

# ANNUAL REPORT **20**

## NATIONAL DEVELOPMENT COMPANY

# **22**

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# CORPORATE PROFILE

## HISTORY

The National Development Company (NDC), one of the oldest companies in the Philippines, was established on March 10, 1919, through Legislative Act 1248 as a semi-private corporation with the Philippine Government as sole shareholder. NDC's first name was "Compania de Fomento Nacional".

On November 30, 1936, NDC was made a state-owned company through Commonwealth Act 182 which also gave its present name. It was mandated to function as the government's investment arm. From its establishment until the 1970's, NDC developed, financed, and implemented pioneering projects vital to the sustainability of the government's structural reforms and economic policies. These projects involved shipping, an airline, agricultural production, cement, housing, textiles, warehousing, gas, satellite communication and coal mining. NDC also leased its areas in Cotabato and Bukidnon for pineapple plantation. In 1975, NDC acquired 60 percent ownership of 5 realty companies with the expiration of the Laurel-Langley Agreement. These realty companies were in joint venture with the multinational companies.

To further promote overall economic development, NDC's Charter was revised through Presidential Decree No. 1648 issued on October 25, 1979. NDC thus embarked in investments in major industrial projects such as steel, copper smelting, and phosphate fertilizer manufacturing and agricultural investments and/or financing in oil palm plantations, mining, construction, shipping, logistics among others. NDC was also tasked to rehabilitate companies and became an active participant in the management of the companies under its portfolio. NDC was also the investment arm of the government in pursuing the ASEAN countries' industrial complementation projects. In an attempt to provide alternative and innovative sources of funding assistance for SMSEs, NDC established the Venture Capital Corporations or VCCs in joint ventures with 17 local commercial banks and the Human Settlements and Development Corporation.

In 1986, under Proclamation 50, NDC started the privatization of its shareholdings in most of its companies. To date, 22 companies were privatized either through sale of NDC's shares or company assets while total proceeds amounted to ₱14 billion.

In 1988, NDC became the first GOCC to turn over 39,576 hectares to the Department of Agrarian Reform.

With the privatization of most of its subsidiaries and affiliates, NDC redefined its mission aiming at regional growth and environmental protection. Succeeding administrations placed emphasis in NDC's role in alternative and renewable energy sources, establishment of the nautical highway, mining, and accessibility to affordable medicines through its subsidiary PITC.

During the Arroyo and Aquino administrations, NDC's role was refocused as primarily an investment company. NDC Management was also directed to clean up of the accounts and

books of the Company. Notable among the accomplishments for the clean-up was the transfer of the shares in Semirara Coal and Mining Corporation to the National Government. This paved the way for the payment of liabilities and dividends owed by NDC to the NG equivalent to ₱2.34 billion and ₱2.01 billion, respectively, while garnering a total profit of ₱4.33 billion from the transaction.

## LEGAL ISSUANCES

### Presidential Decree No. 1648 – Revised Charter (October 1979)

NDC is mandated to pursue commercial, industrial, agricultural, or mining ventures to give the necessary impetus to national economic development. NDC, may on its own, or in a joint venture with the private sector, undertake vital projects when necessary or when the private sector is not willing or able to undertake such projects due to high risks or to lack of funds/resources.

### Executive Order (EO) No. 83 (December 1998)

EO 83 authorized NDC to undertake the issuance of NDC Agri-Agra Bonds in the total amount of ₱50 billion for the development of the agriculture and agrarian sectors.

### Executive Order No. 184 (March 2003)

In 2003, NDC was reorganized under EO 184. The reorganization was necessary for NDC to fulfill its new mandate, of providing equity investment in pioneering development-oriented projects. The new mandate paved the way for NDC to become a critical player on the economic team behind President Gloria Macapagal Arroyo's Medium Term Development Program of 2004-2010. NDC's integral role was defined under the program's infrastructure development, expansion of the strong republic nautical highway, and alternative fuel development, while giving Filipinos greater access to health care and educational facilities, irrigation systems, and other benefits.

### Executive Order No. 530 (May 2006)

The EO strengthens NDC's authority to issue bonds under EO No. 83, series of 1998, and expanded the utilization of the bond proceeds to include the economic pump-priming activities/projects of the government-owned and controlled corporations and any other projects designed for economic growth and poverty alleviation.

### Executive Order No. 824 (August 2009)

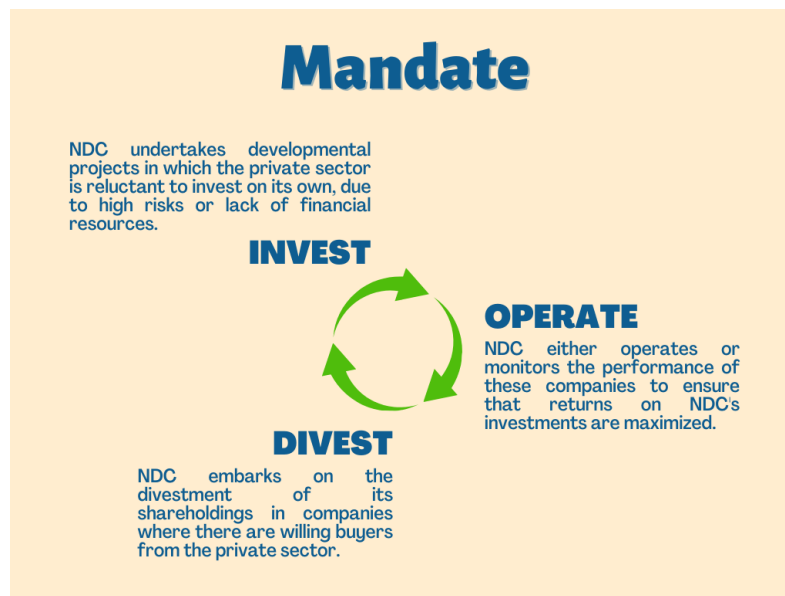
EO 824 authorized NDC to issue Bonds for Infrastructure Projects.

