



ASCEND

MAYNILAD 2021 SUSTAINABILITY REPORT



About the Cover

The approval of the Revised Concession Agreement signals new beginnings for the Company. As it moves forward and steps up, it also builds on its past accomplishments. The report's title, "Ascend," alludes to how the Company's past experiences, challenges, and successes have served as building blocks for continued progress in becoming more sustainable. Each achievement is a stepping stone in the Company's sustainability journey. With a collective effort, the Company improves its sustainability initiatives and creates a brighter future for its stakeholders.

The report's cover emphasizes how the Company continues to improve because of its people and their collaborative work. The picture in the center shows a field operator inspecting the Reverse Osmosis Filters in Putatan Water Treatment Plant 2 to ensure that the facility can sustain its operations. Additionally, the surrounding photos on the cover represent Maynilad's workers and their various roles. Together, these images show that Maynilad's people each have their own parts to play in Maynilad's success, and they help the Company continue to climb higher.

CONTENTS

2	About the Cover	
4	About Maynilad	
7	About This Report	
8	Performance Highlights	
9	Financial Highlights	
10	Joint Message from the Chairman, and President and CEO	
14	GOVERNANCE	
	Our Vision, Our Mission, Our Values	
	Governing Committees	
	Top Management	
	Compliance to Laws and Regulations	
	Partnerships and External Initiatives	
	Awards and Recognition	
23	OUR VALUE CHAIN	
	Our Sustainability Framework	
	Stakeholder Engagement and Materiality	
33	EXCELLENCE AT EVERY STEP: ECONOMIC SUSTAINABILITY	
	Water Supply, Sanitation, and Treatment	
	Water Laboratory (WATERLab)	
	Asset Management	
	Supply Chain, Materials Management, and Quality Assurance	
	Business Continuity	
	Progression of ISO Certifications	
	Expanding Our Services	
	Philippine Hydro, Inc.	
	Amayi Water Solutions, Inc.	
	Expanding Our Services	
52	MAKING WAY FOR A GREENER FUTURE: ENVIRONMENTAL SUSTAINABILITY	
	Shrinking Our Environmental Footprint	
	An Overview of Maynilad's Climate Neutrality Plan	
	Natural Resources Management	
	Water Withdrawal	
	Water Discharge	
	Water Stewardship	
	Waste Management	
	Energy Consumption	
	GHG Emissions	
72	ADVANCING TOGETHER: SOCIAL SUSTAINABILITY	
	Customer Experience	
	Caring for Employees	
	Supporting Contractors and Service Providers	
	Health and Safety Initiatives	
	Uplifting the Community	
111	Risk Management	
117	External Assurance	
120	GRI Content Index	
127	Annexes	
138	Acknowledgements	



About Maynilad [102-1, 102-7]

Maynilad Water Services, Inc. (Maynilad) has the most extensive customer base among all the private water concessionaires in the Philippines. It has the most International Organization for Standardization (ISO) certifications across its sites and facilities. The Company serves 17 cities and municipalities within the West Zone of the Metropolitan Manila area.

Maynilad is governed by Maynilad Water Holdings Company, Inc.—a joint venture between Metro Pacific Investments Corporation (MPIC), DMCI Holdings, Inc. (DMCI), and Marubeni Corporation. Maynilad is also a contractor and agent of the Metropolitan Waterworks and Sewerage System (MWSS).

In 1997, the Philippine government gave Maynilad a 25-year exclusive concession to operate, oversee, and invest in the water and sewerage systems in the cities of Manila (except for portions of San Andres and Sta. Ana), Quezon City (west of San Juan River, West Avenue, EDSA, Congressional, Mindanao Avenue, the northern part starting from the Districts of Holy Spirit and Batasan Hills), Makati (west of South Super Highway), Caloocan, Pasay, Parañaque, Las

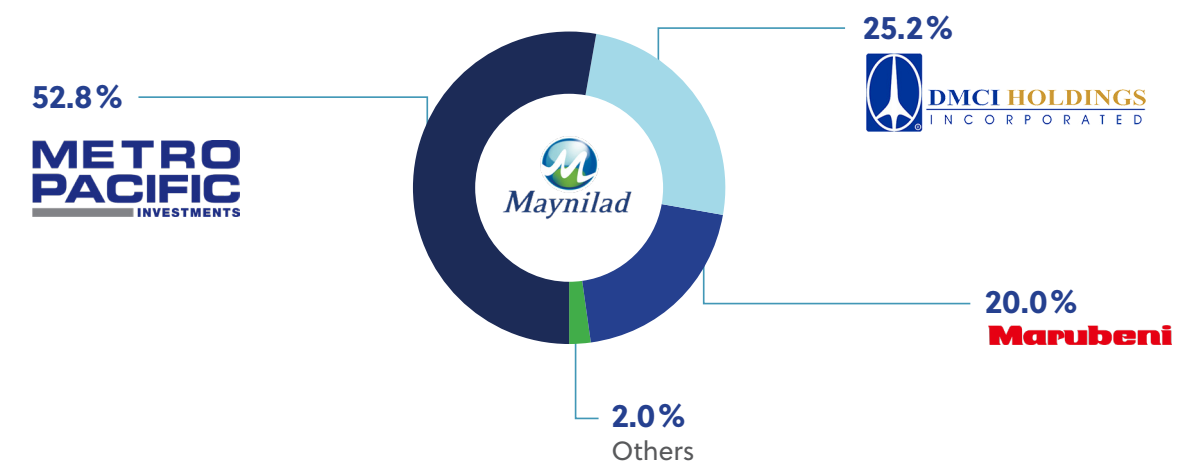
Piñas, Muntinlupa, Valenzuela, Navotas, and Malabon, all in Metro Manila; the cities of Cavite, Bacoar, and Imus, and the towns of Kawit, Noveleta, and Rosario, all in the Province of Cavite.

MPIC and DMCI acquired Maynilad on January 24, 2007. In 2013, Marubeni Corporation, based in Japan, acquired a 20% stake in the Company and became a strategic partner of the Metro Pacific-DMCI-Marubeni consortium.

On September 10, 2009, the MWSS Board of Trustees extended Maynilad's Concession Agreement by 15 years. It will be valid until May 2037. A Revised Concession Agreement was signed on May 18, 2021, validating the life of the concession until July 31, 2037.

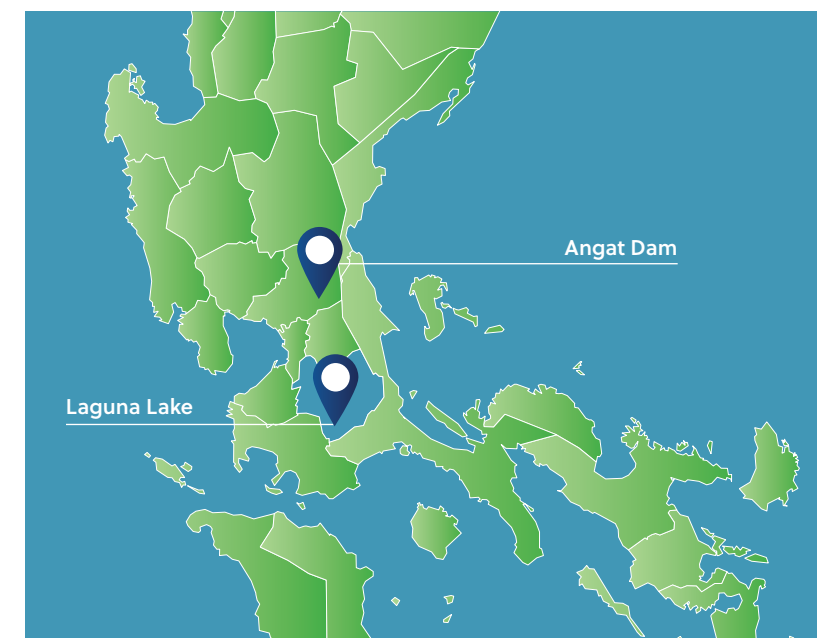
On December 10, 2021, Republic Act (RA) No. 11600 was signed into law. This grants Maynilad a 25-year franchise to establish, operate, and maintain a waterworks system, sewerage, and sanitation services in the West Zone service area of Metro Manila and the Province of Cavite.

Ownership and Legal Form [102-5]



Water Sources

Angat Dam, Laguna Lake, and deepwells



Water held in reserve:

7 active deep wells

with **4.86 million liters** of water per day (MLD) capacity

19 deep wells

for rehabilitation with **10.39 MLD** capacity

37 water reservoirs

with a total holding capacity of **750.17 MLD**

Primary Service Area [102-4, 102-6]

[102-4, 102-6]

West Zone of NCR

- Caloocan City (North, South)
- Las Piñas City
- Makati City
- Malabon City
- Manila City
- Muntinlupa City
- Navotas City
- Parañaque City
- Pasay City
- Quezon City
- Valenzuela City

Extension Service Area [102-4, 102-6]

[102-4, 102-6]

Cavite Province

- Bacoar City
- Cavite City
- Imus City
- Kawit
- Noveleta
- Rosario



Maynilad delivered **948 million cubic meters (MCM)** of potable water to **1,501,371** customers or around **9.9 million people** within its coverage area.



Water Supply Services

- **4** water treatment facilities
- **38** pumping stations
- **37** reservoirs
- **7748 kilometers** (km) of primary, secondary, and tertiary pipelines
- **69** mobile water tankers (with a combined capacity of 550,000 liters)



Sewage and Sanitation

- **22** wastewater treatment facilities
- **111** waste pump/lift stations
- **607 km** of sewer lines to collect and convey wastewater to our treatment facilities



Employees [102-7]

Maynilad's **2,052 employees** serve more than **1.5 million customers** with residential, semi-business, commercial, and industrial accounts.

Year in Service

Water Services [102-2]



1,501,371

Total number of customers



1,434,122

Billed residential and semi-business (domestic) accounts



67,249

Billed commercial and industrial (non-domestic) accounts

Sewerage Services [102-2]



76,884

Billed sewerage services (total billed accounts)



66,514

Billed residential and semi-business (domestic) accounts



10,370

Billed commercial and industrial (non-domestic) accounts

Sanitation Services [102-2]



8,291,846

Population covered by sanitation services (individuals)



347,845

No. of accounts offered with sanitation services



134,026

No. of accounts that availed of desludging services



53,738

No. of septic tanks emptied

About This Report [102-46, 102-50, 102-51, 102-52, 102-54]

REPORTING CYCLE: Annual

REPORTING PERIOD: January 1 to December 31, 2021

REPORTING BOUNDARY AND SCOPE:

This report will focus on Maynilad Water Services, Inc. It also includes short sections on Philippine Hydro, Inc. and Amayi Water Solutions, Inc. Disclosures for Philippine Hydro, Inc. were limited to water withdrawal, stationary fuel, and indirect (scope 2) GHG emissions since the rest of the data for that subsidiary was unavailable. Amayi Water Solutions, Inc. is still not operational so it did not have an effect on the data disclosures in this report.

[102-46, 102-51, 102-53]

PREVIOUS REPORT: Together, Stronger; September 2021

As a private company that delivers water services, which are essential utilities, we must consider sustainability at every stage of our operations. We not only source and distribute water to the public but also consider pressing issues that concern our industry and stakeholders, such as climate change, poverty, population growth, and the COVID-19 pandemic.

Maynilad is guided by a mission and vision that keeps it committed to providing safe and affordable water solutions to its customers while minimizing its environmental impact. We engage in environmental management to reduce our carbon footprint and adhere to government regulations. By improving our technology and working with partners, we aim to develop optimal water and wastewater solutions to advance progress for the United Nations' Sustainable Development Goals (SDGs). Due to the nature of our organization, we prioritize SDG 6: Clean Water and Sanitation, which aims to ensure that water and sanitation are available to all and are sustainably managed. We contribute to this goal by assessing whether our business activities and social development programs can play a bigger part in its progress.

Our established reporting practice allows us to share our sustainability performance and initiatives with our stakeholders. This report

has been prepared in accordance with the GRI Standards: Core Option. It summarizes the Company's economic value generated, distributed, and retained in its financial data. A separate annual report includes complete financial disclosures and other requirements demanded by current regulations.

For feedback on the 2021 Sustainability Report, please contact:

[102-53]

ROEL S. ESPIRITU

Head, Quality, Sustainability, and Resiliency
roel.espiritu@mayniladwater.com.ph

JOHN EMMANUEL B. MARTINEZ

Head, Sustainability Department
emman.martinez@mayniladwater.com.ph

ROSE ANN A. EUGENIO

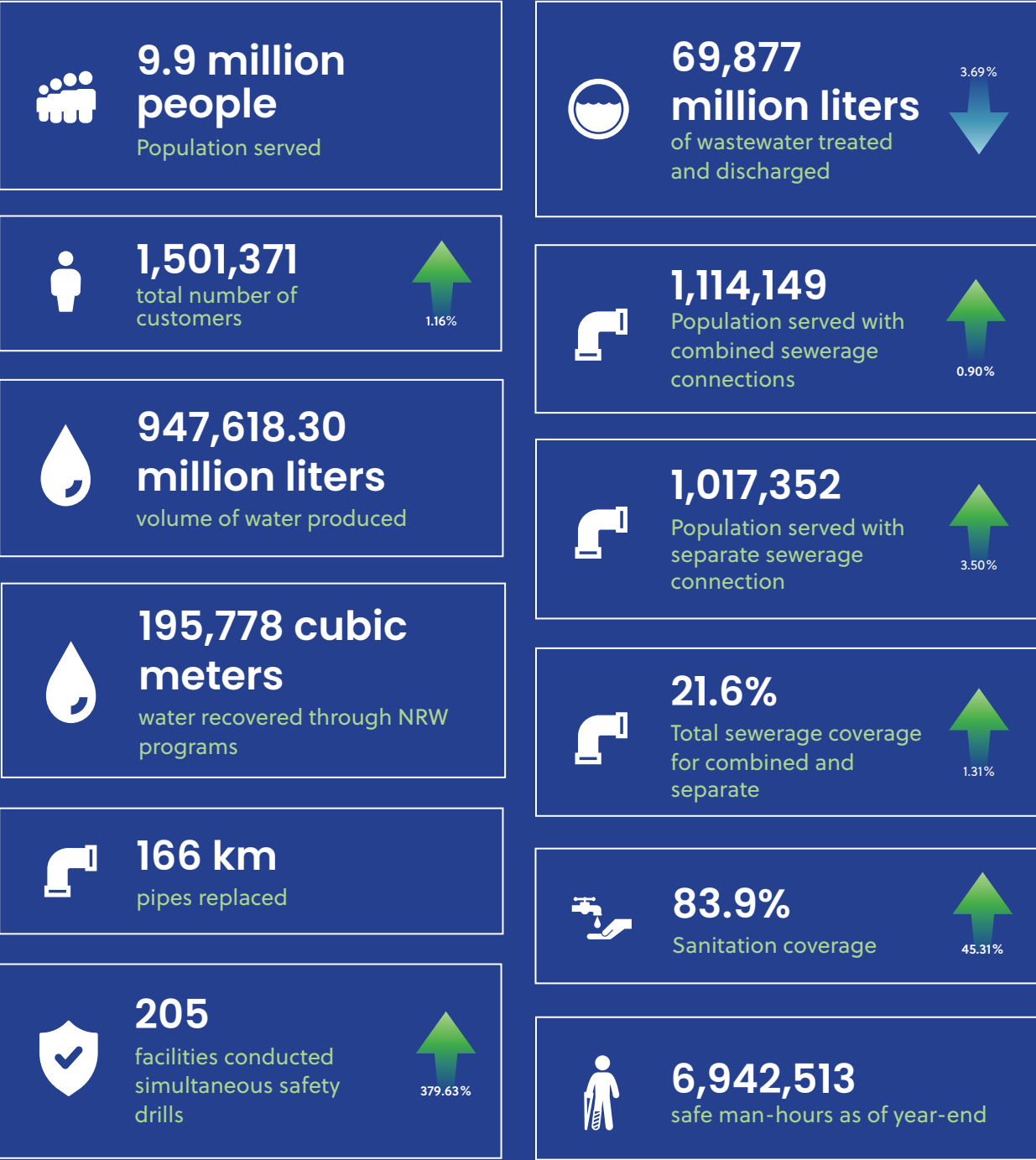
Head, Sustainability Programs
roseann.eugenio@mayniladwater.com.ph

MAYNILAD HEAD OFFICE:

Engineering Building, Metropolitan Waterworks and Sewerage System Complex, Katipunan Avenue, Balara, Diliman, Quezon City, 1119, Philippines

[102-3]

PERFORMANCE HIGHLIGHTS



Note: All percentages are based on comparisons between 2020 and 2021 data.

FINANCIAL HIGHLIGHTS

Amounts are in Php million (except earnings per share value)





Joint Message from the Chairman, President and CEO [102-11, 102-14]

In many ways, 2021 was the most challenging year we have experienced since Maynilad's re-privatization. The pandemic reduced economic activity, and residential volumes underwent artificial peaks during the granular lockdowns. Thus, our billed volumes decreased, which happened on top of a tariff freeze that suspended inflation adjustments.

Notwithstanding these challenges, the year 2021 was marked by a major milestone in the form of the signing of the Revised Concession Agreement (RCA), which signals a new start for the Company. The RCA will be valid until 2037. Meanwhile, the signing of Republic Act No. 11600

in December 2021 also granted us a new 25-year franchise that authorizes the Metropolitan Waterworks and Sewerage System (MWSS) to extend our RCA until 2047. The extension of our contract renews access to capital for our service improvement projects.

We also recognize our responsibility to become a more sustainable company. In 2021, we maintained and added to our existing initiatives for economic, environmental, and social sustainability. Our 2037 Climate Neutrality Plan will guide us moving forward, as we strive to accelerate our sustainability efforts.

FINANCIAL AND OPERATIONAL PERFORMANCE HIGHLIGHTS

Maintaining our financial and operational performance was quite challenging because we had to adjust to quarantine restrictions, which affected our original non-revenue water (NRW), sewerage, and capital expenses disbursement targets. Since our contract was not assured during the CA review, we had a lack of access to credit, which led us to reprioritizing projects. While the review was still taking place, we prioritized capital expenditure projects for 24/7 services while NRW programs took a backseat, causing increased NRW in 2021. The situation caused by the pandemic—such as limited mobility during granular lockdowns and the need to sustain high service levels to support health and safety protocols—also negatively impacted NRW reduction activities.

To meet our target for net income, we tightened control over expenses and strengthened our strategies to address commercial losses. We generated a core income of Php 6.54 billion and revenues amounting to Php 21.75 billion in 2021.

In recent years, climate change has caused a number of water supply challenges. High algal count followed immediately by high turbidity in

the raw water of Laguna Lake affected service levels in the last quarter of 2021. This event made it clear that we must also focus on developing alternative raw water sources. We are currently working on this in partnership with MWSS.

Looking back, these financial and operational challenges demonstrated how the Company could stay afloat and thrive amid various difficulties. As the population continues to grow and the effects of climate change put a bigger strain on existing water sources, the Company will need to exhibit enhanced resilience to forge ahead amidst changing situations.

Looking back, these financial and operational challenges demonstrated how the Company could stay afloat and thrive amid various difficulties.



BEING STEWARDS OF OUR ENVIRONMENT

[304-2]

As we step into a future increasingly affected by climate change, we have begun investing in green energy while continuing efforts to reduce our environmental footprint.

The use of renewable energy, adjustments for facilities that have high power usage, and our Plant for Life program are all part of our 2037 Climate Neutrality Plan, which aims to reduce our emissions. In December 2021, we completed our one-megawatt solar power farm that partially powers the La Mesa Pumping Station and saves energy costs.

To care for our environment and protect our watersheds, we continued our Plant for Life program. With the help of our partners, we were able to plant almost 30,000 seedlings in 2021. In the same year, the survival rate for these seedlings improved to 88.61% from 83.80% in 2020.



SUPPORTING OUR PEOPLE AND COMMUNITIES

[102-12]

Maynilad's success would not be possible without its employees, and it is only fitting that the company ensures their safety. Since the pandemic is still ongoing, we continue to take measures to protect our employees from COVID-19 exposure. We still adopt a Split-Work Arrangement to minimize the number of people in our facilities while delivering essential services. In 2021, we also implemented the "We Got Your Vac" program for employees and their dependents, and we achieved 99.20% vaccine compliance.

Besides caring for our employees, we also assist marginalized communities within our concession area. In 2021, we continued programs that provide livelihood opportunities and skills development through our Kapwa-Green Badge-Sining Ipo social enterprises. Meanwhile, we also proactively joined relief efforts for calamity-struck areas, including areas in Visayas where residents were affected by Typhoon Odette.

MOVING INTO THE FUTURE [102-16]

Our sustainability strategies help us future-proof the Company and respond to the United Nations' 2030 Agenda for Sustainable Development.

At present, Maynilad is formulating its sustainability targets in the following areas:

- Securing and protecting water sources
- Mitigating the environmental and social impacts of operations
- Expanding access to safe and quality water and sanitation
- Maintaining and improving unbiased governance practices
- Providing safe and inclusive work conditions to enable employees to reach their full potential
- Elevating customer experience

After gaining a new franchise, the Company will eventually have broader public ownership, given the requirement to list 30% of its equity on the Philippine Stock Exchange in five years. We are prepared to live up to this responsibility and the requirements of our RCA while growing our business outside our concession area.

We thank our stakeholders and shareholders for their support and trust. We will continue working toward elevating the customer experience, improving our ways of working, and becoming an even more sustainable business.

Maynilad will build on lessons learned from its past experiences and use this knowledge to rise above emerging challenges and reach higher peaks of performance.

Manuel V. Pangilinan
MANUEL V. PANGILINAN
 Chairman

Ramon C. Fernandez
RAMON C. FERNANDEZ
 President and CEO



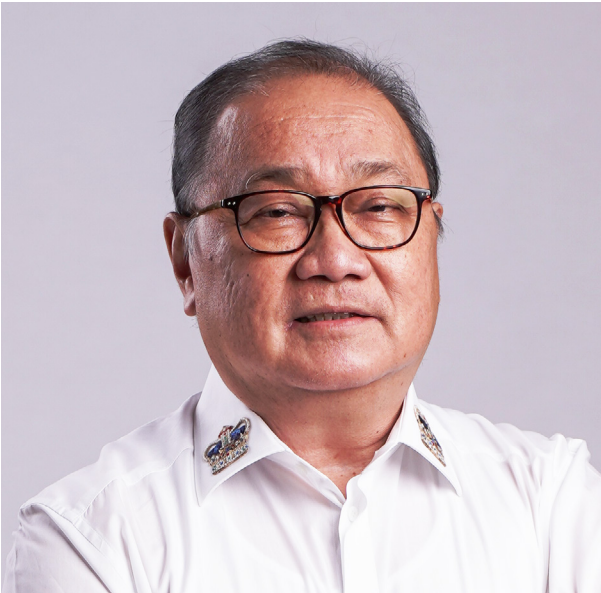
Governing Committees

[102-18, 102-22]

The Board of Directors [102-26]

The Maynilad Board of Directors (BOD or the Board) adheres to business ethics while ensuring business operations align with Maynilad’s vision, mission, and values. The Board is also in charge of guiding, monitoring, and evaluating management performance.

As for its composition, the Board has nine members, all of which are executives. It meets at least six times each year. Moreover, the Chairman of the Board holds a separate role and position from the Chief Executive Officer. [102-23]



MANUEL V. PANGILINAN
Chairman

GOVERNANCE

To maintain trust with our stakeholders, we operate according to the highest standards of corporate governance.

Our Vision, Our Mission, Our Values [102-16]

Our Vision

We are the leading water solutions company in the Philippines, with a strong presence across Asia.

Our Mission

We provide safe, affordable, and sustainable water solutions that enable those we serve to lead healthier, more comfortable lives.

Our Values [102-16]



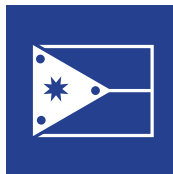
Customer Service



Commitment to Excellence



Honesty and Integrity



Love for Country



Entrepreneurship



Teamwork

For a comprehensive discussion of the Company’s values, please [visit our website](#).



ISIDRO A. CONSUNJI
Director



JOSE MA. K. LIM
Director



JORGE A. CONSUNJI
Director



RAMONCITO S. FERNANDEZ
Director



RANDOLPH T. ESTRELLADO
Director



MARILYN A. VICTORIO-AQUINO
Director



MASATO HIRAOKA
Director



SEIJIRO CHIBA
Director

Gender diversity of the Board of Directors

8

Male Directors

1

Female Directors

The Executive Committee

This committee makes decisions based on its members' majority vote. In instances when the Board is not in session and an urgent resolution is needed, it can carry out business management and corporate affairs decisions.

Members



Isidro A. Consunji
Chairman



Jose Ma. K. Lim



Ramoncito S. Fernandez



Masato Hiraoka



June Cheryl A. Cabal Revilla

The Risk and Audit Committee

Its independent reviews help strategically develop policies on governance, risk management, financial reporting and audits, information technology, and security.

Members



Jose Ma. K. Lim



Masato Hiraoka



Jorge A. Consunji



June Cheryl A. Cabal Revilla

The Compensation and Remuneration Committee

It is responsible for ensuring the most appropriate and equitable compensation for the Company's corporate officers and directors.

Members



Jose Ma. K. Lim



Ramoncito S. Fernandez



Isidro A. Consunji

The Nomination Committee

This committee is responsible for reviewing and evaluating nominees to the Board as well as applicants to company positions that require the Board's approval.

Members



Manuel V. Pangilinan



Isidro A. Consunji

Top Management



Ramoncito S. Fernandez
President and CEO



Randolph T. Estrellado
Chief Operating Officer



Ricardo F. delos Reyes
Chief Finance Officer



Christopher J. Lichauco
Head, Customer Experience & Retail Operations



Lourdes Marivic P. Espiritu
Head, Legal & Regulatory Affairs



Francisco C. Castillo
Head, Information Technology Services



Ronaldo C. Padua
Head, Water Supply Operations



Arturo Celso D. Baranda
Head, Supply Chain Management



Yolanda C. Lucas
Head, Program Management



Marcos D. de Jesus
Head, Technical Services



Apollo C. Tiglao
Head, Wastewater Management



Eric J. Montes
Head, Integrated Asset Management



Martin B. de Guzman
Head, Human Resources



Jose Rizal O. Batiles
Head, Enterprise Risk Management & Internal Audit



Roel S. Espiritu
Head, Quality, Sustainability, and Resiliency



Marie Antonette H. De Ocampo
Head, Corporate Affairs & Communication



Ryan B. Jamora
Head, Central Non-Revenue Water Management

As a subsidiary of Metro Pacific Investments Corporation (MPIC) and DMCI Holdings Incorporated, Maynilad has adopted the Group’s commitment to communicate economic, environmental, social, and governance (EESG) disclosures in accordance with global standards for sustainability reporting. Additionally, Maynilad reports its sustainability performance to the MPIC Group Sustainability Council.

Compliance to Laws and Regulations [103-1, 103-2]

Maynilad abides by Philippine regulations and international standards. It observes these rules and regulations because it is committed to being a responsible corporate citizen. The Board also regularly evaluates Maynilad’s socioeconomic compliance.

The Company adheres to various national laws and guidelines, some of which are as follows:

Philippine National Standards for Drinking Water
Republic Act (RA) 9275: The Philippine Clean Water Act
RA 6969: Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990
RA 9003: Ecological Solid Waste Management Act of 2000
RA 8749: Philippine Clean Air Act
RA 9275: Philippine Clean Water Act of 2004
Supreme Court Mandamus to Clean Up, Rehabilitate, and Preserve the Manila Bay
Department of Environment and Natural Resources Administrative Order (DAO) 1990-35: Revised Effluent Regulations of 1990
DAO 2016-08: Water Quality Guidelines and General Effluent Standards of 2016
DAO 2021-19: Updated Water Quality Guidelines and General Effluent Standards for Selected Parameters
Labor Code of the Philippines
RA 9231: Anti-Child Labor Law
RA 7322: Increasing Maternity Benefits in Favor of Women Workers in the Private Sector
RA 10151: An Act Allowing the Employment of Night Workers
RA 11058: An Act Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations thereof (OSH Law)
RA 8041: National Water Crisis Act of 1995
RA 9136: Electric Power Industry Reform Act
RA 9165: Comprehensive Dangerous Drugs Act
Presidential Decree (PD) 1586: Philippine Environmental Impact Statement System
PD 856: Sanitation Code of the Philippines
PD 1067: Water Code of the Philippines
RA 10173: Data Privacy Act of 2012

Transition to the Revised Concession Agreement

On May 18, 2021, Maynilad and MWSS signed the Revised Concession Agreement (RCA) that will govern Maynilad’s provision of water and wastewater services in the West Zone and validate Maynilad’s concession period until 2037. The RCA also turned Maynilad into a public utility, which means it is now more accountable to the government and the public.

Here are some highlights that cover the major impacts of the RCA on Maynilad’s business:

Stricter penalties
More grounds for early termination
Arbitration under RA 9285 will only be under Filipino arbitrators
Reduction of non-revenue Water (NRW) is now a service obligation
Corporate Income Tax is not recoverable
Foreign Currency Differential Adjustment has been discontinued
Tariff freeze until 2022
Capped yearly inflation factor to two-thirds of Consumer Price Index
Metropolitan Waterworks and Sewerage System Regulatory Office’s actions and decisions are final and non-arbitrable
Appropriate Discount Rate is now fixed at 12% Nominal
Cap on increases in standard rates for a given Rate Rebasing period

- Becoming a public utility also has the following implications for Maynilad:
- 1 Maynilad is now subject to the nationality requirement (40% foreign equity participation).
 - 2 It is subject to a 12% cap on returns.
 - 3 It is subject to applicable Commission on Audit (COA) rules and regulations.
 - 4 Its contract may be terminated when the common good so requires.
 - 4 Operation and management of the Corporation will be restricted to Filipino nationals.
 - 5 The Company will go through a more intense regulatory environment.

To bring all members of the Company up to speed, business units were informed of the Revised Concession Agreement (RCA) between MWSS and Maynilad. They were briefed about the effects of the RCA on Maynilad’s targets, objectives, and day-to-day operations. We coordinated with MWSS and other government agencies to ensure that the RCA is in line with the interests of the Company’s stakeholders.

Ensuring that all members of the Company were on the same page helped address deviations from Maynilad’s service obligations. Informing all employees about the RCA also made it easier for the Company to adjust its activities and strategies to comply with the new requirements.

Non-Compliance with Environmental Laws and Regulations [419-1]

Instances of non-compliance and sanctions to environmental rules and regulations	
Total instances of non-compliance	47
Number of monetary sanctions	1
Number of non-monetary sanctions	46

Php 90 million monetary penalty of the Tondo Sewage Pumping Plant (TSPP)

In September 2018, the LLDA issued a Notice of Violation (NOV) to the TSPP, informing Maynilad that it had to pay a monetary penalty for the TSPP’s non-compliance with Class “SB” regulations. Following this, Maynilad sent a letter in October 2018 appealing for the LLDA and DENR to recall the NOV and revert its compliance to Class “SC” standards of DAO 1990-35 while it upgraded the TSPP facility to comply with the new DAO 2016-08 standards.

While yearly renewal for the TSPP’s discharge permit was regularly filed, the DP could not be issued because of this pending water pollution case.

Maynilad was charged with an Environmental User Fee (EUF) that amounted to Php 107,936,638.24. This amount was accumulated from July 1, 2018 to June 30, 2020. This rate was also calculated in accordance with the COA recommendation for non-compliant industries to receive a higher rate of EUF even while an appeal to the LLDA or DENR is pending. Previously, Maynilad already paid an EUF amounting to Php 17,907,420.12. Because of the penalty, in August 2021, the LLDA issued Maynilad a demand for payment for the remaining EUF, amounting to a fine of Php 90,029,218.12.

Non-monetary Sanctions

In 2021, Maynilad also incurred a total of 46 non-monetary sanctions. 15 of these instances were for non-compliance with water standards, while the remaining 31 were for non-compliance with wastewater standards.

As for the context of the incidents, these sanctions were incurred after a random sampling at designated regulatory sampling points (RSP), conducted by the MWSS-RO. The MWSS-RO issues a Notice of Non-Conformance with Water or Wastewater standards whenever there is a breach in the parameters set by the DENR or under the Philippine National Standards for Drinking Water.

When it came to non-compliance with water standards, the Metropolitan Waterworks and Sewerage System Regulatory Office (MWSS-RO) initial findings for each case fell into one of these categories.

- Failure to conform the Total Trihalomethane (THM) standard
- Failure to conform to the maximum allowable limit set for the total and fecal coliforms
- Failure to conform to the residual disinfectant standard
- Non-conformance of bacteriological quality—presence of total and fecal coliforms

As for non-compliance to wastewater standards, the MWSS-RO’s initial findings for each instance included a failure to conform to the maximum allowable limit set for one or more of the following: total coliforms, fecal coliforms, oil and grease, BOD and surfactants, phosphate, and ammonia.

For each notice, Maynilad was given 15 days to respond to the RO and state the actions taken to rectify the non-conformance and to reassess the condition and location of the RSP. In response to these instances of non-compliance, Maynilad’s typical response was to improve its water and wastewater quality to meet government requirements. It also sent replies to the MWSS-RO that included results of resampling from its facilities and ensured that it would continue to test its water and wastewater.

For the non-monetary sanctions for water, these are usually pipelines from the meter that are connected to the households and establishments. Hence, Maynilad takes on the task of reminding our customers on sanitation and hygiene practices. In addition, flushing of low residual disinfectant in the pipelines was done as well. When it comes to wastewater non-compliance, these are operational issues encountered due to influent quality that the plant specifications are currently unable to handle.

