

Annex A: Reporting Template

Contextual Information

Company Details	
Name of Organization	PXP Energy Corporation
Location of Headquarters	2F Launchpad, Reliance corner Sheridan Streets, Mandaluyong City, Philippines 1550
Location of Operations	Headquarters in the Philippines with Exploration Service Contracts in Northwest Palawan and Cebu, Philippines and Peru.
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	PXP Energy Corporation and its subsidiaries, Forum Energy Limited and Pitkin Petroleum Limited.
Business Model, including Primary Activities, Brands, Products, and Services	PXP is an upstream oil and gas company incorporated in the Philippines to carry on businesses related to any and all kinds of petroleum and petroleum products, mineral oils, and other sources of energy.
Reporting Period	January 1, 2021 to December 31, 2021
Highest Ranking Person responsible for this report	President

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics. ¹
<p>PXP Energy Corporation (PXP or the Company) acknowledges that, with a growing interest from shareholders and other stakeholders in corporate sustainability, it is increasingly important to formally disclose how PXP integrates sustainability into its business practices, decision-making strategy, and culture over time. This report can assist with both informing and reassuring employees, shareholders, investors, regulators, and other stakeholders about the Company's commitment to the environment and the community.</p> <p>Over the financial year, PXP has engaged with both internal and external stakeholders to gain a better understanding of the information that is most relevant and meaningful to report. This section of the Annual Report now provides greater insight into PXP's risk management and governance practices and the work it does to manage social, environmental, and economic sustainability.</p> <p>Philosophy and Management</p> <p>As part of the oil and gas industry, PXP recognizes the challenges and opportunities facing its business and the importance of operating responsibly. The Company is committed to the health and safety of its employees, contractors, and the local community, as well as the preservation of the environment where it has petroleum operations.</p> <p>Social, environmental, and economic sustainability are core principles of PXP's business culture and growth strategy. To ensure these principles are embedded in the business, PXP developed a</p>

¹ See [GRI 102-46](#) (2016) for more guidance.

management framework and governance system that both promotes sustainability and provides clear guidelines for decision-making throughout the Company.

The Company's key priorities for corporate sustainability have been identified through the risk management process overseen by the Risk and Governance Committee. Risks are assessed in four (4) core business categories:

1. Operations;
2. Finance;
3. Legal and Compliance; and
4. People and Culture.

The highest priority sustainability risks identified in each category are described below, along with how they have been managed and will continue to be managed in the future.

▪ **OPERATIONS**

The Company and its subsidiaries adhere to international health and safety standards, promote loss prevention, and uphold preservation of the environment as its core value.

Safety

PXP's approach to health, safety, and environment is proactive, with workforce training at all levels within the organization. Even before the pandemic, the Company ensures that the health and overall well-being of the employees are being prioritized. Additional safety and health protocols were strictly implemented in connection with the emergence of a global pandemic due to COVID-19.

Respect for Communities

PXP recognizes the importance of working with people in communities where it operates to facilitate close working relationships and achieve the best possible outcomes for those communities and local economies.

PXP, together with its subsidiary, Forum Energy Limited (Forum) and Joint Venture (JV) Partners, have undertaken community assistance programs in Palawan, especially in the Calamian Islands, and Cebu, its host provinces. These are mainly education, livelihood, and health projects which aim to help the community.

The Company's community assistance and corporate social responsibility programs are available at the Company's website: <https://www.pxpenergy.com.ph/corporate-governance/corporate-social-responsibility/>.

Healthcare

Healthcare initiatives have been expanded in recent years from the provision of much needed basic equipment and supplies, to a more sustainable focus on training and education of local health workers.

Environment

A commitment to undertake activities without endangering the environment and the health and safety of people is key to maintaining the Company's license to operate.

▪ **FINANCE**

Oil and gas exploration is a high cost/reward industry requiring significant liquidity to establish and implement drilling programs and potentially move assets from development to production. Many external factors may influence this, such as volatility in global commercial markets, and the price of crude oil. PXP understands that such volatility requires careful planning to anticipate changes in the commercial environment and flexibility to manage commitments to protect the financial interests of the Company.

The Board of Directors and higher management officials are responsible for establishing and maintaining a business strategy, including risk identification and assessment, which facilitates responsible decision-making. Since incorporation, PXP has adopted a business plan to ensure it operates ethically and responsibly.

Although PXP has no financial lenders at the moment, it has noted that in recent times, financial lenders have become more focused on sustainable best practices as part of their corporate lending criteria. While the Company takes great pride in its commitment to corporate sustainable practices, it acknowledges that this has not been a part of its formal reporting since financial year 2019. The Company will continue to report more fully on corporate sustainability to assist financial lenders in their assessments in the future.

▪ **LEGAL AND COMPLIANCE**

Key legal and compliance sustainability risks are bribery, corruption, and the potential impacts on PXP's business and the communities and economies in areas where it operates.

The Company has always conducted its business ethically, with zero tolerance for bribery or corruption. PXP recognizes the impacts poor business practices can have, not just on the Company and its shareholders, but also on the local communities and economies where it has petroleum operations.

PXP has always demonstrated its opposition to both bribery and corruption through its conduct and operations, and publicly via its Code of Conduct. To further emphasize its commitment to ethical business operations, Anti-Corruption Programs and Procedures have been established and implemented throughout the Company, as can be found in its website at <https://www.pxpenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics/>.

▪ **PEOPLE AND CULTURE**

The key sustainability risk relating to people and culture within the organization is having appropriate governance systems in place to facilitate the embedding of policies and procedures in its business practices.

The success of the Company business relies on it having talented and dedicated employees and contractors by providing them with the environment they need to produce their best work. It recognizes not just the importance of having policies and procedures in place to govern its operations and provide clear direction for employees and contractors, but also the importance of ensuring it develops and nurtures a culture within the Company that embraces those policies and their implementation.

All of the Company's publicly available written policies are updated to ensure they are in accordance with the latest regulations and guidelines, including the PSE Corporate Governance guidelines,

appropriately reflecting the business practices and culture of the Company. These policies include the following:

- Code of Business Conduct and Ethics;
- Supplier Contractor Relations;
- Whistle Blowing;
- Diversity;
- Dealings in Company Shares;
- Gifts, Entertainment, and Sponsored Travels;
- Conflict of Interest; and
- Related Party Transactions.

The above policies will be regularly reviewed by the Company to ensure that these represent best industry practice, are compliant with local regulations and guidelines, and demonstrate the Company's commitment to its employees, contractors, local community and environment in which it operates. The Company will also monitor any updates and/or new laws to ensure these are reflected in its business policies. The policies are publicly available and accessible under the Corporate Governance tab on the Company's website at <https://www.pxpenenergy.com.ph/corporate-governance/company-policies/>.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount in thousand	Units
Direct economic value generated (revenue)		
a. Petroleum revenue	64,198	Php
b. Other income	-	Php
Direct economic value distributed:		
a. Operating costs	(40,586)	Php
b. Employee wages and benefits	(16,854)	Php
c. Payments to suppliers, other operating costs	(3,138,460)	Php
d. Dividends given to stockholders and interest payments to loan providers	-	Php
e. Taxes given to government	(10,611)	Php
f. Investments to community (e.g. donations, CSR)	(962)	Php
Economic value retained	(3,143,275)	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
The Company derives revenue indirectly through its subsidiary Forum Energy Philippines Corporation through SC 14C-1	All Stakeholders	The Company ensures that the operations and financial affairs are managed in a sound and prudent manner. In addition, financial and internal controls are in place

<p>(Galoc). Crude oil lifted from the Galoc Field were sold to customers from nearby South East and East Asian countries.</p> <p>The Company contributes to economic growth by paying taxes to local governments and supporting community projects that are based on the needs of local communities.</p>		<p>to ensure reliability and integrity of financial and operational information.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>Financial lenders have been more focused on company's implemented sustainability programs as part of their corporate lending requirements.</p>	<p>All Stakeholders</p>	<p>The Company takes great pride in its commitment to corporate sustainable practices thus it will continue to report more fully on corporate sustainability to assist financial lenders, if any, in their assessments in the future.</p>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>Oil & Gas revenue contribution to the Philippine Gross Development Product (GDP).</p> <p>Encourage foreign investment that could result to increased revenue and local employment.</p> <p>Search for new venture projects within the Philippines to be explored and developed.</p>	<p>All Stakeholders</p>	<p>Farm out of participating interests in select service contracts to allow qualified foreign companies to invest.</p> <p>Review and evaluation of petroleum blocks for possible participation either through farm-in or application for a new contract. In March 2020, the Company participated in the Philippine Conventional Energy Contracting Program (PCECP) of the Department of Energy (DOE) for new exploration areas.</p>

Climate-related risks and opportunities²

Governance	Strategy	Risk Management	Metrics and Targets
<p>Disclose the organization's governance around climate-related risks and opportunities</p> <p>The highest level of responsibility for climate change within PXP is delegated by the Board of Directors to the Board Risk and Resource Oversight Committee (BRROC). The BRROC is responsible for a range of risk and governance matters, including identifying material exposures to economic, environmental, and social sustainability risks. This Committee is supported by the Risk Management Team, which involves senior management of the organization.</p>	<p>Disclose the actual and potential impacts³ of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material</p> <p>PXP views energy as of vital importance for economic and social development but also acknowledges that an energy transition to low carbon fuels and renewable energy sources is underway to reduce the impacts of climate change. As part of the oil and gas industry, successfully identifying and managing these challenges are necessary for the long-term success and sustainability of the Company's business.</p> <p>The Company looks to identify opportunities to expand existing programs and develop new activities that aim to increase operational efficiency and/or reduce carbon emissions during the transition planning process when the</p>	<p>Disclose how the organization identifies, assesses, and manages climate-related risks</p> <p>Climate-related risks identified will include several measures of consequences relating to environmental, safety, financial, and reputational impact.</p> <p>The Company aims to minimize and mitigate risks through education, motivation, and involvement of all employees, consultants, and contractors.</p>	<p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</p> <p>The Company has not set targets for emissions reductions in recent years as most of its major assets are still in the exploration stage while Greenhouse Gas (GHG) emissions at the office has minimal impact to the environment.</p> <p>However, for the Galoc Operations, wherein Forum has a participating interest, GHG emission and gas flaring are being monitored and measured.</p> <p>The Company, once producing will actively engage in direct and indirect monitoring of GHG emissions.</p>

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.

