

Responsible Stewardship



CARMEN COPPER CORPORATION

SUSTAINABILITY REPORT 2017



VISION

We aim to be the leading copper producer in the Philippines, a preferred employer in the industry and a role model for responsible mining and good governance.

MISSION

We will enhance value for all our stakeholders by pursuing long-term prospects for stability, growth and diversification while harmonizing safe and efficient business practices with the social and environmental needs of our communities.

VALUES

Professionalism
Genuine Concern for the Company
Team Orientation
Innovation
Concern for Safety, Social
Development and Sustainability



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About the Cover

Carmen Copper miners are engaged in reforestation as a testament to our commitment to responsible stewardship. To date, we have rehabilitated 1,247 hectares of mined-out areas, protected over 50 hectares of undisturbed woodlands and have planted over 2 million seedlings.

About Carmen Copper Corporation

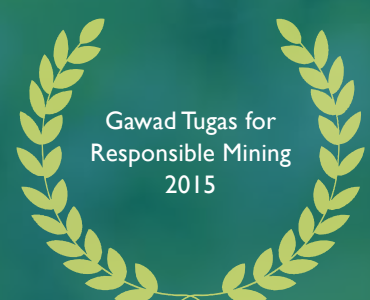
Carmen Copper Corporation (Carmen Copper) is a wholly-owned subsidiary of Atlas Consolidated Mining and Development Corporation (Atlas Mining) and is one of the largest operating copper mines in the country. Incorporated on September 16, 2004, Carmen Copper has the operating rights over the Toledo Copper Mine under a Mineral Production Sharing Agreement (MPSA) with the Philippine Government.

Carmen Copper covers 1,676 hectares of operational area and 276 hectares of open pit mining area. It sources and extracts ore from the Carmen Pit.

It ships its copper concentrate mainly to smelters in China, Japan, and to the Philippine Associated Smelting and Refining Corporation (PASAR) in Leyte, Philippines.



AWARDS



OUR STORY OF RESPONSIBLE STEWARDSHIP

Our story is one shared by all – the same hopes and aspirations for a better future of our children. Together, we make choices to make our dream a reality.

We choose Commitment.

Our work is not a sprint but a marathon. With a steady pace, we keep running the race set before us. We choose to work and we do it with all our strength. We choose to care for the people and the habitats around us, and we do it with all our hearts. We choose to overcome challenges and we do it with unyielding hope.

We choose Competence.

The quality of our work is our signature. And our signature is excellence. We are stewards of the talents and natural abilities inherent in each of us. To honor our respective fields of discipline, we sharpen our skills. To appreciate our gifts, we give our best in service for others.

We choose Cooperation.

The limitation of our strength lies in our weakest knot. It is when we create the strongest bonds that we can withstand the heaviest load. It is in teamwork that we find our sense of belonging. It is in cooperation that we build our sense of community.





President's Message

To Our Valued Stakeholders:

Our sustainability as a business is anchored on responsible stewardship demonstrated in our commitment, competence and cooperation.

This year, we embarked on a more strategic approach to sustainable development—aligned to our Social Development and Management Program (SDMP) and to the UN Sustainable Development Goals. Our focus areas are (i) education, (ii) health and well-being, (iii) skills and enterprise development, (iv) preservation of cultural heritage, (v) preservation of environmental heritage, and (vi) disaster resilience and rehabilitation.

Commitment to Responsible Mining

As a team, we sealed our commitment to responsible mining by upholding ourselves to the highest ideals of good governance and accountability. As we operate, we continue to create shared value for all as we work together with our communities through job creation, inclusive supply chains, social development and environmental sustainability.

Today, we were able to substantially contribute to providing local job opportunities, with 81% of our employees coming from Toledo. Beyond the positive economic impact this brings to our communities, it helps build the mining heritage of Toledo City. To boost local economic activity, we sourced a total of PHP 733M worth of supplies and services from Cebu. Lastly, we have integrated social and environmental development in the way we work to help our host communities become self-sufficient and to protect the natural habitats that surround us. This year, we are honored to have been cited with the Presidential Mineral Industry and Environmental Award (PMIEA), Titanium Achievement for Surface Mining Operation Category.

World-Class Competence

As a team, we commit to our company's values by transforming our careers in mining into our individual life's pursuit. Through the years, we have passed on the love for mining and excellence through generations, making Toledo City a basin of world-class mining engineers. More importantly, we protect the dignity of our people, upholding universal standards of human rights, and safeguarding their lives by enforcing the highest level of occupational health and safety standards.


Shared Stewardship through Cooperation

We fruitfully co-exist with our natural habitat and our communities through deep-rooted mutual respect and cooperation. We implement programs to preserve the environmental heritage of the communities and the biodiversity around us.

We also recognize our role as co-stewards of our host communities' aspirations and their children's future. We do our share by providing access to basic services like quality education, healthcare, and skills and enterprise development. These serve as cornerstones for our communities on their road to self-sufficiency. We also help preserve the cultural and spiritual heritage of our communities, inspiring hope and fostering a sense of belonging.

Responsible Stewards for a Sustainable Future

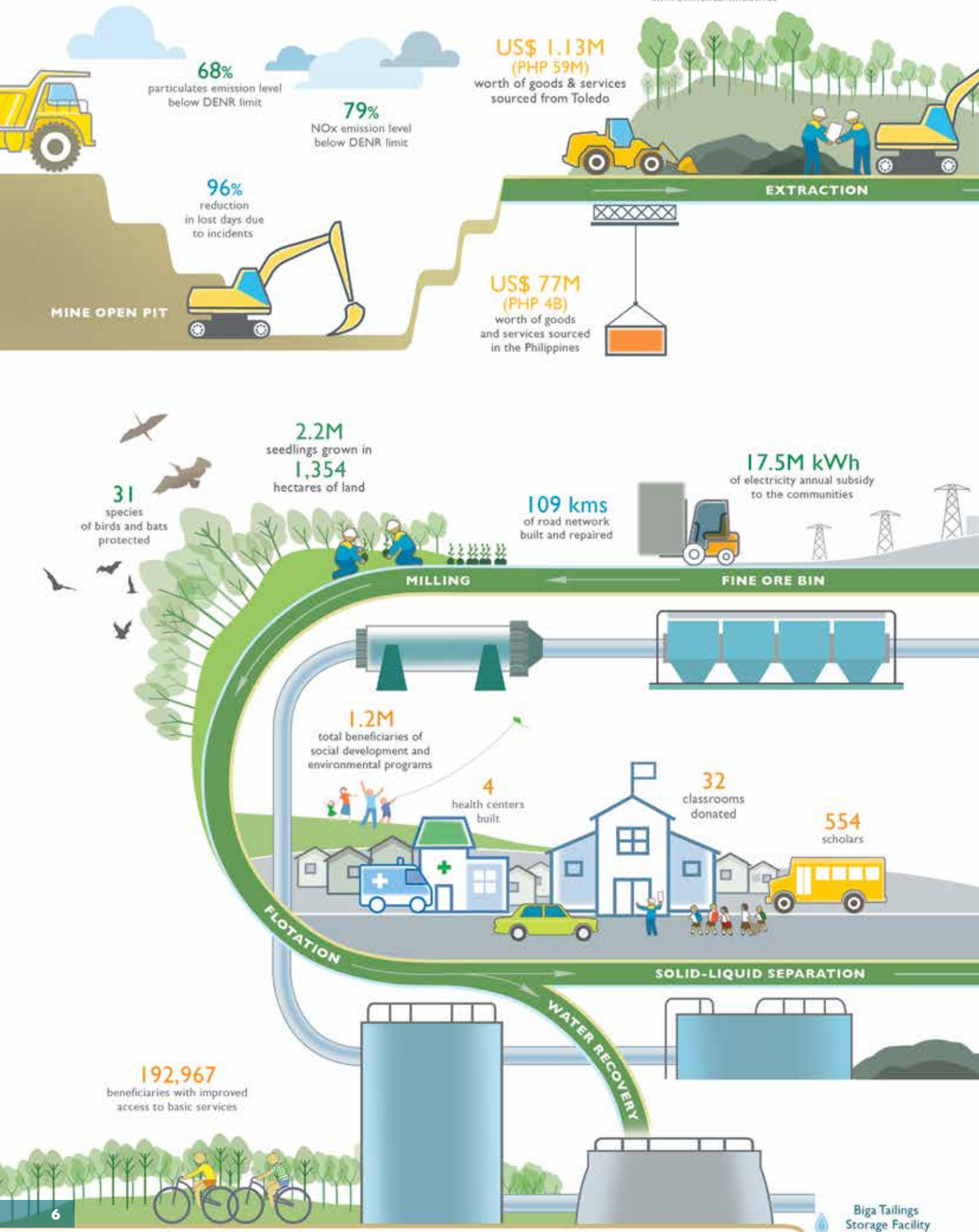
As a team, we recognize our role of being responsible stewards of the natural habitat and resources that we share with our host communities. Even more, we embrace our role as responsible stewards of the hopes and dreams of the children in the communities we serve. As we share the same value of responsible stewardship with our communities, we can look forward to a more sustainable future for all.

