Cara Janela M. Lorenzo <carajanela.lorenzo@holcim.com>

Fwd: 2022 Audited Financial Statement for Holcim Philippines, Inc.

1 message

Dennis G. Segovia <dennis.segovia@holcim.com> Fri, Mar 24, 2023 at 2:49 PM
To: "Bryan Jason P. Alix" <bryanjason.alix@holcim.com>, "Cara Janela M. Lorenzo" <carajanela.lorenzo@holcim.com>, "Chariss Claire F. Villaseñor" <charissclaire.villasenor@holcim.com>

---------- Forwarded message ---------
From: **ICTD Submission** <ictdsubmission+canned.response@sec.gov.ph>
Date: Fri, Mar 24, 2023 at 2:45 PM
Subject: Re: 2022 Audited Financial Statement for Holcim Philippines, Inc.
To: <dennis.segovia@holcim.com>

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such as: **AFS, GIS, GFFS, LCFS, LCIF, FCFS. FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS**)

Further, pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in **PORTABLE DOCUMENT FORMAT (PDF)** Secondary Reports such as:

17-A, 17-C, 17-L, 17-Q, ICASR, ICA-QR, ICA-AR, 23-A, 23-B, I-ACGR, ACGR, Monthly Reports, Quarterly Reports, Letters, OPC(ALTERNATE NOMINEE),GIS-G, 52-AR, IHAR,AMLA-CF,NPM,NPAM, BP-FCLC, CHINESEWALL, 39-AR,36-AR, PNFS, MCG, S10/SEC-NTCE-EXEMPT, through email at

ictdsubmission@sec.gov.ph

FOR **MC28**, please go to SEC website:

https://apps010.sec.gov.ph

Bryan Jason P. Alix <bryanjason.alix@holcim.com>

Fwd: SEC eFast Initial Acceptance

Belinda E. Dugan <belinda.dugan@lafargeholcim.com> Fri, Mar 24, 2023 at 2:45 PM
To: "Bryan Jason P. Alix" <bryanjason.alix@holcim.com>, "Kristine Mae C. Manalo" <kristinemae.manalo@holcim.com>, "Dennis G. Segovia" <dennis.segovia@holcim.com>, "Alexander V. Taar" <alexander.taar@holcim.com>

FYI

---------- Forwarded message ---------
From: <noreply-cifssost@sec.gov.ph>
Date: Fri, Mar 24, 2023 at 2:44 PM
Subject: SEC eFast Initial Acceptance
To:

Greetings!

SEC Registration No: 0000026126
Company Name: HOLCIM PHILIPPINES, INC.
Document Code: AFS

This serves as temporary receipt of your submission.
Subject to verification of form and quality of files of the submitted report.
Another email will be sent as proof of review and acceptance.

Thank you.

REMINDER: TO ALL FILERS OF REPORTS IN THE e-FAST Please strictly follow the instruction stated in the form. Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer. 1. General Information Sheet (GIS-Stock) 2. General Information Sheet (GIS-Non-stock) 3. General Information Sheet (GIS- Foreign stock & non-stock) 4. Broker Dealer Financial Statements (BDFS) 5. Financing Company Financial Statements (FCFS) 6. Investment Houses Financial Statements (IHFS) 7. Publicly – Held Company Financial Statement 8. General Form for Financial Statements 9. Financing Companies Interim Financial Statements (FCIF) 10. Lending Companies Interim Financial Statements (LCIF) Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFast, if the filed report is compliant with the existing requirements. A report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the reports rejection in the remarks box.

SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

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--
Dixie E. Dugan
General Counsel & Corporate Secretary

Holcim Philippines, Inc.
8F Three World Square
Mckinley Hill, Fort Bonifacio
Taguig City 1634, Philippines

Cara Janela M. Lorenzo <carajanela.lorenzo@holcim.com>

Fwd: Your BIR AFS eSubmission uploads were received

1 message

Deeryn C. Ultra <deeryn.ultra@holcim.com> Fri, Mar 24, 2023 at 2:37 PM
To: "Cara Janela M. Lorenzo" <carajanela.lorenzo@holcim.com>, "Dennis G. Segovia" <dennis.segovia@holcim.com>, "Bryan Jason P. Alix" <bryanjason.alix@holcim.com>
Cc: Finance-Tax PHL - <finance-tax-phl@holcim.com>

Hi HOLCIM PHILIPPINES, INC.,

Valid files

- EAFS000121507ITRTY122022.pdf
- EAFS000121507AFSTY122022.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-MSP2WNM20PWR1VQVNMXM3RWRQ079BG8AG8**
Submission Date/Time: **Mar 24, 2023 02:16 PM**
Company TIN: **000-121-507**

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- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
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COVER SHEET

26126
SEC Registration Number

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES
(Company's Full Name)

7th Floor, Two World Square, Mckinley Hill, Fort Bonifacio, Taguig City
(Business Address: No. Street City/Town/Province)

Dennis G. Segovia
(Contact Person)

459-3333
(Company Telephone Number)

12 **31**
Month *Day*
(Fiscal Year)

SEC FORM 17-A
For the year ended December 31, 2022
(Form Type)

05 **12**
Month *Day*
(Annual Meeting)

(Secondary License Type, If Applicable)

CFD
Dept. Requiring this Doc.

–
Amended Articles Number/Section

Total Amount of Borrowings

5,234
Total No. of Stockholders

Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended ....December 31, 2022................

2. SEC Identification Number 026126......... 3. BIR Tax Identification No. 000-121-507-000...

4. Exact name of issuer as specified in its charter .... Holcim Philippines, Inc...........

5. Republic of the Philippines.......................... 6. [ ] (SEC Use Only)
Province, Country or other jurisdiction of incorporation or organization — Industry Classification Code:

7. 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City ..... 1634..............
Address of principal office — Postal Code

8. (632) 858-11511...
Issuer's telephone number, including area code

9. Not applicable…...
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock..	6,452,099,144.......................

11. Are any or all of these securities listed on a Stock Exchange.

Yes [X] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:
_x_ Philippine Stock Exchange, Inc._______ ___ Common Shares ___

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [X] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [X] No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in “Annex B”).

PhP 3,590,067,296 (920,530,076 common shares @ PhP3.90 per share, the closing price at which stock was sold on December 31, 2022).

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Not Applicable

Yes [ ]   No [ ]

DOCUMENTS INCORPORATED BY REFERENCE

15. The following documents are incorporated by reference:

(a) Audited Consolidated Financial Statements as of December 31, 2022 and 2021 and for the three years in the period ended December 31, 2022 - Exhibit 1
(b) Statement of Management’s Responsibility for Consolidated Financial Statements as of December 31, 2022 and 2021 and for the three years in the period ended December 31, 2022 – part of Exhibit 1
(c) Supplementary Schedules to the Audited Consolidated Financial Statements – Exhibit 2
(d) SEC Form 17-Q – Exhibit 3
(e) Legal Proceedings and Pending Legal Cases – Exhibit 4
(f) SEC Form 17-C – Exhibit 5

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Holcim Philippines, Inc. ("HPI" or the "Company"), is one of the premier cement manufacturers in the Philippines and is a member of the Holcim Group (formerly LafargeHolcim), one of the world's leading suppliers of cement, aggregates, concrete and construction-related services. HPI is mainly engaged in the manufacture, sale and distribution of cement and cementitious products and the provision of technical support on various construction-related quality control, optimization, solutions development and skills upgrade.

The Company and its subsidiaries own four cement production facilities, one cement grinding mill, five ports, as well as multiple storage and distribution points across the country.

The consolidated operations of the four cement production facilities have fortified HPI's premier position in the Philippine cement industry with a total installed clinker production capacity of 5.2 million metric tons per year (MTPY) and cement production capacity of 10 million MTPY.

HPI was the first in the Philippine cement industry to receive ISO 9002 certification (Quality Management System Standards) from the International Organization for Standardization (ISO). Additionally, all four plants are ISO 14001 certified (Environment Management System Standards) and ISO 45001 (Occupational Health & Safety Management) certified.

(1) History and Business Development

HPI was incorporated and registered with the Philippines Securities and Exchange Commission (SEC) on November 12, 1964 under the name Hi-Cement Corporation (HCC).

On February 8, 2000, the SEC approved the merger of HCC, Davao Union Cement Corporation, and Bacnotan Cement Corporation, with HCC as the surviving entity. Simultaneously, the SEC also approved the request for a change of corporate name from HCC to Union Cement Corporation (UCC).

On January 11, 2001, the SEC approved the merger of Atlas Cement Marketing Corporation, Davao Union Marketing Corporation and Bacnotan Marketing Corporation into UCC.

On July 17, 2002, the Board of Directors of UCC approved the acquisition of 88% of the issued and outstanding common shares of Alsons Cement Corporation (ACC) from Cemco Holdings, Inc. (Cemco). In consideration of such shares, new shares of UCC were issued to Cemco, at the exchange ratio of one (1) UCC share for every 3.7 ACC shares owned by Cemco, thus, making ACC a subsidiary of UCC.

Pursuant to the Securities Regulation Code (SRC) and its implementing rules and regulations, HPI undertook a tender offer in favor of the remaining 12% non-controlling shareholders of ACC to exchange their holdings in ACC for new shares of UCC at the same exchange ratio, with the option to accept cash at a price of PhP0.28 per ACC share, in lieu of HPI shares. The foregoing transactions were approved by shareholders of UCC on September 4, 2002. The Company acquired additional ACC shares representing 0.02% equity interest in ACC after the end of the tender offer period.

On September 19, 2002, the Board of Directors of ACC approved a resolution for the delisting of the shares of stocks of the company from the Philippine Stock Exchange (PSE). The PSE approved the resolution for the delisting on December 15, 2002.

On August 17, 2004, the SEC approved ACC's reverse stock split, increasing the par value of ACC's shares to PhP1, 000 per share from PhP0.50 per share. As a result of additional purchases from the remaining non-controlling shareholders of ACC in 2004 and the effect of the reverse stock split, UCC equity interest in ACC increased from 98.74% to 99.6%.

On November 30, 2004, the SEC approved the request for change in corporate name from UCC to HPI. On January 19, 2005, the SEC also approved the change in corporate name of ACC to Holcim Philippines Manufacturing Corp. (HPMC).

On March 6, 2014, the SEC approved the increase in authorized capital stock of Holcim Mining and Development Corporation (HMDC) (formerly Sulu Resources Development Corp., later renamed Holcim Aggregates Corporation) to make way for additional subscription by HPI and HPMC, in consideration of properties such as parcels of land, mining claims and foreshore leases. On March 18, 2016, the SEC approved the increase in authorized capital stock of HMDC to make way for subscription by the Holcim Philippines, Inc. Retirement Fund of sixty percent of the issued and outstanding capital stock of HMDC. Today, HMDC is an associate company of HPI, providing most of the Company's raw materials from the quarries of HMDC and its subsidiaries in La Union, Bulacan, Lugait and Davao. HMDC and its subsidiaries also leases to the Company parcels of land and foreshore leases for the latter's operations.

As of December 31, 2022, HPI is 60.55% owned by Union Cement Holdings Corporation (UCHC), 18.11% owned by Holderfin B.V. (Holderfin), and 7.08% owned by Cemco while the remainder of its shares is owned by the public. HPI common shares are listed in the PSE.

The Company's Subsidiaries

Holcim Philippines Manufacturing Corporation (HPMC)

HPMC was incorporated and registered with the SEC on February 7, 1968 under the name of Victory Cement Corporation.

HPMC has a 1.5 million MTPY line, which was successfully commissioned in 1998 and started commercial operation in January 1999. HPMC's terminal located in Calaca, Batangas, which had been idle for several years, was rehabilitated in 2010 and resumed operations in January 2011. Today, substantially all of HPMC's cement manufacturing assets are being leased by HPI.

In January 2019, HPMC renewed the bareboat agreement with HPI for the latter's vessel requirements to transport cement to various destinations within the Philippines. The bareboat agreement is valid until December 2023.

HPMC's subsidiary, Calamba Aggregates Company, Inc. (CACI), was incorporated and registered with the SEC on October 15, 1992, that operated an aggregates plant in Laguna. CACI ceased operations effective December 31, 2013.

HPMC's wholly owned subsidiary, Bulkcem Philippines, Inc. (BPI), was incorporated and registered with the SEC on April 5, 1995. Today, BPI owns a bulk terminal located in Iloilo which is currently being leased by HPI.

Alsons Construction Chemicals, Inc. (ALCHEM), another subsidiary, was incorporated and registered with the Philippine SEC on December 23, 1996. ALCHEM owned a cement and mineral admixture plant in Lugait, Misamis Oriental. The operation of ALCHEM was discontinued since July 1999. ALCHEM filed an affidavit of non-operation with the SEC and is now going through the process of dissolution.

Excel Concrete Logistics, Inc. (ECLI)

Excel Concrete Logistics, Inc. was incorporated and registered with the SEC on August 9, 2012. On January 1, 2013, ECLI started its full operation servicing the distribution, transport and placing of concrete, as well as transport of cement and specialty products. On November 29, 2018, the Board of Directors of HPI approved the closure and dissolution of ECLI. On January 28, 2020, the SEC approved ECLI's application for amendment of ECLI's Articles of Incorporation to shorten its corporate term up to January 31, 2021. ECLI is now in the process of winding up its corporate affairs.

Shop and Build Corporation (formerly Holcim Philippines Business Services Center, Inc.)

Holcim Philippines Business Services Center, Inc. (HPBSCI) was incorporated and registered with the SEC on February 4, 2014. HPBSCI was set up to engage in the business of providing business process outsourcing and other information technology-enabled services to the Holcim Group. On February 13, 2015, HPBSCI transferred and sold its intellectual property rights and leasehold improvements to Holcim East Asia Business Service Centre B.V. – Philippine ROHQ.

On April 1, 2021, the Board of Directors and Stockholders of HPBSCI approved the proposal to amend its Articles of Incorporation to change HPBSCI's corporate name to Shop and Build Corporation and to amend its primary purpose. The Securities and Exchange Commission approved BSC's application to amend its Articles of Incorporation. Shop and Build Corporation will engage in the business of online selling (wholesale or retail), distributing, marketing and trading of cement and other construction materials.

HuBB Stores and Services Inc. (HSSI)

HuBB Stores and Services Inc. was incorporated and registered with the SEC on June 2, 2014. HSSI was set up to engage in the business of buying, selling and distributing construction and building materials, and to operate, maintain and franchise stores for the sale and distribution of said materials. HSSI ceased its business operations in August 2020. The Board of Directors and the stockholders of the Company approved the dissolution of HSSI on November 19, 2020 and January 15, 2021, respectively.

Mabini Grinding Mill Corporation (MGMC)

Mabini Grinding Mill Corporation was incorporated and registered with the SEC on September 29, 1999. In August 2013, the rehabilitation of MGMC's grinding station in Mabini, Batangas was completed. HPI is leasing and operating the said grinding station.

Bankruptcy Proceedings

The Company is not a party to any bankruptcy, receivership or similar proceedings.

Material Reclassification, Merger, Consolidation

On November 19, 2020, the Board of Directors of Holcim Philippines, Inc. approved the upstream merger of Holcim Philippines Manufacturing Corporation, Mabini Grinding Mill Corporation and Bulkcem Philippines, Inc. into Holcim Philippines, Inc. The stockholders likewise approved the upstream merger in a special meeting held on 15 January 2021. The presentation of the Plan of Merger was deferred.

(2) General Business Description

HPI is engaged in the manufacture, sale and distribution of cement, dry mix mortar products, clinker and aggregates. It also offers construction-related trainings, consultancies, testing and other technical services to its customers. With the Company's production facilities, ports, storage & distribution terminals, sales offices and channel partners, HPI has an extensive sales and distribution footprint due to its strategically located plants and terminals in the Philippines.

The Company has a portfolio of innovative solutions fostered by a wide range of building products and services. It's portfolio of cement, aggregates, finishing and concrete solutions aimed at helping local builders execute a wide range of projects with quality performance and efficiency, from massive infrastructures to simple home repairs. The Company's product quality and operational capability are geared toward meeting the customers' building needs.

a. *Product Lines*

HPI manufactures seven (7) main cement product brands namely: Holcim 4X (Type 1 high performance Portland cement), Holcim Premium (Type 1 Portland cement), Holcim Solido (Type IP Blended cement), Holcim Excel (Type 1P Blended cement), Holcim WallRight (Type S Masonry cement), Holcim Aqua X, and Holcim Eco Planet.

Its products are sold mostly in bags except for Holcim Premium (in bulk) and Holcim 4X (bulk). Other packaging formats include tonner, jumbo bags and bulk. HPI also sells to cement producers a semi-finished product called clinker, which is sold only in bulk.

The company has also in its portfolio aggregates and dry mix mortar products. Dry Mix mortar products are Holcim Tile Adhesive and Holcim Skim Coat and the recently launched Holcim Multifix, an all-in-one mortar for plastering, floor screed and thick bed tile installation.

All HPI products meet the Philippine National Standards (PNS) and the American Society for Testing and Materials (ASTM) product quality standards.

The Business continues to serve SF Crete as a one-day concrete solution for road application in line with the Conditional Approval awarded by DPWH for this technology.

Below is a brief description of HPI's various products:

Holcim 4X

Holcim 4X is an ASTM C150 high performance Portland cement. It is specially formulated for ready mix concrete applications. It has high compressive strength, high workability and is compatible with commonly available admixtures. Supplied in bulk, Holcim 4X is mainly used for high-rise buildings and vertical structures that require high-strength cement. It is ideal for construction that requires optimized concrete mix designs and fast construction cycles. With the high 28-day compressive strength of Holcim 4X, lower cement factor is needed resulting in lower construction costs. Longer setting time results to better slump retention and pumpability of concrete.

Holcim Premium

Holcim Premium is an ASTM Type I Portland Cement. It is used for general concrete construction. To make Portland cement, powdered limestone, silica and iron-rich materials are homogenized and burnt at 1500°C. The resulting material is called clinker. Portland cement is produced by grinding clinker with a small amount of gypsum, a set retarder. When Portland cement is mixed with water and aggregates to make concrete, the mixture is initially flowable and easy to place, mold and finish. Eventually, the concrete sets, hardens and produces a strong and durable construction material.

Holcim Solido

Holcim Solido is a premium quality ASTM Type IP Cement which is Portland cement combined with advanced mineral additives. It is sold in bulk, tonner bags and 40-kg bags and used for roads and general concrete applications. Advance mineral additives are inter-ground with higher composition of Portland cement clinker to improve durability of concrete.

Holcim Excel

Holcim Excel Cement is an ASTM Type IP Cement, which is Portland cement combined with advanced mineral additives. It is sold mainly in 40-kg bags and used for general concrete construction. Advanced mineral additives (including granulated blast furnace slag) are inter-ground with Portland cement clinker and gypsum to improve the workability and early strength. The product is used for the same applications as the Portland cement described above but is preferred by many customers because the additives improve its performance.

Holcim WallRight Cement

Holcim WallRight Cement is an ASTM C91 Type S Masonry Cement designed for block laying, plastering and finishing use. It is made by inter-grinding mineral additives and an air-entraining additive with Portland cement clinker during the finish milling operation. The resulting cement will produce smoother, more cohesive and more cost-effective mortars and plasters which are preferred by masons.

Holcim Aqua X

Holcim Aqua X is the first general purpose cement with water-repellent properties. Its reliable strength and its ability to minimize the absorption of water by the concrete or mortar ensures a long lasting protection against damage and deterioration caused by water penetration.

Holcim Ecoplanet

Holcim ECOPlanet is an environment-friendly product with more than 30% lower carbon footprint than other general purpose cement. It is a general purpose blended cement ideal for structural applications.

Clinker

Clinker is an intermediate product in cement production. It is produced by grinding and burning a proportioned mixture of limestone, shale and silica. When clinker is further subjected to grinding and added with gypsum, Portland cement is produced.

SF Crete Technology

SF Crete is a total solution offering for one day concrete pavement. This solution is a package of materials i.e., cement, aggregates and admixtures and technical support to meet one-day concrete design.

Aggregates

Aggregates are granular materials of mineral compositions used for various construction applications. It is used with a binding medium to form concrete, bitumous concrete, precast concrete, mortar, plaster and other concrete and asphalt applications. It can be used alone for road bases, structural beddings, railroad ballast, filter beds, backfills, etc. The grading and quality conforms to the ASTM C33 Standard Specifications for coarse and fine aggregates.

Holcim Tile Adhesive

Holcim Tile Adhesive is a premium cement-based adhesive for tiles specially formulated for thin-bed vertical and horizontal application. Its unique formulation combined with Holcim cement provides for a faster, stronger adhesion, with excellent non-slip properties.

Holcim Skim Coat

Holcim Skim Coat is a cementitious plaster specially designed to smoothen vertical structures suitable for both indoor and outdoor use. Skim Coat is used for rendering and smoothening surfaces prior to application of sealants or decorative paints.

Holcim Multi-fix

Holcim Multifix is a high performance polymer modified mortar formulated for internal and external wall plastering, floor screed and tile installation by thick bed method. It is the best substitute for traditional mortar.

Holcim AAC Block Adhesive

Holcim AAC Bloack Adhesive is a new dry mortar product is used for laying all types of AAC blocks and various types of cement blocks in the market. It is a polymer-based versatile thin joining adhesive specially formulated to provide high bonding, durability and speed up the build process of AAC blocks.

The following table shows the breakdown of sales revenues by product line of the Company for the periods indicated:

Table 1 – Revenue by Product Line

	Calendar Year Ended	Calendar Year Ended	Calendar Year Ended
(In Thousand Pesos)	**December 31, 2022**	December 31, 2021	December 31, 2020
Cement and cementitious materials	**₱ 24,668,913**	₱25,153,069	₱24,745,235
Others	**1,918,771**	1,793,076	1,270,107
Total	**₱ 26,587,684**	₱26,946,145	₱26,015,342

Contribution of Export Sales

The amounts and percentages of revenue attributable to export sales, including breakdown per region, for the calendar years ended December 31, 2022, 2021 and 2020 are as follows:

Table 2 – Export Revenue

	Calendar Year Ended	Calendar Year Ended	Calendar Year Ended
(In Thousand Pesos)	**December 31, 2022**	December 31, 2021	December 31, 2020
Total Export Revenues	**NIL**	NIL	NIL
% to Total Revenues	**NIL**	NIL	NIL

(a) Marketing and Distribution

The Company's major domestic customers are traders, wholesalers, retailers, contractors serving private and public projects, real-estate developers and concrete producers. Notably, HPI has supplied a number of big commercial and government flagship projects in the entire country.

(b) New Product

Holcim WallRight Prime

A Type M Masonry Cement conforming to ASTM C 91 standard. Holcim WallRight Prime is the ideal eco-friendly cement for masonry applications such as Hollow Block laying, filling and wall plastering. Manufactured with at least 30% reduced CO2 emission.

(c) Competition

The local cement industry currently has ten (10) operating cement manufacturers, namely, Holcim, Republic Cement, Cemex, Taiheiyo, Northern Cement, Southern Concrete, Eagle Cement, Goodfound, Mabuhay Filcement and Petra Cement. Seven (7) of these manufacturers are integrated cement plants, while Mabuhay Filcement, Southern Concrete and Petra Cement operate as grinding stations. Big Boss Cement, a local grinding station, has suspended operations in 2021.

The infrastructure development plan in the country promotes cement demand growth encouraging new investments in clinkering facilities such as Century Peak Cement. While Eagle Cement signed a share purchase agreement with San Miguel Corporation consolidating it together with Northern Cement and Southern Concrete. Meanwhile, independent traders continue to bring imported cement in bulk, tonner or 40kg bags mainly from Vietnam to be sold and distributed in key markets across the country. Big cement traders have invested in cement terminals with bagging and warehousing facilities in key trading ports to dispatch both bulk and bagged cement.

Among the local domestic manufacturers, HPI has the widest market reach and range of building products and solutions serving customers across the country from two integrated cement plants, one cement grinding plant and one dry mix plant in Luzon, and two integrated cement plants in Mindanao. HPI also operates cement terminals in Iloilo, Batangas and Manila. There are various warehouses strategically located in different geographic markets to support the company's distribution network.

Last November 2022, the Department of Trade and Industry (DTI) has dismissed the request of the Cement Manufacturer's Association of the Philippines (CeMAP) to extend the imposed safeguard duty for both ordinary portland cement (Type 1) and blended cement (Type 1P). The safeguard duty has subsequently expired last October 2022. On the other hand, a definitive anti-dumping duty has been approved by the DTI on cement exporters of ordinary portland cement (Type 1) and blended cement (Type 1P) from Vietnam for a period of five (5) years.

The four integrated cement plants of HPI are certified to meet the ISO 9002 (Quality Management), ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health and Safety Management) standards.

(d) Sources and Availability of Raw Materials and Supplies

Raw Materials

The Company sources most of its raw materials (limestone, pozzolan, shale) from its associate company, Holcim Mining Development Corporation ("HMDC") and its subsidiaries ("HMDC Group") which hold Mineral Production Sharing Agreements for its quarries in various areas including La Union, Bulacan, Davao and Lugait, Misamis Oriental. HPI also source raw materials from third party suppliers and/or nearby sources for silica, flyash, pozzolana and limestone.

Granulated Blast Furnace requirements are covered with an annual supply contract with Holcim Trading. Synthetic and Natural Gypsum are imported materials via spot purchase.

Energy Supply

Being an energy-intensive process, cement production requires a reliable and competitively priced power supply for uninterrupted and cost-effective production.

The Bulacan plant's peak demand is currently at 35 megawatts ("MW") while La Union plant's peak demand is currently at 15 MW. On August 12, 2011, a 15-year Energy Services Agreement (ESA) was signed with Trans-Asia Oil and Energy Development Corp. (TA Oil), now ACEN Corporation for the supply of both Bulacan Line 2 and La Union plants starting in 2014. On September 21, 2020, an amended and restated Energy Services Agreement was signed effective June 26, 2020 and valid until December 25, 2030.

The Davao plant's total power requirement is 22 MW. Effective September 26, 2013, Davao plant became a captive customer of Davao Light and Power Company (DLPC), the Distribution Utility (DU) which holds the franchise for power distribution in the area pursuant to Energy Regulatory Commission Resolution No. 27, Series of 2010.

The Lugait plant's total power requirement is 33 MW for both lines or 27 MW with Line 2 only. After the expiration of the Power Supply Agreement with NPC on December 25, 2012, Misamis I Oriental Electric Cooperative (Moresco I) took over as the power supplier of Lugait plant pursuant to Energy Regulatory Commission Resolution No. 27, Series of 2010. Currently, only Line 2 is operating.

Mabini Grinding plant which is a 6MW capacity establishment has qualified as a "Contestable Customer (CC)" when the Retail Competition and Open Access (RCOA) was implemented last June 26, 2013. As a result, a 10-year Power Supply Agreement with TA Oil now ACEN Corporation was signed and took effect on June 26, 2014 in lieu of an agreement with distribution utility Department of Energy (DOE) Batangas Electric Cooperative, Inc. (BATELEC II). On September 21, 2020, an amended and restated Energy Services Agreement was signed effective June 26, 2020 and valid until December 25, 2030.

Coal and Fuel Supply

HPI uses coal for heating the Company's kilns in La Union, Bulacan, Davao and Lugait.

HPI's imported coal requirements are covered with annual supply contracts. Spot purchases remain an option for a healthy balance of supply reliability, market competitive prices and opportunity for substitute fuels.

For local coal requirements, the Company entered into a 1-year contract with Semirara Mining & Power Corporation covering 2022.

HPI has an existing supply contract with Petron and SL Harbour for its Diesel and Bunker fuel needs. Contracts started from January 1, 2021 and valid until January 1, 2023.

The Company has not experienced any disruption in its solid and liquid fuel supply.

(e) Dependence on a Single or a Few Customers

The Company employs a multi-level distribution strategy in serving the market. This covers wholesaler and retailer intermediaries, traders, ready mix companies, concrete products manufacturers, international and local contractors, real-estate developers, and end-users. At the same time, HPI supports numerous large- and medium-scale government infrastructure projects.

The aim is for the business not to be dependent on a single or a few customers but rather achieve a well-balanced customer portfolio.

(f) Related Party Transactions

Please see Note 28 – Related Party Transactions to the Consolidated Financial Statements for details.

(g) Trademarks, Licenses, Concessions, Labor Contracts

In 2017, applications for transfer of MPSA to HMDC and/or its subsidiary, Holcim Resources Development Corporation ("HRDC") have been approved by the Department of Environment and Natural Resources (DENR).

On labor contracts, please see the discussion on employees under Item I.

In 2016, the Philippine Intellectual Property Office issued Certificates of Registration to HSSI for the following trademarks: (1) "HuBB" logo; and (2) "HUB Builders Center".

In 2021, the Philippine Intellectual Property Office issued a Certificate of Registration to HSSI for the Pinoy Builders Trademark which is valid until 18 November 2031.

(h) Governmental Approval of Principal Products

The DTI Bureau of Product Standards (BPS) granted HPI the license to use the Philippine Standard Quality Certification Mark for its principal products. All other necessary licenses and permits required for the continuous production and sale of HPI products have been secured by the Company, including new licenses as well as those that have to be renewed periodically.

(i) Research and Development

The Company is engaged in research and development for improving the production process used in its plants and for improving the quality and strength of its products. The Company spent a total of ₱135.6 million research and development costs in last three years as follows:

Table 3 – Research and Development Costs

Period Covered	Amount ('000 Pesos)	Percentage to Revenues
CY ended December 31, 2022	**₱ 46,688**	**0.18%**
CY ended December 31, 2021	51,616	0.19%
CY ended December 31, 2020	37,251	0.14%
Total	₱135,555	

(j) Costs and Effects of Compliance with Environmental Laws

The Company conducts its operations consistent with sustainable development principles and continuously improves its environmental performance to ensure compliance to environmental laws and regulations both locally and internationally.

The Company is committed to comply with environmental laws, regulations and standards applicable to its products and operations and subscribes to leading industry initiatives and internal requirements. It also assesses and measures its environmental impacts and continuously improves its processes, tools and capabilities and promotes best practices in the industry. For example, in order to ensure compliance to air emission standards, the plants maintain and operate electrostatic precipitators, bag houses, multi-cyclone and bag filters to mitigate dust emissions. The plants are also equipped with Continuous Emission Monitoring System (CEMS) for real time monitoring of gaseous emissions such as nitrogen oxide (NOx) and sulfur dioxide (SO2), carbon monoxide (CO) and volatile organic compound (VOC) emissions. Overall performance is validated regularly by quarterly monitoring of multi-stakeholders and government audits and is confirmed that HPI is compliant with the existing government standards.

The plants are ISO 14001 certified or have an effective environmental management system in place to ensure all environmental impacts and risks are effectively managed and mitigated. The company continuously optimize its use of resources through re-using, recovering and/or recycling waste materials in own production processes where feasible, minimizing the generation of any hazardous and non-hazardous waste, and disposing waste using safe and responsible methods. The Company have annual environmental improvement plans with programs to drive better environmental performance and sustain environmental compliance covering emissions, water, energy and waste management.

The Company proactively engages with stakeholders and cooperates with legislators and regulators to ensure environmental obligations are fulfilled and local regulations are complied.

(k) ***Employees***

As of December 31, 2022, HPI and subsidiaries had a total of 1,036 officers and regular employees broken down as follows:

Table 4 – Officers and Employees

Location	HPI	Subsidiaries	Total
Head Office*	255	0	255
Bulacan Plant	223	0	223
La Union Plant	151	0	151
Davao Plant	191	0	191
Lugait Plant	95	98	193
Calumpit	21	0	21
Calaca	2	0	2
TOTAL	**938**	**98**	**1,036**

** Includes Mabini plant*

There was a significant reduction in the company's manpower complement compared to last year's due to the transition of transactional activities of HPI to the Global Business Service Center (GHBS) and the deliberate decision to defer some of the hiring of replacements due to challenging business performance and changes in business direction. Over-all attrition rate recorded is 15.89%, higher than previous year due to the transition. 7.30% were due to resignations and early retirement.

The Company's resiliency program was strongly driven in all sites of HPI including the promotion of vaccination programs. This allowed the Company to implement the 100% on-site in March of 2022.

Execution of Individual Development Plans (IDP) continued in 2022 to enhance the technical and leadership competence of employees. HPI's general framework for talent development is either through Experience, Exposure or Education. In 2022, a total of 181 employees experienced new jobs through temporary assignment, lateral transfer, promotion, or developmental assignment. For education, an average of 12.7 training hours per employee was recorded for the year.

Review of talents and succession planning remained important people activities in 2022. Talent strategy and actions were put in place to ensure ready now talents for critical positions, while promoting diversity and inclusion. HPI continues to send young leaders to the Early Career Leadership Program, a 6-month program sponsored by the Holcim Group intended to speed up the development of future leadership.

1,072 employees participated in the Gallup Engagement Survey initiated by the Holcim Group last April 2022. Holcim Philippines scored 4.01 (out of 5), which is among the highest scores in the Group. 215 teams created a total of 338 action plans to address the low scores in their function and location. Some of these actions include various ways to recognize employee contributions, individual and team conversations, launch of "I Love Holcim" as an umbrella employee engagement program, and launch of "My Story" which celebrates employees and their Holcim journey.

Supervisory and rank-and-file employees in the four integrated cement plants, as well as the rank-and-file of the paper bag plant, are members of their respective labor unions, with existing Collective Bargaining Agreements (CBA) with the Company.

Table 5 – Labor Unions

Location of the Plant/Site	Labor Union	CBA Expiry Date
Bacnotan, La Union	La Union Cement Workers Union Holcim La Union Supervisory Employees Union	March 31, 2027 March 31, 2024
Norzagaray, Bulacan	Holcim Philippines Employees Association (HPEA) UCC Bulacan Supervisory Employees Union (UBSEU)	December 31, 2025 February 28, 2024
Lugait, Misamis Oriental	Holcim Lugait Employees Labor Union Holcim Lugait Supervisors Independent Union	July 31, 2021 *(Ongoing arbitration)* March 31, 2024
Davao City	Davao Holcim Employees Workers Union Holcim Davao Supervisory Independent Union	March 31, 2025 March 31, 2025
Calumpit, Bulacan	Holcim Paper Bag Plant Employees Association – FFW Chapter	December 31, 2023

Four (4) CBA Negotiations were successfully concluded in 2022. One (1) associates' union is ongoing arbitration.

(l) Risk Factors

<u>Political and Economic Factors</u>

The Company and its subsidiaries are primarily engaged in the manufacture of clinker and cement in the Philippines. Cement is one of the basic materials for building works and sales are highly dependent on the demand for construction activities and the aggregate growth of the economy as well as political conditions in the country.

One of the principal factors that may materially affect financial performance is the level of construction activity in the public and private sectors. Public sector construction activity has always been a significant part of cement demand. However, government spending on construction-related activities (e.g. infrastructure and housing) is dependent on various factors mainly budgetary constraints and political considerations that could impact the government's ability to execute its planned projects.

On the other hand, private sector spending is primarily driven by investors' confidence in the country, which in turn, is dependent on the country's economic and political conditions.

Any perceived political instability or lower-than-expected economic growth could have an adverse effect on the Company's financial performance.

Availability of Stable Power Supply

The contract with AC Energy Philippines, Inc. (ACEPI) which is valid until December 25, 2030 provides stable and guaranteed power supply for La Union Plant, Bulacan Plant, and Mabini Grinding Plant. The contract also provides for the availability of island mode backup power for both La Union and Bulacan plants during grid failures.

Lugait and Davao Plants, both situated in Mindanao, are now benefiting from electricity surplus brought about by the new coal power plants which started commercial operations from 2016 onwards. It is projected that the additional capacities from new coal power plants will provide Mindanao with surplus power supply in the medium-term.

WESM is not yet available in Mindanao. Also, the Retail Competition and Open Access (RCOA) can only be launched after WESM has been implemented. Hence, Lugait and Davao Plants will remain captive customers of Distribution Utility – Moresco I and Davao Light and Power Company (DLPC), respectively.

On November 16, 2021, Holcim Philippines, Inc. signed a 20-year power purchase agreement with GHRIAN EARTH CORP. (Blueleaf Energy), to deliver solar power to itsh plants in Bulacan and La Union. Under the agreement, Blueleaf Energy will finance, build, operate, and maintain solar energy facilities in Norzagaray, Bulacan and Bacnotan, La Union with a combined capacity of 29 megawatt peak and an annual generation of more than 50 gigawatt hours that will supply up to 15% of the energy requirements of Holcim Philippines' plants there. The solar energy facilities are scheduled to be completed in 2024.

The company is exploring other measures to manage power costs and at the same time contribute to sustainability strategy.

Dependence on Key Facilities

Substantially all of HPI's income has been, and will be derived from the sale of products manufactured at its production facilities in Luzon and Mindanao. Any prolonged breakdown of, or significant damage to, the Company's production facilities could have an adverse effect on the results of its operations. HPI maintains comprehensive property and casualty insurance policies covering its production facilities and key assets under an Industrial All-Risk policy. However, there can be no assurance that the proceeds from HPI's insurance claims would be sufficient to compensate the Company for all the effects of possible loss and/or damage. Notwithstanding that, the Company has appropriate processes and measures in place to further mitigate the risk of any possible loss or damage.

Impact of the Exchange Rate Fluctuations

Based on the 2022 Bangko Sentral ng Pilipinas Annual Exchange Rate Report, the Philippine Peso depreciated from PhP50.77 against the US Dollar as of December 31, 2021 to PhP56.12 as of December 31, 2022. The Peso has undergone fluctuations during the year with an average rate of PhP54.48. The weakening of the Peso resulted in the increase of cost of production inputs such as imported fuel, coal and supplies.

Environmental and Regulatory Matters

Cement manufacturing uses extensive resource and energy. It uses raw materials such as limestone, fossil fuel (coal and bunker fuel), electric power and water. As such, the environmental risks and impacts should be mitigated to ensure compliance to regulatory requirements and maintain operations in sustainable manner. An effective environmental management system is in place to manage these risks and impacts.

HPI conforms to rules and regulations defined under the following: The Philippine Environmental Impact Statement System (PD 1586), The Philippine Clean Air Act 1999 (RA 8749), Philippine Clean Water Act of 2004 (RA 9275), Ecological Solid Waste Management Act of 2000 (RA 9003), and Toxic Substances & Hazardous & Nuclear Waste Control Act of 1990 (RA 6969). Other Applicable Laws & Regulations are also identified in the Company's Integrated Management System Manual.

In a group-wide program, the Company strives to reduce dust emissions below the prescribed 150 mg/Nm3 level that the government allows cement plants to emit under the Philippine Clean Air Act. The Company maintains and operates modern electrostatic precipitators, bag houses, multi-cyclone and bag filters for mitigating the dust coming from its plants' pre-heater towers, kilns and cement mill grinding systems. With these modern dust control systems in place, HPI's cement plants kept dust emission levels below the prescribed government standard. The Company has in place Continuous Emission Monitoring System (CEMS) in all its four plants for continuous monitoring of particulate and gaseous emissions of main stack. The emissions data are being reported daily to regulatory body. In terms of compliance to Clean Water Act, the Company has in place pollution control facilities to manage storm water run-off and seasonal process water discharge such as siltation ponds. In terms of managing domestic water discharge, the Company properly maintains and operates wastewater treatment facilities. The Company also have waste management disposal facilities in the plants. The wastes generated by the plant which are qualified to be used as alternative fuel for the kiln are being co-processed. This co-processing technology under Geocycle follows the highest standard of environmental compliance. The four plants are also granted with Treatment, Storage and Disposal (TSD) Certificate as attestation to Geocycle's responsible handling and management of hazardous industrial wastes
.
HPI's four plants continue to be recognized by the relevant national government agencies for its environmental performance and programs. The Company is committed to implement continuous improvement to ensure compliance and improve performance.

The status of compliance on the conditions stated in the Environmental Compliance Certificate (ECC) is regularly reported to DENR through the submission of Self-Monitoring Reports (SMR), Compliance Monitoring Reports (CMR), and Compliance Monitoring and Verification Reports (CMVR). Overall environmental performance is validated regularly by quarterly monitoring of multi-partite monitoring team (MMT) and government audits and is confirmed that HPI is compliant with the existing government standards.

Item 2. Properties

The Company's major items of property, plant and equipment are located in Norzagaray, Bulacan; Bacnotan, La Union; Bo. Ilang, Davao City; Lugait, Misamis Oriental; Mabini, Batangas; Calaca, Batangas; Iloilo; and Manila. The table shows the consolidated properties of HPI as of December 31, 2022 compared to December 31, 2021.

Table 6 – Plant, Property and Equipment (Consolidated)

(In Thousand Pesos)	**December 31, 2022**	December 31, 2021
Machinery and equipment	**₱ 31,646,847**	₱ 30,436,009
Buildings and installations	**14,332,468**	14,082,667
Furniture, vehicles and tools	**1,061,193**	1,041,204
Construction in progress	**1,210,342**	1,823,279
	48,250,850	47,383,159
Less: Accumulated depreciation, depletion		
and allowance for impairment loss	**29,403,950**	27,880,911
Total	**₱ 18,846,900**	₱ 19,502,248

In connection with the principal properties of the Company, there are no existing mortgages, liens or encumbrances nor limitations in the usage or ownership.

There are no imminent acquisitions of property of significant amount that cannot be funded either by the Company's working capital or debt.

The table below summarizes the significant lease agreements entered into by the Company as a lessee.

Description	**Start Date**	**Expiration Date**	**2022 Lease Payments (in '000)**	**Renewal Options**
Plants, Terminals, Vessels, Ports	01.01.2016	01.01.2041	₱1,012,227	The contracts may be renewed or extended upon the mutual agreement of the Parties.
Industrial Warehouse	01.01.2019	31.12.2023	8,632	The contract may be renewed or extended upon the mutual agreement of the Parties.
Others (Housing, Vehicles)	15.03.2016	15.03.2022	814	The contract may be renewed or extended upon the mutual agreement of the Parties.

Item 3. Legal Proceedings

The Company is either a defendant or plaintiff in several civil, criminal and labor cases primarily involving collection and claims for damages. Based on the representation of management and the opinion of the Company's external legal counsels, the resolution of such cases will not result in any significant liability or loss of assets.

Pending material legal proceedings involving the Company are described in Exhibit 4.

Item 4. Submission of Matters to a Vote of Security Holders

Except for the matters taken up during the last annual meeting of the stockholders covered by the Company's SEC Form 20-IS report, no matter was submitted to a vote of security holders through solicitation of proxies or otherwise during the calendar year covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

(1) Market Information

HPI common shares are listed in the PSE. The high and low market prices of HPI shares for each quarter of calendar year 2022 and that of the past two calendar years, as reported by the PSE, are shown below:

Table 7 – Market Prices of HPI Shares

Quarter Period	CY 2022		CY 2021		CY 2020	
	High	Low	High	Low	High	Low
January-March	6.28	5.20	6.28	5.00	14.08	10.08
April-June	5.65	5.06	6.98	6.05	8.93	6.02
July-September	4.57	3.72	7.20	6.12	6.44	5.20
October-December	4.20	3.85	5.90	5.01	7.92	6.72

Source: Philippine Stock Exchange, Inc.

As of March 22, 2023, the closing price of the Company's common shares at the PSE is ₱ 4.00 per share.

(2) Stockholders

As of December 31, 2022, HPI has 6,452,099,144 common shares outstanding held by 5,234 stockholders. The list of the top twenty stockholders of the Company as recorded by Stock Transfer Service, Inc., the Company's stock transfer agent, is as follows:

Table 8 – Top Twenty (20) Stockholders

Rank	Name	Citizenship	Shares (Sum)	%
1	UNION CEMENT HOLDINGS CORPORATION	FILIPINO	3,906,425,506	60.55%
2	HOLDERFIN B.V.	DUTCH	1,168,450,996	18.11%
3	SUMITOMO OSAKA CEMENT CO., LTD.	JAPANESE	594,952,725	9.22%
4	CEMCO HOLDINGS, INC.	FILIPINO	456,689,560	7.08%
5	PCD NOMINEE CORP (FILIPINO)	FILIPINO	226,562,262	3.51%
6	PCD NOMINEE CORP. (NON-FILIPINO)	FOREIGN	70,171,229	1.09%
7	ANTONIO M. DUMALIANG &/OR ROSALINDA S. DUMALIANG	FILIPINO	922,363	0.01%
8	KAKUGARA AKIHIKO	FILIPINO	559,580	0.01%
9	LUIS CO CHI KIAT	FILIPINO	511,242	0.01%
10	JOAQUIN Q. TAN	FILIPINO	380,000	0.01%
11	AMERICAN WIRE & CABLE CO., INC.	FILIPINO	290,993	0.00%
12	LILIA V. QUITO	FILIPINO	288,000	0.00%
13	UNIVERSITY OF SANTO TOMAS	FILIPINO	190,750	0.00%
14	FRANCIS L. ESCALER	FILIPINO	186,935	0.00%
15	ANG GUAN PIAO		184,030	0.00%
16	ISABELA CULTURAL CORPORATION	FILIPINO	156,439	0.00%
17	ROSALIA M. AMANDO	FILIPINO	141,069	0.00%
18	FRANCISCO C. EIZMENDI, JR.	FILIPINO	137,459	0.00%
19	BENITO G. OBLENA	FILIPINO	137,337	0.00%
20	ALBERTO G. MENDOZA &/OR JEANIE C. MENDOZA	FILIPINO	134,027	0.00%
		Total	6,427,472,502	**99.62%**

(3) Dividends

The Company is authorized to pay cash or stock dividends, or a combination thereof, subject to approval by the Company's Board of Directors and/or its shareholders. Dividends paid in the form of additional shares are subject to approval by the Company's Board of Directors, the SEC and the stockholders of at least two thirds of the outstanding shares of the Company. Holders of outstanding shares on a dividend record date for such shares will be entitled to the full dividend declared without regard to any subsequent transfer of shares.

Other than the provisions in the loan covenants agreed to by the Company, there are no other limitations for the Company to declare dividends to its common stock.

Cash dividends were declared in for the years ended December 31, 2022, 2021 and 2020 as follows:

	2022	2021	2020
Cash Dividend Per Share (PhP)	**NIL**	₱0.43	NIL
Amount Declared (PhP)	**NIL**	₱ 2,774,402,632	NIL
Declaration Date	**-**	May 27, 2021	-
Record Date	**-**	June 16, 2021	-

(4) Sales of Unregistered Securities within the Last Three (3) Years

There are no other securities sold for cash by the Company within the last three years that were not registered under the SRC.

Item 6. Management's Discussion and Analysis or Plan of Operation

Review of CY 2022 Operations vs. CY 2021

The Philippine Gross Domestic Product (GDP) posted a growth of 7.2 percent in the fourth quarter of 2022, resulting in 7.6 percent full-year growth in 2022.

Revenue generated for the year was Php26.6billion, lower compared to Php26.9billion reported in the same period last year mainly due to lower volumes in cement. Series of price increases have been implemented during the year to partly augment the rising costs attributed to coal, fuel and power. Despite the increase in selling prices and the aggressive cost reductions in general, administrative and selling expenses, these does not contributed in the overall profitability of the Group due to the increasing energy prices and raw materials purchases. The Company achieved total EBITDA of Php3.7billion, 31% lower than the same period last year.

The Company managed to incur lower financial expenses related to its short-term loans during the year. Net income after tax stood at Php0.9 bio giving earnings per share of Php0.15.

**Source: Philippine Statistics Authority*

Key Performance Indicators ("KPI")

The comparative financial KPI for the years ended December 31, 2022 and 2021 are as follows:

Financial KPI	Definition	For the Calendar Year ended December 31	
		2022	**2021**
Profitability			
Return on Assets (ROA)	Net Income / Ave. Total Assets	**2.3%**	6.3%
Return on Equity (ROE)	Net Income / Ave. Total Equity	**3.1%**	8.6%
Operating EBITDA Margin	Operating EBITDA / Net Sales	**14.1%**	20.1%
Liquidity			
Gearing Ratio	Net Financial Debt / Total Equity	**-15.3%**	-0.7%
EBITDA Net Interest Cover (times)	Operating EBITDA / Net Interest	**0**	152.7

Profitability

Lower compared with prior year from lower volume sold and higher operating costs despite higher net selling prices.

Liquidity

The Company's liquidity position remained strong evidenced by significant cash balance.

Significant Disclosures

Please refer to Exhibit 5 of this report for the significant disclosures made by the Company during the year. Other than those mentioned in Exhibit 5, the Company is not aware of the following:

1. Unusual items that materially affect the Company's consolidated assets, liabilities, equity, net income or cash flows because of their nature, size or incidents.

2. Changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts in prior financial years that have a material effect in the current period.

3. Issuances and repurchase of equity securities.

4. Material changes in contingent liabilities or contingent assets since the last annual balance sheet date.

5. Existence of material contingencies and other events of transactions that are material to an understanding of the current period.

6. Known trends, demands, commitments, events and uncertainties that will result in or likely decrease its liquidity in a material way. The Company does not anticipate having within the next 12 months any cash flow or liquidity problems nor does it anticipate any default or breach of any of its existing notes, loans, leases, other indebtedness or financial arrangements requiring it to make payments. With the improvement in the Company's operating performance, it expects to meet all financial loan covenants for the next interim period.

7. Events that will trigger direct or contingent material financial obligations to the Company.

8. Material off-balance sheet transactions, arrangements, obligations (direct or contingent), and other relationships of the Company with unconsolidated entities or other persons created during the year.

9. Material commitments for capital expenditures.

10. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales, revenues, net income from continuing operations.

11. Significant elements of income or loss that did not arise from the Company's continuing operations.

12. Material events subsequent to end of the reporting period that have not been reflected in the consolidated financial statements.

Notes to Financial Statements

Accounting Policies and Principles

The consolidated financial statements of the Company, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021 and the consolidated statements of profit or loss and other 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 have been prepared in compliance with Philippine Financial Reporting Standards applied on a consistent basis. The detailed accounting policies are disclosed in Note 2 – Summary of Significant Accounting Policies in the Consolidated Financial Statements.

Seasonality Aspects of the Business

Like any other company in the construction industry, the operations of the Group are affected by seasonality. Net sales are generally higher in dry months from February to May and lower during the rainy months of June to November. Low sales are also experienced during December due to holidays until early January. Unpredictable weather could also significantly affect sales and profitability compared to previous periods coupled with any unforeseen circumstances like disruptions in productions.

Financial Risk Management Objectives and Policies

General Risk Management Approach

The Company is exposed to various financial risks, which include the effect of changes in debt structure, equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential and adverse effects on the financial performance of the Company. The Company does not enter into other derivative or financial transactions which are unrelated to its operating business as a risk-averse approach is pursued.

Financial risk management of the Company is governed by policies approved by management. It provides principles for overall risk management, as well as policies covering specific risk areas such as interest rate risk, foreign exchange risk, counterparty risk, use of derivative financial instruments and investing assets in excess of liquidity requirements.

The Company's principal financial instruments, other than derivatives, consist of cash and cash equivalents and loans payable. The main purpose of these financial instruments is to raise funds for the Company's operations. The Company also has various other financial assets and liabilities such as trade and other receivables, advances to employees, guarantee deposits, restricted cash and trade and other payables which arise directly from operations.

The main risks arising from the Company's financial instruments are market risks (which include foreign currency risk and interest rate risk), credit risk and liquidity risk. The Board of Directors (BOD) reviews and approves the policies for managing each of these risks and they are summarized below. The Company's accounting policies in relation to financial instruments are set out in Note 2 to the consolidated financial statements.

Market Risks

The Company is exposed to market risks, such as foreign currency, interest rate and equity price risks. To manage volatility relating to these exposures, the Company enters into derivative financial instruments, when necessary. The Company's objective is to reduce, where appropriate, fluctuations in earnings and cash flows associated with changes in foreign currency, interest rate and equity price.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has foreign exchange exposures, arising primarily from purchases of goods and services and debt servicing requirements in currencies other than the Philippine Peso that leads to currency translation effects. All of the Company's revenues in 2022 and 2021 were denominated in the Philippine Peso.

Due to the local nature of the cement business, transaction risk is limited. However, income may primarily be in local currency whereas debt servicing and significant amount of capital expenditures may be in foreign currencies. As a consequence thereof, the Company may enter into derivative contracts whenever necessary, which may be designated either as cash flow hedges or fair value hedges, as appropriate.

As of December 31, 2022, the Company had minimal assets and liabilities exposed to foreign currency risks.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates.

The Company is exposed to fluctuations in financing costs and market value movements of its debt portfolio related to changes in market interest rates. The Company's interest rate exposure is mainly addressed through the steering of the fixed/floating ratio of net debt. To manage this mix, the Company may enter into derivative transactions, as appropriate. As at December 31, 2022 and 2021, the Company had minimal exposure to interest rate risk.

Credit Risk

Credit risk is the risk that counterparties may not be able to settle their obligations as agreed. To manage this risk, the Company periodically assesses the financial reliability of customers.

The Company constantly monitors its credit risk exposures. Counterparties to financial instruments consist of a large number of major financial institutions. The Company does not expect any counterparties to fail in meeting their obligations, given their high credit ratings. In addition, the Company has no significant concentration of credit risk with any single counterparty or group of counterparties.

The maximum and minimum exposure to credit risk is represented by the carrying amount of each financial asset.

The Company trades only with recognized, credit-worthy third parties. It is the Company's policy that all third-party customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce the Company's exposure to bad debts to minimal.

With respect to credit risk arising from the other financial assets of the Company, which consist of due from related parties, advances to employees, available for sale (AFS) financial assets, and guarantee and refundable deposits, the Company's exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Company's exposure to credit risks arising from outstanding financial assets is disclosed in Note 30 – Financial Risk Management Objectives and Policies in the Consolidated Financial Statements.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its contractual obligations and commitments. The seasonality of revenue generation exposes the Company to shortage of funds during slack season and may result in payment defaults of financial commitments. The Company monitors this risk using a recurring liquidity planning tool. This tool considers the maturity of both its financial assets and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank credit facilities, finance leases and purchase contracts. It is responsible for its own cash surpluses and the raising of loans to cover cash deficits, subject to policies and guidelines approved by management and in certain cases at the BOD level.

The Company maintains sufficient reserves of cash and cash equivalents, which are short-term in nature and unused credit lines to meet its liquidity requirements at all times. In addition, the strong credit worthiness of the Company allows it to make efficient use of the financial markets for financing purposes. As at December 31, 2022 and 2021, the Company has unutilized credit facilities of PhP12.9 billion and PhP13.6 billion, respectively.

The Company's financial assets and liabilities as of December 31, 2022 and 2021 are disclosed in Note 30 – Financial Risk Management Objectives and Policies in the Consolidated Financial Statements.

Capital Management Policy

The Company considers equity attributable to the equity holders of the Parent Company as its capital. The Company's objectives when managing capital are to secure the Company's ongoing financial needs to continue as a going concern as well as to cater to its growth targets to provide returns to shareholders and benefits for other stakeholders and to maintain a cost-efficient and risk-optimized capital structure.

The Company manages the capital structure and makes adjustments to it in light of the changes in economic conditions, its business activities, investment and expansion program and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital, among others, on the basis of gearing ratio. Gearing is calculated as net financial debt divided by total equity in the parent company balance sheets as shown in the table below:

	2022	2021
Loans payable – Group	**₱ 300,000**	₱ -
Customers' deposits	**241,849**	278,693
Financial debt	**541,849**	278,693
Less cash and cash equivalents	**5,233,204**	501,208
Net financial asset	**(4,691,355)**	(222,515)
Total equity	**30,705,058**	29,804,455
Gearing ratio	**-15.3%**	-0.7%

The Company's target is to maintain a gearing in the range of no more than 100 percent. Total equity grew by 3.02% in 2022 as a result of increase in retained earnings is due to gain on remeasurement on retirement benefits, no dividend declaration in 2022 and from income from operations.

Material Changes in Balance Sheet Accounts

Cash and cash equivalents

Increase was mainly due to higher cash generated from operations and the release of previous garnishment resulting from settlement of previous case coupled with lower CAPEX spending.

Inventories

Decrease was due to higher inventory costs from clinker, cement and coal stock resulting from higher production cost and coal purchase, but inventory quantities are significantly lower compared to 2021 year end.

Trade and other receivables - net

Decrease was due to increase in accounts receivable collection during the year.

Other current assets

Increase was due to hedge of commodity price, higher advances to suppliers and higher CWTs partially offsetted by prepayments and lower input VAT.

Right-of-Use Assets

Decrease was mainly due to the normal depreciation expense recognized for the period.

Intangible assets -net

Decrease was due to usual amortization recognized during the year.

Retirement Benefit Assets - net

The increase was largely attributable to gains earned from changes in actuarial assumptions upon remeasurement of retirement fund asset.

Other non-current asset

Decrease was mainly due to the release of previous garnishment resulting from the settlement of previous.

Trade and other payables

Increase in payables was due to the negotiated payment terms to suppliers, extended payment terms, higher purchase prices and customer advances.

Loans Payable

Movement pertains to the loan obtained from related party (UCHC).

Income tax payable

Movement pertains mostly to the additional current tax expense for 2022 offsetted by actual remittances to BIR and Creditable Withholding Tax application.

Lease liabilities

Lower due to the decreasing balance of leases due to payments made to lessors in 2021 coupled with minimal additions during the year.

Deferred tax liabilities - net

Movement was mainly due to temporary differences pertaining to additional provision for doubtful accounts, lease related expenses, remeasurement gain on pension costs and bonus accruals.

Non-controlling Interest

Decrease was due to lower profit of subsidiary compared with last year.

Material Changes in Income Statement Accounts

Revenue

Decrease was mainly due to lower volumes sold resulting from lower market and tight competition as compared to prior years.

Cost of goods sold

Movement was driven by higher production cost brought primarily by higher raw material, power fuel, and higher plant variable costs from operations coupled with higher distribution cost mainly from higher outbound costs.

Operating Expenses

The movement was due to reversal of personnel expenses resulting to lower operating expenses but partially offsetted by the increase on other third party services and IT costs.

Other income (expense) - net

Increase was mainly due to the settlement of the previous case, slightly offsetted by income from share in undistributed earnings of associates.

Provision for income tax

Decrease was due to lower taxable income generated as compared to prior year.

Review of CY 2021 Operations vs. CY 2020

The Philippine Gross Domestic Product (GDP) posted a growth of 7.7 percent in the fourth quarter of 2021, resulting in 5.6 percent full-year growth in 2021.

Revenue generated for the year was Php26.9billion, higher compared to Php26.0billion reported in the same period last year mainly due to higher volumes in both cement and aggregates. Series of price increases have been implemented during the year to partly augment the rising costs attributed to coal, fuel and power. Despite higher volumes produced, the aggressive cost reductions in production and distribution largely contributed in the overall profitability of the Group and in offsetting the increasing energy prices. The Company achieved total EBITDA of Php5.4billion, 14% higher than the same period last year.

The Company managed to incur lower financial expenses related to its short-term loans due to zero third party loans during the year. Net income after tax stood at Php2.6bio giving earnings per share of Php0.40.
**Source: Philippine Statistics Authority*

Key Performance Indicators ("KPI")

The comparative financial KPI for the years ended December 31, 2021 and 2020 are as follows:

Financial KPI	Definition	For the Calendar Year ended December 31	
		2021	**2020**
Profitability			
Return on Assets (ROA)	Net Income / Ave. Total Assets	6.3%	4.8%
Return on Equity (ROE)	Net Income / Ave. Total Equity	8.6%	7.2%
Operating EBITDA Margin	Operating EBITDA / Net Sales	20.1%	18.2%
Liquidity			
Gearing Ratio	Net Financial Debt / Total Equity	-0.7%	-6.0%
EBITDA Net Interest Cover (times)	Operating EBITDA / Net Interest	152.7	23.8

Profitability

Higher compared with prior year from higher volume sold and net selling prices partially offset by higher operating costs.

Liquidity

The Company's liquidity position remained strong evidenced by significant cash balance.

Significant Disclosures

Please refer to Exhibit 5 of this report for the significant disclosures made by the Company during the year. Other than those mentioned in Exhibit 5, the Company is not aware of the following:

1. Unusual items that materially affect the Company's consolidated assets, liabilities, equity, net income or cash flows because of their nature, size or incidents.

2. Changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts in prior financial years that have a material effect in the current period.

3. Issuances and repurchase of equity securities.

4. Material changes in contingent liabilities or contingent assets since the last annual balance sheet date.

5. Existence of material contingencies and other events of transactions that are material to an understanding of the current period.

6. Known trends, demands, commitments, events and uncertainties that will result in or likely decrease its liquidity in a material way. The Company does not anticipate having within the next 12 months any cash flow or liquidity problems nor does it anticipate any default or breach of any of its existing notes, loans, leases, other indebtedness or financial arrangements requiring it to make payments. With the improvement in the Company's operating performance, it expects to meet all financial loan covenants for the next interim period.

7. Events that will trigger direct or contingent material financial obligations to the Company.

8. Material off-balance sheet transactions, arrangements, obligations (direct or contingent), and other relationships of the Company with unconsolidated entities or other persons created during the year.

9. Material commitments for capital expenditures.

10. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales, revenues, net income from continuing operations.

11. Significant elements of income or loss that did not arise from the Company's continuing operations.

12. Material events subsequent to end of the reporting period that have not been reflected in the consolidated financial statements.

Notes to Financial Statements

Accounting Policies and Principles

The consolidated financial statements of the Company, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020 and the consolidated statements of profit or loss and other 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, 2021 have been prepared in compliance with Philippine Financial Reporting Standards applied on a consistent basis. The detailed accounting policies are disclosed in Note 2 – Summary of Significant Accounting Policies in the Consolidated Financial Statements.

Seasonality Aspects of the Business

Like any other company in the construction industry, the operations of the Group are affected by seasonality. Net sales are generally higher in dry months from February to May and lower during the rainy months of June to November. Low sales are also experienced during December due to holidays until early January. Unpredictable weather could also significantly affect sales and profitability compared to previous periods coupled with any unforeseen circumstances like disruptions in productions.

Financial Risk Management Objectives and Policies

General Risk Management Approach

The Company is exposed to various financial risks, which include the effect of changes in debt structure, equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential and adverse effects on the financial performance of the Company. The Company does not enter into other derivative or financial transactions which are unrelated to its operating business as a risk-averse approach is pursued.

