



**CENTURY PEAK**  
HOLDINGS CORP  
**SUSTAINABILITY REPORT**  
**2024**

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## **PART I - BUSINESS AND GENERAL INFORMATION**

### **VISION**

An integrated mining company dedicated to operational excellence, conscious of its social and environmental responsibilities, and committed to delivering superior shareholder returns.

### **MISSION**

We shall invest in and operate a diversified and cost competitive portfolio of mines, tenements and businesses.

We shall be committed to operational excellence, the safety of our employees and host communities, and the prudent stewardship of the areas we operate in.

We shall be a socially responsible organization committed to engaging and uplifting the lives of people in our communities.

We shall be mindful of the welfare of our employees and be partners in actualizing their potential and in the development of their careers.

We shall always be aware of the concerns of all our stakeholders and be open to solutions and resolutions that are mutually beneficial.

We believe and shall act in accordance with the idea that maximizing shareholder value and being a responsible corporate entity are not mutually exclusive propositions.



## CORPORATE PROFILE

Century Peak Holdings Corporation (“CPHC” or the “Company”), was registered with the Philippine Securities and Exchange Commission (“SEC”) on December 30, 2003. The Company is primarily engaged in promoting, operating, managing, holding, acquiring or investing in corporations or entities that are engaged in mining activities or mining-related activities.

On November 11, 2019, the SEC approved the change in the Company’s corporate name to Century Peak Holdings Corporation, formerly Century Peak Metals Holdings Corporation. On the same date, the Company also obtained a certificate of filing from SEC for the Amendment of its Articles of Incorporation by introducing the Parent Company’s secondary purpose which is to engage in and carry on general construction and construction related activities, land reclamation and development activities in the Philippines, real estate development or any real estate related activities, mining activities and mining related activities, power and energy activities and power and energy related activities. The Company listed its common shares of stock with the Philippine Stock Exchange (“PSE”) on October 6, 2009.

The Company operates in Dinagat Islands through Century Peak Corporation (“CPC”), our wholly owned subsidiary, that produces and exports nickel ores. The Company also manufactures and produces cement in Pinamungahan, Cebu through Century Peak Cement Manufacturing Corporation (“CPCMC”), another wholly-owned subsidiary of CPHC. This will serve as the country’s principal producer of cement.

As at December 31, 2024, the Company has a total of 4,795 hectares of operating area with 25 years of estimated useful life. 143 shipments were made since 2012, of which 10 shipments were made during the year 2024.



## PART II - PRESIDENT AND CHAIRMAN'S MESSAGE

Dear Shareholders and Friends,

Throughout the years, the Company has maintained its strategic focus on its core business pillars—mining operations under Century Peak Corporation and the cement manufacturing venture through its wholly owned subsidiary, Century Peak Cement Manufacturing Corporation, which has now entered its second year of commercial operations. These endeavors reflect our commitment to sustainable growth and the creation of long-term value for our shareholders..

In 2024, the Group continued to navigate a challenging macroeconomic environment, particularly affecting nickel ore producers. The ongoing global economic uncertainties, most notably the continued slowdown in China, exerted downward pressure on nickel ore prices and created complex market dynamics.

Amidst these headwinds, we have made meaningful progress in our diversification strategy. Century Peak Cement Manufacturing Corporation has emerged as a significant contributor to our growth trajectory and a cornerstone of our success in 2024.

The Group delivered strong and resilient performance throughout the year. We remain committed to continuous improvement and aligning our strategies with society's evolving expectations and long-term sustainability goals. Our solid balance sheet and positive cash position have enabled us to withstand external challenges and continue executing our growth initiatives with confidence.

We are equally committed to upholding the highest standards of regulatory compliance, environmental stewardship, and social responsibility. Through our Environmental Protection and Enhancement Program, we actively promote sound environmental practices. At the same time, our Social Development and Management Program (SDMP) reflects our dedication to fostering inclusive and sustainable communities.

As we look ahead, we do so with gratitude and optimism. On behalf of the Century Peak Group, I extend my sincere appreciation to our Board of Directors, management team, employees, business partners, stakeholders, and shareholders. Your unwavering trust and support continue to inspire us as we pursue our mission and vision for the sustainable and profitable growth of our company in the years to come.

Very truly yours,

A handwritten signature in black ink, appearing to read "W. Keng", is written over a horizontal line.

WILFREDO D. KENG

## PART III – TOWARDS SUSTAINABLE MINING

Sustainable mining involves the responsible extraction of minerals and metals with minimal environmental and social impact, ensuring long-term industry viability. Its goal is to meet present needs without compromising the ability of future generations to meet theirs. This approach emphasizes reducing waste, conserving water and energy, and minimizing pollution and carbon emissions through advanced technologies and best practices.

**CENTURY PEAK CORPORATION (CPC)** is a leading nickel mining company committed to upholding the highest standards of excellence and sustainability in the utilization of the Philippines' mineral resources. CPC is dedicated to executing responsible mining practices that not only meet societal needs but also contribute to community development. Central to its mission is the implementation of effective Safety, Health, and Environmental (SHEC) protocols, which underpin CPC's commitment to conducting mining operations responsibly while continually striving for improvement.

