

Fair Value of Financial Assets and Financial Liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

- *Cash and Cash Equivalents, Trade and Other Receivables, Due from/to Related Parties and Trade and Other Payables.* The carrying amounts of cash and cash equivalents, trade and other receivables, due from/to related parties and trade and other payables approximate their value due to the relatively short-term maturity of these financial instruments.
- *Investment in Proprietary Club Shares.* Market values have been used to determine the fair value of listed proprietary club shares.

As of December 31, 2020 and 2019, the Parent Company considers its investment in proprietary club shares with fair values of ₱7.4 million and ₱7.3 million under Level 1 classification, respectively (see Notes 3 and 13).

During the reporting period ended December 31, 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

23. Lease Agreements

The Parent Company has entered into various leases for rooms, office spaces, parking lots, sub transmission line steel post space, and parcel of land which include those with respect to its LLA with PSALM (see Note 25). Lease of parcel of land generally has a lease term of 25 years. Lease terms for the other leased assets generally vary between five months to three years. Total rent expense charged to operations amounted to ₱4.0 million, ₱1.6 million and ₱6.2 million in 2020, 2019 and 2018, respectively (see Notes 16 and 17).

Set out below are the carrying amounts of the Company's right-of-use assets, presented as part of property, plant and equipment, and lease liabilities and the movements during the years ended December 31, 2020 and 2019:

	2020			
	Right-of-use Assets			Lease liabilities
	Land	Office Space	Total	
As at January 1	₱10,108	₱6,807,286	₱6,817,394	₱8,502,282
Depreciation expense	(10,108)	(3,719,614)	(3,729,722)	-
Interest accretion	-	-	-	370,931
Payments of:				
Interest	-	-	-	(370,931)
Principal portion	-	-	-	(4,074,526)
As at December 31	₱-	₱3,087,672	₱3,087,672	₱4,427,756



	2019			Lease liabilities
	Right-of-use Assets			
	Land	Office Space	Total	
As at January 1	₱131,400	₱1,263,879	₱1,395,279	₱1,263,879
Additions	–	9,263,019	9,263,019	9,263,018
Depreciation expense	(121,292)	(3,719,612)	(3,840,904)	–
Interest accretion	–	–	–	680,963
Payments of:				
Interest	–	–	–	(680,963)
Principal portion	–	–	–	(2,024,615)
As at December 31	₱10,108	₱6,807,286	₱6,817,394	₱8,502,282

Current portion of lease liabilities amounted to ₱4.4 million and ₱5.1 million as of December 31, 2020 and 2019, respectively. Noncurrent portion of lease liabilities amounted to nil and ₱3.4 million as of December 31, 2020 and 2019, respectively.

Set out below are the amounts recognized in the parent company statements of comprehensive income for the years ended December 31, 2020 and 2019:

	2020	2019
Depreciation expense of right-of-use assets	₱3,729,722	₱3,840,904
Interest expense on lease liabilities	370,931	680,963
Rent expense - short-term leases (see Notes 16 and 17)	3,991,397	1,649,624
	₱8,092,050	₱6,171,491

Shown below is the maturity analysis as of December 31, 2020 of the undiscounted lease payments:

	2020	2019
One year	₱4,539,815	₱5,487,579
More than 1 year to 2 years	–	3,497,694
	₱4,539,815	₱8,985,273

24. Notes to Parent Company Statements of Cash Flows

Changes in liabilities arising from financing activities in 2020 and 2019 are as follows:

	January 1, 2020	Dividend Declaration	Amortization of Transaction Costs	Additions	Cash Flows	December 31, 2020
Dividends payable (see Note 15)	₱–	₱1,197,241,442	₱–	₱–	(₱1,197,241,442)	₱–
Lease liabilities (see Note 23)						
Principal	8,502,282	–	–	–	(4,074,526)	4,427,756
Interest	–	–	–	370,931	(370,931)	–
	₱8,502,282	₱1,197,241,442	₱–	₱370,931	(₱1,201,686,899)	₱4,427,756



	January 1, 2019	Dividend Declaration	Amortization of Transaction Costs	Additions	Cash Flows	December 31, 2019
Dividends payable (see Note 15)	P-	P1,646,206,983	P-	P-	(P1,646,206,983)	P-
Lease liabilities (see Note 23)						
Principal	1,263,879	-	-	9,263,018	(2,024,615)	8,502,282
Interest	-	-	-	680,963	(680,963)	-
	P1,263,879	P1,646,206,983	P-	P9,943,981	(P1,648,912,561)	P8,502,282

	January 1, 2018	Dividend Declaration	Amortization of Transaction Costs	Additions	Cash Flows	December 31, 2018
Dividends payable (see Note 15)	P-	P1,197,241,442	P-	P-	(P1,197,241,442)	P-

25. Other Matters

Electricity Power Industry Reform Act (EPIRA) of 2001

On June 8, 2001, the EPIRA was signed into law and took effect on June 26, 2001. The law provides, among others, for the privatization of the assets of NPC, the creation of PSALM to accept transfers of all assets and assume all outstanding obligations of NPC, and the restructuring of the electric power industry sector as a whole. The law also provides for the mandate and framework to introduce competition in the electricity market and penalize anti-competitive behaviour. The IRR of the EPIRA was approved by the Joint Congressional Power Commission on February 27, 2002.

The EPIRA and its covering IRR provide for significant changes in the power industry including the following: (i) Competition in the retail supply of electricity; (ii) Open access to the transmission and distribution systems; (iii) Establishment of a Wholesale Electricity Spot Market (WESM); (iv) Unbundling of the generation, transmission and distribution rates; and (v) Removal of existing cross-subsidies provided by industrial and commercial users to residential customers.

An important milestone in the Philippine power industry was reached when the WESM began commercial operations on June 23, 2006. In the Visayas region, WESM started operations on December 26, 2010. The establishment of the WESM is one of the preconditions to retail competition and open access required by the EPIRA.

The Parent Company participated in the WESM starting in the last quarter of 2014.

Ancillary Services Procurement Agreement (ASPA)

On May 26, 2015, the Parent Company entered into an ASPA with NGCP that took effect on September 26, 2015 after getting the provisional approval of the ERC. The Parent Company and NGCP executed the ASPA for the supply of dispatchable reserve and reactive power support from its Cebu Diesel Power Plant located in the City of Naga, Cebu for a period of five (5) years under a non-firm arrangement. The ASPA was pre-terminated on July 13, 2018 due to the return of the Cebu Diesel Power Plant to PSALM.

On December 18, 2018, the Parent Company entered into an ASPA with NGCP for the supply of dispatchable reserve and reactive power support from the former's 4x7 MW PB 104 located in Tapal Wharf, Ubay, Bohol under firm and non-firm arrangements. The term of this agreement is for a period of five (5) years commencing upon receipt of a final approval, or in the absence thereof, a provisional approval by the ERC of the application filed on February 14, 2019. The ASPA was implemented effective September 26, 2019.



Land Lease Agreements (LLA)

The Parent Company entered into LLAs with PSALM (as Lessor) in furtherance of and as an ancillary contract to the respective Asset Purchase Agreement (APA) with PSALM governing the sale of assets as follows:

- *LBGTs.* On January 29, 2010, the Parent Company executed the LLA with a term of 10 years up to January 28, 2020 which may be renewed or extended for another period of 10 years or the remaining corporate life of PSALM, whichever is shorter, upon the mutual written agreement of the parties. The rentals which were paid in full on March 25, 2009 (the "Closing Date") amounted to ₱1.2 million.
- *153.1 MW Naga Power Plant (consisting of CTPP 1, CTPP 2 and CDPP 1)* . On September 25, 2014, the Parent Company executed the LLA with a term of 25 years from Closing Date, which may be renewed or extended for another period of 25 years or the remaining corporate life of PSALM, whichever is shorter, upon the mutual written agreement of the parties. The rentals which were paid in full in 2014 amounted to ₱712.5 million including withholding tax borne by the Parent Company.

Under the LLA, the Parent Company shall use and occupy the leased premises primarily for the operation, management, expansion and maintenance of the power plants, and shall not assign or transfer any of its right under the LLA or sublease all or any part of the leased premises without the prior consent of PSALM.