Financial risk management of the Company is governed by policies approved by management. It provides principles for overall risk management, as well as policies covering specific risk areas such as interest rate risk, foreign exchange risk, counterparty risk, use of derivative financial instruments and investing assets in excess of liquidity requirements.

The Company's principal financial instruments, other than derivatives, consist of cash and cash equivalents and loans payable. The main purpose of these financial instruments is to raise funds for the Company's operations. The Company also has various other financial assets and liabilities such as trade and other receivables, advances to employees, guarantee deposits, restricted cash and trade and other payables which arise directly from operations.

The main risks arising from the Company's financial instruments are market risks (which include foreign currency risk and interest rate risk), credit risk and liquidity risk. The Board of Directors (BOD) reviews and approves the policies for managing each of these risks and they are summarized below. The Company's accounting policies in relation to financial instruments are set out in Note 2 to the consolidated financial statements.

Market Risks

The Company is exposed to market risks, such as foreign currency, interest rate and equity price risks. To manage volatility relating to these exposures, the Company enters into derivative financial instruments, when necessary. The Company's objective is to reduce, where appropriate, fluctuations in earnings and cash flows associated with changes in foreign currency, interest rate and equity price.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has foreign exchange exposures, arising primarily from purchases of goods and services and debt servicing requirements in currencies other than the Philippine Peso that leads to currency translation effects. All of the Company's revenues in 2021 and 2020 were denominated in the Philippine Peso.

Due to the local nature of the cement business, transaction risk is limited. However, income may primarily be in local currency whereas debt servicing and significant amount of capital expenditures may be in foreign currencies. As a consequence thereof, the Company may enter into derivative contracts whenever necessary, which may be designated either as cash flow hedges or fair value hedges, as appropriate.

As of December 31, 2021, the Company had minimal assets and liabilities exposed to foreign currency risks.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates.

The Company is exposed to fluctuations in financing costs and market value movements of its debt portfolio related to changes in market interest rates. The Company's interest rate exposure is mainly addressed through the steering of the fixed/floating ratio of net debt. To manage this mix, the Company may enter into derivative transactions, as appropriate. As at December 31, 2021 and 2020, the Company had minimal exposure to interest rate risk.

Credit Risk

Credit risk is the risk that counterparties may not be able to settle their obligations as agreed. To manage this risk, the Company periodically assesses the financial reliability of customers.

The Company constantly monitors its credit risk exposures. Counterparties to financial instruments consist of a large number of major financial institutions. The Company does not expect any counterparties to fail in meeting their obligations, given their high credit ratings. In addition, the Company has no significant concentration of credit risk with any single counterparty or group of counterparties.

The maximum and minimum exposure to credit risk is represented by the carrying amount of each financial asset.

The Company trades only with recognized, credit-worthy third parties. It is the Company's policy that all third-party customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce the Company's exposure to bad debts to minimal.

With respect to credit risk arising from the other financial assets of the Company, which consist of due from related parties, advances to employees, available for sale (AFS) financial assets, and guarantee and refundable deposits, the Company's exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Company's exposure to credit risks arising from outstanding financial assets is disclosed in Note 30 – Financial Risk Management Objectives and Policies in the Consolidated Financial Statements.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its contractual obligations and commitments. The seasonality of revenue generation exposes the Company to shortage of funds during slack season and may result in payment defaults of financial commitments. The Company monitors this risk using a recurring liquidity planning tool. This tool considers the maturity of both its financial assets and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank credit facilities, finance leases and purchase contracts. It is responsible for its own cash surpluses and the raising of loans to cover cash deficits, subject to policies and guidelines approved by management and in certain cases at the BOD level.

The Company maintains sufficient reserves of cash and cash equivalents, which are short-term in nature and unused credit lines to meet its liquidity requirements at all times. In addition, the strong credit worthiness of the Company allows it to make efficient use of the financial markets for financing purposes. As at December 31, 2021 and 2020, the Company has unutilized credit facilities of PhP13.6 billion and PhP12.0 billion, respectively.

The Company's financial assets and liabilities as of December 31, 2021 and 2020 are disclosed in Note 30 – Financial Risk Management Objectives and Policies in the Consolidated Financial Statements.

Capital Management Policy

The Company considers equity attributable to the equity holders of the Parent Company as its capital. The Company's objectives when managing capital are to secure the Company's ongoing financial needs to continue as a going concern as well as to cater to its growth targets to provide returns to shareholders and benefits for other stakeholders and to maintain a cost-efficient and risk-optimized capital structure.

The Company manages the capital structure and makes adjustments to it in light of the changes in economic conditions, its business activities, investment and expansion program and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital, among others, on the basis of gearing ratio. Gearing is calculated as net financial debt divided by total equity in the parent company balance sheets as shown in the table below:

	2021	2020
Loans payable - Group	**₱ -**	₱ -
Customers' deposits	**278,693**	296,600
Financial debt	**278,693**	296,600
Less cash and cash equivalents	**501,208**	2.080,791
Net financial asset	**(222,515)**	(1,784,191)
Total equity	**29,804,455**	29,632,055
Gearing ratio	**-0.7%**	-6.0%

The Company's target is to maintain a gearing in the range of no more than 100 percent. Total equity grew by 0.58% in 2021 as a result of increase in retained earnings coming from income from operations net of dividends declared.

Material Changes in Balance Sheet Accounts

Cash and cash equivalents

Decrease was mainly due to lower cash generated from operations coupled with higher CAPEX spending.

Inventories

Increase was due to recognition of inventory as a result of discontinuation of inventory consignment for imported materials.

Trade and other receivables - net

Decrease was due to partial settlement of outstanding short-term loan receivable from a related party and the impact of the offsetting agreements executed by the Group with their associates.

Other current assets

Movement was due to lower prepaid expenses from amortization and lower input VAT from utilization, partially offset by the increase in advance payments to third party trade suppliers.

Right-of-Use Assets

Decrease was mainly due to the normal depreciation expense recognized for the period.

Intangible assets -net

Movement was due to capitalization of development costs incurred in product related projects net of the amortization expense recognized for the year.

Retirement Benefit Assets - net

The increase was largely attributable to gains earned from changes in actuarial assumptions upon remeasurement of retirement fund asset.

Trade and other payables

Decrease was mainly due to payments made to local vendors and importation and the impact of the offsetting agreements executed by the Group with their associates.

Income tax payable

Movement was mainly due to additional current tax expense for 2021 from higher income generated net of actual remittances to BIR and application of creditable withholding tax. The impact of the change in tax rate brought by the CREATE bill also contributed largely in the overall decrease.

Lease liabilities

Lower due to the decreasing balance of leases due to payments made to lessors in 2021 coupled with minimal additions during the year.

Deferred tax liabilities - net

Movement was driven by the tax effect on the remeasurement gain of retirement fund.

Remeasurement gain (loss) on retirement benefits

The increase was due to the net recognized gain in remeasurement of plan assets due to changes in actuarial assumptions and experience adjustments.

Non-controlling Interest

Increase was due to higher profit of subsidiary compared with last year.

Material Changes in Income Statement Accounts

Revenue

Increase was mainly due to higher volumes sold coupled with higher selling price as compared to prior year.

Cost of goods sold

Movement was driven by lower production cost brought primarily by lower imported clinker and cement consumption coupled with savings in distribution cost mainly from lower outbound costs.

General and Administrative Expenses

The movement was due higher third party spending, software implementation cost and higher personnel expenses from full workforce deployment this year.

Selling Expenses

The increase was due to higher spending on marketing campaign and personnel expenses due to the absence of the benefit of rationalized workforce deployment.

Interest and Financing Charges

The decrease was because there were no third party or related party loans obtained in the current year.

Interest and Other Financial Income

The decrease was due to lower net interest earned on net defined benefit asset.

Other income (expense) - net

Decrease was due to the impact of the true up of share in undistributed earnings of associates coupled with the lower income from scrap sales.

Provision for income tax

Increase was due to higher taxable income as of the current period.

Item 7. Financial Statements

The consolidated financial statements and supplementary schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this annual report under Item 14.1 and 14.2

Information on Independent Accountant

External Audit Fees

The fees billed for professional services rendered by Sycip Gorres Velayo & Co. (Ernst & Young) and Navarro Amper & Co. (Deloitte) in 2022 and 2021, respectively, were inclusive of out-of-pocket expenses to cover the services rendered by the external auditor for audit of the financial statements of the Company and other services in connection with statutory and regulatory filings for years 2022 and 2021.

Tax Fees & All Other Fees

The Company did not engage Deloitte or Ernst & Young for tax and other services in 2022 and 2021.

The Audit Committee's Approval Policies and Procedures for the Above Services

Upon recommendation of the Audit Committee and approval of the Board of Directors, the appointment of the external auditor was confirmed by the shareholders at the annual stockholders' meeting. In addition, the consolidated financial statements are reviewed and endorsed by the Audit Committee and approved by the Board of Directors before its release.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There was no event in the past five years where Deloitte or its predecessor, SGV, and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

The audit findings are presented to the Company's Audit Committee, which reviews and makes recommendations to the Board on actions to be taken thereon. The Board passes upon and approves the Audit Committee's recommendations.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

1) *The Board of Directors*

The Company's Board of Directors (the Board) is responsible for the overall management and direction of the Company. The Board meets regularly every quarter, or as often as may be necessary, to review and monitor the Company's financial position and operations. Each Board member serves for a term of one year or until his successor is duly elected and qualified. None of the members of the Board of the Company own more than 2% of outstanding common shares of HPI.

As of December 31, 2022, the following are the members of the Board:

Table 9 – The Board of Directors

Office	Name	Nationality
Chairman	Tomas I. Alcantara	Filipino
Vice Chairman	Martin Kriegner	Austrian
Director	Horia C. Adrian	Romanian
Director	Tan Then Hwee	Singaporean
Independent Director	Thomas Aquino	Filipino
Independent Director	Medel Nera	Filipino

Set forth below are the business experience of the Board during the last five years:

Tomas I. Alcantara, 75, holds a Bachelor of Science degree in Economics from Ateneo de Manila University, a Master's in Business Administration degree from Columbia University, USA and attended the Advance Management Program of the Harvard Business School. He was the Chairman and President of Alsons Consolidated Resources, Inc., and of several power and property development companies in the Alcantara Group. Mr. Alcantara was the Undersecretary for the Industry & Investment Group of the Department of Trade and Industry and the Vice Chairman and Managing Head of the Board of Investments from July 1986 to March 1995. He was also Special Envoy of the Philippine President to APEC in 1996.

He is currently the Chairman of the Eagle Ridge Golf & Country Club, Inc. On July 2, 2021, Mr. Alcantara was elected as one of the board of the Philippine Stock Exchange (PSE). He was elected Director of the Company on July 4, 2003.

Martin Kriegner, 60, is a graduate of Vienna University with a Doctorate in Law and he obtained an MBA at the University of Economics in Vienna. He joined the Holcim Group in 1990 and became the CEO of the Austrian operations in 1998. He moved to India as CEO in 2002 and later served as Regional President Cement for Asia. In 2012, he was appointed CEO for India for Cement, RMX and Aggregates. In July 2015 he became Area Manager Central Europe and was appointed Head of India in 2016. Mr.Kriegner became a member of the Holcim Group Executive Committee in 2016 and is currently the Region Head for Asia, Middle East & Africa. He was elected as Director of the Company on August 18, 2016.

Horia-Ciprian Adrian, 54, holds an MBA from the Ajou University in South Korea and a Master of Mechanical Engineering degree from University "Dunarea de Jos" in Romania. He is the former CEO of Holcim Romania and Head of Market for Serbia, Azerbaijan, Moldova & Bulgaria of LafargeHolcim. He joined LafargeHolcim in 2000 and has successfully held various management roles in the Group, including CEO roles for Russia, Eastern Europe & CIS and Middle East. He also managed the LafargeHolcim Group's Business Transformation. He was elected as Director of the Company on March 1, 2021.

Tan Then Hwee, 50, holds an MBA and BBA in marketing from Wichita State University, Kansas , USA. She has over 20 years of human resources management experience in an international business environment across Asia Pacific. She is currently the Vice President HR, Global Head Learning & Development of Lafargeholcim Ltd. and concurrently a director of Ambuja Cements Ltd, India. Prior to joining Lafargeholcim in 2019, Ms. Tan was the Vice President HR of Sika Asia Pacific from April 2007 to March 2019. She was elected as Director of the Company on September 17, 2020.

Thomas Aquino, **homas Aquino, 73,** holds a Doctorate degree in Management from IESE Business School, University of Navarre (Spain), a Master of Science in Industrial Economics from the University of Asia and the Pacific, and a Bachelor of Arts in Economics from the University of the Philippines. In 2000, he served at the Department of Trade and Industry as Acting Secretary and as Senior Undersecretary overseeing the country's international trade promotions with trading partners and policy negotiations at the World Trade Organization and in the ASEAN Economic Community. Dr. Aquino is the recipient of the Presidential Service Award for the extraordinary contribution of national impact on public interest, security, and patrimony, the Gawad Mabini Award, and the Philippines-Japan Society Medal of Honor.

Dr. Aquino is currently a Director of NOW CORPORATION, and an Independent Director of ACR Corporation, A Brown Company, Inc., and PRYCE Corporation, all publicly listed firms on the Philippine Stock Exchange. He was elected as Director of the Company on May 24, 2019.

Medel T. Nera, 67, is presently a director and a member of the Audit Committees of House of Investments, Inc., iPeople, Inc., EEI Corporation, and Seafront Resources Corporation. He is also an independent director and Audit Committee Chairman of the National Reinsurance Corporation of the Philippines, Ionics, Inc., Ionics EMS, Inc. In addition, he is also an independent director of Ionics Properties, Inc. He was also a director of the Rizal Commercial Banking Corporation for 5 years, from 2011 to 2016. He was formerly a Senior Partner of SyCip Gorres Velayo & Co. (SGV), where he had about 35 years of experience in professional services. He served as Markets leader and Financial Services Practice Head at SGV. From 2008 – 2010, he served as Assurance Leader for the Financial Services Assurance practice of Ernst & Young in the Far East covering China, Taiwan, Hongkong, Korea, Singapore, Philippines and Vietnam.

Mr. Nera was a partner of SGV for 22 years and had served in various other leadership positions. He received an undergraduate degree from Far Eastern University and an MBA from the Leonard N. Stern School of Business, New York University. He was elected as Director of the Company on January 15, 2021.

The Executive Officers

The officers are likewise elected annually by the Board and serve for one (1) year and until their respective successors have been elected. None of the officers of the Company own more than 2% of the total outstanding shares of the Company.

The Company's executive officers as of 31 December 2022 are set out below:

Table 10 – Executive Officers

Office	Name	Nationality
President & Chief Executive Officer	Horia Ciprian Adrian	Romanian
SVP - Chief Financial Officer/ Investor Relations Officer	Eliana Nieto Sanchez	Colombian
SVP – Head of Cement Industrial Performance	Eung Rae Kim	Korean
SVP - Head of Infrastructure and Industrial Sales	Ramakrishna Maganti	Indian
SVP - Head of Organization and Human Resources	Elynor Roque	Filipino
SVP – Head of Logistics	Edwin Villas	Filipino
SVP - Head of Sustainability	Zoe Verna M. Sibala	Filipino
SVP – Head of Retail Sales	Albert Leoveras	Filipino
General Counsel/Corporate Secretary/ Compliance Officer	Belinda E. Dugan	Filipino
Treasurer	Alexander Taar	Filipino

The business experience of Mr. Adrian Horia for the last five years is provided above. Set forth below are the business experience of the Company's other executive officers during the last five years:

Eliana Nieto Sanchez, 46, is the Company's Senior Vice President, Chief Financial Officer. Ms. Sanchez has vast experience within the Holcim Group with an impressive record in leading multi-disciplinary teams involved in high-impact projects for the Company's operative and digital transformation. Prior to joining Holcim Philippines, Inc., she was the Chief Financial Officer of Holcim Ecuador since May 2016. She holds a degree in Public Accounting from Universidad Nacional de Colombia and Master of Business Administration from Inalde Universidad de la Sabana.

Eung Rae Kim, *62,* is the Senior Vice President, Head of Cement Industrial Performance. Mr. Kim holds a degree in Electrical Engineering and Masteral in Electrical Engineering from Hoseo University in Korea. He has 33 years of experience in cement plant operation having joined the cement industry since 1987. He has held various leadership roles within the LafargeHolcim Group in South Korea, Malaysia, Regional (IPC Asia) and Bangladesh. Prior to joining Holcim Philippines, Inc. Mr. Kim was the Industrial Director of LafargeHolcim Bangladesh Ltd. since October 2015.

Ramakrishna Maganti, 53, is the Senior Vice President, Head of Infrastructure and Industrial Sales. He holds a degree in Mechanical Engineering, MBA in Marketing from the Indian Institute of Management and a degree in Strategic Marketing Management from Harvard Business School. Mr. Maganti brings more than 20 years of combined experience in global marketing, brand development, digital transformation, and project management. Prior to joining Holcim Philippines, Inc. he held various leadership and management positions in LafargeHolcim India, Malaysia, France and the most recently in Singapore as Head of Sales and Marketing for Asia Pacific Region. Mr. Maganti worked for Philips NV - a global consumer lifestyle and healthcare firm before joining the LafargeHolcim Group in 2006.

Elynor Roque, 52, is the Company's Senior Vice President, Head of Organization and Human Resources. Prior to her appointment, Ms. Roque was the Head of Talent Management of the Company. She has a solid background as a human resources professional, with 27 years of combined corporate and consulting work in different HR disciplines including organization development, change management, learning and development, executive coaching, and employee and labor relations. She completed the Management Development Program of Asian Institute of Management in 2015 and holds a degree in Bachelor of Science in Business Administration from the University of the Philippines.

Edwin Villas, 49, is the Senior Vice President, Head of Logistics. He joined the Company in September 1997 as Strategic Sourcing Specialist. He served as the Company's Procurement Manager from October 2007 to August 2010 and was laterally transferred as Area Sales Manager for South Luzon in August 2011. In May 2016, he was appointed as the Head of Institutional Sales and thereafter as Manager, National Sales, Bulk Institutional Sales. He is a certified Information Systems Auditor and a certified Professional for Supply Management. He has a degree in Computer Science from the Philippine Christian University.

Zoe Verna M. Sibala, 48, is the Senior Vice President, Head of Sustainability. Ms. Sibala holds a master's degree in Business Administration from the Graduate School of Business, De la Salle University and a degree in Economics from the University of the Philippines. In January 2010, she joined Lafarge as a Finance Manager of Batong Angono Aggregates Corporation and later on became the commercial controller of the Lafarge's cement product line – Lafarge Cement Service Philippines, Inc. Prior to being appointed as Head of Strategy of Holcim Philippines, Inc., she served Lafarge Republic Aggregates, Inc. as Project Manager from July 2014 to December 2014 and as Strategy and Business Development Manager from January to December 2015.

Belinda E. Dugan, 54, is the General Counsel, Corporate Secretary and Compliance Officer of the Company. She obtained her Juris Doctor degree from Ateneo Law School and has over 23 years of experience with various multinational firms and a consulting company. Prior to joining Holcim Philippines, Inc. she was Vice President for Legal Management Services of Aboitiz Equity Ventures, Inc. (AEV) from October 2015 to October 2017. She served as Assistant Vice-president for Legal and Compliance of SN Aboitiz Power from May 2009 to October 2015.

Albert Leoveras, 49, is the Senior Vice President, Head of Retail Sales. Prior to his appointment to his current position, he was the Regional Head of sales for Northern and Central Luzon. He has over 15 years of experience in managing Sales Team, Distributors and key accounts sales. Prior to joining the Company, he was the Field Operations Manager and Regional Manager of Japan Tobacco International from 2012 to August 2015 and Sales Division Head of the Non-food Division of Wills International Sales Corporation.

Alexander V. Taar, 40**,** is the Company's Treasurer and concurrently holds the position of Head for Financial Planning, Performance and Analysis. He joined the Company in 2013 and held various positions in Finance including Head of Business Process and Controls and Head of Accounting and Finance Reporting. Mr. Taar holds a degree in Accounting from Philippine School of Business Administration and obtained his Masters degree in Business Administration from Ateneo Graduate School of Business. Mr. Taar is a Certified Public Accountant and a Certified Management Accountant.

Attendance of Directors in Board meetings

The record of attendance of the directors at the meetings of the Board of Directors of the Company for calendar year 2022 is as follows:

Name	Position	Date of Election	Total No. of Meetings in 2022	Total Meetings Attended (in 2022 during incumbency)	Percentage
Tomas I. Alcantara	Chairman	12 May 2022	7	7	100%
Martin Kriegner	Vice-Chairman	12 May 2022	7	7	100%
Horia C. Adrian	President & CEO	12 May 2022	7	7	100%
Tan Then Hwee	Member	12 May 2022	7	7	100%
Dr. Thomas G. Aquino	Independent Director	12 May 2022	7	7	100%
Medel T. Nera	Independent Director	12 May 2022	7	7	100%
Leandro D. Javier*	Independent Director	12 May 2022	5	5	100%

**Resigned effective July 21, 2022*

2) Family Relationships

None of the members of the Board of Directors or any Executive Officer of the Company is related by affinity or consanguinity.

3) Involvement in Certain Legal Proceedings

To the knowledge and/or information of the Company, the present members of the Board of Directors or the Executive Officers are not, presently, or during the last five (5) years, involved or have been involved in criminal, bankruptcy or insolvency investigations or proceedings except for the pending legal proceedings involving certain directors and executive officers of the Company and its subsidiaries described in Exhibit 4 hereof.

Item 10. Executive Compensation

The Company has local and expatriate executives. Expatriates are holding positions that are technical and advisory in nature. The compensation of local executives is benchmarked against the established Focus Group (FG*). At 100% performance attainment of the Company's financial and business goals, the executive compensation is targeted to be at median (P50) of the FG and at the 3rd quartile for performance attainment of 110% and above. Expatriates are paid in accordance with the International Assignment compensation guidelines Holcim.

The compensation received by the Executive Officers represents salaries, bonuses and benefits.

* The Company's Focus Group (FG) is composed of local and multi-national companies with annual gross revenues of PHP 5 - 50 billion and 500 to 5,000 employees.

Table 11 – Executive Compensation (in PhP)

Name and Principal Position	Year	Salary	Bonus	Benefits
The CEO and five (5) most highly compensated Executive Officers 1. Horia Adrian – President and Chief Executive Officer 2. Eliana Nieto – SVP, Chief Finance Officer 3. Ramakrishna Maganti – SVP, Head of Infrastructure and Industrial Sales 4. Eung Rae Kim – SVP, Head of Cement Industrial Performance (CIP) 5. Edwin Villas – SVP, Head of Logistics 6. Albert Leoveras – SVP, Head of Retails Sales	2023*	64,541,257	13,347,619	80,915,763
	2022	64,541,257	13,347,619	80,915,763
	2021	61,766,414	43,435,174	58,161,987
All other Executive Officers and Directors as a group unnamed	2023*	55,542,688	10,552,331	11,014,546
	2022	55,542,688	10,552,331	11,014,546
	2021	71,490,930	19,610,988	23,181,192

All other Executive Officers and Directors as a group unnamed in 2022 include all incumbents in the Leadership Team with the rank of Vice President and on current Officer-In-Charge (OIC) capacity.
2023 estimated compensation of executive officers for the ensuing year is assumed to approximate the 2022 level. Bonuses given are driven by actual performance of the company; hence, estimate may vary from actual.*
*2022** benefits of All Other Executive Officers and Directors include pro-rate salaries, bonuses and benefits of other four (4) separated local Executive Officers.*
*2022** benefits of All Other Executives Officers and Directors include the trailing income of two (2) expatriates repatriated to home country in 2021.*

Other than directors' per diem, the directors of the Company do not receive any other compensation from the Company, including any of the following arrangements:

a. Standard arrangement and any other material arrangements;
b. Employment contract (between the Company and named executive officers);
c. Compensatory plan or arrangement;
d. Outstanding warrants or options; and
e. Adjustments or amendments on the price of stock warrants or options.

Warrants and Options Outstanding

There are no warrants or options granted by the Company to any of its Directors or Executive Officers.

Item 11. Security Ownership of Certain Beneficial Owners and Management

The table below shows persons or groups known to HPI as of December 31, 2022 to be directly or indirectly the record or beneficial owner of more than 5% of the Company's voting securities:

Table 12 – Beneficial Ownership of Voting Securities

Title of Class	Name & Address of Record Owner & Relationship with Issuer	Name of Beneficial Owner And Relationship with Record Owner	No of Shares Held	% of Ownership
Common	Union Cement Holdings Corporation 7th Floor, Two World Square, McKinley Hill Fort Bonifacio, Taguig City (Filipino) Stockholder	Union Cement Holdings Corp. (same as record owner)	3,906,425,506	60.55%
Common	Holderfin B.V. De Lairessestraat 129Hs 1075 HJ Amsterdam the Netherlands	Holderfin B.V. (same as record owner)	1,168,450,996	18.11%
Common	Sumitomo Osaka Cement Co., Ltd. 6-28, Rokubancho, Chiyoda-ku, Tokyo 102-8465 Japan Japan (Japanese) Stockholder	Sumitomo Osaka Cement Co., Ltd. (same as record owner)	594,952,725	9.22%
Common	Cemco Holdings, Inc. 815/816 Tower One & Exchange Plaza Ayala Avenue, Makati City (Filipino)	Cemco Holdings, Inc. (same as record owner)	456,689,560	7.08%

The respective Board of Directors of each of UCHC, Holderfin, Sumitomo Osaka Cement Co., Ltd. and Cemco has the power to decide how their shares in the Company are to be voted.

Security Ownership of Management

The table below shows the securities beneficially owned by all directors, nominees and executive officers of HPI as of December 31, 2022:

Table 13 – Security Ownership of Management

Title of Class	Name and Address of Beneficial Owner	Amount / Nature of Ownership	Registered (R) or Beneficial (B)	% of Ownership
Common	Tomas I. Alcantara	1(D)	R	0.00%
Common	Martin Kriegner	1(D)	R	0.00%
Common	Horia C. Adrian	1(D)	R	0.00%
Common	Tan Then Hwee	1(D)	R	0.00%
Common	Thomas Aquino	1(D)	R	0.00%
Common	Medel Nera	1(D)	R	0.00%
	Total	**6**	R	**0.00%**

Directors and officers as a group hold a total of 6 common shares, equivalent to approximately 0.00% of the Company's issued and outstanding capital stock.

(1) Voting Trust Holders of 5% or more

No person holds five percent (5%) or more of the issued and outstanding shares of stock of the Company under a voting trust or similar agreement.

(2) Changes in Control

There were no material changes in the control of the Company since the beginning of the Company's last calendar year.

Item 12. Certain Relationships and Related Transactions

For a detailed discussion of other material related party transactions, please see Note 28 – Related Party Transactions to the accompanying consolidated financial statements in Item 14.1.

Except for the transactions discussed in Note 28 – Related Party Transactions to the accompanying consolidated financial statements in Item 14.1, there were no other material related party transactions during the last three financial years, nor are there any material transactions currently proposed between the Company and any: (i) director, officer, direct or indirect owner of 10% or more of the outstanding shares in the Company; (ii) close family member of such director, officer or owner; (iii) associates of the Company; (iv) enterprises controlling, controlled by or under common control with the Company; or (v) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any director, officer or owner of 10% or more of the outstanding shares in the Company or any close family member of such director, key officer or owner, or collectively, the Related Parties.

There was no outstanding indebtedness at any time during the last three (3) financial years that was owed to the Company and/or its subsidiaries by any Related Party.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Company has in place a robust internal control system which is an overall process effected by the Board, management and other personnel designed to provide reasonable assurance concerning: (i) the reliability of the financial reporting and statements; (ii) compliance with laws and regulations; (iii) protection of assets and fraud prevention; (iv) effectiveness and efficiency of processes. Additionally, in accordance with the Company's Revised Corporate Governance Manual, the Board is assisted by a Compliance Officer who is in charge of evaluating and ensuring compliance by the Company, the Board of Directors and officers with its Manual of Corporate Governance, Code of Corporate Governance for Publicly-Listed Companies (the "CG Code") and all relevant laws, rules and regulations.

The Board has established a Corporate Governance Committee which ensures that the Board and the Company, as a whole, is sufficiently conversant and compliant with the adopted leading practices in corporate governance. This committee is required to be composed of at least three (3) independent directors and one (1) non-executive non-independent director.

There has been no known deviation from the Company's Manual of Corporate Governance.

The Board always seeks to improve corporate governance of the Company by improving existing policies, developing and establishing new policies required by the Company's Corporate Governance Manual and undertaking measures to implement such policies.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

14.1 Consolidated Financial Statements

The audited consolidated financial statements for the years ended December 31, 2022 and 2021 are attached as Exhibit 1:

- Statement of Management's Responsibility to the Financial Statements
- Independent Auditors' Report
- Consolidated Statements of Financial Position as at December 31, 2022 and 2021
- Consolidated Statements of Profit or Loss and Other Comprehensive Income for the years ended December 31, 2022, 2021 and 2020
- Consolidated Statements of Changes in Equity for the years ended December 31, 2022, 2021 and 2020
- Consolidated Statements of Cash Flows for the years ended December 31, 2022, 2021 and 2020
- Notes to Consolidated Financial Statements

14.2 Supplementary Schedules

- Supplementary Schedule of Retained Earnings Available for Dividend Declaration
- Illustration of relationships between the Company, its Ultimate Parent Company, Middle Parent, and its Subsidiaries
- Philippine Financial Reporting Standards and Interpretations Effective as of December 31, 2022
- Schedule of Financial Soundness Indicators
- The supplementary schedules of the Consolidated Financial Statements for the year ended December 31, 2022 are attached as Exhibit 2.

14.3 SEC Form 17 – Q

During the year 2022, the Company has filed the following SEC quarterly reports pursuant to Section 17 of SRC Rule 17 (2) (b) hereto attached as Exhibit 3.

Date of Filing	Quarter Ending
May 12, 2022	March 31, 2022
August 11, 2022	June 30, 2022
November 10, 2022	September 30, 2022

14.4 Legal Proceedings and Pending Cases (See Exhibit 4)

14.5 Reports on SEC Form 17-C

Reports on SEC Form 17-C filed during the year ended December 31, 2022 are attached together with this report as Exhibit 5:

Date	Disclosures
January 14, 2022	An advisory on the Resignation of Mr. Mr. Richard Cruz as the Company's Vice-president and Head of Health, Safety, Security & Environment (HSSE).
February 14, 2022	Notice on the Special Stockholders' meeting on 28 April 2022.

<table>
<tr><td>March 17, 2022
(BOD Mtg)</td><td>An advisory on the results of the Results of Q1 Regular Board Meeting as follows:

1. Approval on the cancellation of the Special Stockholders Meeting scheduled on April 28, 2022 and set the Annual Stockholders' meeting on May 12, 2022 at 10:00 AM;
2. Approval of the 2021 Audited Financial Statements for year ended 31 December 2021;
3. Approval and endorsement for approval of stockholders the Audit Committee’s recommendation for the appointment of the SGV & Co. as the Company's External Auditor for calendar year ending 31 December 2022.</td></tr>
<tr><td>March 17, 2022</td><td>An advisory on the separation of Mr. Ernesto Paulo Tan, VP Head of Luzon Sales due to redundancy of position.</td></tr>
<tr><td>April 11, 2022</td><td>An advisory on the following:

1. Separation of Ms. Beatrix R. Guevarra as Assistant Corporate Secretary to pursue opportunities outside Holcim Philippines, Inc.
2. Approval of the promotion of Mr. Albert M. Leoveras from VP, Head of Geocycle to Senior Vice President-Head of Retail Sales and the change of Designation of Mr. Ramakrishna Maganti from SVP, Head of Marketing and Innovation to Senior Vice President-Head of Infrastructure and Industrial Sales</td></tr>
<tr><td>May 12, 2022</td><td>An advisory on the Results of Q2 Regular Board Meeting as follows:

1. Approval of the closure of operations of HPI Terminals located in Calaca, Ilo-Ilo and Manila to mitigate the impact of the pandemic, the increasing prices of fuel and raw materials, increasing distribution cost and increasing competition.
2. Authorized the retrenchment of the 7 personnels affected by the terminal business closure as presented by Management affecting Logistics function and to pay separation benefits.</td></tr>
<tr><td>May 12, 2022</td><td>Separation of Ms. Ann Claire M. Ramirez, VP, Head Communications & CSR from the Company effective on or before 31 August 2022 due to redundancy of position.</td></tr>
<tr><td>May 12, 2022</td><td>Advisory on the Results of the Annual Stockholders’ Meeting and Organizational Board Meeting</td></tr>
<tr><td>May 19, 2022</td><td>An advisory on the fine imposed by the National Water Resources Board (NWRB) to Holcim Philippines, Inc. – Bulacan Plant in connection with the freshwater withdrawal beyond the regulatory limit.</td></tr>
</table>

July 15, 2022	An advisory on the settlement entered in by Seasia and Holcim to amicably settle all disputes and terminate all pending litigation between the Parties and to withdraw/dismiss with prejudice all pending cases related hereto.
July 21, 2022	An advisory on the resignation of Mr. Leandro D. Javier as a member of Holcim Philippines, Inc.'s Board of Directors and Audit Committee.
September 12, 2022	An advisory on the results of the Q3 Regular Board Meeting approving the appointment of Dr. Thomas G. Aquino as a member of the Company's Audit Committee and appointment of Atty. Kristine Mae C. Manalo as the Assistant Corporate Secretary.
November 7, 2022	An advisory on the results of Q4 Regular Board Meeting approving the resignation of Ms. Guia Marie Tomaneng as Data Protection Officer (DPO) and the appointment of Atty. Belinda E. Dugan as the Company's DPO.
November 21, 2022	An advisory clarifying the News article entitled: "CTA Affirms denial of Holcim's tax refund claim"
November 24, 2022	An advisory on the receipt of the CTA's Notice of Decision denying HPI's Petition for review of erroneously and illegally collected LBT for the first three quarters of 2018.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Taguig on MAR 22 2023 2023.

By:

Horia Adrian	Eliana Nieto
President/Chief Executive Officer	Chief Financial Officer

Belinda E. Dugan
General Counsel/Corporate Secretary/ Compliance Officer

SUBSCRIBED AND SWORN to before me this MAR 22 2023 TAGUIG CITY day of ________ 2023 affiant(s) exhibiting to me his/their Residence Certificates, as follows:

NAMES	RES. CERT. NO.	DATE OF ISSUE	PLACE OF ISSUE
Holcim Philippines, Inc.	00136603	January 4, 2019	Taguig City
	PASSPORT NO		
Horia Adrian	056390642	August 22, 2018	Bucuresti
Eliana Nieto	AU876069	June 11, 2018	C. Guayaquil
Belinda E. Dugan	P7916925A	July 12, 2018	DFA Legazpi

Notary Public

JOSE ANGELO C. TIGLAO NOTARY PUBLIC ROLL NO. 73781 TAGUIG CITY, PHILIPPINES

JOSE ANGELO C. TIGLAO
Notary Public for Taguig City
Appointment No. 17 valid until 31 December 2023
16th Floor, One/NEO Building, 26th St. cor. 3rd Ave.
Crescent Park West, Bonifacio Global City, Taguig City
Roll of Attorney No. 73781
PTR No. A-5727230; 01/07/2023; Taguig City
IBP Membership Receipt No. 294999; 02/10/2023; Makati City

Doc No: 104
Page No: 22
Book No: IV
Series of 2023

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

FORM 17-A

Exhibit 1

Consolidated Financial Statements

For the years ended

December 31, 2022 and 2021

C O V E R   S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

2 6 1 2 6

COMPANY NAME

H O L C I M   P H I L I P P I N E S ,   I N C .   A N D   S U B S I D I A R I E S

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

7 t h   F l o o r ,   T w o   W o r l d   S q u a r e ,   M c K i n l e y   H i l l ,   F o r t   B o n i f a c i o ,   T a g u i g   C i t y

Form Type	Department requiring the report	Secondary License Type, If Applicable
A A F S	C R M D	N / A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
	(02)-8459-3333	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
5,234	May 12	December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Dennis G. Segovia Jr.	Dennis.segovia@holcim.com	(02)-8459-3333	09175308837

CONTACT PERSON's ADDRESS

7/F Two World Square McKinley Hill, Fort Bonifacio, Taguig City

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

Holcim Philippines, Inc.
7th Floor , Two World Square
McKinley Town Center,
Fort Bonifacio, Taguig 634
Philippines

Phone +63 2 81581 1511
www.holcim.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Holcim Philippines, Inc. and its Subsidiaries (the "Group") is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial statements including the schedules attached therein and submits the same to the stockholders or members.

SyCip Gorres Velayo & Co. and Navarro Amper & Co., the independent auditors appointed by the stockholders for the periods December 31, 2022 and 2021, respectively, have audited the financial statements of the Group's in accordance with Philippine Standards on Auditing, and in their reports to the stockholders or members, have expressed their opinion on the fairness of presentation upon completion of such audit.

Tomas I. Alcantara
Chairman of the Board

Horia Adrian
President and Chief Executive Officer

Eliana Nieto
Chief Financial Officer

Holcim Philippines, Inc.
7th Floor , Two World Square
McKinley Town Center,
Fort Bonifacio, Taguig 634
Philippines

Phone +63 2 81581 1511
www.holcim.ph

MAR 22 2023 TAGUIG CITY

SUBSCRIBED AND SWORN to before me this ____________ with the presentation of the following:

Name	UMID ID		
Tomas I. Alcantara	0111- 05213746		
	Passport No.	Place Issued	Date Issued
Horia Adrian	056390642	Bucuresti	August 22, 2018
Eliana Nieto	AU876069	C. Guayaquil	June 11, 2018

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Page No. 21
Book No. IV
Series of 2023.

JOSE ANGELO C. TIGLAO
NOTARY PUBLIC
ROLL NO. 73781
TAGUIG CITY, PHILIPPINES

JOSE ANGELO C. TIGLAO
Notary Public for Taguig City
Appointment No. 17 valid until 31 December 2023
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Roll of Attorney No. 73781
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IBP Membership Receipt No. 294999; 02/10/2023; Makati City

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
Holcim Philippines, Inc. and Subsidiaries
(A Subsidiary of Union Cement Holding Corporation)
7th floor, Two World Square, McKinley Hill, Fort Bonifacio
Taguig City, Metro Manila

Opinion

We have audited the consolidated financial statements of Holcim Philippines, Inc. and Subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year-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 Company as at December 31, 2022 and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audit 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 Company 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.

Impairment assessment of goodwill

Under PFRSs, the Group is required to annually test the amount of goodwill for impairment. As of December 31, 2022, the Group's goodwill attributable to the acquisition of Mabini Grinding Mill Corp. amounted to ₱2.6 billion which is considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically, forecasted long-term revenue growth rate, operating expenses, gross margin and discount rate.

The Group's disclosures about goodwill is included in Notes 3 and 11 to the consolidated financial statements.

Audit Response

We obtained an understanding of the management's process for evaluating the impairment of goodwill. We involved our internal specialist in evaluating the methodologies and the assumptions used in determining the value-in-use of the cash generating unit related to the Mabini Grinding Mill Corp. (MGMC) cement business. We compared the key assumptions used, such as revenue growth rate, operating expenses and gross margin against the historical performance of the CGU, and other relevant external data. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group 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 amount of goodwill.

Other Matter

The consolidated financial statements of the Group as at December 31, 2021 and for the years ended December 31, 2021 and 2020 were audited by another auditor who expressed an unmodified opinion on those statements on March 16, 2022.

Other Information

Management is responsible for the other information. The other information comprises the SEC Form 17-A for the year ended December 31, 2022, but does not include the consolidated financial statements and our auditor's report thereon which we obtained prior to the date of the Auditor's Report, and the SEC Form 20 - IS (Definitive Information Statement) and Annual Report for the year ended December 31, 2022, which 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 audit 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 audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Company'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 Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company'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 Company'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 Company'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 Company 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.

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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 Maria Pilar B. Hernandez.

SYCIP GORRES VELAYO & CO.

Maria Pilar B. Hernandez

Maria Pilar B. Hernandez
Partner
CPA Certificate No. 105007
Tax Identification No. 214-318-972
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 105007-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. 08-001998-116-2022, January 20, 2022, valid until January 19, 2025
PTR No. 9564632, January 3, 2023, Makati City

March 22, 2023

HOLCIM PHILIPPINES, INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022
(With Comparative Figures as at December 31, 2021)

	December	
	2022	2021
	(In Thousands)	
ASSETS		
Current Assets		
Cash in banks (Note 5)	**₱5,233,204**	₱501,208
Trade and other receivables (Note 6)	**1,902,369**	1,955,800
Financial assets at fair value through profit or loss	**5,056**	–
Inventories (Note 7)	**4,130,963**	4,347,057
Other current assets (Note 8)	**533,377**	360,052
Total Current Assets	**11,804,969**	7,164,117
Noncurrent Assets		
Investments (Note 9)	**4,161,759**	4,124,345
Property, plant and equipment (Note 10)	**18,846,900**	19,502,248
Right-of-use assets (Note 14)	**1,336,837**	1,544,292
Goodwill (Note 11)	**2,635,738**	2,635,738
Intangible assets (Note 11)	**27,874**	32,505
Retirement benefit asset (Note 26)	**2,697,634**	2,468,661
Other noncurrent assets (Note 12)	**984,159**	2,879,572
Total Noncurrent Assets	**30,690,901**	33,187,361
Total Assets	**₱42,495,870**	₱40,351,478
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 13)	**₱9,738,715**	₱8,566,340
Current portion of lease liabilities (Note 14)	**214,506**	171,418
Income tax payable	**47,886**	148,958
Total Current Liabilities	**10,001,107**	8,886,716
Noncurrent Liabilities		
Provisions (Note 15)	**61,434**	73,043
Deferred tax liabilities - net (Note 25)	**461,736**	112,025
Lease liabilities - net of current portion (Note 14)	**1,266,535**	1,475,239
Total Noncurrent Liabilities	**1,789,705**	1,660,307
Total Liabilities	**11,790,812**	10,547,023
Equity		
Capital stock (Note 16)	**6,452,099**	6,452,099
Additional paid-in capital	**8,476,002**	8,476,002
Other reserves (Notes 27 and 30)	**74,775**	4,050
Cumulative remeasurement gain on retirement benefits	**1,699,213**	1,806,860
Retained earnings (Note 16)	**13,990,518**	13,048,740
Equity attributable to equity holders of the Parent Company	**30,692,607**	29,787,751
Non-controlling interest	**12,451**	16,704
Total Equity	**30,705,058**	29,804,455
Total Liabilities and Equity	**₱42,495,870**	₱40,351,478

See accompanying Notes to Consolidated Financial Statements.

HOLCIM PHILIPPINES, INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Figures for the Years Ended December 31, 2021 and 2020)

	For the Years Ended December		
	2022	2021	2020
	(In Thousands, Except Per Share Amounts)		
REVENUE (Note 4)	**₱26,587,684**	₱26,946,145	₱26,015,342
COST OF SALES (Note 17)	**23,278,720**	21,700,100	21,884,624
GROSS PROFIT	**3,308,964**	5,246,045	4,130,718
General and administrative expenses (Note 18)	**(971,011)**	(1,103,063)	(906,592)
Selling expenses (Note 19)	**(413,043)**	(568,758)	(460,606)
Interest income (Note 23)	**142,188**	99,096	158,755
Interest and financing charges (Note 22)	**(142,174)**	(134,535)	(357,460)
Equity in income (loss) of an associate (Note 9)	**42,470**	(155,399)	22,234
Other income (expense) - net (Notes 24 and 31)	**(600,323)**	56,964	187,526
INCOME BEFORE INCOME TAX	**1,367,071**	3,440,350	2,774,575
PROVISION FOR INCOME TAX (Note 25)	**423,778**	875,187	710,491
NET INCOME	**₱943,293**	₱2,565,163	₱2,064,084
Net income attributable to:			
Equity holders of the Parent Company	**₱941,778**	₱2,563,635	₱2,062,303
Non-controlling interest	**1,515**	1,528	1,781
	₱943,293	₱2,565,163	₱2,064,084
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods			
Actuarial gain (loss) on pension (Note 26)	**₱87,002**	₱343,333	(₱286,800)
Income tax effect	**(200,417)**	40,081	86,040
	(113,415)	383,414	(200,760)
Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods -			
Net gain on derivative instruments	**94,300**	46	(878)
Income tax effect	**(23,575)**	–	–
	70,725	46	(878)
	(42,690)	383,460	(201,638)
TOTAL COMPREHENSIVE INCOME	**₱900,603**	₱2,948,623	₱1,862,446
Total Comprehensive Income Attributable to:			
Equity holders of the Parent Company	**₱904,856**	₱2,947,049	₱1,861,118
Non-controlling interest	**(4,253)**	1,574	1,328
TOTAL COMPREHENSIVE INCOME	**₱900,603**	₱2,948,623	₱1,862,446
Basic/Diluted Earnings per Common Share of Net Income Attributable to Equity Holders of the Parent Company (Note 32)	**₱0.15**	₱0.40	₱0.32

See accompanying Notes to Consolidated Financial Statements.

HOLCIM PHILIPPINES, INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022

(With Comparative Figures for the Years Ended December 31, 2021 and 2020)

	Equity Attributable to Equity Holders of the Parent Company							
	Capital Stock (Note 16)	**Additional Paid-in Capital**	**Other Reserves** (Notes 27 and 30)	**Cumulative Remeasurement Gain on Retirement Benefits - Net** (Note 26)	**Retained Earnings** (Note 16)	**Total**	**Equity Attributable to Non-controlling Interest**	**Total Equity**
				(In Thousands)				
Balances at January 1, 2020	₱6,452,099	₱8,476,002	₱4,475	₱1,624,206	₱11,199,025	₱27,755,807	₱13,802	₱27,769,609
Net income	–	–	–	–	2,062,303	2,062,303	1,781	2,064,084
Other comprehensive loss	–	–	(425)	(200,760)	–	(201,185)	(453)	(201,638)
Total comprehensive income (loss)	–	–	(425)	(200,760)	2,062,303	1,861,118	1,328	1,862,446
Balances at December 31, 2020	6,452,099	8,476,002	4,050	1,423,446	13,261,328	29,616,925	15,130	29,632,055
Net income	–	–	–	–	2,563,635	2,563,635	1,528	2,565,163
Other comprehensive income	–	–	–	383,414	–	383,414	46	383,460
Total comprehensive income	–	–	–	383,414	2,563,635	2,947,049	1,574	2,948,623
Cash dividends	–	–	–	–	(2,776,223)	(2,776,223)	–	(2,776,223)
Balances at December 31, 2021	6,452,099	8,476,002	4,050	1,806,860	13,048,740	29,787,751	16,704	29,804,455
Net income	–	–	–	–	941,778	941,778	1,515	943,293
Other comprehensive loss	–	–	70,725	(107,647)	–	(36,922)	(5,768)	(42,690)
Total comprehensive income (loss)	–	–	70,725	(107,647)	941,778	904,856	(4,253)	900,603
Balances at December 31, 2022	**₱6,452,099**	**₱8,476,002**	**₱74,775**	**₱1,699,213**	**₱13,990,518**	**₱30,692,607**	**₱12,451**	**₱30,705,058**

See accompanying Notes to Consolidated Financial Statements.

HOLCIM PHILIPPINES, INC. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Figures for the Years Ended December 31, 2021 and 2020)

	For the Years Ended December		
	2022	2021	2020
		(In Thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax	**₱1,367,071**	₱3,440,350	₱2,774,575
Adjustments for:			
Depreciation and amortization (Note 21)	**1,807,458**	1,838,138	1,967,923
Interest income (Note 23)	**(142,188)**	(99,096)	(158,755)
Interest and financing charges (Note 22)	**142,174**	134,534	357,460
Equity in net loss (income) of an associate (Note 9)	**(42,470)**	155,399	(22,234)
Movement in retirement benefits (Note 26)	**(29,080)**	98,863	(30,237)
Unrealized foreign exchange losses (gains) - net	**(27,650)**	1,890	(24,272)
Loss (gain) on sale of property, plant and equipment	**(173)**	336	–
Reversal of revaluation of related party liability	**–**	21,731	–
Write-off of investment	**–**	1,634	–
Fair value change of financial assets at FVTPL	**–**	(2,750)	–
Gain on termination of lease liabilities (Note 24)	**–**	(39,162)	–
Income before working capital changes	**3,075,142**	5,551,867	4,864,460
Decrease (increase) in:			
Trade and other receivables	**53,431**	910,282	881,306
Inventories	**216,094**	(1,589,559)	226,748
Other current assets	**(117,784)**	3,500	547,218
Increase (decrease) in trade and other payables	**1,286,590**	(1,590,465)	(799,248)
Cash generated from operations	**4,513,473**	3,285,625	5,720,484
Income taxes paid	**(361,789)**	(815,361)	(856,798)
Net cash from operating activities	**4,151,684**	2,470,264	4,863,686
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in other noncurrent assets	**1,736,325**	33,918	(38,982)
Additions to property and equipment (Note 10)	**(1,136,285)**	(1,338,498)	(890,447)
Interest received	**6,197**	12,440	12,599
Additions to intangible assets (Note 11)	**(4,097)**	(19,533)	–
Proceeds from sale of property, plant and equipment	**173**	182	258
Collection of loan extended to a related party	**–**	227,090	–
Dividends received (Note 16)	**–**	–	88,530
Net cash provided by investing activities	**602,313**	(1,084,401)	(828,042)

(Forward)

	For the Years Ended December		
	2022	2021	2020
	(In Thousands)		
CASH FLOWS FROM FINANCING ACTIVITIES (Note 34)			
Payments of:			
Bank loans	**(₱900,000)**	₱–	₱–
Lease liabilities (Note 14)	**(261,405)**	(399,318)	(507,601)
Interest and financing charges	**(59,273)**	(21,051)	(489,819)
Cash dividends (Note 16)	**–**	(2,544,640)	–
Loans payable	**–**	–	(9,225,849)
Availments of:			
Loans from related parties	**300,000**	–	5,300,000
Bank loans	**900,000**	–	–
Net cash used in financing activities	**(20,678)**	(2,965,009)	(4,923,269)
EFFECTS OF EXCHANGE RATE CHANGES	**(1,323)**	(437)	6,519
NET INCREASE (DECREASE) IN CASH IN BANKS	**4,731,996**	(1,579,583)	(881,106)
CASH IN BANKS AT BEGINNING OF YEAR	**501,208**	2,080,791	2,961,897
CASH IN BANKS AT END OF YEAR (Note 5)	**₱5,233,204**	₱501,208	₱2,080,791

See accompanying Notes to Consolidated Financial Statements.

HOLCIM PHILIPPINES, INC. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Holcim Philippines, Inc. (HPI or the "Parent Company") and its subsidiaries (collectively referred to as the "Group"), except Wellborne International Group Limited (WEB), were incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC). The Parent Company is primarily engaged in the manufacture, sale and distribution of cement and cementitious products. Following are the subsidiaries and the respective percentages of ownership as at December 31, 2022 and 2021:

	Ownership and Voting Interest	
	2022	2021
Held by the Parent Company		
WEB [a]	**100. 00%**	100. 00%
Excel Concrete Logistics, Inc. (ECLI) [b]	**100. 00%**	100. 00%
Shop and Build Corporation (S&B) [c]	**100. 00%**	100. 00%
Hubb Stores and Services, Inc. (HSSI) [d]	**100. 00%**	100. 00%
Holcim Philippines Manufacturing Corporation (HPMC) [e]	**99. 62%**	99. 62%
Held by WEB		
Mabini Grinding Mill Corporation (MGMC) [e]	**100. 00%**	100. 00%
Held by HPMC		
Alsons Construction Chemicals, Inc. (Alchem) [f]	**99. 62%**	99. 62%
Bulkcem Philippines, Inc. (Bulkcem) [g]	**99. 62%**	99. 62%
Calamba Aggregates Co. , Inc. (CACI) [h]	**99. 62%**	99. 62%

Incorporated outside the Philippines

(a) A Group incorporated in British Virgin Islands and is dissolved as approved by the Board of Director on June 28, 2019.

Incorporated in the Philippines

(b) Ceased commercial operations of distributing and transporting cement effective December 31, 2018
(c) Formerly Holcim Philippines Business Services Center, Inc. (HPBSCI). Engaged in retail of all kinds of construction and building materials effective November 2021
(d) Ceased commercial operations of retail of all kinds of construction and building materials effective August 2020
(e) Engaged in leasing of cement manufacturing plant
(f) Ceased commercial operations effective December 31, 2013
(g) Engaged in leasing of pack houses.
(h) Ceased commercial operations of mining and selling raw materials and other quarry resources effective October 2004

The plant sites of the Parent Company are in Davao City and in the provinces of La Union and Bulacan while the plant sites of its subsidiaries, Mabini Grinding Mill Corporation and Holcim Philippines Manufacturing Corporation, are in the provinces of Batangas and Misamis Oriental, respectively. The registered address and principal place of business of the Parent Company is at 7th Floor, Two World Square McKinley Hill, Fort Bonifacio, Taguig City.

The Parent Company is majority-owned by Union Cement Holdings Corporation (UCHC), a Group incorporated in the Philippines. The Philippine-domiciled ultimate parent company of HPI is Clinco Corporation (Clinco). The ultimate parent of the Group is Lafarge Holcim Limited, a company incorporated in Switzerland.

The Parent Company's shares of stocks were listed in the Philippine Stock Exchange on June 17, 1996. Total shares issued and outstanding as at December 31, 2022 and 2021 is 6. 5 billion.

The consolidated financial statements were reviewed and recommended for approval by the Audit Committee on March 6, 2023. The same were approved for issuance by the Board of Directors (BOD) on March 22, 2023.

Status of Operations
Following is the status of operations of some of the subsidiaries within the Group:

Excel Concrete Logistics, Inc. (ECLI) was incorporated and registered with the SEC on August 9, 2012. On January 1, 2013, ECLI started its full operation servicing the distribution, transport and placing of concrete, as well as transport of cement and specialty products. On November 29, 2018, the Board of Directors (BOD) of the Parent Company approved the closure and dissolution of ECLI. On January 28, 2020, the SEC approved ECLI's application for amendment of ECLI's Articles of Incorporation to shorten its corporate term. Accordingly, the Parent Company impaired its investment in ECLI in 2019 amounting to ₱125. 0 million and the financial statements of ECLI has been prepared using the liquidation basis of accounting.

HUBB Stores and Services, Inc. (HSSI) incurred losses in 2022 and 2021 amounting to ₱12.09 million and ₱ 172.1 million, resulting in an accumulated deficit of ₱39.3 million and ₱51.2 million as at December 2022 and 2021, respectively. In 2019, the Parent Company impaired its investment amounting to ₱112. 5 million as the Parent Company foresees that the relevant investment will no longer be realized due to its current operations and financial stability. On November 19, 2020, the BOD of HSSI approved its dissolution. Accordingly, the financial statements of ECLI has been prepared using the liquidation basis of accounting.

On November 20, 2020, the Board of Directors and stockholders of the Parent Company approved the dissolution of HSSI. On June 29, 2021, the Board of Directors of HSSI approved the shortening of its corporate term. Accordingly, the financial statements of HSSI has been prepared using the liquidation basis of accounting.

On November 19, 2020, the Board of Directors of Holcim Philippines, Inc. approved the upstream merger of Holcim Philippines Manufacturing Corporation, Mabini Grinding Mill Corporation and Bulkcem Philippines, Inc. into Holcim Philippines, Inc. The stockholders likewise approved the upstream merger in a special meeting held on January 15, 2021. As at March 22, 2023, the Plan of Merger was deferred.

2. Summary of Significant Accounting Policies and Financial Reporting Practices

Basis of Preparation
The consolidated financial statements are prepared on a historical cost basis, except for derivative financial instruments and financial assets at fair value through profit or loss ("FVTPL") that are measured at fair value.

The consolidated financial statements are presented in Philippine peso (Peso), the Parent Company's functional currency. All values are rounded to the nearest thousand, unless otherwise indicated.

Statement of Compliance
The consolidated financial statements of the Company are prepared in accordance with Philippine Financial Reporting Standards (PFRS).

Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and entities controlled by the Parent Company (its subsidiaries) as at December 31 of each year. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has all the following:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and,
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Company's voting rights and potential voting rights

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the date the Company obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions and gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the noncontrolling interests, even if this results in the noncontrolling interests having a deficit balance.

A change in the ownership interest in a subsidiary, without a loss of control, is accounted for as an equity transaction. When the Company loses control of a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any noncontrolling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Recognizes the Parent Company's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Parent Company has directly disposed of the related assets or liabilities.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

  At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

- Amendments to PAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to PFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

- Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*

  The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

  The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

<u>Standards Issued but not yet Effective</u>
Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements.

Effective beginning on or after January 1, 2023
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Effective beginning on or after January 1, 2024
- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*

Effective beginning on or after January 1, 2025
- PFRS 17, *Insurance Contracts*

Deferred effectivity
- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

<u>Current versus noncurrent classification</u>
The Group presents assets and liabilities in the consolidated balance sheet based on current or noncurrent classification. An asset is current if:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as noncurrent.

Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities., respectively.

Fair Value Measurement
The Group measures financial instruments such as derivatives and financial assets at FVTPL at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

"Day 1" Difference
Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial assets

- *Initial recognition and measurement.* Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, FVOCI, and FVTPL.

  The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or which the Group has applied the practical expedient are measured at transaction price determined under PFRS 15.

  In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are SPPI on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

  The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

  Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market-place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

  The Group has no financial assets at FVOCI with or with no recycling of cumulative gains and losses (debt and equity instruments) as at December 31, 2022 and 2021.

- *Subsequent measurement.* For purposes of subsequent measurement, financial assets are classified in four categories: financial assets at amortized cost (debt instruments), financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments), financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments), and FVTPL.

  The following financial assets of the Group are subsequently measured as follows:

  - *Financial assets at amortized cost (debt instruments).* The Group measures financial assets at amortized cost if both of the following conditions are met:

    - The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
    - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in the statements of comprehensive income when the asset is derecognized, modified or impaired.

This category includes cash in banks, trade and other receivables, guarantee deposits, refundable deposits and other financial assets which are presented under “Other noncurrent assets” account as at December 31, 2022 and 2021.

- *Financial assets at FVTPL.* Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

  This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized as other income in the statement of profit or loss when the right of payment has been established.

  A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Group has no financial assets at FVOCI with or with no recycling of cumulative gains and losses (debt and equity instruments) as at December 31, 2022 and 2021.

- *Impairment.* The Group recognizes an allowance for ECLs for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

  ECLs are recognized in two stages, as follows:

  a. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the 12 months (a 12-month ECL).
  b. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are over 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual cash flows in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For cash in banks, other receivables, guarantee deposits, refundable deposits and other financial assets which are presented under "Other noncurrent assets" account, the Group recognizes a loss allowance based on either 12-month ECLs or Lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss. The Group has leveraged on available market data for cash in banks to calculate the ECL.

- *Derecognition.* A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the consolidated statement of financial position) when:

  - The rights to receive cash flows from the asset have expired; or
  - The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

  When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

  Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

b. Financial Liabilities

- *Initial Recognition and Measurement.* Financial liabilities are classified at initial recognition as financial liabilities at FVTPL, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

  All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities as at December 31, 2022 and 2021 are categorized under loans and borrowings. This category includes the Group's trade and other payables and lease liabilities.

The Group has no financial liabilities at FVTPL or derivative liabilities designated as hedging instruments as at December 31, 2022 and 2021.

- *Subsequent Measurement.* After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statements of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process.

  Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs such as debt issues costs that are an integral part of the EIR. The EIR amortization is included in interest expense in the consolidated statements of comprehensive income.

- *Derecognition.* A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of comprehensive income.

Classification of Financial Instruments Between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:
- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument, as a whole, the amount separately determined as the fair value of the liability component on the date of issue.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if there is a currently enforceable legal right to set off the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of all the counterparties.

Derivative financial instruments and hedge accounting
The Group uses derivative financial instruments, particularly forward commodity contracts, to hedge its commodity price risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair

value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument.
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges. The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to volatility in the commodity prices in its forward commodity contracts. The ineffective portion related to these forward commodity contracts is recognized in other operating income or expenses. Refer to Note 30 for more details.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognized in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

<u>Cash in Banks</u>
Cash in banks exclude any restricted cash (presented as part of "Other non-current assets") that is not available for use by the Group and therefore, is not considered highly liquid, such as cash set aside to cover rehabilitation obligations and restricted cash balance which is due to pending settlement of case with a port operator.

<u>Contract balances</u>
Trade receivables. Trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities. A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs the obligation under the contract.

Advance payments from customers before the Group transfers goods to the customer are recorded as "Contract liabilities" account and shown under "Trade and other payables" in the statements of financial position.

<u>Inventories</u>
Inventories are valued at the lower of cost or net realizable value (NRV). Costs incurred in bringing each inventory to its present location and conditions are accounted for as follows:

Finished goods and goods in process	-	determined using the moving average method; cost includes direct materials, direct labor and a proportion of manufacturing overhead costs.
Raw materials, fuel, spare parts and others	-	determined using the moving average method; cost includes purchase price and other costs incurred in bringing these inventories to their present location or condition.

The NRV of finished goods and goods in process inventories is the selling price in the ordinary course of business, less estimated costs to complete the product and make the sale. The NRV of raw materials, fuel, spare parts and other inventories is the current replacement cost.

When the net realizable value of the inventories is lower than the cost, the Group provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in profit or loss. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

Other Current Assets
Other current assets mainly include advances to suppliers and prepaid expenses. These are amounts paid in advance for goods or services that are yet to be delivered and from which future economic benefits are expected to flow to the Group within the normal operating cycle or within 12 months from the balance sheet date, otherwise, these are classified under non-current assets. They are initially measured at the amount paid in advance by the Group for the purchase of goods and services and are subsequently decreased by the amount of expense incurred.

Investment in an Associate
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but has no control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

As of December 31, 2022 and 2021, the Group's investment in an associate pertains to 40% investment in Holcim Mining Development Corporation (HMDC). HMDC was incorporated in the Philippines with registered place of business of 5th Floor, One Campus Place, Tower B, 1080 Campus Avenue, McKinley Town Center, Taguig City. HMDC is involved in mining, processing and sale of quarry resources of mineral rights.

