



Makialam, Makiisa, Magmalasakit
2023 SUSTAINABILITY REPORT

About the Cover



As a water service provider, Maynilad is deeply committed to sustainability and community engagement. Our 2023 Sustainability Report highlights our ongoing efforts and achievements, with a particular focus on our 3M program: “Makialam, Makiisa, Magmalasakit.” This program has been instrumental in not only achieving our targets but also securing a tariff increase, demonstrating the tangible benefits of our sustainability initiatives.

The cover design prominently features our new logo, with the letter “M” designed to resemble a wave, symbolizing our core identity as a water concessionaire. The theme “Makialam, Makiisa, Magmalasakit” represents our dedication to active participation, unity, and care within our

organization and community. This year, our emphasis is on “Makialam,” encouraging all employees to engage actively and be aware of our activities. Through this program, we aim to foster a culture of involvement and collaboration, recognizing the critical role each employee plays in our success.

The 3M program has not only enhanced employee engagement but also led to significant improvements in our operations. It has enabled us to achieve our targets and secure a tariff increase, highlighting the program’s effectiveness in driving positive change. Through our Sustainability Report, we aim to showcase these achievements and inspire further action towards sustainability and community impact.

About the Report ^[2-2, 2-3]

Maynilad Water Services Inc. (Maynilad) is committed to responsible water resource management, driven to address global water challenges while creating environmental and social value. Our commitment to sustainability is evident in our mission to provide safe, affordable, and sustainable water solutions, improving the quality of life for our stakeholders. We aim to lead the water solutions sector in the Philippines and beyond, embodying a vision of regional excellence.

Maynilad’s reporting is in accordance with the Global Reporting Initiative (GRI) Standards for the period January 1 to December 31, 2023. During this reporting period, we undertook the initial integration of IFRS S1 and S2 sustainability disclosure standards, as well as the Sustainability Accounting Standards Board (SASB) guidelines, into our reporting structure. This integration is based on our existing data and reflects a high-level alignment with these advanced frameworks, enhancing the overall quality

and comprehensiveness of our disclosures.

This approach includes mapping and aligning with our existing materiality topics, with sustainability champions in each division collating and validating data. Reports undergo cross-checking with Key Performance Indicator (KPI) reports submitted to the MWSS Regulatory Office, with accuracy assured through third-party processes and top management reviews.

Our 2023 sustainability report highlights our commitment to

transparency and accountability, covering subsidiary operations and key environmental metrics. Moving forward, we aim to enhance stakeholder engagement, improve data collection and analysis processes, and expand sustainability initiatives. By aligning with global standards and enhancing our engagement process with key stakeholders, Maynilad seeks to address water challenges and contribute to the Sustainable Development Goals, reinforcing our role as a trusted partner in water resource management.

For feedback on the 2023 Sustainability Report, please contact:

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Leadership Message

[2-22]

Chairman's message

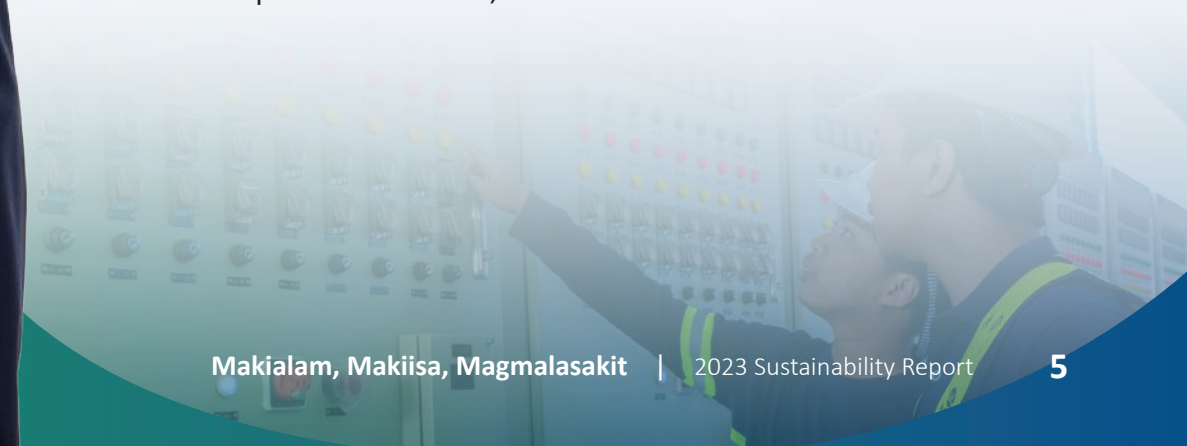
To our dear stakeholders,

In 2023, Maynilad stayed true to its pledge to provide sustainable drinking water and sanitation services to customers. As the largest water concessionaire in the Philippines, we fully recognize our responsibility to the communities we serve.

Strategic Investments

Our commitment to sustainable operations is evidenced by our investment in new facilities aimed at enhancing our water and wastewater operations. In 2023,

we inaugurated our Poblacion Water Treatment Plant, our third water treatment facility that draws water from Laguna Lake. This is a crucial component of our comprehensive plan to develop alternative water sources, thereby ensuring long-term water security for our customers. Furthermore, we launched our first modular treatment plant (ModTP) in Imus, Cavite called the Anabu ModTP. This new facility uses Ultrafiltration and Reverse Osmosis technology to treat raw water from the nearby Imus river.





Improved Services and Economic Benefits

Our various investments over the years have yielded significant results. Now, more than 10 million people are enjoying safe and reliable water supply, with 97.5% of customers receiving 24-hour uninterrupted service. Additionally, we have made substantial improvements in sewerage and sanitation through increased service coverage.

This increased customer confidence has led to significant economic benefits. Our net income rose to 9.01 billion pesos, representing a 54% increase from 5.87 billion pesos the previous year. Our revenue grew to 27.32 billion pesos in 2023, reflecting a 19.4% increase from 22.87 billion pesos in 2022. Additionally, we generated a direct economic impact of 27.56 billion, up from 22.92 billion in 2022.

Initiatives and Future Plans

Our efforts to improve our services will continue through 2024 and beyond. Following the successful implementation of our initial foray into “potable water reuse,” we are expanding this initiative to boost available water supply in response to growing demand and the strain on existing raw water sources due to climate change. This expansion also supports the circular economy in the Philippines.

In addition, Maynilad is investing 3.2 billion pesos to construct modular treatment plants (ModTPs) which will primarily serve 200,000 customers in Cavite. Targeted for completion between 2023 and 2026, these new facilities will utilize Ultrafiltration and Reverse Osmosis technology to treat raw water from nearby dams and rivers.

Maynilad will likewise make significant investments to expand its sewerage and sanitation coverage, which will help manage pollution loading into bodies of water. Infrastructure investments will go towards the construction of 18 new Sewage Treatment Plants, installation of 360 kilometers of new sewer lines, and the upgrade of 17 existing wastewater facilities.

As we reflect on our progress in 2023, we recognize that our investments in sustainability are yielding benefits for the company, employees, stakeholders, and especially our customers. We remain committed to driving positive change and look forward to a more sustainable future together.

Manuel V. Pangilinan
Chairman

President and CEO's Message

To our stakeholders,

We are pleased to present our 2023 Sustainability Report. This year's highlights the latest data and information on how Maynilad integrates our mission of providing safe, affordable, and reliable water and wastewater services to our customers with our commitment to ESG principles. We embed sustainable practices into our business strategy, from upgrading our water and wastewater infrastructure to fostering a diverse workforce.

Driving Sustainable Excellence through Engagement and Innovation

At the heart of our success is our people. Our achievements as the largest water concessionaire in terms of customer base are a testament to the dedication, talent, and hard work of our employees. Our commitment to excellence within our workforce is not just a goal; it is a core value that drives our organization forward.



In 2023, we launched the 3M campaign: “Makialam, Makiisa, Magmalasakit. Mahalaga ang Tulong Mo”, encouraging our employees to engage deeply with our mission and contribute actively to hitting our targets. I am incredibly proud of how our team has embraced this initiative, particularly exemplifying the “Makialam” part by being fully engaged in our organization. Through their innovative ideas and active participation in decision-making processes, we achieved 88.3% coverage of 24-hour water supply availability at 7 psi pressure. This milestone is crucial for securing our tariff increase, which will help us to sustain improvements and provide exceptional services.

These principles are more than just words. When I speak with local leaders, elected officials, our employees, and their families, I am reminded of the importance of our work. We are entrusted with managing the most precious and essential natural resource: water. This responsibility drives us to continually improve and innovate in our operations, ensuring we meet the highest standards of service and sustainability.

Facing the Water Crisis

As the country’s largest water concessionaire, we are keenly aware of the looming water crisis exacerbated by climate change.

Almost 90% of our raw water supply comes from Angat Dam in Bulacan, while the rest comes from Laguna Lake, deep wells, and other sources. The El Niño phenomenon we are experiencing poses a significant threat to our water supply, particularly if it persists into the second half of 2024.

This situation underscores the importance of our company’s purpose and our unwavering commitment to sustainable practices. We must explore and implement sustainable solutions to ensure that we can continue to provide reliable water service to our customers who depend on us for their daily needs.

Key Achievements

Since 2008, we made significant strides in protecting our water supply through key development projects, notably in reducing Non-Revenue Water (NRW). We have repaired over 538,000 leaks, replaced over 4,500 kilometers of pipes, and installed over 1,100 pressure-regulating valves. Our goal is to lower Total NRW to 20% by 2030 and maintain this level throughout our concession period, creating operational efficiencies and enhancing water security in the region.

Our NEW WATER initiative, which recycles used water into safe drinking water, marks a significant

advancement in sustainable water sources. The NEW WATER Treatment Plant in Parañaque received a permanent operational permit after meeting Philippine National Standards for Drinking Water. This facility is the first step in our expansion of direct potable water reuse applications, with plans for additional treatment facilities to convert treated used water into potable supply.

Maynilad received global recognition for its innovative NEW WATER project. This initiative was cited as the “Water Reuse Project of the Year” at the 2023 Global Water Awards held in Berlin, Germany. Additionally, the project

earned prestigious accolades at the 2023 International Business Awards, securing a Gold Stevie for Achievement in Product Innovation, as well as a Silver Stevie in the same category at the 2023 Asia-Pacific Stevie Awards. These achievements underscore our unwavering commitment to excellence and continual improvement.

Meanwhile, we continue to address concerns about the varying raw water quality in Laguna Lake. We installed three new units of Ultrasonic Algae Control Equipment at our Putatan Water Treatment Plant in the lake. This technology helps monitor algal blooms and prevent algae

proliferation, protecting the lake’s raw water quality.

Our energy management strategies include installing photovoltaic solar power farms at La Mesa Compound in Quezon City, reducing our carbon emissions by 21 tons per month. We are also transitioning to electric vehicles to further cut greenhouse gas emissions.

Recognition

Our efforts to pursue clean and green energy solutions have been recognized by numerous international bodies. In 2023, Maynilad was declared a “climate smart utility” by the International Water Association, an accolade

awarded by independent jury members who deemed our initiatives outstanding in leading the way towards a low carbon water and sanitation sector.

Maynilad also received the “Water Project of the Year” award for our Poblacion Water Treatment Plant at the Global Water Awards 2024, recognized for our innovative approach to optimizing environmental and operational efficiency.

Furthermore, the European Chamber of Commerce of the Philippines (ECCP) honored Maynilad at the 2023 Europa Awards for our efforts in minimizing energy consumption through our

technological innovations. This recognition aligns with the Philippine government's goal of reducing greenhouse gas emissions by 70% by 2030 under the Paris Agreement.

While our primary focus is not on garnering awards, these recognitions by esteemed industry experts affirm that we are on the right path in our pursuit of sustainable solutions for water management.

Commitment to the Community

Our commitment to our community goes beyond the water and wastewater services we provide. In 2023, we invested 149 million pesos in various community engagements

and donations focused on water, hygiene, poverty alleviation, and environmental sustainability.

Looking ahead, we recognize the many challenges that lie ahead. The worsening impact of climate change necessitates greater innovation and solutions to provide more efficient water services. Together, we can achieve this goal and provide a better future for our customers.


Ramoncito S. Fernandez
President and CEO



About Maynilad ^[2-1]

Maynilad Water Services, Inc. is a key provider of water and wastewater services in the Philippines, particularly in the West Zone of Greater Metro Manila. We operate under a concession agreement with the Metropolitan Waterworks and Sewerage System (MWSS), serving as the private concessionaire for the West Zone service area. Established in 1997, our company is a joint venture between Metro Pacific Investments Corporation (52.8%), DMCI Holdings, Inc. (25.2%), Marubeni Corporation (20%), and eligible employees (2%).

Since January 24, 2007, our consortium has managed Maynilad under a 25-year exclusive concession from the Philippine

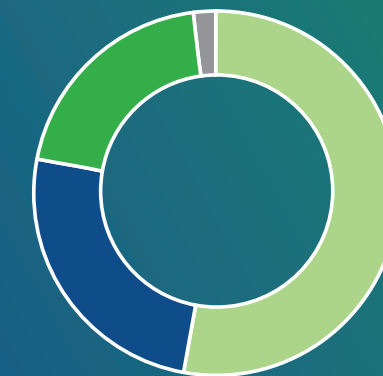
Government. This concession enables us to manage, maintain, and invest in water and sewerage systems across several key cities and municipalities, including parts of Manila, Pasay, Paranaque, Caloocan, Muntinlupa, Las Pinas, Valenzuela, Navotas, Malabon, Quezon City, Makati, and Cavite.

With over 1.7 million water service connections, Maynilad is the largest water service provider in the Philippines. The company operates under Maynilad Holdings Corporation, which is jointly owned by Metro Pacific Investments Corporation, DMCI Holdings, and Marubeni Corporation. Furthermore, Maynilad holds a 25-year franchise under Republic Act 11600, allowing it to

establish, operate, and maintain waterworks systems, sewerage, and sanitation services in the West Zone concession area of Metro Manila and portions of Cavite Province.

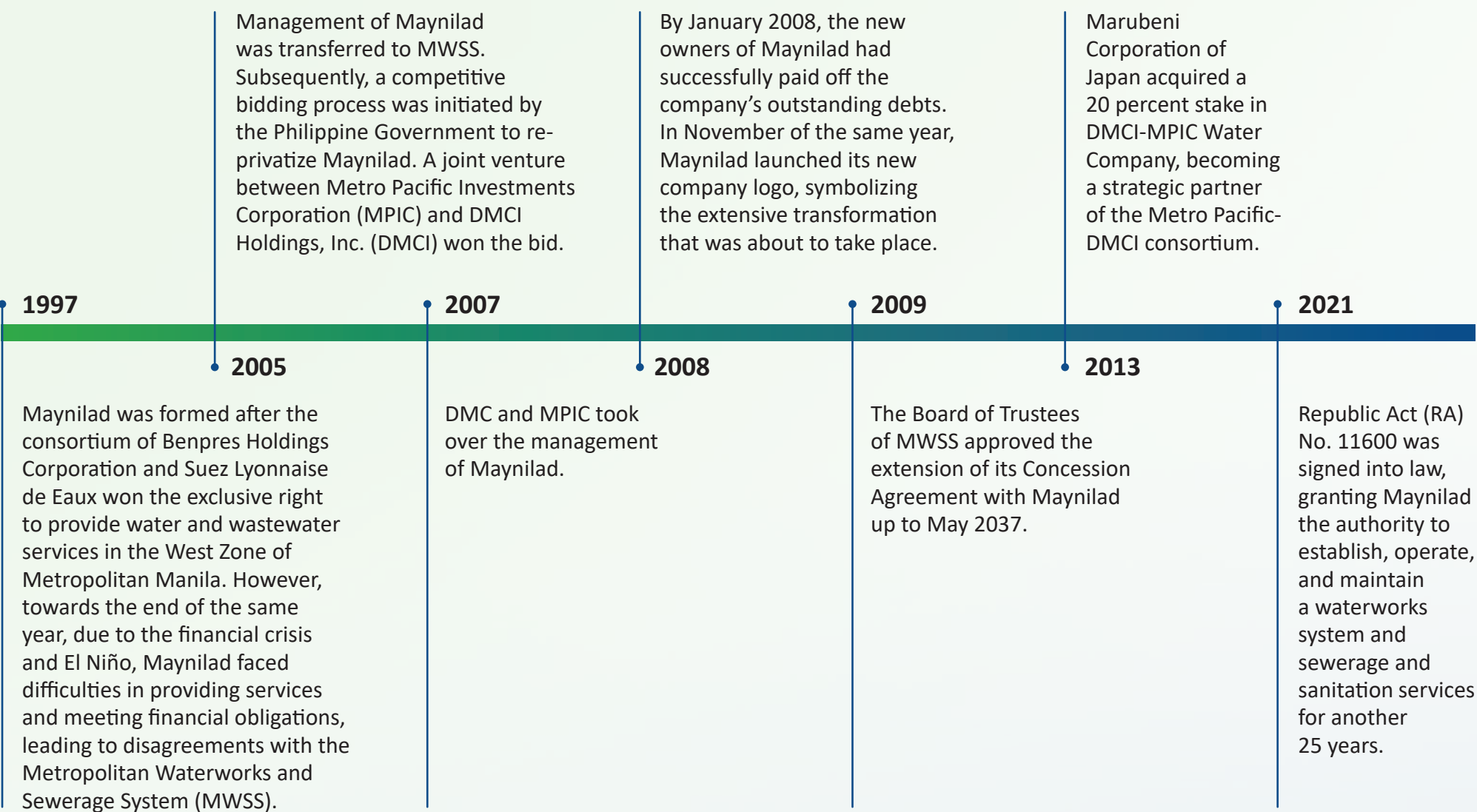
Our operational infrastructure includes 8 water treatment plants, 23 wastewater plants, 39 pumping stations, 39 reservoirs, 35 in-line boosters, and over 11,000 kilometers of water pipeline. Committed to sustainability, we prioritize providing safe, affordable, and sustainable drinking water and sanitation services to our customers and communities. We actively engage with stakeholders to address their needs while responsibly managing natural resources to minimize adverse effects on the environment and the community.

Ownership and Legal Form



	52.8% MPIC
	25.2% DMCI Holdings
	20% Marubeni
	2% Eligible employees

Historical Timeline



VISION

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

MISSION

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

We deal with our stakeholders with honesty and integrity. We will always do what is right and fair for the sake of our customers, shareholders, and the environment.

Honesty and Integrity

Commitment to Excellence

We view excellence as a means and not an end. To maintain our operational efficiency and industry leadership, we push our people to excel by being diligent and innovative in their work.

Customer Service

We consider our customers as our growth partners. Only by providing them with affordable, high-quality water solutions can we continue generating value for our company and shareholders.

We encourage creative thinking and deliberate execution. We expect our people to manage our company's resources with a strong sense of initiative, ownership, and accountability in order to balance the needs of our customers with those of our other stakeholders.

Entrepreneurship

Love for Country

We actively partner with the public sector so that we can provide even more Filipinos with water solutions that will spur national development and secure the environment.



Teamwork

We value our people and consider their success as our own. This is why we provide them with the support, responsibilities, and opportunities that will allow them to develop individually and with the company.



Our Value Chain [2-6, 2-22, 2-25]

At Maynilad, we are committed to delivering safe, affordable, and sustainable drinking water and sanitation services to our customers. Recognizing these services as essential human rights, we strive to meet the needs of our stakeholders while responsibly managing natural resources and minimizing our environmental footprint.





Our Services

Water

We provide our customers with a piped-in water supply that meets the Philippine National Standards for Drinking Water of the Department of Health (DOH). This means our water is safe and fit for drinking, bathing, cooking, and other household activities.



Septage

Residential and semi-business customers in areas not covered by Maynilad's sewerage network may maintain their own septic tanks and avail of the septic tank cleaning service at no extra charge every five to seven years.



Sewerage

Residents and establishments in Tondo, Paco, Sampaloc, Dagupan, Sta. Cruz, Tondo Foreshore, Legarda in Manila, Projects 7 and 8 in Quezon City, Magallanes Village in Makati, and parts of Muntinlupa may connect to Maynilad's separate sewerage system.

Water Sources (based on actual water withdrawal)

Primary Service Area

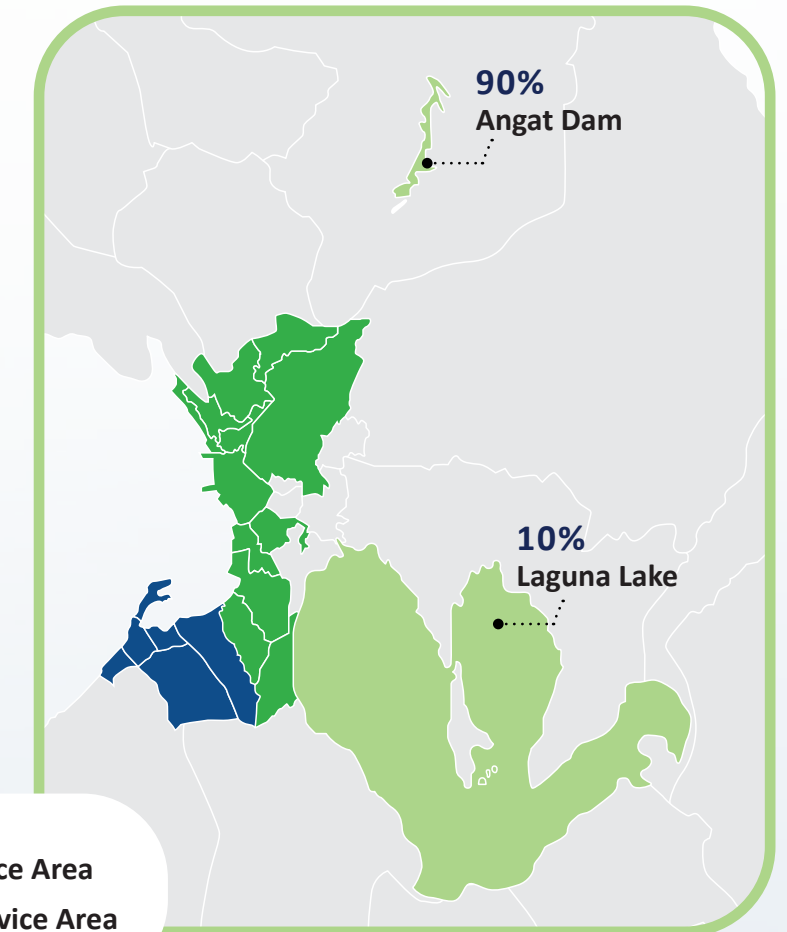
West Zone of NCR

- 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

Cavite Province

- Bacoor City
- Cavite City
- Imus City
- Kawit
- Noveleta
- Rosario





Water Supply Services

Maynilad delivered 964 million cubic meters (MCM) of potable water to 1,755,202 total service connections or around 10 million people within its coverage area.

- 8 water treatment plants
• 39 pumping stations
• 39 water reservoirs
• 7,287 kilometers of active primary, secondary and tertiary pipelines
• 35 in-line boosters
• Combined treatment capacity of 2,877 million liters per day

Philhydro delivered 19.7 million cubic meters (MCM) of potable water to its customers within its coverage area.

- 4 water treatment plants
• 4 pumping stations
• 1 water reservoir
• 1 Booster station
• 2 Clarifiers
• Over 41.02 kilometers of primary, and secondary pipelines

Philhydro Service Area

- Philhydro Service Area
• Norzagaray, Bulacan
• Sta. Maria,, Bulacan
• Bambang, Nueva Vizcaya
• Legazpi City, Albay
• Rizal, Nueva Ecija



Sewage and Sanitation

- 20 wastewater reclamation facilities
• 2 Joint Sewage and Septage Treatment Plants
• 1 Septage Treatment Plant
• 129 pump/lift stations
• 643 kilometers of sewer lines
• 93 Vacuum Truck Units for sanitation and other services



Water held in reserve

- 7 active deep wells with 3.73 million liters of water per day (MLD) capacity
• 31 deep wells for rehabilitation with 26.22 MLD capacity
• 39 water reservoirs with a total holding capacity of 779 ML

Workforce [2-7, 2-8]

Maynilad employs 2,483 direct employees, including both permanent and fixed-term staff. Of the total employees, 67 are in senior management, 422 are in middle management, and 375 hold supervisory roles. These employees serve more than 1.7 million customers, encompassing residential, semi-business, commercial, and industrial accounts.



Year in Service

Water Services

1,755,202

Total number of customers

1,460,943

Billed residential and semi-business (domestic) accounts

71,520

Billed commercial and industrial (non-domestic) accounts

538.40

Cumulative billed volume (MCM)

Sewage Services

78,945

Billed sewerage services (total billed accounts)

68,753

Billed residential and semi-business (domestic) accounts

10,192

Billed commercial and industrial (non-domestic) accounts

71,520

Billed commercial and industrial (non-domestic) accounts

Sanitation Services

6,233,469

Population covered by sanitation services (individuals)

269,175

No. of accounts offered with sanitation services

132,244

No. of accounts that availed of desludging services

73,418

No. of septic tanks emptied

Financial Highlights

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

19,686
Capex

9,012
Reported Net Income

62B
Debt

10,089
Operational Expenses

68B
Net Equity

3,988
Payment to
government

1,997.78
Earnings per
share value

Awards, Recognition and Certifications

58th Anvil Awards by the Public Relations Society of the Philippines

- Crisis/Risk Communication for Private and Public Sector (Silver) - Sobriedad Pipe Realignment Information Campaign
- Crisis/Risk Communication for Private and Public Sector (Silver) - Pipe Breakage at Pureza: Managing the Public Backlash
- Multimedia – Social Media Tool (Silver) - Sagot ni Kuya Dong: Maynilad NEW WATER Facebook Videos
- Multimedia – Social Media Tool (Silver) - “Mayni-LAD to the rescue!” Wastewater Video Episode 5
- Special Events and Exhibits (Silver) - Alab CXRO Midyear Rally 2022

20th Philippine Quill Awards

- Marketing, Advertising and Brand Communication (Excellence Award) - Maynilad’s NEW WATER Program: initial foray into water reuse for drinking
- Media Relations (Excellence Award) - Ceremonial Launch of Maynilad’s NEW WATER
- Issues Management and Crisis Communication (Excellence Award) - Management of pipe breakage incident at Pureza
- Issues Management and Crisis Communication (Merit Award) - Sobriedad Pipe Realignment Information Campaign
- Communication Skills / Audio Visual (Merit Award) - “Mayni-LAD to the rescue!” Wastewater Video Episode 5 and “Sagot ni Kuya Don: Maynilad

NEW WATER Facebook Videos”

- Employee Engagement and Communication Skills / Special and Experiential Events (Merit Award) - “Alab CXRO Mid-year Rally 2022”

2023 Europa Awards by the European Chamber of Commerce of the Philippines (ECCP)

- Clean and Green Energy Recognition

2023 Asia-Pacific Stevie Award

- Achievement in Product Innovation (Silver Stevie) - NEW WATER: Maynilad’s Foray into Potable Water Reuse

2023 International Business Awards

- Achievement in Product Innovation (Gold Stevie) - NEW WATER: Maynilad’s Foray into Potable Water Reuse
- Communications or PR Campaign of the Year - Integration of Traditional and New Media (Silver Stevie) - Ceremonial Launch of Maynilad’s NEW WATER

2023 Global Water Awards

- Water Reuse Project of the Year: Parañaque New Water plant

9th Asia Sustainability Reporting Awards (ASRA)

- Asia’s Best Sustainability Report - Private Company (Bronze)

International Water Association (IWA)

- Recognized as an outstanding “Climate Smart Utility”

Maynilad Key Policies

Human Resources:

- Policy on Respect for and Protection of the Rights of People
- Corporate Policy on Succession Planning
- Employees’ Welfare Plan
- Policy on Diversity and Inclusiveness
- Policy on Employee Innovations
- Mental Health Policy
- Anti-Violence against Women and their Children Act of 2004
- Magna Carta for Women
- No Smoking Policy
- Standards of Discipline
- MWSI is a Drug Free Company
- Solo Parent Act
- Maternity Leave
- Paternity Leave
- Performance Planning and Appraisal System
- Anti-Sexual Harassment Policy

Supply Chain Management:

- Vendor Management
- Procurement of Goods and Services (Non-Infrastructure)
- Procurement of Infrastructure Projects

Finance:

- Asset Accountability
- Tax Compliance

Operations:

- Handling of Service-Related Complaints and Concerns
- Special Privilege Given to Senior Citizen
- Anti-Illegal Task Force Policies & Guidelines regarding the enforcement of Republic Act 8041 and its Implementing Rules and Regulations
- Handling of Billing-Related Concerns
- 20% Tariff Reduction for Low-Income Households
- Enterprise Risk Management
- Land Acquisition, Resettlement and Rehabilitation Policy

Information Technology Services:

- Information Security Policy

Corporate Policies, Environment, Safety, and Health:

- Policy on Environment and Social Impact Assessment

Legal and Regulatory Affairs:

- Gifts, Entertainment and Sponsored Travels
- Whistle blowing policy
- Governance Policy - Conflict of Interest
- Anti-Fraud Policy
- Code of Business Ethics
- Anto-Bribery and Anti-Corruption (ABAC) Policy



Maynilad Management Systems

Quality Management System

Scope/Boundary: 94.25% of Maynilad-wide sites and offices
Standard: ISO 9001:2015

Environmental Management System

Scope/Boundary: 94.25% of Maynilad-wide sites and offices
Standard: ISO 14001:2015

Occupational Safety and Health Management System

Scope/Boundary: 94.25% of Maynilad-wide sites and offices
Standard: ISO 45001:2018

IT Service Management System

Scope/Boundary: ITS Division
Standard: ISO/IEC 20000-1:2018

Energy Management System

Scope/Boundary: Various locations including La Mesa Pump Station, North C Annex, Pagcor Pump Station, etc.
Standard: ISO 50001:2018

Business Continuity Management System

Scope/Boundary: Various locations including Head Office, La Mesa Treatment Plant 1 and 2, Arroceros Office, etc.
Standard: ISO 22301:2019

Greenhouse Gases Management

Scope/Boundary: Maynilad-wide
Standard: ISO 14064-1:2018

Laboratory Quality Management System

Scope/Boundary: QSR-WATER Laboratory
Standard: PNS ISO/IEC 17025:2017

CNRW Meter Laboratory Quality Management System

Scope/Boundary: CNRW Meter Laboratory
Standard: PNS ISO/IEC 17025:2017

Risk Management

Scope/Boundary: Maynilad-wide
Standard: ISO 31000:2018
(Compliance only, no certification)

Governance

[2-9, 2-10, 2-11, 2-17, 405-1]



Governance serves as a foundational element of Maynilad’s sustainability strategy, providing effective oversight of sustainability and climate-related risks and opportunities. Our governance framework is designed to promote transparency, accountability, and responsible decision-making across the organization. It guides how we supervise and execute sustainability initiatives, from high-level strategic planning to the specifics of target setting, ensuring that sustainability principles are embedded in our core business operations.

Integrating sustainability into our governance processes not only strengthens our capacity to recognize and address risks and opportunities but also enables us to generate enduring value for our stakeholders. This approach is essential for navigating the complexities of the contemporary business environment, where sustainability is not merely a trend but an integral component of corporate strategy. We consistently refine our methodologies to ensure their efficacy in confronting the evolving challenges of sustainability.

Responsibilities and Oversight

[2-13]

We maintain strong governance practices that support our strategic direction, inclusive workplace, and ethical reputation. Our high-quality, diverse Board of Directors and stakeholder-focused policies ensure integrity in all governing bodies. Responsibility for overseeing sustainability-related risks is distributed among various governance bodies within Maynilad, strengthening accountability and integrity.

Our governance structure at Maynilad includes a Board of Directors with 15 members, nominated by major stockholders (MPIC, DMCI, Marubeni), and three independent directors, in compliance with RA 11600. We have Corporate Governance Committee overseeing impacts on

the economy environment, and people, including the Executive, Audit, and Nomination and Compensation Committees. Our Board composition includes both executive and non-executive members, with three independent directors, varying tenures, and a mix of male and female members, ensuring stakeholder representation and relevant competencies.

To ensure effective governance, we report our Top 10 Risks, including Climate Change Risk, to the Audit and Risk Management Committee on a semi-annual basis. The management’s role in assessing and managing climate-related risks and opportunities is reviewed quarterly by the strategic risk core team, which comprises members from various business units.



Our Board of Directors

Chairman

Manuel V. Pangilinan, NED

Members

Isidro A. Consunji, NED

Jose Ma. K. Lim, NED

Ramoncito S. Fernandez, ED

Randolph T. Estrellado, ED

June Cheryl A. Cabal-Revilla, NED

Jorge A. Consunji, NED

Herbert M. Consunji, NED

Joseph Ian G. Gendrano, NED

Ricardo M. Pilares III, NED

Kazuaki Shibuya, NED

Nagahito Miyoshi, NED

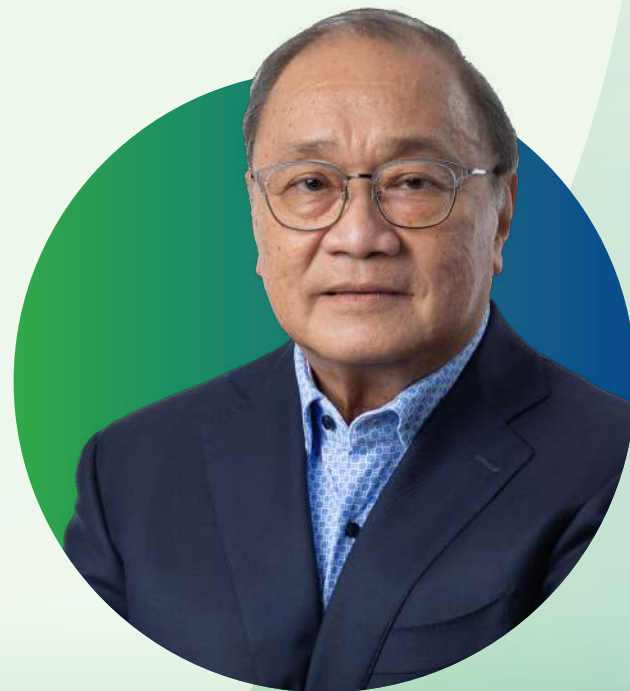
Fortunato T. Dela Peña, IND

Gil S. Jacinto, IND

Ma. Assunta C. Cuyegkeng, IND

Committee Membership

	Chairman	Member
Audit, Risk Oversight and Related Party Transactions		
Corporate Governance and Sustainability		
Nomination and Compensation		
NED - Non-Executive Director ED - Executive Director IND - Independent Director		



Manuel V. Pangilinan has been the Chairman of the Board of Maynilad since January 2007. He concurrently serves as President and CEO of Philippine Long Distance Telephone Co. (PLDT) and Smart Communications. Additionally, Mr. Pangilinan holds the positions of President and CEO of Metro Pacific Investments Corp. and Chairman and CEO of Manila Electric Co. (Meralco).

In his extensive portfolio, Mr. Pangilinan is also the Chairman of Global Business Power Corp., Metro Pacific Tollways Corp., NLEX Corp., Philex

Mining Corp., PXP Energy Corp., Landco Pacific Corp., Medical Doctors Inc., Colinas Verdes Corp., Mediaquest Holdings Inc., and Associated Broadcasting Corp. In 2012, he was appointed Vice Chairman of Roxas Holdings Inc., the largest sugar milling operation in the Philippines.

Mr. Pangilinan founded First Pacific in 1981, serving as Managing Director until 1999 and Executive Chairman in 2003. His involvement in civic organizations includes being Chairman of Philippine Business for Social Progress, PLDT-Smart Foundation Inc.,

and One Meralco Foundation Inc. He co-chairs the Philippine Disaster Resilience Foundation and serves as a Director of Philippine Business for Education.

He also holds significant roles in academia and sports, serving as Chairman of the Board of Trustees at San Beda College, Co-Chairperson of the Board of Trustees at Stratbase Albert del Rosario Institute and the US-Philippine Society, Chairman of the MVP Sports Foundation Inc., and Chairman Emeritus of the Samahang Basketbol ng Pilipinas.