³ For this disclosure, impact refers to the impact of climate-related issues on the company.

	company will be on the development stage.		
Recommended Disclosures			
<p>a) Describe the board's oversight of climate-related risks and opportunities</p> <p>PXP stays true to its Vision and Values through the aligned objectives of its board members in becoming a world-class Philippine energy resource company while showing genuine concern to its communities and environment.</p> <p>BRROC meetings are conducted at least twice a year to discuss updates of Company assets which includes climate-related concerns.</p> <p>During these meetings, the committee is informed of salient issues that require board approval. The management assures that the impacts on the environment (i.e., climate change) are carefully considered in the recommendations presented to the board. Updates on policies implemented, actions undertaken, and effects of these decisions are discussed with the board in the</p>	<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term</p> <p>Most of PXP assets are still in the exploration stage thus bulk of the operation is conducted in the head office.</p> <p>Production of paper wastes is the most common short-term environmental risk the Company is facing. In early 2020, the Company stopped its subscription for printed newspapers. By going electronic, not only is the Company reducing paper wastes but also operational expenses.</p> <p>PXP has identified natural disasters to be affecting its employees in a short-term period based on the strong typhoons experienced by the country in the past years.</p> <p>The flaring of natural gases in SC 14C1 Galoc emits tonnes of GHG into the atmosphere thus causing medium-term health hazards to the employees</p>	<p>a) Describe the organization's processes for identifying and assessing climate-related risks</p> <p>Every last quarter of the year, PXP holds management meetings to discuss the work program and budget (WP&B) plans for the succeeding year. The Exploration program such as Geological and Geophysical (G&G) activities are strategically scheduled all throughout the coming year. Alongside this, PXP identifies possible environmental (including climate-related) risks that may impede the accomplishment of the said activities. Usage of previously collected data such as rainfall quantity, ocean current pattern, and gas emissions helps in forecasting risks that may arise during the implementation of G&G activities. PXP also studies the occurrence probability of these risks and the object which it will directly and indirectly affect. Forward planning and</p>	<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p> <p>The Galoc JV had used the Dubai Fateh, recognized worldwide as the benchmark for quality and pricing of the extracted crude oil. This also sets the trend for commercial viability of processing the Galoc crude oil. Since 2018, however, the produced crude were sold using the arithmetic average of Arab Extra Light official selling price (OSP) and Upper Zakum OSP.</p> <p>The operating blocks are strict in complying with RA 8749 or the Philippine Clean Air Act of 1999 which has the Department of Environment and Natural Resources (DENR) as the lead agency. The quality and quantity of gas emissions during operations are compared to the standard limits set by the DENR.</p> <p>PXP adheres to the DOE standards concerning regulations in the energy industry. The Company regularly submits quarterly and annual operations reports and results of exploration activities of the</p>

<p>succeeding BRROC meeting.</p>	<p>onboard the platform and long-term effect on global warming.</p>	<p>assessment of each stages of the proposed projects are conducted.</p>	<p>Company's operated service contracts. Any plans of the Company are also aligned with the department's mission to be globally-competitive while improving the quality of life of Filipino communities.</p>
<p>b) Describe management's role in assessing and managing climate-related risks and opportunities</p> <p>PXP management bridges its employees and the host communities that are directly exposed to climate-related risks to the board which is the decision-making body of the Company. In more pressing instances, the management is responsible for providing sound decisions and actions toward these risks. Moreover, PXP management oversees all operations and assesses possible environmental impacts of the Company's activities.</p> <p>In the case of non-operated blocks, the management acquaints PXP board and employees to the activities undertaken by the JV Partners in</p>	<p>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.</p> <p>The Company's approach in mitigating climate-related risks initially results to higher capital expenditures because of the acquisition of equipment and appropriate training of employees. On the other hand, a decrease in operational expenditures is expected with the efficient performance of the equipment.</p> <p>The conduct of company activities is also planned accordingly to lessen climate-related risks (e.g., weather pattern) that will incur additional expenses. An example of which is the temporary postponement of plug and abandonment activities in SC 14 during the typhoon season to minimize</p>	<p>b) Describe the organization's processes for managing climate-related risks</p> <p>The Company is proactive in ensuring the safety and well-being of the employees, stakeholders and community affiliated with its projects. Part of the strategic planning is the provision for accidental expenses associated with climate-related risks such as typhoon, flood, and drought.</p> <p>PXP has implemented regular office emergency drills, provided personal protective equipment (PPE) and medical insurance to its employees.</p> <p>Furthermore, additional insurances for the employee, contractor, and equipment are provided by the</p>	<p>b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</p> <p>The primary target of the Company is to lessen carbon footprint and the negative environmental impact of its exploration activities without compromising the attainment of its objectives.</p> <p>Recycling has been a regular practice in the office premises. Reusable items such as papers, carton boxes, plastic bags, and plastic/glass bottles are either given new functions or sold that not only aids employees in work but also benefits the Company by lessening operational expenses and providing additional income, respectively.</p> <p>Conservation of electricity and water is also a constant practice. The Company is contributing less air pollutants with the efficient use of GHG-emitting equipment.</p>

assessing climate-related risks, if any.	<p>risks during operations and downtime due to inclement weather, in year 2020. In the same year, the Land Gravity Survey in SC 40 and geologic fieldwork in SC 74 were also scheduled during the dry season to avoid weather downtime.</p>	<p>Company prior to the execution of exploration activities. In this way, both the Company and end-users are protected.</p> <p>The Company and its JV Partners are updated with environmental laws governing water, air, and land pollution. Regular quality monitoring of these environmental aspects is implemented in the operational blocks.</p>	<p>The operators of producing oil fields ensure that its facilities are in best condition so that emissions of hazardous matters are at the minimum or within acceptable limits.</p> <p>One progress indicator is the performance comparison of the current year with the previous years. Examples of these indicators are measurements of hazardous emissions (kg or tonnes), effluents (m³), solid wastes (kg or m³), electricity (kWh), and water consumption (m³).</p>
	<p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario</p> <p>Although the Company establishes plans prior to the conduct of different activities, unexpected issues may still arise that will impede the regular flow of work. The employees are well-trained to adapt to these situations and will continue to deliver the output needed by the Company.</p> <p>The Company's management and staff</p>	<p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management</p> <p>PXP management practices a holistic approach in doing the Company's overall risk management. After identification, assessment, and action preparation for the climate-related risks, integration with the other risks are done. A cause-and-effect relationship is established on the risks associated with each other.</p>	

	<p>plan and create scenario analysis prior to implementation of projects. A contingency plan is always included in the programs presented to the board. Usually, an additional 10-15% of the total project budget and total number of working days is allocated as contingent measures.</p> <p>Acquisition of additional service contracts is also a resilient move of the company to sustain its operation. PXP joined the DOE's PCECP aimed at diversifying its portfolio through the acquisition of new prospective areas for exploration and development.</p> <p>The Company, being a player in the Energy Sector, is mindful of the increasing global awareness about climate change. Though still far from the Company's immediate plans, a transition to a lower-carbon economy compliant with the 2°C or lower scenario may be considered in the future if an opportunity emerges.</p>	<p>Most of the G&G activities undertaken since 2015 (such as geologic fieldworks, seismic surveys, and drilling) are scheduled during the dry season. The chances of suspending the activity due to inclement weather is accounted in the assessment of financial and operational risks.</p> <p>During the planning stage, additional budget is being allocated to cover for the extension of field days in response to the non-working days associated with the suspension of activity. Moreover, schedule and scope of work of employees left in the office were adjusted to accommodate the length of time the deployed employee was unavailable to perform her usual tasks.</p>	
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Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
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Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	Php12,535,068	-
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In 2021, PXP office had 30 suppliers, of which 27 were local (accounting for 76% of the total suppliers).

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Localizing supply chain represents an opportunity to help reduce emissions and energy usage. Local supplies do not create large carbon footprints through overseas plane travel or long truck trips. This cuts down on fuel consumption and air pollution.	Suppliers	Foreign contractors are only engaged if there are no qualified or capable local suppliers available.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Inability of local suppliers to meet the demand.	Suppliers	Management assesses the availability and competency of local suppliers. Foreign contractors are only engaged if there are no qualified or capable local suppliers available.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>The Company reduces shipping and storage cost while increasing revenue of the local economy by involving local suppliers.</p> <p>This presents opportunity to the Company to be more competitive in terms of providing services to other local oil and gas companies.</p>	Suppliers and other oil and gas companies	<p>The Company's policy on supplier contractor relation is available at the Company's website: https://www.pxpenenergy.com.ph/corporate-governance/company-policy/supplier-contractor-relation/.</p> <p>The Company also seeks and maintains mutually beneficial relationships with Suppliers that uphold the Company's principles and core values.</p>

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	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