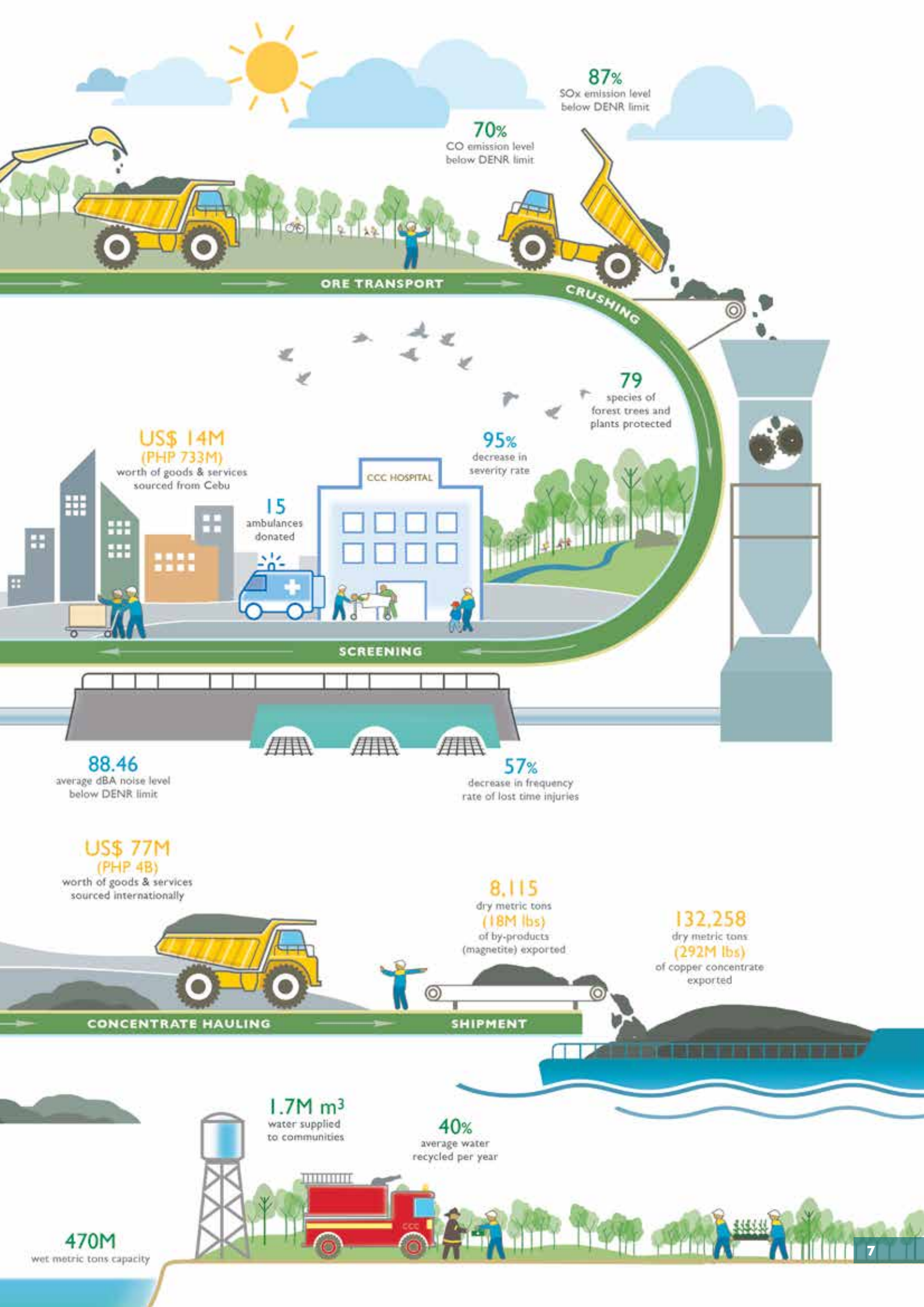


Roy O. Deveraturda

Our Performance Highlights

PHP 572M
invested in social and environmental initiatives





In Support of the Sustainable Development Goals

Economic Impact



2,454 jobs created
81% locally hired from Toledo City



109 kms of road network built and repaired



192,967 beneficiaries with improved access to basic services



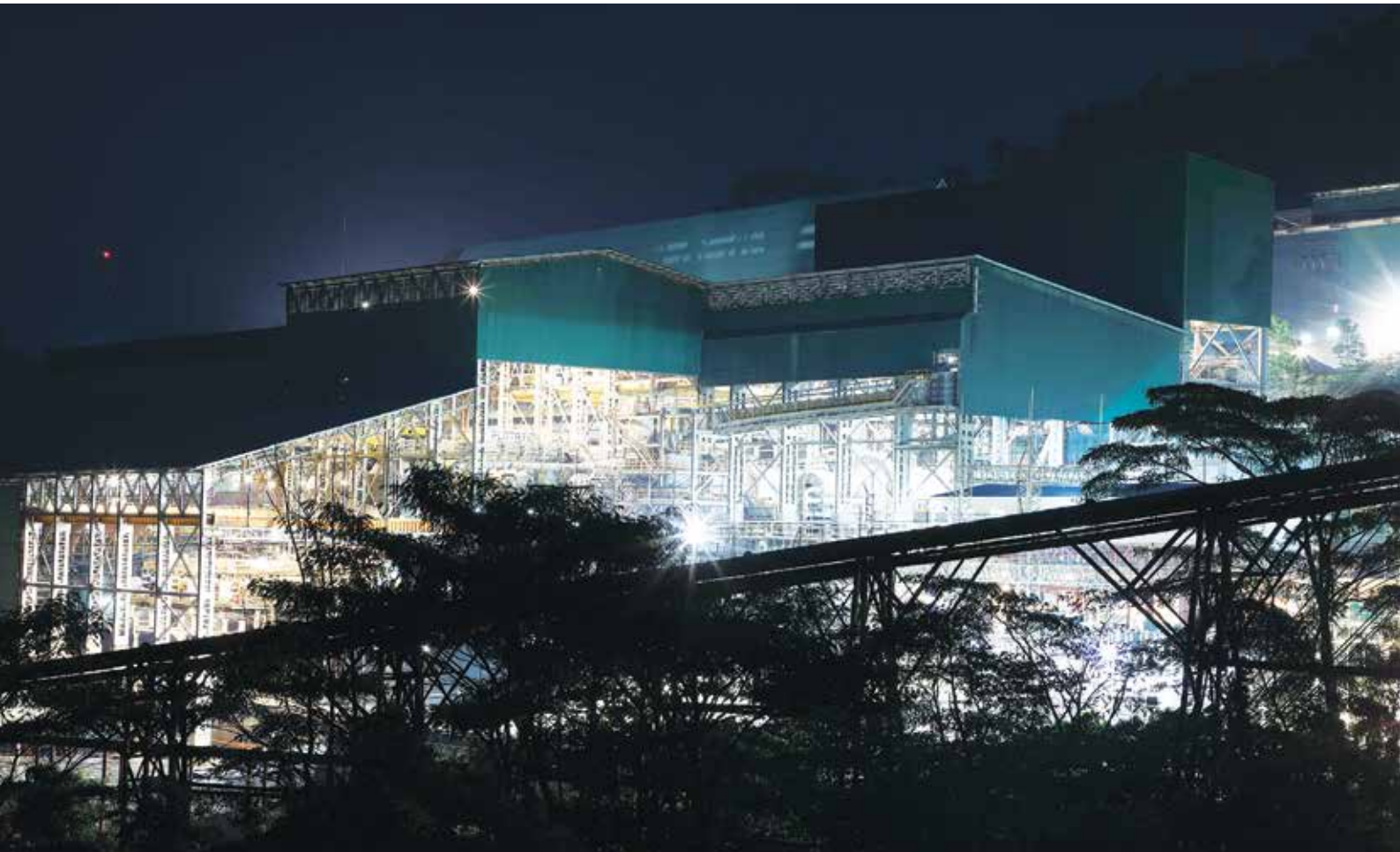
supports **4** host and **13** neighboring barangays



Best Grievance Mechanism in Place



Development Programs aligned in support of the SDGs



Social Impact



annual commitment for Social Development and Management Program (SDMP) and Environmental Protection and Enhancement Program (EPEP)



100 families trained in Integrated Farming Program



157,280 beneficiaries of health programs

4 health centers built and a level-I hospital owned with **105,104** patients served



554 scholars
4,459 student beneficiaries of schools and classrooms built



93,000 women beneficiaries

Environmental Impact



1.7M m³ water supplied to communities



17.5M kWh of electricity annual subsidy to the communities



8% decrease in electricity consumption

18% decrease in water consumption



2.2M seedlings grown
air emissions below maximum standard levels



marine acidity level at our water and wastewater facilities remain within acceptable standards



79 species of forest trees and plants
31 species of birds and bats

Our Commitment to Responsible Stewardship

Our commitment to responsible mining begins with our commitment to be a responsible neighbor to our communities and the natural habitats that surround us. We can achieve this by having a shared principle on our roles as stewards.

