

OUR SUSTAINABILITY JOURNEY

PLANET PEOPLE PURPOSE



NAC
NICKEL ASIA CORP.

2022 ANNUAL AND SUSTAINABILITY REPORT

ABOUT THE REPORT

GRI 2-3

Nickel Asia Corporation ("NAC" or "the Corporation") reports on the current situation of the Group ("NAC Group", "NAC and its subsidiaries").

This report covers activities in the calendar year 2022 and was prepared in accordance with the GRI Standards: Core Option. NAC uses a globally shared framework of indicators for transparency and consistent tracking of performance results, allowing our stakeholders a clear view of the Group's performance in the triple bottom line of economic, environmental, and social development.

This report is interactive



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WHO WE ARE

GRI 2-1, 2-6



Company Profile

The NAC Group is a diversified natural resources development company seeking to align business priorities with society's needs, while ensuring that stakeholders benefit from the Group's success. To this end, we have committed to rank among the country's largest and most profitable enterprises that are part of the Philippine Stock Exchange index in terms of market capitalization, and be the premier Environment, Social and Governance (ESG) investment company, all by 2025.

Our operational history in metals and mining traces its roots to 1968 when a geologist was sent to evaluate a deforested area in Rio Tuba, Bataraza town, at the southernmost area of Palawan Island. Soil samples were sent back to Manila for testing to reveal what at that time was arguably the largest known deposit of lateritic nickel ore in southeast Asia. Rio Tuba Nickel Mining Corporation (RTN) was born, and by 1977, began shipments of high-grade ore to Japan.

Today, our combined mining operations produce the largest volume of lateritic nickel ore in the country, and is one of the largest in the world. Our mining operations have expanded beyond Rio Tuba to four more areas: Taganito (TMC) in Claver and Hinatuan (HMC) in Tagana-an, both in Surigao del Norte; Cagdianao (CMC) on the island of Dinagat, and Dinapigue (DMC), our newest operational mine, in the northern Luzon province of Isabela.

Our operations produce saprolite and limonite ore, which are exported to China and Japan for processing into ferronickel and nickel pig iron for the manufacturing of stainless steel. Our RTN and TMC operations, the two largest, are part of the global supply chain for electric vehicle battery components. They supply low-grade ore to the Philippines' only two nickel processing plants—Coral Bay Nickel Corporation (CBNC) and Taganito HPAL Nickel Corporation (THPAL)—whose customers process nickel into battery materials that are linked to world-leading electric vehicle manufacturers in the downstream market. CBNC, commissioned in 2006 as the first hydrometallurgical metal processing plant in the Philippines, has the capacity to produce 24,000 metric tons of contained nickel and 2,500 metric tons of contained cobalt

annually. THPAL, commissioned eight years later, has a production capacity of 36,000 metric tons of contained nickel and 3,000 metric tons of contained cobalt per year. These are materials used in solar cells, super capacitors, and electrode materials. NAC has 15.62% and 10% equity interest, respectively, in CBNC and THPAL.

In 2015, we moved into the area of renewable energy by taking a 66% stake in Emerging Power, Inc. (EPI), with interests in solar, geothermal and wind energy. Today, with the NAC stake at 86.29%, EPI, through its subsidiary Jobin SQM Inc., has a 100-megawatt solar farm in Santa Rita, Subic Bay Metropolitan Authority, Zambales operating in an 800-hectare area covered by a 25+25 year lease. JSI is currently constructing an additional 72-megawatt peak farm set to operate by the last quarter of 2023.

Northern Palawan Power Generation Corporation (NPPGC), a wholly owned subsidiary of EPI, has secured a long-term land lease agreement for the construction of a 130-megawatt peak solar power plant.

EPI recently partnered with Shell Overseas Investments B.V. (SOIBV) to jointly develop, own, operate, and maintain onshore renewable energy projects through Greenlight Renewables Holdings, Inc. (GRHI). The joint venture, which is 60% owned by EPI and 40% by SOIBV, aims to develop one gigawatt of onshore solar, onshore wind, and battery storage capacity by 2028, to be potentially followed by another two gigawatts beyond 2028. GRHI is already scheduled to launch its first project in the second half of 2023.

Meanwhile, EPI's geothermal subsidiaries, Biliran Geothermal Inc. and Mindoro Geothermal Power Corp., are also developing projects in partnership with Symba Renewable Energy of Iceland.

We are proud of these businesses' successes. All these are built on a practice of social responsibility toward our people, our communities and our environment that date back to our early years. Always mindful of our social license to operate, we take to heart the privilege to utilize our country's

resources for the greater good, to be of service, and to preserve the nation's patrimony for the benefit of our communities and our country.

It is a practice for which we have been recognized many times over: Our RTN operation was the winner of the first-ever ASEAN Mineral Awards given in 2017 by the Association of Southeast Asian Nations, besting entries from the other nine ASEAN countries, and was runner-up in 2019. Just as important, RTN, TMC, CMC and HMC have all been awarded the Presidential Mineral Industry Environment Awards (PMIEA), the highest annual recognition given by the President of the Philippines to the best mining industry operations in the Philippines. RTN and TMC have been awarded this

five times, and CMC and HMC two consecutive times, with the latter achieving a record of sorts by winning the highest recognition in every category of the PMIEA.

Additionally, our corporate governance performance was recognized by the Institute of Corporate Directors (ICD) during the ICD awards in December 2022. NAC received two Golden Arrows for its ASEAN Corporate Governance Scorecard, which measures the performance of companies in the areas of governance, transparency, and accountability. With a track record of success both on the business side and the social side of what we do, we are truly excited about what lies ahead.



OneNAC Vision

GRI 2-23

We strive to contribute to sustainable national development by adopting our ESG Roadmap in order to achieve the highest standards in the responsible utilization of our country's natural resources.

OneNAC Mission

We exist to responsibly and sustainably develop our country's natural resources to meet society's needs, contributing to a brighter future for our people, our communities, and our stakeholders, always conscious of being stewards of the environment where we operate.

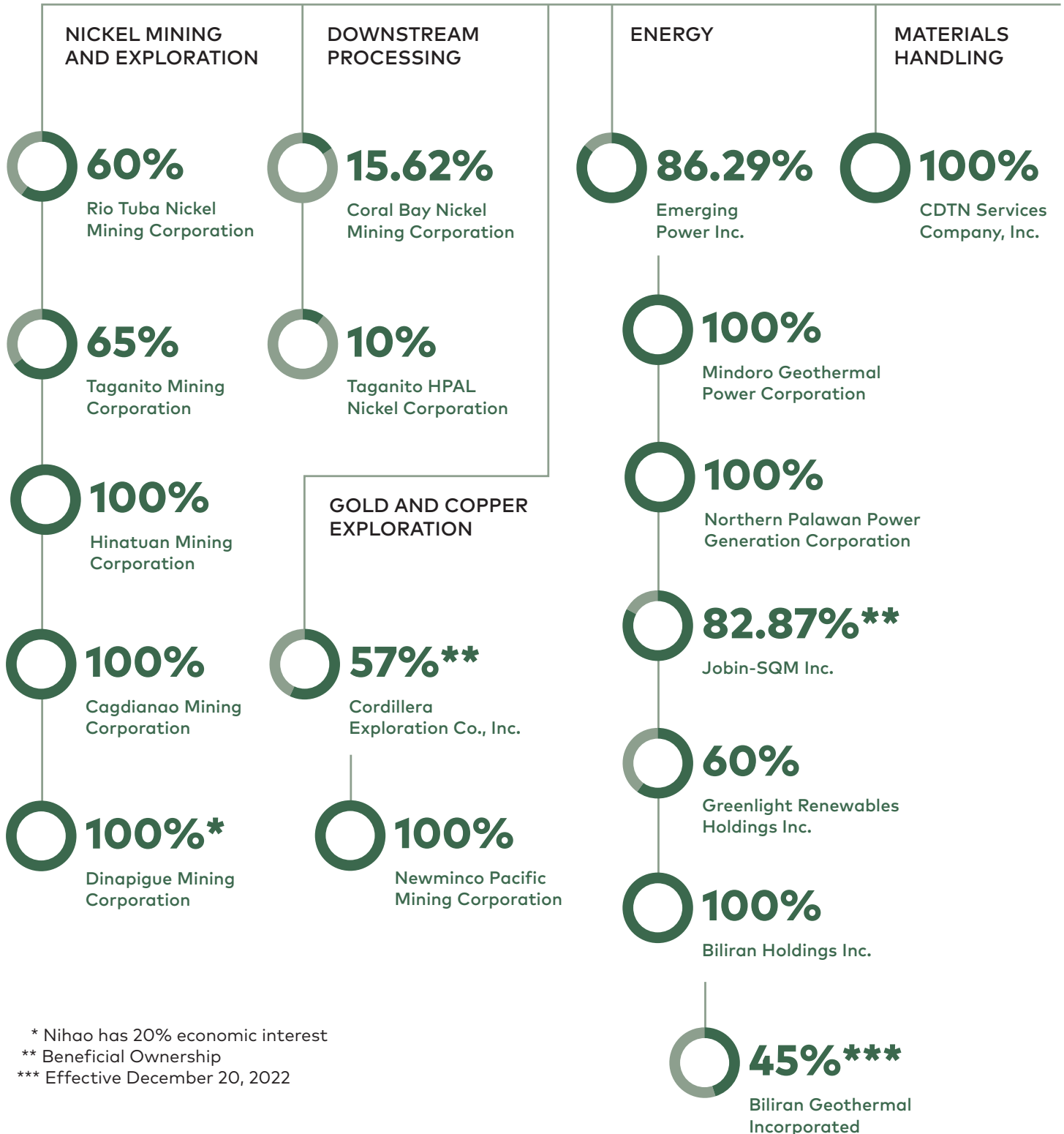
Core Values

- Responsibility
- Leadership
- Respect
- Integrity
- Financial Growth
- Safety
- Teamwork

Corporate Structure

GRI 2-1, 2-6

Nickel Asia Corporation



* Nihao has 20% economic interest
 ** Beneficial Ownership
 *** Effective December 20, 2022



JOINT MESSAGE TO SHAREHOLDERS

GRI 2-22

Since incorporating ESG into the fabric of our business, we have charted significant progress towards our goals while staying true to our vision. As we forge ahead, we see the beginnings of something lasting and transformational.

After laying the foundation for a more resilient and sustainable NAC in 2021, we began reaping the benefits of our initiatives in 2022 as we doubled our efforts to formalize our Environmental, Social, and Governance (ESG) process. The strides we have made were a result of our commitment to true sustainable development and we remain on track to achieve our goals.

Our OneNAC Vision

We set two clear targets for 2025: **to be the premier ESG investment in the Philippines and to be counted among the Top 25 PSE-listed companies in terms of market capitalization.** Our OneNAC Vision—to contribute to sustainable national development by adopting our ESG roadmap to achieve the highest standards in the responsible utilization of our country's natural resources—guides us in accomplishing our twin goals.

We delivered **Results**, living up to our promises to our shareholders through efficiency and effectiveness. We optimized our **Resources** while exploring business opportunities thanks to our people, who strive to be “best in class”. We nurtured **Relationships**, working seamlessly together as a Company and maintaining collaborative partnerships with stakeholders to uphold our social license to operate.



2025 Targets

- Be the premier ESG investment in the Philippines
- Be counted among the Top 25 PSE-listed companies



ESG at our Core

Since incorporating ESG into the fabric of our business, we have charted significant progress towards our goals while staying true to our vision. As we forge ahead, we see the beginnings of something lasting and transformational.

Last year, we formed our Board-level Sustainability Committee to align the entire organization with our vision. We have begun gathering baseline data to evaluate our ESG performance, and we partnered with an ESG analytics and research firm to ensure that our metrics are on par with global standards. We improved our Sustainalytics risk rating, dropping to 33.6¹ from 43.7². The improvement in our score means that we have moved out of the

Severe Risk category and now listed under High Risk. We are merely **four points away from being reclassified to the Moderate Risk** category, which is our target by the end of 2023.

As we expand our operations and embrace the shift to a circular economy, we count on the excellence of our employees who continue to execute our programs and achieve our targets. Together, we aim to increase our renewable energy (RE) capacity to one gigawatt by 2028, reduce our scopes 1 and 2 greenhouse gas emissions by 42% by 2030 against our 2021 baseline, achieve zero waste to landfill by 2030, and meet the Net Zero Carbon Target by 2050.

¹ Assessment using comprehensive indicators from December 28, 2022 to February 1, 2023

² Assessment using core indicators conducted in July 2021

Recognized For What We Do

These achievements demonstrate our commitment to operational excellence and our deep understanding that the privilege to extract our country’s mineral resources comes with an immense responsibility to utilize these resources for the greater good.



PMIEA Awards

As a testament to our exemplary work, two of our mines were conferred the Presidential Mineral Industry Environment Award (PMIEA)—the highest award given by the President of the Philippines for the best in the Philippine mining industry. The PMIEA is bestowed upon companies with outstanding levels of dedication, initiative, and innovation in the pursuit of environmental protection, safety and health management, and social and community development.

We take great pride in the awards received by our operating companies in 2022:

HMC Presidential Mineral Industry Environment Award

TMC Presidential Mineral Industry Environment Award

Platinum Achievement Award

RTN Platinum Achievement Award
Titanium Achievement Award

CMC Platinum Achievement Award



ICD Recognition

Our corporate governance performance was recognized by the Institute of Corporate Directors during its 2022 ceremony. NAC received Two Golden Arrows for its ASEAN Corporate Governance Scorecard which measures companies' performance in the areas of governance, transparency, and accountability.



Best Basic Materials Company

in the Philippines by FinanceAsia, the premier capital markets publication in the region, during its Asia’s Best Companies Awards 2023. The awards were based on nominations by Asia’s active community of investors and financial analysts, and they are highly regarded as a benchmark of the region’s best. The awards were categorized into Gold, Silver, and Bronze. NAC received a Gold citation, and we were one of only four companies in the Basic Materials Company sector recognized this year.

Economic and Social Contributions

GRI 3-3, 2-30, 207-1, 207-2, 407-1

Our commitment to being a responsible corporate citizen is best exemplified by our actions and how we impact the lives of our communities and people.

In terms of taxes, we added **₱7.01 billion to national and local government coffers in 2022**. Our Rio Tuba operation in Palawan consistently ranks among the highest taxpayers in the province, while our Taganito operation in Surigao del Norte, our largest mine, is regularly listed among the country's largest taxpayers by the Bureau of Internal Revenue.

In terms of social support, our Social Development and Management Program (SDMP) projects and our Corporate Social Responsibility (CSR) programs amounted to an expenditure of **₱200.4 million, which includes ₱17.5 million in CSR projects** dedicated to supporting our indigenous peoples' communities. We also paid **₱197.5 million in royalties** to support our indigenous communities.

In addition, we directly **employed 2,223 people¹**, and our labor relations have been excellent. We have existing Collective Bargaining Agreements with the unions of our operating mining companies.

¹ Pertains to regular employees as of December 31, 2022

These companies were also accredited to certify competency among members of its communities in specific labor aspects:

TMC CMC RTN HMC DMC

DOLE Safety Seal Certification

TMC CMC

TESDA Accreditation

Competency Assessment Center for heavy equipment operation

TMC

DA Certificate

of Learning Site for Agriculture (UMAHAN SA MINAHAN)

CMC

DOLE Certification

as a child labor free establishment for not engaging in child labor and not using products or materials produced from child labor

Through a TMC SDMP program, tailors from the local community make employee uniforms



Operating Results

GRI 201-1

Our five operating mining companies achieved a **total sales volume of 15.9 million wet metric tons (WMT) of nickel ore**, an 11% decrease compared to the prior year's 17.9 million WMT. The decrease was mainly caused by inclement weather, which negatively impacted our operating efficiency.

Exports of saprolite ore to our Chinese and Japanese customers decreased to 7.4 million WMT from 9.6 million WMT in the prior year. Similarly, exports of limonite ore decreased to 0.8 million WMT from 1.2 million WMT in 2021. On the other hand, our mines sold 7.8 million WMT of low-grade limonite ore to our associate companies, CBNC and THPAL which is slightly higher than the 7.1 million WMT sold in the prior year.

In terms of prices, we recorded an average of US\$39.39 per WMT for our saprolite and limonite ore exports, representing a 3% decrease from the prior year's average of US\$40.40 per WMT.

We realized an average of US\$11.64 per pound of payable nickel on our limonite sales to our two HPAL plants compared to US\$8.35 per pound in the prior year. These prices, which are linked to London Metal Exchange (LME) nickel prices, translate to US\$18.72 and US\$12.03 per WMT, respectively. On a combined per WMT basis, our average of US\$29.17 in 2022 is practically unchanged from the prior year's US\$29.13.

Our **consolidated revenue for the year was ₱28.0 billion**, higher compared to ₱27.4 billion in the prior year due to higher ore sales prices and a stronger US Dollar, despite our lower volume. Our **revenue includes ₱1,491 million in services and other activities** provided by our CDTN and Taganito operations to the HPAL plants and ₱610 million in electricity sales from Jobin-SQM, Inc.

However, our costs went up by 11% to ₱9.24 billion from ₱8.29 billion in the prior year due to the spikes in global fuel prices and inflationary pressures. This resulted in an 80% increase in fuel costs based on average cost per liter.

Our **attributable net income for the year was ₱7.9 billion**, representing a slight increase of 2% compared to ₱7.8 billion in the prior year. Our net income includes our share of the earnings of the CBNC and THPAL plants, which corresponds to

our 15.62% and 10% equity interest, respectively, in each. This share amounted to ₱942.1 million compared to ₱557.9 million in 2021.

Dividends

The Board of Directors approved a special cash dividend of **₱0.23 per common share** in November 2022. Based on the results for the year, a regular cash dividend of **₱0.17 per common share** was also approved on March 14, 2023. The amount of ₱2.32 billion was paid on April 12, 2023, to shareholders of record as of March 29, 2023.

Nickel Outlook

Last year, the LME nickel price displayed pronounced volatility. In the early part of 2022, the rise in LME nickel price was attributed to the LME nickel short squeeze event, while the movement in prices during the latter part of the year was due to rumors of Indonesia's nickel pig iron tax and the impending end of China's "zero-COVID" policy.

Meanwhile, the divide between Class 1 nickel (used in batteries) and Class 2 nickel (used in stainless steel) expanded. There are two sides to the story. First, regarding Class 1 nickel, the robust Electric Vehicle (EV) sector is the primary driver of nickel consumption, with global EV sales growing by 61% to 10.6 million units. Presently, **global EV penetration has reached double digits, at 12%, and is forecasted to grow to 51% by 2030**. While Indonesia helped narrow the Class 1 nickel deficit, it remains to be seen whether supply of Class 1 nickel can fully cover potential EV industry demand in the long term.

Regarding Class 2 nickel, stainless steel production declined by 4.4% as a post-effect of China's "zero-COVID" policy. On the supply side, the growth in Indonesia's nickel pig iron output more than compensated for the weak nickel pig iron production in China. **The eventual recovery of the Chinese economy from "zero-COVID" is expected to spur global recovery and aid in the Class 2 nickel rebound**. In conclusion, all these factors led to a narrower deficit of about 48,000 tons in 2022 as compared to 160,000 tons in 2021.

The future of nickel looks encouraging. While there is a projection of a temporary nickel surplus up to 2026/2027 due to strong supply growth of nickel production in Indonesia, the hypergrowth of EVs is projected to put a strain on the nickel market by 2027/2028. **By 2030, the EV sector alone is projected to consume about 1.3 million tons of nickel.** As for the construction of additional HPAL capacity for the Class 1 nickel market, analysts estimate that a sustained incentive price range of US\$18,000 to 20,000 per ton is needed in view of the significant capital and technical risks.

EVs are on their way to mass adoption, and this is aligned with achieving the world's net-zero objectives. This **affirms nickel's growing relevance** during this period, and it is expected that nickel-rich batteries will be the dominant EV battery type because of their higher quality—in the form of higher energy density and greater storage capacity—and their economical price point.

Renewable Energy

RR-ST-000.A, RR-ST-000.B, RR-ST-000.C, RR-ST-160a.2

EPI successfully expanded the operations of its subsidiary, Jobin-SQM Inc. (JSI), adding another **38-megawatt peak** to the Santa Rita Solar Power Plant's total solar generation capacity, which is now at **100-megawatt peak**.

In the same year, **JSI increased its generation by 56% to 79,022 megawatt hours**, resulting in a 79% increase in its revenues of ₱609.52 million. Higher revenues and effective cost management kept EPI's EBITDA margin at 65%.

As of November 2022, **JSI also ranked first for three consecutive quarters** among large utility solar generators in Luzon in terms of compliance with the Forecast Accuracy Standards of the Wholesale Electricity Spot Market (WESM), demonstrating our commitment to responsible growth.

We continue to expand our renewable energy (RE) footprint. In September 2022, **JSI began developing and constructing an additional 72-megawatt peak farm in Santa Rita**, set to operate by the last quarter of 2023. NPPGC has secured another long-term land lease agreement with Subic Bay Metropolitan Authority for the **construction of a 130-megawatt peak solar plant**. With construction

expected to begin by the end of 2023, NPPGC has already initiated pre-development activities.

To further accelerate the country's energy transition, **EPI has partnered with Shell Overseas Investments B.V. (SOIBV)** to jointly develop, own, operate, and maintain onshore renewable energy projects through Greenlight Renewables Holdings, Inc. (GRHI). The joint venture, which is 60% owned by EPI and 40% by SOIBV, aims to develop one gigawatt of onshore solar, onshore wind, and battery storage capacity by 2028, potentially followed by another two gigawatts beyond 2028. GRHI is scheduled to launch its first project in the second semester of 2023.

With respect to the Philippine electricity market, structural supply deficits have remained a challenge. Margin supplies are thin due to production shortfalls from aging coal plants, the depletion of the Malampaya gas field, and the lack of new large-scale power projects. Tight market conditions were exacerbated over the last two years by significant increases in variable operating costs of fossil fuel-based plants, resulting from more expensive imported coal, liquefied natural gas, and fuel, a weaker Peso, and an unprecedented pace in interest rate hikes by central banks globally. As a result, average WESM prices moved from ₱2.45/kWh in 2020, to ₱5.53/kWh in 2021, and to ₱7.88/kWh in 2022. Power supply agreements in the Retail Electricity Supplier (RES) market also followed the same trend.

In the Philippines, RE is in the spotlight, with the government implementing policies such as the 2008 Renewable Energy Act, the Coal Moratorium, and Renewable Portfolio Standards, to accelerate investments in the sector. These policies aim to increase **RE's contribution to the grid to 35% by 2030 and 50% by 2040**—up from the current 21%.

Meanwhile, demand for power remains high following the full reopening of the Philippine economy in 2022. This was a boon for consumer- and services-driven industries, but consequently put a strain on the energy sector due to the tight supply. In the medium- to long-term, **energy prices are expected to remain elevated**, with the solution for baseload capacity still in question.

Our Transformational Challenge

We continue to work towards becoming a sustainable development company for our country, for our people, and for the environment.

In 2022, we marked a new beginning, and with NAC on the cusp of something lasting and transformational, we remain committed to driving growth through products and services that contribute to creating a green economy.

Nickel and RE are central to building a sustainable future. We are confident that we have what it takes to succeed in both business areas, as reflected in the milestones we have achieved and will continue to achieve.

Acknowledgment


The hard work and dedication of our team made our successes in 2022 possible. In addition, our directors, with their vast expertise, provided much valued guidance throughout the year. Finally, we extend our deepest appreciation to our loyal and supportive shareholders.

As we enter a new year, we are confident that we will be able to face any challenges head-on and remain steadfast in achieving our twin goal together, as OneNAC.




Gerard H. Brimo
Executive Director
Chairman of the Board of Directors




Martin Antonio G. Zamora
Executive Director
President and Chief Executive Officer

Sales and Financial Highlights GRI 2-6

SALES INDICATORS	2022	2021	2020
Sales volume (Thousands WMT)	15,938	17,935	18,203
LME-based sales (Thousands WMT)	7,793	7,144	8,179
Realized LME price (US\$/lb.)	\$11.64	\$8.35 ¹	\$6.21
Tonnage-based sales (Thousands WMT)	8,145	10,791	10,024
Average price (US\$/WMT)	\$39.39	\$40.40	\$33.99
Weighted average price (US\$/WMT)	\$29.17	\$29.13	\$22.46
TOTAL REVENUES (Millions ₱)	₱28,003	₱27,404	₱21,772

FINANCIAL HIGHLIGHTS	2022	2021	2020
In Millions ₱, except per share amounts			
Operating results			
Sale of ore	25,739	26,099	20,457
Services and others	2,264	1,305	1,315
Total revenues	28,003	27,404	21,772
Operating costs and expenses	15,364	14,611	13,855
Net income	10,876	10,638	5,489
Attributable to equity holders of the parent	7,931	7,813	4,069
Attributable to non-controlling interests	2,945	2,825	1,420
Basic earnings per share	0.58	0.57	0.30
Financial condition			
Cash, cash equivalents and other financial investments	14,668	17,215	17,331
Other current assets	6,287	6,796	4,681
Noncurrent assets	28,804	27,690	26,901
Current liabilities	4,773	11,925	10,944
Noncurrent liabilities	4,455	3,447	3,372
Equity	40,531	36,329	34,597
Book value per share	2.62	2.42	2.28

¹ Restated figure

Key Performance Indicators GRI 2-4, 2-6

	2022	2021	2020
Sales volume (Thousands WMT)			
Saprolite	7,384	9,574	9,159
Limonite	8,554	8,361	9,044
Total cost/WMT (₱/WMT)	₱853	₱749	₱691
Attributable net income (Millions ₱)	₱7,931	₱7,813	₱4,069
Hectares of open areas per millions WMT Sold	16.61	14.01	15.59
Frequency rate	0.00	0.00	0.05

Product Mix

GRI 3-3, 2-6, 417-1, EM-MM-000.A

The nickel mining and exploration business of the NAC Group produces two types of nickel ore, namely saprolite and limonite. Saprolite ore is nickel ore with iron content of less than 20% and limonite ore is nickel ore with iron content of 20% or higher.

The Group ships out saprolite ore with a nickel content of 1.3% to 1.5%. Most of the Group's saprolite ore is sold to Chinese clients that use the material as feed for electric furnaces to produce high and medium-grade nickel pig-iron (NPI). A portion of the saprolite ore is also sold to Pacific Metals Co., Ltd. in Japan, which uses the material as feed for its ferronickel smelters.

The Group sells two types of limonite ore: high-iron and low-grade. High iron limonite ore has a nickel content of less than 1% and an iron content of 48% to 50%. Low-grade limonite ore has a nickel content of 1% to 1.2% and an iron content of at least 30%.

The Group's high-iron limonite ore is sold to Chinese customers who use the material as feed for blast furnaces to produce low-grade NPI. Finally, low-grade limonite ore is utilized as feed for the Taganito and Coral Bay HPAL facilities. The Group expects the continuous demand for electric vehicles to result in an increase in demand for the Group's products since the ores produced by the Group are processed into nickel sulfide, which is an important component of EV batteries.

	2022	2021
Saprolite		
Shipments (Thousands WMT)	7,384	9,574
Prices (US\$/WMT)	\$41.72	\$42.09
Revenue (Millions ₱)	₱17,002	₱19,950
Limo-HFE		
Shipments (Thousands WMT)	761	1,217
Prices (US\$/WMT)	\$16.74	\$27.12
Revenue (Millions ₱)	₱711	₱1,626
Limo-HPAL		
Shipments (Thousands WMT)	7,793	7,144
Prices (US\$/WMT)	\$18.48	\$12.11
Revenue (Millions ₱)	₱7,810	₱4,278

FINANCIAL REVIEW



Revenues

GRI 3-3, 201-1

SALE OF NICKEL ORE	FOR THE YEARS ENDED DECEMBER 31			% CHANGE	
	2022	2021	2020	2022 vs 2021	2021 vs 2020
Revenue (Millions ₱)	₱25,523	₱25,854	₱20,096	-1	29
Volume (Thousands WMT)	15,938	17,935	18,203	-11	-1
Average price - LME-based (US\$/lb.)	\$11.64	\$8.36	\$6.21	39	35
Average price - tonnage-based (US\$/WMT)	\$39.39	\$40.40	\$33.99	-3	19
Sale of limestone, services and others (Millions ₱)	₱2,480	₱1,550	₱1,676	60	-8
TOTAL REVENUE (Millions ₱)	₱28,003	₱27,404	₱21,772	2	26

Nickel ore shipments decreased to 15.94 million WMT in 2022 compared to 17.94 million WMT in 2021. Direct export of ore, which accounted for 51% of total shipments, decreased to 8.15 million WMT in 2022 from 10.79 million WMT in 2021. Ore deliveries to the two HPAL plants, which comprise the remaining 49% of total shipments, slightly increased to 7.79 million WMT in 2022 compared to 7.14 million WMT in 2021.

The Corporation realized an average of US\$11.64 per pound of payable nickel on its shipment of ore to the HPAL plants in 2022, the pricing of which is linked to quoted prices in the LME. This compares to an average price of US\$8.35 per pound of payable nickel sold in 2021 and US\$6.21 in 2020. With respect to export sales, the Company achieved

an average price of US\$39.39 in 2022 compared to US\$40.40 in 2021 and US\$33.99 in 2020. On a combined basis, the average price received for sales of both ore exports and ore deliveries to the two plants in 2022 was US\$29.17 per WMT, slightly higher than the US\$29.13 achieved in 2021 and US\$22.46 in 2020.

The realized ₱/US\$ exchange rate was ₱54.90 in 2022 compared to ₱49.48 in 2021.

Our consolidated revenues reached ₱28.00 billion from ₱27.40 billion in the prior year because of higher nickel ore prices buoyed by high demand and favorable exchange rates despite overall lower sales volume.

REVENUE BREAKDOWN PER PRODUCT (In Millions ₱)	FOR THE YEARS ENDED DECEMBER 31		
	2022	2021	2020
Saprolite - Japan	742	2,130	894
Saprolite - China	16,260	17,820	14,976
Limonite - China	711	1,626	857
Limonite - HPAL	7,810	4,278	3,370

Operating Costs and Expenses

In Millions ₱	FOR THE YEARS ENDED DECEMBER 31			% CHANGE	
	2022	2021	2020	2022 vs 2021	2021 vs 2020
Cost of sales, services and others	9,237	8,295	8,162	11	2
Excise taxes and royalties	2,487	2,706	2,244	-8	21
Shipping and loading	2,162	2,256	2,123	-4	6
General and administrative	1,306	1,145	1,118	14	2
Marketing	172	209	208	-18	0
Total operating costs and expenses	15,364	14,611	13,855	5	5
Total cash operating costs and expenses	12,589	11,559	10,681	9	8

CASH COSTS	FOR THE YEARS ENDED DECEMBER 31		
	2022	2021	2020
Cost of sales	55%	49%	48%
Excise tax and royalties	20%	23%	21%
Shipping and loading	16%	18%	19%
General and administrative	9%	10%	12%

The cash operating cost per volume of ore sold provides a cost profile for each operating mine and allows us to measure and compare operating performance, as well as changes in per unit costs from year to year. The cash operating cost includes production, excise taxes and royalties, shipping

and loading costs, and general and administrative expenses incurred by the mining subsidiaries. On a per WMT of ore sold, total cash costs and expenses increased to ₱790 per WMT in 2022 compared to ₱683¹ per WMT in 2021 and ₱587 per WMT in 2020.

In Millions ₱	FOR THE YEARS ENDED DECEMBER 31			% CHANGE	
	2022	2021	2020	2022 vs 2021	2021 vs 2020
Net Income	10,876	10,638	5,489	2	94
Net income attributable to equity holders	7,931	7,813	4,069	2	92

The net income for 2022 is inclusive of a ₱942.1 million equity income from the Corporation's

investment in THPAL and in CBNC, compared to ₱557.9 million in 2021 and ₱190.4 million in 2020.