The LLAs also cover an option to purchase optioned assets within the leased premises that may be offered by the Lessor. The purchase price (on a per square meter basis) shall be equivalent to the highest of the following valuations and/or amounts: (i) the assessment of the Provincial Assessor; (ii) the assessment of the Municipal or City Assessor; and (iii) the zonal valuation of the Bureau of Internal Revenue. The unused rentals corresponding to the area of the optioned assets over which the option was exercised shall be deducted from the purchase price.

Rent expense under the LLAs amounted to nil in 2020 and 2019 and ₱0.1 million in 2018 (see Notes 17 and 19).

The Parent Company, at its own expense, shall be solely responsible for obtaining all the necessary authorizations, licenses and permits for any alterations, additions, facilities, improvements and installations introduced on the leased premises by or for the benefit of the Parent Company.

Pursuant to the provisions of the LLA, within a period of 180 days from the termination of the LLA or expiration of the lease term, the Parent Company is obliged to perform activities to facilitate clean-up, return and surrender of the leased premises (see Notes 17 and 19).

Acquisition and Turnover of the 153.1 MW NPPC

Prior to the expiration of the OMSC on September 25, 2014, the Parent Company purchased the NPPC after exercising its "right-to-top" (RTT) the winning bid, which right was pursuant to the LLA with PSALM that was executed when the LBGTs were acquired by the Parent Company in 2010. Pursuant to the APA executed by the Parent Company and PSALM covering the purchase of the assets consisting of the thermal and diesel power plants (CTPP 1 and CTPP 2, and CDPP 1), the Parent Company paid PSALM a total of ₱463.3 million. The Parent Company and PSALM also entered into an LLA, as an ancillary contract to the APA, covering the land where the purchased assets are located, and paid in full the total lease rentals amounting to ₱712.5 million. Following the issuance of Notice of Award on July 28, 2014 and after completing all the conditions for Closing,



PSALM turned over the NPPC to the Parent Company on September 25, 2014, coinciding with the termination of the OMSC.

More than one year after PSALM awarded the NPPC to the Parent Company, the Supreme Court (SC) declared the APA and the LLA for the sale of the NPPC to be null and void per decision promulgated on September 28, 2015.

On December 1, 2015, the Parent Company filed its Motion for Reconsideration of the SC Decision dated September 28, 2015. In said Motion for Reconsideration, the Parent Company stressed that, as the owner of the LBGT and the lease on the land on which the LBGT stands, it has an interest in the whole of the Complex and not just within the leased premises. This is due to the fact that the Parent Company's payment for the LBGT necessarily includes payment for the RTT, the LBGT and the land subject of the LBGT-LLA which forms part of the Complex, and the Parent Company shares in the use, upkeep and maintenance of the Co-Use Facilities within the Complex, thus, showing that the Parent Company's interest extends to the whole of the Complex.

On December 9, 2015, the SC resolved to deny the Motion for Reconsideration. Thus, a Motion For Leave to File and Admit the Attached Urgent Motion for Second Reconsideration and/or Referral to the En Banc was filed by the Parent Company on February 2, 2016. However, on April 6, 2016, the SC issued a Resolution where it resolved among others to deny the said Motion For Leave and noted without action, the attached Urgent Motion for Second Reconsideration and /or Referral to En Banc, in view of the denial of the Motion for Leave. Accordingly, an amount equivalent to ₱1,143.2 million (i.e., amount paid by the Parent Company to PSALM in 2014, net of withholding tax) was recognized as other noncurrent receivable as of December 31, 2016 and 2015. On October 5, 2016, the SC granted the manifestation/motion of Therma Power Visayas, Inc. (TPVI) dated March 16, 2016 praying for the reinstatement of the notice of award in favor of TPVI dated April 30, 2014. The Parent Company then filed an Urgent Motion for Reconsideration with Alternative Motion to Refer to the En Banc, on November 2, 2016. In a Resolution dated November 28, 2016, the SC denied the same. Another Urgent Motion for Reconsideration was filed by the Parent Company on December 9, 2016. This was followed up by the filing on January 19, 2017 of a Supplemental Motion/Petition for Referral to the En Banc which argued that there was a violation of SPC's substantive right to due process in reinstating the Notice of Award in favor of TPVI and a violation of procedural due process in lifting the Entry of Judgment of September 28, 2015.

On February 21, 2017, the Parent Company received the Entry of Judgment through its legal counsel certifying that the September 28, 2015 Decision and October 5, 2016 Resolution have become final and executory on November 28, 2016 and were recorded in the Books of Entries of Judgments.

On April 26, 2017, the SC issued a final resolution denying both the Motion for Reconsideration and the Supplemental Motion/Petition for Referral to the En Banc filed on December 9, 2016 and January 19, 2017, respectively. In its final resolution, the SC confirmed that the September 28, 2015 Decision and the October 5, 2016 Resolution became final on November 28, 2016.

After receipt of the Notice of the Second Entry of Judgment in February 2017, the Parent Company was anticipating a speedy turnover of the NPPC. However, serious negotiations never transpired as of December 31, 2017 through no fault of the Parent Company.

Considering that the NPPC has been in the possession of the Parent Company even after November 28, 2016, it has to operate the plant as the best way to preserve it pending the eventual turn-over to PSALM and the return of the purchase price, as well as the reimbursement of necessary and useful expenses made on the NPPC. The incidental income and expenses derived from



operating and preserving the NPPC after November 28, 2016 are recognized as part of "Others - net" in the parent company statements of comprehensive income (see Note 8).

On July 9, 2018, PSALM and the Parent Company finally entered into a Memorandum of Agreement (MOA) containing the terms and conditions for the return of the NPPC to PSALM, return of the SPC Bid to the Parent Company, and the settlement of all claims between the parties.

In accordance with the MOA, PSALM and the Parent Company executed the Joint Certificate of Turnover on July 13, 2018. Thus, the Parent Company turned over the NPPC and paid the entire payable to PSALM through cash amounting to ₱75.7 million, net of withholding tax, for fuel and coal consumed and through replacement of fuel while PSALM returned the SPC Bid to the Parent Company amounting to ₱1,143.2 million.

26. Supplementary Information Required Under Revenue Regulation (RR) 2015-2010

In compliance with the requirements set forth by RR 15-2010, hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year:

VAT

The National Internal Revenue Code of 1997 also provides for the imposition of VAT on sales of goods and services. Accordingly, the Parent Company's sales are subject to output VAT while its importations and purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12.0%.

- Net Sales/Receipts and Output VAT declared in the Parent Company's VAT returns filed for the period:

	Net Sales/ Receipts	Output VAT
Vatable sales:		
Sale of services	₱377,665,327	₱45,319,839
Sale of goods	970,603	116,472
	378,635,930	45,436,311
Zero-rated sales	783,955	-
	₱379,419,885	₱45,436,311

- Input VAT

At January 1	₱28,295,503
Current year's domestic purchases/payments or importations for:	
Goods other than for resale or manufacture	14,034,123
Services lodged under general and administrative expenses and other accounts	4,441,263
Capital goods subject to amortization	1,448,878
	48,219,767
Claims for tax credit/refund and other adjustments	(43,096,230)
At December 31	₱5,123,537



Details of the Parent Company's importations are shown below:

Dutiable value	₱6,088,645
Customs duties	147,376
Brokerage charges	92,455
<u>Total landed cost</u>	<u>₱6,328,476</u>

Excise Taxes

The Parent Company did not have local nor imported excisable items.

Other Taxes and Licenses

All other local taxes, local and national, including real estate taxes, license and permit fees were lodged under the Taxes and Licenses account under "Cost of Services" and "General and administrative expenses" in the 2020 parent company statement of comprehensive income:

Details consist of the following:

Local:	
Business tax	₱1,080,599
License and permits fees	64,072
National:	
Documentary stamp taxes	120
Others	36,723
	<u>₱1,181,514</u>

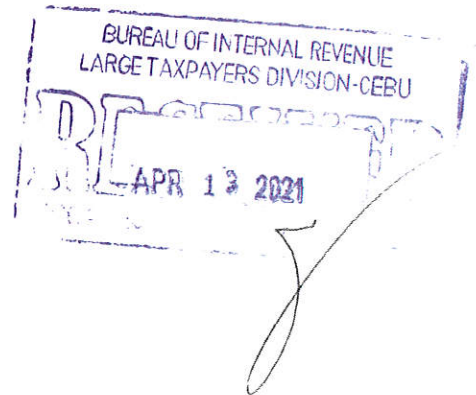
Withholding Taxes

Details of withholding taxes in 2020 follow:

Final withholding taxes	₱8,912,669
Withholding taxes on compensation and benefits	7,213,184
Expanded withholding taxes	4,355,353
	<u>₱20,481,206</u>

Tax Assessments and Cases

The Parent Company does not have pending tax cases outside the administration of the BIR as of December 31, 2020.