CPC's approach to responsible mining prioritizes environmental protection, the enhancement of community livelihoods, and the safeguarding of the safety and health of its workforce. By integrating sustainability principles into its operations, CPC aims to set a benchmark for responsible resource utilization in the mining industry, fostering positive socio-economic impacts and environmental stewardship for the benefit of present and future generations.



**CARING FOR OUR PEOPLE**

Health and Safety Standards  
Decent Work and Workplace  
Purposeful Employment  
Training and Development  
Career Oriented  
Gender Equality

**COMMUNITY DEVELOPMENT**

Development of Host and Neighboring Community  
Information, Education, and Communication Campaign  
Development of Mining Technology and Geosciences

**ENVIRONMENTAL PROTECTION**

Protection of Land Resources  
Water Resource and Quality  
Noise and Vibration  
Air Quality  
Conservation Values  
Environmental Research

## PART IV – SUSTAINABILITY DEVELOPMENT GOALS AND FOCUS PROGRAMS

### SUSTAINABILITY DEVELOPMENT GOALS AND FOCUS PROGRAMS:



Aligned with the United Nations Sustainability Development Goals (UN-SDGs), Century Peak Holdings (CPH) has identified six key focus programs aimed at fostering meaningful and sustainable partnerships with stakeholders and interested parties. These focus programs encompass a wide range of initiatives aimed at addressing pressing global challenges and driving positive change. They are as follows:

1. **Community Empowerment and Livelihood Development:** CPH is committed to empowering local communities by providing opportunities for skill development, entrepreneurship, and economic empowerment. Through various initiatives and partnerships, CPH aims to enhance livelihood opportunities and improve the overall well-being of community members.
2. **Environmental Conservation and Biodiversity Preservation:** CPH recognizes the importance of protecting and preserving the environment for future generations. Through sustainable land management practices, reforestation efforts, and biodiversity conservation programs, CPH strives to mitigate environmental degradation and promote ecosystem resilience.



3. **Health and Well-being Promotion:** CPH prioritizes the health and well-being of its stakeholders, including employees, communities, and customers. Through health education programs, access to healthcare services, and promotion of healthy lifestyles, CPH seeks to improve health outcomes and enhance quality of life.
4. **Education and Skills Development:** CPH is dedicated to promoting access to quality education and lifelong learning opportunities. By investing in educational infrastructure, scholarships, and skills training programs, CPH aims to empower individuals with the knowledge and skills needed to succeed in the modern economy.
5. **Climate Action and Sustainable Resource Management:** CPH recognizes the urgent need to address climate change and promote sustainable resource management practices. Through carbon reduction initiatives, renewable energy projects, and sustainable resource utilization efforts, CPH aims to mitigate its environmental impact and contribute to global climate action efforts.
6. **Responsible Business Practices and Ethical Governance:** CPH is committed to upholding the highest standards of corporate governance, transparency, and ethical business practices. By adhering to principles of integrity, accountability, and responsible stewardship, CPH aims to build trust with stakeholders and create value for society as a whole.

These seven focus programs represent CPH's commitment to advancing the UN-SDGs and creating positive impact across its operations and value chain. By aligning its business strategies with sustainable development objectives, CPH aims to drive meaningful change and contribute to a more prosperous and sustainable future for all.

**SDG # 2: ZERO HUNGER**

Century Peak Minerals Development Corporation successfully implemented a 120-day feeding program aimed at improving the health and nutritional status of 33 malnourished children in Barangay Binabag. Recognizing the long-term impact of early childhood malnutrition, the program was designed not only to provide daily nutritious meals but also to promote healthy eating habits and support the overall development of the children.



**SDG # 3: GOOD HEALTH AND WELL BEING (CARING FOR OUR PEOPLE AND THE COMMUNITY)**

Century Peak Minerals Development Corporation (CPMDC) and Century Peak Corporation (CPC) understands the critical role that health centers play in the well-being of our people.

**Health Signages**

Century Peak Minerals Development Corporation (CPMDC) is committed to the provision and maintenance of safety and health signages and informational materials across all operational areas. These signages serve to inform and remind employees and visitors of critical safety protocols, potential hazards, and emergency procedures. Regular maintenance ensures that signs remain visible, legible, and up-to-date, reinforcing a culture of safety and awareness throughout



**Free Medicines and Consultations**

Century Peak Minerals Development Corporation (CPMDC) provides employees with free access to basic medicines, health consultations, and regular blood pressure checks. These health services are part of CPMDC's commitment to promoting employee well-being and fostering a supportive, healthy workplace environment. By ensuring that basic health needs are met on-site, CPMDC not only helps prevent potential health issues but also enhances overall productivity and morale among its workforce.



On the other hand, Century Peak Corporation (CPC) actively contributes to community health and well-being through its comprehensive support initiatives. The company regularly donates essential medical equipment and supplies to under-resourced rural health centers, helping improve access to quality healthcare for underserved populations. Additionally, CPC extends financial assistance to senior citizens, acknowledging their vital role in society, and supports barangay health workers who serve as the frontliners of grassroots healthcare delivery. These initiatives reflect CPC's commitment to inclusive development and the promotion of healthier, more resilient communities.