Partnerships and External Initiatives

Some of our partnerships and external initiatives are as follows:

Our External Partnerships [102-13]	
Global Water Intelligence	
International Water Association	
Management Association of the Philippines	
Business for Sustainable Development	
Philippine Water Works Association, Inc.	
Philippine Green Building Council	
Safety Organization of the Philippines	
Philippine Association of Water Districts	
Water Environment Association of the Philippines, Inc.	
Employers' Confederation of the Philippines	
Philippine Society for Talent Development	
People Management Association of the Philippines	
Organization Development Practitioners' Network	
International Association of Business Communicators Philippines	
Public Relations Society of the Philippines	
Philippine Disaster Resilience Foundation	
Mt. Balagbag Farmers Association of San Isidro SJDMC Inc.	
Water and Life Philippines	
ABS-CBN Lingkod Kapamilya Foundation, Inc.-Bantay Kalikasan	
United States Agency for International Development	
Investors in People	

Our External Initiatives [102-12]	
International Organization for Standardization	
United Nations Sustainable Development Goals	

Awards and Recognition



2021 GOING DIGITAL IN INFRASTRUCTURE AWARDS
Finalist



PHILIPPINE QUILL AWARDS
Excellence

“Explaining the rotational water service interruption in the West Zone”

“Kubeta Talks – Let’s Talk Dirty”

“Golden Kubeta Awards – Bringing Wastewater Conversations to the Mainstream”

Merit

“Maynilad Simpleng Ginhawa Online Videos”

“Development of the Post-ECQ Plan – Workplace Re-entry Guidelines for Maynilad Employees”

“Maynilad Post-ECQ Sanitation Service Information Campaign”



CLEAN ENERGY MINISTERIAL (CEM) INSIGHT AWARD FOR LEADERSHIP IN ENERGY MANAGEMENT

- Conferred by the CEM for excellent implementation of an Energy Management System based on ISO 50001:2018—the international standard for structured monitoring of energy utilization and performance



GAWAD KAAGAPAY AWARD FOR MOST OUTSTANDING STAKEHOLDERS
WASH in Schools Category

- Quezon City Schools Division Office (SDO) from Quezon City Health Department and SDO-Quezon City



SEVEN (7) STAKEHOLDER’S RECOGNITION
Department of Education (DepEd) SDOs



DEPARTMENT OF EDUCATION PARTNERSHIP APPRECIATION

- In recognition of its firm partnership with DepEd through the External Partnership Service, as shown by its unwavering support for DepEd’s Basic Education Learning Continuity Plan

OUR VALUE CHAIN ^[102-16]

Maynilad provides our customers and communities with safe, affordable, and sustainable drinking water and sanitation, which are fundamental human rights. Through our programs, we respond to the needs of our stakeholders and care for natural resources. As we deliver these vital services, we also manage and mitigate the negative impacts of our activities on the environment and our community.



WATER WITHDRAWAL.

Maynilad’s raw water is obtained from the Umiray-Angat-Ipo water system and Laguna Lake. When water supply needs to be boosted, Maynilad also sources groundwater from deep wells.

Maynilad continues exploring and developing new water sources to supplement its supply from Angat. The Company carefully withdraws water from Angat based on the allocation set by the National Water Resources Board (NWRB) to ensure that it will not over-extract from this source (SDG 12). To care for our resources and combat climate change, we also participate in watershed protection and maintenance activities, including reforestation and biodiversity conservation (SDG 13, SDG 15).



WATER COLLECTION AND TREATMENT.

Before the water can be distributed, it is first collected and treated at one of Maynilad’s four water treatment facilities. All facilities ensure that the water they produce complies with the Philippine National Standards for Drinking Water of the Department of Health (SDG 3). We are also preparing for the impact of climate change and natural hazards by upgrading our facilities.





WATER DISTRIBUTION TO HOUSEHOLDS AND BUSINESS ESTABLISHMENTS.

We aim to provide our customers with a 24/7 water supply at a pressure level of 7 or 16 pounds per square inch (psi). After the water is treated, it is distributed to residences and industries within its concession area. To cater to low-income and underserved communities, we also have programs that provide water and sanitation access to these populations (SDG 6).



WASTEWATER CONVEYANCE, COLLECTION, AND TREATMENT.

Aside from providing safe drinking water, Maynilad also manages wastewater and improves the quality of its effluent. Its infrastructure system collects and conveys wastewater to its treatment facilities, including 22 wastewater treatment facilities, 111 lift stations, and 607 km of sewer lines (SDG 6, SDG 11).



NATION BUILDING.

To rehabilitate and protect our country’s watersheds, Maynilad holds plantation establishment, monitoring, maintenance, and validation in Ipo Watershed and enrichment planting in La Mesa Watershed (SDG 15). It also has social enterprise projects that train members of communities to create products they can later sell (SDG 1, SDG 8). [304-3]

As part of the Company’s advocacy, Maynilad also spearheads programs that share knowledge about water sanitation and water-related issues. One of these is Daloy Dunong, its multi-awarded water, sanitation, and hygiene (WASH) education program that teaches the youth lifesaving skills like handwashing (SDG 6).



OUR SUSTAINABILITY FRAMEWORK

[102-16, 102-40]

To serve our stakeholders with a steady water supply, we must protect and care for the natural resources we use. This goes hand in hand with committing to excellent management standards to operate efficiently and keep track of our environmental impacts. These management standards also lead us to care for our employees, manage our assets, ensure compliance with regulatory requirements, and provide an excellent customer experience.

Maynilad is currently transitioning from its Next Gen sustainability framework to a new framework. Its new sustainability framework is still based on three pillars: business growth, operational efficiency, and organizational capability. These pillars guide the Company in assessing and managing its positive and negative impacts on the triple bottom line of sustainability or the 3Ps: people, planet, and progress. “People” refers to Maynilad’s most important stakeholders, while “planet” means the environment. Lastly, “progress” is defined as the local, national, or international economy. The framework was modified to align our company sustainability strategies holistically to these sustainability focus areas and the SDGs.

OUR PURPOSE	Provide safe, affordable, and sustainable water solutions that enable those that we serve to lead healthier, more comfortable lives.					
OUR SDG ANCHOR	6) CLEAN WATER AND SANITATION					
OUR STAKEHOLDERS [102-40]	Employees	Customers	Government Regulators	Suppliers and Contractors	Communities	Industry Partners Civil Society
GLOBAL SUSTAINABILITY CENTRAL THEMES	ECONOMIC		ENVIRONMENT		SOCIAL AND GOVERNANCE	
OUR SUSTAINABILITY PLANS	BUSINESS GROWTH		OPERATIONAL EFFICIENCY		ORGANIZATIONAL CAPABILITY	
OUR FOCUS AREA	PROGRESS		PLANET		PEOPLE	
	Enable genuine progress and development through our business		Protect our planet in conducting our business		Build resilience through human capital and strong communities	
OUR FOCUS AREA	• Access to potable water • Development of other water sources • Expansion of water and wastewater service • Business Expansion • New Products and Services		• Reduction of NRW • Reduction of Carbon Footprint • Securing Water Bodies • Business Process Improvements • Asset Management • Risk Management • Watershed Management		• Good Corporate Governance • Employee Development • Supply Chain Management • Health and Safety	
	SDGs 3 4 6 8 9 15 17		SDGs 6 7 8 9 11 12 13 14 15 16		SDGs 3 5 8 9 12 16	
OUR IMPACT	SDGs 3 4 6 8 9 15 17		SDGs 6 7 8 9 11 12 13 14 15 16		SDGs 3 5 8 9 12 16	

Since 2021, Maynilad began developing sustainability strategies to help it respond to the call of “leaving no one behind” while adapting to future challenges. It is currently formulating targets for the following strategies:

- Securing and protecting water sources
- Mitigating the environmental and social impacts of its operations
- Expanding access to safe and quality water and sanitation
- Maintaining and improving unbiased governance practices
- Providing safe and inclusive work conditions to enable employees to reach their full potential
- Elevating customer experience

Stakeholder Engagement and Materiality

Stakeholder Engagement [102-21, 102-43, 102-44]

Maynilad continues to learn from and enhance its services based on the feedback of its stakeholders. To identify its stakeholders' top concerns, each of the Company's departments gathered feedback from their stakeholders by distributing a departmental satisfaction Survey on their activities. These regular surveys help Maynilad understand what is important to its stakeholders. It uses these surveys to identify areas for improvement and further develop its services and operations.

EMPLOYEES

The hard work of Maynilad's employees keeps it running. Maynilad is also responsible for being a safe workplace and helping employees reach their full potential.



Engagement Channels

Emails, phone calls, virtual meetings, face-to-face meetings, trainings, orientations, employee news, employee portal, spreadsheets, Microsoft Teams, third-party messaging apps

Concerns

- Phishing, ransomware, and other cyber attacks
- Compliance with IT security policies
- Compliance and support to environmental requirements
- Compliance and support to risk organizational initiatives, programs, policies, and procedures
- Business continuity
- COVID-19-related issues and other health-related concerns
- Provision of a safe, secure, and healthy workplace
- Provision of PPE and other prevention and control supplies for COVID-19
- Employee Engagement while working-from-home
- Mental wellbeing
- Slow to poor quality of network during virtual audits
- Unavailability of internal auditors for virtual audits due to Split-work Arrangement adjustments
- Unavailable or delayed data for virtual audits

Maynilad's Response

- Encouraged cyber security awareness through emails and e-learning hub including strengthening of security controls
- Reminded employees of the IT policies and helping them improve their process for security compliance
- Provided policies and procedures on environmental requirements
- Provided a framework and policy on risk management
- Provided COVID-19 support and assistance
- Implemented health protocols and guidelines based on the government issued guidelines
- To address concerns about WFH and mental wellbeing, Maynilad held virtual general assemblies and gatherings, as well as face-to-face, one-on-one sessions if permissible
- Conducted capability assessment audit, pre-recorded video presentations, and back ups
- IMS Team was obliged to stretch out audit schedules to meet the internal audit target in 2021
- Constantly followed up with data handlers for the internal audit

CUSTOMERS

We work to constantly maintain and improve the quality of the water and wastewater services for our customers. Aside from this, Maynilad also has the responsibility of educating customers about water conservation.

Engagement Channels

Advisories, social media posts, written communication, emails, phone calls, face-to-face and virtual meetings, community briefings, public consultations, text blasts, customer hotline

Concerns

- Water bill and payment issues
- Collection efficiency
- Water quality and supply issues
- Water interruption and disconnection issues
- Meeting SLA

Maynilad's Response

- Promoted MyWaterBill
- Informed all Maynilad employees to pay their Maynilad Bills through online bank payment (Metrobank), Paymaya, GCash, etc.
- Online payment channels via Maya, GCash, Online Banking etc. were made available in Maynilad's social media accounts and website
- On-site cheque collection by authorized personnel
- SMS Bill Notification and Reminders (by Zone management)
- Directly replied to customers through SMS, phone calls, emails, and letters
- Allowed customers to conduct on-site visits to conduct an investigation and verification



THIRD-PARTY PROVIDERS

We fulfill our service commitments with the help of our suppliers and contractors.

Engagement Channels

Emails, phone calls, virtual meetings, face-to-face meetings, SMS messages

Concerns

- Provision of a safe and healthy workplace
- Provision of COVID19-related PPE, prevention, and control supplies
- Support and availability of supplies and services during ECQ and Strict Quarantine
- COVID-19 vaccines
- Restrictions in maximum allowable workers on-site
- Availability of personnel due to the rising COVID-19 infection rate

Maynilad's Response

- Implemented COVID-19 protocols and guidelines based on government-issued guidelines
- Free vaccination provided to service-providers involved in Maynilad's COVID-19 response
- Extended assistance to personnel financially affected by mandatory COVID-19 quarantine

GOVERNMENT AGENCIES

Maynilad is committed to upholding the standards and requirements of government regulators and the terms of its service agreement.

Engagement Channels

Webinars, emails, phone calls, virtual meetings, face-to-face meetings, letters, public consultations

Concerns

- Compliance to effluent standards
- Implementation of Maynilad's projects and programs
- Awareness of Maynilad's water and wastewater operations
- Water quality, availability, and supply
- Revision of the Concession Agreement
- Compliance to OSH-DOLE, DPWH, and DOH (OSH requirements and COVID-19 related guidelines)
- Manila Bay rehabilitation
- LGU and NGAs needs and requests for assistance and support



Maynilad's Response

- Processed and secured permits and licenses
- Conducted regular effluent sampling and reporting of laboratory results
- Maynilad employees and workers were informed of the latest government regulations and amendments
- Submitted requirements online
- Presented evidence of implementation during audits and inspections
- Constantly communicated and coordinated with government agencies and LGUs



regarding overall operations and the projects and programs that were to be implemented

- Water Quality Campaign
- Regarding water quality, availability, and supply, Maynilad posted notices and advisories prior to water service interruptions and provided updates on the water supply from different sources
- For emergency water interruptions, Maynilad sent water tankers
- Cooperated with MWSS during the review process for the Revised Concession Agreement
- Regular reporting of COVID-19 cases
- Addressed and resolved issues related to water and wastewater operations
- Conducted webinars on appreciating water
- Directly replied to government through SMS, phone calls, emails, and letters
- Provided water for drinking and alcohol for sanitation purposes to LGUs, quarantine facilities, hospitals, and other government offices

SCHOOLS

The Company provides assistance to schools within its concession area. It also provides education on WASH concepts.

Engagement Channels

Emails, SMS messages, phone calls, third-party messaging apps, virtual and face-to-face media briefings

Concerns

- Poor water and sanitation conditions in public schools

Maynilad's Response

- Provided infrastructure and WASH education

COMMUNITIES

To make people live healthier and more sustainable lives, we make water and wastewater solutions accessible to various communities.

Engagement Channels

Emails, SMS messages, phone calls, third-party messaging apps, virtual and face-to-face media briefings, public consultations, and perception surveys (as needed)

Concerns

- Poor water and sanitation conditions

Maynilad's Response

- Implemented livelihood projects and WASH projects

LOCAL GOVERNMENT UNITS

We build relationships with local government units and cooperate with them on various projects.

Engagement Channels

Emails, SMS messages, phone calls, third-party messaging apps, virtual and face-to-face media briefings, consultation meetings

Concerns

- Permits approval

Maynilad's Response

- Relationship building activities

MEDIA

Maynilad communicates pertinent information about its operations to the public through the media.

Engagement Channels

Emails, SMS messages, phone calls, third-party messaging apps, virtual and face-to-face media briefings

Concerns

- Prompt response to issues
- Assistance for service complaints
- Updates on company developments

Maynilad's Response

- Issued statements and press releases
- Granted interviews, as appropriate

Our Material Topics [102-47]

This report covers vital business and material topics that our stakeholders have deemed important. In 2020, Maynilad identified and categorized all these material topics using its Sustainability Framework’s pillars in the chart below. We continue to report on the same material topics in this 2021 report. Maynilad used the three pillars of its sustainability framework to identify and categorize its material topics in 2021. It also used its Mission-Vision Statement and its Quality, Environment, Energy, Safety, and Health Management Framework to identify priority areas.

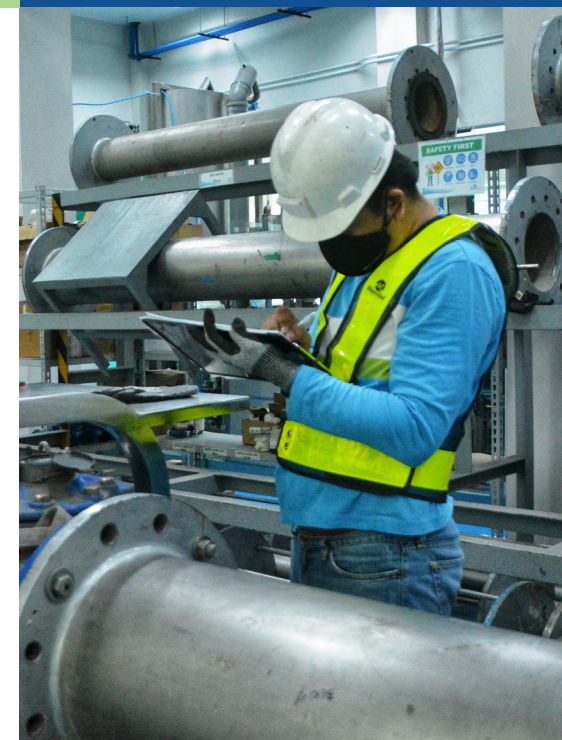


FRAMEWORK	MATERIAL TOPICS	SDG ALIGNMENT	RELEVANT GRI STANDARD
Operational Efficiency	Reduction of Non-revenue Water	  	GRI 201: Economic performance GRI 301: Materials GRI 302: Energy GRI 303: Water GRI 304: Biodiversity GRI 304: Emissions GRI 306: Waste GRI 307: Environmental Compliance
	Reduction of Carbon Footprint, Secure Water Bodies	     	GRI 201: Economic performance GRI 301: Materials GRI 302: Energy GRI 303: Water GRI 304: Biodiversity GRI 304: Emissions GRI 306: Waste GRI 307: Environmental Compliance
	Business Process Improvements	  	GRI 201: Economic Performance GRI 203: Indirect Economic Impacts
	Asset Management	   	GRI 103: Management Approach
	Risk Management	 	GRI 102-11: Precautionary Principle or approach
	Service Obligations and Legal Requirements	   	GRI 307: Environmental Compliance GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling GRI 419: Socioeconomic Compliance

FRAMEWORK	MATERIAL TOPICS	SDG ALIGNMENT	RELEVANT GRI STANDARD
Organizational Capability	Good Corporate Governance, Employment, Supply Chain Management (Procurement and Contract Management), Health and Safety	     	GRI 102-9 Supply Chain GRI 102-16: Values, principles, standards, and norms of behavior GRI 102-18: Governance structure GRI 102-23: Chair of the highest governance body GRI 102-41: Collective Bargaining Agreement GRI 204: Procurement Practices GRI 308: Supplier Environmental Assessment GRI 403: Occupational Health and Safety GRI 419: Socioeconomic Compliance GRI 401: Employment GRI 402: Labor Management Relations GRI 404: Training and Education GRI 405: Diversity and Equal Opportunity GRI 407: Freedom of Association and Collective Bargaining

EXCELLENCE AT EVERY STEP

FRAMEWORK	MATERIAL TOPICS	SDG ALIGNMENT	RELEVANT GRI STANDARD
Business Growth	Economic Performance		GRI 201: Economic Performance GRI 203: Indirect Economic Impacts
	Service Delivery	 	GRI 201: Economic Performance GRI 203: Indirect Economic Impacts
	New Products and Services	 	GRI 201: Economic Performance GRI 203: Indirect Economic Impacts
	Business Expansion	 	GRI 202: Market Presence
	Customer Service	  	GRI 416: Customer Health and Safety
	Partnerships	  	GRI 102-12: External Initiatives GRI 102-13: Memberships of Associations
	Community Development Projects, Corporate Social Responsibility and Social Inclusion	 	GRI 102-12: External Initiatives



Economic sustainability [103-1, 103-2]

Maynilad strives to consistently supply water, improve its techniques, and increase efficiency. These initiatives showcase how the Company's employees can go above and beyond when they work as a team committed to excellence and entrepreneurial values. Through its projects, Maynilad nurtures a culture of steady improvement.

In 2021, Maynilad continually adapted to the health and safety risks posed by COVID-19. It sustained its rehabilitation and optimization projects while employees, activities, and processes adjusted to suit the new normal setup.

The Company also contributes to economic development by working with local suppliers and contractors. On top of that, it pays taxes that aid in national development. Below is a table that details the economic value generated by the Company in 2021.

Direct economic value generated and distributed, in millions of pesos [201-1]			
	2019	2020	2021
Direct economic value generated (revenue)	23,992	22,937	21,950
Direct economic value distributed:	16,364	11,118	13,473
Operating costs	3,800	3,501	3,967*
Employee wages and benefits	2,335	2,373	2,252
Payments to providers of capital	6,984	2,150	5,097
Taxes given to government	3,217	2,999	2,023
Investments to community (e.g. donations, CSR)	28	95	134

* This includes payments to suppliers. The operating costs featured in page 57 of Maynilad's 2020 Sustainability Report also included payments to suppliers.

Water Supply, Sanitation, and Treatment [102-15]

The Company continues to look for ways to improve every stage of its water supply, sanitation, and treatment processes. Maynilad ensures a continuous supply of water and sewage and sanitation services, which are integral to COVID-19 prevention. Although 2021 saw lockdowns and travel restrictions, the Company's dedicated employees persevered in carrying out their duties and delivering excellent service.

Delivering 24/7 Water Services

Despite the challenges brought about by the pandemic, Maynilad's employees continued to maintain and improve the water delivery system for customers. The Company also provided free desludging services upon request, operated water reclamation facilities to treat wastewater, and monitored whether effluent met general standards.

In 2021, we fell short of our target 24-hour service level at 7 psi or 24/7 service level of 99.76% and instead achieved an 86% 24/7 service level. Meanwhile, we also did not meet our target for reducing non-revenue water (NRW), which is water that is lost through incidents such as leakages or broken pipes. We initially aimed for a NRW level of 21% but reached a level of 32%. Our lack of access to credit during the CA review period led us to reprioritize projects, and NRW dropped down the priority list. Deprioritizing NRW caused an increase in its district meter area level in 2021. Other factors also contributed to the NRW increase, such as the limited mobility due to the COVID-19 lockdowns and health and safety protocols. While we did not meet our NRW targets, we did our best to reduce NRW by installing pressure-regulating valves (PRVs), intensifying our anti-illegal efforts to address commercial loss, and resuming our reactivation program under the name "Konek Ka D'yan."

PRVs equalize pressure across the water distribution network so that Maynilad's water supply can be spread out in a wider area while lessening the stress placed on pipes. These PRVs also enhance supply distribution by lowering the pressure during off-peak hours. We installed PRVs at strategic locations along with our

distribution system. This Php 410 million initiative helped manage water loss and resulted in a more energy-efficient water distribution system.

This technology is not new to the Company, as it started using PRVs in 2011. As of December 2021, there are a total of 1,264 PRVs installed which make up around 85% of its distribution system. The Company aims for full PRV coverage by 2026.

We became more proactive in our operations' anti-illegal efforts by regularly analyzing and monitoring accounts. We also conducted site investigations to find possible irregularities that may be due to unlawful acts. In doing so, we recovered a total volume of 195,778 cubic meters and collected penalties amounting to Php 17,341,649.01 per the provisions of Republic Act 8041.

Another strategy which indirectly helped reduce NRW was the Konek Ka D'yan Program, which reconnected customers' accounts in order to reduce illegal connections. Through our Konek Ka D'yan Program, customers could reactivate their disconnected water service by paying a reduced reactivation fee. The reconnection process was also made more accessible. Customers simply had to send their contract account number, account name, and contact number. Afterward, the Zone Specialist contacted customers to assist them throughout the reconnection process, which included the negotiation and agreement of payment terms based on how much the customer could afford to pay monthly.

MOLINO-PALIPARAN PUMP STATION AND RESERVOIR (MPPSR) [203-1]

Maynilad constructed a Master Plan to support the growing demand in the southern part of its concession area. Part of this plan is the construction of the Molino Paliparan Pump Station and Reservoir, which was completed and energized in March 2021. The facility has a 10-ML capacity reservoir and can pump 30 MLD of water at 50 meters of pressure to its service area. It is located along Molino Paliparan Road, Cavite.

This facility helps the Magdiwang Pump Station and Reservoir (PSR) operations

deliver to customers a 24/7 water supply with a minimum service level pressure of 16 psi. The completion of this project benefitted 11,437 water service connections within the Cavite Business Area.

To construct the facility, we utilized the Front-End Engineering and Design (FEED) process. This process won the Golden Meter Award Team Category since it involves close collaboration between Maynilad's different divisions. The project was completed on time with no additional cost and work requirements.

Improvement and construction of Water Treatment Plants

To improve quality and water supply, sustainability, resiliency, and compliance to service obligations, Maynilad upgraded and constructed water treatment plants (WTP). As of the end of 2021, the construction for the upgrading of La Mesa Treatment Plant 1 was 92.60% completed, while La Mesa Treatment Plant 2 was 73.48% accomplished. These upgrades were mainly done to improve the treatment efficiency of these plants, allowing them to further mitigate the impact of poor raw water quality during the rainy season. Furthermore, the Laguna Lake Water Treatment Plant, the Company's fifth water treatment plant, is at the pre-construction phase and is expected to be completed in 2023.



INCREASING OUR WATER SUPPLY THROUGH MODULAR TREATMENT PLANTS [203-1]

Maynilad is planning and constructing modular treatment plants to address water supply shortages during the summer season as well as the occurrence of El Niño. These modular treatment plants will be located in the Province of Cavite, Valenzuela City, and Parañaque City.

1. Cavite Province Modular Treatment Plants

The Company's four modular treatment plants in the Province of Cavite will be located in Imus City and Bacoor City. They will draw water from Cavite dams to supply a total capacity of 46.7 MLD, providing additional water to about 273,000 people in Imus City and Bacoor City. By the fourth quarter of 2022, this project will be able to supply 16 MLD. The Company has set the fourth quarter of 2023 as the target time period for the completion of all four modular treatment plants.

Two of the treatment plants were still undergoing construction in 2021:

- **Julian Modular Treatment Plant:** It is the first container-mounted modular treatment plant in the Philippines. This treatment plant has a capacity of at least 3 MLD, which can go up to 4 MLD without reverse osmosis (RO). Located inside Patindig Araw Pumping Station, it will use raw water from the Julian River. The Company invested Php 76.59 million to construct the plant.
- **Anabu Modular Treatment Plant:** Phase 1 of this project will be able to supply 12 MLD or 10 MLD only with RO. Afterward, Phase 2 of this project can increase the supply by 6.6 MLD. This facility costs Php 873.05 million.

As of the end of 2021, the last two treatment plants were still under the planning and engineering phase:

- **Ligas Modular Treatment Plant:** This facility will use raw water from Ligas Dam and has a target capacity of 18.6 MLD. It will cost Php 480.92 million to install.
- **Molino Modular Treatment Plant:** Using raw water from Molino Dam, this facility will have a capacity of 5.5 MLD. The Company will invest Php 149.27 million to build it.

2. Valenzuela City Modular Treatment Plant

This Php 71.46 million investment will draw water from the Tullahan River and provide an additional supply of 1 MLD. Its water supply will reach 3,200 customers in Valenzuela City, and its target completion period is November 2022.

3. Parañaque City Modular Treatment Plant

By processing treated used water from Maynilad's Parañaque Water Reclamation Facility, this new Modular Treatment Plant will produce potable "New Water" through a rigorous multi-stage purification process. It will be the first-ever treatment plant that converts effluent from households into drinkable water and will supply 10 MLD to 38,700 customers in Parañaque City. This Php 450 million facility will be operational in 2022.

DOH-accredited laboratories collected samples from the facility to test whether the water was safe to drink. After these tests, the Parañaque City Health Office issued the facility a Certificate of Potability. This certificate ensures that the facility's "New Water" meets the Philippine National Standards for Drinking Water.

Thanks to this facility, Maynilad can expand its alternative raw water supply options. Other countries, such as Namibia in Southern Africa and Singapore in Asia, use similar facilities to increase their water supply.

Sewage and Sanitation

By closely monitoring its projects and coordinating with business units, Maynilad complies with its service obligations for service coverage. It operates wastewater treatment plants, monitors its sanitation services daily, invests in wastewater infrastructure and sanitation equipment, and implements virtual campaigns and inspections.

Maynilad boasts a 1.19 MLD combined septage treatment capacity. Currently, it owns 110 vacuum truck units. Residential and semi-business customers located in areas not yet connected to a sewer system can avail of a free septic tank cleaning service every five to seven years. From 2017 to 2021, the Company has provided this service to around 8.3 million people based in areas that range from North Caloocan to Cavite and has collected and treated over 855,236 cubic meters of septage. In 2021, a total of 134,026 customers availed of our desludging services. We collected and treated 161,345 cubic meters of septage in the same year.

Customers in sewer areas that have applied for a sewer connection can directly convey their sewage to Maynilad's Water Reclamation Facilities (WRF). The Company's sewerage service has extensive coverage since its 22 wastewater treatment facilities have a combined sewage treatment capacity of 664 MLD or 664,000 cubic meters (CBM) per day.



2021 also saw the following accomplishments for Maynilad's sewage and sanitation services:

- 4,303 new sewer service connections (domestic)
- 306 new sewer service connections (non-domestic)
- 53,738 septic tanks desludged
- 6,153 sewer manholes cleaned
- 420 km sewer lines cleaned

Wastewater Treatment

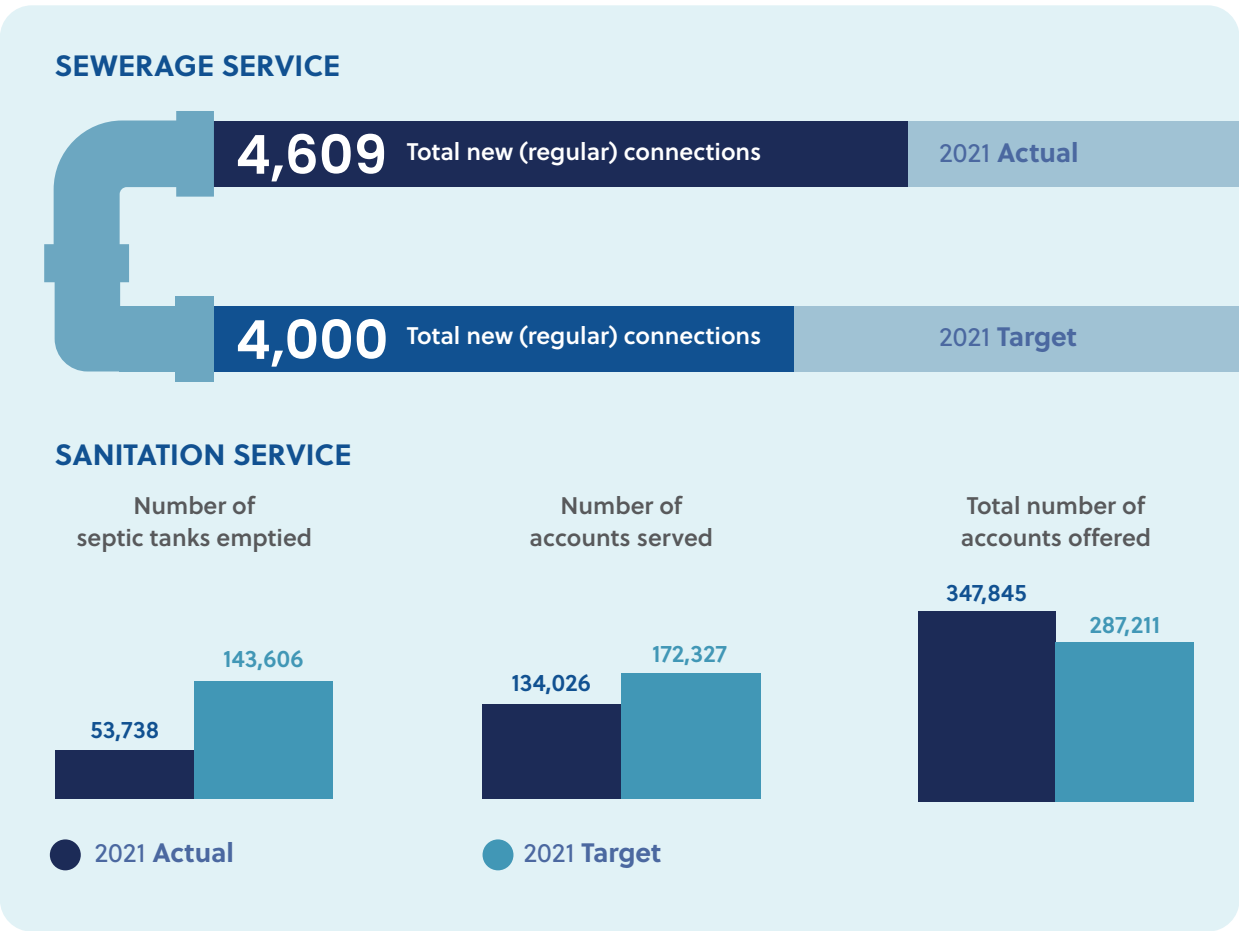
To make the most of our wastewater treatment resources, we implement operational efficiency programs. For instance, we reuse our treated effluent water in different areas of our operations, such as tank cleaning, dewatering processes, automatic washing systems, toilet flushing, and maintenance of Vacuum Truck Units (VTU).

We also developed pre-treatment standards for wastewater effluents discharged to sewage treatment systems by commercial and industrial establishments. These guidelines will guarantee that commercial establishments distribute wastewater that does not exceed the design capacity of Maynilad’s treatment facilities. To create these standards, a joint stakeholders technical working group was formed between representatives from Metropolitan Waterworks and Sewerage System Corporate Office (MWSS-CO), Metropolitan Waterworks and Sewerage System Regulatory Office (MWSS-RO), Manila Water Company, Inc., and Maynilad. Although these guidelines have been formulated, their implementation is still being planned.

WASTEWATER KEY PERFORMANCE INDICATORS

For sewerage services, Maynilad reached its target for total new regular connections.

When it came to sanitation services, it did not reach its targets for septic tanks emptied and number of accounts served. However, it exceeded its targets for the number of accounts offered but waived and the total number of accounts.



Water Laboratory (WATERLab) [102-12]

One way Maynilad is meeting the targets of SDG 6: Clean Water and Sanitation is through its Water Laboratory (WATERLab). With the WATERLab, the Company can reduce costs for outsourced testing, enhance its capability to meet government standards, and test new innovations. The WATERLab can test samples from over 1,100 sampling points from the West concession area. The facility is located inside the La Mesa Compound in Quezon City and has been operational since 2020.

The WATERLab can provide optimum water quality in line with the more stringent quality parameters outlined in the Department of Health’s (DOH) amended Philippine National Standards for Drinking Water. Aside from testing the quality of potable water, the facility also monitors organic compounds and by-products present in effluent from Maynilad’s treatment facilities. It ensures that effluent complies with the Department of Environment and Natural Resources (DENR) Administrative Order (DAO) 1990-35–Revised Effluent Regulations of 1990; DAO 2016-08, the Water Quality Guidelines and General Effluent Standards; and DAO 2021-19, which is the updated Water Quality Guidelines (WQG) and General Effluent Standards (GES) for selected parameters.

It has also achieved Biosafety Level II, which is the environmental requirement for working with live control cultures and performing microbiological testing. The Philippine National Police (PNP) and the Philippine Drug Enforcement Agency (PDEA) have also granted it the license to purchase, possess, and handle chemicals regulated by law.

On top of meeting national requirements, the WATERLab has also passed international standards. In December 2021, it met ISO/IEC 17025:2017 or the general requirements for the competence of testing and calibration of laboratories. Technical audits also yielded positive results for the WATERLab. The MWSS-RO listed four positive findings, including the WATERLab’s pesticide risk assessment paper. It only listed two opportunities for improvement. Our Water Safety Plan (WSP) rating also increased from “Good” to “Very Good” because the WSP review committee found it comprehensive and easy to read and understand.

Improving technology



Maynilad is one of the first water concessionaires in the country that analyzes cyanotoxins through the enzyme-linked immunosorbent assay protocol in-house. We conduct this analysis since Laguna Lake is one of our water sources.

We also administer a trace organics analysis to check for residues of pesticides and other contaminants. To conduct this analysis, we use Gas Chromatography-Tandem Mass Spectrometry and our Gas Chromatograph-Electron Capture Detector (GC-ECD), which has a dual detector setup. The GC-ECD is also used for polychlorinated biphenyl analysis in drinking water and surface water.

Advancements in knowledge

We have furthered our knowledge about testing water quality. Since agricultural work is common in our country, Maynilad conducted a pesticide residue risk and impact assessment in its raw water sources. It developed a novel risk assessment scoring approach using water sourced from Laguna Lake and the Angat-Ipo water system. This system's pesticide is classified as negligible, low, medium, and high.