Manuel V. Pangilinan

Filipino | Chairman of the Board of Directors since January 2007



Isidro A. Consunji serves as the Vice Chairman of the Board at Maynilad. He is also the Chairman and President of DMCI Holdings Inc. His extensive directorship portfolio includes positions on the boards of Semirara Mining and Power Corp., Atlas Consolidated Mining and Development Corp., D.M. Consunji, Inc., DMCI Project Developers Inc., DMCI Mining Corp., DMCI Power Corp., DMCI Masbate Power Corp., Sem-Calaca Power Corp., Sem-Cal Industrial Park Developers, Inc., Southwest Luzon Power

Generation Corp., Sem-Calaca Res Corp., Semirara Claystone, Inc., and Wire Rope Corp. of the Philippines.

Mr. Consunji holds a Bachelor of Science degree in Civil Engineering from the University of the Philippines. He furthered his education

with a Master of Business Economics from the Center for Research and Communication (now University of Asia and the Pacific) and a Master of Business Management from the Asian Institute of Management. Additionally, he completed an Advanced

Management Program at IESE Business School in Barcelona, Spain.

Beyond his corporate responsibilities, Mr. Consunji chairs the Philippine Overseas Construction Board and sits on the Board of Trustees at the Cultural Center of the Philippines. He also serves as a board member at the Construction Industry Authority of the Philippines.

He is an active member of the Asian Institute of Management Alumni Association, UP Alumni Engineers, and UP Aces Alumni Association.

Isidro A. Consunji

Filipino | Vice Chairman of the Board of Directors since January 2007



Jose Ma. K. Lim has been a Director of Maynilad since 2007. Previously, he was the President and CEO of Metro Pacific Investments Corp. His career also includes roles as Treasury Vice President and later Chief Finance Officer (CFO) of Fort Bonifacio Development Corp. In 2001, he was appointed Vice President and CFO of Metro Pacific Corp.

Mr. Lim holds directorships in various subsidiaries and affiliates of Metro Pacific Investments Corp., including

Beacon Electric Asset Holdings Inc., Meralco, Metro Pacific Tollways Corp., MNTC, Tollways Management Corp., Light Rail Manila Corp., AF Payments Inc., MetroPac Water Investments Inc., Indra Philippines, Medical Doctors Inc., Colinas Verdes Hospital Managers Corp., and East Manila Managers Corp. He also chairs Asian Hospital Inc., Davao Doctors Hospital (Clinica Hilario) Inc., and Riverside Medical Center Inc., and is the President of Metro Strategic

Infrastructure Holdings Incorporated.

Mr. Lim is a founding member and treasurer of the Shareholders Association of the Philippines and a member of the Management Association of the Philippines. He earned a Bachelor of Arts in Philosophy from Ateneo de Manila University and a Master of Business Administration from the Asian Institute of Management.

Jose Ma. K. Lim
Filipino | Director since 2007



Ramoncito S. Fernandez is the President and CEO of Maynilad. His directorships span several companies, including Metro Pacific Investments Corporation (MPIC), MetroPac Water Investments Corporation, Metro Iloilo Bulk Water Supply Corporation, Metro Iloilo Water, Inc., Metro Pacific Dumaguete Water Services, Inc., MetroPac Cagayan De Oro, Inc., Cagayan De Oro Bulk Water, Inc., BOO Phu Ninh Water Treatment Plant Joint Stock Co., Tuan Loc Water Resources Investment Joint Stock Co., Philippine Hydro (PH), Inc., and Amayi Water Solutions, Inc.

Mr. Fernandez's leadership roles include serving as President of the Management Association of the Philippines

in 2018, Chairman of the Shareholders Association of the Philippines, Board Trustee of First Pacific Leadership Academy, Board Member of the Parish Pastoral Council for Responsible Voting (PPCRV), and membership in the Makati Business Club and the Institute of Corporate Directors. He is also a Board Member of the De La Salle Alumni Association, College of Engineering Chapter, and a Certified ASEAN Engineer. Recently, he was re-elected as a Board Member of the Asia Water Council for 2023-2026.

Since joining the MVP Group in 1994, Mr. Fernandez has held various leadership positions, including roles in the packaging business and later with PLDT and Smart. He has significantly contributed

to the expansion of the tollways group, enhancing customer service satisfaction, innovation, and promoting a performance-driven culture that supports organizational growth. Currently, he leads the MVP Group water business, spearheading the Next Generation Maynilad Transformation and expansion efforts outside Metro Manila.

Mr. Fernandez holds a Bachelor of Science in Industrial Management Engineering from De La Salle University. He also has a Master's Degree in Business Management from the Asian Institute of Management and completed the Advanced Management Program at the University of Asia and The Pacific / IESE.

Ramoncito S. Fernandez
Filipino | Director, President, and CEO since 2016



Randolph T. Estrellado has been a Director at Maynilad since January 2007 and has held the position of Chief Operating Officer since February 2016, having previously served as Chief Financial Officer.

Randolph T. Estrellado

Filipino | Director since 2007 and COO since 2016

Mr. Estrellado's career includes roles as Director and CFO of Metro Pacific Investments Corp. and Vice President and CFO of ABS-CBN Broadcasting Corp.

He holds an MBA from Harvard Business

School, obtained in 1991, and a Bachelor of Science in Business Management, Honors Program, from Ateneo de Manila University, completed in 1986.



Jorge A. Consunji has been a Director at Maynilad since January 2007. He currently serves as President and CEO of D.M. Consunji, Inc., and Chairman of Wire Rope Corp. of the Philippines. Mr. Consunji is also a board member of

Jorge A. Consunji

Filipino | Director since 2007

DMCI Holdings, Inc., Semirara Mining and Power Corp., DMCI Project Developers, Inc., DMCI Mining Corp., DMCI Power Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., DACON Corp., and Beta Electric Corp.

He is an active member of the Philippine Chamber of Commerce and Industry, the Makati Business Club, and the Philippine Constructors Association.



June Cheryl A. Cabal-Revilla has served as a Director of Maynilad since 2022. She is also the Executive Director, Chief Finance, Risk and Sustainability Officer of Metro Pacific Investments Corp. Ms. Cabal-Revilla is a board member of all Metro Pacific Investments' subsidiaries, including Meralco, Metro Pacific Tollways Corporation, Metro Pacific Hospitals Holdings Inc., Light Rail Manila Corporation, and LandCo Pacific Corporation. Additionally, she is the President and CEO of mWell,

June Cheryl A. Cabal-Revilla

Filipino | Director since 2022

Metro Pacific Investments' digital healthcare arm.

Ms. Cabal-Revilla has held several executive roles at the PLDT Group, including Senior Vice President, Group Controller, and Chief Sustainability Officer. She also served as CFO of PLDT-Smart Foundation and the Philippine Disaster Resilience Foundation.

She is an appointed member of the Financial Reporting and Sustainability Standards Council of the Philippines and the Founding Chair of Gabay Guro, the country's largest

education advocacy program for teachers. Ms. Cabal-Revilla earned her Bachelor of Science in Accountancy from De La Salle University and a Master's Degree in Business Management, Major in Finance, from the Asian Institute of Management. She also completed the Executive Program at Stanford Graduate School of Business in 2018 and participated in the Swedish Institute Management Program and the IDEAS Asia Pacific program at MIT Sloan School in 2022.



Herbert M. Consunji has been a Director at Maynilad since April 2023, previously serving as the company's COO from May 2006 to February 2016. He holds directorships at DMCI Holdings, Inc., D.M. Consunji, Inc., Semirara Mining and Power Corporation, DMCI Power Corporation, DMCI Mining Corporation, DMCI Project Developers, Inc., Sem-Calaca Power Corporation,

Herbert M. Consunji
Filipino | Director since 2023

Sem-Cal Industrial Park Development, Inc., Sem Calaca Res Corp., Semirara Materials and Resources, Inc., Southwest Luzon Power Generation Corp., and Subic Water and Sewerage Corporation.

Mr. Consunji is the Executive Vice President, CFO, Chief Compliance Officer, and Chief Risk Officer at DMCI Holdings Inc., and Treasurer at DMCI

Mining Corp. He is a member of several professional organizations, including the Philippine Institute of Certified Public Accountants and the Financial Executives Institute of the Philippines. He also belongs to various golf and country clubs and serves as a governor of the Dasmariñas Village Association.



Joseph Ian G. Gendrano has been a Director at Maynilad since April 2023. He is the Senior Vice President and Head of the Enterprise Business Group at PLDT Inc., having previously served as Chief Technology Officer. Before joining PLDT, Mr. Gendrano was Vice President

Joseph Ian G. Gendrano
Filipino | Director since 2023

for Network, Voice, and Multimedia at Goldman Sachs from 2008 to 2013 and worked as a Systems Engineer at Cisco Systems Inc. and a Relationship Sales Engineer at Verizon Business.

Mr. Gendrano earned a Bachelor of Science

in Electronics and Communications Engineering from De La Salle University and a Master of Science in Engineering, Major in Telecommunications and Networking, from the University of Pennsylvania, School of Engineering and Applied Science.



Ricardo M. Pilares III has been a Director of Maynilad since April 2023. He currently serves as the Vice President for Legal, Compliance Officer, Corporate Governance Officer, and Corporate Secretary at Metro Pacific Investments Corp. As Chief Legal Officer of Metro

Ricardo M. Pilares III
Filipino | Director since 2023

Pacific Investments, Mr. Pilares plays a pivotal role in various company projects, including Public-Private Partnership (PPP) Projects and major M&A activities. Additionally, he acts as legal counsel and corporate secretary for Metro Pacific Investments'

numerous subsidiaries and affiliates. Mr. Pilares is also a respected member of the Ateneo Law School Faculty, where he imparts knowledge on Statutory Construction and Conflict of Laws.



Kazuaki Shibuya joined the Maynilad Board of Directors in April 2022. He currently holds the position of General Manager of the Environmental Infrastructure Department at Marubeni Corp. Mr. Shibuya has been instrumental in the development of various

Kazuaki Shibuya
Japanese | Director since 2022

international infrastructure projects, particularly in the power and water sectors, during his tenure at Marubeni. His professional experience includes significant overseas assignments in India, South Africa, and the Middle East. Furthermore, Mr. Shibuya

serves as a director for Aguas Nuevas S.A (Santiago, Chile), Aguas Decima S.A (Valdivia, Chile), AGS (Lisbon, Portugal), and Shuqaiq Three Company for Water (Jeddah, Saudi Arabia).



Fortunato T. Dela Peña joined the Maynilad Board of Directors in April 2023 as an Independent Director. He currently serves as the Chairman of the Philippine Foundation for Science and Technology, Entrepinoy Volunteers Foundation Inc., and Automated Technology (Phil.) Inc. Mr. Dela Peña's distinguished career includes serving as the Secretary of

the Department of Science and Technology from 2016 to 2022. Prior to this, he held the position of Undersecretary for the DOST from 2001 to 2014, and Director of the Technology Application and Promotion Institute from 1989 to 1991. Mr. Dela Peña has also held several academic positions at the University of the Philippines, including Professorial Lecturer

in Industrial Engineering, Professor of Industrial Engineering, Vice-President for Planning and Development, Director of the Institute for Small Scale Industries, and Chairman of the Department of Industrial Engineering. He has been the President of the Philippine Association for the Advancement of Science and Technology since 2011.

Fortunato T. Dela Peña

Filipino | Independent Director since 2023



Nagahito Miyoshi has been a Director of Maynilad since April 2023. He concurrently holds the position of President of MCNK JV Corp. and Vice

President of the Environmental Infrastructure Department at Marubeni. With over 25 years of service at Marubeni, Mr. Miyoshi has occupied

various key positions since 1998, demonstrating his commitment and expertise within the company.

Nagahito Miyoshi

Japanese | Director since 2023



Gil S. Jacinto was appointed as an Independent Director of Maynilad in April 2023. He currently serves with the National Academy of Science and Technology. Mr. Jacinto previously held the position of Assistant Vice-President for Academic Affairs and Director for the Office of

International Linkages in the University of the Philippines (UP) System from 2017 to 2020. Additionally, he served as a professor at the University of the Philippines Diliman Marine Science Institute for 23 years. Mr. Jacinto's civic engagements include serving as a consultant for UNESCO

National Commission-UN Decade of Ocean Science for Sustainable Development. He is also a member of the National Research Council of the Philippines, IOC Advisory Body of Experts of the Law of the Sea, and UNESCO Intergovernmental Oceanographic Commission.

Gil S. Jacinto

Filipino | Independent Director since 2023



Ma. Assunta C. Cuyegkeng has been a member of the Maynilad Board of Directors since April 2023, serving as an Independent Director. She currently holds the position of Professor at the Department of Educational Leadership and Management of the Gokongwei Brothers School of Education and Learning Design. Additionally, she is

the Executive Director of the Lily Gokongwei Ngochua Leadership Academy and the ASEAN University Network on Ecological Education and Culture. Ms. Cuyegkeng is also the Chair of the CHED Technical Working Group on Institutional Sustainability Assessment and the Managing Editor of the Journal of Management for Global

Sustainability. Furthermore, she is a member of the Philippine Institute of Pure and Applied Chemistry. Ms. Cuyegkeng earned her Bachelor's and Master's Degrees in Chemistry from the Ateneo de Manila University, and her doctoral degree in Chemistry from the University of Regensburg in Germany.

Ma. Assunta C. Cuyegkeng

Filipino | Independent Director since 2023

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
and Retail Operations*



Yolanda C. Lucas
Head Program Management



Marcos D. de Jesus
*Head, Technical
Resource Management*



Apollo C. Tiglao
*Head Wastewater
Management*



Martin B. de Guzman
Head Human Resources



Lourdes Marivic P. Espiritu
Head Legal and Regulatory Affairs



Francisco C. Castillo
*Head Information
Technology Services*



Ronaldo C. Padua
Head Water Supply Operations



Cybele Regalado
Head Supply Chain Management



Jose Rizal O. Batiles
*Head Enterprise Risk Management
and Internal Audit*



Roel S. Espiritu
*Head, Quality, Sustainability,
and Resiliency
Chief Sustainability Officer*



Marie Antonette H. De Ocampo
*Head, Corporate Affairs
and Communication*



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

Our External Partnerships

[2-28]

- 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
- Stakeholders' Chamber on SDGs

Enhancing Sustainability Governance at Maynilad

[2-12, 2-14]

In line with our commitment to achieving our Sustainability targets, Maynilad's Board of Directors has established the Office of the Chief Sustainability Officer. This office is led by the Head of Quality, Sustainability, and Resiliency (QSR), who now serves as Maynilad's Chief Sustainability Officer (CSO). Reporting directly to the Board's Corporate Governance and Sustainability Committee, the CSO will play a pivotal role in our sustainability journey.

The CSO's responsibilities include spearheading the development and regular review of our Sustainability Framework, leading the Company Sustainability Council, assessing policies and processes for sustainability improvements, aligning specific sustainability initiatives with our framework, conducting sustainability research,

identifying innovative sustainability projects, initiating stakeholder engagement processes, and preparing our sustainability reports.

The Governance and Sustainability Committee will assist and advise the Board of Directors on various matters, including the development and implementation of corporate governance principles and policies, review of the Company's compliance with legal and regulatory requirements, training and development of directors and senior management, implementation of the Board's performance evaluation process, establishment and review of sustainability goals and strategies, and identification and management of significant economic, environmental, social, and governance issues.



Office of the Chief Sustainability Officer

Maynilad's Chief Sustainability Officer (CSO): Atty. Roel S. Espiritu

Members:

John Emmanuel B. Martinez - QSR	Myra P. Tacderan - TRM
Mark Paul S. Capati - ERMIA	Rafael King U. Ramos - WSO
Ericson S. Garcia - SCM	Abigail L. Ho-Torres - CXRO
Francis Noel A. Hernandez - ITS	Michelle L. Quinio - PMD
Emmanuel P. Marmol - Finance	Wilfrida T. Sunga - CNRW
Leo Dante C. Frane - HR	Oliver B. Sta. Ana - Water Academy
Zyrille April M. Cartel - CA&C	Mirla M. De Leon - Philhydro
Nikki C. Patubo - LRA	Wawi B. Tago - BD
Abigail Corazon A. Aya - WMD	Walter C. Emnace - PEX

Strategy

[2-22]



Corporate strategy is essential for addressing sustainability and climate-related risks and opportunities. At Maynilad, our approach is straightforward: we aim to provide safe, reliable, and affordable water while considering the interests of all stakeholders. Achieving this requires careful management of natural resources, particularly water. Our goals include managing climate-related risks, seizing opportunities, and adapting

to evolving investor sentiments, emissions reduction technologies, alternative energy innovations, and uncertain government policies. Maynilad's commitment to environmental stewardship not only enhances operational efficiency and reduces environmental impact but also significantly boosts employee engagement, asset management, regulatory compliance, and customer satisfaction.

Decarbonization Roadmap

Maynilad is dedicated to addressing climate change by reducing our dependence on fossil fuels. We are committed to achieving Carbon Neutrality for Scope 1 and 2 emissions by 2037. As part of this commitment, we are decarbonizing our operations and developing efficiencies to reduce energy usage. This effort not only positively impacts the environment and society but also builds a more resilient and sustainable Maynilad.

Our Climate Neutrality plan includes investing in solar power generation and entering into renewable power purchase agreements (PPAs) to increase our use of renewable energy. We plan to expand our fleet to ensure that 50% of our vehicles are electric. Additionally, we will implement nature-based solutions to reduce atmospheric carbon through reforestation and developing carbon sinks in the watershed area and other sites within the scope of our operations.

Reduction of Non-Revenue Water (NRW)

We are committed to optimizing water management and service quality by reducing Non-Revenue Water (NRW) across our operations. Since 2008, we have implemented initiatives such as repairing over 538,000 leaks, replacing over 4,500 km of pipes, and installing over

1,100 pressure-regulating valves. Our goal is to lower Total NRW to 20% by 2030 and maintain this level throughout our concession period. These efforts create operational efficiencies and enhance water security in the region.



Performance Highlights



964,783.81 million liters

volume of water produced



100%

Facilities joined simultaneous safety drills



269,175 customers

offered desludging services



10 million

population served



9.7 million liters per day

water recovered through NRW programs



68,981 million liters

wastewater treated and discharged



73,418

septic tank desludged



1,755,202

total number of customers



143 km

pipes replaced



393,564 customers

connected to sewerage system



4,584,824

safe man hours as of year end

Our Sustainability Framework

In 2023, we continued to maintain and enhance our framework that we developed in the previous year, monitoring its effectiveness and regularly reviewing its relevance to ensure alignment with our strategic objectives. The diagram illustrates our sustainability framework, which is anchored to our mission to provide water solutions that are “Safe, Affordable, and Sustainable.” Our Purpose and Stakeholders

are the main driving forces of our framework. “Purpose” signifies our unwavering commitment to our mission and values, guiding every aspect of our operations. Meanwhile, “Stakeholders” reflects our proactive engagement with everyone affected by our operations, including customers, employees, investors, and communities.



What do we mean by “Safe,” “Affordable,” and “Sustainable”?



Safe: We ensure that the quality of water and wastewater meets the stringent standards set by the Department of Health (DOH) and the Department of Environment and Natural Resources (DENR), respectively. We prioritize environmental stewardship and focus on employee and community well-being. Additionally, we effectively manage governance and regulatory risks.



Affordable: We deliver accessible water services, provide value to stakeholders, and create benefits for our employees.



Sustainable: Our business growth, operational efficiency, and stakeholder relationships are driven by comprehensive social and governance initiatives. We align our efforts with the Sustainable Development Goals (SDGs) to address economic, environmental, and social sustainability.



These foundational elements connect to our three Sustainability Pillars: Business Growth, Operational Efficiency, and Stakeholder Relationships. Each pillar encompasses our material topics and demonstrates our commitment to global sustainability goals (SDGs). By integrating these principles into our operations, we ensure that our efforts contribute positively to society and the environment while delivering value to our stakeholders.

The Three Sustainability Pillars



Business Growth

Sustained business growth is essential for providing safe and cost-effective water solutions. Strong financial performance allows us to invest in innovative technologies that improve customer satisfaction and support long-term development. This growth motivates employees, satisfies stakeholders, and enhances productivity and output quality.

Material Topics:

- Technology, Innovation and Business Growth
- Cybersecurity and Data Privacy
- Business Continuity
- Sustained Earnings
- Asset Management



Operational Efficiency

Operational efficiency is a key component of our sustainability strategy. We aim to reduce costs and environmental impacts by prioritizing environmentally conscious practices in water extraction, supply, and conservation. Educating stakeholders on responsible consumption and production complements our sustainability efforts.

Material Topics:

- Supply Chain, Materials Management, and Quality Assurance
- Water Efficiency and Wastewater Treatment
- Quality and Reliability of Water Supply
- Waste Management
- Energy Management
- GHG Emissions
- Biodiversity Management
- Environmental Compliance



Stakeholder Relationships

Healthy stakeholder relationships are crucial for business success and reputation building. Trusting relationships with stakeholders enhance our ability to serve customers and foster a supportive environment for employee success. We actively engage with stakeholders to understand their needs and incorporate their feedback into our strategic planning.

Material Topics:

- Employee Engagement and Development
- Occupational Safety and Health
- Diversity, Equality and Inclusion
- Community Development
- Fair and Transparent Practices
- Customer Experience



Our approach involves integrating sustainability into every aspect of our organization, ensuring that our operations contribute positively to society and the environment while delivering exceptional value to our customers and stakeholders.

Our Contributions to UN Sustainable Development Goals (SDGs)

[2-25, 3-2, 3-3]



Business Growth

Technology, Innovation, and Business Growth



Sustained business growth is essential for providing safe and cost-effective water solutions. Strong financial performance allows us to invest in innovative technologies that improve customer satisfaction and support long-term development. This growth motivates employees, satisfies stakeholders, and enhances productivity and output quality.

Within and outside Maynilad

Cybersecurity and Data Privacy



Maintaining cybersecurity and data privacy is important for our water and wastewater systems and for the protection of our employees and customers. As we implement intelligent water and wastewater systems, we must institute industry-leading cyber controls on all aspects of our operations.

Within and outside Maynilad

Relevant Indicators
GRI 204: Procurement Practices

Relevant Indicators
GRI 418: Customer Privacy

Business Continuity



We maintain a business continuity framework across our company to reduce risk and enhance resiliency. This framework prepares us for any crisis event, including natural or man-made disasters.

Within and outside Maynilad

Relevant Indicators

GRI 202: Market Presence

GRI 203: Indirect Economic Impacts

Sustained Earnings



Maintaining stable revenues over a period of time allows us to invest in a sustainable future. We can make strategic investments in sustainable technologies and upgrade our water and wastewater systems. Delivering steady financial results also allows us to offer competitive benefits to our employees and give back to our stakeholders.

Within Maynilad

Relevant Indicators

GRI 201: Economic Performance

GRI 207: Tax

Asset Management



Building new facilities and upgrading existing ones allows us to serve our customers with reliable water and wastewater services. We also implement a variety of initiatives across our facility to promote efficiency.

Within and outside Maynilad

Relevant Indicators

Non-GRI Asset management policies, practices, and initiatives at Maynilad.

Operational Efficiency

Supply Chain, Materials Management, and Quality Assurance



We source our materials from 598 local and overseas suppliers. We ensure that our suppliers are reliable and meet our qualifications and quality of work.

Within and outside Maynilad

Relevant Indicators

GRI 301: Materials

GRI 308: Supplier Environmental Assessment

GRI 414: Supplier Social Assessment

GRI 416: Customer Health and Safety

Quality and Reliability of Water Supply



We leverage technology, innovation and consumer education to address the challenges of maintaining water supply in climate stressed areas. We are investing in new facilities to mitigate the risk of water scarcity.

Within and outside Maynilad

Relevant Indicators

GRI 303: Water and Effluents

Water efficiency and wastewater treatment



Water efficiency is a key focus across Maynilad's service footprint. Being efficient allows us to reduce our cost and energy consumption. Our customers benefit from our efficiency through cost savings. We are working on reducing our water losses by repairing pipes and replacing old ones.

Within and outside Maynilad

Relevant Indicators

GRI 303: Water and Effluents

GHG Emissions



Climate change could have significant and negative impacts on our business by affecting the availability of water supply. We have developed a Climate Neutrality plan to reduce our reliance on fossil fuels. We aim to reach net zero scope 1 and 2 emissions by 2037.

Within and outside Maynilad

Relevant Indicators

GRI 305: Emissions

Waste Management



All wastes generated by Maynilad are disposed of in accordance with local government waste management regulation. We are moving towards a circular economy by recycling treated wastewater and converting it to potable water supply.

Within and outside Maynilad

Relevant Indicators

GRI 306: Waste

Biodiversity Management



Our water extraction activities and treatment of wastewater could have a significant impact on biodiversity in the affected zones. We have a number of initiatives to reverse our impact on the environment, such as caring and protecting our watersheds.

Within and outside Maynilad

Relevant Indicators

GRI 304: Biodiversity

Energy Management



As we are an energy-intensive business, we have a number of initiatives to promote energy efficiency. We have comprehensive systems to track our energy consumption and monitor our energy reduction. We have also adopted alternate energy solutions such as solar energy to reduce our dependence on fossil fuels.

Within and outside Maynilad

Relevant Indicators

GRI 302: Energy

Environmental Compliance



We comply with all regulatory requirements within our concession, including those related to air emissions, waste management, and other environmental aspects. Our efforts create significant social impact by enhancing community health and safety through environmental preservation. Additionally, we conduct thorough risk assessments to ensure ongoing environmental compliance and to prevent potential risks.

Within and outside Maynilad

Relevant Indicators

GRI 307: Environmental Compliance

Stakeholder Relationships

Employee Engagement and Development



At Maynilad, we conduct employee engagement surveys to give employees a voice and gather feedback. We believe in supporting our employees in their careers and provide training and opportunities for success.

Within Maynilad

Relevant Indicators

- GRI 401:** Employment
- GRI 402:** Labor / Management Relations
- GRI 404:** Training and Education

Occupational Safety and Health



The COVID-19 pandemic brought necessary changes to our safety protocols. We have implemented a comprehensive Occupational Health and Safety Management System (OHSMS) that covers all our sites and business segments.

Within Maynilad

Relevant Indicators

- GRI 403:** Occupational Health and Safety

Diversity, Equality, and Inclusion



Maynilad thrives because of the diverse individuals who work together to make us a great company. Creating an environment where everyone is valued and included contributes to our employees' safety and well-being.

Within Maynilad

Relevant Indicators

- GRI 405:** Diversity and Equal Opportunity
- GRI 406:** Non-discrimination
- GRI 407:** Freedom of Association and Collective Bargaining
- GRI 408:** Child Labor
- GRI 409:** Forced / Compulsory Labor
- GRI 410:** Security Practices
- GRI 411:** Rights of Indigenous Peoples

Community Development



We believe in giving back to the communities we work in. We are responsible corporate citizens and believe in empowering our communities through community outreach activities.

Within and outside Maynilad

Relevant Indicators

- GRI 401:** Employment
- GRI 402:** Labor / Management Relations
- GRI 404:** Training and Education

Fair and Transparent Practices



We have several policies to ensure that our business reflects our integrity and ethics. We want to foster a corporate culture that promotes ethical business practices. We have a zero-tolerance approach to bribery and corruption.

Within and outside Maynilad

Customer Experience



Our customers are at the center of our business. We continually work to deliver safe, reliable and affordable water and wastewater services. We offer customers multiple communication channels so that they may communicate and transact with us in a manner convenient to them.

Within and outside Maynilad

Relevant Indicators

GRI 2-27: Compliance with laws and regulations
GRI 415: Public Policy

Relevant Indicators

GRI 416: Customer Health and Safety
GRI 417: Marketing and Labelling

Stakeholder Engagement

[2-29, 207-3]

Understanding the needs and expectations of our stakeholders is a key part of our ESG strategy. We continuously engage with stakeholder groups, including those that may be directly impacted by our activities such as the local community, government units and our customers. Their valued input informs our approach to business operations and sustainable development. They also help us identify issues that may pose a significant risk to our operations.





Customers

In 2023, awareness of NEW WATER has seen significant growth among both domestic and non-domestic customers. This increased awareness reflects a broader trend of heightened customer engagement with sustainable practices and innovative water solutions. Aside from spreading awareness, Maynilad is also focused on ensuring satisfaction among its current

customers. A few months post-launch, the majority of NEW WATER customers have already expressed satisfaction with the quality and water supply. This positive reception underscores the effectiveness of Maynilad's efforts to deliver sustainable and reliable water solutions, reinforcing customer confidence in the company's commitment to sustainability.

Collaboration opportunities

We identified collaboration opportunities in our programs that provide safe, affordable and sustainable drinking water and sanitation. We may also collaborate in water conservation to mitigate the negative impacts of our activities on the environment.

Our responses to customers' concerns

Customers have various convenient options to raise concerns and provide feedback, ensuring their voices are heard promptly and efficiently. Our commitment to effective customer concerns handling is evident in the quarterly evaluations, which have shown a consistent increase in customer satisfaction throughout 2023. This proactive approach includes withholding bills with unusual spikes for investigation and informing customers accordingly. In cases of contested billing, detailed explanation and assistance from the zone team help identify issues like leaks. These efforts underscore Maynilad's dedication to promptly and transparently resolve customer concerns, leading to improved satisfaction.



Service Providers and Contractors

Vendors have commended Maynilad's sustainability efforts, highlighting the company's balanced approach to environmental stewardship, social equity, and economic viability. This commitment ensures a sustainable future for both operations and communities served. One vendor noted that Maynilad's 2023 sustainability impact significantly improved the

welfare of families affected by its projects. Another vendor emphasized the priority given to energy management and renewable resources to reduce environmental impact. Additionally, vendors have recognized Maynilad's dedication to ensuring supply continuity, reducing water losses, and embracing comprehensive sustainable practices.

Collaboration opportunities

Maynilad is actively exploring new collaboration opportunities with third-party providers to enhance operational efficiency and sustainability. This includes the use of PVC-O (Molecularly Oriented Polyvinyl Chloride) as an alternative to ductile iron pipes which promotes operational efficiency, cost savings and safety of the workers. We also planned a partnership with Green Antz on the production of the Biosolid to Brick project as an alternative construction material. Collaboration opportunities with E-mobile for the use of e-vehicles and with Goldlink for emergency preparedness and response.

Our responses to service providers and contractors' concerns

Our vendors have raised concerns particularly on balancing between affordability and sustainable solutions. One notable suggestion was the shift to electronic invoicing to conserve resources.

In response, we have established a Technical Working Groups (TWGs) to identify and address process gaps and enhance overall efficiency. Additionally, we are implementing a review of a pilot project aimed at partially automating forms and processes. In terms of supply chain management, we are continuously reviewing and improving the procure-to-pay process.



Community and CSO

Our community and CSO partners continued to acknowledge and appreciate Maynilad's support through livelihood programs.

Collaboration opportunities

We worked with the Department of Social Welfare and Development on a MOA focused on improving Maynilad's social enterprise communities.

Our response to communities and CSO partners' concerns

Our partners voiced their concerns that our social entrepreneurship communities are highly dependent on Maynilad and engagement with them needs to improve to help them become sustainable.

In response, we changed the operational procedures and management process with the existing communities. The community Partnerships section will create guidelines for new/future social entrepreneurship communities moving forward. We drafted operational procedures for the procurement of social entrepreneurship products and streamlined our CSR programs to align with our sustainability agenda. We also created new programs anchored on Maynilad's W.A.S.H mandate.



Local Government Units

Maynilad's LGU partners value the awareness raising interventions in the community through water education programs, webinars and other community briefings - covering parents, youth and students.

Collaboration opportunities

LGUs have continued to recommend joint actions to build advocates and community leaders, fostering long-term growth and progress.

Our response to LGUs concerns

LGUs previously raised concerns about the fast turnover rate of project coordinators/ contact persons in the community, leading to the need to build relationships over and over. They also raised concerns over more communication in terms of dissemination of information regarding the water interruptions.

In response, we were able to tap Public Information Offices of the LGUs in disseminating information. We also had several Memorandum of Understanding on Clean and Green Programs such as the use of Effluent Water with LGUs and NGAs. Maynilad also donated several Rainwater Harvesting Facilities to LGUs.



Industry Partners

Our industry partners continued to greatly value our interventions through investments in watershed conservation, support for marginalized groups and access to safe water.

Collaboration opportunities

There were no key partnerships in 2023. Maynilad maintained its ongoing collaborations with industry partners.

Our response to LGUs concerns

Maynilad's industry partners previously raised concerns over having an official group chat with partner school administrators. There were no new concerns in 2023.

We have met regularly with industry partners to discuss concerns about public schools and CSR activities and explored setting up MoAs where applicable.



Regulators

Representatives from government agencies confirmed Maynilad's commitment to providing projects and financial assistance to stakeholders while ensuring sustainability through strong, achievable strategies. They acknowledged our prioritization of environmental resiliency and compliance with safeguards, while delivering reliable water services.

Collaboration opportunities

Regular meetings with regulators, submission of monthly report and collaboration efforts in watershed management and clean-up activities.

Our responses to customers' concerns

To ensure compliance with effluent standards, Maynilad performs regular maintenance of its facilities and conducts routine water quality sampling.

Water Quality-related concerns were communicated through WATERLab and the Legal and Regulatory Affairs. Maynilad conducted clean-up activities and planting of riparian areas that are considered short term solutions.



Media

Stakeholders from the media considered our ongoing sustainability initiatives including Plant for Life, adoption of renewable energy in water treatment plans noteworthy.

Collaboration opportunities

We can share critical plans for community development and sustainability interventions with the media to better disseminate interventions related to water quality, disruption and community engagement.

Our responses to customers' concerns

Our media stakeholders raised concerns on Maynilad's timely update on issues and causes related to prolonged water disruption.

We have committed to issuing press releases and notifications during times of water disruptions. We also provide interviews as necessary. We also facilitate site visits for media engagement to articulate plans and interventions to address issues.



Employees

Our employees recognized the sustainability interventions as relevant and find the Sustainability Report highly informative, which has effectively raised awareness among the workforce. Employees acknowledged the importance of collaboration, Individual Development Programs (IDPs) and leadership development programs, such as the Tatak Maynilad Leader program, Innovation through the annual Innofest program, and performance management process.

Collaboration opportunities

Employees can collaborate across functions, breaking down functional barriers, and fostering collective decision-making. Collaboration is key to accomplishing our goal of increasing service level and reducing non-revenue water. Utilizing crowdsourcing and knowledge sharing, teams consisting of business process owners from different departments proactively tackle organizational challenges, resulting in a holistic understanding of the organization.

Our responses to customers' concerns

The lack of pre-existing cross-functional collaboration within Maynilad has posed a challenge during the transition from an MWSS agent to a public utility. Traditional management behavior and transparency in succession planning was also a concern.

In response, Maynilad formed Technical Working Groups (TWGs) to foster cross-functional collaboration, cultural alignment, and technical problem-solving. Coaching and leadership development programs have been implemented for senior managers, empowering individuals to drive their own learning and development.

Maynilad introduced a performance enhancement program that focuses on continuous improvement and development, fostering ongoing discussions about individual growth and aligning performance with organizational goals.

Materiality Assessment

[3-1]

In 2022, we took significant steps to enhance our sustainability strategy by conducting a thorough materiality assessment. This involved reviewing our current material topics, researching similar companies' key issues, and engaging our internal stakeholders in a comprehensive workshop. The assessment included a detailed survey to gather feedback on the importance and impact of each material topic.

In 2023, we continued to build on this foundation by reviewing the relevance of these material topics. This process ensures that our sustainability efforts remain aligned with our strategic objectives and stakeholder expectations. Our commitment to sustainability is firm, and we strive to integrate it seamlessly into our operations to create value for all stakeholders.



During our materiality assessment in the previous year, we followed a structured approach to ensure a comprehensive evaluation of our sustainability priorities. **Here are the steps we took:**

Review of Current Material Topics:

We began by reviewing Maynilad's current material topics and conducted research on material topics and key issues faced by companies in similar lines of business in the region. This process helped us create an extended list of potential topics.

Brainstorming Session:

Following the workshop, we facilitated a brief brainstorming session among key internal stakeholders. The aim was to discuss the list of potential material topics and consolidate the most meaningful ones for our sustainability strategy.