Nature exhibits a natural sense of responsible stewardship by following the cycle of life. We hold ourselves responsible to protect biodiversity through ethical business practices, allowing the natural environment to flourish and regenerate.

Our Responsible Stewardship Framework



We also share the same value of responsible stewardship with our communities, working together to help them achieve self-sufficiency. We create shared value for all our stakeholders, by providing opportunities towards sustainable socio-economic development.

We believe in fully integrating sustainability in our business model and in our value chain. We demonstrate this in Carmen Copper's Sustainable Development Policy. To view full policy, please visit: www.atlasmining.com.ph/corporate-governance/policies.





Quality and Inclusive Education

Scholarship Program for High School and College

CITE Scholarship Program for Out-of-School Youth

School Building Program

Scholarship Program for Technical-Vocational Education and Training

Brigada Eskwela

Special Skills Training (Writing, Photography)



Quality Healthcare Services

Doctor to the Barangay Program

Medical Missions & Specialized Missions (Neurological)

Health & Nutrition Program (School-based Feeding)

Charity Healthcare Services Program

Health Facilities Development Program

Blood Letting Program



Skills & Enterprise Development

Skills Development Program

Bio-Charcoal Facilities Development & Training

Integrated Farm Program

Micro-Enterprise Development Program



Preservation of Cultural Heritage

Preservation of Mining Technology and Geosciences– Education and Scholarship Program

Preservation of Mining Heritage and Culture (Mine Tours and Mine Museum)

Preservation of Spiritual Heritage (Religious Organizations Support)



Preservation of Environmental Heritage

Carmen Copper Arboretum Program

Biodiversity Protection Program

Clean Water Protection Program



Disaster Resilience and Rehabilitation

Emergency, Rescue and Quick Response Seminars

Disaster Relief and Rehabilitation Programs

Public Infrastructure Assistance and Development Program

Disaster Preparedness Program (Solid Waste Management and Linis Estero)

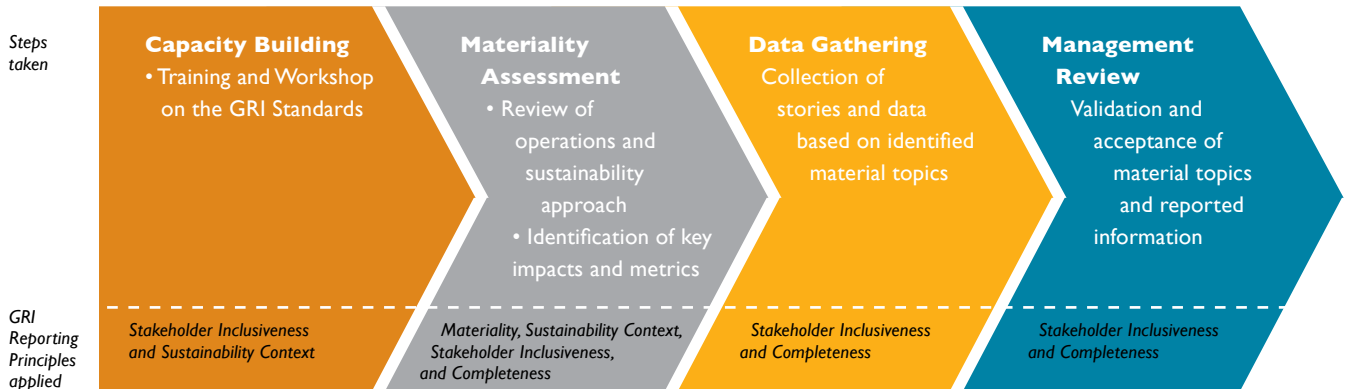
Community Based Disaster Recovery System

Focusing on What Truly Matters

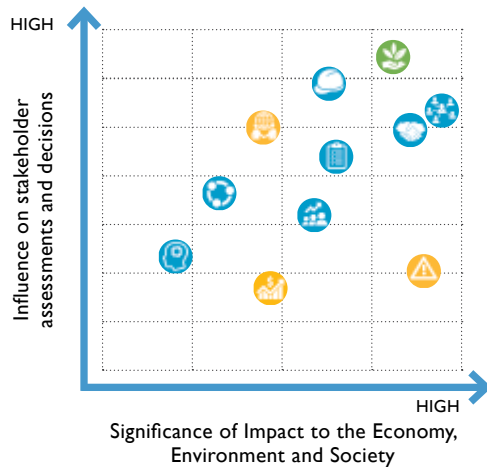
We regularly engage our stakeholders to give us a better appreciation of what areas of our operations are viewed to be critical and creating the most impact to everyone we work with.

Our Process

102-46



Our Materiality Matrix



Key Themes

- Environmental Sustainability
- Equal Opportunities
- Social Development
- Talent and Career Development
- Occupational Health and Safety
- Governance and Strategy
- Human Rights
- Economic Performance
- Compliance
- Risk Management
- Supply Chain Management

Table of Material Topics and Topic Boundaries

102-47

Topics	Topic Boundaries	Relevance
Economic Performance	Within the organization	We strive to be a responsible corporate citizen by investing in programs and initiatives that benefit both our internal and external stakeholders.
Indirect Economic Impacts	Within the organization and with our host communities	
Procurement Practices	Within the organization and business partners	
Energy	Within the organization	We practice due diligence and regular monitoring to ensure that our impacts on the environment are mitigated and/or minimized and that we perform within the set standards.
Water		
Biodiversity	Within the organization and with the help of host communities	
Emissions	Within the organization	
Effluents and Waste	Within the organization and with the help of host communities	
Environmental Compliance	Within the organization with guidance and performance review by regulators and third party consultants	
Employment	Within the organization	As an employer and corporate entity in Toledo City, we acknowledge our responsibility to our employees and host communities which we demonstrate by providing programs and investing in projects that address their needs.
Occupational Health and Safety		
Training and Education		
Local Communities	Within the organization and with our host communities	

Our Stakeholders	Description	How We Engage
<p>Employees</p> 	<p>We put value in the contribution of our employees. It is through their talents, hard work, commitment and strategic thinking that we attain our journey in becoming a truly responsible and sustainable company.</p>	<ul style="list-style-type: none"> • Focus Group Meetings • Performance Appraisals • Training Programs • Labor Management Relations Council Meetings
<p>Communities</p> 	<p>We place high regard to our communities, making them an integral cog in our business. Their welfare shares equal significance to other vital aspects of our business.</p>	<ul style="list-style-type: none"> • Social Dialogues • Informal Interactions • Needs Analysis
<p>Government and Regulatory Bodies</p> 	<p>We are committed to comply with all laws and policies mandated by the government. With our goal to be a sustainable company, we go beyond compliance and strive to build collaborative partnerships with the local government in the pursuit of economic growth, social development and environmental sustainability.</p>	<ul style="list-style-type: none"> • Regular Reporting • Compliance to Requirements
<p>Business Partners</p> 	<p>We uphold integrity in all our dealings with our business partners and contractors. We maintain utmost ethical business practices in our engagement, conducting transactions with transparency and fairness, and building long-term business relationships.</p>	<ul style="list-style-type: none"> • Regular Meetings • Procurement Management
<p>Investors</p> 	<p>We are accountable to deliver strong financial performance and provide long-term sustainable returns for our providers of capital.</p>	<ul style="list-style-type: none"> • Annual and Sustainability Reports • Annual Stockholder’s Meeting • Investor Relations Roadshows
<p>Socio-civic and Non-profit Organizations</p> 	<p>We are committed to create shared value for all, having a comprehensive appreciation of advocacies to enhance social development, promote human rights and positively contribute to pressing societal and environmental challenges.</p>	<ul style="list-style-type: none"> • Association Memberships • Dialogues, Conferences and Industry Workshops
<p>Media</p> 	<p>We engage our media partners in the pursuit of accurate reporting and integrity in storytelling and disclosures.</p>	<ul style="list-style-type: none"> • Media Briefs • Media Coverages for events and programs

Our Stakeholders	Concerns	Our Commitment
<p>Employees</p> 	<ul style="list-style-type: none"> • Career Development • Occupational Health and Safety • Compensation and Benefits 	<p>We commit to the development of our employees, creating a path for long-term career growth and incentives for excellent performance.</p>
<p>Communities</p> 	<ul style="list-style-type: none"> • Sustained Social Development Programs and Environmental Sustainability 	<p>We commit to create value to our communities – opening doors of opportunities to provide access to quality education, healthcare and livelihood, while safeguarding a healthy environment for them to live in.</p>
<p>Government and Regulatory Bodies</p> 	<ul style="list-style-type: none"> • Regulatory Disclosures • Transparency and Accountability in Operations and Reports • Partnerships on specific development programs and initiatives • Policy Compliance 	<p>We commit to comply with all government regulations and build a strong partnership with the government in pursuit of a sustained economic growth.</p>
<p>Business Partners</p> 	<ul style="list-style-type: none"> • Clear Procurement Policies and Processes • Long-Term Business Relationships • Ethical Business Practices 	<p>We commit to ethical business practices of transparency, accountability and fair dealings. We go beyond transactional deals, rather building long-term relationships.</p>
<p>Investors</p> 	<ul style="list-style-type: none"> • Financial Returns and Long-Term Growth • Sustainable Business Practices 	<p>We commit to sustainable business practices that will bring long-term returns for our investors.</p>
<p>Socio-civic and Non-profit Organizations</p> 	<ul style="list-style-type: none"> • Program Partnerships 	<p>We work together with other like-minded partners, who share a common goal to uplift our communities.</p>
<p>Media</p> 	<ul style="list-style-type: none"> • Regular Updates, News and Coverage 	<p>We partner with the media in providing objective news updates and disclosures. We support open dialogues and press conference briefings especially for critical issues.</p>



NATURE'S HABITAT OUR HOME



Working with Nature

The natural environment serves as our home. We serve as the guardians who protect, enhance and preserve it, for the present and future generations. In partnership with our communities, we minimize the adverse ecological impacts of our business operations by integrating strategies that mitigate risks and by implementing the ISO 14001–Environmental Management System (EMS), which provides a systematic and standardized method for resources, wastes and materials management and environmental monitoring, development and closure planning, rehabilitation and remediation measures.

