



## SUSTAINABILITY REPORT

**HEALTH CARE AND DEVELOPMENT CORPORATION OF THE PHILIPPINES (HC&D)**

For the Year Ended 31 December 2025

*( Prepared in accordance with SEC Sustainability Reporting Guidelines and  
aligned with ISO 9001 :2015)*

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CONTEXTUAL INFORMATION



**HEALTH CARE AND DEVELOPMENT CORPORATION OF  
THE PHILIPPINES**

**7F UNIVERSITY OF PERPETUAL HELP MEDICAL CENTER ADMINISTRATION  
BLDG., ALABANG - ZAPOTE ROAD, BRGY. PAMPLONA 3, LAS PIÑAS CITY**

LOCATION OF OPERATIONS

**NATIONWIDE**

REPORT BOUNDARY

**All HMO operations**

BUSINESS MODEL

**Prepaid healthcare services via provided network**

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## MATERIALITY PROCESS

Material topics were identified using stakeholder's engagement and ISO 9001:2015 risk-based approach.

Topic	Impact	Boundary
Access to Healthcare	High	Internal/External
Customer Satisfaction	High	Internal
Data Privacy and Security	High	Internal
Employee Welfare	Medium	Internal
Environmental Impact	Medium	Internal

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# ECONOMIC

## DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

*(Benchmark based on PH HMO industry statistics of Php101.56B revenue and Php74.6B claims in 2025)*

### Revenues

45 M  
Industry benchmark  
Php 101.56B

### Operating Costs

25.95%  
Industry benchmark  
13.78%

### Healthcare Benefits and Claims

87.39%  
Industry benchmark  
76.5% of expenses

### Employees' Wages and Benefits

Compliant with minimum DOLE  
Standards  
Industry Benchmark  
**Industry Norm**

### Taxes Paid

Compliant with BIR Standards  
Industry Benchmark  
**Industry Norm**

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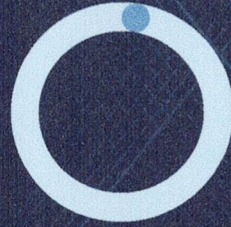
## FINANCIAL PERFORMANCE INDICATORS

Revenue Growth



20 - 25% YoY

Net Profit Margin



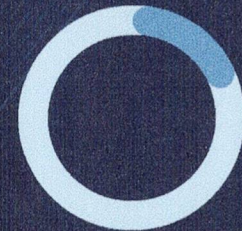
2 - 5%

Claims Ratio



70 - 85%

Expense Ratio



15 - 25%

### Insight:

Claims remain the largest cost driver, comprising roughly 76 - 80% of total expenses in the industry.

## PROCUREMENT PRACTICES

- Payments to healthcare providers represent around 75 - 80% of total costs
- Focus on accredited hospitals and clinics
- ESG considerations included in provider accreditation
- Partnered with network providers



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# ENVIRONMENTAL

## Resource Management

RESOURCE



TYPICAL USAGE

120,000 Pages

11,940 kW/m

BENCHMARK

Declining due to digitization

Office-based Consumption

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## Reduction Initiatives

Initiative	Benchmark Impact
E-Claims/remote claim transactions	40 - 60% paper consumption reduction
Hybrid meeting setup	Lower energy consumption
Sustaining Enercon Programs	Lower energy consumption
Office Supplies Recycling	Reduction of paper consumption