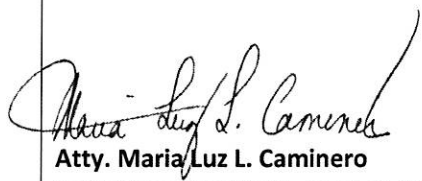
SPC POWER CORPORATION

2020 Sustainability Report

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Contextual Information

Company Details	
Name of Organization	SPC POWER CORPORATION
Location of Headquarters	7 TH Floor Cebu Holdings Center Archbishop Reyes Avenue, Cebu Business Park, Cebu City
Location of Operations	PDPP Complex, Dingle, Iloilo Tagbilaran City, Bohol Ubay, Bohol; Colon, Naga, Cebu (up to July 13, 2018 only)
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Includes the following subsidiaries: SPC Island Power Corporation Bohol Light Company, Inc. SPC Light Company, Inc. SPC Electric Company, Inc. SPC Malaya Power Corp.
Business Model, including Primary Activities, Brands, Products, and Services	Power generation and distribution
Reporting Period	For the year ended December 31, 2020
Highest Ranking Person responsible for this report	 Atty. Maria Luz L. Caminero Senior Vice President, Legal and Regulatory Affairs

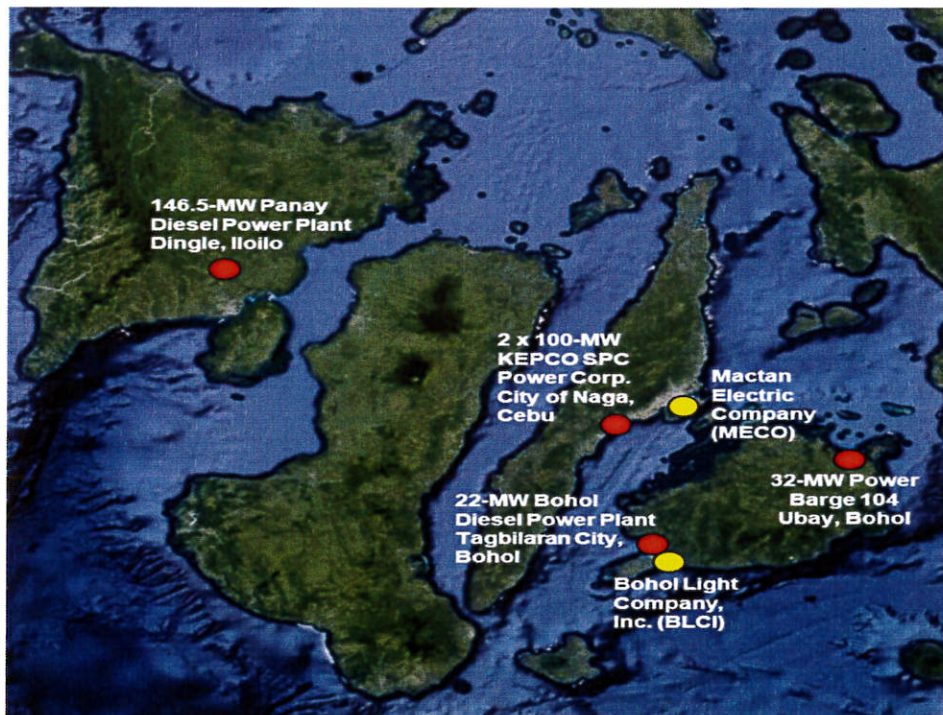
About Us

SPC Power Corporation (SPC), was incorporated in the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on March 11, 1994.

SPC is an active industry player in the Visayas Region for almost twenty-six (26) years, currently owns and operates the 32-MW Power Barge 104 (PB 104) in Ubay, Bohol; 146.5-MW Panay Diesel Power Plant (PDPP) in Dingle, Iloilo; and the 22-MW Bohol Diesel Power Plant (BDPP) in Tagbilaran City, Bohol, thru its wholly-owned subsidiary, SPC Island Power Corporation, also including the 2 x 100-MW KEPCO SPC Power Corporation (KSPC) in Colon, City of Naga, Cebu which is a subsidiary of SPC.

SPC also invested in the power distribution sector, thru Mactan Electric Company (MECO) whose franchise covers Lapu-lapu City and the Municipality of Cordova in the Province of Cebu; and Bohol Light Company, Inc. (BLCI) whose franchise covers Tagbilaran City, Bohol.

The registered office address of the Parent Company is 7th Floor, Cebu Holdings Center, Archbishop Reyes Avenue, Cebu Business Park, Cebu City.



Mission, Vision and Values

Our Mission

To provide quality and reliable power supply to our customers from a mix of conventional and renewable sources and ensure a fair and reasonable price that will allow an appropriate balance between availability of supply and equitable return to our shareholders.