The Group's investment in its associate is accounted for using the equity method. Under the equity method, the investment in associate is initially recognized at cost. The carrying amount of the investments is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Any goodwill relating to an associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statement of income reflects the Group's share of the results of operations of the associate. Any change in OCI of the associate is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate is eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of the associate is shown on the face of the consolidated statement of income and represents profit or loss after tax and noncontrolling interests in the subsidiaries of the associate.

The financial statements of the associate is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on its investment in the associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the loss as part of the "Share in undistributed earnings of an associate" under "Others – net" in the consolidated statement of income.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of income.

Property, Plant and Equipment

Property, plant and equipment are initially recognized at cost. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

The cost of construction in progress includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

Major spare parts and stand-by equipment qualify as property, plant and equipment when the Group expects to use them during more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, these are accounted for as property, plant and equipment.

At the end of each reporting period, items of property, plant and equipment measured using the cost model are carried at cost less any subsequent accumulated depreciation and impairment losses.

Property, plant and equipment are subsequently measured at cost less any subsequent accumulated depreciation, and impairment losses. Subsequent expenditures relating to an item of property, plant and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditures are recognized as expenses in the period in which those are incurred. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

Building and installations	Shorter of the lease term and estimated useful lives of 20 to 35 years
Machinery and equipment	10 to 30 years
Furniture, vehicles and tools	3 to 10 years

Stand-by equipment is depreciated from the date it is made available for use over the shorter of the life of the stand-by equipment or the life of the asset the stand-by equipment is part of, while major spare parts are depreciated over the period starting it is brought into service, continuing over the lesser of its useful life and the remaining expected useful life of the asset to which it relates.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy.

Depreciation of these assets, on the same basis as other property assets, commences at the time the assets are ready for their intended use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Construction in progress represents plant and properties under construction or development and is stated at cost. This includes costs of construction, plant and equipment, borrowing costs directly attributable to such assets during the construction period and other direct costs. Construction in-progress is not depreciated until such time when the relevant assets are substantially completed and available for its intended use.

Business Combinations and Goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any noncontrolling interests in the acquiree. For each business combination, the Group elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss. It is considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PAS 39 is measured at fair value with changes in fair value recognized in profit or loss. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for noncontrolling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing performed annually, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Software

Costs of acquisition of new software and its customization are capitalized and treated as an intangible asset if these costs are not an integral part of the related hardware. Software costs are amortized on a straight-line basis over three years.

Impairment of Nonfinancial Assets

At each reporting period, the carrying values of property, plant and equipment, investment in associate, creditable withholding taxes, input value-added tax (VAT), prepaid expenses, and other nonfinancial assets, except goodwill, are assessed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and when the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of the asset is the greater of fair value less costs to sell or value-in-use. The fair value is the amount that would be received to sell an asset in an orderly transaction between market participants at the measurement date. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Provision for impairment losses is recognized in the consolidated statement of income.

Recovery of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. The recovery is recognized in the consolidated statement of income. However, the increased carrying amount of the asset due to reversal of an impairment loss is recognized only to the extent that it does not exceed the carrying amount (net of accumulated depreciation, amortization and depletion) that would have been determined had impairment loss not been recognized for that asset in the prior years.

Goodwill

Goodwill is tested annually for impairment at the end of each reporting period and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit (CGU) (or group of CGUs) to which the goodwill relates. Where the recoverable amount of CGU (or group of CGUs) is less than their carrying amount, an impairment loss is recognized immediately in profit or loss of the CGU (or group of CGUs) to which goodwill has been allocated. Impairment losses relating to goodwill cannot be reversed in future periods.

Equity

Capital Stock. Preferred and common stocks are measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as deduction from proceeds, net of tax.

Additional paid-in capital. Proceeds and/or fair value considerations received in excess of par value are recognized as additional paid-in capital.

The Group's own equity instruments, which are reacquired and presented as "Cost of treasury shares held" in the consolidated balance sheet, are deducted from equity. No gain or loss is recognized in the consolidated statement of income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration received, if any, upon reissuance or cancellation of shares is recognized as additional paid-in capital.

Retained earnings. Retained earnings represent the cumulative balance of net income or loss, net of any dividend declaration and other capital adjustments.

Other reserves. Other reserves in the Group's financial statements represent the Group's share in the performance compensation scheme of the Holcim Group.

Cash Dividend to Equity Holders of the Parent Company
The Parent Company recognizes a liability to make cash distributions to equity holders of the Parent Company when the distribution is authorized and the distribution is no longer at the discretion of the Parent Company. A corresponding amount is recognized directly in equity.

Share-based Payments
Cash-settled Share-based Payments. For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

Employee Benefits

Post-employment Benefits. The Group has both defined benefit and defined contribution plans.

- *Defined contribution plan.* A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognized as asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due to be settled for more than 12 months after the end of the reporting period in which the employees render the service are discounted to their present value.

- *Defined benefit plan.* Net retirement benefits asset, as presented in the consolidated statements of financial position, is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for the effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

  The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the defined benefit liability and the return on plan assets, are recognized immediately in the consolidated statements of financial position with a corresponding debit or credit to equity through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest is calculated by applying the single effective discount rate based on different term-dependent zero-coupon rate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

The level of benefits provided depends on the member's length of service and salary at retirement age.

Plan assets are assets that are held in trust and governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. The fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

The net retirement benefit asset recognized in the consolidated statements of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Termination Benefits. Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes the related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee Leave Entitlement. Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Revenue Recognition
Revenue from Contracts with Customers. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services, excluding amounts collected on behalf of third parties. Revenue is recognized when the Group satisfies a performance obligation by transferring a promised goods or services to the customer, which is when the customer obtains control of the goods or services. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

- *Sale of Goods.* Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, depending on the shipping terms.

  If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with volume rebates and sales discount. The volume rebates and sales discount give rise to variable consideration.

  - *Volume rebates.* The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for volume rebates, the Group determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of thresholds contained in the contract.

  - *Sales discount.* The Group also provides sales discount to customers for early payment. To estimate the variable consideration for sales discount, the Group applies the most likely amount method. The Group then applies the requirements on constraining estimates of variable consideration and netted with the receivable for the expected future sales discount.

- *Sale of Services.* Service income is recognized based on the stipulations stated in the agreement, which coincide with the performance of services.

Interest Income. Revenue is recognized as the interest accrues, taking into account the effective yield of the asset.

Dividend Income. Revenue is recognized when the Group's right to receive dividends has been established.

Costs and Expenses
Costs and expenses are recognized when incurred. These are measured based on the fair value of consideration paid or payable.

Leases
The Group as lessee. The Group assesses at contract inception whether a contract is, or contains, a lease. That is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

- *Right-of-use assets.* The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Group is reasonably certain to obtain ownership of the leased assets at the end of the lease term, the recognized right-of-use assets is depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. The Group's right-of-use assets are depreciated on a straight-line basis over the lease term of 25 years which includes the non-cancellable period the optional renewable period of the lease.

  Right-of-use assets are subject to impairment. Refer to the accounting policies in section impairment of non-financial assets.

- *Lease liabilities.* At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

  In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- *Short-term leases.* The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Value-added Tax (VAT)
Revenues, expenses and assets are recognized net of the amount of sales tax except:

- where the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the Group's statement of financial position.

Borrowing Costs

Borrowing costs are capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalization of borrowing costs commences when the activities necessary to prepare the asset for intended use are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the asset is available for their intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized. Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds, as well as exchange differences arising from foreign currency borrowings used to finance these projects, to the extent that they are regarded as an adjustment to interest costs.

All other borrowing costs are recognized as expense when incurred.

Functional Currency and Foreign Currency Translation

The consolidated financial statements are presented in Peso, which is also the functional currency of the Parent Company. The functional currency of the Parent Company's subsidiaries is also the Peso. The Peso is the currency of the primary economic environment in which the Parent Company and its subsidiaries operate. This is also the currency that mainly influences the revenue from and cost of rendering products and services. Each entity in the Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange prevailing at the end of the reporting period. All differences are recognized in the consolidated statement of income except for foreign exchange differences that qualify as capitalizable borrowing costs for qualifying assets. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Income Tax

Current Income Tax. Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at balance sheet date.

Current income tax relating to items recognized directly in equity is recognized in OCI and not in the consolidated statement of income.

Deferred Income Tax. Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits from excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO) can be utilized, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax asset to be utilized.

Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred income tax assets to be recovered.

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the year when the assets are realized or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted as at balance sheet date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside the consolidated statement of income. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and, a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable.

Events after Balance Sheet Date
Post year-end events that provide additional information about the Group's financial position at the balance sheet date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

Segment Reporting
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Financial Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group reports separately, information about an operating segment that meets any of the following quantitative thresholds:

- the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount, of the combined reported profit of all operating segments that did not report a loss and the combined reported loss of all operating segments that reported a loss; and
- its assets are 10% or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if management believes that information about the segment would be useful to users of the consolidated financial statements.

For management purposes, the Group is currently organized into two business segments: clinker and cement segment and other materials and construction segments. These divisions are the basis on which the Group reports its primary segment information.

Financial information on segment reporting is presented in Note 4.

3. Significant Accounting Judgments and Estimates

The preparation of consolidated financial statements in conformity with PFRS requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the reporting date. The uncertainties inherent in these judgments and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future years.

Estimates
The key estimates concerning the future and other key sources of estimation uncertainty as at balance sheet date that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are as follows:

Leases - Estimating the incremental borrowing rate. The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liability. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The Group's lease liabilities amounted to ₱1.5 billion and ₱1.6 billion as at December 31, 2022 and 2021, respectively (see Note 14).

ECL Computation. The Group applied the following judgements and estimates that significantly affect the computation of ECL under PFRS 9.

Definition of Default and Credit-Impaired Financial Assets. The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- *Quantitative Criteria.* The borrower is more than 120 days past due on its contractual payments, which is consistent with the Group's definition of default.

- *Qualitative Criteria.* The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

a. The borrower is experiencing financial difficulty or is insolvent;
b. The borrower is in breach of financial covenant(s);
c. Concessions have been granted by the Group, for economic or contractual reasons relating to the borrower's financial difficulty; or
d. It is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes, unless otherwise stated. The default definition has been applied consistently to model the probability of default, loss given default and expected actual default throughout the Group's ECL calculation.

- *General Approach for Cash in banks, guarantee deposits, refundable deposits and other financial assets which are presented under "Other noncurrent assets" account.* Under the general approach, at each reporting date, the Group recognizes a loss allowance based on either 12-month ECLs or Lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognized in profit or loss as an impairment gain or loss. The Group has leveraged on available market data for cash in banks to calculate the ECL.

- *Simplified Approach for Trade Receivables.* The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every financial reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. Furthermore, specific identification was also applied by the Group for trade receivables which are deemed uncollectible.

- *Grouping of instruments for losses measured on collective basis.* For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. The characteristic used to determine groupings is based on the type of customer.

- *Macro-economic Forecasts and Forward-looking Information.* Macro-economic forecasts are determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

  The Group takes into consideration using different macro-economic variables to ensure linear relationship between internal rates and outside factors. Regression analysis was used to objectively determine which variables to use.

  Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 3 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

  The financial assets of the Group are composed of the following as at December 31, 2022 and 2021:

	2022	2021
	(In Thousands)	
Cash in banks (see Note 5)	**₱5,233,204**	₱501,208
Trade and other receivables (see Note 6)	**1,902,369**	1,955,800
Guarantee deposits (see Note 12)	**69,417**	69,062
Refundable deposits (see Note 12)	–	447
Other financial assets (see Note 12)	**284,102**	2,135,778
	₱7,489,092	₱4,662,295

The allowance for expected credit loss amounted to ₱60.8 million and ₱69.1 million as at December 31, 2022 and 2021, respectively (see Note 6).

Assessment of Impairment of Property, Plant and Equipment and Other Nonfinancial Assets. Impairment review is performed when impairment indicators are present. Determining the value in use of an asset, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Any resulting impairment loss could have a material adverse impact on the Group's financial position and financial performance.

The following are the factors that the Group considered important which could trigger an impairment review:

a. significant adverse changes in the technological, market, or economic environment where the Group operates
b. significant decrease in the market value of an asset
c. evidence of obsolescence and physical damage
d. significant changes in the manner in which an asset is used or expected to be used
e. plans to restructure or discontinue an operation
f. significant decrease in the capacity utilization of an asset, or

g. evidence is available from internal reporting that the economic performance of an asset is, or will be, worse than expected.

In 2022, based on the assessment by the Group's management, temporary closure of operations in certain terminals to mitigate the impact of COVID-19 pandemic, the increasing prices of fuels and raw materials, distribution costs and increasing competition in the market is an indicator that the carrying value of the assets located in these terminals amounting to ₱508.4 million may not be fully recoverable. As such, assessment of the recoverability of the related CGU consisting of buildings and installations and machinery and equipment is required as at December 31, 2022.

The Company estimated the recoverable amount of ₱524. 2 million as at December 31, 2022, which is the fair value of the assets based on valuations made as at December 31, 2022 by an independent appraiser who holds a recognized and relevant valuation license. The fair value was determined using the Cost Approach which considers as a substitute for the purchase of a given property, the possibility of constructing another property that is a replica of, or equivalent to, the original or one that could furnish equal utility with no undue cost resulting from delay. The valuation is in accordance with the Philippine Valuations Standards.

Determining the fair value of the assets requires the appraiser to make estimates and assumptions that can materially affect the financial statements. While the Company believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting decline in value could have a material adverse impact on the Company's financial position and performance.

There was no impairment loss on property, plant and equipment recognized in 2022 since the recoverable amount of the assets is higher than its carrying value as at December 31, 2022. For other nonfinancial assets, the Group's management assessed that there was no indicator of impairment in 2022. Further, based on the assessment of the Group's management, there were no indications that the property, plant and equipment and other nonfinancial assets were impaired in 2021.

Impairment of Goodwill. The Group performs impairment testing of its goodwill on an annual basis or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Value-in-use is estimated by making an estimate of the expected future cash flows from the cash-generating unit and to apply a suitable discount rate in order to calculate the present value of those cash flows. The recoverable amount of the goodwill has been determined based on a value-in-use calculation using cash flow projections based on an approved plan by the senior management. The impairment on goodwill is determined by comparing: (a) the carrying amount of the cash-generating unit; and (b) the present value of the annual projected cash flows for seven years and the present value of the terminal value computed under the discounted cash flow method/

The key assumptions used in the impairment test of goodwill are as follows:

a Net Sales

The net sales of the CGU were projected to increase based on the Group's forecasted cumulative annual growth rate based on volume and net selling price which is expected to be in line with the economy. Historically, the business growth had a direct correlation with economic growth. A 3% perpetuity growth rate was assumed at the end of the seven-year forecast period.

b. Costs and Operating Expenses

   On the average, costs and operating expenses were projected to increase in relation to revenue growth and are anchored on the Group's cost improvement measures.

c. Gross Margin

   Cost improvement measures over the forecast period are expected to improve the Group's margins.

d. Discount Rate

   The discount rate used to arrive at the present value of future cash flows was Holcim Group's Weighted Average Cost of Capital (WACC) which was adjusted based on local considerations. The discount rates applied to the cash flow projections were 9.0% and 8.5% in 2022 and 2021, respectively.

   The Group has determined that the goodwill is not impaired. The carrying amount of goodwill amounted to ₱2.6 billion as at December 31, 2022 and 2021 (see Note 11). The recoverable amount of the CGU is greater than its carrying amount. No impairment loss was recognized on goodwill for the years ended December 31, 2022, 2021 and 2020.

Retirement Benefit Costs. The costs of defined benefit pension plans as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about the assumptions used are provided in Note 26.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases are based on historical actual salary increases of the Group.

Total retirement benefit asset amounted to ₱2.7 billion and ₱2.5 billion as at December 31, 2022 and 2021, respectively, as disclosed in Note 26.

Deferred Income Tax Assets. The Group reviews the carrying amounts of deferred income tax assets at the end of each reporting period and reduces these to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred income tax assets to be utilized. The Group's assessment on the recognition of deferred income tax assets on deductible temporary differences is based on the level and timing of forecasted taxable income of the subsequent reporting periods. This forecast is based on the past results and future expectations of revenues and expenses as well as future tax planning strategies. However, there is no assurance that the Group will generate sufficient future taxable income to allow all or part of deferred income tax assets to be utilized. Management also reviews the level of projected gross margin for the use of Optional Standard Deduction (OSD) and assesses the future tax consequences for the recognition of deferred income tax assets and deferred income tax liabilities. Based on the Group 's projected margin, management expects to use the itemized deduction method for the Parent Company and several of its subsidiaries. HPMC and Mabini expect to use the OSD for the next three years and Bulkcem and S&B for the next four years.

Total deferred tax assets recognized in the Group's consolidated statements of financial position amounted to ₱282.8 million and ₱422.1 million as at December 31, 2022 and 2021, respectively. The amounts of temporary differences and carry-forward benefits of unused tax credits and unused tax losses, for which no deferred income tax assets as at December 31, 2022 and 2021 are disclosed in Note 25.

Net Realizable Value of Inventories. The Group writes down the cost of inventories whenever the net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, change in price levels or other causes. The lower of cost and net realizable value of inventories is reviewed on a periodic basis. Inventory items identified to be obsolete and unusable are written-off and charged as expense in the consolidated statement of income. The allowance for inventory obsolescence amounted to ₱237.6 million and ₱214.5 million as at December 31, 2022 and 2021, respectively, as disclosed in Note 10. The carrying values of inventories amounted to ₱4.1 billion and ₱4.3 billion as at December 31, 2022 and 2021, respectively, as disclosed in Note 7.

Provisions for Claims, Litigations and Assessments. The Group is currently involved in various legal proceedings and tax assessments. Management's estimate of the probable costs for the resolution of these claims has been developed based upon an analysis of potential results. The Group currently believes that these proceedings will not have a material adverse effect on the consolidated financial statements. It is possible however, that future financial performance could be materially affected by changes in the estimates or effectiveness of the strategies relating to these proceedings and assessments. As at December 31, 2022 and 2021, the Group's provision for probable losses amounted nil and ₱10.0 million, respectively, as disclosed in Note 15.

Contingencies. The Group is either a defendant or plaintiff in several legal cases primarily involving collection and claims for damages.

In 2021, the Group has an outstanding legal case with Seasia Nectar Port Services Inc. ("Seasia") concerning the termination of the port services agreement with the latter. The Group lodged multiple petitions that are still pending with the Regional Trial Court of Bataan and the Regional Trial Court of Taguig as at December 31, 2021. An interim measure of protection in the form of a preliminary attachment of the Group's assets was secured by Seasia, as disclosed in Note 29. In 2022, management has accordingly recognized settlement costs related to the said case, as disclosed in Note 29.

4. Segment Information

Business segment

Operating segments are components of the Group that engage in business activities from which they may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the chief operating decision maker to make decisions about how resources are to be allocated to each of the segments and to assess their performances, and for which discrete financial information is available. Management reassesses on an annual basis whether there have been any changes in the operating segments or in the reportable operating segments in accordance with PFRS 8, *Operating Segments*.

For management purposes, the Group is organized into activities based on their products and has two segments, as follows:

- Clinker and Cement segment, which manufactures and sells clinker and cement for domestic customers; and
- Other Construction Materials and services segment, which includes operations from Specialty Products and Aggregates Trading.

Management monitors the operating results of its business segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is based on operating EBITDA and is measured consistently with consolidated net income in the consolidated statement of profit or loss and other comprehensive income. However, the Group's finance income and charges and income taxes are managed on a group basis and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis similar to transactions with third parties.

The Group has determined the Clinker and Cement segment as the only reportable segment. Information on the other segments that are not reportable are combined and presented as "Others". Segment revenues, EBITDA, assets, liabilities and other information for segments as at December 31, 2022 and 2021 and for each of the three years ended December 31, 2022, 2021 and 2020 are presented below:

	Clinker and Cement	Others	Total	Adjustments and Eliminations	Consolidated
			(In Thousands)		
2022					
Revenue:					
External customers	**₱24,668,913**	**₱1,918,771**	**₱26,587,684**	**₱–**	**₱26,587,684**
Inter-segment	**15,528**	**228**	**15,756**	**(15,756)**	**–**
	24,684,441	**1,919,999**	**26,603,440**	**(15,756)**	**26,587,684**
Operating EBITDA	**3,092,920**	**644,096**	**3,737,016**	**–**	**3,737,016**
Segment assets	**32,766,299**	**329,432**	**33,095,851**	**9,400,019**	**42,495,870**
Segment liabilities	**9,261,792**	**640,935**	**9,902,727**	**1,888,085**	**11,790,812**
Results -					
Depreciation and amortization	**1,805,468**	**1,990**	**1,807,458**	**–**	**1,807,458**
Other disclosures					
Construction-in-progress	**1,326,252**	**254**	**1,326,506**	**(116,164)**	**1,210,342**
2021					
Revenue:					
External customers	₱25,153,069	₱1,793,076	₱26,946,145	₱–	₱26,946,145
Inter-segment	227,636	–	227,636	(227,636)	–
	25,380,705	1,793,076	27,173,781	(227,636)	26,946,145
Operating EBITDA	4,746,336	666,026	5,412,362	–	5,412,362
Segment assets	26,005,234	9,720,691	35,725,925	4,625,553	40,351,478
Segment liabilities	7,850,882	3,717,887	11,568,769	(1,021,746)	10,547,023
Results -					
Depreciation and amortization	1,831,514	6,624	1,838,138	–	1,838,138
Other disclosures					
Construction-in-progress	1,826,633	505	1,827,138	(3,859)	1,823,279
2020					
Revenue:					
External customers	₱25,788,478	₱226,864	₱26,015,342	₱–	₱26,015,342
Inter-segment	214,647	1,043,243	1,257,890	(1,257,890)	–
	26,003,125	1,270,107	27,273,232	(1,257,890)	26,015,342
Operating EBITDA	4,376,272	355,171	4,731,443	–	4,731,443
Segment assets	23,200,791	11,784,581	34,985,372	6,380,050	41,365,422
Segment liabilities	9,483,912	3,582,209	13,066,121	(1,332,754)	11,733,367
Results -					
Depreciation and amortization	1,957,414	10,509	1,967,923	–	1,967,923
Other disclosures					
Construction-in-progress	1,330,295	505	1,330,800	–	1,330,800

Inter-segment revenues, other than those outside the Group, are eliminated upon consolidation and reflected in the “Adjustments and eliminations” column. All other adjustments that are part of detailed reconciliations presented further below include the following:

- Finance income and charges, and foreign exchange gains (losses) on financial assets and liabilities are not allocated to individual segments as the underlying instruments are managed on a group basis.
- Deferred income taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Following is the reconciliation of segment operating profit to consolidated profit before income tax:

	2022	2021	2020
		(In Thousands)	
Operating EBITDA	**₱3,737,016**	₱5,412,362	₱4,731,443
Depreciation and amortization	**(1,807,458)**	(1,838,138)	(1,967,923)
Interest and financing charges	**(142,174)**	(134,535)	(357,460)
Interest income	**142,188**	99,096	158,755
Equity in income (loss) of an associate	**42,470**	(155,399)	22,234
Other income (expense) – net	**(600,323)**	56,964	187,526
Income before income tax	**₱1,367,071s**	₱3,440,350	₱2,774,575

	December 31, 2022	December 31, 2021
	(In Thousands)	
Segment assets	**₱33,095,851**	₱35,725,925
Cash in banks	**5,233,204**	501,208
Investments	**4,166,815**	4,124,345
Consolidated assets	**₱42,495,870**	₱40,351,478
Segment liabilities	**₱11,281,190**	₱10,286,040
Income tax payable	**47,886**	148,958
Deferred income tax liabilities - net	**461,736**	112,025
Consolidated liabilities	**₱11,790,812**	₱10,547,023

Geographic information

The Group operates in just one geographic location – the Philippines.

The Group has no revenue from transactions with a single external customer accounting for 10% or more of the consolidated revenues. Moreover, there are no noted additions of non-current assets allocable to the reportable segments. All property, plant and equipment of the Group are located in the Philippines.

5. Cash in Banks

Cash in banks earn interest at prevailing bank deposit rates from 0.33% to 0.95% in 2022 and 2021, respectively.

Interest income earned from cash in banks amounted to ₱6.2 million, ₱12.4 million and ₱12.5 million in 2022, 2021 and 2020 respectively as disclosed in Note 23.

The Group holds restricted cash balance amounting to ₱0.28 billion and ₱2.14 billion as at December 31, 2022 and 2021, respectively, which are not available for use. The restricted cash are presented as other financial assets under "Other noncurrent assets" account in the statements of financial position as disclosed in Notes 12 and 29.

6. Trade and Other Receivables

	2022	2021
	(In Thousands)	
Trade receivables	**₱1,000,868**	₱803,910
Due from relates parties - net (see Note 28)	**499,882**	652,945
Loans receivable from related parties (see Note 28)	**247,591**	240,426
Others	**214,863**	327,667
	1,963,204	2,024,948
Less allowance for expected credit losses	**60,835**	69,148
	₱1,902,369	₱1,955,800

Trade receivables are non-interest bearing and generally have credit terms of 30 to 60 days.

Due from related parties are due and demandable.

Other receivables consist mainly of collectibles from various parties for transactions other than sale of goods and accrued interests, which are normally collected within one (1) year.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's expected credit loss rate is not significantly different from each customer segments, the expected credit loss rate is not further distinguished between the Group's different customer segments.

	Current -360 days	Over 360 days	Specifically Identified	Total
		(In Thousands)		
2022				
Exposure at default	**₱653,000**	**₱745**	**53,560**	
Expected credit loss rate	**1%**	**100%**	**100%**	
Provision for ECL	**₱6,530**	**₱745**	**₱53,560**	**₱60,835**
2021				
Exposure at default	₱329,500	₱3,340	₱62,513	
Expected credit loss rate	1%	100%	100%	
Provision for ECL	₱3,295	₱3,340	₱62,513	₱69,148

Movements in the allowance for expected credit losses are as follows:

	Trade	Others	Total
		(In Thousands)	
Beginning, January 2021	₱61,887	₱5,105	₱66,992
Expected credit loss	2,156	–	2,156
Ending, December 2021	64,043	5,105	69,148
Expected credit loss	2,230	–	2,230
Reversal	(10,543)	–	(10,543)
Ending, December 2022	₱55,730	₱5,105	₱60,835

The Group applies a simplified approach in calculating ECLs. Furthermore, specific identification was applied by the Group for trade receivables which are deemed uncollectible.

Customary to the credit practices of the Group, customers are required to provide guarantees in the form of a standby letter of credit, bank guarantee and cash bond to allow them to purchase on credit. In the event that customers are deemed incapable of settling their obligations, the Group shall exercise its right to call out the letter of credit or bank guarantee from the issuing banks or apply the cash bond accordingly. However, for some customers that are deemed to be reputable, competent and with sound business practices are exempted. These are normally the large real estate developers and construction companies that have been in operation for a long time. As of December 31, 2022, 51% of total trade receivable (₱517 million) is covered by letter of credit and bank guarantee while 49% (₱492million) is not covered by letter of credit and bank guarantee. As at December 31, 2021, 50% of the total trade receivables (₱404 million) is covered by letter of credit and bank guarantees while 50% (₱404 million) is not covered by letter of credit and bank guarantees. There has not been any significant change in the quality of the guarantees. In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

7. Inventories

	Finished Goods	Goods in Process	Raw Materials	Fuels	Spare Parts and Others	Total
			(In Thousands)			
2022						
At Cost	**₱477,662**	**₱1,103,427**	**₱516,686**	**₱1,341,423**	**₱929,356**	**₱4,368,554**
Allowance for inventory obsolescence	**–**	**–**	**–**	**–**	**(237,591)**	**(237,591)**
At net realizable value	**₱477,662**	**₱1,103,427**	**₱516,686**	**₱1,341,423**	**₱691,765**	**₱4,130,963**
2021						
At Cost	₱575,286	₱939,345	₱495,538	₱1,571,904	₱979,483	₱ 4,561,556
Allowance for inventory obsolescence	–	–	–	–	(214,499)	(214,499)
At net realizable value	₱575,286	₱939,345	₱495,538	₱1,571,904	₱764,984	₱4,347,057

Except for spare parts and others, no provisions were provided for inventories due to their nature. Furthermore, these inventories are perpetually consumed in operations and disposed through sale hence has lower risk of obsolescence.

The table below shows the movements of allowance for inventory obsolescence:

	2022	2021
	(In Thousands)	
Balance, beginning	**₱214,499**	₱230,729
Additions	**77,653**	57,943
Reversal	**(54,561)**	(74,173)
Balance, end	**₱237,591**	₱214,499

Cost of inventories charged to cost of goods sold amounted to ₱5.11 billion, ₱6.77 billion and ₱9.61 billion in 2022, 2021 and 2020, respectively (see Note 17).

8. Other Current Assets

	2022	2021
	(In Thousands)	
Advances to suppliers	**₱230,957**	₱118,761
Prepaid expenses	**121,645**	143,610
Derivative asset (see Note 30)	**94,300**	–
Input VAT and creditable withholding taxes	**77,387**	96,847
Others	**9,088**	834
	₱533,377	₱360,052

Prepaid expenses include rent, insurance, and taxes paid in advance that are amortized within next year.

Advances to suppliers represent advances that are applied against subsequent purchases and are outstanding for less than one year from initial recognition.

Other includes advances to employees which are non-interest bearing and generally have terms of 30 days.

9. Investments

Investments consist of the following:

	2022	2021
	(In Thousands)	
Investment in an associate	**₱4,161,759**	₱4,119,289
Financial asset at FVTPL	–	5,056
	₱4,161,759	₱4,124,345

Investment in an associate

This account represents the share in HMDC's net equity as at December 31, 2022 and 2021.

Following is the summarized consolidated financial position of HMDC as at December 31, 2022 and 2021:

	2022	2021
	(In Thousands)	
Current assets	**₱1,569,183**	₱1,948,813
Noncurrent assets	**6,331,783**	6,141,548
Current liabilities	**(2,131,191)**	(2,201,038)
Noncurrent liabilities	**(1,065,583)**	(1,361,587)
Net equity	**₱4,704,192**	₱4,527,736

The reconciliation of the above summarized financial information to the carrying value of the investment in an associate is shown below:

	2022	2021
	(In Thousands)	
Net equity of the associate	**₱4,704,192**	₱4,527,736
Ownership interest in HMDC	**40%**	40%
Proportion of the Group's ownership interest in HMDC	**1,881,677**	1,811,094
Gain on remeasurement of retained equity at deconsolidation	**2,092,278**	2,092,278
Attributable to land	**1,179,230**	1,179,230
Others	**(991,426)**	(963,313)
Carrying amount of the Group's interest in HMDC	**₱4,161,759**	₱4,119,289

Gain on remeasurement of retained equity at deconsolidation pertains to the amount recognized in profit or loss arising mainly from the fair value adjustments of certain assets owned by HMDC and its subsidiaries as a result of the change of HMDC from a subsidiary to an associate in 2015.

Based on the shareholders agreement, HPI is entitled 100% on the land owned by HMDC. However, HPI is not entitled to certain land purchased by HMDC in 2018 and 2019 which are direct purchases of HMDC from third party.

Others primarily pertain to subscription deposit and the receivables from the sale of land originally invested by HPI, in accordance with the shareholders' agreement.

Following is the summarized consolidated comprehensive income for the years ended December 31, 2022 and 2021:

	2022	2021
	(In Thousands)	
Revenues	**₱2,260,872**	₱2,254,282
Cost and expenses	**(1,599,697)**	(1,598,937)
Gross profit	**661,175**	655,345
Other loss	**(314,818)**	(477,936)
Income (loss) before income tax	**346,357**	177,409
Provision from income tax	**(125,757)**	(52,985)
Net income	**₱220,600**	₱124,424
Dividends received from the associate during the year	**₱–**	₱20,631

Movements of the investment in an associate are as follows:

	2022	2021
	(In Thousands)	
Cost	**₱4,319,496**	₱4,319,496
Accumulated share in undistributed earnings:		
Beginning balance	**(200,207)**	(24,177)
Share of income (loss) of the associate	**42,470**	(155,399)
Dividends received	–	(20,631)
	(157,737)	(200,207)
	₱4,161,759	₱4,119,289

On September 16, 2021, the BOD of HMDC declared total cash dividends of ₱25 million to its stockholders of record as of date.

There is no significant restriction on the ability of the associate to transfer funds to the Group in the form of cash dividends.

The Group has no contingent liabilities relating to its interests in the associate and has no commitments on its associate as at December 31, 2022 and 2021.

10. Property, Plant and Equipment

	December 31, 2021	Additions/ Depreciation	Disposals/ Retirements	Transfers/ Reclassification	December 31, 2022
			(In Thousands)		
Cost					
Buildings and installations	**₱14,082,667**	**₱106,116**	**(₱49,025)**	**₱192,710**	**₱14,332,468**
Machinery and equipment	**30,436,009**	**350,818**	**–**	**860,020**	**31,646,847**
Furniture, vehicles and tools	**1,041,204**	**252**	**(6,470)**	**26,207**	**1,061,193**
Construction in-progress	**1,823,279**	**466,000**	**–**	**(1,078,937)**	**1,210,342**
	47,383,159	**923,186**	**(55,495)**	**–**	**48,250,850**
Less accumulated depreciation and impairment losses					
Buildings and installations	**9,078,386**	**439,355**	**(49,025)**	**–**	**9,468,716**
Machinery and equipment	**17,987,716**	**1,100,682**	**–**	**–**	**19,088,398**
Furniture, vehicles and tools	**814,809**	**38,497**	**(6,470)**	**–**	**846,836**
	27,880,911	**1,578,534**	**(55,495)**	**–**	**29,403,950**
Carrying Amount					
Buildings and installations	**₱5,004,281**	**(₱333,239)**	**₱–**	**₱192,710**	**₱4,863,752**
Machinery and equipment	**12,448,293**	**(749,864)**	**–**	**860,020**	**12,558,449**
Furniture, vehicles and tools	**226,395**	**(38,245)**	**–**	**26,207**	**214,357**
Construction in-progress	**1,823,279**	**466,000**	**–**	**(1,078,937)**	**1,210,342**
	₱19,502,248	**(₱655,348)**	**₱–**	**₱–**	**₱18,846,900**

	December 31, 2020	Additions/ Depreciation	Disposals/ Retirements	Transfers/ Reclassification	December 31, 2021
			(In Thousands)		
Cost					
Buildings and installations	₱14,112,018	₱5,247	(₱90,065)	₱55,467	₱14,082,667
Machinery and equipment	29,559,172	208,174	–	668,663	30,436,009
Furniture, vehicles and tools	998,828	1,632	(23,496)	64,240	1,041,204
Construction in-progress	1,330,800	1,281,779	–	(789,300)	1,823,279
	46,000,818	1,496,832	(113,561)	(930)	47,383,159
Less accumulated depreciation and impairment losses					
Buildings and installations	8,766,031	401,492	(87,099)	(2,038)	9,078,386
Machinery and equipment	16,918,163	1,068,445	–	1,108	17,987,716
Furniture, vehicles and tools	791,090	44,751	(21,048)	16	814,809
	26,475,284	1,514,688	(108,147)	(914)	27,880,911
Carrying Amount					
Buildings and installations	₱5,345,987	(₱396,245)	(₱2,966)	₱57,505	₱5,004,281
Machinery and equipment	12,641,009	(860,271)	–	667,555	12,448,293
Furniture, vehicles and tools	207,738	(43,119)	(2,448)	64,224	226,395
Construction in-progress	1,330,800	1,281,779	–	(789,300)	1,823,279
	₱19,525,534	(₱17,856)	(₱5,414)	(₱16)	₱19,502,248

Construction in progress includes on-going item replacements and expansion projects for the Group's operations. The Group has no contractual commitments for the acquisition of property, plant and equipment, including its on-going item replacements and expansion projects.

Out of the total amount of additions to property, plant and equipment, ₱213.1 million and ₱248.2 million are still unpaid as at December 31, 2022 and 2021, respectively, which are presented in "Trade payables" under trade and other payables account in the statements of financial position (see Note 13).

11. **Goodwill And Intangible Assets**

The movements of goodwill and intangible assets are as follows:

	December 31, 2021	**Additions/ Amortization**	**Transfers**	**December 31, 2022**
Goodwill	**₱2,635,738**	**₱–**	**₱–**	**₱2,635,738**
Intangible assets				
Cost:				
Software costs	**136,096**	**4,097**	**–**	**140,193**
Project development costs and others	**64,467**	**–**	**–**	**64,467**
	200,563	**4,097**	**–**	**204,660**
Less accumulated amortization:				
Software costs	**118,311**	**8,728**	**–**	**127,039**
Project development costs and others	**49,747**	**–**	**–**	**49,747**
	168,058	**8,728**	**–**	**176,786**
	32,505	**(4,631)**	**–**	**27,874**
Total	**₱2,668,243**	**(₱4,631)**	**₱–**	**₱2,663,612**

	December 31, 2020	Additions/ Amortization	Transfers	December 31, 2021
Goodwill	₱2,635,738	₱–	₱–	₱2,635,738
Intangible assets				
Cost:				
Software costs	115,633	19,533	930	136,096
Project development costs and others	64,467	–	–	64,467
	180,100	19,533	930	200,563
Less accumulated amortization:				
Software costs	110,908	7,272	131	118,311
Project development costs and others	49,747	–	–	49,747
	160,655	7,272	131	168,058
	19,445	12,261	799	32,505
Total	₱2,655,183	₱12,261	₱799	₱2,668,243

Goodwill amounting to ₱2.6 billion relates to the cement operations of one of the Group's Plants, particularly its Mabini Grinding Mill plant, which was acquired in 2004. The goodwill arising from the acquisition of MGMC is attributable to the synergy from management's strategic plan to expand its operations by rehabilitating the existing grinding plants of MGMC. The management decided to uplift the cement making production capacity of the Group in anticipation of the significant upturn in the construction industry.

The Group performs its annual impairment test every last quarter of the year. The recoverable amount of the CGU determined based on value-in-use, is compared to its carrying amount. Future cash flows are discounted using the WACC.

The cash flow projections are based on a seven-year financial planning period approved by senior management. The Group's Mid-Term plan covers a period of 4 years. However, for the purpose of impairment testing, it was decided to apply a 7-year business plan period to align with the LafargeHolcim global policy.

Cash flows beyond the four-year budget period are extrapolated under the premise that cash flows will have zero percent growth in real terms while having three percent growth as terminal growth rate (TGR).

The key assumptions used on determining the value-in-use of the CGU are as follows:

	Discount Rate	Long-term Revenue Growth Rate
2022	**9.0%**	**3.0%**
2021	8.5%	3.0%

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for which goodwill is allocated. Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount.

No impairment loss was recognized in 2022, 2021, and 2020 since the value-in-use exceeds the carrying value of the cement segment.

12. **Other Noncurrent Assets**

	2022	2021
Deferred input VAT and other taxes	**₱398,939**	₱482,685
Other financial assets (see Note 5)	**284,102**	2,135,778
Long-term prepaid asset	**231,701**	191,600
Guarantee deposits	**69,417**	69,062
Refundable deposits	–	447
	₱984,159	₱2,879,572

Other financial assets as at December 31, 2021 represent restricted funds in relation to court-mandated garnishment arising from a case filed by Seasia against HPI and minimum mine rehabilitation fund required by the Department of Environment and Natural Resources (DENR) to cover site restoration cost. In 2022, the Group and Seasia mutually negotiated for the settlement and closure of all pending cases and both parties agreed on all the essential terms and conditions. Both parties obtained the requisite court approvals and the Group paid Seasia ₱0.7 billion as settlement, which was recognized in other income (expense) in 2022. The balance amounting to ₱1.2 billion was released to the Group. The case has been declared as closed as at December 31, 2022 (see Notes 24 and 29).

As at December 31, 2022, the Group is already working to close the rehabilitation fund as DENR requirement is no longer applicable consequent to the disposal of all land and mining assets previously owned by the Group.

Guarantee and security deposits represent cash deposits made to suppliers for raw materials supply agreement and various security deposits for rentals.

13. **Trade and Other Payables**

	2022	2021
	In thousands	
Trade payables (see Note 10)	**₱4,307,711**	₱4,024,769
Contract liabilities	**1,772,703**	744,143
Accrued expenses	**1,569,584**	2,174,705
Due to related parties (see Note 28)	**861,706**	1,308,671
Non-trade payables	**795,869**	75,119
Loan payable to a related party (see Note 28)	**300,000**	–
Other payables	**131,142**	238,933
	₱9,738,715	₱8,566,340

Trade payables are non-interest bearing and normally have payment terms of 30 to 90 days and includes provision.

Contract liabilities represent those that will be applied against subsequent shipments, which is expected to be applied for less than 30 to 90 days.

Other payables include taxes payable (i.e. withholding and fringe benefit taxes payable) and other payables pertaining to non-trade transactions with normal payment terms of 30 to 90 days.

Non-trade payables represent accounts with suppliers other than production-related expenses such as government-related expenses, employee benefits and other admin expenses.

Details of the Group's accrued expenses are as follows:

	2022	2021
	In thousands	
Outside services	**₱484,897**	₱705,226
Power	**340,365**	400,538
Rebates	**308,561**	529,933
Employee-related payable	**193,767**	267,331
Maintenance	**69,450**	73,750
Freight	**29,034**	16,754
Others	**143,510**	181,173
	₱1,569,584	₱2,174,705

Outside services include accrual for audit fees, consigned raw materials, security services and other third-party services acquired.

Other accrued expenses include interest from interest-bearing cash bonds which are refundable anytime upon demand by the customers.

14. Leases

The Group has a number of lease agreements covering land, office spaces and warehouses that are accounted under PFRS 16, with periods ranging from more than one year to twenty-five years. Bulk of the commitments pertains to lease of land and manufacturing facilities.

See out below the movements of lease liabilities:

	2022	2021
	In thousands	
Beginning balance	**₱1,646,657**	₱2,060,066
Payments	**(261,405)**	(399,318)
Accretion of interest (see Note 22)	**95,789**	105,838
Terminated lease (see Note 24)	–	(133,276)
Additions	–	13,354
Effect of foreign exchange	–	(7)
Ending balance	**1,481,041**	1,646,657
Less current portion	**214,506**	171,418
Noncurrent portion	**₱1,266,535**	₱1,475,239

In 2021, the Group pre-terminated certain lease contracts which resulted to recognition of gain on termination amounting to ₱39,162, which is presented under other income (expense) account (see Note 24).

Shown below is the maturity analysis of the undiscounted lease payments:

	2022	2021
	In thousands	
1 year	**₱214,506**	₱171,418
More than 1 year to 2 years	**156,595**	191,353
More than 2 years to 3 years	**135,942**	156,595
More than 3 years to 4 years	**136,508**	135,942
More than 4 years to 5 years	**137,102**	136,508
More than 5 years	**1,604,323**	1,838,502
	2,384,976	2,630,318
Less unamortized interest	**903,935**	983,661
	₱1,481,041	₱1,646,657

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

See out below the movements of right-of-use assets:

	2022				
	Right-of-Use Land	**Right-of-Use Buildings and Installations**	**Right-of-Use Machinery and Equipment**	**Right-of-Use Furniture, Vehicle and Tools**	**Total**
			In thousands		
Cost					
At December 31 and January 1	**₱1,692,328**	**₱372,005**	**₱20,790**	**₱312,343**	**₱2,397,466**
Addition and others	**–**	**12,741**	**–**	**–**	**12,741**
	1,692,328	**384,746**	**20,790**	**312,343**	**2,410,207**
Accumulated amortization					
January 1	**358,445**	**199,659**	**20,624**	**274,446**	**853,174**
Amortization and others	**105,647**	**76,652**	**–**	**37,897**	**220,196**
At December 31	**464,092**	**276,311**	**20,624**	**312,343**	**1,073,370**
Net book value	**₱1,228,236**	**₱108,436**	**₱166**	**₱–**	**₱1,336,837**

	2021				
	Right-of-Use Land	Right-of-Use Buildings and Installations	Right-of-Use Machinery and Equipment	Right-of-Use Furniture, Vehicle and Tools	Total
			In thousands		
Cost					
At January 1	₱1,677,889	₱349,708	₱20,790	₱442,069	₱2,490,456
Additions	–	13,354	–	–	13,354
Disposals (see Note 24)	–	–	–	(129,726)	(129,726)
Impact of lease modification	14,439	8,943	–	–	23,382
At December 31	1,692,328	372,005	20,790	312,343	2,397,466
Accumulated amortization	233,307	121,257	14,406	254,590	623,560
Amortization	125,138	78,402	6,218	106,420	316,178
Disposals (see Note 24)	–	–	–	(86,564)	(86,564)
At December 31	358,445	199,659	20,624	274,446	853,174
Net book value	₱1,333,883	₱172,346	₱166	₱37,897	₱1,544,292

The following are the amounts recognized in the consolidated statements of comprehensive income:

	2022	2021
Amortization of right-of-use assets (see Note 21)	**₱220,196**	₱316,178
Interest expense on lease liabilities (see Note 22)	**95,789**	105,838
	₱315,985	₱422,016

15. **Provisions**

	2022	2021
Provisions for stranded cost	**₱61,434**	₱63,043
Provision for dispute and tax assessment	**–**	10,000
	₱61,434	₱73,043

See out below the movement of provisions for stranded cost:

	2022	2021
Beginning balance	**₱63,043**	₱64,479
Accretion (see Note 22)	**4,692**	4,864
Payments	**(6,301)**	(6,300)
	₱61,434	₱63,043

Prior to 2021, the Group recognized a provision for probable losses amounting to ₱10.0 million related to a dispute with a former supplier of its aggregates. In 2022, the Group settled with the supplier amounting to ₱3.0 million. The provision was reverse and the net reversal amounting to ₱7.0 million was recognized as "Other income" under other income (expense) account in the statement of comprehensive income (see Note 24).

16. **Equity**

a. Capital Stock

The composition of the Parent Company's capital stock as at December 31, 2022 and 2021 is as follows:

	Number of Shares	Amount *(In Thousands)*
Authorized - ₱1 par value		
Preferred shares	20,000,000	₱20,000
Common shares	9,980,000,000	9,980,000
Issued and outstanding - Common shares	6,452,099,144	6,452,099

The Parent Company has one class of common share which carries voting right and right to dividends but none for fixed income.

The Parent Company's common shares were registered/listed on June 17, 1996. Total shares registered and outstanding as at December 31, 2022 and 2021 is 6.5 billion. These shares are held by 5,234 and 5,248 stockholders as at December 31, 2022 and 2021, respectively. There have been no recent changes in the number of shares registered and outstanding.

The preferred shares are cumulative and non-participating and entitled to preferential dividend rate when declared by the management of the Parent Company. There are no preferred shares issued and outstanding as at December 31, 2022 and 2021.

b. Retained Earnings

The Parent Company's retained earnings available for dividend declaration amounted to ₱8.2 billion and ₱7.2 billion as at December 31, 2022 and 2021, respectively, based on the guidelines set in the Securities Regulation Code Rule 68.

On May 27, 2021, the Parent Company declared cash dividends amounting to ₱2.8 billion or at ₱0.43 per share. As at December 2022 and 2021, dividend payable to UCHC amounted to ₱229.8 million (see Note 28).

Undistributed earnings of the subsidiaries included in the Group's retained earnings amounting to ₱2,577.3 million and ₱2,073.1 million as at December 31, 2022 and 2021, respectively, are not currently available for dividend distribution.

17. **Cost of Sales**

	2022	2021	2020
		In thousands	
Power and fuel	**₱11,232,956**	₱7,986,391	₱5,736,512
Raw, packaging and production materials	**5,112,430**	6,768,308	9,609,195
Outside services	**1,897,662**	2,092,611	1,964,562
Depreciation and amortization (see Note 21)	**1,653,575**	1,576,975	1,703,306
Personnel	**1,133,388**	1,295,572	1,152,694
Transportation and communications	**1,069,139**	718,907	765,771
Repairs and maintenance	**666,309**	803,553	470,515
Taxes and licenses	**338,163**	307,994	326,148
Insurance	**134,535**	119,531	99,028
Rent	–	–	1,984
Others	**40,563**	30,258	54,909
	₱23,278,720	₱21,700,100	₱21,884,624

18. General and Administrative Expenses

	2022	2021	2020
		In thousands	
Personnel (see Note 20)	**₱370,314**	₱470,975	₱381,819
Software implementation costs	**188,793**	147,504	102,198
Outside services	**156,104**	148,978	120,870
Depreciation and amortization (see Note 21)	**98,516**	147,055	133,619
Taxes and licenses	**71,432**	95,854	89,188
Office expenses	**30,856**	54,470	55,369
Directors' fees	**15,883**	15,613	11,475
Transportation and communications	**12,648**	8,194	4,349
Entertainment, amusement and recreation	**584**	216	486
Others	**25,881**	14,204	7,219
	₱971,011	₱1,103,063	₱906,592

19. Selling Expenses

	2022	2021	2020
		In thousands	
Personnel (see Note 20)	**₱202,722**	₱243,847	₱215,901
Depreciation (see Note 21)	**55,367**	114,108	130,998
Advertising	**50,266**	124,648	19,856
Transportation and communication	**31,246**	16,751	17,224
Outside services	**28,978**	25,455	20,213
Office expenses	**13,792**	5,573	2,296
Taxes and licenses	**7,799**	16,780	4,827
Rent	**–**	–	2,422
Others	**22,873**	21,596	46,869
	₱413,043	₱568,758	₱460,606

20. Personnel Expenses

	2022	2021	2020
		In thousands	
Salaries, wages and employee benefits	**₱1,186,215**	₱1,358,065	₱1,204,967
Retirement benefit	**227,592**	216,371	248,553
Training	**5,940**	5,032	3,547
Others	**286,677**	430,926	293,347
	₱1,706,424	₱2,010,394	₱1,750,414

Others includes other labor expenses own, recruitment/hiring expense, meals (non-travel), retrenchment and dismissal costs etc.

21. **Depreciation and Amortization**

	2022	2021	2020
		In thousands	
Property, plant and equipment			
Cost of sales (see Note 17)	**₱1,520,226**	₱1,412,237	₱1,306,653
General and administrative (see Note 18)	**49,698**	94,487	75,574
Selling (see Note 19)	**8,610**	7,964	25,322
Right-of-use assets			
Cost of sales (see Note 17)	**127,529**	158,929	347,585
General and administrative (see Note 18)	**48,818**	52,568	58,045
Selling (see Note 19)	**43,849**	104,681	105,676
Intangible assets			
Cost of sales (see Note 17)	**5,820**	5,809	49,068
Selling (see Note 29)	**2,908**	1,463	–
	₱1,807,458	₱1,838,138	₱1,967,923

22. **Interest and Financing Charges**

	2022	2021	2020
		In thousands	
Interest expense on:			
Lease liabilities (see Note 14)	**₱95,789**	₱105,838	₱165,854
Loans payable (see Notes 13 and 28)	**21,095**	4,663	150,936
Defined benefit obligation (see Note 26)	**15,663**	15,359	19,498
Provision for stranded cost (see Note 15)	**4,692**	4,804	4,846
Bank charges	**4,935**	3,871	16,326
	₱142,174	₱134,535	₱357,460

23. **Interest Income**

	2022	2021	2020
		In thousands	
Interest income on pension plan	**₱128,554**	₱78,346	₱123,458
Interest income on cash in banks and loan receivable (see Notes 5 and 28)	**13,634**	20,750	35,297
	₱142,188	₱99,096	₱158,755

24. Other Income (Expense) - Net

	2022	2021	2020
		In thousands	
Gain on sale of by-products and others	**₱80,762**	₱46,028	₱85,801
Foreign exchange (loss) gain - net	**14,763**	(5,827)	1,751
Gain on termination of lease liabilities (see Note 14)	–	39,162	–
Revaluation of financial assets at FVTPL	–	2,750	–
Recovery of written-off assets	–	–	53,415
Others - net (see Notes 12, 15 and 29)	**(695,848)**	(25,149)	46,559
	(₱600,323)	₱56,964	₱187,526

Others include loss on case settlement, gain/loss on write-offs, scrap sales, gain/loss on sale of assets, miscellaneous revenues from non-operating assets and loss on unrecoverable advances to officers and employees.

25. Income Tax

Components of income tax expense charged to profit or loss are as follows:

	2022	2021	2020
		(In Thousands)	
Current tax expense	**₱299,639**	₱858,857	₱704,610
Deferred tax expense	**124,139**	16,330	5,881
	₱423,778	₱875,187	₱710,491

The reconciliation between the statutory and effective income tax of the Group is as follows:

	2022	2021	2020
		(In Thousands)	
Profit before income tax	**₱1,367,071**	₱3,440,350	₱2,774,575
Income tax at statutory income tax rate of 25%	**₱341,767**	₱860,088	₱832,373
Income tax effects of:			
Nondeductible expenses and others	**129,955**	77,881	1,574
Interest income from retirement fund not subject to income tax	**(32,138)**	(19,587)	(37,037)
Use of OSD	**(14,383)**	(22,835)	(61,413)
Interest and other income subjected to lower tax rates	**(1,545)**	941	(3,769)
NOLCO utilized without DTA recognized	**118**	(3,782)	–
Excess of MCIT over RCIT	**4**	(235)	–
Effect of CREATE tax rate change	–	32,882	–
Difference in tax rates (25% vs. 20%)	–	3,327	–
Income not subject to income tax	–	(3,791)	10

(Forward)

	2022	2021	2020
		(In Thousands)	
Effect of dividend eliminations and other non-taxable income	**₱–**	(₱49,702)	(₱36,255)
Reversal of deferred income tax asset/ liability	**–**	–	(458)
Expired NOLCO	**–**	–	15,466
Income tax at effective tax rate	**₱423,778**	₱875,187	₱710,491

The components of the Group's net deferred tax liabilities as at December 31, 2022 and 2021 are as follows:

	2022	2021
	(In Thousands)	
Deferred tax assets		
Allowances for:		
Decline in value of inventories	**₱59,398**	₱76,136
Impairment losses on property, plant and equipment and investments	**54,622**	124,030
Expected credit losses	**15,209**	15,938
Leases	**36,051**	103,872
Provision for bonus accrual	**30,284**	38,872
Unamortized past service costs	**9,364**	18,413
Accrued expenses	**250**	1,204
NOLCO, excess MCIT and others	**–**	155
Provision for write-off of finished goods	**–**	8,425
Others	**250**	35,025
	205,428	422,070
Deferred tax liabilities		
Net pension asset	**546,795**	471,750
Unrealized forex exchange gain and others	**55,223**	7,263
Capitalized cost of property, plant and equipment from insurance proceeds	**27,954**	54,782
Derivative asset	**23,652**	–
Unamortized amount of capitalized land site restoration costs	**13,540**	300
	667,164	534,095
Deferred tax liabilities - net	**₱461,736**	₱112,025

Total amount of deferred tax expense charged to OCI pertaining to the Group's remeasurement loss on retirement benefit amounted to ₱0.8 billion in 2022 and 2021.

Deferred income taxes for temporary differences for HPMC and HPBSCI affecting gross income were recognized using the effective tax rate of 18% as they availed of OSD as its method of deduction for income tax purposes. Management forecasts that HPMC and Mabini will be using OSD in the next three years and HPBSCI and Bulkcem in the next four years from 2020.

Deferred income tax assets for the following deductible temporary differences and carryforward benefits of unused tax losses and unused tax credits, have not been recognized as they have arisen in subsidiaries that have been incurring losses for some time and may not be used to offset taxable profits or tax liabilities of any other entity other than that of the entity from where such deductible temporary difference arose:

	2022	2021
	(In Thousands)	
Carryforward benefit of NOLCO	**₱4,835**	₱4,254
Excess MCIT over RCIT	**4,387**	199
Unrecognized deferred income tax assets	**₱9,222**	₱4,453

The following NOLCO that can be applied against future RCIT is as follows:

Date Incurred	NOLCO	Applied Previous Year	Applied Current Year	Expired	Total	Expiry Date
		(In Thousands)				
2022	₱581	–	–	–	₱582	2025
2020	4,254	–	–	–	4,254	2025
	₱4,835	–	–	–	₱4,835	

The following MCIT that can be applied against future RCIT is as follows:

Date Incurred	MCIT	Applied Previous Year	Applied Current Year	Expired	Total	Expiry Date
		(In Thousands)				
2022	₱4,387	–	–	–	₱4,387	2025
2021	199	–	–	–	199	2024
	₱4,586	–	–	–	4,586	

26. Retirement Benefit

Defined Benefit Retirement Plans

The Parent Company and HPMC have distinct funded, noncontributory defined benefit retirement plans (the “Plans”). The Plans cover all permanent employees, each administered by their respective Retirement Committees or Board of Trustees.

The following tables summarize the components of retirement benefit costs, the funding status and the amounts recognized as retirement benefit asset of the Group.

Details of retirement benefit costs are as follows:

	2022	2021	2020
		(In Thousands)	
Recognized in profit or loss:			
Current service cost	**₱68,010**	₱104,861	₱87,220
Net interest income (see Notes 22 and 23)	**(112,891)**	(62,987)	(103,960)
	(44,881)	41,874	(16,740)
Recognized in other comprehensive income - Remeasurements loss (gain)	**(87,002)**	(343,333)	286,800
Net retirement benefit loss (gain)	**(₱131,883)**	(₱301,459)	₱270,060

The reconciliation of retirement benefit asset recognized in the consolidated statements of financial position follows:

	2022	2021
	(In Thousands)	
Fair value of plan assets	**₱3,426,430**	₱3,495,053
Present value of defined benefit obligation	**(728,796)**	(1,026,392)
Balance at end of year	**₱2,697,634**	₱2,468,661

The breakdown of the retirement benefit asset (liability) per entity is as follows:

	2022	2021
	(In Thousands)	
HPI	**₱1,574,347**	(₱326,305)
HPMC	**1,123,287**	2,794,966
	₱2,697,634	₱2,468,661

Movements in the retirement benefit asset are as follows:

	2022	2021
	(In Thousands)	
Balance at beginning of year	**₱2,468,661**	₱2,161,204
Retirement benefit income (costs)	**44,881**	(41,874)
Contributions	**97,090**	5,998
Remeasurement gain	**87,002**	343,333
Balance at end of year	**₱2,697,634**	₱2,468,661

The changes in the present value of defined benefit obligation are as follows:

	2022	2021
	(In Thousands)	
Balance at beginning of year	**(₱1,026,392)**	(₱1,425,521)
Benefits paid from plan	**162,744**	446,131
Actuarial gains	**250,665**	(41,449)
Current service cost	**(67,147)**	(104,861)
Interest cost	**(47,803)**	99,308
Settlements	**(863)**	–
Balance at end of year	**(₱728,796)**	(₱1,026,392)

The changes in the fair value of plan assets are as follows:

	2022	2021
	(In Thousands)	
Balance at beginning of year	**₱3,495,053**	₱3,586,725
Contributions	**97,090**	5,998
Remeasurement gain	**(163,663)**	(102,799)
Interest income on plan assets	**160,693**	104,436
Benefits paid from the plan	**(162,743)**	(99,307)
Balance at end of year	**₱3,426,430**	₱3,495,053

The fund is administered by a trustee bank under the supervision of the duly Authorized Person or Trustee of the Plan. The Authorized Person or Trustee is responsible for investment of the assets. Based on the overall direction set by a Retirement Fund Committee, the Trustee proposes an investment strategy and as approved by the Retirement Fund Committee, executes such strategy. The Trustee defines the investment strategy based on the investment instructions found in the Trust Agreement. When defining the investment strategy, the Trustee takes into account the Plan's objectives, benefit obligations and risk capacity. The investment strategy is defined in the form of a long-term target structure (investment policy). The control, direction, and management of the fund shall reside in and be the sole responsibility of the Trustee.

The percentages of fair value of total plan assets are as follows:

	2022		2021	
	HPI	**HPMC**	HPI	HPMC
Cash and receivables	**2.0%**	**0.03%**	4.5%	0.09%
Investments in debt securities:				
Government securities	**0.2%**	**0.06%**	0.9%	1.15%
Corporate debt securities	**0.5%**	**0.04%**	3.2%	0.65%
	2.7%	**0.10%**	4.1%	1.80%
Investment in equity securities				
Construction, infrastructure, property and mining	**1.4%**	**0.0%**	91.4%	0.0%
Holding firms	**0.0%**	**0.0%**	0.0%	0.41%
Others	**95.9%**	**0.0%**	0.0%	97.70%
	97.3%	**99.90%**	91.4%	98.11%
	100.0%	**100.0%**	100.0%	100.0%

The latest actuarial valuation is as at December 31, 2022.

The principal assumptions used in determining the retirement benefit asset of the Group as at December 31 are as follows:

	2022	2021	2020
Discount rates:			
Beginning	**4.8%**	3.0%	4.7%
Ending	**7.3%**	4.8%	3.0%
Future salary increase rates	**4.0%**	4.0%	6.0%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	Increase (decrease)	Effect on defined benefit obligation HPI	HPMC
		(In Thousands)	
2022			
Discount rate			
Sensitivity 1	0.5%	**(₱22,496)**	**(₱7,692)**
Sensitivity 2	(0.5%)	**21,038**	**8,061**
Future salary rate increase			
Sensitivity 1	0.5%	**23,120**	**7,968**
Sensitivity 1	(0.5%)	**(21,785)**	**(8,823)**
2021			
Discount rate			
Sensitivity 1	0.5%	(₱32,635)	(₱12,731)
Sensitivity 2	(0.5%)	30,263	12,103
Future salary rate increase			
Sensitivity 1	0.5%	(30,629)	(12,251)
Sensitivity 1	(0.5%)	32,732	12,769

The table below shows the expected undiscounted future payments as at December 31:

	HPI	**HPMC**
	(In Thousands)	
2022		
Within one year	**₱57,710**	**₱14,266**
More than one year to five years	**222,138**	**96,912**
More than five years	**456,635**	**250,228**
2021		
Within one year	67,490	23,261
More than one year to five years	203,562	90,157
More than five years	435,984	292,121

The Group expects to contribute ₱90.89 million to the defined benefit plans during the next financial year.

Defined Contribution Retirement Plan

The Parent Company has a defined contribution plan wherein the obligation is limited to the specified contribution in the defined contribution plan. Total retirement benefits cost (benefit) related to the defined contribution plans amounted to ₱33.6 million, ₱54.5 million and ₱54.5 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Total consolidated retirement benefit costs recognized in the consolidated statements of income are as follows:

	2022	2021	2020
		(In Thousands)	
Expense (income) recognized for:			
Defined benefit plans	**(₱44,881)**	₱41,874	(₱16,740)
Defined contribution plan	**33,673**	54,435	54,461
Retirement benefit costs (income)	**(₱11,208)**	₱96,309	₱37,721

27. Share-Based Payments

Long-Term Incentive

The Group has a long-term incentive scheme for its executives. In accordance with the terms of the LafargeHolcim's Long-term Incentive (LTI) Plan, the Group was instructed to process the LTI Share Award Payroll Instruction plan for executives with more than five years of service with the Group.