PROFITABILITY RATIOS	FOR THE YEARS ENDED DECEMBER 31		
	2022	2021	2020
Return on assets	22%	21%	11%
Return on equity	27%	29%	16%
Net profit margin	39%	39%	25%

¹ Restated figure

Financial Condition, Liquidity and Capital Resources GRI 2-4

CASH FLOWS In Millions ₱	FOR THE YEARS ENDED DECEMBER 31		
	2022	2021	2020
Net cash flows from operating activities	12,876	9,676	8,778
Net cash flows used in investing activities	(3,899)	(2,819)	(2,858)
Net cash flows used in financing activities	(8,824)	(8,048)	(5,842)

The Company continued with the annual upgrade of its mining fleet and facilities at its operating mines, with total capital expenditures in 2022 of ₱0.92 billion compared to ₱0.68 billion and ₱1.15 billion in 2021 and 2020, respectively. Capital expenditures were financed from available cash resources.

The Company has consistently paid out cash dividends to its shareholders totaling ₱6,133.9 million in 2022 and 2021, and ₱4,089.4 million in 2020.

At year end, the Company's financial position reflected total assets of ₱49,759.0 million, a decrease from 2021 resulting from the partial divestment and deconsolidation of BGI.

FINANCIAL POSITION (In Millions ₱)	DECEMBER 31, 2022	DECEMBER 31, 2021
Cash, cash equivalents and other financial investments	14,668	17,215
Other current assets	6,287	6,796
Noncurrent assets	28,804	27,690
Total assets	49,759	51,701
Current liabilities	4,773	11,925
Noncurrent liabilities	4,455	3,447
Equity attributable to equity holders of the parent company	35,689	32,940
Non-controlling interests	4,842	3,389
Total equity	40,531	36,329

The composition of the consolidated cash, cash equivalents and other financial investments follows:

	DECEMBER 31	
	2022	2021
Cash and cash equivalents	68%	61%
Managed funds offshore	18%	27%
Managed funds domestic	6%	9%
Local debt and equity instruments	8%	3%

The following are the relevant liquidity and debt-equity ratios as of end of calendar year 2022 and 2021:

	DECEMBER 31	
	2022	2021
Current ratio	4.39	2.01
Quick ratio	3.64	1.61
Debt-to-equity ratio	0.23	0.42

OPERATIONAL REVIEW



Summary of Ore Reserves and Resources

TOTAL MINERAL RESERVES (1) As of December 31, 2022

OPERATION	MINERAL TYPE	CLASSIFICATION	TONNES (KWMT)	TONNES (KDMT)	%NI	%FE	CONTAINED NI (KT)	REMARKS
Rio Tuba	Saprolite	Proved and probable	37,232	25,190	1.46	14.10	368	Decrease is due to mining operations, modification of AOIs or area of influence (reduction of areas which are deemed no longer economic to mine) and removal of resources within areas assessed to be mined-out, in actual
	Limonite	Proved and probable	37,093	26,138	1.14	35.83	298	
Taganito	Saprolite	Proved and probable	40,160	27,762	1.39	11.52	386	Change in density values, conversion from polygon method to block model, mining operations and additional drilling data
	Limonite	Proved and probable	80,089	53,659	0.99	45.79	533	
Cagdianao	Saprolite	Proved and probable	4,779	3,107	1.44	17.25	45	Change in density values, conversion from polygon method to block model, mining operations and additional drilling data
	Limonite	Proved and probable	6,871	4,466	1.09	37.50	48	
Hinatuan (Tagana-an)	Saprolite	Proved and probable	4,455	3,029	1.37	18.41	41	Increase in saprolite is due to pit optimization and adjustments made in modifying factors
	Limonite	Proved and probable	2,090	1,421	0.93	49.01	13	
Dinapigue	Saprolite	Proved and probable	33,540	21,801	1.41	15.19	307	Increase from moisture content applied from 35% to 40.9% and 40.5% for limonite and saprolite respectively, updating of topographic surface used and geology solids
	Limonite	Proved and probable	27,020	17,563	1.02	46.41	179	
TOTAL RESERVES	Saprolite	Proved and probable	120,166	80,889	1.42	13.79	1,147	
	Limonite	Proved and probable	153,162	103,247	1.04	43.06	1,071	

TOTAL MINERAL RESOURCES^{1,2,3,4} as of December 31, 2022

OPERATION	MINERAL TYPE	CLASSIFICATION	TONNES (KWMT)	TONNES (KDMT)	%NI	%FE	CONTAINED NI (KT)	REMARKS
Rio Tuba	Saprolite ⁵	Measured and indicated	40,955	26,336	1.53	14.15	403	Decrease is due to mining operations, modification of AOIs or area of influence (reduction of areas which are deemed no longer economic to mine) and removal of resources within areas assessed to be mined-out, in actual
	Limonite ⁵		37,825	26,380	1.16	35.72	306	
	Saprolite	Inferred	11,870	7,850	1.49	12.86	117	
	Limonite		2,444	1,705	1.17	33.51	20	
Taganito	Saprolite ⁶	Measured and indicated	54,228	37,398	1.53	11.49	571	Change in density values, conversion from polygon method to block model, additional drilling data
	Limonite ⁶		96,506	64,203	1.00	46.05	640	
	Saprolite	Inferred	3,044	2,106	1.53	12.73	32	
	Limonite		794	537	0.90	42.19	5	
Cagdianao	Saprolite	Measured and indicated	11,144	7,243	1.34	19.72	97	Decrease due to change in density values, mining operations and updating of geology solids with additional drilling data
	Limonite		9,194	5,976	1.02	40.76	61	
	Saprolite	Inferred	1,565	1,017	1.28	18.56	13	
	Limonite		293	190	1.05	36.48	2	
Hinatuan (Tagana-an)	Saprolite	Measured and indicated	12,206	7,969	1.29	22.64	103	Increase/decrease is due to change in cut-off grades applied for limonite and saprolite. Total Limonite and Saprolite resources increase by 1.8 million WMT.
	Limonite		4,615	3,014	0.94	48.79	28	
	Saprolite	Inferred	2,827	1,837	1.27	18.89	23	
	Limonite		334	217	0.94	48.70	2	
Dinapigue	Saprolite	Measured and indicated	41,263	24,503	1.35	16.80	330	Increase from moisture content applied from 35% to 40.9% and 40.5% for limonite and saprolite respectively, updating of topographic surface used and geology solids
	Limonite		87,638	51,752	1.02	43.70	526	
	Saprolite	Inferred	13,277	7,900	1.26	17.55	100	
	Limonite		3,717	2,197	0.96	42.52	21	
TOTAL RESOURCES	Saprolite	Measured and indicated	159,795	103,449	1.45	14.86	1,504	
	Limonite		235,778	151,325	1.03	43.29	1,561	
	Saprolite	Inferred	32,583	20,710	1.38	15.45	285	
	Limonite		7,581	4,846	1.03	39.35	50	

¹ Mineral Resources and Mineral Reserves tonnages are shown in full. Nickel Asia Corporation owns 60% of Rio Tuba, 65% of Taganito, and 100% of Cagdianao, Hinatuan and Dinapigue operations.

² Inclusive of Mineral Resources converted to Ore Reserves

³ Mineral Resources include stockpiles.

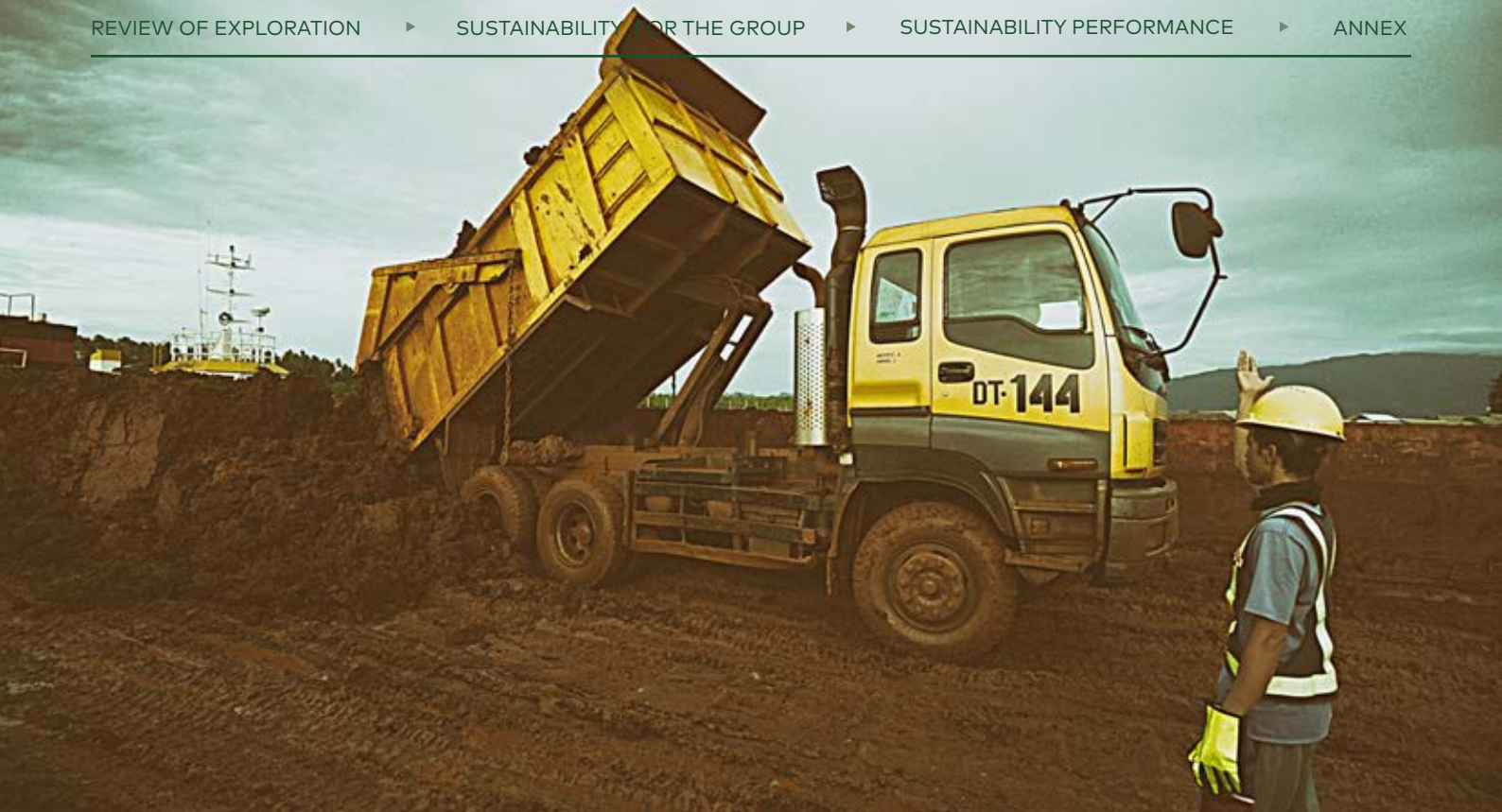
⁴ The Contained Ni does not consider mining losses and dilution.

⁵ The mineral resource of RTN consists of 2.4 million WMT of saprolite and 7.5 million WMT of limonite within economic zone.

⁶ The mineral resource of TMC consists of 0.8 million WMT of saprolite and 7.1 million WMT of limonite within economic zone.

Note: Cut-off grades used to estimate Mineral Resources are as follows:

Rio Tuba	Saprolite: $\geq 1.00\% \text{ Ni}$, $< 20\% \text{ Fe}$	Limonite: $\geq 20\% \text{ Fe}$
Taganito	Saprolite: $\geq 1.22\% \text{ Ni}$, $< 20\% \text{ Fe}$	Limonite: $\geq 20\% \text{ Fe}$
Cagdianao	Saprolite: $\geq 0.90\% \text{ Ni}$, $< 20\% \text{ Fe}$	Limonite: $\geq 20\% \text{ Fe}$
Tagana-an	Saprolite: $\geq 1.05\% \text{ Ni}$, $< 46\% \text{ Fe}$ $\geq 1.3\% \text{ Ni}$, $\geq 46\% \text{ Fe}$	Limonite: $< 1.3\% \text{ Ni}$, $\geq 46\% \text{ Fe}$
Dinapigue	Saprolite: $\geq 1.1\% \text{ Ni}$, $< 25\% \text{ Fe}$	Limonite: $\geq 0.80\% \text{ Ni}$, $\geq 25\% \text{ Fe}$



Loading saprolite ore on the barge bound for China and Japan

Review of Operations

GRI 3-3, 416-1

Rio Tuba Nickel Mining Corporation (RTN – 60% owned)

RTN won the Platinum Achievement Award in 2022 during the 67th Annual National Mine Safety and Environment Conference (ANMSEC) held at Camp John Hay in Baguio City in November 2022. RTN's best practices in safety are embodied in its Emergency Preparedness and Response Program as it also received recognition as Champion in the 2022 First Aid Competitions. Also, RTN Fire Brigade Team has been the number one responder in reported fire incidents in Rio Tuba and nearby barangays.

As a consistent priority, safety has always been key to the company's output. Through the Company's efforts in the implementation of its Occupational Safety and Health Program, RTN accumulated a total of 18,283,887 safe manhours worked without lost time accident by the end of 2022.

RTN maintained its International Organization for Standardization (ISO) Standards by successfully completing its recertification in ISO 9001:2015 Quality Management System, ISO 14001:2015

Environmental Management System, and ISO 45001:2018 Occupational Safety and Health Management System. All three international standards have been successfully incorporated in the Integrated Management System.

Mining Volume

The volume of ore mined for the year amounted to 4,158,604 wet metric tons (WMT), consisting of 2,667,874 WMT of limonite ore and 1,490,720 WMT of saprolite ore.

Shipments

RTN sold a total of 4,158,604 WMT of nickel ore in 2022. It delivered 48,447 WMT of saprolite ore to Japan at an average price of US\$62 per WMT and 1,442,283 WMT of saprolite ore to China at an average price of US\$44.86 per WMT. Meanwhile, 2,667,874 WMT of limonite ore were sold to Coral Bay for processing at an average realized price of US\$11.67 per pound based on the London Metal Exchange rate.

Hinatuan Mining Corporation (HMC – 100% owned)

HMC received the Presidential Mineral Industry Environmental Award again in 2022 after receiving the prestigious award in 2022. It also placed third for the Best Mining Forest Program Category during the 68th Annual National Mine Safety and Environment Conference held at Camp John Hay in Baguio City in November 2022.

HMC also received a Special Award for Best Practice on Occupational Health Program in the 12th Gawad Kaligtasan at Kalusugan given by the Department of Labor and Employment – Occupational Safety and Health Center on October 28, 2022.

As of December 2022, HMC has already accumulated 36,832,785.81 total safe manhours without lost time accident since April 2014.

HMC was issued its Integrated Management System Certification covering ISO 9001:2015 Quality Management System, ISO 14001:2015

Environmental Management System and OHSAS 18001:2007 Occupational Health and Safety Assessment Series which was successfully migrated to ISO 45001:2018 Occupational Health and Safety Management System. HMC is the first company under the umbrella of NAC that integrated the three ISO Management Systems.

Mining Volume

The volume of ore mined for the year totaled 1,412,419 WMT, consisting of 495,153 WMT of limonite ore and 917,266 WMT of saprolite ore.

Shipments

HMC sold a total of 1,412,419 WMT of nickel ore in 2022. Of this amount, 917,266 WMT of saprolite ore was sold to China at an average price of US\$32.77 per WMT, while a total of 495,153 WMT of saprolite ore were sold to China at an average price of US\$18.01.



HMC installs coral fragments to improve reefs

Cagdianao Mining Corporation (CMC – 100% owned)

CMC continues to manifest its commitment to its stakeholders as it received, during the 2022 Annual National Mine Safety and Environment Conference (ANMSEC) held at Camp John Hay in Baguio City in November 2022, its third Platinum Achievement Award.

CMC is focused on recording near misses, identification of work hazards, daily toolbox meetings, regular scheduled safety and health committee meetings, safety trainings, and walk-around machine/heavy equipment inspections every start of work shift in its commitment to provide a safe and healthy workplace for its employees. At the end of 2022, CMC accumulated a total of 6,997,771 safe manhours worked without lost time accident.

CMC was recertified by NQA last July 8, 2022, for being able to maintain its Integrated Management

Systems of three standards: ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, and ISO 45001:2018 Occupational Safety and Health Management System.

Mining Volume

The volume of ore mined for the year amounted to 2,094,907 WMT, consisting of 1,582,387 WMT of saprolite ore and 512,520 WMT of limonite ore.

Shipments

CMC sold a total volume of 2,094,907 WMT of ore in 2022. Saprolite ore totaling 241,537 WMT was shipped to Japan while 2,991,819 WMT of saprolite ore was delivered to China. As for limonite ore, a total of 301,058 WMT were delivered to the HPAL plant at an average price of US\$15 per WMT.



Overlooking Brgy. Valencia Gaas Bay, a CMC marine protected area

Taganito Mining Corporation (TMC – 65% owned)

In 2022, TMC earned three prestigious mining industry awards: its fifth Presidential Mineral Industry Environmental Award, its fourth Best Mining Forest, and its second Most Improved Safety Performance award during the 67th Annual National Mine Safety and Environment Conference.

Its formidable partnership with various stakeholders is similarly recognized by the government – Top Claver Taxpayer for Mining Operations Category in the Municipality of Claver; National Winner for Kabalikat Award conferred by the Technical Education and Skills Development Authority; regional winner of the Gawad Kalasag for Excellence in DRRM and Humanitarian Assistance Private Organization Category and the 1st Gawad Kalasag Seal 2022 for Special Recognitions Category (conferred by the Regional Disaster Risk Reduction and Management Council - Caraga Region).

TMC also received a Plaque of Recognition from the Mines and Geosciences Bureau Regional Office-XIII for the valuable support, effort, and activities that it extended to the region after the onslaught of typhoon Odette in Surigao, Siargao, and Dinagat Islands.

For the year 2022, TMC logged 7,922,449 manhours from its in-house employees and service providers, bringing its total accumulated safe manhours to 21,517,134. TMC was also able to maintain its integrated management systems certifications - ISO 9001:2015 Quality Management System, ISO 45001:2018 Occupational Safety and Health Management System, and ISO 14001:2015 Environmental Management System.

Mining Volume

The volume of ore mined for the year amounted to 7,936,606 WMT. This consists of 3,233,356 WMT of saprolite ore and 4,703,250 WMT of limonite ore.

Shipments

TMC sold a total of 7,936,606 WMT of nickel ore in 2022. A total of 241,537 WMT of saprolite ore were delivered to Japan and 2,991,819 WMT of saprolite ore were delivered to China. Meanwhile, 4,703,250 WMT of limonite ore priced at an average of US\$17.84 per WMT and US\$11.61 per pound based on the London Metal Exchange.



Conveyor system at TMC

Dinapigue Mining Corporation (DMC – 100% owned)

DMC began its first year of operations in 2022. Even before its operations, DMC has formulated a sound occupational safety and health program in accordance and in compliance to regulations of the Department of Labor and Employment (DOLE) and the Mines and Geosciences Bureau (MGB). This includes the Total Loss Control Management (TLCM) Program.

Last August 2022, DMC was awarded the Level 1 NAC TLCM System Level 1 Audit with a rating of 89.4%. MGB Region II also commended DMC last June 2022 for attaining 1,057,723 manhours without lost time accident (LTA) between June 25, 2020 and May 31, 2022. Last February 2023, DMC achieved 2,020,739 manhours without LTA. DMC is also an ISO 14001:2015 Environmental Management System-certified company. It also received a Safety Seal Certification from DOLE.

Mining Volume

The volume of ore mined for the year amounted to 335,804 WMT. This consists of 160,462 WMT of saprolite ore and 175,342 WMT of limonite ore.

Shipments

DMC sold a total of 335,804 WMT of nickel ore in 2022. A total of 160,462 WMT of limonite ore and 54,629 WMT of limonite ore were delivered to China at an average price of US\$44.72 per WMT and US\$12 per WMT, respectively. A total of 120,713 WMT of limonite ore were also sold to HPAL at an average price of US\$12.50 per WMT.



DMC camp site

REVIEW OF EXPLORATION

EM-MM-210a.3



Nickel

RTN

No exploratory drilling was conducted in 2022. The approval of the amended MPSA was issued on January 25, 2022. This integrated the original MPSA with the Bulanjao application (AMA-144A). As part of the requirements of the amended MPSA, RTN conducted community consultations in the impact barangays, and it also started the National Commission for Indigenous Peoples (NCIP) Certification process for the affected Indigenous Peoples (IP) communities of the Municipality of Rizal, Palawan.

TMC

Exploration activities of TMC are focused at the Kepha Mining Exploration Limited Company (KMELC) mining claim. Activities for the third renewal commenced in July 2022 and drilling followed in August. A total of 32 holes were completed, producing about 303.30 meters of samples. At the end of the drilling season in November 2022, all drillhole locations were re-vegetated and drillholes were plugged with concrete monuments.

The Community Development Program was approved on January 28, 2022, and implementation is 100% complete. However, the processing of the MOA with Indigenous Cultural Communities (ICC) of CADT-048 is still underway and is being evaluated at the NCIP regional level.

HMC

Drilling activity in Manicani started on July 25, 2022. The drilling campaign consists of 832 holes at 100x100-meter to 50x50-meter intervals covering the MPSA area. A total of 12 drilling units from HMC Tagana-an were utilized for the operation. HMC geologists and a drilling leadman were deployed to set up the activity. To support the initiative of hiring personnel from the host community, ten local personnel have been trained to become drilling operators. As of end December 2022, 167 holes were completed with an accumulated meterage of 2,997.29. A drilling contractor is also expected to mobilize and commence drilling by January 2023 to accelerate the completion of the program.



CEXCI exploration crew



RTN

MPSA Approval

Amended approval issued
January 25, 2022



TMC

303.30 meters

of samples from 32 drillholes



TMC

100% implemented

Community Development Program
approved January 28, 2022



HMC

2,997.29 meterage

Product of 167 completed holes

Gold and Copper

Cordillera Exploration Company, Inc. (CEXCI)

On November 15, 2010, NAC entered into an agreement to purchase CEXCI from a subsidiary of Anglo American Plc. In May 2011, NAC entered into a Participation and Shareholders' Agreement with Sumitomo Metal Mining Co., Ltd. (SMM). Based on the terms of the Agreement, SMM invested US\$1.5 million in CEXCI for a 25% equity interest. The additional investment by SMM of US\$2.8 million in 2015 brought its total equity in CEXCI to 40%.

CEXCI had an application for a Financial or Technical Assistance Agreement (AFTA) denominated as AFTA-008 within the adjoining provinces of Benguet, Ilocos Sur and Mountain Province. The area delineated in the application was 77,549 hectares, which was subsequently reduced to 54,940 hectares following the excising of national parks, built-up areas, and agricultural areas. Parts of the AFTA have been converted to applications for exploration permits (EP), while the remaining areas have been withdrawn.

In December 2015, CEXCI acquired 100% equity interest in Newminco which holds EP-001-2015-III designated for copper, gold, and related base and precious metals over an area in the province of Zambales. The decision to acquire Newminco was made following the discovery of outcropping gold veins, the sampling of which, in part, returned good assays for gold.

On April 15, 2019, CEXCI acquired a tenement from Marian Mineral Exploration Co., Inc. and Olympus Mineral Exploration Co., Inc. (Marian Property) via Deed of Assignment with Royalty Agreement. The property, predominantly in the province of Isabela, has a pending application for a MPSA, denominated as APSA-000021-II. In July 2019, CEXCI filed for the conversion of the APSA into an EXPA, since extensive exploration work is required. The tenement is now denominated as EXPA-000166-II. The application was approved in December 2022 and submitted to Mines and Geosciences Bureau (MGB) Region II for registration and assignment of an EP number.

Drone magnetic survey being conducted at the central area of the Newminco tenement



The description of CEXCI's various properties is described as follows:

Zambales

In 2016, Newminco proceeded to implement its exploration program in the tenement located in the Municipalities of Cabangan, San Felipe and San Marcelino in the province of Zambales. Exploration activities conducted in the area include geologic mapping and surface sampling, which identified prospects and possible drilling areas. Roughly 25 kilometers of old farm-to-market and logging roads were rehabilitated and maintained to gain access to the property. A total of 660 meters of exploratory trenches were dug, logged, sampled and rehabilitated. Diamond core drilling was conducted with a total meterage of 3,799.5. A collection of 401 samples was sent to the laboratory for multi-element geochemical analysis.

Results of the 2016 exploration campaign verified gold mineralization in a portion of the area drilled. However, the work conducted so far precludes Newminco from defining any commercial viability to the project. Rehabilitation work on disturbed areas was completed in early 2017.

In 2017, a tenement-wide ridge and spur soil sampling program was implemented to define targets for more detailed work. The EP expired in July 2017 and was given its first renewal in September 2020. The ridge and spur soil sampling survey were completed mid-2021, while focused

grid sampling was completed by the fourth quarter of 2021. The second year was mainly focused on geologic mapping and review of data for various prospects within the tenement.

The EP expired in September 2022, but was readily renewed the same month. A drone magnetic survey was completed by AUSTHAI Geophysics in December 2022 over the Takipan-Malabeg-Mabibituin Corridor. Results are expected in January 2023.

Isabela and Nueva Vizcaya

The Marian Property, which covers a total area of 6,325 hectares mainly located in the province of Isabela with some portions in Nueva Vizcaya, was designated as APSA-000021-II. Porphyry copper outcrops have been identified within the tenement, though a gold deposit located within the property was previously mined in the 1970s-1980s.

In January 2020, MGB issued an Order approving the Deed of Assignment with Royalty Agreement and the conversion of the APSA to an EXPA. Since its conversion, the documentary requirements and evaluation work for the issuance of the EP have been completed. The EP of Marian Parcel 1 was approved in December 2022 and submitted to MGB Region II for registration. Once the EP has been registered, an extensive exploration program on the tenement will be undertaken.



25 km
of old farm-to-market and logging roads rehabilitated



3,799.5 meterage
Diamond core drilling



660 meters
of exploratory trenches dug, logged, sampled and rehabilitated



401 samples
sent to the laboratory for multi-element geochemical analysis

EXPA 116 - Mankayan

Part of AFTA-008 within the municipalities of Mankayan and Bakun in the province of Benguet consisting of 5,157 hectares was converted into an Exploration Permit Application (EXPA). Following the conversion, a Field-based Investigation (FBI) by the National Commission for Indigenous Peoples (NCIP) was conducted as a prelude to the FPIC with the Indigenous Cultural Communities (ICC). A total of two distinct Ancestral Domains (AD) were identified—Bakun and Mankayan proper. Considerable delays were experienced in the FPIC process due to the local elections in 2016. Subsequently, a decision was made to suspend the process to give way to the FPIC for the municipality of Cervantes.

The resumption of the FPIC process in Mankayan was requested in January 2020. However, further delays occurred due to the COVID-19 pandemic. Thus, discussions on the resumption of the process only commenced in the last quarter of 2020. Substantial community engagement work followed throughout 2021, including Community Consultative Assemblies for each of the two ADs.

The effort resulted in Bakun AD consenting to the proposed exploration project in March 2022. Two MOA negotiations were conducted before the project was temporarily halted due to FPIC- and MOA-related issues belatedly raised by some members of the host communities. CEXCI continues to engage with NCIP and the communities concerned to resume MOA negotiations as soon as possible.

On the other hand, a resolution of non-consent was issued by the Mankayan AD. CEXCI filed a Motion for Reconsideration (MR) in January 2022. The NCIP arranged for CEXCI's presentation of its MR to the barangays of Mankayan AD. The Consensus Building and Decision Meeting has been postponed to 2023 upon CEXCI's request to allow for continued engagement with the leaders in the communities to ensure that they would reconsider and give their consent to the proposed exploration project.

EXPA 116 - Cervantes

Part of AFTA-008 within the municipality of Cervantes in the province of Ilocos Sur consisting of 6,012 hectares was converted into an EXPA. Much like the activities in the Mankayan EXPA area, after the conduct of the FBI by the NCIP, extensive community engagement work with the ICCs was done to explain the exploration program. As part of the FPIC process, three General Assemblies were conducted with Consensus Building between the second and third General Assembly.

The third and final General Assembly to announce the results was conducted on March 13, 2017. Of the nine barangays, six voted for the approval of the exploration program within their areas. Following this development, however, protests and petitions to discredit the results of the General Assembly were filed by some groups. A validation exercise to investigate the protests was made by the NCIP in November 2017, which upheld the results of the voting. However, in order to diffuse the situation, no further action was taken by the NCIP Regional Office.

During this interval, community engagement work continued and the exploration work program was presented to local government officials. CEXCI also secured the consent of the Agricultural Reform Community (ARC) beneficiaries within their tenement. Finally, in January 2020, the NCIP commissioners agreed that the FPIC process should proceed, and the decision was communicated to the NCIP Regional Office. However, before the process could be resumed, the COVID-19 pandemic began. Due to enhanced community quarantines, locally imposed lockdowns by the LGUs, and restrictions on group assemblies, the FPIC process was put on hold.

While the lockdowns and restriction on assemblies have now been lifted, a decision was made to push for the continuation of the FPIC process after the May 2022 elections. Although a majority approval for the exploration project was obtained, some

Indigenous Peoples Mandatory Representatives (IPMRs) rescinded their support. However, initial validation by the NCIP showed that the concerned barangays expressed their continuous support for the project. The barangays reiterated that the decision of their IPMRs does not reflect their viewpoints. The supportive barangays urged for the start of the MOA negotiation while the barangays whose IPMRs withdrew their support will issue a manifesto of support to the exploration project. In the meantime, CEXCI's community relations team continues to engage with the communities and other stakeholders to begin MOA negotiations.

Mountain Province and Benguet

On December 13, 2020, three portions of AFTA-008 within the provinces of Benguet and Mountain Province were converted to EXPAs, denominated as EXPA 119 covering an area of 3,645 hectares within Mountain Province; EXPA 120 covering an area of 2,835 hectares in Mountain Province and Benguet province; and EXPA 121 covering an area of

5,751 hectares in Mountain Province. The remaining areas of AFTA-008 in the Cordillera Administrative Region were withdrawn.

Groundwork for the EXPAs commenced with the engagement of a consultant to get a consensus on the stand of the communities with regards to mineral exploration and mining. The results showed that it would be difficult to obtain a social license to operate. This was further validated by a team composed of CEXCI's personnel. The areas will be withdrawn next year.

AFTA-008 Aluling

The withdrawal of the remaining portions of AFTA-008, covering 3,869 hectares in the municipality of Cervantes, province of Ilocos Sur, was officially relinquished in April 2022, while about 2,835 hectares in Barangay Aluling was converted to an EXPA denominated as EXPA-123-I. Planned pre-FBI/FPIC activities in Aluling will be deferred until after the resumption of the MOA negotiations in Cervantes.



Newminco downstream view of one survey line

SUSTAINABILITY FOR THE GROUP

Sustainability is a cornerstone of the Group's business philosophy, strategy, and operations. The concept guides the Group to make responsible short-, medium-, and long-term decisions that account for the best interests of its stakeholders.

NAC is ever-mindful of its relationship with the planet and responsibility that comes with providing the resources the world needs to create a brighter future. The Group balances the drive for human innovation with great care for the flora, fauna, and livelihoods of the communities touched by its operations. NAC is proud of its role in providing solutions to meet global demand for resources while simultaneously serving as stewards of the environment.

NAC plays a key role in empowering people. Every employee is guided by a strong sense of the Group's values, and it sees its allocations for the growth and development of its workforce as investments in the business's longevity. Its responsive social programs in local communities sow the seeds of future growth. Taken together, NAC's values outline the people-centered approach that shape its interactions with members of host communities, employees, business partners, regulators, and the people along the Group's supply chain.

Purposeful governance provides a sturdy platform of assurance for all of Nickel Asia's business activities. The Group's highly qualified leadership delivers vigilant oversight of risks and regulations, putting NAC in a better position to create greater financial, environmental, and social impact.