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 Supply Chain Department of the Company's affiliate provides support by maintaining guidelines and by issuing necessary notices to Suppliers, including requiring Suppliers to declare their personal relationships (i.e. relatives, former classmates or coworkers, etc.) and/or previous business and official dealings (i.e. former business partner, broker, superior or subordinate) and relationships with any of the Company's Directors, Employees, or Consultants prior to the Supplier's participation in any bid or consideration for any transaction by the Company.	Suppliers, Board of Directors, Employees, and Consultants of PXP	<p>The Company formulated a Code of Business Conduct and Ethics, which upholds professionalism, and ethics in business dealings and transactions.</p> <p>Moreover, the Company has a Vendor Relations Policy, and a Policy on Gifts, Entertainment, and Sponsored Travel that are available on the Company's website through the following links:</p> <p>https://www.pxpenergy.com.ph/corporate-governance/company-policy/policy-on-gifts/ and</p> <p>https://www.pxpenergy.com.ph/corporate-governance/company-policy/supplier-contractor-relation/.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>The following are examples of procurement situations that reveal unethical conduct by an Employee and/or Supplier. The areas and situations enumerated are illustrative only and not exhaustive.</p> <p>An Employee manipulating his evaluation of the contract proposals in exchange for bribes.</p> <p>A Supplier seeking internal (within the Company) and/or external (i.e. political/government) connections</p>	Suppliers, and Board of Directors, Employees, and Consultants of PXP	<p>Proper investigation and resolution of each reported event are made by the appropriate business units and the results are forwarded to the Chairman of the Board, the President, or respective executive-level superior, and other relevant groups or bodies, in accordance with the procedure stated in the Whistleblowing Policy.</p> <p>The Board of Directors, Officers, and Executives ensure that any Director, Employee, or Consultant who reports a suspected violation of this policy by</p>

<p>to increase chances of contract award.</p> <p>Suppliers submitting false documents for accreditation and other procurement-related transactions or processes.</p> <p>Employees developing unreasonable or over specific technical requirements such that award of contract intentionally goes to a particular or preferred Supplier.</p> <p>Employees giving priority or informing preferred Suppliers in advance before actual request such that other Suppliers are caught unprepared or with too little time to plan.</p> <p>Products and/or services that have not undergone official procurement procedure since these were tested or evaluated beforehand through product demonstrations with particular Suppliers thus limiting chances for other Suppliers to compete.</p> <p>Undisclosed conflict of interest situations on business dealings resulting to giving undue advantage to another party.</p> <p>Disclosure of confidential and proprietary information by Employees to Suppliers.</p> <p>Incorrect payment of government taxes due to manipulation of documents by Suppliers.</p> <p>Suppliers not remitting the correct SSS, PhilHealth, Pag-Ibig, and other employee contributions to their employees.</p>		<p>fellow Director, Employee, or Consultant is protected from any form of retaliation.</p>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach

A sound Supply Chain management provides opportunities for vendor interaction to further improve products and services and negotiates for more competitive prices through open bidding.	Employees, Consultants, and vendors of PXP	PXP upholds the highest professional standards of business practices, core values, and ethics as enshrined in its Code of Business Conduct and Ethics in its business dealings with its Suppliers in the procurement of products and services.
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Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	None	#
Number of incidents in which employees were dismissed or disciplined for corruption	None	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Avoid activities and interests that could significantly affect the objective or effective performance of duties and responsibilities in the Company, including business interests or unauthorized employment outside the Company, receiving and/or giving of gifts to persons or entities with whom the Company relates, as well as insider dealing.	Board of Directors, Officers, Employees, and Vendors	The Company has clear rules on anti-bribery and corruption and these are included in the Code of Conduct for all employees. There is no place for bribery or corruption at PXP. Read more about the Company's values at https://www.pxpenenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics/ .
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Though the Company has no recorded incidents, risks of corruption are always present within the business environment.	Board of Directors, Officers, Employees, Suppliers, and Vendors	To mitigate this risk, the Company has clear rules on anti-bribery and corruption and these are included in the Code of Conduct for all employees. There is no place for bribery or corruption at PXP. Read more about the Company's values at https://www.pxpenenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics/ .

		After conducting proper investigation of an incident, PXP shall enforce disciplinary actions against violators, which may include measures such as suspension, dismissal, and/or filing of appropriate civil and/or criminal actions.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>Procurement should be done through open competitive bidding, except on unavoidable circumstances.</p> <p>Seek ways for further employee development such as seminars against corruption.</p>	Board of Directors, Officers, Employees, Suppliers, and Vendors	Communicate the PXP business policies regularly to stakeholders.

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units/Year
Energy consumption (renewable sources)	None	GJ
Energy consumption (gasoline)	None	GJ
Energy consumption (LPG)	None	GJ
Energy consumption (diesel)	200,300*	liters
Energy consumption (electricity)	1782**	kWh/yr
Energy consumption (Natural gas)	47.50*	mmscf

*Data are from SC 14C-1 (Galoc) Floating Production Storage and Offloading (FPSO) Vessel for the year 2021 as provided by the Operator, NPG Pty Ltd. PXP Energy produces oil through its subsidiary, Forum Energy Philippines Corporation which has a 3.2103% stake in SC 14C-1.

**Electricity consumption at PXP headquarters.

Reduction of energy consumption

Disclosure	Quantity	Units/Year
Energy reduction (gasoline)	Minimal	GJ
Energy reduction (LPG)	Not applicable	GJ
Energy reduction (diesel)	Minimal	GJ
Energy reduction (electricity)	Minimal	kWh

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
In the office, continuous reduction of energy consumption is being done through implementation of energy conservation measures.	Employees	The Company has been implementing cost-cutting measures since 2015 resulting to the proper monitoring of and reduction in general & administrative expenses.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Inefficient use of office equipment resulting to higher energy consumption.	Employees	Continuous monitoring and constant reminder to company employees of efficient use of office equipment. Orient maintenance staff on the schedule of switching on and off of lights, aircon, workstations, and other electrical equipment, specifically during the work-from-home set up, wherein employees

		are accessing their workstations remotely.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company to assess the impact of implementing an option to work from home to decrease operational costs and increase employees' productivity by minimizing travel time.	Employees	With the emergence of COVID-19, the Company implemented a work-from-home scheme wherein employees are only required to report onsite from two (2) to three (3) business days in a week. Inter-Agency Task Force (IATF) guidelines were followed such as allowing a maximum of 50% operational capacity inside the office. These new working arrangements resulted to a decline in electricity consumption.

Water consumption within the organization

Disclosure	Quantity	Units/Year
Water withdrawal	None	Cubic meters
Water consumption	48*	Cubic meters
Water recycled and reused	None	Cubic meters

*Water consumption at PXP headquarters in 2021. Water use pertains only to pantry and toilets.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
At the office, PXP prioritizes water management, in response to the national water scarcity experienced back in year 2019. At the FPSO, continuous application of reverse osmosis in seawater desalination is being done to produce clean water that can be used for drinking, bathing, food preparation, and other general purposes.	Community, Employees, and Marine Crew at the FPSO	The Company educates its employees on the efficient use of water. Since 2012, the FPSO has been reprocessing seawater to produce clean, safe, and fresh water to be self-sufficient, instead of relying on water tank refilling by supply vessels, which will entail additional logistical processes.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach

Within the office premises, some personnel are unaware that they irresponsibly use water facilities resulting to higher consumption.	Employees	<p>The Company instills water conservation practices to employees.</p> <p>Management lowered the water pressure in the comfort rooms, to control water flow and avoid spillage.</p> <p>Also, management ensures that there are no faucet and toilet leaks to avoid water wastage by conducting regular inspection every month and replacing damaged parts immediately.</p>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Efficient water consumption leads to financial savings, which can be appropriated by the Company for other purposes. Additionally, water conservation helps the community as a whole in prolonging the water supply especially during dry seasons from March to May wherein the water in reservoirs falls below normal level.	Employees and Building Management	<p>The Company emphasizes to employees to use water responsibly.</p> <p>The work-from-home scheme also resulted to a decline in water consumption in the office as the days spent by the employees onsite were also reduced in 2021.</p>

Materials used by the organization

Disclosure	Quantity	Units/Year
Materials used by weight or volume		
<ul style="list-style-type: none"> Renewable <ul style="list-style-type: none"> Water Wood/Paper 	<ul style="list-style-type: none"> 5,060,215.32* 27.50* 	<ul style="list-style-type: none"> cubic meter cubic meter
<ul style="list-style-type: none"> Non-Renewable <ul style="list-style-type: none"> Metals Plastics Diesel Natural Gas 	<ul style="list-style-type: none"> 42* 120* 200,300* 47.50* 	<ul style="list-style-type: none"> cubic meter cubic meter liter million standard cubic feet
Percentage of recycled input materials used to manufacture the organization's primary products and services	None	%

*Data from SC 14C-1 Galoc for the year 2021. The volume of water only includes produced formation water, wash water, cooling water for the engine room, and cooling water for the process area. This does not include the potable water produced during osmosis.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>Platforms built on top of the seabed are made up of non-renewable metals such as steel alloyed with other elements like nickel, iron, chromium, carbon, and molybdenum which are also non-renewable.</p> <p>In offshore operations, water produced from the target formation during production is either recycled for platform/vessel/engine use, stored in stock tanks or discharged back to the sea.</p> <p>Plastics are non-renewable materials that use oil/fossil fuel as raw materials.</p> <p>The Company, through the Galoc operations, produce tonnes of plastic, wood, and paper wastes annually.</p>	<p>Employees onboard the platform/FPSO, Nearby Community, and Environment</p>	<p>Although platforms are built far from the community, a portion or all of these structures are permanently left offshore. The DOE may opt to take over these structures after cessation of all petroleum-related activities of the Company, as what happened in SC 14 in 2020 when the DOE donated the Nido and Matinloc platforms to the Armed Forces of the Philippines to be used for national defense purposes. The decommissioned platforms were first stripped of equipment and materials which were sold to third party contractors through bidding.</p> <p>Platforms are furnished with equipment that can process formational water from the subsurface.</p> <p>Recycling and waste segregation are implemented in the Company premises and Galoc platform and FPSO.</p> <p>Papers, carton boxes, plastic bags, and plastic bottles in the office are given new functions or sold, while in offshore operations, these are properly collected and disposed on the shore as per MARPOL guidelines.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>Possible improper maintenance of the platform may lead to fast deterioration of metals that may result to injuries or accidents. Deteriorated metals may also pose health and environmental risks to the marine flora and fauna where the platform was constructed.</p>	<p>Employees onboard the platform/FPSO, Nearby Community, and Environment</p>	<p>PXP, through its JV partners, assisted the DND-AFP by providing training on proper care and maintenance procedures. The platforms were also refurbished prior to the turnover.</p> <p>Inspection, care, and maintenance of water-processing equipment are regularly implemented to ensure their efficiency and to avoid untoward</p>