In 2022 and 2021, employees purchased 2,400 shares at an average price of CHF 44.80 per share and 3,813 shares at an average price of CHF 37.37 per share, respectively. Total incentive compensation related to the purchased plans is ₱1,693,086 and ₱6,181,036 in 2022 and 2021, respectively.

The following long-term incentive arrangements were in existence during the current and prior years:

	Number	Grant Date	Expiry Date	Exercise Price (in CHF)	Fair value at grant date (in CHF)
Granted on 05 March 2022	2400	30/07/19	05/03/22	44.80	107,520
Granted on 30 March 2021	1,290	03/01/18	03/01/21	56.06	72,317
Granted on 30 March 2021	2,523	03/01/18	03/01/21	56.06	141,439

The LTI outstanding at the end of the year had a weighted average exercise price of CHF 44.80 in 2022 and CHF 37.37 in 2021, and a weighted average remaining contractual life of 0 days in 2021 and 59 days in 2020.

28. Related Party Transactions

Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity and its key management personnel, directors or stockholders.

The Group has transactions with the following related parties:

Intermediate Parent Companies:
- Clinco Corporation
- Cemco Holdings, Inc. (Cemco), a subsidiary of Clinco
- Union Cement Holdings Corporation (UCHC), a subsidiary of Cemco

Subsidiaries of Cemco, a stockholder of the Parent Company:
- Lafarge Holdings (Philippines) Inc. (LHPI)
- Calumboyan Holdings, Inc. (CHI)
- Seacem Silos, Inc. (SSI)

Subsidiaries of Lafarge Holcim Limited
- Holcim Trading Pte. Ltd., Singapore (Holcim Trading)
- Holcim Technology Ltd. (HTEC)
- Holcim Technology (Singapore) Pte. Ltd. (HTPL)
- Fuels and procurement at holcim trading (FPHT)
- Holcim Group Services Ltd. (HGSX)
- Lafarge Holcim Energy Solutions (LHES)
- LH Shipping PTE Ltd.

- Holcim US Inc.
- LH Global Hub Services Pvt Ltd. (LHGH)
- Other Holcim Group affiliates
- Holcim International Services (LHISS)
- Holcim Helvetia Finance Ltd. (HHFL)
- Holcim Ecuador S.A (HECA)
- Lafargeholcim IT EMEA, S.L. (LHEA)
- Lafarge S.A (LSA)

Associate and Subsidiaries of HMDC:

- Holcim Mining and Development Corporation (HMDC)
- Holcim Resources and Development Corporation (HRDC)
- LafargeHolcim Aggregates Inc. (LHAI)
- Sigma Cee Mining Corporation (SCMC)
- APC Properties, Inc. (APC)
- Quimson Limestones, Inc. (QLI)
- Lucky One Realty Ventures, Inc. (LORVI)

The following table summarizes the related party transactions and outstanding balances as at and for the years ended December 31, 2022 and 2021:

Related Party	**Year**	**Amount/ Volume of Transactions**	**Due from Relates Parties** (see Note 6)	**Loans Receivable from Related Parties** (see Note 6)	**Due to Related Parties** (see Note 13)	**Loan Payable to a Related Party** (see Note 13)
Intermediate Parent Company						
UCHC			*In thousands*			
(1) Loan	**2022**	**(₱600,000)**	**₱–**	**₱–**	**₱–**	**₱300,000**
	2021	–	–	–	–	–
(2) Interest	**2022**	**(4,314)**	**–**	**–**	**(4,314)**	**–**
	2021	–	–	–	–	–
(3) Dividend (see Note 8)	**2022**	**–**	**–**	**–**	**(229,763)**	**–**
	2021	1,679,763	–	–	(229,763)	–
Cemco						
(1) Payment of short-term loan	**2022**	**–**	**–**	**–**	**–**	**–**
	2021	(83,826)	–	–	–	–
(2) Long-term loan	**2022**	**–**	**–**	**238,581**	**–**	**–**
	2021	238,581	–	238,581	–	–
(3) Dividend (see Note 8)	**2022**	**–**	**–**	**–**	**–**	**–**
	2021	196,377	–	–	–	–
(4) Interest	**2022**	**7,773**	**–**	**9,010**	**–**	**–**
	2021	14,437	–	1,845	–	–
(5) Operating Expenses	**2022**	**–**	**–**	**–**	**–**	**–**
	2021	27,636	–	–	–	–
Under Common Control						
HTEC						
(1) Purchases and/or expenses	**2022**	**(699,461)**	**–**	**–**	**–**	**–**
	2021	1,033,410	–	–	–	–
LAFARGEHOLCIM LTD (HOFI)						
(1) Purchases and/or expenses	**2022**	**(1,032,558)**	**–**	**–**	**–**	**–**
	2021	824,257	–	–	–	–
(2) Various charges	**2022**	**3**	**2,529**	**–**	**–**	**–**
	2021	131	131	–	–	–
LAFARGEHOLCIM INVESTMENT CO.,						
(1) Cost recharge for Expats	**2022**	**(3)**	**–**	**–**	**(360)**	**–**
	2021	(5,381)	–	–	(5,381)	–
Holcim Trading						
(1) Purchases and/or expenses	**2022**	**–**	**–**	**–**	**–**	**–**
	2021	(679,102)	–	–	(634,639)	–
LHES						
(1) Purchases and/or expenses	**2022**	**–**	**–**	**–**	**–**	**–**
	2021	17,710	–	–	–	–
LH Shipping Pte Ltd						
(1) Purchases and/or expenses	**2022**	**(205,013)**	**–**	**–**	**1,607**	**–**
	2021	487,456	–	–	(46,924)	–
LHPI						
(1) Various Charges	**2022**	**–**	**–**	**–**	**–**	**–**
	2021	10,677	–	–	–	–
CHI						
(1) Various Charges	**2022**	**–**	**–**	**–**	**–**	**–**
	2021	112	–	–	–	–

(Forward)

Related Party	Year	Amount/ Volume of Transactions	Due from Relates Parties (see Note 6)	Loans Receivable from Related Parties (see Note 6)	Due to Related Parties (see Note 13)	Loan Payable to a Related Party (see Note 13)
LAFSA						
(1) Expat recharges	**2022**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**
	2021	2,163	–	–	–	–
HGSX						
(1) Administrative fees	**2022**	**(98,243)**	–	–	**(5,453)**	–
	2021	108,486	–	–	(22,438)	–
HSSA						
(1) IT/Various charges	**2022**	**(62,571)**	–	–	**(22,587)**	–
	2021	53,025	–	–	(14,550)	–
LHGH						
(1) Service Fee	**2022**	**(39,659)**	–	–	**(6,860)**	–
	2021	19,016	–	–	(3,219)	–
HECA						
(1) Various charges	**2022**	**(3,685)**	–	–	–	–
	2021	–	–	–	–	–
HTPL						
(1) GCDC Opex Capes	**2022**	**(239,639)**	–	–	**(83,328)**	–
	2021	–	–	–	–	–
(2) Cost recharges	**2022**	–	**801**	–	–	–
	2021	–	–	–	–	–
FPHT						
(1) Fuel and Procurement	**2022**	**(2,052,248)**	–	–	**(501,814)**	–
	2021	–	–	–	–	–
LHISS						
(1) Service charges and salaries	**2022**	**(22,551)**	–	–	**(3,999)**	–
	2021	–	–	–	–	–
HHFL						
(1) Purchase and expenses	**2022**	**(23,897)**	–	–	–	–
	2021	–	–	–	–	–
UCHC						
(1) Purchase and expenses	**2022**	**(1,752,371)**	–	–	–	–
	2021	–	–	–	–	–
LHEA						
(1) Purchase and expenses	**2022**	**(3,361)**	–	–	–	–
	2021	–	–	–	–	–
LSA						
(1) Purchase and expenses	**2022**	**(45,318)**	–	–	–	–
	2021	–	–	–	–	–
Associates						
HMDC						
(1) Sales and transfer of assets	**2022**	–	–	–	–	–
	2021	–	426,072	–	–	–
(2) Recharges as receivable	**2022**	**3,725,158**	**866,856**	–	–	–
	2021	146,734	490,421	–	–	–
(3) Purchases of quarried materials	**2022**	**(1,230,460)**	–	–	–	–
	2021	880,537	–	–	(8,076)	–
(4) In-plant billing	**2022**	**(1,978)**	–	–	–	–
	2021	59,366	–	–	(153,550)	–
(5) Asset leasing	**2022**	**(378,664)**	–	–	–	–
	2021	103,761	–	–	(77,716)	–
(6) Sale of Motorpool Assets	**2022**	–	–	–	–	–
	2021	–	1,406	–	–	–
(7) Dividend	**2022**	–	–	–	–	–
	2021	20,631	20,631	–	–	–
(8) Expense from various charges	**2022**	**(593,958)**	–	–	–	
	2021	152,816	–	–	(207,784)	
HRDC						
(1) Expenses from various charges	**2022**	**(16,414)**	–	–	–	–
	2021	–	–	–	(10,158)	–
(2) Purchases of quarried materials	**2022**	**(351,437)**	–	–	–	–
	2021	91,289	–	–	(126,410)	–
(3) Transfer of mining rights and related site restorations costs	**2022**	–	**98,655**	–	–	–
	2021	–	183,368	–	–	–
(4) Advances	**2022**	–	–	–	–	–
	2021	73	40,542	–	–	–
(5) Asset Lease	**2022**	–	–	–	(1,668)	–
	2021	1,270	–	–	–	–
(6) Stranded cost	**2022**	–	–	–	–	–
	2021	–	–	–	–	–
(7) Various expense	**2022**	**10**	–	–	–	–
	2021	–	–	–	–	–
(8) Advances	**2022**	–	–	–	–	–
	2021	–	–	–	(300,463)	–
(9) Fuel withdrawal/quarried	**2022**	**228,936**	–	–	–	–
	2021	–	270,701	–	–	–
LHAI						
(1) Purchases and/or expenses	**2022**	**(271,958)**	–	–	–	–
	2021	1,224,472	–	–	(352,617)	–

(Forward)

Related Party	Year	Amount/ Volume of Transactions	Due from Relates Parties (see Note 6)	Loans Receivable from Related Parties (see Note 6)	Due to Related Parties (see Note 13)	Loan Payable to a Related Party (see Note 13)
(2) Advances	**2022**	**₱91,247**	**(₱460,303)**	**₱–**	**₱–**	**₱–**
	2021	60,276	88,756	–	–	–
APC						
(1) Short term loan receivable	**2022**	**52,204**	–	–	–	–
	2021	52,204	–	–	–	–
(2) Asset Lease and/or expenses	**2022**	**(42,659)**	**(4,338)**	–	–	–
	2021	12,172	–	–	(20,968)	–
(3) Expenses from various charges	**2022**	**23,341**	–	–	–	–
	2021	1,097	782	–	–	–
QLI						
(1) Short term loan receivable	**2022**	**(77,314)**	–	–	–	–
	2021	–	77,314			
(2) Purchases and/or expenses	**2022**	**(1,099)**	**(6,961)**	–	–	–
	2021	1,099	–	–	(9,838)	–
(3) Expenses from various charges	**2022**	**71,621**	–	–	–	–
	2021	817	3,868	–	–	–
SCMC						
(2) Expenses from various charges	**2022**	**(2,136)**	–	–	–	–
	2021	5	2,136	–	–	–
LORVI						
(1) Foreshore lease	**2022**	**(27,886)**	–	–	–	–
	2021	(55,773)	–	–	(79,793)	–
(2) Expense from various charges	**2022**	**(4,380)**	–	–	–	–
	2021	5,148	4,364	–	–	–
Other Holcim Group Affiliates						
(1) Purchases and/or expenses	**2022**	**(4,936)**	–	–	**(4,835)**	–
	2021	7,438	–	–	(12,467)	–
(2) Various charges	**2022**	**2,698**	**2,643**	–	–	–
	2021	–	–	–	–	–
TOTAL	**2022**		**₱499,882**	**₱247,591**	**₱861,706**	**₱300,000**
	2021		652,945	240,426	1,308,671	–

Offsetting Agreement
In 2021, the Group executed offsetting agreements with HMDC and its subsidiaries, whereby the parties formalize the agreements to offset their receivables from the other party, as against their payable to it. Accordingly, the related parties' balances as at December 31, 2022 covered by these offsetting agreements were presented at either net receivable or net payable position.

Parent
UCHC. In April 2018, the Group entered into a short-term loan agreement with UCHC, lender, amounting to ₱200 million which will be collected after three months from the date of the agreement. On June 28, 2018 the loan was extended for one year with due date of June 30, 2019. The loan was \ further extended until July 30, 2020. The applicable interest rate of the loan is equal to the prevailing interest rate of 2.96% per annum which shall be due and payable monthly in arrears, net of any applicable withholding taxes. On September 1, 2018, additional loan was executed amounting to ₱1.64 billion with interest rate of 4.86%. In January 2020, loans were extended for five years until January 31, 2025 with interest rate of 4.382%. On June 30, 2020, principal loan was pre-terminated and settled.

In 2022, Group, as a borrower, entered into a short-term loan contract with UCHC for ₱1.5 billion. The loan is subject to annual interest of 4.81% and is due for repayment in June 2023.

Cemco. On September 28, 2018, the Group entered a long-term loan to Cemco amounting ₱381.8 million with 5.30% interest rate per annum to be paid on or before September 28, 2020. In 2020, it was reclassified to short-term financial receivable, with rate interest rate of 1.839% and due on September 28, 2021.

On May 27, 2021, the BOD of the Group declared a cash dividend of ₱196 million or at 0.43 per share. On September 28, 2021, the cash dividends paid to CEMCO was offset to the outstanding loan amounted to ₱143.3 million plus interest receivable of ₱53.1 million as of September 28, 2021. The outstanding loan balance of ₱238.6 million was extended until September 28, 2026, with an interest

Rate of 3.096% per annum. Interest earned as of December 31, 2022 and 2021 amounted to ₱7.8 million and ₱14.4 million, respectively.

In June 2021, the loan amounting to ₱83.8 million related to tax funding entered in 2019, with original due date in 2020 was extended and collected in 2021, including the interest of ₱7.3 million.

Entities under Common Control

a. *HTEC.* Effective January 1, 2013, the Group and HTEC entered into an agreement for the application of new Industrial Franchise Fee (IFF). The agreement is aligned with the Organization for Economic Co-operation and Development (OECD) principles and takes into account arm's length transfer pricing principles.

   The IFF shall cover all intellectual properties and value-adding solutions derived by the Group. IFF is an annual charge payable quarterly and is based on fair assessment of economic value of intellectual properties and value adding solutions.

   HTEC also renders managerial and project support services to the Group.

   In 2020, IFF was replaced by MIIPA- Master Industrial Intellectual Property Agreement.

   Total expenses incurred amounted to ₱0.7 billion and ₱1.03 billion in 2022 and 2021, respectively.

b. *HOFI.* In 2020, the Parent Company entered into an agreement with LafargeHolcim Ltd, under Master Branding Agreement (MBA). Total expenses incurred amounted ₱678 million and ₱824 million in 2022 and 2021, respectively.

c. *Holcim Trading.* The Group imports clinker and raw materials, such as gypsum and granulated blast furnace slag.

d. *LHES.* The Group had an outstanding receivable from LH Energy Solutions (LHES) amounting to nil as at December 31, 2022 and 2021.

e. *LAFSA.* The Group had expat recharges amounting to nil and ₱2.2 million in 2022 and 2021, respectively.

f. *LH Shipping.* The Group had an outstanding payable to LH Shipping related to time-chartered shipping amounting to ₱1.6 million and ₱46 million as at December 31, 2022 and 2021, respectively.

g. *HSSA.* The Group has an outstanding liability pertaining to IT support services and Sales Force - Non-IT recharges amounting to ₱22 million and ₱14 million as at December 31, 2022 and 2021, respectively.

h. *Other Holcim Group Affiliates.* The Group's transactions with other Holcim Group Affiliates include intercompany charges for salaries and wages of inbound and outbound expatriates, and other expenses related to operations.

i. *HGSX.* On January 1, 2017, the Group entered into an agreement for the "Administrative Support" which include activities in the field of administration as well as clerical and operational support. The administrative support fee is calculated based on the allocated costs plus mark-up and other indirect costs in connection of rendering such support. The administrative support fee amounted to ₱98 million and ₱108.4 million in 2022 and 2021 respectively.

j. *CHI.* As of December 31, 2018, the Group had an outstanding payable to CHI amounting to ₱0.6 million which was subsequently paid in 2019 pertaining recharges of business taxes. Outstanding receivable was ₱0.11 million pertaining to working capital initially paid by the Group.

   In 2021, the outstanding balance with CHI was transferred to CEMCO upon merger.

k. *LHGH*. On June 1, 2021, the Group y entered into a service agreement contract with LI Global Service Hub (GIBS) to provide the support on Finance, Procurement and Human Resources function from January 1, 2022 to December 31, 2026 for an annualized fee of IF 692,016 charged to the Group. The total service fees recognized amounted to ₱39 million and ₱19 million in 2022 and 2021, respectively.

l. *FPHT.* The Group imports clinker, cement, and raw materials, such as gypsum, coal and granulated blast furnace slag.

m. *LHISS.* The Group has an outstanding liability pertains to expat recharges.

n. *HHFL.* The Group entered into a hedging transaction managed by HHFL starting January 2022. On a monthly basis, the Group received the hedging benefit from the results of the hedging transaction in the form of credit note.

o. *HECA.* The Group has no outstanding liability pertaining to expat recharges.

p. *LHEA.* The Group has no outstanding liability pertaining to IT support services.

q. *LSA.* The Group entered into a hedging transaction managed by LSA starting January 2022. On a monthly basis, the Group received the hedging benefit from the results of the hedging transaction in the form of credit note.

<u>Associates</u>

a. The Group has an existing service agreement with HMDC for the quarry operations, in which HMDC shall provide quarry and related services for a fee plus operating costs charged back to the Group.

   Amount charged to the Group amounted to ₱1,137 million and ₱880.5 million in 2022 and 2021, respectively.

b. In January 2016, the Group has entered into various lease agreements with HMDC and its subsidiaries APC, HRDC, QLI and LORVI for certain plant sites and terminals in various locations. The term of the leases is for a period of 25 years.

c. In 2017, the Group sold/transferred various assets to HMDC, such as motorpools which were still outstanding as at December 31, 2021.

d. As at December 31, 2022 and 2021, the Group had a total payable with LHAI of ₱460 million and ₱352.6 million, respectively.

e. In October 2021, the Group entered into short-term loan agreements with QLI and APC amounting to ₱77.3 million and ₱52.2 million, respectively, with 1.6123% interest per annum for working capital requirements. On November 30, 2021, APC and QLI entered into a guarantee agreement where the former agreed to act as a guarantor of the latter in case of default or unable to settle its liabilities to the Group. These loans were subsequently collected in 2022.

Terms and Conditions of Transactions with Related Parties
The following are the terms and conditions of transactions with related parties:
- Except for loans, related party transactions are non-interest bearing.
- Outstanding balances at year-end are unsecured and settlement occurs in cash throughout the financial year.
- Except for short-term loans with QLI and APC, there have been no guarantees provided or received for any related party receivables or payables.
- There is no provision for ECL recognized on the Group's related party receivables. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Key Management Personnel

The following are the details of the compensation of key management personnel:

	2022	2021	2020
		(In Thousands)	
Short-term employee benefits	**₱80,031**	₱68,564	₱82,759
Retirement benefit cost	**11,899**	13,905	15,150
	₱91,930	₱82,469	₱97,909

29. **Commitments and Contingencies**

Lawsuits
The Group is either a defendant or plaintiff in several legal cases primarily involving collection and claims for damages. As at December 31, 2021, based on the assessment of management and the opinion of the Group's external legal counsels, the outflow of resources is not probable to happen.

In 2021, the Group had an outstanding legal case with Seasia concerning the termination of the port services agreement with the latter. The Group lodged multiple petitions that are still pending with the Regional Trial Court of Bataan and the Regional Trial Court of Taguig as at December 31, 2021.

In 2022, the Group and Seasia mutually negotiated for the settlement and closure of all pending cases and both parties agreed on all the essential terms and conditions. Both parties obtained the requisite court approvals and the Group paid ₱0.7 billion to Seasia as settlement. The case has been declared as closed as at December 31, 2022 (see Notes 12 and 24).

Commitments

a. Electricity Supply Agreement (ESA)
An amended electricity supply agreement was signed with AC Energy Philippines, Inc. (ACEPI) effective June 26, 2020 and valid until December 26, 2030 which will supply Bulacan, La Union and Mabini Grinding plants. The related expense under this contract is recognized as part of "Power and Fuel" account in Note 17.

b. Service Agreement with Misamis Oriental – 1 Rural Electric Service Cooperative, Inc. (MORESCO-1)
On November 26, 2012, the Group entered into a Sub Transmission Line Wheeling Service Agreement with MORESCO-1 for supply of electric power exclusively for the operation and requirement of Lugait plant. The related expense under this contract is recognized as part of "Power and Fuel" account in Note 17.

c. Davao Light Service Contract
The Group also entered into a contract with Davao Light and Power Group (DLPC) for electric service to the Group's plant in Davao commencing on November 14, 2013 and thereafter until the contract is terminated. The related expense under this contract is recognized as part of "Power and Fuel" account in Note 17.

d. Kalayaan – Davao Cement Mill Project 01 – EP
On August 14, 2017, the Parent Company entered into a supply agreement with Huaxin Cement Co. Ltd for mechanical and electrical engineering and process control equipment and civil engineering design required for the cement mill system to be put into operation in the existing Davao Plant.

e. Power Purchase Agreement (PPA)
On November 16, 2021, the Group signed a 20-year power purchase agreement with Blueleaf Energy, to deliver solar power to its plants in Bulacan and La Union. Under the agreement, Blueleaf Energy will finance, build, operate, and maintain solar energy facilities in Norzagaray, Bulacan and Bacnotan, La Union with a combined capacity of 29-megawatt peak and an annual generation of more than 50 gigawatt hours that will supply up to 15% of the energy requirements of Holcim Philippines' plants there. The solar energy facilities are scheduled to be completed in 2024.

f. Others
There are contingent liabilities for tax assessments occurring in the ordinary course of business. On the basis of information furnished by the Group's legal counsels, management believes that none of these contingencies will materially affect the Group's financial position and financial performance.

30. Financial Risk Management Objectives and Policies

The Group is exposed to various financial risks, which include the effect of changes in debt structure, equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential and adverse effects on the financial performance of the Group. The Group does not enter into other derivative or financial transactions which are unrelated to its operating business as a risk-averse approach is pursued.

Financial risk management of the Group is governed by policies approved by management. It provides principles for overall risk management, as well as policies covering specific risk areas such as interest rate risk, foreign exchange risk, counterparty risk, use of derivative financial instruments

and investing assets in excess of liquidity requirements.

The Group's principal financial instruments, other than derivatives, consist of cash in banks. The main purpose of these financial instruments is to raise funds for the Group's operations. The Group also has various other financial assets and liabilities such as trade and other receivables, financial assets at FVTPL, guarantee deposits, refundable deposits, restricted cash in banks presented under

"Other financial assets" account and trade and other payables which arise directly from operations.

The main risks arising from the Group's financial instruments are commodity risk, market risks (which include foreign currency risk and interest rate risk), credit risk and liquidity risk. The management reviews and approves the policies for managing each of these risks and they are summarized below. The Group's accounting policies in relation to financial instruments are set out in Note 2 to the consolidated financial statements.

Commodity risk
The Group is subject to commodity risk with respect to coal price changes. Under the Group's risk management policy, the Group uses derivative instruments to hedge part of its exposure to these risks. Derivative instruments are generally limited to swaps and standard options.

Effects of hedge accounting. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

Ineffectiveness is recognized on hedges where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. Ineffectiveness may arise if there is a difference in the principal terms of the hedging instrument and designated hedged risk, from credit valuation of the hedging instrument or timing of the transaction changes from what was originally estimated.

The table below sets out the information about our consolidated derivative financial instruments as at December 31, 2022:

	Commodity	Effective Date	Termination Date	Floating Price	Notional Amount	Net Mark-to-market and Fair Value Change Gains (Losses)
					In thousands	
Transactions designated as hedges						
Forward commodity contracts	Coal Newcastle Globalcoal	Various dates from January 1 to December 31, 2022		The monthly average in USD per metric tons on the pricing date complied from the weekly averages published each Friday in the relevant calculation period by the Argus/McCloskeys Coal Price Index Report	₱535,816	₱94,300

The change in fair value of hedging instruments under cash flow hedge accounting in 2022 amounted to ₱728.3 million which was recognized in the profit and loss.

When a hedging instrument expires, is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, the cumulative gain or loss deferred in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as property, plant and equipment or inventory against which the cumulative gains and losses is adjusted. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to the consolidated statement of income.

The carrying value of hedging instruments amounted to ₱94.3 million as at December 31, 2022 which is presented as "Derivative asset" account under other current assets account.

Market risks
The Group is exposed to market risks, such as foreign currency and interest rate risks. To manage volatility relating to these exposures, the Group enters into derivative financial instruments, when necessary. The Group's objective is to reduce, where appropriate, fluctuations in earnings and cash flows associated with changes in foreign currency, interest rate and equity price.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has foreign exchange exposures, arising primarily from purchases of goods and services in currencies other than the Philippine Peso that leads to currency translation effects. None of the Group's revenues in 2022 and 2021 were denominated in currencies other than the Philippine Peso.

Due to the local nature of the cement business, transaction risk is limited. However, income may primarily be in local currency and significant amount of capital expenditures may be in foreign currencies. As a consequence thereof, the Group may enter into derivative contracts whenever necessary, which may be designated either as cash flow hedges or fair value hedges, as appropriate.

As at December 31, 2022, the Group had minimal assets and liabilities exposed to foreign currency risks.

The table below summarizes the Group's exposure to foreign currency risk before considering the effect of hedging transactions. Included in the table are the Group's foreign currency denominated assets and liabilities at carrying amounts:

	December			
	2022		2021	
	In USD	**In PHP**	In USD	In PHP
Assets -			*(In Thousands)*	
Cash in banks	**$1,236**	**₱68,907**	$434	₱22,135
Liabilities:				
Trade and other payables	**385**	**21,460**	3,897	198,573
Lease liabilities	**–**	**–**	648	33,019
	385	**21,460**	4,545	231,592
Net exposure	**($851)**	**₱47,447**	($4,111)	(₱209,457)

Converted to US$1.00:₱55.744 and US$1.00:₱50.955 as at December 31, 2022 and 2021

The following table demonstrates the sensitivity of the Group's income before income tax (due to changes in fair value of monetary assets and liabilities after considering the impact of hedging transactions) to a reasonably possible change in U.S. dollar exchange rate, with all other variables held constant:

	US Dollar Appreciates (Depreciates) by	Effect on Income Before Income Tax
December 31, 2022		*(In Thousands)*
Sensitivity 1	10%	**₱4,745**
Sensitivity 2	(5%)	**(2,372)**
December 31, 2021		
Sensitivity 1	10%	(20,946)
Sensitivity 2	(5%)	10,473

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

The impact of any change in foreign exchange rate on the embedded currency forwards of the Group is immaterial.

Interest rate risk
Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates.

The Group is exposed to fluctuations in financing costs and market value movements of its debt portfolio related to changes in market interest rates. The Group's interest rate exposure is mainly addressed through the steering of the fixed/floating ratio of net debt. To manage this mix, the Group may enter into derivative transactions, as appropriate. As at December 31, 2022 and 2021, the Group has minimal exposure to interest rate risk.

Credit risk
Credit risk is the risk that counterparties may not be able to settle their obligations as agreed. To manage this risk, the Group periodically assesses the financial reliability of customers.

The Group constantly monitors its credit risk exposures. Counterparties to financial instruments consist of a large number of major financial institutions. The Group does not expect any counterparties to fail in meeting their obligations, given their high credit ratings. In addition, the Group has no significant concentration of credit risk with any single counterparty or group of counterparties.

The maximum and minimum exposure to credit risk is represented by the carrying amount of each financial asset, except trade and receivables as follows:

	Gross Maximum Exposure[(a)]		Net Maximum Exposure[(b)]	
	December 31, 2022	December 31, 2021	**December 31, 2022**	December 31, 2021
Trade receivables	**₱945,138**	₱803,910	**₱435,874**	₱803,910

[(a)] *Gross financial assets before taking into account any collateral held or other credit enhancements or offsetting arrangements.*
[(b)] *Gross financial assets after taking into account any collateral or other credit enhancements or offsetting arrangements or deposit insurance.*

The Group trades only with recognized, credit-worthy third-parties. It is the Group's policy that all third-party customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce the Group's exposure to bad debts to minimum.

With respect to credit risk arising from the other financial assets of the Group, which consist of cash in banks, financial assets at FVTPL, guarantee deposits, refundable deposits, restricted cash in banks presented under "Other financial assets" account, the Group's exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

In order to minimize credit risk, the Group has tasked its credit management committee to develop and maintain the Group's credit risk grading to categorize exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. The Group's current credit risk grading framework comprises the following categories:

Category	**Description**
Performing	The counterparty has a low risk of default and does not have any past-due amounts
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition
In default	Amount is >360 days past due or there is evidence indicating the asset is credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery

The table below details the credit quality of the Group's financial assets at amortized cost, as well as the Group's maximum exposure to credit risk by credit risk rating grades:

	Internal Credit Rating	12m or Lifetime ECL?	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
2022					
Cash in banks	Performing	12m ECL	**₱5,233,204**	**₱–**	**₱ 5,233,204**
Trade and other receivables:					
Trade receivables	(i)	Lifetime ECL *(simplified approach)*	**1,000,868**	**(55,730)**	**945,138**
Due from related parties	Performing	12m ECL	**499,882**	**–**	**499,882**
Loans receivable from related parties	Performing	Lifetime ECL *(general approach)*	**247,591**	**–**	**247,591**
Other receivables	Performing	12m ECL	**209,758**	**–**	**209,758**
	Doubtful	Lifetime ECL	**5,105**	**(5,105)**	**–**
Other financial assets	Performing	12m ECL	**284,102**	**–**	**284,102**
Guarantee deposits	Performing	12m ECL	**69,417**	**–**	**69,417**
			₱7,549,927	**(₱60,835)**	**₱7,489,092**
2021					
Cash in banks	Performing	12m ECL	₱501,208	₱–	₱501,208
Trade and other receivables:					
Trade receivables	(i)	Lifetime ECL *(simplified approach)*	803,910	(64,043)	739,867
Due from related parties	Performing	12m ECL	652,945	–	652,945
Loans receivable from related parties	Performing	Lifetime ECL *(general approach)*	240,426	–	240,426
Other receivables	Performing	12m ECL	322,562	–	322,562
	Doubtful	Lifetime ECL	5,105	(5,105)	–
Other financial assets	Performing	12m ECL	2,135,778	–	2,135,778
Guarantee deposits	Performing	12m ECL	69,062	–	69,062
Refundable deposits	Performing	12m ECL	447	–	447
			₱4,731,443	(₱69,148)	₱4,662,295

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet its contractual obligations and commitments. The seasonality of revenue generation exposes the Group to shortage of funds during slack season and may result in payment defaults of financial commitments. The Group monitors this risk using a recurring liquidity planning tool. This tool considers the maturity of both its financial assets and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank credit facilities and purchase contracts. It is responsible for its own cash surpluses and the raising of loans to cover cash deficits, subject to policies and guidelines approved by management and, in certain cases, at the management level.

The Group maintains sufficient reserves of cash in banks, which are short-term in nature and unused credit lines to meet its liquidity requirements at all times. In addition, the strong credit worthiness of the Group allows it to make efficient use of the financial markets for financing purposes. As at December 31, 2022 and 2021, the Group has unutilized credit facilities of ₱12.9 billion and ₱13.6 billion, respectively.

The table below summarizes the maturity profile of the Group's financial assets used for liquidity management as at December 31, 2022 and 2021:

	On Demand	Less than 3 Months	3 to 12 Months	>1 to 5 Years	Total
2022					
Financial assets at FVTPL*:					
Quoted shares	**₱1,300**	**₱–**	**₱–**	**₱–**	**₱1,300**
Unquoted shares	**3,756**	**–**	**–**	**–**	**3,756**
Derivative asset	**94,300**	**–**	**–**	**–**	**94,300**
Cash in banks	**5,233,204**	**–**	**–**	**–**	**5,233,204**
Trade and other receivables:					
Trade receivables	**–**	**945,138**	**–**	**–**	**945,138**
Due from related parties	**499,882**	**–**	**–**	**–**	**499,882**
Loans receivable from related parties	**247,591**	**–**	**–**	**–**	**247,591**
Other receivables	**–**	**209,758**	**–**	**–**	**209,758**
Other financial assets**	**–**	**–**	**–**	**284,102**	**284,102**
Guarantee deposits**	**–**	**–**	**–**	**69,417**	**69,417**
	₱6,080,033	**₱1,154,896**	**₱–**	**₱353,519**	**₱7,588,448**
2021					
Financial assets at FVTPL*:					
Quoted shares	₱1,300	₱–	₱–	₱–	₱1,300
Unquoted shares	3,756	–	–	–	3,756
Financial assets at amortized cost:					
Cash in banks	501,208	–	–	–	501,208
Trade and other receivables:					
Trade receivables	–	739,867	–	–	739,867
Due from related parties	652,945	–	–	–	652,945
Loans receivable from related parties	–	–	322,562	–	322,562
Other receivables	240,426	–	–	–	240,426
Other financial assets**	–	–	–	2,135,778	2,135,778
Guarantee deposits**	–	–	–	69,062	69,062
Refundable deposits**	–	–	–	447	447
	₱1,399,635	₱739,867	₱322,562	₱2,205,287	₱4,667,351

**Included under "Other current assets" in the consolidated statements of financial position.*
***Included under "Other noncurrent assets" in the consolidated statements of financial position.*

The tables below summarize the maturity profile of the Group's financial liabilities as at December 31, 2022 and 2021 based on contractual undiscounted payments:

	On Demand	Less than 3 Months	3 to 12 Months	More than 1 Year	Total
2022					
Other financial liabilities:					
Trade and other payables:					
Trade payables	**₱–**	**₱4,307,711**	**₱–**	**₱–**	**₱4,307,711**
Accrued expenses and non-trade payables	**–**	**2,365,453**	**–**	**–**	**2,365,453**
Due to related parties	**861,706**	**–**	**–**	**–**	**861,706**
Contract liabilities	**1,772,703**	**–**	**–**	**–**	**1,772,703**
Loan payable	**300,000**	**–**	**–**	**–**	**300,000**
Other payables	**–**	**131,142**	**–**	**–**	**131,142**
Lease liabilities*	**–**	**–**	**214,506**	**2,170,470**	**2,384,976**
	₱2,934,409	**₱6,804,306**	**₱214,506**	**₱2,170,470**	**₱12,123,691**
2021					
Other financial liabilities:					
Trade and other payables:					
Trade payables	₱–	₱4,024,769	₱–	₱–	₱4,024,769
Accrued expenses and non-trade payables		2,249,824	–	–	2,249,824
Due to related parties	1,308,671	–	–	–	1,308,671
Contract liabilities	744,143	–	–	–	744,143
Other payables	–	238,933	–	–	238,933
Lease liabilities*	–	–	171,418	2,458,900	2,630,318
	₱2,052,814	₱6,513,526	₱171,418	₱2,458,900	₱11,196,658

**Including future interest*

Management believes that it has the sufficient reserves to meet its liquidity requirements at all times. It has the financial risk management policies in place to ensure that all payables are paid within the credit timeframe. The Group manages its negative liquidity ratio position in 2022 and 2021 by forecasting cash flow regularly, monitoring and optimizing net working capital and managing existing credit facilities. As of December 31, 2022 and 2021, the total credit line from various bank partners is ₱14.1 billion and ₱15.9 billion, respectively.

Capital Management Policy

The Group considers equity attributable to the equity holders of the Parent Company as its capital. The Group's objectives when managing capital are to secure the Group's ongoing financial needs to continue as a going concern as well as to cater for its growth targets in order to provide returns to shareholders and benefits for other stakeholders and to maintain a cost-efficient and risk-optimized capital structure.

The Group manages the capital structure and makes adjustments to it in light of the changes in economic conditions, its business activities, investment and expansion program and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital, among others, on the basis of gearing ratio. Gearing ratio is calculated as net financial debt divided by total equity in the consolidated statements of financial position as shown in the table below:

	2022	2021
Loan payable	**₱300,000**	₱–
Customer's deposits	**241,849**	278,693
Financial debt	**541,849**	278,693
Less Cash in banks	**5,233,204**	501,208
Net financial debt	**(4,691,355)**	(222,515)
Total equity	**30,705,058**	29,804,455
Gearing ratio	**-0.15:1**	-0.01:1

The Group's target is to maintain a gearing ratio in the range of no more than one (1). There were no changes in the Group's approach to capital management during the year.

31. Financial Assets and Liabilities

Fair Value of Financial Instruments
The estimated fair value of each class of the Group's financial instruments, is equal to their carrying amount as at December 31, 2022 and 2021. The following methods and assumptions are used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash in Banks, Trade and Other Receivables, and Trade and Other Payables. Due to the short-term nature of the transactions, the fair values of these instruments approximate the corresponding carrying values as at end of each reporting period.

Derivatives. The fair values of the forward commodity contracts are calculated by reference to current forward exchange.

Financial Assets at FVTPL. The fair values of publicly traded instruments are determined by reference to quoted market prices as at the end of each reporting period.

Guarantee Deposits, Refundable Deposits and Restricted Cash in Banks presented under "Other Financial Assets" Account. These are carried at cost, less any impairment in value, which approximates their fair values calculated using the discounted cash flows method.

Fair Value Hierarchy
As at December 31, 2022 and 2021, the Company's financial instruments measured at fair value include the quoted equity securities, classified as FVTPL and derivative financial instruments (Level 3).

As at December 31, 2022 and 2021, the Company does not have financial instruments whose fair values are determined using inputs that are not based on observable market data (Level 3). There were no reclassifications made between the different fair value hierarchy levels in 2022 and 2021.

32. Earnings per Common Share (EPS)

Basic/diluted EPS is computed as follows:

	2022	2021	2020
	(In Thousands, Except Per Share Amounts)		
Consolidated net income for the year attributable to common equity holders of the Parent Company	**₱941,778**	₱2,563,635	₱2,062,303
Weighted average number of common shares - Issued and outstanding	**6,452,099**	6,452,099	6,452,099
Basic/diluted EPS of net income attributable to equity holders of the Parent Company	**₱0.15**	₱0.40	₱0.32

Basic EPS is computed based on weighted average number of issued and outstanding common shares during each year. Diluted EPS is computed as if the potential common share or instrument that may entitle the holder to common share were exercised as at the beginning of the year. Where the Parent Company does not have any potential common share or other instruments that may entitle the holder to common shares, diluted EPS is the same as basic EPS.

There are no dilutive financial instruments in 2022, 2021 and 2020; hence, diluted EPS is the same as basic EPS.

33. Environmental and Regulatory Matters

a. Clean Air Act (RA 8749)

The Clean Air Act and the related IRR contain provisions that have an impact on the industry as a whole, and to the Group in particular, that needs to be complied with within 44 months from the effectivity date or by July 2004. Based on the assessment made on the Group's existing facilities and audits conducted by external stakeholders, management believes it complies with the provisions of the Clean Air Act and the related IRR.

b. Clean Water Act (RA 9275)

On February 4, 2004, the Senate and House of Representatives passed The Clean Water Act and the related IRR which contain provisions that have an impact on the industry as a whole, and to the Group in particular. Based on the assessment made on the Group's existing facilities and audits conducted by external stakeholders, management believes it complies with the provisions of the Clean Water Act and the related IRR.

c. Ecological Solid Waste Management Act (RA 9003)

On December 12, 2000, the Senate and House of Representatives passed The Ecological Solid Waste Management Act which contains provisions that have an impact to the Group. The Group adheres to all the rules and regulations and follows the waste management hierarchy which prioritizes waste avoidance, reduction, re-processing, and recycling. As an attestation to Geocycle's responsible handling and management of qualified wastes including hazardous wastes, the Group has valid Treatment, Storage and Disposal (TSD) Certificate.

HPI's four cement integrated plants continued to be recognized by the relevant national government agencies for its environmental programs.

34. **Notes to Cash Flows Statements**

Reconciliation of Liabilities Arising from Financing Activities

The table below details the changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes					
	Beginning balance	**Financing cash flows**	**Declaration**	**Additions**	**Interest accretion**	**Foreign exchange movement**	**Other changes**	**Closing balance**
2022								
Lease liabilities	**₱1,646,657**	**(₱261,405)**	**₱–**	**₱–**	**₱95,789**	**₱–**	**₱–**	**₱1,481,041**
Dividend payable	**229,763**	**–**	**–**	**–**	**–**	**–**	**–**	**229,763**
Loans payable (see Notes 13 and 28)	**–**	**300,000**	**–**	**–**	**–**	**–**	**–**	**300,000**
	₱1,876,420	**₱38,595**	**₱–**	**₱–**	**₱95,789**	**₱–**	**₱–**	**₱2,010,804**
2021								
Lease liabilities	₱2,060,066	(₱399,318)	₱–	₱13,354	₱105,838	(₱7)	(₱133,276)	₱1,646,657
Dividend payable	–	(2,544,640)	2,774,403	–	–	–	–	229,763
	₱2,060,066	(₱2,943,958)	₱2,774,403	₱13,354	₱105,838	(₱7)	(₱133,276)	₱1,876,420
2020								
Lease liabilities	₱2,164,503	(₱507,601)	₱–	₱269,406	₱165,854	(₱10,376)	(₱21,720)	₱2,060,066
Loans payable	3,925,849	(9,225,849)	–	5,300,000	–	–	–	–
	₱6,090,352	(₱9,733,450)	₱–	₱5,569,406	₱165,854	(₱10,376)	(₱21,720)	₱2,060,066

Noncash activities

In 2022 and 2021, the Group has noncash additions to property, plant and equipment amounting to ₱213,099 and ₱248,164, respectively.

Exhibit 2

Supplementary Schedules to the

Consolidated Financial Statements

For the year ended

December 31, 2022

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Board of Directors and the Stockholders
Holcim Philippines, Inc. and Subsidiaries
(A Subsidiary of Union Cement Holdings Corporation)
7th floor, Two World Square, McKinley Hill, Fort Bonifacio
Taguig City, Metro Manila

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Holcim Philippines, Inc. and its subsidiaries (the Group) as at and for the year ended December 31, 2022 included in this Form 17-A and have issued our report thereon dated March 22, 2023. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Maria Pilar B. Hernandez

Maria Pilar B. Hernandez
Partner
CPA Certificate No. 105007
Tax Identification No. 214-318-972
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 105007-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. 08-001998-116-2022, January 20, 2022, valid until January 19, 2025
PTR No. 9564632, January 3, 2023, Makati City

March 22, 2023

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

INDEX TO SUPPLEMENTARY SCHEDULES

FORM 17-A

Supplementary Schedules

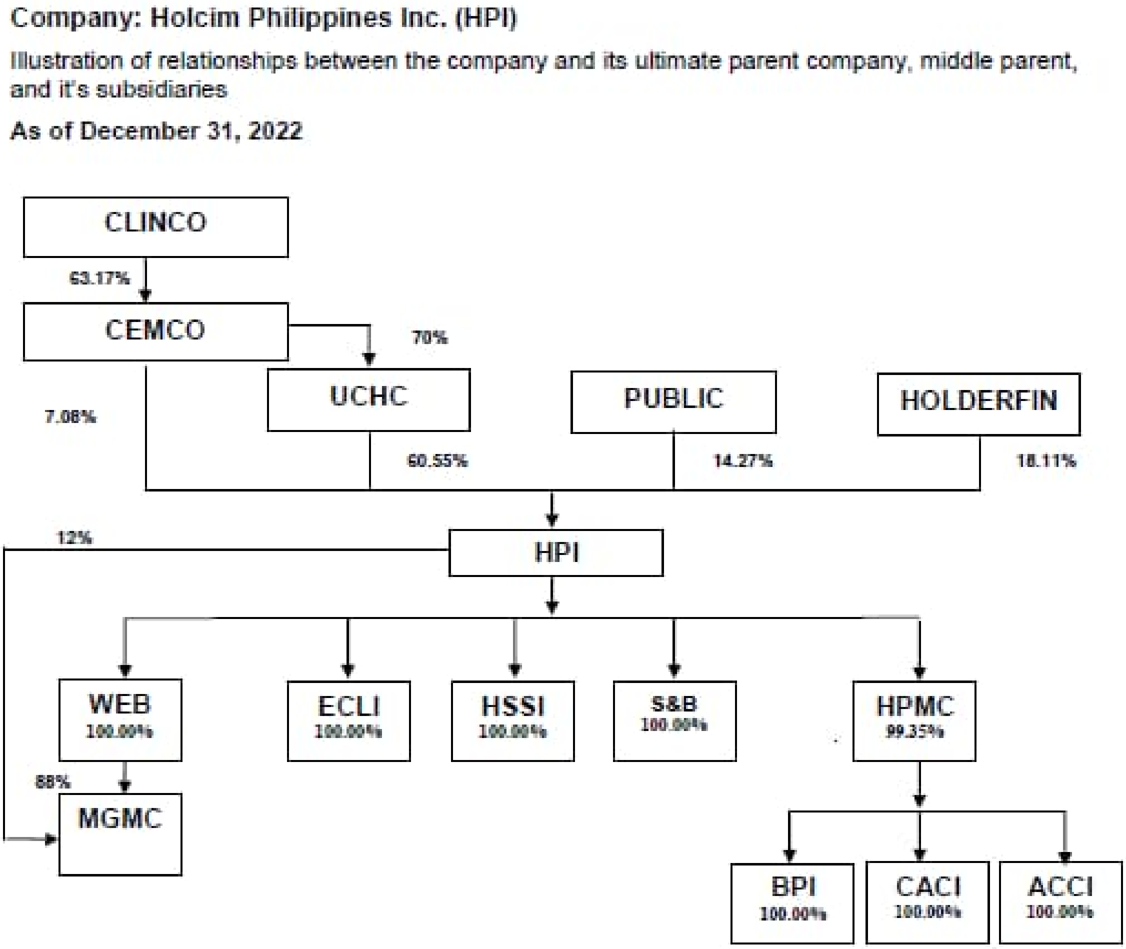
HOLCIM PHILIPPINES, INC.

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

DECEMBER 31, 2022
(In Thousands)

Unappropriated retained earnings, as adjusted to available for dividend distribution, beginning of the year	₱7,592,121
Net income based on the face of audited financial statements	464,119
Unrealized foreign exchange loss (other than cash and cash equivalents)	6,584
Decrease in deferred income tax assets (excluding amounts recognized in OCI)	102,805
Net income actual/realized	573,508
Less dividend declaration during the year	–
Unappropriated retained earnings, as adjusted, ending	₱8,165,629

Illustration of relationships between the Company and its Ultimate Parent Company,



COMPANY NAME		PRINCIPAL ACTIVITIES
CLINCO	Clinco Corporation	Investment holding in CEMCO
CEMCO	Cemco Holdings, Inc.	Investment holding in UCHC and HPI
UCHC	Union Cement Holdings Corporation	Investment holding in HPI
HPI	Holcim Philippines, Inc.	Manufacture and distribute cement products
HPMC	Holcim Philippines Manufacturing Corporation	Manufacture and distribute cement products
BPI	Bulkcem Philippines, Inc.	Purchase, lease, sale of real properties
CACI	Calamba Aggregates Co., Inc.	Mining, Processing and sale of quarry resources
ACCI	Alsons Construction Chemical, Inc.	Manufacture, use and sale of admixtures
WEB	Wellbourne International Group Limited	Investment holding in MGMC
MGMC	Mabini Ginding Mill Corporation	Manufacture and distribute cement products
ECLI	Excel Concrete Logistics, Inc.	Distribution of concrete and cement products
S&B	Shop and Build Corporation	Business process outsourcing and other information technology enabled services
HSSI	Hubb Stores and Services, Inc.	Retail operations

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**INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Board of Directors and the Stockholders
Holcim Philippines, Inc. and Subsidiaries
(A Subsidiary of Union Cement Holdings Corporation)
7th floor, Two World Square, McKinley Hill, Fort Bonifacio
Taguig City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Holcim Philippines, Inc. and its subsidiaries (the Group) as at and for the year ended December 31, 2022 and have issued our report thereon dated March 22, 2023. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the year ended December 31, 2022 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Maria Pilar B. Hernandez

Maria Pilar B. Hernandez
Partner
CPA Certificate No. 105007
Tax Identification No. 214-318-972
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
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Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-116-2022, January 20, 2022, valid until January 19, 2025
PTR No. 9564632, January 3, 2023, Makati City

March 22, 2023

Holcim Philippines Inc., and Subsidiaries
Schedule of Financial Soundness Indicators

Financial KPI	Definition	For the Calendar Year ended December 31	
		2022	**2021**
Current/Liquidity ratios			
Current Ratio	Current Assets / Current Liabilities	118%	81%
Quick Ratio	Current Assets-Inventory-Prepayments / Current Liabilities	76%	30%
Solvency ratio/Debt-to-equity ratio			
Debt-to Equity Ratio	Total Debt / Equity	38%	35%
Asset to Equity Ratios			
Asset to Equity Ratio/ Equity Multiplier	Total Assets / Equity	138%	135%
Interest Rate Coverage Ratio			
Interest Coverage Ratio/EBITDA Net Interest Cover	Operating EBITDA / Net Interest	26.28	26.57
Pofitability Ratios			
Return on Assets	Net Income / Average Total Assets	2.3%	6.4%
Return on Equity	Net Income / Average Total Equity	3.1%	8.6%
Operating EBITDA Margin	Operating EBITDA / Net Sales	14.1%	20.1%

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

Schedule A. Financial Assets
For the Year Ended December 31, 2022
(Amounts in Thousands)

Name of Issuing Company and Association of Each Issue	Number of Units or Shares or Principal Amount of Bonds and Notes	Amount Shown in the Statements of Financial Position	Value Based on Market Quotations at Reporting Date	Income Received and Accrued
	N/A	N/A	N/A	N/A
	-	-	-	-

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

Schedule B. **Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)**
For the Year Ended December 31, 2022
(Amounts in Thousands)

Name and Designation of Debtor		Beginning Balance	Additions	Deductions: Amount Collected	Deductions: Amount Written-Off	Current	Non Current	Ending Balance
Directors, Officers and Employees		NIL	NIL	NIL	NIL	NIL	NIL	NIL
Advances to Directors, Officers and Employees		-	-	-	-	-	-	-
Accounts Receivable from related parties								
Associates	₱	652,814	170,401	(329,306)	-	493,909		493,909
Other Holcim Group Affiliates		131	5,842		-	5,973		5,973
		652,945	176,243	(329,306)	-	499,882	-	499,882
Loan receivable								
Cemco Holdings, Inc. (Due on September 28,2026 @ 3.096% pa interest)	₱	240,426	7,165		-		247,591	247,591
Related Parties		893,371	183,408	(329,306)	-	499,882	247,591	747,473

Note: No amount to report in Receivables from Directors, Officers and Employees since no debt breached the threshold of Php 1mio.

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

Schedule C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
For the Year Ended December 31, 2022
(Amounts in Thousands)

Name and Designation of Debtor	Beginning Balance	Additions	Amounts Collected	Amounts Written Off/Impaired	Reclassification to Investments	Reclassification from Due to related parties	Current	Non Current	Balance at the End of Period
Holcim Philippines Manufacturing Corporation									
Due from:									
Holcim Philippines, Inc.	2,297,579	1,169,416	(191,542)				3,271,254		3,271,254
	2,297,579	1,169,416	(191,542)	-	-	-	3,271,254	-	3,271,254
Holcim Philippines, Inc.									
Due from:									
Bulkcem Philippines, Inc.	214						214		214
Holcim Philippines Manufacturing Corp.	601,153	96,549				(93,513)	604,189		604,189
Shop and Build Corporation	-	4,461					4,461		4,461
Excel Concrete Logistics Inc.	-	7,700					7,700		7,700
	601,367	108,710	-	-	-	(93,513)	616,564	-	616,564
Hubb Stores and Services, Inc.									
Due from:									
	-	-	-	-	-	-	-	-	-
Bulkcem Philippines, Inc.									
Due from:									
Holcim Philippines, Inc.	27,763	12,281	-				40,044		40,044
Holcim Philippines Manufacturing Corp.	16,665		(16,665)				-		-
	44,428	12,281	(16,665)	-	-	-	40,044	-	40,044
Excel Concrete Logistics Inc.									
Due from:									
Holcim Philippines, Inc.	368	9,873	(7,200)	(368)			2,673		2,673
	368	9,873	(7,200)	(368)	-	-	2,673	-	2,673
Mabini Grand Mill Co.									
Due from:									
Holcim Philippines, Inc.	642,888	184,841	(32,700)				795,029		795,029
	642,888	184,841	(32,700)	(368)	-	-	795,029	-	795,029

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

Schedule D. Long-Term Debt

For the Year Ended December 31, 2022

(Amounts in Thousands)

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown as Current	Amount Shown as Long-Term	Remarks
	NIL	NIL	NIL	
	-	-	-	

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

Schedule E. **Indebtedness to Related Parties (Long-term Loans from Related Companies)**
For the Year Ended December 31, 2022
(Amounts in Thousands)

Name of Related Party	Beginning Balance	Balance at the End of Period
	₱ NIL	₱ NIL
	-	-

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

Schedule F. Guarantees of Securities of Other Issuers
For the Year Ended December 31, 2022
(Amounts in Thousands)

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which Statement is Filed	Nature of Guarantee
	NIL	₱ NIL	₱ NIL	NIL
	-	-	-	-

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES
Schedule G. Capital Stock
For the Year Ended December 31, 2022

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions and Other Rights	Affiliates	Number of Shares Held by Directors, Officers and Employees	Others
Preferred Shares	20,000,000	-	-	-	-	-
Common Shares	9,980,000,000	6,452,099,144	-	5,531,566,062	3,006	920,530,076
	10,000,000,000	6,452,099,144	-	5,531,566,062	3,006	920,530,076

Exhibit 3

SEC Form 17-Q

For the quarters ended

March 31, June 30 and September 30, 2022

Mary Lebern D. Laurente <marylebern.laurente@holcim.com>

SEC Form 17Q_Q1 2022 for Holcim Philippines Inc., and Subsidiaries

2 messages

Dennis G. Segovia <dennis.segovia@holcim.com> Wed, May 11, 2022 at 3:17 PM
To: ICTD Submission <ictdsubmission@sec.gov.ph>
Cc: "Bryan Jason P. Alix" <bryanjason.alix@holcim.com>, "Mary Lebern D. Laurente" <marylebern.laurente@holcim.com>

Dear ICTD,

Good day!

Kindly see attached SEC Form 17Q for the first quarter of 2022 of Holcim Philippines Inc., and Subsidiaries.

Thank you.

Regards,

DENNIS G. SEGOVIA JR.
Head, Accounting, Reporting, Internal Control and Master Data Management

Holcim Philippines, Inc.
7F Two World Square, Mckinley Town Center,
Fort Bonifacio, Taguig City 1634
Phone: +63 9175308837
Website: www.holcim.com.ph

A MEMBER OF HOLCIM

BUILDING PROGRESS FOR PEOPLE AND THE PLANET.

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1868K

Dennis G. Segovia <dennis.segovia@holcim.com> Wed, May 11, 2022 at 3:18 PM
To: "Bryan Jason P. Alix" <bryanjason.alix@holcim.com>, "Mary Lebern D. Laurente" <marylebern.laurente@holcim.com>

FYR.

Thank you.

Regards,

DENNIS G. SEGOVIA JR.
Head, Accounting, Reporting, Internal Control and Master Data Management

Holcim Philippines, Inc.
7F Two World Square, Mckinley Town Center,
Fort Bonifacio, Taguig City 1634
Phone: +63 9175308837
Website: www.holcim.com.ph

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---------- Forwarded message ---------
From: **ICTD Submission** <ictdsubmission+canned.response@sec.gov.ph>
Date: Wed, May 11, 2022 at 3:17 PM
Subject: Re: SEC Form 17Q_Q1 2022 for Holcim Philippines Inc., and Subsidiaries
To: <dennis.segovia@holcim.com>

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.
(Subject to Verification and Review of the Quality of the Attached Document)
Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at www.sec.gov.ph

NOTICE

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (PDF) **Secondary Reports** such as: 17-A, 17-C, 17-L, 17-Q, ICASR, 23-A, 23-B, I-ACGR, Monthly Reports, Quarterly Reports, Letters, through email at

ictdsubmission@sec.gov.ph

Note: All submissions through this email are no longer required to submit the hard copy thru mail, eFAST/OST or over- the- counter.

For those applications that require payment of filing fees, these still need to be filed and sent via email with the SEC RESPECTIVE OPERATING DEPARTMENT.

Further, note that other reports shall be filed thru the **ONLINE SUBMISSION TOOL (OST)** such as:
AFS, GIS, GFFS, LCFS, LCIF, FCFS. FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

FOR MC28, please email to:

https://apps010.sec.gov.ph

For your information and guidance.

Thank you and keep safe.

COVER SHEET

							2	6	1	2	6

SEC Registration Number

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

(Company's Full Name)

7th Floor, Two World Square, Mckinley Hill, Fort Bonifacio, Taguig City

(Business Address: No. Street City/Town/Province)

Dennis G. Segovia Jr.		**8581-1511**
(Contact Person)	(1st Quarter 2022)	(Company Telephone Number)

0 3 **3 1**	**SEC FORM 17-Q**	
Month *Day*	For the quarter ended March 31, 2022	*Month* *Day*
(Fiscal Year)	(Form Type)	(Annual Meeting)

(Secondary License Type, If Applicable)

CFD	–
Dept. Requiring this Doc.	Amended Articles Number/Section

Total Amount of Borrowings

5,245		
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended March 31, 2022

2. Commission identification number 026126 3. BIR Tax Identification No 000-121-507-000

4. Exact name of issuer as specified in its charter HOLCIM PHILIPPINES, INC.

5. Province, country or other jurisdiction of incorporation or organization Republic of the Philippines
6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office Postal Code

   7th Floor Two World Square, McKinley Hill, Fort Bonifacio, Taguig City 1634
8. Issuer's telephone number, including area code (632) 8581-1511
9. Former name, former address and former fiscal year, if changed since last report N. A.

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares	6,452,099,144

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [x] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

    Philippine Stock Exchange, Inc. Common Shares

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

    Yes [x] No [ ]

    (b) has been subject to such filing requirements for the past ninety (90) days.

    Yes [x] No [ ]

PART I- FINANCIAL INFORMATION

Item 1. Financial Statements.