2022 Sustainability Initiatives

November 2021 - June 2022

CONDUCT OF MATERIALITY ASSESSMENT

- A Materiality Assessment was conducted to identify and validate the Environmental, Social, and Governance (ESG) issues and opportunities that are relevant and most impactful to the Company—a critical input to NAC’s sustainability journey.
- The validation survey covered internal stakeholders of regular and probationary employees, and external stakeholders of government agencies, media, academe, downstream market, community, and Civil Society Organizations.

December 2021 - April 2022



CONDUCT OF CURRENT STATE ASSESSMENT

- The assessment examined NAC Group’s existing programs, policies, and systems and includes a five-year historical baselining (2017-2021) of material ESG indicators.



CREATION OF ESG TWGs PER BUs

- Each Business Unit formed a Technical Working Group (TWG) according to each ESG pillar. The team is composed of concerned departments per Business Unit. The TWGs are responsible for baselining, objective setting, gap analysis and action planning.
- There are 31 TWG members from Environment, 41 TWG members from Social, and 16 TWG members from Governance coming from the 10 Business Units.



CONDUCT OF GAP ANALYSIS AND OBJECTIVE SETTING

- This step aimed to maintain the objectives that NAC is already achieving ESG commitments and maximizing current efforts to move toward industry-benchmarked ESG leadership.
- NAC set goals and identified each theme and priority area.

December 2021 - January 2022

March 2022 - August 2022

August 2022 (Main Highlight)

CREATION OF SUSTAINABILITY COMMITTEE

- By forming a Sustainability Committee comprised of two Board members and one independent director in charge of overseeing, identifying, and assessing the economic, environmental, ethical, and social impact of operations, NAC solidifies its sustainability agenda by pushing leadership and stakeholders to constantly raise standards in terms of accountability and transparency.
- The Committee is in charge of steering the Company in becoming a better business operator and contributor to national development.
- NAC is the first mining company in the country to establish a board-level Sustainability Committee and a Chief Sustainability Officer.

September 2022



CREATION OF SUSTAINABILITY COUNCIL

- The Council is a management-level group tasked with integrating the Company's sustainability initiatives. The Council is composed of representatives from the Compliance and Corporate Services Group, Sustainability Sector, Public Affairs and Communications Sector, Risk Management Sector, Finance and Revenue Management Group, Revenue Generation Group, and Energy Group.



APPOINTMENT OF CHIEF SUSTAINABILITY OFFICER

- The Chief Sustainability Officer spearheads the development, establishment, and review of the Group's ESG Roadmap and sustainability framework, policies, and initiatives.

CREATION OF OFFICE OF THE CHIEF SUSTAINABILITY OFFICER

- The Sector is responsible in the planning and execution of the NAC ESG Roadmap. Also known as the Sustainability Team, the Sector shall ensure the alignment of NAC with global sustainability standards.



COMPLETED NAC ESG ROADMAP (PHASE 1)

- The approved Phase 1 Roadmap outlines the future direction of the Corporation and ensures accountability on the key performance metrics.



Rehabilitated mined-out area at RTN

ESG Milestones

As it continues on its sustainability journey, NAC aligns and strategizes each year's business activities in full view of the Company's ESG targets and ambitions.

An Anti-bribery Online Training was completed in March of 2022. This self-paced training, attended by four participants from the Sustainability Team, is an introduction to the UN Global Compact's 10th principle against corruption in the private sector. Other trainings were conducted in April, such as the GHG Training by the University of the Philippines Los Baños (UPLB). A total of 42 Environment Technical Working Group Members attended the training to learn about updated tools and methods for reporting and avoidance of greenhouse gas (GHG) emissions.

In the same month, two Sustainability Team members attended a deep-dive discussion on the methodologies and approaches involved in

setting science-based targets and managing GHG emissions for the purpose of helping the Company reach the net-zero emissions goal set by the UNGC Climate Ambition Accelerator.

In October of 2022, NAC conducted Monitoring and Evaluation through presentations and assessments related to ESG targets. TMC's ESG TWG members conducted field visits to observe key ESG areas. For Environment, participants examined the conveyor belt system, siltation pond, and sanitary landfill. For Social, participants visited two people's organizations, namely, Claver Red Mountain Agriculture Cooperative (CREMACO), Urbiztondo Crops Producers Cooperative (UCPC), and the TMC Health Clinic.

Taken together, NAC's ESG milestones for 2022 show its adherence to its vision for sustainability and value creation, responsible use of resources, and a shared commitment to a better future.

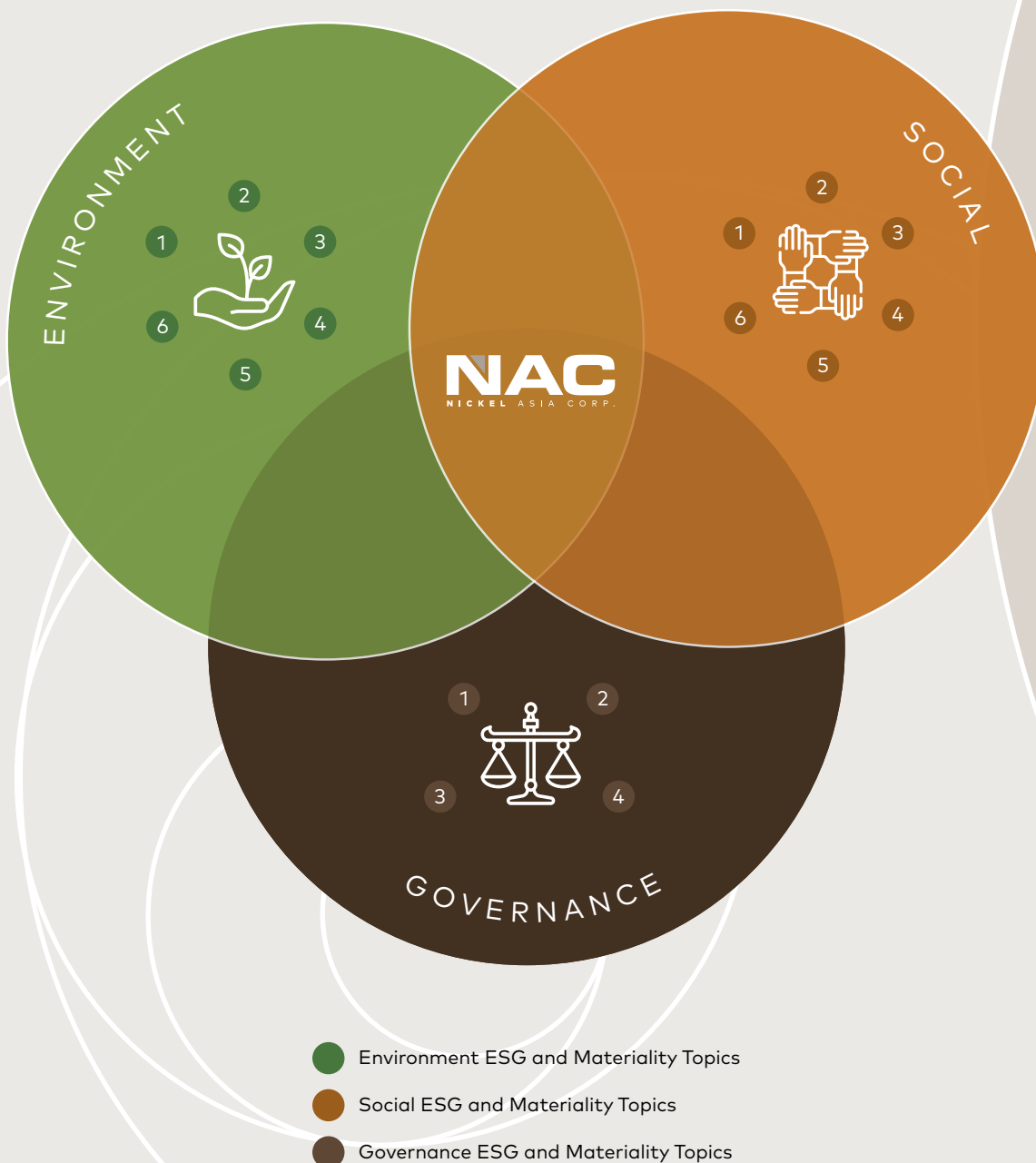


CREMACO farmers receiving ₱3M-worth of farm equipment from TMC's CSR program

Sustainability Framework

ESG considerations are ingrained in NAC's DNA. They are affirmed by its lasting impact in the communities it touches, and in the Company's environmental programs that balance resource utilization and ecological stability. NAC is recognized locally and internationally for its exemplary efforts in promoting environmentally and socially responsible mining operations.

In November 2021, NAC approved the Nickel Asia Corporation ESG Roadmap. This reflects the Group's steadfast commitment to its vision to become the premier ESG investment in the country and to be counted among the top 25 Philippine Stock Exchange-listed companies in terms of market capitalization by 2025. This goal propels NAC forward in its sustainability journey.



Cross-cutting Impact



ESG and Materiality Topics GRI 3-2



ENVIRONMENT



<p>1 Water Management</p> <p>2 Waste Management</p>	<p>3 Biodiversity Protection</p> <p>4 Energy Efficiency</p>	<p>5 Climate Resilience</p> <p>6 Greenhouse Gas</p>	
<p>PHASE 1</p>	<p>E1. GREENHOUSE GASES 10% Emission reduction by 2025 and 42% by 2030; Net zero carbon target by 2050</p>	<p>E2. BIODIVERSITY PROTECTION No net loss impact by 2025; Net positive by 2030</p>	<p>E3. WATER MANAGEMENT Net positive water impact by 2030</p>
<p>PHASE 2</p>	<p>E4. WASTE MANAGEMENT Circular economy in all camp/townsite by 2030</p>	<p>E5. ENERGY EFFICIENCY 100% Clean energy by 2050</p>	<p>E6. CLIMATE RESILIENCE Client resilient operations by 2030</p>

THEMES AND GOALS

PHASE 1

PHASE 2



SOCIAL



<p>1 Health and Safety</p> <p>2 Sustainable Communities</p>	<p>3 Nation Building through Economic Growth</p> <p>4 Indigenous Peoples Partnership</p>	<p>5 Work Conditions (Decent Work)</p> <p>6 Diversity and Inclusion</p>	
<p>PHASE 1</p>	<p>S1. HEALTH & SAFETY Good health and well-being</p>	<p>S2. DIVERSITY & INCLUSION Equal opportunity at all levels and across all backgrounds</p>	<p>S3. SUSTAINABLE COMMUNITIES Sustainable communities after conversion</p>
<p>PHASE 2</p>	<p>S4. WORK CONDITIONS Decent work at all levels</p>	<p>S5. INDIGENOUS PEOPLES PARTNERSHIP Empowered and self-reliant Indigenous Cultural Communities</p>	<p>S6. NATIONBUILDING THRU ECONOMIC GROWTH Catalyst for economic growth</p>

THEMES AND GOALS

PHASE 1

PHASE 2



GOVERNANCE



<p>1 Incident/Risk Management Systems</p>	<p>2 Corporate Governance</p>	<p>3 Corporate Behavior</p>
<p>G1. CORPORATE GOVERNANCE Inclusive leadership and management</p>	<p>G2. CORPORATE BEHAVIOR Strong organizational culture</p>	<p>G3. INCIDENT/RISK MANAGEMENT SYSTEMS Robust and comprehensive risk management systems</p>

THEMES AND GOALS

NAC's Contribution to Sustainable Development Goals (SDGs)














ENVIRONMENT

Rank	Material Topics	Performance				
1	Water Management		Water extracted (m ³) 25,135,644.67	Silt collected (WMT) 425,165	Water discharged (m ³) 15,846,188	Expenditure on water projects ₱4,062,304
2	Waste Management		Hazardous waste diverted from disposal (kg) 441,869		Percentage of total waste diverted from disposal 80.59%	
3	Biodiversity Protection		Budget for water protection programs ₱101,354,870.26			
4	Energy Efficiency		Number of seedlings planted 1,052,866	Land area rehabilitated (ha) 73	Land area reforested (ha) 269.27	
			Total renewable energy generated (kWh) 114,823,960			
			Fuel consumed (L) 34,816,199	Electricity consumed (MWh) 7,532.28		
5	Climate Resilience		Total amount spent for climate resiliency projects ₱9,859,387	Investment in EPEP ₱402,020,056		
6	Greenhouse Gas		Total emissions avoided (tCO ₂ e) (47,324)			
1	Health and Safety		Expenditure on health and safety programs ₱18,696,271	Expenditure on COVID-19 responses ₱1,323,180	Expenditure on medical supplies and equipment ₱1,013,900	
			Expenditure on relief goods ₱65 Million	Household assisted 1,323,180		



SOCIAL

Rank	Material Topics	Performance				
2	Sustainable Communities	 11 SUSTAINABLE CITIES AND COMMUNITIES	Total amount spent on road construction/improvement ₱2,017,068		Assistance to calamity victims ₱13,727,881	
3	Nation Building through Economic Growth	 8 DECENT WORK AND ECONOMIC GROWTH	WMT ores sold (Thousands WMT) 15,938	Total taxes paid (Millions) ₱6,646	Percentage of spending on local suppliers 78%	Expenditure on livelihood programs ₱13,633,297
4	Indigenous Peoples Partnership	 10 REDUCED INEQUALITIES	Indigenous population supported by SDMP 23,526	Indigenous Peoples hired in the workforce 206	Number of People's Organizations benefited 49	Number of IP members 1,935
5	Work Conditions (Decent Work)	 3 GOOD HEALTH AND WELL-BEING	Total safe manhours 88,715,956			
		 4 QUALITY EDUCATION	Total training hours for employees 62,799			
		 8 DECENT WORK AND ECONOMIC GROWTH	Total number of employees 3,075¹	Employees under CBA 1,004	Employees hired from local communities 2,274	
6	Diversity and Inclusion	 5 GENDER EQUALITY	Percentage of women in the workforce 21%	Percentage of women returned to work after parental leave 100%	Percentage of women in supervisory, managerial positions 33%	
1	Incident/Risk Management Systems	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Expenditure on infrastructure projects ₱40,645,494			
2	Corporate Governance	 5 GENDER EQUALITY	Number of officers and members of the Board of Directors (including one Lead Independent Director) who are women: 14			
3	Corporate Behavior	 10 REDUCED INEQUALITIES	Entry level wage exceeds the local minimum wage requirement by 6%²			
		 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Incidents of corruption 0	Incidents of labor code violations 0	Human rights violation 0	



GOVERNANCE

¹ Includes seasonal and project-based employees

² Average of local minimum wage across all sites vs. average of standard entry-level wage across all sites

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Engaging with Stakeholders

GRI 2-29, 207-3



GAMAWA, a TMC-supported fisherfolk organization

Stakeholder engagement and communication plays a vital role in NAC's business, and the Corporation prides itself on being responsive and effective in this area. Despite the challenges that arose in 2022, NAC managed to keep its many channels of communication accessible to stakeholders, thereby giving them a platform to share their perspectives and guaranteeing that they were updated about the Group's projects and actions.

NAC attends to the unique concerns of its stakeholders and takes relevant action to address key issues as they emerge. To maintain transparency, accountability, and integrity, NAC maximizes the use of official report documents and its corporate website. The Group also conducts events to promote stakeholder interaction and discussion.



ENGAGEMENT METHOD	AREA OF CONCERNS	ACTIONS WE TOOK
Government	Diversity and Inclusion	⊙ Ensured responsive, inclusive and representative decision-making
	Transparency	⊙ Continual reputation and relationship building
	Zero Bribery	⊙ Mitigated bribery risks ⊙ Employees and business partners trained ⊙ Zero confirmed cases of bribery
	Risk Management	⊙ Evaded potential threats and minimized impacts
	Data Protection	⊙ Managed properly company data and personnel information
Community	Occupational Health and Safety	⊙ Ensured healthy and safe workplace
	Mental Health Awareness	⊙ Approached employee health holistically
	Preventive Healthcare	⊙ Promoted preventative care
	Opportunity for Local and Marginalized Populations	⊙ Championed inclusivity
	Access to Basic Services	⊙ Provided safe and clean water to communities ⊙ Community access to services ⊙ Provided affordable, reliable, and clean supply of electricity
	Good Health	⊙ Improved health conditions
	Sustainable Livelihoods	⊙ Increased livelihood programs and provided stable source of income
	Community Climate Resilience and Disaster Risk Reduction and Management	⊙ Increased community resilience to climate change and disasters
	Emission Reduction	⊙ Reduced GHG emission in scopes 1, 2 and 3 Page 64
	Carbon Sequestration	⊙ Increased carbon sequestration capacity
	Natural Habitats Protection	⊙ Increased habitats protected or restored ⊙ Avoided operating in or near protected areas
	Biodiversity Impact Mitigation	⊙ Reduced pressures on threatened species ⊙ Reduced impact of introduced species
	Preservation of Biodiversity	⊙ Protected threatened species
	Water Quantity	⊙ Reduced the amount of water required for business activities, increasing reuse, recycling and efficiency
Water Quality	⊙ Reduced the amount of water required for business activities, increasing reuse, recycling and efficiency	
Academe	Quality Education	⊙ Strengthened education support and increased literacy rate
Civil Society Organizations	People's Organizations and Good Governance	⊙ Strengthened local institutions

Material Aspects of Sustainability

GRI 3-1, 3-2

From November 2021 to June 2022, NAC conducted a materiality assessment for itself and its subsidiaries with the goal of identifying and validating the ESG issues and opportunities most relevant to the Group and to the communities in which it operates. The results are crucial to NAC's sustainability journey because they outline a shared vision with its stakeholders of the issues that may have the greatest impact on its ability to grow and create value in the future.

The materiality assessment aims to surface and align key issues with the Group's ESG strategies, strengthen its approach to stakeholder engagement, refine implementation of commitments and policies toward a sustainable business and community, and set a standard for ESG reporting. Firm in its commitment to its stakeholders and to the general public, NAC pledges to contribute to a sustainable world for everyone, for generations to come. The Group will use the materiality assessment to steer its strategies and operations toward that vision.

Methodology

NAC's Board of Directors and Management Committee identified material topics pertaining to Environment, Social, and Governance. The topics are as follows:

- Climate Resilience
- Corporate Behavior
- Corporate Governance
- Diversity and Inclusion
- Energy Efficiency
- Greenhouse Gas
- Health and Safety
- Incident/Risk Management Systems
- Indigenous Peoples Partnership
- Nation Building through Economic Growth
- Sustainable Communities
- Waste Management
- Water Management
- Work Conditions

The topics identified by the Board and Senior Management of NAC were validated through a survey. The validation survey covered both internal stakeholders (regular and probationary employees), and external stakeholders (government agencies, media, academe, downstream market, community, and Civil Society Organizations). Random sampling was done for the total population of internal and external stakeholders with a 9% to 10% margin of error.



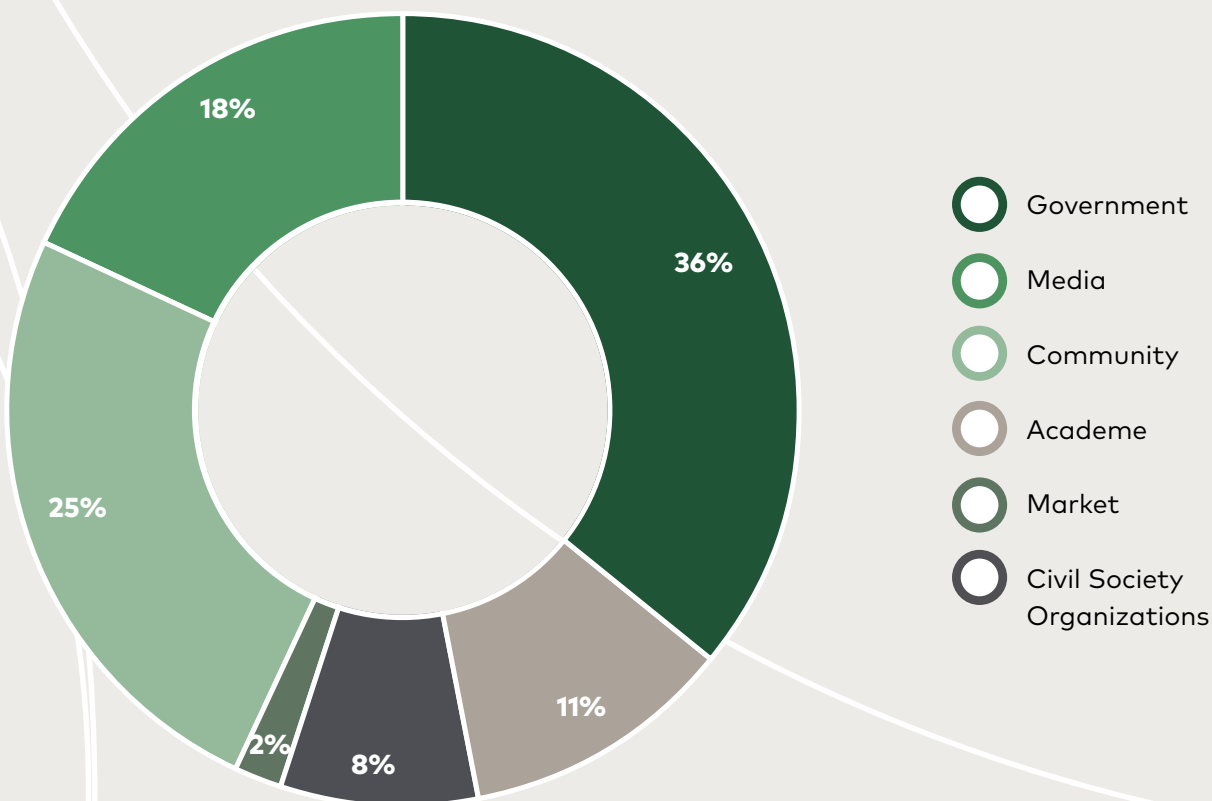
Table 1. Population and Sample Size of Internal and External Stakeholders

OPCO	INTERNAL STAKEHOLDERS		EXTERNAL STAKEHOLDERS	
NAC	121	6	17	7
RTN	568	28	234	28
TMC	677	36	80	14
CMC	253	13	22	7
HMC	296	3	62	12
DMC	42	2	116	16
JSI	45	2	41	10
CEXCI / NEWMINCO	12	1	152	3
TOTAL	1,914	91	724	97

A total of 1,914 internal stakeholders from NAC Group participated in the survey. RTN and TMC have the greatest employee population, thus, the largest sample size. For external stakeholders, NAC Group identified 724 stakeholders. RTN and DMC have the largest sample size.

Among external stakeholders, Government, both National Regulatory Agencies and Local Government Units, composed 36% of the respondents. Community members accounted for 25% of external stakeholders, with Civil Society Organizations following at 18%.

Figure 1. Composition of External Respondents



The survey was designed to assess the significance, impact, and relevance of ESG issues to stakeholders and business. Respondents were sent a survey via email, and those who did not have access to the internet or a computer were interviewed in person. The interviews were made possible by the Community Development and Relations Office and Human Resources of each subsidiary.

As part of the evaluation, the following rating system was used:

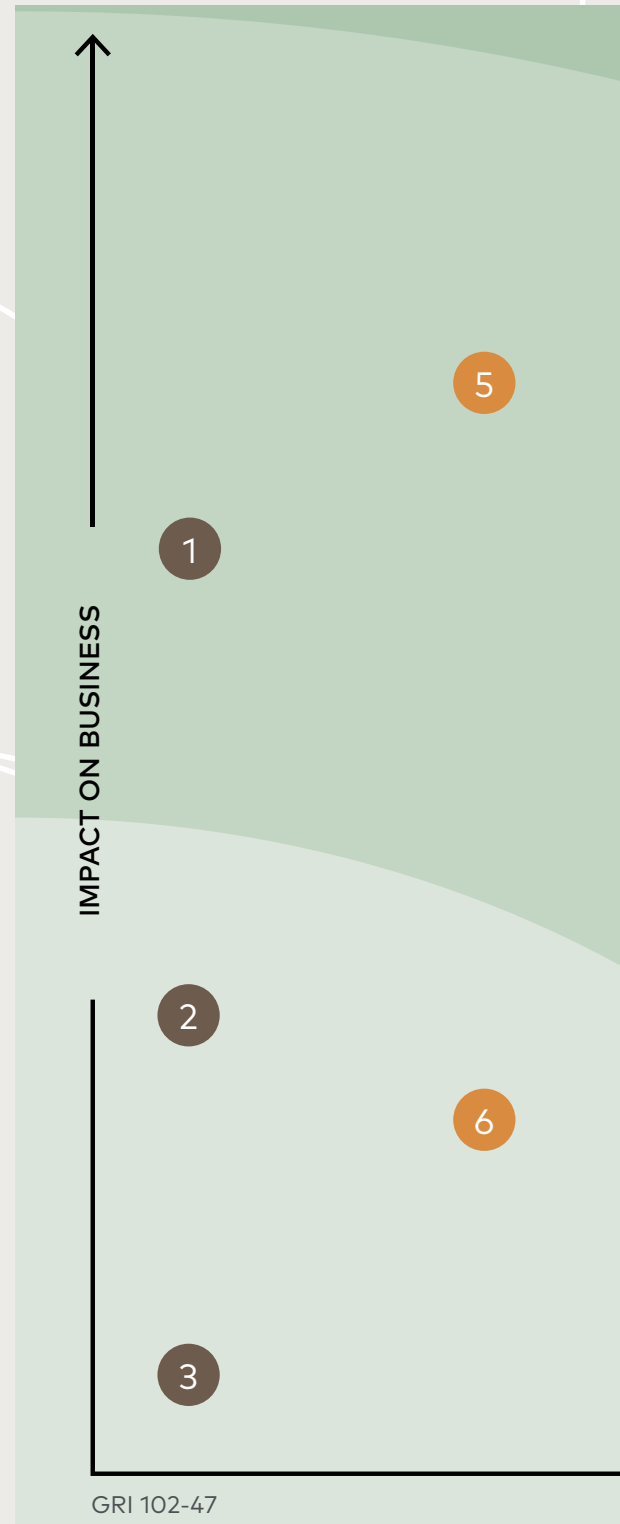
Impact on Stakeholder

- 1 - Least important to stakeholder
- 2 - Somewhat important
- 3 - Important
- 4 - Very important

Impact on Business

- 1 - Least relevant to business
- 2 - Somewhat relevant
- 3 - Relevant
- 4 - Very relevant

The materiality matrix on the right summarizes the assessment results. The horizontal axis shows the importance of ESG Material Topics to stakeholders, while the vertical axis shows the importance of ESG Material Topics to business. According to the matrix, the most important and relevant topics to both NAC and its stakeholders are Health and Safety, Water Management, and Waste Management.



GRI 102-47

Environment

- 1 Water Management
- 2 Waste Management
- 3 Biodiversity Program
- 4 Energy Efficiency
- 5 Climate Resilience
- 6 Greenhouse Gas

Social

- 1 Health and Safety
- 2 Sustainable Communities
- 3 Nation Building through Economic Growth



- 4 Indigenous Peoples Partnership
- 5 Work Conditions (Decent Work)
- 6 Diversity and Inclusion

Governance

- 1 Incident/Risk Management Systems
- 2 Corporate Governance
- 3 Corporate Behavior

Value Creation Overview

CAPITALS

MATERIAL TOPICS

INPUT

NATURAL

E

- ▶ Water Management
- ▶ Waste Management
- ▶ Biodiversity Protection
- ▶ Energy Efficiency
- ▶ Climate Resilience
- ▶ Greenhouse Gas

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- ▶ Investment in EPEP - ₱402M
- ▶ Expenditure on water projects - ₱4.1M
- ▶ Budget for water protection programs - ₱101.4M
- ▶ Total amount spent for climate resiliency projects - ₱9.9M
- ▶ Assistance to calamity victims - ₱13.7M
- ▶ Emissions from NAC operations are within regulatory limits
- ▶ NAC has a Risk and Assurance Group that monitors the business risks, including environmental compliance, on a daily basis
- ▶ Supply Chain Management Approach uses an accreditation process whose criteria includes environmental performance

HUMAN, SOCIAL AND RELATIONSHIP

S

- ▶ Health and Safety
- ▶ Sustainable Communities
- ▶ Nation Building through Economic Growth
- ▶ Indigenous Peoples Partnership
- ▶ Work Conditions (Decent Work)
- ▶ Diversity and Inclusion

▶ Page 66

- ▶ Employees hired from local communities - 2,274
- ▶ Code of Business, Conduct and Ethics policy
- ▶ Health and Safety policy
- ▶ Employee compensation and benefits

- ▶ Expenditure on SDMP programs - ₱45.8M
- ▶ Expenditure on CSR programs - ₱56.9M
- ▶ Expenditure on health and safety programs - ₱18.7M
- ▶ Expenditure on COVID-19 responses - ₱1.3M
- ▶ Expenditure on medical supplies and equipment - ₱1M
- ▶ Expenditure on relief goods - ₱65,000
- ▶ Expenditure on road construction/improvement - ₱2M
- ▶ Expenditure on suppliers - ₱12.4B

FINANCIAL MANUFACTURING INTELLECTUAL

G

- ▶ Incident / Risk Management Systems
- ▶ Corporate Governance
- ▶ Corporate Behavior

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- ▶ Total assets - ₱49.8B
- ▶ Total liabilities and capital - ₱49.8B
- ▶ Expenditure on suppliers - ₱12.4B
- ▶ Expenditure on infrastructure development - ₱2.5M
- ▶ Total costs and expenses (operations, products, and services) - ₱15.4B

OneNAC VISION

MISSION

CORE VALUES

▶ Page 4

Value Creation Model for NAC's mining operations

BUSINESS ACTIVITIES

- ▶ Exploration
- ▶ Assessment, Evaluation, and Planning
- ▶ Extraction
- ▶ Transportation
- ▶ Rehabilitation and Reforestation

OUTPUT

- ▶ Number of hectares rehabilitated - 72
- ▶ Number of hectares reforested within Mineral Production Sharing Agreement (MPSA) area - 174
- ▶ Number of hectares reforested outside Mineral Production Sharing Agreement (MPSA) area - 96
- ▶ Total emissions avoided (tCO₂e) - 47,324
- ▶ Total renewable energy generated (kWh) - 114,823,960
- ▶ Hazardous waste diverted from disposal (kg) - 441,869
- ▶ Percentage of total waste diverted from disposal (kg) - 80.59%
- ▶ Number of seedlings planted - 1,052,866

- ▶ Total training hours for employees - 62,799
- ▶ Employees under CBA - 604
- ▶ 1:4 ratio of male to female employees
- ▶ 214 employees in the health and safety committee
- ▶ 88,715,956 safe manhours
- ▶ 45 occupational injuries/illnesses
- ▶ 8.62 incidence rate
- ▶ 12th Gawad Kaligtasan Best Practice Award for HMC's Occupational Health Program
- ▶ Safety Seal Certification by the Department of Labor and Employment (DOLE) for DMC
- ▶ Zero lost days, lost-time accidents, and work-related fatalities

- ▶ Indigenous People hired in the workforce - 206
- ▶ Employees hired from local communities - 2,274
- ▶ Household assisted - 1,712
- ▶ Patients/cases treated in hospital - 4,698
- ▶ Number of scholars supported - 2,404

- ▶ Total payments to government - ₱7.1M
- ▶ WMT ores sold - 15,938 WMT
- ▶ Incidents of corruption - 0
- ▶ Incidents of labor code violations - 0
- ▶ Human rights violation - 0

OUTCOMES

- ▶ Climate Resiliency
- ▶ Environmental Protection
- ▶ Land Rehabilitation



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- ▶ Employment Opportunities
- ▶ Diversity and Inclusivity
- ▶ Healthier and Safe Work Environment
- ▶ Skills and Competency Development
- ▶ Communities Empowerment



▶ Page 42

- ▶ Economic Growth
- ▶ Infrastructure Development
- ▶ Good Governance
- ▶ Transparency



LONG-TERM GOALS

- PHASE 1**
- E1 Greenhouse Gases**
 - E2 Biodiversity Protection**
 - E3 Water Management**
- PHASE 2**
- E4 Waste Management**
 - E5 Energy Efficiency**
 - E6 Climate Resilience**

- PHASE 1**
- S1 Health and Safety**
 - S2 Diversity and Inclusion**
 - S3 Sustainable Communities**
- PHASE 2**
- S4 Work Conditions**
 - S5 Indigenous Peoples Partnership**
 - S6 Nationbuilding Through Economic Growth**

- G1 Corporate Governance**
- G2 Corporate Behavior**
- G3 Incident/Risk Management Systems**

SUSTAINABILITY PERFORMANCE

NAC uses a wide range of metrics to ensure that it remains true to its purpose and to its commitment to the planet and to the people. The Group goes beyond the compliance requirements to gather data that paints an accurate portrait of its progress toward its goals and demonstrates its alignment with global initiatives in resource management.