<p>Accidental discharge of oil/diesel-contaminated water into the sea may cause life and health hazards to the marine ecosystem and nearby community that depends their livelihood in fishing.</p> <p>Improper waste disposal of used plastic and paper materials may result to pollution of the sea.</p>		<p>accidents. Oil content of overboard and subsea water discharges are strictly monitored per MARPOL guidelines.</p> <p>The management encourage employees to practice recycling and proper waste management. Tree planting activities were also conducted in lieu of the wood-based materials exhausted by the Company and as part of its obligation (ECC) to the government.</p>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>The platforms act as artificial reefs for the aquatic organisms that had attached to the steels in the subsurface. The abundant marine resources can be of use to the community and current owners of the platforms.</p> <p>With the full support provided to DND-AFP, PXP and its JV partners may still request to use the platforms in case a need arises.</p> <p>Clean water discharge will not harm the marine ecosystem that had thrived in the subsea structures. Penalties and fines will be avoided if water discharge is not contaminated with oil/diesel.</p> <p>Recycling benefits the Company by lessening operational expenses and providing additional income.</p>	<p>Employees onboard the platform/FPSO, Nearby Community, Environment, and Management</p>	<p>Technical support from the company and JV partners was provided during the turnover of the Nido and Matinloc platforms.</p> <p>In the Galoc Block, the Consortium guarantees that it complies with the environmental laws governing water/sea.</p> <p>Used plastic and paper wastes are sold by the Company. Some were repurposed to a new item and were used by employees. Since the lockdown in March 2020, the Company ended its newspaper-print subscription and opted to access newspapers online, which somehow decreased cost incurred by the Company and reduced its environmental impact.</p>

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	None*	ha
Habitats protected or restored	None	ha
IUCN ⁴ Red List species and national conservation list species with habitats in areas affected by operations	None	ha

*Prior to the awarding of SCs, the DOE carves out protected areas as per the National Integrated Protected Areas System of the DENR.

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 faithfully ensures strict compliance with environmental laws and policies by securing required permits from the DOE, DENR, and Mines and Geosciences Bureau (MGB). Further, PXP promotes environmental awareness to the community prior to and after G&G activities.	Employees and Communities adjacent or within the SCs	<p>PXP and its subsidiary Forum have acquired Certificates of Non Coverage (CNC) and Environmental Compliance Certificates (ECC) from the Environmental Management Bureau (EMB) of the DENR to cover all its exploration activities, as summarized below.</p> <ol style="list-style-type: none"> 1. SC 14C-1 – An ECC was issued on August 30, 2006 to cover the Galoc Field development. 2. SC 72 – A CNC was issued on December 22, 2010 for the 2D and 3D seismic surveys conducted in the Recto Bank. Another CNC was issued on May 23, 2012 to cover all exploration and appraisal activities, which includes the drilling of exploration wells. 3. SC 40 – An ECC was issued on February 19, 2010 for the extraction of natural gas in Barangay Libertad, Bogo City, Cebu. CNCs were issued in 2009 and 2012 for the land gravity surveys.

⁴ International Union for Conservation of Nature

		<p>4. SC 75 – On February 28, 2014, a CNC was issued to PXP to cover all exploration activities.</p> <p>5. SC 74 - On March 22, 2016, a CNC was issued to cover all exploration activities.</p> <p>6. SC 74 – In June 2018, a permit to transport rock samples from the fieldwork in the Calamian Islands to Manila was requested from the MGB-MIMAROPA, in accordance with the DENR Administrative Order 2010-21, the IRR of RA 7942 otherwise known as the Philippine Mining Act of 1995.</p> <p>Conducted Information, Education, and Communication (IEC) campaign in the communities prior to the exploration activities.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
For the fieldworks, marine and land seismic and gravity surveys, drilling and production activities, the risk include the disturbance of local ecosystem in the area (i.e. cutting of trees, oil spill, improper disposal of large volumes of saline water, and gas flaring).	Employees, Marine Crew onboard the Seismic Vessel or FPSO, and Local Communities adjacent or within the SCs	<p>The Company, its Subsidiaries, and JV partners continue to strictly abide with Environmental laws and policies. The exploration, production and development activities are being accomplished with minimum or no detrimental impacts to flora and fauna, marine and onshore environment, soils, surface, ground, and marine waters. Daily Health, Safety, Security and Environment (HSSE) meetings are being conducted during onshore and offshore operations.</p> <p>The Company conducts Bathymetric Surveys to determine the shallow water areas or pinnacles to be avoided during seismic surveys.</p> <p>During the seismic surveys in SC 75 and SC 74 in 2014 and 2016, respectively, Marine Mammal Observers (MMOs) were assigned onboard the seismic ships to monitor the surveys' effect on</p>

		<p>sensitive wildlife species such as dolphins, turtles, and whales; and to ensure that the Company adheres to the environmental guidelines set by the Philippine government.</p> <p>In 2017, the SC 40 Libertad Field L95-1 well was safely and properly plugged and abandoned. The installed production and office facilities were removed and the project site was restored to its original state.</p> <p>The P&A of production wells in SC 14A and SC 14B from 2018 to 2020 were accomplished with no significant impact to the environment and offshore waters. Some of the platforms were stripped of equipment and materials that were transported onshore for later recycling or disposal.</p> <p>With regard to the SC 14C-1 Galoc field operations, Oil Spill Contingency Plans are in place in case of any untoward incidents.</p> <p>Produced water and petroleum wastes are being monitored in compliance with the standard acceptable amount defined by the DENR.</p> <p>Used diesel is being monitored to ensure that there is no spillage.</p>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>Decrease of negative environmental impact while minimizing incurred operational cost by partnering with other companies that provide exploration services within adjacent areas.</p> <p>In the office, decrease environment impact and CO₂ imprint by going paperless/electronic.</p>	<p>Local communities adjacent or within the SCs, Employees, and Third Party Contractors</p>	<p>In 2016, the Company participated in the Multi-Client Seismic Survey of CGG, which acquired seismic data over the SC 74 in coordination with other Service Contractors. This eliminated the need to conduct a separate survey for the Company, thus saving on operational expenses and disturbance to the environment.</p> <p>During the 2020 gravity survey in SC 40 northern Cebu, Forum inspected the Maya storage site where Radioactive</p>

In offshore operations, JV partners devise ways to repurpose old platforms (i.e. defense outpost of the government) instead of building or manufacturing a new one.		<p>Materials were stored before transport to the Philippine Nuclear Research Institute (PNRI), for proper disposal. The Maya area will be restored to its original state by disposing the old pipes and other equipment used from previous drilling operations. The rehabilitation will start upon acquisition of a certificate stating that the site is cleared from any radioactive materials and once travel restrictions related to the pandemic have been eased.</p> <p>As much as possible, PXP is implementing paperless transactions.</p> <p>The SC 14 JV turned over the Nido and Matinloc platforms to the DOE last December 2019 so that they can be used by the DND-AFP for national defense, instead of creating a new outpost.</p>
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Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units/Year
Direct (Scope 1) GHG Emissions (CO ₂ , CH ₄ , N ₂ O, and Fluorinated Gases)	260,571.62*	Tonnes
Energy indirect (Scope 2) GHG Emissions	None*	Tonnes
Emissions of ozone-depleting substances (ODS) [CO, NO _x , and non-methane VOCs (i.e. ethane, propane, butane)]	920.55*	Tonnes

* The Company produces oil through its subsidiary Forum through its 3.2103% stake in SC 14C-1 Galoc. Data is from the Floating Production Storage and Offloading (FPSO) Vessel gas flaring and fuel combustion for the year 2021.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
At the office, usage of air conditioning (AC) systems that release chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HFCs)	Employees of PXP and onboard the platform, FPSO, and nearby communities	The Company regulates its AC systems to lessen its power consumption. Out of sixteen (16) AC systems pre-installed in the office, only four (4) are in operation during work hours (8:00-17:00). The

<p>which are GHGs that trap heat and cause depletion of the ozone layer.</p> <p>Natural gases (i.e. methane (CH₄), ethane, propane, butane, and other heavier components), which are GHG and VOCs, produced in the Galoc field are flared out as these are not economical to be developed and also pose safety and health hazards (i.e. major blowout accident leading to destruction and fatality) if not managed properly.</p> <p>Flaring natural gases results to by-products or GHGs such as CO, CO₂, VOCs, NO_x, SO_x, and other air pollutants.</p>		<p>operating ACs were further reduced from seven (in 2019) to four due to the decreased workforce in the office associated with the implementation of a work-from-home scheme since March 2020. These units are those near work desks occupied by the Company's employees and consultants. As an alternative, Management opts to utilize or purchase AC systems with HFCs refrigerants instead of CFCs, since the former have lesser detrimental effects to the environment.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>Emission of GHG into the environment.</p> <p>HFCs represent only a small portion of the total GHG emissions. However, they trap heat in the atmosphere as much as CO₂.</p> <p>Although flaring/burning of natural gases emits a number of pollutants in the environment, it is less hazardous as compared to venting which is directly releasing natural gases into the atmosphere. Large amounts of released natural gases/GHG may cause health hazards to the platform's crew and contribute to ozone destruction and global warming.</p>	<p>Employees of PXP and onboard the platform, FPSO, and nearby communities</p>	<p>Together with the reduced usage of AC units in the office, routine check and maintenance are also being implemented to ensure efficiency of the AC systems.</p> <p>To prevent major blowout accidents, flaring is favored by the management than venting off natural gases.</p>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>In the office, decrease environment impact and CO₂</p>	<p>Employees</p>	<p>The Company is practicing energy conservation measures. PXP is</p>