Exhibit I – Consolidated Balance Sheets as of March 31, 2022 and December 31, 2021
Exhibit II – Consolidated Statements of Income for the quarters ended March 31, 2022 and 2021
Exhibit III – Consolidated Statements of Comprehensive Income for the quarters ended March 31, 2022 and 2021
Exhibit IV – Consolidated Statements of Changes in Stockholders' Equity for the quarters ended March 31, 2022 and 2021
Exhibit V – Consolidated Statements of Cash Flows for the quarters ended March 31, 2022 and 2021
Exhibit VI – Aging of Trade and Other Receivables as of March 31, 2022

Exhibit I

HOLCIM PHILIPPINES, INC.
CONSOLIDATED BALANCE SHEETS
As of March 31, 2022 and December 31, 2021
(In Thousands)

	31 Mar 2022	31 Dec 2021
ASSETS		
Current Assets		
Cash and cash equivalents	₱ 480,480	₱ 501,208
Trade and other receivables - net	1,759,140	1,717,218
Inventories	5,410,913	4,347,057
Short-term financial receivables	-	238,582
Other current assets	726,124	360,052
Total Current Assets	**8,376,657**	**7,164,117**
Noncurrent Assets		
Investments	4,156,890	4,124,345
Property, plant and equipment – net	19,338,011	19,502,248
Right-of-use assets	1,480,809	1,544,292
Goodwill	2,635,738	2,635,738
Intangibles – net	31,338	32,505
Retirement assets – net	2,473,939	2,468,661
Long-term financial receivables	238,581	-
Other noncurrent assets	2,879,937	2,879,572
Total Noncurrent Assets	**33,235,243**	**33,187,361**
	₱41,611,900	**₱40,351,478**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Trade and other payables	9,404,356	8,566,340
Current portion of lease liabilities	197,045	171,418
Income tax payable	235,234	148,958
Total Current Liabilities	**9,836,635**	**8,886,716**
Noncurrent Liabilities		
Long-term lease liabilities	1,381,691	1,475,239
Provisions	63,043	73,043
Deferred tax liabilities – net	107,040	112,025
Total Noncurrent Liabilities	**1,551,774**	**1,660,307**
Equity Attributable to Equity Holders of Parent		
Capital stock	6,452,099	6,452,099
Additional paid-in capital	8,476,002	8,476,002
Remeasurement loss on retirement benefits - net	1,806,860	1,806,860
Other reserves	4,050	4,050
Retained earnings	13,469,021	13,048,740
	30,208,032	**29,787,751**
Noncontrolling Interest	**15,459**	**16,704**
Total Stockholders' Equity	**30,223,491**	**29,804,455**
	₱41,611,900	**₱40,351,478**

Exhibit II

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF INCOME
For the quarters ended March 31, 2022 and 2021
(In Thousands, Except Per Share Data)

	Quarter Ended	
	Jan-Mar 2022	**Jan-Mar 2021**
Net Sales	**₱6,736,887**	**₱6,805,794**
Cost of sales	**5,445,276**	4,804,270
Gross Profit	**1,291,611**	**2,001,524**
Operating expenses	**331,074**	285,022
Operating EBITDA	**960,537**	**1,716,502**
Depreciation and amortization	**440,735**	442,369
Profit from Operations	**519,802**	**1,274,133**
Other income (expenses)		
Net financial expense	**(32,301)**	(22,988)
Other income	**51,296**	63,285
Total	**18,995**	40,297
Profit before Income Tax	**538,797**	**1,314,430**
Provision for income tax		
Current	**127,779**	328,605
Deferred	**(9,592)**	76,478
	118,187	405,083
Profit for the Period	**420,610**	**909,347**
Non-controlling interest	**(329)**	(427)
Profit for the period attributable to Equity holders of the Parent Company	**₱ 420,281**	**₱ 908,920**

Basic/Diluted Earnings Per Share (EPS)		
Computation of EPS:		
(a) Profit for the period attributable to Equity holders of the parent company	**₱ 420,281**	**₱908,920**
(b) Common shares issued and outstanding	**6,452,099**	**6,452,099**
EPS [(a)/(b)]	**₱ 0.07**	**₱0.14**

Exhibit III

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the quarters ended March 31, 2022 and 2021
(In Thousands)

	Quarter Ended	
	Jan-Mar 2022	**Jan-Mar 2021**
Total Comprehensive Income	**₱420,610**	**₱909,347**
Attributable to:		
Equity holders of Parent Company	420,281	908,442
Noncontrolling interest	329	905
Total Comprehensive Income	**₱ 420,610**	**₱909,347**

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the three (3) months ended March 31, 2022 and 2021
(In Thousands)

	Jan-Mar 2022	**Jan-Mar 2021**
Capital Stock		
Common Stock		
Balance at beginning of period	₱ 6,452,099	₱ 6,452,099
Issuances (Retirement)	-	-
Balance at end of period	**6,452,099**	**6,452,099**
Additional Paid-in Capital		
Balance at beginning of period	8,476,002	8,476,002
Issuances (Retirement)	-	-
Balance at end of period	**8,476,002**	**8,476,002**
Other comprehensive income	**1,806,860**	**1,423,446**
Other reserves	**4,050**	**4,050**
Retained Earnings		
Balance at beginning of period	13,048,740	13,261,328
Profit for the Period	420,281	908,920
Balance at end of period	**13,469,021**	**14,170,248**
Non-controlling Interest	**15,459**	**16,035**
	₱30,223,491	**₱30,541,880**

Exhibit V

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three (3) months ended March 31, 2022 and 2021
(In Thousands)

	Jan-Mar 2022	Jan-Mar 2021
Operating Activities		
Profit before Income Tax	**₱ 538,797**	**₱1,314,430**
Adjustments to reconcile profit to cash		
Depreciation and amortization	440,735	442,369
Other items (net)	(179,989)	(198,057)
Changes in current assets and liabilities	(1,249,113)	(730,775)
Cash provided by operating activities	**(449,570)**	**827,967**
Investing Activities		
Additions to plant, property and equipment	(289,729)	(146,777)
Increase in other investing activities	(366)	51,742
Cash used in investing activities	**(290,095)**	**(95,035)**
Financing Activities		
Repayment of long-term leases	(36,217)	(100,961)
Proceeds from short-term loans	1,100,000	–
Payment of short-term loans	(343,003)	
Cash provided (used in) financing activities	**720,780**	**(100,961)**
Net increase in cash and cash equivalents	**(18,885)**	**631,971**
Cash and cash equivalents, beginning	**501,208**	**2,080,791**
Effect of exchange rate changes on cash and cash equivalents	**(1,843)**	**2,255**
Cash and cash equivalents, end	**₱ 480,480**	**₱2,715,017**

Exhibit VI

HOLCIM PHILIPPINES, INC
Aging of Trade and Other Receivables
As of March 31, 2022
(In Thousands)

	Total	Current	1-30 days	31-60 days	Over 60 days
Trade Receivables	**₱ 987,146**	**₱822,651**	**₱41,734**	**₱25,199**	**₱ 97,562**
Other Receivables	**837,597**	**810**	**207**	**19,616**	**816,964**
Total		**₱823,461**	**₱41,941**	**₱44,815**	**₱914,526**
Allowance for Doubtful Accounts	**(65,603)**				
Net Receivables	**₱1,759,140**				

Certified correct:

Eliana Nieto Sanchez
Chief Financial Officer

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

At the end of the first quarter, the Group posted net sales of ₱6.7 billion, lower by 1% compared to ₱6.8 billion reported in the same period last year. This is due to lower volumes sold despite improved prices, coupled with soft cement demand from private infrastructure projects and higher costs of production and distribution brought by increasing procurement prices especially on fuels and energy.

The Group reported total EBITDA of ₱0.96 billion, lower by 44% as compared to ₱1.7 billion reported during the same period last year. Margins were affected by higher energy prices net of lower consumption of imported clinker and cement. Distribution costs were higher from last year due to higher outbound and interunit volumes to deliver direct to customers offset by lower transport costs / bag from procurement negotiations and logistics efficiencies. Production costs were higher mainly from higher production volumes, higher energy prices net of lower imported clinker consumption, lower imported cement and improvement on clinker factor. The Group incurred higher financial expenses related to its short-term payables and lease liabilities due to loans obtained during the first quarter both from related party and third party to finance its working capital requirement. Net income after tax stood at ₱0.4 billion giving earnings per share of ₱0.07.

Financial Position

The Group's financial position has remained healthy with stable liquid cash position. The return on assets declined to 1.0% as of March 31, 2022 which is 1.2 percentage point lower from the end of 2021 as a result of lower net income. Total assets stood at ₱41.6 billion as of March 31, 2022, 3% higher from end of 2021.

Cash Flow Generation

The Group's cash requirements were mainly sourced through cash from operating activities. As at March 31, 2022, the Group have outstanding third party and related party loan payables which were obtained to support its short-term working capital requirement.

Key Performance Indicators

The comparative financial KPI's of the Group for the periods ended March 31, 2022 and 2021 were as follows:

Financial KPI	Definition	For the period ended March 31	
		2022	2021
Profitability			
Return on Equity (ROE)	Net Income / Ave. Total Shareholders' Equity	1.4%	3.0%
Return on Asset (ROA)	Net Income / Average Total Assets	1.0%	2.2%
Efficiency			
EBITDA Margin	Operating EBITDA / Net Sales	14.3%	25.2%
Liquidity			
Gearing	Net Financial Debt (Asset) / Stockholders' Equity	1.9%	(7.9%)
EBITDA Net Interest Cover	Operating EBITDA / Net Interest	30.8 times	142.5 times

Profitability and Efficiency

Profitability and efficiency indicators have decreased as compared to the same period last year due to lower income generated from operations.

Liquidity

The Group's liquidity remains strong despite proceeds of loans on the first quarter of 2022 compared to generation of funds from operations in prior year.

Notes to Financial Statements

1. *Summary of Significant Accounting Policies*

These condensed consolidated interim financial statements have been prepared in accordance with PAS 34 *Interim Financial Reporting* and do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2021.

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments effective **after the reporting period ended December 31, 2021:**

PFRS 17 — Insurance Contracts

PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes PFRS 4, Insurance Contracts.

PFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

An amendment issued on June 2020 and adopted by FRSC on August 2020 addresses concerns and implementation challenges that were identified after PFRS 17 was published.

PFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The standard (incorporating the amendments) is effective for periods beginning on or after January 1, 2023. Earlier application is permitted.

The adoption of the new accounting standard does not have an impact on the Group since it is not an issuer of insurance contracts.

Amendments to PFRS 3, References to the Conceptual Framework

The amendments update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to PFRS 3 a requirement that, for obligations within the scope of PAS 37, an acquirer applies PAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21, Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

The amendments also add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

The Management of the Group is still evaluating the impact of these new amendments.

Amendments to PFRS 10 and PAS 28, Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The amendments to PFRS 10 and PAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Amendments to PAS 1, Classification of Liabilities as Current or Non-current

The amendments to PAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Amendments to PAS 16, *Property, Plant and Equipment* – Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with PAS 2, *Inventories*.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. PAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.
The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Amendments to PAS 37, Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Annual Improvements to PFRS Standards 2018-2020 Cycle

Amendments to PFRS 1 – Subsidiary as a first-time adopter

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in PFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent’s consolidated financial statements, based on the parent’s date of transition to PFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in PFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

Amendments to PFRS 9 – Fees in the ’10 percent’ test for derecognition of financial liabilities

The amendment clarifies that in applying the ‘10 percent’ test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.
Amendments to PFRS 16 – Lease Incentives
The amendment removes the illustration of the reimbursement of leasehold improvements.

As the amendment to PFRS 16 only regards an illustrative example, no effective date is stated.

Amendments to PAS 41 – Taxation in fair value measurements

The amendment removes the requirement in PAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in PAS 41 with the requirements of PFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure Initiative – Accounting Policies

The amendments are as follows:

- An entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information

The amendments are applied prospectively. The amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Amendments to PAS 8, Definition of Accounting Estimates

With the amendment, accounting estimates are now defined as "monetary amounts in financial statements that are subject to measurement uncertainty."
The amendment clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods.

The amendments are effective for annual periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Amendments to PAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to PAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in PAS 12.

The Board also adds an illustrative example to PAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Amendment to PFRS 17, Initial Application of PFRS 17 and PFRS 9 – Comparative Information

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17.

The main amendment in Initial Application of PFRS 17 and PFRS 9 — Comparative Information (Amendment to PFRS 17) is a narrow-scope amendment to the transition requirements of PFRS 17 for entities that first apply PFRS 17 and PFRS 9 at the same time. The amendment regards financial assets for which comparative information is presented on initial application of PFRS 17 and PFRS 9, but where this information has not been restated for PFRS 9.

Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of PFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of PFRS 9.

There are no changes to the transition requirements in PFRS 9

The amendment is effective for annual periods beginning on or after January 1, 2025, as amended by the FRSC from January 1, 2023. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. Still subject to approval of the Board of Accountancy.

The Management of the Group is still evaluating the impact of these new amendments.

New Accounting Standards Effective in 2021 - Adopted by Financial Reporting Standards Council (FRSC).

The Company adopted all accounting standards and interpretations as at December 31, 2021. The new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and approved by the FRSC in the Philippines, were assessed to be applicable to the Group's consolidated financial statements, are as follows:

Amendments to PFRS 16, Covid-19-Related Rent Concessions beyond June 30, 2021

In March 2021, the Board issued Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendment to PFRS 16) which extends the practical expedient to apply to reduction in lease payments originally due on or before June 30, 2022.

In the current financial year, the Group has applied the amendment to PFRS 16 (as issued by the Board in May 2021) in advance of its effective date.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before June 30, 2022 (a rent concession meets this condition if it results in reduced lease payments on or before June 30, 2022 and increased lease payments that extend beyond June 30, 2022); and

c) There is no substantive change to other terms and conditions of the lease.

The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued.

The amendment does not have a significant impact on the Group's consolidated financial statements as there has been no reduction in lease payments for its existing lease contracts within the financial year.

PIC Q&A No. 2020-07, PAS 12 – Accounting for the Proposed Changes in Income Tax Rates under the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) Bill

The interpretation explained the details of the CREATE bill and its impact on the financial statements once passed.

Interpretation that discussed the impact on the financial statements ended December 31, 2020 are as follows:

- Current and deferred taxes will still be measured using the applicable income tax rate as of December 31, 2020.

- If the CREATE bill is enacted before financial statements' issue date, this will be a non-adjusting event but the significant effects of changes in tax rates on current and deferred tax assets and liabilities should be disclosed.

- If the CREATE bill is enacted after financial statements' issue date but before filing of the income tax return, this is no longer a subsequent event but companies may consider disclosing the general key feature of the bill and the expected impact on the FS.

For the financial statements ended December 31, 2021, the impact are as follows:

- Standard provides that component of tax expense(income) may include "any adjustments recognized in the period for current tax of prior periods" and "the amount of deferred tax expense(income) relating to changes in tax rates or the imposition of new taxes".

- An explanation of changes in the applicable income tax rates to the previous accounting period is also required to be disclosed.

- The provision for current income tax for the year 2021 will include the difference between income tax per 2020 financial statements and 2020 income tax return.

- Deferred tax assets and liabilities as of December 31, 2021, will be remeasured using the new tax rates.

- Any movement in deferred taxes arising from the change in tax rates that will form part of the provision for/benefit from deferred taxes will be included as well in the effective tax rate reconciliation.

The interpretation is effective on or after January 29, 2021.

The Group has applied the interpretation starting March 2021. Payments made in April 2021 for 2020 income tax due applied the transitory rate of 27.5%. Accordingly, the new income tax rate of 25% and MCIT rate of 1% were applied by the Group throughout the year. Moreover, the current income tax for the current year included the difference between income tax per 2020 financial statements and 2020 income tax return as an income tax benefit.

2. *Seasonality Aspects of the Business*

Like any other company in the construction industry, the operations of the Group are affected by seasonality. Net sales are generally higher in dry months from February to May and lower during the rainy months of June to November. Low sales are also experienced during December due to holidays until early January. Unpredictable weather could also significantly affect sales and profitability compared to previous periods coupled with any unforeseen circumstances like disruptions in productions.

3. *Financial Risk Management Objectives and Policies*

General Risk Management Approach

The Group is exposed to various financial risks, which include the effect of changes in debt structure, equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential and adverse effects on the financial performance of the Group. The Group does not enter into other derivative or financial transactions which are unrelated to its operating business as a risk-averse approach is pursued.

Financial risk management of the Group is governed by policies approved by management. It provides principles for overall risk management, as well as policies covering specific risk areas such as interest rate risk, foreign exchange risk, counterparty risk, and use of derivative financial instruments and investing assets in excess of liquidity requirements.

The Group's principal financial instruments, other than derivatives, consist of cash and cash equivalents and notes payable. The main purpose of these financial instruments is to raise funds for the Group's operations. The Group also has various other financial assets and liabilities such as trade and other receivables, advances to employees, guarantee deposits, restricted cash and trade and other payables which arise directly from operations.

The main risks arising from the Group’s financial instruments are market risks (which include foreign currency risk and interest rate risk), credit risk and liquidity risk. The BOD reviews and approves the policies for managing each of these risks and they are summarized below. The Group’s accounting policies in relation to financial instruments are set out in Note 5 to the consolidated financial statements.

Market Risks

The Group is exposed to market risks, such as foreign currency and interest rate risks. To manage volatility relating to these exposures, the Group enters into derivative financial instruments, when necessary. The Group’s objective is to reduce, where appropriate, fluctuations in earnings and cash flows associated with changes in foreign currency, interest rate and equity price.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has foreign exchange exposures, arising primarily from purchases of goods and services and debt servicing requirements in currencies other than the Philippine Peso that leads to currency translation effects. As of March 31, 2022, there are no revenues denominated in currencies other than the Philippine Peso.

Due to the local nature of the cement business, transaction risk is limited. However, income may primarily be in local currency whereas debt servicing and significant amount of capital expenditures may be in foreign currencies. As a consequence, thereof, the Group may enter into derivative contracts whenever necessary, which may be designated either as cash flow hedges or fair value hedges, as appropriate.

As of March 31, 2022, the Group had minimal assets and liabilities exposed to foreign currency risks.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates.

The Group is exposed to fluctuations in financing costs and market value movements of its debt portfolio related to changes in market interest rates. The Group’s interest rate exposure is mainly addressed through the steering of the fixed/floating ratio of net debt. To manage this mix, the Group may enter into derivative transactions, as appropriate. As at March 31, 2022 and 2021, the Group has minimal exposure to interest rate risk.

Credit Risk

Credit risk is the risk that counterparties may not be able to settle their obligations as agreed. To manage this risk, the Group periodically assesses the financial reliability of customers.

The Group constantly monitors its credit risk exposures. Counterparties to financial instruments consist of a large number of major financial institutions. The Group does not expect any counterparties to fail in meeting their obligations, given their high credit ratings. In addition, the Group has no significant concentration of credit risk with any single counterparty or group of counterparties.

The maximum and minimum exposure to credit risk is represented by the carrying amount of each financial asset.

The Group trades only with recognized, credit-worthy third parties. It is the Group’s policy that all third party customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce the Group’s exposure to bad debts to minimum.

With respect to credit risk arising from the other financial assets of the Group, which consist of due from related parties, advances to employees, financial assets at FVTPL, and guarantee and refundable deposits, the Group's exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet its contractual obligations and commitments. The seasonality of revenue generation exposes the Group to shortage of funds during slack season and may result in payment defaults of financial commitments. The Group monitors this risk using a recurring liquidity planning tool. This tool considers the maturity of both its financial assets and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank credit facilities, and purchase contracts. It is responsible for its own cash surpluses and the raising of loans to cover cash deficits, subject to policies and guidelines approved by management and, in certain cases, at the Management level.

The Group maintains sufficient reserves of cash in banks, which are short-term in nature and unused credit lines and readily available marketable securities to meet its liquidity requirements at all times. In addition, the strong credit worthiness of the Group allows it to make efficient use of the financial markets for financing purposes. As at March 31, 2022, the Group has unutilized credit facilities of ₱12.8 billion.

Capital Management Policy

The Group considers equity attributable to the equity holders of the Parent Company as its capital. The Group's objectives when managing capital are to secure the Group's ongoing financial needs to continue as a going concern as well as to cater for its growth targets in order to provide returns to shareholders and benefits for other stakeholders and to maintain a cost-efficient and risk-optimized capital structure.

The Group manages the capital structure and makes adjustments to it in light of the changes in economic conditions, its business activities, investment and expansion program and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital, among others, on the basis of gearing ratio.

4. *Financial Assets and Liabilities*

Fair Value of Financial Instruments

The estimated fair value of each class of the Group's financial instruments, is equal to their carrying amount as at March 31, 2022 and December 31, 2021. The following methods and assumptions are used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash in Banks, Trade and Other Receivables, Advance to Employees, Loan Receivable from a related party, Long Term Financial Receivable, Loan Payable and Trade and Other Payables. Due to the short-term nature of the transactions, the fair values of these instruments approximate the corresponding carrying values as at end of each reporting period.

Derivatives. The fair values of the embedded currency forwards are calculated by reference to current forward exchange

Financial Assets at FVTPL The fair values of publicly traded instruments are determined by reference to quoted market prices as at the end of each reporting period.

Long Term Financial Receivable and Guarantee Deposits. These are carried at cost, less any impairment in value, which approximates their fair values calculated using the discounted cash flows method.

Fair Value Hierarchy

As at March 31, 2022 and December 31, 2021, the Group's financial instruments measured at fair value include only the quoted equity securities, classified as financial assets at FVTPL (Level 1).

As at March 31, 2022 and December 31, 2021, the Group does not have financial instruments whose fair values are determined using inputs that are not based on observable market data (Level 3). There were no reclassifications made between the different fair value hierarchy levels in 2022 and 2021.

5. *Segment Reporting*

Operating segments are components of the Group that engage in business activities from which they may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the chief operating decision maker to make decisions about how resources are to be allocated to each of the segments and to assess their performances, and for which discrete financial information is available. Management reassesses on an annual basis whether there have been any change in the operating segments or in the reportable operating segments in accordance with PFRS 8, *Operating Segments*.

For management purposes, the Group is organized into activities based on their products and has two segments, as follows:

- Clinker and Cement segment, which manufactures and sells clinker and cement for domestic customers; and
- Other Construction Materials and services segment, which includes operations from Helps-U-Build-Better (HUBB) Specialty products and Aggregates Trading.

Management monitors the operating results of its business segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is based on operating EBITDA and is measured consistently with consolidated net income in the consolidated statement of profit or loss and other comprehensive income. However, the Group's finance income and charges and income taxes are managed on a group basis, and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis similar to transactions with third parties.

Segment revenues, EBITDA, assets and liabilities as at March 31, 2022 and 2021 are presented below:

	2022				
	Clinker and cement	**Others**	**Total**	**Adjustments and eliminations**	**Consolidated**
			(In Thousands)		
Revenue:					
External customers	**₱6,516,252**	**₱197,699**	**₱ 6,713,951**	**₱ 22,936**	**₱ 6,736,887**
Inter-segment	**3,741**	**45**	**3,786**	**(3,786)**	
	₱6,519,993	**₱197,744**	**₱ 6,717,737**	**₱ 19,150**	**₱ 6,736,887**
Operating EBITDA	**₱ 1,169,934**	**₱137,842**	**₱ 1,307,776**	**(₱ 347,240)**	**₱ 960,536**
Segment assets	**32,027,597**	**342,365**	**32,369,962**	**9,241,938**	**41,611,900**
Segment liabilities	**8,084,605**	**603,229**	**8,687,834**	**2,700,575**	**11,388,409**

	2021				
	Clinker and cement	Others	Total	Adjustments and eliminations	Consolidated
			(In Thousands)		
Revenue:					
External customers	₱6,477,475	₱308,578	₱6,786,053	₱19,741	₱6,805,794
Inter-segment	3,153	–	3,153	(3,153)	–
	₱6,480,628	₱308,578	₱6,789,206	₱16,588	₱6,805,794
Operating EBITDA	₱ 1,736,318	₱ 245,807	₱1,982,125	(₱265,623)	₱ 1,716,502
Segment assets	29,803,362	343,764	30,147,126	11,649,902	41,797,028
Segment liabilities	8,978,299	91,408	9,069,707	2,185,441	11,255,148

* Chief operating decision maker is composed of the Group's Executive Committee

6. *Retained Earnings*

The BOD did not declare any cash dividends as of March 31, 2022.

Interim Disclosures

As of the update, the Group filed a petition to vacate at the Regional Trial Court at Taguig City ("Taguig Court"), which Seasia asked to be dismissed on jurisdictional grounds. Seasia filed a petition for confirmation at the Regional Trial Court at Bataan ("Bataan Court"), which the Group is currently opposing due to several infirmities in the arbitral award and issues against the Bataan Court's jurisdiction resulting from the premature filing of the petition. The Taguig Court dismissed the petition to vacate which the HPI appealed with the Court of Appeals while the petition for confirmation is pending resolution. The Group's funds at a third party bank are still garnished.

Aside from the disclosure above, the Group is not aware of the following or is not applicable to the Group's interim operations:

1. Unusual items that materially affect the Group's consolidated assets, liabilities, equity, net income or cash flows because of their nature, size or incidents.

2. Changes in estimates of amounts reported in prior financial years that have a material effect in the current period.

3. Issuances and repurchases of equity securities.

4. Material changes in contingent liabilities or contingent assets since the last annual balance sheet date.

5. Existence of material contingencies and other events of transactions that are material to an understanding of the current interim period.

6. Known trends, demands, commitments, events and uncertainties that will result in or likely to decrease its liquidity in any material way. The Group does not anticipate having within the next twelve (12) months any cash flow or liquidity problems nor does it anticipate any default or breach of any of its existing notes, loans, leases, other indebtedness or financing arrangements requiring it to make payments.

7. Events that will trigger direct or contingent material financial obligations to the Group.

8. Material off-balance sheet transactions, arrangements, obligations (direct or contingent), and other relationships of the Group with unconsolidated entities or other persons created during the year.

9. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales/revenues/income from continuing operations.

10. Significant elements of income or loss that did not arise from the Group's continuing operations.

11. Material events subsequent to end of the reporting period that have not been reflected in this report.

12. Material changes in the composition of the Group, including any business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

13. Any seasonal aspect that had a material effect on the financial condition or results of operation.

Material Changes in Balance Sheet Accounts

24% increase in Inventories
Higher inventory from coal stock coupled with higher purchase cost compared to prior year.

102% increase in Other current assets
Increase was due to the prepayments of real property taxes for the whole year and the deferral of plant shutdown costs

100% increase in Loan payable
Movement was due to loans obtained during the first quarter from related party and third party.

58% increase in Income tax payable
Majority of the movement pertains to the unpaid income tax due for full year 2021.

15% increase in Lease liability – current portion
Higher due to the increasing balance of the leases due for payments to lessors.

14% increase in Provisions
Lower due to the settlement of pending litigation related to the provision.

Material Changes in Income Statement Accounts

13% increase in Cost of goods sold
Movement was driven by higher production cost due to higher procurement prices of raw materials, power, fuel and variable cost. Unfavorable movement in distribution cost due to higher outbound, packaging and other variable cost contributed to the overall increase.

16% increase in Operating expenses
Higher administrative expenses mostly from the cost of third party services.

41% increase in Net financial expenses
Mainly due to unfavorable movement in financial expenses from related parties and third parties due to loans taken in the quarter.

19% decrease in Income (Expenses) on non-operating assets
Mainly due to lower share in the accumulated undistributed income earned by associate during the year.

71% decrease in Provision for income tax
Movement was due to lower income generated as compared to prior year.

23% decrease in Non-controlling interest in net income
Mainly due to lower profit of subsidiary compared to same period last year.

Holcim Philippines, Inc. and Subsidiaries
Schedule of Financial Soundness Indicators

Financial KPI	Definition	For the three (3) Months Ended March 31	
		2022	2021
Current/Liquidity ratio Current Ratio	Current Assets / Current Liabilities	85.2%	90.7%
Solvency ratio/Debt-to-equity ratio Gearing	Net Financial Debt (Asset) / Stockholder's Equity	1.9%	(7.9%)
Asset to Equity Ratios Asset to Equity Ratio/ Equity Multiplier	Total Assets / Stockholder's Equity	137.7%	136.9%
Interest Rate Coverage Ratio Interest Rate Coverage	Income before Tax / Net Interest	17.3 times	109.1 times
Profitability Ratios Return on Assets	Net Income / Average Total Assets	1.0%	2.2%
Return on Equity	Net Income / Average Total Equity	1.4%	3.0%

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HOLCIM PHILIPPINES, INC.

Eliana Nieto Sanchez
Chief Financial Officer
Date: May 4, 2022

Mary Lebern D. Laurente <marylebern.laurente@holcim.com>

SEC Form 17Q_Q2 2022 for Holcim Philippines Inc., and Subsidiaries

Mary Lebern D. Laurente <marylebern.laurente@holcim.com> Thu, Aug 11, 2022 at 9:22 AM
To: "Cara Janela M. Lorenzo" <carajanela.lorenzo@holcim.com>

From: **ICTD Submission** <ictdsubmission+canned.response@sec.gov.ph>
Date: Thu, Aug 11, 2022 at 9:18 AM
Subject: Re: SEC Form 17Q_Q2 2022 for Holcim Philippines Inc., and Subsidiaries
To: <dennis.segovia@holcim.com>

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD. (Subject to Verification and Review of the Quality of the Attached Document) Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at www.sec.gov.ph

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NOTICE

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (PDF) Secondary Reports such as: 17-A, 17-C, 17-L, 17-Q, ICASR, ICA-QR, ICA-AR, 23-A, 23-B, I-ACGR, ACGR, Monthly Reports, Quarterly Reports, Letters, OPC(ALTERNATE NOMINEE),GIS-G, 52-AR, IHAR,AMLA-CF,NPM,NPAM, BP-FCLC, CHINESEWALL, 39-AR,36-AR, PNFS, MCG, S10/SEC-NTCE-EXEMPT, through email at

ictdsubmission@sec.gov.ph

Note: All submissions through this email are no longer required to submit the hard copy thru mail, eFAST or over- the- counter.

For those applications that require payment of filing fees, these still need to be filed and sent via email with the SEC RESPECTIVE OPERATING DEPARTMENT.

Further, note that other reports shall be filed thru the ELECTRONIC FILING AND SUBMISSION TOOL (eFAST) such as: AFS, GIS, GFFS, LCFS, LCIF, FCFS. FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT,
FS-CONSOLIDATED, OPC_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

FOR MC28, please go to SEC website:

https://apps010.sec.gov.ph

For your information and guidance.

COVER SHEET

26126

SEC Registration Number

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

(Company's Full Name)

7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City

(Business Address: No. Street City/Town/Province)

Dennis G. Segovia Jr.		**8581-1511**
(Contact Person)	(2nd Quarter 2022)	(Company Telephone Number)

0 6 **3 0**	**SEC FORM 17-Q**	
Month *Day*	For the quarter ended June 30, 2022	*Month* *Day*
(Fiscal Year)	(Form Type)	(Annual Meeting)

(Secondary License Type, If Applicable)

CFD	–
Dept. Requiring this Doc.	Amended Articles Number/Section

Total Amount of Borrowings

5,240		
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended June 30, 2022

2. Commission identification number 026126 3. BIR Tax Identification No 000-121-507-000

4. Exact name of issuer as specified in its charter HOLCIM PHILIPPINES, INC.

5. Province, country or other jurisdiction of incorporation or organization Republic of the Philippines
6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office Postal Code

   7th Floor Two World Square, McKinley Hill, Fort Bonifacio, Taguig City 1634
8. Issuer's telephone number, including area code (632) 8581-1511
9. Former name, former address and former fiscal year, if changed since last report N. A.

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares	6,452,099,144

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [x] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

    Philippine Stock Exchange, Inc. Common Shares

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

    Yes [x] No [ ]

    (b) has been subject to such filing requirements for the past ninety (90) days.

    Yes [x] No [ ]

PART I- FINANCIAL INFORMATION

Item 1. Financial Statements.

Exhibit I – Consolidated Balance Sheets as of June 30, 2022 and December 31, 2021
Exhibit II – Consolidated Statements of Income for the quarters ended June 30, 2022 and 2021
Exhibit III – Consolidated Statements of Comprehensive Income for the quarters ended June 30, 2022 and 2021
Exhibit IV – Consolidated Statements of Changes in Stockholders' Equity for the quarters ended June 30, 2022 and 2021
Exhibit V – Consolidated Statements of Cash Flows for the quarters ended June 30, 2022 and 2021
Exhibit VI – Aging of Trade and Other Receivables as of June 30, 2022

Exhibit I

HOLCIM PHILIPPINES, INC.
CONSOLIDATED BALANCE SHEETS
As of June 30, 2022 and December 31, 2021
(In Thousands)

	30 June 2022	31 Dec 2021
ASSETS		
Current Assets		
Cash in banks	₱860,890	₱501,208
Trade and other receivables - net	1,796,698	1,717,218
Inventories	4,886,306	4,347,057
Short-term financial receivables	470,055	238,582
Other current assets	857,475	360,052
Total Current Assets	**8,871,424**	**7,164,117**
Noncurrent Assets		
Investments	4,164,128	4,124,345
Property, plant and equipment – net	19,083,731	19,502,248
Right-of-use assets	1,425,332	1,544,292
Goodwill	2,635,738	2,635,738
Intangibles – net	28,549	32,505
Retirement assets – net	2,479,216	2,468,661
Long-term financial receivables	238,581	–
Other noncurrent assets	2,880,163	2,879,572
Total Noncurrent Assets	**32,935,438**	**33,187,361**
	₱41,806,862	**₱40,351,478**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Trade and other payables	9,062,516	8,566,340
Current portion of lease liabilities	180,022	171,418
Income tax payable	140,207	148,958
Total Current Liabilities	**9,382,745**	**8,886,716**
Noncurrent Liabilities		
Long-term lease liabilities	1,352,521	1,475,239
Provisions	63,043	73,043
Deferred tax liabilities – net	75,150	112,025
Total Noncurrent Liabilities	**1,490,714**	**1,660,307**
Equity Attributable to Equity Holders of Parent		
Capital stock	6,452,099	6,452,099
Additional paid-in capital	8,476,002	8,476,002
Remeasurement loss on retirement benefits - net	1,806,860	1,806,860
Other reserves	473,108	4,050
Retained earnings	13,709,793	13,048,740
	30,917,862	**29,787,751**
Noncontrolling Interest	**15,541**	**16,704**
Total Stockholders' Equity	**30,933,403**	**29,804,455**
	₱41,806,862	**₱40,351,478**

Exhibit II

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF INCOME
For the quarters ended June 30, 2022 and 2021
(In Thousands, Except Per Share Data)

	Quarter Ended		**Six (6) Months Ended**	
	Apr-Jun 2022	**Apr-Jun 2021**	**Jan-Jun 2022**	**Jan-Jun 2021**
Net Sales	**₱5,433,444**	**₱6,855,623**	**₱12,170,331**	**₱13,661,417**
Cost of sales	3,891,535	5,082,393	9,336,811	9,886,663
Gross Profit	**1,541,909**	**1,773,230**	**2,833,520**	**3,774,754**
Operating expenses	417,769	338,807	748,844	623,829
Operating EBITDA	**1,124,140**	**1,434,423**	**2,084,676**	**3,150,925**
Depreciation and amortization	436,200	480,859	876,935	923,228
Profit from Operations	**687,940**	**953,564**	**1,207,741**	**2,227,697**
Other income (expenses)				
Net financial expense	(51,765)	(3,654)	(84,066)	(26,642)
Other income (expense) - net	(323,708)	10,571	(272,411)	73,856
Total	(375,473)	6,917	(356,477)	47,214
Profit before Income Tax	**312,467**	**960,481**	**851,264**	**2,274,911**
Provision for income tax				
Current	103,504	248,683	231,283	577,288
Deferred	(31,891)	(9,591)	(41,483)	66,887
	71,613	239,092	189,800	644,175
Profit for the Period	**240,854**	**721,389**	**661,464**	**1,630,736**
Noncontrolling interest	(82)	(115)	(411)	(542)
Profit for the period attributable to Equity holders of the Parent Company	**₱240,772**	**₱721,274**	**₱661,053**	**₱1,630,194**
Basic/Diluted Earnings Per Share (EPS)				
Computation of EPS:				
(a) Profit for the period attributable to Equity holders of the parent company	**₱240,772**	**₱721,274**	**₱661,053**	**₱1,630,194**
(b) Common shares issued and outstanding	6,452,099	6,452,099	6,452,099	6,452,099
EPS [(a)/(b)]	**₱ 0.037**	**₱ 0.112**	**₱ 0.102**	**₱ 0.253**

Exhibit III

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the quarters ended June 30, 2022 and 2021
(In Thousands)

	Quarter Ended		Six (6) Months Ended	
	Apr-Jun 2022	**Apr-Jun 2021**	**Jan-Jun 2022**	**Jan-Jun 2021**
Total Comprehensive Income	**₱240,854**	**₱721,389**	**₱661,464**	**₱1,630,736**
Attributable to:				
Equity holders of Parent Company	240,772	721,274	661,053	1,629,716
Noncontrolling interest	82	115	411	1,020
Total Comprehensive Income	**₱240,854**	**₱721,389**	**₱661,464**	**₱1,630,736**

Exhibit IV

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the three (6) months ended June 30, 2022 and 2021
(In Thousands)

	Jan-Jun 2022	Jan-Jun 2021
Capital Stock		
Common Stock		
Balance at beginning of period	₱6,452,099	₱6,452,099
Issuances (Retirement)	–	–
Balance at end of period	**6,452,099**	**6,452,099**
Additional Paid-in Capital		
Balance at beginning of period	8,476,002	8,476,002
Issuances (Retirement)	–	–
Balance at end of period	**8,476,002**	**8,476,002**
Other comprehensive income	**1,806,860**	**1,423,446**
Other reserves	**473,108**	**4,050**
Retained Earnings		
Balance at beginning of period	13,048,740	13,261,328
Profit for the Period	661,053	1,630,194
Balance at end of period	**13,709,793**	**12,117,120**
Non-controlling Interest	**15,541**	**16,150**
	₱30,933,403	**₱28,488,867**

Exhibit V

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three (6) months ended June 30, 2022 and 2021
(In Thousands)

	Jan-Jun 2022	Jan-Jun 2021
Operating Activities		
Profit before Income Tax	**₱851,264**	**₱2,274,911**
Adjustments to reconcile profit to cash		
Depreciation and amortization	876,935	923,228
Other items – net	(557,495)	(389,590)
Changes in current assets and liabilities	(1,555,227)	(1,036,832)
Cash provided by (used in) operating activities	**(384,523)**	**1,771,717**
Investing Activities		
Additions to plant, property and equipment	(346,766)	(387,485)
Increase in other investing activities	(589)	75,998
Cash used in investing activities	**(347,355)**	**(311,487)**
Financing Activities		
Proceeds from short-term loans	1,500,000	–
Payment of short-term loans	(300,000)	–
Repayment of long-term leases	(114,352)	(183,867)
Loan repayments made by related party	–	83,826
Cash dividends paid	–	(898,264)
Cash provided by (used in) financing activities	**1,085,648**	**(998,305)**
Net increase in cash in banks	**353,770**	**461,925**
Cash in banks, beginning	**501,208**	**2,080,791**
Effect of exchange rate changes on cash in banks	**5,912**	**(1,462)**
Cash in banks, end	**₱860,890**	**₱2,541,254**

HOLCIM PHILIPPINES, INC
Aging of Trade and Other Receivables
As of June 30, 2022
(In Thousands)

	Total	Current	1-30 days	31-60 days	Over 60 days
Trade Receivables	**₱ 992,540**	**₱724,095**	**₱107,836**	**₱42,100**	**₱118,509**
Other Receivables	**923,548**	**44,389**	**231**	**1,252**	**877,676**
Total		**₱768,484**	**₱108,067**	**₱43,352**	**₱996,185**
Allowance for Doubtful Accounts	**(119,390)**				
Net Receivables	**₱1,796,698**				

Certified correct:

Eliana Nieto Sanchez
Chief Financial Officer

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

At the end of the second quarter, the Group posted net sales of ₱12.2 billion, lower by 11% compared to ₱13.7 billion reported in the same period last year. Higher selling price which resulted into lower volume of sales.

The Group reported total EBITDA of ₱2.08 billion, lower by 34% as compared to ₱3.15 billion reported during the same period last year. Margins were affected due to higher production input costs and fixed costs and lower volumes. Production costs were higher mainly due to higher procurement costs on account of higher power and fuel costs. The Group incurred higher financial expense related to its short-term payables and lease liabilities due to loans obtained from related party and third party. Net income after tax stood at ₱0.66 billion giving earnings per share of ₱0.102.

Financial Position

The Group's financial position has remained healthy with stable liquid cash position. The return on assets declined to 1.6% as of June 30, 2022 which is 2.3 percentage points lower from the end of 2021 as a result of lower net income. Total assets stood at ₱41.8 billion as of June 30, 2022, 3.6% higher from end of 2021.

Cash Flow Generation

The Group's cash requirements were mainly sourced through cash from financing activities. As of June 30, 2022, the group has outstanding third party and related party loan payables which were obtained to support its short term working capital requirements.

Key Performance Indicators

The comparative financial KPI's of the Group for the periods ended June 30, 2022 and 2021 were as follows:

Financial KPI	Definition	For the period ended June 30	
		2022	**2021**
Profitability			
Return on Equity (ROE)	Net Income / Ave. Total Shareholders' Equity	2.2%	5.6%
Return on Asset (ROA)	Net Income / Average Total Assets	1.6%	3.9%
Efficiency			
EBITDA Margin	Operating EBITDA / Net Sales	17.1%	23.1%
Liquidity			
Gearing	Net Financial Debt (Asset) / Stockholders' Equity	1.9%	(7.8%)
EBITDA Net Interest Cover	Operating EBITDA / Net Interest	35.1 times	92 times

Profitability and Efficiency

Profitability and efficiency indicators have decreased as compared to the same period last year due to lower income generated from operations.

Liquidity

The Group's liquidity position remains strong as evidenced by higher cash balance.

Notes to Financial Statements

1. ***Summary of Significant Accounting Policies***

These condensed consolidated interim financial statements have been prepared in accordance with PAS 34 *Interim Financial Reporting* and do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2021.

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments effective **after the reporting period ended December 31, 2021:**

PFRS 17 — Insurance Contracts

PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes PFRS 4, Insurance Contracts.

PFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

An amendment issued on June 2020 and adopted by FRSC on August 2020 addresses concerns and implementation challenges that were identified after PFRS 17 was published.

PFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The standard (incorporating the amendments) is effective for periods beginning on or after January 1, 2023. Earlier application is permitted.

The adoption of the new accounting standard does not have an impact on the Group since it is not an issuer of insurance contracts.

Amendments to PFRS 3, References to the Conceptual Framework

The amendments update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to PFRS 3 a requirement that, for obligations within the scope of PAS 37, an acquirer applies PAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21, Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

The amendments also add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

The Management of the Group is still evaluating the impact of these new amendments.

Amendments to PFRS 10 and PAS 28, Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The amendments to PFRS 10 and PAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent‛s profit or loss only to the extent of the unrelated investors‛ interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent‛s profit or loss only to the extent of the unrelated investors‛ interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

The Management of the Group is still evaluating the impact of these new amendments.

The amendments to PAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of ‗settlement‛ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Amendments to PAS 16, Property, Plant and Equipment – Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with PAS 2, Inventories.

The amendments also clarify the meaning of ‗testing whether an asset is functioning properly‛. PAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity‛s ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Amendments to PAS 37, Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the ‗cost of fulfilling' a contract comprises the ‗costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Annual Improvements to PFRS Standards 2018-2020 Cycle

Amendments to PFRS 1 – Subsidiary as a first-time adopter

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in PFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to PFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in PFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

Amendments to PFRS 9 – Fees in the '10 percent' test for derecognition of financial liabilities
The amendment clarifies that in applying the ‗10 percent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

Amendments to PFRS 16 – Lease Incentives

The amendment removes the illustration of the reimbursement of leasehold improvements.

As the amendment to PFRS 16 only regards an illustrative example, no effective date is stated.

Amendments to PAS 41 – Taxation in fair value measurements

The amendment removes the requirement in PAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in PAS 41 with the requirements of PFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure Initiative – Accounting Policies

The amendments are as follows:

- An entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- the amendments clarify that accounting policy information is material if users of an entity‘s financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information

The amendments are applied prospectively. The amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Amendments to PAS 8, Definition of Accounting Estimates

With the amendment, accounting estimates are now defined as ―monetary amounts in financial statements that are subject to measurement uncertainty.‖

The amendment clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

A change in an accounting estimate may affect only the current period‘s profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods.

The amendments are effective for annual periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Amendments to PAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to PAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in PAS 12.

The Board also adds an illustrative example to PAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with:
    - Right-of-use assets and lease liabilities
    - Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Amendment to PFRS 17, Initial Application of PFRS 17 and PFRS 9 – Comparative Information

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17.

The main amendment in Initial Application of PFRS 17 and PFRS 9 — Comparative Information (Amendment to PFRS 17) is a narrow-scope amendment to the transition requirements of PFRS 17 for entities that first apply PFRS 17 and PFRS 9 at the same time. The amendment regards financial assets for which comparative information is presented on initial application of PFRS 17 and PFRS 9, but where this information has not been restated for PFRS 9.

Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of PFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of PFRS 9.

There are no changes to the transition requirements in PFRS 9

The amendment is effective for annual periods beginning on or after January 1, 2025, as amended by the FRSC from January 1, 2023. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. Still subject to approval of the Board of Accountancy.

The Management of the Group is still evaluating the impact of these new amendments.

New Accounting Standards Effective in 2021 - Adopted by Financial Reporting Standards Council (FRSC).

The Company adopted all accounting standards and interpretations as at December 31, 2021. The new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and approved by the FRSC in the Philippines, were assessed to be applicable to the Group's consolidated financial statements, are as follows:

Amendments to PFRS 16, Covid-19-Related Rent Concessions beyond June 30, 2021

In March 2021, the Board issued Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendment to PFRS 16) which extends the practical expedient to apply to reduction in lease payments originally due on or before June 30, 2022.

In the current financial year, the Group has applied the amendment to PFRS 16 (as issued by the Board in May 2021) in advance of its effective date.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before June 30, 2022 (a rent concession meets this condition if it results in reduced lease payments on or before June 30, 2022 and increased lease payments that extend beyond June 30, 2022); and

c) There is no substantive change to other terms and conditions of the lease.

The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued.

The amendment does not have a significant impact on the Group's consolidated financial statements as there has been no reduction in lease payments for its existing lease contracts within the financial year.

PIC Q&A No. 2020-07, PAS 12 – Accounting for the Proposed Changes in Income Tax Rates under the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) Bill

The interpretation explained the details of the CREATE bill and its impact on the financial statements once passed.

Interpretation that discussed the impact on the financial statements ended December 31, 2020 are as follows:

• Current and deferred taxes will still be measured using the applicable income tax rate as of December 31, 2020.

• If the CREATE bill is enacted before financial statements' issue date, this will be a non-adjusting event but the significant effects of changes in tax rates on current and deferred tax assets and liabilities should be disclosed.

• If the CREATE bill is enacted after financial statements' issue date but before filing of the income tax return, this is no longer a subsequent event but companies may consider disclosing the general key feature of the bill and the expected impact on the FS.

For the financial statements ended December 31, 2021, the impact are as follows:

- Standard provides that component of tax expense(income) may include “any adjustments recognized in the period for current tax of prior periods” and “the amount of deferred tax expense(income) relating to changes in tax rates or the imposition of new taxes”.

- An explanation of changes in the applicable income tax rates to the previous accounting period is also required to be disclosed.

- The provision for current income tax for the year 2021 will include the difference between income tax per 2020 financial statements and 2020 income tax return.

- Deferred tax assets and liabilities as of December 31, 2021, will be remeasured using the new tax rates.

- Any movement in deferred taxes arising from the change in tax rates that will form part of the provision for/benefit from deferred taxes will be included as well in the effective tax rate reconciliation.

The interpretation is effective on or after January 29, 2021.

The Group has applied the interpretation starting March 2021. Payments made in April 2021 for 2020 income tax due applied the transitory rate of 27.5%. Accordingly, the new income tax rate of 25% and MCIT rate of 1% were applied by the Group throughout the year. Moreover, the current income tax for the current year included the difference between income tax per 2020 financial statements and 2020 income tax return as an income tax benefit.

2. *Seasonality Aspects of the Business*

Like any other company in the construction industry, the operations of the Group are affected by seasonality. Net sales are generally higher in dry months from February to May and lower during the rainy months of June to November. Low sales are also experienced during December due to holidays until early January. Unpredictable weather could also significantly affect sales and profitability compared to previous periods coupled with any unforeseen circumstances like disruptions in productions.

3. *Financial Risk Management Objectives and Policies*

General Risk Management Approach

The Group is exposed to various financial risks, which include the effect of changes in debt structure, equity market prices, foreign currency exchange rates and interest rates. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential and adverse effects on the financial performance of the Group. The Group does not enter into other derivative or financial transactions which are unrelated to its operating business as a risk-averse approach is pursued.

Financial risk management of the Group is governed by policies approved by management. It provides principles for overall risk management, as well as policies covering specific risk areas such as interest rate risk, foreign exchange risk, counterparty risk, and use of derivative financial instruments and investing assets in excess of liquidity requirements.

The Group’s principal financial instruments, other than derivatives, consist of cash and cash equivalents and notes payable. The main purpose of these financial instruments is to raise funds for the Group’s operations. The Group also has various other financial assets and liabilities such as trade and other receivables, advances to employees, guarantee deposits, restricted cash and trade and other payables which arise directly from operations.

The main risks arising from the Group's financial instruments are market risks (which include foreign currency risk and interest rate risk), credit risk and liquidity risk. The BOD reviews and approves the policies for managing each of these risks and they are summarized below. The Group's accounting policies in relation to financial instruments are set out in Note 5 to the consolidated financial statements.

Market Risks

The Group is exposed to market risks, such as foreign currency and interest rate risks. To manage volatility relating to these exposures, the Group enters into derivative financial instruments, when necessary. The Group's objective is to reduce, where appropriate, fluctuations in earnings and cash flows associated with changes in foreign currency, interest rate and equity price.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has foreign exchange exposures, arising primarily from purchases of goods and services and debt servicing requirements in currencies other than the Philippine Peso that leads to currency translation effects. As of June 30, 2022, there are no revenues denominated in currencies other than the Philippine Peso.

Due to the local nature of the cement business, transaction risk is limited. However, income may primarily be in local currency whereas debt servicing and significant amount of capital expenditures may be in foreign currencies. As a consequence, thereof, the Group may enter into derivative contracts whenever necessary, which may be designated either as cash flow hedges or fair value hedges, as appropriate.

As of June 30, 2022, the Group had minimal assets and liabilities exposed to foreign currency risks.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates.

The Group is exposed to fluctuations in financing costs and market value movements of its debt portfolio related to changes in market interest rates. The Group's interest rate exposure is mainly addressed through the steering of the fixed/floating ratio of net debt. To manage this mix, the Group may enter into derivative transactions, as appropriate. As at June 30, 2022 and 2021, the Group has minimal exposure to interest rate risk.

Credit Risk

Credit risk is the risk that counterparties may not be able to settle their obligations as agreed. To manage this risk, the Group periodically assesses the financial reliability of customers.

The Group constantly monitors its credit risk exposures. Counterparties to financial instruments consist of a large number of major financial institutions. The Group does not expect any counterparties to fail in meeting their obligations, given their high credit ratings. In addition, the Group has no significant concentration of credit risk with any single counterparty or group of counterparties.

The maximum and minimum exposure to credit risk is represented by the carrying amount of each financial asset.

The Group trades only with recognized, credit-worthy third parties. It is the Group's policy that all third party customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce the Group's exposure to bad debts to minimum.

With respect to credit risk arising from the other financial assets of the Group, which consist of due from related parties, advances to employees, financial assets at FVTPL, and guarantee and refundable deposits, the Group's exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet its contractual obligations and commitments. The seasonality of revenue generation exposes the Group to shortage of funds during slack season and may result in payment defaults of financial commitments. The Group monitors this risk using a recurring liquidity planning tool. This tool considers the maturity of both its financial assets and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank credit facilities, and purchase contracts. It is responsible for its own cash surpluses and the raising of loans to cover cash deficits, subject to policies and guidelines approved by management and, in certain cases, at the Management level.

The Group maintains sufficient reserves of cash in banks, which are short-term in nature and unused credit lines to meet its liquidity requirements at all times. In addition, the strong credit worthiness of the Group allows it to make efficient use of the financial markets for financing purposes. As at June 30, 2022, the Group has unutilized credit facilities of ₱12.7 billion.

Capital Management Policy

The Group considers equity attributable to the equity holders of the Parent Company as its capital. The Group's objectives when managing capital are to secure the Group's ongoing financial needs to continue as a going concern as well as to cater for its growth targets in order to provide returns to shareholders and benefits for other stakeholders and to maintain a cost-efficient and risk-optimized capital structure.

The Group manages the capital structure and makes adjustments to it in light of the changes in economic conditions, its business activities, investment and expansion program and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital, among others, on the basis of gearing ratio.

4. *Financial Assets and Liabilities*

Fair Value of Financial Instruments

The estimated fair value of each class of the Group's financial instruments, is equal to their carrying amount as at June 30, 2022 and December 31, 2021. The following methods and assumptions are used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash in Banks, Trade and Other Receivables, Advance to Employees, Loan Receivable from a related party, Long Term Financial Receivable, Loan Payable and Trade and Other Payables. Due to the short-term nature of the transactions, the fair values of these instruments approximate the corresponding carrying values as at end of each reporting period.

Derivatives. The fair values of the embedded currency forwards are calculated by reference to current forward exchange

Financial Assets at FVTPL The fair values of publicly traded instruments are determined by reference to quoted market prices as at the end of each reporting period.

Long Term Financial Receivable and Guarantee Deposits. These are carried at cost, less any impairment in value, which approximates their fair values calculated using the discounted cash flows method.

Fair Value Hierarchy

As at June 30, 2022 and December 31, 2021, the Group's financial instruments measured at fair value include only the quoted equity securities, classified as financial assets at FVTPL (Level 1).

As at June 30, 2022 and December 31, 2021, the Group does not have financial instruments whose fair values are determined using inputs that are not based on observable market data (Level 3). There were no reclassifications made between the different fair value hierarchy levels in 2022 and 2021.

5. *Segment Reporting*

Operating segments are components of the Group that engage in business activities from which they may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the chief operating decision maker to make decisions about how resources are to be allocated to each of the segments and to assess their performances, and for which discrete financial information is available. Management reassesses on an annual basis whether there have been any change in the operating segments or in the reportable operating segments in accordance with PFRS 8, *Operating Segments*.

For management purposes, the Group is organized into activities based on their products and has two segments, as follows:

- Clinker and Cement segment, which manufactures and sells clinker and cement for domestic customers; and

- Other Construction Materials and services segment, which includes operations from Helps-U-Build-Better (HUBB) Specialty products and Aggregates Trading.

Management monitors the operating results of its business segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is based on operating EBITDA and is measured consistently with consolidated net income in the consolidated statement of profit or loss and other comprehensive income. However, the Group's finance income and charges and income taxes are managed on a group basis, and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis similar to transactions with third parties.

Segment revenues, EBITDA, assets and liabilities as at June 30, 2022 and 2021 are presented below:

	2022				
	Clinker and cement	**Others**	**Total**	**Adjustments and eliminations**	**Consolidated**
			(In Thousands)		
Revenue:					
External customers	**₱11,718,634**	**₱396,366**	**₱12,115,000**	**₱ 55,331**	**₱12,170,331**
Inter-segment	**7,085**	**94**	**7,179**	**(7,179)**	**-**
	₱11,725,719	**₱396,460**	**₱12,122,179**	**₱ 48,152**	**₱12,170,331**
Operating EBITDA	**₱2,546,412**	**₱276,230**	**₱2,822,642**	**(₱737,966)**	**₱ 2,084,676**
Segment assets	**31,489,301**	**358,928**	**31,848,229**	**9,958,633**	**41,806,862**
Segment liabilities	**7,419,185**	**840,296**	**8,259,481**	**2,613,978**	**10,873,459**

	2021				
	Clinker and cement	Others	Total	Adjustments and eliminations	Consolidated
			(In Thousands)		
Revenue:					
External customers	₱13,073,665	₱538,208	₱13,611,873	₱ 49,544	₱13,661,417
Inter-segment	6,676	–	6,676	(6,676)	–
	₱13,080,341	₱538,208	₱13,618,549	₱ 42,868	₱13,661,417
Operating EBITDA	₱ 3,635,562	₱411,155	₱ 4,046,717	(₱ 895,792)	₱ 3,150,925
Segment assets	30,475,833	422,329	30,898,163	11,331,962	42,230,124
Segment liabilities	9,279,492	507,871	9,787,364	3,953,894	13,741,257

[*] Chief operating decision maker is composed of the Group's Executive Committee

6. *Retained Earnings*

The BOD did not declare any cash dividends as of June 30, 2022.

Interim Disclosures

	2022	2021
	(In Thousands)	
Other financial assets	**₱2,136,014**	₱2,135,778

Other financial assets include a mine rehabilitation fund for site restoration purposes and a deposit with the Metropolitan Bank and Trust Company in relation to one of the pending cases between the Company and Seasia Nectar Port Services, Inc. ("Seasia").

The Company has been working on the closure of the mine rehabilitation fund and the transfer of the funds to a regular bank account.

The Company was authorized on June 9, 2022 to negotiate with Seasia for the settlement and closure of all pending cases. Both the parties agreed on all the essential terms and conditions and signed the required documents on July 8, 2022 after several rounds of discussions. The company obtained the requisite court approvals on the July 13, 2022. The amount of Php1.2 Billion was released to the Company and the balance of Php700 Million to the counterparty on July 22, 2022.

Aside from the disclosure above, the Group is not aware of the following or is not applicable to the Group's interim operations:

1. Unusual items that materially affect the Group's consolidated assets, liabilities, equity, net income or cash flows because of their nature, size or incidents.

2. Changes in estimates of amounts reported in prior financial years that have a material effect in the current period.

3. Issuances and repurchases of equity securities.

4. Material changes in contingent liabilities or contingent assets since the last annual balance sheet date.

5. Existence of material contingencies and other events of transactions that are material to an understanding of the current interim period.

6. Known trends, demands, commitments, events and uncertainties that will result in or likely to decrease its liquidity in any material way. The Group does not anticipate having within the next twelve (12) months any cash flow or liquidity problems nor does it anticipate any default or breach of any of its existing notes, loans, leases, other indebtedness or financing arrangements requiring it to make payments.

7. Events that will trigger direct or contingent material financial obligations to the Group.

8. Material off-balance sheet transactions, arrangements, obligations (direct or contingent), and other relationships of the Group with unconsolidated entities or other persons created during the year.

9. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales/revenues/income from continuing operations.

10. Significant elements of income or loss that did not arise from the Group's continuing operations.

11. Material events subsequent to end of the reporting period that have not been reflected in this report.

12. Material changes in the composition of the Group, including any business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

13. Any seasonal aspect that had a material effect on the financial condition or results of operation.

Material Changes in Balance Sheet Accounts

72% increase in Cash and cash equivalents
Mainly due to short term loans secured from related party and third party.

12% increase in Inventories
Increase was due to higher inventory from clinker, cement, and coal stock coupled with higher coal purchase cost compared to prior year.

269% increase in Other current assets
Largely attributable to the foreign currency hedging benefit, deferral of plant shutdown costs and increase in advances to suppliers.

12% decrease in Intangible assets
Due to normal monthly amortization.

14% decrease in Provisions
Lower due to settlement of pending litigation related to the provision.

33% decrease in deferred tax liabilities - net
Due to the increase in non-deductible provisions

Material Changes in Income Statement Accounts

11% decrease in Net sales
Mainly due to lower volumes sold driven by higher selling prices.

6% decrease in Cost of goods sold
Production costs were lower brought by optimization of own clinker and cement coupled with lower production volume and partially offset by higher distribution costs.

20% increase in Operating expenses
Mainly attributable to higher third party expenses such as demurrage and other one-off administrative expenses.

216% increase in Net financial expenses
Due to term short-term loans obtained from both third party and related party during the year.

469% increase in Income (Expenses) on non-operating assets
Mainly due to the impact cash flow hedge entered to mitigate the fluctuating energy prices and lower share in undistributed earnings of associates.

71% decrease in Provision for income tax
Due to lower taxable income as of the current period.

24% decrease in Noncontrolling interest in net income
Mainly due to lower profit of subsidiary compared to same period last year.

Holcim Philippines, Inc. and Subsidiaries
Schedule of Financial Soundness Indicators

Financial KPI	Definition	For the six (6) Months Ended June 30	
		2022	**2021**
Current/Liquidity ratio Current Ratio	Current Assets / Current Liabilities	94.6%	76.6%
Solvency ratio/Debt-to-equity ratio Gearing	Net Financial Debt (Asset) / Stockholder's Equity	1.9%	(7.8%)
Asset to Equity Ratios Asset to Equity Ratio/ Equity Multiplier	Total Assets / Stockholder's Equity	135.2%	148.2%
Interest Rate Coverage Ratio Interest Rate Coverage	Income before Tax / Net Interest	14.3 times	66.4 times
Profitability Ratios			
Return on Assets	Net Income / Average Total Assets	1.6%	3.9%
Return on Equity	Net Income / Average Total Equity	2.2%	5.6%

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HOLCIM PHILIPPINES, INC.

Eliana Nieto Sanchez
Chief Financial Officer
Date: August 3, 2022

Cara Janela M. Lorenzo <carajanela.lorenzo@holcim.com>

SEC Form 17Q_Q3 2022 for Holcim Philippines Inc., and Subsidiaries

1 message

Cara Janela M. Lorenzo <carajanela.lorenzo@holcim.com> Thu, Nov 10, 2022 at 9:22 AM
To: "Bryan Jason P. Alix" <bryanjason.alix@holcim.com>

---------- Forwarded message ---------
From: **ICTD Submission** <ictdsubmission+canned.response@sec.gov.ph>
Date: Thu, Nov 10, 2022 at 9:14 AM
Subject: Re: SEC Form 17Q_Q3 2022 for Holcim Philippines Inc., and Subsidiaries
To: <dennis.segovia@holcim.com>

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD. (Subject to Verification and Review of the Quality of the Attached Document) Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at www.sec.gov.ph

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NOTICE

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (PDF) Secondary Reports such as: 17-A, 17-C, 17-L, 17-Q, ICASR, ICA-QR, ICA-AR, 23-A, 23-B, I-ACGR, ACGR, Monthly Reports, Quarterly Reports, Letters, OPC(ALTERNATE NOMINEE),GIS-G, 52-AR, IHAR,AMLA-CF,NPM,NPAM, BP-FCLC, CHINESEWALL, 39-AR,36-AR, PNFS, MCG, S10/SEC-NTCE-EXEMPT, through email at

ictdsubmission@sec.gov.ph

Note: All submissions through this email are no longer required to submit the hard copy thru mail, eFAST or over- the- counter.

For those applications that require payment of filing fees, these still need to be filed and sent via email with the SEC RESPECTIVE OPERATING DEPARTMENT.

Further, note that other reports shall be filed thru the ELECTRONIC FILING AND SUBMISSION TOOL (eFAST) such as: AFS, GIS, GFFS, LCFS, LCIF, FCFS. FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT,
FS-CONSOLIDATED, OPC_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

FOR MC28, please go to SEC website:

https://apps010.sec.gov.ph

COVER SHEET

2 6 1 2 6

SEC Registration Number

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

(Company's Full Name)

7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City

(Business Address: No. Street City/Town/Province)

Dennis G. Segovia Jr.		8581-1511
(Contact Person)	(3rd Quarter 2022)	(Company Telephone Number)

0 9 / 3 0	SEC FORM 17-Q	
Month *Day*	For the quarter ended September 30, 2022	*Month* *Day*
(Fiscal Year)	(Form Type)	(Annual Meeting)

(Secondary License Type, If Applicable)

CFD	–
Dept. Requiring this Doc.	Amended Articles Number/Section

Total Amount of Borrowings

5,233		
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended September 30, 2022

2. Commission identification number 026126 3. BIR Tax Identification No 000-121-507-000

4. Exact name of issuer as specified in its charter HOLCIM PHILIPPINES, INC.

5. Province, country or other jurisdiction of incorporation or organization Republic of the Philippines
6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office Postal Code

   7th Floor Two World Square, McKinley Hill, Fort Bonifacio, Taguig City 1634
8. Issuer's telephone number, including area code (632) 8581-1511
9. Former name, former address and former fiscal year, if changed since last report N. A.

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares	6,452,099,144

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [x] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

    Philippine Stock Exchange, Inc. Common Shares

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

    Yes [x] No [ ]

    (b) has been subject to such filing requirements for the past ninety (90) days.

    Yes [x] No [ ]

PART I- FINANCIAL INFORMATION

Item 1. Financial Statements.