Air Emissions



Results from our regular emission tests show that our air emissions are way below the limits set by the Department of Environment and Natural Resources (DENR) and World Bank.

Responsible Consumptions

Energy Management

Energy remains to be a critical resource for our operations and a substantial source of our Greenhouse Gas (GHG) emissions. As such, we constantly improve our processes to promote responsible energy use in all facets of our operations and help mitigate the effects of climate change.

Energy Consumption (in GJ)

	2016	2017	3%↓ decrease
Total	2.96M	2.89M	



33.3M kWh saved
can power 37,615 households

GHG Emissions (in TCO₂e)

	2016	2017	5%↓ decrease in total GHG emissions
Scope 1	104,216	106,171	
Scope 2	236,237	216,162	
Total	340,453	322,333	

Water Management

With water as a vital source of life, we have taken substantial steps to decrease our water withdrawal from fresh water sources through conservation and recycling efforts. Every year, we implement stringent Water Quality Standard Measures to keep our water sources free of contamination. For this year, we have passed the standards for contamination-free water sources.

Water Consumption (in m³)

	2016	2017	18%↓ decrease
Total	15.6M	12.8M	

Waste Management

We meticulously manage the disposal of our wastes and discharges in accordance to regulatory standards. Mineral wastes such as rocks and tailings produced from mining and ore processing are properly disposed under Carmen Copper's Waste Management Plans. Waste materials from the operations of Carmen Pit are deposited at the Mabais – Sigpit Waste Dump and Lutopan Pit, while tailings from ore processing are deposited at the Biga Tailings Storage Facility. We engage the services of a DENR-accredited third party provider for proper disposal of hazardous wastes.

Waste Generated (in m³)

	2016	2017	4%↓ decrease
Total	1,146	1,105	

The Biga Tailings Storage Facility



470M

wet metric tonnes
capacity

159M

wet metric tonnes
deposited to date

19 Years

operating life of
Biga Tailings Storage Facility

Development and Closure Planning

As Carmen Copper continues to conduct active mining operations, we designated a total of PHP 73 million for the approved Final Mine Rehabilitation and Decommissioning Plan (FMRDP). To date, PHP 60 million has been deposited in a trust account earmarked for the FMRDP. As stewards of our natural environment, we manage resources efficiently to mitigate the prospective adverse impacts of our operations and to enhance the natural habitats to support biodiversity and communities for future generations.

Greening Our Environment

Our relationship with land is one that transcends generations. That is why at Carmen Copper, we put careful planning and lay firm foundations on how we effectively manage the land we work on.



Rehabilitated
1,247
hectares
of mined-out areas,
orchards and
re-vegetated slopes



Over
50
hectares
of undisturbed
woodlands

2.2M
seedlings grown
in reforested
areas



Donated
497,246
seedlings
to various groups
in support of
the National
Greening Program

The Carmen Copper Arboretum

The 2.3-hectare arboretum accounts for more than 2,000 trees. It displays 16 species such as the Cebu Cinnamon (*Cinnamomum cebuense*), Ipil (*Intsia bijuga*), Tindalo (*Azelia rhomboidea*) and Kamagong (*Diospyros philippinensis*). These species are indigenous, protected and regulated hard wood trees (dipterocarp).



2.3
hectares

More than
2,000
trees

16
species

Protecting Biodiversity

More than 835 hectares of thick forest covers have served as sanctuary for wildlife for more than 65 years now. In the rich jungle blossoms diverse plants, both indigenous and exotic forest tree species. From what used to be mining operation sites, various species of birds thrive in the woodlands.

In partnership with the University of the Philippines and the Ecosystem Research and Development Bureau (ERDB), we conducted a survey of the various species of flora and fauna in Carmen Copper's Air Strip, Carmen-Biga, Lutopan and Sigpit.

Species of Birds

Home to more than 25 species of birds. Family Columbidae has the most number of species. Dove species observed were White-eared Brown Pigeon (*Phapitreron leucotis*), Spotted Dove (*Spilopelia chinensis*), and Zebra Dove (*Geopelia striata*). Two individuals of Philippine Bulbul (*Ixos philippinensis*) were caught in the mist nets. This is the only known endemic bulbul in the country. Other endemic species observed includes White-eared Brown Dove (*Phapitreron leucotis*), Philippine Pied Fantail (*Rhipidura nigritorquis*) and Philippine Coucal (*Centropus viridis*).

Species of Plants

There are 64 individual species of plants observed. Most dominant species of grasses and weeds seen during the assessment are hagonoy (*C. odorata*), carabao grass (*P. conjugatum*), coronitas (*L. camara*), cogon (*I. cylindrica*) and talahib (*S. spontaneum*).

15

individual species
of forest trees

5

sites consisting
of native and exotic
forest tree species



Species of Bats

There are 6 species of bats including *Cynopterus brachyotis*, *Ptenochirus jagori*, and *Rousettus amplexicaudatus* in the mining site.

Special Feature

Clear is Clean

In the middle of the Carmen Copper site is a valuable source of life for the communities we serve. The Malubog Dam is one of the largest privately-owned reservoir and dam complex in the Philippines. It was originally built by Atlas Mining to provide for the company's industrial water requirements. Today, it serves as a source of clean water supply for the surrounding communities in Toledo City, distributed through the Toledo City Water District (TCWD).

100,000 m³

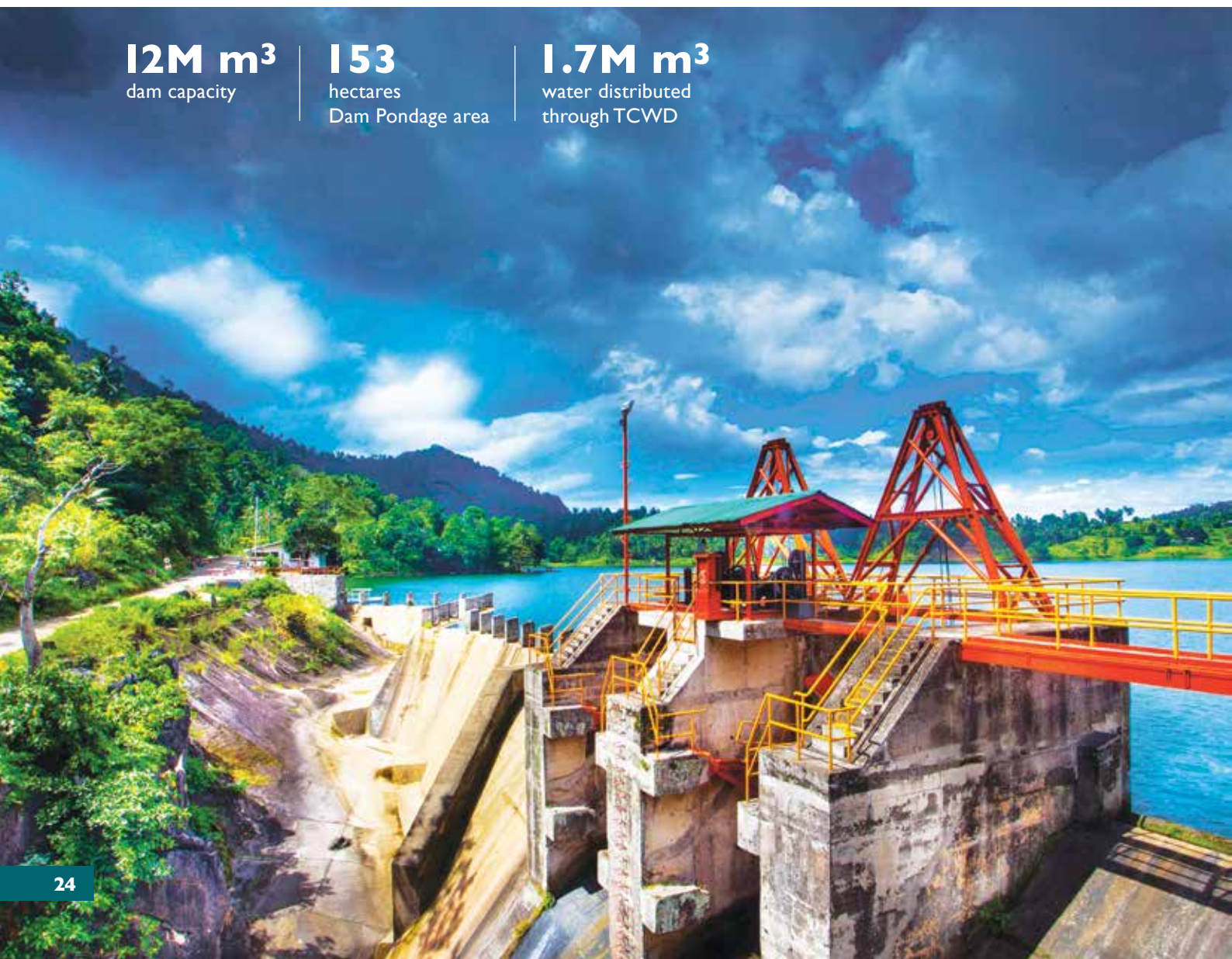
surplus capacity
of potable water per day