The research found that Maynilad has a low risk of all banned, restricted, and regulated pesticides. In contrast, it has a medium risk to only one of the mandated pesticides, carbofuran. However, Maynilad's monitoring and water treatment processes can adequately address these risks. The study recommended that Maynilad identify or focus on pesticides in its Water Safety Plan to develop a contingency plan in case further pesticide contamination occurs.

We also tested products made through the Kapwa social enterprise program. Using a disinfection chemical quality assurance analysis, we tested the social enterprise's hand sanitizer, disinfectant, liquid bleach, and hand wash in support of the Company's pandemic response. The tests done on KAPWA's products showed that these products, borne from our Samahang Tubig Maynilad initiative, have comparable quality and effectiveness to commercially available products of the same kind.

Asset Management [203-2]

We strive to care for both our physical and digital assets. Our Non-Revenue Water Management Program reduces water loss in our network through selective pipe replacement, active leakage control, network diagnostics, replacement of old water meters, and establishment of District Metered Areas.

Pipe maintenance, leak repair, and meter replacement and calibration

Since its re-privatization in 2007, Maynilad has installed 3,172 kilometers of water pipelines across its concession area, increasing the total pipes laid to 7,748 kilometers. Its distribution system delivered 948 MCM of potable water to over 1.5 million customers or about 9.9 million people.

In 2021, the Company laid 19 kilometers of new pipes that connected more than 18,000 residents in Metro Manila and Valenzuela, Rosario, and Bacoor, Cavite province, to the rest of its water system. Installing these new pipes costs Php 647 million.

Replacing defective, leaking pipes is also essential to maintaining the quality of our water distribution system and reducing losses. We replaced 166 kilometers of old pipes in 2021. This is part of our ongoing initiative to replace pipes from the distribution system that the Company inherited when it was re-privatized.

"Maynilad maintains an extensive pipe distribution system that conveys potable water to millions of households from North Caloocan to Cavite Province. Having the appropriate monitoring instruments in this system is essential to meeting our service level commitments to our customers."



RANDOLPH T. ESTRELLADO
Maynilad Chief Operating Officer

Through enhanced technology, we also improved the monitoring of our distribution network. We spent Php 23 million to install 611 data loggers over 1,594 kilometers of pipeline. These data loggers digitally monitor the flow and pressure of water inside our pipes, allowing Maynilad to track these remotely. Thus, we can better respond to pressure drops that could hinder supply distribution. Including the new data loggers, a total of 2,500 data loggers have been installed in the Company's concession area.

Since 2020, we have inspected over 191 kilometers of primary lines. We conduct inspections with the help of Sahara® mobile leak detection equipment, which we have been using since 2010. With this equipment, we have located 33 leaks along our pipelines from 2020 to 2021 and recovered approximately 16.5 MLD of water, which can supply 113,850 people.

As for meter readings, the Integrated Meter Management Department uses an automated meter infrastructure to quickly obtain data on pressure and consumption from meters.

2,000 mm Sobriedad Trunkline Realignment

One of our major projects in 2021 was the realignment of a 2,000 mm trunkline to give way for the flood control project of the Department of Public Works and Highways (DPWH) along Cristobal, Sampaloc, Manila. We used line-stopping technology to plug the replaced pipelines, and the project spanned from October 29 to November 1, 2021.

Customers needed to be informed about the water interruptions that this project caused, so Maynilad held an information dissemination drive. The Company informed its customers about the water interruption schedule through its website, social media pages, select newspapers and tabloids, flyers, SMS, and email advisories for customers enrolled in Maynilad Alerts.

When customers requested more time to prepare for the interruptions, Maynilad coordinated with the DPWH and MWSS to push back the original schedule. While the project was being implemented, Maynilad provided 59 mobile water tankers to areas that experienced three days of interruptions.

The project was conducted parallel to 50 pipeline maintenance activities, involving around 100 Maynilad engineers. It also called for the collaboration of experts from the Company's Program Management Division, the Company's Water Supply Operations (WSO) Division, and Ken Seng, a Malaysian technology provider for line-stopping equipment. The individuals involved in this project successfully carried it out while complying with pandemic safety protocols.

Protection of digital assets

The Company's Information Technology Services (ITS) Division also undertook efforts to secure data privacy, set up security for its servers, and check for vulnerabilities.

To enhance the network security of critical sites, the ITS Division implemented an Industrial Control Network (ICN) Firewall Project. It also formed endpoint protection proxy servers in ICN to mitigate cyber-attacks. Additionally, it used a vulnerability assessment scanner to check for vulnerabilities that could be exploited by cyber-attacks.

Supply Chain, Materials Management, and Quality Assurance ^[102-9]

Maynilad stores materials in its Central Materials Depot and five strategically located satellite warehouses. Our supply of materials and chemicals is maintained by our Inventory and Warehouse Management Department. This department also optimizes inventory to minimize unnecessary costs. As for our vehicles, they are routinely maintained and disinfected to ensure the safety of passengers and drivers.

The Company sources its materials from various partners, including contractors, consultants, service providers, and suppliers. To ensure that the supplies they deliver are of high quality, these partners undergo an accreditation process and regular evaluations.

When Maynilad develops a new relationship with a supplier, it is also essential for it to assess the new supplier's possible impacts. Our Supply Chain Management team is responsible for this. Currently, the team is revising their questionnaire for vendor and supplier accreditation to better integrate environmental, economic, social, and governance aspects. ^[102-10]

SHIP-TO-STOCK PROGRAM ^[203-2]

In 2021, we implemented our ship-to-stock program to lessen the number of inspections for qualified suppliers. Initially, we would inspect materials before they were shipped to our facilities. This this program expedites deliveries by enabling accredited suppliers to send supplies without going through the preliminary inspection procedure. It saves time for both Maynilad and accredited suppliers. The program aimed to deepen our partnerships with trusted vendors without any record of material rejection for the past five years.

To become an accredited supplier that is part of the ship-to-stock program, a vendor must meet certain requirements. These include the following:

- Holds an ISO 9001 Certification, at least or equivalent
- Supplies or had supplied to Maynilad and is an accredited supplier
- Operates a factory located in the Philippines
- Owns an existing laboratory for testing (accredited or following accredited procedures) or has third-party testing
- Has achieved a passing rate of 85% on Maynilad's supplier and vendor performance evaluation
- Holds a rejection rate of no more than 0.5% to 1% for incoming or receiving inspections at warehouses

Supporting local suppliers ^[203-2]

We support Filipino businesses by purchasing materials from local suppliers. We proactively source new vendors and contractors to ensure cost competitiveness. In 2021, there was a 10.48% increase in vendors of critical products and services compared to the previous year. Most of these new vendors were sourced by optimizing a new sourcing platform, Dun & Bradstreet Hoovers.

ALLOCATION OF PROCUREMENT BUDGET ON LOCAL AND FOREIGN SUPPLIERS

	2019	2020	2021
Number of local suppliers*	599	544	472
Number of foreign suppliers	20	19	20
Total suppliers**	619	563	492
Percentage of Maynilad's procurement budget spent on local suppliers	98.36%	98.92%	98.78%
Payment to local suppliers	Php 2,618,929,357.72	Php 3,642,276,810.08	Php 2,342,549,027.31
Payment to foreign suppliers	Php 43,679,897.37	Php 39,895,294.92	Php 29,001,227.42
Total procurement	Php 2,662,609,255.09	Php 3,682,172,105.00	Php 2,371,550,254.73

* By local suppliers, we refer to Philippine-based companies.

** We only included accredited suppliers in this table. Numbers for local suppliers went down due to the expiration of accreditation.

NON-RENEWABLE MATERIALS USED ^[301-1]	Pieces		
	2019	2020	2021
Water meters and spare parts	438,755	206,039	427,725
Pipes and fittings	1,139,212	709,653	951,961
Valves, hydrants, and accessories	9,793	6,881	6,946

NON-RENEWABLE CHEMICALS [301-1]	Quantity used for water treatment, in metric tons**		
	2019	2020	2021
Aluminum sulfate	10,076.20	9,362.94	7,227.42
Liquid chlorine	1,929.00	2,269	2,056.00
Non-ionic polymer	3.78	5.30	4.56
Cationic polymer	16.50	24.38	11.18
Polyaluminum chloride	3,773.12	5,322.71	3,309.83
Powdered activated carbon	0	0	0
Calcium hypochlorite	3.35	0.12	0
Aluminum chlorohydrate	2,645.34	2,211.98	1,985.43
Sodium hypochlorite	3,741.61	3,562.50	3,339.84
Sodium hydroxide, 25-30%	2,580.13	1,578.25	2,119.82
Sodium hydroxide, 50%	102.34	103.80	559.53
Citric acid	305.68	389.74	491.87
Sodium bisulfite	13.36	247.92	195.92
Anti-scalant	22.36	15.63	1.55
Potassium permanganate	111.75	183.89	210.79
Sludge polymer	0.20	134.32	43.21
Hydrochloric acid, 30%	171.30	32.97	80.80
Hydrochloric acid, 15%	165.51	7,689.12	471.42
Ferric chloride	0	2,508.56	3,387.08
TOTAL	25,661.52	35,643.14	25,496.22
Intensity in tons of chemicals used per water produced (ton/million liters)	0.03	0.04	0.03*

* Based on 947,618.30 million liters of water produced

** In page 84 of Maynilad's 2020 Sustainability Report, the unit used to report on quantities of non-renewable chemicals used for water production was metric tons and not megatonnes.

CHEMICALS	Quantity used for wastewater treatment, in metric tons*		
	2019	2020	2021
50% Sodium Hydroxide		265.42	355.02
Powdered Activated Carbon	19.00	1.60	4.40
Poly Aluminum Chloride (PACl)	729.08	848.20	700.18
Sodium Hypochlorite	1,327.65	1,227.84	1,008.32
Enzyme	210.00	100.00	760.00
Polymer	53.69	55.35	54.05
Total	2339.42	2498.41	2881.97
Volume of WW treated in ML**	69,847	72,139	69,477
Intensity in tons of chemicals used per wastewater treated (ton/million liters)***	0.033	0.035	0.041

* In page 84 of Maynilad's 2020 Sustainability Report, the values provided to report non-renewable chemicals used for wastewater treatment were in kilograms, hence, the huge numbers.

To improve its reporting on chemical consumption, Maynilad recently aligned with its Finance team and double-checked its values reported for chemical consumption for wastewater treatment. The values in the table above reflect data that were included in the rate rebasing audit which is conducted every five years, and these chemical quantities coincide with the data in the SAP software we use.

ASSESSMENT OF SUPPLIERS AND SERVICE PROVIDERS THAT WERE NEW OR UP FOR RENEWAL

[308-1]

For 2021, a total of 149 suppliers and service providers, which consist of 59 new and 90 for renewal, were assessed for environmental, health, and safety aspects as part of the accreditation process. There are no reported incidents of negative environmental impacts. Additionally, no suppliers or service providers were identified to have significant actual and potential negative impact to the environment.

Business Continuity

Emergency Preparedness and Response System [102-12]

Emergency preparedness and response is one of the critical business continuity processes of the Resiliency Department. Each business unit has its own Emergency Preparedness and Response Team (EPRT), which is considered as the first responder once an emergency occurs in their respective areas. When the emergency situation requires it, requests for emergency assistance are escalated to the Resiliency Department.

Here are some of the key responsibilities that are carried out by the EPRT teams*:

- Conducting trainings and drills for fires, earthquakes, and other emergencies identified through HIRAC or other methods
- Regularly checking for fire hazards in offices, plants, and working areas
- Inspecting fire extinguishers and ensuring that they are fully charged and in operable condition
- Keeping fire extinguishers in their designated places except when they are being used, tested, repaired, or replaced
- Designating a Trained First Aider at each business unit who will issue medicines, provide medical assistance such as blood pressure checks, and counsel patients
- Providing first aid kits that will be installed at the satellite clinic or another logical location within the business unit's facility
- Ensuring the availability of stand-by service vehicles that can be used for emergencies
- Posting telephone numbers and contact persons of the nearest hospital and fire station as well as the evacuation route map
- Designating and training employees that are part of the EPRT to handle fire extinguishers or other emergency equipment
- Familiarizing employees and project-based workers with emergency procedures for nonresponders, emergency routes, and assembly areas
- Coordinating and providing resources required by the organizational units or various locations for the successful implementation of the business continuity plans
- Activating the business continuity plan based on information received and how critical the situation is

**Members of the team each have different roles and responsibilities.*

Improving Standards [102-15]

The Company improved its business continuity standards by achieving a higher international certification for its Business Continuity Management System (BCMS). It was recertified and upgraded to a new version of ISO 22301:2019 for nine sites, including the head office. The other sites are the following:

- Head Office (Information Technology Services; Human Resources-Payroll; Corporate Communication; Quality, Sustainability, and Resiliency and Integrated Management System; Security and Fleet Management)
- La Mesa Treatment Plant 1
- La Mesa Treatment Plant 2
- Arroceros office – Water Network and Manila Business Area

- Pagcor Pumping Station and Reservoir
- Villamor Pumping Station and Reservoir
- La Mesa Pumping Station and Reservoir
- Central Depot
- Quality, Sustainability, and Resiliency WATERLab

As the ISO standard focuses on business continuity, ISO 22301:2019 provides Maynilad with a practical framework for adapting to disruptions and setting up and maintaining an effective business continuity management system.

By implementing these standards, the Company will emerge as a more resilient organization and cope with national and global events that could affect our business, such as the pandemic, natural calamities, and technical and security-related emergencies. An effective management system will ensure that the Company can be prepared to deal with such events and restore a normal water supply to customers as early as possible.

Maynilad's Integrated Management System (IMS) complies with legal, regulatory, contractual, and other requirements. To ensure that it is meeting ISO standards, it undergoes regular audits. Maynilad has been ISO certified by TÜV Rheinland since 2007. TÜV conducts annual surveillance audits, while Maynilad's internal auditors hold their own internal audits.

Using Business Continuity Plans to adapt to the COVID-19 pandemic

During the pandemic, Business Continuity Plans (BCP) helped business units provide uninterrupted services. BCPs were in place for vital facilities and offices in Maynilad, such as the facilities of the Water Supply Operations and Wastewater Management divisions. These BCPs came in handy when COVID-19 cases surged, and we had to decrease manpower in treatment plants, business areas, and other business units.

Business units also used the BCMS's Risk Analysis to identify risks. These risks were classified into levels depending on how severely they interrupt critical processes. One of these risks was the COVID-19 pandemic.

When BCPs were implemented in some business units during the pandemic, gaps in existing plans were identified. These gaps were taken into account, and activities and resources were adjusted to fit the current situation. In 2021, the BCP of the Water Treatment Plant Maintenance section was activated due to an increasing number of COVID-19 cases that depleted manpower for a critical process called Corrective Maintenance. The business unit had

predetermined activities and resources needed to carry out the BCP and for recovery efforts after the BCP activation. However, some activities for the BCP were revised so that they could be executed simultaneously and reduce the time of recovery of the business units. Thus, the business unit learned how to modify its BCP to achieve maximum efficiency.

Maynilad has seen the value in evaluating threats other than the pandemic, and it has realized that it is the ideal time for all business units to establish their own BCPs. To keep operations running smoothly, a business unit's critical processes should have predetermined activities that will be executed to adjust to a specific disruption. Having a detailed recovery plan is essential to help a business get back on its feet after a major disruption.

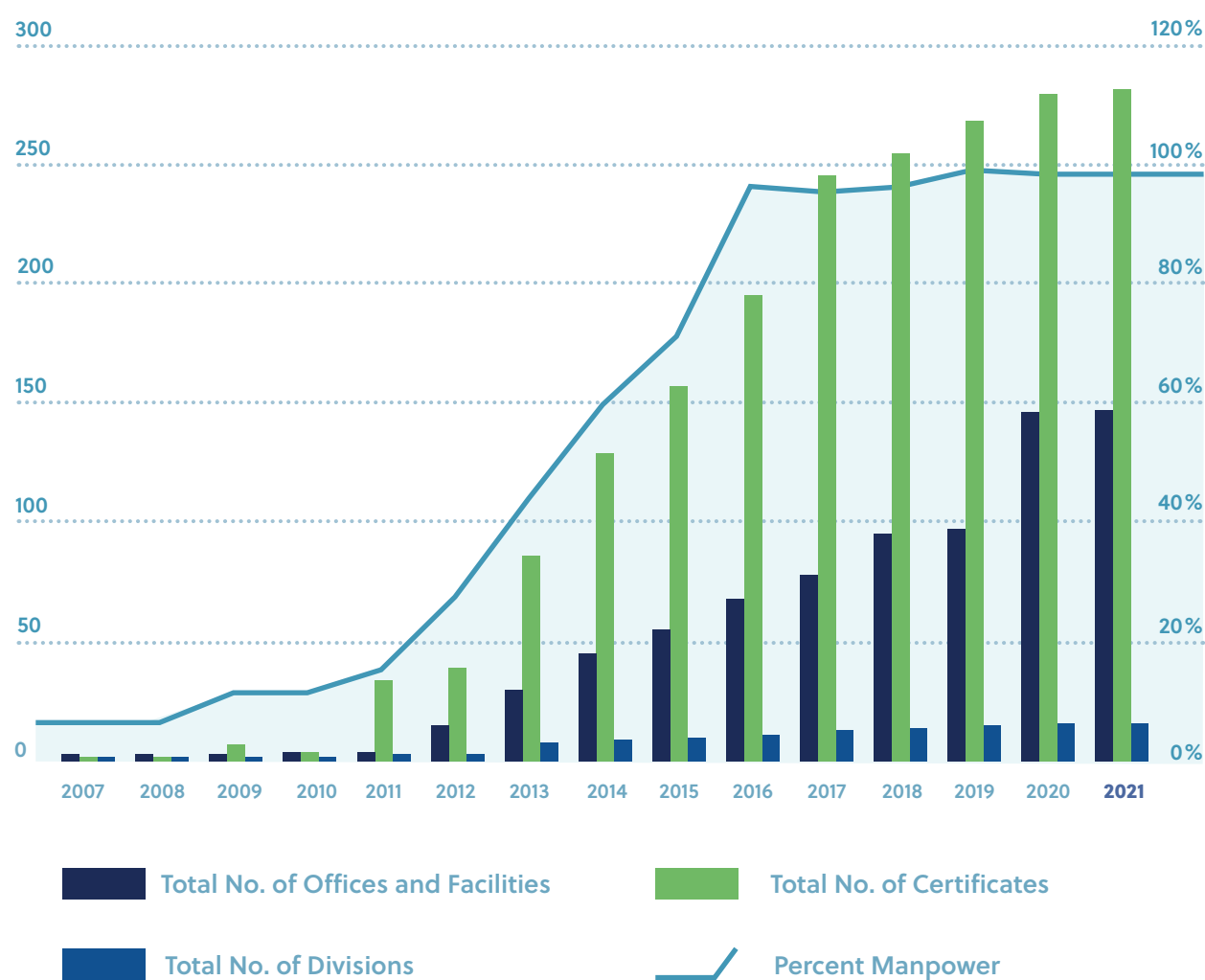
In the future, the Company plans to gradually expand the implementation of the BCMS in other vital business units of Maynilad. Currently, nine sites are covered by the ISO 22301:2019 BCMS certification.

Progression of ISO Certifications

In 2007, Maynilad started with just three facilities, two ISO certificates, and 6.48% manpower coverage. Since then, its number of ISO certifications, facilities, and manpower coverage has increased. The table below demonstrates how the number of offices and facilities and the number of ISO certifications have increased in the past three years.

PARTICULAR	2019	2020	2021	Remarks for 2021
No. of offices and facilities	97	146	147	1 New Facility
No. of ISO Certificates	268	279	281	Water Laboratory New Facility (17k & BCMS)
Coverage of ISO Certification (in terms of manpower)	98.69%	98.01%	98.00%	

Certification Growth



Expanding Our Services

Maynilad's subsidiaries and Business Development Department expand its services beyond its concession area and deliver the quality of the Company's water and sanitation services to a wider range of people.

PHILIPPINE HYDRO, INC. (PHILHYDRO)

PhilHydro is composed of 54 employees across four provinces. For the first time since Maynilad's acquisition of PhilHydro in October 2012, it has established a vision, mission, and values for the whole subsidiary. Today, PhilHydro envisions itself as the leading provider of safe, affordable, and sustainable water in the markets it serves.



PhilHydro
A Maynilad Company

Its mission states that it aims to support its stakeholders in the following ways:

- **Employees:** By creating a culture of respect, teamwork, and personal and professional growth
- **Customers:** By providing a stable supply of responsibly sourced, safe water to ensure healthy, thriving, and sustainable communities
- **Government:** By building and maintaining strategic partnerships with government entities that will uphold environmental care through the responsible and sustainable management and development of water resources
- **Shareholders:** By operating efficiently and continuously looking for growth opportunities

Lastly, PhilHydro aims to adhere to the following values: *malasakit* (concern), respect and teamwork, commitment to serve, and love for country.

AMAYI WATER SOLUTIONS, INC.



Maynilad registered Amayi Water Solutions, Inc., also known as Maynilad Boac, in July 2012. This subsidiary was awarded a contract for handling the water supply system in the Municipality of Boac in the Province of Marinduque in 2018.

The Commission on Audit (COA) had findings on the Concession Agreement entered by the Municipality of Boac with Maynilad. Following this, the Municipality of Boac made requests in resolution to the findings of COA. In the last quarter of 2021, the Chief Local Executive of the Municipality of Boac signed a letter authorized by the Municipal Council through the Municipal Council Resolution. The letter acknowledged the Municipality of Boac's requests that are on top of the existing obligations in Maynilad Boac's Concession Agreement.

The letter will document the willingness of Maynilad to comply with the requests and will address the concerns of the Commission on Audit without revising the existing Concession Agreement.

The requests are as follows:

1. Increase in the Concession Fee
2. Payment of the real property tax of the existing facilities
3. Recruitment process should comply with Municipal Ordinance 2018-247, which aims to secure jobs for its residents
4. Submission of Business Plan on or before the Commencement Date and every five years thereafter during the term of the concession

Exemption from the payment of tariff at a maximum monthly consumption for each of the water service accounts of the properties owned and exclusively used for governmental purposes by the Municipality.

Thriving in the New Normal

While the world stepped into its second year of the COVID-19 pandemic, the Company continued to uphold its standards, deliver essential services, and make adjustments to adapt to the new normal. It has its employees to thank for striving to fulfill their duties despite the risks and giving their all throughout the year.

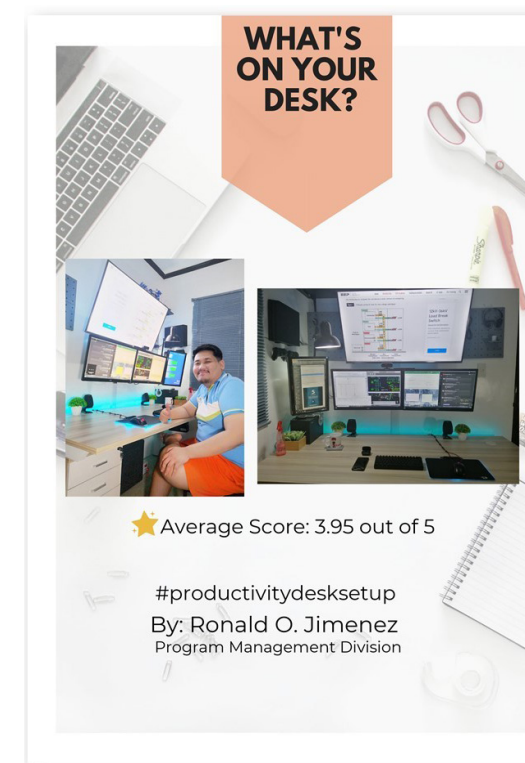


RECOGNIZING OUR FRONTLINERS

Our brave frontliners continued to keep Maynilad's essential services running throughout the COVID-19 pandemic. To reduce water losses, many employees went out into the field to check on and calibrate Maynilad's district meters. Meanwhile, the maintenance activities such as pipe replacements preserved the quality of Maynilad's water distribution system. In the face of these risks, employees pressed on and continued to ensure that all Maynilad's customers received a continuous water supply.

Maynilad's employees followed IATF interim guidelines such as the mandatory wearing of face masks and temperature checks. Visitors to Maynilad's treatment plants were also required to undergo an RT-PCR test 72 hours prior to their visit.

LESSONS LEARNED FROM THE WORK-FROM-HOME SETUP



Before the pandemic, teams could easily talk face-to-face, but the work-from-home setup has taught teams how to use digital platforms like Microsoft Teams, Facebook Messenger, and Viber. Teams now hold regular meetings to ensure that all members are on the same page and so that they can share ideas freely and quickly. Employees also used Short Message Services (SMS) and calls to stay connected.

While employees faced challenges such as internet connectivity problems and having to quarantine away from family, they strived to remain resilient and learn new skills throughout the pandemic. As they transitioned to becoming more tech-savvy, employees picked up tips and tricks to make the most of technology. For instance, employees learned how to organize online events for their fellow employees.

Many employees who were high-risk or not mission-critical were also given a chance to work from home. By working remotely, employees had chances to learn lessons about adaptability, communication, and using digital tools to increase productivity.

Those who started working remotely had to find new and creative ways to maintain communications between teams. Keeping everyone up to date was essential for disseminating information about developments at work and ensuring the work was running smoothly.

"I even learned to organize a virtual event for our department, which was my first time since joining Maynilad. That pulled me out of my comfort zone and made me realize that I'm capable of doing more. I'm glad."



SHIRLEY RUBANTE
Administrative Specialist
of the Water Source
Department

These challenges show that in the face of changing circumstances, Maynilad can and has adapted to change. The COVID-19 pandemic has taught the Company not only how to continue its work despite health restrictions but also how to stay on top of uncertain situations.

MAKING WAY FOR A GREENER FUTURE

Environmental sustainability [103-1, 103-2]

To mitigate its environmental impacts and address the effects of climate change, Maynilad has taken steps to monitor and minimize the environmental footprint of its projects and facilities. We conduct feasibility studies with the help of our technical experts, create programs that mitigate the negative effects of our business on the surrounding environment, and invest in new technologies. These initiatives all embody our love for our country and our commitment to the SDGs, especially Goal 6: Clean Water and Sanitation.

Shrinking Our Environmental Footprint [102-12]

The Company's activities not only affect the environment surrounding our facilities but also the communities nearby. To minimize our environmental footprint, Maynilad's Quality, Sustainability and Resiliency (QSR) Policy guides our environmental performance. We constantly evaluate our progress and check whether we follow our industry's best practices. We also follow international standards by ensuring that our Environmental Management System (EMS) is in line with ISO-certifications.

To monitor whether our operations comply with the aforementioned standards, we regularly conduct internal and external audits. [103-3]

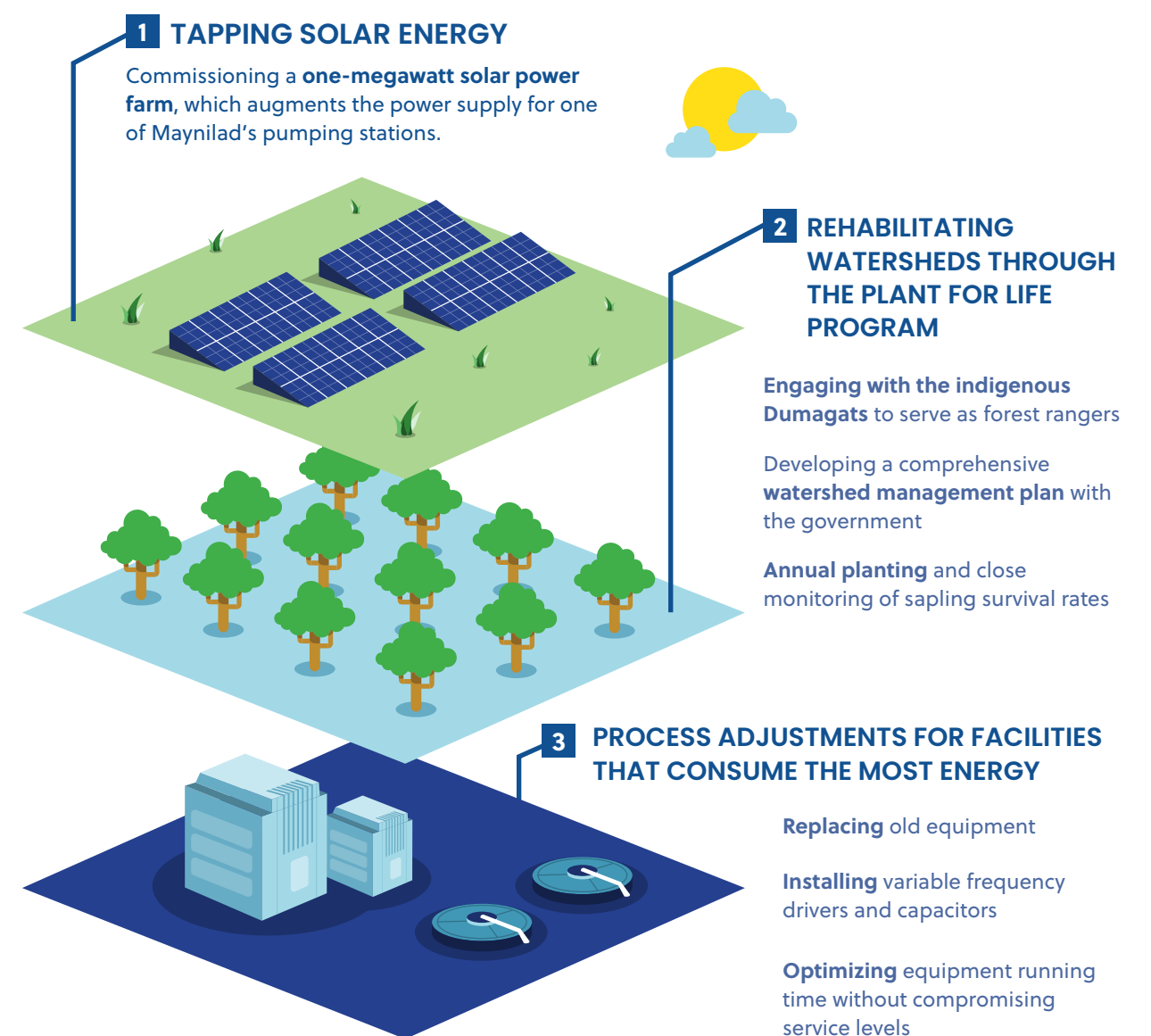
The Sustainability Department conducts facility inspections where they check the environmental compliance of facilities. During the inspections, the department also points out potential instances of non-compliance so that the facility owners can prevent these and take corrective actions. Additionally, Maynilad has 86 DENR and Laguna Lake Development Authority-accredited Pollution Control Officers who ensure compliance with environmental obligations.

Aside from the Company's operations, we also keep track of our vendors' environmental, safety, and health responsibility through performance evaluations to check their compliance with standards.

An Overview of Maynilad's Climate Neutrality Plan

Maynilad serves more than 9.9 million customers, and it operates water treatment plants, pumping stations, sewage and septage treatment plants, and lift stations. In 2020, its emissions were only 0.077% of the Philippines' total emissions. However, with its large scale of operations, Maynilad is aware that it will continue to use energy at an increasing rate, leading to higher carbon emissions. Thus, it has formed a Climate Neutrality Plan that it aims to achieve by the year 2037.

Maynilad plans to tap more renewable energy sources and more renewable energy mix in purchased electricity to reduce its emissions. It will also continue to rehabilitate watersheds and continue making process adjustments for its facilities. Aside from these initiatives, it plans to gradually shift a percentage of its fleet services from conventional to electric vehicles, which will help reduce dependency on fossil fuels. The infographic here details the steps it will take to achieve these goals.



Natural Resources Management

Water utility companies are tasked with monitoring their water consumption since nature may be unable to keep up with these rates and replenish them at a balanced pace. Given this, Maynilad carries out its duty to care for the watershed areas that support its water sources to the best of its ability. To fulfill this, Maynilad routinely conducts studies and always tries to introduce innovations in its processes and operations. It has been an active partner of the government in addressing water pollution.

Maynilad owns, leases, or manages operational sites located within or adjacent to protected areas or areas with high biodiversity. Some of its facilities can be found in the La Mesa Compound. The compound is part of the La Mesa Watershed Reservation, which was declared a protected area through Presidential Proclamation 1336 in 2007. [304-1]

Below is a list of Maynilad-owned and managed facilities that are located within the La Mesa Compound:

1. La Mesa Treatment Plants 1 and 2
2. WATERLab
3. Common Purpose Facility, co-managed with Manila Water
4. Water Maintenance Shop
5. La Mesa Pump Station and Reservoir
6. North C Annex Pumping Station
7. North A Annex Pumping Station
8. Safety Center

A number of facilities in Ipo Watershed are part of the Common Purpose Facility (CPF), which is co-managed by Maynilad and Manila Water. These are as follows:

1. Ipo Dam Office: Office for CPF employees
2. Ipo Dam Housing: Housing for CPF employees assigned at Ipo
3. Ipo Multi-Purpose Building: Venue for events and seminars
4. Ipo Dam Control Room: Room for Ipo operators and controls for Ipo Dam equipment
5. Ipo Dam Conference Room: Room for employee meetings
6. Manila Water Watershed Office: Manila Water office for watershed personnel
7. Ipo Dam Security Barracks: Barracks for CPF service providers and security personnel
8. Ipo Dam Security Office: Office for security personnel
9. Ipo Dam Military Barracks: Barracks for military personnel

To manage the impact of its operations, Maynilad upholds standards that allow it to keep its ISO certifications for Quality Management, Environmental Management, and Energy Management Systems.

Maynilad currently follows the Annual Million Tree Challenge of the MWSS. The Company also supports the government's cleanup programs, such as the Department of Environment and Natural Resources' Environment Management Bureau-National Capital Region's (DENR EMB-NCR) Adopt-an-Estero (Water Body) Program.

Minimizing the impact of each project

Measures are also taken to lessen the impact of the Company's projects on the environment. Maynilad, together with its contractors, must follow an Environmental Management and Monitoring Plan (EMMoP) for each of its projects. The environmental management plan keeps track of key environmental elements that can indicate adverse impacts caused by the project. Some of the monitored targets include impacts on air and water quality, land, and people.

These plans are to be implemented during the design, tendering, construction, and operational phases of each project. During the pre-construction and construction phase, Maynilad and the contractors finalize the plans and programs needed to comply with the EMMoP. During the operational phase, Maynilad takes full responsibility for implementing the said management and monitoring plan.

Water Withdrawal

Since bodies of water are the Company's source of supply, it is also its duty to care for and sustain them. Maynilad complies with the service obligations in its concession agreement with the MWSS and carefully monitors its water withdrawal.

Maynilad also has people in place to monitor its processes from water extraction to distribution, namely the employees of its Water Supply Operations (WSO) Division. Meanwhile, the Wastewater Management Division (WMD) manages the Company's sewer network and sanitation services. The WMD also ensures that its water discharge complies with the DENR's wastewater effluent quality standards.

