent											
	Capital Stock (Note 16)	Additional Paid-in Capital (Note 16)	Share in Cumulative Translation Adjustment (Note 10)	Cost of Share-based Payment Plan (Note 17)	Net Valuation Gains (Losses) on Financial Asset Revaluation Surplus	Net Valuation Gains (Losses) on Financial Assets at FVOCI (Note 7)	Retained Earnings Unappropriated	Retained Earnings Appropriated (Note 16)	Treasury Stock (Note 16)	Total	NCI	Total
Balances at December 31, 2022	**₱6,849,836**	**₱8,271,900**	**₱1,400,235**	**₱522,837**	**₱30,182**	**(₱5,934)**	**₱18,618,593**	**₱135,000**	**(₱134,014)**	**₱35,688,635**	**₱4,842,184**	**₱40,530,819**
Net income	–	–	–	–	–	–	3,749,656	–	–	3,749,656	2,044,279	5,793,935
Other comprehensive income (loss) - net of tax	–	–	(531,050)	–	(383)	4,619	(77,558)	–	–	(604,372)	(37,449)	(641,821)
Total comprehensive income (loss)	–	–	(531,050)	–	(383)	4,619	3,672,098	–	–	3,145,284	2,006,830	5,152,114
Exercise of stock options (Note 17)	150,138	933,902	–	(368,541)	–	–	–	–	–	715,499	–	715,499
Cash dividends (Note 16)	–	–	–	–	–	–	(3,290,518)	–	–	(3,290,518)	–	(3,290,518)
7% Cash dividends - Preferred share (Note 16)	–	–	–	–	–	–	(504)	–	–	(504)	–	(504)
Cash dividends to NCI (Note 31)	–	–	–	–	–	–	–	–	–	–	(1,600,000)	(1,600,000)
Investment of NCI in a subsidiary	–	–	–	–	–	–	–	–	–	–	1,597,193	1,597,193
Asset revaluation surplus transferred to retained earnings (Note 9)	–	–	–	–	–	–	383	–	–	383	–	383
Balances at December 31, 2023	**₱6,999,974**	**₱9,205,802**	**₱869,185**	**₱154,296**	**₱29,799**	**(₱1,315)**	**₱19,000,852**	**₱135,000**	**(₱134,014)**	**₱36,258,779**	**₱6,846,207**	**₱43,104,986**

See accompanying Notes to Consolidated Financial Statements.

	Equity Attributable to Equity Holders of the Parent											
	Capital Stock (Note 16)	Additional Paid-in Capital (Note 16)	Share in Cumulative Translation Adjustment (Note 10)	Cost of Share-based Payment Plan (Note 17)	Asset Revaluation Surplus	Net Valuation Gains (Losses) on Financial Assets at FVOCI (Note 7)	Retained Earnings: Unappropriated	Retained Earnings: Appropriated (Note 16)	Treasury Stock (Note 16)	Total	NCI	Total
Balances at December 31, 2021	₱6,849,836	₱8,271,900	₱599,215	₱473,442	₱30,565	₱3,363	₱16,710,460	₱135,000	(₱134,014)	₱32,939,767	₱3,389,433	₱36,329,200
Net income	–	–	–	–	–	–	7,931,150	–	–	7,931,150	2,944,963	10,876,113
Other comprehensive income (loss) - net of tax	–	–	801,020	–	(383)	(9,297)	110,987	–	–	902,327	51,873	954,200
Total comprehensive income (loss)	–	–	801,020	–	(383)	(9,297)	8,042,137	–	–	8,833,477	2,996,836	11,830,313
Cost of share-based payment plan (Notes 17 and 25)	–	–	–	49,395	–	–	–	–	–	49,395	–	49,395
Cash dividends (Note 16)	–	–	–	–	–	–	(6,133,883)	–	–	(6,133,883)	–	(6,133,883)
7% Cash dividends - Preferred share (Note 16)	–	–	–	–	–	–	(504)	–	–	(504)	–	(504)
Cash dividends to NCI (Note 31)	–	–	–	–	–	–	–	–	–	–	(2,080,000)	(2,080,000)
Investment of NCI in a subsidiary	–	–	–	–	–	–	–	–	–	–	360,000	360,000
Change due to loss of control over a subsidiary (Note 1)	–	–	–	–	–	–	–	–	–	–	175,915	175,915
Asset revaluation surplus transferred to retained earnings (Note 9)	–	–	–	–	–	–	383	–	–	383	–	383
Balances at December 31, 2022	₱6,849,836	₱8,271,900	₱1,400,235	₱522,837	₱30,182	(₱5,934)	₱18,618,593	₱135,000	(₱134,014)	₱35,688,635	₱4,842,184	₱40,530,819

See accompanying Notes to Consolidated Financial Statements.