### **Safety and Health Inspection**

Century Peak Minerals Development Corporation (CPMDC) conducts **regular Safety and Health Inspections** to ensure compliance with safety standards and proactively identify any potential hazards in the workplace. These inspections are led by the **Mine Safety Engineer**, accompanied by the **Site Foreman** and the **Officer-in-Charge (OIC)**. Together, they conduct a thorough evaluation of the quarry's safety protocols, equipment, and working conditions. By engaging key personnel in this detailed inspection process, CPMDC aims to maintain a high standard of workplace safety, promptly address any risks, and continuously improve the overall safety environment for all employees.



**SDG # 6: CLEAN WATER AND SANITATION:**

Clean-up Activities

In celebration of International Coastal Cleanup of 2024, a cleanup activity in the coastal area of Barangay Tajao, Pinamungajan, Cebu. Conducted by TSPS-APASu Midwest Cebu in collaboration with Century Peak Minerals Development Corporation (CPMDC).



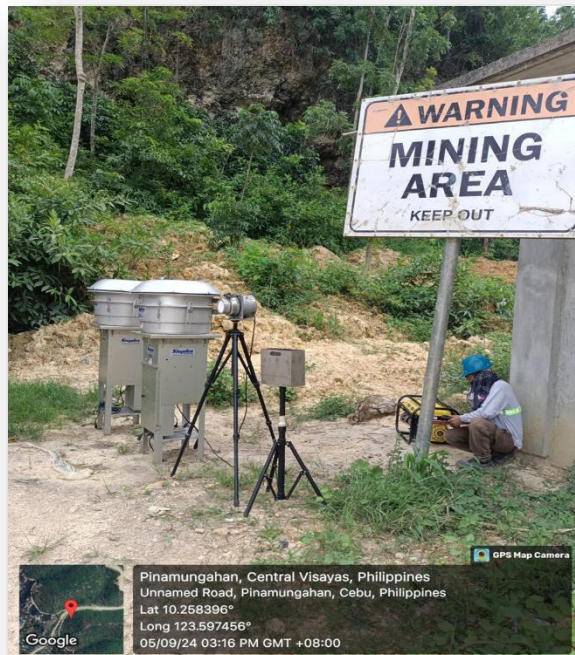
Water Monitoring Activities

For Century Peak Development Corporation (CPMDC), water samples were collected for analysis by F.A.S.T. Laboratories at the Mangoto River in Barangay Binabag, Pinamungajan, Cebu. The water sampling analysis conducted fully complied with all DENR water quality standards outlined in DAO 2016-08.



### Air Monitoring Activities

For Century Peak Development Corporation (CPMDC), new stations/areas near the community for both ambient air and noise sampling as advised by EMB-7 representative during the 3rd Quarter MMT Validation.



### Improvement and expansion of water systems in Esperanza

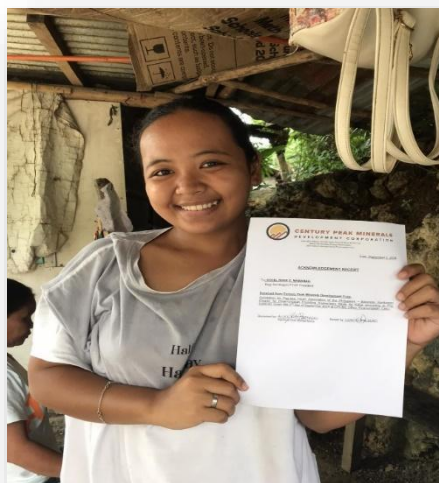
Century Peak Corporation has undertaken the improvement and expansion of water systems in Esperanza to ensure that local communities have reliable access to clean and safe water. This initiative addresses longstanding issues of water scarcity and infrastructure inefficiencies, enhancing the overall quality of life for residents. By investing in sustainable water solutions, CPC not only supports public health and sanitation but also empowers the community with a critical resource for daily living and economic activities. This project underscores CPC's commitment to environmental stewardship and inclusive progress in the regions where it operates.



## **SDG #8: DECENT WORK AND ECONOMIC GROWTH (Donation to PYAP)**

### **PYAP Solicitation.**

For Century Peak Development Corporation, this solicitation aims to gather support for the Pag-asa Youth Association of the Philippines (PYAP) organization in Barangay Sambagon, a group dedicated to empowering the youth through skill-building, education, and community service. Contributions will enable PYAP to conduct training programs, workshops, and community initiatives that address critical issues such as employment readiness, health awareness, and civic responsibility. By investing in the PYAP, we are fostering a generation of proactive, skilled, and engaged youth who will contribute positively to the future of our community.