Under the concessionaire agreement, our performance, service standards, and rates are regularly audited. The National Water Resources Board (NWRB) supervises and regulates Maynilad's activities in the Angat-Ipo-La Mesa Watershed. Moreover, our activities in Laguna Lake are regulated by the Laguna Lake Development Authority (LLDA). [303-1]

TOTAL WATER WITHDRAWAL FROM ALL AREAS IN MILLION LITERS AND A BREAKDOWN OF THIS TOTAL BY SOURCE [303-3]

Item/Facility	2019 Process Water and Plant Operations	2020 Process Water and Plant Operations	2021 Process Water and Plant Operations
Surface Water: Occurs naturally on the Earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams			
Angat-Ipo River	820,890.26	832,293.35	882,672.79
Laguna Lake	87,017.54	116,726.61	107,176.75
Yawa River (PhilHydro)	Not in the report scope	Not in the report scope	6,231.79
Angat River (PhilHydro)	Not in the report scope	Not in the report scope	12,043.29
TOTAL SURFACE WATER WITHDRAWAL	907,907.80	949,019.96	1,008,124.62
Ground Water: Held in, and that can be recovered from, an underground formation			
Deep Well	300.31	241.33	79.48
TOTAL GROUND WATER WITHDRAWAL	300.31	241.33	79.48

WATER WITHDRAWAL IN MILLION LITERS, BROKEN DOWN BY CATEGORY (303-3B)

	2019	2020	2021
Freshwater (<1000 mg/L Total Dissolved Solids)	908,208.11	949,261.29	1,008,204.10
Other water (>1,000 mg/L Total Dissolved Solids)	N/A	N/A	N/A

*Maynilad did not withdraw water from any areas with water stress.

** Maynilad did not withdraw seawater, produced water, and third-party water in 2021 and prior.

Water Discharge [303-2]

Effluent from Maynilad’s treatment plants goes to our 13* discharge locations. The Company makes sure the effluent is within the parameters set by DENR in its Water Quality Guidelines and General Effluent Standards. These standards apply to the quality of the water discharge as well as the profile and classification of the receiving water body.

The Parañaque Water Reclamation Facility, which started its operations in 2018, is the Philippines’ first large-scale wastewater facility that complies with the Administrative Order (DAO) 2016-08. It is also compliant with the new DAO 2021-19. The rest of our facilities comply with the DAO 1990-35.

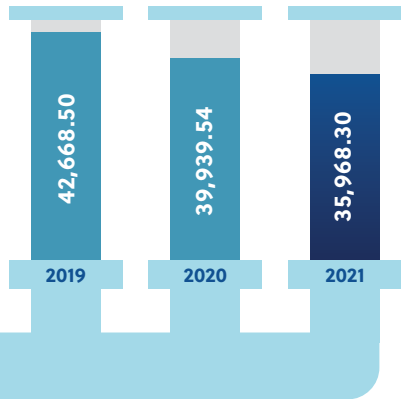
** On page 118 of Maynilad’s 2020 Sustainability Report, we stated that effluent from our treatment plant flows to 12 discharge locations. This is incorrect since the Company has 13 discharge locations for effluent. Maynilad is compliant with DAO 1990-35 and is currently upgrading its facilities to comply with DAO 2016-08.*

TOTAL WATER DISCHARGE TO ALL AREAS [303-4]

By Destination Type: Surface water
By Category: Freshwater (<1000 mg/L Total Dissolved Solids)



By Destination Type: Sea Water
By Category: Other Water (<1000 mg/L Total Dissolved Solids)



2021 DISCHARGE FOR AREAS BY TYPE

FACILITY	DISCHARGE IN MILLION LITERS (ML)			DISCHARGE LOCATION	AVERAGE BIOLOGICAL OXYGEN DEMAND* (MG/L)
Freshwater (Water with concentration of total dissolved solids equal to or below 1,000 mg/L)					
	2019	2020	2021		2021
Paco WRF	69.37	94.78	105.10	Estero De Santibañez	5.88
Alabang WRF	2,919.90	2502.93	1,896.93	Pasong Diablo River	2.02
Dagat-dagatan WRF	266.23	129.40	92.90	Maypajo Creek	0.00
Congressional WRF	161.50	168.71	175.91	Culiat Creek	2.00
Baesa WRF	50.41	69.40	132.07	Dario Creek	3.46
Legal WRF	172.08	187.92	191.36	Dario Creek	2.38
Grant WRF	219.91	225.84	246.24	Dario Creek	2.04
Tandang Sora WRF	212.37	216.76	296.14	Dario Creek	2.04
Bahay Toro WRF	1,095.94	1368.43	1,338.27	Dario Creek	4.71
Bagbag WRF	3,408.57	3542.31	3,016.56	Dario Creek	2.16
San Antonio WRF	684.81	771.47	716.07	San Francisco River	2.04
Del Monte WRF	583.17	745.82	579.16	San Francisco River	2.04
Paltok WRF	1,184.46	1314.05	1,400.14	Maribolo Creek	3.25
Samson WRF	151.30	355.10	370.50	San Francisco River	2.00
Kapiligan WRF	564.40	562.27	540.83	San Juan River	1.67
Talayan WRF	3,507.87	2013.16	3,283.50	Talayan Creek	4.71
Tatalon WRF	1,601.71	2180.74	1,666.52	San Juan River	1.75
Veterans WRF	491.14	451.84	498.95	Culiat Creek	3.88
Pasay WRF	9,833.62	8652.25	9,538.24	Delain Creek	3.32
Paranaque WRF	4,652.54	6646.32	7,423.46	Malabon Creek	2.10
Putatan WTP 1	347.05	942.17	123.56	Laguna Lake	3.00
Putatan WTP 2**	199.47	1430.83	276.55	Laguna Lake	3.92
TOTAL	32,377.82	34,572.50	33,908.96		
Other Water (Water with concentration of total dissolved solids greater than 1,000 mg/L)					
Tondo Sewage Pumping Plant***	42,668.50	39,939.54	35,968.30	Manila Bay	33.28

* BOD standard for facilities discharging to class C water bodies based on DAO 2016-08 is 50 mg/L. Thus, all the facilities passed the standard.

** Putatan WTP 2 was commissioned in 2019, so we only started collecting water discharge data for that facility in August 2019.

*** Tondo SPP on the otherhand, discharges to class SB water body with a BOD limit of 30 mg/L. Maynilad paid a penalty for exceedance to the standard.

Note: Maynilad does not operate in any areas with water stress.

Defining and setting limits to priority substances of concern for which discharges are treated

[303-4]

Maynilad bases the parameters it monitors on DENR effluent standards found in DAO 1990-35 or DAO 2016-08 and the updated general effluent standards found in DAO 2021-19.

DAO 2016-08 states that for water collection, treatment, and supply industries, the parameters to be monitored include pH, total suspended solids, chloride, fluoride, and iron, while the parameters to be monitored for sewerage industries are BOD, fecal coliform, ammonia, nitrate, phosphate, oil and grease, and surfactants.

In 2021, Maynilad did not have incidents of non-compliance with discharge limits based on quantity. However, there were incidents where it failed to conform to the maximum allowable limits. These incidents are listed in the annexes of this report.

Flow Measurement in WRFs

Data for the flow measurement came from the flowmeters that are read by WMD engineers. These flowmeters are regularly calibrated to ensure precise readings. Each of Maynilad's WRFs has a flowmeter.

Once a flowmeter is read, the engineer will use Maynilad's daily flow monitoring sheet and encode the flow of the facility they are managing. The daily flow monitoring sheet contains daily flow aggregated to monthly flow and annual flow. Ideally, this data is reviewed daily by a Planning and Management Services Officer to ensure correctness.

Towards compliance to effluent standards

Maynilad has appealed for a staggered implementation of DAO 2016-08 until 2028 to reduce the environmental impact of its upgrading projects that will help it comply with these standards. While the DAO 2016-08 was meant to replace DAO 1990-35, many industry groups opposed it because they felt that it imposed unreasonably strict limits on many effluent parameters. These limits included parameters for substances such as ammonia, nitrates, phosphates, and fecal coliform that are more restrictive compared to those of other countries. Following these parameters would require capital and operating costs, and it would impact tariffs paid by customers.

The Company has been preparing for the implementation of the DAO 2016-08 standards since they were made known. To take steps to comply with these standards, Maynilad redesigned four out of six of its facilities that were under construction. In 2018, Maynilad also completed Option Study Reports for upgrading existing facilities. We also achieved fecal coliform compliance after conducting baselining.

The DENR opted to implement its newly approved DAO 2021-19 effluent standards first. The new DENR Administrative Order revised the standards for six parameters of the following substances: boron, copper, ammonia, phosphates, sulfates, and fecal coliform. To comply with the new standards, Maynilad will have to recalibrate its upgrading projects.

Thankfully, several facilities already comply with the DAO 2021-19 standards for ammonia and phosphates. Some facilities that pass the standards for phosphates still need to undergo process adjustment to comply with standards for ammonia and nitrates. Meanwhile, some facilities must be assessed further to ensure that they comply with the new standards, and others may need to be redesigned and repackaged for bidding.

Improvement of WRFs

Rehabilitation of the Central Manila Sewerage System

Location: Manila City

Target Output: Upgrade about 9,600 linear meters of sewer lines and increase the efficiency of wastewater discharge to the Tondo pump station.

Beneficiaries: 925,000 people

Completion Status: Construction is about 40% complete.

Expected Outcome: Increase efficiency of customers' waste water discharge conveyance to Manila Bay.

Construction of the Valenzuela Water Reclamation Facility (WRF)

Location: Valenzuela City

Capacity: 60 MLD

Beneficiaries: 321,000 people

Completion Status: Completed 96% of the original contract and 85% of the supplemental contract.

Expected Outcome: Improve water quality of Tullahan River with effluent compliant with DAO 2021-19.

Construction of the Cupang WRF

Location: Muntinlupa City

Capacity: 46 MLD

Beneficiaries: 242,000 people

Completion Status: The physical structure of the WRF was completed last April 15, 2021. Construction of the conveyance is still ongoing.

Expected Outcome: Improve water quality of the discharges in the water bodies that drain to Laguna Lake.

Construction of the Tunasan WRF

Location: Muntinlupa City

Capacity: 20 MLD

Beneficiaries: 48,000 people

Completion Status: Completed 86% of its original contract and 87% of its supplemental contract.

Expected Outcome: Improve water quality of the discharges in the water bodies that drain to Laguna Lake with effluent compliant with DAO 2021-19.

Construction of the Southvale Village WRF

Location: Bacoor City

Capacity: up to 710 CMD

Beneficiaries: 1,900 people

Completion Status: The conveyance network is 95% completed, and civil works are 90% completed. Review and approval of costs for electromechanical equipment are in progress.

Expected Outcome: Improve water quality of the discharges in Zapote River with effluent compliant with DAO 2021-19.

Upgrade of Dagat-Dagatan STP to 205 MLD-Calooocan-Malabon- Navotas Water Reclamation Facility

Location: Calooocan City, Malabon City, Navotas City, and portions of Manila

Outcome: Increase sewerage coverage in the West Zone by around 12%.

Beneficiaries: 1,400,000 people

Completion Status: Construction ongoing.

Expected Outcome: Improve water quality in the Maypajo Creek with effluent compliant with DAO 2021-19.

Improvements to the Las Piñas WRF

Location: Las Piñas and portions of Parañaque City

Capacity: 88 MLD

Beneficiaries: 381,000 people

Completion Status: Under construction and for re-bidding.

Expected Outcome: Improve water quality of Zapote River, with effluent compliant with DAO 2021-19.

ISO 17025:2017 kick-off in wastewater laboratories

To continuously improve its laboratory processes, the Process and Technical Laboratory section of the Wastewater Management Division began implementing the ISO 17025:2017 standards. These standards cover the general requirements for the operation of laboratories.

Approval of effluent sampling point in Manila Bay for the Tondo Sewage Pumping Plant

In August 2021, the LLDA approved Maynilad’s request to acknowledge the inclusion of the submarine outfall in Manila Bay as part of the design and sewage treatment process of the Tondo Sewage Pumping Plant (TSPP). It also asked the LLDA if it could hold the sampling at the TSPP’s submarine outfall. This initiative has reduced the environmental fees imposed on TSPP by Php 30 million.

Water Stewardship [102-12]

Maynilad assists local communities through water stewardship and environmental conservation. Climate change and increased urbanization have pushed the Company to respond to these developments by updating its initiatives for protecting existing watersheds. These initiatives include reforestation denuded forest lands, assessing planting sites, and determining sources of high turbidity in Ipo River tributaries. The Company also engages with Dumagat forest rangers to monitor the status of the Ipo Watershed. To carry out these programs, the Company partners with the DENR, MWSS, the local government of Quezon City, and the Municipalities of General Nakar, Norzagaray, San Jose del Monte, and Rodriguez.

Maynilad, together with MWSS and Manila Water, is preparing to carry out a 25-year Integrated Watershed Management Plan (IWMP). It is a comprehensive program that the three companies will undertake to enhance the use, protection, and management of the Ipo Watershed.

There is also a plan to create an Ipo Watershed Reservation Multi-sectoral Management Council. The said council will maintain the implementation of the IWMP and ensure watershed sustainability and resilience. They will also be tasked with formulating appropriate policies.

“Watersheds are an essential part of the system that allows for the continued provision of water supply for millions of people. Reforestation activities have to continue so we can reverse the effects of denudation and ensure water sustainability.”



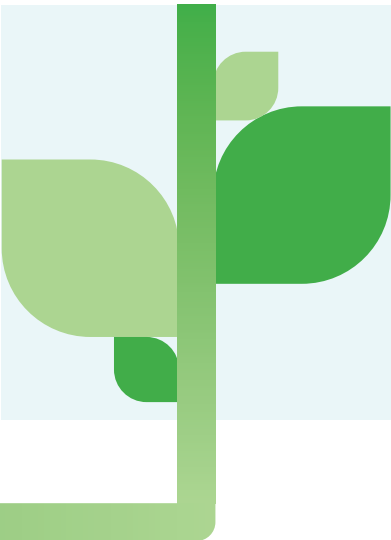
RAMONCITO S. FERNANDEZ
Maynilad President and CEO

In 2021, the Company, together with MWSS and Manila Water, also began drafting a Terms of Reference (ToR) for the management of *Bantay Gubat* (Forest Rangers) and for strengthening the Ipo Watershed Protection System Project. As of the end of 2021, the ToR was being reviewed by the legal teams of the three companies. Objectives of the project include: (a) to stop the degradation of the ecosystems within the Ipo Watershed by intensifying forest protection and enforcement of environmental laws and regulations and (b) to establish and operationalize a responsive and efficient system for the management of *Bantay Gubat*.

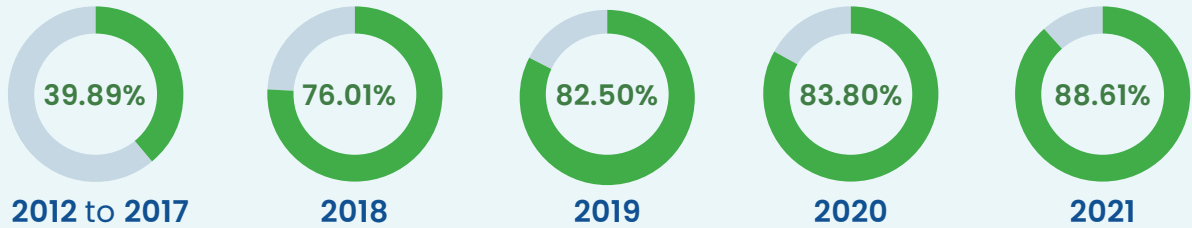
Plant for Life



The Company continues to protect watersheds through Plant for Life, one of the Company’s flagship environmental conservation programs. By planting trees, participants can help recover denuded forestlands. Maynilad has integrated the maintenance of trees planted in the program which resulted to higher survival rate. These trees will help prevent land erosion and flooding and will protect vital watersheds, which replenish dams. To fulfill this program, Maynilad partners with other environment-conscious organizations, such as government agencies and private companies. The program was formed in 2007.



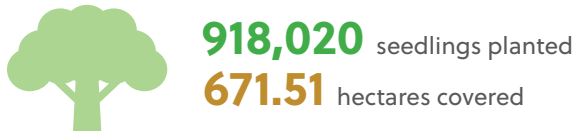
Survival Rate of seedlings in Ipo Watershed



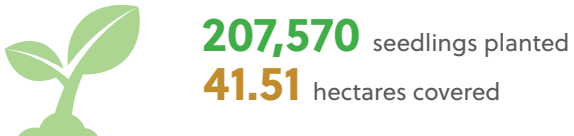
* This table refers to the survival rates of the trees planted within the years referred to.
** Survival rates are recorded the year after the tree was planted.

Plant for Life Highlights

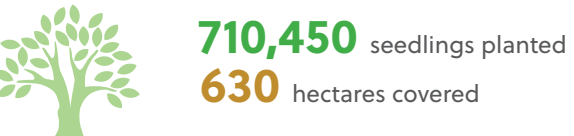
Trees and mangroves planted since 2007



Mangroves planted in Cavite and Malabon since 2013

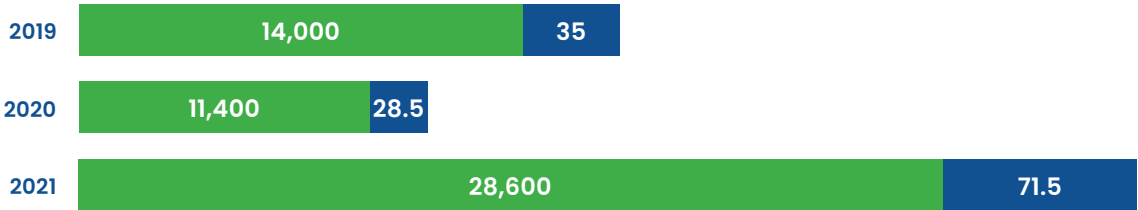


Trees planted in Ipo Watershed, La Mesa Watershed, and Muntinlupa City since 2007

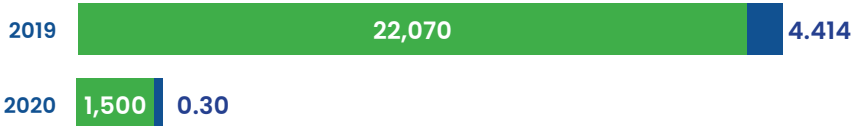


3-year data for seedlings planted

Trees Planted



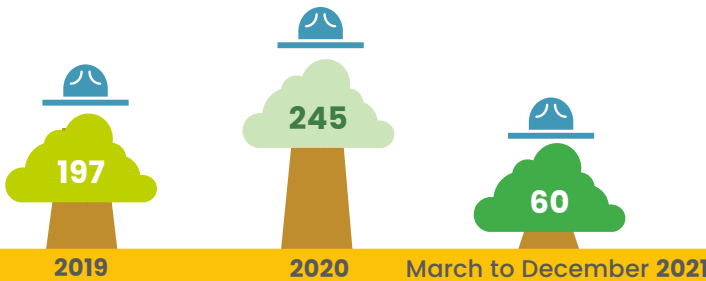
Mangroves Planted



*For mangrove planting activities, 5,000 seedlings are planted per hectare. Meanwhile, for tree planting activities, 400 seedlings are planted in each hectare.

■ No. of Seedlings ■ Hectares Covered

Forest Rangers supported



* Forest Ranger services were temporarily postponed from January to March 2021 to give way to the initial discussion for the formulation of the Terms of Reference (ToR) for the management of Bantay Gubat (Forest Rangers). DENR requested MWSS and concessionaires, Maynilad and Manila Water to deploy the forest rangers supported between March and December 2021 to help with forest protection.

Waste Management [306-2]

To mitigate its waste consumption and comply with national and local regulations, the Company employs a number of waste monitoring and management strategies. Its solid waste management system also details procedures for disposing non-hazardous and hazardous waste.

The quantity of waste that can be transported depends on the limits set in each facility’s Permit to Transport granted by the DENR. If the waste hauler is unable to collect waste due to factors like scheduling conflicts, Maynilad may have to temporarily store some of its waste. To handle such situations, each Maynilad facility has a designated area where hazardous waste can be stored for up to a year. All of the Company’s storage areas meet the standards prescribed by DENR Administrative Order 2013-22.

Maynilad monitors its waste management through both internal and external audits. Daily data collection and reporting are implemented for solid waste. On top of that, data from a log sheet of the total weight of the waste collected as well as a Solid Waste and Hazardous Waste Inventory Form are included in the Company’s quarterly Self-Monitoring Report (SMR). This data is then submitted to the DENR.

To lessen the Company’s waste, it recycles materials and uses them for some of its programs. Through the Green Badge program, our social enterprise communities upcycle uniform shirts and turn them into drawstring bags. Moreover, containers of chemicals for water treatment are repurposed through the Timbayan program. Paper and office supplies are also reused when possible. Additionally, the Company explored opportunities to employ digital and paperless transactions.

In 2021, the operations of Maynilad had no significant waste-related impact. The Company’s industry does involve potential waste-related impacts. Solid waste could cause foul odors or turn into rotten biodegradable waste, while hazardous waste could result in chemical leaks or emit toxic odors. Health risks could also result from improper usage of materials, improper handling of wastes for disposal, or improper loading of wastes to disposal trucks.

WASTE GENERATED [306-3, 306-5]

HAZARDOUS WASTE	WASTE GENERATED, IN METRIC TONS*		
	2019	2020	2021
Acid Wastes**	0.05	0.36	7.37
Alkali Wastes	0	0	0.03
Wastes with Organic Chemicals	0.48	21.46	32.23
Inks, Dyes, Pigments, Paint, Resins, Latex, Adhesives, and Organic Sludge	0.15	2.77	3.36
Waste Organic Solvents	0	0.33	0.46
Oil	33.39	72.37	76.22
Containers***	4.44	29.93	30.82
Organic Chemicals	15.50	0.93	0.00
Miscellaneous Wastes	2.86	15.89	19.57
TOTAL HAZARDOUS WASTE STORED ONSITE	Not reported	121.05	129.97
TOTAL HAZARDOUS WASTE DISPOSED	56.84	22.99	40.07
TOTAL HAZARDOUS WASTE GENERATED****	56.84	144.04	180.04

* 2021 data cannot be compared to data for 2019 and the years prior because data collected from 2020 onwards adheres to the GRI 2020 Waste Standard. Beginning in 2020, the value for the total hazardous waste generated each year includes both hazardous waste stored onsite and waste directed to disposal.

** The spike in acid waste was caused by an activity in Putatan Treatment Plant last September 2021. During the activity, the sulfuric acid tank container was drained for leak and repair assessment. This generated 6.8 tons of sulfuric acid waste.

*** The abrupt increase in contaminated containers was due to the paint cans used for the construction activity in the La Mesa treatment plant last 2019. This was reported in the values for 2020 and 2021 waste container generation.

**** 2020 and 2021 values for hazardous waste generated include hazardous wastes carried over from the previous year.

NON-HAZARDOUS WASTE	WASTE GENERATED, IN METRIC TONS*		
	2019	2020	2021
A. Recyclables	19.63	14.16	16.71
B. Residuals	12.55	14.10	11.41
C. Biodegradables	26.81	22.42	26.08
TOTAL NON-HAZARDOUS WASTE GENERATED	58.99	50.68	54.19
TOTAL NON-HAZARDOUS WASTE DISPOSED	58.99	50.68	54.19

*On page 112 of Maynilad's 2020 Sustainability Report, the value reported for total non-hazardous waste disposed was incorrect. The report stated that this value was 50.67 when the correct value was 50.68.

Data on waste diverted from disposal was not recorded except for paper. Hazardous wastes are hauled by a DENR-accredited service provider, and recovery operations are reported to Maynilad through a Certificate of Treatment and Certificate of Final Disposal. Meanwhile, local government units collect Maynilad's solid waste, and none of it is recovered by the Company. Lastly, papers are utilized before they are sold. [306-4]

* On page 112 of Maynilad's 2020 Sustainability Report, the table for paper disposal contained an error. The weight should have been 2,410 kg and not 2,410 per kg.



TOTAL WEIGHT OF PAPER DIVERTED FROM DISPOSAL
5,090.8 kgs

Maynilad 2021 Document Disposal Process

HAULER AND SERVICE PROVIDER
PROCESS FOR DISPOSAL

PAPERLESS BILLING

Maynilad added a paperless billing option to its My Water Bill Portal. Customers, including both the registered owner and tenant or occupant, with an existing portal account can enroll in the program so that they can get their electronic statement of account (e-SOA) anytime and anywhere. They can also view their previous e-SOA and decide whether they want to get bill notifications through SMS or emails. Through paperless billing, the Company reduced its waste even further.

This program also lessens the chances of COVID-19 transmission since customers who are enrolled no longer have to touch a printed copy of their statement of account or face a meter reader.

While customers with portal accounts were automatically enrolled in the program in October 2021, those without accounts could enroll in the program by contacting the Maynilad hotline, Facebook page, Twitter account, or email address. They could also send an SMS, visit any Maynilad Business Area office, or reach out to their location's assigned Maynilad Zone Specialist.

Since the program's launch, 221,675 accounts have signed up for the paperless billing. This program has saved Maynilad Php 1,383,252.00 worth of expenses because of reduced bill printing and distribution costs for November and December.

"With all transactions shifting to digital because of the pandemic, Maynilad endeavored to give our customers the option to just receive their monthly water bills via electronic means. The Paperless Billing Program is part of our efforts to enhance customer experience through easier and more convenient access to our services."



CHRISTOPHER J. LICHAUCO
Maynilad Customer Experience and
Retail Operations Head

Energy Consumption



The Company strives to conserve fuel and energy use while producing its required water volumes. It has systems in place to track its energy consumption and monitor energy reduction. To reduce dependence on fossil fuels, it is also exploring renewable energy. In 2021, the Maynilad 1MWA Solar Farm was finally completed, a major success in increasing the Company's use of renewable energy. Ten of our significant energy user facilities also achieved recertification of ISO 50001:2018, which includes standards for developing, managing, and improving an energy management system.

FUEL CONSUMPTION WITHIN THE ORGANIZATION FOR STATIONARY ENGINES & VEHICLES, IN LITERS: GASOLINE AND DIESEL ^[302-1]

	2019	2020	2021
Stationary Fuel*	587,779.32	1,437,763.78	743,629.00
Vehicle Fuel**	1,174,479.57	1,323,200.74	1,182,733.12
Total Fuel Consumption	1,762,258.89	2,760,964.52	1,926,362.12

* Stationary fuel is the fuel that is consumed by generator sets and administration equipment located in all Maynilad facilities.

** Vehicle fuel refers to (diesel and gasoline) fuel used for all of Maynilad's fleet of service vehicles. The majority of these are leased vehicles that are refueled by Maynilad. The calculations for the total fuel consumption are based on the monthly transaction details billed by the vehicle service provider (Chevron) using the StarCard/fleet card.

The reduction was caused by shorter operation of the generator sets due to more stable grid-supplied electricity.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION in GIGAJOULES (GJ)**

	2019	2020	2021
Non-renewable fuel	64,209	100,293	73,433
Renewable fuel	Not applicable	Not applicable	503
Electricity purchased for consumption*	466,375	564,940	650,915
Total energy consumption	530,584	665,233	724, 851

* Gigajoules (GJ): The conversion factor to gigajoules is based on the conversion factors used by the Metro Pacific Investments Corporation (MPIC).

ENERGY INTENSITY in Kilowatt-hour (KWh) per million liters (ML) ^[302-3]

	2019	2020	2021
Energy intensity ratio	135.53	158.57	167.33
CALCULATION OF ENERGY INTENSITY			
Electricity Consumption (KWh)	129,548,696	156,927,661	170,853,331
Water Produced (ML)	881,354.29	917,520	951,536
Wastewater Treated (ML)	74,499.80	72,139	69,506

* *Excluding PhilHydro

COMPLETION OF THE MAYNILAD AND LA MESA SOLAR POWER FARM

In December 2021, Maynilad’s newly constructed one-megawatt photovoltaic solar power farm inside La Mesa Compound in Quezon City was fully energized. Not only will this solar farm supply power to the La Mesa Pumping Station North C, but it will also reduce the Company’s dependence on fossil fuels. This serves as a major milestone in achieving the Company’s climate neutrality plan.

The solar farm covers a land area of about 8,250 square meters and is designed for optimal use for 40 years or more. It will save about 10% in annual electricity costs for the La Mesa Pumping Station, which operates around the clock to supplement the water supply from treatment plants to the reservoirs. This project cost Php 100 million.



As of 2021, the solar farm for the North C Pumping station has already generated 139,805.63 KWh of energy and saved the Company Php 978,638 in energy costs.

The one-megawatt La Mesa Treatment Plant 1 solar farm was also completed in the fourth quarter of 2021 and was energized on April 13, 2022. This second solar farm is expected to reduce the electricity consumption of La Mesa facilities by approximately 90,000 kilowatts per hour and reduce carbon emissions by 21 tons per month. It is also projected to save annual energy costs amounting to Php 7 to 10 million.



“We operate a lot of facilities to ensure non-stop delivery of water and wastewater services. This new solar farm provides a renewable energy source that will enable us to generate energy savings and also decrease our greenhouse gas emissions.”



RAMONCITO S. FERNANDEZ
Maynilad President and CEO

GHG Emissions

The Company strives to lower emissions that are created from its business activities. It conducts an internal audit of its greenhouse gas (GHG) emissions and submits the results to an international certification body for verification every three years for three reporting years.

In 2021, Maynilad upgraded its GHG Inventory Management in accordance with ISO 14064-3:2019, the new version of the standard. It trained key personnel and team members to meet this standard. This initiative was included as a verification statement in the Company’s 2020 GHG Inventory Report.

First, personnel and team members underwent an appreciation course on the new version of ISO 14064-3:2019 in June 2021. They were also oriented on GHG protocol calculation tools within the same month. Second, the Company reviewed and updated the 2020 GHG Inventory Report based on the new ISO 14064-3:2019 standards. It also reviewed emission data sources and updated GHG protocols and calculation tools.

GHG EMISSIONS INTENSITY [305-4]	2019	2020	2021
GHG emissions intensity ratio for the organization	0.0866 tons of carbon dioxide equivalent (tCO ₂ e)/ML	0.1057 tons of carbon dioxide equivalent (tCO ₂ e)/ML	0.115 tons of carbon dioxide equivalent (tCO ₂ e)/ML

Wastewater treatment emissions increased because two large new facilities, Pasay and Paranaque WRF, were included in the calculation starting 2020. The increase in 2021 GHG emissions intensity was also because of changes in assumptions. The 2020 calculations follow Intergovernmental Panel on Climate Change (IPCC) 2006 methane correction factor (MCF) factors, while the 2021 calculations follow a formula that uses the IPCC 2019 MCF factors. The change resulted in an almost 300% increase in tons of CO2 equivalent from CH4 compared to 2020 values.

To calculate the ratio for GHG emissions intensity, Maynilad used the volumes of water produced and wastewater treated in million liters as a metric for each year. Both direct (Scope 1) and indirect (Scope 2) GHG emissions were included in the intensity ratio calculations. Lastly, the gases included in the calculation were the following: CO2, CH4, N2O, PM, NOx, SOx, CO, and VOC. [305-4]

DIRECT (SCOPE 1) GHG EMISSIONS [305-1]

Emission Source	Amounts in tons of CO ₂ equivalent (tCO ₂ e)		
	2019	2020	2021
Vehicles	2,723.31	3,549.99	3,157.97
Engines and generators	1,809.48	3,828.69	1,786.50
Fugitive Emissions (Biosolids)	Not available	3.38	13.38
Refrigerants Emissions*	Not available	Not available	5,379.17
Wastewater treatment**	881.48	2,492.81	4,177.95
Total direct (Scope 1) GHG emissions***	5,414.27	9,874.87	12,802.23
Identify the gases included in the calculation (CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ or all)	CO ₂ , CH ₄ , N ₂ O, PM, NO _x , SO _x , CO and VOC	CO ₂ , CH ₄ , N ₂ O, PM, NO _x , SO _x , CO and VOC	CO ₂ , CH ₄ , N ₂ O, PM, Nox, SOx, CO, and VOC

* No data on refrigerant emissions was collected from 2019 to 2020.

ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS [305-2]

Emission Source	Tons of CO ₂ equivalent (tCO ₂ e)		
	2019	2020	2021
Gross location-based energy indirect (Scope 2) GHG emissions	77,316.80	94,735.07	103,151.02

The calculations for energy indirect (Scope 2) GHG emissions included the following gases: CO₂, CH₄, N₂O, PM, NO_x, SO_x, CO and VOC.

Maynilad uses the emissions factor approach to determine its GHG and air pollutant emissions. Emissions from power usage are calculated using the National Grid Emission Factor. Moreover, GHG emission factors used for diesel are based on the International Energy Agency (IEA) Energy Statistics Manual 2004, Table A3.8 Typical Calorific Values for Selected Petroleum Products. Meanwhile, the GHG emission factors of gasoline are based on standards from the DENR. The values presented in this report are the results of the calculation tool of Maynilad. [305-2]

NITROGEN OXIDES (NO_x), SULFUR OXIDES (SO_x), AND OTHER SIGNIFICANT AIR EMISSIONS, IN TONS

[305-7]

	2019	2020	2021
NO _x	306.37	344.98	334.26
SO _x	1945.82	2,209.34	2,398.96
Volatile organic compounds (VOC)	29.77	10.77	10.07
Particulate matter (PM)	7.03	4.85	3.95
Other standard categories of air emissions identified in relevant regulations (CO)	85.33	46.66	38.89

* On page 117 of the 2020 Maynilad Sustainability Report, POP and HAP should be "not applicable" and not "not available." Those two are for the pharmaceutical and chemical industries, so they were not included in this report.

Maynilad's sources of significant air emissions include power usage, fuel, and wastewater. We monitor emissions data of our vehicles using the billing of fuel service providers. Data for generators and other equipment are based on the fuel consumed. [102-49]

To compute significant air emissions from substances such as Nitrogen oxides (NO_x) and sulfur oxides (SO_x), the Company has a calculation tool that uses power and fuel consumption values to automatically determine air pollutants and GHG emissions. However, the data computed using this approach is not comparable to data based on the DENR's standards for actual air sample analysis. Emissions from power usage are computed according to standards in the Department of Energy power statistics report. Other GHG emission factors used, such as in wastewater and fuel, are based on international standards.

The Company's base year for GHG calculation is 2009-2010. As the business and its customer base continue to expand, the infrastructure needed to provide water and wastewater services must also evolve and grow with it. Maynilad regularly discloses its GHG emissions through its GHG Reports. The latest report can be accessed through this [link](#).

ADVANCING TOGETHER

[103-1, 103-2]



Social Sustainability

Most of Maynilad's core values, like customer service, showcase its dedication to caring for its stakeholders. The Company strives to achieve social sustainability, and its programs demonstrate how it considers the needs of its stakeholders and responds to them.