Employee Involvement:

Employees representing various departments answered the survey questions under each material topic. We calculated an average of the scores provided by each function for each question to assess the likelihood of potential positive/negative impacts and the scale and significance of actual positive/negative impacts.

1

2

3

4

5

6

In-Person Materiality Assessment Workshop:

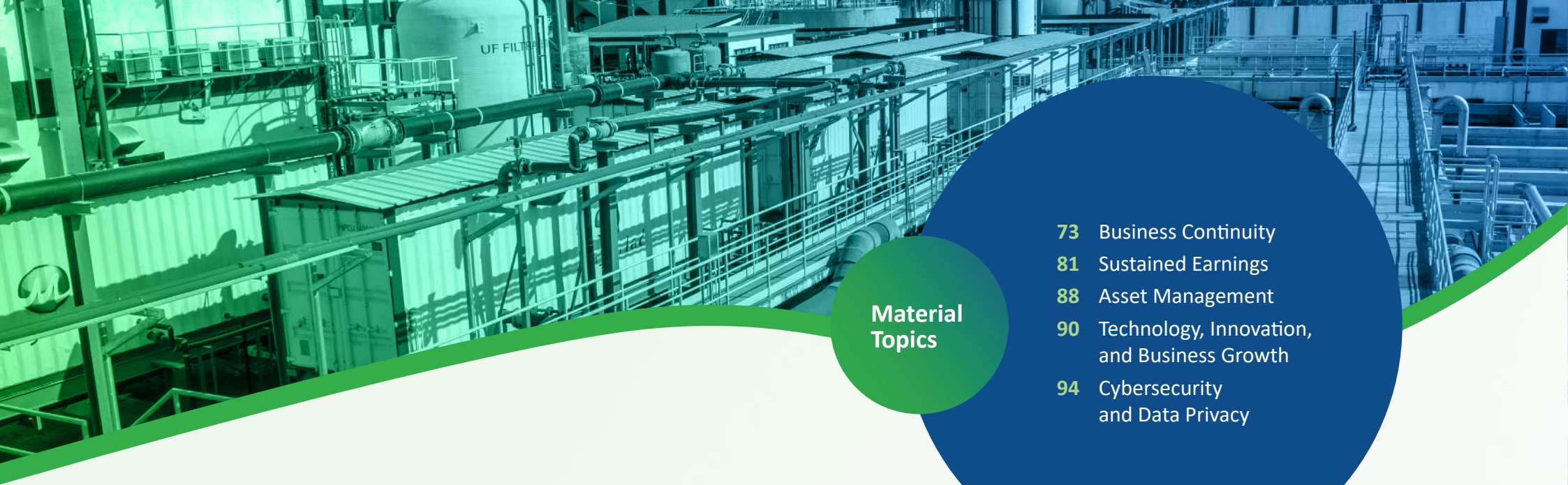
We conducted an in-person materiality assessment workshop with key internal stakeholders. This diverse group included data handlers and data owners from various divisions, covering different ranks. The workshop covered the concept of materiality and the assessment procedure recommended by GRI standards.

Survey Instrument Development:

We developed a detailed survey instrument with nine questions under each material topic. These questions were designed to assess the importance, potential positive and negative impacts, and actual impacts of each topic on the economy, environment, and society.

Final Score Calculation:

An average of the scores provided by all functions on importance, likelihood, scale, and significance was calculated. This final score for each material topic helped us prioritize and focus our sustainability efforts effectively.



Material Topics

- 73 Business Continuity
- 81 Sustained Earnings
- 88 Asset Management
- 90 Technology, Innovation, and Business Growth
- 94 Cybersecurity and Data Privacy

Business Growth [2-22]

Business growth is not just a means of expanding our reach, but a crucial component of our sustainability mission to provide safe, affordable water solutions to communities. It allows us to enhance our impact and ensure lasting positive change. To achieve this, we focus on continuity through

meticulous planning, integrating cutting-edge technology to enhance efficiency and reduce environmental impact, and maintaining robust cybersecurity measures to build and maintain trust.

In our strategic approach, we carefully consider the

financial implications of climate and sustainability risks and opportunities, ensuring that our decisions align with our goals. This includes assessing how these factors affect our financial position, performance, and funding sources, enabling us to make informed choices that benefit both our

business and the environment. Our resilience is highlighted by our ability to adapt to climate and sustainability-related risks, adjusting strategies and business models as necessary for responsible growth and long-term stakeholder value.

Maynilad's Water Infrastructure Advancements

Poblacion Water Treatment Plant Ensuring Water Security

In 2023, Maynilad inaugurated the 11 billion pesos Poblacion Water Treatment Plant (WTP) in Muntinlupa City, a key milestone in our commitment to providing clean and sustainable water to our customers. This state-of-the-art facility, drawing water from Laguna Lake, is part of our strategic plan to develop alternative water sources and ensure long-term water security.

Designed to produce 150 million liters per day (MLD) at full capacity, the Poblacion WTP serves approximately one million Maynilad customers in Parañaque, Las Piñas, Muntinlupa, and Cavite. Its operation significantly reduces service interruptions caused by shifts in raw water quality in Laguna Lake, a trend exacerbated by the impacts of climate change.

Anabu Modular Treatment Plant Meeting Local Water Needs

Maynilad inaugurated the Anabu Modular Treatment Plant (ModTP) in Cavite, marking the commencement of operations for this vital facility. The Anabu ModTP, one of four small-scale treatment plants being constructed in

Cavite, utilizes adjacent rivers as its raw water source. Since its launch in 2023, the plant has been providing potable water for approximately 114,000 customers in parts of Imus City.

Valenzuela Sewage Treatment Plant Enhancing Wastewater Management

February 2023 marked the commencement of initial operations for Maynilad's newly constructed Sewage Treatment Plant (STP) in Marulas, Valenzuela. This facility is designed to treat wastewater generated by approximately 300,000 customers across nine barangays in Valenzuela City, ensuring that the treated water is safe for release into the ecosystem.

Additionally, the Valenzuela Water Reclamation Facility, our 23rd wastewater treatment plant, currently treats around 12 MLD of wastewater from communities surrounding

Marulas Creek. With the ongoing installation of a 27.4-kilometer sewer network in Valenzuela City, scheduled for completion by 2024, the facility's capacity will increase to treat up to 60 MLD, serving several barangays including Gen. T. De Leon, Karuhatan, Malinta, Marulas, Maysan, Parada, Paso De Blas, and portions of Lingunan and West Canumay. The Valenzuela Water Reclamation Facility is also earmarked for future use in producing NEW WATER, which is potable supply sourced from treated wastewater.



Expanding Wastewater Treatment

Maynilad's commitment to enhancing wastewater management extends to the upgrading of one wastewater facility in Caloocan, and the construction of four new facilities in Las Piñas, Bacoor,

and Tunasan and Cupang in Muntinlupa. Upon completion over the next five years, Maynilad's total number of wastewater treatment plants will reach 27 by the year 2027.

Business Continuity

[403-2]

Business Continuity Actual and Potential Impacts to Maynilad

Actual	
➔ Higher Tariffs: Potential increase in tariffs due to supply issues during emergencies. ➔ Skills Gap: Lack of specialized skills in recovery systems, which can affect water quality. ➔ Additional Costs: Incurring extra expenses to implement additional protections for crisis management.	➕ Investor Confidence: Strengthening investor trust through a robust business resiliency plan ➕ Rapid Response: Ensuring frontliners are available to quickly address and fix leaks ➕ Crisis Resilience: Maintaining a continuous water supply even during global crises such as pandemics
Potential	
➔ Increased Expenses: Incurring increased costs due to unforeseen disasters ➔ Water Quality Deterioration: Risk of the quality of receiving bodies of water deteriorating ➔ Delayed Reactions: Potential inability to react spontaneously to anomalies in the pipe networks	➕ Uninterrupted Services: Ensuring the continuous provision of water services even during disasters ➕ Job Stability: Providing stable employment for Maynilad employees ➕ Zero Downtime: Maintaining operations without interruption due to a robust supply and contingency plan

At Maynilad, we recognized the critical need to anticipate and mitigate potential disruptions to our business activities, ensuring the seamless delivery of essential water services to our customers.

We have established business continuity plans that outline procedures and protocols to be followed in the event of unforeseen circumstances. These plans are designed to minimize impacts of disruptions on our operations and swiftly restore normalcy.

Our commitment to business continuity management is evidenced by our proactive approach to risk management,

mitigation, and preparedness. Maynilad maintains the ISO 22301:2019 Business Continuity Management Systems (BCMS) certification, demonstrating our commitment to international standards for effective water provision in the face of disasters, pandemics, and other emergencies. This certification, which included upgrading to the new version of the standard - ISO 22301:2019 for nine sites, including the head office, has provided Maynilad with a practical framework to manage disruptions and establish a robust BCMS. Maynilad has developed a comprehensive Business

Continuity Plan (BCP) to ensure the uninterrupted operation of critical processes during and after a disaster or disruptive event. To maintain the plan's effectiveness and drive continuous improvement, we conducted an annual test of each plan.

In addition, each business unit within the organization has its own Emergency Preparedness and Response Team (EPRT), which serves as initial responders for emergencies within their respective areas ensuring prompt action. Each EPRT is supported and guided by the Resiliency Department who plays a crucial role in managing emergency

preparedness and response through providing assistance and leading the continual improvement of the team.

The EPRT carries out various responsibilities, including conducting training and drills for fires, earthquakes, and other emergencies, regularly checking fire hazards, inspecting fire extinguishers, providing first aid kits and trained first aiders, ensuring stand-by service vehicles, posting emergency contact information and evacuation routes, and coordinating and providing resources required for the successful implementation of business continuity plans.

Strategic Initiatives for Resilience and Sustainability



In terms of sustainability and climate-related risks, we have identified several pressing challenges. One of the key challenges is the potential limitation or failure to meet the water supply requirement of our concession area. This risk could arise from various factors such as water scarcity, infrastructure limitations, or increased demand due to population growth or industrial expansion.

Another significant risk we face is related to extreme weather events and conditions. These events, including floods, droughts, hurricanes, and typhoons, can have

severe impacts on our operations. They can lead to disruptions in water supply and distribution, damage to infrastructure, and increased costs for repairs and recovery efforts.

Our efforts include developing detailed transition plans to adapt to changing conditions and mitigate risks. These plans involve setting specific targets and timelines for reducing our environmental footprint, increasing our resilience to climate impacts, and ensuring the sustainability of our operations.

To implement these plans, we are adapting our strategy

and decision-making processes. We are also reallocating resources to prioritize initiatives that enhance our resilience and sustainability. Additionally, we are implementing specific mitigation efforts, such as investing in new technologies, upgrading our infrastructure, and diversifying our water sources. Details of this strategy are outlined in the "2023 Risk Management Strategy: Key Actions" table.

Overall, our goal is to build a more resilient and sustainable company that can effectively manage climate and sustainability-related risks and impacts.

2023 Risk Management Strategy: Key Actions

**Political and Regulatory Risk**
[207-2]

Description: Business losses and operational disruption: These may result from adverse political or regulatory actions and decision-making within the water industry, due to uncertainty or instability.

Value Chain: Water Withdrawal

Time Horizon: Short to medium term

Mitigatting Actions:

- Proactive engagement with regulatory/government offices

**Water Supply Risk**

Description: Limited or failed production: This pertains to the water supply requirement of the concession area.

Value Chain: Water Withdrawal

Time Horizon: Short to medium term

Mitigatting Actions:

- Water Supply Augmentation Programs
- Intensify efforts to reduce non-revenue water (NRW)

**Climate Change Risk**

Description: Risk from extreme weather events: This includes unexpected, unusual, unpredictable, severe, or unseasonal weather, which may increase operating costs, particularly in insurance, and result in revenue losses. Costly preparations for uncertain events (e.g., black swan events) are undertaken with the end goal of building the company's resilience.

Value Chain: All stages, especially Water Withdrawal, Collection, and Distribution

Time Horizon: Medium to long term

Mitigatting Actions:

- Utilize alternative water sources
 - Poblacion Water Treatment Plant that utilize Laguna Lake as raw water source
 - Modular Treatment Plants that utilized rivers and irrigation canals
- Implement resilient Water Treatment Plants (WTPs) capable of handling high turbid raw water and algal blooms.
- Promote circular water use
- Strive for carbon neutrality and implement renewable energy and carbon-neutral initiatives, such as adopting e-vehicles and establishing solar farms.
- Engage in reforestation activities and coastal and river cleanups.

**Revenue Risk**

Description: Potential impact on revenue: This refers to events or conditions that could negatively affect planned or future revenue.

Value Chain: Water Distribution to Households and Business Establishments

Time Horizon: Short to medium term

Mitigatting Actions:

- Enhance revenue through comprehensive review of accounts.

**Cybersecurity Risk**

Description: Potential loss or failure of business operations: This may arise from a breach of data or information.

Value Chain: All stages, especially Water Collection and Distribution

Time Horizon: Short term

Mitigatting Actions:

- Conduct employee engagement initiatives, implement defensive security measures, enhance internal controls, and ensure timely compliance with new circulars and regulations.

**Project Delivery Risk**

Description: Failure or delay in project delivery: This relates to committed projects that are related to service obligations and business plans.

Value Chain: All stages, especially Water Collection and Treatment, and Wastewater Conveyance, Collection, and Treatment

Time Horizon: Short to medium term

Mitigatting Actions:

- Strategic planning with LGUs, and early energization of projects as needed.



Asset and Equipment Risk

Description: Operational downtime: This refers to treatment, production, and conveyance processes being disrupted due to asset or equipment failure or breakdown.

Value Chain: All stages, especially Water Collection and Treatment, and Wastewater Conveyance, Collection, and Treatment

Time Horizon: Short to medium term

Mitigatting Actions:

- Execute planned maintenance activities and implement an integrated strategy for asset management, including shifting to Condition-Based Maintenance (CBM)



Credit Risk

Description: This is the risk that the company will incur losses if customers, clients, or counterparties fail to fulfill their contractual obligations.

Value Chain: All stages, especially Water Distribution to Households and Business Establishments

Time Horizon: Short term

Mitigatting Actions:

- Improve collection efforts by focusing on larger accounts, and manage the increasing trend in the aged/overdue accounts.



Compliance Risk

Description: This involves potential exposure to legal penalties, financial forfeiture, and material loss resulting from the company's failure to comply with industry laws and regulations, internal policies, or prescribed best practices.

Value Chain: All stages, especially Water Collection and Treatment, and Wastewater Conveyance, Collection, and Treatment

Time Horizon: Short term

Mitigatting Actions:

- Ensure compliance through continuous monitoring and proactive engagement with regulatory and government offices to address and resolve permit requirement issues.



Third Party Risk

Description: Inefficiencies of contractors, TPSPs, or consultants: These could potentially affect the company's business operations and objectives.

Value Chain: All stages, especially Water Collection and Treatment, and Water Distribution

Time Horizon:

Short to medium term

Mitigatting Actions:

- To support the increasing Capex spending for our projects, the number of qualified vendors and contractors was increased.
- Conduct regular evaluations/ performance monitoring, and foster open communication to promptly address and resolve any issues.



Procurement and Inventory Risk

Description: Risk to productivity: This risk threatens the productivity of business operations due to sourcing, delivery, cost, and quality issues.

Value Chain: All stages, especially Water Collection and Treatment, and Water Distribution

Time Horizon: Short term

Mitigatting Actions:

- Ensure minimal to no impact on sourcing and delivery of goods and services by giving longer lead time to vendors, advancing procurement, and diversifying sourcing from different vendors.
- Increase safety/buffer stocks of defined fast-moving and critical materials.



Reputational Risk

Description: Risk to credibility and reputation: This refers to the risk that the company may incur losses due to damage to its credibility, negative media reports on adverse events, including actual risk materialization or false rumors, and lack of preparedness to manage any crisis.

Value Chain: All stages

Time Horizon:

Short to medium term

Mitigatting Actions:

- Efficiently manage and communicate potential water service interruptions caused by the anticipated severe El Niño.
- Enhanced our digital communication platforms by adding a chatbot.

**Business Interruption Risk**

Description: This refers to threats that temporarily disrupt the functioning of a business, such as power outages, war, fire, etc., negatively impacting the organization.

Value Chain: All stages,

Time Horizon: Short term

Mitigating Actions:

- Annual testing and updates of Business Continuity Plans and Disaster Recovery Plans are being conducted to ensure preparedness for prompt and effective recovery, minimizing potential business disruptions
- Expansion of BCMS scope to include wastewater services

As we move forward, our focus will be on refining our understanding of time horizons, enhancing our risk categorization aligned with IFRS S1 and S2, and identifying new sustainability and climate-related opportunities. We will continue to engage with our stakeholders to gather insights and feedback on our sustainability practices. This will help us align our strategies with stakeholder expectations and improve our overall sustainability performance. We will continue implementing monitoring and reporting mechanisms to track our progress against set targets. This will ensure transparency and accountability, allowing us to make data-driven decisions and adjustments as needed. These efforts will enable us to better manage sustainability and climate-related risks, capitalize on emerging opportunities, and ensure we deliver long-term value to our stakeholders.



Sustained Earnings

[201-1]

Sustained Earnings Actual and Potential Impacts to Maynilad			
		Actual	
-	Tariff adaptation: Tariff adjustments due to political/regulatory scenario	+	Water Accessibility: Ability to provide water service access to low-income customers (through subsidies)
	Project interruption: Delays in project implementation due to the pandemic		Water Quality: Improved water quality due to investment in new technologies
		+	Employee Fulfillment: Employee satisfaction due to competitive benefits and salaries
Potential			
-	Higher Tariffs: Tariffs increasing due to higher material prices, causing burden on customers	+	Job Opportunity: Possibility of creating more jobs due to business expansion
	Environmental Influence: Environment impact due to adoption of new technologies		Water Accessibility: Improved ability to provide sustained water supply and sewerage services
	Water Shortage: Water scarcity might lead to increased costs and delays in water supply		Job Stability: Improved job security for existing employees

With focus on prudent financial management and strategic investment, we are able to fulfill our mission of providing safe and reliable water solutions to our customers. Our strong financial performance reflects our commitment to financial stability, operational excellence, and responsible management practices.

Economic Performance

Amounts are in Php million

Item / Description	2021	2022	2023
I. Direct economic value generated:	22,011	22,920	27,561
Revenue	21,950	22,875	27,323
Interest Income	46	30	222
Dividend income	15	15	16

Item / Description	2021	2022	2023
II. Economic value distributed:	13,467	15,996	15,128
Operating costs	3,947	5,609	2,837
Employee wages and benefits	2,252	2,266	2,534
Payments to providers of capital	2,133	2,301	2,534
Dividends Distributed	3,000	3,000	3,600
Payments to government	2,023	2,789	3,485
Community investments	112	29	149

In 2023, Maynilad reported net income of 9.01 billion pesos, up from 5.88 billion in 2022. We generated a direct economic impact of 27.56 billion pesos, an increase from 22.92 billion pesos in 2022.

We distributed 15.13billion pesos in economic value in 2023, out of which we paid 3.49 billion pesos to the government and 149 million pesos to community investments.

Our shareholders received a total of 3.60 billion pesos in dividends, an increase from 3.0 billion pesos in 2022.

Maynilad invested in various community engagements and donations such as W.A.S.H. initiatives which promotes water, sanitation, and hygiene to the community through educational campaigns and capacity building

programs. We also invested 3.33 million pesos in installing rainwater harvesting facilities, which serve as alternative raw water sources for irrigation.

Item / Description	2021	2022	2023
III. Economic value retained (calculated as ‘Direct economic value generated’ less ‘Economic value distributed’)	8,544	6,924	12,433
Reconciling Items:			
Depreciation Expense - Property, Plant and Equipment	-598	-486	-524
Amortization Expense	-3,982	-2,459	-2,745
Recovery from accounts written-off	6	7	10
Provision for Inventory Obsolescence	-	-70	-47
Amortization - Long-term Debt Transaction Costs	-39	-68	-30
Money Order Fees / Bank Charges	-4	-1	-1
Gain/Loss on Retirement of Fixed Assets	1	1	-2
Foreign Exchange Gain/Loss	15	23	-39
Others	-484	-809	-3,526
Provision for Income Tax - Deferred	-316	-187	-121
Distributions Declared - Internal	3,000	3,000	3,600
Net Income per Books	6,143	5,875	9,012

Our Commercial Initiatives in Infrastructure Investment and Support Services
[203-1]

Aligned with our commitment to corporate social responsibility and community engagement, we actively participate in various commercial initiatives that contribute to communities and enhance our corporate identity. These efforts reflect our ongoing dedication to supporting sustainable practices through meaningful partnerships and engagement.

Hydration Support for Samahang Basketbol ng Pilipinas - Gilas Pilipinas	PAWD Convergence	PAWD Convention	PWWA Convention	Support for the Philippine Rowing Association	PhilPop 2023	Kubeta PH - Golden Kubeta Awards	World Water Day Awards	LWUA Forum	Philippine Engineering Conventions
We support the Philippine National Basketball Team, Gilas Pilipinas, in their quest for qualifying for the FIBA World Cup 2023. During the qualifying window matches, we provided a total of 24,000 pieces of bottled water.	PAWD Convergence provides a venue for water district personnel to gather, focusing on technical sessions and sharing of best practices among water districts. Held annually, it is intended for general managers, board members, and technical personnel.	The PAWD Convention is the largest gathering of water district leaders in the country. We, along with the Water Academy, help organize and sponsor this event.	Similar to the PAWD Convention, the PWWA PhilWater Conference is an annual gathering of public and private water utilities. We are one of the presenters at this event.	We support the programs and training of the Philippine Rowing Association, contributing to the development of rowing as a sport in the Philippines.	We support the advocacy to promote Original Pilipino Music (OPM) and local songwriters.	The Kubeta PH campaign raises awareness about wastewater management and establishes us as a leader in wastewater management.	We, in collaboration with government and private organizations, celebrate World Water Day by recognizing water and environment champions.	We participate in forums like LWUA's 50th anniversary to collaborate with stakeholders in the water sector.	We support engineering conventions to promote the application of engineering principles throughout the country.
This support helps to promote basketball as one of the country's favorite sports to millions of fans nationwide.	This event enhances the knowledge and skills of water district employees, contributing to improved water management practices.	This convention promotes camaraderie and the sharing of the best practices among the country's water providers, leading to improved water service delivery.	This event allows us to discuss the latest technology and best practices in the water sector, leading to improved water management and service delivery.	Our support helps promote unpopular yet promising sports programs, unlocking other sports opportunities for Filipinos.	This advocacy aims to celebrate and preserve Filipino musical talent and heritage.	This advocacy campaign recognizes role models and best practices in wastewater management, leading to greater adoption of proper wastewater practices.	This advocacy campaign promotes best practices in water and environmental sustainability.	These forums promote our expertise and services in ensuring access to safe and clean water, fostering collaboration in the water sector.	These conventions provide exposure to the industry and foster innovation and collaboration in engineering practices.

Indirect Economic Impacts

[203-2]

At Maynilad, our Plant for Life Program reflects our commitment to accountability in our environmental and community initiatives. Through this program, we have made significant contributions to various organizations engaged in tree planting activities, promoting ecological balance and supporting local livelihoods.

City of San Jose Del Monte Yapak Tour Guides Inc. for Ipo Watershed:

We provided PHP 420,000.00 to the Yapak Tour Guides Inc., promoting environmental conservation activities within the Ipo Watershed. This initiative not only protects the environment but also generates alternative income sources for local communities.

ABS-CBN Lingkod Kapamilya's (ALKFI) Bantay Kalikasan Program for La Mesa Watershed:

We allocated PHP 275,000.00 to support ALKFI's efforts in preserving the La Mesa Watershed, a vital source of water for Metro Manila. This contribution aids in maintaining the watershed's biodiversity and ensures the continuous provision of clean water.

Mt. Balagbag Farmers Association of San Isidro San Jose del Monte City Inc. for Ipo Watershed:

With a substantial contribution of PHP 4,900,000.00, we support the reforestation efforts at the Ipo Watershed. This funding helps the farmers' association to plant and nurture trees, enhancing the watershed's capacity to sustain the water supply for the region.

Ipo Tree Planters of Norzagaray Association Inc. for Ipo Watershed:

An amount of PHP 1,583,940.00 was contributed to the Ipo Tree Planters of Norzagaray Association Inc., supporting their reforestation efforts. This funding aids in the planting and maintenance of trees, bolstering the watershed's resilience against environmental threats.

Dumagat Remontado ng Magata, Malibay, Kisampal Natural Organic Farming Organization for Kaliwa Watershed:

We extended PHP 480,000.00 to this organization, promoting reforestation at the Kaliwa Watershed. This initiative supports both environmental conservation and the socio-economic well-being of the indigenous communities.

Bantay Dagat for Coastal Areas of Cavite:

A contribution of PHP 227,395.00 was made to Bantay Dagat, focusing on the rehabilitation and protection of the coastal areas in Cavite. This initiative helps to preserve marine biodiversity and supports the livelihoods of local fisherfolk through mangrove planting.

Our Approach to Tax Governance

[207-1, 207-2]



At Maynilad, we review our tax strategy as needed, with input from the CFO, Controllership Head, and Tax Compliance Head, ensuring alignment with our business strategies and sustainable development goals. We prioritize regulatory compliance by monitoring tax submissions and keeping our team updated on tax regulations. To embed our tax approach within the organization, we encourage consultations with our Tax Compliance Section for any tax issues and discuss new tax issuances with different divisions for proper implementation. We manage tax risks through internal discussions, research, and assessments to evaluate their

impact and determine appropriate resolutions. Compliance with our tax governance and control framework is evaluated through strict monitoring of tax filings, which serve as our primary control to ensure compliance and avoid penalties. While we have not encountered concerns related to business conduct and tax integrity, we are prepared to address them should they arise. Assurance on the accuracy of our tax disclosures is provided through the yearly audit of our financial statements. External auditors work closely with our tax group to perform necessary audit procedures for tax and issue reports on supplementary information required under RR 15-2010.

Asset Management

[303-2]

Asset Management Actual and Potential Impacts to Maynilad			
Actual			
− Disposal Challenges: Gaps in disposing equipment waste due to complex regulations		+ Sustainable Asset: Continued reliability of assets and continued water supply to service areas	
− Increased Interruptions: Increased frequency of interruptions due to maintenance activities		+ Optimized Asset Performance: Reduced lifecycle costs due to improved asset performance/lesser unplanned costs	
− Decentralized Maintenance: Localized maintenance of equipment due to lack of centralized monitoring		+ Loan Versatility: Improved flexibility in loan borrowings due to optimal asset management	
Potential			
− Increased Expenses: Higher costs of maintaining obsolete, but efficient equipment		+ Longer Lifespan: Better lifespan of assets, along with reduced capital expenditure	
− Laboratory Alterations: Change in approved methods could lead to sudden replacements in the laboratory		+ Reduced Expenditures: Reduced expenditure could further reduce tariff burden on customers	
− Knowledge Gaps: Lack of awareness on managing new assets might affect operational efficiency		+ Improved Services: Improved reliability of services and attainment of service obligations	

[303-2]

Maynilad’s asset management strategy in 2023 was focused on enhancing its current water and wastewater facilities. For instance, Maynilad awarded a 998-million-peso contract to the JGC Philippines, Inc – Hitachi Asia, Ltd. Consortium for the upgrade of five of its Sewage Treatment Plants. Moreover, Maynilad is set to invest over ₱3 billion in upgrading 17 of its existing 22 STPs over the next five years. This rehabilitation and upgrade aims to meet the revised effluent standards (DAO 2021-19) of the Department Environment and Natural Resources. This initiative forms part of Maynilad’s ₱178-billion wastewater management spending plan spanning from 2023 to 2046, aimed at expanding sewer coverage and managing pollution loading in bodies of water.

We are also allocating around 4 billion pesos to upgrade and rehabilitate 22

of our existing pumping stations and reservoirs. Among the major activities planned for these 22 PSRs are retrofitting to improve structural resiliency, replacing electronic and electrical equipment to enhance pump operations, increasing reservoir capacity for better water service reliability during maintenance activities and emergencies, and upgrading of the pumps and motors to further boost water pressure. Maynilad started this upgrade project in 2023, and full completion will be in 2027.

We are also replacing a total of 477.2 kilometers of old, leaky pipes over the next five years, aligning with our program to upgrade the distribution system and reduce water losses. We have allocated over 10 billion pesos for pipe replacements projects from 2023 to 2027, to be carried out in various portions of its concession area.

We are also allocating 2.7 billion pesos from 2023 to 2027 for the Non-Revenue Water (NRW) Management Program in the City of Manila alone, where water loss is highest due to an aging pipe network and rampant illegal connections.



Technology, Innovation, and Business Growth

Technology, Innovation, and Business Growth Actual and Potential Impacts to Maynilad			
Actual			
Pending Negotiations: ROW negotiations hinder acquisition of new plants with latest technologies Environmental Influence: Minimal environmental impacts of expansion work like construction Increase Expenses: Keeping up with latest trends or innovations is not always possible due to high costs		Cost Reduction: Minimization of rectification costs, improved asset, and customer management Water Security: Use of Direct Potable Reuse Technology has improved water security Reused Water: Technology for NEW WATER Project helps reuse WRF water as potable water	
Potential			
Technological Challenges: Obsolescence of existing technologies and additional costs as a result Employee Reduction: Reductions in manpower requirements due to use of technology Cyber Security: Possibilities of cyber attacks and data privacy breaches due to online modes of functioning		Cost Efficient: Cost savings due to operational efficiency Innovative Technology: Opportunity to pioneer research on water conservation technologies Adaptability: Improved ability to adapt to climate change related impacts	

Maynilad places great emphasis on leveraging technology to enhance our water efficiency across various aspects of our operations. For instance, in 2023, we installed ultrasonic algae control equipment near our Putatan Water Treatment Plant, representing an investment of 9 million pesos. These units play a vital role in monitoring algal blooms in real-time, thereby preventing the proliferation of algae that could potentially impact the raw water quality of Laguna Lake. Additionally, they provide crucial data on raw water quality parameters and identify the types of algae present in the lake.

Furthermore, we have implemented advanced technologies such as satellite imagery and artificial intelligence (AI) to detect underground pipe leaks. Maynilad is the first water company in the Philippines to utilize this state-of-the-art technology. This initiative is part of our ongoing efforts to reduce network losses and recover more water for distribution. Through the analysis of the spectral “signature” of potable water underground over a 3,000 square kilometer area captured in satellite images, we are able to pinpoint and address potential leaks more efficiently.

Infrastructure and Service Expansion

Maynilad remains steadfast in its commitment to improving and expanding its services. In 2023, we invested over 24 billion pesos, marking a substantial increase from the previous year. This significant

investment includes 4 billion pesos allocated towards sewerage and sanitation initiatives, as well as 8.5 billion pesos for the upgrade and construction of new facilities aimed at enhancing water service levels.





WATERLab’s Role in Water Quality Monitoring

WATERLab continues to be a cornerstone of Maynilad’s commitment to water quality monitoring. With a focus on supporting Sustainable Development Goal 6 (SDG 6), WATERLab monitors 1,195 sampling points, including homes, schools, health institutions, and commercial establishments. This represents a slight increase from the 1,182 sampling points monitored last year. The number of sampling points is dependent on the number of population served by Maynilad. The laboratory has successfully passed the Department of Environment and Natural Resources - Environmental Laboratory Recognition (DENR-ELR) audits and obtained necessary licenses. In 2023, the laboratory expanded its ISO/IEC 17025:2017 scope of accreditation by being

the first accredited laboratory in the analysis of microcystin by Enzyme-Linked Immunosorbent Assay (ELISA) and geosmin and 2-Methylisoborneol (2-MIB) via Solid Phase Microextraction - Gas Chromatography Mass Spectrometry (SPME-GCMS). WATERLab is also the first water utility to conduct in-house monitoring of disinfection by-products, such as trihalomethanes, chlorates, and bromates, which further demonstrates its commitment to ensure the quality of water Maynilad supplies to its customers. Lastly, WATERLab actively engages in research collaborations and provides mentorship and capacity-building activities, further strengthening its contribution to sustainable water management.

Our Key Technology-Based Initiatives

- 01

NEW WATER Technology

Potable water sourced from wastewater, undergoing additional treatment for drinkability.
- 02

Satellite Imagery and Artificial Intelligence for Leak Detection

Detect underground pipe leaks using Asterra’s technology, capturing leakage information for fast repair.
- 03

Modular Treatment Plants (ModTPs)

Small-scale plants using Ultrafiltration and Reverse Osmosis for water treatment.
- 04

Ultrasonic Algae Control Equipment

Monitors and prevents algal blooms, solar-powered and can provide real-time data on water quality parameters and algae types.

Cybersecurity and Data Privacy

[418]

Cybersecurity and Data Privacy Actual and Potential Impacts to Maynilad			
Actual			
- Inaccurate Data: Inaccuracy in data handling as a result of lack of training	- Increased Charges: Additional cost of constant training for updating knowledge - Data Privacy: Lack of attention to data privacy could lead to loss of customer trust	+ Sustainable Asset: Continued reliability of assets and continued water supply to service areas	
		+ Optimized Asset Performance: Reduced lifecycle costs due to improved asset performance/lesser unplanned costs	
		+ Loan Versatility: Improved flexibility in loan borrowings due to optimal asset management	
Potential			
- Decision Making: Many confidentiality requirements might affect decision making	- Increased Charges: Putting in place additional cybersecurity and data privacy controls might pose a challenge to additional resources, adjustments, and processes	+ Data Security: Improves customer and community trust due to strict data security practices	
- Company Credibility: If lacking cybersecurity and data privacy, critical information and personal information can be compromised and company image and credibility would be severely affected due to online modes of functioning		+ Zero Downtime: Helps avoid loss of data and costs of downtime involved	
		+ Enhancing Compliance: Improves regulatory compliance to data security requirements	

Maynilad maintains strong cybersecurity and data privacy practices to protect our water and wastewater systems, as well as the information of our employees,

customers, and communities. Our overarching goal is to safeguard system resources and information from all forms of threats and intrusion.

Employee Training and Security Measures

Our employees undergo comprehensive training to ensure they are well-versed in our IT systems, enabling them to effectively implement various IT

projects. We have implemented stringent cryptographic security controls to mitigate risks related to data or equipment theft.



Cybersecurity and Data Privacy Incident Handling and Breach Response

We collect Personal Information for specific purposes and ensure its security. Personal Data is shared only when necessary and with consent. We retain information only as long as needed and reserve the right to modify our Privacy Policy.

Maynilad implements robust security measures to protect

Personal Information. We use Network Access Control and encryption tools to prevent unauthorized access. Personal Data is disclosed only as required by law or with consent. We retain and dispose of information securely, continuously improving our cybersecurity practices.

We have established policies and protocols for promptly handling cybersecurity incidents. Additionally, our data breach response plan ensures that accountability is clearly defined and that data privacy risks are minimized. In 2023, we received no substantiated complains regarding

breaches of customer privacy or loss of customer data. Furthermore, there were no actual loss or theft of data, and no data leaks.

Our policy framework is designed to ensure accountability and compliance with data privacy regulations. It includes the following key policies:

POLICY FRAMEWORK



Service Desk Policy
Provides guidelines for handling and resolving incidents, requests, and problems logged by customers online.



Computer Peripherals and IT Equipment Policy
Guides the acquisition, provision, usage, repair, maintenance, disposal, and donation of IT equipment.



ITS Projects Policy
Establishes guidelines for the conceptualization, start, and completion of ITS projects.



Application Maintenance Policy
Provides guidelines for system upgrades, patch updates, performance monitoring, and application change requests.



Encryption Policy
Provides guidance on the use of encryption technologies.



IT Software Management Policy
Provides guidelines for software purchase, use, installation, monitoring, and maintenance.



Internet Usage Policy
Provides guidelines for internet access provision, usage, and access revocation.



Email Usage Policy
Provides guidelines for granting, use, and removal of email access.



System Security Policy
Sets control requirements for user access, network administration, firewall management, password management, and protection of confidential information.



Server Security Policy
Sets control requirements for physical security, operating system security, account-related security, user rights policies, and file system security.

