

Withholding Taxes

Details of withholding taxes in 2022 follow:

Final withholding taxes	₱2,170,118
Withholding taxes on compensation and benefits	9,976,602
Expanded withholding taxes	10,206,719
	<hr/>
	₱22,353,439

Tax Assessments and Cases

The Parent Company does not have pending tax cases outside the administration of the BIR as of December 31, 2022.



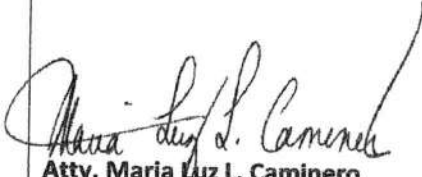
SPC POWER CORPORATION

2022 Sustainability Report

TABLE OF CONTENTS

Contextual Information	2
About Us	3
Mission, Vision, Values	4
SPC Power Corporation and Subsidiaries	5
About This Report	6
Our Materiality Process	7
Economic Value	8
Our Corporate Governance	14
Environment	16
Social	27
UN Sustainable Development Goals	41

Contextual Information

Company Details	
Name of Organization	SPC POWER CORPORATION
Location of Headquarters	7 TH Floor BDO Towers Paseo Paseo De Roxas, Makati City
Location of Operations	PDPP Complex, Dingle, Iloilo Tagbilaran City, Bohol Ubay, Bohol;
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, 2022
Highest Ranking Person responsible for this report	 Atty. Maria Luz L. Caminero Senior Vice President, Legal and Regulatory Affairs

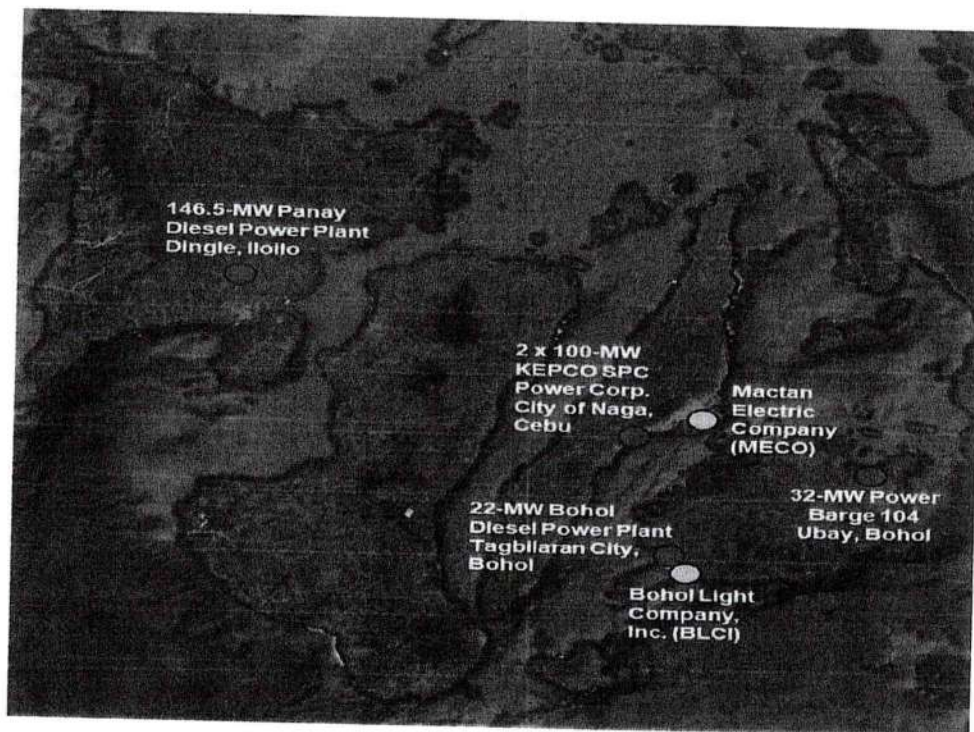
About Us

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-nine (29) 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 an affiliate 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, BDO Towers Paseo, Paseo De Roxas, Makati 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.