Customer Experience

We always put the needs of our customers first since they are at the heart of our business. In 2021, we launched and continued programs to ensure the welfare of our customers and make our services more convenient.

IMPROVING COMMUNICATION WITH CUSTOMERS

As companies embrace digitalization, we also put forward initiatives that make communication and billing more accessible for customers.

In 2021, we undertook efforts to provide close to real-time information about water interruptions for customers. In the past, it took around one hour for Maynilad to form and check a spiel for each Notice of Interruptions that would be sent via SMS. Maynilad's Customer Experience and Retail Operations, Information Technology Services, Water Supply Operations, and Technical Services divisions collaborated to form

a process where spiels about water interruptions are formed automatically based on details that are put into the Automated Customer Communication. These notices are then sent to customers immediately or in a scheduled manner. Now, each customer can be notified about interruptions as soon as they happen. Maynilad's internal web map also includes these planned and unplanned interruptions, so the operations team can efficiently manage areas affected by these interruptions.

INCREASING CUSTOMER SERVICE EFFICIENCY

Using technology, we have also improved the efficiency of our customer service. We began a project that provided Zone Specialists across the west concession area with 2-in-1 laptops and tablets. In December 2021, we distributed 132 tablets. With these devices, Zone Specialists can now deliver speedier customer handling. These units will allow Zone Specialists to process Water Service Connection (WSC) applications as well as customer complaints, requests, and inquiries on-site.

We were also able to implement a pilot for our automated Zone Accounts Management System (ZAMS) to make it easier for Zone Specialists to monitor Business Area-initiated Investigation Orders (IO). The aim of this program is to automate the process of bill monitoring for more efficient customer handling, which may result in a better customer experience.

The Investigation Orders are sent out for accounts with an abrupt increase in consumption or billing, average meter reading or billing, erroneous reading, or no reading at all. This initiative is a proactive way of addressing possible customer concerns even before they contact Maynilad to officially file a complaint. This is also the Company's way of identifying

and exploring possible irregularities in the system and on-site. The pilot was implemented in Manila and North Quezon City Business Areas (BAs) in February and March 2021, respectively. The Company will fully implement ZAMS in all BAs by the end of 2022.

We are also working to make our billings more accurate. Through a census activity that was conducted by zone, we made on-site visits to check the business activity of our accounts. Through this initiative, customers will be appropriately billed based on the actual rate category applicable to them, resulting in fewer customer complaints. We targeted 149,745 accounts for this census and accomplished 57% of this activity as of December 2021.



Customer Satisfaction

To assess whether we truly embody our core value of customer service, we conduct a Customer Service Satisfaction Survey (CSS) for the whole Company each month.* This monthly survey involves 1,000 respondents. Of these 1,000 respondents, 600 provide feedback on service-related complaints, billing-related complaints, and leakages; meanwhile, the remaining 400 provide feedback on application requests and installation requests.

In 2021, the Company achieved an overall customer satisfaction rating of 3.75, a score that is "outstanding" according to Maynilad's rating scale. This score is also higher than our overall rating in 2020, which was 3.68. Both scores come close to the highest score of 4.0.

* The CSS survey provided after service rendered, mentioned on page 88 of Maynilad's 2020 Sustainability Report, is the CSS for the Wastewater Management Division only. Meanwhile, the overall CSS survey for the Company is conducted by the Customer Experience and Retail Operations Division's contact center.

CUSTOMER SERVICE METRICS

	2019	2020	2021
TOTAL NUMBER OF REQUESTS AND COMPLAINTS			
Service-related complaints	45,891	22,711	23,817
Billing-related complaints	44,459	35,098	42,093
Application requests	38,161	23,436	26,033
Installation requests	25,064	15,032	17,657
Leakage complaints	39,765	25,841	30,005
RESOLUTION RATE (WITHIN 10 DAYS)			
Service-related complaints	99.94%	96.08%	95.78%
Billing-related complaints	99.98%	86.07%	93.29%
Application requests	99.51%	85.35%	95.83%
Installation requests	95.01%	78.89%	93.49%
Leakage complaints	94%	93%	96%
CUSTOMER SATISFACTION STUDY (CSAT) SURVEY SCORES			
Service-related complaints	3.42	3.25	3.58
Billing-related complaints	3.51	3.54	3.51
Application requests	3.97	3.96	3.95
Installation requests	3.95	3.85	3.88
Leakages complaints	3.85	3.84	3.83

* There were corrections in the customer service satisfaction survey table on page 89 of Maynilad’s 2020 Sustainability Report. The 5th category under “C1-C5” should have been labeled “Total number of leakage repairs” instead of “Leakages.” Total leak repairs and resolution rate for leakages are not considered under C5 as it is defined as a response to mainline leaks that caused interruptions.

In the table listed in the 2020 sustainability report, the values for leakages were the values for total leak repairs. To align with the other categories, the values for leakage complaints and their resolution rates in 2019 and 2020 have been placed in the table above.

RESOLUTION RATES [103-3]			
	2019	2020	2021
Maynilad Resolution Rate for Water Availability	99.94%	96.78 %	97.83%
Maynilad Resolution Rate for Water Quality Concerns	99.91%	97.05%	98.33%

* The regulatory office set a target efficiency rate of 95%.

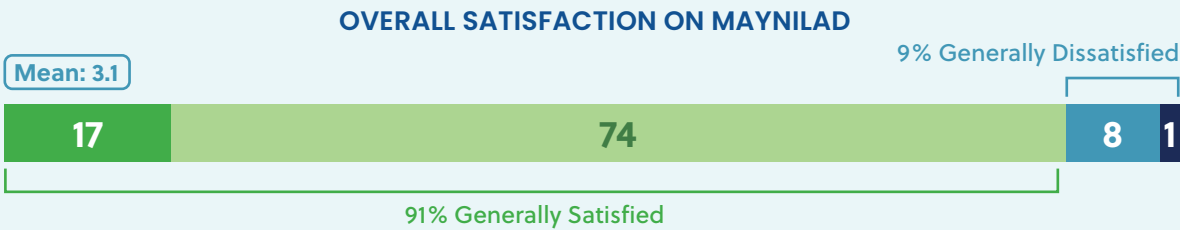
PROJECT CHRYSLER: 2021 MAYNILAD-WIDE CUSTOMER SATISFACTION STUDY [103-3]

To ascertain customer feedback on Maynilad’s 3Ps (Product, People, and Process) and on new programs that the Company created to adapt to changes in consumer behavior during the pandemic, Maynilad ran a Customer Satisfaction Study (CSat). This project was initiated by the Market Research team, which is under Maynilad’s Corporate Affairs and Communication (CA&C) Division’s Advocacy and Marketing Department. The Company commissioned Organic Intelligence Consulting, Inc. to conduct the fieldwork and data processing. Data collection was held from August 4 to October 12, 2021.

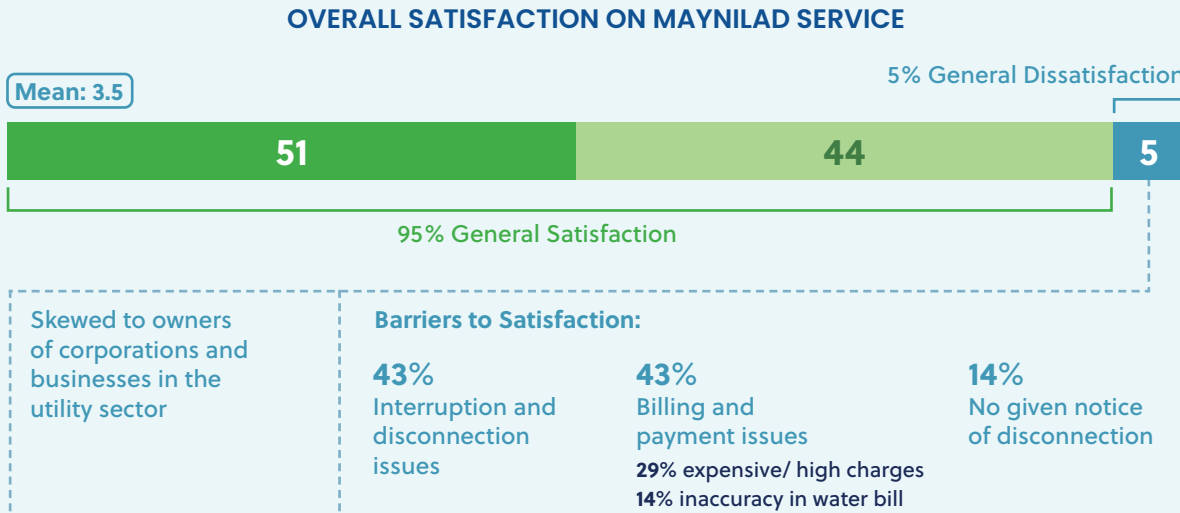
The study was conducted among 3,000 domestic and non-domestic customers across various parts of the Company’s concession area. The respondents were at least 18 to 70 years old, and they came from socioeconomic classes A, B, C, D, and E. Maynilad will be conducting the company-wide CSat Study annually.

Key Insights

Residential customers are generally satisfied with their overall experience with Maynilad. While this is so, Maynilad must remain vigilant in monitoring lingering/emerging issues of dissatisfied customers as it approaches the threshold for gross negative feedback.

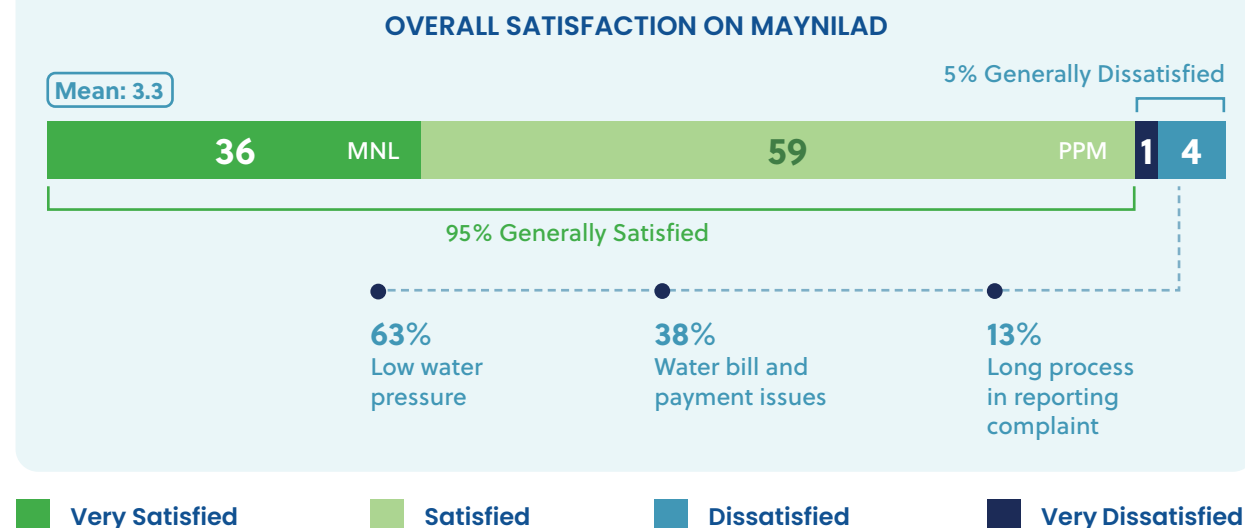


Small and medium-sized enterprises are generally happy with Maynilad. The few who are unhappy have encountered interruption, disconnection, and billing issues.



Very Satisfied Satisfied Dissatisfied Very Dissatisfied

Almost all key account customers particularly those from Manila (MNL) and Paranaque-Pasay-Makati (PPM) segments, expressed satisfaction with overall Maynilad service with 4 of 10 saying they are **very satisfied**.



The study also revealed insights on the following:

Despite the pandemic, the Company still received high satisfaction scores. Among the residential segment, the following metrics achieved the highest ratings:

- Water quality
- Water supply and availability
- Bills payment
- Representative Visit

Eight out of 10 Maynilad customers admitted that they had no complaints about Maynilad during the pandemic.

The majority of the Company's customers are aware of the following Maynilad activities:

- Suspension of water disconnection during the pandemic in 2020
- Did not stop operations even during the strict ECQs
- Installment of payment of water bill



Caring for Employees

Without our employees, we would not be able to provide our excellent services. Our dedicated and diligent workforce makes it possible for us to deliver safe and reliable water and sanitation services. That is why we care for the welfare, development, and performance of our employees.

HR and Employment [102-8]

Hiring the right talent is important because the Company must attract employees that are competent and fit the culture of the organization.

Maynilad provides equal opportunities to all potential employees. It bases its hiring decisions on qualifications, and it does not discriminate against applicants because of their nationality, ethnicity, faith, gender and orientation, age, or disability. The Company has also partnered with organizations, government agencies, and academic institutions to market itself to applicants and ensure a stable supply of potential employees. [103-2]

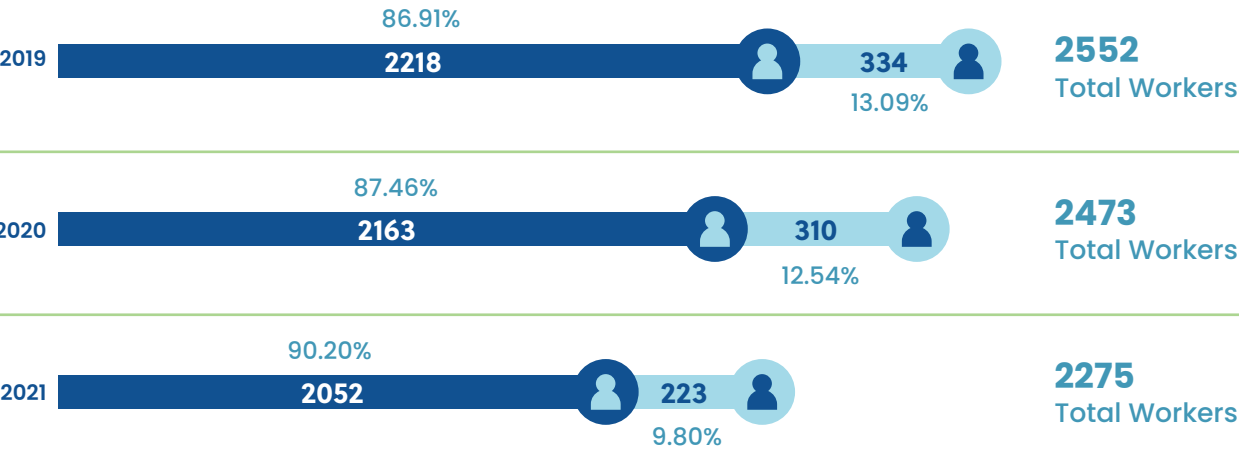
Maynilad's Human Resources (HR) Division ensures that the Company meets its workforce requirements and that the hiring process has a reasonable turnaround time. To ensure the safety of staff and applicants, HR transitioned to online hiring in 2021.

HR and a Workforce Planning Committee, composed of senior-level managers from different divisions in the Company, regularly monitor any possible organizational changes that would affect performance. The Company also organizes and carries out activities that are critical to its business goals using its Integrated Management Systems (IMS) Operational Procedure for Organization Planning and Design. When it comes to monitoring, Maynilad tracks its progress by using a corporate scorecard. [103-2, 103-3]

WORKFORCE METRICS

- **TOTAL WORKERS** - This includes employees and project-based workers.
- **EMPLOYEES** - An individual in an employment relationship with the organization according to national law or its application. This group includes regular employees. It also includes employees on probation, meaning that their employment is subject to a period of observation and evaluation with an aim to assess the worker’s suitability for permanent employment.
- **NEW EMPLOYEE HIRES** - This covers new employees that are on probation or regularized.
- **EMPLOYEE TURNOVER** - This includes regular and probationary employees who leave the organization voluntarily or due to dismissal, retirement, redundancy, or death in service.
- **PROJECT-BASED WORKERS** - This includes project-based workers hired for a specific project or undertaking. The duration of their employment is specified by the scope of work or length of the project.

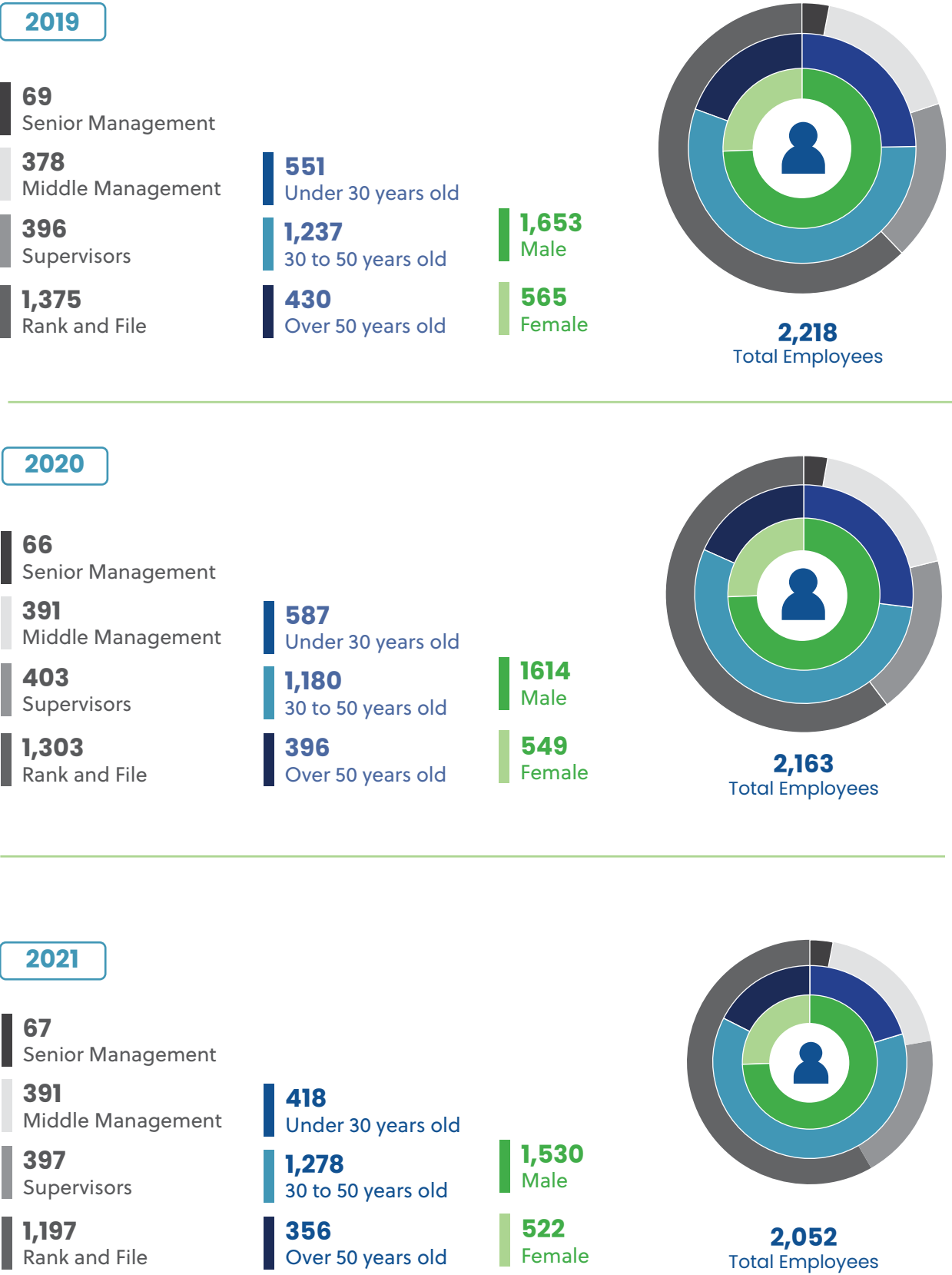
TOTAL NUMBER OF WORKERS



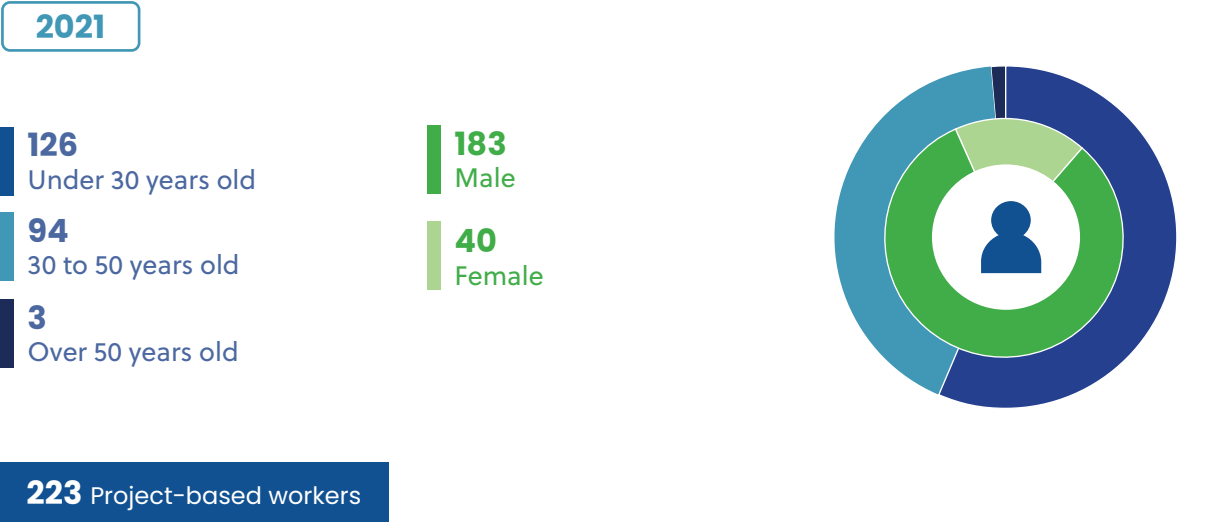
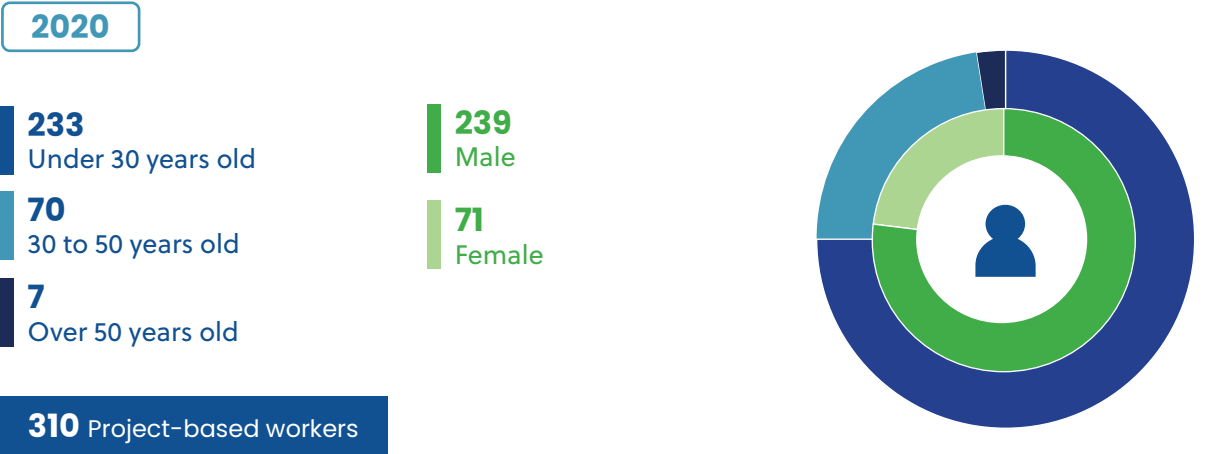
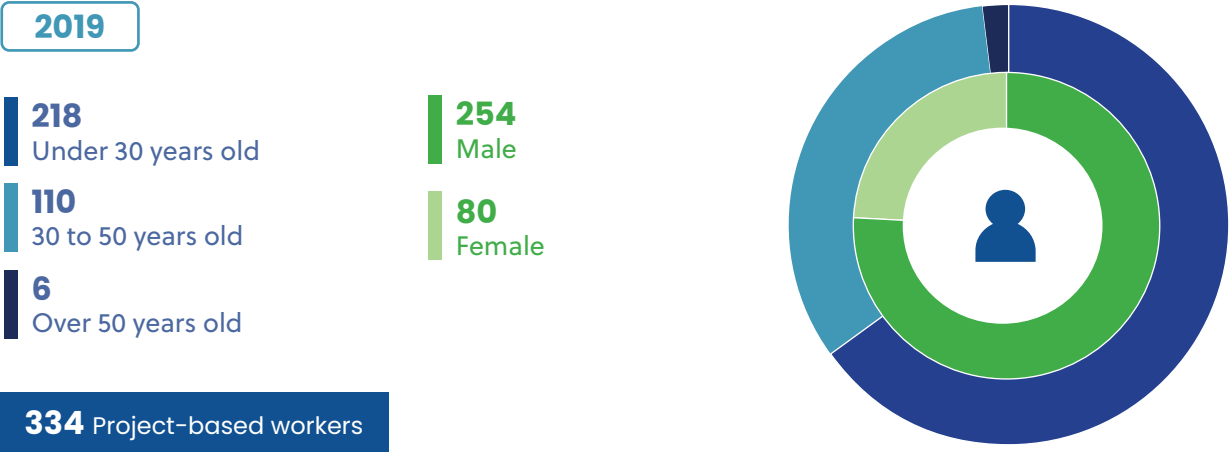
■ Employees** ■ Project-based Workers

* While page 65 of Maynilad’s 2020 Sustainability Report mentioned that the Company has part-time employees, this was incorrect. Those tagged as part-time in the 2020 report are project-based workers that work full-time. The Company only has regular employees, probationary employees, and project-based workers.

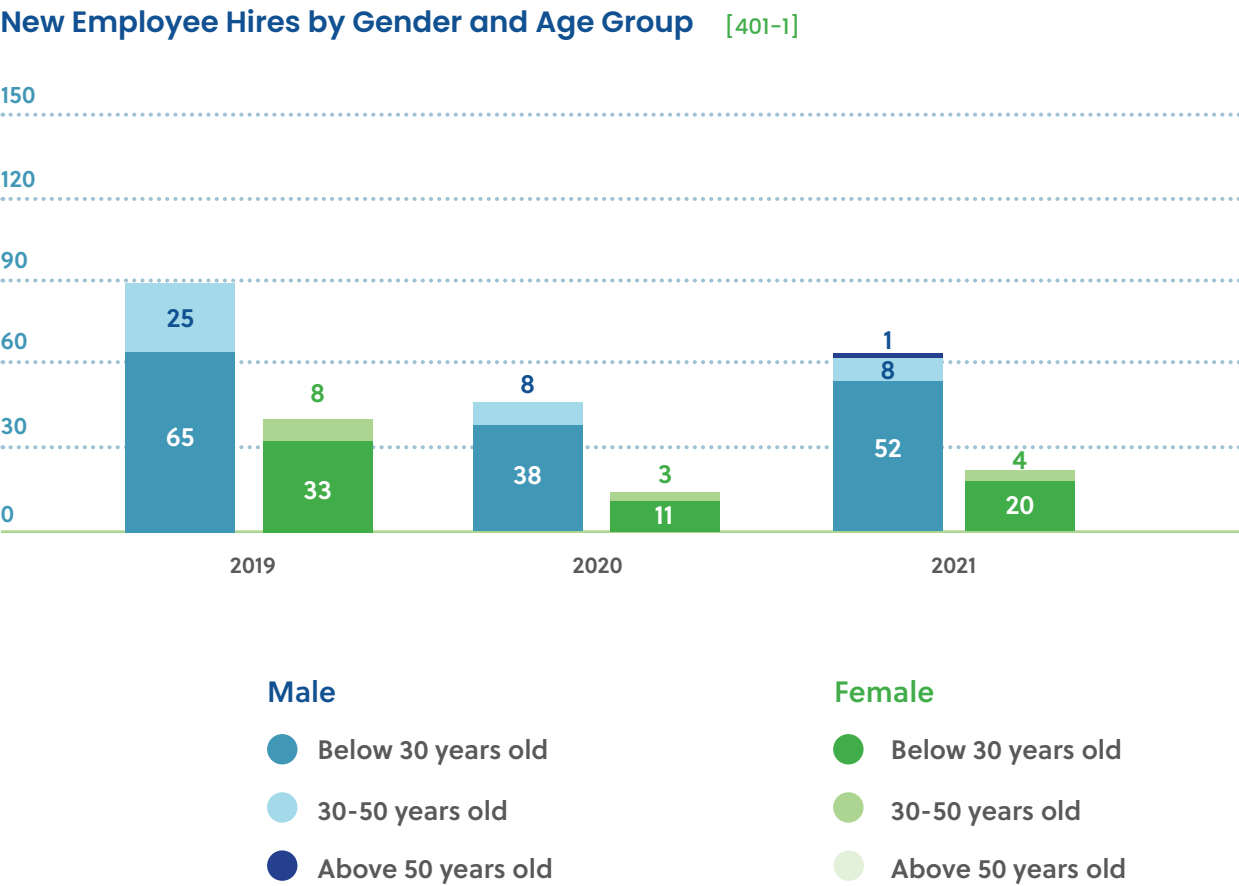
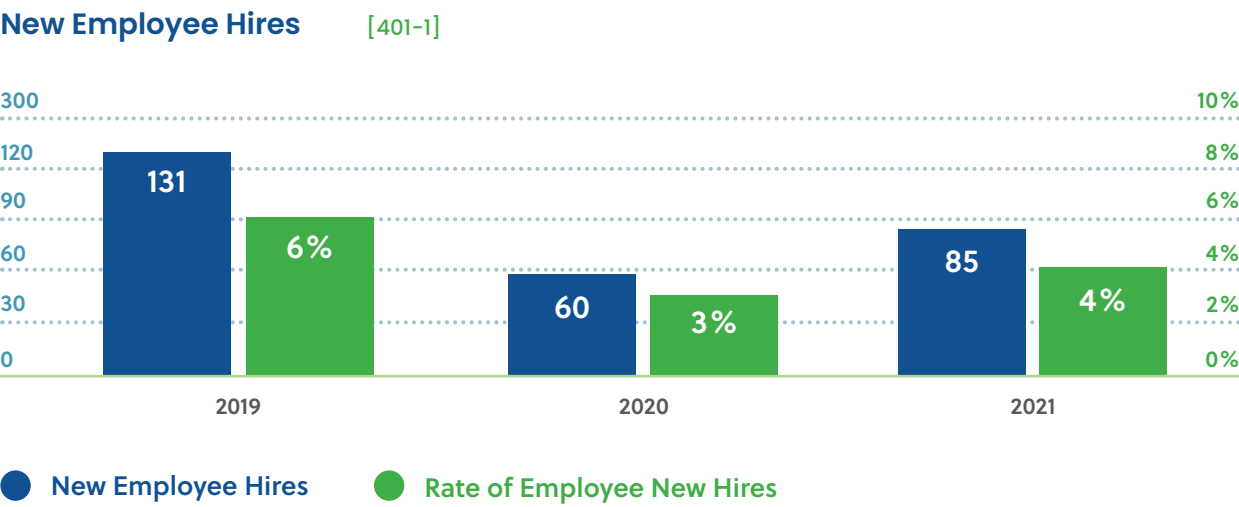
BREAKDOWN OF EMPLOYEES [405-1]



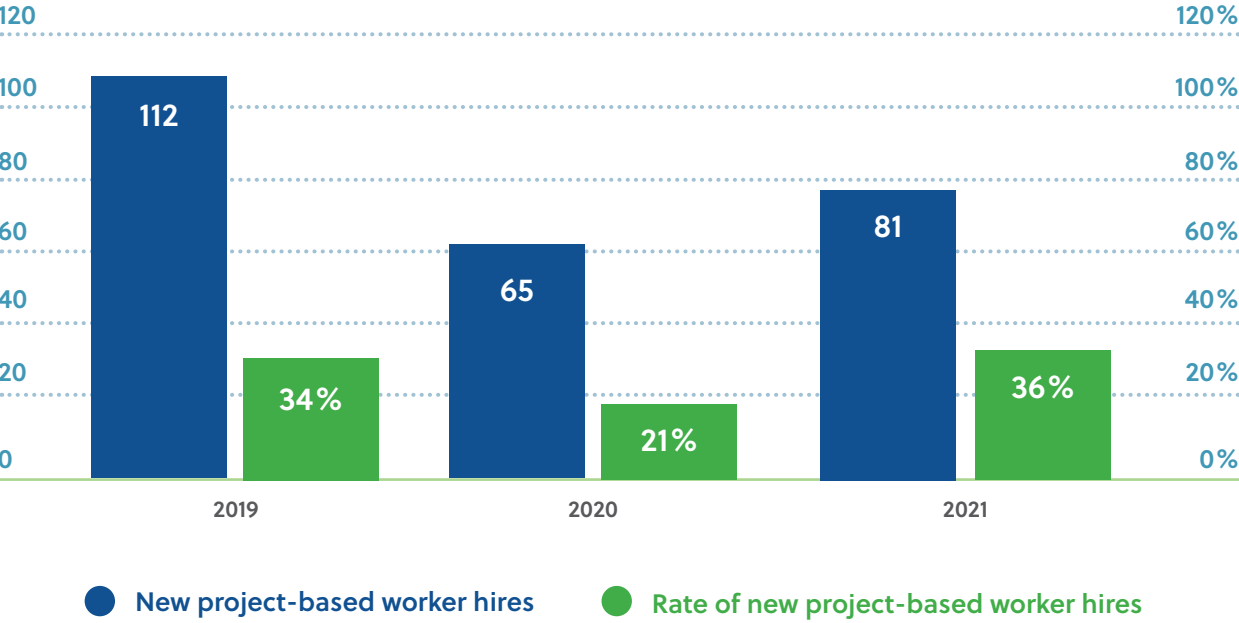
BREAKDOWN OF PROJECT-BASED WORKERS



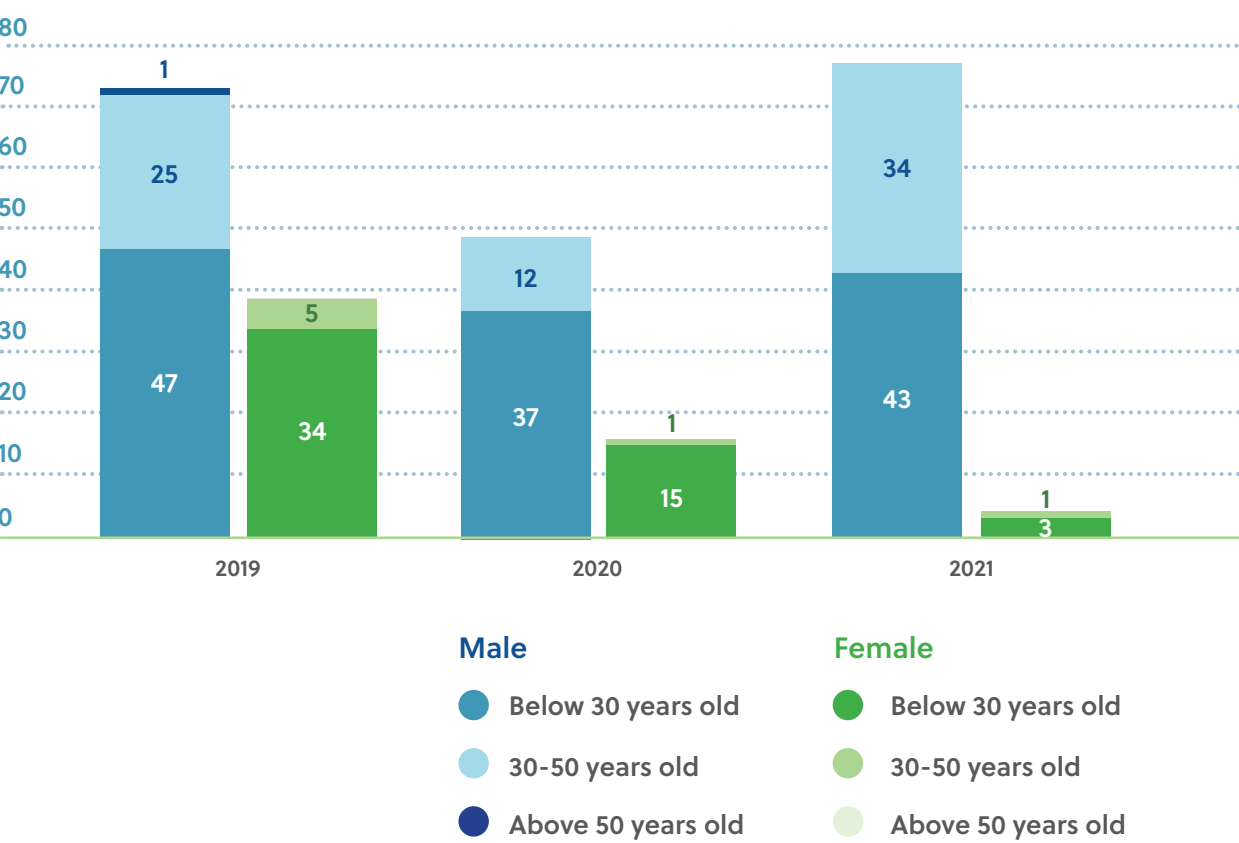
NEW HIRES



New Project-based Worker Hires [401-1]