12M m³
dam capacity

153
hectares
Dam Pondage area

1.7M m³
water distributed
through TCWD





MANY COMMUNITIES ONE COMMON VALUE



Cooperation and Sense of Community

“It is in cooperation that we build a sense of community.”

At Carmen Copper, we believe that we are all connected as one whole community. We are a committed neighbor to our 4 host communities and the 13 barangays that surround us. We help our communities become self-sufficient by providing access to basic services and economic opportunities.

We engage our communities through formal and informal dialogues to better understand what they consider to be critical factors to help them become self-sufficient and resilient to disasters.



Our Social Development and Management Program (SDMP) in action

OUR
FOCUS
AREAS



Quality
and Inclusive
Education



Quality
Healthcare
Services



Skills
and Enterprise
Development



Preservation
of Cultural
Heritage



Disaster
Resilience and
Rehabilitation



Inspiring Love for Learning and Excellence

It takes a whole community to educate a child. As such, Carmen Copper allocates a significant amount of its resources to help provide access to quality and inclusive education.

We inspire love for learning and excellence in the younger generation by offering scholarship grants, providing school facilities that are conducive for learning, offering special skills trainings and recognizing students for their exceptional achievement. Beyond the economic value that education brings, we believe that it helps each child dream of a purposeful life that can create positive impact to the people around them. Together with our communities, we are working for a future where every child can reach their full potential.

IMPACT IN 2017



103

High School and College scholars



200

Technical-Vocational scholars



1,409

students served by new computer room at DAS National High School



82

students served every year by new school building in Biga



70

kindergarten students served by the new classrooms at Bulongan Elementary School



ENGR. BRAIAN PAREDES

A YOUNG BREADWINNER'S TALE

Just a few weeks before he took the 2017 Mining Engineering Board Exams, Braian Deck C. Paredes and his family were forced out of their home. Left with no choice, they moved to a small room with dirt floor and no electricity. It was a very dark time for Braian. As it is darkest before dawn, Braian passed the board exams and is now a licensed mining engineer.

“What I have accomplished so far and the countless opportunities that await me cannot be quantified. This scholarship has changed my life and I am proud to say that I am a product of a mining community that continues to flourish because of responsible mining.”

Braian's fantastic tale began when he was just a little boy with the burden to help raise his siblings, along with his mother and stepfather. With meager means, he never thought he could complete his university education. Yet he believed that there was another way—God's way. And his faith proved to be correct. Braian was awarded a Carmen Copper Scholarship Grant with full tuition and living allowance subsidies.

Today, Braian is one of the mining engineers at Carmen Copper. At a very young age, he also stands as the breadwinner of their family.

Promoting Wellness in Our Communities

“Healthy families build productive communities.”

As a caring neighbor to our communities, we are committed to do our share to promote wellness in our host and neighboring barangays. Included in the original design of Carmen Copper’s facilities, lies a level-1 hospital—a testament that providing quality healthcare is a pillar in our approach to social development.

Beyond the physical structure, we are committed to bring quality healthcare services to those in need. As such, we expanded our program to bring doctors to the barangays, conduct medical mission services, as well as, provide ambulatory care and services for immediate medical needs.



IMPACT IN 2017

4,000

patients served by the Doctor to the Barangay Program

893

patients served in medical missions



3

ambulances donated with **8,037** patients served



2,000

children served in **27** elementary schools under the school-based feeding program



Water is Life

The Drop in the Bucket that Matters

Water is the wellspring of life. Yet, access to clean water has become not only a local challenge but a global one. We recognize that having access to clean water is vital to fight poverty. To demonstrate our commitment to help our communities thrive, our company, together with Planet Water Foundation, installed Aqua Towers at Biga and Pandong Bato Elementary Schools. These towers provide potable drinking water for the students and teachers. They also serve as sources of clean water for 1,000 households in the surrounding communities.





Building Blocks for Thriving Communities

Together with our communities, we put in place the essential building blocks that serve as solid foundations for our communities to stand on.

Skills in Life to Make a Living

We develop and promote economically viable community enterprises by providing skills training, access to capital and connection to market for livelihood opportunities. In consultation with our communities, we surveyed the resources readily available and the opportunities that may be tapped, to identify the skills that may bring immediate results for the families.

SKILLS DEVELOPMENT TRAININGS



Mushroom Production Seminar



Soap, Shampoo, Detergent, Dishwashing and Fabric Softener Seminar



Macramé Training Seminar



Bio-Charcoal and Geotagging Seminar



KNKAI Food Processing Seminar

Special Feature

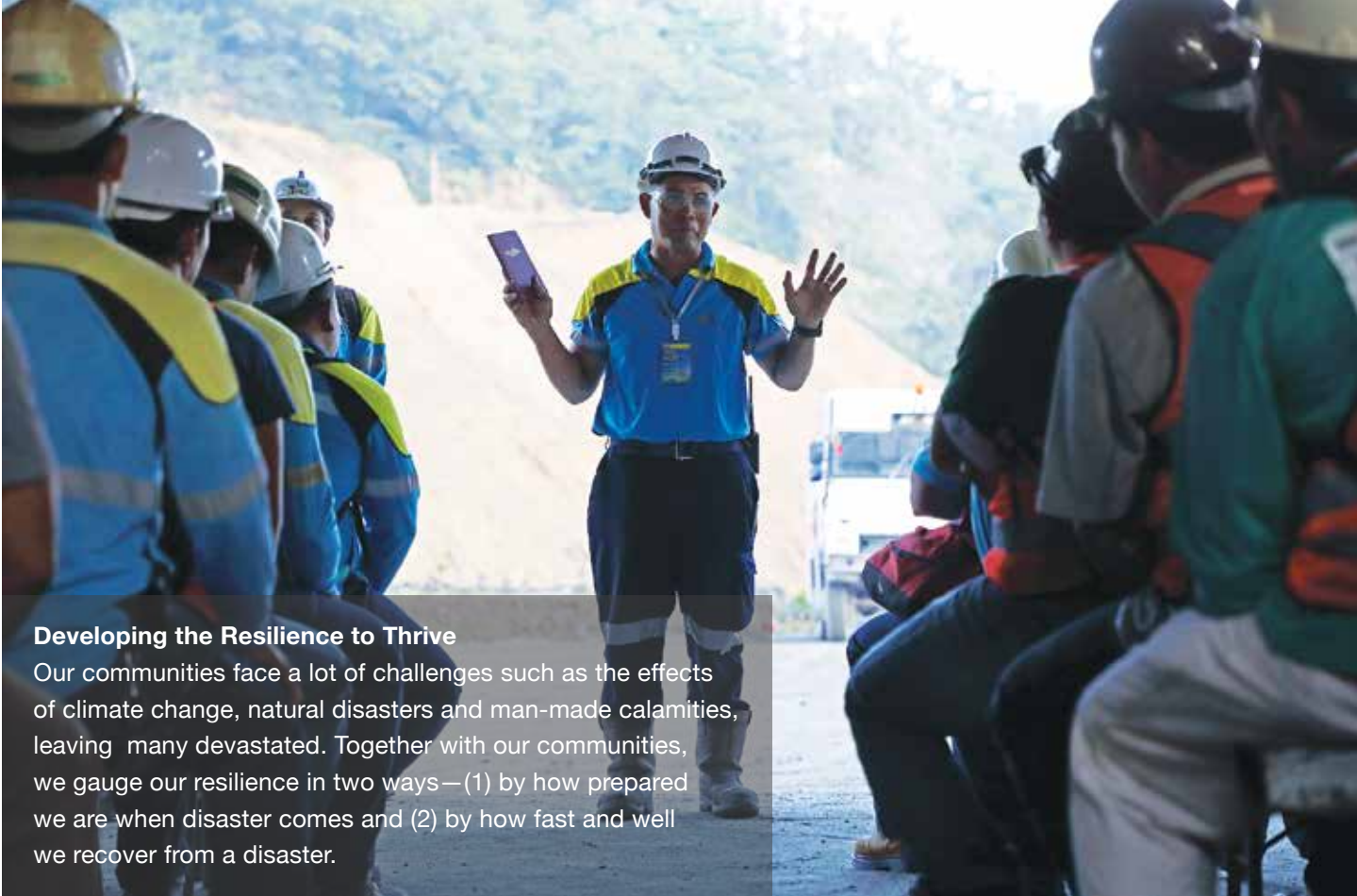
Baby Steps to a Big Dream



In partnership with Katilingbang Nagkahiusa sa Kauswagan Association, Inc. (KNKAI), we worked with the disenfranchised women in the Don Andres Soriano (DAS) barangay, in their pursuit to improve their lives and be empowered economically and socially. Their plan was to earn a living by selling processed meat products like skinless longganisa, chorizo, lumpia and tocino. To achieve their grand dream, we started out with 3 simple steps – (1) working with the

Department of Science and Technology for food processing technology training, (2) donating food processing equipment, and (3) learning new products and link to various markets.