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# Environmental KPIs

Paper Reduction



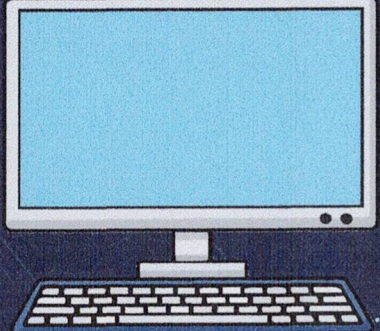
Target  
40% - 60%

Energy Reduction



Target  
5% - 10%

Digital Transactions

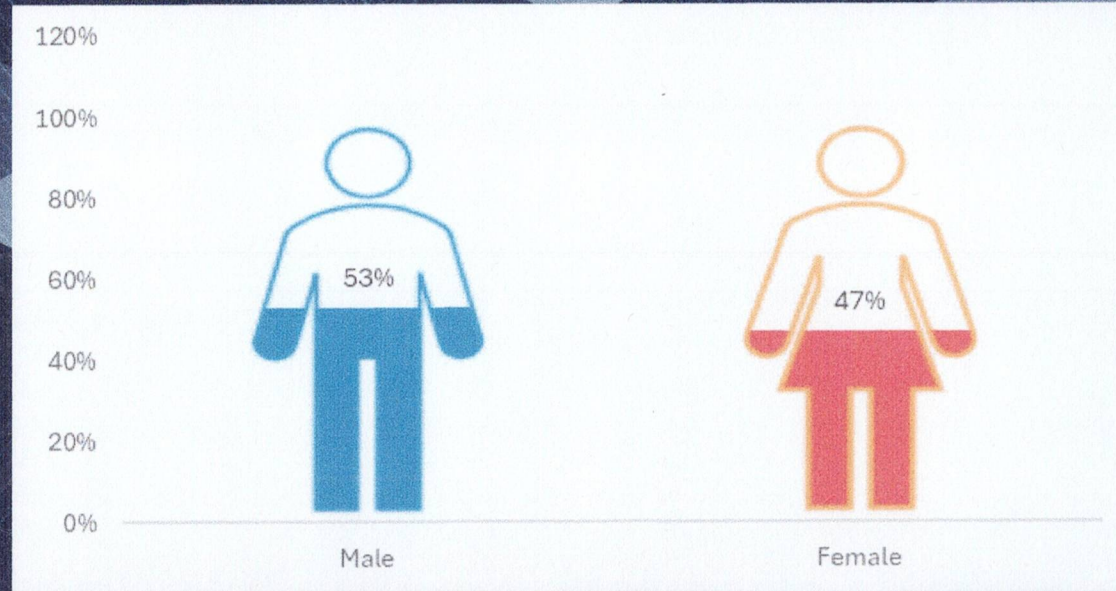


Target  
70% - 90%

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# SOCIAL

## Employee Management Workforce Composition



## Employee Benefits

- Full HMO coverage for employees (Private Room Accommodation)
- Training programs (compliance, sales, marketing, customer service)
- 30 days sick and vacation leaves (SL is convertible to cash)
- Tuition fee discounts for immediate family members at UPHSD

**DALTA CARE** 

**JUAN DELA CRUZ**

PLAN : SEMI-PRIVATE ROOM  
MBL : 100,000  
ACCESS : PHMC-LP ONLY  
MEMBER CODE:  
EXPIRY : 31 DECEMBER 2026

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## Training and Development

Program	Participation Rate
Compliance Training	100%
Customer Service	80%
ESG Awareness	70%

## Customer Welfare

- 3.5 Customer Satisfaction index
- 30 days claims turnaround time from receipt of complete required documentations to check release
- 24 - 48 hours call resolution time

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## Access to Healthcare

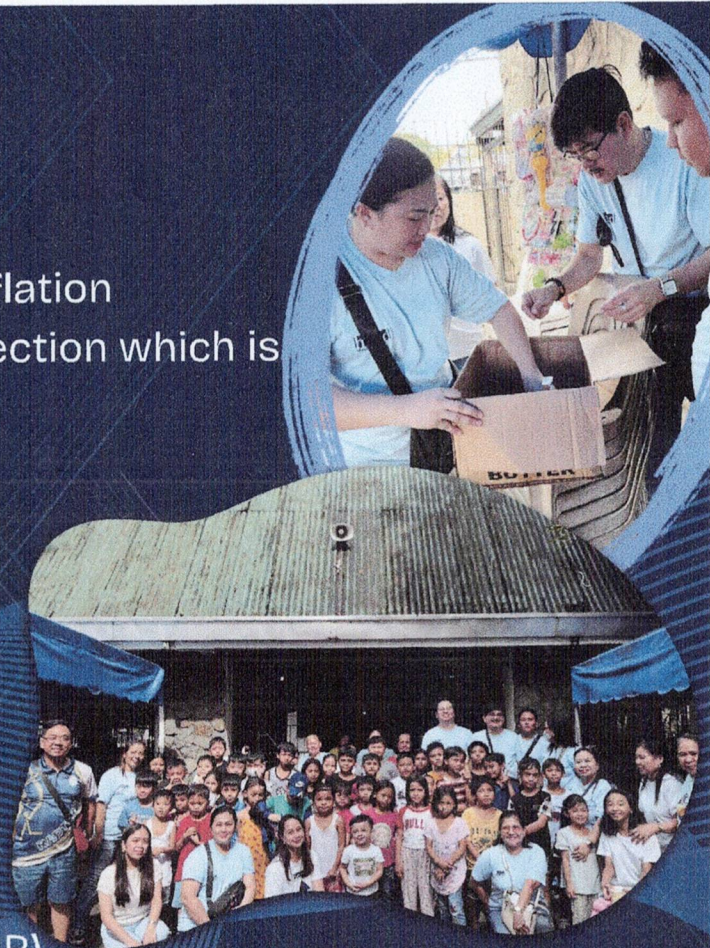
- Through Accredited hospitals/clinics/Medical Doctors
- Members - Mobile App
- Growth driven by increasing membership and medical inflation
- Claims payout to an average of 70% of total revenue collection which is at par with the industry statistics