To mitigate cybersecurity risks, We implement the following high-level steps:



1. System Patching and Hardening

- Regularly patching and hardening operating systems and domain controllers.

2. Authentication and Access Control

- Strengthening and securing authentication in servers.
- Updating password policy and standard for all servers.
- Implementing multi-factor authentication for administration, social media, and all email accounts.

3. Cybersecurity Incident Response

- Implementing a plan and backing up system files.

4. Network Security

- Implementing firewall security, network segregation, and Demilitarized Zone.
- Conducting vulnerability scanning of networks and firewalls.
- Conducting internal network penetration testing and vulnerability assessment.

5. Employee Training and Awareness

- Conducting cybersecurity advisory and security awareness campaigns.
- Implementing Cyber Security Holistic Integrated Employee Liaison Defender.

Digital Transformation and Information Security

With the increasing shift to digital channels for customer interactions, we understand the importance of responsibly managing high volumes of customer data. Our Information Technology Services team oversees information security, while our Enterprise Risk Management and Internal Audit (ERMIA) division handles data privacy and protection. We have a designated Data Privacy Officer (DPO) and a Data Privacy Committee (DPC) to ensure compliance with data privacy regulations. The DPO regularly updates top management on data privacy-related information from the National Privacy Commission, while the DPC, comprising representatives from all divisions (known as Data Privacy Compliance Champions or DPC Champs), assists in implementing and monitoring data privacy initiatives



Operational Efficiency

Operational efficiency is at the core of Maynilad’s sustainability strategy, driving our efforts to transparently manage our environmental impact. By focusing on energy management and renewables, we aim to reduce our carbon footprint and transition to cleaner energy sources. Our commitment to waste reduction and recycling, exemplified by

programs like “Green Badge” and “Timbayan,” underscores our dedication to sustainable practices. To ensure the resilience of our water system in the face of climate change and natural disasters, we adopt a comprehensive approach that includes water source diversification, enhanced energy

efficiency through renewables, and advanced treatment technologies. These initiatives not only benefit our operations but also contribute to the larger goal of environmental stewardship. Our policies, such as the Quality, Sustainability, and Resiliency (QSR) Policy, and the Conservation of

Resources Policy, guide our actions and encourage responsible resource management. Our dedicated QSR team oversees sustainability performance, while individual teams monitor daily operations, ensuring that efficiency and sustainability remain paramount in all aspects of our business.

Material Topics

- 101 Supply Chain, Materials Management, and Quality Assurance
- 103 Quality and Reliability of Water Supply
- 108 Water Efficiency and Wastewater Treatment
- 113 Waste Management
- 118 Energy Management
- 123 GHG Emissions
- 127 Biodiversity Management
- 133 Environmental Compliance





Responsible Wastewater Management

In managing wastewater, we adhere to stringent effluent quality standards set by the Department of Environment and Natural Resources (DENR), demonstrating our commitment to responsible

wastewater management. Through these efforts, we aim to ensure the health of our vital water resources, thereby securing a water-secure future for the nation.

Sustainable Watershed Protection

Our commitment extends to watershed protection through initiatives like “Plant for Life,” a reforestation program that involves the planting of over a million tree saplings and mangrove propagules.

This program not only helps reduce our carbon emissions but also supports the government’s “Million Tree Challenge,” which aims to plant 100 million trees by 2030.



Supply Chain, Materials Management, and Quality Assurance [204-1, 308, 414]

Supply Chain, Materials Management, and Quality Assurance Actual and Potential Impacts to Maynilad

Actual

- | | |
|--|--|
| <ul style="list-style-type: none"> – Logistics Disruption: Manufacturing delays and logistical disruptions due to local supply challenge – Production Cost: High costs for suppliers who wish to meet ESG standards – Intellectual Property Concerns: Proprietary issues make it difficult to procure some parts/materials | <ul style="list-style-type: none"> + Precision Forecasting: Accurate forecasting of opex has been possible due to supply chain planning + Water Availability: Supply chain resiliency leads to us being able to supply water consistently + Zero Downtime: Inventory management and material availability leads to lesser equipment downtime |
|--|--|

Potential

- | | |
|--|--|
| <ul style="list-style-type: none"> – Availability of Suppliers: Challenges in the availability of accredited suppliers – Company Capacity: Increasing demand due to expansion can stretch company capacity – Supplier Evaluation: Lack of capacity to evaluate suppliers on ESG, leading to environmental impacts due to online modes of functioning | <ul style="list-style-type: none"> + Supply Availability: Continued availability of materials and improved supply reliability + Sustainable Materials: Opportunities to introduce and sustain environmentally friendly materials + Cost Efficient: Cost savings due to better supply forecasting |
|--|--|



New suppliers were screened using environmental and social criteria

78%



New Supplier were assessed for environmental and social impacts

73



Spending on local procurement

97%

Vendors play a vital role in meeting our company’s objectives by ensuring the availability of goods and services that meet our stringent quality standards. At Maynilad, our policy provides a robust framework to effectively manage vendor relationships, minimizing the risk associated with these engagements.

Maynilad sources its materials from both Philippines-based companies and overseas companies. In 2023, we spent 97% of our procurement budget on local suppliers, amounting to 4.72 billion pesos, while we spent 152.56 million pesos on overseas suppliers. This also reduces scope 3 emissions due to lower transportation-related emission

Our supply chain includes 598 total suppliers, with 569 local-based suppliers and 29 suppliers located overseas. Maynilad diligently monitors vendors’ credentials, qualifications, and quality of work. Additionally, all vendors are

required to submit anti-fraud declaration to ensure integrity and transparency in our procurement processes.

Supplier Assessment

In 2023, we assessed 73 out of 94 new suppliers for environmental and social impacts. There were no cases of suppliers with significant actual and potential negative environmental and social impacts. Additionally, there were also no suppliers identified as having significant actual and potential negative environmental and social impacts requiring improvements as a result of the assessment.



Quality and Reliability of Water Supply

[303-1, 303-3]

Quality and Reliability of Water Supply Actual and Potential Impacts to Maynilad			
Actual			
− Water Interruptions: Power supply issues led to interruptions in supply and customer complaints		+ Water Quality: Better access to clean and potable water for more customers	
− Production Cost: Additional costs are involved in implementing water quality initiatives		+ Health and Safety: Reduction in malnutrition and related disorders from lack of clean water	
		+ Economic Growth: Improvement in local economic growth due to better availability of clean water	
Potential			
− Penalties: Possibility of penalties in case of noncompliance to service obligations		+ Customer Fulfillment: Customer satisfaction due to improvement in their quality of lives	
− Production Costs: High costs of producing safe and high quality water		+ RTW Adaptation: Increased acceptance for reused treated water as potable water	
− High Expenditure: New quality technologies could increase prices and burden customers due to online modes of functioning		+ Health and Safety: Improvement in overall health due to fall in water related disease	

Interactions with Water as a Shared Resource

Maynilad utilizes several water sources, primarily the Angat-Ipo Dam, Laguna Lake, and deep wells, to meet water demand. We also incorporated the conversion of treated effluent to potable water and the utilization of Cavite dams as additional water sources. Our infrastructure includes 8 water treatment plants, 39 pump stations, 39 reservoirs, and over 11,000 km of water pipes to distribute potable water to our customers. In 2023, water withdrawal from different sources such as surface water, groundwater and third party water, increased slightly due to the operation of Anabu ModTP and third party water withdrawal.

WATER WITHDRAWAL

Megaliters (ML)

	2021	2022	2023
Surface water	1,008,125	1,000,184	1,021,410
Groundwater	79	391	549
Third Party Water	Not Applicable	Not Applicable	5,562

Maynilad also ensures compliance with stringent effluent quality standards set by the Department of Environment and Natural Resources (DENR). Our performance, service standards, and rates are subject to regular audit under the concessionaire agreement. The National Water Resources Board (NWRB) monitors and regulates Maynilad’s activities in the Angat-Ipo System, ground water sources, and Cavite dams. Meanwhile, our activities in Laguna Lake are supervised by the Laguna Lake Development Authority (LLDA).

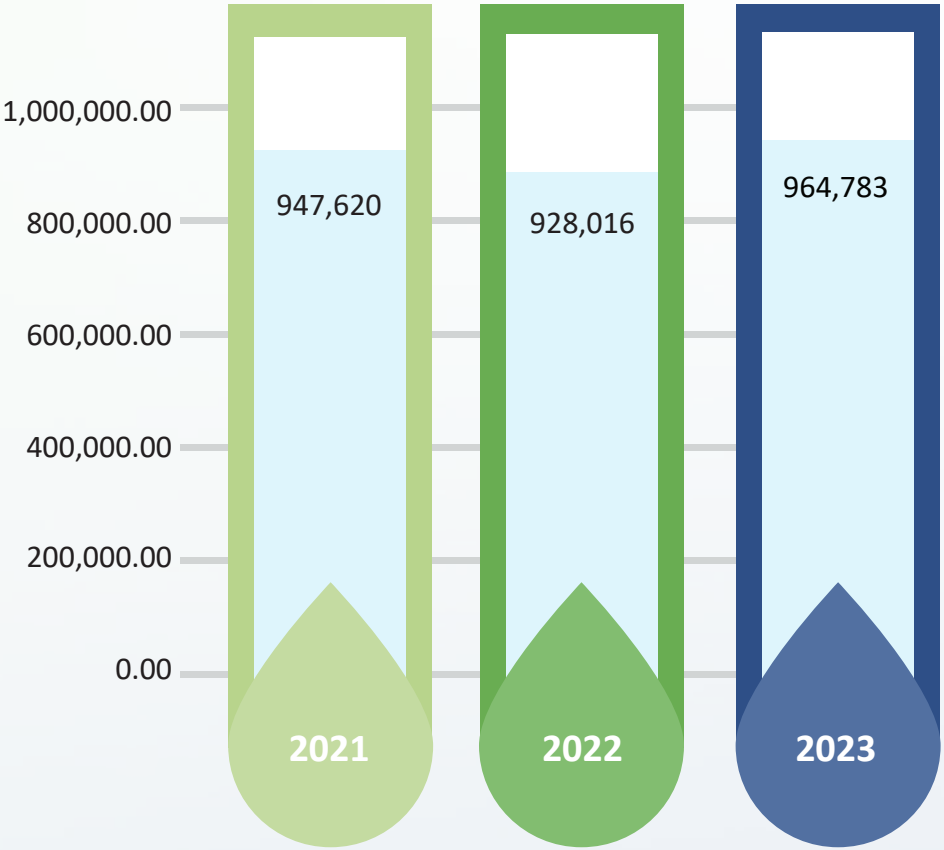
We identify and address water-related impacts through public

consultations and compliance with Environmental Management and Monitoring Plans, working closely with regulators, local government units (LGUs), government agencies, NGOs, and private organizations. Our operations adhere to the guidelines of Department of Health (DOH) and DENR through the Philippine National Standards for Drinking Water (PNSDW) and DAO 2016-08 and DAO 2021-19 standards. Collaborative partnerships with suppliers and vendors help us continuously improve water management practices.



PRODUCED WATER

Megaliters (ML)



In 2023, Maynilad made substantial investments to enhance the quality and reliability of its water supply, a crucial endeavor during the dry season and amidst the ongoing El Niño phenomenon. As climate variability continues to impact water levels at dams and other sources, ensuring a stable water supply for customers remains a top priority.

In 2023, Maynilad produced 964,783 million liters (ML) of water, marking a 4.0% increase from 928,016 ML produced in 2022. This growth signifies the company’s ongoing efforts to enhance water supply capabilities and infrastructure.

The upward trend in water production is crucial for addressing the increasing demand for clean and reliable water. It underscores Maynilad’s dedication to improving water accessibility and sustaining the growing population and address the water needs of its service areas effectively.

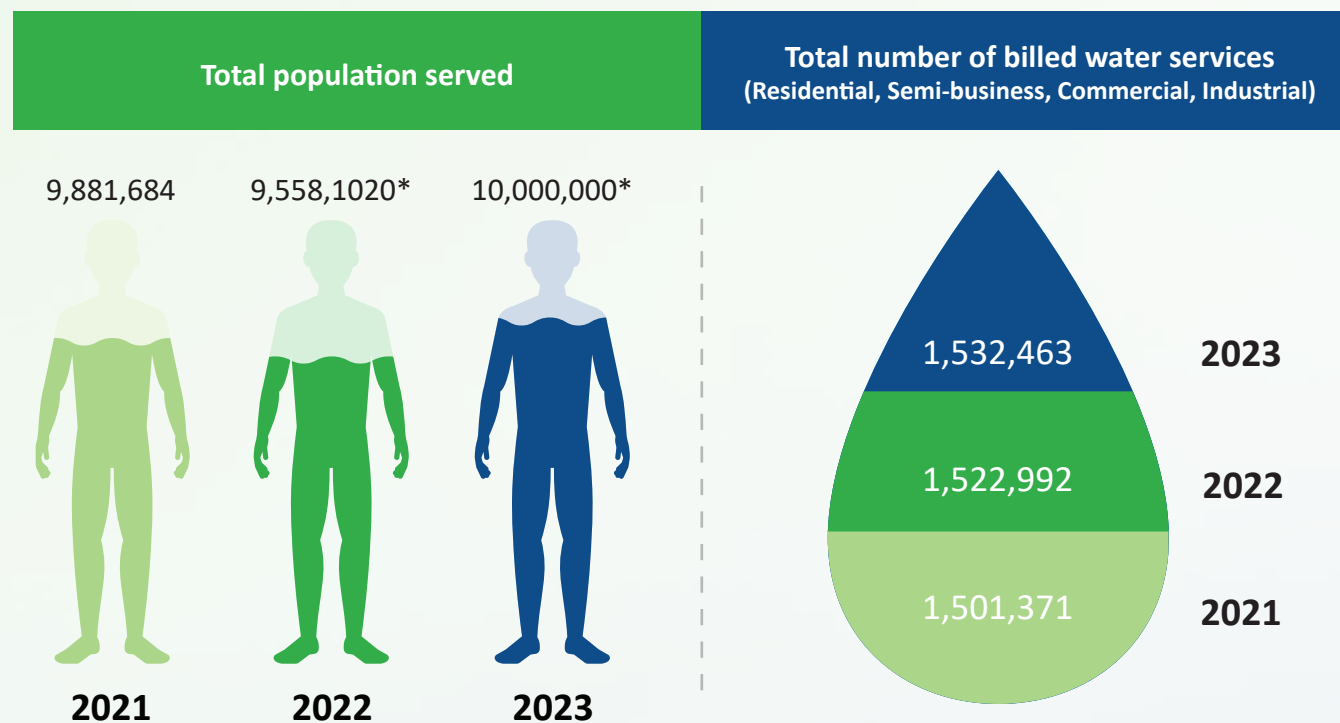
Produced water refers to the total water produced by our treatment plants.



Water Utility Specific Metrics

In 2023, Maynilad increased its population served by 4% to 10 million and supplied 964,782.81 m3 of water. We are committed to providing safe, affordable, and sustainable water solutions, continually enhancing our infrastructure to meet the growing demands of the Greater Metro Manila Area.

WATER METERING



**This is based on the new service coverage methodology agreed between MWSS and the concessionaires rooted in best practices and reporting standards across Asian countries*

Initiatives and Investments for Securing Water Supply

Expanding Storage Capacity for Improved Supply

To further improve supply availability and pressure, we are adding 211 megaliters of water-storage capacity by 2026. This will be achieved through the construction of four new reservoirs in different locations, representing an investment of 2.8 billion pesos. This increased storage capacity will not only improve the reliability of the water supply but also ensure that customers in elevated areas have access to adequate water resources.

New Water Solutions

Looking ahead, we are committed to investing 5.7 billion pesos in the construction of five NEW WATER treatment plants in four cities by 2027. These plants will utilize innovative technologies to produce NEW WATER, a potable water supply sourced from treated wastewater. Once operational, these plants will have a combined capacity of 97 MLD, serving nearly 400,000 customers and ensuring a sustainable water supply for the future.

Developing Alternative Water Sources

In 2023, we inaugurated the 11 billion pesos Poblacion Water Treatment Plant (WTP) in Muntinlupa City. This state-of-the-art facility, drawing water from Laguna Lake, has the capacity to produce 150 MLD at full capacity, serving around one million customers in Parañaque, Las Piñas, Muntinlupa, and Cavite. Additionally, the Anabu Modular Treatment Plant (ModTP) commenced operations, serving customers in Imus, Cavite, and highlighting our commitment to developing alternative water sources to ensure long-term water security.

Water efficiency and Wastewater Treatment

[303-1, 303-2]

Water efficiency and wastewater treatment Actual and Potential Impacts to Maynilad	
Actual	
− Inconsistent Supply Recovery: Gaps in efficient translation of supply recovery into actual water savings	+ Water Quality: Improved water quality, environmental pollution abatement and compliance with laws and regulations.
− Production Cost: Risk of increased costs of making potable water available	+ Water Conservation: Conservation of water due to recycling of wastewater
− Increased NRW Production: Possibility of increased generation of non revenue water	+ Water Rehabilitation: Contribution to rehabilitation of Manila Bay and other waterways
Potential	
− Social Influence: Potential of inhabitants being affected due to dam construction	+ Compliance: Improved regulatory compliance over a period of time
− Elevated Costs: Increase in costs of wastewater treatment might increase the cost of potable water	+ Environmental Influence: Health risk avoided due to pollution abatement, water conservation
− Inadequate Awareness: Lack of proper awareness could delay wastewater projects and lead to pollution	+ Water Efficiency: Improved water efficiency, reallocation for water resources to underserved areas

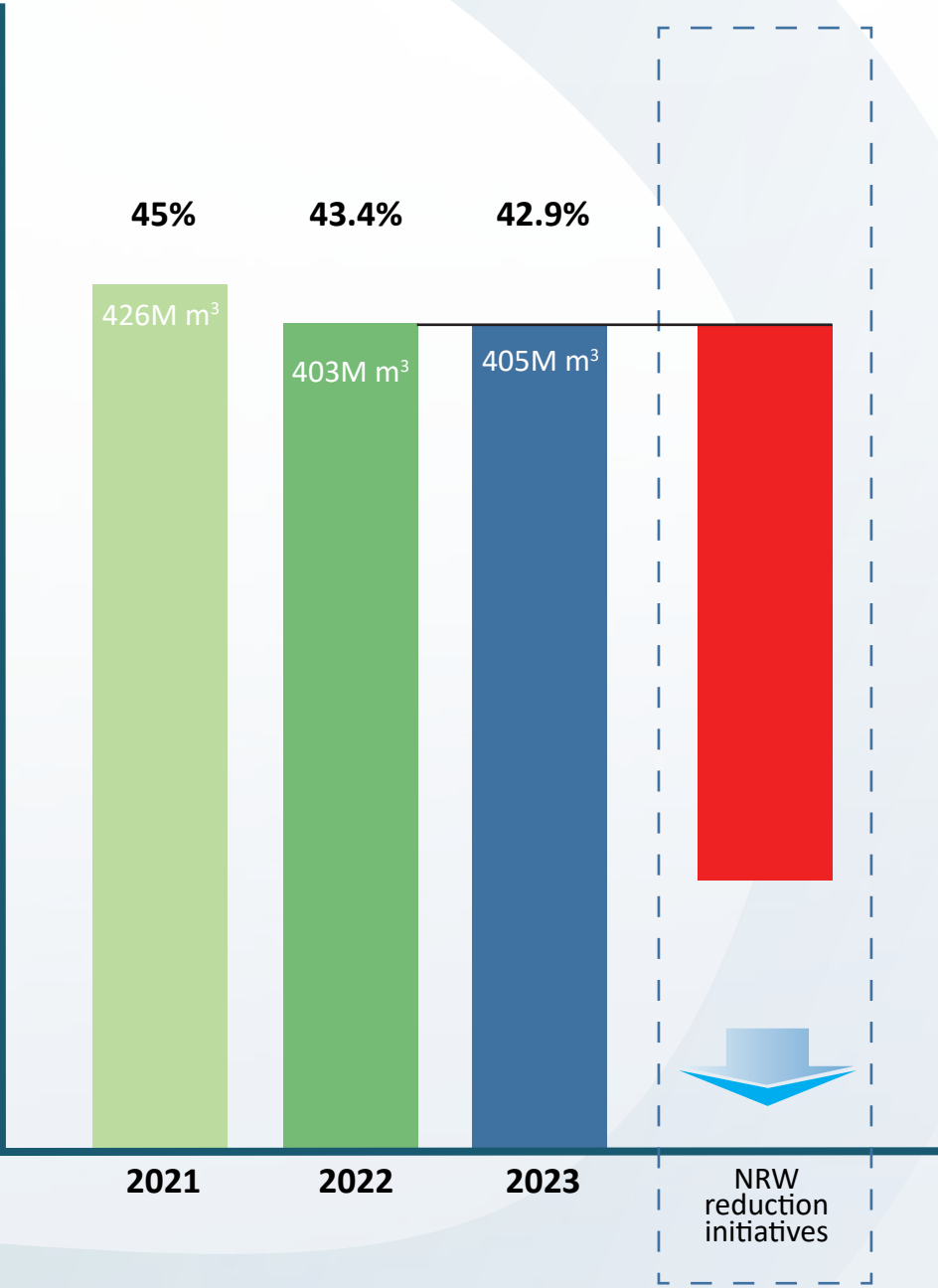
Water efficiency is a key focus of Maynilad’s operational strategy. As cities in the Philippines rapidly grow and urbanize, the demand for water increases, requiring significant effort from water providers to meet customer needs sustainably. At Maynilad, we believe that delivering water efficiently benefits our business, customers, and the environment. Efficient processes reduce operating costs and energy consumption, leading to cost savings for our customers and helping to preserve freshwater supplies while reducing our GHG emissions.

We provide water and wastewater services to over 17 cities and municipalities in the West Zone of the Greater Metro Manila Area. Committed to offering safe, affordable, and sustainable water solutions, Maynilad has ongoing projects to rehabilitate major water treatment facilities and groundwater sources, construct new water treatment and modular treatment plants, and to significantly reduce the non-revenue water. Through these efforts, we strive to enhance our water management practices and ensure the sustainability of this vital resource.

Non-Revenue Water (NRW) Program

Maynilad aggressively pursues strategies to reduce water losses through our NRW program. In 2023, we aimed to reduce water losses by 162 million liters per day by repairing 36,000 pipe leaks and replacing 180 kilometers of old pipes. We invested over 4 billion pesos in NRW reduction initiatives, as a result Maynilad was able to

recover around 47 million liters per day in the first quarter of 2023. This recovered volume is enough to serve around 241,000 individuals. Our NRW management has effectively reduced Total NRW in the West Zone from 68% in 2006 to 42.9%, with a target to lower it to 20% by 2030.



We achieved a reduction in our total Non-Revenue Water (NRW) by 0.5% in 2023 compared to the average in 2022. In 2023, we transitioned from reporting NRW from District Metered Area (DMA)

level to reporting at the total NRW level. Total NRW calculation reflects the difference between the volume of treated water produced and the billed volume, accounting for losses in the distribution system

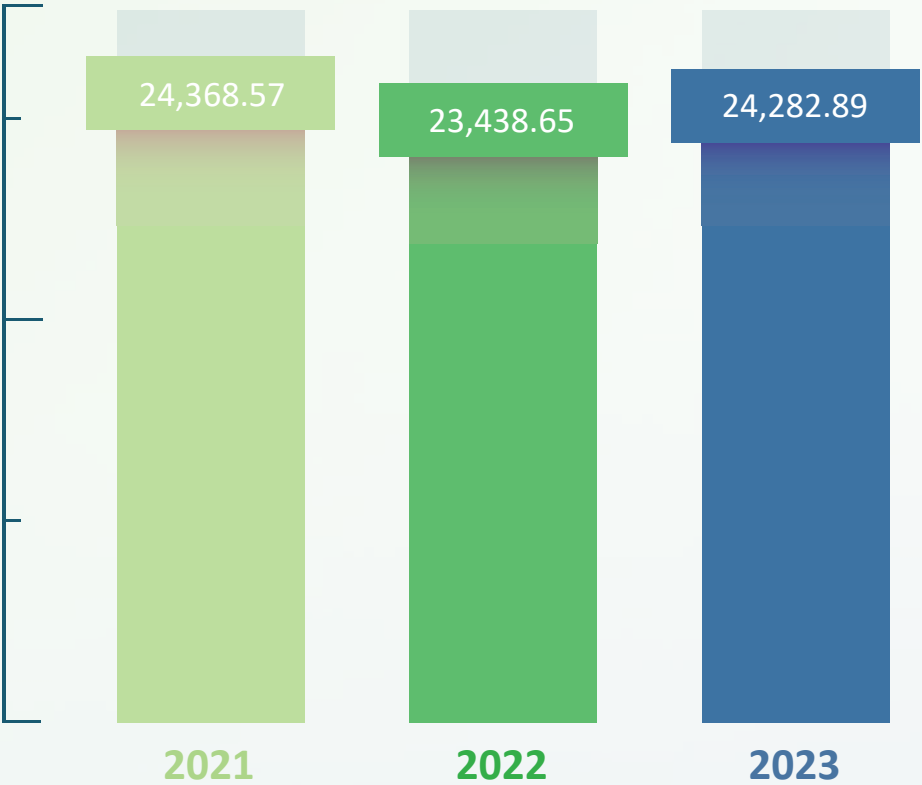
Water Conservation, Reuse, and Recycling

Maynilad is dedicated to efficient water management practices, ensuring strict compliance with National Water Resource Board (NWRB) and Laguna Lake Development Authority (LLDA) allocations. Our Water Supply Operations (WSO) division meticulously manages the water supply within these allocated limits ensuring efficient use of available resources. In addition to our water supply management, our Wastewater Management Division upholds rigorous wastewater management standards in line with DENR regulations. We continuously enhance our sewage treatment

plants to meet new standards and reduce effluent discharge by converting treated effluent into potable water reuse. In 2023, we continue to implement our potable water reuse program, which converts treated effluent into potable water. This initiative aims to bolster our current water supply to meet growing demand while promoting a circular economy. Through this program, we successfully recycled and reuse more than 24,000 ML of water in 2023.

WATER RECYCLED AND REUSED

Megaliters (ML)



Wastewater and Sanitation Metrics

These metrics highlight our efforts to expand and maintain our sewerage and sanitation infrastructure. The number of new connections, extensive septic tank desludging, and sewer line cleaning demonstrate our commitment to public health and environmental protection. With more than 68 billion liters of wastewater treated, 23% coverage for sewerage and 64% coverage for sanitation, Maynilad continues to

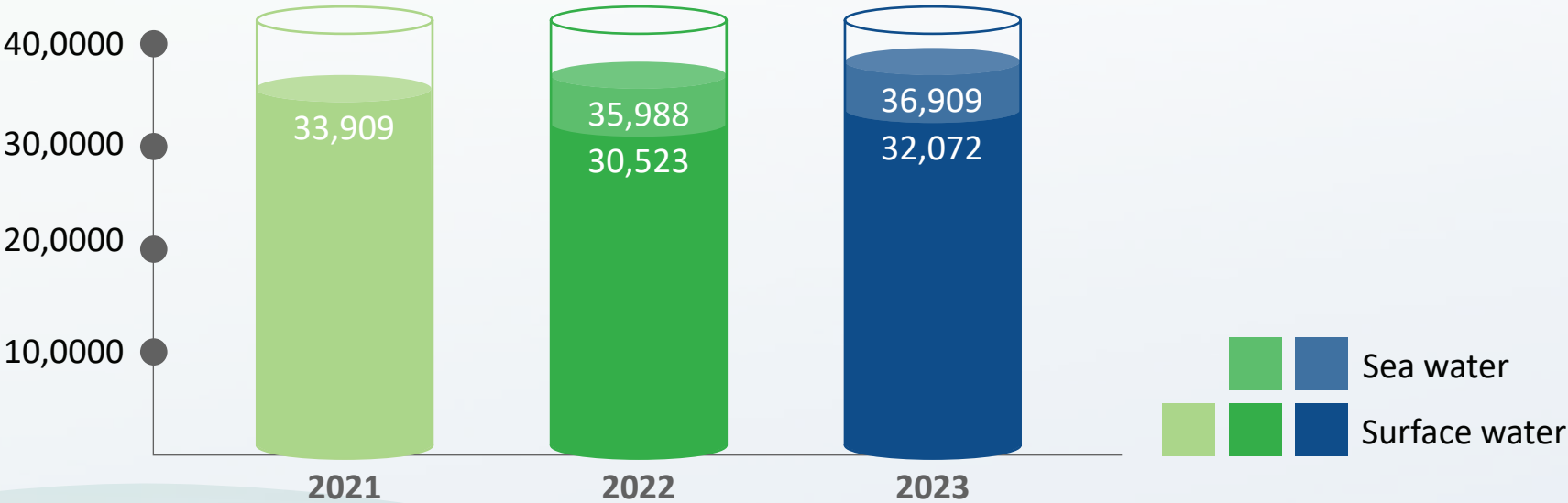
ensure sustainable wastewater solutions for the West Zone of Greater Metro Manila.

In providing essential sewerage and sanitation services, Maynilad ensures compliance with DENR effluent quality standards. We oversee a comprehensive wastewater infrastructure and continuously upgrade our treatment plants. In 2023, we discharged 68,981 ML of effluent into

surface water and sea water and expanded our sewage and sanitation coverage, significantly impacting the health and environment of our communities. By adhering to strategies such as upgrading of wastewater facilities and continuously improving our processes, Maynilad remains committed to ensuring efficient water management and contributing to the sustainability of our precious water resources.

WATER DISCHARGE BY DESTINATION TYPE

Megaliters (ML)



Wastewater and Sanitation Metrics for 2023



73,418

Septic tanks desludged



6,611

Sewer manholes cleaned



433

Sewer lines cleaned (km)



68,981

Volume of treated wastewater (million liters)



8,248

New domestic sewer service connections



208

New non-domestic sewer service connections



*23%

Sewerage Coverage



*2,216,689

No. of people with sewer cover



*64%

Sanitation Coverage



6,233,469

No. of people with sanitation cover

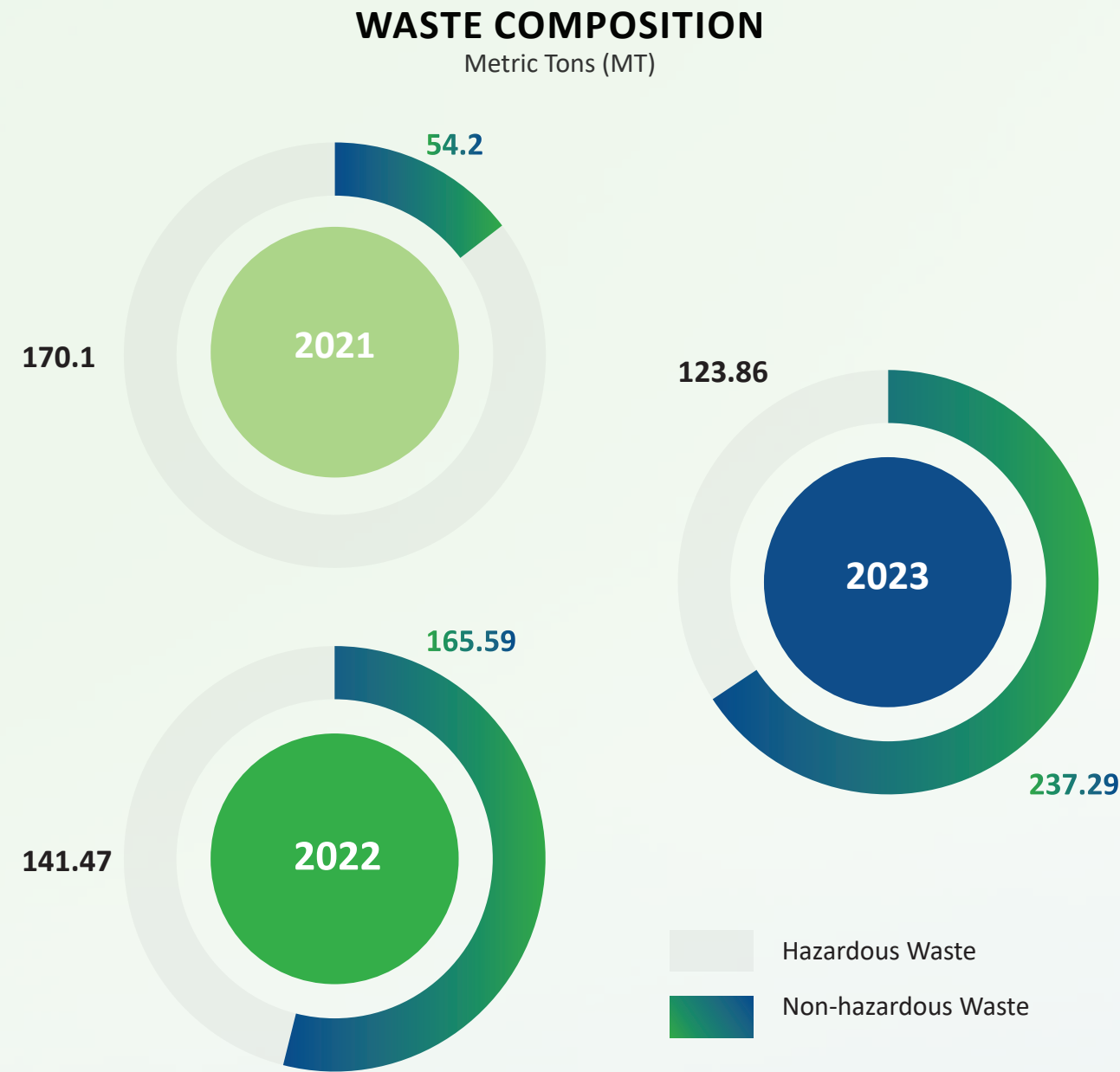
**This is based on the new service coverage methodology agreed between MWSS and the concessionaires rooted in best practices and reporting standards across Asian countries*

Waste Management

[306]

Waste Management Actual and Potential Impacts to Maynilad

Actual	
– Interrupted Disposal: Delayed waste disposal/storage due to logistical issues	+ Waste Compliance: Aids in compliance to regulatory requirements and prevents pollution
– Inefficient Disposal: Poor cost effectiveness of certain waste management procedures	+ Water Efficiency: A portion of the treated wastewater was recycled to produce potable water instead of being discharged
– Penalties: If waste management is not efficient, it could lead to penalties for violations	+ Enhanced Reputation: Improved reputation among stakeholders due to innovative waste management
Potential	
– Improper Procedures: Improper handling of hazardous waste could be detrimental to human health	+ Waste Diversion: Diversion of waste from water bodies
– Coping Deficiencies: Gaps in coping with changing regulations could cause pollution due to non-compliance	+ Cost Efficiency: Opportunity to set an example cost savings due to responsible waste management for other companies
– Increased Electric Consumption: High level of electricity consumption for treating waste to pollution	+ Cost Efficient: Cost savings due to responsible waste management/recycling



Maynilad actively manages its waste to minimize its impact on the environment and communities we serve. Our operations involve withdrawing water from sources for various activities such as water treatment, wastewater treatment, and facility operations.

The outputs include the distribution of potable water and discharge of treated effluent. While most of our impacts stem from waste generated within our operations, there are also downstream impacts, notably the wastewater from our customers.

Our waste generation data from 2021 to 2023 indicates a mix of non-hazardous and hazardous wastes, with fluctuations in quantities over the years. The breakdown reveals various categories of hazardous waste, highlighting areas where targeted efforts may be needed to minimize environmental impact.