The comprehensiveness, accuracy, transparency, and reliability of the data that NAC presents in this report speaks directly to the integrity the Group pledges to its stakeholders. Furthermore, the information offered here provides a frame for the strategic plan to shape Nickel Asia's future prosperity as it contributes to its host communities and to the nation's economic growth.

NAC welcomes the opportunity to track its achievements in relation to its efforts to serve the planet and people in 2022. The performance indicators referenced herein invite all stakeholders to partner with NAC in looking back to look ahead.





CARING FOR THE PLANET

Performance Highlights

- Completed scope 1 and scope 2 GHG inventory including Land Use Change and Degradation emissions
- Environmental Management System that has executive oversight, compliance with regulations, measurable targets and deadlines, and certifications
- Spent ₱197M on Land and Biodiversity Protection, ₱42M on Air Protection, and ₱19M on Environmental Monitoring





 **425,165** WMT
Silt collected


 **80%**
Total waste diverted from disposal


 **₱402M**
Spent on environmental enhancement and protection

 **1M**
Seedlings planted

 **269** ha
Land reforested

 **73** ha
Land rehabilitated

 **114.8M** kWh
Renewable energy generated

 **₱9.8M**
Spent on climate resiliency projects

 **₱13.7M**
Assistance provided to calamity victims

 **47,324**
tCO₂e avoided

ENVIRONMENTAL

2022	RTN	TMC	HMC	CMC	DMC	EPI	JSI
1. Total spending on environmental protection and enhancement program (EPEP)	₱66,699,956	₱173,493,052	₱84,761,767	₱68,327,585	₱8,737,696	N/A	N/A
2. Rehabilitation efforts (ha)							
Number of hectares rehabilitated	4	40	23	5	0	N/A	N/A
3. Reforestation efforts							
Number of hectares reforested within Mineral Production Sharing Agreement (MPSA) area (ha)	0	20	151	3	0	N/A	N/A
Number of hectares reforested outside MPSA area (ha)	47	4	15	20	10	N/A	N/A
4. Pollution control							
Total renewable energy generated (kWh)	N/A	N/A	N/A	N/A	N/A	N/A	114,823,960
Avoided emission (tCO ₂ e)	N/A	N/A	N/A	N/A	N/A	N/A	(47,324)
Consumption of energy (MWh)	2,057.54	3,057.2	626.02	1,049.19	288.25	15.49	1,019.78
Total fuel consumption – generator sets (L)	95,762	232,765	257,899	487,978	154,198	N/A	470
Total fuel consumption – vehicles (L)	7,832,114	17,042,214	2,406,241	5,030,900	1,258,870	2,657	14,130
Total Greenhouse Gas (GHG) emissions (tCO ₂ e)	69,282	221,521	15,201	131,296	3,192	16.58	245,338
5. Waste management							
Amount of hazardous waste (kg)	111,361	232,855.04	81,840	72,808	10,890	152	1,228
6. Watershed management							
Volume of silt collected (WMT)	10,906	281,080	90,020	40,003	3,156	N/A	N/A
Volume of water consumption (m ³)	8,932,427	131,488	133,333	86,754	5,455	0	21.45
Volume of water discharge (m ³)	15,726,816	35,069	62,484	0	21,819.14	N/A	1,518
7. Land use							
Disturbed (ha)	1,115	1,734	471	266	93	N/A	105
Rehabilitated (ha)	4	40.21	23.46	5	0	N/A	N/A
Other use (ha)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Water Management

GRI 3-3, 303-1, 303-2, RR-ST-140a.2

The environmental management system (EMS) allows NAC to identify facilities and activities that endanger groundwater. As Water Management has presented quite a challenge to NAC's goals, several of NAC's mine sites concocted a Water Management Plan that is supplemented by several water conservation policies and practices. The following measures are in place:

- Monthly and quarterly physical and chemical monitoring of Total Suspended Solids (TSS)
- Establishment of activated carbon gabions
- Regular dredging of sumps and ponds
- Planting of slopes to reduce exposed areas
- Vetiver grass planting in ponds for phytoremediation
- Using oil-water separator to prevent contamination
- Covering of ore stockpiles to minimize silted water
- Generation from stockpile areas
- In-house water sampling
- Emergency response procedures for accidental releases of contaminated water
- Construction of a drainage system that directs water/leakages to designated areas of treatment

NAC implements appropriate risk mitigation measures and regularly monitors water use and discharge. For instance, the landfill is layered with high-definition polyethylene to provide impermeability and water containment. Wastewater undergoes filtration through silt curtains and containment ponds before being reused for dust suppression and product washing.

Jobin-SQM, Inc. (JSI) regularly records water withdrawal for daily operations and has plans to establish a rainwater collection system. JSI takes a comprehensive approach to water management that includes both short-term and long-term strategies. In the short term, the subsidiary conducts regular monitoring of water quality and takes appropriate action to mitigate any negative changes that are detected. In the long term, JSI emphasizes ongoing monitoring and preventive maintenance of water systems, as well as efforts to enhance water use efficiency and improve water quality through various projects. JSI also aims to improve water use monitoring and efficiency and reduce water consumption by installing measuring devices, tools, and equipment.

Water Use and Protection GRI 303-3, 303-4, 303-5, EM-MM-140a.1, RR-ST-140a.1

2022	EXTRACTION		DISCHARGE		Silt Collected (WMT)
	Water Body	Volume (m ³)	Water Body	Volume (m ³)	
RTN	Ground Water	973,074	Surface Water	15,726,816	10,906
	Rain Water	23,593,530			
	Recycled Wastewater	92,639			
TMC	Surface Water	166,557	Surface Water	22,642	281,080
			Rain Water	12,427	
HMC	Surface Water	195,816.83	Surface Water	62,484	90,020
CMC	Surface Water	23,899.82	N/A	N/A	40,003
	Ground Water	36,604.40			
	Recycled Wastewater	26,250.00			
DMC	Surface Water	27,273.92	Surface Water	21,819.14	3,156
TOTAL		25,135,644.67		15,846,188.14	425,165

Waste Management

GRI 3-3, 306-1, 306-2

NAC fully supports the global waste reduction campaign, reflected in its implementation and adherence to a solid waste management plan.

Additionally, NAC, its nickel mining and exploration companies and its energy group continually practice upcycling and places a high value on technologies that help the Company manage wastes effectively, such as the Department of Science and Technology's (DOST) bioreactor, vermicomposting, and mulching for biodegradable wastes; the use of Materials Recovery Facilities (MRF) for recyclable

and reusable wastes; and using sanitary landfill for residual wastes.

For instance, HMC practices vermicomposting and produces bio-organic fertilizers from biodegradable kitchen waste. This is supplemented by the utilization of biogas technology for handling said waste and jobo pots for nursery operations. Additional waste management initiatives include the (1) segregation of biodegradable, residual, and recyclable wastes, (2) composting of biodegradable waste for vermiculture, and (3) upcycling and recycling.

Waste Management in kg GRI 306-3, 306-4, 306-5, RR-ST-150a.1

2022	RTN	TMC	HMC ¹	CMC	DMC	HEAD OFFICE	EPI	JSI	TOTAL
Non-Hazardous	192,278	33,384	27,975	9,916	4,856	303	23	1,331	270,066
Hazardous	111,361	232,855.04	81,840	72,808	10,890	0	152	1,228	511,134.04
Total Waste Generated	336,371	266,239.04	109,815	82,724	15,746	303	175	2,558	813,931.04
Non-Hazardous	136,578	23,208	131,460	2,372 ²	0	0	23	333	293,974
Hazardous	144,093	0	0	0	3,802	0	0	0	147,895
Total Waste Diverted from Disposal	280,671	23,208	131,460	2,372	3,802	0	23	333	441,869
Non-Hazardous	55,700	232,855.04	0	4,748 ³	0	303	0	998	71,924
Hazardous Waste	0	115	127,130	92,340 ⁴	1,757	0	152	1,228	222,722
Total Waste Directed to Disposal	55,700	232,970.04	127,130	97,088	1,757	303	152	2,226	517,326.04

¹ Not able to obtain an exact tally due to the presence of waste materials from 2021 that were only recently disposed of in 2022.

² For reusing

³ Landfilling

⁴ Treated and disposed by third-party service provider

Biodiversity Protection

GRI 3-3, 304-2, EM-MM-160a.1

NAC works tirelessly to safeguard biodiversity within its operational areas, acknowledging the value of natural habitats to various flora and fauna species, some of which are on the International Union for Conservation of Nature's Red List of Threatened Species (IUCN) and national conservation lists. As a result, NAC, its nickel mining and exploration companies and its energy group mitigates the impact of its operations through consistent, responsible practices such as:

- Proper handling of cleared vegetation, including topsoil management.
- Progressive rehabilitation of mined-out areas and reforestation with indigenous species to preserve the natural floral biodiversity of the affected sites.
- Regular monitoring to measure changes in the quality and quantity of biodiversity.



Coffee is grown, nurtured, and processed on the rich soils of Rio Tuba through the dedication of the local mining community

NAC and its subsidiaries support the government's National Greening Program (NGP) by producing fruit-bearing tree seedlings and donating them to the Department of Environment and Natural Resources (DENR). In 2022, NAC donated 185,466 seedlings worth approximately ₱8.5 million and planted 234,873 trees within mining camps. Regulations require tree replacement of 1:100 in private and forest lands, including those affected by development projects in support of the NGP and government climate change initiatives. Mining industry rehabilitation programs such as these, along with mining companies' commitment to greening communities where they operate, are enshrined in the Philippine Mining Act of 1995.

HMC's Biodiversity Management is a major component of its annual EPEP that supports the following programs: buffer zone establishment, reforestation inside its MPSA, accreditation of Deputized Environment and Natural Resources Officers (DENROs), flora and fauna assessments, and the establishment of a mangrove plantation, a coral nursery, and artificial coral reefs, among others.

HMC proffers numerous environmental programs of significance such as the National Greening Program land protection initiative—the Adopt-a-River Program, regular company-wide tree planting activities, coastal cleanups or Scubasurero,

Aquaponics, soft-shell crab farming and the Community Output-based Program (COBP).

The Adopt-a-River Program aims to restore, rehabilitate, and enhance the condition of key bodies of water. In collaboration with the local government of Tagana-an, Surigao, HMC plans to extend this initiative to include the Tagana-an River and Kinabutan River in Surigao City.

Through the Scubasurero Program, HMC attempts to broaden minds and educate communities about appropriate ocean care, rehabilitation, and conservation. The initiative began in 2012, and communities continue to benefit from the improvements to the water. In some instances, the program provided a platform to offer scuba diving lessons to interested individuals.

For its 2022 Hearts' Day celebration, HMC held an event focused on its Mine Environmental Protection and Enhancement Department. Together, 100 participants planted a total of 700 seedlings of various forest tree species, including mangkono, bagras, narra, agofo, and bani. Organizers also encouraged people to hug trees to improve their physical and mental well-being.

In September, Taganito Mining Corporation's (TMC) Mine Environmental Protection and Enhancement Office (MEPEO) participated in the nationwide

Simultaneous Bamboo Planting exercise as part of its Mineral Production Sharing Agreement (MPSA). The bamboo planting exercise intends to reduce the effects of flooding, aid in the arrest and reduction of siltation, strengthen biodiversity, and offer additional sources of income for communities across the Philippines.

Another long-running TMC project is its Livestock Program under the Environmental Department. Since the program's inception in 2017, animals such as rabbits, chickens, ducks, and pigs are cared for at Umahan sa Minahan, or Pit 29. Some chickens are sold as meat, while layers are raised to produce organic eggs. Ducks, or "itik", produce "balut", and rabbits are sold in pairs to those who want to raise them as pets.

The main goal of raising livestock is not only to provide a livelihood for indigenous people and local farmers, but also to underscore responsible mining practices. Livestock programs like these show that mining and agriculture can coexist. When the mine life ends, indigenous tribes and farmers in the local area can continue to benefit from fully developed and sustainable projects.

CMC also launched a Mine and Environment Protection and Enhancement Office (MEPEO)-initiated livelihood program called ECommunity in 2022. Funded by the Annual Environmental Protection and Enhancement Program (AEPEP), the program allows CMC Foresters to provide a

free orientation to nursery establishment, and knowledge and strategies on the proper handling of seedlings to job contractors from the Company's host and neighboring communities. CMC takes pride in this collaboration with community residents aimed at environmental transformation and stewardship.



A member of Sapa Integrated Farmers' Association in Claver feeds livestock

Land Protection¹ GRI 304-1, 304-2, 304-3

2022	RTN	TMC	HMC	CMC	DMC	EPI	JSI	TOTAL
Total area disturbed (ha)	1,115	1,734	471	266	93	N/A	104.60	3,783.60
Total area used for other purposes (ha)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total area rehabilitated (ha)	4	40.21	23.46	5	0	N/A	N/A	73
Total area reforested (ha)	47.00	23.53	165.63	22.78	10.33	N/A	N/A	269.27
Area of land used for extractive use (ha)	55	135	23	51	5	N/A	N/A	269
Area of land used for construction and development	N/A	N/A	N/A	N/A	N/A	N/A	125.7	125.7
Percentage of land requiring biodiversity management plans	100%	100%	100%	100%	100%	N/A	N/A	100%
Operational sites owned, leased, managed in, or adjacent to, protected area and areas of high biodiversity value outside protected areas	N/A	N/A	773.7	80	62.89	N/A	815.25	1,731.84
Habitats protected or restored (ha)	650	N/A	N/A	80	N/A	N/A	N/A	730

¹ Data in "total area disturbed", "areas of land used for extractive use", and "area of land used for construction and development" are cumulative data based on the Annual Land Use Report.

IUCN Red List species and national conservation list species with habitats in areas affected by operations

GRI 304-4, EM-MM-160a.3

NAC's operating mines take an active role in monitoring flora and fauna at their respective sites. The companies use the International Union for Conservation of Nature's (IUCN) Red List of Threatened Species as an organizing framework to study biodiversity. Using this tool to assess

changes in the natural world near their operations, the companies keep watch over plant and animal species in the following IUCN Red List categories: Least Concern, Near Threatened, Vulnerable, Endangered, and Critically Endangered.

Biodiversity Programs

RTN		CMC	
Least concern	Great Egret, Eurasian Coot, Wandering Whistling Duck, Olive-backed Sunbird, Osprey, Common Iora, Common Emerald Dove, White-vented Shama, Monitor Lizard, Palawan Flowerpecker, Brahminy Kite, White-bellied Sea Eagle, Blue Paradise Flycatcher, Blue Rock Thrush, Crested Serpent Eagle, Yellow-throated Leafbird, Yellow-vented Bulbul, Scaly-breasted Munia, Pygmy Flowerpecker, Paddyfield Pipit, Grey Wagtail, Palawan Bulbul, Hooded Pitta, Tufted Duck, Garganey, Crested Goshawk, Changeable Hawk-Eagle, Oriental Dwarf Kingfisher, Pink-necked Green Pigeon, Gunther's Whip Snake, Green-crested Lizard, Palawan Flying Lizard	Critically endangered	Buhon-buhon, Yakal, Mayapis
		Endangered	Philippine Forest Turtle, Pitcher Plant (<i>Nepenthes bellii</i>), Pitcher Plant (<i>Nepenthes surigaoensis</i>), Teakwood, Tugas, Magkono, Tree Fern
		Vulnerable	Philippine Sailfin Lizard, Lapnisan, Antipolo, Kamagong Dagat, Kamagong, Ituman, Red Nato, Wakatan, Narra, White Lauan, Red Lauan, Tanguile, Tiga Pula, Tiga Puti, Dao
		Near threatened	Mindanao Fanged Frog, Philippine Tarsier, Island Flying Fox, Katmon, Kalingag, Anislag, Duguan, Balakat, Lokinay

HMC		DMC	
Critically endangered	Paphiopedilum ciliolare, Xanthostemon bracteatus	Critically endangered	Philippine Eagle
Endangered	Nepenthes surigaoensis, Xanthostemon verdugonianus	Endangered	Dalingdingan, Yakal, Igem-dagat, Narra, Kamagong
Vulnerable	Alocasia zebrina, Artocarpus blancoi, Intsia bijuga, Pterocarpus indicus f. echinatus, Shorea polyspermaz	Vulnerable	Philippine (Dwarf) Kingfisher, Philippines Duck, Philippine Eagle-Owl, Ashy Thrush, Southeast Asian Box Turtle, Manggachapui, Palosapis, Guijo/Red Balau, Red Nato, Malaikmo
Near threatened	Limnonectes magnus, Pteropus hypomelanus, Flueggea flexuosa, Parashorea malaanonan	Near threatened	Almon, Batikuling, Manaring, Ipil/Merbau
Least concern	Haliastur indus, Haliaeetus leucogaster, Todiramphus chloris, Collocalia troglodytes, Collocalia esculenta, Corvus macrorhynchos, Chalcophaps indica, Dicaeum trigonostigma, Dicaeum australe, Cinnyrus jugularis, Pycnonotus goiavier, Rhipidura javanica, Aplonis panayensis, Passer montanus, Cyrtodactylus agusanensis, Cynopterus brachyotis, Ptenochirus minor, Rousettus amplexicaudatus	Least concern	Varanus salvator, Red Lauan, Tanguile, Mayapis, Agoho, Duguan, Gatasan, Malabayabas, Malakmalak, Palomaria/Tamanu, Kulipapa, Maladuhat/Bikuas, Malasantol/Sentul
TMC		JSI	
Critically endangered	Yakal, Pandanus patelliformis	Vulnerable	Alalangad, Kupang, Lauan, Akle
Endangered	Saguisi-mina, Pasnit-kitid, Pandanus ramosii, Lady's Slipper Orchid, Dayopod, Dalinsoi	Near threatened	Puso-Puso, lanete
Vulnerable	Palosapis, Dalindingan, Kalingag, Mancono, Pitcher Plant, Philippine Duck, Philippine Warty Pig, Philippine Sailfin Lizard	Least concern	Balete, Bilua, Gmelina, Lamio, Antipolo, Putat
Near threatened	Malapandan		

RTN		HMC	
Mangrove rehabilitation projects	208 ha	Mining Forest Program	24 ha
Protection of Ursula island game refuge and bird sanctuary	650 ha	National Greening Program	100 ha
Rehabilitation of mined-out areas	4 ha	Community Output-Based Program (COBP)	N/A
National Greening Program	69.1 ha	Deputized Environment and Natural Resources Officers	N/A
Bamboo plantation project	58.3 ha		
Community partnership program	N/A		
CMC		TMC	
Conservation values	80 ha	Flora and fauna monitoring	347 ha
		Restoration development program	314 ha

Energy Efficiency

GRI 3-3

NAC and its mining and energy subsidiaries implemented practical resource management strategies to minimize total energy consumption across the Group and promote efficient use of resources. They continuously monitor energy consumption, which is the basis for designing proper energy management measures to achieve efficiency. This also helps in building strategies for the GHG reduction target particularly emissions from fossil fuel use.

HMC continuously uses LED-type equipment for all lighting needs of its facilities and uses solar technology as an alternative source of power for streetlights. The adoption of these types of equipment and technology help reduce long-term costs and maintenance.

In 2022, TMC continued the use of more fuel-efficient Articulated Dump Trucks in combination with a conveyor belt system that reduce the need for a trucking system in ore hauling. Additionally, employees' practice of turning off lights when not in use along with the installation of solar window film to minimize heat, inverter appliances, and



EPI Subic solar panels

options for a work-from-home setup increase energy efficiency. Taken together, these measure control energy consumption across operations.

Additionally, one of TMC's initiatives to reduce or control fuel consumption is the use of Euro 4 engines instead of using Euro 3. TMC consistently targets efficiency in its mining operations to reduce actual fuel consumption on a per-tons-of-ore basis.

Energy Consumption GRI 302-1, 302-3, EM-MM-130a.1, RR-ST-130a.1

2022	RTN	TMC	HMC	CMC	DMC	EPI	JSI	TOTAL
Genset (L)	95,762	232,765	257,899	487,978	154,198	N/A	470	1,229,072
Energy generated by genset (MWh)	134	409	586	1,049	285	N/A	1	2,464
Vehicles - Diesel (L)	7,801,448	17,033,187	2,406,241	5,025,297	1,258,870	2,657	14,130	33,541,830
Vehicles - Gasoline (L)	30,66	9,028	0	5,603	0	0	0	14,631
Total fuel consumption (L)	7,832,114	17,042,214	2,406,241	5,030,900	1,258,870	2,657	14,130	33,587,126
Total number of vehicle/s used	550	595	121	438	85	2	7	1,396
Energy intensity	14,240	28,642	19,886	11,486	14,810	1,328	2,109	220,764
Electricity from local supply (MWh)	1,923.54	2,648.47	39.72	N/A	3.13	15.49	1,018.78	5,649
LPG (kg) ¹	583	161	1,584	2,957	924	N/A	12	6,221
Total fuel consumption	7,927,877	17,274,979	2,664,140	5,518,878	1,413,068	2,657	14,600	34,816,199
Total electricity consumption (MWh)	2,058	3,057	626	1,049	288	15	1,020	8,113
Total area in m ³	441,595	413,079	126,700	82,700	18,700	130	1,220,000	2,302,904
Energy intensity	0.0047	0.0074	0.0049	0.0127	0.0154	0.1191	0.0008	0.0035

¹ Amended figures. Incorrect units in 2021 report.

Climate Resilience

GRI 201-2

NAC recognizes the synergy between the communities and the environment where it operates both in the short and long term. While the Group's climate-related risk assessment is still underway, NAC and its subsidiaries have begun to include Task Force on Climate-related Financial Disclosures (TCFD) in its disclosure reporting.

NAC supports the TCFD recommendations as it provides a more transparent framework for greater climate-related risks and opportunities in financial markets. In fact, NAC has already begun to implement some of TCFD's suggestions. As part of its climate action goal, NAC's ESG Roadmap contains emission reduction targets. It also includes goals for establishing climate-resilient operations and building sustainable communities where its subsidiaries operate.

Disclosures of GHG emissions, including scope 1 and scope 2 emissions, are included in the TCFD guidelines. In this matter, NAC is actively collaborating with the University of the Philippines Los Baños to include emissions from Land Use Change. This will enable more precise and thorough assessment of GHG emissions from the Group's operations, particularly mining. NAC and its subsidiaries are also working to complete their scope 3 emissions inventory.

NAC continuously refines its efforts to assess climate-related risks—with an emphasis on transition risks and physical risks—to align its GHG emission reduction plans with science-based targets.

Greenhouse Gas and Non-Greenhouse Gas

GRI 3-3, EM-MM-110a.2

NAC's operating mines conduct routine emissions testing and measure dust emission to ensure compliance with all air quality policies. The Company has obtained necessary permits for pollutant-emitting devices and provides monitoring reports to DENR-attached agencies to demonstrate that emissions from its operations are well within regulatory limits.

The NAC ESG Technical Working Group required each subsidiary to record and monitor their respective GHG emissions. The Company empowered key personnel to account for and standardize methods of calculating GHG emissions.

JSI intends to boost carbon sequestration through reforestation projects while strengthening internal fuel control and usage policies. The operating company also aims to improve its internal solid waste and wastewater management system to reduce associated emissions. By 2025, the operating company hopes to have reduced scope 1 emissions by at least 60%.

JSI actively monitors the use of refrigerants in equipment like ACUs and searches for potential sources of ODS in its operations. Additionally,

the operating company is exploring alternatives to comply with the phase-out schedule, ban, and control of ODS importation mandated by the DENR.

RTN joined CBNC and Graymont Philippines in Palawan in establishing the second Continuous Ambient Air Quality Monitoring Station (CAAQMS). These companies agreed to subsidize the purchase of a ₱6.4 million CAAQMS in the mining community of Bataraza.

Regular monitoring of air quality is crucial in managing air pollution, especially in mining communities, as it enables prompt corrective actions to maintain air quality and safeguard public health. The initiative also involves the implementation of a data acquisition system and real-time air quality results that will be made available to the public.

Such a system intends to modernize the evaluation of the current state of the surrounding air quality, allowing for the development of effective and appropriate initiatives towards achieving cleaner and healthier air for communities both presently and in the future.

Palawan's three major mining companies form the province's second Continuous Ambient Air Quality Monitoring Station



Air Quality GRI 305-1, 305-2, 305-3, 305-6, 305-7, EM-MM-110a.1, EM-MM-120a.1

2022	RTN	TMC	HMC	CMC	DMC	HEAD OFFICE	EPI	JSI	TOTAL
Avoided emission	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(47,324)	(47,324)
GHG (Scope 1) tCO ₂	68,107	219,902	15,177	131,296	3,190	4	7	244,715	682,398
GHG (Scope 2) tCO ₂	1,175	1,619	24	N/A	2	60	9	624	3,514
Ozone-depleting substances (ODS) (kg)	235	N/A	N/A	76	N/A	N/A	N/A	0	311
Nitrous oxides (NOx) (mg/Ncm)	N/A	N/A	N/A	714	1,594	N/A	N/A	3	2,310
Sulfur oxides (SOx) (mg/Ncm)	N/A	N/A	N/A	1	1	N/A	N/A	24	26
Persistent organic pollutants (POP)	20	N/A	N/A	Untested	N/A	N/A	N/A	0	20
Volatile organic compounds (VOC)	0	N/A	N/A	14,486	N/A	N/A	N/A	0	14,486
Hazardous air pollutants (HAP)	0	N/A	N/A	Untested	N/A	N/A	N/A	0	0
Particulate matter (PM) (ug/Ncm)	N/A	30	11	16	57	N/A	N/A	4	118
Mercury (Hg)	N/A	N/A	N/A	Untested	N/A	N/A	N/A	0	0
Lead (Pb)	N/A	N/A	<0.01	Untested	N/A	N/A	N/A	0	0

Environmental Protection

GRI 3-3, EM-MM-210b.1

Nickel Asia Corporation reinforced its dedication to environmental protection by embedding globally accepted sustainability standards into its NAC ESG Roadmap. These metrics are aligned with the performance objectives of its subsidiaries.

Environmental Protection and Enhancement Programs (EPEPs), for one, are comprehensive and strategic environmental management plans that include management requirements and objectives, procedures, and responsibilities to protect and rehabilitate the environment. These are financially supported by all of the Company's active mines. The

annual EPEP-funded programs and initiatives for each mine also identify possible environmental risks related to Land Protection, Air Protection, Water Protection, and Environmental Monitoring, among others.

Activities carried out by the Company through the EPEP include reforestation, rehabilitation of disturbed areas, construction and maintenance of environmental facilities, solid waste management, hazardous waste management, air quality monitoring, and downstream water quality preservation.

PRIORITIZING PEOPLE

Performance Highlights

- > **88.7 M** safe manhours
- > **62,799** training hours for employees
- **33%** of women in supervisory or managerial positions
- Equal opportunity, diversity and inclusion, professional development and comprehensive benefits for employees
- **₱65 M** spent on relief goods



>₱18.6M
Spent on health and safety programs



>₱1.32M
Spent on COVID response



6,481
People received healthcare/ emergency services



>₱200M
Spent on social development and management program



206
Indigenous people hired



1,004
Employees covered by collective bargaining agreements (CBA)



49
People's Organizations received financial support



2,404
Scholars supported



100%
Return-to-work rate after parental leave

SOCIAL GRI 203-1, 203-2

2022	RTN	TMC	HMC	CMC	DMC	JSI
1. Employees						
Percentage of employees under collective bargaining agreement (CBA)	81%	69%	49%	28%	N/A	N/A
Average training hours/employee	30.00	36.53	46.01	25.22	54.41	11.82
2. Health and Safety						
Number of employees in health and safety committee	45	40	23	42	57	7
Total manhours	5,019,213	7,992,448	3,076,403.6	3,865,829	1,151,644	755,344
Incidence rate	0.04	2.02	0.24	4.4	1.56	0
Total lost days	0	0	0	0	0	0
3. Communities						
Total spend on Social Development and Management Program (SDMP)	₱45,826,189.12	₱86,375,290.29	₱25,605,936.20	₱35,531,058.98	₱7,049,440.40	N/A
Population of neighboring communities	56,754	40,731	3,385	5,154	6,241	15,704
Number of Indigenous People communities residing near the mine site	21,075	N/A	N/A	N/A	2,451	1,920
4. Social Development Focus Area (SDMP + Corporate Social Responsibility)						
I. Education						
Scholars supported	589	582	1,141	55	37	N/A
II. Health						
Number of patients/cases treated in hospital	4,696	0	N/A	N/A	0	2
Families assisted during and after calamities	200	0	5	1,578	0	N/A
Admitted/confined patients	654	0	N/A	N/A	0	2
III. COVID-19 Response						
Amount spent on medical supplies and equipment for COVID-19 response	₱309,280.00	0	N/A	₱1,013,900.00	N/A	N/A
Number of hospitals assisted	0	0	N/A	N/A	N/A	N/A
Amount spent on relief goods	₱65,000.00	0	N/A	N/A	N/A	N/A
Number of families helped	134	0	N/A	1,578	N/A	N/A
IV. Infrastructure						
Length of roads constructed/improved (km)	0.20	0.08	N/A	N/A	0.12	N/A
Amount spent on road construction	₱80,357.00	₱1,556,711.30	N/A	N/A	₱380,000.00	N/A
Amount spent on other infrastructure projects	₱8,251,038.86	₱14,751,972.07	N/A	₱3,509,890.50	₱1,670,000.00	N/A
V. Livelihood						
Peoples' Organizations that were provided financial assistance	8	12	4	18	7	N/A
Members	281	271	253	954	176	N/A

Health and Safety

GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-6, 403-7

The NAC Group implemented a thorough occupational health and safety program intended to prevent any occurrences of downgrading in its operations as provided in its written health and safety policy.

A health and safety management system applies to NAC employees, guests, and stakeholders. Its health and safety policies are communicated to employees through MS Teams, Email, and posts on bulletin boards.

NAC's subsidiaries also have an existing formal joint management-worker health and safety committee called the Central Safety and Health

Committee (CSHC) — consisting of workers and union representatives. The CSHC is responsible for planning, implementing, and evaluating the safety and health programs within each Company. The CSHC meets on a monthly basis to discuss safety and health matters. Departmental meetings are also conducted to gather concerns and suggestions from employees related to safety and health.

RTN and TMC established the group Hazard Identification, Risk Assessment, Risk Control, and Risk Opportunities (HIRARC-RO) to identify relevant activities, possible hazards, and consequences.



TMC and service contractors first aid competition



TMC demonstration

Injuries and Accidents¹ GRI 403-8, 403-9, 403-10, EM-MM-320a.1

2022	RTN	TMC	HMC	CMC	DMC	JSI	TOTAL
No. of employees in health and safety committee	45	40	23	42	57	7	214
Total manhours	5,019,213	7,992,448	3,076,403.6	3,865,829	1,151,644	755,344	21,860,881.6
Safe manhours	18,283,887	21,517,134	36,721,244	6,906,553	1,877,006	3,410,133	88,715,956
Number of occupational injuries/illnesses	2	2	7	7	27	0	45
Incidence rate ²	0.40	2.02	0.24	4.4	1.56	0	8.62
No. of safety drills	10	14	12	11	5	2	49

¹ Not applicable for EPI

² IR = (No. of NLTA X 1,000,000)/Manhours NLTA - No Lost Time Accidents

The Department of Labor and Employment (DOLE) awarded HMC the 12th Gawad Kaligtasan Best Practice Award for Occupational Health Program on December 16, 2022 (Region XIII).