### Scholarships for Students

Century Peak Corporation (CPC) firmly believes in the transformative power of education and invests in the future of young Filipinos through its scholarship program. The company provides financial support to deserving students from elementary to college levels, helping alleviate the burden of educational expenses for underprivileged families. A testament to the success of this initiative is a former scholar who graduated with a degree in Mining Engineering and is now proudly part of CPC's professional workforce. This not only reflects the program's effectiveness but also highlights CPC's commitment to nurturing local talent and creating sustainable career pathways within the industry.



### Infrastructure Repair

In its ongoing efforts to support education and community development, CPC provides school subsidies and undertakes infrastructure repairs in key barangays, including Cambinliw, Panamaon, and Esperanza. These initiatives address critical needs such as classroom maintenance, provision of learning materials, and improvement of school facilities. By ensuring that learning environments are safe, functional, and conducive to education, CPC helps foster a culture of learning and growth for both students and educators. These efforts demonstrate the company's broader commitment to uplifting rural communities and enabling access to quality education across generations.



**SDG # 11: SUSTAINABLE CITIES AND COMMUNITIES (ASSISTANCE TO INFRASTRUCTURE AND SUPPORT SERVICES):**

**Provision of Bulletin Board in Barangay Binabag and Barangay Sambagon.**

Century Peak Development Corporation installed bulletin boards in Barangays Binabag and Sambagon aimed to strengthen community engagement, improve communication, and promote transparency within the localities. These bulletin boards served as vital information centers, providing residents with easy access to important updates, public announcements, and government advisories. By centralizing the flow of information, the initiative empowered community members to stay informed about local events, health campaigns, disaster preparedness measures, public services, and various development programs. This not only encouraged active participation in community affairs but also fostered a sense of inclusivity and collective responsibility among residents.



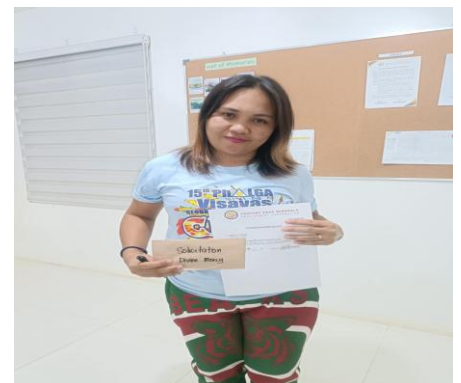
**CCTV for the Newly Constructed Multipurpose hall in Barangay Sambagon**

Century Peak Development Corporation donated and installed a CCTV system for the newly constructed multipurpose hall in Barangay Sambagon represented a significant contribution to the safety, functionality, and overall development of the community. This support not only enhanced the hall's infrastructure but also reinforced its role as a secure and well-equipped venue for various public gatherings, community meetings, educational sessions, and emergency response activities.



Annual Fiesta Celebration and Brgy Solicitation

Century Peak Development Corporation provided donations aimed at gathering support for the upcoming fiesta celebration in Barangay Sambagon, a time-honored tradition that brings the community together in unity and gratitude. Contributions will help fund various activities, decorations, and festivities, creating an atmosphere of joy, cultural pride, and community spirit.



Christmas Giveaways to Brgy. Officials and LGU Pinamungajan

Century Peak Development Corporation distributed Christmas giveaways to Barangay officials and the Local Government Unit (LGU) of Pinamungajan served as a heartfelt gesture of appreciation and goodwill during the holiday season. This initiative aimed to recognize the hard work, dedication, and invaluable service of local leaders who continuously strive to uplift their communities and ensure the well-being of their constituents.



Street lighting rehabilitation, drainage canal concreting, and evacuation center repairs Support for local events and festivals (e.g. Bugkusan Festival and Araw ng Barangay Esperanza)

Century Peak Corporation (CPC) actively supports infrastructure development and cultural preservation in the communities where it operates. Among its key initiatives are the rehabilitation of street lighting systems, concreting of drainage canals, and the repair of evacuation centers—projects that directly enhance public safety, disaster preparedness, and overall community resilience. These improvements not only address day-to-day needs but also contribute to long-term sustainability and well-being.

In addition to infrastructure projects, CPC extends its support to local events and cultural celebrations such as the Bugkusan Festival and Araw ng Barangay Esperanza. By contributing to these community gatherings, CPC helps preserve local traditions, strengthen social bonds, and promote cultural pride. These efforts reflect the company’s holistic approach to development—balancing physical infrastructure with cultural enrichment to foster vibrant and united communities.



**SDG # 13: Climate Action**

**Environmental month activities and coastal clean-up drives**

In line with its commitment to environmental stewardship, Century Peak Corporation (CPC) actively participates in Environmental Month activities and regularly organizes coastal clean-up drives aimed at promoting ecological awareness and responsibility. These initiatives serve as platforms to engage employees, local residents, and other stakeholders in meaningful environmental action. Through educational campaigns, hands-on clean-up efforts, and community partnerships, CPC fosters a deeper understanding of the importance of protecting marine ecosystems, reducing pollution, and preserving natural resources. By empowering communities to take part in these initiatives, CPC not only contributes to a cleaner environment but also cultivates a shared culture of environmental care and sustainability for future generations.