## Executive Order No. 824-A (October 2009)

EO No. 824-A authorized NDC to issue bonds for Infrastructure Projects to include projects for Rehabilitation and Reconstruction of Government Infrastructure Facilities damaged or destroyed by Typhoons “Ondoy” and “Pepeng”.

## MANDATE

NDC’s mandate is primarily to invest in developmental projects and ultimately divest when the private sector is willing and ready to take over.



## OUR VISION

NDC is the Philippines’ leading state-owned enterprise investing in diverse industries, serving as an effective catalyst for inclusive growth.

## OUR MISSION

Enabling industry development, spurring local economies

## CORE VALUES

Passion. Integrity. Commitment. Excellence. Financial Prudence

## CORPORATE PHILOSOPHY

We are committed to fulfill NDC’s vital role in the over-all economic development of the country.

We advocate excellence, teamwork, and accountability to advance the interests of our stakeholders.

We will invest in our human capital as it is our most valuable resource.

## **QUALITY POLICY**

We are committed to serve as a reliable partner of both public and private sectors in sustaining the country's socio-economic development efforts. To uphold this commitment, we shall:

1. Continuously invest in strategic priority areas that will sustain our fund generation activities;
2. Practice prudence in handling corporate resources to warrant maximum public impact;
3. Establish mechanisms and procedures that reinforces learning, continual improvement and risk-based thinking;
4. Ensure business plan continuity, responsiveness and transparency in accordance with NDC's code of corporate governance;
5. Advocate excellence, accountability, and teamwork to advance the interest of our stakeholders; and;
6. Invest in our human capital as it is our most valuable resource.