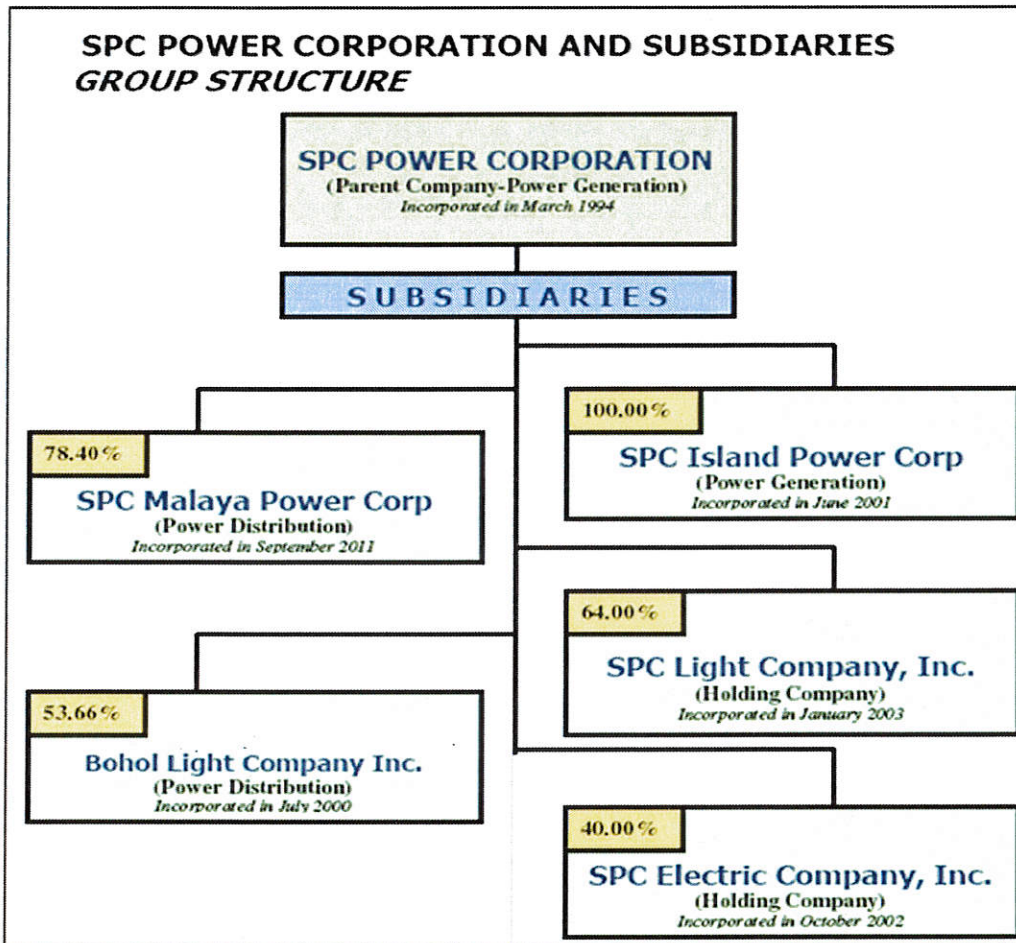
Our Vision

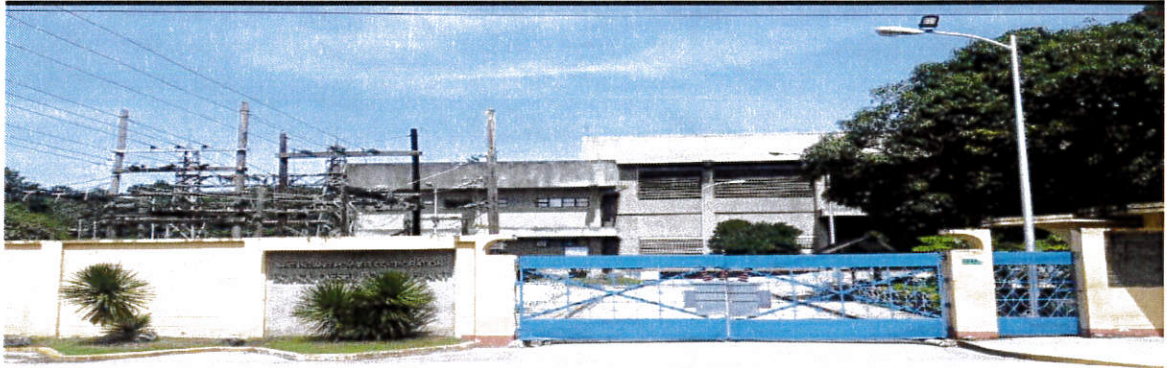
To be a long-term partner in the growth and development of our nation, by providing an imperative for nation-building and a better quality of life for our citizens - electricity.

Our Values

S	S-TEADFAST. We are dutifully firm and unwavering in our resolve to always meet our customers' demand.
P	P-PERSISTENT. We are determined to reach our company's goals despite challenges or obstacles.
C	C-ARING. Caring for and protecting our environment is a prerequisite for the success of our business.
P	P-HILANTROPHY. Giving back to the community is our way of life. We are sensitive to the needs of the communities we serve and belong to
O	O-BJECTIVITY. We trust our personnel's judgement to be free of bias and outside influence in carrying out tasks.
W	W-ELL BALANCED. We aim to provide our personnel with a healthy work-life balance atmosphere that increase their productivity and boost happiness in the workplace.
E	E-EXCELLENCE. Day in and day out, we strive to be the best in everything we do.
R	R-ESPONSIBILITY. We trust and rely on our personnel to make decisions on their own, based on limits of authority and principles of personal accountability.

SPC Power Corporation and Subsidiaries





About this Report

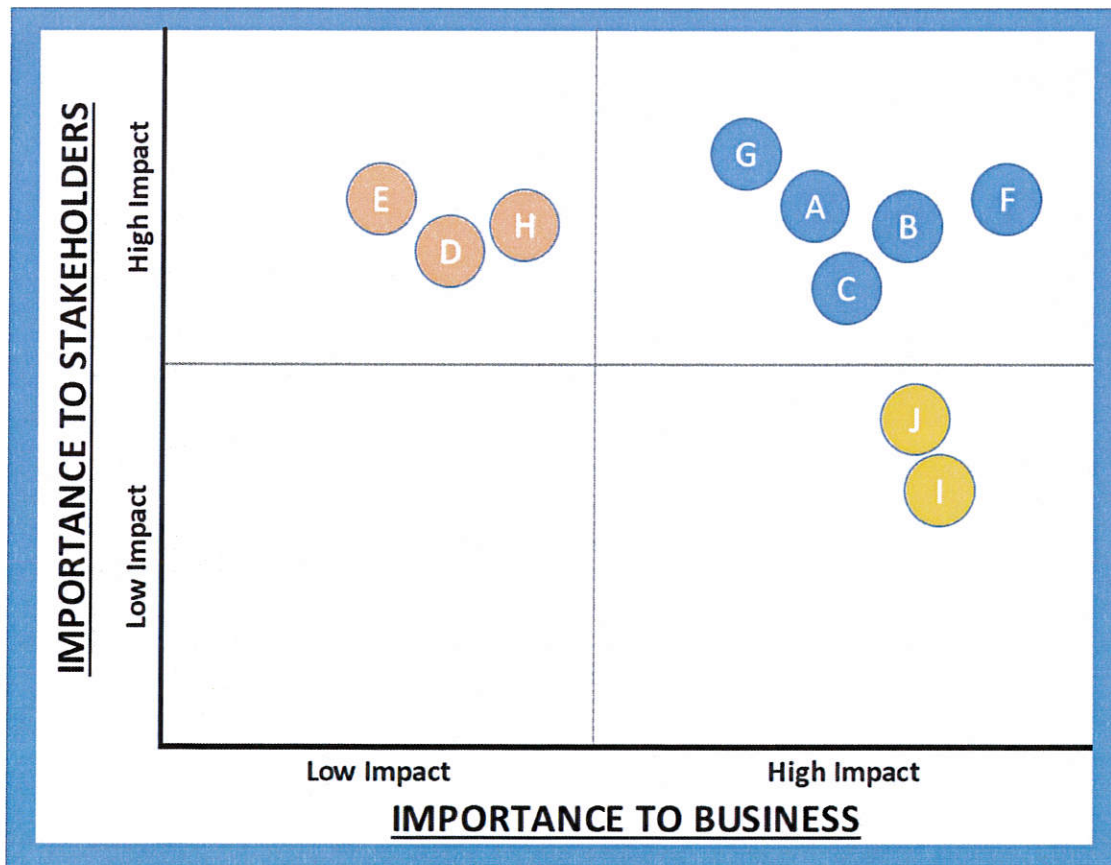
This report covers the Parent Company and its subsidiaries, collectively referred to as the Group. This covers the fiscal year 2020 for the entire Group, including all locations in Makati, Cebu, Bohol and Iloilo. Any locations closed during the period were not included in this report.

Our Materiality Process

The Group has undertaken a process to understand, assess and prioritize the issues considered material to the business with respect to economic, environment, social and governance (EESGs). The Group considers an issue as material when it influences the decisions, actions and performance of the Group and/or its stakeholders. Interviews with Management were undertaken to assess the EESGs issues, and identified the following:

- A. Employee Welfare
- B. Customer satisfaction
- C. Safe work environment
- D. Integrity from among its officers and employees
- E. Renewable energy
- F. Compliance on energy regulations
- G. Ethical operations
- H. Data privacy and data security
- I. Digitalization
- J. Conservation and efficient use of resources

Based on the assessment undertaken, the following are considered material to the Group's business and its relevant stakeholders:



Economic Value

	2020	2019
Economic value generated	₱1,996,070,942	₱2,799,009,238
Economic value distributed		
Operating costs	1,444,391,214	2,108,524,404
Employee wages and benefits	162,427,354	150,740,669
Payment to suppliers of goods and services	1,543,121,040	2,054,319,847
Payments to providers of capital	1,243,519,465	1,672,834,471
Payments to government	133,746,415	201,784,362
Corporate Social Responsibility	4,901,945	3,024,689

	2020	2019
	<i>(In PHP Millions)</i>	
TOTAL ASSETS	₱11,440.0	₱11,095.7
TOTAL LIABILITIES	884.8	933.3
TOTAL STOCKHOLDERS' EQUITY	10,555.3	10,162.4

FINANCIAL RATIOS		
CURRENT RATIO	9.71 : 1	7.82 : 1
DEBT-TO-EQUITY RATIO	0.08 : 1	0.09 : 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
<i>Economic value generated & distributed has positive impact in our major areas of operations in the provinces of Iloilo and Bohol; and investors in the organization.</i>	<i>The following stakeholders are affected: employees, community, suppliers and contractors, government, stockholders and lenders.</i>	<i>Paying taxes properly and timely; faithful compliance to labor laws; fairness in dealing with suppliers and contractors; ensuring reasonable rate of return to shareholders; commitment to corporate social responsibility.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Financial risks (increase in competition); Natural calamities/disasters; Legal risks (change in law); Regulatory risks</i>	<i>The following stakeholders are affected: employees, community, suppliers and contractors, government, stockholders and lenders.</i>	<i>Diversification; Ensure Insurance coverage; Contract management.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Business expansion.</i>	<i>The following stakeholders are affected: employees, community, suppliers and contractors, government, stockholders and lenders.</i>	<i>Invest in research and development.</i>