The women of barangay DAS now have a new-found sense of confidence, realizing that through proper skills development, the power to earn a living is in their skillful hands.



Developing the Resilience to Thrive

Our communities face a lot of challenges such as the effects of climate change, natural disasters and man-made calamities, leaving many devastated. Together with our communities, we gauge our resilience in two ways—(1) by how prepared we are when disaster comes and (2) by how fast and well we recover from a disaster.

Special Feature

Bayan Ko, Linis Ko— All for One, One for All

Carmen Copper volunteers and residents led by the Don Andres Soriano barangay council joined forces to launch a comprehensive clean-up activity as part of Carmen Copper's 13th anniversary celebration and in observance of the National Clean-Up Month last September.

The Bayan Ko, Linis Ko was held at the DAS Public Market, the highest source of solid waste in the barangay, producing about 28 cubic meters a day of solid waste. Along with the clean-up drive, the residents and volunteers gave trainings and raised awareness on proper waste management. The community received color-coded trash bins as thank you gifts from Carmen Copper.





Our Journey, Our Heritage

The story of Carmen Copper is one filled with vision, excitement, challenges, resilience, innovation and fortitude. From the humble beginnings of our parent company, Atlas Mining in 1953, to its peak in the late 70's and through its challenges in the 90's, we pursued mining with passion, fixing our eyes on a vision of a promising future with an enduring commitment to serve our communities.

Our hope was not deferred as we experienced our rebirth in 2004 with Carmen Copper as the new steward of what was then the Toledo Copper Mine. Behind this historic legacy are men and women who devoted their talents fortified with their commitment to serve, competence in their field and cooperation to achieve a common goal.



This is the Carmen Copper Museum.
 It is the story of Toledo City's rich mining history and its people's cultural heritage. It is the story of a community's journey built on responsible mineral stewardship.



This project is in compliance with Section 135 c (1-3) of the Department of Environment and Natural Resources Administrative Order No. 2010-21 where it is mandated that, for the promotion of public awareness and education on mining technology and geosciences, there must be an “establishment, enhancement or maintenance of information and publicity centers where stakeholders can access information on the performance of a mining project.”





**COOPERATION
IS OUR CULTURE**



Championing Unity in Diversity

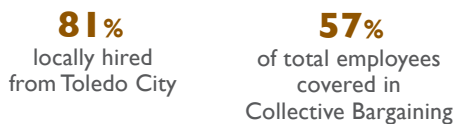
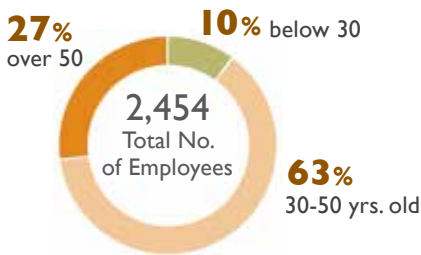
We enjoy a diverse group of talents that continually drive our company to excellent performance, deliver results and create positive impact at every level of our operations. We continually aspire to be an employer of choice, embracing global standards on human rights and offering equal opportunities, regardless of age, gender, sexual orientation, religion or ethnicity. We protect the rights and preserve the dignity of all our associates, as articulated in our Uniform Code of Conduct.

In observance to the right of employees to self-organization, we organized the Carmen Copper Workers Labor Organization – Southern

Philippines Federation of Labor, as the sole and duly recognized union for our non-managerial employees. We maintain a very healthy and harmonious relationship with our union, thus enjoying industrial peace.

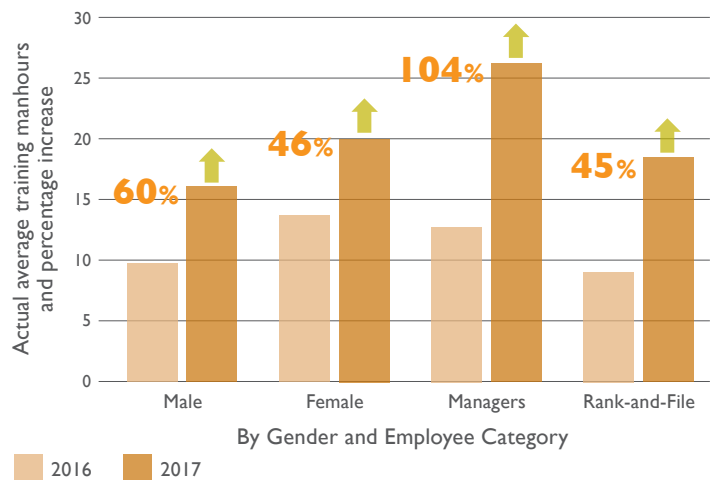
On top of regular statutory employee benefits, the company provides the following to full-time employees: free housing accommodation, access to mining compound facilities including free use of service vehicle, various cash assistance and allowances, tuition fee subsidy and school assistance for dependents, as well as medical and dental benefits.

Employee Statistics



102-41

Average Training Hours



Competence in Profession

The quality of our work is our signature. As such, we are committed to attain the right talent mix that can drive Carmen Copper to the next level of growth. We begin by having a clear roadmap of the groups of skill sets, expertise and corporate values we need to create the drivers and deliver positive results aligned to the company's objectives.



Professionalizing Management Systems

We reviewed our organizational structure, functions and processes to prepare a solid foundation to upgrade the quality of our management and management systems. Our objectives are to develop a focused strategy, streamline operations to increase operational and financial efficiency, position high-caliber talent in leadership and critical roles, and develop accountability with quantitative and qualitative performance indicators.



Strategic Talent Mix

An invaluable success factor for the company to achieve its desired growth trajectory is attaining a strategic talent mix that can create synergistic impact in the present, with the ability to transform to meet the evolving needs of the company in the future. It is finding a delicate balance of current capability, expertise and experience, and having the capacity to evolve, flexibility to adapt and creativity to innovate.





Molding Corporate Culture

From teammates, we see Carmen Copper to be a big family with common objectives and shared values. We provide multi-faceted training and mentoring opportunities to help imbibe our culture of commitment, competence and cooperation in all our associates. It is by these principles that we carry the signature of who we are as part of the Carmen Copper family.



Recognizing Achievements

As we celebrate the company's milestones, we attentively honor team accomplishments and individual excellence.

Vocation for Life

Excellence is a lifestyle and is passed through generations. At Carmen Copper, we view our work not only as a source of livelihood, but also as our purpose by which we find fulfillment and joy. Our work is our legacy not only in our families, but in our communities and in the industry that we love.



Vocation in Life

Many of our people have lived their lives in pursuit of sustainable and responsible mining. While maintaining the highest ethics of professionalism, many have become partners in our mission. We honor their commitment to the ideals of sustainable mining, competence in profession, and their cooperation to the people and the habitats that surround us, treating all with genuine respect.

More Valuable than Precious Stones



“Every day we deal with precious minerals. In my life and at work, what I consider to be precious is what is found at the core of who we are, that is having integrity in everything we do.”

Teresita ‘Tess’ P. Pelayo
Head, Purchasing Department

Her strict demeanor will surely intimidate anyone she meets. Yet, under the serious façade, is a heart of a mother, who meticulously watches the affairs of her family, protecting its best interest.

Tess started her career in Atlas Mining when she was only 21 years old. With dedication and hard work, she rose the ranks and is now serving as the Head of the Purchasing Department of Carmen Copper. Through the years, Tess gave high regard to her accountability to the company and the company’s accountability to its stakeholders.

As such, she places integrity as the cornerstone of every transaction the company engages in. Aligned to the company’s value of transparency, this is what she continually molds in every member of the Carmen Copper family, starting with herself and her teammates.



“As I matured, I realized that it is the discipline and devotion in little things that allow us to create great things. My drive to excel is not to win the recognition of others, rather to know that at the end of the day, I completed my work, and I did it to the best of my abilities.”

Engr. Carlo S. Albuero
Superintendent, Milling
and Flotation Operations

Passing on the Passion Discipline. Devotion. Drive to Excel.