Across all subsidiaries, risk assessments are conducted regularly with the participation of labor workers and committees to account for all possible hazards in each operational activity.

Results from these assessments are documented and communicated to all concerned and involved individuals for their information and education. In addition, the identification and evaluation of

hazards, which are then considered in the creation of training programs, procedures, and other actions to mitigate risks.

- RTN reached 10 million safe manhours thanks to 1,800 RTN employees, contractors, and service provider personnel.
- DMC received the Safety Seal Certification from DOLE.
- Zero lost days, lost-time accidents, or work-related fatalities.



Launch of TMC safety pledge



NAC-RTN, MGB officials inaugurate first-ever safety and skills training center in Palawan

Training Programs on Health and Safety GRI 403-5, EM-MM-320a.1

2022	RTN	TMC	HMC	CMC	DMC	JSI	HEAD OFFICE ³	TOTAL
Medical trainings	11	2	0	4	1	1	2	20
Road safety trainings	79	10	2	1	1	0	0	93
Fire safety trainings	2	1	2	1	1	1	1	8
Occupational health and safety trainings	18	26	7	2	36	3	4	93
COVID-19 response trainings	1	0	0	2	40	0	0	43

³ Includes head offices of the operating mining companies

Sustainable Communities

GRI 3-3, EM-MM-210b.1, 203-1, 203-2

The partnership of NAC's operating mining companies with its host and nearby communities has been forged through years of collaboration. The Social Development Management Program (SDMP) and Corporate Social Responsibility (CSR) efforts of NAC have been influential, significant,

and relevant in achieving the shared goals of the Company and the communities. NAC designed its SDMP and CSR programs to respond directly to communities' needs. This relevance was of critical importance as families navigated the year's challenges.

SDMP & CSR Spending (In Millions ₱)

2022	ELEMENT	RTN	TMC	HMC	CMC	DMC	JSI	TOTAL
SDMP	Required Spending	50.6	93.6	25.8	53.8	8.1	N/A	231.9
	Actual Spending	45.8	86.4	25.6	35.5	7.0	N/A	200.4
CSR	Non-IP	44.7	19.2	16.4	9.8	0.3	0.1	90.5
	IP Communities	12.2	1.7	N/A	N/A	1.0	2.6	17.5

Promoting Health and Wellness

GRI 413-1

As an advocate for community health and wellness, NAC provides properly equipped medical facilities at all its operating mines. While pandemic restrictions previously halted medical missions to nearby communities, the loosening of restrictions began to permit a slow return of medical outreach activities in 2022.

After a two-year hiatus, the Medical-Surgical Mission in Surigao sponsored by NAC returned in 2022 with 253 successful surgeries made possible by NAC's subsidiaries —TMC, CMC, and HMC—in partnership with Taganito HPAL Nickel Corporation. The team completed 148 minor operations and 105 major operations. Among the surgeries performed were cases of cleft palate, goiter, hernia, gallbladder illness, myoma, and breast mass.

TMC had the opportunity to speak with the medical team and the patients during the mission, wherein the latter underscored the impact the medical support has on their lives as they gained access to surgical procedures and treatments without worrying about the costs.

In addition, the Company has always sought to promote health initiatives in the communities where its mining subsidiaries operate. Recently, DMC



Volunteer doctors prepare medical apparatus and equipment for surgical operation

employees and contractors participated in a blood donation program organized by the Rural Health Unit (RHU). Dinapigue RHU launched the campaign in 2017 with the goal of supporting the National Voluntary Blood Services Program, which ensures that communities' blood reserves are adequate for the population's needs.

In Cagdianao, Dinagat Islands, CMC's Community Relations Department distributed health essentials and other supplies to 400 senior citizens and Persons with Disabilities (PWD). As senior citizens



Volunteer doctor at Surigao medical mission

are also members of the vulnerable sector, CMC's quarterly provision of supplies such as food, rice, and milk support their daily sustenance. The Group's initiative also includes regular distribution of medicines and the services offered by the CMC clinic.

CMC also sponsored a school-based mental health and psychosocial support activity for students at Valencia National High School in Barangay Valencia. To help youth in the host and neighboring communities process the psychological trauma caused by the destruction of typhoon Odette, the school held a series of discussions on mental health and stress management. CMC committed to funding similar activities through its Social Development and Management Program to assist community residents in fully recovering from the extensive effects of natural disasters.

In all, the health component of SDMP by NAC's operating mining companies amounted to ₱19.6 million.



Beneficiaries from all over Palawan for RTN, CBNC annual free surgical mission at RTNFI-Hospital in Brgy. Rio Tuba, Bataraza

Community Health Projects

INDICATOR	RTN	TMC	HMC	CMC	DMC
Project/ Program name	Hospital Subsidy	Access to Health and Services, Health Facilities, and Professionals	Provision of medicines, support to seniors and PWDs, health workers and health/emergency and bereavement assistance for indigent families.	Provision of essential medicines, "Buntis Kits" and "Filter Cards", assistance to Blood Donation Activity, health-related concerns and emergencies, health food supplies for senior citizens and PWDs, Host and Neighboring Communities. Repair and improvement of Health Center and sanitary toilet.	Preventive healthcare programs, and provision of sanitary toilet bowl, medical apparatuses.
Description of program	RTNFI Hospital provides free hospitalization to Bartaraza IPs and indigent residents. 10% of SDMP budget was donated by Impact and Non-impact Barangays	Subsidy to Barangay Health Centers manpower; and, Clean & Green Program- Food Always in the Home (FAITH) Gardening	Semestral provision of medicines to Community Health Centers, quarterly health food supplies to Senior Citizens & PWDs, financial support and bereavement assistance for indigent families, and service fee for health workers.	Access to Health Services, Health Facilities and Health Professionals programs were geared towards achieving overall improvement in the living conditions and health of the host and neighboring communities.	Health Caravan provided free medical consultations and medicines to the 5 barangays of Dinapigue, with sanitary toilet bowls and medical apparatuses provided to Brgys. Dimaluade, Ayod and Dlbulo
Expenditure	₱4,779,592.58	₱6,108,077.18	₱1,390,228.41	₱2,437,577.29	₱193,049.50
Number of beneficiaries	4,696 ¹	40,731	731 ²	1,566	683 ³
Impact/ Expected impact	Increased access to health care services	Improved health services; and zero-waste management	450 patients, 210 seniors, 45 PWDs, 21 BHWs, 25 indigent families, expected to be supported.	Increased access to primary healthcare services. Support for a healthier and cleaner community.	Providing individual toilet bowls per household to improve healthcare services in barangays.

2022 health projects conducted by NAC's operating mining companies

¹ Admitted and OPD

² Individuals benefited

³ Constituents and households

Strengthening Livelihood Programs

GRI 413-1

Providing and strengthening livelihood programs is essential to NAC; contributing to the social welfare of the communities where the NAC Group live and work forms part of its identity. In 2022, NAC initiated several new projects and activities designed to bolster opportunities in its host communities.

TMC established a dragon fruit farm that shows the agricultural potential of rehabilitated mined-out lands in providing livelihood for locals. The company established a Biodiversity Nursery, managed by its Environmental Team, to grow and supervise this initiative.

TMC's Social Development and Management Program (SDMP) also funded a pineapple and seedling plantation in Claver, Surigao del Norte called the Cagdianao Forest Seedlings and Pineapple Association (CAFSPIA). CAFSPIA's forest

seedlings—such as ironwood (Magkono), pine tree (Agoho), red meranti (Red Lawaan), mangium, narra, ebor, marang, and antipoyo— are used in TMC's reforestation and rehabilitation efforts.

Through its collaboration with national government agencies, RTN hopes to increase the market value of calamansi products from Barangay Tarusan in Bataraza. The calamansi project underway there has the potential to assist 60 farmers in three barangay sitios in meeting the livelihood needs of their families. RTN allotted ₱500,000 from its SDMP to fund the program.

With the help of RTN, the community was able to gain access to agencies such as the Department of Trade and Industry (DTI) and the Technical Education and Skills Development Authority (TESDA) to improve their skills and products, thereby creating a pathway to additional income.



TMC nursery aide nurtures seedlings for reforestation and rehabilitation activities



RTN purified drinking water in Barangay Culandanum, providing the community with safe and clean water

Sustainable Livelihood Projects

INDICATOR	RTN	TMC	HMC	CMC	DMC
Project/ Program name	Mud Crab Production	Enterprise Development and Networking	Integrated Support for Water Refilling Station Improvement, CAMFISA Repair, Bangus Production, Capacity Building, and Product Development	Rehabilitation and Improvement of Multi-purpose Building, Bangus Cage, Mini Iceplant, Capacity Enhancement Trainings, and Livelihood Equipment Restoration	Capital Outlay Provision for Ayod and Digumased Women's Associations, Bucal Norte and Ubbog Sur Farmers Associations, and Bucal Sur Women's Association
Description of program	The project was funded by the Nickel and Gotok projects' supplemental budget this year. It was led by the Chieftain of So. Bongkol-Bongkol with 15 IP members who took turns manning the project area. The group has started harvesting crabs and selling them to RTN employees and an external buyer.	Enterprise Development of Peoples' Organizations like: CAFSPIA, TACPECCO, TAFFA, UCPC, CAPSASCO, URWASS, HAT, GAMAWA, DAPJA, ALINDAJAW, SIFAS, CREMACO	The project provides support for various initiatives, including the building of a water refilling station, a production project, repair work, and training for organizational development, project management, values enhancement, and marketing support.	The project includes the rehabilitation and improvement of a multi-purpose building, bangus cage, and mini iceplant, as well as capacity and capability enhancement training. It also involves the restoration of livelihood equipment and facilities.	The project involves cage construction, procurement of 200 cobs, feeds, and fertilizers, as well as renting a space for sales. It also includes supporting tinapa processing, vermiculture, sardine production, and providing piglets to 3 association members.
Expenditure	₱59,361.17	₱3,612,180.39	₱9,740,677.97	₱270,890.75	₱417,569.52
Number of beneficiaries	16 ¹	271	201 ²	1,106	176
Impact/ Expected impact	Sustainable livelihood. Additional income specifically for indigenous people.	Create an avenue for the communities to enhance and develop their skills and livelihood opportunities that will continue when the mines cease to operate.	200 members, at least 4 existing livelihood projects and their products developed with marketing contacts, and 4 partner People's Organizations (TUWA/TMPC/ UFAOBS/ CAMFISA) capacitated are expected to be supported in the project.	Sustainable livelihood opportunities which can provide alternative sources of income coming from viable local enterprises.	To provide sustainable livelihood and additional income to the women and farmers association of Brgy. Ayod, Brgy. Bucal Norte, Brgy. Bucal Sur, Brgy. Digumased, and Brgy. Dibulo.

¹ IPs

² Members benefited

Educational Support



San Rafael Elementary schools, one of the beneficiaries of the Adopt-a-School Program of RTN



HMC presents check to Himamaug National High School for repairs of school facilities

In 2022, support for students and the education sector was even more critical as post-pandemic learning began to take shape. Most schools slowly resumed face-to-face classes just as the country's inflation began to rise. As a result, providing essentials such as food and shelter become the main priority for most households, thereby placing budgets for education in jeopardy.

NAC has always had its neighboring communities' best interests in mind when it comes to educational programs and projects, firmly believing that education is one of the most effective pathways toward sustainable growth. To that end, the Company looks for opportunities to support localized education programs in its areas of operation.

HMC, through the Brigada Eskwela Program, provides aid for classroom repair and cleaning, maintains learning tools, and installs attractive landscaping. In doing so, HMC and Brigada Eskwela create productive and hospitable learning environments where students may acquire the values and competencies they need for future opportunities. Better schools lead to better student outcomes and contribute to nation-building.

Likewise, RTN supports the Department of Education's (DepEd) "adopt-a-school" initiative.

RTN provides financial support to produce modules and donate school supplies. When significant school repairs were required in the wake of Typhoon Odette, RTN was quick to offer support. Five public schools impacted by the disaster received ₱300,000 in assistance from RTN to restore their facilities. In recognition of its efforts, DepEd Palawan acknowledged RTN as one of its active partners and stakeholders in providing high-quality education in the province.



TMC distributes handwashing facilities to schools within Claver, Gigaquit, and Surigao

Flagship Educational Programs

INDICATOR	RTN	TMC	HMC	CMC	DMC
Project/ Program name	Scholarship Program	Access to Education and Educational Support Program	Education Support Program for Volunteer Teachers and Students	Community Education and Development Program: Supporting Education and Livelihood in Host and Neighboring Communities	Support for Child Development Workers, College Scholars, and Technical Skills Program
Description of program	SDMP flagship program provides scholarships to elementary, high school, senior high school and college students.	College financial assistance, full academic scholarships, and support to school activities under DHNC and DMTG	Provision of printing materials, basic school fees/ matriculation, monthly subsidiary, support for Alternative Learning System, and fund to purchase storage box for module keeping.	The project provides assistance to schools and college scholars, subsidies to assistant teachers and child development workers, and skills training for selected barangays. It also includes provision of materials and construction of facilities for selected schools.	This project involves providing subsidies to Child Development Workers, tuition fee reimbursement for college students, TESDA NC II training for Masonry, and covering full tuition and miscellaneous expenses.
Expenditure	₱6,841,457.29	₱17,548,945.99	₱3,709,504.98	₱5,181,187.12	₱733,066.50
Number of beneficiaries	589 ¹	582	1,243 ²	1464	202 ³
Impact/ Expected impact	Increased literacy and participatory rate and increased social mobility and job opportunities.	To produce graduates that will be part of the country's workforce.	The project aims to support a total of 1,420 students from 7 schools in 3 host communities, including 17 volunteer teachers and child development workers, 3 facilitators, and 75 learners from different levels of education.	Access to Education and Educational Support Programs geared towards providing educational opportunities to members of the community to help their chances for future economic progress.	The project aims to improve the quality of life of CDWs and students by providing educational support and developing household heads' skills to enhance their employment opportunities and economic situation

¹ Scholars

² Pupils, students, teachers, facilitators, college scholars and schools benefited

³ Child development workers, college students, Pupils, and constituents/household heads benefited

Disaster Resilience in Vulnerable Communities

NAC takes pride in helping protect its host communities by empowering them to bounce back better from disasters.

In 2022, RTN, CMC, TMC, and HMC contributed ₱40 million in relief and recovery aid to victims of Typhoon Odette. These operating mines also mobilized their respective emergency response teams (ERTs) and medical teams to assist with search and rescue operations. These companies also distributed nearly 14,000 sacks of rice and 10,000 food packs to victims in neighboring communities.

As further proof of the companies' commitment to helping vulnerable communities, RTN supported relief operations in northern Palawan after the onslaught of Odette by collecting employee contributions. In coordination with the local government units of Roxas, Taytay, and organization Couples for Christ, RTN distributed 927 sacks of rice, 80 sets of laminated sheets for temporary shelter, distilled water, and 880 food packs with assorted relief goods. CMC, for its part, relocated residents to its own evacuation centers during the calamity

and provided them with food, basic necessities, and tent materials for temporary shelter. As for HMC, it used its CSR funds to donate ₱15.7 million-worth of assistance to families in Tagana-an and adjacent communities in Surigao del Norte.

To improve and promote disaster resilience, TMC took part in the opening of the Claver Central Fire Station's Fire Prevention Month in May 2022 through a demonstration of various firefighting techniques designed to bring awareness to fire safety and prevention.

Meanwhile, DMC joined forces with the Bureau of Fire Protection Regional Office II to commemorate Fire Prevention Month through a series of emergency preparedness drills. BFP also held a five-day Basic Life Support and Firefighting training program at the DMC Main Camp from March 21 to 25 to teach first aid and rescue skills necessary to save lives in the event of emergencies. This was attended by the DMC ERT and interested employees.



RTN provides relief goods to flood-affected residents of Sofronio Española, Palawan in January 2023



DMC and BFP during the Fire Prevention Month kickoff motorcade



Bataraza women "Palaw'an" IPs showcase indigenous dance during the October 2022 IP Month held at RTN Mine-ecotourism site in Brgy. Rio Tuba

Disaster Relief Programs GRI 203-1, 203-2

INDICATOR	RTN	TMC	HMC	DMC
Project/ Program name	SDMP Research Center: The effects of soil-inoculant rich soil compost to solanum lycopersicum on lateritic and agricultural soils	Community Coastal Protection	Support to communities severely affected by super typhoon Odette	Flood Control Structure - Riprap - Phase 1 and Drainage Canal
Description of program	Supports the production of seedlings for the purpose of planting 5 million trees. RTN partnered with several schools to implement school-based tree planting programs.	Site Bouldering (Phase 2)	Provision of relief goods to affected families/ households in the host and neighboring communities	Objective is to build a riprap around Ayod Integrated School to protect against slope erosion and construct an extra drainage canal to alleviate flooding within the barangay during the rainy season.
Expenditure	₱655,867.07	₱3,128,377.28	₱4,765,942.00	₱252,459.00
Number of beneficiaries	1 ¹	996	808 ²	371 ³
Impact/ Expected impact	The project aims to increase awareness and action on environmental protection through use of compost in seedlings propagation and tree planting.	The safeguarding of households within the barangay from potential storm surges and other meteorological upheavals.	Support a total of 808 households across the three host communities by providing them with one sack of rice, canned goods, and noodles for a duration of two months.	To enhance the infrastructure facilities within the barangay, thereby enabling improved community assistance to families and reducing their vulnerability to floods.

¹ School

² Household provided with various relief assistance in the three host communities

³ Constituents

Indigenous Peoples Partnership

EM-MM-210a.3

The Group respects the cultures, interests, and welfare of the indigenous peoples who come into contact with every aspect of its operations. According to the International Work Group for Indigenous Affairs (IWGIA), indigenous people comprise 10%-20% of the population of the Philippines, though they often live in remote areas where job prospects, social services, and educational opportunities are scarce. At the same time, the resource-rich lands belonging to indigenous communities make them vulnerable to entities who may wish to exploit them.

With awareness of these challenges, NAC forms layers of equitable partnerships with indigenous people as hosts, neighbors, and employees. Throughout the exploration and drilling phases of its operations, NAC engages directly with local and indigenous communities to incorporate their views into the planning and execution of its initiatives. In 2022, NAC employed 2,274 locals, 9% of whom are indigenous people, thereby providing decent work opportunities and fair wages for host and nearby communities.

Furthermore, NAC strengthens the social fabric of these communities through its Corporate

Work Conditions

GRI 3-3

NAC believes that investing in its employees' knowledge positively affects not only their well-being and careers, but also the Company as a whole. The abilities employees gain from workshops and training allow them to perform their jobs at an optimal level. Informed and competent employees are able to achieve their professional aspirations and help reach the Company's goals, as well.

In 2022, NAC provided its employees with a total of 62,799 hours of training—32.66 average training hours per employee—to enable them to fulfill their duties successfully and skillfully. The education they received prepared employees while facing obstacles or moments of adversity. As employee training and development is a continuing endeavor, the Company sets goals and targets to widen the scope of such activities moving forward.

Social Responsibility and Social Development and Management Programs focused on education, livelihood, and healthcare. To preserve the natural wealth and biodiversity of the environment for future generations of indigenous persons, the Group implements various Environmental Protection and Enhancement Programs (EPEP), and seeks every opportunity to refine its waste management, water management and air/noise pollution controls.



9% Indigenous People

employed out of 2,274 locals



Implemented Environmental Protection and Enhancement Programs



SDMP and CSR Programs

amounted to an expenditure of **₱17.5M** dedicated to supporting indigenous people communities



Paid ₱197.5M in royalties to support indigenous communities

NAC subsidiaries implemented meaningful employee training programs suited to their operations and their workforce. On August 30, 2022, TMC was recognized by TESDA with a National Kabalikat Award. TESDA grants this annual award to their most active and outstanding partners who have assisted the agency in developing, enhancing and implementing training programs that have resulted in better employability of Filipino skilled workers.

Both TMC and EPI also aim to have all their skilled workers attain National Certificate II (NCII) certification in programs such as Electrical Installation and Maintenance. As for CMC, it conducted a seven-day training on Maritime Security Awareness for All Port Facility Personnel with and without Security Duties from May 16-22, 2022.

These trainings, among others, are a testament to how NAC nurtures and invests in its employees by building their capabilities and skills for professional development and career progression.

Beyond training, performance reviews serve as another crucial component of NAC's employee retention strategies. Through regular performance reviews, employees may chart their growth, set professional goals, and assess their leadership skills. This moment of reflection expands their horizons within the Company and renews their sense of purpose.

A Performance Evaluation and Development Sheet (PEDS) contains indicators that help monitor

employee performance on a yearly basis. During the Service Awards program, employees who provided exceptional service during the year are honored and awarded promotions, incentives, and/or pay increases.

Because NAC takes a comprehensive approach to employee well-being, the Company provides benefits that extend beyond the minimum requirements, including medical allowances, life insurance, HMOs, extended vacation, and sick leave. The Company also offers COVID-related support such as food and financial aid, free hospitalization, and work-from-home arrangements, as needed.

Training Hours GRI 404-1

2022		RTN	TMC	HMC	CMC	DMC	HEAD OFFICE ¹	EPI	JSI	TOTAL
Total training hours		16,770	24,692	9,018	6,381	3,700	1,528	249	461	62,799
Average training hours		30.00	36.53	46.01	25.22	54.41	14.42	9.58	11.82	32.66
Average training hours by gender	Male	27.22	33.39	42.46	20.81	50.55	8.84	5.23	13.69	
	Female	47.95	50.89	55.85	39.71	63.05	18.52	13.92	3.29	
Average training hours by position	Manager	67.84	86.60	77.49	51.53	63.67	16.09	9.25	2.00	
	Supervisors	43.68	60.21	47.43	31.26	62.11	28.30	9.80	26.94	
	Non-supervisory/technical	39.99	15.26	66.31	0.00	0.00	23.00	20.00	18.23	
	Rank and file	22.21	24.21	26.59	16.37	32.00	2.87	0.00	0.67	

¹ Covers NAC Head Office employees

Programs for Upgrading Employee Skills GRI 404-2

2022	HEAD OFFICE	RTN	TMC	HMC	CMC	DMC	EPI	JSI
Internal trainings	5	12	17	7	4	12	0	1
External trainings	24	66	88	65	45	25	11	8

Key Trainings GRI 404-2

2022	HEAD OFFICE	RTN	TMC	HMC	CMC	DMC	EPI	JSI
Technical trainings	11	47	50	37	31	21	5	7
Leadership skill training	10	22	7	11	6	4	2	3
Soft skills training	8	9	6	24	6	0	4	0

Parental Leave GRI 401-3

2022		RTN	TMC	HMC	CMC	DMC	HEAD OFFICE ²	EPI	JSI	TOTAL
Paternal leave	Total employees who took parental leave	27	13	1	8	0	2	0	1	52
	Number of employees who returned to work after parental leave	27	13	1	8	0	2	0	1	52
	Return to work rate (%)	27.22	33.39	42.46	20.81	50.55	8.84	5.23	13.69	100%
	Number of employees who are still employed one year after their return from parental leave	26	8	1	5	0	0	0	0	43
	Retention rate (%)	100%	73%	0%	100%	0%	0%	0%	0%	91%
Maternal leave	Total employees who took maternal leave	9	10	2	5	0	1	0	0	27
	Number of employees who returned to work after maternal leave	9	10	2	5	0	1	0	0	27
	Return to work rate (%)	100%	100%	100%	100%	0%	100%	0%	0%	100%
	Number of employees who are still employed one year after their return from maternal leave	5	20	1	5	0	3	3	0	38
	Retention rate (%)	100%	100%	100%	71%	0%	100%	100%	0%	87%

New Hires and Employee Turnover GRI 401-1

2022		RTN	TMC	HMC	CMC	DMC	HEAD OFFICE ²	EPI	JSI	TOTAL
Male	New hires	64	639	14	17	7	10	5	12	768
	Turnover (voluntary)	24	9	10	27	14	4	0	3	91
	Turnover (involuntary)	24	0	0	3	1	1	0	0	29
	Turnover	48	9	10	30	15	5	0	3	120
Female	New hires	7	36	7	9	4	17	7	0	87
	Turnover (voluntary)	6	0	8	3	4	6	0	0	27
	Turnover (involuntary)	0	0	0	0	0	0	0	0	0
	Turnover	6	0	8	3	4	6	0	0	27
TOTAL TURNOVER		54	9	18	33	19	11	0	3	147

² Covers NAC Head Office employees

Standard Entry Level Wage by Gender Compared to Local Minimum Wage GRI 202-1

2022	GENDER	HEAD OFFICE	RTN	TMC	HMC	CMC	DMC	EPI	JSI
Standard entry level wage	Male	636	355	350	385	420	438	570	450
	Female	636	355	350	385	420	461	570	450
Local minimum wage	Male	590	355	350	350	350	401	570	450
	Female	590	355	350	350	350	401	570	450
Average hourly wage	Male	80	44	44	48	48	55	71	56
	Female	80	44	44	48	48	58	71	56
RATIO		1.1:1	1:1	1:1	1.1:1	1.2:1	1.1:1	1:1	1:1

Percentage of Male Employees Who Availed of Benefits for 2022 GRI 401-2

Benefits	HEAD OFFICE	RTN	TMC	HMC	CMC	DMC	EPI	JSI
SSS	16%	31%	49%	32%	11%	4%	27%	34%
PhilHealth	0%	0%	69%	8%	3%	0%	0%	16%
Pag-Ibig	7%	25%	18%	20%	49%	0%	18%	9%
Vacation leave	96%	100%	99%	78%	100%	72%	100%	75%
Sick leave	96%	0%	99%	49%	100%	72%	100%	66%
Medical benefits	100%	62%	100%	0%	3%	0%	100%	56%
Housing assistance	0%	9%	0%	0%	0%	0%	N/A	N/A
Retirement benefit	96%	100%	2%	100%	3%	0%	N/A	N/A
Further education support	0%	5%	1%	0%	6%	0%	N/A	N/A
Company stock options	72%	N/A	0%	0%	0%	0%	N/A	N/A
Telecommuting	80%	N/A	0%	0%	21%	0%	N/A	N/A
Flexible-working hours	72%	0%	0%	0%	21%	0%	N/A	N/A
Free accommodation	0%	67%	15%	45%	47%	0%	N/A	22%
Birthday leave (BL)	0%	58%	99%	75%	16%	0%	N/A	31%
Medicine allowance	96%	N/A	100%	75%	65%	61%	N/A	0%
Annual physical exam	100%	99%	100%	75%	97%	72%	100%	81%
Rice subsidy	96%	N/A	100%	75%	97%	0%	100%	81%
Toiletries	0%	N/A	15%	31%	28%	72%	N/A	0%
Free laundry	0%	1%	15%	34%	28%	52%	N/A	0%
Others	96%	100%	100%	0%	0%	0%	N/A	0%

Percentage of Female Employees Who Availed of Benefits for 2022 GRI 401-2

Benefits	HEAD OFFICE	RTN	TMC	HMC	CMC	DMC	EPI	JSI
SSS	13%	3%	37%	13%	15%	1%	23%	29%
PhilHealth	0%	0%	45%	5%	14%	0%	0%	29%
Pag-Ibig	11%	1%	12%	7%	29%	0%	15%	29%
Vacation leave	90%	100%	100%	19%	100%	28%	100%	57%
Sick leave	90%	0%	100%	15%	100%	28%	100%	57%
Medical benefits	100%	57%	100%	0%	14%	0%	100%	57%
Housing assistance	0%	7%	0%	0%	0%	0%	N/A	N/A
Retirement benefit	90%	100%	0%	0%	2%	0%	N/A	N/A
Further education support	0%	3%	1%	0%	2%	0%	N/A	N/A
Company stock options	89%	N/A	0%	0%	0%	0%	N/A	N/A
Telecommuting	80%	N/A	0%	0%	56%	0%	N/A	N/A
Flexible-working hours	89%	0%	0%	0%	56%	0%	N/A	N/A
Free accommodation	0%	74%	27%	16%	62%	0%	N/A	57%
Birthday leave (BL)	0%	54%	100%	25%	17%	0%	N/A	14%
Medicine allowance	90%	N/A	100%	25%	80%	24%	N/A	0%
Annual physical exam	100%	100%	100%	25%	98%	28%	100%	100%
Rice subsidy	90%	N/A	100%	25%	98%	0%	100%	100%
Toiletries	0%	N/A	27%	19%	74%	28%	N/A	0%
Free laundry	0%	4%	27%	20%	74%	22%	N/A	0%
Others	90%	100%	100%	0%	0%	0%	N/A	0%

Freedom of Association and Collective Bargaining

GRI 2-30

NAC guarantees Freedom of Association and Collective Bargaining to its employees. As standard practice, unions are included in working committees for programs and activities and are involved in formulating strategies to address Company issues. As of 2022, there are a total of 1,004 employees covered by collective bargaining agreements (CBA).

Structure and process are both important in institutionalizing the assistance NAC extends to its employees. For instance, TMC's Labor Management Committee works to strengthen ties between labor and management; the Labor Relations cost center provides annual funds to support union operations.

HMC has an Integrated Management System that includes explicit guidelines for worker consultation, participation, and representation. The management and the union agree to the principle that the disputes between labor and management shall be resolved through friendly negotiation; that the parties have an interest in the continuation of work until all issues have been discussed and settled; and that they aim to avoid open conflict in any form because it results in losses to both parties.

DMC, currently non-unionized, has an open-door policy and engages in open dialogue with its employees to foster positive working relationships.

The Corporation has plans to formalize its freedom of association policy in 2023.

As key business partners, unions require an environment of cooperation, proactive policies, and

an open exchange of information in discussions, consultations, and negotiations. Unions frequently participate in working groups for programs and activities and actively devise strategies to address corporate issues.

Collective Bargaining Agreement GRI 2-30, EM-MM-310a.1

INDICATOR	RTN	TMC	HMC	CMC	TOTAL
Number of employees under CBA	440	376	96	92	1,004
Percent of employees under CBA	79%	56%	49%	27%	57%
Number of consultations conducted with employees concerning employee-related policies	4	2	3	10	19

Diversity and Inclusion

GRI 3-3

NAC sees its workforce as one of its most valuable resources. Even in times marked by uncertainty, NAC shows its dedication to the welfare and well-being of its employees by providing a steady source of decent employment while concentrating on inclusive and sustainable growth.

In 2022, NAC's 1,923-person workforce featured an industry-typical 1:4 ratio of women to men. In line with its core values of respect, integrity and teamwork, NAC encourages diversity and inclusion

in all subsidiaries by hiring candidates for the sole reason that they are the most qualified.

NAC takes a holistic view of employee growth and performance. An array of assessment criteria are used to evaluate a candidate's knowledge, technical skills, professional talent, leadership potential, attitude, character, and connection in relation to the Company's culture, shared values, and capacity for progress.



