

# SUSTAINABILITY REPORTING

## Contextual Information

Company Details	
Name of Organization	PHILIPPINE NATIONAL CONSTRUCTION CORPORATION
Location of Headquarters	BRGY. SAN MARTIN DE PORRES, BICUTAN, PARANAQUE CITY
Location of Operations	BICUTAN, PARANAQUE CITY MACAPAGAL, PASAY CITY
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	PHILIPPINE NATIONAL CONSTRUCTION CORPORATION
Business Model, including Primary Activities, Brands, Products, and Services	GENERAL CONTRACTING BUSINESS
Reporting Period	JANUARY 1, 2024 - DECEMBER 31, 2024
Highest Ranking Person responsible for this report	PRESIDENT AND CEO

*\*If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

## Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics. <sup>1</sup>
<p>PNCC's Materiality Process is a work in progress in line with the Sustainability Frameworks, standards and best practices guided by its Quality Management System and Performance Scorecard as required by the Governance Commission for GOCCs. PNCC's existing Quality Management System (QMS) has been established pursuant to ISO 9001:2015 standard which adopts the process approach and risk-based thinking in developing, implementing and improving the effectiveness of its QMS. The Plan-Do-Check-Act cycle has been applied to all its processes. The PNCC's QMS determined the external and internal issues that are relevant in its strategic direction and affect its ability to achieve the intended results. In understanding the organization, it considered the issues arising from legal, technological, competitive, market, cultural, social and economic environments, whether international, national, regional or local. While the Performance Scorecard as required by the Governance Commission for GOCCs was based on Organizational Performance Indicator Framework (OPIF) and Major Final Outputs (MFO) which later migrated to Performance Evaluation System (PES) framework. The PES required PNCC to determine its Charter Statement consists of Vision, Mission and Core Values consistent with PNCC's mandate and adds value to the strategy of its stakeholders. Further, the PES likewise required PNCC to build the strategy map that describes the connection between and among the objectives arranged in order to build value to the stakeholders of PNCC. The strategic objectives which grouped by strategic perspective viz Social Impact, Stakeholder/Customer, Finance, Internal Process and Learning and Growth define what major thrusts the PNCC will pursue to achieve its vision.</p>

<sup>1</sup> See [GRI 102-46](#) (2016) for more guidance.

## ECONOMIC

### Economic Performance

#### Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	889,306,833	PhP
Direct economic value distributed:		
a. Operating costs	288,414,650	PhP
b. Employee wages and benefits	76,319,373	PhP
c. Payments to suppliers, other operating costs	288,414,650	PhP
d. Dividends given to stockholders and interest payments to loan providers	None	PhP
e. Taxes given to government	182,317,546	PhP
f. Investments to community (e.g. donations, CSR)	62,791	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>PNCC management takes proactive steps to ensure that sound strategic business management mechanisms are in place to maximize business opportunities, in order to benefit all its stakeholders in accordance with Transparency, Materiality and Completeness.</p> <p>PNCC's compliance with the abovementioned principles allows it to publish accurate and reliable information and reports on its business and other financial dealings, which undergo rigorous and comprehensive auditing processes from internal and external auditors.</p>	<p>Employees, JVCs, depositing banks, lessees</p>	<p>PNCC management encourages a strong culture of compliance throughout the company and its dealings, in accordance with the principles of Transparency, Materiality and Completeness.</p> <p>Auditing is employed and institutionalized throughout the company through its Board Audit Committee.</p> <p>The Board Audit Committee enhances the oversight capabilities of the management over the company's financial reporting process, the system of internal control, the audit process and monitoring compliance with laws and regulations and the code of conduct.</p> <p>In addition, the Board is assisted by Compliance Officer and Assistant Compliance Officer to ensure the adherence of every member of the company to corporate principles and best practices.</p>

