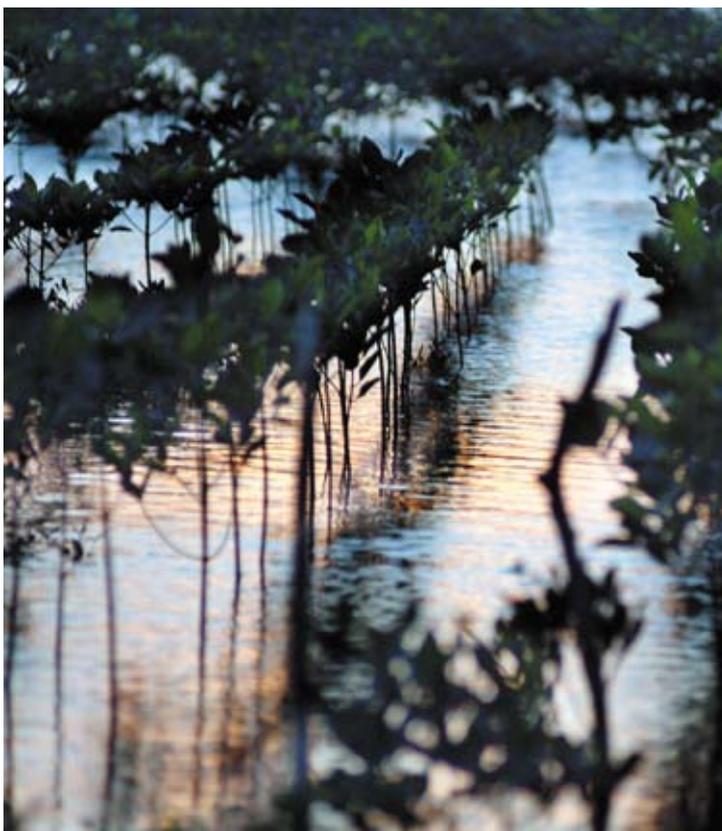


corporate social responsibility



Giving back to the Community.....

Whatever we gain, we want to give back to the community where we operate, uplifting their economic condition as well as empowering the people to be independent and productive. The majority of our efforts focused on employment, education, economy, environment, and electrification for the people of Semirara Island.

Environmental Protection

Protecting and conserving the natural resources has been mandated by the Mines and Geosciences Bureau's Social Development Management Program (SDMP) to small and large-scale mining companies in the Philippines. The SDMP is a tool for the development and implementation of community programs and activities in consultation and partnership with the host and neighboring communities. The programs include infrastructure, livelihood opportunities, education and health projects, and other basic social services for the host and neighboring communities.



In compliance with this program, Semirara spent a total of ₱16 million for environmental programs during the year. The company envisions to plant one million trees in 2012 through in-land reforestation and to date, over 38,000 trees were planted all over the island. Total reforestation since 2000 is 581,670 hills that include island-wide and Unong mine with 364,808 hills and 216,862 hills respectively. Semirara has also launched Bantay-Gubat to protect and conserve existing forest trees. These rehabilitation programs were participated by Semirara employees and the communities.



In addition, Semirara is targeting 250 hectares of mangroves in 2012 for coastal protection. At present, mangrove plantation has reached 183.4 hectares and various mangrove nurseries were created all over the island.

Employment and Economic

Semirara provides livelihood programs that have increased productivity and created jobs for the locals of the island. These are deep-sea fishing (Semirara Fishermen Association-SEMFA), farming (Integrated Pest Management-IPM), seaweed farming (Lantay Method), and dressmaking.

SEMFA started fishing in 2001 with only one boat and 28 members. To date, there are five SEMFA boats acquired which benefited 200 families, and with total net sales of ₱2.4 million for the year. Total available for distribution amounted to ₱1.569 million in which 50% of ₱784 thousand is the total crew share.

IPM training aims to increase yield per hectare of rice, vegetables, and corn which will generate extra income for farmers. It will also reduce production expenses and maximize available resources for crop production as well as maintain sustainable supplies for basic farm commodities of the island. They have organized a cooperative called *Asosasyon ng Mga Magsasaka at Mangingisda ng Barangay Alegria, Inc.* (Association of Farmers and Fishermen of Barangay Alegria, Inc.).

On the other hand, Semirara has supported the seaweed farming and dressmaking which provided extra income to farmers of Barangay Tinogboc and company employees' dependents respectively.

Education

Education is an important project that the company wants to provide to the children of Semirara Island. The company donated, aside from classrooms, tables and chairs to elementary and high schools, learning facilities such as library, science laboratory, computers, and air-conditioned audio-visual room. To date, 371 students are enrolled in Semirara National High School for school year 2006-2007 and a total of 381 graduates since 2001.

In Divine Word School of Semirara Island (DWSSI), a total of 538 pupils are enrolled and 330 from elementary and high school graduates since 2003. Semirara has spent a total ₱25 million for school facilities and improvements during the year. The company is also providing enhancement programs for out-of-school youth that teach technical skills in metal fabrication, woodworking and oxy-ace, and benchwork welding practices.

On the other hand, Semirara Training Center, Inc. (STCI) is a non-stock, non-profit corporation that promotes manpower training and development programs to produce technically equipped and vocationally skilled workforce, contributing to the economic and human development of the island of Semirara. STCI programs include technical (mobile equipment and industrial machine technology), short-term training program (machine shop practice, automotive mechanic, refrigeration and air-conditioning, and industrial electricity), skills upgrading (basic pneumatics, electro-pneumatics, basic hydraulics, welding, and motor rewinding), and women's skills training and livelihood programs (dressmaking, housekeeping/chambermaid, and food and beverage serving). During the year, Semirara has invested a total of ₱2.7 million for STCI which comprises the operating expenses, trainee allowances, and training equipment.

Electrification

To date, Semirara has provided electricity to over 900 households in the three barangays with its 15-MW newly renovated coal-fired power plant located in the island. Currently, the power generation costs ₱5.00/kwh, in which Semirara subsidizes half of it. Semirara also spent ₱3.8 million for the electrical posts installed in island. By the end of the year, the community's kilowatt hour consumption reached 724,620 kwh or 31% increase from the previous year. This improvement has resulted to establishing of small businesses and additional jobs for the locals of Semirara.