062920 MESSAGE FROM THE PRESIDENT AND CEO

We have come to the end of the month of June – and the first half of the year. Our businesses are operating despite some challenges brought about by the pandemic; our people and our communities are safe and generally healthy, and we have all the reasons to believe that this is how things will stay for the rest of the year. We have much to be thankful for.

Our opcos and EPI continue to serve our stakeholders and constituents. TMC has completed 17 vessels as of Saturday, while it is loading five vessels simultaneously as this is being written. For the community, it continues to reach out, donating over 5,000 rapid test kits to the provincial government, to the city and to the NCIP-Caraga office. Facemasks, handwashing facilities and supplies, soaps, vitamins and other medicines have been turned over to various barangays, to the Philippine Red Cross and to the Taganito Elementary School. Locally Stranded Individuals (LSIs) received 9 sacks of rice, while disinfection was conducted in its four mining barangays of Taganito, Hayanggabon, Cagdianao and Urbiztondo. Looking out for the welfare of TMC employees was also the reason for the conduct of safety orientations and participation in a DOLE Caraga webinar on labor issues.

RTN has completed 69% of its target shipments for the year with the loading of its 22nd vessel out of the target of 32 for 2020. Together with CBNC, RTN finalized the donation of P6M to LGU Bataraza, its last wave of relief operations for the pandemic. The 2Q 2020 MRFC was conducted last June 22 via Zoom, while the community in six barangays were consulted on the proposed water system project.

HMC has complete loading 10 vessels, plus two barges for CBNC. As this is being written, another foreign vessel is being loaded, while one more is expected to arrive today. For COVID support for its communities, HMC has spent over P6M to date from its realigned SDMP budget plus an additional P600k from the CSR fund. In addition, 40 summer jobbers from its host communities underwent orientation as part of HELPS (Hinatuan Educational Learnership Program for Students), while qualifying exams and interviews were conducted for one college scholarship applicant. The resumption of the weekly radio program on RPN Surigao DXKS 1080 allowed HMC to inform its public of these activities.

For CMC, as of June 28 it has completed loading 11 foreign vessels and 3 barges for CBNC. It donated 150 beds to the provincial government of Dinagat Islands for the use of its municipal care and health centers, and donated essential medicines amounting to P300k to host and neighboring communities. CMC also subjected its stevedores and shipping crew and even its medical staff to 14-day quarantine followed by rapid antibody tests (which all resulted in negative findings.)

Finally, for JSI in Subic, three projects are being executed all at the same time, involving a total of 70 contractor employees: the 30MW expansion project under the partnership with TBEA; the completion of the drainage system, and the reinforcement of the west slope. JSI is also expecting to start its 2-year service agreement with Meralco covering 7MW. For Biliran Geothermal, more detailed discussions are being held with BILECO for the use and upgrade of their transmission network in preparation for the 3.5MW project with Symba Renewable.

As you can see, life goes on for all of us despite the continuing threat posed by the coronavirus.

Without wishing to sound boastful, not a few people have commented positively on what we at NAC have been able to do for our people and for our communities in the face of the pandemic. From ensuring that no associate is left behind, no community is put at risk to being creative in our programs and projects in support of the national effort to win this battle against...
the coronavirus, some people say that NAC has been leading the way in our industry, if not in fact even beyond it.

I think that’s important. I think it is high time that NAC be conscious of its ability to truly make lives better in the communities we serve, and to influence others to do the same in their own areas of influence. But more than simply being conscious about it, I believe it is important that we EMBRACE it, more than as a CHALLENGE, but as a CALLING. Let’s not be shy about what we do, and let us not underestimate what we can do.

This is why, recently, I asked some of our senior executives to help me launch NAC on the journey to become a model for ESG (environmental, social and governance) reporting in the Philippines. ESG reporting recognizes the impact a company makes on issues that beset whole countries (and in the process, the world) – from ecological matters to workers’ rights, from health and education issues to housing as housing and even gender issues.

None of these are new to us, they have been part and parcel of what we have been doing for years now. But what is new is the attention that the world is giving to ESG as a basis for how a company is evaluated and granted its social license to operate. Clearly ESG can no longer be an afterthought, something we do because it is required. It has to be at the core of why we exist, if we are to continue to exist in the future. In due time you will all hear more about ESG, and understand how we all will play a part in this journey; I just wanted to give you a heads up because I already see the elements strewn all over NAC and we just need to be able to tie them up together and complete our ESG story as we carry on with what we do well.

As we look forward to the new month of July, let’s hope that the second half of the year will be kinder and gentler to our country and our people, even as we at NAC remain as focused and as determined as ever while continuing to keep ourselves, our organization, our communities and of course our families, safe and secure.

Keep safe. Keep healthy.

Martin Antonio G. Zamora
President and CEO