## Data Privacy and Security

- Full compliance with the Data Privacy Act
- Registration with the National Privacy Commission
- Zero major breaches reported to date

## Community Investment

- Free clinic consultation for the adopted community
- Minimum of three (3) corporate social responsibility (CSR) activities for a year which includes feeding program and gift-giving activities
- Active participation in system-wide medical mission and other community outreach programs DALTA



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# GOVERNANCE

## Governance Structure

- Board-level oversight of ESG
- Compliance Officer and Risk Officer roles
- Adopting ISO 9001:2015 Quality Management System (to consider applying certification at this time)

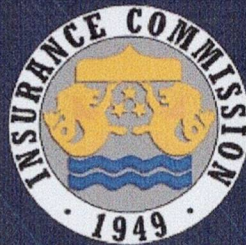
## Anti-Corruption and Ethics

- Adopting a zero-tolerance policy
- Whistleblowing mechanism (currently under structuring)

## Regulatory Compliance

HC&D complies with:

- Insurance Commission regulations
- SEC Sustainability Reporting Guidelines
- Corporate Governance Code
- National Privacy Commission

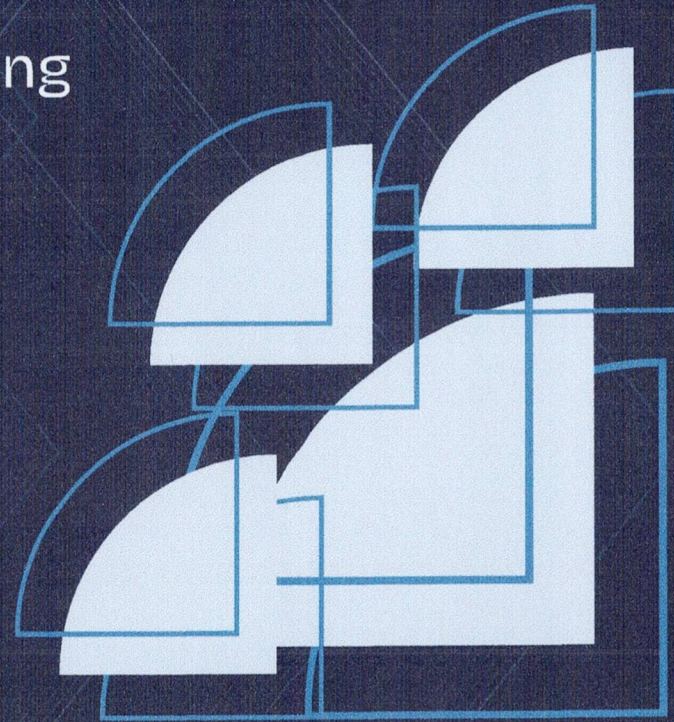


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## SUSTAINABILITY STRATEGY (ADOPTION OF ISO 9001:2015 STANDARD)

### Application of relevant ISO Clauses

- Stakeholder and ESG risk identification
- Leadership accountability
- Risk-based sustainability planning
- Training and awareness
- Sustainable service delivery
- KPI monitoring
- Continuous improvement



\*\*To consider applying for ISO 9001:2015 Certification in the future

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# KEY PERFORMANCE INDICATORS

Area	KPI	Target
Economic	Portfolio Growth	100%
Economic	Claims Ratio	70%
Social	Customer Satisfaction Index	3.5
Operational	Claims Processing Time	30 Days
Environmental	Paper Reduction	40 - 60%

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## INDUSTRY CONTEXT

### **The Philippine HMO industry in 2025 demonstrated:**

- Php 101.56B total revenue
- Php 74.64 claims payout
- 25% average revenue growth
- Strong recovery in profitability after prior losses from the pandemic time

This reflects improving sustainability but highlights ongoing pressure from medical inflation and high claims utilization

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## STATEMENT OF MANAGEMENT RESPONSIBILITY

The HC&D management confirms that this report reflects true and fair sustainability performance aligned with SEC requirements.

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