**SDG # 17: PARTNERSHIP FOR THE GOALS (INFORMATION, EDUCATION AND CAMPAIGNS):**

**Annual Planning and Consultation Activities**

The Company conducts the yearly process of setting goals, priorities, and strategies while actively engaging stakeholders for input and feedback. This involves reviewing past performance, developing action plans, and ensuring resources are aligned with objectives. Consultation with internal and external stakeholders—such as staff, partners, and community members—helps ensure that plans are inclusive, informed, and responsive to current needs and challenges





IEC in Barangay Buhingtubig, Pinamungajan Cebu

The Information, Education, and Communication (IEC) activity in Barangay Buhingtubig, located in the municipality of Pinamungajan, Cebu, serves as a vital initiative to raise awareness and promote community involvement in various local programs.



**70th Annual National Mine Safety and Environment Conference**



The 70th Annual National Mine Safety and Environment Conference (ANMSEC) is a significant event in the Philippine mining sector, bringing together industry leaders, government agencies, environmental advocates, and community stakeholders to promote responsible mining practices. Held annually in Baguio City, a historic mining hub, the conference serves as a platform for sharing innovations in mine safety, environmental protection, and sustainable development.

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## PART V – BUSINESS MODELS

Century Peak Corporation (CPC) has mining activities in selected areas covered by its MPSA in the province of Dinagat Islands.

There are two Geologic Resource Evaluation Reports for the Casiguran Nickel Project and a Resource Evaluation Report for the Rapid City Parcel II Prospect, which were prepared by Dr. Carlo A. Arcilla, an accredited competent person in accordance with the definition of the Philippine Mineral Reporting Code.

Based on the reports, the Casiguran Nickel Project and Rapid City Parcel II Prospect have a combined indicated and measured resource of 9,897,000 DMT with a grade of 1.02% nickel (at 0.8% nickel cut-off) and 9,067,000 DMT with a grade of 1.07% nickel (at 0.8% nickel cutoff), respectively. These represent 100,000 metric tons of pure nickel and 3.5 million tons of iron and 90,000 tons of pure nickel and 3.8 million tons of iron for the Casiguran Nickel Project and Rapid City Parcel II Prospect, respectively, subject to mining plans and metal recovery parameters.

### **CPCMC and CPMDC**

On November 18, 2010, CPC entered into a JOA with PMDC, whereby CPC will act as the operator in the exploration, development, mining operation and utilization of the limestone and associated mineral deposits in Toledo and Pinamungahan, Cebu owned by PMDC. The mineral deposit has a total area of 4,795 hectares and is covered by MPSA-045-96-VII and MPSA-046-96-VII.

The agreement has a term of 25 years and will entitle PMDC to a fixed annual royalty rate of 3% of gross sales from the limestone project, whereas CPC shall be entitled to all the risks and rewards in the mining operations. By virtue of the Agreement, CPC shall not acquire any title or ownership over the contract nor the mining area.

On September 29, 2015, through a Deed of Assignment executed between CPC and CPMDC, CPC assigned its rights over the JOA with PMDC to CPMDC. Through the assignment, CPMDC will handle the Pinamungahan Limestone Quarry Project and will take over from CPC the implementation of its obligations and commitments under the subject JOA.

On July 10, 2019, the MGB approved the Declaration of Mining Project Feasibility (DMPF) under the JOA. The approval shall authorize CPC to proceed to the development and operating periods under the JOA by and between PMDC and CPC, including the extraction and commercial disposition of limestone, pozzolan and other associated minerals in the entire contract area.

On January 22, 2018, CPCMC was registered with the Board of Investments (BOI) with Certificate of Registration No. 2018- 015, on its cement plant project at Barangay Sacsac, Pinamungahan, Cebu, as new producer of cement on a Non-Pioneer Status under the Omnibus Investments Code of 1987 (Executive Order No. 226)

As agreed with BOI, CPCMC commenced operations in March 2023



## **PART VI – SUSTAINABILITY REPORTING FRAMEWORK**

### **WE CONDUCT OUR BUSINESS IN AN ETHICAL and RESPONSIBLE MANNER UPHOLDING CORPORATED GOOD GOVERNANCE**

Growth and stability for all our stakeholders is our main goal in attaining good governance. We are committed to exercise for the vested authority accountability, transparency, participative and dynamic way of our systems within the organization.

#### **CORPORATE GOVERNANCE**

The Board of Directors (the Board) of the company and the management is committed to the principles and practices of good governance as institutionalized in the Company's Manual of Corporate Governance.

#### **GOVERNANCE STRUCTURES & SYSTEMS**

The Board of Directors is composed of 7 members who hold office for one year until their successor is qualified and elected. Currently CPH has two (2) Independent Directors who satisfy the requirements of independence under the Securities Regulation Code, it's implementing Rules & Regulation (IRR).

#### **COMMITTEES OF THE BOARD**

Pursuant to Company's By-laws & Manual of Corporate Governance, there are two (2) Board Committees composed of Board members for the effective performance of the Board's policymaking and oversight function.