Climate-related risks and opportunities¹

<p><i>The management committee considers climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans, monitoring implementation and performance, and overseeing major capital expenditures and acquisitions/new investments.</i></p>	<p><i>The organization's business strategy already considered investing in climate-friendly technologies in its power generation business.</i></p>	<p><i>The organization identifies, assesses climate-related risks by being aware of established laws and regulations; assessing the organization's compliance; and take necessary measures for compliance.</i></p>	<p><i>The metrics and targets used to assess and manage relevant climate-related risks and opportunities by the organization are aligned with the requirements of the relevant regulatory agencies.</i></p>
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¹ 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.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	87	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>The proportion of spending on local suppliers has positive impact in our major areas of operations and our local suppliers.</i>	<i>The following stakeholders are affected: employees, community, suppliers and contractors, government and stockholders.</i>	<i>Priority is given to local suppliers and contractors whenever the goods and services needed in our operations are locally available.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>No risks identified because issues or concerns arising from procurement from local suppliers and contractors are manageable.</i>	<i>None</i>	<i>Accreditation of all prospective local suppliers and contractors to determine their capabilities, quality and competitiveness of their products.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Mutual growth of business which leads to better quality of life for everyone.</i>	<i>Community, suppliers and contractors and the organization itself (indirectly its employees and investors, government).</i>	<i>Priority is given to local suppliers and contractors whenever the goods and services needed in our operations are locally available.</i>

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	All employees	100%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	All business partners	100%
Percentage of directors and management that have received anti-corruption training	15	87%
Percentage of employees that have received anti-corruption training	0	0

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><i>The anti-corruption policies and procedures adopted and implemented by the organization has positive, actual and direct impact on the management and employee levels of the organization; and business partners.</i></p> <p><i>The organization has taken concrete measures or steps to ensure a high level of awareness of anti-corruption policies within the company.</i></p>	<p><i>Suppliers and contractors and employees, management, other business partners.</i></p>	<p><i>Management adopted an anti-corruption policy pursuant to its ethical values of honesty, integrity and fair dealing.</i></p> <p><i>It has disseminated this policy publicly through its disclosure in its website and included a specific provision on anti-corruption in some of its major contracts.</i></p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p><i>Compliance risks</i></p>	<p><i>Suppliers and contractors and employees, management, other business partners.</i></p>	<p><i>Financial, Operation and legal audit.</i></p>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p><i>Promotes transparency, fairness and accountability in the conduct of our business.</i></p>	<p><i>Suppliers and contractors and employees, management, other business partners.</i></p>	<p><i>Periodic review of policies and procedures on anti-corruption; Financial, Operation and legal audit.</i></p>

Incidents of Corruption


Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	0
Number of incidents in which employees were dismissed or disciplined for corruption	0	0
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	0


What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>No incidents of corruption were noted during covered period of this report. The organization has taken concrete measures or steps to ensure a high level of awareness of anti-corruption policies within the company.</i>	<i>Since no incidents of corruption were noted during covered period of this report, no stakeholders were negatively affected.</i>	<i>Management adopted an anti-corruption policy pursuant to its ethical values of honesty, integrity and fair dealing. It has disseminated this policy publicly through its disclosure in its website and included a specific provision on anti-corruption in some of its major contracts.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>No incidents of corruption were noted during covered period of this report.</i>	<i>Since no incidents of corruption were noted during covered period of this report, no stakeholders were negatively affected.</i>	<i>If incidents of corruption occur, the anti-corruption policies and procedures adopted are implemented by the organization.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Improves positive business reputation and trustworthiness.</i>	<i>Suppliers and contractors and employees, management, shareholders and other business partners.</i>	<i>Management adopted and implemented an anti-corruption policy pursuant to its ethical values of honesty, integrity and fair dealing. It has disseminated this policy publicly through its disclosure in its website and included a specific provision on anti-corruption in some of its major contracts.</i>


Our Corporate Governance


The Group is committed to the principles and guidelines set forth in the Code of Corporate Governance for Publicly Listed Companies (PLCs) and its Manual of Corporate Governance. Beyond the compliance requirements, the Board of Directors and Management, employees and shareholders, believe that corporate governance is a necessary component of what constitutes sound strategic business management and therefore undertakes every effort necessary to create awareness thereof within the organization.

The Group's Manual of Corporate Governance provides, among others, the following:

	Related Party Transactions Policy
	<p>The Company has adopted a policy on Material Related Party Transactions. In accordance with its policy, it shall not extend preferential treatment to its related partners; shall accord equal treatment to related and non-related parties under similar circumstances.</p> <p>The Compliance Officer works with the Board and Management identifying persons and companies that are considered as related parties. The Board of Directors and its Management requires quarterly review and update the Related Party registry to capture organizational and structural changes in the Company and its related parties.</p>

	Whistle-blowing Policy
	<p>The Company has an open policy that actively promotes honest and highest ethical behavior possible in all its business dealings and activities.</p> <p>SPC Power Corporation employees, executive officers and directors who have knowledge or reasonably believe that an applicable law, regulation, policy or ethical guideline has been, is being or about to be or may be, violated must promptly report such information to any independent director of the Board, or Compliance Officer of the Company.</p> <p>The Board, through the Corporate Governance Committee (CGC), shall establish a suitable framework for whistleblowing that allows employees, executive officers and directors to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or the Compliance Officer on whistle blowing concerns. The CGC should be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement.</p>

	Conflict-of-Interest Policy
	<p>Pursuant to the Code of Corporate Governance for Publicly-Listed Companies (CGC-PLCs), “the Board should oversee that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts of interest of the Management, board members, and shareholders. The Board should also approve the Internal Audit Charter.”</p> <p>On the basis of the foregoing, the Company hereby establishes a Conflict-of-Interest-Policy. The Board of Directors, officers, and all employees shall at all times avoid any conflict-of-interest. The Company’s business interest shall in all cases be given preeminence over personal interests of all employees.</p> <p>The Board, thru the Corporate Governance Committee shall ensure the implementation of this policy by formally establishing an appropriate internal control system, including setting up a mechanism for monitoring and managing potential conflicts of interest of the Management, board members, employees and shareholders.</p>

	Insider Trading Policy
	<p>The Company adheres to fair and transparent principles of trading its securities. Thus, the Company, its directors, officers and employees are bound to strictly observe the provisions of the Corporation Code, the Securities Regulations Code and its Implementing Rules and Regulations on prohibitions on fraud, manipulation and Insider Trading.</p>

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (heavy fuel oil - Operation)	8,384,075	Li
Energy consumption (light fuel oil - Operation)	1,409,105	Li
Energy consumption (lubricant - Operation)	106,816	Li
Energy consumption (electricity - Plant Consumption)	33,348,438	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (heavy fuel oil - Operation)	(8,492,378)	Li
Energy consumption (light fuel oil - Operation)	(1,359,641)	Li
Energy consumption (lubricant - Operation)	(187,094)	Li
Energy consumption (electricity - Plant Consumption)	(12,325,205)	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
<p><i>The increase in the energy consumption is an unintended impact or consequence resulting from increase in the demand of the organization's product (sale of electricity) and not from wastage or unwarranted consumption.</i></p> <p><i>The organization's involvement in the impact is due to higher level of operations brought about by increase in demand of its product.</i></p>	<p><i>Suppliers and contractors and employees, management, shareholders and other business partners.</i></p>	<p><i>Maintenance of cost efficiency measures in the operation; compliance with environmental laws and regulations.</i></p>

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Increase in energy consumption would proportionately increase demand for extraction of natural resources identified as components of materials critical for the operations of the organization.</i>	<i>Suppliers and contractors and employees, management, shareholders and other business partners</i>	<i>Maintenance of cost efficiency measures in the operation; compliance with environmental laws and regulations.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Fast track the development of alternative energy resources or technologies that will help conserve natural resources being exploited for power generation.</i>	<i>Suppliers and contractors and employees, management, shareholders and other business partners</i>	<i>Maintenance of cost efficiency measures in the operation; compliance with environmental laws and regulations.</i>