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p><b>Financial Risk</b> PNCC's principal financial instruments comprise of cash and cash equivalents, restructured debt and advances to and from related parties. The main purpose of these financial instruments is to finance the operations. PNCC has various other financial assets and liabilities such as receivables and vouchers payable and accrued expenses (excluding statutory payables), which arise directly from its operations. The main risks arising from financial instruments are credit risk and liquidity risk.</p> <p><b>Liquidity Risk</b> Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.</p> <p><b>Credit Risk</b> Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to a financial loss. PNCC's exposure to credit risk arises from default of the counterparties which include</p>	<p>Creditors, suppliers, employees, lessees, JVCs</p> <p>Creditors, suppliers, employees</p> <p>Real estate buyers, suppliers</p>	<p>The company's Quality Management System implements risk-based thinking principle of the ISO standard which on an annual basis identifies, assesses and addresses potential risks and opportunities that could impact the company's business, thereby ensuring that the business objectives will continue to be achieved.</p> <p>PNCC monitors market price risk arising from all financial instruments and regularly report financial management activities and the results of these activities to the Board of Directors.</p> <p>To address the financial risks identified, PNCC has employed the following mitigating measures:</p> <p>PNCC monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk. PNCC maintains a level of cash deemed sufficient to finance its cash requirements. Operating expenses and working capital requirements are sufficiently funded through cash collections.</p> <p>Management deals only with institutions or individuals for which credit limits have been established and with suppliers which paying and performance capabilities are rigorously screened.</p>

certain financial institutions, real estate buyers and suppliers		
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Opportunities related to material topic are the following: Joint Venture Agreement for Tollway Development under PNCC franchise (PD 1894)	JVCs	PNCC conducts due diligence in evaluating proposals for tollway development
New contract of Lease from Investment Properties	Lessees	Management conducts due diligence in evaluating rental proposals and development for real properties
Money Placements of the monies derived from revenue shares and dividends on Joint Venture Partners	Depository Banks	<ul style="list-style-type: none"> <li>• Comparing rates with other depository banks and haggling for above board rates</li> <li>• Implementation of strict internal controls in monitoring the maturities</li> </ul>

#### Climate-related risks and opportunities<sup>2</sup>

Governance	Strategy	Risk Management	Metrics and Targets
PNCC through its Safety, Health and Environment Committee commits to safeguard the safety and health of its employees, contractors and all stakeholders and to preserve the environment in undertaking its operations and activities.	Allocate budget for Calamity Preparedness Measures to mitigate effects of physical risks	The Safety, Health and Environment unit of the company undertakes to be vigilant on present weather condition and prepare measures to carry out in case of occurrence of risk	Adoption of metrics and targets provided for in Contingency Planning Guidebook by the National Disaster Risk Reduction Management Council and National Security Council
Compliance with Republic Act No. 10121	Development of Disaster Risk Reduction and Management Plan by adopting the Contingency Planning Guidebook	The company shall conduct Risk Hazard Assessment as provided for in the Contingency Planning Guidebook	Adoption of metrics and targets provided for in Contingency Planning Guidebook by the National Disaster Risk Reduction Management Council and National Security Council

<sup>2</sup> Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

<b>Recommended Disclosures</b>			
<b><i>Describe the board's oversight of climate-related risks and opportunities</i></b>	<b><i>Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term</i></b>	<b><i>Describe the organization's processes for identifying and assessing climate-related risks</i></b>	<b><i>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management</i></b>
The Board Audit Committee performs the functions of the Board Risk Oversight. On a yearly basis, all risks and opportunities including the climate-related risks and opportunities are being reviewed together with the corresponding actions mitigating the impact of the identified risks.	There is an on-going determination whether the identified climate-related risks and opportunities are short, medium or long-term.	There is an existing Risk and Opportunities Management procedures being implemented by PNCC's Quality Management System. The said procedure will be harmonized with the conduct of Risk Hazard Assessment as provided for in the Contingency Planning Guidebook.	The company shall adopt the metrics and targets provided for in Contingency Planning Guidebook by the National Disaster Risk Reduction Management Council and National Security Council.
<b><i>Describe management's role in assessing and managing climate-related risks and opportunities</i></b>	<b><i>Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning</i></b>	<b><i>Describe the organization's processes for managing climate-related risks</i></b>	<b><i>Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</i></b>
PNCC Management through its Quality Management System (QMS) has identified the risks and opportunities including the climate-related risks and opportunities. The QMS has built in control mechanisms to respond effectively in case of natural disaster. Through these, the management is able to create and deploy appropriate risk-mitigation measures	Climate-related risks are accounted and considered in relation to all risk-events identified within the company. The identification, planning, implementation, monitoring, and evaluation of all climate-related risks. There is an on-going review and enhancement on the strategies to address climate-related risks for implementation in 2026.	There is an on-going enhancement of the existing processes for managing the climate-related risks in line with the requirements set forth by National Disaster Risk Reduction Management Council and National Security Council.	The company shall adopt the metrics and targets provided for in Contingency Planning Guidebook by the National Disaster Risk Reduction Management Council and National Security Council.