Daddy Ignas raised his son Carlo with high regard to discipline and order. Without much flair, he demonstrated the value of quiet devotion and the drive to excel that is expected of a man. Carlo watched his father live by these values as he worked in Atlas Mining and Carmen Copper – instituting discipline in his people. Like any teenager, Carlo initially felt constricted with the discipline. But it was when he became a chemical engineer that he realized it was through proper discipline that one can spread his wings and innovate.

Today, like Daddy Ignas, Carlo is part of the excellent group of engineers at Carmen Copper. He applies discipline and devotion to his work every day.

At the end of the day, it is the fulfilling sense of accomplishment, the camaraderie of his teammates, his passion for his work, and the proud look in his father’s eyes that drive him to excel.



With father,
Ignacio ‘Ignas’ B. Albuero
Assistant Vice President
SHEC and External Affairs



Zest for Life and Work

Some people live life like a spectator. But for Boyax, there is only one way to live life—with all his heart!

Boyax has served both Atlas Mining and Carmen Copper for 35 years now. He has breezed through the waves of change with tremendous serenity. Through rough seas, it was his attitude in life that made Boyax find joy amidst crisis, abundance in limited resources, confidence during times of uncertainty and overflowing hope during moments of doubt.

Above and beyond his excellence at work, it is his zest for life and work that makes all the difference. His infectious optimism refueled the passion, excellence and joy of his teammates.

“Every day, I watch the sunrise and the sunset, with its rays coloring the scenic landscape of the sky and the ocean, like they are one. My life is a gift and I live it with joy, bringing light to others like the noon day sun. Not too long, my sun will set. But in my retirement, it is the exuberant rays of the sun at dawn – my joyful years in Carmen Copper, that I will carry in my heart forever.”

Rodrigo ‘Boyax’ B. Guardario
Head, Port Operations



Nurturing the Younger Generation

As a young boy, Libby would watch his father geared up with full-safety uniform, getting ready to go to work in the mining site. Like every boy, he would look up to his father and imagine what it would be like to be in his shoes – strong and sure. Little did he realize that this vision was a foresight of his future.

Libby grew up as a full scholar of Atlas Mining, completing his studies in Metallurgical Engineering. As a young professional, he built an outstanding career in the company, and for a moment, also explored other opportunities outside. Today, he is in his full circle in life as he returned to the home that reared him. Back in Carmen Copper, he now serves as mentor to the young men and women, who look up to him, as he did to his father when he was but a little boy.



“The purpose of knowledge is to pass it to the next generation. This is the meaning of all my commitment to this field – to mentor these young men and women, who will one day become so much better than I could have ever been. We are about progress.”

Engr. Libby R. Ricafort
Assistant Vice President for Mill Operations





**SAFETY IS
OUR WAY OF LIFE**





Our commitment to uphold the highest standards of occupational health and safety is demonstrated through our Integrated Management System (IMS) that embodies the company's ISO 14001:2004 environmental management and OHSAS 18001:2007 occupational health and safety management system. We passed the IMS audit standards and was certified by SGS Philippines, effective November 2015 through September 2018.



SAFETY STATISTICS



8.7M

safe man-hours

196

safety trainings and orientations conducted

96%

decrease in lost work days due to accidents

95%

decrease in severity rate

57%

decrease in frequency rate of lost time injuries

88.46

average dBA noise level below the standard limit of 90 dBA

All Geared Up

Personal Protective Equipment



Hard Hat

Protects the head/skull from being struck by falling objects or striking the head against structures in a low head room and from direct impacts from disagreeable elements in nature.



Working Safety Goggles

Protect the eyes from being directly struck by flying objects, dusts and insects. For outdoor work, safety goggles are made darker to screen direct glare from the sun.



Earmuffs/Earplugs

Provide adequate protection from high noise in the worksite.



Safety Vests/Reflectors

Keep the wearer clearly in view especially along the road.



Fabric Gloves

Protect against dirt, slivers, chafing and abrasions



Working Shoes/Rubber Boots

Protect the foot, particularly the toes, from sharp objects, rocks or structures in contact with it that may cause injury such as puncture wounds.





We are healthy, happy and in harmony

The health and well-being of our employees has been one of the company's priorities since its inception. As such, we established the Carmen Copper Hospital inside the mine site, to cater to the medical needs of our employees and their immediate families. The hospital received a Level-1 hospital accreditation from the Department of

Health (DOH), as well as an accreditation from the DOH-Philippine Coalition Against Tuberculosis. It is also a certified TB-DOTS Center, accredited by the Philippine Health Insurance Corporation (PhilHealth). This is a testament of our commitment to our people's health and well-being.

DOH Accredited Level-I Hospital
 PhilHealth Accredited for TB-DOTS
 DOH-Philippine Coalition Against Tuberculosis Accredited



Awarded the **Blood Services Platinum Award** by the Philippine Red Cross

IMPACT IN 2016 AND 2017

Served **38,995** employee patients and dependents
 More than **4,000** indigent patients served

Conducted more than **30,000** laboratory exams
 More than **1,200** patients treated for URTI

Conducted more than **6,000** x-ray diagnostic exams
 Contributed **310** units of blood to secure supply of healthy blood for the region



CREATING VALUE FOR ALL



Building a Sustainable Business

At Carmen Copper, we believe that sustainable development goes hand in hand with business growth. We attain this by anchoring our business practices in good corporate governance. In all our business transactions,

we conduct ourselves with the highest ethical standards. Our culture of good governance, emanates from our Board of Directors at Atlas Mining and is reflected by the leadership of Carmen Copper.

Governance Structure

The Atlas Mining and the Carmen Copper Board of Directors is composed of 11 members. Pursuant to the Code of Corporate Governance, the Board has established five (5) committees namely the Executive Committee, the Audit Committee, the Corporate Governance Committee, the Board Risk Oversight Committee and the Related Party Transaction Committee.

Atlas Mining/Carmen Copper Board of Directors

Alfredo C. Ramos	Chairman
Frederic C. DyBuncio	Vice Chairman
Adrian Paulino S. Ramos	Director & President
Martin C. Buckingham	Director and EVP
Gerard Anton S. Ramos	Director
Isidro A. Consunji	Director
Jose T. Sio	Director
Roy O. Deveraturda	Director (Carmen Copper)
Fulgencio S. Factoran, Jr.	Independent Director
Jay Y. Yuvallos	Independent Director
Emilio S. De Quiros, Jr.	Independent Director (Atlas Mining)
Laurito E. Serrano	Independent Director

Carmen Copper Policies and Guidelines

Precautionary Principle

We commit to constantly search for innovative, eco-friendly solutions that are within standards to help us perform better through longer product life, thus, minimizing our need for fresh raw materials thereby reducing our carbon footprint.

Vendor Selection

We engage original equipment manufacturers, service providers, and suppliers of consumables to ensure a steady stream of supplies and services needed by our operations. We only deal with vendors who are legitimate, duly registered compliant to local business and tax laws where they operate.

Furthermore, prospective vendors are screened through our accreditation process. This is to make sure all our vendors are capable of supplying our needs, not to mention the screening process also addresses associated risks the company is exposed to when dealing with bogus vendors.

In order to meet the requirements in a fast and cost efficient manner, we source most of our goods and services locally.

To view our other policies, go to www.atlasmining.com.ph/corporate-governance/policies

Economic Value Table

(In million pesos)

	2016	2017
Economic Value Generated	12,093	11,960
Economic Value Distributed		
<i>Operating costs</i>	<i>11,866</i>	<i>10,632</i>
<i>Wages and benefits</i>	<i>371</i>	<i>385</i>
<i>Payments to providers of capital</i>	<i>1,451</i>	<i>2,070</i>
<i>Payments to the government</i>	<i>(372)</i>	<i>263</i>
<i>Community investments</i>	<i>97</i>	<i>114</i>

Responsible Stewards for a Sustainable Future

Toledo City has served as Carmen Copper's home for 65 years now, since its inception under Atlas Mining. We have become part of the lives of thousands of families in our communities who dreamt of a better future for their children.

We took part in their stories of heroism, perseverance and courage. We also stood by them during times of calamities, adversities and challenges. Through the company's dips and valleys, our affinity to our communities and their confidence in our company, served as the impetus for the company to surmount the challenges in the evolving landscape of the mining industry.

Our journey together brought about a common heritage for our company and our communities.

With our paths weaving as one, we now carry out a shared vision towards sustainability. As we thrive into the future, we embrace responsible stewardship as our common value.

Together, we will create a sustainable future by shaping the attributes vital for our communities to attain self-reliance.