	Equity Attributable to Equity Holders of the Parent											
	Capital Stock (Note 16)	Additional Paid-in Capital	Share in Cumulative Translation Adjustment	Cost of Share-based Payment Plan (Note 17)	Asset Revaluation Surplus	Net Valuation Gains (Losses) on Financial Assets at FVOCI	Retained Earnings: Unappropriated	Retained Earnings: Appropriated (Note 16)	Treasury Stock (Note 16)	Total	NCI	Total
Balances at December 31, 2020	₱6,849,836	₱8,271,900	₱381,991	₱441,589	₱30,948	₱57,771	₱14,952,425	₱189,950	(₱134,014)	₱31,042,396	₱3,554,393	₱34,596,789
Net income	–	–	–	–	–	–	7,812,575	–	–	7,812,575	2,825,599	10,638,174
Other comprehensive income (loss) - net of tax	–	–	217,224	–	(383)	(54,408)	24,514	–	–	186,947	4,441	191,388
Total comprehensive income (loss)	–	–	217,224	–	(383)	(54,408)	7,837,089	–	–	7,999,522	2,830,040	10,829,562
Cost of share-based payment plan (Note 25)	–	–	–	31,853	–	–	–	–	–	31,853	–	31,853
Cash dividends (Note 16)	–	–	–	–	–	–	(6,133,883)	–	–	(6,133,883)	–	(6,133,883)
7% Cash dividends - Preferred share (Note 16)	–	–	–	–	–	–	(504)	–	–	(504)	–	(504)
Cash dividends to NCI	–	–	–	–	–	–	–	–	–	–	(2,995,000)	(2,995,000)
Reversal of appropriations (Note 16)	–	–	–	–	–	–	54,950	(54,950)	–	–	–	–
Asset revaluation surplus transferred to retained earnings (Note 9)	–	–	–	–	–	–	383	–	–	383	–	383
Balances at December 31, 2021	₱6,849,836	₱8,271,900	₱599,215	₱473,442	₱30,565	₱3,363	₱16,710,460	₱135,000	(₱134,014)	₱32,939,767	₱3,389,433	₱36,329,200

CONSOLIDATED STATEMENTS OF CASH FLOWS (AMOUNTS IN THOUSANDS)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱8,021,931**	₱14,305,249	₱13,970,454
Adjustments for:			
Depreciation, amortization and depletion (Notes 9 and 26)	**2,005,655**	1,663,009	1,620,139
Equity in net loss (income) of associates (Note 10)	**1,037,821**	(942,143)	(557,863)
Interest income (Note 27)	**(524,065)**	(188,622)	(162,075)
Interest expense (Note 28)	**318,762**	194,042	137,460
Loss (gain) on (Note 29):			
Changes in fair value of financial assets at FVTPL	**(226,857)**	493,303	(69,404)
Sale of property and equipment	**(20,493)**	(9,682)	(8,360)
Retirement of property and equipment	**15,243**	–	–
Write-off of prepayments and other current and noncurrent assets	**6,645**	–	–
Write-off of inventories	**2,532**	–	–
Write-off of input value added tax (VAT)	**723**	46,078	19,321
Sale of investment in a subsidiary	**–**	(46,447)	–
Sale of financial assets at FVOCI	**–**	1,609	28,262
Casualty	**–**	–	63,384
Provisions for (reversals of allowance for) impairment losses on (Note 29):			
Advances and deposits to suppliers and contractors	**113,541**	18,268	8,072
Input VAT	**69,382**	46,040	17,206
Deferred mine exploration costs	**64,663**	630	–
Inventories	**10,154**	(27,621)	(25,962)
Movements in:			
Pension liability (Note 34)	**(221,158)**	(12,271)	(6,087)
Deferred income	**(4,190)**	(4,190)	(4,190)
Accretion of interest on:			
Lease liabilities (Notes 28 and 33)	**63,704**	54,742	54,554
Provision for mine rehabilitation and decommissioning (Notes 15 and 28)	**31,655**	21,196	15,074
Long-term payable (Note 28)	**–**	307	600
Dividend income (Notes 7 and 29)	**(29,634)**	(37,168)	(32,073)
Unrealized foreign exchange losses (gains) - net (Note 29)	**(2,735)**	163,026	(241,331)
Effect of change in estimate on provision for mine rehabilitation and decommissioning (Note 29)	**(7,601)**	–	–
Cost of share-based payment plan (Notes 17 and 25)	**–**	49,395	31,853
Operating income before working capital changes	**10,725,678**	15,788,750	14,859,034
Decrease (increase) in:			
Trade and other receivables	**1,131,742**	(1,161,398)	(333,077)
Inventories	**(618,161)**	(151,361)	645,316
Prepayments and other current assets	**(438,531)**	1,424,130	(2,289,269)
Increase in trade and other payables	**694,228**	728,921	218,052
Net cash generated from operations	**11,494,956**	16,629,042	13,100,056
Income taxes paid	**(2,527,607)**	(3,752,640)	(3,423,683)
Net cash flows from operating activities	**8,967,349**	12,876,402	9,676,373