DMC employee in rehabilitation area



Truck operator at RTN

Employment by Position and Gender (Regular/Probationary) GRI 405-1, EM-MM-000.B, 2-7

2022		RTN	TMC	HMC	CMC	DMC	HEAD OFFICE ¹	EPI	JSI	TOTAL
Male	Managers	20	46	13	9	8	9	7	3	115
	Supervisors	66	103	11	72	24	14	3	6	299
	Non-supervisory/technical	36	43	36	0	0	1	2	8	126
	Rank and file	362	363	84	114	15	21	1	15	975
Female	Managers	8	19	3	6	4	14	5	1	60
	Supervisors	16	38	3	43	14	19	7	3	143
	Non-supervisory/technical	38	47	32	0	0	3	0	3	123
	Rank and file	13	17	14	9	3	25	1	0	82
Total		559	676	196	253	68	106	26	39	1,923

¹Covers NAC Head Office employees

Employment by Contract Type and Gender GRI 202-2, 2-8

2022		RTN	TMC	HMC	CMC	DMC	HEAD OFFICE ¹	EPI	JSI	TOTAL
Male	Regular/ Probationary	484	555	144	194	47	45	13	32	1,514
	Seasonal	188	322	149	90	14	0	0	0	763
	Project-based	283	37	0	0	0	0	0	0	320
	Total	955	914	293	284	61	45	13	32	2,597
Female	Regular/ Probationary	75	121	52	59	21	61	13	7	409
	Seasonal	0	8	14	12	1	0	0	0	35
	Project-based	24	8	0	0	2	0	0	0	34
	Total	99	137	66	71	24	61	13	7	478
Total Regular/Probation		559	676	196	253	68	106	26	39	1,923

Employment by Position and Age Group (Regular/Probationary)

2022	RTN	TMC	HMC	CMC	DMC	HEAD OFFICE ¹	EPI	JSI	TOTAL	
Below 30 yrs old										
Managers	0	10	0	3	0	2	0	0	15	
Supervisors	6	45	0	50	23	12	4	1	141	
Non-supervisory/ technical	16	17	32	0	0	2	1	4	72	
Rank and file	8	11	10	7	4	18	0	4	62	
Subtotal	30	83	42	60	27	34	5	9	290	
30 to 50 yrs old										
Managers	20	46	16	11	12	19	9	4	137	
Supervisors	57	72	14	55	15	19	6	8	246	
Non-supervisory/ technical	53	62	36	0	0	2	1	6	160	
Rank and file	284	252	88	80	14	26	2	0	755	
Subtotal	414	432	154	146	41	66	18	27	1,298	
Over 50 yrs old										
Managers	7	9	0	1	0	2	3	0	22	
Supervisors	19	24	0	10	0	2	0	0	55	
Non-supervisory/ technical	6	11	0	0	0	0	0	1	18	
Rank and file	83	117	0	36	0	2	0	2	335	
Subtotal	115	161	0	36	0	2	0	2	240	
Total	559	676	196	253	68	106	26	39	1,923	

¹ Covers NAC Head Office employees

Employment from Local Communities and IPs GRI 202-2

2022		RTN	TMC	HMC	CMC	DMC	HEAD OFFICE ²	EPI	JSI	TOTAL
Male	Local communities	671	864	258	147	25	0	0	25	1,990
	Employees from the local community (%)	70%	95%	88%	52%	41%	0%	0%	78%	77%
	Indigenous People	147	39	0	0	0	0	0	3	189
Female	Local communities	81	115	49	26	10	0	0	3	284
	Employees from the local community (%)	82%	84%	74%	37%	42%	0%	0%	43%	59%
	Indigenous People	12	5	0	0	0	0	0	0	17

² Covers NAC Head Office employees



HMC employees


PURPOSEFUL GOVERNANCE


Performance Highlights

- Active participant of the United Nations Global Compact (UNGC)
- Supporter of Task Force on Climate-Related Financial Disclosures (TCFD)
- Creation of a board-level Sustainability Committee




 **>₱40.6M**
Infrastructure spending


 **14**
women among the officers and members of the Board of Directors; including one Lead Independent Director

 **6%**
Percentage by which entry-level wage exceeds local minimum wage

 **3,075**
Employees

 **>₱9.6B**
Spent on local suppliers

 **0**
Incidents of bribery, labor code violations, or human rights violations

 **0**
Cases of data breaches in 2022

Performance Overview

- | | |
|--|--|
| <ul style="list-style-type: none"> ○ Expenditure on infrastructure projects - ₱40,645,494 ○ Creation of the Risk Management Sector | <ul style="list-style-type: none"> ○ 14 women among the officers and members of the Board of Directors; including one Lead Independent Director ○ Board and management competencies on Economic, Environment and Social |
| <ul style="list-style-type: none"> ○ Incidents of bribery - 0 ○ Approved and established Anti-bribery and Anti-corruption Policy ○ Strict adherence to regulations and legislation from all relevant agencies ○ Vigilance in safeguarding data security | <ul style="list-style-type: none"> ○ ₱7.9B 2022 Attributable net income ○ 78% spending on local suppliers ○ ₱357M Local taxes ○ ₱6,289M National taxes ○ ₱197.5M Royalties |

Policies

- | | |
|--|---|
| <ul style="list-style-type: none"> ◆ Code of Business Conduct and Ethics ◆ Insider Trading Policy ◆ Conflict of Interest Policy ◆ Gifts, Hospitality and Sponsored Travel Policy | <ul style="list-style-type: none"> ◆ Whistleblowing Policy ◆ Policy on Related Party Transactions ◆ Anti-bribery Policy¹ New ◆ Sustainable Charter¹ New |
|--|---|

¹ Created in August 2022

Purposeful Governance at NAC

Adherence to good corporate governance and ethics is essential for NAC to achieve its goals. Over the years, NAC established a strong focus on ethics within the corporate culture. It partnered with Good Governance Advocates and Practitioners of the Philippines (GGAPP) to seek guidance on involving everyone in the Company in monitoring organizational performance, championing transparency, and ensuring the business is going in the right direction.

To make governance at NAC more inclusive, the Company announced that it plans to open its Annual Corporate Governance Seminar (ACGS)

sessions for directors, officers, managers, and supervisors, with another session soon to be extended to regular employees within the organization.

NAC believes that everyone in its organization creates an impact. Each employee, regardless of his or her title, has the capacity to play a central role in implementing and monitoring operations and providing valuable feedback to the senior management and the Board. Through this culture of vigilance and accountability, corporate plans are periodically revisited and refined for maximum effectiveness.

Nation Building through Economic Growth

NAC's operations in 2022 continued to benefit the local economies of each province and municipality where its mines are located, employing approximately 3,075 people directly and indirectly.

Furthermore, NAC works in accordance with the mandated SDMP, and operating companies make additional efforts for host and neighboring communities through its CSR programs.

In 2022, NAC reported a total attributable net income of ₱7.9 billion—a 2% increase year-on-year. The Group recorded a sales total of 15.94 million WMT of nickel ore in the same period, down 11% year-on-year due to unfavorable weather that adversely affected the Group's mining operations.

The Board of Directors approved a special cash dividend of ₱0.23 per common share in November 2022. Based on the results for the year, a regular cash dividend of ₱0.17 per common share was also approved on March 14, 2023. The amount of ₱2.32 billion was paid on April 12, 2023, to shareholders of record as of March 29, 2023.

Effective October 3, 2022, the Company increased its stake in CBNC from 10% to 15.625%.

The Company's operations show that it is well-positioned to achieve its twin goals of being included in Philippine Stock Exchange's Top 25 companies in terms of market capitalization and becoming a premier ESG investment in the country by 2025.

NAC aims to be the leading natural resources development firm and be known as a profitable and multi-awarded business with interests in mining and renewable energy, supported by a promising industry outlook on green megatrends.

NAC's mining revenue streams and its burgeoning renewable energy business will accelerate its next leg of growth.

ESG is ingrained in NAC's DNA, as attested by the lasting impact it leaves to the communities where it operates and affirmed by the recognition it receives both here and abroad.



RTN G27 active mining block for saprolite ore

Economic Performance GRI 201-1

2022	RTN	TMC	HMC	CMC	DMC	EPI	JSI
1. Shareholding Percentage (%)	60%	65%	100%	100%	100%	86.29%	82.87%
2. Financial Highlights (In Millions ₱)							
Direct revenue generated	₱6,757	₱12,924	₱2,168	₱3,824	₱530	-	₱610
Direct revenue distributed	₱6,075	₱15,721	₱1,961	₱3,839	₱448	₱253	₱315
Operating costs	₱1,844	₱7,265	₱963	₱2,032	₱350	₱62	₱246
Employee compensation and benefits	₱633	₱656	₱156	₱221	₱46	₱67	₱19
Dividends to stockholder	₱1,700	₱4,000	₱300	₱800	₱0	₱0	₱0
Taxes to government	₱1,636	₱3,568	₱501	₱722	₱47	₱124	₱48
National taxes	₱1,517	₱3,430	₱476	₱650	₱44	₱124	₱48
Local taxes	₱119	₱138	₱25	₱72	₱3	₱0	₱0
Community investment value retained	₱262	₱232	₱41	₱64	₱8	₱0	₱2
Direct economic value retained	₱682	(₱2,797)	₱207	(₱15)	₱82	(₱253)	₱295
Total assets	₱6,371	₱8,262	₱1,678	₱2,886	₱2,020	₱6,152	₱8,674
3. Amount of ore sold (Thousand WMT)	4,158	7,937	1,412	2,095	336	N/A	N/A

Incident/Risk Management Systems

Enterprise Risk Management

GRI 2-23

In 2022, NAC strengthened its enterprise risk management with the creation of the risk management sector under the Sustainability, Risk Management, Corporate Affairs and Communications (SRCC) Department.

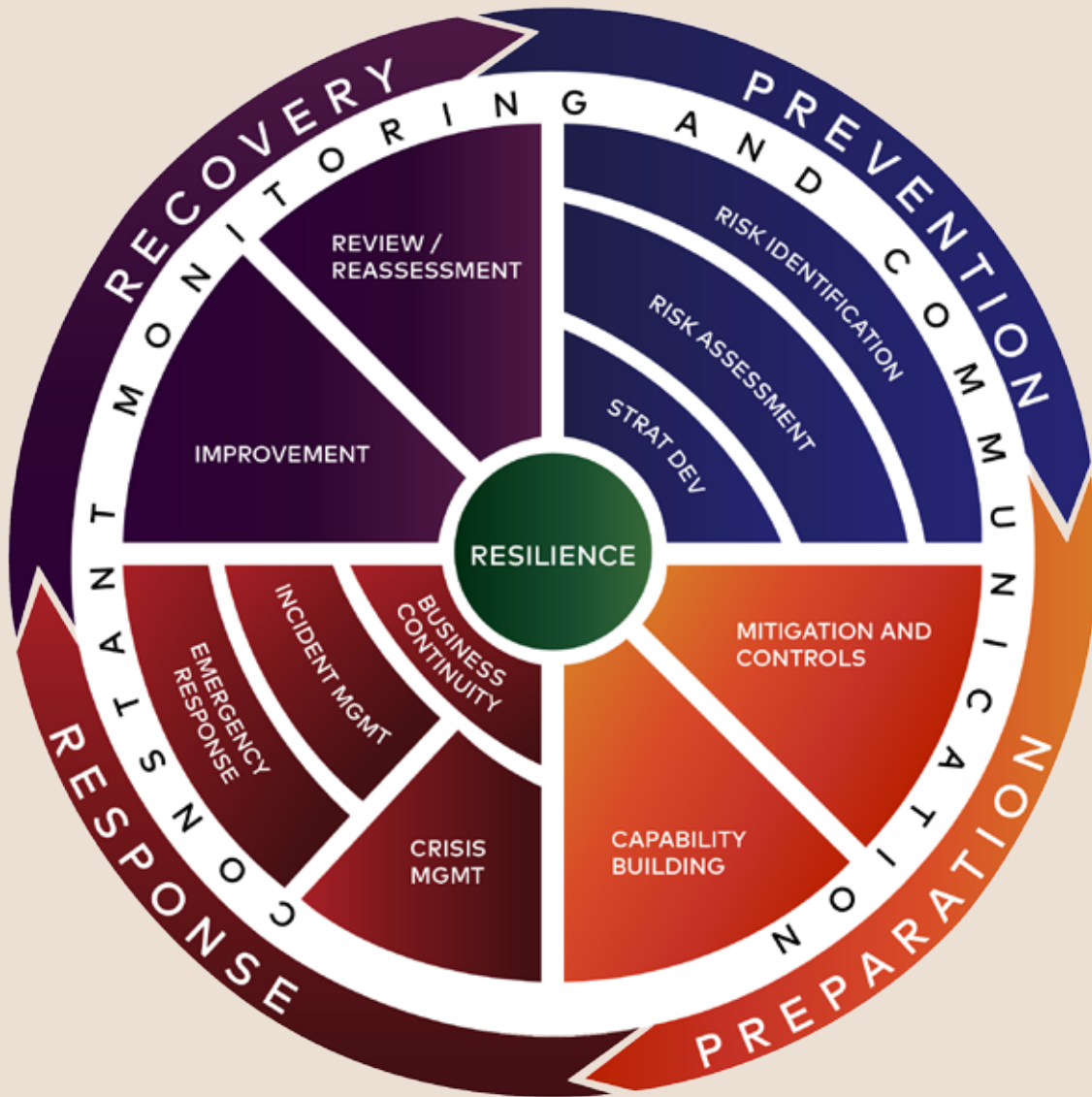
The newly created sector reviewed the current enterprise risk management through a series of consultations across the group and came up with a four-year roadmap aligned with the OneNAC vision.



Using the collated inputs from the consultations and important elements of established risk management frameworks (Committee of Sponsoring Organizations and ISO 31000), the risk management sector developed the

NAC Integrated Enterprise Risk Management Framework. The framework follows the crisis management cycle and identifies key risk management initiatives within each phase.

NAC's Integrated Enterprise Risk Management Framework



The risk management sector draws its mandate from the Board Risk Oversight Committee that sets the overall strategy and direction for enterprise risk management.



Corporate Governance

NAC is committed to the highest standards of corporate governance. Led by a Board whose actions and decisions are anchored on the core values of responsibility, leadership, fairness, integrity, respect, safety, and teamwork, the

Corporation ensures that the policies and guidelines governing its officers and employees are in accordance with the law and foster long-term success in the best interests of its shareholders.

NAC's Governance Initiatives

Guided by its vision-mission statement, NAC recognizes that good corporate governance is central to its longevity and success. It continues to implement governance practices such as:

- Conduct of a virtual Annual Stockholders' Meeting that enabled stockholders to safely exercise their voting rights during the pandemic.
- Conduct of an annual assessment for the Board, Board-level committees, Independent Directors, Compliance Division, External Auditor, and the President.
- Completion of the Conflict of Interest and Related Party Transactions Form by newly appointed directors and re-elected directors.
- Conduct of an online corporate governance training for the Corporation's directors, officers and managers including supervisors.
- Creation of Anti-bribery Policy and the Sustainability Charter in August 2022.
- Creation of the guidelines on Solicitation and the Acceptance and Giving of Gifts, which supplements the existing Policy on Gifts, Hospitality, and Sponsored Travel in December 2022.
- Engagement of Sustainalytics as an external ESG partner to assess the Corporation's material risks in the areas of Environment, Social, and Governance.
- Setup of online portal, leveraged on current technology, to enable the Board of Directors to have secure, reliable, and efficient access to online meetings and materials in August 2022.

Code of Business Conduct and Ethics

The Company's Code of Ethics sets the professional and ethical conduct guidelines for directors and employees, and iterates NAC's firm stance against illegal and irregular activities.

All directors and employees discuss the Code during a mandatory employee orientation. Everyone in the Company is required to uphold the Code.

Corporate Governance Manual

Adopted by the Board of Directors pursuant to the Code of Corporate Governance for Publicly Listed Companies, NAC's Corporate Governance Manual contains the Company's governance structure, policies and procedures, duties and responsibilities of the Board and individual directors, compliance systems, and internal controls, among others.

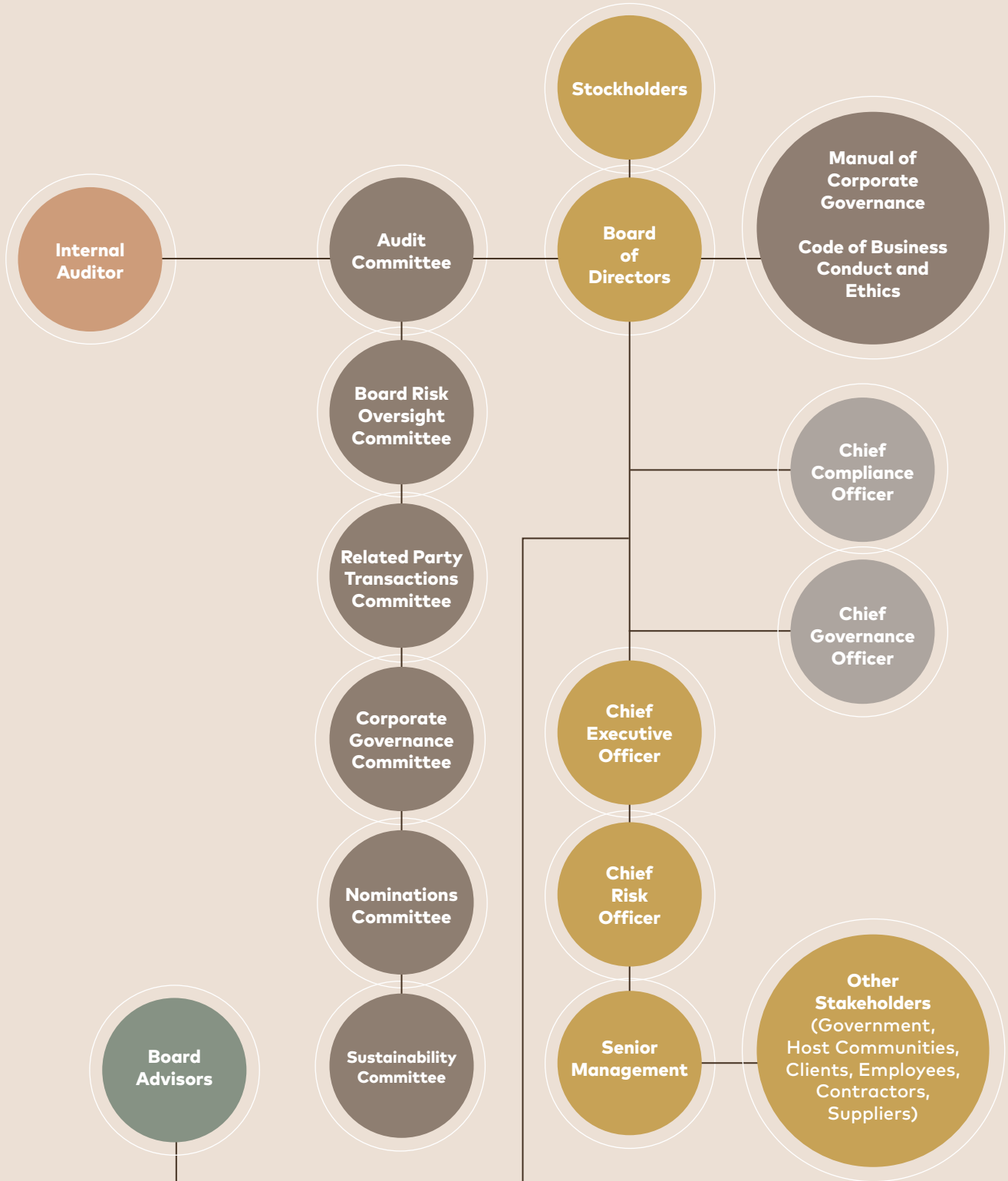
The Chief Compliance and Governance Officer are responsible for monitoring the compliance with the Manual.

Corporate Governance Structure

GRI 2-9

Guiding the overall corporate direction of the Corporation is the Board of Directors. The Management is critical to the overall execution of

the NAC's strategies and in fostering a culture of transparency and accountability.



Leadership Profiles

GRI 2-9, 2-11

The NAC Board consists of a diverse and experienced team. They duly represent the interest

of our shareholders and are guided by respect, integrity, and transparency.

Directors



GERARD H. BRIMO

Executive Director
Chairman of the Board

Age: 70

Date First Elected to the Board: August 1, 2009

Gerard H. Brimo is Nickel Asia's Chairman of the Board of Directors. He is the Chairman of the Corporate Governance Committee of the Company. In addition, he is the Chairman of CMC, DMC, HMC, CEXCI, Newminco, CDTN, and a Director of RTN, TMC, EPI and its subsidiaries, and an Independent Director of SBC and Commonwealth Foods, Inc. Prior to his career in mining, he worked for Citibank for eight years and was a Vice President in the bank's Capital Markets Group in Hong Kong before joining Philex Mining Corporation as Vice President-Finance. Mr. Brimo served as Chairman and CEO of Philex Mining Corporation from 1994 until his retirement in December 2003. He served as President of the Chamber of Mines of the Philippines from 1993 to 1995, as Chairman from 1995 to 2003 and from 2017 to 2021. He received his Bachelor of Science degree in Business Administration from Manhattan College, USA and his Master of Business Management degree from the Asian Institute of Management.



MARIA PATRICIA Z. RIINGEN

Vice Chairman

Age: 56

Date First Elected to the Board: May 20, 2019

Maria Patricia Z. Riingen is the Vice Chair of the Company. She is a member of the Sustainability Committee of the Board. She is also the Vice Chair of RTN and TMC and a Director of DMC, CDTN, CEXCI, EPI, and GRHI. She is the President of Manta Equities, Inc. (Manta) and Manta Foundation, Inc. and a Director of Mantra Resources, Inc. Prior thereto, she held various positions with the Western Union Company, and was the Senior Vice President and Regional Head for Asia Pacific. Her other previous roles were as Executive Director and a member of the Board of Directors at the Asian Development Bank, Vice President at Citibank N.A., and Brand Manager of Procter & Gamble. She is a member of the Young Presidents' Organization (YPO). She was among Asia's Top 20 People in Cash Management selected by Finance Asia in 2011 for being one of the region's most influential power players and up-and-coming executives in the cash management industry. In 2013, Ms. Riingen was recognized as one of the 100 Most Influential Filipinas in the World for her accomplishments as a Filipina senior executive working in a global company. In the same year, she received the Pinnacle Group's CSR Award for spearheading a range of initiatives for better access to financial services in the Philippines. Ms. Riingen obtained her Bachelor of Science in Business Administration, major in Marketing, magna cum laude, from the University of the Philippines.



MARTIN ANTONIO G. ZAMORA

Executive Director
President and Chief Executive Officer (CEO)

Age: 50
Date First Elected to the Board: June 16, 2010

Martin Antonio G. Zamora is the President and CEO of the Company. He is the President of all the mining subsidiaries of the Company and the Chairman of EPI and its subsidiaries. He is the Chairman of the Sustainability Committee and Nominations Committee, and a member of the Board Risk Oversight Committee. Before joining Nickel Asia in 2007, Mr. Zamora was the Philippine Country Manager and a Director of UPC Renewables, a global developer, owner and operator of wind farms and solar facilities. Prior to that, he worked for 10 years for finance and investment banking firms such as CLSA, Robert Fleming & Co. (UK), Jardine Fleming, and SGV & Co. He received his Bachelor of Science in Management from Ateneo de Manila University, his Master of Business Administration from London Business School, and his Masters in Organizational Psychology from INSEAD.



HARVEY T. ANG

Director

Age: 49
Date First Elected to the Board: June 3, 2022

Harvey T. Ang is a Director of the Company and of CMC and HMC. He is the President of Yeeloofa Development Corporation. Prior thereto, he was Business Development Manager of Exchange Properties Resources Corporation from July 2004 to July 2007. He was also the Export Director of Solid Mills, Inc. from July 1999 to October 2003. Aside from his history in the real estate and textile industries, he has had significant experience in the logistics, retail and marketing industries. Mr. Ang obtained his Bachelor of Science in Management, minor in Legal Management, from the Ateneo De Manila University.



YUSUKE NIWA

Non-Executive Director

Age: 50

Date First Elected to the Board: August 5, 2021

Yusuke Niwa is the General Manager of the Nickel Sales and Raw Materials Department, Non-Ferrous Metals Division of SMM. He has more than 30 years of experience in SMM's non-ferrous metals and materials businesses, specializing in the fields of accounting, project management and administration. He likewise held significant posts relative to the Sierra Gorda copper mine of SMM in Chile. Mr. Niwa is also an incumbent director of the Company's affiliates, THNC, CBNC and NAHI. He obtained his Bachelor of Science degree in Political Science and Economics from Waseda University in Tokyo, Japan.



SHIRO IMAI

Non-Executive Director

Age: 49

Date First Elected to the Board: June 30, 2022

Shiro Mai is the Chairman of the Related Party Transactions Committee, and a member of the Audit Committee and Nominations Committee of the Board. Mr. Imai is the Executive Vice President of SMMPHC, CBNC, and THNC. He has been working for SMM since 1995. He worked in the Sales and Marketing Section of the Electronics Division from April 1995 to January 2001 and the Sales and Marketing Section of the Advanced Materials Division from February 2001 until October 2009. In November 2009, Mr. Imai became a member of the Nickel Sales and Raw Materials Department of the Non-Ferrous Metals Division until June 2014, when he was assigned as SMM's Chief Representative of its London Office. He was the Manager of the Copper and Precious Raw Materials Department from June 2016 until September 2019. He obtained his Bachelor's degree in Economics from Tohoku University in Miyagi, Japan.



LEONIDES JUAN MARIANO C. VIRATA

Non-Executive Director

Age: 41

Date First Elected to the Board: June 30, 2022

Leonides Juan Mariano C. Virata is a member of the Corporate Governance Committee of the Board. Mr. Virata is the CEO of Cavitex Holdings Inc. and the Managing Director of MTC Investment Properties. Prior thereto, he was with the Broking Research team of Platinum Securities from 2006 to 2010. He is a member of Makati Business Club. He obtained his Bachelor of Arts, Major in Philosophy of Religions from University of Pennsylvania, USA.



FLORENCIA G. TARRIELA

Lead Independent Director

Age: 75

Date First Elected to the Board: August 4, 2022

Florencia G. Tarriela is the Lead Independent Director, Chairman of the Audit Committee, and a member of the Board Risk Oversight, Related Party Transactions, and Corporate Governance Committees of the Board. Ms. Tarriela is a Board Advisor of the Philippine National Bank (PNB), an Independent Director of the LT Group Inc., and a Director of PNB International Investment Corporation, Gozon Development Corporation and Tulay sa Pag-unlad Inc., a microfinance NGO. She is also a liaison director to the Financial Executives Institute's Ethics and Financial Inclusion committees, a fellow of the Institute of Corporate Directors, a GoNegosyo mentor and a member of the Filipina CEO Circle and Women Business Council Philippines. She previously served as Board Chair and Independent Director of PNB for 15 years and Undersecretary for the Department of Finance. She was the first Filipina Vice President in Citibank N.A., President of the Bankers Institute of the Philippines, Director of the Bankers Association of the Philippines, and of the Philippine Bible Society. She has co-authored and compiled several books on ethics, mentorship, and gardening, among others, and continues to be a regular columnist for *Manila Bulletin* and *Business World*. Ms. Tarriela obtained her Bachelor of Science in Business Administration, major in Economics, from the University of the Philippines and her Master's degree in Economics from the University of California, Los Angeles.



ANGELO RAYMUNDO Q. VALENCIA

Independent Director

Age: 54

Date First Elected to the Board: May 8, 2020

Angelo Raymundo Q. Valencia is the Chairman of the Board Risk Oversight Committee and a member of the Audit, Related Party Transactions, Sustainability, and Nominations Committees of the Board. Mr. Valencia is a Senior Fellow at the Development Academy of the Philippines, and a Lecturer at the Armed Forces of the Philippines Command Staff Graduate Course. He also serves as Senior Advisor to the NOLCOM Heroes Foundation, Philippine Marine Corps and Armed Forces of the Philippines Leadership Development Center. Mr. Valencia is also an Independent Director at Country Bankers Life and Non-Life Insurance Corporation. He is also the Managing Director of Community Sustainability Ventures, Inc., President and Chairman of YD Trucking Services Corp. and Shitamachi Ramen Philippines, Inc., Director of Just Projects Philippines, Inc. and Mashiglia Inc., and Compliance Officer of A Plus Credit and Lending Group of Companies. He was also a Senior Corporate and Tax Counsel of LTG and Chief Operating Officer of Mindanao Grains Processing Co., Inc. Mr. Valencia has received numerous awards and citations for his public service endeavors. He founded the project Klasrum ng Pag-asa, a private sector initiative that builds, augments and reconstructs public school structures nationwide. He obtained his Juris Doctor from the Ateneo School of Law in 1998. He is a member of the Philippine Bar.

Board Advisors



MANUEL B. ZAMORA, JR.

Board Advisor

Age: 84

Date First Elected to the Board: June 4, 2021

Manuel B. Zamora, Jr. is a founder of the Company and was a Director of the Company from 2008 until 2018. He was also Chairman Emeritus of the Company from 2018 to June 2021. He is a Director of RTN and TMC. He is also a director of a number of other companies in the Philippines including CLSA Exchange Capital, Inc. (CLSA). He once served as Chairman of the Chamber of Mines of the Philippines. Mr. Zamora is a lawyer and a member of the Integrated Bar of the Philippines. He obtained his Bachelor of Science degree from the University of the Philippines. He placed third in the 1961 Bar Examinations after receiving his Bachelor of Laws degree from the University of the Philippines.



FREDERICK Y. DY

Board Advisor

Age: 67

Date First Elected to the Board:
September 24, 2010

Frederick Y. Dy was an Independent Director of the Company from 2009 until 2021. Mr. Dy is also the Chairman Emeritus and a Director of Security Bank Corporation, Chairman of St. Luke's Medical Center, Chairman of City Industrial Corporation, and a Director of Ponderosa Leather Goods Company, Inc. He obtained his Bachelor of Science degree in Industrial Engineering from Cornell University, USA.



PHILIP T. ANG

Board Advisor

Age: 81

Date First Elected to the Board: July 11, 2008

Philip T. Ang was Vice Chairman of the Board of Directors of the Company, RTN and TMC and a Director of CMC, HMC, DMC, CEXCI, Newminco, CDTN, and EPI until June 3, 2022. He was previously involved in the textile business as Chairman and President of Solid Mills, Inc. and Unisol Industries and Manufacturing Corp., and as a Director of Investors Assurance Corp. and International Garments Corp. He obtained his Bachelor of Science in Business Administration degree from Oregon State University and his Master of Business Administration degree from the University of Denver, USA.

Board Committees

GRI 2-9, 2-12, 2-13, 2-14, 2-17

Audit Committee

The Audit Committee is composed of Ms. Florencia G. Tarriela (Independent Director) as Chair, and Messrs. Angelo Raymundo Q. Valencia (Independent Director) and Shiro Imai as members. The Audit Committee reports to the Board and is required to meet at least once every three months.

Aside from overseeing the internal and external auditors of the Company, the Audit Committee is responsible for assisting the Board in its fiduciary responsibilities by providing an independent and objective assurance to the Management and shareholders of the continuous improvement of

the risk management system, business operations, and the proper safeguarding and use of Company resources and assets. The Audit Committee provides a general evaluation and assistance in the overall improvement of the risk management, control, and governance processes.

Mr. Patrick S. Garcia is the Company's Chief Audit Executive and Assistant Vice President for Internal Audit from May 1, 2020 to the present.

The table below shows the attendance of the members of the Audit Committee at Committee meetings held in 2022:

POSITION ON AUDIT COMMITTEE	NAME	NO. OF MEETINGS HELD DURING THIS YEAR	NO. OF MEETINGS HELD DURING THIS YEAR	%
Chairman (until June 29, 2022)	Jaime J. Bautista	2	2	100%
Chairman (from August 4, 2022 to the present)	Florencia G. Tarriela	1	1	100%
Member	Angelo Raymundo Q. Valencia	4	4	100%
Member (until June 29, 2022)	Masahiro Kamiya	2	2	100%
Member (from June 30, 2022 to the present)	Shiro Imai	2	2	100%

Corporate Governance Committee

GRI 2-18, 2-19, 2-20

The Corporate Governance Committee is composed of Mr. Gerard H. Brimo as Chairman, and Mr. Leonides Juan Mariano C. Virata and Ms. Florencia G. Tarriela (Independent Director) as members. Ms. Tarriela replaced Mr. Jaime J. Bautista as member of the Committee on August 4, 2022.

The Committee is responsible for ensuring compliance with and proper observance of corporate governance principles and practices. It also oversees the implementation and periodic review of the Company's corporate governance framework to ensure that it remains responsive to the Company's size, complexity, and business

strategy. Further, the Committee conducts an annual evaluation of the Board, its Committees and the Management of the Company; and develops and implements action plans and programs to improve the performance of the Board, Committees, Directors and the Management of the Company. The Committee also performs the functions previously assigned to the Compensation and Remuneration Committee.

The Committee is tasked to establish and maintain a formal and transparent procedure for developing policy on remuneration of the Directors and officers to ensure that their compensation is consistent

Board Risk Oversight Committee

The Board Risk Oversight Committee is composed of Mr. Angelo Raymundo Q. Valencia (Independent Director) as Chairman, and Mr. Martin Antonio G. Zamora and Ms. Florencia G. Tarriela (Independent Director) as members. Ms. Tarriela replaced Mr. Jaime J. Bautista as Committee member on August 4, 2022.