Exhibit I – Consolidated Balance Sheets as of September 30, 2022 and December 31, 2021
Exhibit II – Consolidated Statements of Income for the quarters ended September 30, 2022 and 2021
Exhibit III – Consolidated Statements of Comprehensive Income for the quarters ended September 30, 2022 and 2021
Exhibit IV – Consolidated Statements of Changes in Stockholders' Equity for the quarters ended September 30, 2022 and 2021
Exhibit V – Consolidated Statements of Cash Flows for the quarters ended September 30, 2022 and 2021
Exhibit VI – Aging of Trade and Other Receivables as of September 30, 2022

Exhibit I

HOLCIM PHILIPPINES, INC.
CONSOLIDATED BALANCE SHEETS
As of September 30, 2022 and December 31, 2021
(In Thousands)

	30 Sept 2022	31 Dec 2021
ASSETS		
Current Assets		
Cash in banks	₱1,941,091	₱501,208
Trade and other receivables - net	2,177,509	1,717,218
Inventories	4,574,939	4,347,057
Short-term financial receivables	373,051	238,582
Other current assets	620,787	360,052
Total Current Assets	**9,687,377**	**7,164,117**
Noncurrent Assets		
Investments	4,187,086	4,124,345
Property, plant and equipment – net	18,946,884	19,502,248
Right-of-use assets	1,358,323	1,544,292
Goodwill	2,635,738	2,635,738
Intangibles – net	26,538	32,505
Retirement assets – net	2,484,494	2,468,661
Long-term financial receivables	238,582	–
Other noncurrent assets	1,002,375	2,879,572
Total Noncurrent Assets	**30,880,020**	**33,187,361**
	₱40,567,397	**₱40,351,478**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Trade and other payables	8,191,549	8,566,340
Current portion of lease liabilities	188,707	171,418
Income tax payable	69,611	148,958
Total Current Liabilities	**8,449,867**	**8,886,716**
Noncurrent Liabilities		
Long-term lease liabilities	1,309,513	1,475,239
Provisions	63,043	73,043
Deferred tax liabilities – net	81,044	112,025
Total Noncurrent Liabilities	**1,453,600**	**1,660,307**
Equity Attributable to Equity Holders of Parent		
Capital stock	6,452,099	6,452,099
Additional paid-in capital	8,476,002	8,476,002
Remeasurement loss on retirement benefits - net	1,806,860	1,806,860
Other reserves	377,101	4,050
Retained earnings	13,536,135	13,048,740
	30,648,197	**29,787,751**
Noncontrolling Interest	**15,733**	**16,704**
Total Stockholders' Equity	**30,663,930**	**29,804,455**
	₱40,567,397	**₱40,351,478**

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF INCOME
For the quarters ended September 30, 2022 and 2021
(In Thousands, Except Per Share Data)

	Quarter Ended		**Nine (9) Months Ended**	
	Jul-Sept 2022	**Jul-Sept 2021**	**Jan-Sept 2022**	**Jan-Sept 2021**
Net Sales	**₱6,941,356**	**₱6,486,778**	**₱19,111,687**	**₱20,148,195**
Cost of sales	5,714,111	4,764,565	15,050,922	14,651,228
Gross Profit	**1,227,245**	**1,722,213**	**4,060,765**	**5,496,967**
Operating expenses	239,306	416,698	988,150	1,040,527
Operating EBITDA	**987,939**	**1,305,515**	**3,072,615**	**4,456,440**
Depreciation and amortization	418,784	440,287	1,295,719	1,363,515
Profit from Operations	**569,155**	**865,228**	**1,776,896**	**3,092,925**
Other income (expenses)				
Net financial income (expense)	2,785	(38,607)	(81,281)	(65,249)
Other income (expense) - net	(735,656)	17,825	(1,008,067)	91,681
Total	(732,871)	(20,782)	(1,089,348)	26,432
Profit (loss) before Income Tax	**(163,716)**	**844,446**	**687,548**	**3,119,357**
Provision for income tax				
Current	3,856	150,804	235,139	728,092
Deferred	5,895	24,081	(35,588)	90,968
	9,751	174,885	199,551	819,060
Profit (loss) for the Period	**(173,467)**	**669,561**	**487,997**	**2,300,297**
Non-controlling interest	(192)	(300)	(603)	(842)
Profit (loss) for the period attributable to Equity holders of the Parent Company	**₱(173,275)**	**₱669,261**	**₱487,394**	**₱2,299,455**
Basic/Diluted Earnings Per Share (EPS)				
Computation of EPS:				
(a) Profit (loss) for the period attributable to Equity holders of the parent company	**₱(173,275)**	**₱669,261**	**₱487,394**	**₱2,299,455**
(b) Common shares issued and outstanding	6,452,099	6,452,099	6,452,099	6,452,099
EPS [(a)/(b)]	**₱ (0.027)**	**₱ 0.104**	**₱ 0.076**	**₱ 0.356**

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the quarters ended September 30, 2022 and 2021
(In Thousands)

	Quarter Ended		Nine (9) Months Ended	
	Jul-Sept 2022	**Jul-Sept 2021**	**Jan-Sept 2022**	**Jan-Sept 2021**
Total Comprehensive Income (Loss)	**₱(173,467)**	**₱669,561**	**₱487,997**	**₱2,300,297**
Attributable to:				
Equity holders of Parent Company	(173,275)	669,261	487,394	2,298,976
Non-controlling interest	(192)	(300)	(603)	(1,321)
Total Comprehensive Income (Loss)	**₱(173,467)**	**₱669,561**	**₱487,997**	**₱2,300,297**

Exhibit IV

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the nine (9) months ended September 30, 2022 and 2021
(In Thousands)

	Jan-Sept 2022	Jan-Sept 2021
Capital Stock		
Common Stock		
Balance at beginning of period	₱6,452,099	₱6,452,099
Issuances (Retirement)	–	–
Balance at end of period	**6,452,099**	**6,452,099**
Additional Paid-in Capital		
Balance at beginning of period	8,476,002	8,476,002
Issuances (Retirement)	–	–
Balance at end of period	**8,476,002**	**8,476,002**
Other comprehensive income	**1,806,860**	**1,423,446**
Other reserves	**377,101**	**4,050**
Retained Earnings		
Balance at beginning of period	13,048,741	13,261,328
Profit for the Period	487,394	2,299,455
Cash dividend – (0.43 per share, 2021)	–	(2,774,402)
Balance at end of period	**13,536,134**	**12,786,381**
Non-controlling Interest	**15,733**	**16,451**
	₱30,663,930	**₱29,158,429**

Exhibit V

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine (9) months ended September 30, 2022 and 2021
(In Thousands)

	Jan-Sept 2022	Jan-Sept 2021
Operating Activities		
Profit before Income Tax	**₱687,548**	₱3,119,357
Adjustments to reconcile profit to cash		
Depreciation and amortization	1,295,719	1,363,515
Other items – net	(295,518)	(741,302)
Changes in current assets and liabilities	(1,339,168)	(1,580,784)
Cash provided by operating activities	**348,581**	**2,160,786**
Investing Activities		
Additions to plant, property and equipment	(578,359)	(796,916)
Increase in other investing activities	1,877,198	75,788
Cash provided by / (used in) investing activities	**1,298,839**	**(721,128)**
Financing Activities		
Proceeds from short-term loans	1,167,669	–
Payment of short-term loans	(1,233,794)	–
Repayment of long-term leases	(148,940)	(341,672)
Loan repayments made by related party	–	227,090
Cash dividends paid	–	(2,244,640)
Cash used in financing activities	**(215,065)**	**(2,359,222)**
Net increase (decrease) in cash and cash equivalents	**1,432,355**	**(919,564)**
Cash in banks, beginning	**501,208**	**2,080,791**
Effect of exchange rate changes on cash in banks	**7,528**	**261**
Cash in banks, end	**₱1,941,091**	**₱1,161,488**

Exhibit VI

HOLCIM PHILIPPINES, INC
Aging of Trade and Other Receivables
As of September 30, 2022
(In Thousands)

	Total	Current	1-30 days	31-60 days	Over 60 days
Trade Receivables	**₱1,201,904**	**₱937,490**	**₱94,040**	**₱36,348**	**₱134,026**
Other Receivables	**1,041,840**	**40,144**	**12,502**	**58,217**	**930,977**
Total		**₱977,634**	**₱106,542**	**₱94,565**	**₱1,065,003**
Allowance for Doubtful Accounts	**(66,235)**				
Net Receivables	**₱2,177,509**				

Certified correct:

Eliana Nieto Sanchez
Chief Financial Officer

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

At the end of the third quarter, the Group posted net sales of ₱19.1 billion, lower by 5% compared to ₱ 20.2 billion reported in the same period last year. This is due to lower volume of sales due to lower demand.

The Group reported total EBITDA of ₱3.07 billion, lower by 31% as compared to ₱4.5 billion reported during the same period last year. Margin performance was affected due to significant energy costs and lower volumes. Also, higher raw material cost and distribution cost contribute to lower EBITDA. The Group incurred higher financial expense related to its short-term payables and lease liabilities due to loans obtained from related party and third party. Settlement related to previous cases with a former contractor that also impacted the net income. Net income after tax stood at ₱0.49 billion giving earnings per share of ₱0.076.

Financial Position

The Group's financial position has remained healthy with stable liquid cash position. The return on assets declined to 1.2% as of September 30, 2022 which is 5.1 percentage points lower from the end of 2021 as a result of lower net income. Total assets stood at ₱40.57 billion as of September 30, 2022, 0.55 percentage points higher from end of 2021.

Cash Flow Generation

The Group's cash requirements were mainly sourced through cash from operating and investing activities. As of September 30, 2022, the group has outstanding related party loan payables which were obtained to support its short term working capital requirements.

Key Performance Indicators

The comparative financial KPI's of the Group for the periods ended September 30, 2022 and 2021 were as follows:

Financial KPI	Definition	For the period ended September 30	
		2022	**2021**
Profitability			
Return on Equity (ROE)	Net Income / Ave. Total Shareholders' Equity	1.6%	7.8%
Return on Asset (ROA)	Net Income / Average Total Assets	1.2%	5.6%
Efficiency			
EBITDA Margin	Operating EBITDA / Net Sales	16.1%	22.1%
Liquidity			
Gearing	Net Financial Debt (Asset) / Stockholders' Equity	(4.6%)	(2.9%)
EBITDA Net Interest Cover	Operating EBITDA / Net Interest	36.6 times	53.6 times

Profitability and Efficiency

Profitability and efficiency indicators have decreased as compared to the same period last year due to lower income generated from operations.

Liquidity

The Group's liquidity position remains strong as evidenced by higher cash balance.

Notes to Financial Statements

1. ***Summary of Significant Accounting Policies***

These condensed consolidated interim financial statements have been prepared in accordance with PAS 34 *Interim Financial Reporting* and do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2021.

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments effective **after the reporting period ended December 31, 2021:**

PFRS 17 — Insurance Contracts

PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes PFRS 4, Insurance Contracts.

PFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

An amendment issued on June 2020 and adopted by FRSC on August 2020 addresses concerns and implementation challenges that were identified after PFRS 17 was published.

PFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The standard (incorporating the amendments) is effective for periods beginning on or after January 1, 2023. Earlier application is permitted.

The adoption of the new accounting standard does not have an impact on the Group since it is not an issuer of insurance contracts.

Amendments to PFRS 3, References to the Conceptual Framework

The amendments update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to PFRS 3 a requirement that, for obligations within the scope of PAS 37, an acquirer applies PAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21, Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

The amendments also add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

The Management of the Group is still evaluating the impact of these new amendments.

Amendments to PFRS 10 and PAS 28, Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The amendments to PFRS 10 and PAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent‘s profit or loss only to the extent of the unrelated investors‘ interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent‘s profit or loss only to the extent of the unrelated investors‘ interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

The Management of the Group is still evaluating the impact of these new amendments.

The amendments to PAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of ‗settlement‘ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Amendments to PAS 16, Property, Plant and Equipment – Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with PAS 2, Inventories.

The amendments also clarify the meaning of ‗testing whether an asset is functioning properly‘. PAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity‘s ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Amendments to PAS 37, Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the ‗cost of fulfilling' a contract comprises the ‗costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Annual Improvements to PFRS Standards 2018-2020 Cycle

Amendments to PFRS 1 – Subsidiary as a first-time adopter

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in PFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to PFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in PFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

Amendments to PFRS 9 – Fees in the '10 percent' test for derecognition of financial liabilities
The amendment clarifies that in applying the ‗10 percent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

Amendments to PFRS 16 – Lease Incentives

The amendment removes the illustration of the reimbursement of leasehold improvements.

As the amendment to PFRS 16 only regards an illustrative example, no effective date is stated..
Amendments to PAS 41 – Taxation in fair value measurements

The amendment removes the requirement in PAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in PAS 41 with the requirements of PFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure Initiative – Accounting Policies

The amendments are as follows:

- An entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- the amendments clarify that accounting policy information is material if users of an entity‘s financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information

The amendments are applied prospectively. The amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Amendments to PAS 8, Definition of Accounting Estimates

With the amendment, accounting estimates are now defined as ―monetary amounts in financial statements that are subject to measurement uncertainty.‖

The amendment clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

A change in an accounting estimate may affect only the current period‘s profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods.

The amendments are effective for annual periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Amendments to PAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to PAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in PAS 12.

The Board also adds an illustrative example to PAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

The Management of the Group is still evaluating the impact of these new amendments.

Amendment to PFRS 17, Initial Application of PFRS 17 and PFRS 9 – Comparative Information

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17.

The main amendment in Initial Application of PFRS 17 and PFRS 9 — Comparative Information (Amendment to PFRS 17) is a narrow-scope amendment to the transition requirements of PFRS 17 for entities that first apply PFRS 17 and PFRS 9 at the same time. The amendment regards financial assets for which comparative information is presented on initial application of PFRS 17 and PFRS 9, but where this information has not been restated for PFRS 9.

Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of PFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of PFRS 9.

There are no changes to the transition requirements in PFRS 9

The amendment is effective for annual periods beginning on or after January 1, 2025, as amended by the FRSC from January 1, 2023. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. Still subject to approval of the Board of Accountancy.

The Management of the Group is still evaluating the impact of these new amendments.

New Accounting Standards Effective in 2021 - Adopted by Financial Reporting Standards Council (FRSC).

The Company adopted all accounting standards and interpretations as at December 31, 2021. The new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and approved by the FRSC in the Philippines, were assessed to be applicable to the Group's consolidated financial statements, are as follows:

Amendments to PFRS 16, Covid-19-Related Rent Concessions beyond June 30, 2021

In March 2021, the Board issued Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendment to PFRS 16) which extends the practical expedient to apply to reduction in lease payments originally due on or before June 30, 2022.

In the current financial year, the Group has applied the amendment to PFRS 16 (as issued by the Board in May 2021) in advance of its effective date.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before June 30, 2022 (a rent concession meets this condition if it results in reduced lease payments on or before June 30, 2022 and increased lease payments that extend beyond June 30, 2022); and

c) There is no substantive change to other terms and conditions of the lease.

The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued.

The amendment does not have a significant impact on the Group's consolidated financial statements as there has been no reduction in lease payments for its existing lease contracts within the financial year.

PIC Q&A No. 2020-07, PAS 12 – Accounting for the Proposed Changes in Income Tax Rates under the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) Bill

The interpretation explained the details of the CREATE bill and its impact on the financial statements once passed.

Interpretation that discussed the impact on the financial statements ended December 31, 2020 are as follows:

- Current and deferred taxes will still be measured using the applicable income tax rate as of December 31, 2020.

- If the CREATE bill is enacted before financial statements' issue date, this will be a non-adjusting event but the significant effects of changes in tax rates on current and deferred tax assets and liabilities should be disclosed.

- If the CREATE bill is enacted after financial statements' issue date but before filing of the income tax return, this is no longer a subsequent event but companies may consider disclosing the general key feature of the bill and the expected impact on the FS.

For the financial statements ended December 31, 2021, the impact are as follows:

- Standard provides that component of tax expense(income) may include “any adjustments recognized in the period for current tax of prior periods” and “the amount of deferred tax expense(income) relating to changes in tax rates or the imposition of new taxes”.

- An explanation of changes in the applicable income tax rates to the previous accounting period is also required to be disclosed.

- The provision for current income tax for the year 2021 will include the difference between income tax per 2020 financial statements and 2020 income tax return.

- Deferred tax assets and liabilities as of December 31, 2021, will be remeasured using the new tax rates.

- Any movement in deferred taxes arising from the change in tax rates that will form part of the provision for/benefit from deferred taxes will be included as well in the effective tax rate reconciliation.

The interpretation is effective on or after January 29, 2021.

The Group has applied the interpretation starting March 2021. Payments made in April 2021 for 2020 income tax due applied the transitory rate of 27.5%. Accordingly, the new income tax rate of 25% and MCIT rate of 1% were applied by the Group throughout the year. Moreover, the current income tax for the current year included the difference between income tax per 2020 financial statements and 2020 income tax return as an income tax benefit.

2. *Seasonality Aspects of the Business*

Like any other company in the construction industry, the operations of the Group are affected by seasonality. Net sales are generally higher in dry months from February to May and lower during the rainy months of June to November. Low sales are also experienced during December due to holidays until early January. Unpredictable weather could also significantly affect sales and profitability compared to previous periods coupled with any unforeseen circumstances like disruptions in productions.

3. *Financial Risk Management Objectives and Policies*

<u>General Risk Management Approach</u>

The Group is exposed to various financial risks, which include the effect of changes in debt structure, equity market prices, foreign currency exchange rates and interest rates. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential and adverse effects on the financial performance of the Group. The Group does not enter into other derivative or financial transactions which are unrelated to its operating business as a risk-averse approach is pursued.

Financial risk management of the Group is governed by policies approved by management. It provides principles for overall risk management, as well as policies covering specific risk areas such as interest rate risk, foreign exchange risk, counterparty risk, and use of derivative financial instruments and investing assets in excess of liquidity requirements.

The Group’s principal financial instruments, other than derivatives, consist of cash and cash equivalents and notes payable. The main purpose of these financial instruments is to raise funds for the Group’s operations. The Group also has various other financial assets and liabilities such as trade and other receivables, advances to employees, guarantee deposits, restricted cash and trade and other payables which arise directly from operations.

The main risks arising from the Group’s financial instruments are market risks (which include foreign currency risk and interest rate risk), credit risk and liquidity risk. The BOD reviews and approves the policies for managing each of these risks and they are summarized below. The Group’s accounting policies in relation to financial instruments are set out in Note 5 to the consolidated financial statements.

Market Risks

The Group is exposed to market risks, such as foreign currency and interest rate risks. To manage volatility relating to these exposures, the Group enters into derivative financial instruments, when necessary. The Group's objective is to reduce, where appropriate, fluctuations in earnings and cash flows associated with changes in foreign currency, interest rate and equity price.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has foreign exchange exposures, arising primarily from purchases of goods and services and debt servicing requirements in currencies other than the Philippine Peso that leads to currency translation effects. As of September 30, 2022, there are no revenues denominated in currencies other than the Philippine Peso.

Due to the local nature of the cement business, transaction risk is limited. However, income may primarily be in local currency whereas debt servicing and significant amount of capital expenditures may be in foreign currencies. As a consequence, thereof, the Group may enter into derivative contracts whenever necessary, which may be designated either as cash flow hedges or fair value hedges, as appropriate.

As of September 30, 2022, the Group had minimal assets and liabilities exposed to foreign currency risks.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates.

The Group is exposed to fluctuations in financing costs and market value movements of its debt portfolio related to changes in market interest rates. The Group's interest rate exposure is mainly addressed through the steering of the fixed/floating ratio of net debt. To manage this mix, the Group may enter into derivative transactions, as appropriate. As at September 30, 2022 and 2021, the Group has minimal exposure to interest rate risk.

Credit Risk

Credit risk is the risk that counterparties may not be able to settle their obligations as agreed. To manage this risk, the Group periodically assesses the financial reliability of customers.

The Group constantly monitors its credit risk exposures. Counterparties to financial instruments consist of a large number of major financial institutions. The Group does not expect any counterparties to fail in meeting their obligations, given their high credit ratings. In addition, the Group has no significant concentration of credit risk with any single counterparty or group of counterparties.

The maximum and minimum exposure to credit risk is represented by the carrying amount of each financial asset.

The Group trades only with recognized, credit-worthy third parties. It is the Group's policy that all third party customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce the Group's exposure to bad debts to minimum.

With respect to credit risk arising from the other financial assets of the Group, which consist of due from related parties, advances to employees, financial assets at FVTPL, and guarantee and refundable deposits, the Group's exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet its contractual obligations and commitments. The seasonality of revenue generation exposes the Group to shortage of funds during slack season and may result in payment defaults of financial commitments. The Group monitors this risk using a recurring liquidity planning tool. This tool considers the maturity of both its financial assets and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank credit facilities, and purchase contracts. It is responsible for its own cash surpluses and the raising of loans to cover cash deficits, subject to policies and guidelines approved by management and, in certain cases, at the Management level.

The Group maintains sufficient reserves of cash in banks, which are short-term in nature and unused credit lines to meet its liquidity requirements at all times. In addition, the strong credit worthiness of the Group allows it to make efficient use of the financial markets for financing purposes. As at September 30, 2022, the Group has unutilized credit facilities of ₱13.4 billion.

Capital Management Policy

The Group considers equity attributable to the equity holders of the Parent Company as its capital. The Group's objectives when managing capital are to secure the Group's ongoing financial needs to continue as a going concern as well as to cater for its growth targets in order to provide returns to shareholders and benefits for other stakeholders and to maintain a cost-efficient and risk-optimized capital structure.

The Group manages the capital structure and makes adjustments to it in light of the changes in economic conditions, its business activities, investment and expansion program and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital, among others, on the basis of gearing ratio.

4. ***Financial Assets and Liabilities***

Fair Value of Financial Instruments

The estimated fair value of each class of the Group's financial instruments, is equal to their carrying amount as at September 30, 2022 and December 31, 2021. The following methods and assumptions are used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash in Banks, Trade and Other Receivables, Advance to Employees, Loan Receivable from a related party, Long Term Financial Receivable, Loan Payable and Trade and Other Payables. Due to the short-term nature of the transactions, the fair values of these instruments approximate the corresponding carrying values as at end of each reporting period.

Derivatives. The fair values of the embedded currency forwards are calculated by reference to current forward exchange

Financial Assets at FVTPL The fair values of publicly traded instruments are determined by reference to quoted market prices as at the end of each reporting period.

Long Term Financial Receivable and Guarantee Deposits. These are carried at cost, less any impairment in value, which approximates their fair values calculated using the discounted cash flows method.

Fair Value Hierarchy

As at September 30, 2022 and December 31, 2021, the Group's financial instruments measured at fair value include only the quoted equity securities, classified as financial assets at FVTPL (Level 1).

As at September 30, 2022 and December 31, 2021, the Group does not have financial instruments whose fair values are determined using inputs that are not based on observable market data (Level 3). There were no reclassifications made between the different fair value hierarchy levels in 2022 and 2021.

5. *Segment Reporting*

Operating segments are components of the Group that engage in business activities from which they may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the chief operating decision maker to make decisions about how resources are to be allocated to each of the segments and to assess their performances, and for which discrete financial information is available. Management reassesses on an annual basis whether there have been any change in the operating segments or in the reportable operating segments in accordance with PFRS 8, *Operating Segments*.

For management purposes, the Group is organized into activities based on their products and has two segments, as follows:

- Clinker and Cement segment, which manufactures and sells clinker and cement for domestic customers; and
- Other Construction Materials and services segment, which includes operations from Helps-U-Build-Better (HUBB) Specialty products and Aggregates Trading.

Management monitors the operating results of its business segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is based on operating EBITDA and is measured consistently with consolidated net income in the consolidated statement of profit or loss and other comprehensive income. However, the Group's finance income and charges and income taxes are managed on a group basis, and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis similar to transactions with third parties.

Segment revenues, EBITDA, assets and liabilities as at September 30, 2022 and 2021 are presented below:

	2022				
	Clinker and cement	**Others**	**Total**	**Adjustments and eliminations**	**Consolidated**
			(In Thousands)		
Revenue:					
External customers	**₱18,418,415**	**₱605,735**	**₱19,024,150**	**₱ 87,537**	**₱19,111,687**
Inter-segment	**10,922**	**184**	**11,106**	**(11,106)**	**-**
	₱18,429,337	**₱605,919**	**₱19,035,256**	**₱76,431**	**₱19,111,687**
Operating EBITDA	**₱4,075,109**	**₱404,474**	**₱4,479,583**	**₱(1,406,968)**	**₱3,072,615**
Segment assets	**31,176,152**	**358,922**	**31,535,074**	**9,032,323**	**40,567,397**
Segment liabilities	**7,164,412**	**1,125,147**	**8,289,559**	**1,613,908**	**9,903,467**

	2021				
	Clinker and cement	Others	Total	Adjustments and eliminations	Consolidated
			(In Thousands)		
Revenue:					
External customers	₱19,337,405	₱739,388	₱20,076,793	₱71,402	₱20,148,195
Inter-segment	10,007	15	10,022	(10,022)	–
	₱19,347,412	₱739,403	₱20,086,815	₱61,380	₱20,148,195
Operating EBITDA	₱ 5,312,102	₱549,748	₱ 5,861,650	(₱1,405,410)	₱4,456,440
Segment assets	30,469,207	313,907	30,783,114	9,932,164	40,715,278
Segment liabilities	8,689,969	551,172	9,241,141	2,315,708	11,556,849

* Chief operating decision maker is composed of the Group's Executive Committee

6. *Retained Earnings*

The BOD did not declare any cash dividends as of September 30, 2022.

Interim Disclosures

	2022	2021
	(in Thousands)	
Other financial assets	**₱258,226**	**₱2,135,778**

Other financial assets include a mine rehabilitation fund for site restoration purposes and a deposit with the Metropolitan Bank and Trust Company in relation to one of the pending cases between the Company and Seasia Nectar Port Services, Inc. ("Seasia").

The Company negotiated with Seasia for the settlement and closure of all pending cases and both parties agreed on all the essential terms and conditions. The Company obtained the requisite court approvals and the amount of Php1.2 Billion was released to the Company and the balance of Php700 Million to the counterparty.

Aside from the disclosure above, the Group is not aware of the following or is not applicable to the Group's interim operations:

1. Unusual items that materially affect the Group's consolidated assets, liabilities, equity, net income or cash flows because of their nature, size or incidents.

2. Changes in estimates of amounts reported in prior financial years that have a material effect in the current period.

3. Issuances and repurchases of equity securities.

4. Material changes in contingent liabilities or contingent assets since the last annual balance sheet date.

5. Existence of material contingencies and other events of transactions that are material to an understanding of the current interim period.

6. Known trends, demands, commitments, events and uncertainties that will result in or likely to decrease its liquidity in any material way. The Group does not anticipate having within the next twelve (12) months any cash flow or liquidity problems nor does it anticipate any default or breach of any of its existing notes, loans, leases, other indebtedness or financing arrangements requiring it to make payments.

7. Events that will trigger direct or contingent material financial obligations to the Group.

8. Material off-balance sheet transactions, arrangements, obligations (direct or contingent), and other relationships of the Group with unconsolidated entities or other persons created during the year.

9. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales/revenues/income from continuing operations.

10. Significant elements of income or loss that did not arise from the Group's continuing operations.

11. Material events subsequent to end of the reporting period that have not been reflected in this report.

12. Material changes in the composition of the Group, including any business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

13. Any seasonal aspect that had a material effect on the financial condition or results of operation.

Material Changes in Balance Sheet Accounts

287% increase in Cash and cash equivalents
Mainly due to short term loans secured from related party and due to release of restricted cash.

27% increase in Trade and other receivables
Increase was due to higher credit sales and lower collections during the period.

56% increase in Short term financial receivables.
Due to new short term derivative asset related to cash flow hedge.

72% increase in Other current assets
Largely attributable to the deferral of scheduled plant shutdown costs and increase in advances to suppliers.

12% decrease in Right-of-use assets
Due to normal depreciation expense.

18% decrease in Intangible assets
Due to normal monthly amortization.

65% decrease in Other non-current assets
Due to release of restricted cash from the settlement and closure of cases with Seasia referred to under "Interim Disclosures".

53% decrease in Income Tax payable
Mainly due to income generated as compared to prior year and the recognition of tax effect of deferral of scheduled plant shutdown costs.

11% decrease in long-term lease liabilities
Mainly due to payment of leases.

14% decrease in provisions
Lower due to settlement of pending litigation related to the provision.

28% decrease in deferred tax liabilities - net
Related to movement in profit for the period and impact of CREATE bill.

Material Changes in Income Statement Accounts

25% increase in Net financial income (expense)
Due to term short-term loans obtained from both third party and related party during the year.

1200% decrease in Other income (expense) - net
Mainly due to lower share in undistributed earnings and payment against settlement to Seasia referred to under "Decrease in Non-current assets".

76% decrease in Provision for income tax
Due to lower taxable income as of the current period.

28% decrease in Non-controlling interest in net income
Mainly due to lower profit of subsidiary compared to same period last year.

Holcim Philippines, Inc. and Subsidiaries
Schedule of Financial Soundness Indicators

Financial KPI	Definition	For the nine (9) Months Ended September 30	
		2022	2021
Current/Liquidity ratio Current Ratio	Current Assets / Current Liabilities	114.6%	77.2%
Solvency ratio/Debt-to-equity ratio Gearing	Net Financial Debt (Asset) / Stockholder's Equity	(4.6%)	(2.9%)
Asset to Equity Ratios Asset to Equity Ratio/ Equity Multiplier	Total Assets / Stockholder's Equity	132.7%	139.6%
Interest Rate Coverage Ratio Interest Rate Coverage	Income before Tax / Net Interest	8.2 times	37.5 times
Profitability Ratios Return on Assets	Net Income / Average Total Assets	1.2%	5.6%
Return on Equity	Net Income / Average Total Equity	1.6%	7.8%

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HOLCIM PHILIPPINES, INC.

Eliana Nieto Sanchez
Chief Financial Officer
Date: November 3, 2022

Exhibit 4

Schedule of Pending Material Legal Proceedings

MATERIAL LEGAL PROCEEDINGS

On 18 October 2018, Holcim Philippines, Inc. (‘Holcim”) received a copy of: (i) the petition for interim protection filed by Seasia Nectar Port Services, Inc. (“Seasia”) under A.M. No. 07-11-08 SC or the Special Rules of Court on Alternative Dispute Resolution with Branch 95 of the Regional Trial Court at Mariveles, Bataan (“Bataan RTC”); and (ii) an Order dated 11 October 2018 issued by Bataan RTC granting Seasia’s motion for the ex-parte issuance of a temporary protection order in the form of a writ of preliminary attachment. The said petition was filed by Seasia in connection with the Company’s port services agreement with Seasia as port operator, which the Company terminated pursuant to its no-fault termination rights under the said agreement.

On 14 September 2020, the Arbitral Tribunal declared that the Company validly terminated the Port Services Agreement. However, the Arbitral Tribunal ruled that the Memorandum of Agreement, which required the Company and Seasia to enter into the Port Services Agreement after certain conditions had been fulfilled, was not superseded with the execution of the Port Services Agreement and, thus, continued to govern Seasia and the Company even after the Company's termination of the Port Services Agreement. The Arbitral Tribunal therefore ruled that Seasia was entitled to compensation as a result of the suspension of the Memorandum of Agreement.

On 22 September 2020, Seasia filed its Petition for Confirmation of Domestic Arbitral Award dated 18 September 2020 (“Petition for Confirmation dated 18 September 2020”) with the Bataan RTC to confirm the Final Arbitral Award issued by the Arbitral Tribunal in PDRCI Case No. 95-2018 on 14 September 2020.

On 08 July 2022, Seasia and Holcim entered into a Settlement Agreement, duly signed and executed by both parties to amicably settle all disputes and terminate all pending litigation between the Parties. On 14 July 2022, the Court approved the Settlement Agreement, which primarily requires the parties to file a joint motion to withdraw/dismiss with prejudice all pending cases related hereto.

As of 31 December 2022, all Seasia related cases have been closed and terminated.

TAX CASES (Parent)

1. The Company filed on June 24, 2014, a Complaint before the Regional Trial Court of Malolos, Bulacan for the annulment of the *Notice of Assessment of Business Tax on Alleged Discovered Unreported Cement Sales* dated February 24, 2014 issued by the Municipal Treasurer of the Bulacan and for the reversal of the denial of Holcim's *Protest* letter dated April 23, 2014 questioning the Assessment Notice.

   While this action was pending, the Company received on October 26, 2015, an Assessment Notice which assessed the Company for an alleged deficiency local business tax (LBT) in the aggregate amount of P118.2 Million Pesos for the years 2006 to 2015. Unlike the 2014 Assessment Notice which involves the defendants' assessment of LBT against the Company based on the purported undeclared gross sales or receipts for the years <u>2006 to 2012</u>, the 2015 Assessment Notice concerns the Treasurer's assessment of LBT against the against the Company based on the purported undeclared gross sales or receipts for the years <u>2006 to 2015.</u> The Municipal Treasurer did not act on the Company protest within the 60-day period provided in Section 195 of the Local Government Code (LGC), and thus, on March 21, 2016, the Company filed a Complaint/Appeal with the Bulacan RTC which sought the cancellation/nullification of the 2015 Assessment Notice.

   On September 13, 2016, the Company filed a motion to consolidate the first and second case before Branch 19 of the RTC of Bulacan. Motion to consolidate was granted on November 29, 2016.

   The hearing for initial presentation of evidence took place on April 16, May 28 and October 22, 2018. The hearing for the presentation of the Necessary Parties' evidence took place on February 4, 2019. On May 16, 2019, Holcim filed its Memorandum. On May 21, 2019, the court issued an Order stating that the case is now submitted for decision.

   On October 28, 2020, the Company received the Decision issued by the Regional Trial Court Branch 19 Malolos, Bulacan dated July 1, 2020, which declared the 2014 and 2015 Assessment Notices issued by defendant Municipality of Norzagaray, Province of Bulacan against Holcim Phils. Inc. as NULL and VOID and ordered the Municipality of Norzagaray, Bulacan and Filipina D.G. De Mesa, in her capacity as ICO-Municipal Treasurer of Norzagaray, to jointly and severally pay Holcim Phils., Inc. the amount of One Hundred Fifty Thousand Pesos (P150,000.00) as attorney's fees and to pay the cost of litigation.

2. The Company received an Assessment from the Provincial Assessor and a Notice of Real Property Tax (RPT) Delinquencies issued by the Provincial and Municipal Treasurers of Norzagaray, Bulacan on December 18, 2012. The Assessment demanded total of P80.3M related to the RPT of machineries and equipment for the years 2011 and 2012. The Local Board of Assessment Appeals (LBAA) granted the Company's Motion to Post Bond amounting to P80.3M. The Appeal is still pending with the LBAA.

   On April 23, 2013, the Provincial Assessor of Bulacan issued a revised tax declaration on machineries and equipment at the Company's Bulacan Plant. Soon after, on June 2013, the Company received an assessment for the years 2011 to 2012 and a computation of RPT for the first and second quarter of 2013. The assessed additional RPT amounted to P23.8M. On September 13, 2013, the Company received an additional assessment from Municipal Treasurer of Norzagaray, Bulacan for RPT due on its 1998 and Additional Line 2 Properties for the third quarter of 2013. The said assessment also reiterated the previous assessments made for 2011 to second quarter of 2013. The Company's supplemental appeals, covering the first and second quarter RPT Assessment and September 2013 Assessments with the LBAA are pending resolution.

On March 10, 2014, the Company received 71 tax declarations and 71 notices of assessments over its machineries for 2014 from the Municipal Assessor of Norzagaray, Bulacan. Thereafter on May 9, 2014, the Company received a notice of assessment from the Provincial Assessor of Norzagaray, Bulacan. On May 15, 2014, the Company also received an assessment from the Municipal Treasurer of Norzagaray, Bulacan requiring the Company to pay deficiency RPT for the years 2011 to 2013 amounting to P129M. The Company's supplemental appeals with the LBAA for the assessments are pending resolution.

On December 9, 2014, at the suggestion of the Provincial Governor of Bulacan and the Municipal Mayor of Norzagaray, Bulacan, the Company paid under protest RPT amounting to P120M, allocated as follows: (a) land: P8.6M; (b) buildings: P3.3M; (c) machineries: P107.9M. On January 9, 2015, the Company filed three protests with the Provincial Treasurer. Following the Provincial Treasurer's inaction over the Company's protests, the Company filed its appeal with the LBAA, raising the following issues: (a) whether the Company is entitled to an annual depreciation allowance; (b) what is the correct amount that should be credited in the Company's favour on account of its RPT payments from 2011 to the third quarter of 2013; and (c) whether it is correct to assess interest, surcharges and penalties on the RPT that the Company attempted to pay on time but which the local government officials refused to accept with respect to the RPT for the 4th quarter of 2013 to 2014. This appeal is pending resolution.

On March 30, 2015, the Company received an assessment of deficiency RPT for 2015 amounting to P49.3M. The Company paid the assessed amount and filed a protest with the Provincial Treasurer of Bulacan. Following the Provincial Treasurer's failure to act on the Company's protest within the prescribed period, the Company filed its appeal with the LBAA, which is pending resolution.

On March 31, 2016, the Company received from the Municipal Treasurer of Norzagaray, Bulacan an assessment for deficiency RPT for 2016 amounting to P103M. The Company paid the said amount and filed a protest with the Provincial Treasurer. Thereafter, on May 13, 2016, the Municipal Treasurer issued of Norzagaray, Bulacan issued a revised computation of the Company's liabilities for 2016 amounting to P46.8M. The Company thus filed a supplement to its earlier protest with the Provincial Treasurer. Following the Provincial Treasurer's failure to act on the Company's protest within the prescribed period, the Company filed its appeal with the LBAA, which is pending resolution.

On March 31, 2016, the Company received from the Municipal Treasurer of Norzagaray, Bulacan an assessment for deficiency RPT for 2017 amounting to P41.1M for its lands, buildings and machineries located in its Bulacan plant. On August 17, 2017, the Company filed an appeal with the LBAA in respect to its payment under protest.

On March 26, 2018, the Company received an assessment computation of RPT due on Holcim's Bulacan Plant for the year 2018 in the amount of P52M. On the same date, the Company paid the RPT due on Holcim's properties, of which payment amounting to P41.1M for the machineries is under protest. The protest with the Provincial Treasurer was filed on April 25, 2018. Following the Provincial Treasurer's failure to act on the Company's protest within the prescribed period, the Company filed its appeal with the LBAA, which is pending resolution.

On December 17, 2018, the Company received an Assessment Notice for the RPT due on its machineries and equipment located at its cement manufacturing facility in Norzagaray, Bulacan for the year 2019 amounting to P40.5M. On December 28, 2018, Holcim paid under the protest the total amount assessed. The protest with the Provincial Treasurer was filed on January 25, 2019. Following the Provincial Treasurer's failure to act on the Company's protest within the prescribed period, the Company filed its appeal with the LBAA, which is pending resolution.

On January 25, 2019, the Company received an Assessment Notice which assessed Holcim alleged RPT in respect of its machineries and equipment located at its cement manufacturing facility in Norzagaray, Bulacan for the year 2016. The Company filed the Appeal on the 2016 Assessment Notice on May 23, 2019. Following the Provincial Treasurer's failure to act on the Company's protest within the prescribed period, the Company filed its appeal with the LBAA, which is pending resolution.

Holcim has filed a Motion to Resolve requesting the LBAA to act on all of Holcim's pending appeals.

On January 31, 2019, Holcim appeared in a hearing before the LBAA. The LBAA scheduled a hearing on March 28, 2019 for the rendition of its judgment.

On July 6, 2020, Holcim received the Joint Decision issued by LBAA, Bulacan dated March 6, 2020, which denied the Petition and disallowed the claims for tax credit and refund. Holcim was directed to pay the respondent its tax liabilities amounting to P315.6M with directive upon the respondent Treasurer of the Municipality of Norzagaray, Bulacan, to deduct from said amount all prior payments made under protest by Holcim that are covered by the assessment notices or orders of payment at issue.

On July 13, 2020, the LBAA received the Appeal filed by Holcim. LBAA denied petition for refund ordering Holcim to pay 315.6M but applying the P454.7M already paid from 2012 to 2020.The application reduced the refund amount to P139.1M.

All refund claims appeal are pending with Central Board of Assessment Appeals (CBAA).

3. HPI had an on-going tax audit for 2017 national taxes. Last June 8, 2022, the BIR has issued a Preliminary Assessment Notice (PAN) for all national taxes for alleged deficiency taxes amounting to P6.6B, inclusive of penalties and interest. The Company has filed its protest to PAN last June 23, 2022. On January 31, 2023 the BIR issued a Final Assessment Notice (FAN) for all national taxes for alleged deficiency taxes amounting to P48.5M, inclusive of penalties and interest. The case was closed via settlement for the same amount last February 2, 2023.

4. HPI had an on-going tax audit for 2018 national taxes. Last June 2, 2022, the BIR has issued a Preliminary Assessment Notice (PAN) for all national taxes for alleged deficiency taxes amounting to P18.4B, inclusive of penalties and interest. The Company has filed its protest to PAN last June 17, 2022. On January 31, 2023 the BIR issued a Final Assessment Notice (FAN) for all national taxes for alleged deficiency taxes amounting to P57M, inclusive of penalties and interest. The case was closed via settlement for the same amount last February 2, 2023.

5. HPI has an on-going tax audit for 2019 national taxes. As of December 31, 2022, the BIR has not made any determination of deficiency taxes.

6. HPI has an on-going tax audit for 2020 national taxes. As of December 31, 2022, the BIR has not made any determination of deficiency taxes.

TAX CASES (Subsidiaries)

1. ECLI has an on-going tax audit for 2017 national taxes. The Company received the Preliminary Assessment Notice (PAN) last February 5, 2021. The BIR issued a Warrant of Garnishment (WOG) last November 3, 2021 to Security Bank for P16.2M. ECLI applied for abatement and compromise for P5.4M last December 19, 2021.
2. HPMC has an on-going tax audit for 2000 capital gains tax. Last November 5, 2020, HPMC received a Final Decision on Disputed Claim for the alleged deficiency capital gains taxes for the amount of P 355.5M. On December 3, 2020, the Company filed its Petition for Review with the Court of Tax Appeals. The Pre-trial hearing was held last June 14, 2021 with succeeding hearings to file the Motions. A motion to set the case for Commissioner's hearing was granted by court last November 23, 2022 and was scheduled January 19, 2023. The independent Certified Public Accountant also presented her testimony last January 26, 2023.
3. On August 31, 2010, Holcim filed a Complaint for Interpleader against Iligan, Lugait, and Misor to compel them to litigate among themselves and determine who has taxing jurisdiction over Holcim's Lugait plant. On April 30, 2018, Holcim received the RTC's Decision dated January 22, 2018 dismissing said case. On May 15, 2018, Holcim filed its Motion for Reconsideration of the RTC's Decision. On July 24, 2019, Holcim received the court's Order dated January 9, 2019 denying its Motion for Reconsideration. On August 6, 2019, Holcim filed its Notice of Appeal dated July 30, 2019.

   On December 21, 2020, Holcim received a notice from the Court of Appeals directing it to file its Appellant's Brief within forty-five (45) days from receipt of the notice. Consequently, Holcim's Appellant's Brief was filed on February 3, 2021.

4. HPMC had an on-going tax audit for 2017 national taxes. Last June 3, 2022, the BIR has issued a Preliminary Assessment Notice (PAN) for all national taxes for alleged deficiency taxes amounting to P512.9M, inclusive of penalties and interest. The Company has filed its protest to PAN last June 20, 2022. On January 31, 2023 the BIR issued a Final Assessment Notice (FAN) for all national taxes for alleged deficiency taxes amounting to P14.9M, inclusive of penalties and interest. The case was closed via settlement for the same amount last February 2, 2023.

5. HPMC had an on-going tax audit for 2018 national taxes. Last May 31, 2022, the BIR has issued a Preliminary Assessment Notice (PAN) for all national taxes for alleged deficiency taxes amounting to P526.7M, inclusive of penalties and interest. The Company has filed its protest to PAN last June 15, 2022. On January 31, 2023 the BIR issued a Final Assessment Notice (FAN) for all national taxes for alleged deficiency taxes amounting to P12.7M, inclusive of penalties and interest. The case was closed via settlement for the same amount last February 2, 2023.

6. HPMC has an on-going tax audit for 2019 national taxes. As of December 31, 2022, the BIR has not made any determination of deficiency taxes.

7. HPMC has an on-going tax audit for 2020 national taxes. As of December 31, 2022, the BIR has not made any determination of deficiency taxes.

8. HSSI had an on-going tax audit for 2016 national taxes. As of December 31, 2022, the BIR has not provided a Preliminary Assessment Notice (PAN) and is considered closed as this is already prescribed by end of 2022.

9. HSSI has an on-going tax audit for 2017 national taxes. Last May 21, 2021, the BIR has issued a Preliminary Assessment Notice (PAN) for all national taxes for alleged deficiency taxes amounting to P341.3M, inclusive of penalties and interest. The Company has filed its protest to PAN last June 4, 2021. On July 15, 2021 the BIR issued a Final Assessment Notice (FAN) for all national taxes for alleged deficiency taxes amounting to P348.2M, reflecting the same findings as the PAN, inclusive of penalties and with updated interest. The Company filed its request for reinvestigation last October 11, 2021. No updates from the BIR on the request.

10. HSSI has an on-going tax audit for 2018 national taxes. Last September 30, 2022, the BIR has issued, via registered mail, a Preliminary Assessment Notice (PAN) for all national taxes for alleged deficiency taxes amounting to P38.3M, inclusive of penalties and interest. On December 10, 2022 the BIR issued a Final Assessment Notice (FAN) for all national taxes for alleged deficiency taxes amounting to P39.2M, reflecting the same findings as the PAN, inclusive of penalties and with updated interest. The Company filed its request for reinvestigation last January 9, 2023. No updates from the BIR on the request.

Exhibit 5

SEC Form 17-C

Beatrix R. Guevarra <beatrix.guevarra@holcim.com>

Holcim Philippines, Inc._Sec Form 17C_January 19, 2022

ICTD Submission <ictdsubmission+canned.response@sec.gov.ph> Wed, Jan 19, 2022 at 2:46 PM
To: beatrix.guevarra@holcim.com

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.
(Subject to Verification and Review of the Quality of the Attached Document)
Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at www.sec.gov.ph

NOTICE

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (PDF) **Secondary Reports** such as: 17-A, 17-C, 17-L, 17-Q, ICASR, 23-A, 23-B, I-ACGR, Monthly Reports, Quarterly Reports, Letters, through email at

ictdsubmission@sec.gov.ph

Note: All submissions through this email are no longer required to submit the hard copy thru mail or over- the- counter.

For those applications that require payment of filing fees, these still need to be filed and sent via email with the SEC RESPECTIVE OPERATING DEPARTMENT.

Further, note that other reports shall be filed thru the **ONLINE SUBMISSION TOOL (OST)** such as:
AFS, GIS, GFFS, LCFS, LCIF, FCFS. FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

FOR MC28, please email to:

MC28_S2020@sec.gov.ph

For your information and guidance.

Thank you and keep safe.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. January 14, 2022
   Date of Report (Date of earliest event reported)

2. SEC Identification Number 26126 3. BIR Tax Identification No. 000-121-507-000

4. Holcim Philippines, Inc.
   Exact name of issuer as specified in its charter

5. Philippines
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. 7th Floor Two World Square, McKinley Hill, Fort Bonifacio, Taguig City 1634
   Address of principal office Postal Code

8. (632) 85811511
   Issuer's telephone number, including area code

9. Not Applicable
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	6,452,099,144

11. Indicate the item numbers reported herein: Item 9. Other Events

Item 9. Other Events

Please be advised that Mr. Richard Cruz tendered his resignation on January 14, 2022 as Head of Health, Safety, Security and Environment effective 15 January 2022, to explore opportunities outside of Holcim Philippines, Inc. The Company will make the necessary disclosure as soon as a permanent replacement is hired.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Holcim Philippines, Inc. Issuer	January 14, 2022 Date

BEATRIX R. GUEVARRA
Assistant Corporate Secretary

Certification

I, **BEATRIX R. GUEVARRA** (name), the Assistant Corporate Secretary (position) of HOLCIM PHILIPPINES, INC., a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number 026126 and with registered principal office address at 7TH Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City on oath state:

1) That I have caused this SEC Form 17C to be prepared on behalf of Holcim Philippines, Inc. (the "Company");

2) That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;

3) That the Company will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;

4) That I am fully aware that submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and

5) That the e-mail account(s) designated by the company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this JAN 1 8 2022 day of JANUARY 2022

BEATRIX R. GUEVARRA
AFFIANT

SUBSCRIBED AND SWORN to before me this JAN 1 8 2022 day of ________, 20____ affiant exhibiting to me her Philippine ~~passport no _7916925A issued at DFA-Legazpi~~ on in ~~TAGUIG CITY~~ City, Philippines. DRIVER'S LICENSE # NO4-99-440067

PATRICK HENRY D. SALAZAR
Notary Public for Taguig City
Appointment No. [illegible], 2022
(pursuant to Supreme Court En Banc Resolution dated September 28, 2021 - B.M. No. 3795)
12th Floor, OneNEO Building, 26th St. cor. 3rd Ave.
Crescent Park West, Bonifacio Global City, Taguig City 1634
Roll of Attorney No. 62515; PTR No. A-4945190; 01/03/2021; Taguig City
IBP Lifetime No. 12285; 1/03/2014; Makati City
MCLE Compliance No. VI-0023104; 04/12/2019

NOTARY PUBLIC

PATRICK HENRY D SALAZAR
NOTARY PUBLIC
ROLL NO. 62515
TAGUIG CITY, PHILIPPINES

Doc No: 320
Page No: 65
Book No: I
Series of 2022

Beatrix R. Guevarra <beatrix.guevarra@holcim.com>

Holcim Philippines, Inc_Sec Form 17c_February 18, 2022

ICTD Submission <ictdsubmission+canned.response@sec.gov.ph> Fri, Feb 18, 2022 at 5:29 PM
To: beatrix.guevarra@holcim.com

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.
(Subject to Verification and Review of the Quality of the Attached Document)
Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at www.sec.gov.ph

NOTICE

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (PDF) **Secondary Reports** such as: 17-A, 17-C, 17-L, 17-Q, ICASR, 23-A, 23-B, I-ACGR, Monthly Reports, Quarterly Reports, Letters, through email at

ictdsubmission@sec.gov.ph

Note: All submissions through this email are no longer required to submit the hard copy thru mail, eFAST/OST or over- the- counter.

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AFS, GIS, GFFS, LCFS, LCIF, FCFS. FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

FOR MC28, please email to:

https://apps010.sec.gov.ph

For your information and guidance.

Thank you and keep safe.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. February 15, 2022
   Date of Report (Date of earliest event reported)

2. SEC Identification Number 26126 3. BIR Tax Identification No. 000-121-507-000

4. Holcim Philippines, Inc.
   Exact name of issuer as specified in its charter

5. Philippines
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. 7th Floor Two World Square, McKinley Hill, Fort Bonifacio, Taguig City — 1634
   Address of principal office — Postal Code

8. (632) 85811511
   Issuer's telephone number, including area code

9. Not Applicable
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	6,452,099,144

11. Indicate the item numbers reported herein: Item 9. Other Events

Item 9. Other Events

NOTICE OF SPECIAL STOCKHOLDERS MEETING

At the Special Board meeting held today, 15 February 2022, the Board approved the holding of a special stockholders meeting via remote communication, in accordance with the relevant regulations of the Securities and Exchange Commission. The Special Stockholders Meeting shall be held on April 28, 2022 and the record date is set on 28 March 2022. The Board delegated to the Corporate Secretary the responsibility and authority to fix and confirm the agenda, time, venue and other details of the special meeting.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Holcim Philippines, Inc. Issuer	15 February 2022 Date

BELINDA E. DUGAN
Corporate Secretary

CERTIFICATION

I, **BELINDA E. DUGAN**, the Corporate Secretary of **HOLCIM PHILIPPINES, INC.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number 026126 and with registered principal office address at 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City on oath state:

1. That I have caused this SEC Form 17C to be prepared on behalf of Holcim Philippines, Inc. (the "Company");

2. That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;

3. That the Company will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;

4. That I am fully aware that the submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and

5. That the e-mail account(s) designated by the Company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the Company in its online submissions to CGFD.

FEB 18 2022

IN WITNESS WHEREOF, I have hereunto set my hand on this __ day of February 2022 at ~~Taguig City~~ LAS PIÑAS CITY

BELINDA E. DUGAN
Corporate Secretary

LAS PIÑAS CITY

Before me, a notary public in and for ______________, personally appeared BELINDA E. DUGAN, exhibiting to me her Philippine Passport No. P7916925A issued on 12 July 2018 at DFA Legazpi and expiring on 11 July 2028, who was identified by me through such competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Doc. No. 428;
Page No. 87;
Book No. XXXIV
Series of 2022.

ATTY. JEAMIE Y. SALVATIERRA
Notary Public until June 30, 2022
Appointment No. LP-19-025
IBP Lifetime No. 010781 Roll No. 61151
PTR No. 12263824 01/03/2022 Las Piñas City
MCLE Compliance No. VII-0003362 06/21/2021

April Anne G. Roma <aprilanne.roma@holcim.com>

Holcim Philippines, Inc_SEC Form 17C_March 18, 2022

Beatrix R. Guevarra <beatrix.guevarra@holcim.com> Fri, Mar 18, 2022 at 3:40 PM
To: "April Anne G. Roma" <aprilanne.roma@holcim.com>

---------- Forwarded message ---------
From: **ICTD Submission** <ictdsubmission+canned.response@sec.gov.ph>
Date: Fri, Mar 18, 2022 at 2:28 PM
Subject: Re: Holcim Philippines, Inc_SEC Form 17C_March 18, 2022
To: <beatrix.guevarra@holcim.com>

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.
(Subject to Verification and Review of the Quality of the Attached Document)
Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at www.sec.gov.ph

---

NOTICE

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (PDF) **Secondary Reports** such as: 17-A, 17-C, 17-L, 17-Q, ICASR, 23-A, 23-B, I-ACGR, Monthly Reports, Quarterly Reports, Letters, through email at

ictdsubmission@sec.gov.ph

Note: All submissions through this email are no longer required to submit the hard copy thru mail, eFAST/OST or over- the- counter.

For those applications that require payment of filing fees, these still need to be filed and sent via email with the SEC RESPECTIVE OPERATING DEPARTMENT.

Further, note that other reports shall be filed thru the **ONLINE SUBMISSION TOOL (OST)** such as:
AFS, GIS, GFFS, LCFS, LCIF, FCFS. FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

FOR MC28, please email to:

https://apps010.sec.gov.ph

For your information and guidance.

Thank you and keep safe.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **16 March 2022**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **026126** 3. BIR Tax Identification No. **000-121-507-000**

4. **Holcim Philippines, Inc.**
   Exact name of issuer as specified in its charter

5. **Philippines**
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. **7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City** **1634**
   Address of principal office Postal Code

8. **(632) 8581 1511**
   Issuer's telephone number, including area code

9. **Not applicable**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	6,452,099,144

11. Indicate the item numbers reported herein: **Item 9** ***(Other Events)***

At the Regular Meeting of the Board of Directors (the "Board") held on 16 March 2022, the Board approved the following:

1. Approved the cancellation of the Special Stockholders Meeting scheduled on April 28, 2022 and set the Annual Stockholders' meeting on May 12, 2022 at 10:00 AM;
2. Approved the 2021 Audited Financial Statements for year ended 31 December 2021;
3. Approved and endorsed for approval of stockholders at the annual stockholders meeting to be held on 12 May 2022, the Audit Committee's recommendation for the appointment of the SGV & Co. as the Company's External Auditor for calendar year ending 31 December 2022.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOLCIM PHILIPPINES, INC.	**16 March 2022**
Issuer	Date

BELINDA E. DUGAN
Corporate Secretary

CERTIFICATION

I, **BELINDA E. DUGAN**, the Corporate Secretary of **HOLCIM PHILIPPINES, INC.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number 026126 and with registered principal office address at 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City on oath state:

1. That I have caused this SEC Form 17C to be prepared on behalf of Holcim Philippines, Inc. (the "Company");

2. That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;

3. That the Company will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;

4. That I am fully aware that the submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and

5. That the e-mail account(s) designated by the Company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the Company in its online submissions to CGFD.

IN WITNESS HEREOF, I have hereunto set my hand this 16th day of March 2022 at Taguig City.

BELINDA E. DUGAN
Affiant

SUBSRIBED AND SWORN to before me this MAR 17 2022, affiant exhibiting to me her Philippine Passport No. P7916925A issued on 12 July 2018 at DFA Legazpi and expiring on 11 July 2028, who was identified by me through such competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this MAR 17 2022 2022.

Doc. No. 199;
Page No. 01;
Book No. I;
Series of 2022.

PATRICK HENRY D. SALAZAR
NOTARY PUBLIC
ROLL NO. 62515
TAGUIG CITY, PHILIPPINES

PATRICK HENRY D. SALAZAR
Notary Public for Taguig City
Appointment No. 6 valid until June 30, 2022
pursuant to Supreme Court En Banc Resolution
dated September 28, 2021 - B.M. No. 3795
12th Floor, One/Neo Building 26th St. cor. 3rd Ave.
Crescent Park West, Bonifacio Global City Taguig City 1634
Roll of Attorney No. 62515; PTR No. A-5400934; 01/18/2022; Taguig City
IBP Lifetime No. 12285; 1/03/2014; Makati City
MCLE Compliance No. VI-0023104; 04/12/2019

April Anne G. Roma <aprilanne.roma@holcim.com>

Holcim Philippines, Inc._SEC Form 17C_March 22, 2022

Beatrix R. Guevarra <beatrix.guevarra@holcim.com> Tue, Mar 22, 2022 at 9:48 AM
To: "April Anne G. Roma" <aprilanne.roma@holcim.com>

---------- Forwarded message ---------
From: **ICTD Submission** <ictdsubmission+canned.response@sec.gov.ph>
Date: Tue, Mar 22, 2022 at 9:46 AM
Subject: Re: Holcim Philippines, Inc._SEC Form 17C_March 22, 2022
To: <beatrix.guevarra@holcim.com>

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.
(Subject to Verification and Review of the Quality of the Attached Document)
Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at www.sec.gov.ph

NOTICE

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (PDF) **Secondary Reports** such as: 17-A, 17-C, 17-L, 17-Q, ICASR, 23-A, 23-B, I-ACGR, Monthly Reports, Quarterly Reports, Letters, through email at

ictdsubmission@sec.gov.ph

Note: All submissions through this email are no longer required to submit the hard copy thru mail, eFAST/OST or over- the- counter.

For those applications that require payment of filing fees, these still need to be filed and sent via email with the SEC RESPECTIVE OPERATING DEPARTMENT.

Further, note that other reports shall be filed thru the **ONLINE SUBMISSION TOOL (OST)** such as:
AFS, GIS, GFFS, LCFS, LCIF, FCFS. FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

FOR MC28, please email to:

https://apps010.sec.gov.ph

For your information and guidance.

Thank you and keep safe.

CERTIFICATION

I, **BELINDA E. DUGAN**, the Corporate Secretary of **HOLCIM PHILIPPINES, INC.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number 026126 and with registered principal office address at 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City on oath state:

1. That I have caused this SEC Form 17C to be prepared on behalf of Holcim Philippines, Inc. (the "Company");

2. That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;

3. That the Company will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;

4. That I am fully aware that the submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and

5. That the e-mail account(s) designated by the Company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the Company in its online submissions to CGFD.

IN WITNESS HEREOF, I have hereunto set my hand this 17th day of March 2022 at Taguig City.

BELINDA E. DUGAN
Affiant

SUBSRIBED AND SWORN to before me this MAR 17 2022, affiant exhibiting to me her Philippine Passport No. P7916925A issued on 12 July 2018 at DFA Legazpi and expiring on 11 July 2028, who was identified by me through such competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this MAR 17 2022 2022.

Doc. No. 500;
Page No. 19;
Book No. 3;
Series of 2022.

PATRICK HENRY D SALAZAR
NOTARY PUBLIC
ROLL NO. 62515
TAGUIG CITY, PHILIPPINES

PATRICK HENRY D. SALAZAR
Notary Public for Taguig City
Appointment No. 6 valid until June 30, 2022
(pursuant to Supreme Court En Banc Resolution dated September 28, 2021 - B.M. No. 3795
12th Floor, OneNeo Building 26th St. cor. 3rd Ave.
Crescent Park West, Bonifacio Global City Taguig City 1634
Roll of Attorney No. 62515; PTR No. A-5400934; 01/18/2022; Taguig City
IBP Lifetime No. 12285; 1/03/2014; Makati City
MCLE Compliance No. VI-0023104; 04/12/2019

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **17 March 2022**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **026126** 3. BIR Tax Identification No. **000-121-507-000**

4. **Holcim Philippines, Inc.**
   Exact name of issuer as specified in its charter

5. **Philippines**
   Province, country or other jurisdiction of incorporation

6. ______ (SEC Use Only)
   Industry Classification Code:

7. **7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City** **1634**
   Address of principal office Postal Code

8. **(632) 8581 1511**
   Issuer's telephone number, including area code

9. **Not applicable**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**6,452,099,144**

11. Indicate the item numbers reported herein: **Item 9** ***(Other Events)***

Item 9 (Other Events)

Please be advised that, Mr. Ernesto Paulo Tan, VP Head of Luzon Sales, will be separated from the Company effective 10 April 2022 due to redundancy of position.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOLCIM PHILIPPINES, INC. Issuer	**17 March 2022** Date

BELINDA E. DUGAN
Corporate Secretary

2 attachments

SEC Form 17C - 11 April 2022 - Product Launch.pdf
52K

SEC Form 17C - 11 April 2022 - Changes in HPIs Management.pdf
41K

Belinda E. Dugan <belinda.dugan@holcim.com> Tue, Apr 12, 2022 at 5:12 PM
To: "April Anne G. Roma" <aprilanne.roma@holcim.com>

---------- Forwarded message ---------
From: **ICTD Submission** <ictdsubmission+canned.response@sec.gov.ph>
Date: Tue, Apr 12, 2022 at 5:11 PM
Subject: Re: SEC Disclosures - SEC Form 17C
To: <belinda.dugan@holcim.com>

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.
(Subject to Verification and Review of the Quality of the Attached Document)
Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at www.sec.gov.ph

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NOTICE

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ictdsubmission@sec.gov.ph

Note: All submissions through this email are no longer required to submit the hard copy thru mail, eFAST/OST or over- the-counter.

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AFS, GIS, GFFS, LCFS, LCIF, FCFS. FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

FOR MC28, please email to:

https://apps010.sec.gov.ph

For your information and guidance.