# BOARD OF DIRECTORS





**Sec. Alfredo E. Pascual**  
Chairman  
Department of Trade and Industry



**Sec. Benjamin F. Diokno**  
Department of Finance



**Gov. Felipe M. Medalla**  
Bangko Sentral ng Pilipinas



**Sec. Raphael Perpetuo M. Lotilla**  
Department of Energy



**Sec. Maria Antonia Yulo-Loyzaga**  
Department of Environment  
and Natural Resources



**Chairman, Alberto G. Romulo**  
Development Bank of the  
Philippines



**Usec. Ceferino S. Rodolfo**  
Managing Head  
Board of Investments



**Sec. Amenah F. Pangandaman**  
Department of Budget and  
Management



**Mr. Felicisimo M. Nacino Jr.**  
Representative  
Private Sector



**Mr. Antonilo DC. Mauricio**  
General Manager  
National Development Company

# MANAGEMENT



**Antonilo DC. Mauricio**  
General Manager



**Saturnino H. Mejia**  
Assistant General Manager



**Atty. Rhoel Z. Mabazza**  
Assistant General Manager  
Corporate Secretary

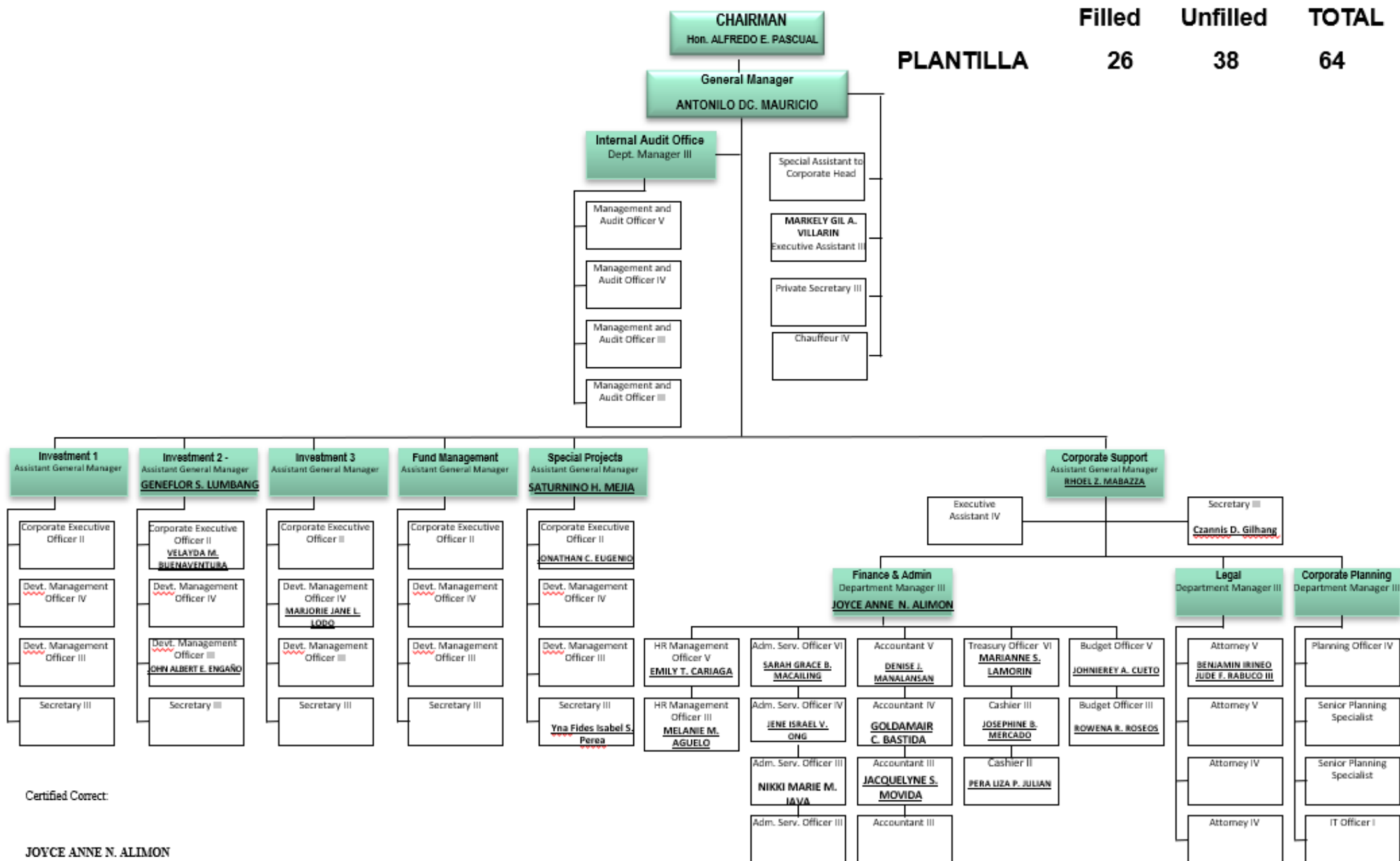


**Atty. Geneflor L. Santiago-Lumbang**  
Assistant General Manager



**Joyce Anne N. Alimon**  
Department Manager III

# ORGANIZATION STRUCTURE



Certified Correct:

**JOYCE ANNE N. ALIMON**

Manager- Finance and Administrative Department

January 10, 2023

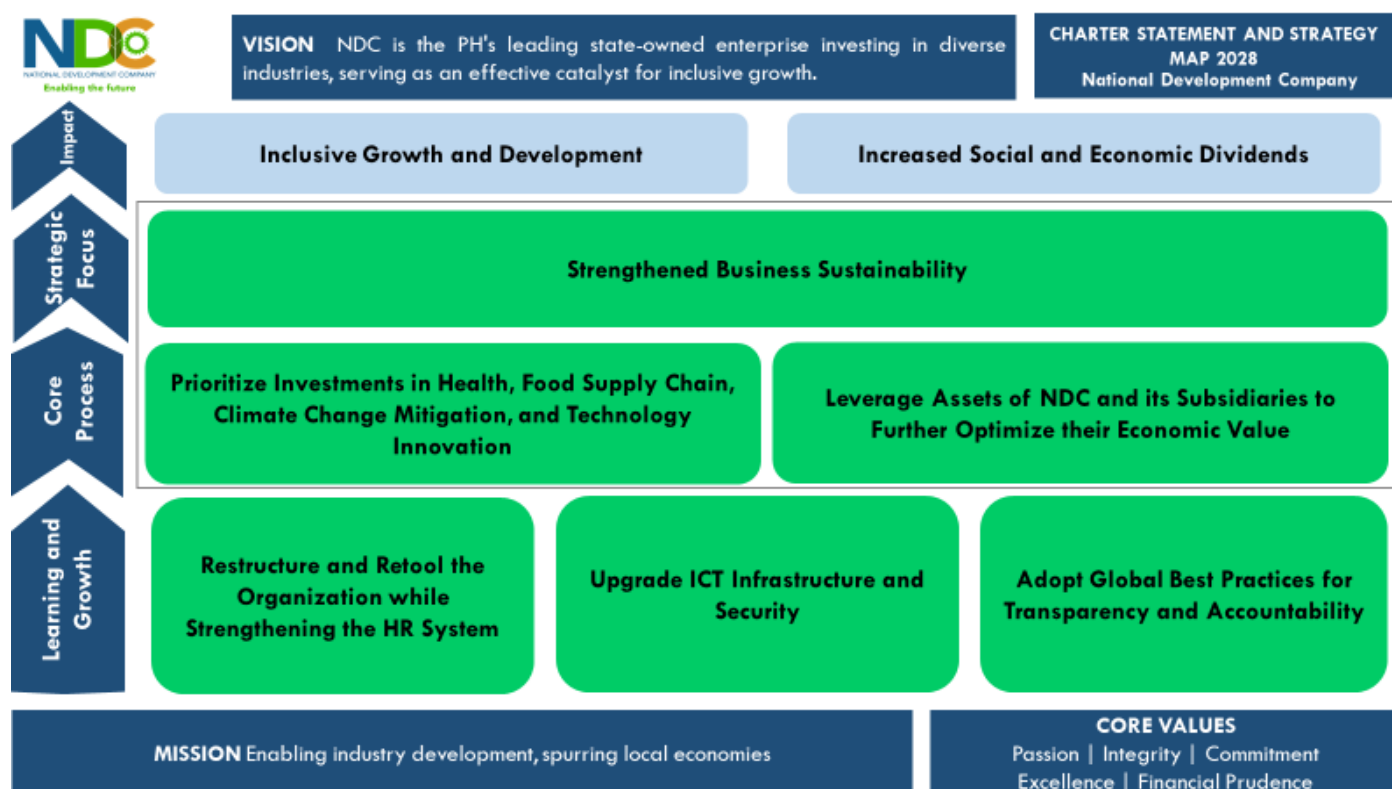
**National Development Company**

# GOVERNANCE STRATEGY

In 2013, NDC adopted the Performance Governance System. In line with the PGS, NDC’s focus on the projects it will undertake, came into shape when it formulated its Strategy Map which makes explicit the cause-and-effect links by which the company’s initiatives and resources, tangible and intangible, create an integrated set of strategic objectives towards achieving its vision.