The Committee assists the Board in its oversight responsibility for the Company's Enterprise Risk Management and shall review the effectiveness of the risk management system. The Committee reports to the Board and is required to meet at least once every three months.

The table below shows the attendance of the members of the Board Risk Oversight Committee during its meetings held in 2022:

POSITION ON BOARD RISK OVERSIGHT COMMITTEE	NAME	NO. OF MEETINGS HELD IN 2022	NO. OF MEETINGS HELD IN 2022	%
Chairman	Angelo Raymundo Q. Valencia	4	4	100%
Member (until June 29, 2022)	Jaime J. Bautista	2	2	100%
Member	Martin Antonio G. Zamora	4	4	100%
Member (since August 4, 2022)	Florencia G. Tarriela	1	1	100%

with the Company's culture, strategy and the business environment in which it operates. The Committee is also responsible for administering the Company's stock option policies and plans

and for approving bonuses to all employees of the Company and its subsidiaries.

The table below shows the attendance of the members at the Committee meetings held in 2022:

POSITION ON CORPORATE GOVERNANCE COMMITTEE	NAME	NO. OF MEETINGS HELD IN 2022	NO. OF MEETINGS HELD IN 2022	%
Chairman	Gerard H. Brimo	3	3	100%
Member (until June 3, 2022)	Philip T. Ang	1	1	100%
Member (until June 29, 2022)	Jaime J. Bautista	1	1	100%
Member (since June 30, 2022)	Leonides Juan Mariano C. Virata	2	2	100%
Member (since August 4, 2022)	Florencia G. Tarriela	2	2	100%

Related Party Transactions Committee

GRI 2-15

The Related Party Transactions Committee is composed of Mr. Shiro Imai as Chairman and Ms. Florencia G. Tarriela (Independent Director) and Mr. Angelo Raymundo Q. Valencia (Independent Director) as members. Mr. Imai replaced Mr. Kamiya as Chairman of the Committee on June 30, 2022. Ms. Tarriela replaced Mr. Jaime J. Bautista as a member of the Committee on August 4, 2022. The Committee is tasked with reviewing all material and related party transactions of the Company to ensure that such transactions are conducted on terms which are no more favorable than the terms of similar transactions with non-related parties under similar circumstances, and that no

corporate or business resources of the Company are misappropriated or misapplied. The Committee is also responsible for identifying potential or actual conflicts of interest and reputational risk issues that may arise from such related party transactions. The Committee further ensures that transactions between and among related parties are properly identified, monitored and reflected in reports to the Board and relevant regulatory authorities. The Committee is required to meet at least once a year.

The table below shows the attendance of the members at the Committee meetings held in 2022:

POSITION ON RELATED PARTY TRANSACTIONS COMMITTEE	NAME	NO. OF MEETINGS HELD IN 2022	NO. OF MEETINGS HELD IN 2022	%
Chairman (until June 29, 2022)	Masahiro Kamiya	2	2	100%
Chairman (since June 30, 2022)	Shiro Imai	2	2	100%
Member	Angelo Raymundo Q. Valencia	4	4	100%
Member (until June 29, 2022)	Jaime J. Bautista	2	2	100%
Member (since August 4, 2022)	Florencia G. Tarriela	1	1	100%

Nominations Committee

GRI 2-10

The Nominations Committee is composed of Mr. Martin Antonio G. Zamora as Chairman, and Messrs. Shiro Imai and Angelo Raymundo Q. Valencia (Independent Director) as members. Mr. Imai replaced Mr. Kamiya as a member of the Committee on June 30, 2022.

The Nominations Committee is responsible for setting qualification standards to facilitate the selection of potential nominees to Board seats and of all nominees to other positions in the Company requiring appointments by the Board, to provide shareholders with an independent and objective evaluation of, and assurance that, the members of its Board and the officers appointed by the Board are competent and will foster the Company's long-term success and secure its competitiveness.

The Nominations Committee held two meetings in 2022, wherein all members were present.

Sustainability Committee

The Sustainability Committee is composed of Mr. Martin Antonio G. Zamora as Chairman, and Ms. Maria Patricia Z. Riingen and Mr. Angelo Raymundo Q. Valencia (Independent Director) as members. The Sustainability Committee advises the Board regarding the establishment and review of the sustainability goals, ESG Roadmap and initiatives of the NAC Group, the identification of material ESG issues of the Group's operations and their impact on relevant stakeholders, and the review and monitoring of the continuous professional development of directors and senior management.

The Sustainability Committee was established by the Board of Directors on August 4, 2022, and held one meeting in 2022. All of the Committee members were present at the meeting.

Board Advisors

The Company's Board has three (3) Advisors: Mr. Manuel B. Zamora, Jr., Mr. Frederick Y. Dy, and Mr. Philip T. Ang.

The Board Advisors (1) attend Board of Directors' meetings and meetings of Board Committees as necessary; (2) provide guidance and suggestions, as may be necessary, on matters deliberated upon during Board and Committee meetings; and (3) provide recommendations and/or key information and materials regarding specific matters being considered by the Board and referred to the Board Advisors.

Executive Implementation

Chairman

Mr. Gerard H. Brimo is the Chairman of the Board of Directors of the Company. The Chairman is responsible for leadership of the Board. He ensures the effective operation of the Board and its committees in conformity with the highest standards of corporate governance. He is accountable to the Board. The Chairman ensures that the Board sets an agenda that is focused on strategy, performance, and accountability taking into consideration the recommendations of the Directors and management. He assures the availability of training opportunities to all Directors, including an orientation program for first-time Directors. He ensures that the Board performance is evaluated at least once a year. Mr. Brimo still has executive functions and works with the President and Chief Executive Officer (CEO) to develop the strategy for the Company's future growth, including to identify opportunities for value-enhancing initiatives such as acquisitions and joint ventures, as may be deemed beneficial for the long-term interest of the Company. He also oversees the Company's copper-gold initiatives. Mr. Brimo continues to represent the Company in the Chamber of Mines, of which he is the incumbent Vice Chairman.

President and CEO

Mr. Martin Antonio G. Zamora is the President and CEO of the Company. The President provides the leadership for Management to develop and implement sound business strategies, plans, budgets and a system of internal controls. He ensures that the overall business and affairs of the Company are managed in a sound and prudent manner in accordance with the Company's strategic plan. He also warrants that business risks are identified and properly addressed. Mr. Zamora ensures that operational, financial and internal controls are adequate and effective in order to generate sound and reliable financial and operational information, to maximize the effectiveness and efficiency of operations, to safeguard Company assets and resources, and to comply with all laws, rules, regulations and contracts.

As CEO, he acts as a direct liaison between the Board and the Management of the Company.

The President and CEO, together with the Management, has the responsibility to provide the Board with a balanced, understandable and accurate account of the Company's performance,

financial condition, results of operations and prospects on a regular basis. The President also serves as the link between internal operations and external stakeholders.

Chief Risk and Sustainability Officer

Mr. Jose Bayani D. Baylon, Senior Vice President–Sustainability, Risk Management and Corporate Affairs, and Chief Sustainability Officer, assumed the post of Chief Risk Officer effective January 1, 2023. The Chief Risk Officer supervises the Company's Enterprise Risk Management System and spearheads its implementation, review and continuous improvement. He takes the lead in identifying key risks, exposure relating to economic, environmental, social and governance factors that may affect the achievement of the Company's strategic objectives and developing risk mitigation plans for such risks. He communicates the top risks and the status of implementation of the Company's risk management strategies and action plans to the Board Risk Oversight Committee and works with the President and CEO in updating and making recommendations to the Board Risk Oversight Committee.

Chief Governance Officer

Atty. Georgina Carolina Y. Martinez, Senior Vice President, Head of the Corporate Support and Compliance Services Group, is the Company's Chief Governance Officer. The Chief Governance Officer is tasked with ensuring that corporate governance policies are disseminated, adopted throughout the organization and become an integral part of the Company's culture. In addition, she also ensures that the necessary systems are in place to monitor compliance.

Chief Compliance Officer

Atty. Georgina Carolina Y. Martinez also serves as Chief Compliance Officer of the Company. She ensures the Company's strict adherence to all laws, regulations, guidelines and specifications relevant to the business.

Corporate Secretary

Atty. Barbara Anne C. Migallos is the Corporate Secretary of the Company. She ensures that all Board procedures, rules and regulations are strictly followed. The Corporate Secretary is a lawyer with years of experience in corporate law practice, including corporate secretarial work. She is also a professional lecturer in advanced securities regulation.

Auditors

Chief Audit Executive

Mr. Patrick S. Garcia is the Company's Chief Audit Executive. The Chief Audit Executive is primarily tasked with evaluating the adequacy and effectiveness of the Company's governance and operations, the reliability and integrity of financial information, the safeguarding of assets, and compliance with laws, rules and regulations.

External Auditor

The external auditor is appointed by the shareholders upon the recommendation of the Audit Committee, which reviews its qualifications, performance and independence. To ensure objectivity in the performance of its duties, the external auditor is subject to the rules on rotation and change (every five years for the engagement partner); general prohibitions on hiring of staff of the external auditor; and full and appropriate disclosure and prior approval by the Audit Committee of all audit and non-audit services and related fees. Approval of non-audit work by the external auditor is principally tested against the standard of whether such work will conflict with their role as an external auditor or would compromise their objectivity or independence as such.

Investor Relations Program

The Company is committed to making timely, full, and accurate disclosures and distributing other corporate communication materials in accordance with the disclosure rules of the Philippine Stock Exchange.

External and internal communications are handled by the Corporate Affairs, Corporate Support and Compliance Support Services, and Investor Relations units. Major company announcements are reviewed and approved by the VP-Treasury, Investor Relations and Sales, SVP-Sustainability,

Risk Management and Corporate Affairs, SVP-Corporate Support Services and Compliance Services, the Chief Financial Officer, and the President and CEO.

The policy is subject to regular review by senior management and the Board of Directors to ensure its effectiveness. Updates and amendments (as appropriate) will be made to reflect current best practices in our communication with the investment community.

Corporate Behavior

EM-MM-510a.1

NAC is guided by its core values as it pursues financial growth. Each of these elements steers the Group's corporate behavior. To best serve its stakeholders, NAC prioritizes ethical conduct at

every level of operation and refines its policies as needed to respond to evolving best practices and the highest local and international standards.

Supply Chain Management

GRI 3-3, 204-1

As a matter of good practice, NAC ensures that all domestic and international suppliers are subject to rigorous quality and service monitoring to maintain a responsible and viable supply chain.

NAC's supply chain management employs an accreditation method that incorporates environmental performance in its criteria. An Accreditation Committee reviews and analyzes vendor applications based on their track record,

quality, price, delivery lead times, and safety, environmental, and regulatory compliance.

Local suppliers are given preference, when possible, not only because of the advantages of paying in Philippine Pesos and following customary payment terms, but also because the Company recognizes the importance of prioritizing local labor and resources.

Spending on Local Suppliers (in Millions ₱)

2022	RTN	TMC	HMC	CMC	DMC	EPI	JSI	TOTAL
Total spending	1,756	4,252	1,181	1,983	178	254	2,765	12,369
Spending on local suppliers ¹	1,756	4,137	1,177	1,883	178	242	252	9,624
Percentage of spending on local suppliers	100%	97%	99%	95%	100%	95%	9%	78%

¹ Local suppliers within the Philippines or suppliers where no overseas transmittal payments are made.

Conflict of Interest Insider Trading

GRI 3-3, 205-3

Integrity is one of the seven core values of NAC. It is the Company's guiding compass for all of its operations, and it sets the tone for the Group's interactions with all of its stakeholders. To further reify its commitment to integrity in 2022, NAC approved and established its Anti-bribery and Anti-corruption Policy.

The policy's aim is to delineate the Company's dedication to upholding the highest standards of ethical behavior—through both words and actions. It further demonstrates NAC's commitment to operating its Company in an honest, equitable, and fair manner by following all laws and regulations relevant to its business operations and the communities that are essential to NAC.

Please visit <https://nickelasia.com/corporate-governance/policies-processes-and-practices> for more information on the policy.

Ensuring Good Labor Practices

GRI 3-3, 2-24, 2-25, 419-1

NAC diligently follows and promotes the Philippine Labor Code, as well as regulations governing child labor, forced labor, and human rights. Furthermore, as an Equal Opportunity Employer, the Company practices a non-discrimination policy from application through employment.

Discrimination accusations are processed in a private setting. The Chief Compliance Officer and HR Head guarantee that only those participating in the inquiry have access to the specifics of the complaint. Everyone involved must uphold secrecy regarding the complaint's subject and the parties involved.

NAC ensures that all employees have open lines of communication and promotes ongoing interaction between subordinates and employees. In accordance with the Whistle Blowing Policy, whistleblowers need not worry about reprisals. A dedicated email address, phone, and fax number are available for use by staff members should they wish to file a report of any perceived misdeed or question. The option to identify oneself or remain anonymous is available to the complainants depending on preference.

Compliance

GRI 3-3, 2-27, EM-MM-210a.3

NAC is committed to upholding and adhering to all applicable regulations and standards for ethical mining practices. Environmental compliance is paramount at NAC as a matter of principle. The Group adheres to the regulations and legislation of the following agencies as a publicly listed company:

- Department of Environment and Natural Resources' (DENR)
- Mines and Geosciences Bureau (MGB)
- Environmental Management Bureau (EMB)
- Biodiversity Management Bureau (BMB)
- Department of Labor and Employment (DOLE)
- Department of Health (DOH)
- National Commission on Indigenous Peoples (NCIP)
- Philippine Competition Commission (PCC)
- Local Government Units (LGUs)

To ensure compliance, NAC has a Risk Management Sector that regularly assesses company risks, including environmental compliance. The Management receives a monthly report on the status of environmental permits, while the Board's Risk Oversight Committee and the Board of Directors get quarterly reports.

Data Security

GRI 3-3

Respecting privacy and protecting data is more than mere legal obligation; it is also good business practice. To ensure and maintain zero cases of data breaches, including leaks, thefts, and losses of data in 2022, NAC adheres to the Philippines' Data Privacy Act of 2012 and its implementing rules and regulations by enforcing numerous policies that handle cybersecurity, workstation security, and email communications.

NAC does not allow the use of corporate email for social media or online shopping accounts. The Company rigorous adherence, a cybersecurity information campaign, and data protection advisories to safeguard its corporate workforce to prevent them from becoming victims of behavioral advertising and customer privacy. Email communication and collaboration are cloud-based under Microsoft 365, while all other data processing are behind corporate firewalls, still it remains NAC operations vulnerable to data security risks.

In identifying and addressing these data security risks, NAC ensures daily close monitoring of Information Communication Technology Infrastructure on Sophos Unified Threat Management and Sophos Email Gateway for inbound threats as well as Sophos Anti-Virus for Workstation protection, MS Active Directory to strengthen workstation security and user role access. During the COVID-19, NAC had challenges with work-from-home setups. The use of a virtual private network for work-from-home users, DocuSign for e-signatures, and Microsoft 365 for communications and collaboration have been implemented to allow NAC to strategically adapt to the situation.

ANNEX



GRI Content Index

Statement of use	Nickel Asia Corporation has reported in accordance with the GRI Standards for the period January 1, 2022 to December 31, 2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI sector standard(s)	None

GRI standard / other source	Disclosure	Page nos. and/or direct answers	Omission or remarks	
General disclosures				
GRI 2: General disclosures 2021	2-1	Organizational details	2, 3, 4, 5, 143	
	2-2	Entities included in the organization's sustainability reporting	124	
	2-3	Reporting period, frequency and contact point	About the Report, 143	
	2-4	Restatements of information	14, 19	
	2-5	External assurance	121	
	2-6	Activities, value chain and other business relationships	2, 3, 4, 5, 14, 15	
	2-7	Employees	85	
	2-8	Workers who are not employees	86	
	2-9	Governance structure and composition	94, 95, 96, 102	
	2-10	Nomination and selection of the highest governance body	104	
	2-11	Chair of the highest governance body	96	
	2-12	Role of the highest governance body in overseeing the management of impacts	102	
	2-13	Delegation of responsibility for managing impacts	102	
	2-14	Role of the highest governance body in sustainability reporting	102	
	2-15	Conflicts of interest	104	
	2-16	Communication of critical concerns	143	
	2-17	Collective knowledge of the highest governance body	102	
	2-18	Evaluation of the performance of the highest governance body	102	
	2-19	Remuneration policies	102	
	2-20	Process to determine remuneration	102	
	2-21	Annual total compensation ratio		Confidential
	2-22	Statement on sustainable development strategy	6	
	2-23	Policy commitments	4, 92	
	2-24	Embedding policy commitments	108	
	2-25	Processes to remediate negative impacts	108	
	2-26	Mechanisms for seeking advice and raising concerns	Code of Business Conduct and Ethics	
	2-27	Compliance with laws and regulations	108	
	2-28	Membership associations	Chamber of Mines of the Philippines	
	2-29	Approach to stakeholder engagement	44	
	2-30	Collective bargaining agreements	10, 83, 84	

GRI standard / other source	Disclosure	Page nos. and/or direct answers	Omission or remarks
Material topics			
GRI 3: Material topics 2021	3-1	Process to determine material topics	46
	3-2	List of material topics	41, 46
Economic performance			
GRI 3: Material topics 2021	3-3	Management of material topics	10,17
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	11, 17 & 91
	201-2	Financial implications and other risks and opportunities due to climate change	63
Supply chain & procurement practices			
GRI 3: Material topics 2021	3-3	Management of material topics	107
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers	107
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	None
	308-2	Negative environmental impacts in the supply chain and actions taken	None
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	Key suppliers
	414-2	Negative social impacts in the supply chain and actions taken	None
Tax			
GRI 3: Material topics 2021	3-3	Management of material topics	10
GRI 207: Tax 2019	207-1	Approach to tax	10
	207-2	Tax governance, control, and risk management	10
	207-3	Stakeholder engagement and management of concerns related to tax	44
	207-4	Country-by-country reporting	Philippine Operations Only
Customer satisfaction			
Marketing and labeling			
GRI 3: Material topics 2021	3-3	Management of material topics	15
GRI 417: Marketing and labeling 2016	417-1	Requirements for product and service information and labeling	15
GRI 3: Material topics 2021	3-3	Management of material topics	23
GRI 416: Customer health and safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	23
Data security			
GRI 3: Material topics 2021	3-3	Management of material topics	109
GRI 405: Diversity and equal opportunity 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	zero

GRI standard / other source	Disclosure	Page nos. and/or direct answers	Omission or remarks
Compliance			
GRI 3: Material topics 2021	3-3	Management of material topics	108
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	None
	205-3	Confirmed incidents of corruption and actions taken	None
GRI 206: Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not Applicable
GRI 201: Economic performance 2016	307-1	Non-compliance with environmental laws and regulations	None
GRI 419: Socioeconomic compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	108
Energy			
GRI 3: Material topics 2021	3-3	Management of material topics	63
GRI 302: Energy 2016	302-1	Energy consumption within the organization	62
	302-3	Energy intensity	62
Emissions			
GRI 3: Material topics 2021	3-3	Management of material topics	64
GRI 305: Emissions 2016	305-1	Direct (scope 1) GHG emissions	65
	305-2	Energy indirect (scope 2) GHG emissions	65
	305-3	Other indirect (scope 3) GHG emissions	65
	305-6	Emissions of ozone-depleting substances (ODS)	65
	305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	65
Water use			
GRI 3: Material topics 2021	3-3	Management of material topics	56
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource	56
	303-2	Management of water discharge-related impacts	56
	303-3	Water withdrawal	56
	303-4	Water discharge	56
	303-5	Water consumption	56
Biodiversity			
GRI 3: Material topics 2021	3-3	Management of material topics	57
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	59
	304-2	Significant impacts of activities, products, and services on biodiversity	57, 59
	304-3	Habitats protected and restored	59
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	60

GRI standard / other source	Disclosure		Page nos. and/or direct answers	Omission or remarks
Waste				
GRI 3: Material topics 2021	3-3	Management of material topics	57	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	57	
	306-2	Management of significant waste-related impacts	57	
GRI 3: Material topics 2021	306-3	Waste generated	57	
GRI 201: Economic performance 2016	306-4	Waste diverted from disposal	57	
	306-5	Waste directed to disposal	57	
Labor relations and employee relations				
GRI 3: Material topics 2021	3-3	Management of material topics	79	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	81	
GRI 3: Material topics 2021	3-3	Management of material topics	79	
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	82	
	401-3	Parental leave	81	
GRI 202: Market presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	82	
	202-2	Proportion of senior management hired from the local community	86, 87	
GRI 402: Labor/management relations 2016	402-1	Minimum notice periods regarding operational changes	30 days	
GRI 3: Material topics 2021	3-3	Management of material topics	68	
GRI 403: Occupational health & safety 2018	403-1	Occupational health and safety management system	68	
	403-2	Hazard identification, risk assessment, and incident investigation	68	
	403-3	Occupational health services	68	
	403-4	Worker participation, consultation, and communication on occupational health and safety	68	
	403-5	Worker training on occupational health and safety	69	
	403-6	Promotion of worker health	68	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	68	
	403-8	Workers covered by an occupational health and safety management system	68	
	403-9	Work-related injuries	68	
	403-10	Worker-related ill health	68	
GRI 3: Material topics 2021	3-3	Management of material topics	79	

GRI standard / other source	Disclosure		Page nos. and/or direct answers	Omission or remarks
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	80	
	404-2	Programs for upgrading employee skills and transition assistance program	80	
GRI 3: Material topics 2021	3-3	Management of material topics	84	
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	85	
	405-2	Ratio of basic salary and remuneration of women to men	The ratio of salary is based on performance and position and not on gender	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	There were no such incidents	
GRI 407: Freedom of association and collective bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	10	
GRI 408: Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	NAC ensures that none of our operations as well as our local suppliers have any incidents of child labor practice	
GRI 409: Forced or compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	None	
GRI 410: Security practices	410-1	Security personnel trained in human rights policies or procedures	All our security personnel are outsourced and are regularly trained by their agency on human rights topics	
GRI 411: Rights of indigenous peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	None	
GRI 412: Human rights assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	None	
	412-2	Employee training on human rights policies or procedures	None	
Community development				
GRI 3: Material topics 2021	3-3	Management of material topics	70	
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	67, 70, 78	
	203-2	Significant indirect economic impacts	67, 70, 78	
GRI 3: Material topics 2021	3-3	Management of material topics	70	
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	70, 73	
	413-2	Operations with significant actual and potential negative impacts on local communities	none	

SASB Index

Topic	Accounting metric
Compliance	
Business ethics & transparency	Description of the management system for prevention of corruption and bribery throughout the value chain
	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index
Energy	
Energy management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable
Water	
Water management	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations
Biodiversity	
Biodiversity impacts	Description of environmental management policies and practices for active sites
	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation
	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat
Emissions	
Greenhouse gas emissions	Gross global scope 1 emissions, percentage covered under emissions-limiting regulations
	Discussion of long-term and short-term strategy or plan to manage scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets
Air quality	Air emissions of the following pollutants: (1) CO, (2) NO _x (excluding N ₂ O), (3) SO _x , (4) particulate matter (PM ₁₀), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)
Waste	
Waste & hazardous materials management	Total weight of tailings waste, percentage recycled
	Total weight of mineral processing waste, percentage recycled
	Number of tailings impoundments, broken down by MSHA hazard potential
Labor Practices & Employee Relations	
Security, human rights & rights of indigenous peoples	Percentage of (1) proved and (2) probable reserves in or near areas of conflict
	Percentage of (1) proved and (2) probable reserves in or near indigenous land
	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict
Labor relations	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees
	Number and duration of strikes and lockouts
Workforce health & safety	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees
Community development	
Community relations	Discussion of process to manage risks and opportunities associated with community rights and interests
	Number and duration of non-technical delays

Category	Unit of measure	Code	Page located
Discussion and analysis	N/A	EM-MM-510a.1	107
Quantitative	Metric tons (t) saleable	EM-MM-510a.2	This is not measured.
Quantitative	Gigajoules (GJ), percentage (%)	EM-MM-130a.1	62
Quantitative	Thousand cubic meters (m ³), percentage (%)	EM-MM-140a.1	58
Quantitative	Number	EM-MM-140a.2	Zero incidents of non-compliance in 2022.
Discussion and analysis	N/A	EM-MM-160a.1	57
Quantitative	Percentage (%)	EM-MM-160a.2	None
Quantitative	Percentage (%)	EM-MM-160a.3	60
Quantitative	Metric tons tCO ₂ e, percentage (%)	EM-MM-110a.1	65
Discussion and analysis	N/A	EM-MM-110a.2	64
Quantitative	Metric tons (t)	EM-MM-120a.1	65
Quantitative	EM-MM-150a.1	Metric tons (t), Percentage (%)	Not applicable
Quantitative	EM-MM-150a.2	Metric tons (t), Percentage (%)	Not applicable
Quantitative	EM-MM-150a.3		Not applicable
Quantitative	Percentage (%)	EM-MM-210a.1	None
Quantitative	Percentage (%)	EM-MM-210a.2	None
Discussion and analysis	N/A	EM-MM-210a.3	28, 79, 108
Quantitative	Number, days	EM-MM-310a.1	84
Quantitative	Percentage (%)	EM-MM-310a.2	0%
Quantitative	Rate	EM-MM-320a.1	68, 69
Discussion and Analysis	N/A	EM-MM-210b.1	65, 70
Quantitative	Number, days	EM-MM-210b.2	0

SASB Index

Activity metric	Category
Production of (1) metal ores and (2) finished metal products	Quantitative
Total number of employees, percentage contractors	Quantitative

Renewable resources & alternative energy sector - Solar Technology & Project Developers

Topic	Accounting metric
Energy	
Energy management in manufacturing	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable
Management of energy infrastructure integration & related regulations	Description of risks associated with integration of solar energy into existing energy infrastructure and discussion of efforts to manage those risks
	Description of risks and opportunities associated with energy policy and its impact on the integration of solar energy into existing energy infrastructure
Water	
Water management in manufacturing	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress
	Description of water management risks and discussion of strategies and practices to mitigate those risks
Waste	
Hazardous waste management	Amount of hazardous waste generated, percentage recycled
	Number and aggregate quantity of reportable spills, quantity recovered
Community relations	
Ecological impacts of project development	Number and duration of project delays related to ecological impacts
	Description of efforts in solar energy system project development to address community and ecological impacts
Materials	
Product end-of life management	Percentage of products sold that are recyclable or reusable
	Weight of end-of-life material recovered, percentage recycled
	Percentage of products by revenue that contain IEC 62474 declarable substances, arsenic compounds, antimony compounds, or beryllium compounds
Materials sourcing	Description of the management of risks associated with the use of critical materials
	Description of the management of environmental risks associated with the polysilicon supply chain

Activity metric	Category
Total capacity of photovoltaic (PV) solar modules produced	Quantitative
Total capacity of completed solar energy systems	Quantitative
Total project development assets	Quantitative

Unit of measure	Code	Page located
Metric tons (t) saleable	EM-MM-000.A	15
Number, percentage (%)	EM-MM-000.B	85

Category	Unit of measure	Code	Page nos. and/or direct answers
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Quantitative	Gigajoules (GJ), percentage (%)	RR-ST-130a.1	62
Discussion and analysis	N/A	RR-ST-410a.1	Module soiling, tree shading, unfavorable weather conditions.
Discussion and analysis	N/A	RR-ST-410a.2	Increase in the power generation injected into the Luzon grid and cleaner energy source.

Quantitative	Thousand cubic meters (m ³), percentage (%)	RR-ST-140a.1	56
Discussion and analysis	N/A	RR-ST-140a.2	56

Quantitative	Metric tons (t), percentage (%)	RR-ST-150a.1	57
Quantitative	Number, kilograms (kg)	RR-ST-150a.2	Not applicable

Quantitative	Number, days	RR-ST-160a.1	Not applicable
Discussion and analysis	N/A	RR-ST-160a.2	12

Quantitative	Percentage (%)	RR-ST-410b.1	Not applicable
Quantitative	Metric tons (t), percentage (%)	RR-ST-410b.2	Not applicable
Quantitative	Percentage (%)	RR-ST-410b.3	Not applicable
Discussion and analysis	N/A	RR-ST-440a.1	Planning and ordering the supplies to ensure inventory is more than enough to support the operations.
Discussion and analysis	N/A	RR-ST-440a.2	Not applicable

Unit of measure	Code	Page located
Megawatts (MW)	RR-ST-000.A	12
Megawatts (MW)	RR-ST-000.B	12
Reporting currency	RR-ST-000.C	12

UNGC Index

Fundamental responsibilities	Principles	Page no.
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	84, 108
	Principle 2: Make sure that they are not complicit in human rights abuses.	66, 84, 108
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	66, 83, 84
	Principle 4: The elimination of all forms of forced and compulsory labour;	66, 108
	Principle 5: The effective abolition of child labour; and	66, 10, 108
	Principle 6: The elimination of discrimination in respect of employment and occupation.	66, 84, 108
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;	54, 63, 66, 91
	Principle 8: Undertake initiatives to promote greater environmental responsibility; and	54, 63, 65
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	54, 63, 65
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	88, 108

External Assurance Statement

GRI 2-5



INDEPENDENT ASSURANCE STATEMENT

OUR SUSTAINABILITY JOURNEY 2022 Annual and Sustainability Report

Nickel Asia Corporation (“NAC”) has engaged GCSS Inc. to undertake independent assurance of sustainability / non-financial disclosures in 2022 Annual and Sustainability Report – Our Sustainability Journey (the “Report”) for the year ended 31st December 2022. This assurance engagement was conducted using AccountAbility, UK - AA1000 Assurance Standard (AA1000AS v3) and AA1000 AccountAbility Principles (AA1000AP) 2018 and Global Reporting Initiative (GRI) Standards 2021.

Scope of Engagement

The scope of assurance included a review of sustainability activities and performance data for Rio Tuba Nickel Mining Corporation (RTN), Taganito Mining Corporation (TMC), Cagdianao Mining Corporation (CMC), and Hinatuan Mining Corporation (HMC), Dinapigue Mining Corporation (DMC) along with Emerging Power Inc. (EPI) and Jobin-SQM Inc. (JSI). The boundary of the report for identified material aspects and performance indicators are defined in ‘About the Report’, and ‘Sustainability Framework’ section of this report. The scope of assurance engagement is limited to the non-financial information associated with NAC and its subsidiaries operations covered within the report boundaries. This report was evaluated for adherence to the reporting principles of Global Reporting Standard (GRI) and AccountAbility principles. We performed a Type II, Moderate Level of Assurance and evaluated the Company’s Sustainability performance based on the information made available during the interviews to the assurers.

Assurance Procedure

We used the GRI Principles and Standards 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 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 2022 Annual and 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 NAC other than in its Sustainability section in 2022 Annual and Sustainability Report.
- Management’s forward-looking statements.
- Any disclosure made by the subsidiaries not covered within the report boundaries.



Adherence to AA1000 Principles

Inclusivity:

The company 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 NAC addressed in this report. The company has identified material topics based on stakeholder concerns, business objectives and its long terms goals.

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 is regularly monitoring the impact it creates through its operations on both society and environment. A wide group of stakeholders such as local communities, employees, suppliers are able to grow through the socio-economic / education / health & wellness programs of the company while measuring its resources in an efficient way.

Conclusion

Subject to the section on limitations above and based on our procedures for this limited assurance engagement, we conclude that nothing has come to our attention that causes us to believe that sustainability disclosures are not 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 and as well the GRI principles of report preparation. 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, Responsiveness and Impact.

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 credibility 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 such as Environmental Protection and Enhancement Program (EPEP) report, Social Development and Management Program (SDMP) and Mine Safety and Health Administration (MHSA) report submitted by the company to the respective regulatory bodies as required. Hence the reliability of data is maintained through regular monitoring and reporting.