<p>footprint by going electronic. Less electricity consumption brought about by the minimal use of AC units and the cost-effective performance resulting from the regular maintenance will lead to savings that can be allocated to other company expenses.</p>		<p>implementing paperless approach to certain transactions to minimize paper consumption and CO₂ emission during printing and photocopying.</p> <p>In November to December 2021, the Company's newly hired employee availed of the free shuttle service being offered by an affiliate company of PXP.</p> <p>In 2020, the Company provided a shuttle service that catered to employees during the first few weeks of the General Community Quarantine in Metro Manila. This somehow limited the number of vehicles that emitted GHGs, such as carbon dioxide, to the environment. Although the abovementioned energy conservation measures can be considered basic with minimal effect to the environment, PXP believes that this effort will still be beneficial to the community and environment in the long run.</p>
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Air pollutants

Disclosure	Quantity	Units/Year
NO _x	116.97*	Tonnes
SO _x	0.011*	Tonnes
Persistent organic pollutants (POPs)	None*	Tonnes
Volatile organic compounds (VOCs)	184.55*	Tonnes
Hazardous air pollutants (HAPs)	None*	Tonnes
Particulate matter (PM)	0.328*	Tonnes

*Data is from SC 14C-1 FPSO gas flaring and fuel combustion for the year 2021. No measured/reported POPs and HAPs in SC 14C-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
NO _x , SO _x , VOCs, and PMs are products of fuel combustion and ship emissions. These are released into the atmosphere and affect the	Employees onboard the platform, FPSO, and nearby communities	In SC 14C-1 operations offshore, International Convention for the Prevention of Pollution from Ships (MARPOL) guidelines are strictly enforced.

<p>ozone layer and contribute to global warming.</p> <p>In SC 14C-1, flaring of natural gases (i.e. methane (CH₄), ethane, propane, butane and other heavier petroleum components) results to by-products or air pollutants such NO_x, SO_x, VOCs, and PM. Ethane and propane are the most abundant non-methane hydrocarbon compounds found in natural gas.</p>		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>Abundant NO_x and SO_x released into the environment from ship emission/fossil fuel combustion causes acid deposition. These gaseous pollutants are the major components of acid rain and smog apart from its contribution to greenhouse effect and global warming.</p> <p>Although flaring/burning of gases emits certain pollutants in the environment, it is less hazardous as compared to venting which is directly releasing natural gases into the atmosphere. Large amounts of released natural gases may cause health hazards to the platform crew.</p>	<p>Employees onboard the platform, FPSO, and nearby communities</p>	<p>Strict implementation of the MARPOL guidelines to decrease ship emissions. FPSO/Ship engines are also properly maintained to avoid machine failures that could increase the ship's intake of fossil fuel which in turn leads to an increase in combusted fuel.</p> <p>The management opted to do gas flaring rather than venting to minimize health hazards and accidents.</p>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>Strict compliance with the laws governing air and seas/water will enable the Company and Galoc JV to operate without interruption. Fines and penalties will also be avoided.</p> <p>A healthier and more conducive environment for the employees onboard the platform and FPSO.</p>	<p>Employees onboard the platform/FPSO and nearby communities</p>	<p>Strict compliance with the International Convention for the Prevention of Pollution from Ships (MARPOL) guidelines.</p>

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units/Year
Total solid waste generated		kg
Reusable	None	kg
Recyclable Total for CY 2021	298,520	kg
1. PXP Office	20	kg
2. SC 14C-1 Operations (MARPOL Guidelines)	298,500	kg
Composted	None	kg
Incinerated	None	kg
Residuals/Landfilled	None	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
Proper solid waste disposal regulations prevent contamination to the environment (i.e., air, soil, and water) that could pose health risks to the community, and cause harmful effects to the ecosystem such as mutation and extinction.	Employees and adjacent Community	<p>The Company, together with its subsidiaries and JV Partners, are in strict compliance with the proper solid waste disposal regulations.</p> <p>In addition, proper waste management is implemented in the head office. Biodegradable food wastes are being segregated from non-biodegradables and recyclables. The backs of collected scratch papers are being re-used. Recyclable materials such as cartons, and bottles are collected then sold as scrap materials. Although the abovementioned waste management can be considered basic with minimal effect to the environment, PXP believes that this effort will still be beneficial to the community and environment in the long run.</p> <p>In SC 14C-1 operations offshore, International Convention for the Prevention of Pollution from Ships (MARPOL) guidelines are strictly enforced.</p>

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Improper waste management poses adverse effects in the environment with health implications to the community.	Employees and adjacent Community	The Company maintains and improves solid waste management policies of its subsidiaries and JV Partners, which are adherent to international health, safety, and environment standards.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>In the office, decrease environment impact and CO₂ imprint by minimizing paper printouts and going electronic. Also, decrease the usage of one-time use plastics.</p> <p>Business transactions, both internal and external, were done via online/electronic.</p>	Employees and adjacent Community	<p>As much as possible, PXP is implementing paperless transactions to minimize CO₂ emission during printing and photocopying.</p> <p>The Company is more conscious in doing business through online transactions. Internal memorandums and announcements are circulated through email blasts. Submission of necessary permits, reports, disclosures, and other documents are made through online portals hosted by the government and other participating agencies. These resulted to less use of papers and other office supplies.</p> <p>PXP employees are encouraged to bring their own reusable containers for food to minimize paper and plastic wastes.</p>

Hazardous Waste

Disclosure	Quantity	Units/Year
Total weight of hazardous waste generated in Year 2021	45,562.76	Tonnes
1. SC 14C-1	45,562.76	Tonnes
Total weight of hazardous waste transported and disposed in Year 2021	29.62638	Tonnes
1. SC 14C-12021	29.62638	Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach

<p>The Company, together with its subsidiaries and JV Partners, is in strict compliance with the proper hazardous waste disposal regulations to prevent contamination of the environment (i.e. air, soil, and water), that could pose health risks to the community, and cause harmful effects to the ecosystem (i.e. mutation and extinction).</p> <p>For the SC 40, ensure and maintain proper storage of Radioactive Materials (RAM).</p>	<p>Employees and adjacent Community</p>	<p>In SC 14C-1 and other operations offshore, International Convention for the Prevention of Pollution from Ships (MARPOL) guidelines are strictly enforced.</p> <p>In 2020, the Company hired a Radiation Safety Officer (RSO) in charge of renewing the Company's Radioactive Materials License as well as monitoring radioactivity under SC 40.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>Improper storage, handling, and disposal of hazardous wastes have adverse effects to the public health, safety, and environment.</p> <p>Leakage from the stored radioactive materials in SC 40 can affect people living nearest the area. Radioactive leaks, by nature, are not simple to clean up and contain.</p>	<p>Personnel in charge of security and maintenance at the storage site and Adjacent Community</p>	<p>Maintain and improve hazardous waste management policies of the Company, subsidiaries and JV Partners, in concurrence with international health, safety and environment standards.</p> <p>The radioactive materials are sealed within their original container and placed inside a wooden crate. The crate is stored inside a padlocked container van. The company hired a RSO to regularly conduct swipe tests and ensure that radioactivity is within safe limits. There is also a security guard assigned to prevent trespassing and theft of any of the equipment in the SC 40 Maya storage site.</p>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>At the office, policies on the disposal of hazardous wastes like batteries, which contain lead, used containers with toxic substances, and expired medicines are prepared and implemented.</p> <p>In SC 40, it was deemed necessary to dispose of the RAM because indefinite storage is not advisable.</p>	<p>Employees and Community nearest the Maya storage site, where the RAM are located.</p>	<p>At the office, additional guidelines on proper hazardous waste disposal should be formulated and applied.</p> <p>The PNRI was contacted by the RSO for advice on proper disposal of the RAM. PNRI has the facilities for radioactive waste management, thus, it was decided to transport the RAM from the SC 40</p>

Accidental leakage of the RAM is being prevented to ensure safety of people living within the areas nearest the storage site.		<p>Maya site in Cebu City to PNRI's facility in Quezon City.</p> <p>The transport of RAM was done in early 2020 using a third party contractor and following PNRI's guidelines. No untoward incidents occurred during this activity and the RAM was turned over to the PNRI for proper waste management. Following the disposal of the RAM, Forum has requested for the termination of its license to possess such radioactive materials.</p>
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Effluents

Disclosure	Quantity	Units/Year
Total volume of water discharges	5,060,215.32*	Cubic meters
Percent of wastewater recycled	None	%

*Data is from the SC 14 C-1 Galoc FPSO for the year 2021.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Offshore International and National Guidelines for Wastewater Discharges to the surface and bottom of the sea should be followed, as to control pollution and to have minimal impact to the marine environment and ecosystem. Maximum defined contamination levels should be followed.	Marine crew at the FPSO, Fishermen, and Community	In offshore petroleum operations of the Company, subsidiaries, and JV partners, the International Convention for the Prevention of Pollution from Ships (MARPOL) guidelines are and will be strictly enforced.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The effluents with oil and other toxic waste contents exceeding the acceptable amount set by the MARPOL guidelines will contaminate the sea and sea bottom. This will cause damage to marine flora and fauna and can	Marine crew at the FPSO, Fishermen, and Community	<p>Strict implementation of safety and environmental standards of the JV consortium. In case of untoward incidents, mitigation procedures are in place.</p> <p>At the FPSO vessel and platforms, produced water is analyzed and discharged overboard if it has less than</p>

possibly cause related health implications to the community.		15 ppm of oil content. If the produced water exceeds the 15 ppm allowable limit, procedures under the Oil Spill Contingency Plan are carried out to treat the water before disposal.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Some produced formation water or effluent is being reprocessed and used onboard.	Marine crew at the FPSO, Fishermen, and Community	Reprocessed or treated water discharges onboard by Galoc consortium can be utilized for other general purposes in the vessel or platform.