to ensure that the company's business continues, and the impact of the said risks are mitigated and well-managed.			
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## Procurement Practices

### Proportion of spending on local suppliers

Disclosure	Quantity	Units
100% of procurement budget used for company's operations is spent on local suppliers	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
By purchasing at local businesses, it helped create jobs locally, contributed to improved public infrastructure	employees, community, suppliers, government agencies	Part of PNCC's Quality Management System is the Procurement procedure which describes procurement policies, responsibilities, goals and targets in compliance with RA 9184 or the Government Procurement Act of 2003.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Conflict with contractor – unwillingness of contractor to sign contract technical capacity - specification of requirement is not technically viable Financial capacity – requirement no longer a priority	Employees, suppliers, contractors	Mitigate the effect of the risk, strict adherence to existing policies and procedures
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
When businesses purchase goods and services from local suppliers: <ul style="list-style-type: none"> <li>• they support the growth of the local economy and create jobs for community</li> <li>• faster and more predictable delivery times</li> <li>• contribute to the general capacity of the country</li> </ul>	Local suppliers, community, local government unit	Good communication with local suppliers, up-to-date payment of payables

## Anti-corruption

### Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	None	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	None	%
Percentage of directors and management that have received anti-corruption training	None	%
Percentage of employees that have received anti-corruption training	None	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
This will result in financial damage. Examples of such is a damaged reputation of the business, which causes fewer business opportunities. Following this loss of finances, the damage to morale will affect employee productivity. A loss in productivity leads to further losses in profits.	Shareholders, employees, Directors	<p>PNCC has developed two codes, the "PNCC Codes of Conduct" and the "PNCC Code of Employee Discipline (CCED)". It contains the preambular portion or the "Declaration of Principles", which details out the requirements for the successful implementation of the Codes. It starts with the commitment of the management in providing for just and lawful conditions of employment, and complemented by the principles that should govern employees as they uphold the interests of the company.</p> <p>Meanwhile, the Board of Directors, by adopting the Manual of Corporate Governance 2017 and provisions of GCG's Code of Corporate Governance, the company is committed to observe the principles of fairness, accountability and transparency. The Board of Directors believes that this will significantly enhance PNCC's corporate governance systems and make it an able partner in national development.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Engagement in unethical or illegal activities, such as offering or accepting bribes in order to gain an	Employees, Board of Directors, suppliers, Joint Venture Partner, Local	Strict implementation of "No Gift Policy" Implementation of Good Corporate Governance Policies - Ethics

unfair advantage or manipulate a situation	Government Unit, Regulatory Agencies	
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<ul style="list-style-type: none"> <li>• Legal Compliance (Anti-Bribery and Anti-Corruption laws)</li> <li>• Allocation of resources effectively to prevent losses due to fines, legal fees and operational disruption</li> <li>• Bribery and Corruption Risk Assessment</li> </ul>	Employees, Board of Directors, suppliers, Joint Venture Partner, Local Government Unit, Regulatory Agencies	<ul style="list-style-type: none"> <li>• Legal Compliance</li> <li>• Demonstrating commitment to ethical practices through a risk assessment to enhance competitive advantage</li> <li>• Training and Awareness</li> </ul>

#### Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There is no impact since it did not occur	No affected stakeholder	The Code of Conduct lays out the management expectations of ethical conduct or behavior of employees covered thereby. The Code of Employee Discipline, on the other hand, enumerates the violations of the Code of Conduct and the penalties or sanctions for each violation. Management maintains its inherent right to discipline or dismiss employees for any offense or violation contained in the Code.
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<ul style="list-style-type: none"> <li>• Fiduciary Risks (fraud or theft)</li> <li>• Legal Risks (Law violation)</li> <li>• Safety Risks (Increasing likelihood of accidents or illness)</li> <li>• Operational Risks (Viability to achieve objectives)</li> <li>• Information Risks (hiding or withholding important data)</li> <li>• Reputational Risks</li> </ul>	Employees, Investors, Directors	The company has implemented Risk and Opportunities Management Procedure which aimed at defining the processes involved in identifying, analyzing, evaluating, monitoring and addressing risks and opportunities.



