



Message from the President and CEO

It's been over 200 days since our first lockdown and less than 100 days til Christmas. While we are all eager to leave 2020 behind us, we remain focused on what needs to be done in the few remaining weeks in the year.

First and foremost is the preparation of our budget for next year. Last week we began discussing the proposed budgets by the different functions, making sure these are aligned with our key objectives for 2021. The process began with the first pass held last Thursday and Friday, during which function heads were asked to explain their budget as a whole and specific item in them; we continue this week as function heads return to the drawing board to address the questions or issues raised during the discussions.

The budget process is one crucial aspect of our five-year effort to remake NAC into the most-preferred ESG investment company in the Philippine. A second one is our structure.

As most of you are aware, our structure after the Office of the President includes a Chief Operating Officer to whom four Vice Presidents report, mainly covering minesite related functions. Then there are Head Office-based functions that also report to me, directly or through another function. This is the structure that NAC has grown with through the years. But structure is, in a simplistic way, like clothing: what served you well when you were five or ten will no longer be appropriate when you are twenty or fifty. And this is the reason why our structure is evolving as we are.

Very soon we will formally announce the changes, with effect on our Table of Organization. The changes are meant to bring together existing functions that need to work seamlessly to achieve common objectives so that we have less independent moving parts and instead end up with fewer but more integrated ones. In this way we ensure greater accountability and uniformity across our organization in standards and processes and procedures as we make NAC more "lean and mean".

In the meantime, our BUs remain focused on their targets. HMC completed its 27th vessel for the year last week and is currently loading its first foreign vessel for the month. It passed the audit of its Integrated Management Systems (IMS) covering Environmental, Quality and Health and Safety, and also successfully migrated from OHSAS 18001:2007 to OSHMS 45001:2018 in a remote audit conducted by NQA, Phils. It also completed and passed the Tenement, Safety and Health, Envi and Social (TSHES) monitoring conducted by MGB-13 last Sept. 7-9 for CY 2019 accomplishments. HMC participated in the regular MRFC meeting at MGB-13 recently, and continues to support its community's anti-COVID efforts by turning over medical equipment and test kits to government agencies. Recently we implemented a lockdown at Hinatuan Island preventing employees from travelling to Surigao City and nearby places in the whole Province of Surigao del Norte except for emergencies.

TMC has completed 50 vessels to-date and is currently loading six simultaneously, with two expected to be completed by Tuesday. An internal audit of operations has been conducted to address compliance to Quality, Environment and Occupational Health and Safety Management Systems as part of regular monitoring of compliance to internal and industry standards. TMC Comrel has conducted sectoral planning in the 14 barangays of Claver in preparation for a new five-year SDMP planning cycle. Like its Hinatuan counterpart, TMC continues to extend support to its communities' anti-COVID efforts. On the education front 14 new scholars have been signed up while P2M worth of workbooks for English and Mathematics have been turned over to the DepEd for the Province of Surigao del Norte.

RTN has started its 24th vessel for the year. Its Comrel is preparing for the new round of SDMP planning and consultation with the barangays and IP communities of Bataraza. Recently the PCSD gave RTN a “pro-active” rating upon completion of an audit and validation using the Sustainable Management Online Tool for extractive industries. RTN also celebrated its achievement of 5 million safe manhours in the workplace.

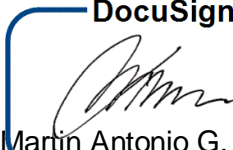
CMC has completed 43 of its 49 vessels the year. It has also finished 20 out of 22 barges for CBNC. Recently CMC joined in the celebrations of the 14th anniversary of the Dinagat Island Provinces which included a trade fair where CMC showcased its sorghum project, an alternative to rice.

For its part, CEXCI has distributed both learning materials as well as PPEs to its impact communities in Ilocos Sur.

Finally, EPI’s 30MW expansion is on target with all major equipment procurement completed. A 12-man team from TBEA, our contractor, will be arriving in November.

As we gear up for 2021, let us remain focused on completing our commitments for the year while continuing to be conscious of our health and safety protocols. I am hoping that this last quarter will continue to be good for us on a personal and company level so that we can end this challenging year on a positive note for ourselves, our families and our communities.

DocuSigned by:



Martin Antonio G. Zamora
President and CEO