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal (Plant Consumption)	6,208	Cubic meters
Water consumption (Plant Consumption)	9,048	Cubic meters
Water recycled and reused (Plant Consumption)	(Not Quantified)	Cubic meters

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 increase in the water consumption is an unintended impact or consequence resulting from increase in the demand of the organization's product (sale of electricity) and not from wastage or unwarranted consumption.</p> <p>The organization's involvement in the impact is due to higher level of operations brought about by increase in demand of its product.</p>	Suppliers and contractors and employees, management, shareholders and other business partners	Maintenance of cost efficiency measures in the operation; compliance with environmental laws and regulations.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Increase in water consumption would proportionately increase demand for extraction of natural resources identified as components of materials critical for the operations of the organization.	Suppliers and contractors and employees, management, shareholders and other business partners	Maintenance of cost efficiency measures in the operation; compliance with environmental laws and regulations.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Fast track the development of alternative water resources or technologies that will help conserve natural resources being exploited for power generation.	Suppliers and contractors and employees, management, shareholders and other business partners	Maintenance of cost efficiency measures in the operation; compliance with environmental laws and regulations.

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
<ul style="list-style-type: none"> renewable 	Information not available.	kg/liters
<ul style="list-style-type: none"> non-renewable 	Information not available.	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	Information not available.	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Due to unavailability of information of materials used by the organization that are either renewable or non-renewable, we have no basis in answering this question.</i>		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Due to unavailability of information of materials used by the organization that are either renewable or non-renewable, we have no basis in answering this question.</i>		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Due to unavailability of information of materials used by the organization that are either renewable or non-renewable, we have no basis in answering this question.</i>		

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	
Habitats protected or restored	None	ha
IUCN ² Red List species and national conservation list species with habitats in areas affected by operations	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
<i>There being no operational sites that the organization owns, leases, manages in, or are adjacent to, protected areas and areas of high biodiversity value outside protected areas, we have no basis to respond to this question.</i>		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>There being no operational sites that the organization owns, leases, manages in, or are adjacent to, protected areas and areas of high biodiversity value outside protected areas, we have no basis to respond to this question.</i>		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>There being no operational sites that the organization owns, leases, manages in, or are adjacent to, protected areas and areas of high biodiversity value outside protected areas, we have no basis to respond to this question.</i>		

² International Union for Conservation of Nature

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	No data available	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	No data available	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	No data available	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
<i>There being no available data, we have no basis to respond to this question.</i>		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>There being no available data, we have no basis to respond to this question.</i>		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>There being no available data, we have no basis to respond to this question.</i>		

Air pollutants

Disclosure	Quantity	Units
NO _x	357,231	kg
SO _x	577,582	kg
Persistent organic pollutants (POPs)	1,400	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg
Particulate matter (PM)	39,173	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
<i>There had been no complaints from host communities and government regulators</i>	<i>Employees, community, suppliers and vulnerable groups</i>	<i>The Management quarterly monitors the air emissions through expert consultant and perform remedial measures as recommended, if any. To date, the Group has not exceeded the limits prescribed by the DENR.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Health hazards</i>	<i>Employees, community, suppliers, government regulators and vulnerable groups</i>	<i>The Management quarterly monitors the air emissions through expert consultant and perform remedial measures as recommended, if any. To date, the Group has not exceeded the limits prescribed by the DENR.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Fosters harmonious relationship with host communities</i>	<i>Employees, community, suppliers and vulnerable groups</i>	<i>The Management quarterly monitors the air emissions through expert consultant and perform remedial measures as recommended, if any. To date, the Group has not exceeded the limits prescribed by the DENR.</i>

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	4,873	kg
Reusable	1,402	kg
Recyclable	1,220	kg
Composted	1,036	kg
Incinerated	0	kg
Residuals/Landfilled	1,215	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
<i>There is no environmental degradation due to proper disposal of solid wastes</i>	<i>Employees, community</i>	<i>The Management appoints an Environmental, Health, Safety and Security (EHSS) Officer to oversee the environmental compliance of the Group. The Group complies with the EMB environmental requirements.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Hazardous to the environment</i>	<i>Employees, community</i>	<i>The Management appoints an Environmental, Health, Safety and Security (EHSS) Officer to oversee the environmental compliance of the Group. The Group complies with the EMB environmental requirements.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Recycling/composting contributes to the improvement of the quality of soil used for planting; cuts down on the amount of trash and reduces the cost and carbon emissions it takes to haul and process these garbage materials; reduces soil pollution.</i>	<i>Employees, community</i>	<i>The Management appoints an Environmental, Health, Safety and Security (EHSS) Officer to oversee the environmental compliance of the Group. The Group complies with the EMB environmental requirements.</i>

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	207,589	kg
Total weight of hazardous waste transported	207,589	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
<i>There is no environmental degradation due to proper disposal of hazardous wastes</i>	<i>Employees, community</i>	<i>The Management appoints an Environmental, Health, Safety and Security (EHSS) Officer to oversee the environmental compliance of the Group. The Group complies with the EMB environmental requirements.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Hazardous to the environment</i>	<i>Employees, community</i>	<i>The Management appoints an Environmental, Health, Safety and Security (EHSS) Officer to oversee the environmental compliance of the Group. The Group complies with the EMB environmental requirements.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Generates business opportunities to EMB accredited entities involved in hazardous waste management.</i>	<i>Employees, community, suppliers</i>	<i>The Management appoints an Environmental, Health, Safety and Security (EHSS) Officer to oversee the environmental compliance of the Group. The Group complies with the EMB environmental requirements.</i>

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	4,085	Cubic meters
Percent of wastewater recycled	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
<i>Water discharges are treated in accordance with the Environmental Management Bureau's (EMB) standards. Consequently, protection and conservation of marine resources</i>	<i>Employee and community</i>	<i>The Management appoints an Environmental, Health, Safety and Security (EHSS) Officer to oversee the environmental compliance of the Group. The Group complies with the EMB requirement on water effluents. A quarterly testing by an EMB accredited facility is performed prior to discharge.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Accidental discharge of effluents due to acts of God such as strong typhoon and tsunami</i>	<i>Employee and community</i>	<i>The Management appoints an Environmental, Health, Safety and Security (EHSS) Officer to oversee the environmental compliance of the Group. The Group has a Risk Disaster Plan for each Plant and conducts periodic drills to prepare for any contingency.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Preservation of natural breeding ground habitat or abode of fishes and other marine organism</i>	<i>Employee and community</i>	<i>The Management appoints an Environmental, Health, Safety and Security (EHSS) Officer to oversee the environmental compliance of the Group. The Group complies with the EMB requirement on water effluents. A quarterly testing by an EMB accredited facility is performed prior to discharge.</i>