<ul style="list-style-type: none"> <li>• Procurement Risks (Bid rigging, manipulated tender specifications)</li> <li>• Human Resources (Conflict of interest, recruitment biases)</li> </ul>		
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Improvement of processes and asset management	Employees, Investors, Directors	The company has implemented Risk and Opportunities Management Procedure which aimed at defining the processes involved in identifying, analyzing, evaluating, monitoring and addressing risks and opportunities.

## ENVIRONMENT

### Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	584.58	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	496.28	GJ
Energy consumption (electricity)	175,560	KWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (renewable sources)	0	GJ
Energy reduction (gasoline)	+446.158	GJ
Energy reduction (LPG)	N/A	GJ
Energy reduction (diesel)	4.75	GJ
Energy reduction (electricity)	1,160	KWh

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Protection of environment, land and water resources, financial resources	Employees, Board of Directors, community, lessees	<p>The PNCC takes its part in addressing or lessening the company's contribution in the Green House Effect, the major reason of the rising temperature all over the world. The company implements the following measures:</p> <ul style="list-style-type: none"> <li>• <b>3-year re-fleeting program.</b> To lessen the smoke emission of the company's service vehicles, we adopt the Department of Budget Management (DBM) the 3-year re-fleeting program. PNCC is now on its 3<sup>rd</sup> year of implementation of acquiring new vehicles. The acquisition of new vehicles is aimed at replacing 20+ year-old vehicles with new ones that are more cost-effective, fuel efficient, environment friendly and at par with the improvements and developments in the automotive industry and relevant technology.</li> <li>• <b>Regular preventive maintenance</b> of vehicles and equipment such as air</li> </ul>

		conditioning unit and generator sets) <ul style="list-style-type: none"> <li>• Use of energy-efficient lighting and equipment</li> <li>• Optimization of perimeter lighting using solar panels</li> <li>• Turning off devices and equipment when not in use</li> </ul>
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<ul style="list-style-type: none"> <li>• Financial losses due to high prices of resources (gasoline, diesel)</li> <li>• Power interruptions in situation of prolonged power interruptions brought about by natural catastrophes such as intense typhoons and extreme flooding, the fuel consumption may be affected due to the increased usage of generator sets to maintain and support business operations</li> </ul>	Employees, Board of Directors, community	The company implements regular preventive maintenance of generator set to guarantee maximum fuel efficiency.

<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Utilization of renewable sources to lessen gasoline/diesel consumption, research and evaluation of use of solar panel to lessen electricity consumption	Employees, Board of Directors, community	Due diligence on use of renewable sources

#### Water consumption within the organization

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Water withdrawal	No data	Cubic meters
Water consumption	2,523	Cubic meters
Water recycled and reused	No data	Cubic meters

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Water consumption has minimal impact on PNCC since its water usage is mainly for domestic use.		
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>

There is no significant risk identified.
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What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
There is no significant opportunity identified.		

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• Renewable	N/A	kg/liters
• non-renewable	N/A	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services		%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The company is not into manufacturing input materials to render service to its customers	N/A	N/A
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The company is not into manufacturing input materials to render service to its customers	N/A	N/A
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The company is not into manufacturing input materials to render service to its customers	N/A	N/A

## Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	
Habitats protected or restored	None	
IUCN <sup>3</sup> Red List species and national conservation list species with habitats in areas affected by operations	None	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The company does not own, lease protected areas and areas of high biodiversity value outside protected areas	N/A	N/A
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The company does not own, lease protected areas and areas of high biodiversity value outside protected areas	N/A	N/A
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The company does not own, lease protected areas and areas of high biodiversity value outside protected areas	N/A	N/A

## Environmental impact management

### Air Emissions

#### GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	No data	Tonnes CO <sub>2</sub> e
Energy indirect (Scope 2) GHG Emissions	No data	Tonnes CO <sub>2</sub> e
Emissions of ozone-depleting substances (ODS)	No data	Tonnes

<sup>3</sup> International Union for Conservation of Nature

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
PNCC's operation do not have significant emissions since it is in leasing of real properties.		
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
N/A		
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
N/A		