Thank you and keep safe.

[Quoted text hidden]

CERTIFICATION

I, **BELINDA E. DUGAN**, the Corporate Secretary of **HOLCIM PHILIPPINES, INC.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number 026126 and with registered principal office address at 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City on oath state:

1. That I have caused this SEC Form 17C to be prepared on behalf of Holcim Philippines, Inc. (the "Company");

2. That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;

3. That the Company will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;

4. That I am fully aware that the submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and

5. That the e-mail account(s) designated by the Company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the Company in its online submissions to CGFD.

IN WITNESS HEREOF, I have hereunto set my hand this 11th day of April 2022 at Taguig City.

BELINDA E. DUGAN
Affiant

SUBSRIBED AND SWORN to before me this APR 12 2022, affiant exhibiting to me her Philippine Passport No. P7916925A issued on 12 July 2018 at DFA Legazpi and expiring on 11 July 2028, who was identified by me through such competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this APR 12 2022 2022.

Doc. No. 38;
Page No. 9;
Book No. VI;
Series of 2022.

NOTARY PUBLIC
ROLL NO. 62515
TAGUIG CITY, PHILIPPINES

PATRICK HENRY D. SALAZAR
Notary Public for Taguig City
Appointment No. 6 valid until June 30, 2022
(pursuant to Supreme Court En Banc Resolution dated September 28, 2021 - B.M. No. 3795
12th Floor, One/Neo Building 26th St. cor. 3rd Ave.
Crescent Park West, Bonifacio Global City Taguig City 1634
Roll of Attorney No. 62515; PTR No. A-5400934; 01/10/2022; Taguig City
IBP Lifetime No. 12285; 1/03/2014; Makati City
MCLE Compliance No. VI-0023104; 04/1_/2019

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **11 April 2022**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **026126** 3. BIR Tax Identification No. **000-121-507-000**

4. **Holcim Philippines, Inc.**
   Exact name of issuer as specified in its charter

5. **Philippines**
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. **7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City** **1634**
   Address of principal office Postal Code

8. **(632) 8581 1511**
   Issuer's telephone number, including area code

9. **Not applicable**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**6,452,099,144**

11. Indicate the item numbers reported herein: **Item 9** ***(Other Events)***

Item 9 (Other Events)

Please be advised of the following changes in the Corporation's Management:

1. Ms. Beatrix R. Guevarra, Assistant Corporate Secretary, has decided to pursue opportunities outside Holcim Philippines, Inc. effective April 10, 2022.

2. The Corporate Governance Committee approved the promotion of Mr. Albert M. Leoveras from VP, Head of Geocycle to Senior Vice President-Head of Retail Sales and the change of Designation of Mr. Ramakrishna Maganti from SVP, Head of Marketing and Innovation to Senior Vice President-Head of Infrastructure and Industrial Sales effective May 1, 2022.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOLCIM PHILIPPINES, INC.	**11 April 2022**
Issuer	Date

BELINDA E. DUGAN
Corporate Secretary

CERTIFICATION

I, **BELINDA E. DUGAN**, the Corporate Secretary of **HOLCIM PHILIPPINES, INC.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number 026126 and with registered principal office address at 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City on oath state:

1. That I have caused this SEC Form 17C to be prepared on behalf of Holcim Philippines, Inc. (the "Company");

2. That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;

3. That the Company will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;

4. That I am fully aware that the submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and

5. That the e-mail account(s) designated by the Company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the Company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand on this 12th day of May 2022 at Taguig City.

BELINDA E. DUGAN
Corporate Secretary

Before me, a notary public in and for MAY 12 2022, personally appeared BELINDA E. DUGAN, exhibiting to me her Philippine Passport No. P7916925A issued on 12 July 2018 at DFA Legazpi and expiring on 11 July 2028, who was identified by me through such competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

PATRICK HENRY D. SALAZAR
Notary Public for Taguig City
Appointment No. 8 valid until June 30, 2022
(pursuant to Supreme Court En Banc Resolution dated September 28, 2021 - B.M. No. 3795
12th Floor, OneNeo Building 26th St. cor. 3rd Ave, Crescent Park West, Bonifacio Global City Taguig City 1634
Roll of Attorney No. 62515; PTR No. A-5400934; 01/18/2022; Taguig City
IBP Lifetime No. 12285; 1/03/2014; Makati City
MCLE Compliance No. VI-0023104; 04/12/2019

HENRY D. SALAZAR PUBLIC 515 TAGUIG CITY, PHILIPPINES

Doc. No. 17;
Page No. 27;
Book No. V;
Series of 2022.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **12 May 2022**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **026126** 3. BIR Tax Identification No. **000-121-507-000**

4. **Holcim Philippines, Inc.**
   Exact name of issuer as specified in its charter

5. **Philippines**
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. **7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City** **1634**
   Address of principal office Postal Code

8. **(632) 8581 1511**
   Issuer's telephone number, including area code

9. **Not applicable**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**6,452,099,144**

11. Indicate the item numbers reported herein: **Item 9** ***(Other Events)***

Item 9 (Other Events)

At the Regular Meeting of the Board of Directors (the 'Board") held today, 12 May 2022, the Board:

1. Approved the closure of operations of HPI Terminals located in Calaca, Ilo-Ilo and Manila to mitigate the impact of the pandemic, the increasing prices of fuel and raw materials, increasing distribution cost and increasing competition.

   The Company has already put in place a plan to convert the use of the terminals to warehouses to store cement products from other HPI neighboring plants.

2. Authorized the Company to declare as retrenched the 7 personnels affected by the terminal business closure as presented by Management affecting Logistics function and to pay separation benefits.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOLCIM PHILIPPINES, INC.	**12 May 2022**
Issuer	Date

BELINDA E. DUGAN
Corporate Secretary

CERTIFICATION

I, **BELINDA E. DUGAN**, the Corporate Secretary of **HOLCIM PHILIPPINES, INC.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number 026126 and with registered principal office address at 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City on oath state:

1. That I have caused this SEC Form 17C to be prepared on behalf of Holcim Philippines, Inc. (the "Company");

2. That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;

3. That the Company will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;

4. That I am fully aware that the submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and

5. That the e-mail account(s) designated by the Company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the Company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand on this 12th day of May 2022 at Taguig City.

BELINDA E. DUGAN
Corporate Secretary

Before me, a notary public in and for MAY 12 2022, personally appeared BELINDA E. DUGAN, exhibiting to me her Philippine Passport No. P7916925A issued on 12 July 2018 at DFA Legazpi and expiring on 11 July 2028, who was identified by me through such competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Doc. No. 19;
Page No. 4;
Book No. V;
Series of 2022.

HENRY D SALAZAR
BLIC
515
TAGUIG CITY, PHILIPPINES

PATRICK HENRY D. SALAZAR
Notary Public for Taguig City
Appointment No. 8 valid until June 30, 2022
(pursuant to Supreme Court En Banc Resolution dated September 28, 2021 - B.M. No. 3795
12th Floor, OneNeo Building 26th St. cor. 3rd Ave.
Crescent Park West, Bonifacio Global City Taguig City 1634
Roll of Attorney No. 62515; PTR No. A-5400934; 01/18/2022; Taguig City
IBP Lifetime No. 12285; 1/03/2014; Makati City
MCLE Compliance No. VI-0023104; 04/12/2019

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **12 May 2022**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **026126** 3. BIR Tax Identification No. **000-121-507-000**

4. **Holcim Philippines, Inc.**
   Exact name of issuer as specified in its charter

5. **Philippines**
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. **7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City** **1634**
   Address of principal office Postal Code

8. **(632) 8581 1511**
   Issuer's telephone number, including area code

9. **Not applicable**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**6,452,099,144**

11. Indicate the item numbers reported herein: **Item 9 *(Other Events)***

Item 9 (Other Events)

At the Regular Meeting of the Board of Directors (the "Board") held today, 12 May 2022, the Board approved the separation of Ms. Ann Claire M. Ramirez, VP, Head Communications & CSR from the Company effective on or before 31 August 2022 due to redundancy of position.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOLCIM PHILIPPINES, INC. Issuer	**12 May 2022** Date

BELINDA E. DUGAN
Corporate Secretary

CERTIFICATION

I, **BELINDA E. DUGAN**, the Corporate Secretary of **HOLCIM PHILIPPINES, INC.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number 026126 and with registered principal office address at 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City on oath state:

1. That I have caused this SEC Form 17C to be prepared on behalf of Holcim Philippines, Inc. (the "Company");

2. That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;

3. That the Company will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;

4. That I am fully aware that the submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and

5. That the e-mail account(s) designated by the Company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the Company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand on this 12th day of May 2022 at Taguig City.

BELINDA E. DUGAN
Corporate Secretary

Before me, a notary public in and for MAY 12 2022, personally appeared BELINDA E. DUGAN, exhibiting to me her Philippine Passport No. P7916925A issued on 12 July 2018 at DFA Legazpi and expiring on 11 July 2028, who was identified by me through such competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

PATRICK HENRY D. SALAZAR
Notary Public for Taguig City
Appointment No. 8 valid until June 30, 2022
(pursuant to Supreme Court En Banc Resolution dated September 28, 2021 - B.M. No. 3795
12th Floor, OneNeo Building 26th St. cor. 3rd Ave.
Crescent Park West, Bonifacio Global City Taguig City 1634
Roll of Attorney No. 62515; PTR No. A-5400834; 01/18/2022; Taguig City
IBP Lifetime No. 12285; 1/03/2014; Makati City
MCLE Compliance No. VI-0023104; 04/12/2019

HENRY D. SALAZAR
NOTARY PUBLIC
515
TAGUIG CITY, PHILIPPINES

Doc. No. 19;
Page No. 27;
Book No. V;
Series of 2022.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **12 May 2022**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **026126** 3. BIR Tax Identification No. **000-121-507-000**

4. **Holcim Philippines, Inc.**
   Exact name of issuer as specified in its charter

5. **Philippines**
   Province, country or other jurisdiction of incorporation

6. ☐ (SEC Use Only)
   Industry Classification Code:

7. **7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City** **1634**
   Address of principal office Postal Code

8. **(632) 8581 1511**
   Issuer's telephone number, including area code

9. **Not applicable**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**6,452,099,144**

11. Indicate the item numbers reported herein: **Item 9 *(Other Events)***

Item 9 (Other Events)

Please be advised of the Results of the Annual Stockholders Meeting held on May 12, 2022, as follows:

1. Board of Directors for 2022 - 2023:

Name	Position
Tomas I. Alcantara	Chairman
Martin Kriegner	Vice Chairman
Horia Adrian	Member/President & CEO
Tan Then Hwee	Member
Thomas Aquino	Member/Independent Director
Leandro Javier	Member/Independent Director
Medel Nera	Member/Lead Independent Director

2. List of other material resolutions, transactions and corporate actions approved by the stockholders:
   a. Approval of the Minutes of the Annual Stockholders Meeting held on 27 May 2021
   b. Approval of the Operations Report comprised of the Annual Report and the Audited Financial Statements of the Company as of 31 December 2021
   c. Approved and ratified all acts, contracts, investments and resolutions of the Board of Directors, Board Committees, Corporate Officers and Management since the last annual meeting
   d. Approved the appointment of SGV & Co. as the Company's external auditor for the year 2022.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOLCIM PHILIPPINES, INC.
Issuer

12 May 2022
Date

BELINDA E. DUGAN
Corporate Secretary

CERTIFICATION

I, **BELINDA E. DUGAN**, the Corporate Secretary of **HOLCIM PHILIPPINES, INC.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number 026126 and with registered principal office address at 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City on oath state:

1. That I have caused this SEC Form 17C to be prepared on behalf of Holcim Philippines, Inc. (the "Company");
2. That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;
3. That the Company will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
4. That I am fully aware that the submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and
5. That the e-mail account(s) designated by the Company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the Company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand on this 12th day of May 2022 at Taguig City.

BELINDA E. DUGAN
Corporate Secretary

Before me, a notary public in and for MAY 12 2022, personally appeared BELINDA E. DUGAN, exhibiting to me her Philippine Passport No. P7916925A issued on 12 July 2018 at DFA Legazpi and expiring on 11 July 2028, who was identified by me through such competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Doc. No. 97;
Page No. 21;
Book No. VI;
Series of 2022.

HENRY D. SALAZAR
TAGUIG CITY, PHILIPPINES
BLIC
515

PATRICK HENRY D. SALAZAR
Notary Public for Taguig City
Appointment No. 6 valid until June 30, 2022
(pursuant to Supreme Court En Banc Resolution dated September 28, 2021 - B.M. No. 3795
12th Floor, OneNeo Building 26th St. cor. 3rd Ave.
Crescent Park West, Bonifacio Global City Taguig City 1634
Roll of Attorney No. 62515; PTR No. A-5400834; 01/18/2022; Taguig City
IBP Lifetime No. 12286; 1/03/2014; Makati City
MCLE Compliance No. VI-0023104; 04/12/2019

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **12 May 2022**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **026126** 3. BIR Tax Identification No. **000-121-507-000**

4. **Holcim Philippines, Inc.**
   Exact name of issuer as specified in its charter

5. **Philippines**
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. **7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City** **1634**
   Address of principal office Postal Code

8. **(632) 8581 1511**
   Issuer's telephone number, including area code

9. **Not applicable**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**6,452,099,144**

11. Indicate the item numbers reported herein: **Item 9 *(Other Events)***

Item 9 (Other Events)

Please be advised of the Results of the Organizational Board Meeting held on May 12, 2022, immediately after the Annual Stockholders Meeting as follows:

Officers for 2022 - 2023:

Name	Position
Tomas I. Alcantara	Chairman
Martin Kriegner	Vice Chairman
Horia Adrian	President & CEO
Eliana Nieto Sanchez	SVP, Chief Financial Officer
Eung Rae Kim	SVP, Head of Cement Industrial Performance
Ramakrishna Maganti	SVP, Head of Infrastructure and Industrial Sales
Albert Leoveras	SVP, Head of Retail Sales
Zoe Verna M. Sibala	SVP, Head of Sustainability
Elynor Roque	SVP, Head of Organization & Human Resources
Edwin Villas	SVP, Head of Logistics
Belinda E. Dugan	General Counsel, Corporate Secretary & Compliance Officer
Alexander Taar	Treasurer
Guia Marie Tomaneng	Data Protection Officer

Committee Members for 2022 - 2023:

Corporate Governance Committee	
Martin Kriegner	Chairman
Tomas I. Alcantara	Member
Thomas Aquino	Member/Independent Director
Leandro Javier	Member/Independent Director
Medel Nera	Member/Lead Independent Director

Audit Committee	
Medel Nera	Chairman
Leandro Javier	Member/Independent Director
Tan Then Hwee	Member

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOLCIM PHILIPPINES, INC.
Issuer

12 May 2022
Date

BELINDA E. DUGAN
Corporate Secretary

CERTIFICATION

I, **BELINDA E. DUGAN**, the Corporate Secretary of **HOLCIM PHILIPPINES, INC.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number 026126 and with registered principal office address at 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City on oath state:

1. That I have caused this SEC Form 17C to be prepared on behalf of Holcim Philippines, Inc. (the "Company");
2. That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;
3. That the Company will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
4. That I am fully aware that the submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and
5. That the e-mail account(s) designated by the Company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the Company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this 19th day of May 2022 at Taguig City.

BELINDA E. DUGAN
Affiant

SUBSRIBED AND SWORN to before me this MAY 19 2022, affiant exhibiting to me her Philippine Passport No. P7916925A issued on 12 July 2018 at DFA Legazpi and expiring on 11 July 2028, who was identified by me through such competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this MAY 19 2022 2022.

Doc. No. 119;
Page No. 25;
Book No. VI;
Series of 2022.

PATRICK HENRY D. SALAZAR
NOTARY PUBLIC
ROLL NO. 62515
TAGUIG CITY, PHILIPPINES

PATRICK HENRY D. SALAZAR
Notary Public for Taguig City
Appointment No. 6 valid until June 30, 2022
(pursuant to Supreme Court En Banc Resolution dated September 28, 2021 - B.M. No. 3795
12th Floor, OneNeo Building 26th St. cor. 3rd Ave.
Crescent Park West, Bonifacio Global City Taguig City 1634
Roll of Attorney No. 62515; PTR No. A-5400934; 01/18/2022; Taguig City
IBP Lifetime No. 12285; 1/03/2014; Makati City
MCLE Compliance No. VI-0023104; 04/12/2019

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **19 March 2022**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **026126** 3. BIR Tax Identification No. **000-121-507-000**

4. **Holcim Philippines, Inc.**
   Exact name of issuer as specified in its charter

5. **Philippines**
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. **7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City** **1634**
   Address of principal office Postal Code

8. **(632) 8581 1511**
   Issuer's telephone number, including area code

9. **Not applicable**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**6,452,099,144**

11. Indicate the item numbers reported herein: Item 9 ***(Other Events)***

Item 9 (Other Events)

On May 18, 2022, Holcim Philippines, Inc. - Bulacan Plant received an Order from National Water Resources Board (NWRB) to pay Php 56,490 as penalty.

The Company would like to note that the matter has been addressed. The plant has made investments amounting to Php17.9 million to ensure freshwater withdrawal is within the regulatory limit. These projects include the improvement of water cooling system of major equipment (kiln, raw mill and cement mill) by converting to a fully closed-loop water circuit system to increase water recycling rate; automated water system; construction of additional rainwater harvesting facilities; replacement of old water pipes to address leakages; maximized usage of rainwater collected in the lagoon, among others. As disclosed in its 2021 Annual Report, the Company is working to make its operations nature-positive particularly on water use efficiency. As such, initiatives are ongoing to lower water intensity across all product lines and preserve water resources across its business.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOLCIM PHILIPPINES, INC. Issuer	**19 May 2022** Date

BELINDA E. DUGAN
Corporate Secretary

CERTIFICATION

I, **BELINDA E. DUGAN**, the Corporate Secretary of **HOLCIM PHILIPPINES, INC.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number 026126 and with registered principal office address at 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City on oath state:

1. That I have caused this SEC Form 17C to be prepared on behalf of Holcim Philippines, Inc. (the "Company");

2. That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;

3. That the Company will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;

4. That I am fully aware that the submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and

5. That the e-mail account(s) designated by the Company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the Company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of JUL 14 2022 2022 at Taguig City.

BELINDA E. DUGAN
Affiant

JUL 14 2022

SUBSRIBED AND SWORN to before me this ________, affiant exhibiting to me her Philippine Passport No. P7916925A issued on 12 July 2018 at DFA Legazpi and expiring on 11 July 2028, who was identified by me through such competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this JUL 14 2022 2022.

Doc. No. 351;
Page No. 72;
Book No. I;
Series of 2022.

JOSE ANGELO O. TIGLAO
Notary Public for Taguig City
Appointment No. 17 valid until 31 December 2023
16th Floor One/NEO Building, 26th St. cor. 3rd Ave.
Crescent Park West, Bonifacio Global City, Taguig City
Roll of Attorney No. 73781.
PTR No. A-5400954; 01/18/2022; Taguig City
IBP Membership Receipt No. 177879; 02/10/2022, Makati City

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. 15 **June 2022**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **026126** 3. BIR Tax Identification No. **000-121-507-000**

4. **Holcim Philippines, Inc.**
   Exact name of issuer as specified in its charter

5. **Philippines**
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. **7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City** **1634**
   Address of principal office Postal Code

8. **(632) 8581 1511**
   Issuer's telephone number, including area code

9. **Not applicable**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**6,452,099,144**

11. Indicate the item numbers reported herein: **Item 5. Legal Proceedings**

Item 5. Legal Proceedings

On 18 October 2018, Holcim Philippines, Inc. ('Holcim") received a copy of: (i) the petition for interim protection filed by Seasia Nectar Port Services, Inc. ("Seasia") under A.M. No. 07-11-08 SC or the Special Rules of Court on Alternative Dispute Resolution with Branch 95 of the Regional Trial Court at Mariveles, Bataan ("Bataan RTC"); and (ii) an Order dated 11 October 2018 issued by Bataan RTC granting Seasia's motion for the ex-parte issuance of a temporary protection order in the form of a writ of preliminary attachment. The said petition was filed by Seasia in connection with the Company's port services agreement with Seasia as port operator, which the Company terminated pursuant to its no-fault termination rights under the said agreement.

On 14 September 2020, the Arbitral Tribunal declared that the Company validly terminated the Port Services Agreement. However, the Arbitral Tribunal ruled that the Memorandum of Agreement, which required the Company and Seasia to enter into the Port Services Agreement after certain conditions had been fulfilled, was not superseded with the execution of the Port Services Agreement and, thus, continued to govern Seasia and the Company even after the Company's termination of the Port Services Agreement. The Arbitral Tribunal therefore ruled that Seasia was entitled to compensation as a result of the suspension of the Memorandum of Agreement.

On 22 September 2020, Seasia filed its Petition for Confirmation of Domestic Arbitral Award dated 18 September 2020 ("Petition for Confirmation dated 18 September 2020") with the Bataan RTC to confirm the Final Arbitral Award issued by the Arbitral Tribunal in PDRCI Case No. 95-2018 on 14 September 2020.

On 08 July 2022, Seasia and Holcim entered into a Settlement Agreement, duly signed and executed by both parties to amicably settle all disputes and terminate all pending litigation between the Parties. On 14 July 2022, the Court approved the Settlement Agreement, which primarily requires the parties to file a joint motion to withdraw/dismiss with prejudice all pending cases related hereto.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOLCIM PHILIPPINES, INC.	**14 June 2022**
Issuer	Date

BELINDA E. DUGAN
Corporate Secretary

CERTIFICATION

I, **BELINDA E. DUGAN**, the Corporate Secretary of **HOLCIM PHILIPPINES, INC.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number 026126 and with registered principal office address at 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City on oath state:

1. That I have caused this SEC Form 17C to be prepared on behalf of Holcim Philippines, Inc. (the "Company");
2. That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;
3. That the Company will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
4. That I am fully aware that the submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and
5. That the e-mail account(s) designated by the Company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the Company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of JUL 21 2022 ~~2022~~ at Taguig City.

BELINDA E. DUGAN
Affiant

SUBSRIBED AND SWORN to before me this JUL 21 2022, affiant exhibiting to me her Philippine Passport No. P7916925A issued on 12 July 2018 at DFA Legazpi and expiring on 11 July 2028, who was identified by me through such competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this JUL 21 2022 2022.

Doc. No. 402;
Page No. 82;
Book No. I;
Series of 2022.

JOSE ANGELO C. TIGLAO
NOTARY PUBLIC
ROLL NO. 73781
TAGUIG CITY, PHILIPPINES

JOSE ANGELO C. TIGLAO
Notary Public for Taguig City
Appointment No. 17 valid until 31 December 2023
16th Floor, One/NEO Building, 26th St. cor. 3rd Ave.
Crescent Park West, Bonifacio Global City, Taguig City
Roll of Attorney No. 73781.
PTR No. A-5400954; 01/18/2022; Taguig City
IBP Membership Receipt No. 177879; 02/10/2022, Makati City

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **21 July 2022**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **026126** 3. BIR Tax Identification No. **000-121-507-000**

4. **Holcim Philippines, Inc.**
   Exact name of issuer as specified in its charter

5. **Philippines**
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. **7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City** **1634**
   Address of principal office Postal Code

8. **(632) 8581 1511**
   Issuer's telephone number, including area code

9. **Not applicable**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**6,452,099,144**

11. Indicate the item numbers reported herein: **Item 9** ***(Other Events)***

Item 9 (Other Events)

Please be advised that Mr. Leandro D. Javier, has tendered his resignation as a member of Holcim Philippines, Inc.'s Board of Directors and Audit Committee effective 21 July 2022.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOLCIM PHILIPPINES, INC.	21 July 2022
Issuer	Date

BELINDA E. DUGAN
Corporate Secretary

CERTIFICATION

I, **BELINDA E. DUGAN**, the Corporate Secretary of **HOLCIM PHILIPPINES, INC.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number 026126 and with registered principal office address at 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City on oath state:

1. That I have caused this SEC Form 17C to be prepared on behalf of Holcim Philippines, Inc. (the "Company");

2. That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;

3. That the Company will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;

4. That I am fully aware that the submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and

5. That the e-mail account(s) designated by the Company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the Company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of SEP 09 2022 2022 at Taguig City.

BELINDA E. DUGAN
Affiant

SUBSRIBED AND SWORN to before me this SEP 09 2022, affiant exhibiting to me her Philippine Passport No. P7916925A issued on 12 July 2018 at DFA Legazpi and expiring on 11 July 2028, who was identified by me through such competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this SEP 09 2022 2022.

Doc. No. 242;
Page No. 54;
Book No. II;
Series of 2022.

JOSE ANGELO C. TIGLAO
NOTARY PUBLIC
ROLL NO. 73781
TAGUIG CITY, PHILIPPINES

JOSE ANGELO C. TIGLAC
Notary Public for Taguig City
Appointment No. 17 valid until 31 December 2023
16th Floor, One/NEO Building, 26th St. cor. 3rd Ave.
Crescent Park West, Bonifacio Global City, Taguig City
Roll of Attorney No. 73781.
PTR No. A-5400954; 01/18/2022; Taguig City
IBP Membership Receipt No. 177879; 02/10/2022, Makati City

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **09 September 2022**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **026126** 3. BIR Tax Identification No. **000-121-507-000**

4. **Holcim Philippines, Inc.**
   Exact name of issuer as specified in its charter

5. **Philippines**
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. **7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City** **1634**
   Address of principal office Postal Code

8. **(632) 8581 1511**
   Issuer's telephone number, including area code

9. **Not applicable**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**6,452,099,144**

11. Indicate the item numbers reported herein: **Item 9** ***(Other Events)***

Item 9 (Other Events)

Please be advised of the following changes in the Corporation's Officers:

At the Regular Meeting of the Board of Directors (the ''Board") held today, 09 September 2022, the Board approved the appointment of Atty. Kristine Mae C. Manalo as the Assistant Corporate Secretary of the Company effective on 09 September 2022.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOLCIM PHILIPPINES, INC. Issuer	**09 September 2022** Date

BELINDA E. DUGAN
Corporate Secretary

CERTIFICATION

I, **BELINDA E. DUGAN**, the Corporate Secretary of **HOLCIM PHILIPPINES, INC.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number 026126 and with registered principal office address at 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City on oath state:

1. That I have caused this SEC Form 17C to be prepared on behalf of Holcim Philippines, Inc. (the "Company");
2. That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;
3. That the Company will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
4. That I am fully aware that the submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and
5. That the e-mail account(s) designated by the Company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the Company in its online submissions to CGFD.

SEP 09 2022

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of ________ 2022 at Taguig City.

BELINDA E. DUGAN
Affiant

SUBSRIBED AND SWORN to before me this SEP 09 2022, affiant exhibiting to me her Philippine Passport No. P7916925A issued on 12 July 2018 at DFA Legazpi and expiring on 11 July 2028, who was identified by me through such competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this SEP 09 2022 2022.

Doc. No. 242;
Page No. 54;
Book No. II;
Series of 2022.

JOSE ANGELO C. TIGLAO
NOTARY PUBLIC
ROLL NO. 73781
TAGUIG CITY, PHILIPPINES

JOSE ANGELO C. TIGLAO
Notary Public for Taguig City
Appointment No. 17 valid Until 31 December 2023
16th Floor, One/NEO Building, 26th St. cor. 3rd Ave.
Crescent Park West, Bonifacio Global City, Taguig City
Roll of Attorney No. 73781.
PTR No. A-5400954; 01/18/2022; Taguig City
IBP Membership Receipt No. 177879; 02/10/2022, Makati City

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. **09 September 2022**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **026126** 3. BIR Tax Identification No. **000-121-507-000**

4. **Holcim Philippines, Inc.**
   Exact name of issuer as specified in its charter

5. **Philippines** 6. (SEC Use Only)
   Province, country or other jurisdiction of incorporation Industry Classification Code:

7. **7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City** **1634**
   Address of principal office Postal Code

8. **(632) 8581 1511**
   Issuer's telephone number, including area code

9. **Not applicable**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**6,452,099,144**

11. Indicate the item numbers reported herein: **Item 9** ***(Other Events)***

Item 9 (Other Events)

At the Regular Meeting of the Board of Directors (the ‘‘Board”) held today, 09 September 2022, the Board approved the appointment of Dr. Thomas G. Aquino as a member of the Company’s Audit Committee effective on 09 September 2022.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOLCIM PHILIPPINES, INC.	**09 September 2022**
Issuer	Date

BELINDA E. DUGAN
Corporate Secretary

CERTIFICATION

I, **BELINDA E. DUGAN**, the Corporate Secretary of **HOLCIM PHILIPPINES, INC.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number 026126 and with registered principal office address at 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City on oath state:

1. That I have caused this SEC Form 17C to be prepared on behalf of Holcim Philippines, Inc. (the "Company");

2. That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;

3. That the Company will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;

4. That I am fully aware that the submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and

5. That the e-mail account(s) designated by the Company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the Company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of NOV 04 2022 2022 at Taguig City.

BELINDA E. DUGAN
Affiant

SUBSRIBED AND SWORN to before me this NOV 04 2022, affiant exhibiting to me her Philippine Passport No. P7916925A issued on 12 July 2018 at DFA Legazpi and expiring on 11 July 2028, who was identified by me through such competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this NOV 04 2022 2022.

Doc. No. 420;
Page No. 86;
Book No. II;
Series of 2022.

PATRICK HENRY D. SALAZAR NOTARY PUBLIC ROLL NO. 62515 TAGUIG CITY, PHILIPPINES

PATRICK HENRY D. SALAZAR
Notary Public for Taguig City
Appointment No. 6 valid until December 2022
(Pursuant to Supreme Court En Banc Resolution dated 5 July 2022)
16th Floor, One/NEO Building, 26th St. cor. 3rd Ave.
Crescent Park West, Bonifacio Global City, Taguig City
Roll of Attorney No. 62515;
PTR No. A-5400934; 01/18/2022; Taguig City
IBP Lifetime No. 12265; 1/03/2014; Makati City
MCLE Compliance No. VI-0023104; 04/12/2019

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **04 November 2022**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **026126** 3. BIR Tax Identification No. **000-121-507-000**

4. **Holcim Philippines, Inc.**
   Exact name of issuer as specified in its charter

5. **Philippines**
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. **7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City** **1634**
   Address of principal office Postal Code

8. **(632) 8581 1511**
   Issuer's telephone number, including area code

9. **Not applicable**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**6,452,099,144**

11. Indicate the item numbers reported herein: **Item 9** ***(Other Events)***

Item 9 (Other Events)

Please be advised of the following changes in the Corporation's Officers:

At the Regular Meeting of the Board of Directors (the ''Board") held today, 04 November 2022, the Board approved the resignation of Ms. Guia Marie Tomaneng as Data Protection Officer (DPO) effective 15 November 2022. In this regard, the Board approves the appointment of Atty. Belinda E. Dugan as the Company's DPO effective on 15 November 2022.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOLCIM PHILIPPINES, INC. Issuer	**04 November 2022** Date
BELINDA E. DUGAN Corporate Secretary	

CERTIFICATION

I, **BELINDA E. DUGAN**, the Corporate Secretary of **HOLCIM PHILIPPINES, INC.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number 026126 and with registered principal office address at 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City on oath state:

1. That I have caused this SEC Form 17C to be prepared on behalf of Holcim Philippines, Inc. (the "Company");
2. That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;
3. That the Company will comply with the requirements set forth in SEC Notice dated 12 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
4. That I am fully aware that the submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and
5. That the e-mail account(s) designated by the Company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the Company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of NOV 21 2022 2022 at Taguig City.

BELINDA E. DUGAN
Affiant

SUBSRIBED AND SWORN to before me this NOV 21 2022 affiant exhibiting to me her Philippine Passport No. P7916925A issued on 12 July 2018 at DFA Legazpi and expiring on 11 July 2028, who was identified by me through such competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this NOV 21 2022 2022.

Doc. No. 2;
Page No. 2;
Book No. III;
Series of 2022.

JOSE ANGELO C. TIGLAO
NOTARY PUBLIC
ROLL NO. 73781
TAGUIG CITY, PHILIPPINES

JOSE ANGELO C. TIGLAO
Notary Public for Taguig City
Appointment No. 17 valid until 31 December 2023
16th Floor, One/NEO Building, 26th St. cor. 3rd Ave.
Crescent Park West, Bonifacio Global City, Taguig City
Roll of Attorney No. 73781.
PTR No. A-5400954; 01/18/2022; Taguig City
IBP Membership Receipt No. 177679; 02/10/2022, Makati City

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **21 November 2022**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **026126** 3. BIR Tax Identification No. **000-121-507-000**

4. **Holcim Philippines, Inc.**
   Exact name of issuer as specified in its charter

5. **Philippines**
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. **7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City** **1634**
   Address of principal office Postal Code

8. **(632) 8581 1511**
   Issuer's telephone number, including area code

9. **Not applicable**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**6,452,099,144**

11. Indicate the item numbers reported herein: **Item 9** ***(Other Events)***

Item 9 (Other Events)

We reply to your letter of even date requesting Holcim Philippines, Inc. (HPI) to clarify and/or confirm below-quoted portions of the news article entitled: "CTA Affirms denial of Holcim's tax refund claim" posted on BusinessWorld on November 21, 2022:

"THE Court of Tax Appeals (CTA) has upheld a ruling that declined Holcim Philippines, Inc.'s partial refund claim of three payments of P331,204.64 representing its local tax liabilities for the first three quarters of 2018.

In a decision dated Nov. 18, the CTA Special Second Division said the Manila trial court did not commit an error when it said Holcim failed to prove that it registered as a wholesaler of an essential commodity, in this case, cement.

. . . ."

In relation to the above news article, Holcim Philippines, Inc. or its external counsel, has not received a copy of the CTA's decision on the case. We will provide the appropriate update and/or disclosure, including material details and/or status, at the appropriate time.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOLCIM PHILIPPINES, INC.
Issuer

21 November 2022
Date

BELINDA E. DUGAN
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **23 November 2022**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **026126** 3. BIR Tax Identification No. **000-121-507-000**

4. **Holcim Philippines, Inc.**
   Exact name of issuer as specified in its charter

5. **Philippines**
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. **7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City** **1634**
   Address of principal office Postal Code

8. **(632) 8581 1511**
   Issuer's telephone number, including area code

9. **Not applicable**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**6,452,099,144**

11. Indicate the item numbers reported herein: **Item 5** ***(Legal Proceeding)***

Item 5 (Legal Proceedings)

On November 5, 2018, Holcim Philippines, Inc. (the "Company") filed a Petition for Refund of the erroneously and illegally collected local business tax ("LBT") for the first to third quarters of 2018 amounting to PhP331,204.67 per quarter. The Company was not given the 50% discount (1/2 of the rate on wholesalers of "ordinary" wholesalers) on LBT granted to wholesalers of essential commodities. On January 7, 2021, the Company received a copy of the Decision denying the Company's judicial claim for refund.

On May 17, 2021, the Company filed a Petition for Review with the Court of Tax Appeals (CTA). The case was docketed as AC No. 251 with CTA Second Division.

On November 23, 2022, the Company received a copy of the CTA's Second Division Notice of Decision dated 18 November 2022 of HPI's denial of Petition for review for the three payments of P331,204.64 representing its erroneously and illegally collected LBT for the first three quarters of 2018.

In view thereof, the Company will file the necessary appeal.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOLCIM PHILIPPINES, INC.	**23 November 2022**
Issuer	Date

BELINDA E. DUGAN
Corporate Secretary

Exhibit 6

Sustainability Report

Annex A: Reporting Template

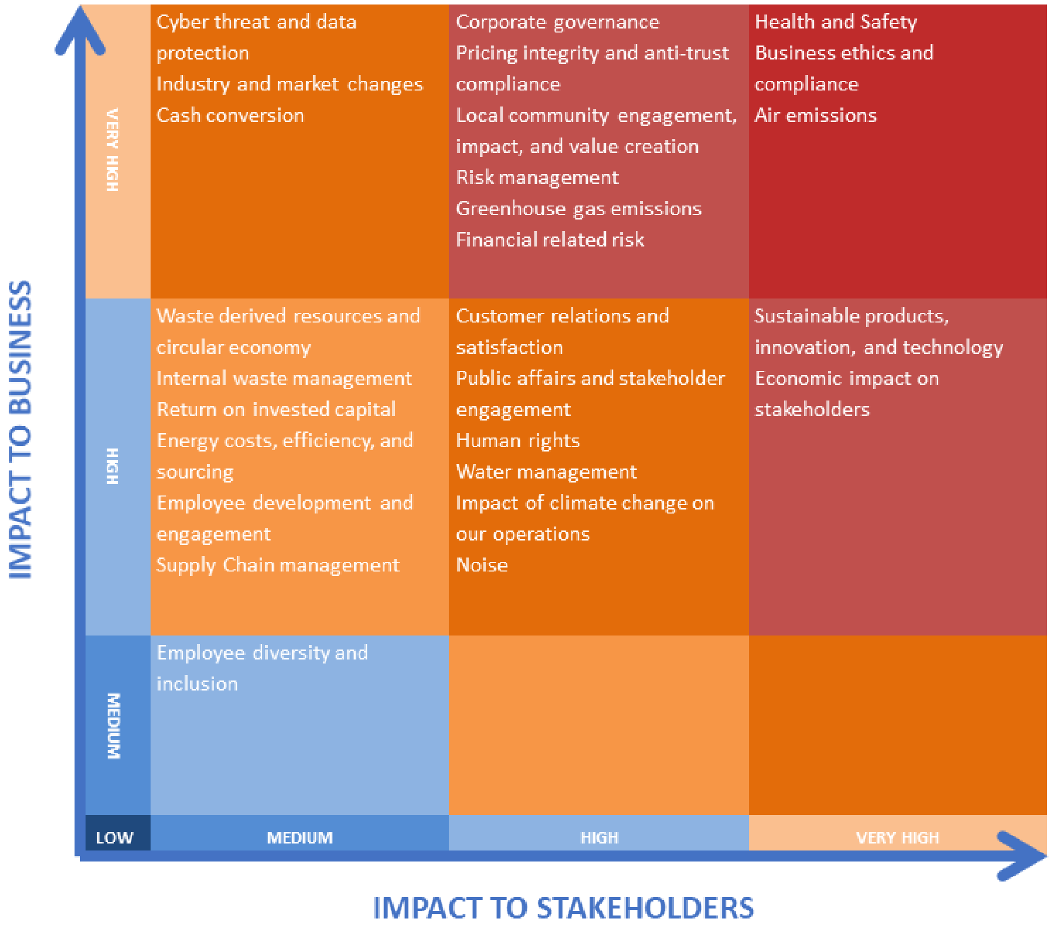
Contextual Information

Company Details	
Name of Organization	Holcim Philippines, Inc. (HPI) and its subsidiaries
Location of Headquarters	7th Floor Two World Square, McKinley Hill, Fort Bonifacio, Taguig City 1634, Metro Manila
Location of Operations	Head Office: Taguig City Cement Plant: 1. Bacnotan, La Union 2. Norzagaray, Bulacan 3. Lugait, Misamis Oriental 4. Bunawan District, Davao City Terminal: 1. Manila Harbour Centre, City of Manila 2. Calaca, Batangas 3. Lapuz District, Iloilo City Grinding Plant: Mabini, Batangas Paper Bag Plant: Calumpit, Bulacan Dry Mix Plant: Bicutan, Parañaque
Report Boundary: Legal entities included in this report	1. Holcim Philippines, Inc. 2. Excel Concrete Logistics, Inc.* 3. Holcim Philippines Manufacturing Corporation 4. Mabini Grinding Mill Corporation 5. Bulkcem Philippines, Inc. 6. Calamba Aggregates, Inc. **Corporate term already expired and is now in the process of winding up its affairs*
Business Model, including Primary Activities, Brands, Products, and Services	The Company is primarily engaged in the manufacture, sale, and distribution of cement and cementitious materials.
Reporting Period	January 1 to December 31, 2022
Highest Ranking Person responsible for this report	Zoe Sibala, Senior Vice President, Head of Sustainability

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.[1]
A materiality assessment was conducted in 2020 to aid Holcim Philippines, Inc. in identifying specific economic, environmental, social, and governance (EESG) issues that matter to its business and stakeholders. The results of the assessment are deemed valuable for strategic planning and operational management and may serve as a guide to sustainability reporting and communication strategies in the near future. The survey was used to generate a materiality matrix that reflects the importance of each sustainability topic to Holcim Philippines's business and stakeholders and would serve as a guide for the Company's prioritization process and to the disclosures to be contained in the Annual Report. The resulting materiality matrix is shown in the next page. The materiality assessment consisted of the following steps: 1. **Topic selection (industry-wide)** Material topics specific to the cement industry were consolidated. This includes topics identified by the standards from Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) for the sector of Construction Materials. Material topics published in the annual integrated or sustainability reports of Holcim Group and industry peers were also included. 2. **Topic selection (Holcim Philippines-specific)** From the consolidated material topics, each department in Holcim Philippines assigned persons of contact, and represented each department in consultations on the relevance of the identified topics to the Company. The resulting list of topics were the ones included in the materiality survey. 3. **Materiality survey** An online survey was conducted with the participation of 13 members of the Company's management team to better reflect Holcim Philippines's strategy and priorities. The respondents compose the core team in handling the prioritization and decision-making matters for the Company, hence, are aware of all aspects of operations at Holcim Philippines. Each sustainability topic was assessed based on its impact to business and impact to stakeholders. 4. **Analysis and presentation of results** The ratings received from the 13 members of the management team were averaged for each sustainability topic and were placed in the appropriate degree in the materiality matrix based on the scores for impact to business and impact to stakeholders. The materiality matrix follows the same format as the Holcim Group for consistency.

[1] See *GRI 102-46*(2016) for more guidance.



Emerging as highly critical topics are Health and Safety, Business Ethics and Compliance, and Air Emissions. This shows that the Company strongly values conducting business the right way through thorough regulatory compliance, ensuring the safety and welfare of its employees, and managing its air emissions to preserve a healthy environment for its people and nearby communities.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount (in '000)	Units
Direct economic value generated (revenue)	26,587,684	PhP
Direct economic value distributed:		
a. Operating costs	6,420,407	PhP
b. Employee wages and benefits	1,706,424	PhP
c. Payments to suppliers	14,756,929	Php
d. Interest payments to loan providers	135,982	PhP
e. Taxes paid to government	1,748,539	PhP
f. Investments in community (i.e., social initiatives)	30,476	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Holcim Philippines' building products and solutions provide high performance and efficiency to a diverse range of projects, from small home repairs to massive infrastructures.	Government, customers and end-users (builders, property developers, users of buildings, roads and other infrastructure)	The Company has an expanded product portfolio to offer customers the right product for the right application. A technical team supports customers on concrete and other building solutions to enhance product efficiency and performance. Its integrated cement plants have laboratories that conduct cement and concrete tests. The Company also has Mobile Laboratories that can serve offsite customers and projects.
Holcim Philippines' is a key contributor to economic growth by providing employment opportunities and taxes to its host localities. In addition, the Company's corporate citizenship programs – ***Helps*** – include projects for infrastructure, education, health, and skills training that aim to contribute to the development of the communities where its plants are located.	Employees, host communities, local government	The Company greatly values its employees and provides competitive compensation and benefits. Beyond basic financial incentives, Holcim Philippines has a Total Rewards System (TRS) with core and non-core benefits. The core benefits provide additional earning opportunities which include overtime pay, holiday pay, and rest day pay for the rank-and-file employees. These are given in addition to the statutory 13th month pay to regular employees with a variable performance bonus scheme applied across the organization. Annual paid vacation and sick leaves are provided to allow employees to go on personal breaks or recuperate from illness before reporting for work, respectively. Employees occupying managerial positions are provided a car allowance as one of their work tools and for personal use. The non-core benefits augment the individual and family unit needs of employees including health benefits, medical, optical and dental subsidies, insurance coverage, and

		other allowances. There are also employee assistance benefits such as educational loan, calamity and bereavement assistance, which can be availed based on their individual needs and circumstances. The Company is also committed to make a positive social impact in accordance with the Holcim Group's Sustainability commitments. Through the Company's corporate social responsibility (CSR) managers, plants and terminals conduct formal and informal engagements with their respective local communities to assess and formulate social development programs.
The Company contributes to the growth of various suppliers and contracted service providers engaged in its day-to-day operations.	Suppliers and service providers	The Company seeks to engage in long-term and sustainable relationships with suppliers who adhere to its Code of Business Conduct for Suppliers and the Holcim Group's Directive on Sustainable Procurement. Holcim Philippines' goal is to partner with suppliers to deliver value-for-cost procurement for the Group and customers, and to demonstrate responsible supply chain management. The Company sets guidelines in selecting local or foreign suppliers to ensure a fair, competitive, and transparent negotiation process.

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Financial Risks: Holcim Philippines has a foreign currency risk arising primarily from purchases of goods and services in currencies other than the Philippine peso and certain foreign currency- denominated loans or other instruments. It is also exposed to credit risks.	Investors and shareholders, direct and indirect employees, customers, end-users and government	Due to the local nature of the cement business, foreign currency risk is limited and is normally mitigated by the Company through hedging. At the time of reporting, the Company has no exposure to interest rate risk since no long-term loan availments were drawn. Should there be a need in the future, the Company's interest rate exposure may be addressed through the steering of the fixed/floating ratio of net debt. To manage this mix, the Company may enter derivative transactions. To manage credit risks, the Company trades only with recognized, credit-worthy third parties, which are subject to credit verification and/or required to post a collateral coming from a reputable financial institution. In addition, accounts receivable balances are monitored on an ongoing basis to reduce the Company's exposure to bad debts. Holcim Philippines has a complete and detailed credit policy specifying the guidelines on applying for a credit line including collateral requirements from reputable financial institutions. The Company maintains sufficient reserves of cash and cash equivalents, which are short-term in nature, available/unused credit lines, and readily available marketable securities to always meet its liquidity requirements.
Market risks: The Company is affected by changes in national and local government policies that adversely impact the implementation of key		The Company has a Strategic Plan focused on strengthening its ability to capture the opportunities and mitigate risks amidst a dynamic business landscape.

infrastructure projects and slow down demand for building materials Furthermore, competition is intensifying amidst expansion of domestic cement manufacturing capacities, entry of new cement manufacturers as well as importation of cement from neighboring countries.		Sustainability and innovation are given higher focus to drive operational excellence and provide differentiated and value-adding offerings.
Economic Risks: Headwinds arising from limited government fiscal space, elevated inflation and rising interest rates is leading to a slow down in private and public investments as well as private domestic consumption. Continuing geopolitical uncertainties further aggravates economic uncertainties impacting investor confidence in the country.		Holcim Philippines is actively engaging with key business partners to highlight its superior products and services particularly its depth of expertise in building materials and commitment to make operations more respectful of the environment. The Company is also expanding its product range to increase its participation in the construction value chain and expand its revenue streams. Similarly, Holcim Philippines has bolstered its engagements with relevant government stakeholders to emphasize its sustainability thrust that is highly supportive of national development goals. The Company further emphasizes the importance of creating an enabling environment for sustainable construction to thrive.
Industrial and Supply Chain Risks: The Company is affected by the rising prices of fuels and electricity. There is also a risk of physical damage to assets or supply chain failures resulting in business interruption affecting the cost of production.		Holcim Philippines implements a preventive maintenance approach to ensure that plants are kept in good running condition. This was further strengthened by the roll out of digital technologies to further improve operational efficiency and timing of maintenance activities. The Company's long-term relationship with suppliers helps mitigate risks arising from global price movements and supply chain disruptions.

Regulatory Risks: Holcim Philippines is exposed to the changes in applicable regulations to its business.		The Company is committed to strong regulatory compliance with key functions assigned to ensure requirements are met. The Company also actively monitors the policy environment and maintains regular engagement with key government agencies and stakeholders to anticipate any impact on operations and present its perspective on the implications to the business of relevant regulatory changes.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Holcim Philippines aims to raise awareness and increase opportunities to advance sustainability and innovation in the country by working with partners on circular economy, green energy, sustainable construction materials and solutions. It continuously reviews and optimizes its operations through investing in digital solutions in the supply chain.	Investors and shareholders, direct and indirect employees, customers, end-users, and government	In 2022, Holcim Philippines ramped up messaging and engagements on its intention to accelerate its transformation into a provider of innovative and sustainable building solutions to deliver excellent business results and positive impact to the country. The Company is increasing participation in key public forums and expanding discussions with employees, customers, suppliers, communities, and the government about its sustainability and innovation thrust. It is also implementing its digital roadmap, including ***Plants of Tomorrow***, to improve operating efficiency and customer experience and to promote a safe workplace for all.

As the industry leader in innovative and sustainable building solutions, Holcim Philippines offers a wide range of building products and solutions that respond to the industry's need to make building more sustainable, build smarter, and promote inclusive growth through affordable housing.	Customers, end-users, contractors, government agencies involved in construction and infrastructure development (e.g., Department of Trade and Industry, Department of Public Works and Highways)	A Product Development Committee oversees the development of sustainable and environment friendly products. The Company continuously reviews and expands product and service offerings to include related concrete and construction solutions. It is also developing innovative products and solutions through diversification of its product portfolio while being respectful to the environment, enhancing efficiency, productivity and promoting a sustainable built environment. Holcim Philippines is also taking the lead in educating the market on new construction practices based on international trends.

Climate-related risks and opportunities[2]

Governance Disclose the organization's governance around climate related risks and opportunities	
a) Describe the Board's oversight of climate-related risks and opportunities	Holcim Philippines, being a member of the Holcim Group, aligns its climate policies and strategies with the Group. The local Chief Executive Officer (CEO), who is a member of the Board, oversees the Company's sustainability initiatives. He leads the Executive Committee in ensuring that the Company achieves its sustainability commitments aligned with the Group strategy. The local CEO reports to the Board the progress of the Company's sustainability initiatives. Climate actions embedded in sustainability strategies and targets are cascaded by the Holcim Group to the country Executive Committee. The sustainability initiatives are embedded in the Company's short-, mid-, and long-term development plans and budgets which are translated to performance objectives and local targets. These are monitored at the Group level and are also discussed in the monthly local performance meetings including regional meetings. In 2021, Holcim Philippines appointed a Chief Sustainability Officer who reports to the CEO and leads the Sustainability team to strengthen and accelerate the Company's initiatives towards net zero.
b) Describe management's role in assessing and managing climate-	The Holcim Group has the overall governance and management while its Board of Directors and Executive Committee ensure that the Company achieves its sustainability commitments aligned with the overall strategy.

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

related risks and opportunities	The assessment and management of climate-related issues are led by the Holcim Group. The Group, being a leader in innovative and sustainable building solutions and located across several countries, has a critical role to lead the construction industry in the net-zero pathways with climate targets validated by Science-based targets initiative (SBTi). Holcim Philippines implements the sustainability strategies and initiatives aligned to the Group according to local setting. Holcim Philippines' management team ensures the implementation of the sustainability strategy and its integration to the overall planning and operations. The sustainability strategy and commitments are translated into functional objectives, action plans, milestones, and responsibilities across the operations.
Strategy Disclose the actual and potential impacts[3] of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term and its impact to the businesses, strategy, and financial planning	The Philippines cement industry is associated with high carbon dioxide (CO_2) intensity, and Holcim Philippines is subject to a variety of government regulations. These regulations affect the business activities of the Company. In addition, a perception of the sector as a high emitter could impact its reputation, thus reducing its attractiveness to investors. Being a signatory of the Paris Agreement, the Philippine government has revised and submitted its Nationally Determined Contributions (NDC) for the reduction of carbon emissions, which includes mitigation options for the cement industry such as transition to low-carbon products. This shift entails increase in production of blended cement and introduction of innovative building solutions. Although there are already a number of regulations on the use of blended cement in construction, a push from the government is necessary to increase market adoption and lower the overall cost of innovation. Without incentives to encourage the consumption of low-carbon products, there will be a longer return on investments in sustainable products and solutions and the cement sector's low carbon roadmap might be compromised. Despite the lack of government incentives for the use of low-carbon products, Holcim Philippines has taken the lead in expanding its product range with the introduction of more blended cements like Solido, AquaX and ECOPlanet that have lower carbon footprint but demonstrate the same or better performance as conventional building materials. In parallel, the Company is exerting efforts to educate the market on using the right product for the right application to help reduce the carbon footprint of the overall built environment. Holcim Philippines also developed its own roadmap to reduce its carbon emissions that is aligned with the Holcim Group's net zero commitments. To support the achievement of its roadmap, the Company worked closely with the Climate Change Commission (CCC) in

[3] For this disclosure, impact refers to the impact of climate-related issues on the company.

	the development of the NDC of the Industry sector in line with the Paris Agreement to reduce CO_2 emissions. Collaborating with key stakeholders like the CCC helps accelerate the industry's adoption of more sustainable building materials.
b) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a $2^{o}C$ or lower scenario	The Company aligns its sustainability strategy and targets with the Holcim Group. The Group is the first global building materials company to sign the "Business Ambition for 1.5°C" pledge with intermediate targets in 2030 externally-validated by the SBTi in alignment with the net zero pathway. As of reporting date, Holcim Philippines is on track with its sustainability targets particularly on Climate and Energy.
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks	
a) Describe the organization's processes for identifying and assessing climate-related risks	The Company undergoes an annual Enterprise Risk Management (ERM) process to support strategic decision-making. The ERM is an integrated risk management approach that considers all business objectives and financial and non-financial targets. It takes a forward-looking approach to fit the strategic horizon. All kinds of risks are taken into consideration, regardless of whether these are under the Company's control or not: strategic, climate, sustainability, market, operational, financial, compliance, and reputational risks. The assessment of climate-related risks looks at Holcim Philippines' ability to transition to a low-carbon economy considering a more stringent regulatory framework, changing customer behaviours, required investments in low-carbon technologies and stigmatization of the sector reducing the Company's attractiveness to investors and potential employees. Action plans are reviewed quarterly by management and reported to the Audit Committee. The Company follows the risk management approach of the Holcim Group composed of several stages: **1.** Risk Identification and Analysis: The management assesses and evaluates the potential impact and likelihood of the key risks which could have a material adverse effect on the current or future operation of business. The risk horizon includes long-term strategic risks and short- to medium-term business risks. **2.** Risk Mitigation: The management defines the actions and/or controls to mitigate the risks identified. **3.** Monitor and Reporting: Regular progress on the action and/controls are followed up by risk leaders at country level and reported to the Group. **4.** Verification and Remediation: Internal Control Audit performs assessments of the effectiveness of the risk assessment process. The Group Internal Audit also performs independent assessment of the effectiveness of Internal Control.
b) Describe the organization's processes for	Since cement manufacturing is resource- and energy-intensive and contributes to carbon emissions, these are the priority areas for reducing environmental impact.

managing climate-related risks	The Holcim Group sustainability strategy addresses carbon emission and climate challenges in the construction value chain. It is divided into short- and long-term actions. These actions are cascaded to the country management by the Group. Short-term actions: **i.** improved clinker production technology; **ii.** higher usage of alternative fuels and alternative raw materials; **iii.** optimization of the cement portfolio with lower carbon footprint; **iv.** optimization of the concrete product portfolio; and **v.** increase share of solutions and products with favorable carbon impact Long-term actions that are focused on innovation and research and development: **i.** carbon capture solutions and alternative clinker; **ii.** decarbonized fuel and energy; **iii.** low-carbon cement; **iv.** low-carbon concrete; and **v.** ultimate construction methods to reach low-carbon construction. Holcim Philippines also engages proactively and transparently with external stakeholders based on positions that are aligned and consistent with the goals of the Paris Agreement.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Responsibilities and key actions to address specific climate-related risks and opportunities are clearly defined in the ERM process. It follows the underlying principle that risk management is a line management responsibility.
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	The Company's sustainability strategy is divided into four pillars namely: 1. Climate and Energy 2. Circular Economy 3. Nature / Environment 4. People and Communities **Climate and Energy:** Holcim Philippines measures its climate goals in terms of reduced net CO_2 emissions (measured in kilograms of CO_2 per tonne of cementitious material, or kg CO_2/tonne). The Company's emission targets are aligned with and contribute to the Group's target of

	475 kg/t by 2030. The CO_2 calculation is aligned with the international CO_2 protocol established by the Cement Sustainability Initiative (now Global Cement and Concrete Association). **Circular Economy:** The Company promotes a circular economy and follows the circular economy's three principles of Reduce, Reuse and Recycle to build more with less and preserve ecosystems. Initiatives on circular economy are measured based on the total volume of waste-derived resources (metric tons) co-processed in cement kilns as alternative fuel or raw material and used as mineral components (MIC) or additives in cement products. Examples of waste-derived resources are fly ash and slag used as MIC and industrial wastes used as alternative fuel or raw material. **Environment:** The Company is committed to becoming a nature-positive company. Holcim Philippines aims to replenish freshwater in water-risk areas while lowering water intensity across all product lines to preserve water resources across its business. Reduction targets are set on freshwater withdrawal and measured by liters of freshwater per ton cementitious product. This is conducted through accurate measurement of the Company's water footprint and implementation of continuous improvement at production sites such as maximizing rainwater harvesting and optimizing site processes. The Company is also committed to zero water pollution where water discharged meets Holcim Group water quality standards and country regulations. Freshwater replenishment is also a commitment with a target to be water positive in water risk areas by implementing water programs beyond Holcim Philippines' fence. **People and Communities:** The Company respects human rights and empowers people and communities to build a better future. It creates shared value with the communities where it operates. For this pillar, the total number of people benefitting from community programs and investments are measured. Additionally, a comprehensive human rights assessment process is in place and conducted regularly.
b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	The Holcim Group was the first global building materials company to sign the *Business Ambition for 1.5°C* pledge with intermediate targets in 2030 approved by the Science-Based Targets initiative (SBTi) in alignment with the net zero pathway. Holcim Philippines aligns its sustainability strategy and targets with the Group. The company has set targets on each pillar: 1. Climate and Energy: reduce specific CO_2 emission to 475 kgCO_2/ton cem by 2030 using the 1990 baseline 2. Circular Economy: double the use of waste-derived resources in operations by 2030 using the 2020 baseline 3. Environment: reduce specific freshwater withdrawal to 131 liters per ton cementitious by 2025 and be water positive by 2030

	4. People and Communities: assist 1.6 million beneficiaries from 2020 to 2030

a

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers		
- Holcim Philippines, Inc.[a]	79	%
- Geocycle Philippines[b]	100	%

[a] *Holcim Philippines Procurement handles the purchase of raw materials and spare parts for equipment and other logistical equipment for Geocycle.*

[b] *Geocycle Procurement handles the purchase for alternative fuel requirements (AFR).*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Holcim Philippines mostly procured from local suppliers in 2022. This provided the Company the following advantages: ● Shorter lead time; ● Lower shipping costs; ● Allows for lower inventory; and ● Easier management and communication with suppliers.	Employees, suppliers, and contractors	Holcim Philippines procures general hardware, equipment, consumables, and raw materials from local suppliers subject to quality and compliance parameters. However, there are certain equipment and parts which need to be procured from Original Equipment Manufacturer (OEM) and Original Parts Manufacturer (OPM) for operational safety and efficiency.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Procuring from local suppliers also entails risks. Some local suppliers (repair and maintenance services) lack the technical capabilities to perform the job which limits the number of resources available locally. There is also the risk of being supplied with non-genuine, sub-standard parts. Some suppliers may not be fully compliant with government laws	Employees, suppliers and contractors	Holcim Philippines mitigates the risks by dealing only with local authorized distributors as validated by the original equipment manufacturer and original parts manufacturer. It also reviews suppliers' performance and track record in and out of the Company. Furthermore, Holcim Philippines performs regular evaluation of new

and regulations as well as the Company's directives and sustainability initiatives.		and current suppliers based on Code of Business Conduct for Suppliers, Occupational Health and Safety, Human Rights and Labor, Environmental Systems, and Legal requirements which are the focus areas of its Sustainable Procurement Initiative (SPI). The Company provides a self-assessment questionnaire to the suppliers and they are assessed by Dun and Bradsheet (D&B), Holcim Philippines' partner in assessing the eligibility of vendors.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Holcim Philippines recognizes the opportunity to push its sustainability agenda in the Supply Chain. It involves suppliers in sustainability objectives and encourages their management to adopt the same or similar standards for sustainable development.	Suppliers and contractors	The Company involves suppliers by educating and informing workers of their rights, including contractors in our health and safety related programs, conducting technology transfer, and implementing the SPI.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
- Holcim Philippines (including Geocycle Philippines)[a]	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100[b]	%

[a] *Figure includes the suppliers that are part of Holcim Philippines's 80% top spend in 2022.*

[b] *All new employees of Holcim Philippines are provided with anti-corruption training upon onboarding. For 2022 medium- and high-exposed employees were enrolled in a mix of online learning modules and face-to-face training based on a multiyear training plan.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Holcim Philippines conducts its business with utmost integrity. The Company practices zero tolerance on corruption in private and public relations and its policies are aligned with global standards on ethical business conduct. Training and communications have been effective in building a culture of doing business with Integrity.	Employees, communities, government, suppliers and service providers	Communications of the policies under the Holcim Code of Business Conduct (CoBC) are made annually through messages from the Chief Executive Officer (CEO), infographics, email reminders, posters and other modes of communications are utilized. The Company also uses its intranet called Holcim Connect for communications and reminders on policies and directives. All new employees receive introductory training on the CoBC which emphasizes the Anti-Bribery and Corruption (ABC) Directives of the Company. The Company's compliance program determines employees' level of exposure and from which develops a training method and cycle for their continuous training. In 2022, medium- and high- exposure employees were enrolled in the online anti-bribery and corruption learning modules. For the senior management, an annual workshop-format training facilitated by the Regional Compliance Officer was held, fostering greater participation, and sharing of actual and practical experiences in daily operations, as well as best practices which helped the Company navigate related issues. For suppliers, the Company's zero-tolerance on Bribery and Corruption is clearly stated in its Supplier Code of Business Conduct which is not only communicated to suppliers but is also referred to and included in Supplier and Service Contracts. The Company's contracts with suppliers have a provision on the ABC Directive.