It shows how NDC creates value by connecting its strategic objectives in explicit cause and effect relationship using the four (4) perspectives of the balanced scorecard: impact, strategic focus, core process, and learning and growth. In the process, the agency clarifies its business proposition determining both its value-added through its core processes, and the value of intangible asset anchored on its strategic themes of investing in development and prioritizing organizational efficiency and governance.

In 2018, the NDC Board and the Governance Commission for GOCCs (GCG) approved the Charter Statement and Strategy Map 2028 of NDC which includes the Mission and Vision statements, core values, and strategic objectives.



For 2022, NDC submitted to the Governance Commission for GOCCs (GCG) a rating of 79.46% in its 2022 Performance Scorecard. The rating is still subject to evaluation of the GCG.

NDC continuously implemented strategic objectives and measures toward the attainment of its vision to be the Philippines’ leading state-owned enterprise investing in diverse industries, serving as an effective catalyst for inclusive growth. Despite the pandemic, NDC received a notable score of 90.09% in its corporate performance scorecard for 2020 as

validated by GCG and an adjusted rating of 92.05% in 2021 (GCG has yet to release the validated score in 2021). Further and more significantly, 91% of NDC's customers and stakeholders were satisfied with the services provided to them based on the 2021 Customer Satisfaction Survey validated by a Third Party Service Provider.

Building from these gains, NDC continued to fulfill its corporate commitments and implemented strategies in 2022 to ensure the continuity of its business operations. Given the high ratings obtained in the previous year despite the change in working arrangements due to the COVID-19 pandemic, NDC firmly accepted the task to maintain, if not improve, its successes.

Through the concerted efforts of all groups, NDC's annual corporate goals were realized. As NDC's contribution to inclusive growth and development, it was able to generate 74 new local jobs from its projects and investments.

<b>Projects</b>	<b>2022</b>
NDC Industrial Estate Inc.	30
Philippine Mining Development Corporation	11
San Carlos Bioenergy, Inc.	33

Further, there was a recorded improvement in the competency baseline of NDC. Also on human resource matters, GCG issued to NDC an Authorization to Implement the CPCS in accordance with Section 8 of E.O. No. 150, s. 2021, and Section 4 of the CPCS Implementing Guidelines No. 2021-01 on January 26, 2022. Given the NDC's Category 2 standing with a GOCC Grade of 17 and CPCS Financials below the cut-off for the lowest Tier for Category 2 and 3 GOCCs, NDC was given a Category 1 Salary Structure.

On March 23, 2022, the NDC Board approved the implementation of the CPCS retroactively on October 5, 2021. The request for the Office of the President's approval for the establishment of the Provident Fund was also approved. Meanwhile, NDC submitted to GCG a request for consideration on the CPCS Classification, particularly on the categorization from 2 to 3, applicable salary structure based on the change in category, and job leveling results of certain positions.

Lastly, 100% of the deliverables in its Information Systems Strategic Plan (ISSP) for 2022 were completed. The ISSP for 2023-2025 was also completed (and approved during the Board meeting in January 2023).



# INVESTMENTS

## Investing in Startup Businesses

NDC continued to be a mechanism to promote investments that will enable additional power sources, the establishment of health-related facilities, the improved capability of startups and MSMEs, easier transfer of products and goods from the source to the market, and better income for the Filipino labor force.

One of the flagship initiatives currently being undertaken by NDC is the setting up of the Startup Venture Fund (SVF) Program, under the Philippine Startup Development Program, which will provide financing options and other value-add benefits to qualified startups to develop the country's startup ecosystem. Established in 2021 pursuant to the Innovative Startup Act (Republic Act No. 11337, the SVF aims to provide equity financing to qualified innovative startup businesses and enablers.

To start the implementation of the fund, the SVF Guidelines were approved by the NDC Board and signed by then DTI Secretary Ramon M. Lopez. Meanwhile, NDC proposed to amend the existing framework to streamline the processes and ensure a more efficient and timely implementation of the fund. The proposed changes in the organizational structure, funding mechanism, accreditation and investment processes, and fund allocation were endorsed to the NDC Board in the latter part of 2022 (eventually approved by the Board on January 11, 2023).

### Revisions to the SVF Guidelines

Organizational Structure	Instead of having NC, DICT, DOST, DTI, DOF, and a private sector representative, the proposed Investment Committee shall be composed of the NDC Management Committee members and a DTI representative. An advisory council shall be established, composed of representatives from DICT, DOST, DOF, and up to two (2) private sector experts.
Funding Mechanism	<p><i>Main</i></p> <p>Fund of Funds Model: It is proposed to remove the limit of investing in only two (2) FoF investees.</p> <p>Co-investment Model: It will be a co-investment with accredited venture capital firms, corporations, cooperatives, and other investor/s.</p> <p><i>Alternative funding models</i></p> <p>These include other programs which include equity financing such as, but not limited to:</p> <ul style="list-style-type: none"><li>➤ Acceleration fund models or acceleration programs in general</li><li>➤ Incubation programs</li><li>➤ Startup enabler programs</li><li>➤ Other relevant programs with the objective/s similar to SVF's goal</li></ul>