Environmental compliance

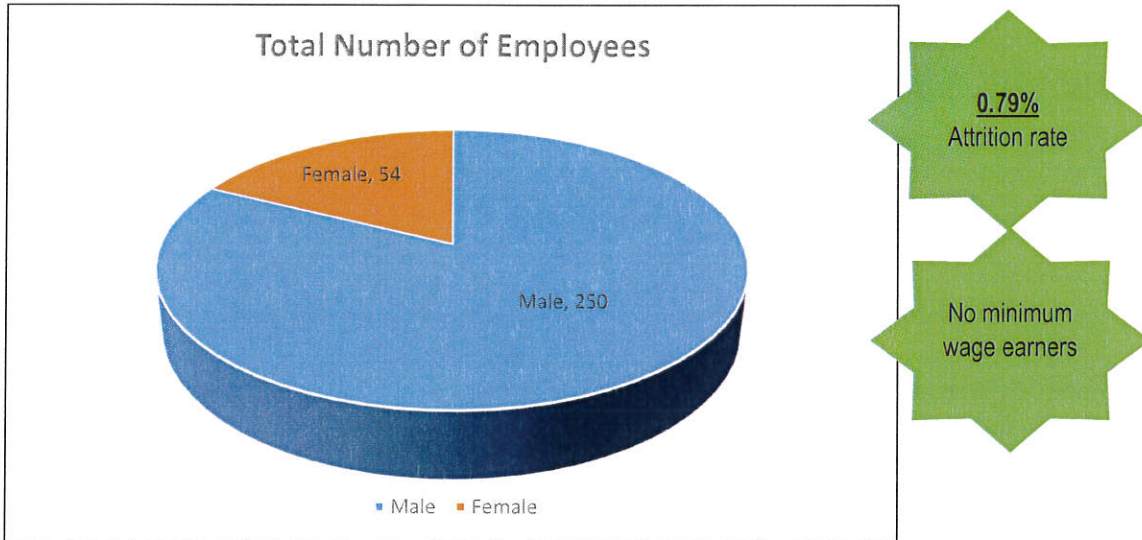
Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	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
<i>Continuous unhampered operations on the primary business through implementation and strict observance of the environmental regulations</i>	<i>Employees and community</i>	<i>The Management appoints an Environmental, Health, Safety and Security (EHSS) Officer to oversee the environmental compliance of the Group.</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Closure of business, related damage to environment and costly litigation for damages</i>	<i>Employees and community</i>	<i>Management has identified this as one of the Groups' core Values i.e. Caring for and protecting our environment is a prerequisite for the success of our business; Institutionalized policies and procedures safeguarding the environment; Compliance with environmental laws.</i>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Continuous unhampered operations</i>	<i>Employees and community</i>	<i>Management has identified this as one of the Groups' core Values i.e. Caring for and protecting our environment is a prerequisite for the success of our business; Institutionalized policies and procedures safeguarding the environment; Compliance with environmental laws.</i>

SOCIAL

Our current workforce:



Employee Management

Employee Hiring and Benefits

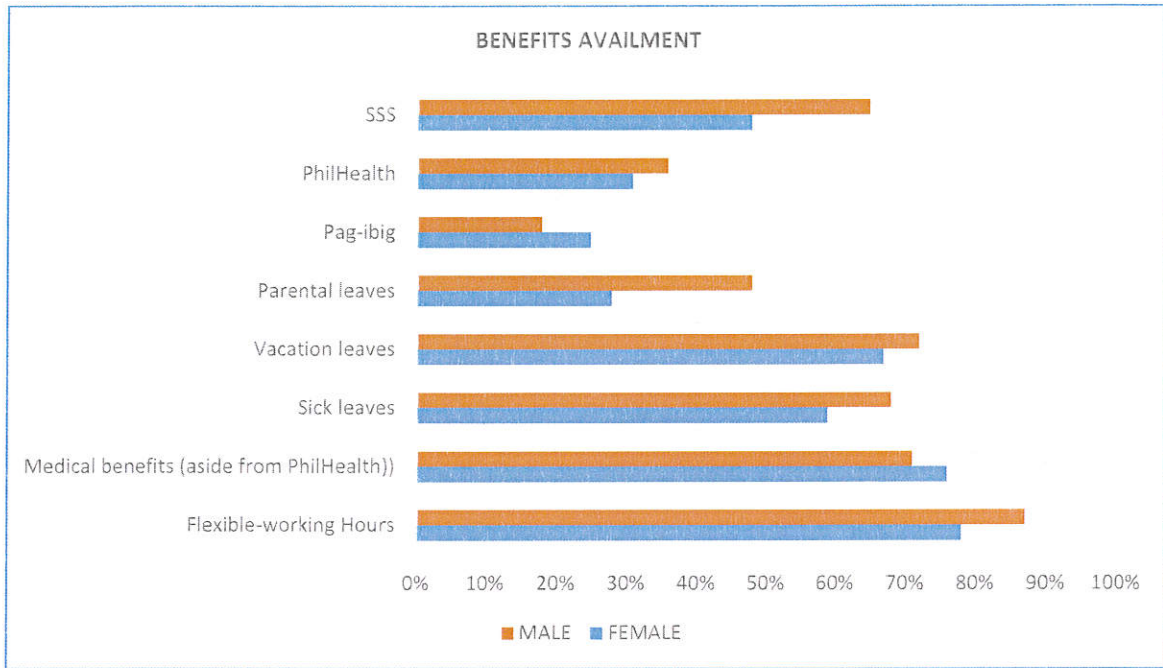
Employee data

Disclosure	Quantity	Units
Total number of employees ³	304	#
a. Number of female employees	54	#
b. Number of male employees	250	#
Attrition rate ⁴	0.79%	rate
Ratio of lowest paid employee against minimum wage	0	ratio

³ Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

⁴ 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)

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	48%	65%
PhilHealth	Y	31%	36%
Pag-ibig	Y	25%	18%
Parental leaves	Y	28%	48%
Vacation leaves	Y	67%	72%
Sick leaves	Y	59%	68%
Medical benefits (aside from PhilHealth))	Y	76%	71%
Housing assistance (aside from Pag-ibig)	Y	0%	0%
Retirement fund (aside from SSS)	Y	0%	0%
Further education support	Y	0%	0%
Company stock options	Y	0%	0%
Telecommuting	Y	0%	0%
Flexible-working Hours	Y	78%	87%
(Others)			

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p><i>The Company's workforce are motivated to perform well at work and get involved socially in family and community activities</i></p> <p><i>Ensuring employee equal opportunity and satisfactory benefits package which is annually reviewed by management</i></p>	<p><i>Management provides annual merit increase as a result of employees' performance evaluation; The Management provides Productivity incentive bonus depending on the performance of the Company.</i></p> <p><i>Management provides annual merit increase as a result of employees' performance evaluation with consideration on inflationary factors</i></p>
What are the Risk/s Identified?	Management Approach
<i>High employee turnover</i>	<p><i>Establishment of grievance procedures;</i></p> <p><i>Management provides annual merit increase as a result of employees' performance evaluation; The Management provides Productivity incentive bonus depending on the performance of the Company.</i></p>
What are the Opportunity/ies Identified?	Management Approach
<i>Productive and efficient employees</i>	<p><i>Management provides annual merit increase as a result of employees' performance evaluation; The Management provides Productivity incentive bonus depending on the performance of the Company.</i></p>

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	1,036 Hours	hours
b. Male employees	5,642 Hours	hours
Average training hours provided to employees		
a. Female employees	28	For 37 employees
b. Male employees	26	For 217 employees

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Enhances the expertise of the employees; uplift employees' morale; attracts and retains good employees by providing them the opportunity for growth and advancement; motivates employees to face bigger challenges in their careers.</i>	<i>Management provides training venues to its employees; Requires employees to attend seminars for professional development; plans and implements effective employee training programs and development</i>
What are the Risk/s Identified?	Management Approach
<i>Inability to match the pace of changes in technological development in terms of continuing professional development in training employees; low employee morale/performance due to insufficient training and development.</i>	<i>Management adopts a policy on continuing professional education and development; Serves as one of the parameters for employee advancement within the organization; plans and implements effective employee training programs and development</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Employee growth in the organization; Promotes efficiency and effectivity that are mutually beneficial to the Company and the employees.</i>	<i>Management adopts a policy on continuing professional education and development; Serves as one of the parameters for employee advancement within the organization.</i>

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	49 Employees	%
Number of consultations conducted with employees concerning employee-related policies	Around 5	# (2020 only)

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Promotes industrial peace</i>	<i>Management allows employee participation s in the development of employee-related policies; Compliance with all labor laws, rules and regulations.</i>
What are the Risk/s Identified?	Management Approach
<i>Labor disputes; Strike and lockdowns; disruption of operations resulting to loss of revenue or shutdown of operations.</i>	<i>Management allows employee participation s in the development of employee-related policies; Compliance with all labor laws, rules and regulations; Formulation and implementation of grievance procedures and conciliation.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Fosters Industrial Peace; Motivated and productive employees; Less employee turn-over.</i>	<i>Management allows employee participation s in the development of employee-related policies; Compliance with all labor laws, rules and regulations; Formulation and implementation of grievance procedures and conciliation.</i>

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	18%	%
% of male workers in the workforce	82%	%
Number of employees from indigenous communities and/or vulnerable sector*	19	#