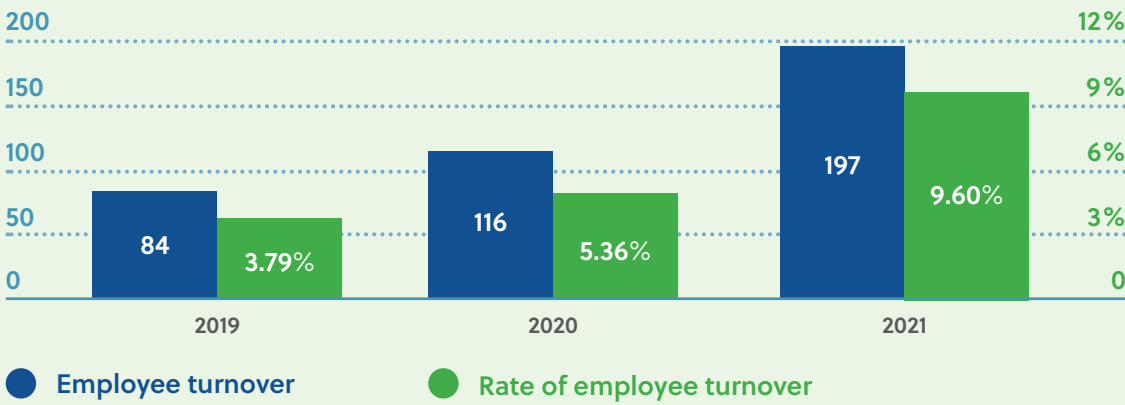


New Project-based Worker Hires by Gender and Age Group

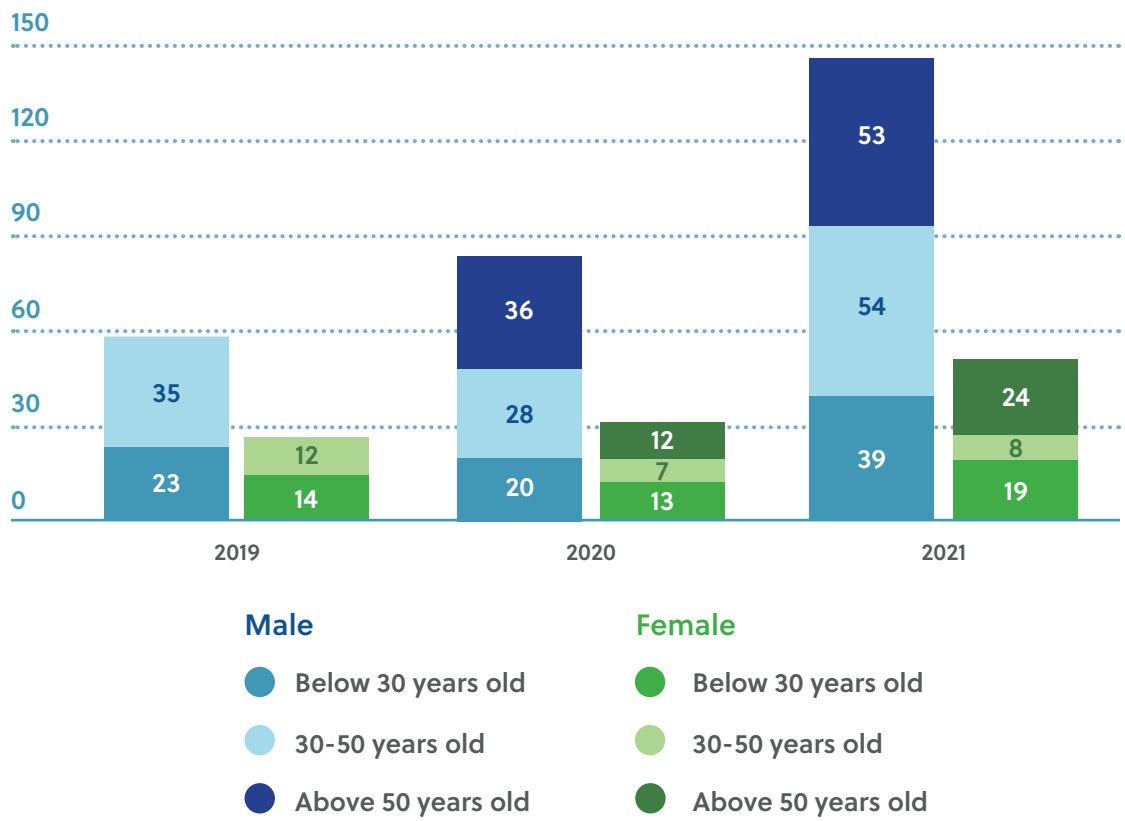


TURNOVER

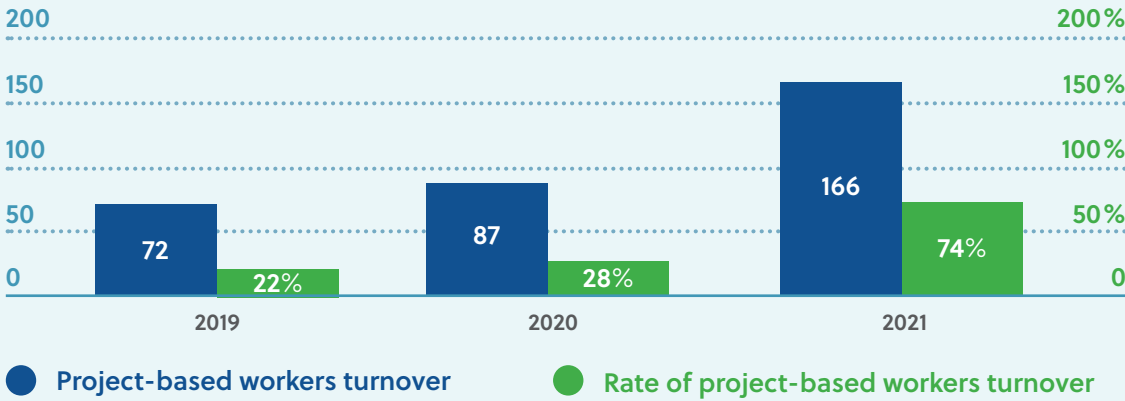
Employee Turnover [401-1]



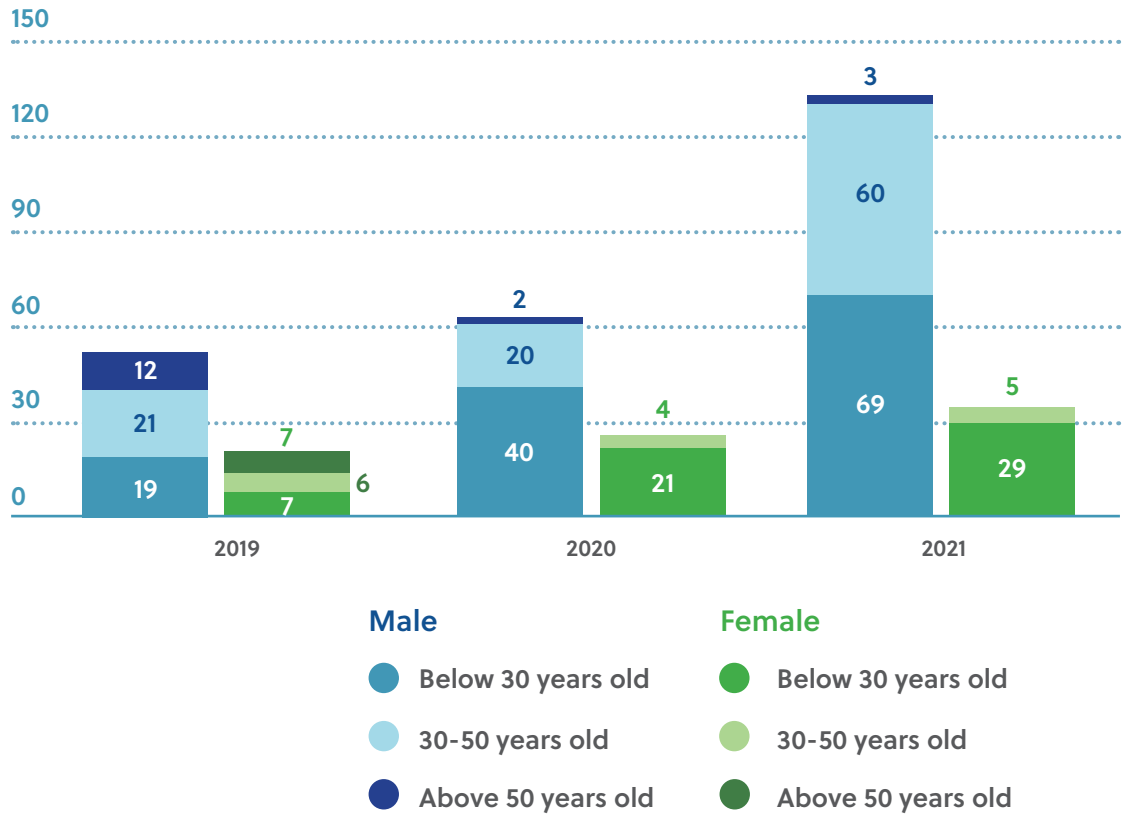
Employee Turnover by Gender and Age Group [401-1]



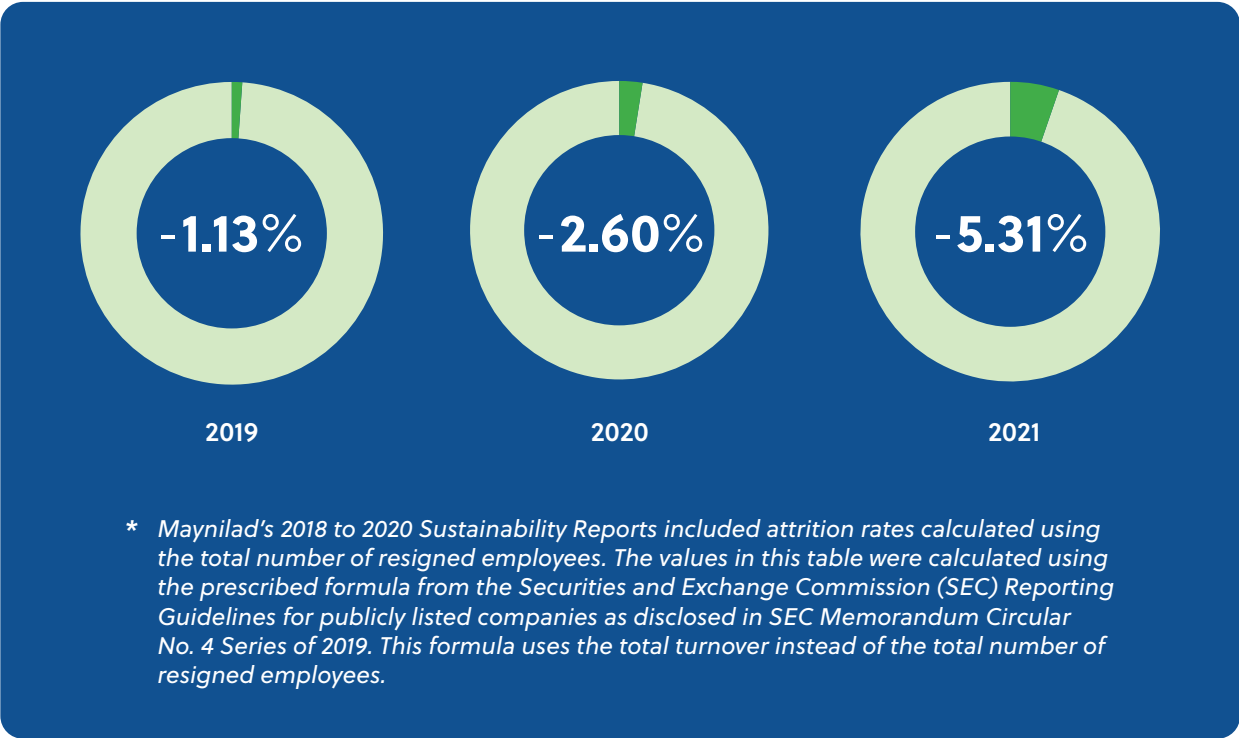
Project-based Workers Turnover [401-1]



Project based Workers Turnover [401-1]
by Gender and Age Group



EMPLOYEE ATTRITION RATE*



REASONS FOR EMPLOYEE TURNOVER IN 2021

	Male	Female	2021
DECEASED	6	1	7
DISMISSED	3	0	3
REDUNDANCE	29	10	39
RESIGNED	60	23	83
RETIRED	48	17	65
TOTAL	146	51	197

Providing jobs to local communities

Maynilad provides job opportunities to individuals who live in communities located near our project areas. Local hiring is prioritized in project areas, and the Environmental Impact Assessment of projects states that qualified local residents are prioritized. We closely coordinate with barangay officials who endorse qualified residents to our contractors.

In 2021, the contractors of 36 out of Maynilad’s 83 big ticket projects reported on the number of local hires they employed. For these 36 big projects, 255 individuals were hired from the local communities. The “big ticket” projects are those that costs Php 100 million based on the categorization of the MWSS-RO.



PERFORMANCE AND CAREER DEVELOPMENT REVIEWS



To promote harmony in the workplace and align itself with the Labor Code, the Company respects workers’ rights to exercise freedom of association and collective bargaining; and no part of Maynilad’s operations puts these rights at risk.

There are two employee unions in Maynilad. Rank and file employees are represented by the Maynilad Water and Sewerage Union-Philippine Trade and General Workers Organization, and supervisory employees are represented by the Maynilad Water Supervisors’ Association. Both unions and Maynilad regularly take part in negotiation sessions to discuss and decide on salaries, working conditions, compensation and benefits, and workers’ rights.

The Employee Handbook 2021 Edition covers complaints and grievance resolution mechanisms for employees. In 2021, section heads underwent training on Legal and Effective Handling of Disciplinary Actions so that they could be equipped to handle administrative cases.

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS [102-41]

	2019	2020	2021
Employees Covered by Collective Bargaining Agreements (CBA)	1,595	1,569	1,447
Total Employees	2,552	2,473	2,275
Percentage	62.50%	63.45%	63.60%

Work-from-Home and Special Work Arrangements in Light of COVID-19 Pandemic

Since Maynilad provides essential services to the public, we continued to implement our Split-Work-Arrangement (SWA) in 2021 due to the COVID-19 pandemic. Under SWA, mission-critical employees must report on-site, while employees that have roles that can be performed remotely may work from home. This arrangement is also for the benefit of the health and safety of our employees since it decreases the number of employees that work on-site.

The following is a list of guidelines for the SWA:

1. The Division Head will identify employees with organizational functions that are Mission-critical ("Operational"), which is defined as positions that affect core operations and necessitate field deployment, 24/7 operations, or customer interaction. On the other hand, Non-mission critical roles ("Support") are defined as positions with duties and responsibilities that can be accomplished remotely.
2. Employees who can perform their functions remotely will be asked to work from home (WFH).
3. If an employee has a Mission-critical role, they cannot avail of the WFH setup. Exceptions can be made due to exceptional circumstances recognized by the Division Head. For employees under the WFH arrangement, they must follow regular timekeeping.
4. Employees who are diagnosed with COVID-19 will automatically be considered under sick leave, and they will not be able to avail themselves of a WFH arrangement.
5. Overtime is not allowed for employees who are under the WFH arrangement.
6. An employee under an approved WFH arrangement shall not be considered under vacation leave or sick leave.
7. The Division Head will rotate employees working under the WFH arrangement while the SWA is being implemented. If an employee has an underlying chronic disease condition (i.e., hypertension, cancer, diabetes, asthma) or is pregnant, they shall automatically be part of the WFH arrangement. Depending on the situation and the directives issued by government authorities, the implementation of the SWA may be shortened or extended.

The percentage of employees that worked in Maynilad's offices fluctuated throughout 2021 due to changing alert levels issued by the IATF.

BENEFITS PROVIDED TO ALL WORKERS [401-2]

Workers who availed of benefits						
	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
Life insurance	0.05%	0.31%	0.32%	0.16%	0.41%	0.18%
Parental leave	4.14%	7.12%	2.00%	5.32%	1.81%	5.16%
Retirement provisions (aside from SSS)	0.84%	1.24%	2.16%	2.42%	2.80%	3.03%
SSS	100%	100%	100%	100%	100%	100%
PhilHealth	100%	100%	100%	100%	100%	100%
Pag-Ibig	100%	100%	100%	100%	100%	100%
Vacation leaves	86.04%	91.49%	72.42%	77.90%	77.06%	81.49%
Sick leaves	56.40%	67.49%	39.45%	49.03%	36.37%	39.32%
Housing assistance (aside from Pag-Ibig)	N/A	N/A	N/A	N/A	N/A	N/A
Stock ownership	70.78%	66.10%	69.51%	64.68%	69.00%	65.00%
Health care (aside from PhilHealth)	Data unavailable	Data unavailable	Data unavailable	Data unavailable	63.40%	67.79%
Telecommuting	Data unavailable	Data unavailable	Data unavailable	Data unavailable	Data unavailable	Data unavailable

Stock ownership, retirement provisions aside from SSS, vacation leaves, and sick leaves are only available to regular employees. The data for the rest of the benefits apply to all employees and project-based workers.

For 2019 and 2020, the total workers that availed of the health care benefit aside from PhilHealth were 1,757 and 1,217 respectively. Maynilad did not collect data on the percentage of male and female workers that availed of this particular benefit.

BREAKDOWN OF PARENTAL LEAVES PROVIDED TO TOTAL WORKERS [401-3]

Entitled to Parental Leave				% Retention Rate		
	2019	2020	2021	2019	2020	2021
Male	1,878	1,907	1853	92%	97%	97%
Female	625	645	620	90%	96%	91%
Employees who took Parental Leave				Employees who returned to work after parental leave ended		
Male	74	79	38	74	77	38
Female	53	47	32	51	47	32
Employees who returned to work after parental leave ended who were still employed 12 months after their return to work						
	2019		2020			2021
Male	68		75			37
Female	46		45			29

MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES [402-1]

Employees covered by the CBA and their representatives are given a notice at least 4 weeks prior to implementing significant operational changes that could substantially affect them. Notice periods and provisions for consultation and negotiation are also specified in the CBA. Maynilad does not have a policy for the minimum notice period, but it still follows the 30 day notice period required by the Department of Labor and Employment.

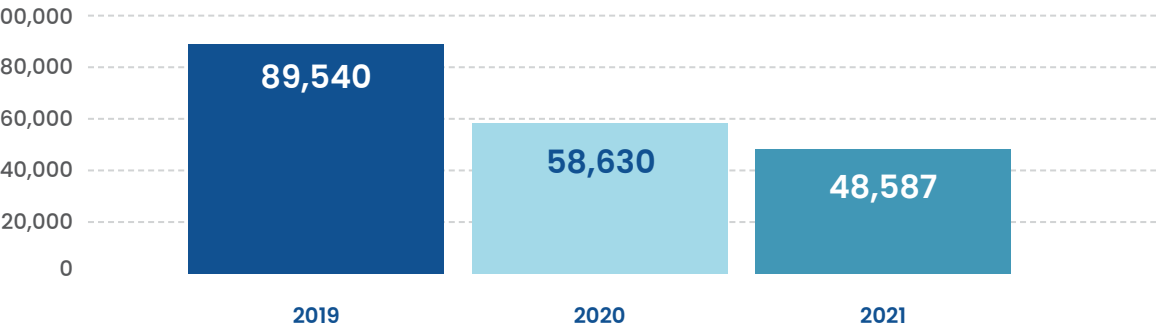
Developing talent and expertise within our workforce



We build internal technical capability and expertise through our training and education programs, especially for water and wastewater solutions. By elevating the knowledge of its workforce, the Company can meet its service obligations and raise the country’s collective capability to operate and manage water and wastewater facilities and networks.

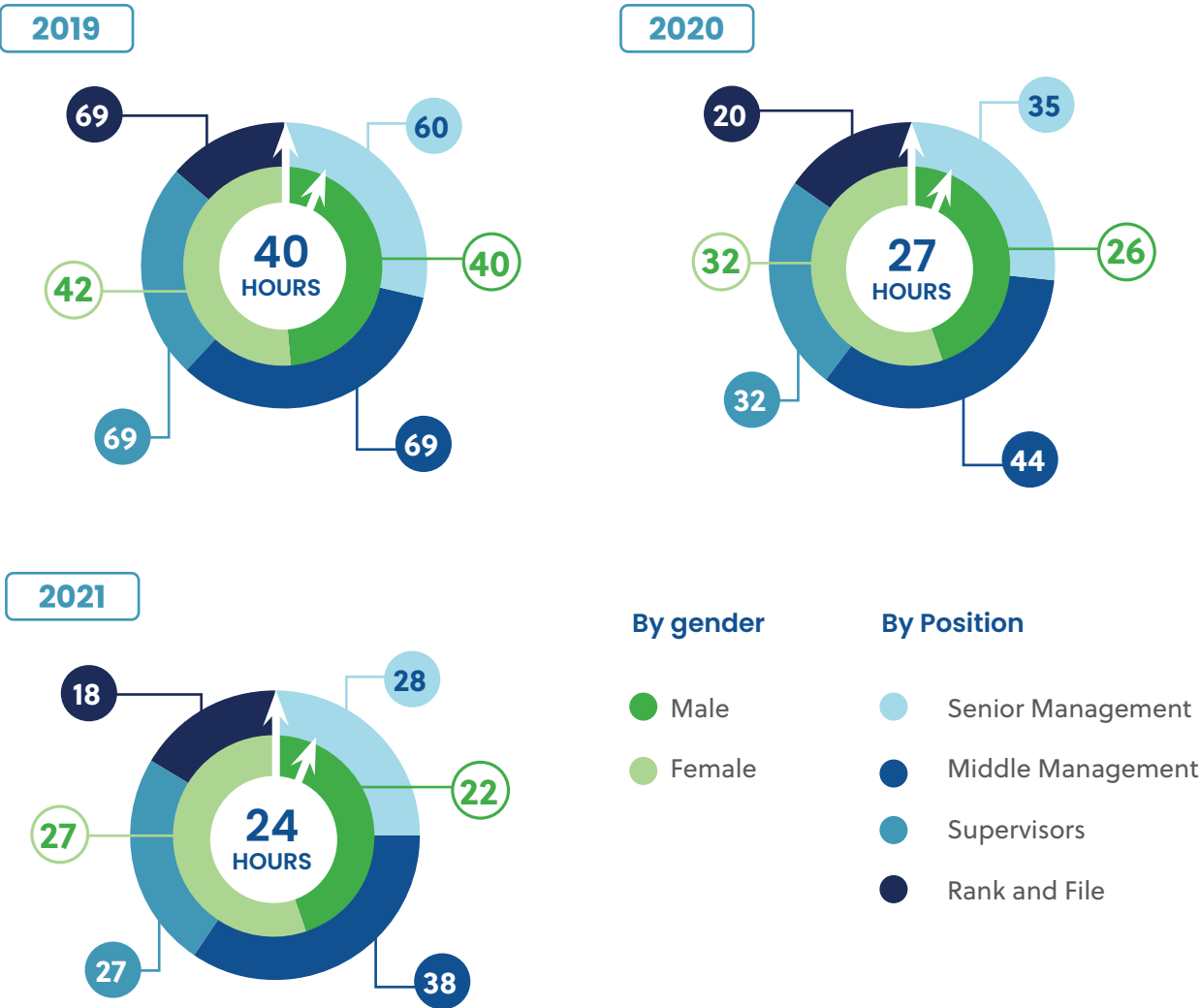
The Company has an internal Training Policy and sets Operating Procedures that guide its training and education efforts. Each year, a training needs assessment is conducted to determine each business unit’s training and education needs. An annual budget is set aside for planned training programs including onboarding, coaching, leadership, and technical skills training and workshops.

TOTAL TRAINING HOURS OF EMPLOYEES [404-1]



Training Hours of Employees By Rank and Gender [404-1]									
	2019			2020			2021		
	Male	Female	Total by Rank	Male	Female	Total by Rank	Male	Female	Total by Rank
Senior Management	3,217	896	4,113	1,409	881	2,290	1,296	606	1,902
Middle Management	18,874	7,202	26,076	11,112	6,132	17,244	10,688	4,281	14,969
Supervisors	13,683	6,555	20,238	8,481	4,285	12,766	6,731	3,888	10,619
Rank and File	30,191	8,922	39,113	20,320	6,010	26,330	15,540	5,557	21,097
Total by gender	65,965	23,575	89,540	41,322	17,308	58,630	34,255	14,332	48,587

AVERAGE HOURS OF TRAINING PER EMPLOYEE [404-1]



EMPLOYEE DEVELOPMENT PROGRAMS* [404-2]

Tatak Maynilad Leader Program (Essentials of Leadership and Management)
Coaching for Success Workshops for Maynilad Leaders
Leadership Development Program for Assistant Managers and Managers
Technical Management 101
Fundamentals of Commercial Management
Zone Management 101
New Employee Onboarding Program

* On page 90 of Maynilad's 2020 Sustainability Report, it incorrectly stated that the following training sessions were held for the Company's Customer Experience and Retail Operations personnel:

- Cross Functional Training (Basic Metrology and QA Tools and Equipment)
- Cross Functional Training (Product Inspection and Assessment - Material Inspection and Acceptance)
- Cross Functional Training (Project Inspection and Assessment - Materials Storage and Handling)

However, these trainings were for the Company's Quality, Sustainability, and Resiliency Division as part of their cross-functional training.

Supporting Contractors and Service Providers

To help lessen the effects of COVID-19, 282 beneficiaries from our vendors were also given two batches of financial assistance in 2021.

FINANCIAL ASSISTANCE GIVEN TO VENDORS IN 2021

When the program took place, vendors had to fit under the following set of criteria to be eligible for financial assistance:

- Listed under the proper office or Health Management's contact tracing database
- Quarantined for three or more working days (with or without a positive swab result)
- Has not committed a health protocol violation
- No-work, no-pay scheme has been implemented by their company
- Still employed

Schedule	Numer of Beneficiaries	Total Amount
May 2021	127	Php 635,000
October 2021	155	Php 715,000

Health and Safety Initiatives

Occupational Health and Safety Management System

[403-1]

The Company has an Occupational Health and Safety (OHS) Management System that covers all of its employees, including those that are regular and probationary, as well as its project-based workers. As of 2021, the system covered all 2,052 of Maynilad's employees as well as 223 project-based workers. The system's scope includes all activities of the Company and all workplaces, including project sites. Compliance with the system is monitored throughout the span of each project.

The OHS system also covers subcontractors who are not employees of Maynilad but are employed in a workplace controlled by the organization. However, it is the contractor that handles the monitoring of their OHS compliance. Only disabling and fatal incidents are reported to Maynilad.

The OHS system's implementation is based on the implementing rules and regulations of RA 11058, "An Act Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations Thereof." In addition, Maynilad follows the Corporate Safety Code and relevant government standards.

In 2021, our OHS system was upgraded to meet ISO 45001:2018 standards. This allows us to benchmark our system with other world-class water utility companies.

During the same year, the Company's Head Office also acquired a Department of Labor and Employment (DOLE) Safety Seal. Before

granting the seal, DOLE inspected the office's general labor standards, occupational safety and health standards, and health and safety measures for COVID-19.

Maynilad's health-related policies

Drug-free Workplace Policy
No Smoking Policy
Policy on the Prevention and Control of Tuberculosis, Hepatitis B, and HIV/AIDS
Policy on Breastfeeding Promotion in the Workplace
Policy on Mental Health
Maynilad Health Financial Assistance Program
Policy on Privacy and Confidentiality of Health Records

The Company undertakes efforts to disseminate information about its health policies and programs, and this is part of its onboarding process. The HR Department also issues health-related bulletins and alerts and organizes forums on health issues. Information on health promotion services, such as the annual physical exam and vaccinations, are circulated through Maynilad's Employee News.

OCCUPATIONAL HEALTH SERVICES* [403-3]			
	2019	2020	2021
Annual Physical Examination compliance	99.90%	90.75%	96.39%
Executive Check-up (ECU) compliance	86.49%	40.30%	47.76%
Random Drug Testing	96.77%	86.78%	88.52%
Audiometry Test Compliance	100%	100%	99.24%

* All data from 2019 to 2021 include project-based employees. Percentage is computed based on the actual total of those who complied vs. target.

Health Management Organization (HMO) utilization

Employees and their dependents can avail of subsidized diagnostic, emergency, out-patient, and hospitalization services from the Company’s HMO.

Aside from availing of the Company’s clinics and ambulances, employees and workers can also avail of services from hospitals that have been accredited by the Company’s HMO provider. We also identify medical facilities that can cater to our employees and dependents in areas that lack an HMO-accredited facility. [403-6]

Workers’ personal health-related information is kept confidential in compliance with the Data Privacy Act of 2012.

HMO UTILIZATION			
	2019	2020	2021
Total Executive Check Up (ECU) Package Availed by Employees	Php 3,930,787.36	Php 442,677.18	Php 1,675,400.06
Flexible Benefits	Php 2,685,861.00	Php 1,183,349.18	Php 1,439,704.70
Inpatient Services	Php 12,270,326.42	Php 6,063,300.62	Php 7,746,325.85
Outpatient Services	Php 24,610,546.58	Php 10,276,637.88	Php 14,650,466.04

MENTAL HEALTH

We promote and care for employee mental health through the implementation of our Mental Health Policy, which was launched in 2019. The policy involves initiatives such as financial assistance, a referral system for psychiatric and psychological services, and focus group discussions on mental wellbeing and stress management in the workplace. [403-6]

Monitoring compliance with health and safety standards

[403-2, 403-7]

Maynilad’s annual hazard identification, risk assessment, and control review and update evaluates hazards and identifies corresponding controls based on the hierarchy of controls. The Company checks for risks and hazards that may occur while producing and delivering its services. Suppliers and contractors must also cover these concerns during their accreditation process.

Maynilad has a Central Safety and Health Committee (CSHC) and an established practice for Environment, Health, Safety and Security (EHSS) Reporting. These practices are in line with the Philippines’ RA 11058, “An Act Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations Thereof.”

The CSHC monitors and supervises activities that have safety and health risks, including but not limited to construction, chemical processes, and COVID-19 case updates. Its 160 members meet monthly to discuss safety and health related issues and best practices.

Using EHSS Reporting, Maynilad also keeps track of incident investigations, corrective actions taken, and the number of incidents closed. These reports have led the Company to improve its facility audit inspections and categorization of reported incidents. The Company’s 241 safety officers report on a monthly basis. Employees may also file incident reports in real-time. To improve incident reporting, employees that report on safety incidents are protected from reprisal.

OHS concerns, COVID-19-related concerns, and best practices from incidents and near misses are also discussed through clustered Safety and Health Committee meetings. The North, Central, and South clusters of the Company each have an Environment Safety and Health (ESH) Committee, which is composed of members from top management, safety officers, workers representatives, and service providers’ and contractors’ representatives. Each facility also has a sub-ESH committee that receives information about ESH-related issues and concerns cascaded from cluster meetings. [403-4]



SAFETY INSPECTIONS AND WORK ENVIRONMENT MONITORING AND MANAGEMENT			
Safety Inspections for Facilities			
	2019	2020	2021
Compliance rate of facilities to safety inspection report findings	90.42%	91.04%	88.62%
Issued safety inspection reports	71	78	120
Safety Inspections for Projects			
Compliance rate of projects to project inspection report findings	93.22%	88.24%	93.88%
Issued project inspection reports	93	17	55
Work Environment Monitoring and Measurement			
Compliance to Work Environment Measurement (WEM)	94.39%	79.90%	83.6%
Issued WEM Reports	78	62	86
WEM sampling points	5,127	6,258	7,414
WEM sampling man-days	45	62	86



During the first half of the year in 2020, WEM services for identified Maynilad facilities were suspended to comply with Occupational Safety and Health Center (OSHC) Memorandum No. 149 Series of 2020, issued on June 15, 2020. WEM services resumed on November 9, 2020, and the activities were conducted in line with COVID-19 guidelines. However, Maynilad further deferred the schedule because there were concerns about COVID-19 transmission.

The productivity and flexibility of WEM also improved because the Resiliency Department's clusters and sections were assigned specific WEM processes.

LEGAL AND REGULATORY COMPLIANCE			
	2019	2020	2021
Facilities with 1020 DOLE Registration	25	25	36
With Updated Fire Safety Inspection Certificate	12	21	12

HEALTH AND SAFETY RESUMPTION PLANS

Maynilad's contractors began submitting health and safety resumption plans (HSRP) from 2020 until 2021 as required by the Department of Public Works and Highways (DPWH). In 2020, 155 of the 187 HSRP's submitted were approved, and the remaining 32 were for revision. The contractors submitted 27 HSRP's in 2021, all of which were approved. This number was lower than the previous year since, in the 2nd half of 2021, the submission of a HSRP was not required. However, we still followed the IATF's guidelines.