#### Air pollutants

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
NO <sub>x</sub>	N/A	Kg
SO <sub>x</sub>	N/A	Kg
Persistent organic pollutants (POPs)	N/A	Kg
Volatile organic compounds (VOCs)	N/A	Kg
Hazardous air pollutants (HAPs)	N/A	Kg
Particulate matter (PM)	N/A	Kg

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
PNCC's operation do not have significant air pollutants since it is in leasing of real properties.		
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
N/A		
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
N/A		

#### Solid and Hazardous Wastes

##### Solid Waste

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total solid waste generated	No data	Kg
Reusable	No data	Kg
Recyclable	No data	Kg
Composted	No data	Kg
Incinerated	No data	Kg
Residuals/Landfilled	No data	Kg

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
PNCC's operation do not have significant solid and hazardous wastes since it is in leasing of real properties.		
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
N/A		
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
N/A		

#### Hazardous Waste

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total weight of hazardous waste generated	No data	Kg
Total weight of hazardous waste transported	No data	Kg

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
PNCC's operation do not have significant hazardous wastes since it is in leasing of real properties.		
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
N/A		
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
N/A		

#### Effluents

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total volume of water discharges	No data	Cubic meters
Percent of wastewater recycled	No data	%

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
PNCC's operation do not have significant water discharges since it is in leasing of real properties.		

<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
N/A		
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
N/A		

## Environmental compliance

### Non-compliance with Environmental Laws and Regulations

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	None	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	None	#
No. of cases resolved through dispute resolution mechanism	None	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<i>There is no known impact on non-compliance with environmental laws and regulations</i>	N/A	N/A
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<i>Non-compliance with environmental laws and regulation</i>	<i>Employees, Board of Directors, Regulatory Agencies</i>	<i>Environmental Risk Assessment (ERA)</i>
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<i>Implementation of Environmental Risk Assessment Action Plan Budget Allocation</i>	<i>Employees, Board of Directors, Regulatory Agencies</i>	<i>Implementation of Action Plan on identified risks based on ERA</i>



## SOCIAL

### Employee Management

#### Employee Hiring and Benefits

##### Employee data

Disclosure	Quantity	Units
Total number of employees <sup>4</sup>	54	
a. Number of female employees	20	#
b. Number of male employees	34	#
Attrition rate <sup>5</sup>	2/54*100%	Rate 3.7
Ratio of lowest paid employee against minimum wage	None	Ratio

##### Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	6	6
PhilHealth	Y	0	2
Pag-ibig	Y	12	10
Parental leaves	Y		10
Vacation leaves	Y	18	29
Sick leaves	Y	0	3
Medical benefits (aside from PhilHealth))	N	N/A	N/A
Housing assistance (aside from Pag-ibig)	N	N/A	N/A
Retirement fund (aside from SSS)	N	N/A	N/A
Further education support	N	N/A	N/A
Company stock options	N	N/A	N/A
Telecommuting	N	N/A	N/A
Flexible-working Hours	N	N/A	N/A
(Others)	N	N/A	N/A

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
As one of the core values of the company which is professionalism, PNCC employees are honest, transparent and compliant with ethical standards.	Employees	To ensure that employees possess professionalism in all their dealings, the company has implemented Competency Framework which defines the skills, conduct, and qualities of an employee for each position in the company. On a

<sup>4</sup> Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

<sup>5</sup> Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

		<p>yearly basis, all required competencies for each position are being assessed. The result of the assessment is used as basis for intervention should the required competencies are not met.</p> <p>Moreover, PNCC adheres to the policies of the Department of Labor and Employment (DOLE).</p> <p>PNCC being a Government-Owned and Controlled Corporation (GOCC) under the ambit of Governance Commission for GOCCs (GCG) implements Compensation and Position Classification System (CPCS) that attracts, retains and motivates competent and dedicated employees.</p>
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<ul style="list-style-type: none"> <li>• Increasing health risk, risk protection and well-being benefit cost</li> <li>• Pension financial risks</li> <li>• Administration and fiduciary</li> <li>• Legal and compliance</li> <li>• Benefit decision making and accountability</li> </ul>	Employees	<p>The company has implemented Quality Management System (QMS) which conforms to ISO 9001:2015 standard that is certified in 2024. Each process and procedure of the QMS identified the operational risks and action plan has been determined corresponding to said risks.</p> <p>Internal audits are being conducted in a yearly basis to ensure that every employee conforms and adheres to its policies and procedures.</p>
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The toll road projects in the pipeline where the company is a joint partner will result to revenue stream for the company for the next 30 years. Hence, the company will continue to provide ways for the employees to enjoy continued employment and benefits.	Employees	The continued improvement of the Compensation and Position Classification System (CPCS) will attract, retain and motivate competent and dedicated employees.

## Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	516	hours
b. Male employees	412	hours
Average training hours provided to employees		
a. Female employees	11.21	hours/employee
b. Male employees	10.3	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The company employs competent employees to support the business goals. The success of the company depends on its ability to hire, retain and educate an effective workforce with the required skills, knowledge and competencies to serve its customers and accomplished the corporate goals. Thus, it needs to provide proper and adequate training and development programs for its employees	Employees	The company provides internal and external trainings to its employees. These focus on technical and behavioral programs. Trainings are provided based on the results of competency assessment, statutory and regulatory requirements.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Failure to maintain a qualified and competent workforce will impair the company's ability to provide quality customer service, execute its business strategies and compliant with statutory and regulatory requirements.	Employees	The provision of trainings to its employees ensures that it maintain qualified and competent workforce.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The company implements a regular performance and competency evaluation to improve its employees performance.	Employees	The company conducts an annual performance and competency assessment for each employee using standards in evaluation from improvement of skills, work performance and adherence to corporate values.

## Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	None	%
Number of consultations conducted with employees concerning employee-related policies	None	#
<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The company does not have any collective bargaining agreement with any employee and none of its employees belong to a union.	Employees	The company has yet to determine the processes to manage the impact
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The company recognizes the need for employees to have a clear and safe grievance mechanism in order to maintain a good and collaborative working environment.	Employees	It makes sure to establish a clear framework in addressing grievances in the workplace through an established internal procedure for complaints. Such grievances are dealt with promptly, fairly and in accordance with company policy.
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The company encourages employee participation in the realization of its goals and objectives. This provides an opportunity for the improvement of its services.	Employees	The company implements a monthly meeting for each organizational unit in which employee's concerns, thoughts, suggestions and recommendations are being heard.

## Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	19	33%
% of male workers in the workforce	37	66%
Number of employees from indigenous communities and/or vulnerable sector*	None	#

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
PNCC is a company which actively promotes and practices equal employment opportunities.	Employees	In accordance with the policies of the Department of Labor and Employment (DOLE), the company has institutionalized a non-discrimination policy in its recruitment and hiring process. No applicant is discriminated or preferred on the basis of gender, age, disability, educational attainment, race, and religion.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
There is no significant risk identified.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
There is no significant opportunities in the company's organizational structure now. There is a plan to reorganize, however, the organization which include hiring of additional manpower but has to be approved by the Governance Commission for Government-Owned and Controlled Corporations (GCG). Once approved, it is only then that the company can provide more opportunities for employment.		

## Workplace Conditions, Labor Standards, and Human Rights

### Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	720,420.79	Man-hours
No. of work-related injuries	None	#
No. of work-related fatalities	None	#
No. of work related ill-health	None	#
No. of safety drills (Earthquake drill)	1	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
There are employees involved in the transportation and repairs and maintenance of furniture, fixtures and building facilities. As such, the company has established its Occupational Health and Safety Management in place.	Employees, Board of Directors, contractors, suppliers, community, regulatory agencies	Strict compliance with workplace condition policies, labor standards and human rights law
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Work-related injuries, fatalities	The company has yet to determine the affected stakeholders of the risks	The company has yet to determine the processes to be undertaken to manage the risks
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
There is no significant opportunities identifies		

### Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	None	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	Corporate Social Responsibility policy
Child labor	Y	Corporate Social Responsibility policy
Human Rights	Y	Corporate Social Responsibility policy

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
No known impact on labor laws and human rights violation	Employees and Board of Directors	Strict compliance with labor and human rights law, Labor Laws and Human Rights Risk Assessment
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Human rights violation in operation	Employees and Board of Directors, lessees	Strict compliance with labor and human rights, Formulation of Action Plan on identified risks
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Compliance with labor and human rights laws	Employees and Board of Directors, lessees	Strict compliance with labor and human rights, Formulation of Action Plan on identified risks

## Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

The company adopts the provision of RA 9184 and its Implementing Rules and Regulations (IRR), thus prequalification of suppliers is based on their registration and accreditation with PhilGeps. All purchases of the company through bidding can only be sourced from PhilGeps-accredited suppliers.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	PhilGeps registration / accreditation
Forced labor	Y	PhilGeps registration / accreditation
Child labor	Y	PhilGeps registration / accreditation
Human rights	Y	PhilGeps registration / accreditation
Bribery and corruption	Y	PhilGeps registration / accreditation

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The company ensures that its employees' human rights are protected. It has policies to prevent discrimination and allow grievances through its Whistle-blowing policies and Complaint Handling procedures.	Employees	The company has created and implemented a comprehensive Code of Conduct and Employee Discipline to address violations, grievances, and ensure that transparency and proper conduct are consistently observed and adhered to within the company and for all of its dealings.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The company's Risk Framework identifies that non-compliance to labor laws and human rights puts the company at risk of being penalized with infringement of labor laws and court charges.	Employees	To eliminate or mitigate the risks posed by possible instances of human rights violation and harassment in the workplace, the company proactively informs employees on the policies and procedures which are also in line with the country's labor laws.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
There is no significant opportunity identified.		



## Relationship with Community

### Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
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The company has yet to determine the significant impact on local communities.

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

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: \_\_\_\_\_

Certificates	Quantity	Units
FPIC process is still undergoing	N/A	#
CP secured	N/A	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
No known impact identified as the company's operation is in leasing of property.		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
There is no risks identified.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
There is no opportunities identified.		

## Customer Management

### Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	94.66%	N

### Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	None	
No. of complaints addressed	None	

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The company was able to deliver Satisfactory Services to its internal and external customers. The Client Satisfaction Measurement (CSM) is an Anti-Red Tape Authority (ARTA) required survey instrument to gauge how satisfied citizens are with the government services, particularly those related to reducing red tape. This measurement helps ARTA identify areas for improvement in government processes and service delivery	Internal and external clients of the company	The company was able to satisfy its customers due to its innovative and consistently high-quality approach towards its business and stakeholders.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
There is no significant risk identified.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The company will continue to implement CSM as a way to identify more opportunities for improvement	Internal and External Clients	Continuous feedback and improvement is an integral part of the company. Through the CSM, the company was able to improve its performance on revised processes and procedures to further satisfy the clients.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	None	
No. of complaints addressed	None	

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
-	Not Applicable	Not Applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not Applicable	Not Applicable	Not Applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not Applicable	Not Applicable	Not Applicable

### Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	None	#
No. of complaints addressed	None	#
No. of customers, users and account holders whose information is used for secondary purposes	None	#

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>There is no impact since it does not occur</i>	<i>None</i>	<i>In case of occurrence, the company has provided a facility in its website wherein a customer can report illegal and unethical acts and behavior concerning employees, officers and members of the Board. All reports will be handled with strict confidentiality. Moreover, customer complaints can also be submitted through email, feedback form online or personal.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Loss of trust and credibility, increase customer chur and lower referrals and ratings</i>	<i>Lessees, JV partners, employees</i>	<i>The company conducts an annual customer satisfaction survey to determine the satisfaction rating from customers. In this way, employees with direct interaction with customers will be trained and empowered to handle customers with respect, courtesy and competence.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Customer satisfaction enhancement, service upgrade, improvement of policies and procedures, boost customer communication, positive impact on company image</i>	<i>Lessees, JV partners, employees</i>	<i>With the implementation of Customer Satisfaction Survey through the ARTA required Client Satisfaction Measurement, customer satisfaction will be enhanced.</i>

## Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>No impact to the company as no data breach occurred</i>	<i>Employees</i>	<i>Strict implementation of firewall policy and adherence to local area and internet control guidelines</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Loss of data, loss of data integrity, operation disruption, unrealized ROI</i>	<i>Employees, customers</i>	<i>Risk assessment and formulation of action plans on identified risks</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>The company has yet to determine the opportunities</i>	<i>The company has yet to determine the affected stakeholders of the opportunities</i>	<i>The company has yet to determine the processes to be undertaken to manage the opportunities</i>

## UN SUSTAINABLE DEVELOPMENT GOALS

### Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Leasing of real properties	The company has yet to determine the contribution to UN SDGs	The company has yet to determine the negative impact of contribution	The company has yet to determine the processes to undertake to manage the negative impact
Tollway development project			

\* None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.