Accreditation and Investment Processes	It is proposed that the IC be given the authority to approve the startup investments to ensure a more efficient investment process. All startup investments will still be reported to the NDC Board.
Fund Allocation	<p>The 2% would be separated from the 60% and this can be used for, but is not limited to, the following:</p> <ul style="list-style-type: none"> <li>➤ Mobilization fund</li> <li>➤ Project personnel including compensation and fees for additional, non-organic personnel (e.g. consultant/s, project managers, startup venture capital advisers, etc.)</li> <li>➤ Representation (e.g. meetings, startup events)</li> <li>➤ Marketing and Communication</li> <li>➤ Due diligence fees</li> <li>➤ Training expenses</li> </ul>

### Organizational Structure: Steering Committee, Investment Committee, Investment Team

The Department of Trade and Industry (DTI), Department of Science and Technology (DOST), Department of Information and Communications Technology (DICT), and Department of Finance (DOF) make up the Innovative Startup Act (ISA) Steering Committee, which provides direction and oversight for the SVF.

The Investment Committee (IC), on the other hand, is the main approving body for startup investments, investment partners, and alternative funding models. It is composed of NDC's Management Committee and a representative from the DTI. Representatives from the DOST, DICT, DOF, and technical experts from related government agencies and the private sector may also provide their inputs and comments to the IC.

Lastly, the Investment Team (IT) is composed of the DTI – Innovation and Collaboration Division and the NDC Special Projects Group for the secretariat and evaluation functions, respectively.

NDC set up the accumulated standby fund for the program amounting to Php500 million. As a parallel effort, NDC also explored funding opportunities from both the private and public sectors. This includes engaging with Pag-IBIG, SSS, GSIS, SBCorp, and other potential partners from the private sector to source additional funds for the program.

## **Developing Health Facilities**

With the current pandemic being faced by the country, NDC recognized the need to engage in health-related ventures, one of which is the establishment of a vaccine manufacturing and development facility in the Philippines. Realizing that two of the biggest reasons for the country's low vaccination rate are the lack of available vaccines and affordability, NDC initiated the proposed development of vaccine manufacturing facilities that will lead to cheaper vaccines for more Filipinos.

A Memorandum of Understanding (MOU) among NDC and its partners was signed in May 2022. Alongside the task to support this initiative through an investment amounting to

Php150 million, NDC also fast-tracked the realization of this project that will benefit the health sector. Meetings were conducted with Glovax and DTI, to discuss actions to be undertaken including the approval of a Memorandum of Agreement (MOA) for the project. This initiative, once completed, will ensure self-sufficiency and less reliance on the availability of imported vaccines for various diseases.

Relatively, NDC is also awaiting the proposal for the modernization of the First Health Biotechnology Company of the Philippines. This will involve the internationalization of commercialized diagnostic kits employing the isothermal platform for the detection of infectious diseases and full modernization/expansion of research and development, manufacturing, and distribution of diagnostic kits for COVID-19, dengue, schistosomiasis, salmonella, and leptospirosis based on global standards.

## Pursuing Agro-Industrial Ventures

### Davao Food Terminal Complex (DFTC)

With agriculture as one of the priority areas in terms of development, NDC provided a portion of its 25-hectare property for the 20-hectare Davao Food Complex in Toril, Davao City, which involves the development of an agri-industrial complex with a tourism component.

The complex will have food processing centers, cold storage/warehousing facilities, a technology/business incubation center, an agri-aqua culture facility, a water filtration and bottling facility, and a tourism component zone. The project will be implemented through a joint venture with the private sector as approved by the NEDA-ICC in 2018.



Further, the NDC and the City Government of Davao entered into an agreement for the use of the 5-hectare portion as a site for the Davao Food Terminal Complex, which is an agricultural trading center for small and medium-scale agricultural growers in Davao City and Davao del Sur. The trading facility was formally launched in October 2022.

## Gamma Irradiation Facility

Multipurpose Gamma Irradiation Facility is a facility used to kill or prevent the multiplication of microorganisms in food, medical products, cosmetic raw materials and packaging.



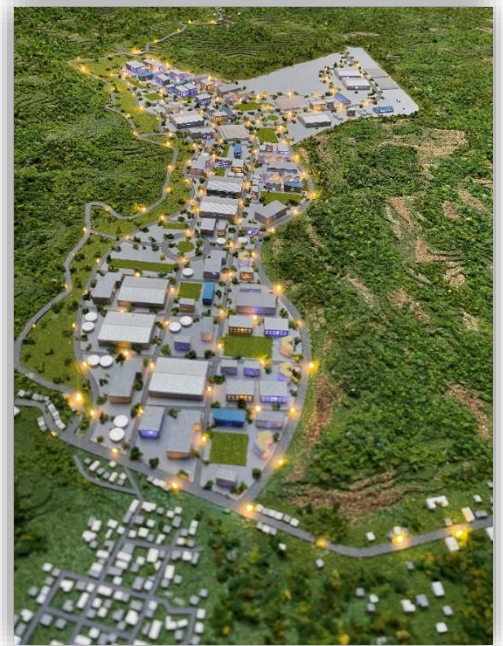
## NDC Industrial Estate (NDCIE)

The NDCIE Project is a developmental project for the 19.2 hectares NDC-owned land in Brgy. Langkaan, Dasmariñas, Cavite. The project aims the developed land to be registered as a Special Economic Zone under the Philippine Economic Zone Authority which can accommodate up to eighteen (18) locators.