Health and safety training

Employees were trained on health and safety topics related to activities and processes involved in their specific jobs. Training personnel were classified to match their competencies and qualifications. Classifications of safety officers include SO1, SO2, SO3, and SO4, and they were based on Republic Act 11058. During the mandatory 8-Hour OHS training, employees are also informed about their right to refuse work during cases of imminent danger.

HEALTH AND SAFETY TRAINING [403-5]			
	2019	2020	2021
Number of hours of health and safety training for employees, contractors, and service providers	36,649	9,009	8,700
Number of facilities that conducted safety drills	57	54	205

BREAKDOWN OF HEALTH AND SAFETY TRAINING [403-5]			
	2019	2020	2021
8-Hour Mandatory OHS Orientation*	16,732 training hours	3,339 training hours 3,200 training hours work re-entry protocols for COVID-19 prevention and control conducted internally.	1,888 training hours
Other OHS related trainings	19,917 training hours in the following: - First Aid - Basic Occupational Safety and Health (BOSH) - Loss Control Management (LCM) - Contractor Safety Orientations** - Emergency Preparedness and Response (EPR) Lectures**	2,470 training hours in the following: - First Aid - BOSH - Contractor Safety Orientations - EPR Lectures	6,812 training hours in the following: - First Aid - BOSH - LCM - Contractor Safety Orientations - EPR Lectures

* Compliance to the mandate started in 2019. From 2020 to 2021, only newly hired employees and remaining employees who did not yet take the 8-Hour Mandatory OHS Orientation took this orientation.

** Conducted safety forums to contractors along with other EPR Trainings.

Preventing work-related injuries and illnesses

At our facilities, some work-related hazards that may cause ill-health in employees are prolonged exposure to a high level of noise and exposure to chemicals and other hazardous materials. Each business unit determines these risks through a Hazard Identification, Risk Assessment and Control-based approach.

Our monitoring system did not detect any work-related illnesses in 2021 other than COVID-19. While we did vaccinate the majority of our employees, we identified 67 COVID-19 cases tagged as exposure in the workplace.

By the end of 2021, we achieved 6,942,513 corporate safe man-hours without a lost time accident. To reduce accidents, the Company regularly conducts safety inspections for facilities and projects. Activities such as electrical repairs, excavations, and planting activities also require safety personnel to be present.



INCIDENT REPORTING [403-9]			
	2019	2020	2021
Number of fatality/ disabling injury for Maynilad employees	0	3	0
Number of disabling injuries* for customers, contractors, and service providers	0	1	0
Workplace accidents*	6	5	23**
Vehicular accidents*	10	25	15
Near misses*	18	60	156

* These figures apply to total workers.

** These are non-disabling accidents. The increase in number may be due to the more efficient reporting since Safety Officers began recording these incidents in the EHSS.

WORK-RELATED INJURIES, FATALITIES, AND SAFE MAN HOURS FOR TOTAL WORKERS [403-9]			
	2019	2020	2021
Corporate Safe-Man Hours without Lost Time Accident (as of year-end)	4,417,519	1,869,732	6,942,513*
Frequency Rate (total number of disabling injuries per million employee hours of exposure)	0	0.63%	0
Severity Rate (total number of days lost or charged per million employee hours of exposure)	0	19.65%	0
Lost Days due to work-related injuries	0	94	0
WORK-RELATED INJURIES			
Fatalities as a result of work-related injury	0	0	0
High-consequence work-related injuries excluding fatalities	3	0	0
Recordable work-related injuries	3	3	23
Main types of work-related injury	Struck against moving object, fall on the same level	Caught in manhole cover	Vehicular accident, chemical spill, equipment damage, hit by object
WORK-RELATED ILL-HEALTH [403-10]			
Fatalities as a result of work-related ill health	0	0	2
Cases of recordable work-related ill-health	14	0	67**

* This figure covers man hours from the last lost time accident in August 2020 to the end of December 2021.

** This was due to COVID-19. Given that DOLE identified COVID as a work-related illness in their board resolution 21-04-14, released on April 6, 2021, we have included COVID-19 cases as part of work-related illnesses. In line with this, our monitoring system has identified 67 confirmed COVID-19 cases tagged as exposure in the workplace. We can only say that a case was possibly work-related if it was identified through COVID-19 contact tracing within the Maynilad workplace.

Data on accidents, standards, guidelines, permits, and licenses were monitored and maintained in the EHSS software.

A Work Stoppage Order will be issued when the workplace poses a danger to the worker. Investigations into work-related incidents should take up to five days, and an issue is only considered resolved following a root cause analysis and employee retraining.

The Resiliency Department monitors the lost time accidents of contractors and service providers. The Annual Physical Examination (APE) records of service providers are submitted to the concerned business units.

Controlling COVID-19

In 2021, Maynilad’s Post-ECQ Team continued to implement its post-ECQ plan to control the spread of COVID-19, “normalize” business operations, and provide employees with a safe workplace during the pandemic. The plan was formed in 2020 and contained guidelines on re-entering the workplace, rapid testing, as well as health and safety protocols. In 2021, the Post-ECQ Team focused on COVID-19 guidelines and the “We Got Your Vac” program.

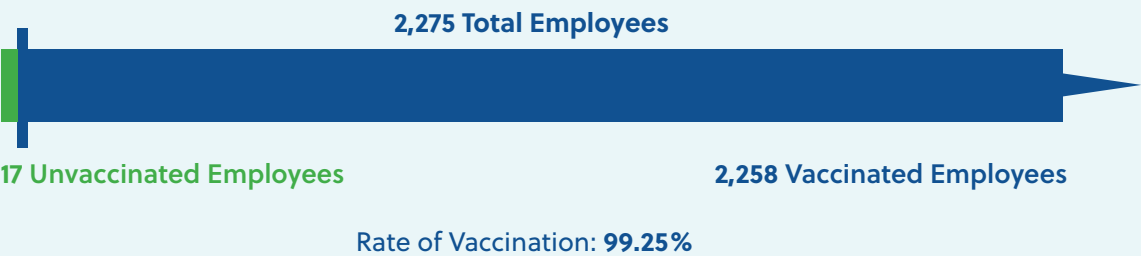
Aside from the Post-ECQ Team, a New Normal Technical Working Group (TWG) continued to guide the Company in adapting to the changes brought about by the COVID-19 pandemic.

Maynilad continued to follow COVID-19 guidelines issued by the Inter-Agency Task Force for the Management of Emerging Infectious Diseases, Department of Health, DOLE-Department of Trade and Industry, and Department of Public Works and Highways in all of its facilities, offices, and contracted projects.

Implementing “We Got Your Vac”

We protected our employees from COVID-19 through our vaccination program. In July 2021, we implemented “We Got Your Vac,” the MVP group COVID-19 vaccination and immunization program.

This program not only covered our employees but also their dependents such as family members and household companions. It was held at the Maynilad Head Office in Old Balara, Quezon City. This location was one of the five used by the MVP Group Vaccine Task Force for the vaccination of MVP Group employees. Personnel from the Metro Pacific Hospitals Holdings Inc. manned the site.



MAYNILAD COVID-19 CASES								
	Confirmed		Active		Recovered		Deceased	
	2020	2021	2020	2021	2020	2021	2020	2021
Regular Employees	61	354	0	3	60	345	1	6
Project-based Workers	4	38	0	0	4	37	0	1
Subsidiaries	0	2	0	0	0	2	0	0
Third-party Providers/ Contractors	26	65	0	0	26	65	0	0
Total	91	459	0	3	90	449	1	7

Aside from the free COVID-19 vaccination, Maynilad also provided COVID-19 assistance to employees on top of their usual compensation. These forms of assistance include the following:

- COVID-19 pay and meal allowance for mission-critical employees who are required to report for work during community quarantines
- Employee Assistance Program, which includes cash benefits or medicine reimbursements for confirmed COVID-19 patients
- Endorsement to First Pacific Leadership Academy quarantine facility for COVID-19-positive patients as requested by the employee
- Provision of oxygen tanks and oximeters to COVID-19-positive employees
- Distribution of vitamins to mission-critical employees
- Aside from the free COVID-19 vaccination, Maynilad also provided COVID-19 assistance to employees on top of their usual compensation. These forms of assistance include the following:
 - COVID-19 pay and meal allowance for mission-critical employees who are required to report for work during community quarantines
 - Employee Assistance Program, which includes cash benefits or medicine reimbursements for confirmed COVID-19 patients
 - Endorsement to First Pacific Leadership Academy quarantine facility for COVID-19-positive patients as requested by the employee
 - Provision of oxygen tanks and oximeters to COVID-19-positive employees
 - Distribution of vitamins to mission-critical employees

NON COVID-19 VACCINATION PROGRAM			
	2019	2020	2021
Enrolled employees	290	667	409*
Negotiated discount	51.10%	50.04%	51.57%
Total people enrolled including employees and dependents	1,196	2,563	1,844
Total Vaccination compliance of employees and dependents	94.31%	95.05%	95.77%

* This only includes employees enrolled for flu and pneumonia vaccines in 2021.

Uplifting the Community [413-1]

Maynilad provides a wide range of initiatives for community development. It invests in infrastructure and public health as well as education on water sanitation and water-related issues. All these efforts show how Maynilad embodies its love for the country.



Empowering Communities Through Livelihood Projects

The Company empowers local communities through livelihood projects that provide an additional source of income and help secure basic necessities. People from communities can take the lead in building their own businesses and making products.

KAPWA, GREEN BADGE, AND SINING IPO SOCIAL ENTERPRISES

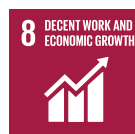
Maynilad's social enterprises were empowered to create a wider range of items that could contribute to their income. These initiatives benefited 34 indigent families from the West Zone and 30 Dumagat families in Ipo Watershed. Some of the members of these social enterprises come from Samahang Tubig Maynilad (STM), a pro-poor service delivery scheme where informal settler households form cooperative-based water associations that oversee their area's small-scale water service system.

Kapwa, makers of hand wash and other soap products from STM-Tondo, were taught how to produce room linen spray. Thanks to opportunities brought by the Company's COVID-19 outreach activities, Kapwa was able to generate a revenue of Php 2,617,220.00. Of these earnings, Php 692,800.00 was used to provide additional income to 20 women in STM Tondo.

Additionally, Green Badge, a group based in STM-Riverview that repurposes old Maynilad uniforms and converts them into drawstring bags, learned how to produce face masks and plush toy Tube, Maynilad's mascot. Green Badge earned Php 1,306,220.00 and benefited the income of 14 women in STM Riverview.

For the Sining Ipo social enterprise, Dumagat artisans who care for the Ipo Watershed learned how to create pot stands out of driftwood. Earnings amounting to Php 618,200.00 increased the income of 30 Dumagat families.

We also held the Kapit-Kapwa Webinar, which trained social enterprise representatives in fundamental business skills. Other participants included interested members of STM-Pook Pag-asa and public school partners. Participants for this webinar reached almost 1,000 people from various sectors, including education officials and indigent communities.



GINHAWA GARDENING

Through our multi-awarded Ginhawa Gardening campaign, we promote the mainstreaming of urban gardening. This program also supports grassroots food sustainability initiatives of local governments that could mitigate the effects of the pandemic on the economy.

Ginhawa Gardening was originally formed in 2015 to support the Parañaque City local government's home food security program, which established 52 vegetable gardens with the help of Maynilad.

In 2021, Maynilad partnered with the Department of Science and Technology (DOST) to set up standalone vertical garden frames in 10 community gardens across different local government units.

We also conducted the Ginhawa Gardening Workshop, an online workshop on urban gardening that encouraged positive consumer behavior about proper nutrition and environmental responsibility. Through the workshop, 155 community volunteers, educators, and heads of households received training about the aforementioned topics.



Giving Back to Communities [203-1]

Aside from supporting social enterprises, we give back to communities by supplying infrastructure investments and providing materials that promote public health and sanitation.

PROJECT KUBETA KO

Through Project Kubeta Ko, we treated collected waste from portable, container-based toilets that were donated to informal families located in Parola, Tondo, Manila. This project aims to prevent open defecation across Metro Manila waterways. It was done in support of the rehabilitation of Manila Bay, and it was accomplished in partnership with the DENR, the city government of Manila, and the MWSS.

Maynilad launched the project in December 2020. Since then, we have treated an average of 1,200 barrels per month. We treated more than 15,000 barrels in 2021.



SERVICING COMMUNAL SEPTIC TANKS IN DALAHICAN, CAVITE

To abate pollution in receiving bodies of water in the area, Maynilad signed a Memorandum of Agreement (MOA) so that it can conduct monthly hauling, treatment, and disposal of septage from three established communal septic tanks. These tanks are located in Barangay 8, Dalahican, Cavite City. This initiative will benefit the residents of that area.

The MOA was signed by Maynilad, MWSS, DENR, and the Cavite local government on December 20, 2021.



PRIORITIZED DESLUDGING OF SEPTIC TANKS OF COVID-19 FACILITIES

Since community quarantine was imposed in March 2020, Maynilad has been providing free desludging services to 56 COVID-19 facilities, including quarantine centers, hospitals, and government checkpoints. Aside from maintaining good sanitation and lessening pollution in nearby bodies of water, this program also supports national efforts against the pandemic.



We regularly clean the septic tanks and portable toilets of the facilities covered by this program free of charge. This project benefits both medical personnel and COVID-19 patients. These services were provided to the following facilities: Sta. Ana Hospital, Tondo Hospital, Quezon Institute, and Cavite City Hospital, as well as several government checkpoints and major quarantine facilities in Parañaque City, Manila City, Pasay City, Quezon City, and Cavite province.



PAG-ASA SA PATUBIG PARTNERSHIPS (P3) WATER-FOR-THE-POOR PROGRAM



Waterless urban poor communities are connected to Maynilad's water distribution under its P3 program. In these communities, we install a bulk water system with public faucets or submeters. This program is done in partnership with Filipino social business group Tubig Pag-asa.

A community in Manggahan I Extension, Barangay Habay II in Isla Noah, Bacoor, was a major beneficiary of this program in 2021. This informal settlement comprises 216 families in Isla Noah and 62 in the Santos Compound.

For years, the families in this area relied on third-party vendors that sell overpriced water. Members of this community approached our Business Area and Tubig Pag-asa so that they could explore options to connect to our supply of potable water despite technical, legal, and financial constraints. Maynilad contributed Php 400,000 to the Php 2.4 million community WASH development implementation by Water & Life for the community.



ASSISTANCE AND MOBILE WATER TREATMENT PLANTS FOR TYPHOON ODETTE-STRICKEN AREAS

Typhoon Odette devastated many areas in the Philippines in December 2021. Houses were destroyed, and the damage left people in need of potable water sources. By deploying four mobile water treatment plants (MTPs), Maynilad helped meet the water supply needs of areas in Bohol and Cebu affected by Typhoon Odette. The Company also assigned personnel to operate these MTPs.

These MTPs remove bacteria and contaminants from water through reverse osmosis and chlorination technology. Using water from rivers or floods, these MTPs can produce a total of 43,000 gallons of potable water per day. This capacity can meet the drinking water needs of over 80,000 people.

The Company donated a total of Php 6.5 million through the Philippine Disaster Resilience Foundation and One Meralco Foundation. This aid for people affected by Typhoon Odette was supplemented by Maynilad's cash and bottled water donations. As for its water bottle donation, around 10,000 bottles were donated to survivors in Cebu, Bohol, Palawan, and Surigao del Norte.

"We stayed there for two weeks until the residents learned to operate and maintain the MTP on their own. The experience was very exhausting, but nothing beats seeing your kababayans (compatriots) happy after finally having access to clean and safe water to drink."



DOMINGO YGOÑA, JR.
Instrumentation Engineer at the Putatan Water Treatment Plant on operating an MTP in Minglanilla, Cebu

"Like most typhoon-stricken areas, it will still take time for Inabanga to fully recover from the wrath of Odette. But every effort counts, and it feels good to know that I was one of those who extended a helping hand through my work with Maynilad."



JESSIE PAYO
from Treatment Plant Maintenance and Water Supply Operations on operating an MTP in Inabanga, Bohol



TIMBAYAN

We repurpose containers of chemicals used for water treatment through Timbayan. Since these containers are made of high-quality plastic, they can be used as trash bins or pails. We donated these buckets to fisherfolk, small health centers, wet markets, and low-income communities that were part of our water-for-the-poor programs.

The following is a breakdown of how our 2,500 Timbayan buckets were distributed:

- Lake Management Office (LMO) of Muntinlupa City (100)
- Environment Office of Muntinlupa City (200)
- Bayan Tanim Projects in Barangay Poblacion in Muntinlupa City, Valenzuela City, and in the Municipality of Noveleta, Imus City, both in the Province of Cavite (700)
- Putatan Elementary School in Muntinlupa City (100)
- Lakeview Elementary School in Muntinlupa City (200)
- Various schools under the Brigada Eskwela program (800)
- Office of then-Representative Rozzano Rufino Bunoan Biazon for various indigent communities (300)
- Ginhawa Gardening communities (100)



Supporting Schools [413-1]

Maynilad also has projects that supply schools with WASH items and improves their access to potable water.

BRIGADA ESKWELA



For nearly 12 years, Maynilad has actively partnered with the Department of Education (DepEd) to support the Brigada Eskwela program.

After the onset of the pandemic, DepEd adjusted the program so that it could assist schools in preventing COVID-19 while ensuring that the education of students is continued. It began prioritizing WASH items, which Maynilad has been supplying to the program for years.

Including items produced by its social enterprises, Green Badge and Kapwa, Maynilad provided hygiene, sanitation, and PPE items to 14 DepEd Schools Division Offices in the West Zone. These supplies reached 975 public schools within Metro Manila and Cavite province.

In 2021, it provided 1,434 one-gallon bottles of disinfectants and liquid hand soaps, 800 buckets, and 4,640 washable face masks for faculty and other school employees. In the same year, the Company installed 57 modular handwashing stations in health facilities and West Zone schools hosting COVID-19 vaccination programs.



GINHAW.A.S.H.

Maynilad donates drink-wash stations and refurbishes water and sanitation facilities in schools through its ginhaW.A.S.H. program. This program promotes health and hygiene and has reached more than 142,000 students in 491 schools since 2008.

In 2021, we donated and installed 400 bidets, 20 drinking fountains, and 57 portable stainless steel modular lavatories in establishments providing essential services for the pandemic, such as quarantine facilities, hospitals, barangay halls, and health centers. We also installed signages with health and sanitation tips in schools, hospitals, terminals, and health centers. Our program helped 49 schools, four health centers, two barangay halls, and one quarantine facility in the same year.



Sharing Knowledge

Through training sessions, webinars, and events, Maynilad has initiated efforts to educate people about water sanitation and water-related issues.

MAYNILAD WATER ACADEMY

A world-class hub for capacity-building and learning, the Maynilad Water Academy (MWA) aims to support water and sanitation professionals in the Philippines and Asia and improve the water quality in the country. The MWA hosts various classroom-based and hands-on training courses that focus on improving the services of water districts and water operators. It also has the expertise of people who specialize in technical and non-technical aspects of water and sanitation at its disposal.

During engagements with the MWA, participants are acquainted with the jobs available in the water sector. Aside from this, the MWA also shares the first-hand experiences of its engineers to help professionals assess if they see themselves in the water industry. Some job titles in the water industry include but are not limited to the following: wastewater management engineers, water supplier operations leadman, water supply operations foreman, and managers for plant operations.

One notable event organized for MWA in 2021 was the virtual training of 27 students from the University of the Philippines Los Baños College

of Engineering and Agro-Industrial Technology. The session focused on the Philippine water sector, water supply operations, non-revenue water, and wastewater treatment. It also helped these students understand basic water and sanitation operations and develop an appreciation of career opportunities in the water sector. Students who attended presented proposals to address water-related challenges. By making these proposals, they learned how to apply science, engineering, technology, and mathematics (STEM) principles and theories to water and sanitation operations.

Through the MWA, we also provided water supply operations training to 14 members of the Asian Development Bank (ADB) staff. This event taught members of the ADB staff about basic concepts on water and sanitation so that they could better handle development projects that involve water water supply, wastewater management, and NRW reduction.

Some future plans of the MWA include the development of advanced, hybrid, and blended courses on water and sanitation.



DALOY DUNONG ONLINE

A flagship, multi-awarded WASH education program of Maynilad, Daloy Dunong teaches the youth about life skills such as proper handwashing to improve hygiene. These skills are essential during the time of the COVID-19 pandemic since they can prevent the spread of diseases.



To ensure that the program continues to reach target sectors and comply with pandemic restrictions, the Daloy Dunong program was converted into an online initiative. The program was adapted to train participants on how to creatively teach WASH concepts. It encouraged educators to try approaches like storytelling, theater, music, and other means of engaging students. Speakers also discussed the different challenges related to water, health, and the environment that participants may face, especially during the pandemic.

Five batches of more than 1,500 educators and community health officers underwent the online program. The program also established a Facebook page and website called Water Warrior PH, an online platform for water educators and landing page for Daloy Dunong Online and other capacity development webinars.

WATER SUPPLY OPERATIONS VIRTUAL SUMMIT

Employees were given an opportunity to develop industry knowledge through the WSO Division's annual virtual summit. This summit was an opportunity to promote best practices, benchmark with other industry players, and showcase innovations. In 2021, it was held virtually for the first time, and it was conducted in two sessions.

The first session focused on applying data analytics in water supply operations, and it had a total of 267 attendees. Meanwhile, the second session focused on improving efficiency and reliability in water and wastewater management. This was attended by 355 participants.

Advocacy Campaigns

We also have advocacy campaigns that we carry out externally and internally.

PARTNERSHIP FOR PHILIPPINE WATER CHALLENGE

We partnered with the USAID Safe Water Project, Philippine Disaster Resilience Foundation, and Manila Water Company, Inc. to host the first [Philippine Water Challenge](#) in 2021. This yearly competition aims to create novel solutions for water service providers and users and form community demonstration projects that can increase access to water and sanitation. It also promotes cross-sectoral collaboration for water and sanitation-related issues in communities without ready access to water.



Participants were tasked with sharing solutions that addressed the two challenge themes for 2021. The first theme was called "Solutions for Effective and Efficient Water Supply Management," and it focused on methods and technologies related to water consumption. The second was titled "Solutions for Community Access to Safe Sanitation Facilities," and it centered on the lack of access to safe sanitation services.

Participants whose solutions were selected won partnership funds that they could use to incubate their solution and share it with their communities. The winner of the grand prize and the two winners of the first prize were also given the opportunity to meet with investors and pitch their solutions. The first and second prize winners were also given mentorship sessions that taught them how to market and improve their innovations.

MONTH-LONG GLOBAL HANDWASHING DAY CAMPAIGN [102-12]

Global Handwashing Day (GHD) is an international advocacy that encourages people to wash their hands properly using clean water and soap so that they can avoid diseases. Maynilad supported GHD in 2021 by holding webinars as well as a series of activities for its month-long GHD campaign.

The webinars were comprised of capacity-development lectures and edutainment activities. Participants included 200 schoolchildren and 400 educators across Metro Manila and Zambales. Water district officials and youth leaders also participated in these events. We organized these webinars in partnership with the Department of Health, Department of Education, United Nations Children's Fund, Local Water Utilities Administration, and various local governments.

Aside from the webinars, we also launched the "GHD Dance Challenge" via TikTok content creators to promote their handwashing advocacy. Filipinos were encouraged to upload videos on TikTok that featured the Maynilad handwashing song, Maynilad choreography, and the #20secondsdapat hashtag.

"At this time of [the] pandemic, the role of proper handwashing in preventing disease transmission gains even greater significance. Children are especially vulnerable, so Maynilad makes a point of teaching the youth about the importance of making proper handwashing a habit."



RAMONCITO S. FERNANDEZ
Maynilad President and CEO

WATER QUALITY CAMPAIGN

By using posters, sending email blasts, and conducting a forum, our campaign increased the knowledge of our non-technical personnel about water quality. This project was initiated by WATERLab.



The campaign focused on the parameters tested to monitor wastewater quality and demand (BOD, COD, and dissolved oxygen): surfactants such as methylene blue active substance, total suspended solids, oil and grease, nutrients (such as nitrates, ammonia, and phosphates), and fecal coliform. The instructional materials included the methods used to determine the quantity of such contaminants, their sources, their treatment chemicals, and their effect on water quality and on the environment. These topics were also covered in a forum conducted on October 29, 2021.



ENVIRONMENT CAMPAIGN

Maynilad's Sustainability team promoted employee awareness and engagement for various environmental events in the Philippines and worldwide by sending posters and organizing events for its Environmental Information, Education, and Communication campaign.

Posters were sent through email blasts in Maynilad's Employee News. These materials included trivia and tips on environmentalism and information about the Company's environmental efforts. The posters covered topics such as land restoration, living a sustainable and climate-friendly lifestyle, Maynilad's zero carbon journey, and more. They also notified employees about upcoming contests, film showings, game shows, and webinars that were related to environmental events.

Highlights for 2021 include the implementation of the following new activities:

- 1. Film screening for the Earth Day celebration:** This event showed a film entitled, "Ang Huling Plastic." 86 employees attended this activity, and it was held on April 22, 2021.
- 2. Game show titled, "Green-minded Ka Na Ba?":** In honor of the Philippine Environment Month celebration, we held a game show on June 29, 2021 that tested the knowledge of our employees regarding the environment. More than 80 participants registered for this event. Out of these participants, 10 winners were awarded gift certificates and Maynilad giveaway items.
- 3. A webinar called, "Sustainability: Why it Matters?":** A sustainability manager from Business for Sustainable Development was invited to talk about how sustainability is becoming more relevant to businesses. This event was held on October 29, 2021 in celebration of Sustainability Day, which was on the 27th of the same month. A total of 92 employees attended this event.



RISK MANAGEMENT

[102-15]

The Enterprise Risk Management and Internal Audit (ERMIA) Division regularly assesses the Company's risks and opportunities so that it can mitigate and manage these. It works in accordance with the values of honesty and integrity, which ensure that its risk management, control assurance, and consulting services are in line with good corporate governance. We also have a Risk Management Core Team, which includes representatives from Maynilad's different divisions.

Our Anti-Fraud Policy was established in July 2020, and it continues to promote anti-fraud culture. We also have an Environmental Management Department that is in charge of mitigating the impacts of climate change on the Company.

ERMIA works with the Risk Management Core Team to conduct risk assessments and identify the Company's risks on a bi-annual basis. In 2021, they identified these top ten risks:



PROGRAM	Total Cost in Php
Bayan Tanim	390,000.00
Donation of Floating Kubo	296,951.64
Donation of uniform and hygiene Kits to estero rangers	10,640.00
Covid Assistance (donation of labgowns to healthworkers, food, bottled water)	392,869.80
Brigada Eskwela	700,000.00
Daloy Dunong Online	1,100,000.00
Ginhawa Gardening	100,000.00
GinhaW.A.S.H.	1,170,000.00
Social Enterprise (Kapwa-Green Badge-Sining Ipo) Pivot	2,617,220.00
Samahang Tubig Maynilad (STM) water-for-the-poor program	50,000.00
Pag-asa sa Patubig Partnerships (P3) water-for-the-poor program	400,000.00
Kapit-Kapwa Webinar	100,000.00
Outreaches and cause sponsorships	150,000.00
Plant for Life	884,928.00
Other community investments and donations	125,507,479.90
TOTAL	133,870,089.34

IDENTIFIED RISKS

MITIGATION MEASURES

Revenue Risk

- No tariff increase until the end of December 31, 2022
- Continuing effects on revenue targets due to unfavorable volume mix and lower domestic and non-domestic billed volume
- Business closure within West Zone
- Loss from unplanned water interruption
- Third-quarter GDP slowed less than expected after the government placed strict restrictions to curb the Delta variant-driven COVID-19 surge

- Installation type review (tagging or updating) resumed on October 18, 2021, to ensure proper rate classification of customers
- Lifeline customer rationalization for review of management
 - Redefine lifeline customers
 - Lifeline customer discount
- Intensify disconnection and reconnection activities
 - Intensify anti-illegal operations
- Enhance commercial loss reduction initiatives and strategies
 - Walk the line, addressing illegal connections, regular meter replacement, conduct random audits for Read and Bill, intensifying Billing Complaints Preventive Measure
 - Bottom up District Meter Area (DMA) analysis that will focus on DMA with high non-revenue water percentages and determine if the loss is from physical or commercial

IDENTIFIED RISKS	MITIGATION MEASURES
Asset and Equipment Risk • A good number of assets still need upgrading and replacement • Asset breakdown and downtime resulting in low pressure to no water supply • Our reactive maintenance cost analysis showed an increase in maintenance costs for 2021 compared to 2020	• Tighten and develop non-revenue water management in the supply system • Increase Business Area leak endorsement through the walk-the-line activity • Root Cause Failure Analysis of the broken lifting shaft at Bagbag Water Reclamation Facility Decanter • Supply and installation of Uninterruptible Power Supply (UPS) for various • Maynilad facilities; monitoring of UPS in • FieldMOUS • Quick response to resolve pipe breakages • Closing of service gate valve; leak repair through patch welding of Primary Distribution System breakage • For in-line booster: • Repair and replacement of pump system • Replacement of burnt motor controller • Replacement of fuse and circuit breaker for tripping of motor controllers • Replacement of generator set
Water Supply Risk • Angat Dam level in 2021 was lower compared to 2020 • Unable to hit target water production in Bagbag influence areas due to low portal and Ipo Watershed elevation • Possible strict implementation of 60-40 split from the portal • Potential reduction of allocation for both MWSS and the National Irrigation Administration • Reduced water production in the Putatan Water Treatment Plant due to increased turbidity of raw water coming from Laguna Lake • Need to maintain a supply of 2590 to 2600 MLD by December 2021 to sustain our service level • November 2021 rainfall in most parts of Luzon was below normal • La Niña will likely continue through the first quarter of 2022	• Release of daily unplanned Notice of Interruption (NOI); continuing implementation of demand management such as valving and PRV resetting • Installation of All Weather System (AWS) on the water sources • Discussion of 2022 allocation for raw is being done by a TWG composed of the Common Purpose Facility, Maynilad, Manila Water Company, Inc., the National Water Resources Board, and MWSS • Implementation of cloud seeding at Angat watershed by April 2022

IDENTIFIED RISKS	MITIGATION MEASURES
Cyber Security, Info Security, and Data Privacy Risk • Phishing, spam, and other cyber security threats • Rise of "Triple Extortion" ransomware attacks and Log4j vulnerability • Panasonic Japan suffered a data breach after cyber attack • The Philippines ranked 6th in terms of volume of human-initiated cyber attacks according to a list by LexisNexis Risk Solutions	• Further improved our stance in patching and hardening operating system PCs and domain controllers to add more layers in securing IT assets and remediate more vulnerabilities • Focused on strengthening and securing authentication in servers • Cybersecurity Incident Response Plan and back-up of system files • Annual preventive maintenance • Regular update of Endpoint Protection and Security Patches • Firewall security; network segregation; Demilitarized Zone implementation; Network Access Control Assessment • Increased backup storage and location for Industrial Control Networks backups for endpoints Supervisory Control and Data Acquisition • Cyber Security Holistic Integrated Employee Liaison Defender, Maynilad's arm in protecting its system from cyberattacks • Cybersecurity advisory; security awareness campaign • Updating of password policy and standard for all servers • Vulnerability scanning of networks and firewalls • Internal network penetration testing and vulnerability assessment • Increase vigilance and awareness of data privacy risks • Implemented multi-factor authentication for administration, social media, and all email accounts
Project Delivery Risk • 46 out of 103 projects are behind the target schedule • Pre-construction Issues: • Political issues • Permit issuance • Lot acquisition • Right of way • Financial and budget constraints	• Planning process standardization launched by the Process Excellence Group • Project Management Information System implementation • Working group to manage government-related transactions such as permits and other LGU and community concerns • Direct coordination with the concerned LGU or government offices where permit application is submitted

IDENTIFIED RISKS	MITIGATION MEASURES
Project Delivery Risk Christmas and holiday moratorium on construction will likely affect water and wastewater pipe-laying activities in Valenzuela and Cavite	- Framework agreement will package projects to be more enticing to the bidder - Advance lot and right-of-way acquisition prior to project start - Inclusion of interruptions, materials availability, and other issues relevant to project execution in the Front End Engineering Design during project planning
Procurement and Inventory Risk - COVID-19-led global supply chain disruption - Price increase for chemicals imported from China - Low inventory may lead to stock out - Delayed deliveries of goods such as treatment chemicals, valves, spare parts, etc.; additional days for lead times for valves, data loggers, flow meters, and laptops - Supply interruption due to limited storage space	- Expedite the product pre-qualification of chlorine from a new supplier - Joint procurement and material borrowing with Manila Water Company, Inc. - Expand partnership type framework - Import directly from the manufacturer - Establish back up a vendor for mission-critical items and services; Vendor Managed Inventory; Plan and - purchase ahead - Frequent collaboration with end-users and vendors - Constant analysis of spending and purchasing behavior, as well as market condition - Increase capacity for PTWP by acquiring a new lot or renting a warehouse space compliant with government requirements
Political and Regulatory Risk - Maynilad received a copy of the MWSS Board of Trustees Resolution 2021-142-RO on December 15, 2021 - Confirmed the deferment of the approval of the proposed revisions to the 2018 Approved Business Plan - Discussions on rate rebasing in March 2022	- Ensure compliance with the service obligations in the concession agreement - Close monitoring of issuance of the Undertaking Letter, a condition precedent for the RCA's effectivity - Upgrading the South Septage Plant to address the requirements of DAO 2021-19

IDENTIFIED RISKS	MITIGATION MEASURES
Liquidity Risk - Collection efficiencies and annual revenue challenges - Domestic annual revenue deterioration - National unemployment rate is 8.9%, equivalent to 4.25 million, as of September 2021 - National underemployment rate slightly declined from 14.7% in August 2021 to 14.2% in September 2021	- Promoting digital payments and paperless billing - Self-service portal for billing history automated through SMS and email notifications - Implementation of "Pay Your Way" payment channel diversification campaign, with a focus on digital channels - Cleaned up payment channel mix data to accurately reflect the contribution of digital to the total mix
Health and Safety Risk 456 total Maynilad COVID-19 cases as of December 20, 2021: 1 active, 7 deceased - National COVID-19 vaccination rates as of December 16, 2021 39.3% of the country's population was fully vaccinated 90% of NCR's target population was fully vaccinated 1 million or 0.9% of the population received booster vaccines - Confirmed cases of the COVID-19 Omicron variant in the Philippines	Strict implementation of COVID-19 health and safety protocols: - Unvaccinated employees to undergo RT-PCR COVID-19 testing regularly - Booster vaccination for employees and dependents - Vaccination for employees, dependents, and service providers - RT-PCR COVID-19 testing - Contact tracing - Split-Work Arrangement - Home to Office transportation arrangement - Health and safety advisories - Health teleconsultation - Provision of workplace safeguards - Health declaration forms - Regular facility and vehicle disinfection

EXTERNAL ASSURANCE [102-56]

IDENTIFIED RISKS	MITIGATION MEASURES
Climate Change Risk • Global sea-level rise accelerated since 2013 to a new high in 2021 • Typhoon Odette (Rai) is the strongest of 15 typhoons to hit the country in 2021 • November 2021 rainfall conditions experienced in most parts of Luzon were way below to below normal	• Integrated Watershed Management • Partnering with Metraweather • Business Continuity Plan for Critical Facilities • Carbon Management Plan; Energy Management Plan • Maynilad’s Zero Carbon Journey • Flood-proofing of facilities • Fully operational La Mesa Treatment Plant 1 and 2 upgraded treatment process • Installation of Solar Panels at La Mesa • Adopt an Estero Program • Construction of Holding Basin in Laguna Lake • Energy reduction initiatives • Water Balance Modeling of Ipo Reservoir • Remote Sensing of Ipo Watershed to identify geohazard prone areas • Annual Million Trees Challenge of the MWSS



INDEPENDENT ASSURANCE STATEMENT

ASCEND
2021 Sustainability Report

Maynilad Water Services (“Maynilad”) has engaged GCSS Inc. to undertake independent assurance of sustainability / non-financial disclosures in 2021 Sustainability Report – Together, Stronger (the “Report”) for the year ended 31st December 2021. This assurance engagement was conducted using AccountAbility, UK - AA1000 Assurance Standard (AA1000AS v3) and AA1000 AccountAbility Principles (AA1000AP) 2018. The report is prepared in accordance with Global Reporting Initiative (GRI) Standards: Core Option.