Breakdown of Waste Generation (Metric Tons)

Hazardous Waste	2021	2022	2023
Wastes with Cyanide	0	0.04	0.014
Acid Wastes	7.37	25.66	14.70
Alkali Wastes	0.03	0.17	17.68
Wastes with Organic Chemicals	32.23	28.39	18.85
Inks/Dyes/Pigments/Paint/Resins/Latex/Adhesives/Sludge	3.36	6.34	11.40
Waste Organic Solvents	0.46	0.38	0.55
Oil	76.22	40.76	38.60
Containers	30.82	16.94	7.91
Miscellaneous Wastes	19.57	22.79	14.140
TOTAL	170.1	141.47	123.86

Non-Hazardous Waste	2021	2022	2023
Recyclables	16.71	21.34	12.52
Residuals	11.41	15.96	13.21
Biodegradables	26.08	30.20	27.01
Others (Biosolids)	-	98.09	184.55
TOTAL	54.2	165.59	237.29*

**The increase in the total non-hazardous wastes was due to the increased generation of biosolids from La Mesa Treatment Plant - Sludge Treatment Facility (STF)*

Circularity Initiatives

To reduce waste generation and manage its impacts, we have implemented various circularity measures and waste management practices. Programs such as the “Green Badge” and “Timbayan” are key initiatives. The “Green Badge” program upcycles employee uniforms, reducing the need for new materials, while “Timbayan” aims to repurpose plastic containers. We also encourage the reuse of paper and office supplies and promote paperless billing among customers.

Concrete Actions Taken

Recycling Treated Wastewater

A significant step towards a circular economy is our recycling of treated wastewater, converting it into potable water supply. This initiative not only reduces waste but also conserves precious water resources, contributing to a more sustainable future.

Responsible Waste Disposal

For waste disposal, non-hazardous wastes are managed through local government services, while hazardous wastes are disposed of by DENR-accredited transporters and treaters, in accordance with RA 6969 and DAO 2013-22. We ensure that third parties comply with all contractual and legislative obligations.

Transparency in Reporting

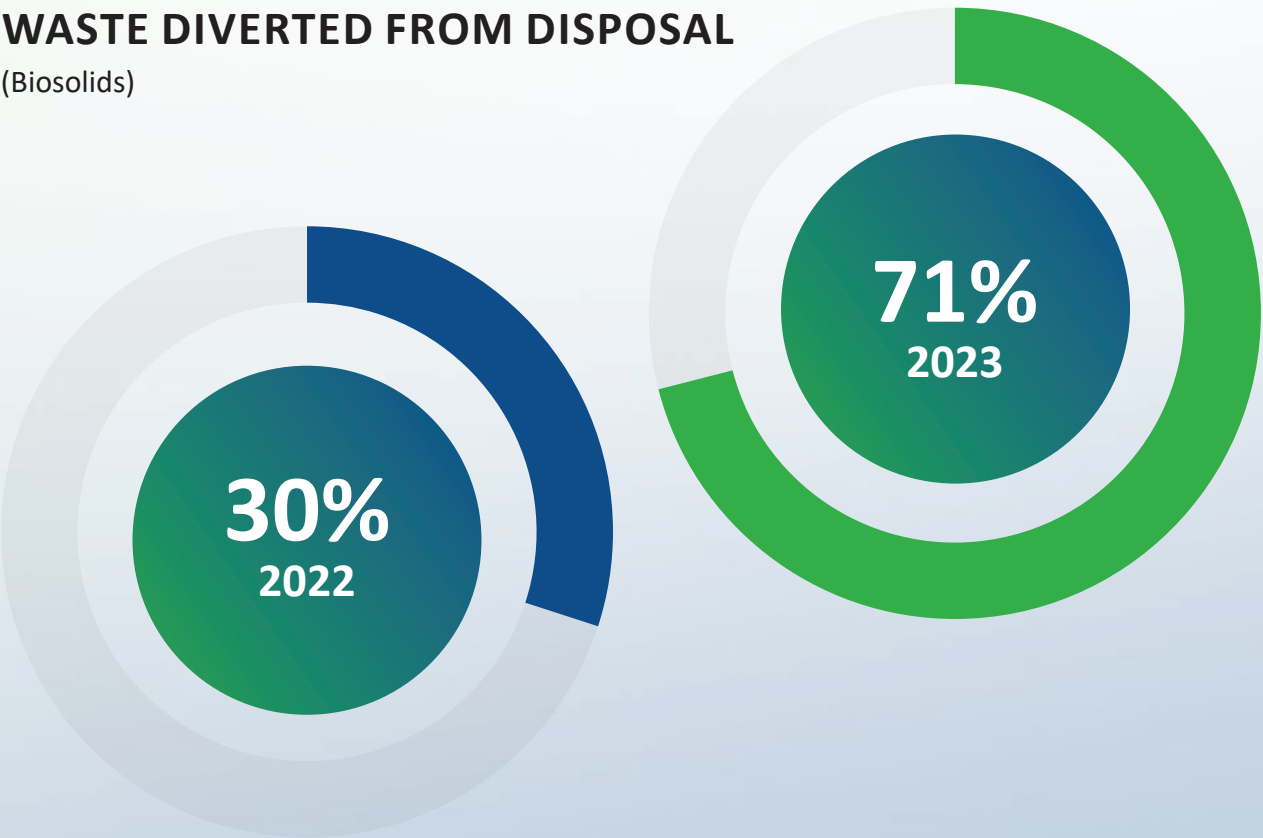
Our waste data is meticulously collected and monitored per facility, using specific forms to track the quantity of generated and stored wastes. This data is reported to the DENR-EMB through quarterly Self Monitoring Reports, demonstrating our commitment to transparency and accountability in our waste management practices.

Progress in Biosolids Recycling

In 2023, 71% of the total non-hazardous wastes generated, which are biosolids, a byproduct of water and wastewater treatment process, was diverted from disposal. The biosolids are hauled from Maynilad facilities by third-party service provider and further used as soil conditioner. This is a significant increase in the diverted wastes compared to 30% in 2022. This reflects our continuous efforts to improve waste management and reduce our ecological footprint. Our Operations and Sustainability Team, in collaboration with relevant stakeholders, ensures comprehensive waste management practices, aligning with our commitment to reduce environmental impact and promote a circular economy.

WASTE DIVERTED FROM DISPOSAL

(Biosolids)



Energy Management

[302-1, 302-3, 302-4, 302-5]

Energy Management Actual and Potential Impacts to Maynilad			
Actual			
-	Insufficient Knowledge: Awareness gaps in effectiveness of energy management techniques in long run	+	Cost Efficient: Prudent and efficient allocation of funds for energy use
	Insufficient Instrument: No infrastructure to monitor real time energy consumption, inadequate visibility		Production Cost: Reduced operational costs due to energy efficiency and RE promotion
	Increased Expenses: Incurring of fuel cost recovering adjustment		Increased Opportunity: Opportunity to explore energy efficient wastewater treatment technologies
Potential			
-	Power Interruption: Dependency on grid energy could impact operations if power cuts occur	+	Waste Diversion: Diversion of waste from water bodies
	Environmental Influence: Energy requirements of wastewater treatment could lead to increased emissions		Cost Efficiency: Opportunity to set an example Cost savings due to responsible on waste management for other companies
	Penalties: Fines and penalties in case changing energy regulations are not met		Cost Efficient: Cost savings due to responsible waste management/recycling



At Maynilad, we are committed to sustainable energy management as part of our broader environmental stewardship efforts. Our energy management strategy focuses on enhancing energy efficiency, reducing our reliance on fossil fuels, and transitioning to renewable energy sources. We have implemented a range of initiatives and comprehensive systems to monitor and reduce our energy consumption.

Energy Efficiency Initiatives

We have a number of initiatives in place across our facilities to promote energy efficiency. These initiatives include:



Regular Maintenance:
Ensuring lights and air-conditioning units are regularly cleaned to maintain optimal performance.



Energy Usage Policies:
Implementing a “No Air Conditioning” policy during weekends and holidays, unplugging unused appliances, turning off unnecessary lights, replacement of motor controller/drive to VFD, use of inverter type air conditioning units, and avoid idling of service vehicle.



Monitoring Systems:
Utilizing comprehensive systems to track our energy consumption and monitor energy reduction.

These efforts contribute to our goal of minimizing energy use and enhancing operational efficiency, although the exact energy savings from these initiatives have not been separately quantified.

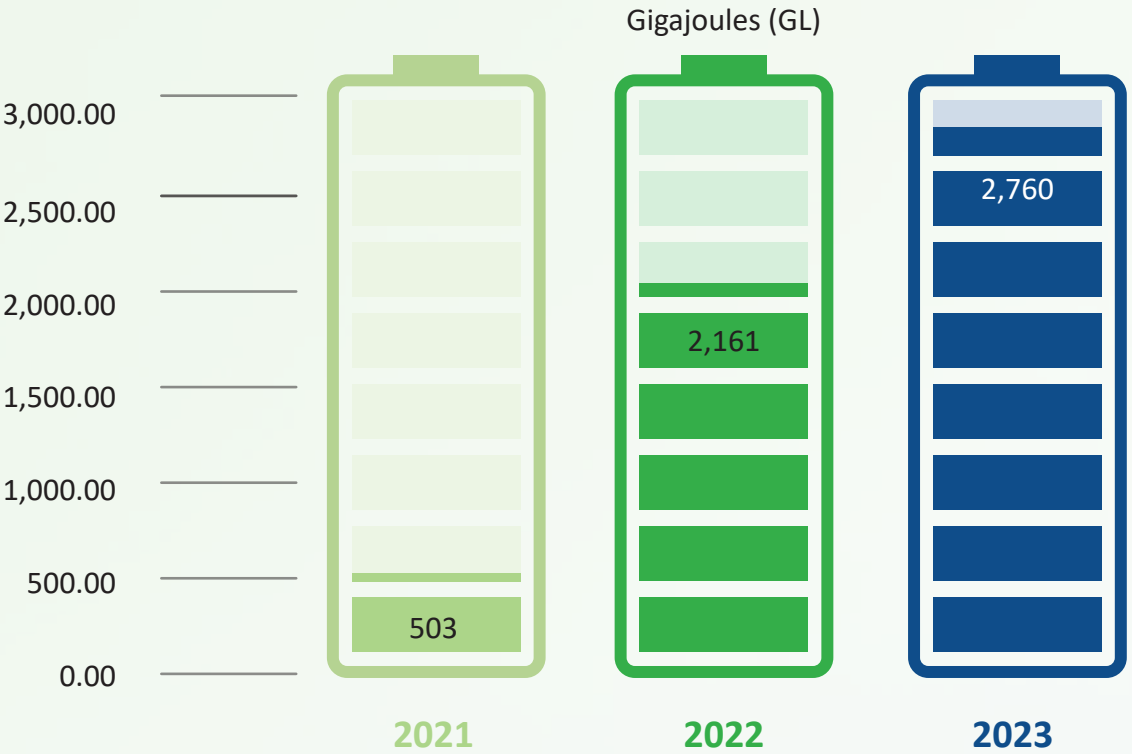
Shift to Renewable Energy

In our continuous effort to reduce dependence on fossil fuels, we have adopted alternative energy options such as solar power. In 2023, we sustained our shift to renewable energy by commissioning our second solar farm, significantly increasing our use of solar energy from 2,160.92 GJ in 2022 to 2,760.14 GJ.

In line with our goal of achieving carbon neutrality by 2037, we are expanding our solar portfolio and securing additional renewable energy supplies. Maynilad plans to establish another one-megawatt solar plant within its facilities. This new plant will complement

our existing two-megawatt solar photovoltaic (PV) farm at La Mesa compound in Quezon City. The first one-megawatt solar farm was energized in June 2021, followed by the completion of the second solar plant last year. Maynilad invested P100 million in the first solar farm,

RENEWABLE ENERGY (SOLAR)



which covers an 8,250-square-meter area, and the second plant spans 12,157.30 square meters. Our long-term strategy involves purchasing renewable energy power, with an interim focus on generating our own renewable

energy. Starting 2024, we aim to source 5% to 10% of our power requirements from renewables, with a target of 35% to 50% by 2037, aligning with the Department of Energy’s renewable energy roadmap.

Energy Consumption Overview

In 2023, our total energy consumption was 719,488 Gigajoules (GJ), an increase from 713,747 GJ in 2022. A decrease in the consumption of diesel and an increase in gasoline can be attributed to the re-fleeting of service vehicles.

ENERGY CONSUMPTION

Gigajoules (GJ)

	2021	2022	2023
Non-renewable energy	724,348	711,586	716,727.87
Renewable energy (solar)	503	2,161	2,760
Total energy consumption	724,851	713,747	719,488



NON-RENEWABLE SOURCES

Gigajoules (GJ)

	2021	2022	2023
Diesel	73,433.00	81,157.67	45,615.11
Gasoline	-	6,772.37	23,329.07
Electricity	650,915.00	623,655.93	647,783.69

Energy Intensity

[302-3]

In 2023, we achieved a slight reduction in our energy intensity ratio, which decreased to 47.13, even as we continued to expand our services. This was driven by the implementation of effective energy management practices in accordance with our ISO 5001:2018 certifications. Notably, we expanded the number of our EnMS certified sites from 10 to 12 facilities, marking our commitment to

energy efficiency.

To measure our energy efficiency, we calculate the energy intensity ratio which is determined by converting our electricity (kWh) and fuel (Liters) consumption into a common unit (Liters of Oil Equivalent, LOE), divided by the total volume of water production and wastewater treated in million liters (ML).

ENERGY INTENSITY

	2021	2022	2023
Energy intensity ratio (LOE/ML)	42.94	47.67	47.13

The conversion factors used are provided by the Department of Energy (kWh = 0.261 (Grid), kWh = 0.11 (Solar), liters of gasoline = 0.847, and liters of diesel = 0.924).



Green Journey

Looking ahead, we at Maynilad remain committed to enhancing our energy management practices. Our focus will be on further increasing our use of renewable energy sources, continuing to implement and improve energy efficiency initiatives, and developing more precise tracking and reporting mechanisms to quantify the impact of our energy-saving activities.

Additionally, we have started piloting the use of electric vehicles (EVs) for our

operations, in line with our commitment to gradually shift towards the use of “green” transportation to further reduce greenhouse gas emissions. We plan to eventually shift our fleet to 50% EVs, or around 413 units, as part of our strategy to achieve carbon neutrality by 2037. An initial batch of three electric vehicles was recently turned over to us for utilization during the reporting year, while a second batch of 41 units will be made available over the next five years.

GHG Emissions

[305]

GHG Emissions Actual and Potential Impacts to Maynilad			
Actual			
-	Increased Emissions: Increase in carbon emissions due to setting up of new facilities	+	Power Efficient: Lower power consumption and electricity bills
	Production Costs: Using alternative energy for producing water is costly in the short term		Heightened Awareness: Operational awareness and alignment to GHG emissions reduction program
	High Tariffs: Increase in tariff due to increased costs from switching to alternative energy		Company Image: Recognition from the society on efforts to promote GHG emissions reduction
Potential			
-	Inattentiveness: Improper handling of wastes due to lack of awareness could lead to more emissions	+	Improved Air Quality: Improved air quality due to efforts to reduce GHG emissions
	Increased Expenses: High costs associated with maintaining sustainable energy practices		Efficient Tracking: Helps monitor our GHG emissions and achieve our reduction targets
	Insufficient Knowledge: Gap between company initiatives and public understanding of climate change		Health and Safety: Reduction in potential health hazards as a result of pollution caused by emissions



Maynilad has set ambitious targets to achieve climate neutrality by 2037. Key initiatives include increasing renewable energy usage, expanding our electric vehicle fleet, and implementing nature-based solutions. These targets align with our commitment to reducing our carbon

footprint and contributing to a more sustainable future. Our commitment to transparency and sustainability is evident in our GHG emissions reporting and reduction efforts. By establishing a strong foundation,

leveraging accurate calculation tools, defining clear organizational boundaries, and embracing comprehensive approaches, we are driving towards our goal of climate neutrality and a greener, more sustainable future for all.

Our Approach:

Our approach to defining organizational boundaries is based on operational control, encompassing emissions within the regulated activity of Maynilad. This approach allows us to account for emissions accurately, focusing on areas where we have direct control and influence.

Since 2009, we have tracked and reported our greenhouse gas (GHG) emissions, establishing 2009 as our base year. This base year has been externally verified to meet the rigorous standards of the ISO 14064-1 standard, providing us with a solid reference point to measure our progress and improvements over time.

GHG EMISSIONS

Metric Tons CO2et

	2021	2022	2023
Direct (Scope 1)	14,514.96	20,876.77*	29,115.37
Energy Indirect (Scope 2)	103,151.02	99,949.23*	101,134.82
Other Indirect (Scope 3)	0	8.15*	14.97

**Updated the values to reflect the changes on the calculation method as cited during the GHG verification audit.*

GHG Emission intensity ratio for the organization (tCO2e/ML)	2021	2022	2023
	0.12	0.13	0.13

Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

Significant air emissions, in Metric Tons	2021	2022*	2023
Nitrogen Oxides (NOx)	334.26	340.95	302.15
Sulfur Oxides (SOx)	2,398.26	2,331.75	2,357.93
Persistent Organic Pollutants (POPs)	-	-	-
Volatile organic compounds (VOCs)	10.07	10.76	6.84
Hazardous Air Pollutants (HAPs)	-	-	-
Particulate matter (PM)	3.95	4.5	2.55
Carbon monoxide (CO)	38.89	42.15	40.82

**Updated the values to reflect the changes on the calculation method as cited during the GHG verification audit*

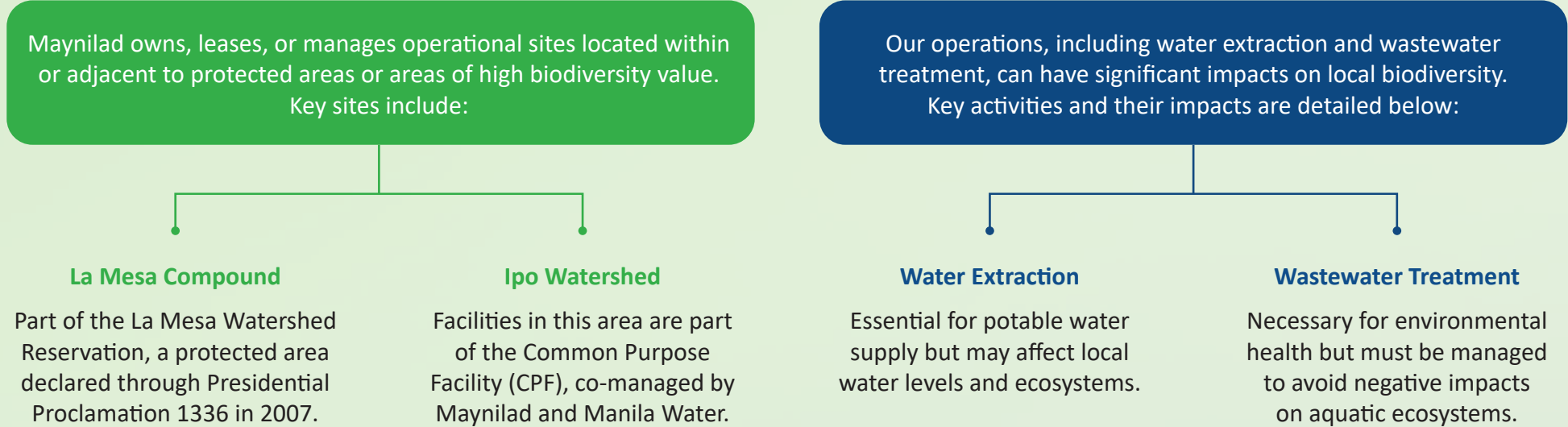
Biodiversity Management

[304]

Biodiversity Management Actual and Potential Impacts to Maynilad	
Actual	

Maynilad recognizes the critical importance of biodiversity and ecosystem health in maintaining the sustainability of its operations. As a key player in water treatment and supply within Greater Metro Manila, we are committed to minimizing its impact on the environment and enhancing biodiversity within our operational areas. This includes our proactive approach to biodiversity management and continued efforts in conservation and restoration, aiming to mitigate our environmental impact and contribute positively to the ecosystems we depend on.

Operational Sites and Biodiversity Context

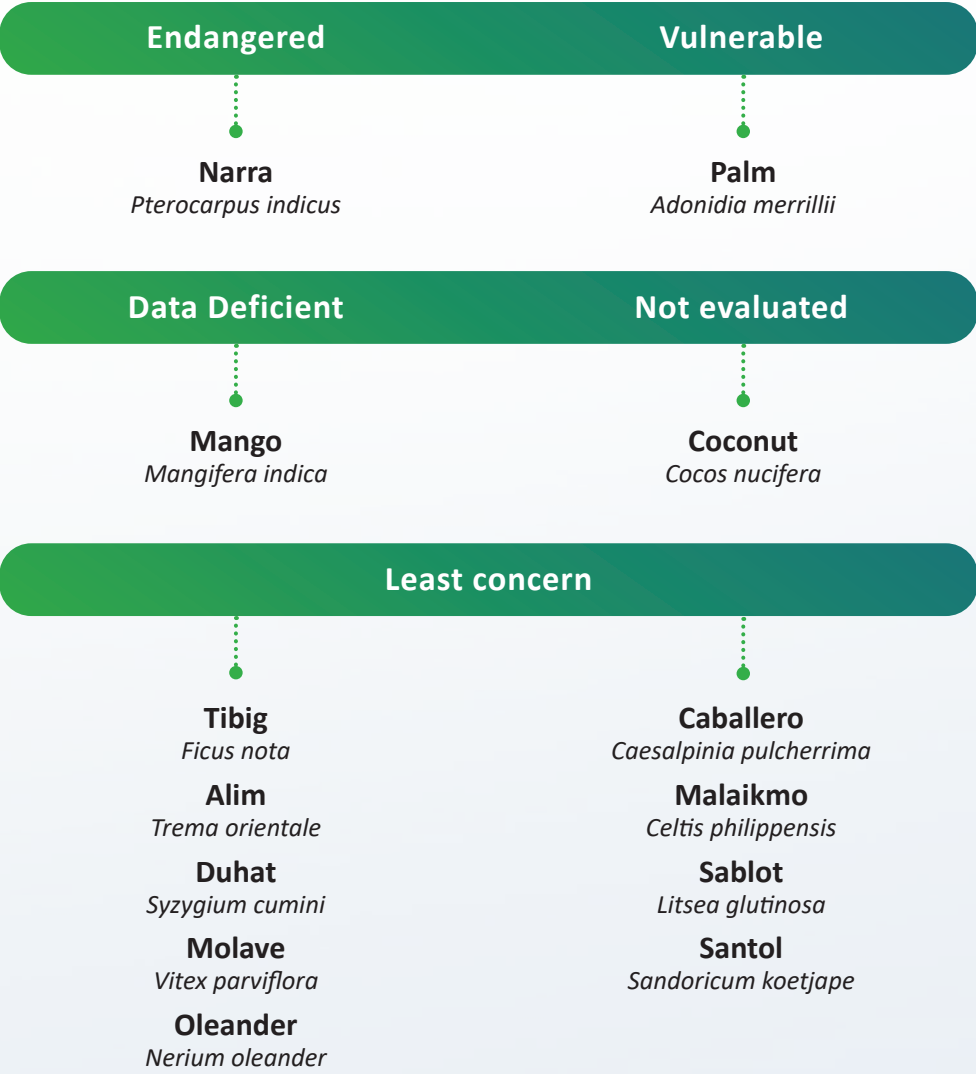


Operational Impact on Biodiversity

Maynilad’s commitment to biodiversity is demonstrated through various conservation and restoration programs. Our flagship initiative is the Plant for Life Program, which has led to the planting of over 1.2 million trees and mangroves since 2007. The Plant for Life Program has yielded significant positive outcomes, such as increased seafood harvests in local communities due to mangrove rehabilitation. Some species on the IUCN Red List have been impacted by our operations whether due to plant upgrade related construction or emergencies.

Maynilad strictly follows the regulations set by the Department of Environment and Natural Resources (DENR) and Philippine Coconut Authority (PCA) by acquiring necessary permits such as Tree Cutting Permits, Earth-Balling Permits and Private Land Timber Permits.

Once secured, Maynilad then proceeds with the activity while strictly adhering to the permit conditions. All chainsaws being used during the activities have Certificates of Registration strictly for trimming and cutting activities, rescue operations and other emergency cases within the company’s facilities. Our adherence to regulations also ensures the replacement of affected trees during these activities. In addition, no fauna was affected by the operations of Maynilad.



Preserving Our Ecosystems

Our efforts focus on preserving biodiversity and supporting ecosystem resilience. Through partnerships and programs, we aim to safeguard key habitats and enhance biodiversity across our operational areas.

La Mesa Watershed

Partners/Third Parties:

ABS-CBN Lingkod Kapamilya Foundation Inc.

Management Action:

Supporting the enrichment activity to rehabilitate La Mesa Watershed. Aiming to enhance forest cover, biodiversity, and forest structure and to minimize erosion and reduce turbidity as well as siltation of the reservoir.



Land Area:
80.125 hectares
Trees Planted:
32,050 trees

Cavite Coastal Areas (Manila Bay)

Partners/Third Parties:

Bantay Dagat ng Bacoor City

Management Action:

In support of the issued Supreme Court mandamus directing the identified agencies to clean up, rehabilitate, and preserve Manila Bay, Maynilad conducted several river and coastal clean-up activities in 2023 with a total of 402 volunteers both external partners and Maynilad employees, collecting a total of 4763 sacks comprising of 39,543 kilograms of waste.

Land Area:
7.96 hectares
Trees Planted:
19,900 mangroves



Land Area:
35.215 hectares
Trees Planted:
14,086 trees



Kaliwa Watershed

Partners/Third Parties:

Dumagat Remontado ng Magata, Malibay, Kisampal Natural Organic Farming Organization

Management Action:

Funded and supported the General Nakar Sustainable Integrated Area Development (GNSIAD) Project for the management of General Nakar watersheds. An initiative in partnership with General Nakar LGU, Metropolitan Waterworks and Sewerage System (MWSS) and Manila Water Company, Inc. (MWCI)

Ipo Watershed

Partners/Third Parties:

Mt. Balagbag Farmers Association of San Isidro, San Jose del Monte City, Incorporated; Ipo Tree Planters of Norzagaray Association, Incorporated; City of San Jose del Monte Yapak Tour Guides Incorporated

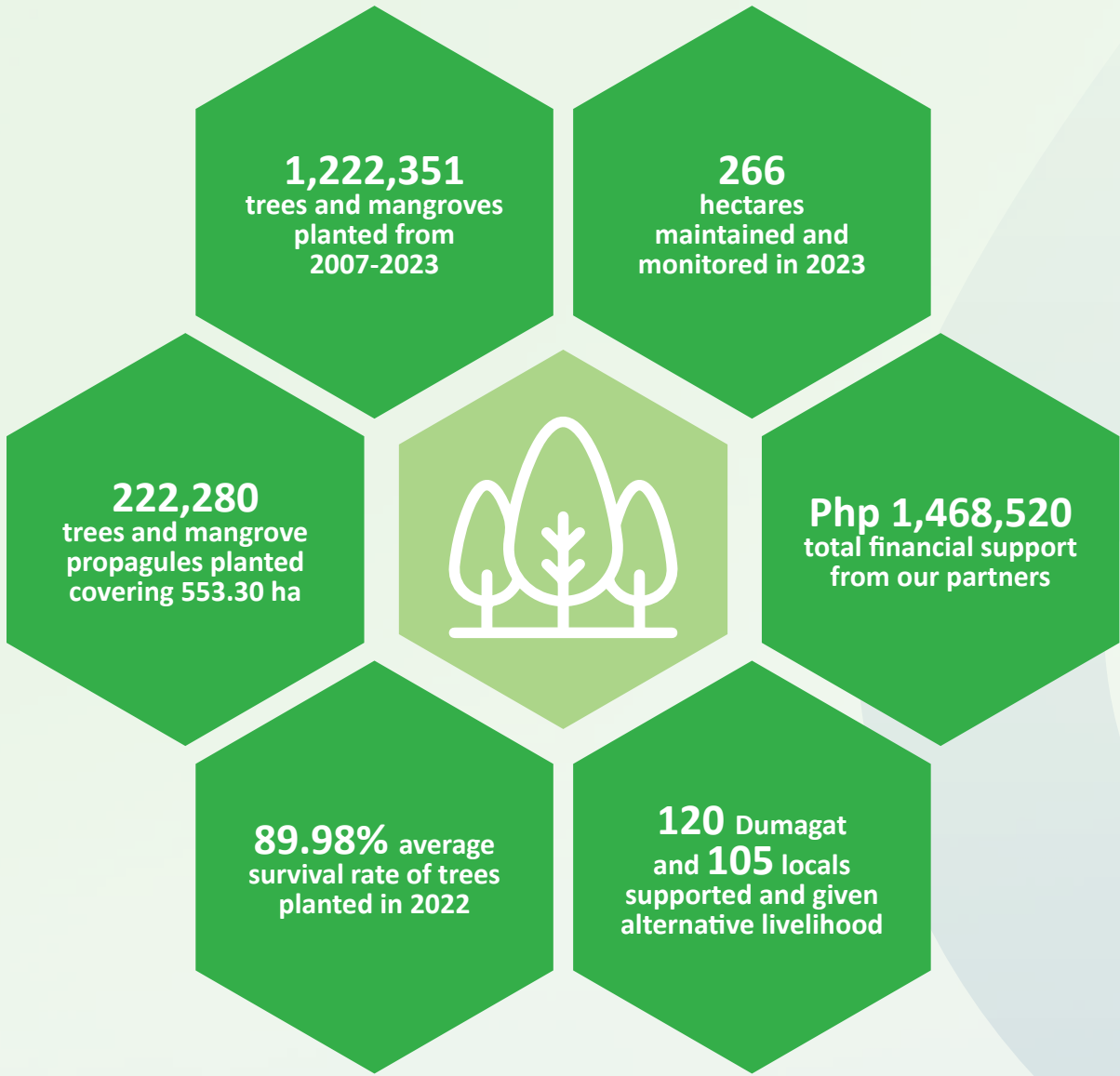
Management Action:

Supported the ongoing maintenance and protection of the watershed by employing 55 Bantay Gubat (Forest Rangers), who are members of the Dumagat Tribe, the indigenous people living in the watershed. This program is in collaboration with the Metropolitan Waterworks and Sewerage System (MWSS), the Department of Environment and Natural Resources (DENR), and Manila Water.



Land Area:
430 hectares
Trees Planted:
156,244 trees

Plant for Life



Plant for Life Initiatives

Initially established to reforest the watersheds in Angat, Ipo, and La Mesa, Plant for Life has evolved into a multi-site initiative. In addition to these original locations, we have extended our efforts to areas along the coastlines of Laguna Lake and Manila Bay. Our program focuses on both reforestation and afforestation.

and providing essential habitats for biodiversity. Additionally, our efforts play a crucial role in safeguarding ecological resilience. By enhancing the diversity and health of our watersheds, we help ensure that these ecosystems can withstand and adapt to environmental changes while maintaining their functionality for future generations.

Our overarching goal is not only to restore ecosystems but also to sequester carbon emissions. By planting trees, we contribute to mitigating climate change

Environmental Compliance

Biodiversity Management Actual and Potential Impacts to Maynilad			
Actual			
Inconsistent Participation: Risk of complacency due to ability to meet minimum compliance requirements		Active Compliance: Avoidance of penalties due to consistent compliance with laws and regulations	
Difficulties in Interpretation: Challenges in understanding international compliance needs		Water Quality: Improved water quality due to adherence to relevant compliance needs	
		Established Affinity: Better relationships with regulatory authorities, leading to easier permit processes	
Potential			
Water Supply: Climatic conditions such as drought may cause water scarcity		Regulatory Preparedness: Readiness for compliance with future laws and regulations	
Hinder Progress: Inadequate disclosure of efforts might undermine company efforts on biodiversity		Increased Opportunities: Opportunity to convert more water bodies into future potable water source	
Supply Exhaustion: Mismanagement of biodiversity impacts could lead to resource depletion		Active Compliance: Improved compliance, leading to lesser pollution and adverse health impacts	

Maynilad recognizes the critical role of environmental, social, and governance factors in its investment decisions. In line with this commitment, Maynilad conducts due diligence on potential acquisitions and projects to identify risks, including environmental and social impacts. We utilize an Enterprise Risk Management framework to avoid or minimize these risks. Additionally, we prioritize compliance with

the laws and regulations of the Republic of the Philippines as responsible corporate citizens, aiming to minimize or avoid any reputational risk.

Maynilad applies for an Environmental Compliance Certificate (ECC) and conducts an Environmental Impact Assessment (EIA) for all new projects. During the planning stage,

we identify the environmental and social impacts of each project and outline corresponding mitigating measures in the environmental management and monitoring plan, which is approved by DENR-EMB as part of the ECC requirements. This process ensures that the impacts of the project to the environment and communities are either eliminated or, at the very least, minimized and controlled.

Compliance with Laws and Regulations
[2-27]

Maynilad aims for full compliance with environmental laws and regulations. During the reporting period, there were no instances of non-compliance resulting in fines or non-monetary sanctions.

However, in 2023, Maynilad settled a fine amounting to PHP 202 million for instances of non-compliance that occurred during the previous reporting period.

Maynilad determines the significance of non-compliance based on the amount of penalty incurred.



Stakeholder Relationships

Understanding the needs of our stakeholders is fundamental to our sustainability efforts. We continually seek innovative ways to grasp and address their expectations, recognizing their pivotal role in our Environmental, Social, and Governance (ESG) pursuits. Through close collaboration, we strive for tangible progress in achieving our sustainability objectives.

To enhance our services, we actively gather feedback from stakeholders through routine departmental satisfaction surveys. These surveys provide valuable insights into their priorities and areas for improvement, guiding our efforts to refine our services and operations. Our commitment to stakeholder relationships is evident in our focus on ensuring a positive

customer experience, maintaining fair and transparent practices, investing in employee engagement and development, prioritizing operational safety and health, promoting diversity, equality, and inclusion, and contributing meaningfully to community development.

Material Topics

- 137 Customer Experience
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- 176 Community Development





3M PROGRAM

Makialam, Makiisa, Magmalasakit



Maynilad’s 2023 target of achieving 88.3% water supply continuity is not just a strategic objective but an essential milestone linked to unlocking the second tranche of our approved tariff increase. This increase is vital for recouping the substantial investments made in our water supply infrastructure. To support this endeavor, we launched the 3M program—Makialam, Makiisa, Magmalasakit, emphasizing employee engagement, unity, and care.

Makialam (Engage) urges employees to actively participate and be aware of the organization’s activities. This includes staying informed, contributing ideas, and participating in decision-making processes to align with the company’s objectives and tackle challenges effectively. Makiisa (Unite) promotes a

collaborative mindset, emphasizing teamwork and embracing diverse perspectives to achieve common goals. Magmalasakit (Care) underscores the importance of genuine concern for the company’s success, highlighting the need for each individual to act responsibly and care for the organization and its stakeholders.

By encouraging a culture of involvement, unity, and genuine concern among employees through the “3M” program, Maynilad aims to reinforce the significance of every employee’s role in the company’s success. This initiative reminds us that our collective efforts are the key to achieving our shared objectives.

Customer Experience

[416]

Customer Experience Actual and Potential Impacts to Maynilad			
Actual			
-	Negative Feedbacks: Social media leads to the circulation negative comments	+	Customer Testimonials: Positive customer testimonies, acceptance for projects
	Issue Redundancy: Recurring complaints not being addressed (rarely) could affect brand image		Enhanced Billing: Better utility bill collection efficiency, and customer awareness
		+	Water Accessibility: Booster stations are facilitating the provision of water access to remote areas
Potential			
-	Company Image: Illegal connections could tarnish the company’s image	+	Customer Fulfillment: Consistent customer satisfaction and acceptance of tariffs due to quality
	Insufficient Training: Lack of proper training to employees could affect customer relations		Increased Awareness: Better awareness among customers about water conservation
	Increase Expenses: Ensuring customer satisfaction might sometimes lead to higher spending to higher attrition		Process Enhancement: Helps understand what works well and improve internal processes
		+	Upgraded Technology: Technology and innovations to improve customer services

Customers are our growth partners, and we strive to elevate their experience with us. Towards this end, Maynilad has introduced innovations that will promote faster and more convenient transactions, such as the Maynilad Virtual Assistant that allows for contactless customer concerns handling, as well as the “My Water Bill” online portal that makes bill monitoring more accessible.