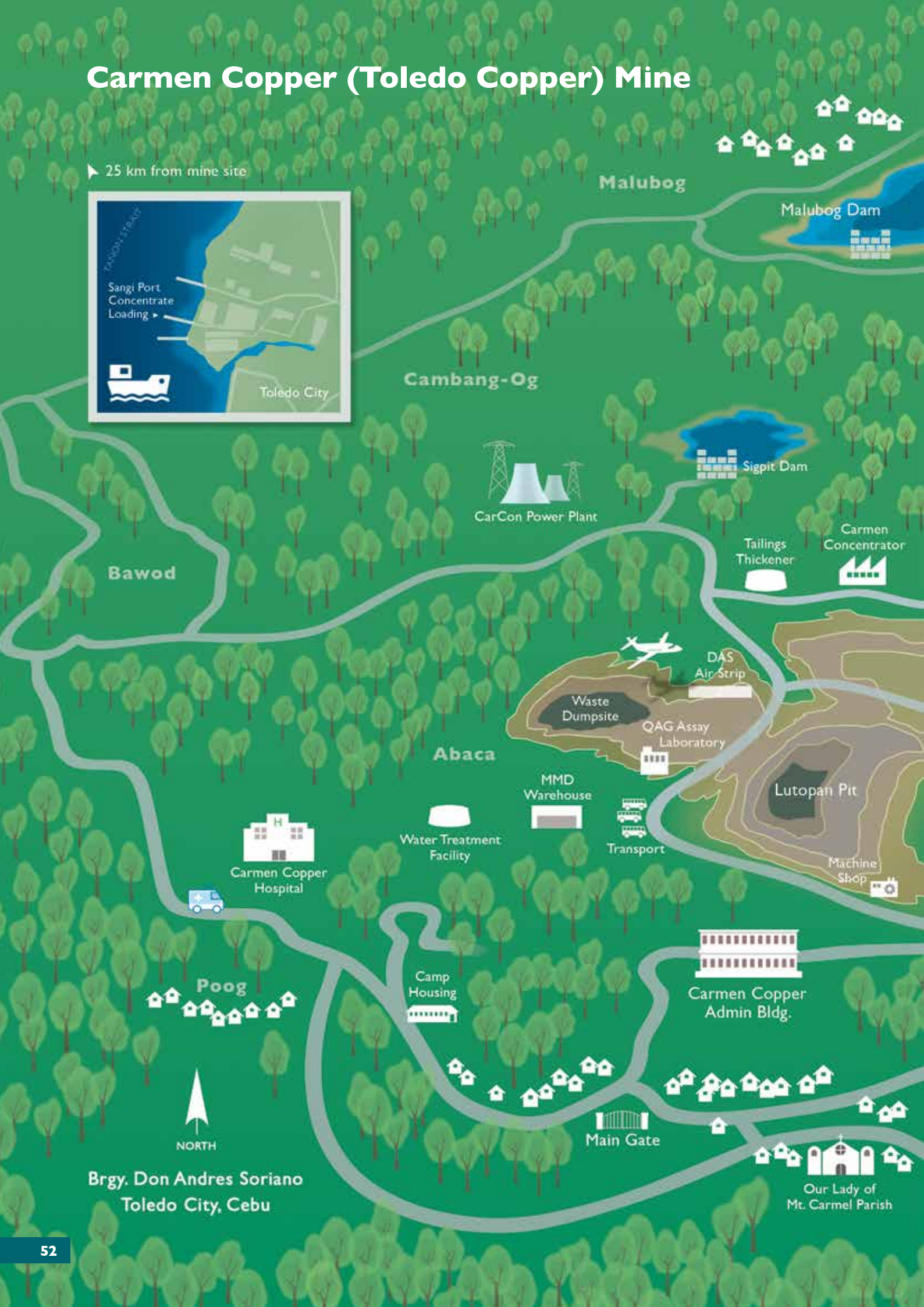
Together, we will create a sustainable future by nurturing our natural environment to enable restoration and rehabilitation.

Together, we will create a sustainable future by adhering to global mining best practices and upholding ourselves to the highest ideals of integrity and standards of excellence in pursuit of industrialization and economic growth.



Carmen Copper (Toledo Copper) Mine

▶ 25 km from mine site



NORTH

Brgy. Don Andres Soriano
Toledo City, Cebu



Bagacay

Bigacon Demolished Site

To Cebu ➔

Carmen HE

Biga

Primary Crusher 1

Primary Crusher 2

Carmen Pit

Biga Tailings Storage Facility

Lantoy

Canapnapan

Cantabaco

De La Salle
Andres Soriano
Memorial College

GRI Content Index



GRI Standard	Disclosure	Page number(s), direct answer and/or URLs	Reason for Omission	
GRI 101: Foundation 2016				
General Disclosures				
GRI 102: General Disclosures 2016	Organizational Profile			
	I02-1	Name of the organization	2	
	I02-2	Activities, brands, products, and services	2, 6-7	
	I02-3	Location of headquarters	Inside back cover	
	I02-4	Location of operations	Inside back cover	
	I02-5	Ownership and legal form	2	
	I02-6	Markets served	2	
	I02-7	Scale of the organization	6-7	
	I02-8	Information on employees and other workers	37	
	I02-9	Supply chain	50	
	I02-10	Significant changes to the organization and its supply chain.	None to report.	
	I02-11	Precautionary Principle or approach	50	
	I02-12	External initiatives	8-9	
	I02-13	Membership of associations	Inside back cover	
	Strategy			
	I02-14	Statement from senior decision-maker	4 - 5	
	Ethics and integrity			
	I02-16	Values, principles, standards, and norms of behavior	Inside front cover	
	Governance			
	I02-18	Governance structure	50	
	Stakeholder engagement			
	I02-40	List of stakeholder groups	13-14	
	I02-41	Collective bargaining agreements	37	
	I02-42	Identifying and selecting stakeholders	13	
	I02-43	Approach to stakeholder engagement	13	
	I02-44	Key topics and concerns raised	14	
	Reporting practice			
	I02-45	Entities included in the consolidated financial statements	Carmen Copper only	
	I02-46	Defining report content and topic Boundaries	12	
	I02-47	List of material topics	12	
	I02-48	Restatements of information	None to report.	
I02-49	Changes in reporting	None to report.		
I02-50	Reporting period	Inside back cover		
I02-51	Date of most recent report	2013		
I02-52	Reporting cycle	Annual		
I02-53	Contact point for questions regarding the report	Inside back cover		
I02-54	Claims of reporting in accordance with the GRI Standards	Inside back cover		
I02-55	GRI Content Index	54-56		
I02-56	External assurance	Not applicable.		

Material Topics

GRI Standard		Disclosure	Page number(s), direct answer and/or URLs	Reason for Omission
Economic Performance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	12	
	103-2	The management approach and its components	10	
	103-3	Evaluation of the management approach	10	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	50	
Indirect Economic Impacts				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	12	
	103-2	The management approach and its components	10	
	103-3	Evaluation of the management approach	10	
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	6-9, 26-27, 29, 32, 34-35	
Procurement Practices				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	12	
	103-2	The management approach and its components	10	
	103-3	Evaluation of the management approach	10	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	6	
Energy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	12	
	103-2	The management approach and its components	10	
	103-3	Evaluation of the management approach	10	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	17	
Water				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	12	
	103-2	The management approach and its components	10	
	103-3	Evaluation of the management approach	10	
GRI 303: Water 2016	303-1	Water withdrawal by source	17	
Biodiversity				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	12	
	103-2	The management approach and its components	10	
	103-3	Evaluation of the management approach	10	
	304-3	Habitats protected or restored	20-23	
Emissions				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	12	
	103-2	The management approach and its components	10	
	103-3	Evaluation of the management approach	10	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	17	
	305-2	Energy indirect (Scope 2) GHG emissions	17	

GRI Standard	Disclosure		Page number(s), direct answer and/or URLs	Reason for Omission
Effluents and Waste				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	12	
	103-2	The management approach and its components	10	
	103-3	Evaluation of the management approach	10	
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	18	
Environmental Compliance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	12	
	103-2	The management approach and its components	10	
	103-3	Evaluation of the management approach	10	
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	None to report	
Employment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	12	
	103-2	The management approach and its components	10	
	103-3	Evaluation of the management approach	10	
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	37	
Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	12	
	103-2	The management approach and its components	10	
	103-3	Evaluation of the management approach	10	
GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	45	
Training and Education				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	12	
	103-2	The management approach and its components	10	
	103-3	Evaluation of the management approach	10	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	37	
Local Communities				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	12	
	103-2	The management approach and its components	10	
	103-3	Evaluation of the management approach	10	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	25-35	

About this Report

Responsible Stewardship is the fourth Sustainability Report of Carmen Copper covering the period January to December 2017. It highlights its programs on sustainable development, which are anchored on its role as a responsible steward of the natural resources which it mines, the environment which serves as habitat of diverse species, the talents who contribute to its sustainability and the communities that embrace its activities as part of their heritage.

This report is aligned with the United Nations Sustainable Development Goals (UN SDGs) and illustrates the company's commitment to the UN Global Compact principles.

This report has been prepared in accordance with the GRI Standards: Core Option. It has also successfully completed the GRI Materiality Disclosures Service which confirms that disclosures 102-40 to 102-49 of the GRI 102: General Standard Disclosures 2016, were correctly located in both the GRI Content Index (see pages 54 to 56) and in the pages of this report.

MEMBERSHIP IN ASSOCIATIONS

Chamber of Mines of the Philippines
Philippine Mine Safety and Environment Association
Philippine Extractive Industries Transparency Initiative
Signatory to the Mining Association of Canada (MAC)
to adopt Towards Sustainable Mining (TSM) Initiative

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