## Leyte Ecological Industrial Zone (LEIZ)

The LEIZ project, formed from the need for expansion given the limited land area within LIDE, is part of the plans in the Copper Industry Roadmap, which aims to develop a copper industry cluster in Leyte. This targets to promote the integrated development and competitiveness of copper and other related industries in the region.

LEIZ is proposed to be established in various towns near Leyte Industrial Development Estate (LIDE) located in Isabel, Leyte, and will comprise three zones – LEIZ Core (Isabel and Merida, Leyte), LEIZ North and LEIZ South. Some potential locators in the zone are those in the field of copper wire rod casting facility, downstream copper industry (i.e. copper wire producers, major industrial concerns that need power) and port facilities (i.e. steel and copper-using industries).





## Science Park of the Philippines, Inc.

It is one of the pioneers in private industrial estate development through the various Light Industry & Science Park projects spanning over 800 hectares of aggregated land area. The locations of their industrial estates include Laguna, Batangas, and Cebu among others.



## Investing in Alternative Power Sources

### Rizal Hydro Power Project

The 1-megawatt Rizal Hydropower plant, located at the Pampanga River Irrigation System Main Canal in Barangay Poblacion West, Rizal, Nueva Ecija, is a joint venture project of the PNOC – RC and NDC. With a total project cost of Php90 million, NDC has a 50% equity participation. The plant resumed its operations last December 2, 2022.



### Solar Hybrid System

Solar Hybrid Project is an undertaking for the development of a hybridized solar photovoltaic (PV) and diesel powerplant with battery storage on different off-grid areas in Palawan.

### San Carlos Bioenergy, Inc.

It is the first bioethanol plant located in San Carlos City, Negros Occidental with an annual production capacity of 42 million liters. The NDC holds 6.32% of the shareholdings, with 93.68% owned by the Roxas Holdings, Inc. after its purchase of the majority stakes last April 2015.



## Promoting Science, Technology, and Innovation

NDC also entered into a Memorandum of Understanding with DTI and DICT for the e-Commerce Platform Project. The next step is the creation of a Technical Working Group

(TWG) with members from NDC, DTI, DICT, and the Securities and Exchange Commission (SEC) and the drafting as well as execution of a Memorandum of Agreement for this purpose. NDC also explored the establishment of the country's hub for AI research for the advancement of scientific discoveries in AI and algorithmic innovations.

## Manila Exposition Complex, Inc. (MECI)

The MEC owns the World Trade Center – Metro Manila (WTCMM), the first exhibition and trade center in the country located in Gil Puyat Ave, Pasay City. NDC owns 36.36% of the overall shareholdings of MEC. In 2019, an additional equity of ₱200 million was approved by the NDC Board for the expansion of the WTCMM to address the increasing demand for exhibition space.



## Philippine Mining Development Corporation (PMDC)

The PMDC is the government's mining arm tasked to conduct and carry out exploratory mining activities and act as a catalyst for developing the mining industry in the country. NDC currently owns 20% of the current PMDC capital structure.



# NDC SUBSIDIARIES AND AFFILIATES

## **SUBSIDIARIES**

Batangas Land Company, Inc.

GY Real Estate, Inc.

Kamayan Realty Corporation

Philippine International Trading Corporation

Pinagkaisa Realty Corporation

6/F NDC Building 116 Tordesillas Street, Salcedo Village, Makati City

6/F NDC Building 116 Tordesillas Street, Salcedo Village, Makati City

6/F NDC Building 116 Tordesillas Street, Salcedo Village, Makati City

5/F NDC Building 116 Tordesillas Street, Salcedo Village, Makati City

6/F NDC Building 116 Tordesillas Street, Salcedo Village, Makati City

## **AFFILIATES**

ASEAN Bintulu Fertilizer

LIDE Management Corp.

Manila Exposition Complex, Inc.

Philippine Mining Development Corporation

Philippine Pharma Procurement, Inc.

San Carlos Bioenergy, Inc.

Science Park of the Philippines, Inc.

Level 67, Tower 1, Petronas Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia  
Administration Building, Gate 1, Leyte Industrial Development Estate, Isabel, Leyte

17/F Robinsons Summit Center, 6783 Ayala Avenue, Makati City

3001B & C West Tower, Philippine Stock Exchange Center Ortigas Center, Pasig City

Penthouse NDC Building 116 Tordesillas Street, Salcedo Village, Makati City

14/Floor, Net One Center, 3rd Avenue Corner 26th Street, E-Square, Crescent Park West, Bonifacio Global City, Taguig

17/F Robinsons Summit Center, 6783 Ayala Avenue, Makati City

## **JOINT VENTURE**

Rizal Hydro Power Project

Barangay Poblacion West, Rizal, Nueva Ecija c/o PNOC-RC, PNOC Bldg. 5 Energy Center, Rizal Drive, Bonifacio Global City Taguig



# FINANCIAL PERFORMANCE

On economic dividends, the ratio of the total amount of dividends received vis-à-vis the total investments excluding companies for dissolution and pre-operating companies is at 6.82%. Actual dividends in 2022 were recorded at Php53 million from investments totaling Php776.93 million. Further, with a net income after tax of Php2.28 Billion and a total stakeholders' equity of Php22.33 billion, the return on equity was recorded at 10.19% surpassing the GCG-approved target of 3.95%.

#### **RESULT OF OPERATIONS:**

Total Comprehensive Income ₱ 2.27 Billion

#### **FINANCIAL POSITION:**

Total Assets ₱ 28.68 Billion  
Total Liabilities 6.35  
Equity 22.33

**Retained Earnings** ₱ 13.64 Billion

For 2022, NDC registered a total business income of Php303.217 million.