*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
<i>Non-discrimination of qualified female and vulnerable sector individuals; provides a wider pool of talents for the organization</i>	<i>Management promotes a policy of gender equality and inclusiveness.</i>
What are the Risk/s Identified?	Management Approach
<i>Misogynism; limits the pool of talents available for the organization</i>	<i>Management promotes a policy of gender equality and inclusiveness.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Provides equal opportunity in the workplace</i>	<i>Management promotes a policy of gender equality and inclusiveness.</i>

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	192,800	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	46	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Reduced absenteeism; reduced health care expenditures; productive employees; employees become more focused and goal-oriented at work; fosters harmonious relationship among employees in the work place</i>	<i>The Management appoints an Environmental, Health, Safety and Security (EHSS) Officer to oversee the health and safety of employees of the Group. Provision of medical insurance to all regular employees which includes coverage on consultation fees and mandatory annual physical examination. Established COVID-19 Protocols for mandatory compliance of employees to ensure good health and welfare.</i>
What are the Risk/s Identified?	Management Approach
<i>High incidence of absenteeism resulting to low productivity; high operating expenses; depletion of workforce</i>	<i>The Management appoints an Environmental, Health, Safety and Security (EHSS) Officer to oversee the health and safety of employees of the Group. Provision of medical insurance to all regular employees which includes coverage on consultation fees and mandatory annual physical examination.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Fosters harmonious relationship within the workplace; high level of productivity; provides continuous opportunity for growth and advancement; Health is wealth.</i>	<i>The Management appoints an Environmental, Health, Safety and Security (EHSS) Officer to oversee the health and safety of employees of the Group. Provision of medical insurance to all regular employees which includes coverage on consultation fees and mandatory annual physical examination;</i>

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

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

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	Employee Uniform Code of Conduct
Child labor	Y	Employee Uniform Code of Conduct
Human Rights	Y	Employee Uniform Code of Conduct

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>No cases filed against the Group on forced labor, child labor and human rights violation.</i>	<i>Management has integrated the policies against forced labor and child labor; respect for human rights, in the Employee Uniform Code of Conduct.</i>
What are the Risk/s Identified?	Management Approach
<i>Prosecution of management and its officers for violations of anti-child labor, anti-forced labor laws and human rights.</i>	<i>Management has integrated the policies against forced labor and child labor; respect for human rights, in the Employee Uniform Code of Conduct.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Enhances good reputation as a corporate citizen</i>	<i>Management has integrated the policies against forced labor and child labor; respect for human rights, in the Employee Uniform Code of Conduct.</i>

Supply Chain Management

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

Yes, we have a supplier accreditation policy incorporated in the Purchasing Policy.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human rights	N	
Bribery and corruption	N	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>As we have not incorporated the sustainability topics in the Group's supplier accreditation policy, we have no basis to respond to this question.</i>	<i>The Management will consider incorporating the sustainability topics in the Group's supplier accreditation policy</i>
What are the Risk/s Identified?	Management Approach
<i>As we have not incorporated the sustainability topics in the Group's supplier accreditation policy, we have no basis to respond to this question.</i>	<i>The Management will consider incorporating the sustainability topics in the Group's supplier accreditation policy</i>
What are the Opportunity/ies Identified?	Management Approach
<i>As we have not incorporated the sustainability topics in the Group's supplier accreditation policy, we have no basis to respond to this question.</i>	<i>The Management will consider incorporating the sustainability topics in the Group's supplier accreditation policy</i>

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)
Local employment opportunities	Bohol, Iloilo, Cebu, Makati	Elderly	N	Employment concerns	Hiring Priority/preference for local residents
Boost local economic activities	Bohol, Iloilo, Cebu, Makati	Elderly, PWDs, poor	N	Livelihood	Patronize local products and suppliers
Payment of taxes to local government units (LGU)	Bohol, Iloilo, Cebu, Makati	Indirectly	N	Efficient delivery of government services	Timely payment of correct taxes to the LGUs
Continuous generation of electricity to avoid power shortages	Visayas Grid	Children, elderly, youth, PWDs, women, poor	N	Affordable power supply	Efficient operations to reduce cost

*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: No IPs in our area of operations

Certificates	Quantity	Units
FPIC process is still undergoing	0	#
CP secured	0	#

What are the Risk/s Identified?	Management Approach
No IPs in our area of operations	No IPs in our area of operations
What are the Opportunity/ies Identified?	Management Approach
No IPs in our area of operations	No IPs in our area of operations

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	No survey conducted in 2020 due to COVID-19 pandemic	N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p><i>By supporting and providing affordable and reliable electricity, we empower our customers in the community to be able to:</i></p> <ul style="list-style-type: none"> <i>a. create businesses and employment opportunities</i> <i>b. building home-grown capabilities</i> <i>c. improve standard of living of the residents in our areas of operation</i> 	<p><i>Adopting the philosophy of "Customer is always right"; encourage customers to engage in open line communication with the Group; Inculcate the value of responsiveness to customer demands.</i></p>
What are the Risk/s Identified?	Management Approach
<p><i>Slow down on economic activities; regression of social development in areas of operation</i></p>	<p><i>Encourage customers to engage in open line communication with the Group; Inculcate the value of responsiveness to customer demands</i></p>
What are the Opportunity/ies Identified?	Management Approach
<p><i>Continuous business growth and sustained social development</i></p>	<p><i>Encourage customers to engage in open line communication with the Group; Inculcate the value of responsiveness to customer demands</i></p>

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

**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
<i>Continuous business growth and sustained social development</i>	<i>The Management appoints an Environmental, Health, Safety and Security (EHSS) Officer to oversee the continuous implementation of health and safety rules and regulations.</i>
What are the Risk/s Identified?	Management Approach
<i>Destruction of the environment; health hazard</i>	<i>The Management appoints an Environmental, Health, Safety and Security (EHSS) Officer to oversee the continuous implementation of health and safety rules and regulations.</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Preservation and conservation of the environment; healthy and able-bodied citizens/residents</i>	<i>The Management appoints an Environmental, Health, Safety and Security (EHSS) Officer to oversee the continuous implementation of health and safety rules and regulations.</i>

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
<i>Continuous business growth and sustained social development</i>	<i>Management is committed to ensure that its representations on the delivery of reliable and affordable electricity can be depended upon by the customers</i>
What are the Risk/s Identified?	Management Approach
<i>Slow down on economic activities; regression of social development in areas of operation</i>	<i>Management is committed to ensure that its representations on the delivery of reliable and affordable electricity can be depended upon by the customers</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Continuous business growth and sustained social development.</i>	<i>Management is committed to ensure that its representations on the delivery of reliable and affordable electricity can be depended upon by the customers</i>

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
<i>Reliance upon the business quality of the Group; protection of information of customers</i>	<i>Strict implementation of the Data Privacy Act of 2012</i>
What are the Risk/s Identified?	Management Approach
<i>Prosecution of management and its officers for violations of Data Privacy Act of 2012.</i>	<i>Strict implementation of the Data Privacy Act of 2012</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Enhancement of corporate credibility.</i>	<i>Strict implementation of the Data Privacy Act of 2012</i>

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
<i>Reliance upon the business quality and credibility of the Group; protection of information of customers</i>	<i>Strict implementation of the Data Privacy Act of 2012</i>
What are the Risk/s Identified?	Management Approach
<i>Prosecution of management and its officers for violations of Data Privacy Act of 2012.</i>	<i>Strict implementation of the Data Privacy Act of 2012</i>
What are the Opportunity/ies Identified?	Management Approach
<i>Enhancement of corporate credibility.</i>	<i>Strict implementation of the Data Privacy Act of 2012</i>

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
Power generation and distribution	<ul style="list-style-type: none"> • Good Health and Promote Well-being • Gender Equality • Affordable and Clean Energy • Decent Work and Economic Growth • Sustainable Cities and Communities • Responsible Consumption and Production • Climate Action 	Increased reliance on renewable energy may affect the stability of grid particularly in an archipelagic country prone to natural calamities.	<ul style="list-style-type: none"> A. Diversification of power plant portfolio. B. Combat the spread of COVID-19 and protect the company employees and their families by (a) providing appropriate protective equipment, (b) enforcing skeletal workforce at the workplace (c) establishing work-from-home set-up among its workforce and (d) other related preventive measures

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*