(Forward)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES (Note 39)			
Acquisitions of:			
Property and equipment (Note 9)	**(₱6,353,447)**	(₱2,485,040)	(₱1,774,433)
Financial assets at (Note 7):			
FVTPL	**(2,098,148)**	(3,643,300)	(5,721,442)
FVOCI	**(160,969)**	(550,113)	(5,467,059)
Amortized cost	**–**	–	(350,000)
Additional investment in an associate (Note 10)	**–**	(1,530,313)	–
Proceeds from sale or redemption of:			
Financial assets at:			
FVTPL	**4,153,130**	5,093,617	3,640,683
FVOCI	**143,649**	1,213,516	6,811,108
Amortized cost	**50,000**	–	100,000
Property and equipment	**25,792**	9,692	16,108
Increase in:			
Other noncurrent assets	**(2,469,663)**	(2,447,058)	(241,653)
Geothermal exploration and evaluation assets (Note 11)	**(14,319)**	(32,382)	(30,077)
Interest received	**525,246**	180,744	170,592
Dividends received (Note 7)	**29,921**	292,132	26,813
Net cash flows used in investing activities	**(6,168,808)**	(3,898,505)	(2,819,360)
CASH FLOWS FROM FINANCING ACTIVITIES (Note 39)			
Payments of:			
Cash dividends (Notes 16 and 31)	**(4,891,022)**	(10,189,387)	(7,854,387)
Interest	**(432,666)**	(157,689)	(96,168)
Long-term debts	**(253,431)**	(168,117)	(75,546)
Principal portion of lease liabilities (Note 33)	**(75,761)**	(59,739)	(56,514)
Debt issue cost, short-term debts	**(11,171)**	(5,993)	(11,010)
Long-term payable	**–**	(7,000)	(7,000)
Proceeds from availment of:			
Short-term debts, net of debt issue costs (Note 14)	**4,331,718**	–	–
Long-term debts, net of debt issue costs (Note 14)	**887,202**	1,367,733	13,321
Investment of NCI in a subsidiary	**1,597,193**	360,000	–
Proceeds from exercise of stock options	**715,499**	–	–
Increase in other current liability	**–**	36,000	39,040
Net cash flows from (used in) financing activities	**1,867,561**	(8,824,192)	(8,048,264)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**4,666,102**	153,705	(1,191,251)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**10,809,026**	10,826,806	11,835,201
EFFECT OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS (Note 29)	**7,337**	(171,485)	182,856
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱15,482,465**	₱10,809,026	₱10,826,806

See accompanying Notes to Consolidated Financial Statements.

OFFICERS

NICKEL ASIA CORPORATION

Gerard H. Brimo
Executive Director
Chairman of the Board of Directors

Maria Patricia Z. Riingen
Vice Chairman

Martin Antonio G. Zamora
President and Chief Executive Officer

Jose Bayani D. Baylon
Senior Vice President
Sustainability, Risk Management, and Corporate Affairs
Chief Sustainability Officer, and Chief Risk Officer

Koichi Ishihara
Senior Vice President
Chief Commercial Officer-Mining Business

Georgina Carolina Y. Martinez
Senior Vice President
Corporate Support and Compliance Services
Chief Compliance Officer, Chief Governance Officer, and Assistant Corporate Secretary

Romeo T. Tanalgo[2]
Senior Vice President
Chief Security and Aviation Officer

Maria Angela G. Villamor
Senior Vice President
Finance
Chief Financial Officer, and Treasurer

Rolando R. Cruz
Vice President
Nickel Mining Business

Andre Mikael L. Dy
Vice President
Investor Relations, Treasury, and Sales

Jeffrey B. Escoto
Vice President
Supply Chain Management and Technical Services
Chief Operating Officer, CDTN
Head of DPP Operations

Christopher C. Fernandez
Vice President
Technology and Transformation

Patrick S. Garcia
Vice President
Internal Audit
Chief Audit Executive

Ryan Rene C. Jornada
Vice President
Regulatory and Corporate Affairs, and Community Relations