1. Lease Income Php206.38 million
2. Interest Income Php80.05 million
3. Dividend Income Php16.64 million
4. Management Fees Php0.14 million

The efficient and effective stewardship of the NDC's resources resulted in a high budget utilization rating of 99%. The NDC Board approved the NDC's COB for 2022 and 2023 on March 15, 2022.

	<b>2022</b>	<b>2023</b>
	(In Million Pesos)	
Total Sources	1,078.73	2,839.56
Total Uses	1,396.73	1,679.32

On May 24, 2022, the Board approved via referendum, a supplemental budget in the amount of Php5,366,045.11 for the remittance of dividends to the National Government.

# **TRANSPARENCY, GOVERNANCE AND BEST PRACTICES**

## Corporate Governance

It is the policy of the NDC to actively promote and pursue corporate governance reforms and to consciously observe principles of accountability and transparency. The Board of Directors approved its Manual of Corporate Governance on June 11, 2015, as a conscious attempt to significantly enhance the corporate organization of NDC to make it a valuable development partner of the government in national development and to make it a corporation that is competitive both locally and globally.

### Commitment to Principles of Good Corporate Governance

1. **NDC as an active partner of the government in national development.** NDC acknowledges that its corporate organization is essential to the performance of its functions as an active development partner of the government in promoting national socio-economic development. Such functions include equity investments, project financing and fund generation activities in development-oriented projects to catalyze private sector involvement in the creation of wealth necessary to support vital government initiatives and priorities.
2. **Governing principles of good corporate governance of NDC.** NDC corporate governance is governed by the following principles:
  - 2.2 NDC shall promote transparency, accountability and fairness, and its business shall be conducted strictly in accordance with the rule of law and shall be supportive of the primary goals and objectives of the government.
  - 2.3 Timely and accurate disclosure shall be made on all material aspects and development regarding NDC.
  - 2.4 **Commitment to institutionalize the principles of corporate governance.** NDC is committed to institutionalize the principles of good corporate governance in the entire organization. The Board of Directors, Management and Employees of NDC equally commit to the principles contained in this Code and acknowledge that this Code will serve as guide in the achievement of corporate goals.
  - 2.5 **Promotion of corporate governance.** The Board of Directors, Management and Employees believe that good corporate governance is an integral component of sound strategic business management and of transparency and accountability in public corporate governance, and will therefore undertake every effort necessary to create awareness within NDC.
  - 2.6 **Commitment to ensure Corporate Sustainability and Accountability.** The Board of Directors, Management and Employees shall ensure that efforts to enhance the value of the Company and the long-term viability and optimization of Company resources will at all times be promoted. To this end, a conscious effort shall be observed in reducing all forms of risks, including those that affect the environment and society. A proper asset management, risk management and compliance management

system shall be formulated and implemented to ascertain the sustainability of the Company.

The Board of Directors ensures compliance to good corporate governance in NDC. It acts in the interest of NDC and effectively monitors Management actions in performing its mandate in accordance with the NDC Revised Charter.

## ISO 9001:2015 Re-Certification

NDC passed the 8<sup>th</sup> Surveillance Audit (Extraordinary Event (IAF)) of the ISO 9001:2015 requirements on the Provision of Equity Investment, Project Financing, Asset Management, Fund Management, and Support Services conducted by TÜV SÜD on May 18, 2022, with no Non-Conformity (NC), 1 Positive Finding, and one (1) Opportunity for Improvement.



## Scoreboard Design Contest

A unit scoreboard is an organized set of performance measures, grouped according to various aspects of the execution plan of the Breakthrough Goals. It becomes the means for making success tangible and concrete. It also accounts for two kinds of success in all the workgroups' activities: the operational success on current work and strategic success in preparing for tomorrow.

## PRAISE Awards

In recognition of innovative, creative and productive performance of NDC's officers and employees for the year 2021 and in accordance with NDC's Enhanced Program on Awards and Incentives for Service Excellence (PRAISE) approved by the Civil Service Commission on September 29, 2016, the PRAISE Committee conducted its annual PRAISE Awards.

## Customer Satisfaction Survey

Results show that NDC has achieved its goal to receive a rating of at least satisfactory (80%) from 100% of respondents. Among primary customers, 86% rated their services as 'very satisfactory' and 'satisfactory.'

Satisfaction is mainly driven by positive responses on the interactions with accommodating and efficient NDC staff as well as the good quality of service they provide.

Suggestions revolve around facility renovations, improving long term lease contract, and accepting online payments.

Looking back at the correlation and scatter plot analysis, these confirm that both the staff performance and information and communication are the most appreciated and highly rated factors by customers.

Given NDC's commitment towards transparency and accountability, the Commission on Audit rendered on June 29, 2022 an "Unmodified Opinion" on the fairness of presentation in all material respects and the financial statements of NDC as of December 31, 2021 and 2020.

# GENDER AND DEVELOPMENT

## National Women's Month

In March 2022, NDC Celebrated the 2021 National Women's Month with theme, "We Make Change for Women: Juana Laban sa Pandemya: Kaya".

## DIVIDENDS

Pursuant to Republic Act (RA) No. 11469, otherwise known as the "Bayanihan to Heal as One Act" and RA 7656, otherwise known as the "Dividend Law", NDC remitted dividends to the Bureau of Treasury.