##### ***Audit Committee***

Audit Committee provides oversight of the internal and external audit function and over the process of preparing the annual financial statements and public reports on internal control. Including in the function of which is approving corporate strategy, reviewing management performance, overseeing the financial reporting and disclosure procedure, oversight of regulatory compliance & ethics.

##### ***Nomination and Remuneration Committee***

This committee assist the Company in developing and administering a fair transparent procedure of setting up policy on the overall human resources strategy including determination of remuneration packages.

##### ***Management***

The overall operation and business of the Company is main responsibility of the management. The Chairman of the Board and President are both held by the owner of the Company. The Board believes that having one person assume the role of Chairman and CEO ensures efficiency in management of the corporation. The Board usually requires the presence of other officers and



executives of the corporation in Board meetings to hear the views of other persons involved in the management of the Corporation.

***Annual General Meeting of the Shareholders***

The Annual General Meeting (AGM) of the Shareholders being conducted annual to elect the members of the Board, approval of the audited financial statements and management report. Shareholders are notified of the AGM before the scheduled meeting. Voting procedures, validation of proxies and other information are provided to shareholders in the Definitive Information Statement before the scheduled AGM. For the AGM for the year 2024, it was held via zoom meeting/remote communication and voted in absentia.

**CORPORATE GOVERNANCE POLICIES  
CODE OF BUSINESS CONDUCTS & ETHICS**

Code of Business Conducts and Ethics guides the Directors, senior management and employees in the conducts of their business, dealings, actions and decisions that must be in compliance with principle of good governance. It should be aligned in the principle of integrity, core values, honesty, fairness, professionalism, team cooperation, with concern in the company they work for, for the company's sustainability.

**CONFLICT OF INTEREST**

For the Directors to conduct himself in a manner that consist of taking advantage of his position in a transaction. He must not act for his own interest but for the interests of the beneficiaries of the trust, the corporate shareholders, and his clients. He must avoid any act of self-dealing which include misappropriation or usurpation of corporate assets or opportunities.

All members of the senior Management are expected to avoid any transaction that would lead to a conflict of interest or any transaction that could sow a seed of doubt as to their loyalty to the corporation. They must also avoid any act of self-dealing as it is considered wrongful conduct. The members of the senior management are expected to be persons who act in Good Faith and maintain trust, special confidence, and candor in their dealings with other persons. They are expected to disclose to a higher management official any probable conflict of interest that may arise.

Employees are expected to avoid any transactions that would sow a seed of doubt of conflict of interest. They must also avoid any self-dealing transactions as it is wrongful conduct. They must maintain to be a person who has duties of Good Faith, trust, special confidence, and candor toward another person. Disclosure to a senior management official is expected in case that probable conflict of interest will arise.

**CONDUCT OF BUSINESS AND FAIR DEALINGS**

The Directors of the corporation are expected to conduct fair business transactions with the corporation. They must also ensure that they act for the benefit and best interest of the corporation and not for their personal gain. Further, it is expected that the directors will devote their time and attention in the proper and effective performance of their duties and responsibilities.



The company commits itself to the achievement of growth and development. It seeks to be a catalyst for growth and development and to be an active partner in creating wealth and enriching the lives of many people in the host community. It also pledges to be a good corporate Taxpayer by adhering religiously to all governmental laws, rules and regulations.

Employees are expected to conduct business in a manner consistent with the company's commitment to the achievement of growth and development. The company, through its employees, seeks to be a catalyst for growth and development and to be an active partner in creating wealth and enriching the lives of many people in the host community, as well as being a good corporate taxpayer by adhering religiously to all governmental laws, rules and regulations.

#### **RECEIPT OF GIFTS FROM THIRD PARTIES**

Reasonable, fair and customary gifts on certain occasions and gifts or tokens considered to be within the parameters of the business relationship are acceptable provided these will not create or result to any conflict of interest. However, should any gift be considered incommensurate or inappropriate to the specific occasion, said gift must be returned to the giver to avoid any feeling or expectation that it should be repaid or reciprocated to the detriment of the company.

#### **COMPLIANCE WITH LAWS & REGULATIONS**

The Board ensures that the corporation efficiently and effectively complies with relevant laws and regulations. The Board also warrants that the corporation conducts its business in accordance with good business practices.

Senior management ensures that the Board's stated policy of efficient and effective compliance with relevant laws and regulations is implemented. Further, senior management ensures that the corporation conducts its business in accordance with good business practices.

Employees shall act in a manner consistent with the policy that the corporation shall efficiently and effectively comply with relevant laws and regulations. Further, employees shall conduct business in the name of the company in accordance with good business practices.

#### **RESPECT FOR TRADE SECRETS/USE OF NON-PUBLIC INFORMATION**

The Directors of the corporation ensures that all trade secrets and non- public information are kept confidential. The Board guards these trade secrets and non-public information with utmost privacy so as to protect the general interest of the corporation.

All senior management officials of the corporation signed a confidentiality agreement before the start of their tenure. These confidentiality agreements ensure that safeguards are in place and that the senior management officials will respect and protect the trade secrets of the company. The senior management officials are prohibited from using any learned non-public information to their advantage and to the prejudice of the company.