Recommendations

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

1. Define time-based targets against the identified United Nations Sustainable Development Goals (UN SDGs).
2. Include awareness on Sustainable Development during new employee orientation sessions.
3. Upon the roll out of ESG themes and goals, define the time-based targets the operating companies intend to attain and show progress in the succeeding sustainability reports.

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 NAC, 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, NAC 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.

NAC 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 NAC performance to all stakeholders.

Arpit Shrivastava
Lead Assurer
GCSS Inc.

Date: June 1, 2023
Place: Bonifacio Global City, Philippines



AA1000
Licensed Report
000-244/V3-84P2C

Financial Statements GRI 2-2

Statement of Management's Responsibility for Financial Statements

The management of **Nickel Asia Corporation and Subsidiaries** (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, for the years ended December 31, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

SGV & Co., the independent auditors, appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



Gerard H. Brimo
Chairman of the Board of Directors



Martin Antonio G. Zamora
President and Chief Executive Officer



Maria Angela G. Villamor
Chief Financial Officer

Signed this 14th day of March 2023.

Report of the Audit Committee to the Board of Directors

The Audit Committee (the "Committee of Nickel Asia Corporation (the "Company" or "NAC") hereby submits this Report to the Board of Directors in connection with the Committee's 'compliance with its functions, duties and responsibilities consistent with the Company's Governance Manual and the Charter of the Committee.

1. The Committee confirms that, as constituted by the Board of Directors, it is composed of three (3) Directors, consisting of two (2) Independent Directors and one (1) Non-Executive Director. The Chairman of the Committee is an Independent Director.¹
2. The Committee had four (4) meetings in 2022:
 - March 9, 2022
 - May 3, 2022
 - August 3, 2022
 - November 9, 2022
3. The Committee discussed with the Internal Audit team of the Company, headed by the Company's Chief Audit Executive, and with the External Auditor, Sycip, Gores, Velayo & Co. ("SGV") the scope and the plans for their respective audits.
4. Based on the Committee's review of the reports of, and discussions with, the Chief Audit Executive and the internal audit team and the External Auditor, the Committee confirms that the internal control systems, including financial and operational controls, are 'adequate and effective.
5. The Committee reviewed and approved all audit services provided by SGV to the Company and its Subsidiaries and the audit fees for such services. Such audit fees are reported in the Company's Information Statement.
6. The Committee also reviewed and approved non-audit work undertaken by the External Auditor and evaluated the External Auditor's independence consistent with prevailing independence standards.
7. The Committee reviewed and discussed the audited financial statements of the NAC Group of Companies for the year ended December 31, 2022 with Management, which has the primary responsibility for the financial statements, and with the External Auditor.
8. Based on such review and discussions and consistent with its oversight responsibility, the Committee recommended to the Board of Directors the approval of the Company's audited financial statements for the year ended December 31, 2022 and its inclusion in the Company's annual reports, including its annual report to the Securities and Exchange Commission on SEC Form 17-A.

Submitted on March 9, 2023.

今井史朗

Shiro Imai
Committee Member

Florencia G. Tarriela

Florence G. Tarriela
Committee Chair
Independent Director

Angelo Raymundo Q. Valencia

Angelo Raymundo Q. Valencia
Independent Director
Committee Member

¹ At the Organizational Meeting of the Board of Directors of the Company on June 3, 2022, the Board appointed Mr. Jaime J. Bautista (Independent Director) as Chairman, and Mr. Angelo Raymundo Q. Valencia (Independent Director) and Mr. Masahiro Kamiya (Non-Executive Director) as Members of the Audit Committee. Mr. Bautista resigned as Independent Director of the Company and as Chairman of the Committee effective June 29, 2022. Mr. Kamiya also resigned as Non-Executive Director and as Member of the Committee effective June 29, 2022. On June 28, 2022, the Board of Directors elected Mr. Shiro Imai as Non-Executive Director vice Mr. Kamiya and as member of the Committee effective June 30, 2022. On August 4, 2022, the Board elected Ms. Florencia G. Tarriela as Independent Director vice Mr. Bautista, and appointed her as Chair of the Audit Committee.



SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
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Independent Auditor's Report

The Board of Directors and Stockholders
Nickel Asia Corporation

Opinion

We have audited the consolidated financial statements of Nickel Asia Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021 and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters.





Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Recoverability of geothermal exploration and evaluation assets

The ability of the Group to recover its geothermal exploration and evaluation assets depends upon the determination of technical feasibility, success of exploration activities and discovery of geothermal resource that can be produced in commercial quantities. Under PFRS 6, *Exploration for and Evaluation of Mineral Resources*, these geothermal exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount exceed the recoverable amount. We considered this as a key audit matter because of the materiality of the amount involved, and the significant management judgment required in assessing whether there is any indication of impairment.

The carrying value as of December 31, 2022 and other information on geothermal exploration and evaluation assets are disclosed in Note 11 to the consolidated financial statements.

Audit response

We inspected the summary of the status of the exploration project as of December 31, 2022, as certified by the Group's technical group head, the type of expenses incurred, and assessed whether ongoing exploration activities exist to support the continued capitalization of these assets under the Group's accounting policies, and compared these with the disclosures submitted to regulatory agencies. We obtained management's assessment on whether there are impairment indicators affecting the recoverability of the geothermal exploration and evaluation assets. We inquired into the status of these projects and their plans on operations. We reviewed contracts and agreements, and budgets for exploration and development costs. We inspected the licenses, permits and correspondences with regulatory agencies of the exploration project, to determine that the period for which the Group has the right to explore in the specific area has not been cancelled or has not expired, will not expire in the near future, and will be renewed accordingly. We also inquired about the existing concession areas that are expected to be abandoned or any exploration activities that are planned to be discontinued in those areas.

Impairment testing of solar farm, construction in-progress, and mining properties and development costs

The Group may adversely be affected by the volatility in wholesale electricity and metal prices. In the event that an impairment indicator is identified, the assessment of the recoverable amounts of the solar farm, construction in-progress, and mine and development costs requires significant judgment, involves estimation and use of assumptions. The assessment of the recoverable amounts of the Sta. Rita Solar Power Project and Dinapigue Mining Properties and Development Costs, requires estimation and use of assumptions about future production levels and costs, as well as external inputs such as commodity prices, discount rate, and foreign currency exchange rates. Hence, such assessment is a key audit matter in our audit.

The carrying values of and other information on the Group's solar farm, construction in-progress, and mining properties and development costs as of December 31, 2022 are disclosed in Note 3 to the consolidated financial statements.





Audit response

We involved our internal specialist in evaluating the methodologies and the assumptions used in determining the recoverable amounts. We reviewed the reasonableness of these assumptions, such as future production levels and costs, as well as external inputs such as commodity prices, discount rate, and foreign currency exchange rates. We compared the key assumptions used against the industry benchmark plant life, production reports from operations department, average market price of electricity on Wholesale Electric Spot Market (WESM) and of nickel based on other operating mining companies, current tax laws and Department of Energy regulations and Mines and Geosciences Bureau, Bangko Sentral ng Pilipinas (BSP) forecasted inflation rate, industry debt ratio and discount rate based on industry weighted average capital cost. We tested the parameters used in the determination of the discount rate against the market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amounts of the solar farm, construction in-progress, and mining properties and development costs.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.





Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.





We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Eleanore A. Layug.

SYCIP GORRES VELAYO & CO.


Eleanore A. Layug

Partner

CPA Certificate No. 0100794

Tax Identification No. 163-069-453

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 100794-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-097-2020, November 27, 2020, valid until November 26, 2023

PTR No. 9564637, January 3, 2023, Makati City

March 14, 2023



Consolidated Statements of Financial Position (Amounts in Thousands)

	December 31	
	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱10,809,026	₱10,826,806
Trade and other receivables (Note 5)	2,687,062	1,971,096
Inventories (Note 6)	2,432,224	2,242,932
Financial assets at (Note 7):		
Fair value through profit or loss (FVTPL)	3,361,015	5,266,080
Fair value through other comprehensive income (FVOCI)	447,975	1,122,284
Amortized cost	50,000	—
Prepayments and other current assets (Note 8)	1,167,872	2,581,867
Total Current Assets	20,955,174	24,011,065
Noncurrent Assets		
Property and equipment (Note 9)	13,815,041	17,238,357
Investments in associates (Note 10)	7,147,565	3,812,554
Geothermal exploration and evaluation assets (Note 11)	1,882,318	1,849,936
Financial assets at - net of current portion (Note 7):		
FVTPL	758,760	731,813
Amortized cost	410,000	460,000
Deferred income tax assets - net (Note 35)	400,605	309,746
Other noncurrent assets (Note 12)	4,389,579	3,287,411
Total Noncurrent Assets	28,803,868	27,689,817
TOTAL ASSETS	₱49,759,042	₱51,700,882
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 13)	₱2,207,412	₱9,226,190
Short-term debts (Note 14)	1,498,266	1,492,916
Current portion of:		
Long-term debts (Note 14)	97,571	89,248
Lease liabilities (Note 33)	7,621	35,754
Long-term payable	—	6,693
Income tax payable	625,319	773,450
Other current liability (Note 38k)	336,731	300,731
Total Current Liabilities	4,772,920	11,924,982
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term debts (Note 14)	2,119,280	867,111
Lease liabilities (Note 33)	603,548	578,190
Deferred income (Note 38m)	37,709	41,899
Provision for mine rehabilitation and decommissioning (Note 15)	791,060	823,962
Deferred income tax liabilities - net (Note 35)	468,263	511,428
Pension liability (Note 34)	435,443	624,110
Total Noncurrent Liabilities	4,455,303	3,446,700
Total Liabilities	9,228,223	15,371,682

(Forward)



	December 31	
	2022	2021
Equity Attributable to Equity Holders of the Parent		
Capital stock (Note 16)	₱6,849,836	₱6,849,836
Additional paid-in capital	8,271,900	8,271,900
Other components of equity:		
Share in cumulative translation adjustment (Note 10)	1,400,235	599,215
Cost of share-based payment plan (Note 17)	522,837	473,442
Asset revaluation surplus	30,182	30,565
Net valuation gains (losses) on financial assets at FVOCI (Note 7)	(5,934)	3,363
Retained earnings:		
Unappropriated	18,618,593	16,710,460
Appropriated (Note 16)	135,000	135,000
Treasury stock (Note 16)	(134,014)	(134,014)
	35,688,635	32,939,767
Non-controlling Interests (NCI)	4,842,184	3,389,433
Total Equity	40,530,819	36,329,200
TOTAL LIABILITIES AND EQUITY	₱49,759,042	₱51,700,882

See accompanying Notes to Consolidated Financial Statements.



Consolidated Statements of Income

(Amounts in Thousands, Except Earnings per Share)

	Years Ended December 31		
	2022	2021	2020
REVENUES			
Sale of ore and limestone (Notes 30 and 32)	₱25,739,009	₱26,099,020	₱20,456,629
Services and others (Notes 30 and 32)	1,490,693	797,163	1,026,794
Sale of power (Notes 30 and 38g)	773,448	507,932	288,158
	28,003,150	27,404,115	21,771,581
COSTS			
Cost of sales (Note 19)	7,930,989	7,611,841	7,519,981
Services (Note 20)	902,235	321,622	328,562
Power generation (Note 21)	403,893	361,121	313,250
	9,237,117	8,294,584	8,161,793
OPERATING EXPENSES			
Excise taxes and royalties (Note 22)	2,486,312	2,705,929	2,244,402
Shipping and loading costs (Note 23)	2,161,858	2,255,570	2,122,779
General and administrative (Note 24)	1,306,278	1,145,907	1,117,666
Marketing (Notes 38e and 38l)	172,124	209,121	208,078
	6,126,572	6,316,527	5,692,925
FINANCE INCOME (Note 27)	188,622	162,075	238,293
FINANCE EXPENSES (Note 28)	(306,783)	(244,081)	(274,502)
EQUITY IN NET INCOME OF ASSOCIATES (Note 10)	942,143	557,863	190,447
OTHER INCOME (CHARGES) - net (Note 29)	841,806	701,593	(263,209)
INCOME BEFORE INCOME TAX	14,305,249	13,970,454	7,807,892
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 35)			
Current	3,604,509	3,162,852	2,564,732
Deferred	(175,373)	169,428	(245,882)
	3,429,136	3,332,280	2,318,850
NET INCOME	₱10,876,113	₱10,638,174	₱5,489,042
Net income attributable to:			
Equity holders of the parent	₱7,931,150	₱7,812,575	₱4,068,732
NCI	2,944,963	2,825,599	1,420,310
	₱10,876,113	₱10,638,174	₱5,489,042
Basic/Diluted Earnings Per Share (EPS; Note 18)	₱0.58	₱0.57	₱0.30

See accompanying Notes to Consolidated Financial Statements.



Consolidated Statements of Comprehensive Income

(Amounts in Thousands)

	Years Ended December 31		
	2022	2021	2020
NET INCOME	₱10,876,113	₱10,638,174	₱5,489,042
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Other comprehensive income (loss) to be reclassified to consolidated statements of income in subsequent periods:</i>			
Share in translation adjustment of associates (Note 10)	861,172	310,600	(256,271)
Income tax effect	(60,152)	(93,376)	25,627
	801,020	217,224	(230,644)
Net valuation gain (losses) on financial assets at FVOCI (Note 7)	(9,297)	(54,165)	23,545
Income tax effect (Note 7)	–	(243)	1,983
	(9,297)	(54,408)	25,528
Net other comprehensive income (loss) to be reclassified to consolidated statements of income in subsequent periods	791,723	162,816	(205,116)
<i>Other comprehensive income (loss) not to be reclassified to consolidated statements of income in subsequent periods:</i>			
Remeasurement gains (loss) on pension liability (Note 34)	217,147	73,655	(276,917)
Income tax effect	(54,287)	(44,700)	83,076
	162,860	28,955	(193,841)
Asset revaluation surplus	(511)	(511)	(547)
Income tax effect	128	128	164
	(383)	(383)	(383)
Net other comprehensive income (loss) not to be reclassified to consolidated statements of income in subsequent periods	162,477	28,572	(194,224)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS) - NET OF TAX	954,200	191,388	(399,340)
TOTAL COMPREHENSIVE INCOME - NET OF TAX	₱11,830,313	₱10,829,562	₱5,089,702
Total comprehensive income attributable to:			
Equity holders of the parent	₱8,833,477	₱7,999,522	₱3,727,463
NCI	2,996,836	2,830,040	1,362,239
	₱11,830,313	₱10,829,562	₱5,089,702

See accompanying Notes to Consolidated Financial Statements.



Consolidated Statements of Changes in Equity for the Years Ended December 31, 2022, 2021 and 2020 (Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent													
	Capital Stock (Note 16)	Additional Paid-in Capital	Share in Cumulative Translation Adjustment (Note 10)	Share-based Payment Plan (Note 17)	Cost of Share-based Payment Plan	Revaluation Surplus (Note 17)	Asset Revaluation Surplus (Note 7)	Net Valuation Gains (Losses) on Financial Assets at FVOCI (Note 7)	Unappropriated Retained Earnings (Note 16)	Appropriated Retained Earnings (Note 16)	Treasury Stock (Note 16)	Total	NCI	Total
Balances at December 31, 2021	₱6,849,836	₱8,271,900	₱599,215	₱473,442	₱30,565	₱3,363	₱16,710,460	₱135,000	₱134,014	₱32,939,767	₱3,389,433	₱36,329,200		
Net income	-	-	-	-	-	-	7,931,150	-	-	7,931,150	2,944,963	10,876,113		
Other comprehensive income (loss)	-	-	801,020	-	(383)	(9,297)	110,987	-	-	902,327	51,873	954,200		
Total comprehensive income (loss)	-	-	801,020	-	(383)	(9,297)	8,042,137	-	-	8,833,477	2,996,836	11,830,313		
Cost of share-based payment plan (Notes 17 and 25)	-	-	-	49,395	-	-	-	-	-	49,395	-	49,395		
Cash dividends (Note 16)	-	-	-	-	-	-	(6,133,883)	-	-	(6,133,883)	-	(6,133,883)		
7% Cash dividends - Preferred share (Note 16)	-	-	-	-	-	-	(504)	-	-	(504)	-	(504)		
Cash dividends to NCI (Note 31)	-	-	-	-	-	-	-	-	-	-	(2,080,000)	(2,080,000)		
Investment of NCI in a subsidiary	-	-	-	-	-	-	-	-	-	-	360,000	360,000		
Change due to loss of control over a subsidiary (Note 1)	-	-	-	-	-	-	-	-	-	-	175,915	175,915		
Asset revaluation surplus transferred to retained earnings (Note 9)	-	-	-	-	-	-	383	-	-	383	-	383		
Balances at December 31, 2022	₱6,849,836	₱8,271,900	₱1,400,235	₱522,837	₱30,182	₱5,934	₱18,618,593	₱135,000	₱134,014	₱35,688,635	₱4,842,184	₱40,530,819		

See accompanying Notes to Consolidated Financial Statements.



Equity Attributable to Equity Holders of the Parent

	Capital Stock (Note 16)	Additional Paid-in Capital	Share in Cumulative Translation Adjustment (Note 10)	Cost of Share-based Payment Plan (Note 17)	Revaluation Surplus	Asset Revaluation Surplus	Gains (Losses) on Financial Assets at FYOCI (Note 7)	Retained Earnings		Treasury Stock (Note 16)	Total	NCI	Total
								Unappropriated	Appropriated (Note 16)				
Balances at December 31, 2020	₱6,849,836	₱8,271,900	₱381,991	₱441,589	₱30,948	₱57,771	₱14,952,425	₱189,950	₱134,014	₱3,554,393	₱31,042,396	₱3,554,393	₱34,596,789
Net income	-	-	-	-	-	-	7,812,575	-	-	-	7,812,575	2,825,599	10,638,174
Other comprehensive income (loss)	-	-	217,224	-	(383)	(54,408)	24,514	-	-	-	186,947	4,441	191,388
Total comprehensive income (loss)	-	-	217,224	-	(383)	(54,408)	7,837,089	-	-	-	7,999,522	2,830,040	10,829,562
Cost of share-based payment plan (Notes 17 and 25)	-	-	-	31,853	-	-	-	-	-	-	31,853	-	31,853
Cash dividends (Note 16)	-	-	-	-	-	-	(6,133,883)	-	-	-	(6,133,883)	-	(6,133,883)
7% Cash dividends - Preferred share (Note 16)	-	-	-	-	-	-	(504)	-	-	-	(504)	-	(504)
Cash dividends to NCI (Note 31)	-	-	-	-	-	-	-	-	-	-	-	(2,995,000)	(2,995,000)
Reversal of appropriations (Note 16)	-	-	-	-	-	-	54,950	(54,950)	-	-	-	-	-
Asset revaluation surplus transferred to retained earnings (Note 9)	-	-	-	-	-	-	383	383	-	-	383	-	383
Balances at December 31, 2021	₱6,849,836	₱8,271,900	₱599,215	₱473,442	₱30,565	₱3,363	₱16,710,460	₱135,000	₱134,014	₱3,389,433	₱32,939,767	₱3,389,433	₱36,329,200

See accompanying Notes to Consolidated Financial Statements.



Equity Attributable to Equity Holders of the Parent

	Capital Stock	Additional Paid-in Capital	Share in Cumulative Translation Adjustment	Cost of Share-based Payment Plan	Revaluation Surplus	Net Valuation		Treasury Stock (Note 16)	Total	NCI	Total
						Asset Revaluation Surplus	Gains on Financial Assets at FVOCI				
Balances at December 31, 2019	₱6,849,836	₱8,262,455	₱612,635	₱370,522	₱31,331	₱32,243	₱13,713,383	₱1,585,576	₱31,370,031	₱3,761,230	₱35,131,261
Net income	-	-	-	-	-	-	4,068,732	-	4,068,732	1,420,310	5,489,042
Other comprehensive income (loss)	-	-	(230,644)	-	(383)	25,528	(135,770)	-	(341,269)	(58,071)	(399,340)
Total comprehensive income (loss)	-	-	(230,644)	-	(383)	25,528	3,932,962	-	3,727,463	1,362,239	5,089,702
Cost of share-based payment plan (Note 25)	-	-	-	71,067	-	-	-	-	71,067	-	71,067
Cash dividends (Note 16)	-	-	-	-	-	-	(4,089,425)	-	(4,089,425)	-	(4,089,425)
7% Cash dividends - Preferred share (Note 16)	-	-	-	-	-	-	(504)	-	(504)	-	(504)
Cash dividends to NCI	-	-	-	-	-	-	-	-	-	(1,702,000)	(1,702,000)
Acquisition of treasury stock	-	-	-	-	-	-	-	(46,064)	(46,064)	-	(46,064)
Reversal of appropriations (Note 16)	-	-	-	-	-	-	1,450,576	(1,450,576)	-	-	-
Appropriation of retained earnings (Note 16)	-	-	-	-	-	-	(54,950)	54,950	-	-	-
Asset revaluation surplus transferred to retained earnings (Note 9)	-	-	-	-	-	-	383	-	383	-	383
Effect of partial disposal of shares in a subsidiary	-	9,445	-	-	-	-	-	-	9,445	132,924	142,369
Balances at December 31, 2020	₱6,849,836	₱8,271,900	₱381,991	₱441,589	₱30,948	₱57,771	₱14,952,425	₱189,950	₱31,042,396	₱3,554,393	₱34,596,789

See accompanying Notes to Consolidated Financial Statements.



Consolidated Statements of Cash Flows

(Amounts in Thousands)

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱14,305,249	₱13,970,454	₱7,807,892
Adjustments for:			
Depreciation, amortization and depletion (Notes 9 and 26)	1,663,009	1,620,139	1,445,260
Equity in net income of associates (Note 10)	(942,143)	(557,863)	(190,447)
Loss (gain) on:			
Changes in fair value of financial assets at FVTPL (Note 29)	493,303	(69,404)	41,800
Sale of investment in a subsidiary (Note 29)	(46,447)	–	–
Write-off of input value added tax (VAT; Note 29)	46,078	19,321	8,649
Sale of property and equipment (Note 29)	(9,682)	(8,360)	4,353
Sale of financial assets at FVOCI (Note 29)	1,609	28,262	(47,157)
Casualty (Note 29)	–	63,384	–
Write-off of project development cost and other deposits (Note 29)	–	–	4,367
Interest expense (Note 28)	194,042	137,460	157,587
Interest income (Note 27)	(188,622)	(162,075)	(238,293)
Unrealized foreign exchange losses (gains) - net (Note 29)	163,026	(241,331)	143,177
Provisions for (reversal of allowance for) impairment losses on (Note 29):			
Input VAT	55,615	17,206	–
Inventories	(27,621)	(25,962)	(2,749)
Advances to suppliers and contractors	8,693	8,072	15,336
Deferred mine exploration cost	630	–	–
Accretion of interest on:			
Lease liabilities (Notes 28 and 33)	54,742	54,554	54,344
Provision for mine rehabilitation and decommissioning (Notes 15 and 28)	21,196	15,074	14,764
Long-term payable (Note 28)	307	600	793
Cost of share-based payment plan (Notes 17 and 25)	49,395	31,853	71,067
Dividend income (Notes 7 and 29)	(37,168)	(32,073)	(33,500)
Movements in:			
Pension liability (Note 34)	(12,271)	(6,087)	(9,652)
Deferred income	(4,190)	(4,190)	(4,190)
Operating income before working capital changes	15,788,750	14,859,034	9,243,401
Decrease (increase) in:			
Trade and other receivables	(1,161,398)	(333,077)	(351,071)
Prepayments and other current assets	1,424,130	(2,289,269)	72,825
Inventories	(151,361)	645,316	1,174,516
Increase in trade and other payables	728,921	218,052	725,974
Net cash generated from operations	16,629,042	13,100,056	10,865,645
Income taxes paid, including creditable withholding taxes	(3,752,640)	(3,423,683)	(2,087,839)
Net cash flows from operating activities	12,876,402	9,676,373	8,777,806

(Forward)



	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM INVESTING			
ACTIVITIES (Note 40)			
Acquisitions of:			
Financial assets at (Note 7):			
FVTPL	(₱3,643,300)	(₱5,721,442)	(₱3,251,619)
FVOCI	(550,113)	(5,467,059)	(4,662,785)
Amortized cost	–	(350,000)	–
Property and equipment (Note 9)	(2,485,040)	(1,774,433)	(2,132,848)
Additional investment in an associate (Note 10)	(1,530,313)	–	–
Proceeds from sale or redemption of:			
Financial assets at:			
FVTPL	5,093,617	3,640,683	1,947,885
FVOCI	1,213,516	6,811,108	4,909,068
Amortized cost	–	100,000	244,217
Property and equipment	9,692	16,108	2,230
Increase in:			
Other noncurrent assets	(2,447,058)	(241,653)	(208,303)
Geothermal exploration and evaluation assets (Note 11)	(32,382)	(30,077)	(8,148)
Dividends received (Notes 7 and 10)	292,132	26,813	33,453
Interest received	180,744	170,592	268,676
Net cash flows used in investing activities	(3,898,505)	(2,819,360)	(2,858,174)
CASH FLOWS FROM FINANCING			
ACTIVITIES (Note 40)			
Payments of:			
Cash dividends (Notes 16 and 31)	(10,189,387)	(7,854,387)	(5,731,929)
Short-term debt	(1,500,000)	(1,500,000)	(1,500,000)
Long-term debts	(168,117)	(75,546)	(75,546)
Interest	(157,689)	(96,168)	(123,810)
Principal portion of lease liabilities (Note 33)	(59,739)	(56,514)	(55,149)
Long-term payable	(7,000)	(7,000)	(5,000)
Proceeds from availment of:			
Short-term debts, net of debt issue costs (Note 14)	1,494,007	1,488,990	1,488,953
Long-term debts, net of debt issue costs (Note 14)	1,367,733	13,321	94,976
Investment of NCI in a subsidiary	360,000	–	–
Increase in other current liability	36,000	39,040	40,612
Proceeds from sale of NCI in a subsidiary (Note 1)	–	–	71,184
Acquisitions of treasury stock	–	–	(46,064)
Net cash flows used in financing activities	(8,824,192)	(8,048,264)	(5,841,773)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	153,705	(1,191,251)	77,859
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	10,826,806	11,835,201	11,943,128
EFFECT OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS (Note 29)	(171,485)	182,856	(185,786)
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱10,809,026	₱10,826,806	₱11,835,201

See accompanying Notes to Consolidated Financial Statements.



Officers

Nickel Asia Corporation

Gerard H. Brimo
Chairman of the
Board of Directors

Maria Patricia Z. Riingen¹
Vice Chairman

Martin Antonio G. Zamora
President and
Chief Executive Officer

Maria Angela G. Villamor
Senior Vice President
Finance and Revenue
Management Group,
Chief Financial Officer
and Treasurer

Jose Bayani D. Baylon⁴
Senior Vice President
Sustainability, Risk Management
and Corporate Affairs, Chief
Sustainability Officer, and
Chief Risk Officer

Georgina Carolina Y. Martinez
Senior Vice President
Corporate Support and
Compliance Services, Chief
Compliance Officer, Chief
Governance Officer, and
Assistant Corporate Secretary

Rolando R. Cruz⁴
Vice President
Nickel Mining Business

Rommel L. Cruz⁶
Vice President
Special Projects

Andre Mikael L. Dy⁴
Vice President
Treasury, Investor Relations
and Sales

Jeffrey B. Escoto⁶
Vice President
Supply Chain Management
and Technical Services, Chief
Operating Officer, CDTN

Christopher C. Fernandez⁴
Vice President
Process and Technology
Innovation

Patrick S. Garcia
Vice President
Internal Audit,
Chief Audit Executive

Koichi Ishihara⁴
Vice President, Officer-in-
Charge, Chief Commercial
Officer - Mining Business

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Affairs and Community Relations

Ma. Fatima C. Mijares
Vice President
Human Resources

Arnilo C. Milaor⁴
Vice President
Nickel Mining Business

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Vice President
NAC Development Sector

Cynthia E. Rosero⁸
Vice President
Mining Center for Excellence
and Strategic Projects

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Vice President
Internal Security,
Chief Security Adviser

Bimbo T. Almonte
Assistant Vice President
Occupational Health

Salvador C. Cabauatan⁴
Assistant Vice President
Facility Management
and Aviation

Remedios C. Camo⁴
Assistant Vice President
Safety, Health, and Environment

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Assistant Vice President
Mining Business

Fernando P. Cruz⁴
Assistant Vice President
Mining Comptroller

Christian Jae R. Gascon⁶
Assistant Vice President
Mining Business

Rodrigo G. Gazmin, Jr.
Assistant Vice President
Material Management

Philipp D. Ines⁷
Assistant Vice President
Resident Mine Manager

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Business Applications

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Assistant Vice President
Business Development
and Strategic Projects

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Assistant Vice President
Legal and Data Protection Officer

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Sustainability

Iryan Jean U. Padillo⁴
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Business Comptroller

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Assistant Vice President
Risk Management Sector

Jessie N. Pagaran³
 Assistant Vice President
 Employee, Labor, and Industrial
 Relations Division

Teody A. Pascual
 Assistant Vice President
 Service Management Sector

Jessie A. Payuyo⁴
 Assistant Vice President
 Mining Comptroller

Kristine Grace C. Victoria
 Assistant Vice President
 Geology and Quality Assurance

Charito R. Villena-Co¹
 Assistant Vice President
 Tax Compliance and
 Advisory Services Sector

Barbara Anne C. Migallos
 Corporate Secretary

Rio Tuba Nickel Mining Corporation

Ronelbert A. Suguitan⁶
 Resident Mine Manager

Mary Caroline B. Lagman
 Assistant Vice President
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Taganito Mining Corporation

Artemio E. Valeroso
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Jessie A. Payuyo⁴
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 Resident Mine Manager

Philipp D. Ines⁷
 Assistant Vice President
 Resident Mine Manager

Cordillera Exploration Co., Inc.

Graciano P. Yumul, Jr.
 Senior Vice President
 Operations

Dinapigue Mining Corporation

Edwin R. Casiano⁶
 Assistant Vice President
 Resident Mine Manager

Emerging Power, Inc.

Ronaldo D. Ibasco
 President and
 Chief Executive Officer

Noel M. Gonzales
 Executive Vice President
 and Chief Operating Officer

Ferdinand O. Sia
 Executive Vice President
 and Chief Financial Officer

Jasmin Josefa P. Agbon
 Senior Vice President
 Finance

Rogelio D. Puno, Jr.⁵
 Vice President
 Legal

April Ann B. Nerva
 Assistant Vice President
 Human Resources and
 Corporate Services

¹ Effective June 3, 2022

² Effective July 1, 2022

³ Effective August 4, 2022

⁴ Effective January 1, 2023

⁵ Effective March 6, 2023

⁶ Effective March 16, 2023

⁷ Effective May 2, 2023

⁸ Effective June 2, 2023



CORPORATE DIRECTORY

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Mine Sites

Rio Tuba Mine

Barangay Rio Tuba, Bataraza, Palawan

Taganito Mine

Barangay Taganito, Claver, Surigao del Norte

Cagdianao Mine

Barangay Valencia, Cagdianao, Dinagat Islands

Hinatuan Mine

Barangay Talavera, Tagana-an, Surigao del Norte

Dinapigue Mine

Dimaluade, Dinapigue, Isabela

Corporate Website

<http://www.nickelasia.com>

Independent Public Accountant

Sycip Gorres Velayo & Co.

Banks

Banco de Oro
Bank of the Philippine Islands
J.P. Morgan Private Bank
Maybank Philippines, Inc.
Metropolitan Bank & Trust Co.
Morgan Stanley Private Wealth Management
Rizal Commercial Banking Corporation
Security Bank Corporation
UBS Group AG
Union Bank of the Philippines
United Coconut Planters Bank

Transfer Agent

Stock Transfer Service, Inc.

34F, Unit D, Rufino Pacific Tower
6784 Ayala Avenue, Makati City, Philippines
T: +63 2 8403 2410 / +63 2 8403 2412
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Migallos Luna
Zamora & Poblador
Factoran & Natividad
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Batino Law Offices