# **CORPORATE SOCIAL RESPONSIBILITY**

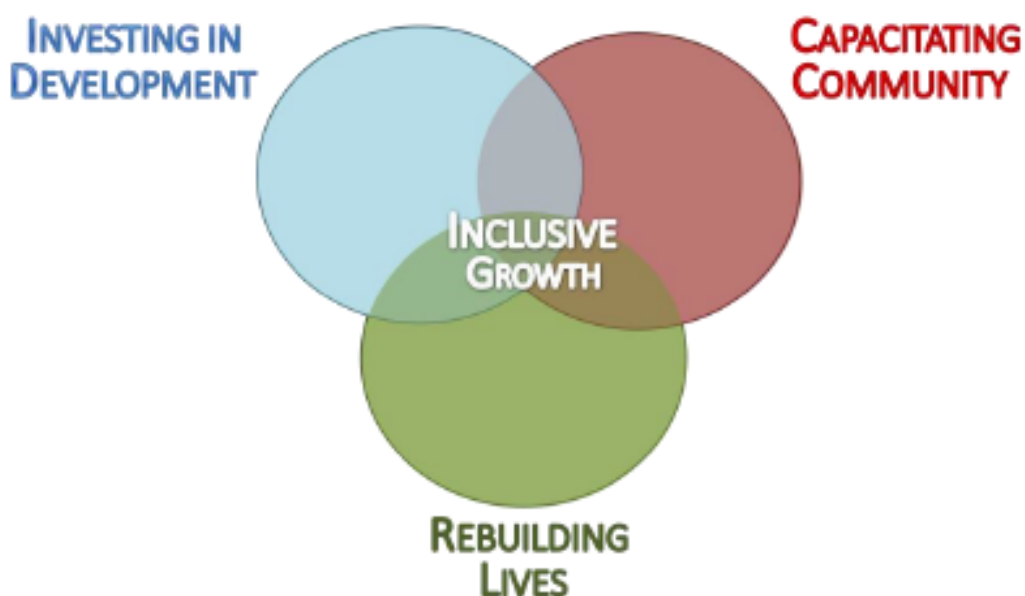


The National Development Company is dedicated to deliver its Corporate Social Responsibility through conducting outreach program, educational activities and enabling highly sustainable and economically relevant projects in identified locations in the country. The company has high regards for the underprivileged communities as its one of its main motivation to develop projects that will not only bring profits for the national government but to make way for projects that will uplift the overall living conditions of the Filipino people.



The National Development Company is a socially responsible corporate citizen. It commits to contribute in the attainment of the country's pursuit of inclusive growth.

### NDC's CORPORATE SOCIAL RESPONSIBILITY MODEL



As part of its Corporate Social Responsibility Program, NDC participated in the “Bagsakan sa Salcedo Project” held on August 3, 2022 at Jaime Velasquez Park, Salcedo Village. This initiative was organized by DTI – Bureau of Domestic Trade Promotion and DTI Consumer Policy and Advocacy Bureau in coordination with the DTI Regional Operations Group in partnership with the Barangay Bel-Air Government, the Makati Central Estate Association Inc., the Alagang AyalaLand, the Ayala Property Management Corporation, NDC, and the Makati Parking Authority.

## We Heal as One Center, Las Piñas City

The DPWH in partnership with City of Las Piñas and in coordination with NDC built a Ligtas III, COVID-19 Quarantine Isolation Facility at the GYREI-owned property in Las Piñas City. This will augment the existing healthcare facilities in Las Piñas City which will definitely help in controlling the spread of COVID-19 in the locality.

A Memorandum of Agreement for the use of the medical isolation facility was entered into by City of Las Piñas and GY Real Estate, Inc., for a period of six (6) months or from October 19, 2020 up to April 19, 2021, subject to extension upon written and mutual agreement of the parties. In a letter dated April 12, 2021, the City of Las Piñas requested for the extension of the period to use the Property for another nine (9) months or until December 31, 2021 due to the alarming increase in the number of persons afflicted with the COVID-19 virus. The Department of Public Works and



Highways, recognizing the increase of COVID-19 cases in Las Pinas area proposed construction of additional medical and isolation facility adjacent to the existing facility. NDC and GYREI, during its Board Meeting on April 21, 2021, as an act of civic-mindedness and

liberality, has agreed to grant of an extension of period to use the Property as requested by the City of Las Piñas and is amenable to the request of the DPWH to build additional medical and isolation facility on the Property.

As part of its initiative to help other organizations, the NDC also partnered with the SPDA for benchmarking of ISO Best Practices.

It is part of NDC's corporate social responsibility to interact with the communities where it operates.

# HEALTH AND WELLNESS

## Implementation of StaySafe.ph Contact Tracing Application

NDC continued the full implementation of StaySafe.ph. NDC personnel, tenants, and visitors are required to use the StaySafe.ph application before entering the NDC premises.

## Seminars on Health and Wellness

NDC conducted seminars particularly on Coping with Anxiety During the COVID-19 Pandemic via Zoom to aid employees on their mental health and wellness.

# COVID-19 RESPONSE

## Membership in Barangay Bel-Air COVID- 19 Quick Response Group (Interaction with the Community)

The Building Administrator of NDC Building joined the Barangay Bel-Air COVID-19 Quick Response Group for Salcedo Village. The group is composed of Building Administrators, Property Managers, Heads of Security, Condominium Board of Directors and Barangay Kagawads. The community group was formed as a means for the Barangay to disseminate advisories, discuss issues for resolution, and problem management related to COVID-19. Clusters per locality are formed to handle the current crisis and future disasters.

# AUDITED FINANCIAL STATEMENTS