Our KPI with respect to customer management:

97% of customers received 24hr service in 2023 compared to 93% in 2022

***6.23 population** were offered sanitation services in 2023, compared to 5.83* million population in 2022

***2.2 million** customers were covered in our sewerage services in 2023, as compared to 1.57* million in 2022

0.13 million accounts availed desludging services in 2023, while 0.09 million availed these services in 2022

**This is based on the new service coverage methodology agreed between MWSS and the concessionaires rooted in best practices and reporting standards across Asian countries*



During the reporting year, there were no violations of health and non-health-related drinking standards. We conduct comprehensive assessments of all our services to ensure they do not negatively impact customer health and safety. Over the year, there were 41 instances of non-compliance regarding the health and safety of our products and services. Although 2 of these incidents led to minor fines or penalties, most resulted in warnings, primarily due to water quality standards. All incidents were effectively resolved, reflecting our commitment to promptly and efficiently addressing customer concerns.

In regions equipped with sewer systems, we provide sewerage services. These systems are designed to collect wastewater directly from households. The wastewater is then conveyed through the sewer network to a sewage treatment plant. At the treatment plant, the wastewater undergoes an extensive treatment process, ensuring it is safe before being released into rivers, creeks, and other water bodies. This thorough treatment is crucial to prevent environmental contamination.

To ensure that Maynilad provides efficient water supply services while maintaining good relationship with our customers, we have implemented several key point programs to support this endeavor:



Maynilad ink water reuse supply deal with BFP

Maynilad recently signed an agreement with the Bureau of Fire Protection on the reuse of the company’s treated wastewater for the Clean and Green Project of the agency in Pasay.



Maynilad modular plant in Imus

Maynilad is developing the Anabu ModTp in Cavite, a Php 2.12 billion project aimed at addressing the water supply issues in Imus. Being one of four similar facilities in the region, it will cater specifically to Imus, which lacks round-the-clock water supply due to its distance from Maynilad’s main water source, the Angat Dam in Bulacan. Initially, the plant will produce 5.5 MLD, sufficient for over 13,000 customers. However, upon full operation, its capacity will increase to 16 MLD, serving approximately 114,000 residents in the area.



Maynilad in Php 16.5 Billion effort to cut water losses

Maynilad is embarking on a Php 16.5 billion initiative aimed at curbing water losses over the next five years, in anticipation of the looming El Nino phenomenon. With a significant portion exceeding Php 10 billion allocated for pipe replacement ventures within its concession area, specifically targeting Manila, Caloocan, and Quezon City, Maynilad intends to bolster its infrastructure. Additionally, approximately Php 5.8 billion will be directed towards meter management schemes, including the establishment of smaller district metered areas, leak rectification, and diagnostic operations. The remainder of the budget will be dedicated to procuring leak detection equipment and securing technical services, as outlined by Maynilad.



Maynilad NEW WATER Facility receives permanent operational permit form DOH

The permanent operational permit was granted following Maynilad’s NEW WATER’s consistent adherence to the Philippine National Standards for Drinking Water (PNSDW) and strict compliance with the requirements outlined in the Implementing Rules and Regulations of the “Code on Sanitation of the Philippines.



Maynilad repairs underground leak along West Service Road in Paranaque

Maynilad successfully reclaimed approximately 10 MLD of water previously lost due to an underground, or “non-surfacing,” leak recently unearthed gushing from a 900mm-diameter primary line along West Service Road near Sun Valley Drive, Paranaque City. This discovery followed through pipe inspection and network audit activities carried out by Maynilad engineers in the area, employing state-of-the-art leak detection equipment and data analytics techniques.



Maynilad to hike storage capacity

Maynilad is investing Php 1.07 billion to expand the storage capacity of its Bagbag Reservoir in Quezon City, aiming to enhance service reliability for its customers.



Maynilad repairs over 36,500 pipe leaks by end of 2023

As of the fourth quarter of this year, Maynilad has successfully addressed over 36,500 pipe leaks, contributing to a total of 495,105 primary and secondary repairs since its reprivatization in 2007. Leak repair stands as a crucial component of Maynilad’s Non-Revenue Water (NRW) Management Program, aimed at reducing both physical and commercial water losses.



Maynilad license extension

Maynilad presents potential savings to its customers as it negotiates an extension of its concession with the Metropolitan Waterworks and Sewerage System (MWSS). Serving as the MWSS’s concessionaire for the West Zone, Maynilad aims for a 10-year extension of its agreement, bolstering its operational and financial capacities. This extension ensures the provision of affordable water services to consumers, free from unnecessary uncertainty or delays.



157,855
customers are
enrolled in
paperless
billing in 2023

Paperless billing represents a modern mode of delivering Statements of Account (SOA) to customers. Essentially, it involves replacing the traditional printed SOA with a digital copy, which is then delivered to customers through our Read&Bill system. This transition not only enhances convenience for customers but

also supports environmental sustainability by reducing paper usage.

Paperless billing is an integral part of the broader “MyWaterBill” program, also known as the “Customer Communication Portal.” This program is designed to streamline and enhance

communication between the company and its customers. By incorporating paperless billing into MyWaterBill, we provide a more efficient, eco-friendly, and user-friendly way for customers to receive and manage their billing information.

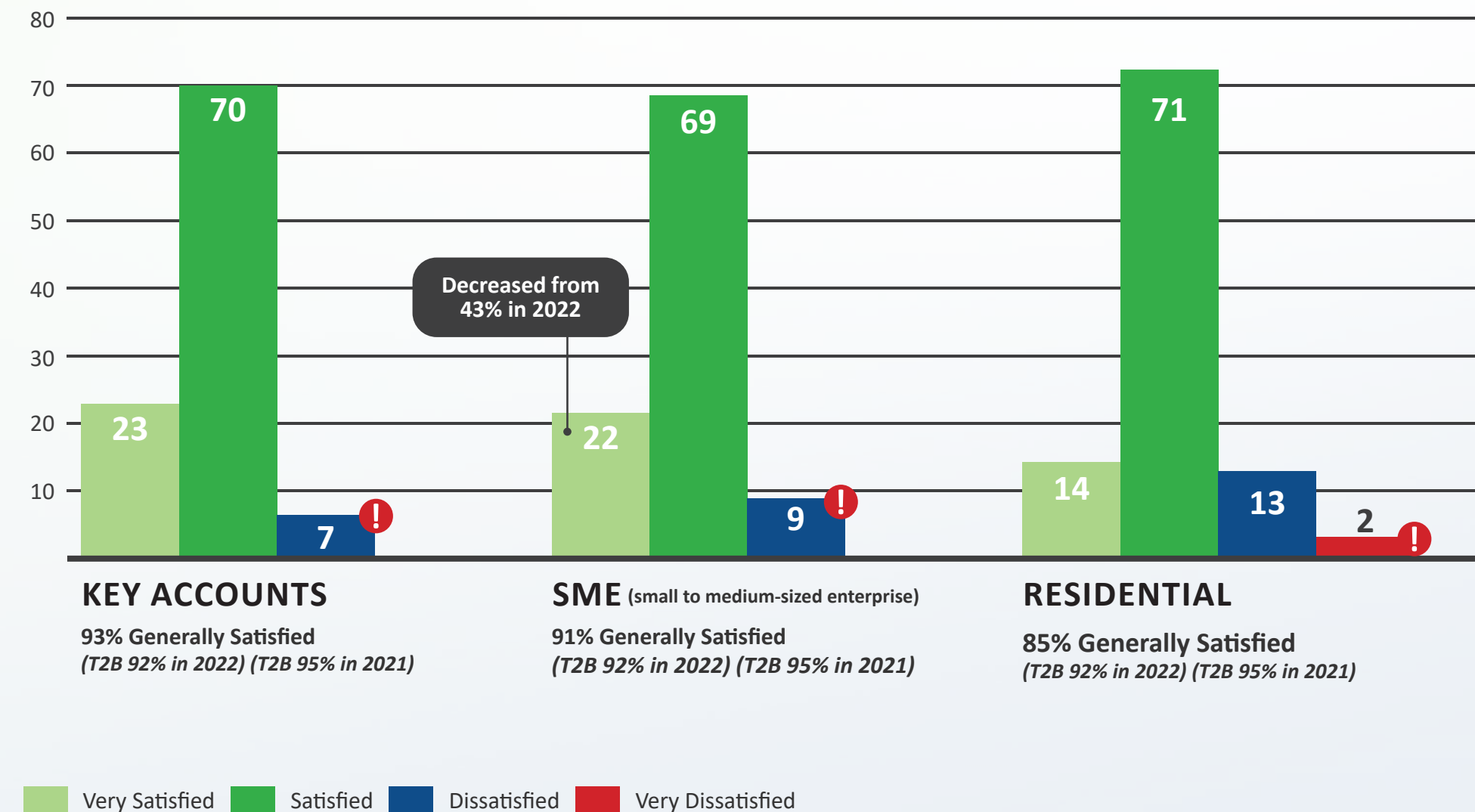
Maynilad-wide Customer Satisfaction Study 2023 (Project Chrysler)

In 2023, Maynilad conducted a Customer Satisfaction Study, referred to as Project Chrysler, spanning from August 10 to October 11, 2023. The aim was to comprehend customer experiences and satisfaction levels across residential, SME, and key

account segments. The survey outcomes revealed that 93% of key accounts, 91% of SMEs, and 85% of residential customers expressed general satisfaction. The study encompassed 3,000 respondents, comprising 2,700 residential and 300 non-residential customers.

Key issues identified included water supply reliability, water quality, and billing accuracy. Maynilad remains committed to addressing these concerns to continuously enhance customer satisfaction.

Customer Survey Results



Fair and Transparent Practices

[2-27, 416]

Fair and Transparent Practices Actual and Potential Impacts to Maynilad			
Actual			
- Unreasonable Assessment: Disclosures sometimes lead to unrealistic comparisons with peers		+ Company Credibility: Improved credibility and no fraud occurrence due to monitoring and accountability	
		+ Customer Relations: Improved relationships with customers, partners, and other stakeholders	
Potential			
- Interrupted Service: Possibility of increased scrutiny and project/service delays		+ Enhanced Approach: Improved approach to standardization, alignment, and integration of processes	
- Misinformation: Lack of proper training to employees could affect customer relations		+ Enhanced Reputation: Improved goodwill, leading to more customer trust and ease in obtaining permit	
- Insufficient Knowledge: Gaps in disclosures due to lack of awareness on the right methods to higher attrition			

At Maynilad, we deeply commit to upholding fair and transparent practices across our operations. We believe that transparency is fundamental for building trust with our stakeholders and ensuring accountability for our actions.

As part of this commitment, we adhere to international sustainability reporting standards and submit our sustainability performance to our parent company.

Compliance and Accountability [2-27]

We operate under the Revised Concession Agreement (RCA) with MWSS, which not only regulates our delivery of water and wastewater services in the West Zone but also extends our concession period until 2037. The RCA designates us as a public utility, enhancing our

accountability to the government and the general public. This agreement underscores our commitment to providing reliable and sustainable water services to our customers.

At Maynilad, we strictly adhere to all relevant national laws and guidelines, ensuring that our operations comply with the highest standards of environmental and social responsibility. Our commitment to compliance extends across a range of laws and regulations, which form the backbone of our sustainable and responsible business practices.

These laws and regulations encompass environmental protection, labor rights, health



and safety standards, and other critical areas that guide our operations. Our diligence in compliance reflects our unwavering dedication to operating ethically and responsibly, contributing positively to the communities and environments where we operate.

Environmental Laws and Regulations

- Philippine National Standards for Drinking Water
- 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
- PD 1586: Philippine Environmental Impact Statement System
- PD 856: Sanitation Code of the Philippines
- PD 1067: Water Code of the Philippines

Labor and Social Welfare Laws

- 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)

Other Relevant Laws

- RA 8041: National Water Crisis Act of 1995
- RA 9136: Electric Power Industry Reform Act
- RA 9165: Comprehensive Dangerous Drugs Act
- RA 10173: Data Privacy Act of 2012

Our Anti-Corruption Practices

[205, 206]

To ensure integrity and transparency in our operations, we conduct a comprehensive risk assessment to identify and mitigate corruption-related risks, remaining vigilant and prepared to address any challenges posed by corrupt practices. Additionally, Maynilad provides anti-corruption training for its employees, with 27 for Senior Management, 225 for Middle

Management, 180 for Supervisory roles, 467 for Rank and File, and 86 for Project-based employees, totaling 985. In 2023, there were no confirmed incidents of corruption, and no legal actions were taken against Maynilad for anti-competitive behavior or monopoly practices. We have a zero-tolerance approach to bribery and corruption. Our directors, employees, and

consultants should never be directly involved in any bribery or corrupt practice or activity. Forms of bribery may include the giving or receiving of gifts, facilitation payment to obtain or retain business, or the payment of illegal gratuities to maintain an undue advantage.

Our Commitment to Integrity

[2-15, 2-16, 2-23, 2-24, 2-26]

We have adopted several governance-related policies to uphold principles of fairness and transparency. These policies include a Whistleblowing Policy, a Code of Business Ethics,

a Conflict of Interest Policy, an Anti-Fraud Policy, an Anti-Bribery and Anti-Corruption Policy, a Gifts, Entertainment, and Sponsored Travels Policy, and a Risk Management Policy. (please

check our [website](#) for more information). These policies provide guidelines and frameworks for our employees to ensure compliance with laws, fair competition, and community commitment.

A Platform for Voices

To maintain our reputation and foster trust among our stakeholders, Maynilad offers stakeholders a method for obtaining advice and voicing concerns through our Whistleblowing Policy and Code of Business Ethics. These policies

provide guidance on compliance with legal and regulatory requirements, fair competition, political activities and contributions, information confidentiality and proper use of property, potential conflicts of interest and corporate

opportunities, commitment to the community and the environment, fostering a safe workplace, risk management, relationships with suppliers and contractors, and employee welfare.

Employee Engagement and Development

[2-23, 201-3,
202-1, 401,402]

Employee Engagement and Development Actual and Potential Impacts to Maynilad			
Actual			
Unaligned Priorities: Risk of prioritizing training and development over actual task	+	Enhanced Training: Training and development programs have improved employee competency	
Challenges at Work: Difficulties in work-life balance and adherence to deadlines result in exhaustion	+	Employee Welfare: Motivated employees help us hit our targets efficiently	
Other Offers: Occasionally, highly qualified employees are approached by other businesses for hiring	+	Customer Fulfillment: Positive customer experience due to engaged and productive employees	
Potential			
Comparison with Competitors: Tendency to compare benefits with other companies can affect productivity	+	Enhanced Skills: Improves employee productivity and aids their professional growth	
Implementation Challenges: High cost of employee engagement programs might deter their implementation	+	Employee Alignment: Alignment of employees with company vision and mission	
Engagement Methods: Poor engagement practices could lead to higher attrition	+	Employee Retention: Fostering of ideas in a creative environment, which improves employee retention	

Maynilad values its employees as the cornerstone of its success. We are committed to creating a work environment that nurtures engagement, growth, and fulfillment.

Our approach to employee engagement and development is guided by the belief that a motivated and empowered workforce drives innovation and sustainable business practices.

Policies and Programs

[2-23, 2-30]



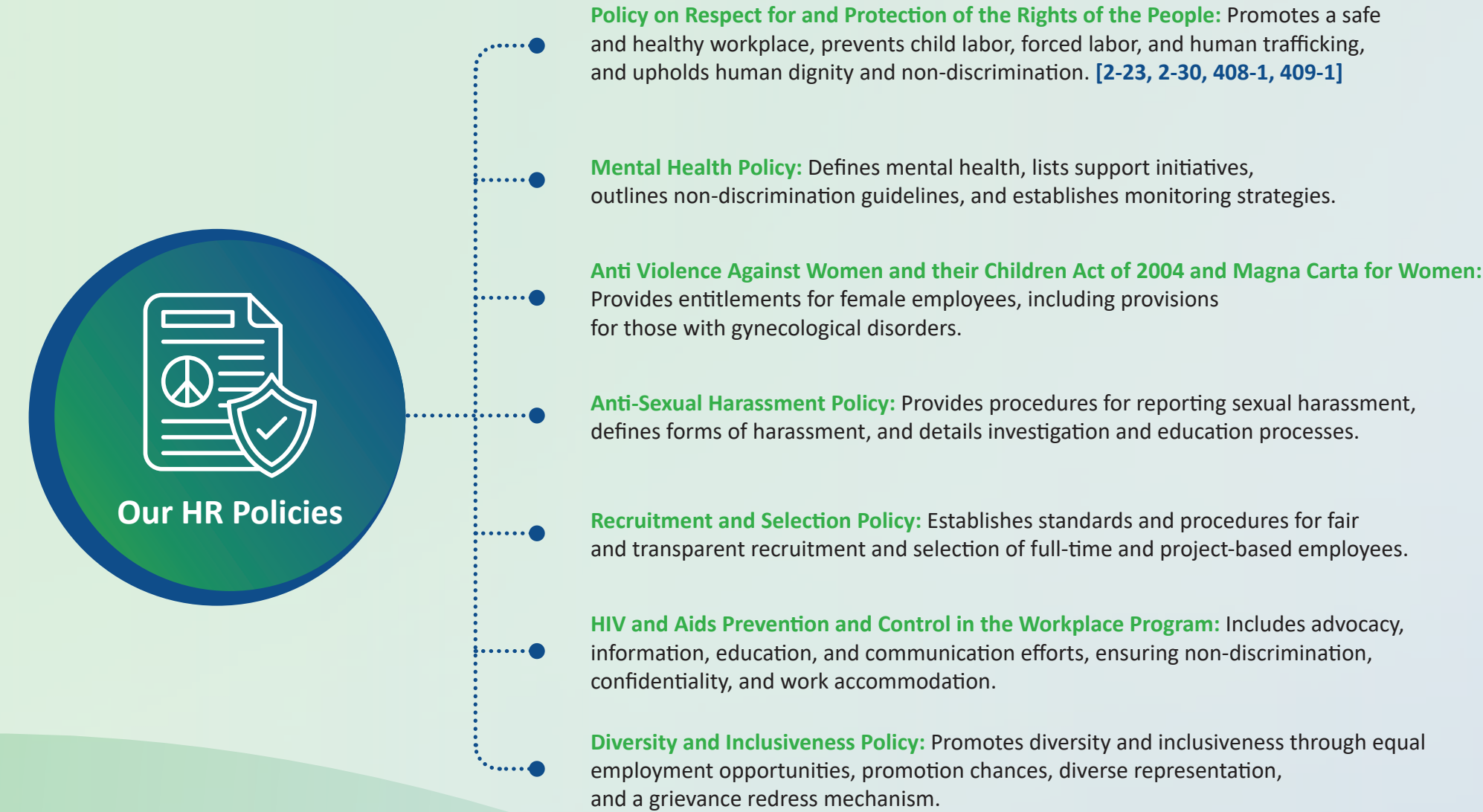
Workforce Planning Committee: To ensure our workforce aligns with our organizational objectives, senior managers from various divisions collaborate with the Human Resources Division through the Workforce Planning Committee. This committee reviews potential changes and collaborates with HR to address staffing needs effectively.



Integrated Management Systems (IMS) Operational Procedure for Organization Planning and Design: This procedure guides the strategic planning and execution of activities crucial to achieving business objectives, ensuring organizational efficiency.



HR Policies: Maynilad has established a range of HR policies to regulate various aspects of employee engagement and development. These policies cover recruitment and selection processes, hiring procedures, workplace conduct standards, leave policies, and more.



Benefits and Utilization

[401-2]

Maynilad offers a comprehensive benefits package to all employees, including access to health insurance, retirement plans, and other benefits. The utilization of these benefits underscores our commitment to providing a supportive and rewarding work environment for our workforce.

Benefits provided to All Employees (Regular and Project-based)	Number who availed benefit		
	Male	Female	Total
SSS*	268	90	358
Philhealth	Data not available	Data not available	Data not available
Pag-ibig	48	167	215
Parental Leaves	33	53	86
Medical Benefits (aside from Philhealth)	791	380	1171
Life Insurance	1	-	1
All employees are eligible for the benefits listed above. The data displayed only includes benefit utilization			
*data are SSS Loans and SSS Sickness Benefit utilization only			

Benefits provided for Regular Employees	Number who availed benefit		
	Male	Female	Total
Vacation Leaves*	1484	508	1992
Sick Leaves*	914	347	1261
Retirement Fund (Aside from SSS)	61	37	98
Company Stock Options	1347	420	1767
The data displayed only includes benefit utilization			

*Includes paid and unpaid

Benefits provided for Project-Based Employees Only	Number who availed benefit		
	Male	Female	Total
Service Incentive Leave*	116	38	154
The data displayed only includes benefit utilization			

*Includes paid and unpaid

Parental Leave

[401-3]

Maynilad recognizes the importance of supporting employees through various life stages, including parenthood. In 2023, we had 1,888 male and 595 female employees entitled to parental leave, allowing them to care for their families during significant life events such as childbirth or adoption. We closely monitor the number of employees who have taken parental leave. This data helps us understand utilization patterns and informs our policies.

We track the rate at which employees come back to their roles, ensuring a smooth reintegration process. We assess the number of employees who remained with us twelve months after returning to work, emphasizing our commitment to their continued success.

During the reporting period, 50 male employees availed paternity leave, 20 female employees availed

maternity leave, 16 employee availed solo parent leave in which 13 are females and 3 are males, thus, demonstrating the uptake of this benefit across genders. In 2023, a total of 80 employees who took parental leaves, in which 50 are male and 30 are female, returned to work after their parental leave ended resulting to a return to work rate of 93%. Also, 66 out of 101 employees who took parental leave in 2022, in which 40 are male and 26 are female, are still employed 12 months after their parental leave ended resulting in a retention rate of 65%. These retention rates highlight Maynilad commitment to providing a supportive environment for employees balancing work and family responsibilities. They also indicate a positive trend in retaining employees who take parental leave, which is essential for maintaining a diverse and engaged workforce.

Maynilad will continue to assess and improve its parental leave policies to ensure they meet the evolving needs of employees and align with best practices in gender equality and work-life balance.

Performance and Career Development Reviews

[404-3]

At Maynilad, we believe in promoting a culture of continuous learning and growth, recognizing that regular performance and career development reviews are essential for our employees’ professional journey and our organizational success.

We ensure that all employees, regardless of gender, receive regular performance and career development reviews. This commitment to equity and

In addition, 2 female employees availed special leave benefits due to surgery of gynecological disorder.

fairness is a fundamental part of who we are, ensuring that every individual has an equal opportunity to grow and advance within our organization.

We are pleased to report that our review completion rates have consistently remained at 100% across all genders, reflecting our dedication to providing thorough and meaningful feedback to our employees.

Training and Development

[404]

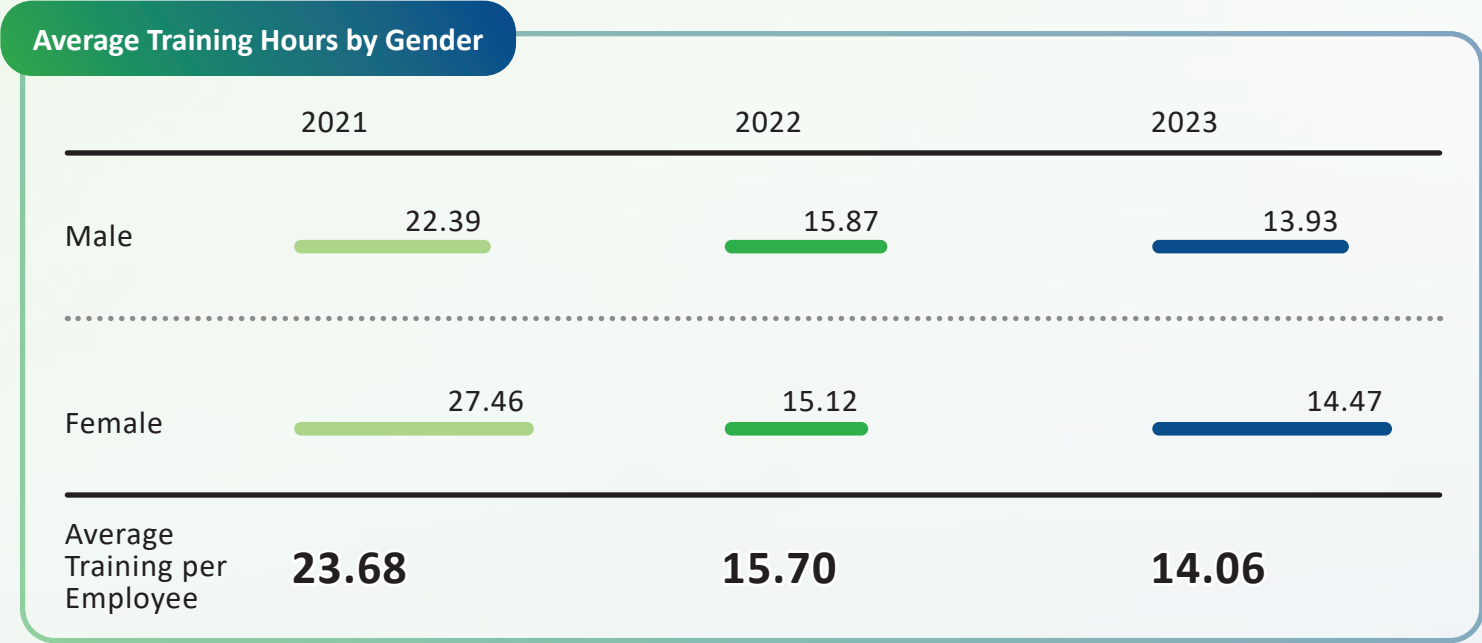
In addition to the comprehensive benefits package, we offer our employees a range of training and development opportunities to enhance their job performance and support both personal and professional growth. Our programs include extensive technical training on water conservation and wastewater treatment.

The Training Policy details the procedures for our training and education initiatives, which are managed by the Organization Development Department within the Human Resources Division. An annual budget is allocated for various training programs, encompassing onboarding, coaching, leadership development, and technical skills workshops.

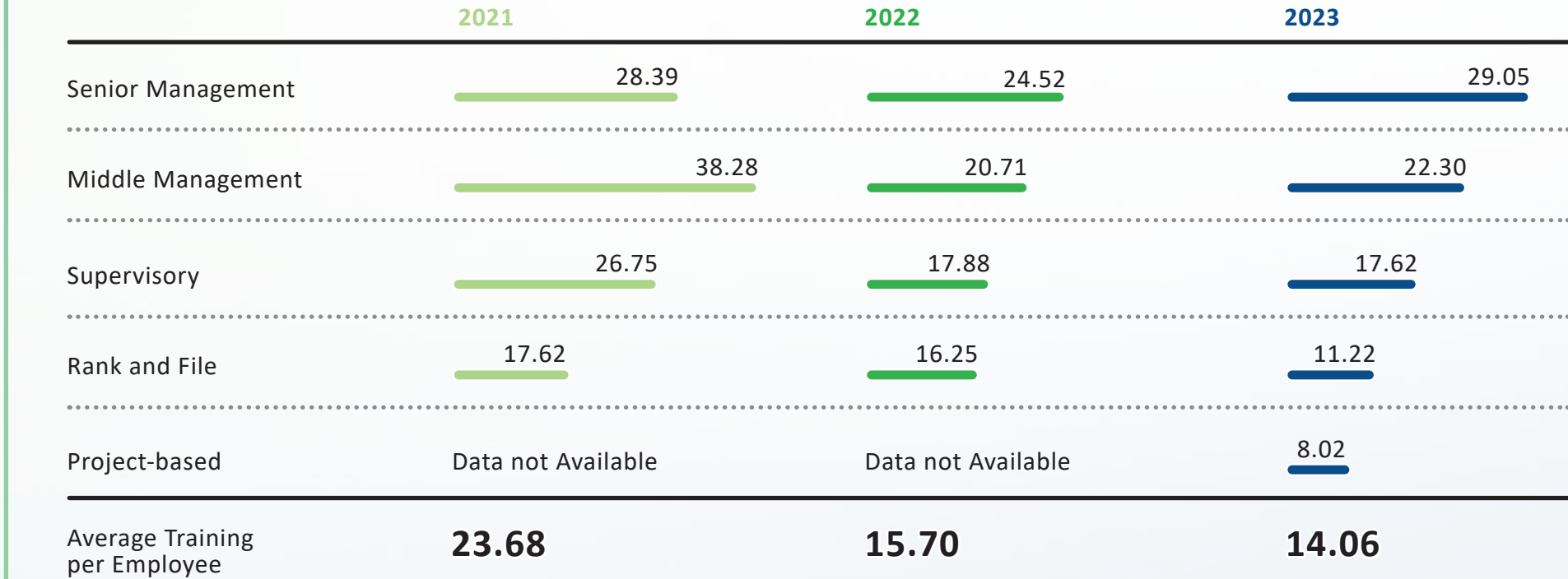
In 2023, the average training hours for employees fell to 14.06 hours from 15.70 hours in 2022. This decline in training hours was largely due to a reduction in internally conducted technical training sessions. Previously, these training sessions were

conducted by internal subject matter experts from various divisions. However, in 2023 several of these experts have either resigned or have chosen to prioritize their core functions over training activities. This has led to a decline in the availability

and frequency of technical trainings. We will continually provide our employees with the necessary training to support their career development and ensure they are equipped with the up-to-date knowledge required for their roles.



Average Training Hours by Employee Category



Freedom of Association

[2-30, 407-1]

Maynilad, through the policy on respect for and protection of the rights of people, recognizes and respects freedom of association. Currently, there are 2 recognized workers’ union in Maynilad - for

rank and file and supervisors. Once regularized, employees are free to join the rank and file and supervisor’s union, MWSU and MWSA.

We have 1,375 employees covered by collective bargaining, equivalent to 55% of the total employees.

Diversity, Equality, and Inclusion

[405]

Diversity, Equality, and Inclusion Actual and Potential Impacts to Maynilad	
Actual	
− Distorted Communication: Miscommunication amid varied cultures slows down decisionmaking at times	+ Career Opportunities: Equal opportunities to all employees on career advancement
− Self Ambitions: Preservation of self-interest by few employees, affecting coordination at times	+ Employee Adaptability: Ability to adapt to changes and address challenges better due to workforce diversity, thus, the availability of a variety of ideas
− Unaligned Work Ethics: Gaps in understanding of work ethics by different generations	+ Resolving Issues Efficiently: Effective problem solving is also a result of a diverse workforce certification
Potential	
− Level of Priority: Risk of workplace diversity initiatives being undertaken merely as a checklist rather than as a priority	+ Women Empowerment: Opportunity to empower women and nurture a diverse workforce
− Diverse Backgrounds: Conflicts among workers who come from very diverse backgrounds	+ Employee Welfare: Improved employee morale and a positive workplace culture
− Limited Opportunities: Limiting of employment opportunities for qualified individuals	+ Diverse Ideas: Creativity and strategic thinking due to presence of a diverse workforce

Maynilad is an inclusive workplace that values the individual and group difference within our workforce. We believe that inclusiveness contributes to higher employee engagement and performance, which in turn enhance our ability to attract and retain talent.

We promote a work environment where diverse employees feel welcome, accepted and valued. We embrace the diversity in the background of our employees and believe that creating an environment where everyone is valued contributes to our employees’ safety and brings new ideas that drive Maynilad forward.

Equal Employment Opportunities

[406-1]

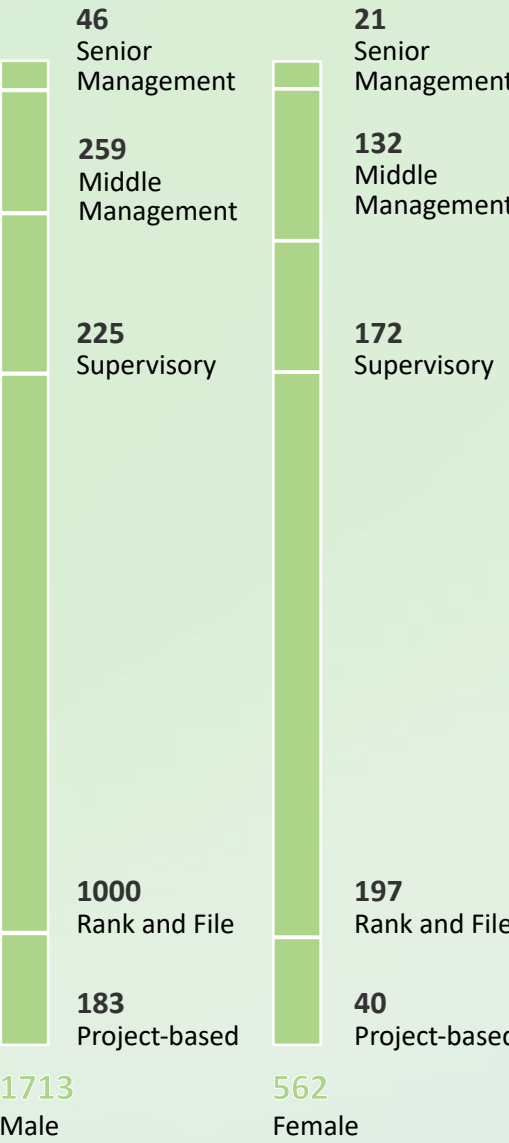
We believe in giving equal employment opportunities to all of our job applicants. Candidates are selected regardless of race, ethnicity, age, gender or sexual orientation.

We also ensure that our current employees are given equal opportunity for promotions and there is no discrimination in our leadership appointments. We are striving to achieve a diverse and balanced representation in our operations.