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Holcim Philippines' zero tolerance for corruption faces challenges in terms of maintaining a culture of compliance, ensuring the consistency of the "Tone from Top" and guaranteeing good practices are exercised by exposed employees in their functions. The lack of training and communications on anti-corruption policies and directives may result in inadequate emphasis on building a culture of business integrity. This problem poses risks of exposure to private and public bribery and corruption incidents which may put the Company at risk of violation of anti-bribery and corruption laws and policies.	Employees, shareholders, communities, government, suppliers and service providers	Holcim Philippines subscribes to the CoBC in pursuit of building business with Integrity. The ABC Directive is among the pillars of the CoBC. It offers guidance and provides examples to help the Company and its employees handle challenging situations in daily operations. Aside from the ABC Directive, the Code includes directives on Anti-Retaliation, Gifts, Hospitalities, Entertainment and Travel Policy, Fair Competition, and Conflict of Interest. The Local Compliance Officer (LCO) is primarily responsible for the management, implementation, and oversight regarding ethics- and compliance-related policies. In support of the LCO and, under the Holcim Group Directives, the General Counsel and the CEO remain the principal officers and drivers responsible for ensuring the "Tone from Top" for business integrity always persists.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company's Legal and Compliance team's efforts to develop and strengthen the culture of doing the right thing have gained support and collaboration from all functions and its partners. This has led to recognition of Holcim Philippines as a company that upholds business integrity.	Employees, shareholders, communities, government, suppliers and service providers	The Company explores various means of communicating and teaching to effectively reach all stakeholders.

Incidents of Corruption

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

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Which stakeholders are affected?	Management Approach
Holcim Philippines has recorded zero incidents of corruption in 2022.	Employees, communities, suppliers and service providers	All incidents of corruption are treated seriously, and investigations are instituted and completed leading to resolution or administrative action. The Company's Code of Discipline called the *Holcim Philippines Way* is the basic guide to conducting administrative investigations whenever corruption involves officers or employees of the Company.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
A challenge identified in upholding the Company’s integrity and compliance is the presence of corruption risks in employee interactions with external parties (e.g., customers, communities, local government, permits and licensing offices, etc.). Checks and balances should be constantly reviewed and reinforced to incorporate needed adjustments based on previous incidents.	Employees, shareholders, communities, suppliers and service providers	The Company has a five-element compliance program for anti-corruption which includes risk assessment, controls, training and communications, monitoring and follow-up, and organization and governance. The Company initially identifies and assesses its exposure to risks of bribery and which functions are exposed to the identified risks. After this step, existing controls are reviewed, assessed, modified and implemented to address the risks. Holcim Philippines also believes that training and communications play a vital role in ensuring that the policies and directives are understood and provide sufficient guidance in all levels of the organization. Monitoring and persistent follow up using tools and scheduled reviews are also implemented to check risks and controls and the effectiveness of communications and training. Lastly, governance and a consistent tone from top are among the most important tools used by the Company. Matters and issues on ethics and compliance are discussed

		during the Audit and management meetings.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company has a whistleblower platform called the Integrity Line under the Holcim Compliance Reporting Directive. Employees and third parties may report through the toll-free number: 080038393839 or the online platform https://integrity.holcim.com/ The Integrity Line enables anyone to report concerns in good faith or to ask for further advice on any integrity or compliance issue. This way, stakeholders are encouraged to speak up and report any possible, imminent, or actual violation of policies on the CoBC.	Employees, communities, suppliers and service providers	The Company does not tolerate retaliation against any employee who reports a concern in good faith. Individuals who take action against a person for raising a concern or participating in an investigation will be subject to disciplinary action, up to and including termination of employment. Identities of anyone who reports through the Integrity Line remain anonymous and protected under the Holcim Compliance Policies. Internal audits both local and at Holcim Group level are periodically performed to check controls and directives implemented to address the risks and cases of possible corruption practices. In addition, the Holcim Group and the Company also employ external auditors to annually review and ensure that there are sufficient oversight and control mechanisms in all functional areas of the Company. The Company annually reviews the internal audit findings and shares best practices to develop more controls and effective training and communications to create a culture based on business integrity and doing the right thing.

ENVIRONMENT

Resource Management

Energy consumption within the organization

Disclosure	Quantity	Units
Energy consumption (traditional fuel)	10,633	GJ
Energy consumption (alternative fuel)	2,765	GJ
Energy consumption (diesel)	4,024,568	L
Energy consumption (electricity)	568,690	MWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy consumption (traditional fuel)	3,232	GJ
Energy consumption (alternative fuel)	0	GJ
Energy consumption (diesel)	0	L
Energy consumption (electricity)	51,759	MWh

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Holcim Philippines' operations include the production of cement which is an energy-intensive process. The Company is continuously improving energy efficiency to reduce the carbon intensity of products and lower production costs. It is critical for the Company to lessen its environmental impact, operate sustainably, and lessen energy costs.	Employees, community, suppliers and service providers	The Company has energy management processes to ensure high performance in energy consumption and cost, sustainable operations, and continuous improvement. For each integrated cement plant, thermal and electrical energy Reference Values (RV) are determined and embedded in the business process. The Energy Management Process is built around the energy RVs and includes adaptation of RVs for benchmarking, budgeting, and target setting, gap analysis by process audits and corresponding action plan, follow up and roadmap to minimize and ultimately close the gap. Beyond closing the gap versus the RVs, the Company also looks at potential reduction through: ● Efficient production planning by improving production rates; ● alternative raw material use; ● equipment modification; ● process optimization (i.e., grinding aid optimization); and ● digitalization Electrical energy consumption is monitored by total and specific electrical energy consumption (SEEC) in kWh/ton cement while thermal energy consumption is specific thermal energy consumption (STEC) in MJ/ton clinker. These data are linked to the Company's centralized

		Technical Information System (TIS) for real-time monitoring. In 2022, the Company also implemented a power program which included an "Energy Treasure Hunt" to engage all employees to save energy and reduce emissions. Key energy efficiency projects in the production process were also identified such as compressed air and idle run management to reduce energy consumption and resulted in savings of 1,400 MWH.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
High energy costs and unstable supply of raw materials are risks that may impact operations. Additionally, sustainability of supply of alternative fuels may be affected by proposed legislation that bans importation of certain types of these materials.	Employees, community, suppliers and service providers	To ensure continuous supply of power to sites, the Company has long-term contracts with service providers. As for coal and fuel, supply is secured annually. Increase in usage of alternative fuels is also implemented through Geocycle to reduce reliance on traditional fuels, lower cost, and contribute to the Company's CO_2 footprint reduction.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Holcim Philippines is committed to explore alternative energy supplies to lessen its environmental impact.	Employees, community, suppliers and service providers	The use of alternative fuels through Geocycle is strongly being pursued to reduce fossil fuel consumption. The Company has partnered with different companies and local governments to use their qualified wastes as alternative fuel in operations through co-processing technology. In 2022, Holcim Philippines converted 941,000 tons of qualified materials such as biomass and industrial and municipal wastes into alternative fuels and raw materials.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal (freshwater)	551,995	Cubic meters
Water consumption (freshwater)	495,954	Cubic meters
Water recycled and reused (rainwater + cooling water)	588,261	Cubic meters
Water discharged	56,001	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
While the construction material industry is not water intensive, Holcim Philippines still considers water as an essential resource that needs to be sustainably managed.	Employees, community, suppliers and service providers	Holcim Philippines has established a water-positive roadmap aligned to the Holcim Group's 2030 targets. The three main levers are reduction of freshwater withdrawal, achievement of zero water pollution, and water positivity by 2030. The Group is working to reduce its freshwater withdrawal by 50% from the 2022 baseline and achieve water positivity by 2030. Water positivity means the volume of freshwater given back to the community through water replenishment projects such as watershed restoration, water for productive use and water for sanitation and hygiene (WASH) projects is higher than the company's freshwater withdrawal. The Company shall sustain its compliance to water quality discharge and aims to achieve zero water discharge by 2025. Holcim Philippines implements the following actions to ensure the sustainable management of water resources and reduce the impact of our operations: ● Measurement of operational water footprint;

		- usage management through improvement of plant efficiency by water recycling, rainwater harvesting and stormwater management. This also includes automation of water systems to optimize use especially for cooling systems and regular maintenance of infrastructures to prevent leakages; - evaluation and mitigation of water-related risks; and - identification of opportunities to make positive contributions on water resources and ecosystems such as engagement with stakeholders on efficient and effective use of water, provision of supply infrastructures to communities especially in water-scarce areas and other programs for replenishment to achieve water positive targets. In 2022, the Company reduced by 50% its specific freshwater withdrawal compared to 2021 with a significant volume of water used from rainwater harvesting facilities.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
The increasing demand for water brought about by population growth, urbanization, and industrialization would lower the supply and cause its price to rise.	Employees, community, suppliers and service providers	Holcim Philippines implements efficiency measures to lessen withdrawal of fresh water. Cooling of equipment requires the most water in operations. Hence, plants are equipped with a water recycling system, a close-loop system to reuse cooling water. The water withdrawn by the plants are considered as make-up water

		for spraying and domestic usage in the daily operations. Rainwater harvesting is also practiced in La Union, Bulacan, and Misamis Oriental and will be implemented across all production sites to lessen freshwater withdrawal. Watershed characterization and georesistivity studies were conducted for groundwater assessment to ensure sustainable sourcing of water. Replenishment programs in water risk areas shall be implemented to achieve water positive targets.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Holcim Philippines shares water resources with nearby communities, pushing it to be more efficient in utilizing water resources for our operations.	Employees, community, suppliers and service providers	Aligned with the Holcim Group's, the Company's target is to reduce freshwater withdrawal and consumption by maximizing harvested rainwater. Continuous improvement of plant water systems such as increasing the recycling efficiency rate to lessen freshwater withdrawal is also being done . Water discharged is also compliant to Holcim water quality standards and local regulations.

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
a. Waste-derived materials	941,319	Tons
b. Non-renewable materials	7,800,288	Tons
Percentage of recycled input materials used to manufacture the organization's primary products and services	11	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Cement production is a resource-intensive process utilizing raw materials such as limestone, silica, and shale to produce clinker, the main ingredient of cement. Mineral components such as pozzolan, limestone, fly ash, and	Employees, community, suppliers and service providers	Producing blended cement which has a lower clinker component is one of the main drivers in lowering the Company's consumption of raw materials such as limestone.

slag are added to the limestone to produce cement. Gypsum is also added as a cement retarder. Holcim Philippines sources most of its raw materials from associate company Holcim Mining and Development Corp. (HMDC) and its subsidiaries. Meanwhile, the mineral components are sourced from various suppliers.		As an alternative, Holcim Philippines utilizes waste-derived resources as cement additives such as fly ash and granulated blast furnace slag (GBFS) and synthetic phosphogypsum. These materials are by-products of other industrial processes. Other alternative raw materials such as contaminated soil or bottom ash are also utilized in producing clinker.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
The sustainable supply of raw materials, especially mineral components, remains to be at risk since these are non-renewable resources.	Employees, suppliers and service providers	Holcim Philippines promotes the production of more blended cement with lower clinker content. Quality control is essential to clinker optimization, so more cement additives are added while improving strength. Alternative raw materials are also utilized for clinker production to reduce usage of natural resources such as limestone. Partnerships are developed with coal power plants, steel manufacturers, and other industries or suppliers to collect their by-products that can be utilized in cement production and support a circular economy.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Holcim Philippines is shifting towards more waste-derived resources to reduce use of virgin raw materials mined from quarries.	Employees, suppliers and service providers	One of the Company's sustainability targets is to increase the use of waste-derived resources in support of a circular economy. The Holcim Group targets to increase reuse of waste-derived resources by 100 million metric tons in 2030. The Company recognizes that natural resources are finite and so the future of construction should shift from the traditional approach of take-make-waste to reduce-reuse-recycle. In 2022, the Company utilized 941,000 tons of reused waste, a 20% increase from 2021. By reducing, reusing and recycling materials,

		decarbonization is also achieved to transition to net zero. Furthermore, the Company has stepped up external engagements to highlight the environmental benefits of circularity in the construction industry. These are meant to drive enabling policies and wider public support for circularity in construction and introduction of more innovative building solutions that utilize waste-derived resources.

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

Disclosure	**Quantity**	**Units**
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	#
Habitats protected or restored	N/A	ha
IUCN[4] Red List species and national conservation list species with habitats in areas affected by operations	N/A	

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
This is not considered as a material topic for Holcim Philippines.		
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
This is not considered as a material topic for Holcim Philippines.		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
This is not considered as a material topic for Holcim Philippines.		

Environmental Impact Management

Air Emissions

GHG

Disclosure	**Quantity**	**Units**
Direct (Scope 1) GHG Emissions	3,228,402	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	392,463	Tonnes CO_2e
Emission of ozone-depleting substances (ODS)	N/A	Tonnes CO_2e

[4] International Union for Conservation of Nature

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The main greenhouse gas (GHG) emission of cement operation is CO_2. The main sources are from the calcination process of limestone, the major component of clinker, and the combustion of traditional fossil fuels such as coal in clinker production. Limestone ($CaCO_3$), when heated at extremely high temperatures, is broken down into CaO and CO_2 as emissions.	Employees, community, suppliers and service providers	Holcim Philippines monitors its GHG emission and has set targets to reduce its CO_2 output as aligned with the Holcim Group target. In terms of reporting, the CO_2 protocol or CO_2 and Energy Accounting and Reporting Standard for the Cement Sector is followed and established by the Global Cement and Concrete Association (GCCA). The protocol is based on the Intergovernmental Panel on Climate Change (IPCC) Reporting Protocol, and the Greenhouse Gas Protocol designed by the World Business Council for Sustainable Development (WBCSD) and World Resource Institute (WRI). CO_2 reporting is done monthly, discussed in management meetings, and monitored by the Holcim Group. The Company monitors the following parameters for CO_2 emission reporting: ● Clinker production volume; ● Cement production volume; ● Fuel consumption (traditional fuel) and chemical analysis; ● Alternative fuel and raw material (AFR) consumption; ● Clinker factor (clinker content of cement); ● Specific thermal energy consumption (STEEC); and ● Electrical energy consumption (SEEC)
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
The supply of alternative fuels and waste-derived resources like fly ash and slag is still limited.	Employees, community, suppliers and service providers	The Company continues to explore new sources and industry partners to increase the supply of acceptable alternative fuel materials. The Company also supports regulations allowing importation of alternative fuels to address local supply limitations.

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<u>Scope 1 Emissions:</u> *Low-carbon cement* The Department of Trade and Industry's amendment of the Philippine National Standard (PNS) on Portland Cement promotes the use of different types of mineral components such as slag and fly ash from waste-derived resources to produce blended cement for different construction applications. <u>Scope 2 Emissions:</u> Shift to renewable energy and cleaner fuels <u>Scope 3 Emissions:</u> Monitoring system for Scope 3 emission with reduction targets identified and aligned with Holcim Group strategy	Employees, community, suppliers and service providers	Holcim Philippines targets to reduce its CO_2 emission to 475 kg CO_2 per metric ton of cementitious product by 2030. This is aligned with the Holcim Group target as validated by the Science-Based Targets initiative (SBTi). The Company's initiatives are to: **1. Increase clinker substitution** Clinker is replaced with alternative mineral components such as fly ash or slag, which are waste-derived resources from other industries, to produce blended cement. Blended cement has a lower carbon footprint compared with ordinary portland cement (OPC). ***Holcim Solido***, a blended cement product launched in 2018 is an alternative to OPC for road and building constructions with up to 20% lower CO_2 footprint than OPC. ***Holcim Excel***, a general-purpose cement on the other hand, has a 20-25% lower CO_2 footprint than OPC. In addition, the ***Holcim Wallright*** masonry cement has the lowest CO_2 footprint, 35% lower compared to OPC. In 2022, Holcim Philippines reduced its specific CO2 per ton cementitious product from 2021 by 7% with the reduction of clinker content of cement products particularly with the production of ECOPlanet, its most environment-friendly product with more than 30% lower carbon footprint than OPC. ECOPlanet is a global range of green cement developed by the Holcim Group. The Company offers ECOPlanet as a general purpose blended cement ideal for structural applications that

		delivers equal to superior construction performance while lowering the carbon footprint of buildings. This product is made available in tonner and 40-kilogram paper and plastic bags. The Philippines is among the first markets where ECOPlanet is available. The Company also launched AquaX in 2021, another blended cement and the first water-repellent cement in the Philippines. It is specially designed to make the mortar and concrete more durable against possible water. 2. **Increase use of alternative fuel** Using pretreated waste and low-carbon fuels is another way to reduce the carbon intensity of cement. Such alternative fuels emit less CO_2 than traditional fuels. Other sources, such as biomass are considered carbon neutral. Using these alternative energy sources also diverts waste from landfills, providing a solution to waste management issues, and helps in keeping fossil fuels in the ground. In 2022, the Company increased its replacement of traditional fossil fuel with alternative fuel by 8% compared to 2021. 3. **Improve energy efficiency and shift to renewable energy sources (Scope 2):** Improving energy efficiency through process optimization, digitalization, and replacement of least-energy efficient equipment or technology are being implemented. By 2024, 15% of the Company's Luzon plants will be powered by solar energy. **For Scope 3 emissions, main levers for reduction are:**

		• Increasing offshore transactions as this accounts for the lowest CO2 emission under network optimization; • potential use of biofuel trucks for material transport; • continuous improvement on route optimization through transport analytics; and • increasing payload optimization up to acceptable load safety requirements as regulated by law.

Air Pollutants

Disclosure	Quantity	Units
Nitrogen oxides (NO_x at 10% O2)		
Bulacan Plant	528	mg/Nm^3
La Union Plant	403	
Lugait Plant	95	
Davao Plant	244	
DENR Regulatory Limit	**1,000**	
Sulphur oxides (SO_x at 10% O2)		
Bulacan Plant	24	mg/Nm^3
La Union Plant	45	
Lugait Plant	8	
Davao Plant	3	
DENR Regulatory Limit	**1,500**	
Particulate Matter (PM 10 at 10% O2)		
Bulacan Plant	25	mg/Nm^3
La Union Plant	20	
Lugait Plant	23	
Davao Plant	48	
DENR Regulatory Limit	**150**	
Carbon Monoxide (CO at 10% O2)		
Bulacan Plant	190	mg/Nm^3
La Union Plant	123	
Lugait Plant	269	
Davao Plant	197	
DENR Regulatory Limit	**500**	
Persistent organic pollutants (POPs) • PCB-contaminated transformers	N/A	kg
Volatile organic compounds (VOCs at 10% O2)		
Bulacan Plant	9	mg/Nm^3
La Union Plant	3	
Lugait Plant	13	
Davao Plant	0.4	
DENR Regulatory Limit	N/A	

Hazardous air pollutants (HAPs)	N/A	kg
Dioxins/Furans		
Bulacan Plant	0	ng/M^3
La Union Plant	0.00007	
Lugait Plant	0.003	
Davao Plant	0	
DENR Regulatory Limit	0.1	

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Air emissions are one of the key environmental impacts of cement production. The Company monitors and manages its emissions from point sources and fugitive sources.	Employees, community, suppliers and service providers	Holcim Philippines' integrated plants are equipped with a Continuous Emission Monitoring System (CEMS) to measure and monitor major atmospheric emissions such as dust or particulate matter, NOx, SOx, VOC, and CO. The Company ensures 100% compliance with regulatory requirements including Holcim Group's standard. Holcim Philippines aims for 100% availability of its CEMS through regular maintenance and annual calibration by a third-party. The Company also conducts external monitoring through the following: ● Multi-partite monitoring with a team composed of representatives from the local government, community, non-government organizations and Department of Environment and Natural Resources (DENR)-Provincial/City Environment and Natural Resources Office which conducts quarterly monitoring and witnesses ambient monitoring. ● Annual testhouse measurements at point sources conducted by a third-party service provider through stack sampling and

		testing in all plants to validate the results from the CEMS. Plants also provide information on heavy metals emissions including levels of dioxins and furans during testing. • Quarterly ambient air monitoring (area sources) through the engagement of a DENR-accredited third-party laboratory to conduct quarterly monitoring for self-monitoring.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
In the long run, there may be stricter regulatory limits for air emissions in the Philippines.	Employees, community, suppliers and service providers	The Company continuously improves its air emissions management through process optimization and emission control techniques. Its plants are equipped with electrostatic precipitators (EP) and baghouses to manage dust or particulate matter emission. Continuous improvements on thermal processes through optimization to effectively manage NOx, VOCs, and CO are implemented. Strict quality controls are in place for raw materials, fuels and AFR to manage SOx and heavy metals and other emissions.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company is committed to significantly reduce its air emissions below the regulatory limits.	Employees, community, suppliers and service providers	Dust abatement projects are continuously being implemented. From 2021 to 2022, Holcim Philippines spent around Php 48 PHP on dust abatement projects and installation of additional Continuous Emission Monitoring System (CEMS) at cooler stacks. The Company will continue to invest in the proper technology and processes to ensure proper and efficient operation of our air pollution control facilities.

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units

Total solid waste generated	425,770	kg
Reusable	0	kg
Recyclable	41,402	kg
Composted	86,556	kg
Incinerated	0	kg
Co-processed	271,830	kg
Residuals/Landfilled	25,982	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Holcim Philippines follows proper management and disposal of wastes in its sites, in compliance with regulatory requirements.	Employees, community, suppliers and service providers	It is critical to have an effective solid waste management system to comply with environmental regulations such as Ecological Solid Waste Management Act (R.A. 9003), and to mitigate environmental impacts and reputational risks. Holcim Philippines follows the waste management hierarchy which prioritizes waste avoidance, reduction, re-processing, and recycling. The materials at the plants that can be recycled are sold to accredited scrap buyers while some of the wastes are composted when applicable, and the rest are sent to Geocycle for co-processing. These practices are included in the Company's waste management protocols which are strictly being implemented in the sites. In areas with no nearby co-processing facility, the wastes are collected by the municipality or barangay. Almost all integrated cement plants practice zero-landfill and manage their residual wastes internally through co-processing technology.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Having employees and contractors who do not follow proper waste management protocols may result in non-compliance with environmental regulations and reputational risks.	Employees, community, suppliers and service providers	Holcim Philippines conducts proper waste management campaigns utilizing rewards and consequence management to promote a positive change in behavior among employees and contractors.

		In 2022, the Company extended the proper waste management campaign to customers as part of initiatives to expand engagements focused on Safety, Health and Environment.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Geocycle is the Company's sustainable waste management solutions business. Geocycle can receive non-recyclable wastes from the industries, local governments, and agriculture sector and convert these to alternative fuels using co-processing. This helps provide environmentally sound solutions to customers in treating their wastes and contributes to lowering Holcim Philippines' carbon footprint.	Employees, community, suppliers and service providers	Geocycle uses co-processing technology. It is a safe and secure method of waste management recognized by the environmental authorities. Waste materials are pre-processed to transform these to alternative fuel and co-processed at temperatures ranging from 1,200°C to 2,000°C and a long residence time. These high temperatures and long residence time ensure the total treatment of wastes through thermal oxidation. High temperatures and availability of oxygen likewise avoid the formation of dioxins and furans. Geocycle collects wastes from industries and local governments for conversion to alternative fuel or alternative raw material. Wastes are managed by diverting these from traditional disposal facilities like landfills and dumpsites. Geocycle has clients in various sectors, including agriculture, chemicals, consumer goods, construction, transportation, petroleum, pharmaceuticals, and food processing, among others. Processed waste include hazardous chemicals like paint and oil, rubber waste, agricultural by-products and other materials that can no longer be reused or recycled. Geocycle adheres to strict standards in qualifying wastes for pre-processing and use of

		alternative fuels and alternative raw materials for co-processing, ensuring it complies with health, environmental, safety and product quality regulations and Company standards. As part of the Company's commitment to a circular economy, it launched in July 2022 the Circular Explorer, a solar-powered catamaran that will recover plastics from Manila Bay for recycling and/or co-processing. It will also serve as an educational platform to promote awareness on plastic pollution and as a marine research vessel in partnership with UP Marine Science Institute.

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated		
Used oil	122,942	L
Busted bulbs	522	pcs
Batteries	168	pcs
Empty ink cartridges	57	kg
Electrical and electronic equipment	207	kg
Empty containers (i.e paint, chemicals)	5226	kg
Paint/Oil contaminated materials	3,056	kg
Total weight of hazardous waste transported	102	tons

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Holcim Philippines practices proper management and disposal of hazardous wastes in its sites, in compliance with regulatory requirements.	Employees, community, suppliers and service providers	The plants are equipped with proper hazardous storages according to the requirements of Hazardous Wastes Act (R.A. 6969). Plants mostly generate used oil and grease and oil-contaminated materials. These materials are co-processed through Geocycle. The used oil generated is reduced through proper

		maintenance of equipment. Other wastes generated such as batteries, busted bulbs, empty ink cartridges, and electronic equipment that cannot be co-processed are treated and disposed through third-party DENR-accredited treatment, storage, and disposal (TSD) facilities.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Improper management of hazardous wastes could lead to notice of violations, fines, and reputational risks.	Employees, community, suppliers and service providers	Continuous improvements are being implemented on handling and storage. Internally-generated hazardous wastes such as used oil are co-processed in the Company's own cement kilns.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Holcim Philippines aims to continuously improve its hazardous waste management.	Employees, community, suppliers and service providers	Annual internal and external audits are done to monitor compliance.
Holcim Philippines contributes to providing solutions in properly managing and disposing hazardous waste from external sources.	Employees, community, suppliers and service providers	The integrated cement plants located in La Union, Bulacan, Misamis Oriental and Davao have valid permits such as TSD permit for its co-processing facilities.

Effluents

Disclosure	Quantity	Units
Total volume of water discharged	56,001	Cubic meters
Percent of wastewater recycled	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company produces minimal effluent and facilities are already in place to manage the effluent in compliance with the Clean Water Act (Republic Act 9275).	Employees, community, suppliers and service providers	The plants generally have no wastewater discharge from operations. However, water run-off such as rainwater may be contaminated with material such as cement spillages contributing to high total suspended solids (TSS) and/or pH levels. Plants are equipped with pollution control facilities such as siltation ponds to manage effluent and surface run-off. The root causes of spillages are also addressed, and

		regular housekeeping is also being done. Treatment facilities for sewage, grease traps for removal of grease/oil, and oil/water separators for oil storage run-off and septic tanks are also installed at sites. The main industrial wastewater parameters being monitored in cement plants are temperature, pH and TSS according to the Environment Management Bureau's Department Administrative Order 2016-08.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
There is a risk of spill or leakage in our sites.	Employees, community, suppliers and service providers	The sites have a site spill pollution program where all sources of spill or leakages are identified, and containment systems are in place. Proper storages for material and oil are in place with secondary containment. Regular audits are conducted for continuous improvement. Pollution control facilities are also in place such as siltation ponds and oil-water separators as a containment system in case of spills. Proper work instructions to prevent spills are also in place which includes an emergency spill plan.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company utilizes rainwater to minimize effluents and water withdrawals from freshwater and groundwater sources.	Employees, community, suppliers and service providers	Holcim Philippines targets to increase consumption of harvested rainwater and raise the water recycling efficiency rate in its operations.

Environmental Compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	85,990	Php
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	2	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Holcim Philippines' environmental policy, aligned with the Holcim Group Global Framework, aims to go beyond compliance with relevant laws and regulations. The Company is committed to improving the affected environments in which it operates to create sustainable sites for our stakeholders.	Employees, community, suppliers and service providers	Environmental compliance is mandatory for the Company to manage and reduce its environmental impact and associated reputational risks. Environmental key performance indicators are set in each plant to monitor and improve environmental performance and ensure full compliance. The plant manager per site is responsible for ensuring compliance to existing environmental regulations. A designated pollution control officer reports to the plant manager and works closely with the sustainability manager to monitor environmental performance and implement improvement actions. The sustainability manager cascades and ensures implementation of the strategies and directives from the Group in all the sites. Active stakeholder engagements with environmental regulatory bodies are also being conducted to anticipate changes in policies that may affect operations.
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Non-compliance with environmental laws and regulations can lead to environmental fines and negatively impact reputation.	Employees, community, suppliers and service providers	Regular site inspections and audits are conducted to ensure compliance. Mandatory environmental training up to supervisory level is conducted internally to cascade regulatory requirements and capacitate employees for environmental impact assessment. Environmental incidents are reported in a centralized online system to monitor implementation of corrective actions.

		Management monitoring of permits and licenses is in place and led by the Legal and Compliance Department. Status is reported regularly in management meetings.
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The Company's integrated plants and cement grinding plants are ISO 14001:2015 (Environmental Management System) certified, ensuring proper management of its environmental risks and impacts. Holcim Philippines conducts business consistent with sustainable development principles and aims to continuously improve environmental performance to protect the environment and make positive contributions to nature and society.	Employees, community, suppliers and service providers	Holcim Philippines' commitment towards environmental management is to: ● ensure compliance with environmental laws, local regulations and standards applicable to its products and operations; ● assess and measure its environmental impacts and continuously improve to promote best practices in the cement industry; ● ensure that all environmental impacts and risks are effectively managed and mitigated ● optimize the use of resources through reusing, recovering and/or recycling waste materials in own production process; and ● engage proactively with stakeholders and cooperate proactively with legislators and regulators. Going beyond regulatory compliance, the Company voluntarily reports its CO_2 emissions and has set ambitious targets to reduce these. In terms of other air emissions, Holcim Philippines has set internal targets even lower than the regulatory limit. For example, for dust or particulate matter, the Company has set 50 mg/Nm^3 as a benchmark vs. 150 mg/Nm^3 local standard.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee Data

Disclosure	Quantity	Units
Total number of employees[5]	1,036	#
a. Number of female employees	197	#
b. Number of male employees	839	#
Attrition rate[6]	15.36	%
Ratio of lowest paid employee against minimum wage	1:1	Ratio
Total number of workers through contractors	**2,578**	#
a. Number of female workers	**159**	#
b. Number of male workers	**2,419**	#

Employee Benefits

List of Benefits	**Y/N**	**% of female employees who availed for the year**	**% of male employees who availed for the year**
SSS	Y	22%	22%
PhilHealth	Y	3%	2%
Pag-IBIG	Y	11%	21%
Parental leaves	N		
- Paternal Leave	Y	7%	4%
- Maternity Leave	Y	5.65%	0.00%
- Solo Parent Leave	Y	3.48%	0.11%
Vacation leaves	Y	92%	112%
Sick leaves	Y	54%	52%
Medical Benefits (aside from PhilHealth)	Y	100%	100%
Housing assistance (aside from Pag-IBIG)	Y	2%	1%
Retirement fund (aside from SSS)	Y	2%	7%
Further education support	Y	3%	20%
Company stock options	N		
Telecommuting	Y	57%	10%
Flexible-working Hours	N		

[a] *Figure includes employees who have resigned in 2022.*

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[5] Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

[6] Attrition rate = (no, of new hires – no. of turnover)/(average of total no, of employees of previous year and total no. of employees of current year)

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The benefits packages of Holcim Philippines have a positive impact on employee productivity, performance, retention, and attrition. In 2022, Holcim Philippines was one of the 10 countries with the best employee engagement scores in the Holcim Group. Furthermore, 89% of employees delivered at least a Good Performance level. Holcim Philippines' employees choose to stay in the Company for a long time as seen in the average tenure of 11.68 years.	Holcim Philippines espouses a performance-focused culture. This is reflected on the Company's competitive compensation package to attract and retain high-performing employees. The Company's total rewards philosophy is performance-based, competitive, and sustainable. It regularly compares its compensation and benefits against the market and monitors employment trends by participating in surveys to sustain its competitive advantage.
What are the Risk/s Identified?	**Management Approach**
Holcim Philippines may be at risk of delays in remittance of contributions and release of separation pay. The Company outsourced its payroll operations to Global Holcim Business Service (GHBS) Center. During the transition period, there were incidences of delayed release of contributions and payments, but these have been resolved. GHBS has been timely in statutory remittances and improving its turnaround time (TAT).	The Company worked with the GHBS in training and orienting the team that took over payroll operations. It also implemented regular governance and check-in meetings to keep up with monthly deliverables and to inform of relevant regulatory developments in the country.
What are the Opportunity/ies Identified?	**Management Approach**
Opportunities in benefits, policies, and recognition programs are at the forefront for 2023 to ensure the Company's competitiveness within the desired target market group and sustainability of the business.	Improvement plans are being implemented based on the findings of the Employee Engagement Survey implemented in 2022. Communications are being strengthened to generate employee feedback in programs being crafted.

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	6750	Hours
b. Male employees	24223	Hours
Average training hours provided to employees		
a. Female employees	27	hours/employee
b. Male employees	26	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Holcim Philippines puts the stock on having a competent and skilled workforce that can deliver business objectives. It ensures the high level of performance of each employee. The Company's learning and development program enhances the technical and leadership knowledge and skills of its employees. It drives engagement, increases productivity, and supports the organization's growth. These learning and development programs are delivered through classroom training/workshops, mentoring and coaching, and on-the-job training.	Holcim Philippines values the learning and development of its employees. The Company has a policy that directs how every employee is to develop their individual development plans to ensure that all jobs and functions are performed in the required manner. The Company implements a learning and development program that supports the professional growth of employees so that the people are equipped with the needed skills and competencies to further raise business performance. The Company follows the 70:20:10 L&D Model which is: ● 10% education – face-to-face classroom trainings, workshops, e-learnings & virtual classroom trainings ● 20% exposure – learning from others through coaching, mentoring, networking, and benchmarking ● 70% experience – learning on the job by leading or being a member of a project, leading special assignments, taking OIC roles, and other developmental assignments.
What are the Risk/s Identified?	**Management Approach**
The Company has rewards and recognition programs, as well as performance bonuses and merit-based increases as part of programs for recognizing employee performance.	Holcim Philippines evaluates employees' performance through the ***Performance Management/Goal Management System***. It comprises of: ● Objective Setting – setting objectives to transform Company and team priorities into individual accountabilities ● Mid-Year Review – checking the direction and the progress of the WHAT, the HOW and the Individual Development Plans ● Annual Review – assessing past performance and recognizing the employee's accomplishments of objectives and demonstrated behaviors. With this program, all employees must work on their individual objectives that are aligned with the Company goals for the year. This ensures that

	individual success supports the achievement of Company objectives.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	58	%
Number of consultations conducted with employees concerning employee-related policies	46	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Holcim Philippines respects employees' freedom of association, in compliance with the Labor Code. The existence of nine labor unions in the Company is a manifestation of its openness to conduct collective bargaining with the labor unions. Good labor-management relations result in increased employee engagement and performance and industrial peace. Strong relations also drive active employee participation in the Company's programs and initiatives. The high score (4.01/5) that the Company registered in the recent Holcim Group Employee Engagement Survey is an indicator of the state of the relationship between employees and the Company.	The Company maintains good labor-management relations through regular joint ***Labor Management Council (LMC)*** meetings and labor union involvement in company initiatives and programs. Furthermore, the Company has established over the years an open environment with the union where any labor-related issues and concerns can be discussed and addressed without waiting for the scheduled LMC.
What are the Risk/s Identified?	**Management Approach**
The possible risk of not maintaining a good relationship with worker unions is the non-resolution of labor cases which may result in protest actions, disruption of business operations, or escalation to third party institutions. Such may also affect plant performance and productivity of employees.	The Company conducts dialogue with labor unions during LMC meetings to align, clarify, and address concerns to prevent misunderstandings. Exchange of ideas and opinions are encouraged in the same venue to find solutions and better ways of doing things. Union officers are also involved in various projects and programs of the Company particularly in Health and Safety initiatives. They are part of the core group that assesses and discusses the Company's Health and Safety Policies and Programs in the sites. Holcim Philippines' ***Employee Engagement Programs*** encourage workers to present their ideas as part of work-related decision-making.

	Policies are communicated to the Union through the LMC. Whenever needed, the Management organizes a meeting with the Union for important business updates. Selected Union officers are invited for annual planning and conferences. And whenever there are labor cases or protests, the Company endeavors to resolve these through plant-level dialogue first before escalating to third-party mediation.
What are the Opportunity/ies Identified?	**Management Approach**
There are opportunities to collaborate with the union on the topics of financial and cost-saving measures to help sustain company operations.	The Company continues to ensure compliance with labor standards, contractor management, and procurement process.

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of females in the workforce	19	%
% of males in the workforce	81	%
Number of employees from indigenous communities and/or vulnerable sector[a]	5	#

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company strives to have a diverse employee population because it believes diversity broadens perspectives and ideas that can be harnessed to drive performance. It also increases the Company's chance of attracting and retaining talent and engaging employees.	The Company has a non-discrimination policy called the ***Diversity and Inclusion (D&I) Policy*** to show its commitment towards achieving gender balance targets. Holcim Philippines hires, develops, and deploys talent according to the best available match between current job requirements, future business needs, and applicant profiles. D&I is integrated in all the Company's people processes, to minimize biases and ensure diverse talent is considered in all recruitment and talent management decisions. Further, the Total Rewards System of the Company was designed to be position- or role- and performance-based and not gender-based. Furthermore, the Company has recently implemented a Safe Spaces Policy that protects employees from harassment and abuse. Training sessions were conducted across the Company and supported by information and

	communication materials posted in high-traffic locations.
What are the Risk/s Identified?	**Management Approach**
There are discrimination risks related to race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status such as disability, age, marital and family status, sexual orientation and gender identity, health status, place of residence, economic and social situation.	Holcim Philippines continues to educate the whole organization regarding the importance and the benefits of D&I through talks and training workshops. These mitigate any risk regarding perceived discrimination or inequality. Female employees are also encouraged to assume male-dominated positions. The Human Rights Impact Assessment conducted every three years across all operating sites includes discrimination as a focus area to ensure business activities do not cause or contribute to this.
What are the Opportunity/ies Identified?	**Management Approach**
Aside from the promotion of the D&I policy, Holcim Philippines also promotes inclusivity in the workplace.	The Company does this by providing breastfeeding rooms, ensuring that provision for persons-with-disability access is available in strategic places, utilizing communication tools, and by complying with standards of the Bureau of Working Conditions and Health & Safety. The Company also invited employees to form affinity groups wherein individuals with common interest can come together to share experiences. Among the affinity groups launched last year was one for female employees with senior leaders among its most active members. There is an opportunity to further grow this by launching similar groups in the different sites. The Company continues to educate the organization through weekly email infographics, training, and the implementation of affinity groups. Affinity groups provide avenues to avert discrimination and inequality and foster creativity, collaboration, and a sense of belongingness.

Workplace Conditions, Labor Standards, and Human Rights
Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	7996337	Man-hours
No. of work-related injuries	14	#
No. of work-related fatalities	2	#
No. of work-related illnesses	0	#
No. of safety drills	102	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
The Company acknowledges the impact of its operations to the health and safety of people, including its employees, contractors, and transporters of goods and materials. Holcim Philippines may also affect the health and safety of nearby communities.	Holcim Philippines recognizes health and safety as one of its most critical topics affecting both business operations and its stakeholders. With this, it has an annual ***Health, Safety and Environment Improvement Plan (HSEIP)*** sponsored by the Company's management team. The plan focuses on Road Safety, Health, Safety Intervention Program, raising hazard awareness, and controlling hot meal exposure through equipment and procedure improvement. All sites have their own HSEIP tailored to address their specific concerns. Annual corporate health and safety audits are done to validate the effectiveness of programs and initiatives in the HSE-IP. Training on high risk job inspection and permitting like scaffolding and working and heights were conducted for line personnels to raise competencies on health and safety.
What are the Risk/s Identified?	**Management Approach**
For regular operations, the health and safety risks identified are the following: • Lifting and supporting loads, • hotworks, • machine guarding, • confined space, • energy isolation, • working at heights, • mobile equipment and onsite traffic, working near water, • stability of quarry and stockpiles, • hot materials, • digging and excavation, • vibration, • ergonomics,	Occupational health and safety risks are identified through High-Level Risk Assessment, Work Permit System, Job Planning Tool, Life Saving Talk, Personal Risk Assessment, and Journey Management. To mitigate these risks, rules, policies, and standards were formulated and constantly communicated. Training is regularly conducted to ensure employees are knowledgeable on proper handling of materials and equipment and emergency protocols. Equipment is also regularly monitored to ensure that these are in the best condition. Finally, audits and performance/behavioral monitoring are conducted to ensure that rules, policies, and

• noise, • hazardous substance • dust.	standards are being followed and implemented properly.
What are the Opportunity/ies Identified?	**Management Approach**
The Company strives for continuous improvement and there is an opportunity to address recurrence of critical incidents, improve road safety performance, continue occupational health programs, and sustain contractor engagements.	The identified opportunities for improvement have been included in the 2022 HSEIP, and H&S KPIs of the organization. There is a plan to conduct additional H&S training to all employees as a refresher.

Labor Laws and Human Rights

Disclosure	**Quantity**	**Units**
No. of legal actions or employee grievances involving forced or child labor	0	#

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

Topic	**Y/N**	**If Yes, cite reference in the company policy**
Forced labor	Y	Holcim Philippines complies with the Labor Code in terms of forced labor. The Holcim Group's Human Rights and Social Policy and Human Rights Directive applies to Holcim Ltd. and its affiliates in consolidated and managed countries which includes Holcim Philippines.
Child labor	Y	Holcim Philippines complies with the Labor Code in terms of child labor. The Holcim Group's Human Rights and Social Policy and Human Rights Directive applies to Holcim Ltd. and its affiliates in consolidated and managed countries which includes Holcim Philippines.
Human Rights	Y	Code of Behavior *(HPHI Way)*, Sexual Harassment Policy, Health and Safety Policies, Data Privacy Policy, Solo Parent Policy, Diversity and Inclusion Policy, Holcim Group Human Rights and Social Policy, Holcim Group Human Rights Directive

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
The Company ensures full compliance with labor laws and human rights as these have a direct impact on the safety of employees, corporate reputation, and avoidance of potential financial risk.	Holcim Philippines is fully compliant with the labor laws and human rights as complemented by its policies and programs. Holcim Philippines also adheres to the Human Rights and Social Policy and Human Rights Directive of the Holcim Group. This policy outlines Holcim's commitment to respecting and promoting human and labour rights in our operations, business activities, business relationships and in the communities where it

	operates. Respect for human rights is fundamental to the way the company carries out its business and its ability to operate.
What are the Risk/s Identified?	**Management Approach**
Non-compliance with labor laws and human rights will greatly affect the reputation of the Company and retention and attraction of talents. This may also lead to closure of business.	Holcim Philippines implements the Human Rights Approach covering its operations, supply chain and business partners. Human rights risks are identified through Human Rights Assessments and appropriate grievance mechanisms. A Human Rights and Stakeholder Engagement Action Plan is developed and implemented in all sites to immediately address risks and impacts identified in the Company's own operations, supply chain and business partners through appropriate actions. The Company has established policies, guidelines, and control standards to prevent the occurrence of forced or compulsory labor and child labor. Whenever there are grievances or legal actions, the Company endeavors to resolve it through plant-level dialogue first before escalating to third-party mediation. The Company utilizes the grievance mechanism available to discuss and resolve issues. The same is also discussed during the regular LMC Meeting. If an employee commits a violation, Holcim Philippines ensures that due process is observed at all times. The Code of Business Conduct sets a fair process in conducting investigations and coming up with decisions. All parties involved are given the opportunity to explain their sides before a decision is finalized and executed.
What are the Opportunity/ies Identified?	**Management Approach**
Employees are free to discuss their concerns and grievances with their immediate superiors, department heads, functional heads, Organization and Human Resources, and Legal and Compliance. If they are not comfortable to speak up via face-to-face, the Company has established the Integrity Line, a secure web- and phone-based advice and issue reporting system administered by an independent third party.	The Company, together with the Labor Union, has established a Grievance Procedure to discuss and resolve any grievance or disputes raised. The steps are as follows: **1.** The aggrieved employee together with a union representative, if any, shall state in writing the circumstances, witnesses, and reasons for the dispute. The written grievance shall then be submitted to the plant manager concerned for resolution. This precludes that the discussion at the section and department level has already

	been exhausted and no resolution has been reached. **2.** The plant manager concerned shall render a decision on the grievance within seven (7) working days upon receipt of the grievance. The plant manager may opt to conduct further hearing or investigation in resolving the grievance. If the aggrieved employee is satisfied with the decision, then the grievance is resolved. **3.** If the grievance remains unresolved, the case is submitted to the Grievance Council (GC) for deliberation within twelve (12) working days upon submission thereof. If the aggrieved employee is satisfied with the result, the grievance is considered ended. **4.** If the GC fails to resolve the grievance to the aggrieved employee's satisfaction, the grievance is submitted to the National Conciliation Mediation Board, under the Department of Labor and Employment, for voluntary arbitration, whose decision shall be final and executory, subject only to an appeal with the Supreme Court.

Supply Chain Management

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

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the company policy
Environmental performance	Y	Signed Vendor Master Agreement
Forced labor	Y	
Child labor	Y	
Human Rights	Y	
Bribery and corruption	Y	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Holcim Philippines has a supplier accreditation process which considers different environmental, social, and governance topics as requirements for suppliers, depending on the type of product or service to be provided.	As part of the Company's accreditation process, suppliers are required to answer a self-assessment questionnaire on sustainable development and to sign a Vendor Master Agreement (VMA) which affirms, among others, the suppliers' commitment to the Sustainable Procurement Initiative (SPI). In addition, suppliers also agree to a fact-finding inspection or audit, if necessary, by Holcim

	Philippines or a designated representative to check actual compliance with the SPI.
What are the Risk/s Identified?	**Management Approach**
Some suppliers such as service providers, suppliers of quarried materials, and transport providers may have a high environment, social and governance (ESG) impact.	The Company determines the potential ESG impacts of suppliers through the self-assessment questionnaire on Sustainable Procurement. The process includes validation and audit. In case of non-compliance with the Company's Anti-Bribery Corruption Directives and other serious violations, suppliers are blacklisted. This is monitored through reports to the Holcim Group's Integrity Line
What are the Opportunity/ies Identified?	**Management Approach**
The Company only deals with legitimate businesses that comply with relevant laws and regulations and embrace the ideals and policies of the Holcim Group. Holcim Philippines acknowledges the opportunity to push its sustainability agenda throughout its supply chain with the SPI.	The Company encourages suppliers to be more sustainable by educating and informing workers of their rights, implementing health and safety related programs for contractors, and executing the SPI.

Relationship with Community

Significant Impacts on Local Communities

Operations[b] with significant impacts on local communities	Location	Vulnerable groups[a]	Does the particular operation have impacts on indigenous people?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures or enhancement measures
Bulacan Integrated Plant	Norzagaray, Bulacan	Children, Elderly	No	Fugitive and stack dust emissions impacting the communities near the plant	Dust Containment and Improvement projects in the plants were implemented and benchmarking on dust control best practices within the Holcim Group.
Davao Integrated Plant	Bunawan, Davao City		No		
La Union Integrated Plant	Bacnotan, La Union		No		

Lugait Integrated Plant	Lugait, Misamis Oriental		No		Part of the management action plan in 2022 was the use of portable equipment at the plants to measure dust emissions in identified areas. A community IEC (Information Education, and Communication) Roadshow on Dust Emission covering standards, harmful emission vs. non-harmful, and actions taken also took place. Additional mitigating measures such as monitoring of equipment and material movement/ transfers and benchmarking with other industrial sites (e.g. wheel bath /spray) were undertaken. Lastly, an open communication channel is maintained with all stakeholders with regular visits to leaders/local authorities to immediately address issues and discuss community projects and or/ concerns.
Mabini Grinding Plant	Mabini, Batangas		No		

Calumpit Bag Plant	Calumpit, Bulacan	N/A	No	N/A	Production was halted in 2022 so there was no community impact to host and neighboring communities.
Calaca Terminal	Calaca, Batangas	N/A	No	N/A	Community impact is minimized because the site is situated inside an industrial estate/zone.
Bicutan Dry-Mix Plant	Bicutan, Paranaque	N/A	No	N/A	
Manila Terminal	Tondo, Manila	N/A	No	N/A	Community impact is minimized because the site is situated inside a port-city complex.
Iloilo Terminal	Lapuz, Iloilo City	N/A	No	N/A	

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

[b] *These are business operations that exclude Social Initiative projects.*

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

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

What are the Risk/s Identified?	**Management Approach**
As part of Holcim's commitment to respect and uphold human rights in its entire value chain of operations, captured in the Holcim Group's Human Rights and Social Policy, the Company conducted the **Human Rights Impact Assessment (HRIA)** in its operating sites through consultations with various stakeholders — employees across all levels, contractors, customers, and local community members/groups and authorities. As operations directly impact people and communities, this process ensures that risks and issues are identified, addressed and reported immediately, and effectively.	Holciim commits to its Human Rights and Social Policy which is embedded in related policies and processes. Included in Holcim's Human Rights Approach is the conduct of impact assessments through stakeholder dialogues and consultations. Afterwhich, management develops an action plan which is then In 2022, the Company reduced by 50% its specific freshwater withdrawal compared to 2021 with a significant volume of water used from rainwater harvesting facilities communicated to relevant stakeholders and integrated into the Company's functions and processes to address the identified impacts. The action plan is regularly monitored and progress is reported quarterly to the Holcim Group. Affected stakeholders are also informed on the remedies taken in order to to address and/or avoid the identified risks.

	In 2022, a Human Rights Impact Assessment was conducted in two operating sites. Subsequently, site-specific action plans were developed to address the risks/impacts identified. These include the conduct of community information, education, and communication roadshows to share best practices, actions taken and gather feedback from host and neighboring communities. On plant operations, actions were also identified to improve operational and organizational processes to mitigate identified risks and correct negative impacts.
What are the Opportunity/ies Identified?	**Management Approach**
Holcim Philippines subscribes to the Holcim Group's sustainability strategy, which is aligned with the new corporate identity to become the leader in innovative and sustainable building solutions. This framework summarizes the Company's vision and embraces this main challenge for society around the world, which should resonate with all types of stakeholders. The Company is committed to accelerate its impact across the United Nation's 17 Sustainable Development Goals, and focused to enhance its contribution on nine of those through its four sustainability pillars: (1) Climate and ENergy, (2) Circular Economy, (3) Nature, and (4) People. Under People is Holcim Philippines' overall corporate citizenship campaign, Holcim ***Helps***, which provides the overall framework for all Social Initiatives across all operating sites.	Given the goal to become the leader in innovative and sustainable building solutions, there is more effort to align Social Initiative programs with the four Sustainability pillars. These consider the critical needs of the communities and a deeper understanding of specific issues where operating sites can support and help. The site CSR personnel conduct regular community consultations to develop the right programs relevant to address the identified needs. The Company partners with several civic organizations and local government units to ensure the proper implementation of programs. It also plans to utilize the corporate citizenship networks such as international chambers of commerce and the Philippine Business for Social Progress to maximize the reach and scale of social initiatives. Partnership projects are underway with Build Change, a global NGO focused on disaster-resilient housing and infrastructures for the marginalized, and Habitat for Humanity, an international NGO that provides homes for the homeless.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study? (Y/N)
Customer Satisfaction*	59%	N

[a] 59% based on 2021 Operational NPS (higher compared to 2017 with 39%). 2022 NPS run is currently ongoing.

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Management Approach
Customer satisfaction is critical to business growth as it enables the Company to retain its base while acquiring more clients. The Company’s ability to deliver customer satisfaction is spread across its operations. Constant internal collaboration is necessary to ensure customer expectations are regularly met **NPS Score = %Promoter - %Detractor*	Customer Satisfaction report forms part of the monthly Sales Report presented to the management team. Approved processes under the Voice of Customer (VOC) program states that feedback shall be addressed through either operational or strategic approach. Depending on the gravity of the risk of a specific feedback, resolution will be escalated to a top management for resolution.
What are the Risk/s Identified?	**Management Approach**
Customer Satisfaction may be greatly affected by issues and concerns experienced by customers. Areas for improvement in Customer Experience are pickup and delivery of products and quality of offerings. Improvement areas on other touchpoints are being coordinated with relevant functions to maintain customers' satisfaction and drive loyalty.	Issues and/or concerns raised by the customers were assigned to solution providers which can see details of the feedback together with the supporting documents, if any, on a digital platform. After the solution providers give updates on the case, the Customer Experience Team gets in touch with the customers to validate the Company's action and gather feedback on the overall issue resolution process. Holcim Philippines implements the following resolutions for the common issues raised: ● Invoicing in Payment: ***Easybuild*** enhancement on eInvoice, an electronic version of the printed sales invoices which will be available for download and convenience. An automated email notification will be sent to the registered email address once an invoice becomes available. This initiative was released in December 2020. ● Logistics Delivery & Pick Up: Improvement on operations and process review to provide sustainable solutions. ● Product & Packaging Quality: The Technical Services Team is working, on a per complaint basis, to address these complaints. Complaints on cement quality are usually attributed to workability of the concrete. ● Product & Service Offerings:

	Discussion with customers on the improvements and offerings of new products. This includes ***Holcim Aqua X***, ***Holcim ECOPlanet***, and Build to Win end-user promo
What are the Opportunity/ies Identified?	**Management Approach**
Continued improvements in resolving customer concerns can be done through review of common issues and process tweaks.	Customer feedback is used by the Company to further improve its programs. In 2022, the initiatives to raise customer satisfaction included the following: ● New Customer Safety Engagement Program topics to promote a safe work environment; ● Programs to push volume; ● Improvement to product packaging; ● Additional partner banks in Easybuild Customer Portal; ● Automatic release of sales orders when paid through the Portal; and ● Inclusion of drymix products in the Easybuild Customer Portal.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety[a]	2 (1 ongoing resolution)	#
No. of complaints addressed	1	#

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Customers are insured and are aware of the proper storage, transport, and handling of products.	Holcim Philippines provides a ***Material Safety Data Sheet (MSDS)*** of cement products to the customers wherein information on the product content, safe use of product, and disposal including the possible environmental or social impacts are indicated. The Company strictly implements quality control guidelines to ensure products are within the health and safety standards. Holcim Philippines also has a Customer Safety Engagement Program spearheaded by the Sales Team wherein, proper storage, secured transport, and safe handling of products are communicated and illustrated.

What are the Risk/s Identified?	Management Approach
Health and safety incidents resulting from the Company's products and services may have business, legal, or reputational impact depending on the scale and nature of the cases.	The Company is engaging its customers and service providers on its health and safety policies and programs. It also has a clear management and resolution process in relation to product and service complaints related to health and safety to ensure incidents are quickly addressed and do not escalate to negatively impact the Company.
What are the Opportunity/ies Identified?	**Management Approach**
There is no significant opportunity identified.	

Marketing and Labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labeling[a]	0	#
No. of complaints addressed	0	#

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Holcim Philippines complies with relevant marketing and labeling laws and regulations. Stakeholders such as customers, government regulators, and advertising agencies are free to contact the Company through its hotline and commercial personnel in cases when there are inconsistencies in the marketing and labeling of products.	Some of the guidelines, laws, and regulations related to marketing and labeling that is followed by the Company are: ● Philippine National Standards mandatory bag markings ● Holcim Group Brand Guidelines (packaging) ● Holcim Group Branding Guidelines ● Holcim Philippines Media Communications Guidelines ● Holcim Philippines Social Media Guidelines Holcim Philippines also strictly adheres to the PNS directives of Department of Trade and Industry (DTI) Bureau of Product Standards on matters related to product licensing and labeling. The Company participates in DTI's annual audits in securing certification for our products, approval for new packaging designs prior to commercial run, and Technical Committee discussions for the Cement Manufacturers Association of the Philippines.

What are the Risk/s Identified?	Management Approach
Non-compliance with marketing and labeling regulations may lead to suspension, recall, and revocation of the Company's Philippine Standards (PS) license; issuance of show cause order; cessation from further supply, distribution, and sale of products in the Philippines; and issuance, publication, and implementation of product recall. Aside from legal repercussions, not having accurate marketing protocols may lead to customers committing errors in selecting the proper product for the correct applications. Incomplete or wrong claims may result in misguided product expectations risking integrity of structures where the Company's products were used.	The Company ensures adherence to proper labeling regulations issued by the DTI, as well as the Holcim Brand Guidelines on product and usage information on its products' packaging and communication materials.
What are the Opportunity/ies Identified?	**Management Approach**
There is no significant opportunity identified.	

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy[a]	0	#
No. of complaints addressed	0	#
No. of customers, users, and account holders whose information is used for secondary purposes	0	#

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Holcim Philippines collects customer information in the normal course of business. The Company values its customers' data privacy because they are partners in the business.	The organization complied with the Data Privacy Audit initiated by the Legal and Compliance Department. Specific to Sales, Sales Officers were asked to submit signed External Consent Form/ Data Privacy Agreement. The Company's ***Customer Information Sheet*** was drawn up to ensure only necessary information is collected consistent with the purposes of the collection. The Company engages third parties who commit to uphold customer data privacy and enforces contractual commitments to comply with laws and regulations.

	The privacy rights of customers and other third parties are always upheld and assistance in exercising their rights are available in various fora. Holcim Philippines' customer care hotlines and portals allow customers to update, review and/or revise any data provided pursuant with their dealings with the Company. Holcim Philippines' data privacy policy is available on the website via this link: https://www.holcim.ph/block-rich-text-data-privacy-policy
What are the Risk/s Identified?	**Management Approach**
Improper handling of customer privacy may lead to compliance and reputational risks.	Holcim Philippines has a centralized structure for data privacy management where the Data Protection Officer is responsible for privacy related matters including customer privacy. The Company continuously trains and communicates to employees handling employee and customer data to current policies and company directives on data protection to ensure customer data privacy is strictly observed. Holcim Philippines provides venues for raising concerns related to privacy through customer care hotlines and contact partners. The Data Privacy Officer Mailbox is also available on the Company's website and indicates privacy notices and consent forms in customer information sheets and even mechanics for promotional campaigns.
What are the Opportunity/ies Identified?	**Management Approach**
The Company recognizes the opportunity to continuously improve our customer privacy policies and measures.	The Company consistently updates and improves training for employees commencing from new employee onboarding and continues with periodic training on fundamental aspects of data privacy, data subject rights, cybersecurity and other practical and applicable policies and directives related to data protection. As part of the Holcim Group, the Company engages the services of independent third parties to review and audit the Company's actions within a specified period of time to determine compliance with current trends on data protection and cybersecurity and standard policies and guidelines. In 2022, ***Holcim EXperts (HEX) Talks*** continued to be a vehicle to invite external and internal speakers to increase awareness on cybersecurity and data privacy. Likewise, the Company's Internal Controls and Quality Assurance Department and the Company's external auditor annually check the

	Company's compliance with Holcim Group's policies and guidelines, particularly, the administration of the required employee training and other requirements of data protection.

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Holcim Philippines highly values IT Security for the protection of its information.	The Company adopts and enforces the Holcim Group's directives on IT Security. The Group's IT Policy focuses on three domains: IT Security, IT Service Management, and other IT processes.
What are the Risk/s Identified?	**Management Approach**
The Company faces usual cybersecurity risks that may lead to business disruption or competitive disadvantage.	Aside from utilizing measures consistent with industry standards and the Holcim Group Directives, the Company also ensures that employees who are exposed to risks undergo cybersecurity training and communications periodically to keep updated with threats to data security. Employees are instructed to immediately alert and notify the IT service desk and/or their immediate supervisor whenever suspicious activity, emails or issues arise for prompt action.
What are the Opportunity/ies Identified?	**Management Approach**
Holcim Philippines recognizes the opportunity to continuously improve our cybersecurity policies and measures.	The current demands of the business climate encourage the Company to establish and strengthen a culture of awareness on data protection and cybersecurity. Plans for continuous improvement of the efficiencies and measures are being discussed and implemented alongside major projects and activities. The ***Business Continuity Plan (BCP)*** was developed to outline the general procedures to be taken in the event of a serious business disruption (or the threat thereof) affecting the operation of key functions and this includes activities and protocols which must be performed during, after or in view of an imminent disaster or business disruption. In 2022, ***Holcim EXperts (HEX) Talks*** continued to be a vehicle to invite external and internal speakers to increase awareness on cybersecurity and data privacy

UN SUSTAINABLE DEVELOPMENT GOALS

Product of Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

BLENDED CEMENT	
Societal Value / Contribution to UN SDGs	Holcim Philippines has a wide range of blended cements in its portfolio to promote the use of the right product for the right application. Blended cements minimize its use of clinker and substitutes this with alternative materials to produce cement This leads to the efficient use of natural resources and the lowering of the overall carbon footprint of the built environment. **SDG no. 9** **Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.** **Target 9.4.** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities. **SDG no. 12** **Ensure sustainable consumption and production patterns** **Target 12.4** By 2030, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment. **Target 12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse. **SDG no. 13** **Take urgent action to combat climate change and its impacts.** **Target 13.2** By 2030, integrate climate change measures into national policies, strategies and planning **Target 13.3** By 2030, improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning
Potential Negative Impact of Contribution	It is during the production of clinker, the main component of cement, when most carbon dioxide emissions associated with cement occur. The majority of these emissions are unavoidable, as they result from the chemical reaction that occurs when the raw material (limestone) calcines into a clinker in the kiln.

Management Approach to Negative Impact	Replacing the clinker in the final product with alternative mineral components reduces the carbon footprint of cement production. As an alternative, Holcim Philippines utilizes waste-derived resources or cement additives such as fly ash and granulated blast furnace slag (GBFS) and synthetic phosphogypsum. These materials are by-products of other industrial processing plants. The Company also utilizes other alternative raw materials such as contaminated soil or bottom ash in producing clinker to lessen our consumption of natural resources.

WASTE MANAGEMENT SOLUTION	
Societal Value / Contribution to UN SDGs	Holcim Philippines embraces the circular economy principle to contribute to solid waste management in the country and to support the Group's goal of reducing its global carbon footprint through less use of traditional fuels. Geocycle is the Company's waste management solutions arm that sources for alternative fuel and raw materials from various industry partners and local government units for co-processing in the cement kilns. **<u>SDG no. 12</u>** **Ensure sustainable consumption and production patterns** **Target 12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse. **<u>SDG no. 13</u>** **Take urgent action to combat climate change and its impacts** **Target 13.2**. Integrate climate change measures into national policies, strategies and planning
Potential Negative Impact of Contribution	Cement kiln co-processing itself cannot address the waste management challenges of the country but can be an integral part of the whole waste management value chain. This technology fits with any circular economy program following the waste management hierarchy which prioritizes first waste avoidance, reduction, reprocessing, and recycling.
Management Approach to Negative Impact	Holcim Philippines uses cement kiln co-processing technology; wherein qualified waste materials are used as an alternative to coal in producing cement. Co-processing provides a practical, cost-effective, and environmentally preferred alternative to landfills and traditional incineration. This technology is unique because it encompasses both material recycling and energy recovery within an industrial process.