All employees of the corporation signed a confidentiality agreement at the beginning of their employment which mandate them to respect the trade secrets of the company. They are also



prohibited from using any learned non- public information to their advantage and to the prejudice of the corporation.

#### **USE OF COMPANY FUNDS, ASSETS AND INFORMATION**

All company funds, assets and information are solely to be used for the corporation's disposal and or the corporation's business purpose and benefit. These are not for personal consumption and may not be used by any person for his own personal benefit. Any violation of this policy will be accordingly penalized upon proper investigation. Misappropriation and embezzlement of the same for personal gain is a violation of company rules and regulations.

#### **EMPLOYMENT & LABOR LAWS & POLICIES**

The Board ensures compliance with existing employment and labor laws and policies. Company rules and regulations are always in conformity with existing labor standards and are conscientiously observed for the purpose of promoting a healthy and safe working environment.

The company commits itself to implementing programs which will promote a healthy work environment that is beneficial not only to employees but to customers, shareholders and the community as well. The company also commits to provide information and resources that will assist their workers in making healthy lifestyle choices and achieving and maintaining good health.

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#### **DISCIPLINARY ACTION**

Reprimand is the penalty to be imposed against a director for first violation of company rules and policies. Suspension is the penalty for a second violation. The gravity of the violation involved will be the basis of the duration of the suspension. A maximum penalty of removal from office will be imposed upon the director concerned in case of a third violation.

Any violation of company rules and regulation will be a ground for disciplinary action. The penalties that may be imposed include reprimand, suspension or even dismissal from work depending on the gravity of the violation. Civil and criminal charges may also be filed against the erring member of the senior management depending on the nature of the violation and circumstances of the case.

Any violation of company rules and regulation will be a ground for disciplinary action. The penalties that may be imposed include reprimand, suspension or even dismissal from work depending on the gravity of the violation. Civil and criminal charges may also be filed against the erring employee depending on the nature of the violation and circumstances of the case.

#### **WHISTLE BLOWER**

All senior management officers are expected to comply with the rules and regulations of the

company. They are also obligated to faithfully implement and effectuate each and every company rule with regard to investigations of every violation without exposing the employee making the report to any fear of reprisal.

All employees are expected to comply with the rules and regulations of the company. They are also obligated to faithfully implement and effectuate each and every company rules with regard to investigation of any violation.

### **CONFLICT RESOLUTION**

Resolution of conflicts are discussed and approved by the Board. Exhaustion of remedies in the administrative level is resorted to before any resort to judicial action.

### **RELATED PARTY TRANSACTION**

All transactions are on arm's length basis. Stockholders provide assistance to the operating entities for the importation of equipment, parts and supplies, mining costs, use of facilities like, housing and other equipment and manpower are given as accommodation in exchange for assistance in the operation.

### **ABOUT THIS REPORT**

#### ***Managing the Risks and Optimizing Opportunities***

#### **1. STATEMENT ON EFFECTIVENESS OF RISK MANAGEMENT SYSTEM**

- (a) Overall risk management philosophy of the company;

*The Board of Directors (BOD) and management have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.*

- (b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;

*The Board of Directors approves the yearly budget and in the course of the review of the budget, risk exposures in respect of commodity price, interest rate, foreign exchange rate, cost items are also studied. Environmental risks are also managed as the Board requires regular reports on environmental concerns, including the maintenance of social development and community rehabilitation projects.*

- (c) Period covered by the review

*Annual basis*

- (d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness;

*The review is done on an annual basis.*

- (d) Where no review was conducted during the year, an explanation why not.

*Not applicable.*

## 2. RISK POLICY

- (a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

*The Company is exposed to the same risks and adopts the same risk management policies as the Group. Please refer to the discussion in 2(b) below.*

Risk Exposure	Risk Management Policy	Objective

- (b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

*There were no changes in the Group's objectives, policies and processes for managing the risk and the methods used to measure the risk from previous year.*

Risk Exposure	Risk Management Policy	Objective
Credit risk	The risk is managed by spreading financial transactions, including bank deposits, across an approved list of high-quality banks. With respect to Trade Receivables, the Group maintains a defined credit policy to ensure that credit is given only to customers with an appropriate credit history.	The objective is to reduce the risk of loss through default by counterparties.

Risk Exposure	Risk Management Policy	Objective
Liquidity risk	The Group manages its liquidity profile to be able to finance capital expenditures and service maturing debts. To cover its financing requirements, the Group intends to use internally generated funds and available short-term credit facilities.	Cash balances are managed with two main objectives: maintain maximum liquidity and minimize the cost of borrowing.
<p>Market risk</p> <p>- Foreign currency risk</p> <p>- Commodity price risk</p>	<p>CPC's mining operations are mainly geared for export and all sales transactions are denominated in foreign currency. Other Companies within the group are selling domestically. and to manage foreign currency risk, CPC controls its foreign currency denominated assets within acceptable levels, taking into consideration the volatility of the market.</p> <p>The Group's mine product revenues are based on international commodity quotations (i.e., primarily on London Metal Exchange quotes), over which the Group has no significant influence or control. The Group monitors commodity prices on a continuing basis, which are then considered when sales contracts are executed with buyers.</p>	The objective of market risk policy is to manage and control market risk exposures within acceptable parameters, while optimizing the return.
Regulatory risks	The Group's main business is highly regulated. The Group manages this risk by continually monitoring compliance and ensuring that regulations are adhered to. Trust fund requirements for environmental and social development activities are met.	The objective is to ensure that the Group complies with regulatory requirements.