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	None	Php
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	None	#
No. of cases resolved through dispute resolution mechanism	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
As mentioned in the Ecosystems Section, PXP is actively complying with Environmental Laws and Policies.	Employees and Community adjacent or within the SCs	<p>PXP and its subsidiary Forum have acquired CNC and ECC from EMB-DENR to cover all its exploration activities, as summarized below.</p> <ol style="list-style-type: none"> 1. SC 14C-1 – An ECC was issued on August 30, 2006 to cover the Galoc Field development. 2. SC 72 – A CNC was issued on December 22, 2010 for the 2D and 3D seismic surveys conducted in the Recto Bank. Another one was issued on May 23, 2012 to cover all exploration activities, which includes the drilling of exploration wells. 3. SC 40 – An ECC was issued on February 19, 2010 for the extraction of

		<p>natural gas in Barangay Libertad, Bogo City, Cebu. For the land gravity surveys, CNCs were issued in 2009 and 2012.</p> <p>4. SC 75 – On February 28, 2014, a CNC was issued to PXP to cover all exploration activities.</p> <p>5. SC 74 - On March 22, 2016, a CNC was issued to cover all exploration activities.</p> <p>6. SC 74 – In June 2018, a permit to transport rock samples from the fieldwork in the Calamian Islands to Manila was requested from the MGB-MIMAROPA, in accordance with the DENR Administrative Order 2010-21, the IRR of RA 7942 known as the Philippine Mining Act of 1995.</p> <p>Conducted IEC campaigns to the communities prior to the exploration activities.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Non-compliance with environmental laws and regulations might lead to imposition of penalties and fines, or to the cancellation of the SC.	Employees and Company	PXP and subsidiaries strictly adhere to environmental laws and regulations.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
PXP consistently maintains an environmentally, ergonomically, and legally compliant operations	Employees and Community	The Company continues adherence to environmental laws and regulations.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ⁵		
a. Number of female employees	7	#
b. Number of male employees	2	#
Attrition rate ⁶	1	11%
Ratio of lowest paid employee against minimum wage ⁷	None	ratio

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	11%	-
PhilHealth	Y	-	-
Pag-Ibig	Y	22%	-
Parental leaves	Y	-	-
Vacation leaves	Y	100%	100%
Sick leaves	Y	100%	100%
Medical benefits (aside from PhilHealth)	Y	100%	100%
Housing assistance (aside from Pag-Ibig)	N	-	-
Retirement fund (aside from SSS)	N	-	-
Further education support	N	-	-
Company stock options	N	-	-
Telecommuting	N	-	-
Flexible-working Hours	N	100%	100%
(Others)		-	-

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Provides assistance in facilitating and processing of the applications. The Company ensures regular and timely remittance of the employee's monthly premiums. PXP provides assistance to employees in	The Company considers its people its greatest asset. Employees are provided with benefit packages (i.e. Maternity Benefit, Sickness Benefit, Salary Loans, and Calamity Fund) along with a wide range of learning and professional

⁵ Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#)). Figures do not include the employees of SC operators in which PXP and Forum are members.

⁶ Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year).

⁷ All employees of PXP are paid above the minimum wage rates.

<p>facilitating and processing of the applications when availing other SSS and Pag-Ibig benefits.</p>	<p>development opportunities to help them achieve their full potential.</p> <p>Benefits provided for the employees are as follows:</p> <p>Base Salary; Medical Coverage for Employees and their spouses/children; Free COVID-19 vaccine for Employees; Employees' Annual Medical Check-Ups; Life and Accident Insurance; Continuing Education; Annual Vacation Leave – 15 days; and Annual Sick Leave – 15 days.</p> <p>Historically, PXP follows the standard “five-days-work and two-days-off pattern” and eight-hour working day. However, in adherence with the IATF guidelines, from March to May 2020, work-from-home policy was implemented during the Enhanced Community Quarantine and in 2021 reporting onsite was resumed and reduced to 2 to 3 days per week to limit exposure from the coronavirus disease</p> <p>The Company also promotes work-life balance and the welfare of the employees.</p> <p>PXP advocates the rights of female workers in the office without bias and discrimination. In years 2016 and 2019, SSS Maternity Leave benefit was availed by a female employee in accordance with RA 11210. In 2017, another female employee availed special leave with full pay after undergoing gynecological surgery, which is in compliance with the Magna Carta of Women (RA 9710).</p> <p>Additionally, the Company adheres to the Solo-Parent Welfare Act of 2000 (RA 8972) and the Magna Carta for Disabled Persons (RA 7277).</p>
What are the Risk/s Identified?	Management Approach
<p>Non-adherence to providing benefits mandated by the government is a violation of the law and will</p>	<p>All employees enter into labor contracts for legal employment with the Company. The Company</p>

subject the Company to civil and criminal liabilities in addition to revocation of license to operate.	exercises check-and-balance practices to ensure that various policies are properly implemented.
What are the Opportunity/ies Identified?	Management Approach
<p>The Company is considering telecommuting or work from home arrangements.</p> <p>Work from home arrangement decreases operational expenses of the Company and increases employees' work efficiency.</p>	<p>The Company prioritizes management of its employees to ensure that it maintains a high-performing workforce that is at par with the best in the industry.</p> <p>The Company implemented work-from-home arrangements in compliance with the government's mandate on reducing the spread of COVID-19.</p>

Employee Training and Development

Disclosure	Quantity	Hours/Year
Total training hours provided to employees		
a. Female employees	128	hours
b. Male employees	48	hours
Average training hours provided to employees		
a. Female employees	24 to 64	hours/employee
b. Male employees	16	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>The onshore and offshore petroleum competency requirement is quite complex as it requires high standard of safety and proficiency. PXP greatly believes that employees are the main asset of the Company and continuous training and development should be implemented.</p>	<p>Technical personnel are attending SEAPEX meetings/seminars here and abroad, as well as annual Philippine Geological Conferences (GEOCON) since 2015. In 2016, a Basin Analysis training course was attended by a PXP geologist, together with other geoscientists from local petroleum operators. The technical team attended the first virtual GEOCON and GEOSEA in years 2020 and 2021, respectively.</p> <p>The Company's staff have attended webinars on topics related to their fields that were organized by government agencies, petroleum service companies, and other professional organizations and societies.</p> <p>HSSE trainings such as Basic Occupational Safety and Health Training (BOSH) by DOLE and First Aid and Basic Life Saving Trainings by Philippine Red Cross was attended by assigned PXP personnel in third quarter of 2021.</p>

	Earthquake and fire drills are implemented by the Company.
What are the Risk/s Identified?	Management Approach
<p>Globally, the petroleum industry is experiencing a downturn, which caused a slowdown in overall operations and sustenance of personnel training and development.</p> <p>Due to COVID-19, face to face trainings and seminars became sparse and were limited to online teleconferences because of the suspension of physical social gatherings mandated by the Philippine Government.</p>	<p>The training and development budget will be re-aligned in response to the oil price crash. Encourage personnel to take advantage of free webinar courses provided by technical experts.</p> <p>Despite less trainings offered in 2021, the Company availed of online seminars for the advancement of expertise of its employees.</p>
What are the Opportunity/ies Identified?	Management Approach
<p>While petroleum operations are slowing down, the Company should take this opportunity to avail training which is much cheaper if done locally with other petroleum operators. Also, online trainings are cheaper as they will not require travel and accommodation costs.</p> <p>HSSE trainings should be attended by all personnel with different definitions of safety standards.</p>	<p>In 2016, PXP together with other petroleum operators availed an international training course and conducted it locally.</p> <p>Two PXP personnel attended free online BOSH training of DOLE in third quarter of 2021.</p> <p>First aid training by the Red Cross should be attended by all PXP employees, in compliance with the DOE requirement to assign 1 to 2 safety officers on site and during field operations. A PXP personnel attended the said training in November 2021.</p> <p>The Company looks for opportunities for inexpensive local or online training if available given the health and travel restrictions being imposed due to COVID-19.</p> <p>Additionally, technical personnel are participating on free online courses offered by petroleum experts.</p>

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	Not Applicable	%
Number of consultations conducted with employees concerning employee-related policies	Not Applicable	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company has no collective bargaining agreements with any of its employees.	The Company creates a working environment that is conducive to open discussion and collaboration, with the goal of enabling everyone to work together towards improving its working conditions and enhancing the overall productivity
What are the Risk/s Identified?	Management Approach
The Company has no reported issues on labor-management relations during the year.	The Company upholds the values of integrity and accountability. Therefore, it expects the members of its workforce to comply with pertinent rules and regulations and hold them accountable for any violations that may occur in the conduct of their duties.
What are the Opportunity/ies Identified?	Management Approach
Maintaining a harmonious professional relationship between the management and staff as it helps ensure employee engagement and business continuity.	<p>The Company encourages open communications between management and staff through various formal and informal channels, especially during this health crisis that the overall wellbeing (i.e., mental and physical health) of the employees is being regarded with utmost importance</p> <p>Continue to engage the employees in a non-business-relaxing environment to foster team spirit and bonding.</p>

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	78%	%
% of male workers in the workforce	22%	%
Number of employees from indigenous communities and/or vulnerable sector*	1	#

**Vulnerable sector includes, 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
Company activities such as hiring, promotion, and compensation are conducted without regard to race, color, ethnicity, religion, national origin, gender, gender identity or expression, sexual orientation, marital status, dependents, genetics, disability, age, social class, or political views.	<p>The management is committed to respecting people's differences and creating an inclusive workplace culture. It does not tolerate any kind of harassment or prejudice.</p> <p>In order to respect and value the diversity of the employees and all with whom the Company do business, managers are required to ensure that the working environment is free from any form of harassment and discrimination.</p> <p>PXP advocates the rights of female workers in the office without bias and discrimination.</p> <p>Additionally, the Company adheres to the Solo-Parent Welfare Act of 2000 (RA 8972) and the Magna Carta for Disabled Persons (RA 7277).</p> <p>The company's board diversity policy can be found in the Company's website through this link: https://www.pxpenegy.com.ph/corporate-governance/company-policy/board-diversity-policy/.</p>
What are the Risk/s Identified?	Management Approach
The Company has not identified any violation relating to diversity and equal opportunity.	All employees are provided with equal career opportunities and recognize that people bring different skill qualities to the work place.