Ma. Fatima C. Mijares
Vice President
Human Resources

Arnilo C. Milaor
Vice President
Nickel Mining Business

Cynthia E. Rosero
Vice President
Mining Center of Excellence and Strategic Planning

Bimbo T. Almonte
Assistant Vice President
Health

Salvador C. Cabauatan
Assistant Vice President
Facility Management

Remedios Collado-Camo
Assistant Vice President
Safety and Environment

Edwin R. Casiano
Assistant Vice President
Mining Business

Fernando P. Cruz
Assistant Vice President
Mining Comptroller

Reynaldo M. Dela Rosa[4]
Assistant Vice President
Community Relations

Christian Jae R. Gascon
Assistant Vice President
Nickel Mining Business

Rodrigo G. Gazmin, Jr.
Assistant Vice President
Material Management

Philipp D. Ines
Assistant Vice President
Nickel Mining Business

Marnelle A. Jalandoon
Assistant Vice President
Development Operations

Melchor C. Mananes[1]
Assistant Vice President
Financial Planning and Analysis

Reynold DG Mata II
Assistant Vice President
Business Development and Strategic Projects

Christine Joanne C. Navarro
Assistant Vice President
Legal
Data Protection Officer

Edwin P. Nerva
Assistant Vice President
Sustainability

Iryan Jean U. Padillo
Assistant Vice President
Business Comptroller

Jessie N. Pagaran
Assistant Vice President
Employee, Labor, and Industrial Relations

Walter B. Panganiban[3]
Assistant Vice President
Risk Management

Teody A. Pascual
Assistant Vice President
Service Management

Jessie A. Payuyo
Assistant Vice President
Mining Comptroller

Kristine Grace C. Victoria
Assistant Vice President
Geology

Charito Villena-Co
Assistant Vice President
Tax Advisory and Compliance Services

Barbara Anne C. Migallos
Corporate Secretary

RIO TUBA NICKEL MINING CORPORATION

Ronelbert A. Suguitan
Assistant Vice President
Resident Mine Manager

CORDILLERA EXPLORATION CO., INC.

Graciano P. Yumul, Jr.[5]
President

Rosalito A. Alonso[6]
Assistant Vice President
Geology

HINATUAN MINING CORPORATION

Francisco J. Arañes, Jr.
Vice President
Resident Mine Manager

EMERGING POWER, INC.

Ronaldo D. Ibasco
President and CEO

Jasmin Josefa P.G. Agbon
Senior Vice President
Finance

Rogelio D. Puno, Jr.
Vice President
Legal

April Ann B. Nerva[7]
Vice President
Business Development

[1] Effective January 1, 2024
[2] Effective March 13, 2024
[3] Until December 31, 2023
[4] Effective August 3, 2023
[5] Effective May 23, 2024
[6] Effective May 23, 2024
[7] Effective January 1, 2024

CORPORATE DIRECTORY

ADDRESS

Head Office
28th Floor NAC Tower
32nd Street, Bonifacio Global City
Taguig City, Philippines 1634
T: +63 2 7777 7622

MINE SITES

Rio Tuba Mine
Barangay Rio Tuba, Bataraza, Palawan

Taganito Mine
Barangay Taganito, Claver, Surigao del Norte

Cagdianao Mine
Barangay Valencia, Cagdianao,
Dinagat Islands

Hinatuan Mine
Barangay Talavera, Tagana-an,
Surigao del Norte

Dinapigue Mine
Dimaluade, Dinapigue, Isabela

Manicani Mine
Manicani Island, Guiuan , Eastern Samar

SOLAR POWER PLANT

Mt. Sta. Rita, Subic Bay Freeport Zone

CORPORATE WEBSITE

http://www.nickelasia.com

INDEPENDENT PUBLIC ACCOUNTANT

Sycip, Gorres Velayo & Co.

BANKS

Banco de Oro
Bank of the Philippine Islands
Citibank N.A.
JP Morgan Private Bank
Maybank Philippines, Inc.
Metropolitan Bank & Trust Co.
Morgan Stanley Private Wealth Management
Rizal Commercial Banking Corporation
Security Bank Corporation
UBS Group AG
Union Bank of the Philippines
United Coconut Planters Bank

STOCK AND TRANSFER AGENT

Stock Transfer Service, Inc.
34F, Unit D, Rufino Pacific Tower
6784 Ayala Avenue, Makati City, Philippines
T: +63 2 8403 2410 / +63 2 8403 2412
F: +63 2 8403 2414

ATTORNEYS

Migallos & Luna
Zamora & Poblador
Factoran & Natividad
Nograles Law Offices