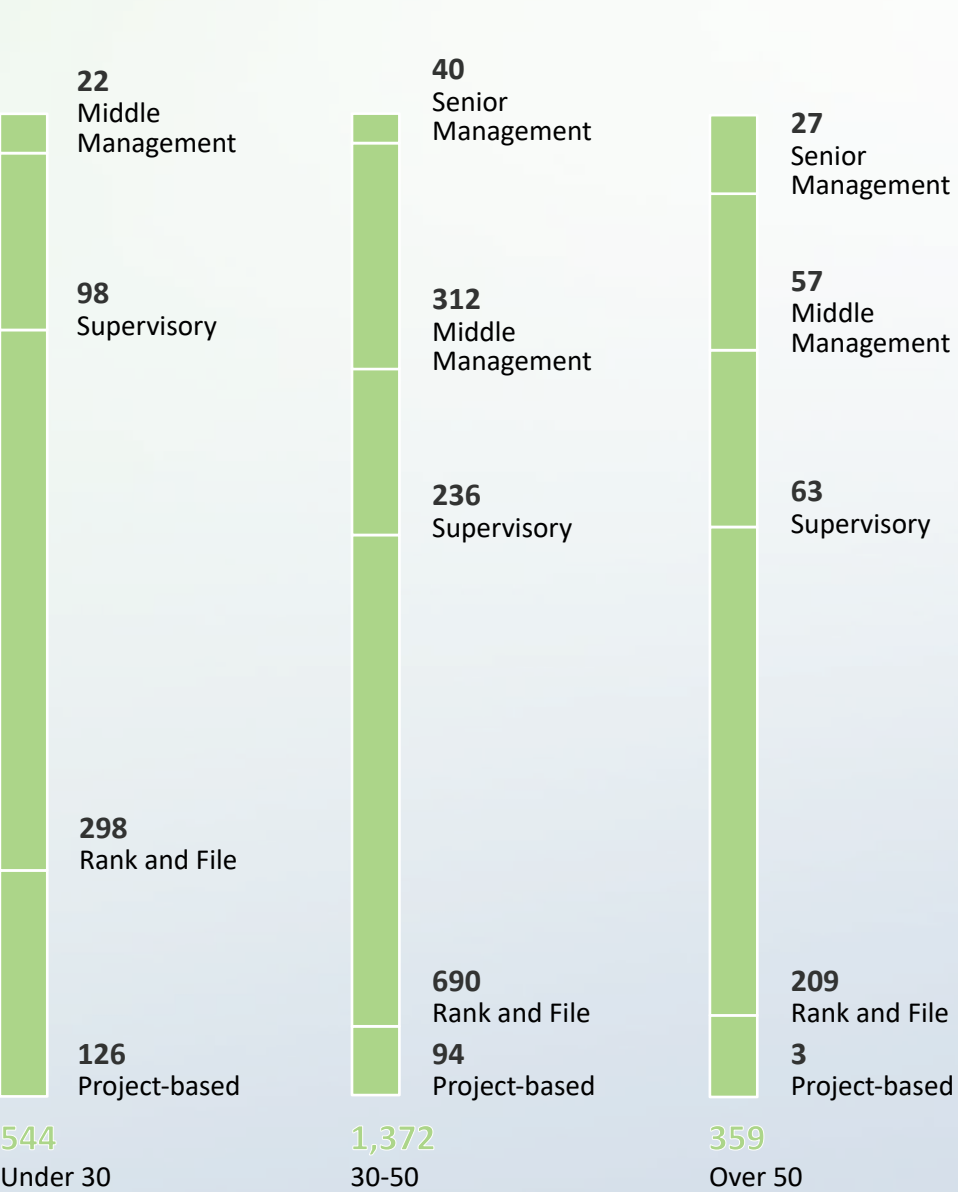


Workforce Composition

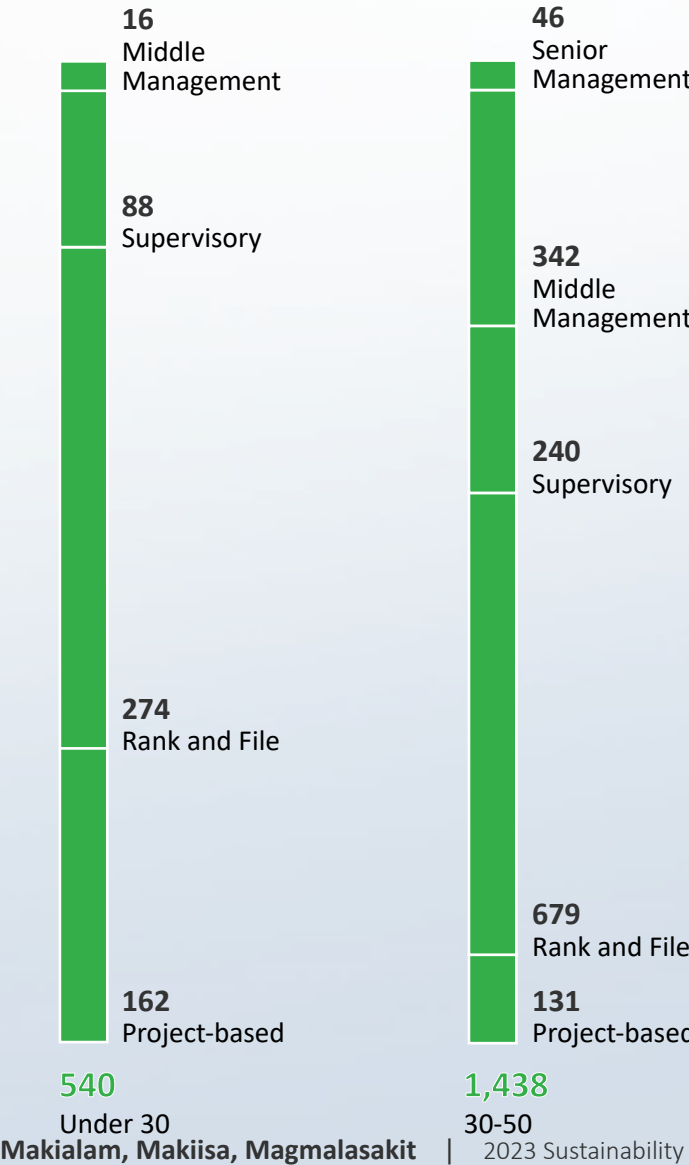
Number of employees by gender



Number of employees by age

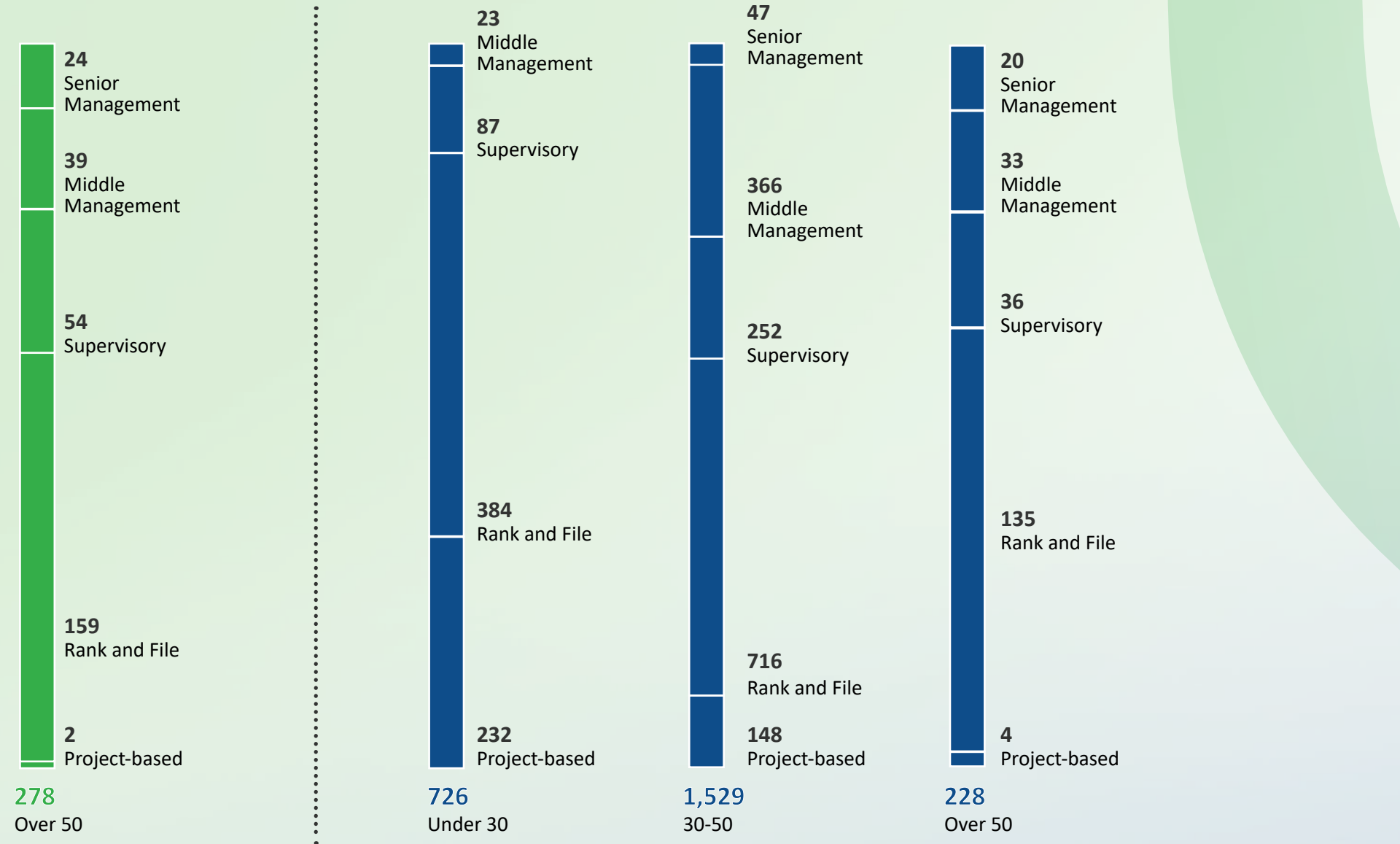


2021 2022 2023



Workforce Composition

Number of employees by age



New Employee Hires and Employee Turn-over

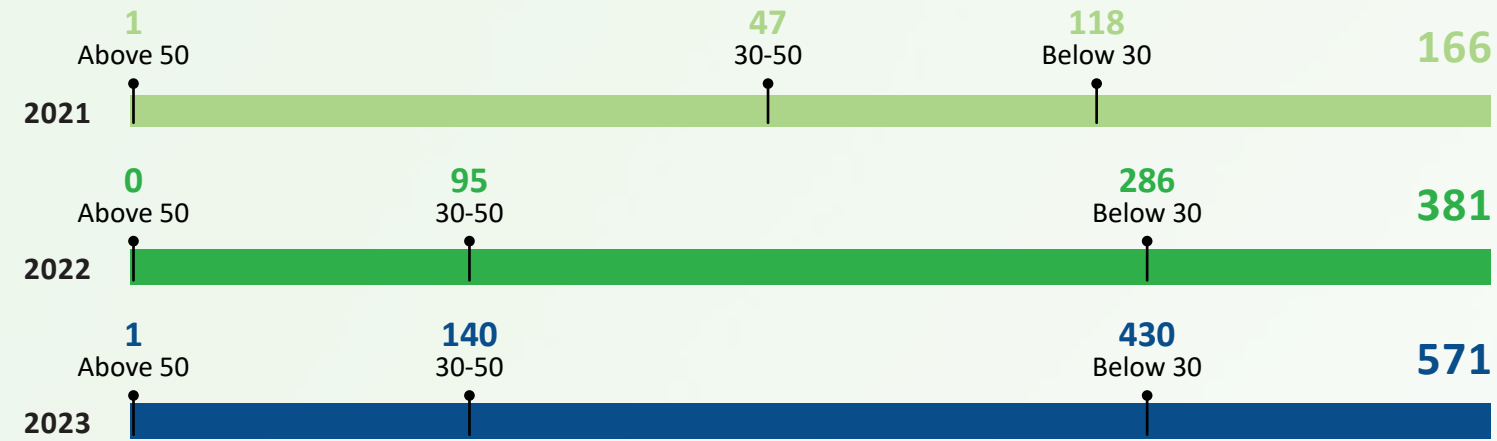
[401-1]

In 2023, we welcomed 571 new employees to our organization, representing diverse age groups and genders. Simultaneously, 343 employees left our company.

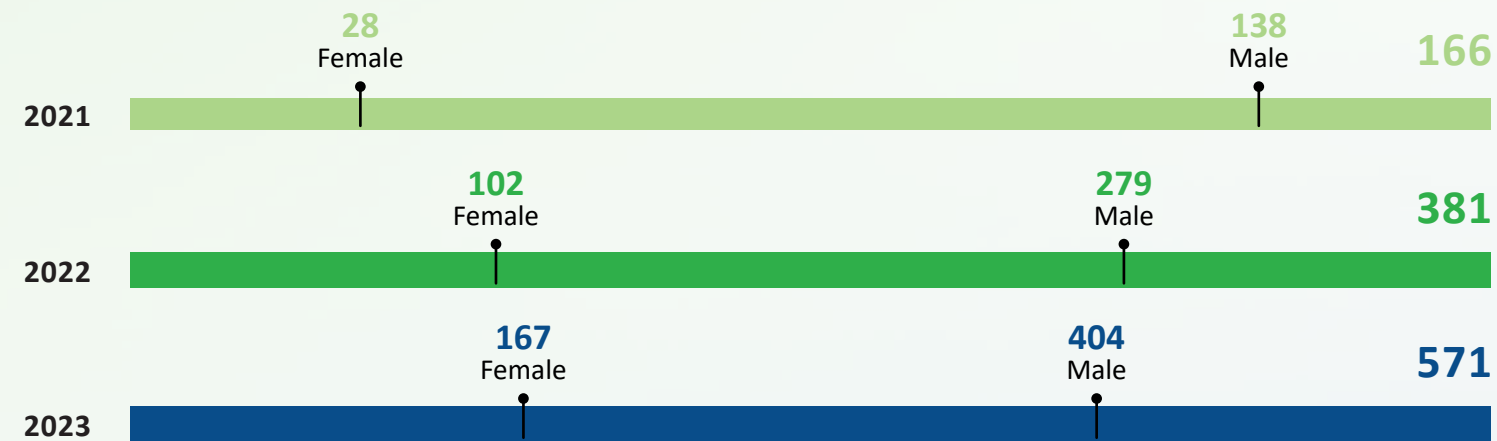
By analyzing this data across age groups, gender, and employee categories, we continually refine our retention strategies to foster an inclusive and supportive workplace.

As part of Maynilad’s aspirations on social and governance, the company targets to achieve 30% gender diversity of employees by 2030 and achieve 30% women representation in the board and executive level and 20% independent directors. As of 2023, 24% of all Maynilad employees are female, and 13% female representation in the board level.

New employee hires by age

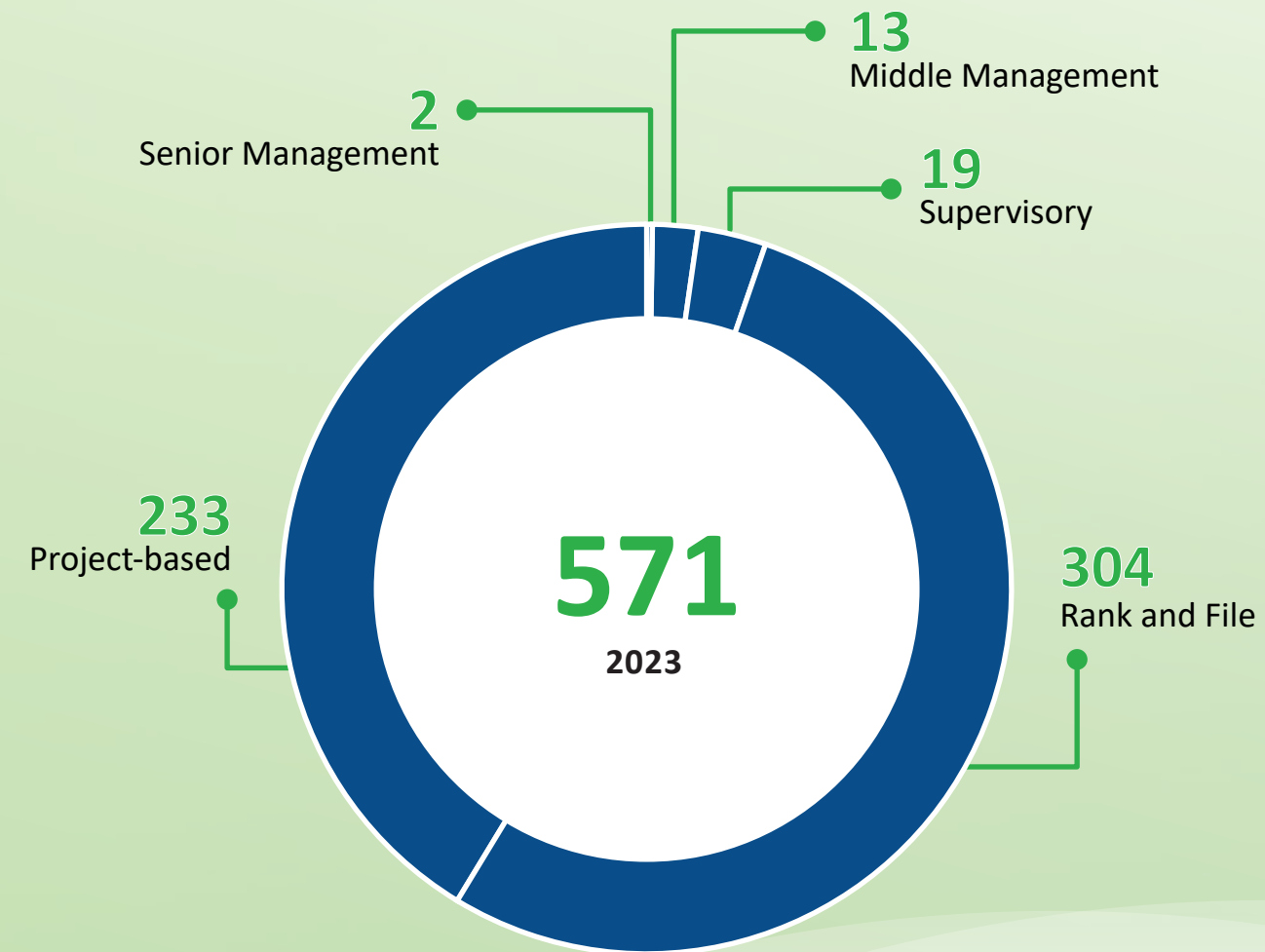


New employee hires by gender

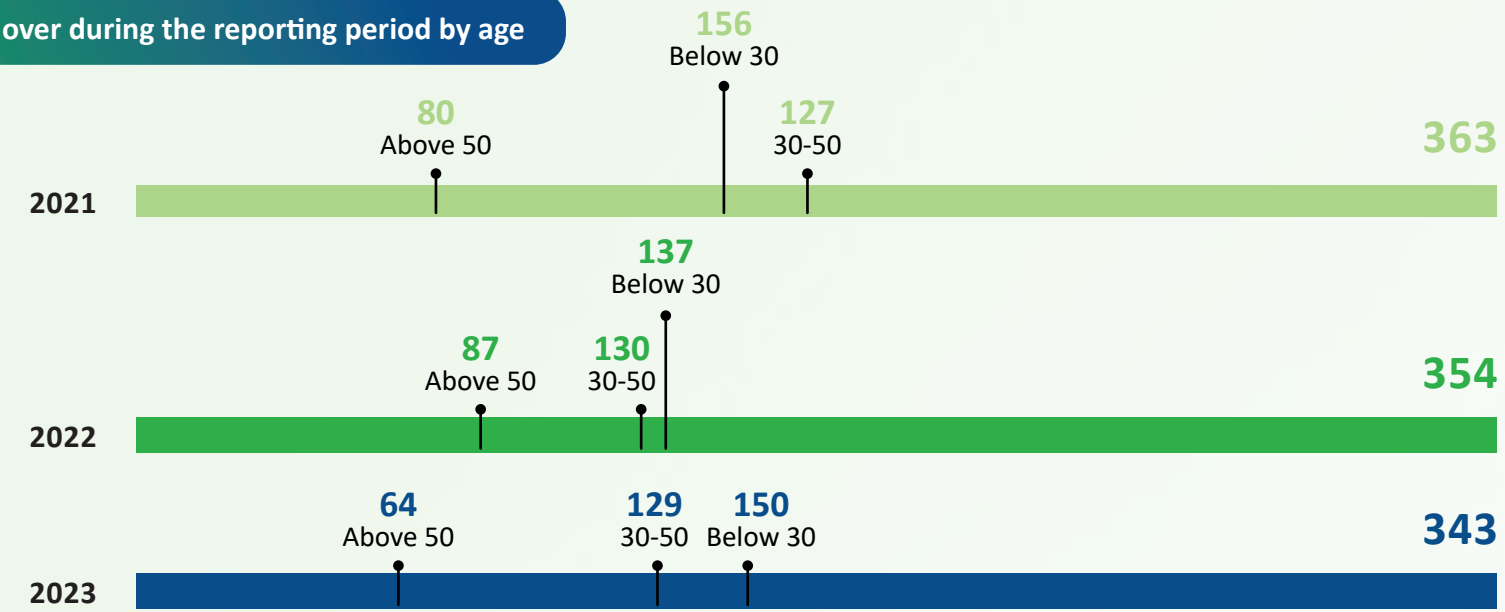


Total number of new employee hires during the reporting period

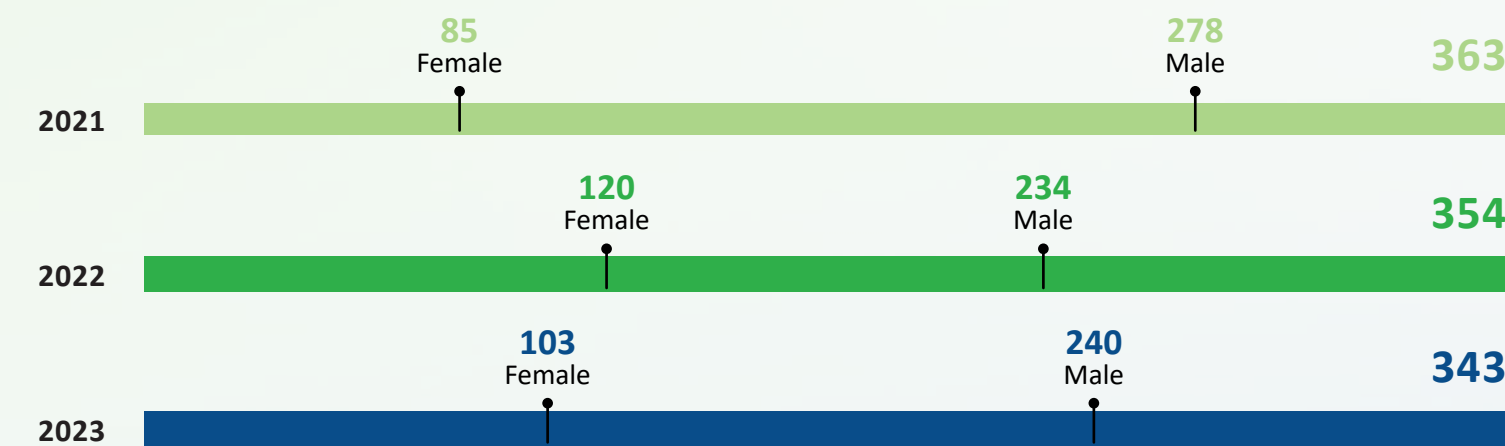
New employee hires by employee category



Employee turnover during the reporting period by age

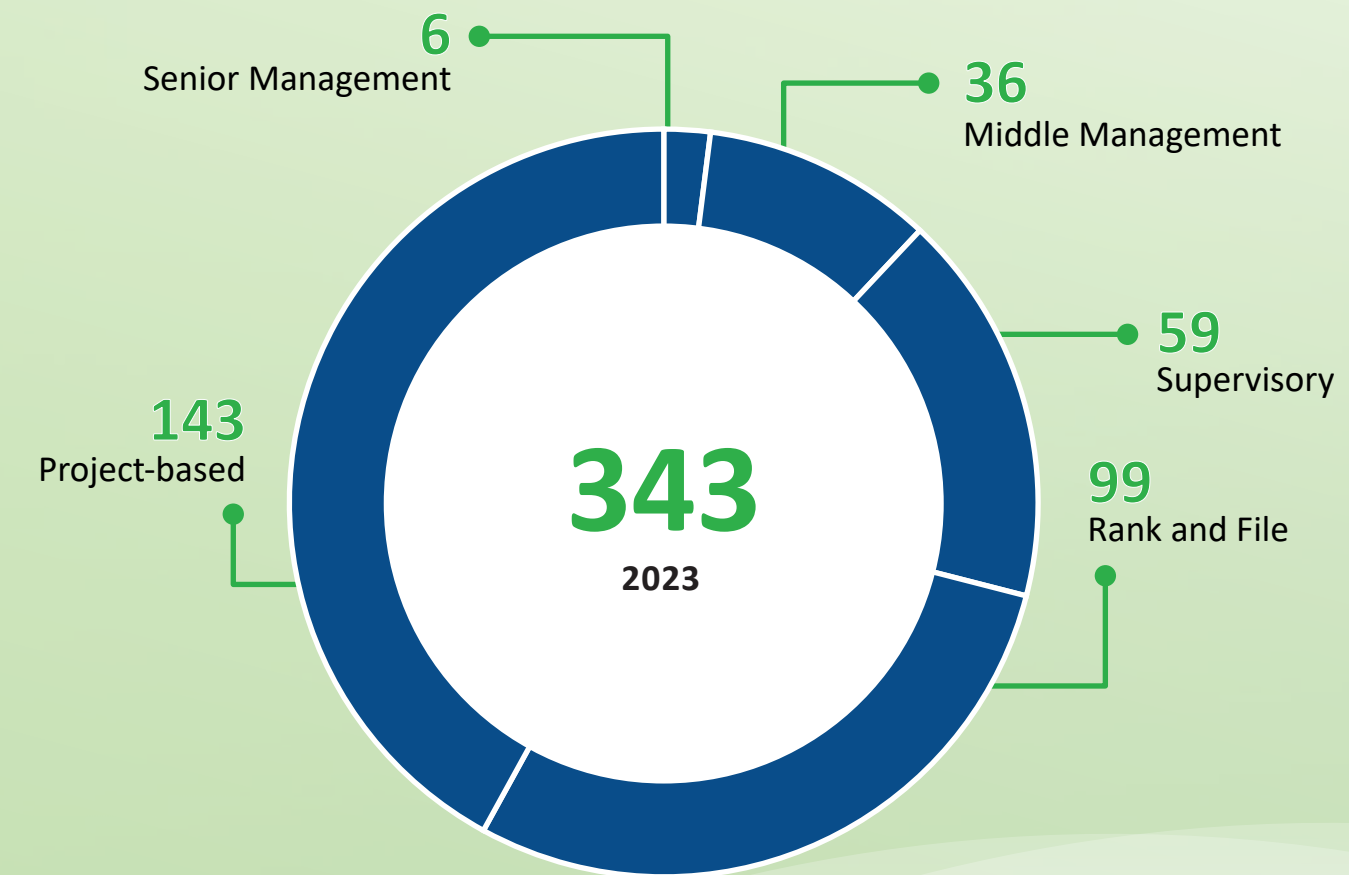


Employee turnover during the reporting period by gender



Total number of employee turn over during the reporting period.

Employee turnover by employee category



Workplace Policies Against Harassment and Discrimination
[406-1]

Maynilad believes that employees have the right to work in an environment free of sexual harassment. No employee, either male or female, should be subjected to verbal or physical unsolicited sexual overtures or conduct. We do not tolerate any form of workplace discrimination, including oral or physical abuse.

Despite stringent policies in place, there were 2 incidents of harassment and 0 incident of discrimination in 2023. We have already reviewed the incidents and remediation plans have been implemented. The incidents have been resolved and are no longer subject to action.

We are now discussing training for all employees on discrimination and harassment in the workplace.



Security Practices
[410-1]

To extend our commitment to human rights, we require all third-party organizations that provide security personnel to our operations to undergo the same rigorous human rights training. This ensures that all security personnel, whether directly employed or contracted, adhere to our high standards of conduct.

Gender Pay Ratio
[2-19, 405-2]

Ensuring equitable remuneration is a key aspect of our commitment to diversity and inclusion. We strive to maintain a balanced and fair compensation structure across all levels of our organization. The data below presents the ratio of basic salary and remuneration of women to men across different organizational levels.



These ratios highlight areas where we are performing well and areas where further efforts are needed to achieve pay equity. Our commitment is to continuously review and improve our policies and practices to ensure fair and equitable compensation for all employees.

Occupational Safety and Health

[403]

Occupational Safety and Health Actual and Potential Impacts to Maynilad			
Actual			
— Incorrect Response: Risk of feedback loops being inadequate or non-existent		+ Uninterrupted Operations: Focus on health and safety ensures continuity of operations	
		+ Efficient Monitoring: Mitigation and control of accidents due to close monitoring of OSH data	
		+ Enhanced Awareness: Improved awareness on OSH requirements after pursuing ISO 45001 certification	
Potential			
— Increased Expenses: Safety compliance programs might lead to increased costs in the long run		+ Employee Safety: Safe working environment for employees, safety for communities near us	
— Regulatory Violations: Violation of laws/loss of manhours if OSH not implemented well		+ Employee Performance: Increased productivity of health employees who feel safe at work	
— Interrupted Implementation: Bureaucratic and tedious nature of processes could delay implementation		+ Employee Retention: Aids in talent attraction due to improved company image	

At Maynilad, our people are the foundation of our success. Without our talented team, we would not be able to deliver our water and wastewater services.

We are committed to maintaining a safe and healthy work environment across all operations. A safe workplace allows our employees

to be productive and boost their morale.

To achieve this, we have implemented a comprehensive Occupational Health and Safety Management System (OHSMS) that is certified to ISO 45001:2018 that covers all our sites and business segments.

These measures reflect our dedication to occupational health and safety, ensuring that all employees and contractors operate in a safe environment. In addition, our OHSMS are internally and externally audited to ensure our compliance with the standards. [403-8]

Worker training on occupational health and safety

[403-5]



This year’s emergency drills strategy aims to ensure employees are familiar with evacuation procedures and the role of the damage control team in assessing safety before the employees return to their workstation.

The plan includes pre-drill preparations involving communication, training, and team assignments. During the drill, an alarm will trigger evacuation, with evacuation team guiding employees to assembly points and conducting roll calls.

The damage control team will then assess the building for hazards, compile a report, and decide on the safe return to the workplace. If clearance is given, employees will re-enter the building under the floor wardens’ guidance. A post-drill review will gather feedback, evaluate effectiveness, and update procedures as needed.



Workers covered by an occupational health and safety management system

[403-8]

Our commitment to maintaining a safe work environment involves identifying and mitigating work-related hazards that pose high-consequence injury risks, such as vehicular accidents, electric shocks, and exposure to hazardous chemicals. These hazards are systematically identified through our ESH Risk and Opportunity Management.

Notably, there were no high-consequence injuries reported in 2023, demonstrating the effectiveness of our risk management strategies. To address these hazards, we have implemented various controls outlined in the ESH Risk Registry, using the hierarchy of controls to ensure comprehensive risk mitigation. This approach highlights our dedication to the health and safety of our employees and contractors.

Work-related Injuries

[403-9]

For all employees



Zero fatality
due to work-related injuries since 2001

4,584,824 Hours
worked in 2023

Zero high-consequence
work-related injuries since 2021

0 Lost-time
work-related injuries in 2023

0 Recordable
work-related injuries since 2023

3* in 2022
0* in 2021

**The data has been updated to reflect the correct number of recordable work-related injuries in the previous reporting period.*

1 fatality
due to work-related
injuries in 2023

Zero high-consequence
work-related
injuries since 2021

8 Recordable
work-related
injuries in 2023

**For all
contractors**



Maynilad diligently addressed work-related ill health hazards through a systematic approach outlined in our ESH Risk and Opportunity Management, we have identified and mitigated potential threats. This report details our efforts, actions taken, and ongoing initiatives to eliminate hazards and minimize risks, particularly focusing on prolonged exposure to high-level noise, chemical exposure, and the significant impact of COVID-19.

To eliminate hazards and minimize risks effectively, we implemented a comprehensive set of controls based on the hierarchy of controls principle.



ADMINISTRATIVE CONTROLS

- **Installation of Warning Signages:** Clear and visible warning signages have been strategically placed to alert personnel to the presence of hazards.
- **Work Environment Monitoring (WEM):** Regular monitoring of the work environment ensures adherence to safety standards and immediate corrective actions when necessary.
- **Improvement of established system and operational procedures, HIRAC to ESH Risk and Opportunity Management:** Robust system and operational procedures, HIRAC protocols, have been established to systematically identify, assess, and control workplace hazards including identification, assessment and implementation of ESH Opportunities that would help OSH performance of the company. System procedures are also in place such as Incident Reporting, Emergency Preparedness and Response System (EPR), among others.
- **Vaccination Program:** A comprehensive vaccination program has been initiated to safeguard against COVID-19 transmission and other diseases.
- **Annual Physical Examination (APE):** Regular health check-ups through APEs help monitor and manage potential health risks among personnel.
- Provision of OSH -related trainings to employees and service providers such as the mandatory 8-hour OSH Orientation

PERSONAL PROTECTIVE EQUIPMENT (PPE)

- **Appropriate PPE Provision:** All personnel within Maynilad facilities are provided with suitable PPE tailored to their specific roles and potential hazards.
- **PPE Evaluation:** Rigorous evaluations ensure that all provided PPE meets or exceeds industry standards for effectiveness and safety.



No workers have been excluded from this disclosure, reflecting our commitment to transparency and inclusivity in reporting.

The Resiliency Department plays a key role in monitoring the Lost Time Accidents (LTA) of contractors and service providers. Additionally, APE and vaccination records of service providers are regularly submitted to relevant business units, ensuring a holistic approach to health and safety across all operational aspects.

KEY PERFORMANCE INDICATORS

4,584,824.00

Safe man-hours

4

Number of safety drills conducted

0

Loss Time Incident Rate

Work-related ill health

[403-10]

For all employees			
Type of Incident	2021	2022	2023
Fatalities as a result of work-related ill health	2	0	0
Cases of recordable work-related ill health	67	575	25
Main types of work-related ill health	COVID related	COVID related	COVID related

For all contractors			
Type of Incident	2021	2022	2023
Fatalities as a result of work-related ill health	2	0	1
Cases of recordable work-related ill health	67	21	2
Main types of work-related ill health	COVID related	COVID related	COVID related, Transmission, Cerebrovascular Accident, Presyncope

Community Development

[411, 413]

Community Development Actual and Potential Impacts to Maynilad	
Actual	
+ Community Awareness: Better awareness among communities about company’s vision/mission + Job Opportunities: Additional income and livelihoods for communities due to CSR efforts + Sustainable Community: Establishment of self- sustaining communities that thrive well	
Potential	
- Increased Expenses: High costs are involved in maintaining community programs - Misconception: The community perceives CSR initiatives as a form of greenwashing - Challenges in conducting CSR activities: Opposition on CSR activities from a few sections of the community	+ Community Affinity: Better community relations and improved company image + Sustainable Community: Community involvement in creating sustainable solutions on water + Capital Acquisition: Attracts investors due to competitive edge from CSR activities

As a water and wastewater service provider, we believe that supporting and uplifting our local communities is integral to our mission. At Maynilad, we are proud to champion community outreach initiatives that go beyond providing essential services. Through our dedicated efforts in capacity-building, environmental

stewardship, and strategic partnerships, we strive to make a meaningful impact on the lives of those we serve. Our initiatives include empowering marginalized communities, promoting sustainable practices, fostering economic development, and providing critical support during times of need.

Here are some of the ways we contribute to the well-being and development of our communities:

Capacity-Building Programs

W.A.S.H. and Livelihood Development Initiatives: Maynilad leads capacity-building programs that enhance the living conditions of marginalized communities through Water, Sanitation, and Hygiene (W.A.S.H.) initiatives and livelihood development. Notable projects include:

- Kapwa Cooperative: Established in Tondo, Manila, this water cooperative empowers women leaders to produce hygiene and sanitation products. Lydia Codiñera, the cooperative’s president, was recognized as one of Go Negosyo’s 20 Inspiring Filipina Entrepreneurs in 2018.
- Sining Ipo: This program offers an alternative livelihood to the Dumagats, the indigenous community in the Ipo watershed, by engaging them in crafting driftwood products, thus supporting both their livelihood and watershed preservation.



Sustainability and Environmental Stewardship

- Green Badge Program: Maynilad collaborates with urban poor communities to upcycle old company uniforms into clothing and other items, which are then donated during disaster relief operations.
- Effluent Water Donation: We donate treated water from our Water Reclamation Facilities to local government units (LGUs) and national government agencies (NGAs) for plant watering, road cleaning, and firefighting, promoting sustainable practices.

Community Water Systems and Partnerships

- Samahang Tubig Maynilad and Pag-asa sa Patubig Partnerships: These pro-poor schemes empower residents to manage their community water systems, addressing water inaccessibility and poor sanitation in indigent communities within the West Zone concession.
- Mamamayan Para sa Lambat at Dagat Cooperative: In partnership with the City Government of Bacoor, Cavite, this cooperative maintains a shellfish farm and a supplies store, leading cleanup efforts in Bacoor Bay.

Employee Volunteerism

Our employees are actively involved in community service. Last year, 65 employee-volunteers, alongside media members, participated in the clean-up efforts of Manila Bay, collecting around 420 kilograms of garbage during the International Coastal Cleanup event.

Other activities include river and coastal clean-ups along Alabang River, Imus River and Dolomite Beach in celebration of different environmental events such as World Water Day, World Oceans Day, World Environment Day, Philippine Environment Month where 146 Maynilad employees and 256 external partners collected a total of 1,169 sacks of wastes equivalent to 6,855 kilograms.

The 2023 Plant for Life Program was a success through the efforts of 390 employee-volunteers alongside 642 external partners who are committed to maintaining and preserving our key watersheds.



Employee Volunteerism

Maynilad has formed strategic alliances with National Government Agencies to support key initiatives. This includes:

- BIDA Program: A collaboration with the Department of Interior and Local Government (DILG) to support their anti-illegal drugs campaign.
- Gender and Development (GAD) Initiatives: An MOU with MWSS RO to advance GAD initiatives and ensure effective implementation of W.A.S.H. programs.
- Mission Ginhawa: Maynilad partners with government agencies and private organizations to provide calamity aid. This initiative ensures vulnerable individuals have access to clean water and essential resources during emergencies.

Business-Related Community Activities

In addition to our W.A.S.H. initiatives, we engage in activities that directly support Maynilad's success and promote our corporate identity. For instance, we participated in the Philippine Association of Water Districts (PAWD) Convention, the largest gathering of Water District leaders in the country, fostering the exchange of new management and technological ideas.