What are the Opportunity/ies Identified?	Management Approach
<p>As at October 31, 2021, the Company has 9 employees comprising 7 females and 2 males. The Company continues to encourage:</p> <ul style="list-style-type: none"> - greater female participation; and - executive senior professional employees to look for mentoring opportunities for more junior employees to gain valuable insights into PXP and the oil & gas industry, generally. <p>Diversity creates goodwill within the community and within the industry.</p>	<p>The Company will continue to promote inclusiveness to help break down barriers and reduce the fear of being rejected, not only for who the employees are, but also for the ideas they voice.</p> <p>Continuous hiring of both local and foreign consultants for the company's exploration projects.</p>

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	207,543*	Man-hours
No. of work-related injuries	None	#
No. of work-related fatalities	None	#
No. of work related ill-health	None	#
No. of safety drills	1	#

*Data is from the SC 14 C-1 Galoc FPSO for the year 2021.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>The Company and its Subsidiaries consistently foster a safe working environment. PXP implements employee health and safety measures and training programs that protect people from occupational hazards by preventing injury, illness, and fatality.</p> <p>The onset of the global pandemic due to COVID-19 disease had greatly impacted several businesses and industries including the petroleum and energy sectors.</p>	<p>The Company strictly complies with all relevant occupational health and safety laws and regulations. PXP aims to achieve zero injury and fatality rate for its entire staff. The same is true with offshore operations of subsidiaries, which adhere to international HSSE policies.</p> <p>At the work site, first aid kits and fire extinguishing equipment are conspicuously located and properly maintained. To ensure emergency preparedness, staff participates in regular fire and earthquake evacuation drills. Regular first aid and lifesaving trainings are being attended by the Company's designated safety officer.</p> <p>Precautionary measures were implemented at the PXP office before workers can return to site like undergoing self-quarantine for 14 days or</p>

	<p>rapid and RT-PCR tests. If not feeling well at the office, employees are encouraged to stop work, report this to management, and seek medical care. After availing sick leave for more than 2 days or undergoing quarantine, employees are required to acquire medical certificates for clearance before they are allowed to go back to the office.</p> <p>Management is updated and in compliance with all government mandates with regard to COVID-19. The plug and abandonment of the remaining Nido A1 & A2 wells was moved from April 2020 to October 2020 due to the enhanced community quarantine placed in the entire island of Luzon in March 2020. Additionally, during the same period, the SC 14C-1 Operator implemented an FPSO lockdown, wherein the fly-in fly out roster of the staff onboard was temporarily put on hold.</p>
What are the Risk/s Identified?	Management Approach
<p>No fatal cases, occupational injuries or incidents were recorded during the year at the office as well as in the field.</p> <p>Failure to manage workplace safety would negatively impact employee health and productivity.</p> <p>The employees are highly at risk of contracting the coronavirus disease.</p>	<p>The Company enforces occupational health and safety protocols for the benefit of the employees, contractors, and host communities.</p> <p>The Company implements additional health and safety protocols in accordance with IATF Guidelines for the management of Emerging Infectious Diseases. The COVID-19 disease had prompted the Company to conduct rapid and RT-PCR tests in June and August 2020, to ensure the safety of its employees and prevent the untoward spreading of the disease in the office premises. In addition, face masks, face shields, and alcohol were supplied to all its employees. Minimum health and safety standards such as social distancing, body temperature reading, and constant handwashing are strictly practiced in the office. Since 2020, employees reporting on-site are also required to fill out online daily health declaration forms within 30 minutes upon their arrival at the office. Procurement and inoculation of COVID-19 vaccines for most of the employees were done in September 2021.</p>
What are the Opportunity/ies Identified?	Management Approach
By properly managing and implementing health and safety trainings, employees and contractors can	The Company will continue to provide the necessary equipment, training, and resources to

<p>handle their jobs safely for the benefit of the organization and all stakeholders.</p> <p>The Company aims to be up-to-date with current best practices in HSSE.</p>	<p>enable employees and contractors to work safely.</p> <p>PXP will consistently encourage and empower employees by letting them attend safety trainings and retake training sessions, if necessary, to refresh their memory.</p> <p>Employees were also encouraged to attend webinars which tackled COVID-19 vaccines and what to do when the virus strikes at home.</p>
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Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	None	# of cases

Do you have policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace? **Yes, the Company has.**

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	<p>As provided by the Philippine labor law and regulations.</p> <p>The Company also has a policy for Code of business conduct and ethics and that of whistleblowers under https://www.pxpenenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics/ and https://www.pxpenenergy.com.ph/corporate-governance/company-policy/whistle-blowing/.</p>
Child labor	Y	<p>As provided by the Philippine labor law and regulations.</p> <p>The Company also has a policy for Code of business conduct and ethics and that of whistleblowers under https://www.pxpenenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics/ and https://www.pxpenenergy.com.ph/corporate-governance/company-policy/whistle-blowing/.</p>
Human Rights	Y	<p>As provided under the Philippine Constitution and the Universal Declaration of Human Rights.</p> <p>The Company also has a policy for Code of business conduct and ethics and that of whistleblowers under https://www.pxpenenergy.com.ph/corporate-governance/company-policy/code-of-business-conduct-and-ethics/ and https://www.pxpenenergy.com.ph/corporate-governance/company-policy/whistle-blowing/.</p>

		governance/company-policy/code-of-business-conduct-and-ethics/ and https://www.pxpenenergy.com.ph/corporate-governance/company-policy/whistle-blowing/ .
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What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company follows the principle of fairness and openness in its recruitment process. The Company employs people who choose to work and the Company does not use forced or compulsory labor. Also, PXP does not use child labor or employ people under minimum employment age limit.	The Company values the dignity of every individual and have strict compliance to the basic human rights as provided under the Philippine Constitution and the Universal Declaration of Human Rights. In case of violations, the Company has a policy for whistleblowers.
What are the Risk/s Identified?	Management Approach
Risk that subcontractors have violations of labor laws and human rights.	The Company values the dignity of every individual and have strict compliance to the basic human rights as provided under the Philippine Constitution and the Universal Declaration of Human Rights. Any violation of laws is encouraged to be reported as indicated in the whistleblower policy of the Company.
What are the Opportunity/ies Identified?	Management Approach
The Company aims to be up-to-date with current Labor Laws and Human Rights policies which protect both the stakeholders and the Company.	The Company values the dignity of every individual and have strict compliance to the basic human rights as provided under the Philippine Constitution and the Universal Declaration of Human Rights. Any violation of laws is encouraged to be reported as indicated in the whistleblower policy of the Company.

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

Do you consider the following sustainability topics when accrediting suppliers? Yes

Topic	Y/N	If Yes, cite reference in the supplier policy
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Environmental performance	Y	https://www.pxpenenergy.com.ph/corporate-governance/company-policy/supplier-contractor-relation/
Forced labor	Y	https://www.pxpenenergy.com.ph/corporate-governance/company-policy/supplier-contractor-relation/
Child labor	Y	https://www.pxpenenergy.com.ph/corporate-governance/company-policy/supplier-contractor-relation/
Human rights	Y	https://www.pxpenenergy.com.ph/corporate-governance/company-policy/supplier-contractor-relation/
Bribery and corruption	Y	https://www.pxpenenergy.com.ph/corporate-governance/company-policy/supplier-contractor-relation/

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>The Company's relationships with suppliers, contractors, consultants, and advisers (collectively, "Suppliers") are based on lawful, efficient, and fair practices. All bidders are given equal opportunity to compete and their bids are evaluated fairly and in a transparent manner.</p>	<p>All Directors, Employees, and Consultants are encouraged to be vigilant against any irregular, illegal, or unethical conduct of Suppliers and/or fellow Directors, Employees, and Consultants (see Annex "A" for examples of Supplier/Contractor Relations Policy Violations). The Company encourages everyone to report any such violations based on the existing Whistleblowing Policy or equivalent policy.</p> <p>Directors, Employees, and Consultants may also report in writing their knowledge about any irregular, illegal, or unethical conduct of Suppliers and/or fellow Directors, Employees, and Consultants as follows: (a) Directors shall notify the Board of Directors through its Chairman of such conduct; (b) Officers shall report to the Company President [copy furnished the Corporate Governance Office (CGO)]; and (c) Employees and Consultants shall inform their respective Group Heads, copy furnished to the CGO.</p> <p>A proper investigation and resolution of each reported event shall be made by the appropriate business units and the results shall be forwarded to the Chairman of the Board, the President or respective executive-level superior, and the CGO and other relevant groups or bodies, in</p>

	<p>accordance with the procedure stated in the Whistleblowing Policy.</p> <p>The Board of Directors, Officers, and Executives must ensure that any Director, Employee, or Consultant who reports a suspected violation of this policy by fellow Director, Employee, or Consultant is protected from any form of retaliation.</p> <p>The Company's Policy on Vendor Relations is available for more details at the Company's website through this link: https://www.pxpenenergy.com.ph/corporate-governance/company-policy/supplier-contractor-relation/.</p>
What are the Risk/s Identified?	Management Approach
<p>The Company has no reported violations on supply management during the year.</p> <p>The following are examples of procurement situations that reveal unethical conduct by an Employee and/or Supplier. The areas and situations enumerated are illustrative only and not exhaustive.</p> <ol style="list-style-type: none"> 1. An Employee manipulating his evaluation of the contract proposals in exchange for Bribes. 2. A Supplier seeking internal (within the Company) and/or external (i.e. political/government) connections to increase chances of contract award. 3. Suppliers submitting false documents for accreditation and other procurement-related transactions or processes. 4. Employees developing unreasonable or over specific technical requirements such that award of contract intentionally goes to a particular or preferred Supplier. 5. Employees giving priority or informing preferred Suppliers in advance before actual request such that other Suppliers are caught unprepared or with too little time to plan. 	<p>The Company includes in the Supplier Contractor Relations policy the consequences for any violations:</p> <ol style="list-style-type: none"> 1. Any Director, Employee, and Consultant found to have violated this Policy shall be liable to the extent of the damage/loss suffered by PXP, and/or may be subject to penalties and sanctions as may be determined by the appropriate authorities, whether or not damage is actually suffered by PXP, in accordance with the law and existing company policies. 2. Suppliers who violate the Company are also penalized. Sanctions include, but are not limited to, termination of business relationship with the Company and blacklisting.