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

### 3. CONTROL SYSTEM

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

*The Company adopts the same control systems as the Group. Please refer to discussion below.*

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)

(b) Group

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Credit risk	The Finance Department monitors cash balances and Trade Receivables on a regular basis, and reports to the Chief Financial Officer.	Issues are addressed consistent with the risk management policy objective/s.
Liquidity risk	The Finance Department regularly monitors capital requirements and obligations of the Group.	Issues are addressed consistent with the risk management policy objective/s.

Market risk	The Group manages and Controls its foreign currency denominated assets within acceptable levels, taking into consideration the volatility of the market.	Issues are addressed consistent with the risk management policy objective/s. Foreign currency risk is managed by closely monitoring cash flow position and providing forecasts on all exposures in non-Philippine peso currencies.
- Foreign currency risk		
- Commodity price risk	The Group monitors commodity prices on a continuing basis, which are then considered when sales contracts are executed with buyers	
Regulatory risks	The Legal Department monitors compliance by the Operations and Tenements Departments with environmental and mining regulations, including compliance with Corporate Social Responsibility requirements.	Issues are addressed consistent with the risk management policy objective/s. The Group complies with the regulatory authorities' control and compliance monitoring set-up.

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

*The Board of Directors, through the Audit Committee, has primary responsibility for ensuring that the risk management system is in place. It determines the risk management policies and monitors compliance thereto.*

Committee/Unit	Control Mechanism	Details of its Functions
The Board of Directors,	Monitoring through reports from the CFO/	The Committee performs the following functions:

through the Audit Committee has taken on this function.	Controller and other officers.	(a) Quarterly review of performance; (b) Oversight of financial Management functions specifically in the risk areas; (c) Assist the Board in the performance of its oversight responsibility for monitoring compliance with applicable laws, rules and regulations
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**MATERIALITY PROCESS**

**MATERIALITY INFORMATION**

**ECONOMIC**

<b>MATERIAL TOPICS</b>	<b>STAKEHOLDERS AFFECTED</b>	<b>MANAGEMENT APPROACH</b>
Economic growth & performance	All stakeholders group	We continue to generate revenue through export activities, foreign exchange inflows, fiscal contributions, and the manufacturing of cement. While the mining segment has contributed modestly to sustained economic development, the manufacturing arm has demonstrated more robust and progressive growth. The full potential of the mining sector could be better realized through enhanced infrastructure support and stronger integration with other domestic industries, particularly via increased local procurement. The company remains dedicated to employment generation across both mining and manufacturing operations. Furthermore, these sectors have played a significant role in advancing local and regional socio-economic development.

**ENVIRONMENTAL**

MATERIAL TOPICS	STAKEHOLDERS AFFECTED	MANAGEMENT APPROACH
Management & performance	All stakeholders group	We continue to participate in the protection of our environment and practice due diligence and regular monitoring to mitigate environmental risk.
Biodiversity protection	All stakeholders group	We participate in the community in the preservation of the plants and animals habitat. Continue to rehabilitate in the planting of seedlings & trees for reforestation.
Water and Waste management & Energy consumption	All stakeholders group	We constantly monitor impact on the environment through proper waste management & implements efficient measures in improving environmental quality. Constantly monitoring wastages and control the availability of water supply in the neighboring areas.

**SOCIAL**

MATERIAL TOPICS	STAKEHOLDERS AFFECTED	MANAGEMENT APPROACH
Employee safety & health	Co-workers, service Contractors and business partners	We adopted health and safety measures for the protection of our coworkers. Provide personal protective equipment for their safety. Provide health insurance, medical & dental benefits. We follow health protocols during Covid-19 and took extra precautionary measures inside working areas in order to mitigate spread of infections.
Community development	Host communities	We constantly assist in the maintenance of our host communities by providing assistance and necessary support with our constituents. During pandemic, we provide food assistance in the community to support in the times of crisis.
Employee training and development	Co-workers	We provide continuous training for our co-workers in order to develop various roles and talents in order to contribute growth in the economy.



## **PART VII – BOARD OF DIRECTORS**

**WILFREDO D. KENG**  
President

**DANIEL S. PASCUAL**  
*Director*

**DANILO L. CONCEPTION**  
Director

**ROGELIO M. GUADALQUIVER**  
Independent Director

**JOSE R. CEDO**  
Director

**LAURITO SERRANO**  
Independent Director

**SIMEON KEN FERRER**  
*Corporate Secretary*

**KATRINA C. KENG**  
Assistant Corporate Secretary / Director