Maynilad Water Academy



Our Maynilad Water Academy (MWA) is dedicated to enhancing the quality of water and sanitation professionals in the Philippines and Asia through our world-class capacity-building and learning hub. Leveraging a broad network of experts in both technical and non-technical domains, we offer a comprehensive range of classroom and practical training courses designed to elevate the operational standards of water districts and operators. Additionally, our structured benchmarking programs, forums, and seminars facilitate the advancement and implementation of innovative water technologies, thus fostering continuous improvement and excellence in the water and sanitation industry.

MWA Initiatives

- 1

Nepal Government Water Regulation Discussion

Senior members from the Nepal government and Waterlinks visited the Maynilad Head Office last February 28, 2023 for a discussion on water regulation. The delegates were led by Mr. Mani Ram Gelal, Secretary of the Ministry of Water Supply. The dialogue sought to explore water and sanitation regulatory practices among water service providers in the Philippines. It intended to highlight concessionaire perspectives on the impacts of water regulation to service quality and financial operations. The visit was coordinated by Mr. Arjun Thapan, Chairman of Waterlinks, Ms. Mai Flor, Executive Director for Waterlinks, and Engr. Rodora N. Gamboa, Executive Director of the Maynilad Water Academy.
- 2

Faculty Learning Exchange on Water Education (FLExWater)

In celebration of World Water Day last March 16, 2023, Maynilad partnered with university officials and faculty from the Pamantasan ng Lungsod ng Valenzuela for an event entitled, “Faculty Learning Exchange on Water Education” or “FLExWater”. The program served as a platform for insightful discussions on the significance of water and sanitation. Topics covered included water and wastewater treatment processes, advanced technologies, community partnerships, and New Water. This event highlighted the crucial role of partnerships between academic institutions and the water sector in ensuring sustainable development. Such collaborations are essential for fostering innovative solutions, enhancing knowledge and skills, promoting advocacy and awareness, and building capacity for the sustainable management of water resources.

- 3

Water Laboratory Training for Samoa Water Authority

Maynilad’s WaterLab conducted a Water Utility Operations - Laboratory Management System training session from May 9 to June 15 for the Samoa Water Authority (SWA). The virtual program, attended by 6 Samoan representatives, equipped learners with skills and techniques in water quality assessment and laboratory practices aligned with international standards. This included sample collection, preservation, analysis, and data interpretation. The training program also covered effective reporting practices to enable informed decision-making among relevant stakeholders. By doing so, the training reinforced Samoa’s commitment to providing safe water through regulatory compliance, reporting accuracy, and laboratory management.
- 4

Risk Management Program

On May 11, 2023, Maynilad Water Academy (MWA) hosted an introductory risk management program for Metro Iloilo Bulk Water and Metro Pacific Iloilo Water. Attended by 30 participants, the training discussed risk management approaches specifically tailored for the water management sector. It provided skills to help learners identify, assess, and mitigate risks using risk assessment techniques in different domains. The training program plays a significant part in helping water concessionaires strengthen their operational resilience and risk mitigation. In addition, it ensures that local communities and water users have access to quality water services at all times.
- 5

Non-Revenue Water (NRW) Reduction Training

Officers from Asian Development Bank (ADB) joined Maynilad Water for a 3-day training session on Non-Revenue Water (NRW) reduction through the establishment of District Metered Areas (DMA). DMAs, a type of distribution system, are said to be a proven strategy to effectively curb NRW. The program thus aimed to address water loss and improve efficiency of water operations through the DMA management. It equipped participants with both theoretical knowledge and hands-on techniques, which included network zoning, metering, data collection, and analysis. In addition, the training highlighted the significance of stakeholder engagement in tailoring solutions and strategies for optimizing the effectiveness of DMAs.

6

Water Resource Engineering Seminar

An enlightening seminar titled “Engage: Be Fascinated in the World of Water Resource Engineering” was conducted on June 26, 2023, targeting 25 student leaders from various disciplines. Organized by Maynilad Water Academy (MWA) in collaboration with the Philippine Society of Sanitary Engineers – MAPUA University Student Chapter, Chemical Engineering students, and Civil Engineering students, the session aimed to foster enthusiasm and awareness about water resource engineering. The seminar provided a platform for student leaders to explore the diverse aspects of this field, emphasizing its critical role in sustainable development and environmental stewardship. Through engaging presentations and interactive discussions, participants gained valuable insights into this vital area of engineering.

7

Global Water Operators’ Partnerships Alliance (GWOPA) Event

Edmundo M. Perez II, Head for Technical Advocacy at Maynilad Water Academy, participated as a distinguished panelist at the Global Water Operators’ Partnerships Alliance (GWOPA) event in Bonn, Germany, from May 22 to 26, 2023. His participation brought valuable insights and successful practices from water operators worldwide, representing Maynilad Water Academy, a hub for capacity development and knowledge-sharing in water and sanitation. Perez’s presence at the GWOPA International Conference allowed him to share practical knowledge and contribute to collective efforts in addressing water-related challenges. His presentations highlighted the importance of knowledge-sharing, capacity-building, evidence-based approaches, and stakeholder collaboration in effectively tackling water management issues.

8

Sustainable Water Management Training Program

Rawalpindi government officials participated in an intensive Sustainable Water Management training program from September 11 to 14, 2023, facilitated by Maynilad Water Academy and supported by the Asian Development Bank (ADB). The program focused on key aspects such as water governance, financial sustainability, and digitization integration, reflecting ADB’s commitment to fostering international partnerships in sustainable water resource management. Held at Museo El Deposito, Maynilad Business Area in Arroceros Manila, and Joy Nostalg Hotel in Ortigas, Pasig, the training aimed to enhance water resilience in Rawalpindi. With insights gained from this initiative, Rawalpindi is now better positioned to implement advanced water management practices and effective governance in sustainable resource utilization.



9

Water Treatment Practical Learning

Environmental and Sanitary Engineering students from the National University Manila explored the practical intricacies of water treatment during a visit to Maynilad’s Paranaque Sewage Treatment Plant (STP) Facility on October 28, 2023. The visit allowed students to witness firsthand the application of engineering principles in wastewater management and gain valuable insights into the advanced technologies utilized by Maynilad. Guided by Maynilad’s on-site engineer, the students navigated through the facility, gaining a comprehensive understanding of the stages involved in water treatment and quality control. This collaborative endeavor bridges academics and industry, equipping the next generation of engineers with practical knowledge and emphasizing the importance of experiential learning in preparing for professional challenges in the water sector.

10

Championing the Circular Economy in Water

The Department of Environment and Natural Resources (DENR), in collaboration with the Ecosystems Research and Development Bureau (ERDB), organized the international research and development conference “Connecting Dots on Circular Economy for Sustainable Development” on November 8–9, 2023. The event brought together scholars, policymakers, and professionals to discuss innovative ways to promote sustainable development using circular economy principles. Edmundo M. Perez II, Head of MWA’s Technical Advocacy, presented a paper titled “Championing the Circular Economy in Water: The Maynilad Experience,” sharing insights from Maynilad’s initiatives in sustainable water management. This collaboration between DENR, ERDB, and industry leaders demonstrates a joint effort to advance research and development in sustainable and circular economic practices.

Risk Management

Risk management is a fundamental aspect of Maynilad's operations. We understand that as a water utility company, we face various risks, including climate-related risks that could impact our ability to provide reliable water supply services. All activities we undertake carry an element of risk, inherent to the company's business environment. Embedding risk management principles into strategy development and day-to-day operational processes is critical to achieving proactive business outcomes—a balance between mitigating threats and exploiting opportunities.

Effective risk management requires clear roles and responsibilities across our organization

Board of Directors

Ensures that management has developed and implemented an effective risk management framework, including setting our Risk Appetite.

Risk Management Committee

Oversees the implementation and effectiveness of our risk management framework, providing recommendations and guidance on key risk strategies.

President and CEO

Leads the overall management of our top strategic risks, sets the tone for our risk culture, and reports to the Board on the effectiveness of our Risk Management Framework.

Division Heads

Own the strategic and operational risks within their respective business units, leading risk identification, monitoring, and management.

Department Heads

Manage risks within their departments, updating and reporting the status of risks and monitoring the implementation of Risk Treatment Action Plans (RTAP).

Strategic Risk Core Team

Coordinates with various departments to ensure risks are identified, assessed, and mitigated effectively.

Integrating Climate-Related Risk Into Overall Risk Management

At Maynilad, we integrate climate-related risk management into our multi-disciplinary, company-wide risk management process. This involves identifying and assessing climate-related risks, developing strategies to mitigate these risks, and ensuring continuous monitoring and reporting. Our approach ensures that our risk management is comprehensive and in alignment with other strategic and operational objectives, contributing to the overall resilience and sustainability of our operations.

The risk identification process involves two key components: the Operational Risk Registry, which operates at the tactical level, and the Strategic Risk Registry, which

operates at the top level. Within the Strategic Risk Registry, the top 10 risks are assessed and reported to the Risk Management Committee. These risks include ESG-related concerns such as water supply, climate change, health and safety, and environmental risks.

Although we have made significant progress in identifying mostly short-term physical climate risks, we recognize the importance of also assessing medium to long-term and transition risks, along with their respective time horizons. We plan to expand our focus on these areas in the upcoming reporting periods. These assessments are crucial for ensuring our long-term sustainability and resilience.

Risk Management

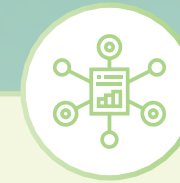
Our Risk Management System adheresto ISO 31000 principles and guidelines, focusing on protecting and creating value for our business. The system includes the following components:



Principles

Ensuring value establishment and sustainability, integration into organizational processes, addressing uncertainty, and facilitating continual improvement.

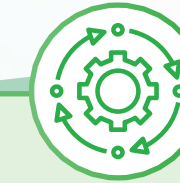
- Establish and sustain value.
- Integrate into organizational processes and decision-making.
- Address uncertainty deliberately.
- Be structured, systemic, and timely.
- Use the best available information.
- Consider human and cultural factors.
- Be transparent and inclusive.
- Be dynamic, iterative, and responsive to change.
- Facilitate continual improvement of the company.



Frameworks

Fostering leadership commitment, balancing the cost of managin risk with anticipated benefits, and including contingency plans for business continuity.

- Maynilad’s risk management framework ensures leadership commitment from top management to integrate, design, implement, evaluate, and continually improve vulnerability addressing strategies. This framework emphasizes strong ownership, responsibility, authority, and accountability over risks within Business Unit operations. Division Heads, as overall risk owners, drive strategic and operational risk management, balancing costs and benefits, and implementing contingency plans for business continuity and disaster recovery.



Process

Clearly outlining the stablishment of scope, context, criteria, risk assessment, risk treatment, communication and consultation, monitoring and review, and risk recording and reporting.

- Establishment of Scope, Context, and Criteria: Defining the boundaries and context for risk assessment.
Risk Assessment:
 - Risk Identification: Identifying events or changes that might impact objectives.
 - Risk Analysis: Understanding the nature and characteristics of risks.
 - Risk Evaluation: Comparing analysis results against criteria to determine action.
- Risk Treatment: Developing Risk Treatment Action Plans (RTAPs) with clearresponsibilities and timelines.
- Risk Communication and Consultation: Engaging with other BUs to understand risks better.
- Risk Monitoring and Review: Regular monitoring and reviewing of risks to ensure controls are effective.
- Risk Recording and Reporting: Documenting and reporting risks quarterly to the risk owners and ERM.



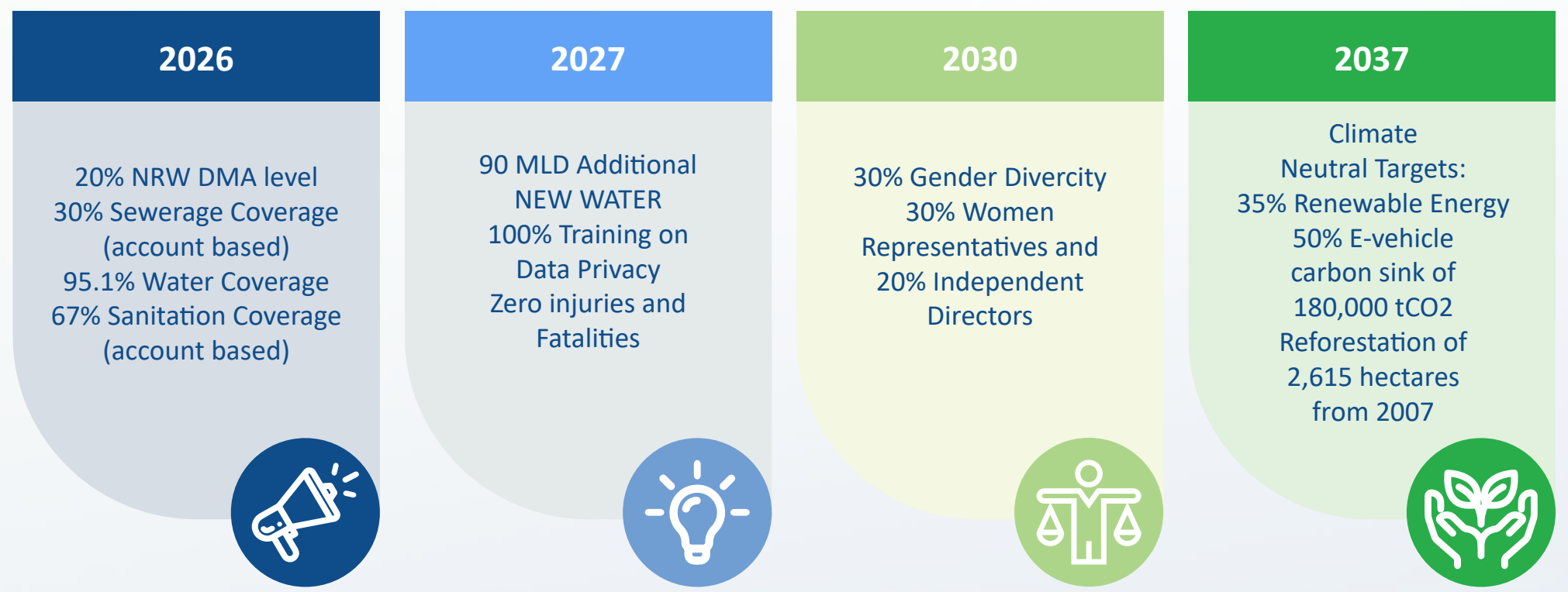
Monitoring and Review

We regularly review the implementation of our risk management policy and make necessary updates to ensure its effectiveness. This includes annual risk audits and control validations, semi-annual strategic risk reviews, and quarterly operational risk reviews. We also address arising matters in real-time to ensure we are responsive to new risks and opportunities for improvement. Our commitment to comprehensive risk management helps us achieve our business objectives and maintain the trust of our stakeholders.

Metrics and Targets

Metrics and Targets

Maynilad established a comprehensive set of sustainability targets to guide our strategic objectives. These targets are designed to address key sustainability issues, including climate change, water management, and gender diversity.



Decarbonization Road Map

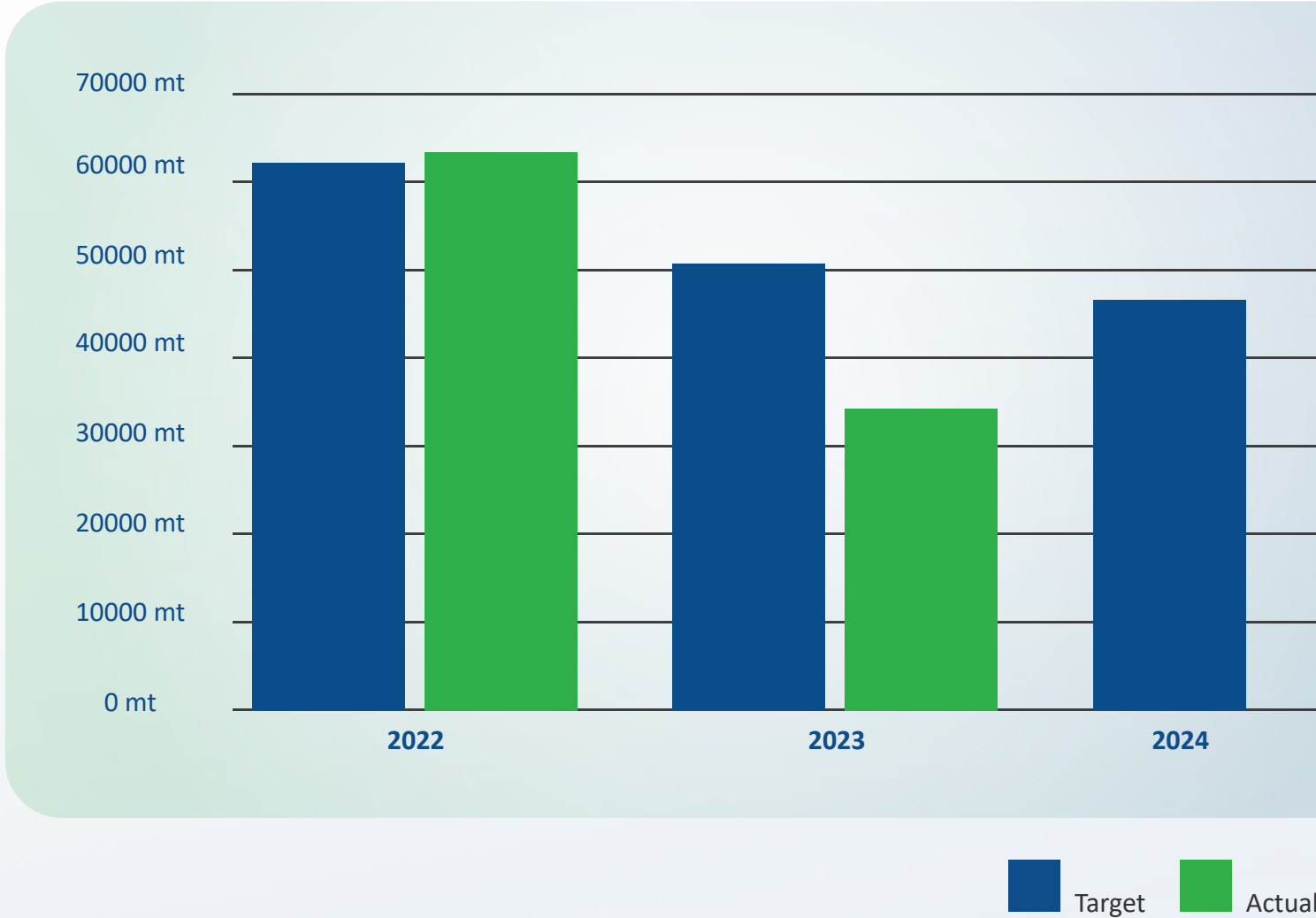
Our Decarbonization Road Map sets targets for reducing our carbon footprint. By 2037, we aim to achieve climate neutrality, with targets including a 35% renewable energy mix, 50% electric vehicles, a carbon sink of 180,000 tCO2, and reforesting 2,615 hectares. These targets are integral to our sustainability strategy.



Our Emissions - Approach and Progress

We maintain a comprehensive Greenhouse Gas and Air Pollutants inventory to monitor and report our emissions, enabling us to quantify and validate carbon emissions from our operations and assess the effectiveness of our environmental programs. Verified according to the ISO 14064-1:2018 standard, this inventory guides us in quantifying and reporting GHG emissions and removals.

We use a calculation tool, considering inputs like power and fuel consumption values, and align our calculations with the IPCC Sixth Assessment Report (AR6) for emissions factors and global warming potential (GWP) rates. We have set specific annual targets for carbon emissions reduction, measured in metric tons of CO2e, and track our progress against these targets.



Drive towards Climate Neutrality

Tons CO2



Plans for Scope 3 Emissions

While we have made significant progress in measuring and reporting our Scope 1 and 2 emissions, we recognize the importance of addressing Scope 3 emissions. Currently, our efforts primarily focus on understanding and accounting for the environmental impact of official business travels.

As we continue to enhance our data collection and analysis capabilities, we look forward to expanding our Scope 3 emissions inventory to include other relevant categories. We aim to comprehensively assess and manage our emissions beyond our direct operations.



SASB Metrics Alignment

In addition to the carbon targets, we are working towards aligning our sustainability reporting with the SASB Water Utility Metrics. We will further improve the specificity of metrics, target periods, milestones, and interim targets. This approach ensures that our reporting meets industry standards and provides stakeholders with relevant and comparable information.

SASB Disclosure Topics	Metrics	Our Data
Energy Management	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Total Grid Purchased Electricity (kWh) - 179,939,914.75 Total Renewable Energy Consumed (kWh) - 766,704.10 Percentage grid electricity - 99.58% Percentage renewable - 0.42%
Distribution Network Efficiency	Water main replacement rate	Water main replacement rate for the year 2023 - 1.263% Maintenance of the distribution system is essential to ensure the quality of the water distributed to the customers, to ensure the continuity of supply and reduce water losses due to leaks. The challenge is more on managing the effects of the maintenance activity such as water interruptions and impacts of construction activities in the community.
	Volume of non-revenue real water losses	Volume of non-revenue real water losses (Total NRW Level) - 404,546.26
Effluent Quality Management	Number of incidents of non-compliance associated with water effluent quality permits, standards, and regulations	Number of incidents of non-compliance associated with water effluent quality permits, standards, and regulations - 3
	Discussion of strategies to manage effluents of emerging concern	Maynilad is actively implementing rehabilitation and improvement works of the existing wastewater treatment facilities to comply with the latest effluent standards defined in DAO 2016-08 and DAO 2021-19.

SASB Disclosure Topics	Metrics	Our Data
Water Affordability and Access	Average retail water rate for (1) residential, (2) commercial, and (3) industrial customers	Residential - ₱33.64 per m ³ Semi-Business - ₱48.03 per m ³ Commercial - ₱111.15 per m ³ Industrial - ₱121.58 per m ³
	(1) Number of residential customer waterdisconnections for non-payment, (2) percentage reconnected within 30 days	Number of residential customer water disconnections for non-payment - 269,531 Percentage of residential customer water reconnected within 30 days - 17.81% equivalent to 48,003 customers
	Discussion of impact of external factors on customer affordability of water, including the economic conditions of the service territory	Quality and quantity of raw water, cost of power, fuel and chemicals.
Drinking Water Quality	Number of incidents of non-compliance associated with drinking water quality standards and regulations	There were no instances of non-compliance with water quality standards in the reporting year.
	Discussion of strategies to manage drinking water contaminants of emerging concern	Maynilad has a Water Safety Plan that intends to guarantee that safe drinking water is available to Maynilad’s customers at all times through a sound water supply practice. This is achieved by (1) preventing the contamination of the raw water source, and provision of programs to immediately resolve occurrences of contamination, (2) ensuring that the final quality of water delivered to the consuming public is routinely monitored at a defined schedule and the water quality results meet the established health-based standards set by the DOH, and (3) preventing the re- contamination of its treated water during storage, distribution and handling until the water reaches its customers.

SASB Disclosure Topics	Metrics	Our Data
End-Use Efficiency	Percentage of water utility revenue from rate structures designed to promote conservation and revenue resilience	0%
	Customer water savings from efficiency measures, by market	N/A
Water Supply Resilience	Total water sourced from regions with High or Extremely High Baseline Water Stress; percentage purchased from a third party	0.05% of total water withdrawal equivalent to 549.042 ML is sourced from Groundwater
	Volume of recycled water delivered to customers	24,200.45 ML
	Discussion of strategies to manage risks associated with the quality and availability of water resources	To effectively manage the risks related to quality and availability of water resources, a comprehensive set of strategies are being implemented: 1. Diversification of water sources: additional water treatment plant that sources water from Laguna Lake, use of NEW WATER technology which converts effluent to potable water, utilization of NIA dams and rivers 2. Resilient Treatment Facilities: developing plants capable of handling high turbidity and algal blooms 3. Facility Upgrades: enhancing Maynilad’s wastewater reclamation facilities to meet the effluent standards set by DENR and improve resilience. 4. Watershed Rehabilitation: Maynilad’s Plant for Life program aims to restore watersheds, targeting to rehabilitate 2,615 ha by 2037.

SASB Disclosure Topics	Metrics	Our Data
Network Resiliency and Impacts of Climate Change	Wastewater treatment capacity located in 100-year flood zones	684,000
	(1) Number and (2) volume of sanitary sewer overflows (SSO) and (3) percentage of volume recovered	0
	(1) Number of unplanned service disruptions and (2) customers affected, each by duration category	Number of unplanned service disruptions - 3553 Average: 7,140 water service connections (WSC)/day of service interruptions
	Description of efforts to identify and manage risks and opportunities related to the impact of climate change on distribution and wastewater infrastructure	Maynilad manages the impact of climate change on its distribution and wastewater infrastructure through a comprehensive risk identification process. This process includes the Operational Risk Registry, which addresses immediate operational risks, and the Strategic Risk Registry, which focuses on long-term, broader risks. The top 10 risks, including those related to water supply, climate change, health and safety, and environmental concerns, are assessed and reported to the Risk Management Committee. By maintaining these registries, Maynilad proactively identifies, monitors, and manages both tactical and strategic risks. This approach allows the company to adapt its infrastructure and operations to mitigate climate change effects while leveraging opportunities for sustainability and resilience.

INDEPENDENT ASSURANCE STATEMENT

Makialam, Makiisa, Magmalasakit 2023 SUSTAINABILITY REPORT

Maynilad Water Services (“Maynilad”) has engaged GCSS Inc. to undertake independent assurance of sustainability / non-financial disclosures in 2023 Sustainability Report – Makialam, Makiisa, Magmalasakit (the “Report”) for the year ended 31st December 2023. 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 2021.

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’, ‘Our Value Chain’ and ‘Our Sustainability Approach’ 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.

Material Topics / Subject Matter Assured

Economic Disclosures	
GRI 201-1	Economic Value Generated and Distributed
GRI 204-1	Proportion of spending on local suppliers
GRI 205-1	Operations assessed for the risk of corruption
Environmental Disclosures	
GRI 302-1	Energy Consumption within the organization
GRI 302-3	Energy Intensity
GRI 303-3	Water Withdrawal
GRI 303-4	Water Discharge
GRI 304-3	Habitats Protected and Restored
GRI 305-1	Direct (Scope 1) Emissions
GRI 305-2	Indirect (Scope 2) Emissions
GRI 306-3	Waste Generated
GRI 308-1	New suppliers that were screened using environmental criterion
Social Disclosures	
GRI 401-1	New employee hires and turnover
GRI 401-3	Parental leave
GRI 403-1	Occupational Health and Safety Management System
GRI 403-6	Promotion of Workers health
GRI 403-9	Work related injuries
GRI 404-1	Average hours of training per year per employee
GRI 406-1	Incidents of discrimination and corrective action taken
GRI 414-1	New suppliers that were screened using social criterion
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data

Other than the indicators stated above, we did not conduct assurance on other disclosures hence no conclusion can be made.

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 2023 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 2023 Sustainability Report.
- Management’s forward-looking statements.
- Any disclosure made by the subsidiaries not covered within the report boundaries.
- Remote verification of data sources.

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 populationsupporting the UNSDG on Clean Water and Sanitation (SDG6).

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”.

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.

Reliability and Quality of Information:

The data sources for the sustainability performance data are based on the reports submitted by the company to the respective regulatory bodies as required. Hence the reliability of data is maintained through regular monitoring and reporting.

Suggestions

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

1. Improve on data management process with regards to environmental protection.
2. Define time-based, measurable goals and targets on the material topics identified by the organization.
3. Elaborate disclosures on risk and impact related to climate change on Maynilad’s operations.
4. Highlight on how sustainability performance is assessed and monitored at the Board level in future disclosures.

Opinion

Nothing has come to our attention during the assurance engagement that suggests that the company does not adhere to the AccountAbility principles of assurance.

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: July 28, 2024

Place: Quezon City, Philippines



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GRI Content Index

GRI STANDARD	GRI Disclosure	Location	IFRS S1 Recommended Disclosure	IFRS S2 Recommended Disclosure	Explanation / Reasons for omission
General disclosures					
GRI 2: General Disclosures 2021	The organization and its reporting practices				
	2-1 Organizational details	11			
	2-2 Entities included in the organization’s sustainability reporting	3			
	2-3 Reporting period, frequency and contact point	3			
	2-4 Restatements of information	106, 125-126, 171			
	2-5 External assurance				
	Activities and workers				
	2-6 Activities, value chain and other business relationships	14			
	2-7 Employees	20			
	2-8 Workers who are not employees	20			

GRI STANDARD	GRI Disclosure	Location	IFRS S1 Recommended Disclosure	IFRS S2 Recommended Disclosure	Explanation / Reasons for omission
	Governance				
	2-9 Governance structure and composition	26-29, 43	S1.27(a)(i-iv)	S2.6 (a)(i-iv)	
	2-10 Nomination and selection of the highest governance body	28			
	2-11 Chair of the highest governance body	26			
	2-12 Role of the highest governance body in overseeing the management of impacts	26-29, 43	S1.27(b)(i-ii)	S2.6 (b)(i-ii)	
	2-13 Delegation of responsibility for managing impacts	26-29, 43			
	2-14 Role of the highest governance body in sustainability reporting	26-29, 43			
	2-15 Conflicts of interest	147			
	2-16 Communication of critical concerns	147			
	2-17 Collective knowledge of the highest governance body	30-39			

GRI STANDARD	GRI Disclosure	Location	IFRS S1 Recommended Disclosure	IFRS S2 Recommended Disclosure	Explanation / Reasons for omission
	2-18 Evaluation of the performance of the highest governance body				The Board assesses the performance of the organization as a whole, including those of its senior executives, and ensures that a performance appraisal system for the entire organization is in place.
	2-19 Remuneration policies	167			
	2-20 Process to determine remuneration				The Board assesses the performance of the organization as a whole, including those of its senior executives, and ensures that a performance appraisal system for the entire organization is in place.
	2-21 Annual total compensation ratio	-			Maynilad maintains confidentiality regarding its annual total compensation ratio to safeguard employee privacy and avoid potential conflicts or disparities among team members.

GRI STANDARD	GRI Disclosure	Location	IFRS S1 Recommended Disclosure	IFRS S2 Recommended Disclosure	Explanation / Reasons for omission
	Strategy, policies and practices				
	2-22 Statement on sustainable development strategy	14, 44-60			
	2-23 Policy commitments	147-150			
	2-24 Embedding policy commitments	147, 184-188	S1.44(a)(i),(b-c)	S2.25(a)(i),(b-c)	
	2-25 Processes to remediate negative impacts	14, 52			
	2-26 Mechanisms for seeking advice and raising concerns	147			
	2-27 Compliance with laws and regulations	134, 144-145			
	2-28 Membership associations	42			
	Stakeholder engagement				
	2-29 Approach to stakeholder engagement	61			
	2-30 Collective bargaining agreements	149-150, 155			

GRI STANDARD	GRI Disclosure	Location	IFRS S1 Recommended Disclosure	IFRS S2 Recommended Disclosure	Explanation / Reasons for omission
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	68			
	3-2 List of material topics	52			
Business Continuity					
GRI 3: Material Topics 2021	3-3 Management of material topics	73-80	S1.29(a-b), S1.30(a-b), S1.33(a)	S2.9(a-b)	
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	73-80			
Sustained Earnings					
GRI 3: Material Topics 2021	3-3 Management of material topics	81-87	S1.34(a)	S2.15(a)	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	81			
	201-4 Financial assistance received from government	None			

GRI STANDARD	GRI Disclosure	Location	IFRS S1 Recommended Disclosure	IFRS S2 Recommended Disclosure	Explanation / Reasons for omission
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	84			
	203-2 Significant indirect economic impacts	86			
GRI 207: Tax 2019	207-1 Approach to tax	87			
	207-2 Tax governance, control, and risk management	87			
Asset Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	88			
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	88-89			
Cybersecurity and Data Privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	94-98			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	95			

GRI STANDARD	GRI Disclosure	Location	IFRS S1 Recommended Disclosure	IFRS S2 Recommended Disclosure	Explanation / Reasons for omission
Supply Chain, Materials Management, and Quality Assurance					
GRI 3: Material Topics 2021	3-3 Management of material topics	101-102			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	102			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	102			
	308-2 Negative environmental impacts in the supply chain and actions taken	102			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	102			
	414-2 Negative social impacts in the supply chain and actions taken	102			
Quality and Reliability of Water Supply					
GRI 3: Material Topics 2021	3-3 Management of material topics	103-107			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	104			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resources	104			
	303-3 Water Withdrawal	104			

GRI STANDARD	GRI Disclosure	Location	IFRS S1 Recommended Disclosure	IFRS S2 Recommended Disclosure	Explanation / Reasons for omission
	303-5 Water consumption				Not applicable
Water Efficiency and Wastewater Treatment					
GRI 3: Material Topics 2021	3-3 Management of material topics	108-112			
GRI 301: Materials 2016	301-2 Recycled input materials used	110			
	301-3 Reclaimed products and their packaging materials				Not applicable
GRI 303: Water and Effluents 2018	303-4 Water Discharge	111-112			
Waste Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	113			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	113			
	306-2 Management of significant waste-related impacts	114			
	306-3 Waste Generated	115			
	306-4 Waste diverted from disposal	117			
	306-5 Waste Directed to Disposal	115			

GRI STANDARD	GRI Disclosure	Location	IFRS S1 Recommended Disclosure	IFRS S2 Recommended Disclosure	Explanation / Reasons for omission
Energy Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	118-122			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	121			
	302-2 Energy Consumption outside of the organization				Not applicable
	302-3 Energy intensity	122			
	302-4 Reduction of energy consumption	122			
	302-5 Reductions in energy requirements of products and services	120			
GHG Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	123-126, 189-193	S1.33(b),	S2.14(c), S2.29(a)	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	125		S2.29(a)	
	305-2 Energy indirect (Scope 2) GHG emissions	125			
	305-3 Other indirect (Scope 3) GHG emissions	125			
	305-4 GHG emissions intensity	126			

GRI STANDARD	GRI Disclosure	Location	IFRS S1 Recommended Disclosure	IFRS S2 Recommended Disclosure	Explanation / Reasons for omission
	305-5 Reduction of GHG emissions	124-125, 189-193	S1.33(b), S1.51 (a-g)	S2.14(c), S2.33(a-h), S2.36(a)	
	305-6 Emissions of ozone-depleting substances (ODS)	126			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	126			
Biodiversity Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	127			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	128			
	304-2 Significant impacts of activities, products and services on biodiversity	129			
	304-3 Habitats protected or restored	130-131			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	129			

GRI STANDARD	GRI Disclosure	Location	IFRS S1 Recommended Disclosure	IFRS S2 Recommended Disclosure	Explanation / Reasons for omission
Environmental Compliance					
GRI 3: Material Topics 2021	3-3 Management of material topics	134			
Customer Experience					
GRI 3: Material Topics 2021	3-3 Management of material topics	138			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	139			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	139			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling				Not applicable
	417-2 Incidents of non-compliance concerning product and service information and labeling				No recorded incidents
	417-3 Incidents of non-compliance concerning marketing communications				No recorded incidents

GRI STANDARD	GRI Disclosure	Location	IFRS S1 Recommended Disclosure	IFRS S2 Recommended Disclosure	Explanation / Reasons for omission
Fair and Transparent Practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	144			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risk related to corruption	147			
	205-2 Communication and training about anti-corruption policies and procedures	147			
	205-3 Confirmed incidents of corruption and actions taken	147			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	147			
GRI 207: Tax 2019	207-4 Country by country reporting				Not applicable
Employee Engagement and Development					
GRI 3: Material Topics 2021	3-3 Management of material topics	148			
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	151			

GRI STANDARD	GRI Disclosure	Location	IFRS S1 Recommended Disclosure	IFRS S2 Recommended Disclosure	Explanation / Reasons for omission
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	148			
	202-2 Proportion of senior management hired from local community	40-41			
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	151			
	401-3 Parental leave	153			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	154			
	404-2 Programs for upgrading employee skills and transition assistance programs	154			
	404-3 Percentage of employees receiving regular performance and career development reviews	153			
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