Scope of Engagement

The scope of assurance included a review of sustainability activities and performance data of Maynilad. The boundary of the report for identified material aspects and performance indicators are defined in ‘About the Report, and ‘Stakeholder Engagement and Materiality’ section respectively of this report. The scope of assurance engagement is limited to the non-financial information associated with Maynilad operations covered within the report boundaries. This report was evaluated for adherence to the reporting principles of Global Reporting Standard (GRI) and AccountAbility principles.

Our responsibility is to carry out a reasonable assurance engagement on the full Report. We performed a Type II, Moderate Level of Assurance and evaluated the Company’s Sustainability performance based on the information made available during the interviews to the assurers.

Assurance Procedure

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

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

Financial data reported in the 2021 Sustainability Report is taken directly from the independent audited financial statements and the same has not been checked against its source as part of this assurance process.

Limitations

- Our scope of work did not include providing conclusions in relation to:
- The completeness or accuracy of information relating to areas other than the subject matters.
 - Information reported by Maynilad other than in its 2021 Sustainability Report.
 - Management’s forward-looking statements.
 - Any disclosure made by the subsidiaries not covered within the report boundaries.
 - Remote verification of data sources.



Conclusion

Subject to the section on limitations above and on the basis of our procedures for this limited assurance engagement, we conclude that information included in this report is reliable and is presented clearly for stakeholders to make conclusions. The sustainability disclosures are fairly presented in accordance with the stated criteria.

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

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

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

Recommendations

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

1. Develop and report long term vision of Maynilad on Sustainability.
2. Define time-based, measurable goals and targets the company wants to attain against the identified UN SDGs.
3. Provide elaborative disclosures on risk related to climate change and Maynilad's contribution towards it.
4. Highlight on how sustainability performance is assessed and monitored at the Board level in future disclosures.

Adherence to AA1000 Principles

Inclusivity:

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

Materiality:

We reviewed and analyzed the process of defining and assessing the material topics for Maynilad addressed in this report. The company has identified material topics based on stakeholder concerns and business objectives.

Responsiveness:

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

Impact:

The company creates significant impact to the society by providing clean, safe and potable water to the population supporting the UNSDG on Clean Water and Sanitation (SDG6).



Responsibilities

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

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

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

Arpit Shrivastava
Lead Assurer
GCSS Inc.

Date: November 23, 2022
Place: Quezon City, Philippines



AA1000
Licensed Report
000-244/V3-8VSW0

GRI CONTENT INDEX [102-55]

GRI 100: UNIVERSAL DISCLOSURES			
Standard	Name of Disclosure	Page Number/ Direct Answer	Reason for Omission
GRI 101: FOUNDATION 2016			
GRI 102: GENERAL DISCLOSURES 2016			
102-1	Name of the organization	4	
102-2	Activities, brands, products, and services	6	
102-3	Location of headquarters	7	
102-4	Location of operations	5	
102-5	Ownership and legal form	5	
102-6	Markets served	5	
102-7	Scale of the organization	4, 6	
102-8	Information on employees and other workers	77	
102-9	Supply Chain	42	
102-10	Significant changes to the organization and its supply chain	42	
102-11	Precautionary Principle or Approach	10	
102-12	External initiatives	12, 21, 39, 46, 52, 60, 61, 109,	
102-13	Membership of associations	21	
102-14	Statement from senior decision-maker	10	
102-15	Key impacts, risks, and opportunities	34, 46, 111	
102-16	Values, principles, standards, and norms of behavior	13, 14, 23, 25,	

Standard	Name of Disclosure	Page Number/ Direct Answer	Reason for Omission
102-18	Governance structure	15	
102-21	Consulting stakeholders on economic, environmental, and social topics	26	
102-22	Composition of the highest governance body and its committees	15	
102-23	Chair of the highest governance body	15	
102-26	Role of highest governance body in setting purpose, values, and strategy	15	
102-40	List of stakeholder groups	25	
102-41	Collective bargaining agreements	87	
102-43	Approach to stakeholder engagement	26	
102-44	Key topics and concerns raised	26	
102-46	Defining report content and topic boundaries	7	
102-47	List of material topics	30	
102-48	Restatements of information	136-137	

Standard	Name of Disclosure	Page Number/ Direct Answer	Reason for Omission
102-50	Reporting period	7	
102-51	Date of most recent report	7	
102-52	Reporting cycle	7	
102-53	Contact point for questions regarding the report	7	
102-54	Claims of reporting in accordance with the GRI Standards	7	
102-55	GRI content index	120	
102-56	External assurance	117	

GRI 200: ECONOMIC STANDARDS SERIES 2016				
Standard	Disclosure Number	Name of Disclosure	Page Number/ Direct Answer	Reason for Omission
GRI 103: Management Approaches 2016	103-1	Explanation of the Material Topic and Its Boundary	33	
	103-2	The Management Approach and its Components	33	
GRI 201: Economic Performance 2016	201-1	Direct Economic Value generated and distributed	33	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	35, 36, 103	
	203-2	Significant indirect economic impacts	40, 42, 43	

GRI 300: ENVIRONMENTAL STANDARDS SERIES 2016				
Standard	Disclosure Number	Name of Disclosure	Page Number/ Direct Answer	Reason for Omission
GRI 103: Management Approaches 2016	103-1	Explanation of the Material Topic and Its Boundary	52	
	103-2	The Management Approach and its Components	52	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	43	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	67	
	302-3	Energy Intensity	67	
GRI 303: Water and Effluents	303-1	Interactions with water as a shared resource	55	
	303-2	Management of water discharge-related impacts	56	
	303-3	Water withdrawal	55	
	303-4	Water discharge	56	
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	54	
	304-2	Significant impacts of activities, products, and services on biodiversity	12	
	304-3	Habitats protected or restored	24	

Standard	Disclosure Number	Name of Disclosure	Page Number/ Direct Answer	Reason for Omission
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	69	
	305-2	Energy indirect (Scope 2) GHG emissions	70	
	305-4	GHG emissions intensity	70	
GRI 306: Waste	306-2	Management of significant waste-related impacts	63	
	306-3	Waste generated	64	
	306-4	Waste diverted from disposal	65	
	306-5	Waste directed to disposal	64	
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	45	

GRI 400: SOCIAL STANDARDS SERIES 2016				
Standard	Disclosure Number	Name of Disclosure	Page Number/ Direct Answer	Reason for Omission
GRI 306: Management Approaches 2016	103-1	Explanation of the Material Topic and Its Boundary	72	
	103-2	The Management Approach and its Components	72	
	103-3	Evaluation of the Management Approach	74	
GRI 401: Employment	401-1	New employee hires and employee turnover	81, 82, 83, 84	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	89	
GRI 402: Labor/ Management Relations	402-1	Minimum notice periods regarding operational changes	90	

Standard	Disclosure Number	Name of Disclosure	Page Number/ Direct Answer	Reason for Omission
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	93	
	403-2	Hazard identification, risk assessment, and incident investigation	95	
	403-3	Occupational health services	94	
	403-4	Worker participation, consultation, and communication on occupational health and safety	95	
	403-5	Worker training on occupational health and safety	97, 98	
	403-6	Promotion of worker health	94	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	95	
	403-9	Work-related injuries	99	
	403-10	Work-related ill health	99	
	403-1	Average hours of training per year per employee	90, 91	
GRI 404: Training and Education	403-2	Programs for upgrading employee skills and transition assistance programs	92	

ANNEXES

Standard	Disclosure Number	Name of Disclosure	Page Number/ Direct Answer	Reason for Omission
GRI 404: Training and Education	403-3	Percentage of employees receiving regular performance and career development reviews	87	
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	79	
GRI 407: Freedom of Association and Collective	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	87	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	102, 106	
GRI 419: Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	20	

I. FUEL CONSUMPTION VALUES

- Conversion Factors to Gigajoule (GJ)
- 44300 conversion factor (Diesel)
- 47300 conversion factor (Gasoline)
- 0.0036 conversion factor (KWh)
- 43.38 heating value (Diesel)
- 44.75 heating value (Gasoline)

II. DISCHARGE TO SURFACE WATER WITH BOD STANDARD

2021 DISCHARGE TO SURFACE WATER			2021 DISCHARGE TO SURFACE WATER												
Facility	In million liters	Discharge Location	BOD						BOD						
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave
Paco WRF	105.1	Estero De Santibañez	2	2	2	3.5	2	2	2	2	47	2	2	2	6
Alabang WRF	1,896.93	Pasong Diablo River	2	2	2	2	2	2	2	2	2.2	2	2	2	2
Dagat-dagatan WRF	92.9	Maypajo Creek	0	0	0	0	0	0	0	0	0	0	0	0	0
Congressional WRF	175.91	Culiat Creek	2	2	2	2	2	2	2	2	2	2	2	2	2
Baesa WRF	132.07	Dario Creek	2	3	3	2	2	2.5	8.5	2	3.5	8	2	3	3
Legal WRF	191.36	Dario Creek	4	3	2.5	3	2	2	2	2	2	2	2	2	2
Grant WRF	246.24	Dario Creek	2	2.5	2	2	2	2	2	2	2	2	2	2	2
Tandang Sora WRF	296.14	Dario Creek	2	2	2	2	2	2	2	2	2	2	2	2.5	2
Bahay Toro WRF	1,338.27	Dario Creek	5.5	8.25	7	5.3	12	2	2	3	3.2	2	2.8	3.5	5
Bagbag WRF	3,016.56	Dario Creek	2	2.5	3	2.25	2	2	2	2	2.2	2	2	2	2
San Antonio WRF	716.07	San Francisco River	2	2	2	2.5	2	2	2	2	2	2	2	2	2
Del Monte WRF	579.16	San Francisco River	2	2	2	2	2	2	2	2	2	2.5	2	2	2
Paltok WRF	1,400.14	Mairbolo Creek	5	7.5	3.5	3	2.5	5	2	2	2	2	2.5	2	3
Samson WRF	370.5	San Francisco River	2	2	2	2	2	2	2	2	2	2	2	2	2
Kapiligan WRF	540.83	San Juan River	2.5	2	3	2.5	2	2	2	2	2	0	0	0	2
Talayan WRF	3,283.50	Talayan Creek	2.5	2	33	2	2	2	2	3	2	2	2	2	5
Tatalon WRF	1,666.52	San Juan River	2	2.5	2	2	2.5	2	0	0	2	2	2	2	2
Veterans WRF	498.95	Culiat Creek	2	12	12	5.5	2	2	2.5	0	3.5	5	0	0	4
Pasay WRF	9,538.24	Delain Creek	2.5	2.5	2	2.25	2	5.9	4.6	6.5	5.6	2	2	2	3
Paranaque WRF	7,423.46	Malabon Creek	2	2	2	2.25	2	2	2.5	2	2.5	2	2	2	2
Putatan WTP 1	123.56	Laguna Lake	5	4	8	2	2	3	2	2	2	2	2	2	3
Putatan WTP 2	276.55	Laguna Lake	2	4	2	2	5	3	8	2	2	4	2	11	4
TOTAL	33,908.96														
Other Water (Water with concentration of total dissolved solids greater than 1,000 mg/L)															
Tondo Sewage Pumping Plant	35,968.30	Manila Bay	28	22.5	42.1	33.2	37.9	59.7	50	57	61.8	3.2	2	2	33

III. INSTANCES OF NON-COMPLIANCE IN 2021

Money Penalties Incurred	Reason
Php 90 million	The LLDA issued a notice of violation to the Tondo Sewage Pumping Plant for non-compliance to Class "SB" regulations.

Non-monetary Sanctions Incurred - Water Standards			
Notification No.	Supply Zone	Sampling Point ID	MWSS-RO initial findings
WS-2020-SI-011	Putatan WTP	WS-048 ML F. De Mesa Elementary School, Putatan, Muntinlupa City	Failed to conform to the Total Trihalomethane (THM) standard.
WS-2021-SI-001	La Mesa Treatment Plant 1	WS-003 No Noveleta Elementary School, Barangay San Rafael II Noveleta WS-003 A Cv Julian R. Felipe Elementary School, M. Gregorio St., Barangay 51, Cavite City	Failed to conform to the maximum allowable limit set for the total and fecal coliforms.
WS-2021-SI-002	Putatan WTP	AAV-R1 University Avenue, Ayala-Alabang Village, Muntinlupa City	Failed to conform to the maximum allowable limit set for the total and fecal coliforms.
WS-2021-SI-003A	La Mesa Treatment Plant 1	WS-042 LP Talon Elementary School, San Antonio Valley Road, Barangay Talon 1, Las Piñas	Failed to conform to the residual disinfectant standard.
WS-2021-SI-004A	La Mesa Treatment Plant 1	WS-029 ML Bayanan Elementary School (Main), Summitville Subdivision, Barangay Bayanan	- Failed to conform to the residual disinfectant standard. - During the discussion of the failed residual chlorine with the school officials, the principal mentioned that the Regulatory Sampling Point (RSP) is connected to an overhead tank. - The school staff mentioned that there is limited water use due to remote learning or online classes.

Non-monetary Sanctions Incurred - Water Standards			
Notification No.	Supply Zone	Sampling Point ID	MWSS-RO initial findings
WS-2021-SI-005	La Mesa Treatment Plant 1&2	Vitas 1 SR 7 R-10, Vitas Katuparan, Tondo	Failed to conform to the Total Trihalomethane (THM) standard.
WS-2021-SI-006	Vitas 1 Service Reservoir (SR)	Vitas 1 SR 7 R-10, Vitas Katuparan, Tondo	Non-conformance of bacteriological quality—presence of total and fecal coliforms
WS-2021-SI-007	La Mesa Treatment Plant 1&2	Vitas 1 SR 7 R-10, Vitas Katuparan, Tondo Vitas B Unit 113, Building 25, Vitas Katuparan, Tondo Vitas F Building 23, Barangay Outpost, Vitas Katuparan, Tondo Vitas 1-L Unit 107, Building 23, Vitas Katuparan, Tondo	Failure to conform to the maximum allowable limit for the total and fecal coliforms.
WS-2021-SI-008	La Mesa Treatment Plant 1	WS-041 LP Golden Acres Elementary School, Mansanitas Street, Barangay Talon 1 WS-056 LP Sampaguita Street (Guardhouse), Rainbow 3 and 4 Village, Barangay Almanza 1	Failure to conform with the residual disinfectant standard.
WS-2021-SI-009	La Mesa Treatment Plant 1	WS-054 A CM 2234 Malaya Street, Barangay 124, Balut, Tondo WS-166 A CM Museo Pambata, Roxas Boulevard, Barangay 666	Failure to conform to the maximum allowable limit set for the total and fecal coliforms.

Non-monetary Sanctions Incurred - Water Standards			
Notification No.	Supply Zone	Sampling Point ID	MWSS-RO initial findings
WS-2021-SI-010	La Mesa Treatment Plant 1	WS-066 PQ Presidents Heights, Phase VI-A, Parañaque City (Guardhouse)	Failure to conform with the residual disinfectant standard.
		WS-032 A PQ Sampaloc Site II Elementary School, Guyabano Street, Barangay BF Homes	
WS-2021-SI-011	La Mesa Treatment Plant 1	WS-166 A CM Museo Pambata, Roxas Boulevard, Barangay 666	Failure to conform to the maximum allowable limit set for the total and fecal coliforms.
		WS-166 A CM-R Police Outpost, Roxas Boulevard, Barangay 666	
WS-2021-SI-012	La Mesa Treatment Plant 1	WS-021 PQ La Huerta Barangay Outpost, Quirino Avenue cor. MH Del Pilar Street, Parañaque City	Failure to conform to the maximum allowable limit set for the total and fecal coliforms.
		6330 MH Del Pilar Street, Barangay La Huerta, Parañaque City (Right)	
		5076 Quirino Avenue, Barangay La Huerta, Parañaque City (Left)	
WS-2021-SI-013	La Mesa Treatment Plant 1	WS-029 Ba 82 Molino Road (Bing Eatery in front of Eastern Gas Station), Barangay Aniban 4, Bacoor	Failure to conform to the maximum allowable limit set for the total and fecal coliforms.
WS-2021-SI-014	La Mesa Treatment Plant 2	WS-112 A QC Bagong Silangan High School, JP Rizal Street cor. Geronimo Street, Barangay Bagong Silangan	Failure to conform to the maximum allowable limit set for the total and fecal coliforms.

Non-monetary Sanctions Incurred - Water Standards		
The table below shows non-conformances to class SB of the DENR Effluent Regulations of 1990 (DAO 1990-35), DENR Updated Water Quality Guidelines and General Effluent Standards for Selected Parameters (DAO 2021-19), or DENR General Effluent Standards for 2016 (DAO 2016-08) based on the effluent samples collected at the designated Effluent Regulatory Sampling Point ID (ERSP)		
Notification No.	Supply Zone	MWSS-RO initial findings
WW-SI-2021-01	Tondo Sewage Pumping Plant (SPP)	Failure to conform to the maximum allowable limit set for total coliforms and oil and grease under Class SB of DAO 1990-35/DAO 2016-08.
WW-SI-2021-02	Tondo SPP	Failure to conform to the maximum allowable limit set for total coliforms under Class SB of DAO 1990-35/DAO 2016-08.
WW-SI-2021-02A	Tondo SPP	Failure to conform to the maximum allowable limit set for BOD and surfactants under Class SB of DAO 1990-35/DAO 2016-08.
WW-SI-2021-03	Tondo SPP	Failure to conform to the maximum allowable limit set for total coliforms, BOD, oil and grease, and surfactants under Class SB of DAO 1990-35/DAO 2016-08.
WW-SI-2021-04	Tatalon STP	Failure to conform to the maximum allowable limit set for the phosphate parameter under class C of DAO 2016-08.
WW-SI-2021-05	Kapiligan STP	Failure to conform to the maximum allowable limit set for the ammonia parameter under class C of DAO 2016-08.
WW-SI-2021-06	Talayan STP	Failure to conform to the maximum allowable limit set for the phosphate parameter under class C of DAO 2016-08.
WW-SI-2021-07	Paltok STP	Failure to conform to the maximum allowable limit set for the phosphate parameter under class C of DAO 2016-08.
WW-SI-2021-08	Samson STP	Failure to conform to the maximum allowable limit set for the phosphate parameter under class C of DAO 2016-08.
WW-SI-2021-09	Project 7 SSpTP	Failure to conform to the maximum allowable limit set for the ammonia parameter under class C of DAO 2016-08.
WW-SI-2021-10	Tondo SPP	Failure to conform to the maximum allowable limits set for the fecal coliform, BOD, ammonia, and phosphate parameter under class SB of DAO 2016-08.
WW-SI-2021-11	Alazap STP	Failure to conform to the maximum allowable limits set for the phosphate and ammonia parameters under class C of DAO 2016-08.
WW-SI-2021-12	Tondo SPP	Failure to conform to the maximum allowable limits set for the fecal coliform, BOD, oil and grease, ammonia, and phosphate parameters under class SB of DAO 2016-08.

Non-monetary Sanctions Incurred - Water Standards		
Notification No.	Supply Zone	MWSS-RO initial findings
WW-SI-2021-13	Tondo SPP	Failure to conform to the maximum allowable limits set for the fecal coliform, surfactant, oil and grease, ammonia, and phosphate parameters under class SB of DAO 2021-19.
WW-SI-2021-14	Paranaque STP	Failure to conform to the maximum allowable limit set for the ammonia parameter under class C of DAO 2016-08.
WW-SI-2021-15	Tondo SPP	Failure to conform to the maximum allowable limits set for the phosphate and ammonia parameters under class C of DAO 2016-08.
WW-SI-2021-16	Paranaque STP	Failure to conform to the maximum allowable limits set for the phosphate and ammonia parameters under class C of DAO 2016-08.
WW-SI-2021-17	Paco STP	Failure to conform to the maximum allowable limit set for the ammonia parameter under class C of DAO 2021-19.
WW-SI-2021-18	Tondo SPP	Failure to conform to the maximum allowable limits set for the fecal coliforms, BOD, surfactants, oil and grease, and ammonia parameters under class SB of DAO 2021-19 and DAO 2016-08.
WW-SI-2021-19	Alazap STP	Failure to conform to the maximum allowable limit set for the phosphate parameter under class C of DAO 2021-19 and DAO 2016-08.
WW-SI-2021-20	Alazap STP	Failure to conform to the maximum allowable limit set for the phosphate parameter under class C of DAO 2021-19 and DAO 2016-08.
WW-SI-2021-21	Alazap STP	Failure to conform to the maximum allowable limit set for the phosphate parameter under class C of DAO 2021-19 and DAO 2016-08.

Non-monetary Sanctions Incurred - Water Standards		
Notification No.	Supply Zone	MWSS-RO initial findings
WW-SI-2021-22	Alazap STP	Failure to conform to the maximum allowable limit set for the phosphate parameter under class C of DAO 2021-19 and DAO 2016-08.
WW-SI-2021-23	Paco STP	Failure to conform to the maximum allowable limit set for the ammonia parameter under class C of DAO 2021-19 and DAO 2016-08.
WW-SI-2021-24	Paranaque STP	Failure to conform to the maximum allowable limit set for the fecal coliform parameter under class C of DAO 2021-19 and DAO 2016-08.
WW-SI-2021-25	Alazap STP	Failure to conform to the maximum allowable limit set for the phosphate parameter under class C of DAO 2021-19 and DAO 2016-08.
WW-SI-2021-26	Alazap STP	Failure to conform to the maximum allowable limits set for the phosphate and ammonia parameters under class C of DAO 2021-19 and DAO 2016-08.
WW-SI-2021-27	Alazap STP	Failure to conform to the maximum allowable limits set for the phosphate and ammonia parameters under class C of DAO 2021-19 and DAO 2016-08.
WW-SI-2021-28	Alazap STP	Failure to conform to the maximum allowable limit set for the phosphate parameter under class C of DAO 2021-19.
WW-SI-2021-29	Alazap STP	Failure to conform to the maximum allowable limits set for the phosphate and ammonia parameters under class C of DAO 2021-19 and DAO 2016-08.
WW-SI-2021-31	Alazap STP	Failure to conform to the maximum allowable limit set for the phosphate parameter under class C of DAO 2021-19.

IV. RESTATEMENTS OF DATA FROM THE 2020 SUSTAINABILITY REPORT

The following are restatements on incorrect information and figures from Maynilad's 2020 Sustainability Report.

[102-48]

- The operating costs featured in page 57 also included payments to suppliers. This figure was part of a table on direct economic value generated and distributed.
- While page 65 of Maynilad's 2020 Sustainability Report mentioned that the Company has part-time employees, this was incorrect. Those tagged as part-time in the 2020 report are project-based workers that work full-time. The Company only has regular employees, probationary employees, and project-based workers.
- Maynilad's 2018 to 2020 Sustainability Reports included attrition rates calculated using the total number of resigned employees based on the 3-year data presented in the 2020 report found on page 66. The attrition rates in the 2021 report were calculated using the prescribed formula from the SEC Reporting Guidelines for publicly listed companies as disclosed in SEC Memorandum Circular No. 4 Series of 2019. This formula uses the total turnover instead of the total number of resigned employees.
- In page 84, the unit used to report on quantities of non-renewable chemicals used for water production was metric tons and not megatonnes.
- In page 84, the values provided to report non-renewable chemicals used for wastewater treatment were in kilograms, hence, the huge numbers.
- The CSS survey provided after service rendered, mentioned on page 88, is the CSS for the Wastewater Management Division only. Meanwhile, the overall CSS survey for the Company is conducted by the Customer Experience and Retail Operations Division's contact center.
- There were corrections in the customer service satisfaction survey table on page 89. The 5th category under "C1-C5" should have been labeled "Total number of leakage repairs" instead of "Leakages." Total leak repairs and resolution rate for leakages are

not considered under C5 as it is defined as a response to mainline leaks that caused interruptions.

- In the table listed in the 2020 sustainability report, the values for leakages were the values for total leak repairs. To align with the other categories, the values for leakage complaints and their resolution rates in 2019 and 2020 have been placed in this report.
- On page 90, the report incorrectly stated that the following training sessions were held for the Company's Customer Experience and Retail Operations personnel:
 - Cross Functional Training (Basic Metrology and QA Tools and Equipment)
 - Cross Functional Training (Product Inspection and Assessment - Material Inspection and Acceptance)
 - Cross Functional Training (Project Inspection and Assessment - Materials Storage and Handling)

However, these trainings were for the Company's Quality, Sustainability, and Resiliency Division as part of their cross-functional training.

- On page 112, the value reported for total non-hazardous waste disposed was incorrect. The report stated that this value was 50.67 when the correct value was 50.68.
- On page 112, the table for paper disposal contained an error. The weight should have been 2,410 kg and not 2,410 per kg.
- On page 118, we stated that effluent from our treatment plant flows to 12 discharge locations. This is incorrect since the Company has 13 discharge locations for effluent. Maynilad is compliant with DAO 1990-35 and is currently upgrading its facilities to comply with DAO 2016-08.

ACKNOWLEDGEMENTS

Maynilad would like to thank the following teams for their valuable contributions to the 2021 Sustainability Report

QUALITY, SUSTAINABILITY, AND RESILIENCY

Roel S. Espiritu
John Emmanuel B. Martinez
Rose Ann A. Eugenio
Sarah Lynn S. Duroy
Apple Joy Albero
Angelo Z. Navera
Ma. Loraine C. Villafuerte
Jimer R. Felices
Emmanuel D. Reyes
Rowell Perdon
Alexis Madison Y. Datong
Christine T. Bagsik
Gian Carlo P. Reyes
Marie Angeline L. Lee
Enrique De Guzman
Francis B. Casinas
Merliza P. Masiglat
Juno B. Lajato
Emmanuel Cinco

CORPORATE AFFAIRS AND COMMUNICATIONS

Jennifer Rufo
Rosmon M. Tuazon
Arrianne M. Gamotin
Jan Kristine R. Venegas
Zyrille April M. Cartel
Jecelyn V. Macahindog-Leobrera
Lalaine Dixie L. Tiangco
Maria Magdalene P. Guevarra
April L. Engalla
Richelda S. Miranda
Abigail L. Ho
Alfie P. Sanie

CENTRAL NON-REVENUE WATER

Ronald Jeremy B. Salamat
Benson Jhon A. Martin

HUMAN RESOURCES

Sharmaine Jimenez
Beverly C. Villar
Anne Margaret A. Jordan
Alissa Daniella Nepomuceno
Marlyn F. Aldaba
Myka Marie S. Marcelo
Jaleena Daphne D. Aquino
Russel Cristi
Christian Reginald Indon
Sonia Briones
Kathleen G. De Luna

WATER SUPPLY MANAGEMENT

Shiela Marie F. Afuang
Ramoncito N. Soriano
Rex Rondeau P. Calderon
Edmundo B. Llagas, Jr.
Angelo Pablo J. Santos
Ma. Cristina A. Tajon
Marc Angelo C. Espino
Jefferson M. Jacob
Maria Nicolo M. Bueno
Ian Robert III Abiera

WASTEWATER MANAGEMENT

Jamille Kriza V. Miranda
Benerly D.S. Ampo
Kharren Mae C. Rosario
Ivan Czar N. Perez

PHILIPPINE HYDRO, INC.

Mirla M. De Leon

AMAYI WATER SOLUTIONS, INC. (MAYNILAD BOAC)

Janice A. Malundas
Nilo L. Conde

MAYNILAD WATER ACADEMY

Oliver B. Sta. Ana

PROGRAM MANAGEMENT

Ma. Elena Pangilagan
Sheila P. Pajanustan
Sheila Albos
Crisanto Golocinda
Theresa B. Deyto
Ronald Allan V. Polloso
Robinson A. Salenga
Michelle L. Quinio
Richard C. Benaso
Edison Bao
Dianne B. Macaraeg

CUSTOMER EXPERIENCE AND RETAIL OPERATIONS

Jenneyfer A. Rueda
Norma G. Galang
Jerome C. Gayapa
Jeric Daniel M. Axalan
Kristan T. Leros
Guillermo Gabatino
Rodolfo Baylas Jr.
Rose Lontajo
Carmel Lou G. Capacite
Aiza G. Jusay

INTEGRATED ASSET MANAGEMENT

Vanessa R. Ilagan
Alvin Ryan C. Ong

ENTERPRISE RISK MANAGEMENT AND INTERNAL AUDIT

Jose Rizal O. Batiles
Girle C. Torrazo
Mark Paul S. Capati
Judith Dangué
Sally M. Bonifacio

SUPPLY CHAIN MANAGEMENT

Ericson S. Garcia
Deobie M. Esguerra
Mayflor S. Tomarong
Janhet R. Suba
Glenneth S. Magtalas
Gerald T. Saludez

LEGAL AND REGULATORY AFFAIRS

Nikki C. Patubo
Laarni C. Malubay

TECHNICAL SERVICES

Myra P. Tacderan

INFORMATION TECHNOLOGY SERVICES

Francis Noel A. Hernandez
Ronald L. Abas
Korina M. Monoso

FINANCE

Liel V. Villanueva
Cybele Martha L. Regalado
Marie Claire F. Esteban

Note: Some of the employees mentioned in this section have already resigned from the company.

To the rest of the Ka-Maynilads, thank you!

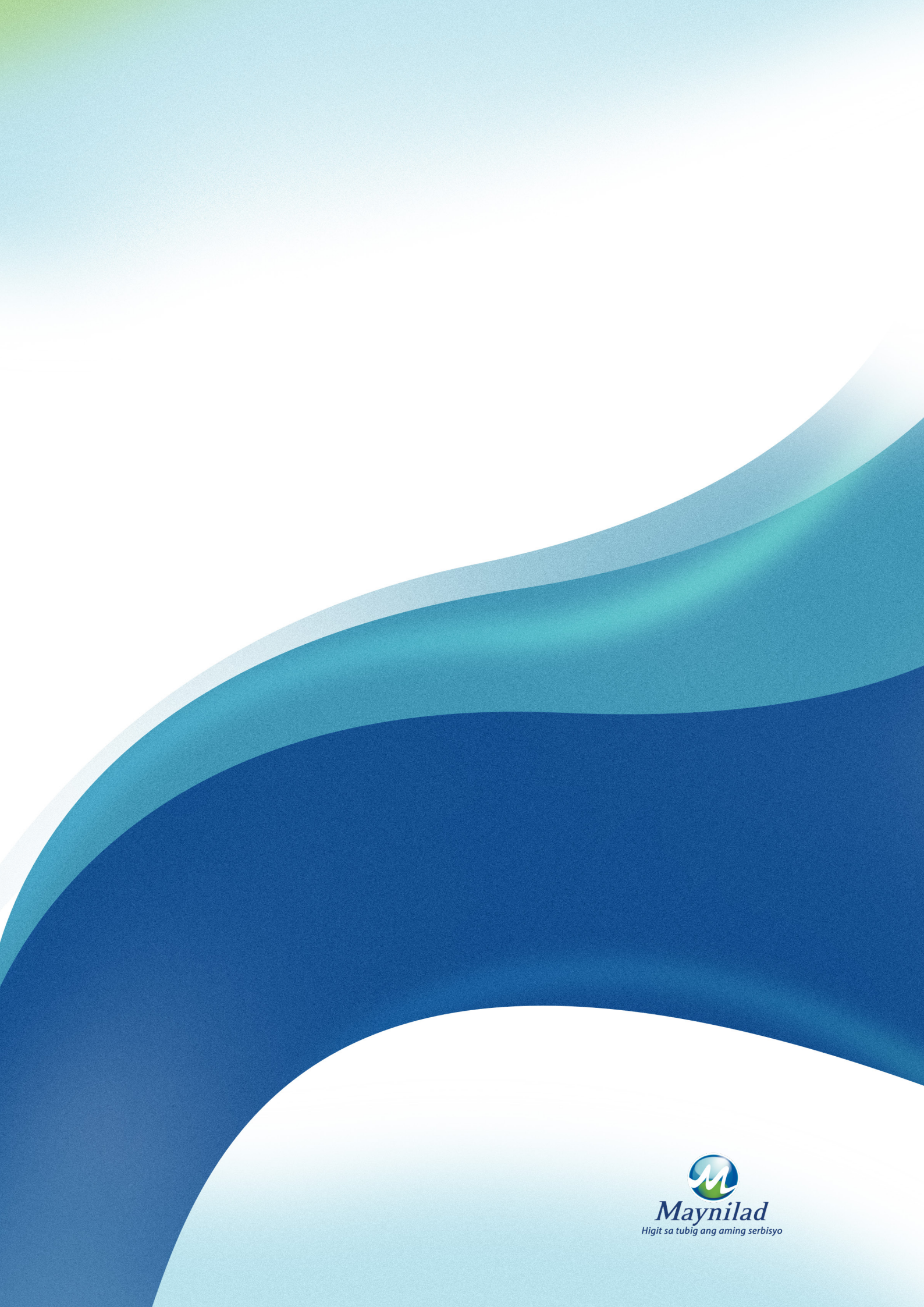
EXTERNAL ASSURANCE

GCSS, Inc.

SUSTAINABILITY CONSULTING, EDITORIAL, AND DESIGN



Drink Sustainability
Communications
<https://drinkph.com/>



Maynilad
Higit sa tubig ang aming serbisyo