<p>6. Products and/or services that have not undergone official procurement procedure since these were tested or evaluated beforehand through product demos with particular Suppliers thus limiting chances for other Suppliers to compete.</p> <p>7. Undisclosed conflict of interest situations on business dealings resulting to giving undue advantage to another party.</p> <p>8. Disclosure of confidential and proprietary information by Employees to Suppliers.</p> <p>9. Incorrect payment of government taxes due to manipulation of documents by Suppliers.</p> <p>10. Suppliers not remitting the correct SSS, PhilHealth, Pag-Ibig, and other employee contributions to their employees.</p>	
What are the Opportunity/ies Identified?	Management Approach
Responsible supply chain management can generate value to the Company. It improves collaboration with suppliers, attracts and retains employees, provide security for investors and creditors and can create new market opportunities.	PXP shall continuously uphold the highest professional standards of business practices, core values and ethics as enshrined in its Code of Business Conduct and Ethics (the "Code") in its business dealings with its Suppliers in the procurement of products and services.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Job opportunities	Cebu	Not Applicable	N	Land jurisdictions	Conducted IEC campaign prior to the gravity survey in 2020.
Job opportunities	Calamian Islands	Not Applicable	Y	Religious and cultural beliefs	Conducted IEC campaign prior to the field work in 2018.
Rental of land (Brgy. Maya)	Cebu	Not Applicable	N	Land jurisdictions	Timely and full payment of rental fee. Secure property. Proper land use according to agreement with the landowner.

**Vulnerable sector includes children and youth, 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)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: **None**

Certificates	Quantity	Units
FPIC process is still undergoing	Not Applicable*	#
CP secured	Not Applicable*	#

**The FPIC and CP are not applicable to PXP and Forum since there are no IPs residing within their operated SCs. During the SC 74 Fieldwork in 2018, the team requested for permission from the Tagbanua Tribe to study rock outcrops in Coron Island. Please take note that Coron Island is not inside SC 74. The objective of the fieldwork is to correlate the geology of the offshore SC 74 with the onshore Calamian Island.*

What are the Risk/s Identified?	Management Approach
Misunderstanding between PXP and the local community might lead to issues which could affect the operations, as well as the health and safety of deployed personnel in the field.	<p>PXP implements careful planning and consultation with the local communities.</p> <p>In June 2018, during a fieldwork in Coron Island, PXP properly coordinated with the Indigenous Peoples (IPs) Tagbanua Tribe prior, during, and after the fieldwork. The field team composed of PXP personnel and graduate students from the University of the Philippines complied with the tribe's directive to ask for permission before acquiring rock samples in the island, which the locals consider as a sacred place.</p> <p>Management of community tensions, grievances, and concerns through transparent formal grievance mechanism.</p> <p>Supporting and collaborating with host local governments to encourage revenue good governance.</p>
What are the Opportunity/ies Identified?	Management Approach
Involvement of the local community in the Company's project by hiring local residents.	<p>The Service Contract states that the Company is committed to provide scholarship for deserving students residing within the area where the company operates and institutional assistance to state universities/colleges in the amount of five thousand United States dollars (\$5,000) per year cumulative during the exploration/development phase, and a minimum amount of ten thousand United States dollars (\$10,000) per year cumulative during the production phase.</p> <p>Management's strict adherence to the service contract ensures that the indigenous communities are protected.</p>

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	N/A*	N

*PXP does not have customers except for being a member of the Galoc consortium which produces and sells crude oil to refining companies. The consortium adheres to the required quantity/quality required by the customers of these fields. There were no recorded complaints/disputes.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
In line with PXP's Code of Business Conduct and Ethics, the Company upholds fair and transparent dealings with its customers. All the transactions and business relationships with customers are covered by contracts and comply with existing laws and regulations in the country.	As part of the Company's commitment to the welfare of its customers, Company representatives and its customers meet annually to review and discuss the terms of the new or existing contract as well as identify areas for improvement in operations and other related aspects. The Company's policy is available at the Company's website: https://www.pxpenenergy.com.ph/corporate-governance/company-policies/ .
What are the Risk/s Identified?	Management Approach
There were no identified customer satisfaction risk during the year.	PXP will continuously review, update, and improve Company's policy with customers.
What are the Opportunity/ies Identified?	Management Approach
PXP shall determine the level of satisfaction of the Company's stakeholders and customers once its exploration fields are converted to production stage.	The Company shall regularly conduct Stakeholder's/Customer's Satisfaction Survey by third-party contractors to determine and improve actual performance/service rendered and quality of its operations once its exploration fields are converted to production stage.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	None	#
No. of complaints addressed	None	#

**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
Customer health and safety is important for all businesses and remains an utmost priority for PXP.	PXP will continuously review, update, and improve Company's policy with customers.
What are the Risk/s Identified?	Management Approach
There were no identified risks on health and safety to customers as PXP does not yet have customers. Risks	PXP does not yet have customers. Risks shall be identified once its exploration fields are converted to production. PXP shall consistently

shall be identified once its exploration fields are converted to production	promote safe and healthy working environment, not only to employees but also to customers.
What are the Opportunity/ies Identified?	Management Approach
PXP does not yet have customers. Opportunities shall be identified once its exploration fields are converted to production	The Company should regularly conduct Stakeholder's/Customer's Satisfaction Survey by third-party contractors to determine and improve health and safety working environment of PXP once its exploration fields are converted to production.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	None	#
No. of complaints addressed	None	#

**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
Although the Company has mainly exploration assets at this time, marketing and labelling efforts are evident through maintenance of its website at www.pxpenergy.com.ph , which caters to its stakeholders, clients, and future investors.	The Company consistently updates and improves its website.
What are the Risk/s Identified?	Management Approach
Security and falsification of posted information on website	PXP ensures that all data uploaded on the website are secured, accurate, and up to date.
What are the Opportunity/ies Identified?	Management Approach
Study digital marketing.	The market is evolving, thus, the Company should improve its marketing and labelling strategies by being involved with digital marketing.

Customer Privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	None	#
No. of complaints addressed	None	#
No. of customers, users and account holders whose information is used for secondary purposes	None	#

**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
For customer privacy, PXP respects every stakeholder's right to privacy and commits to protect all personal data. Collection, retention and use of sensitive information are utilized only for its intended use.	The Company strictly complies with Republic Act No. 10173 otherwise known as the Data Privacy Act of 2012 and implements its own internal control on data security. As a personal information controller/processor, the Company has put protocols to protect the personal information of the data subject.
What are the Risk/s Identified?	Management Approach
Disclosures of stakeholders personal data are limited only to what is required by law or to comply with legal or regulatory requirements, the Company has no control as soon as the information is shared externally (i.e. PSE/SEC)	The Company adheres with RA 10173 otherwise known as the Data Privacy Act of 2012 and implements its own internal control on data security. PXP adopts risk management and control measures to deter any breach of data security. Certain levels of data security are in place.
What are the Opportunity/ies Identified?	Management Approach
Compliance to customer privacy can build customer trust and loyalty.	In this digital age, compliance with the Data Privacy Act strengthens the integrity and security of the Company in relation to its electronic database and records.

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>The Company has an updated and effective security software to protect the Company data and can provide real time visibility of any threat activities to stop a breach before it happens. Daily data backup is also in place.</p> <p>The Company consistently ensures security of technical classified G&G data of its operated and non-operated SCs.</p>	<p>The Company takes precautions and educate the employees not to share any sensitive and confidential information. Preventive security measures like data backup, recovery, and firewall are in place.</p> <p>To ensure security of data, a File Transfer Protocol (FTP) server is being utilized by the Technical Team. The corporate emails of employees handling technical data are equipped with additional security features wherein electronic messages are encrypted to prevent data theft during exchange of emails within the company or with third party contractors.</p>
What are the Risk/s Identified?	Management Approach
<p>Out of date cyber security software will make the server vulnerable to third-party access, data loss, and additional operational expenses to the Company.</p> <p>Information breach will lead to loss of confidential data.</p>	<p>Anti-virus and cyber security software are continuously upgraded for data security.</p> <p>Immediately notify the person/company involve in the event of any breach or use of any sensitive data.</p>
What are the Opportunity/ies Identified?	Management Approach
<p>Strong data security will result to financial savings and avoidance of any reputational damage.</p> <p>Technical data which is a detrimental asset to the company will be securely stored and unwanted leakage will be prevented.</p>	<p>The Company ensures continuous update of its data security programs.</p> <p>Additional Network-Attached-Storage (NAS) with security feature was procured by the company to contain more technical data which can only be accessed by a selected number of employees.</p>

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Oil & Gas Exploration & Production	Economic growth	Environmental damage associated with field operations.	Strict compliance to government laws and regulations on health and environmental safety.

Oil & Gas Exploration & Production	Decent work	Health & Safety	Conduct IEC campaign prior to the fieldwork.
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Oil & Gas Exploration & Production	Welfare of vulnerable groups	Traditional lifestyle of indigenous people are affected	Careful planning, consultation management, accommodation and negotiation with the local community and indigenous groups.
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** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*