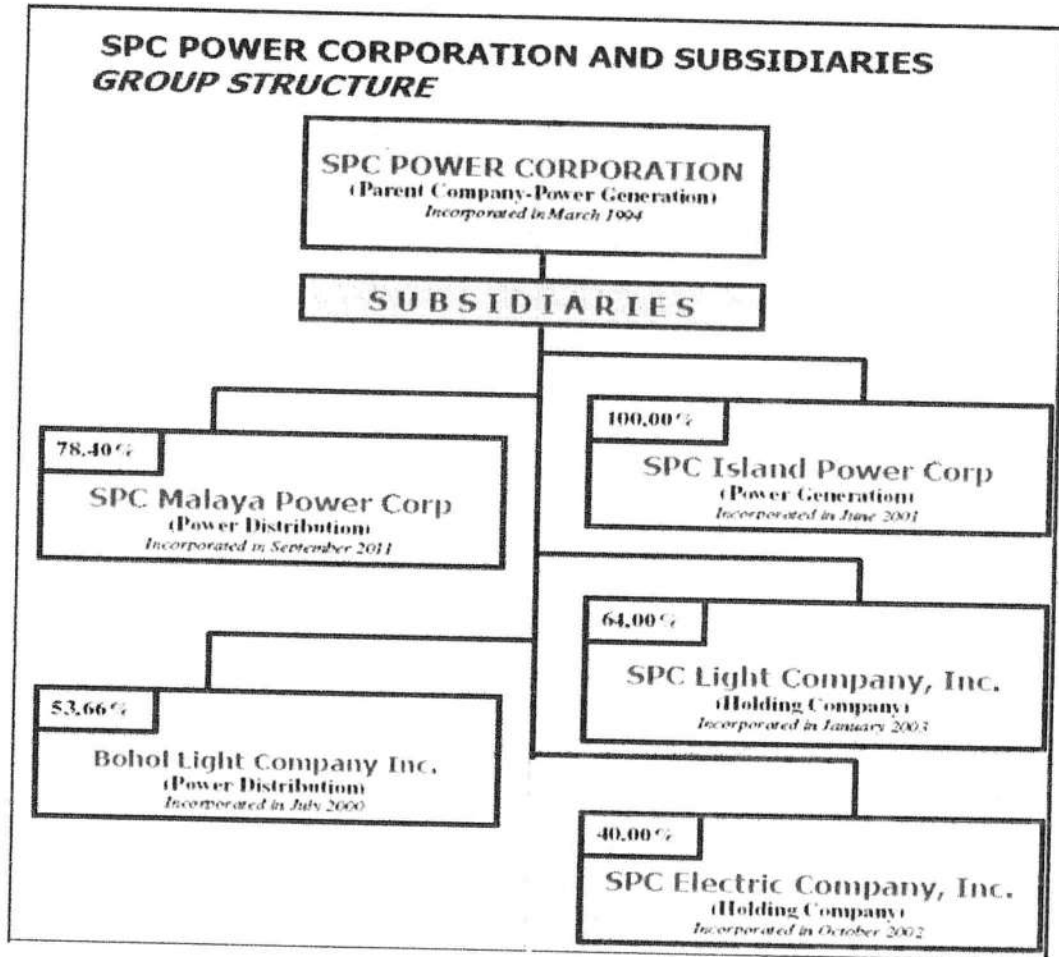
Our Vision

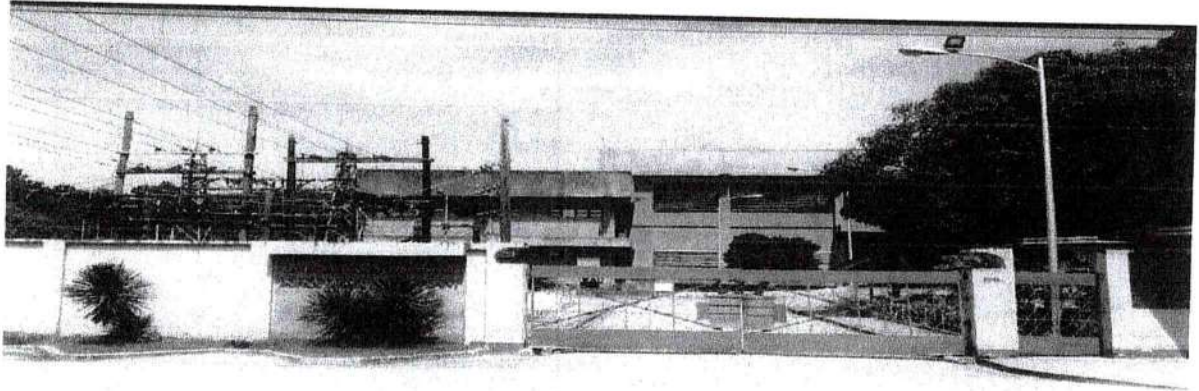
To be a long-term partner in the growth and development of our nation, by providing an imperative for nation-building and a better quality of life for our citizens - electricity.

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-CARING. Caring for and protecting our environment is a prerequisite for the success of our business.
P	P-PHILANTHROPY. 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-OBJECTIVITY. 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

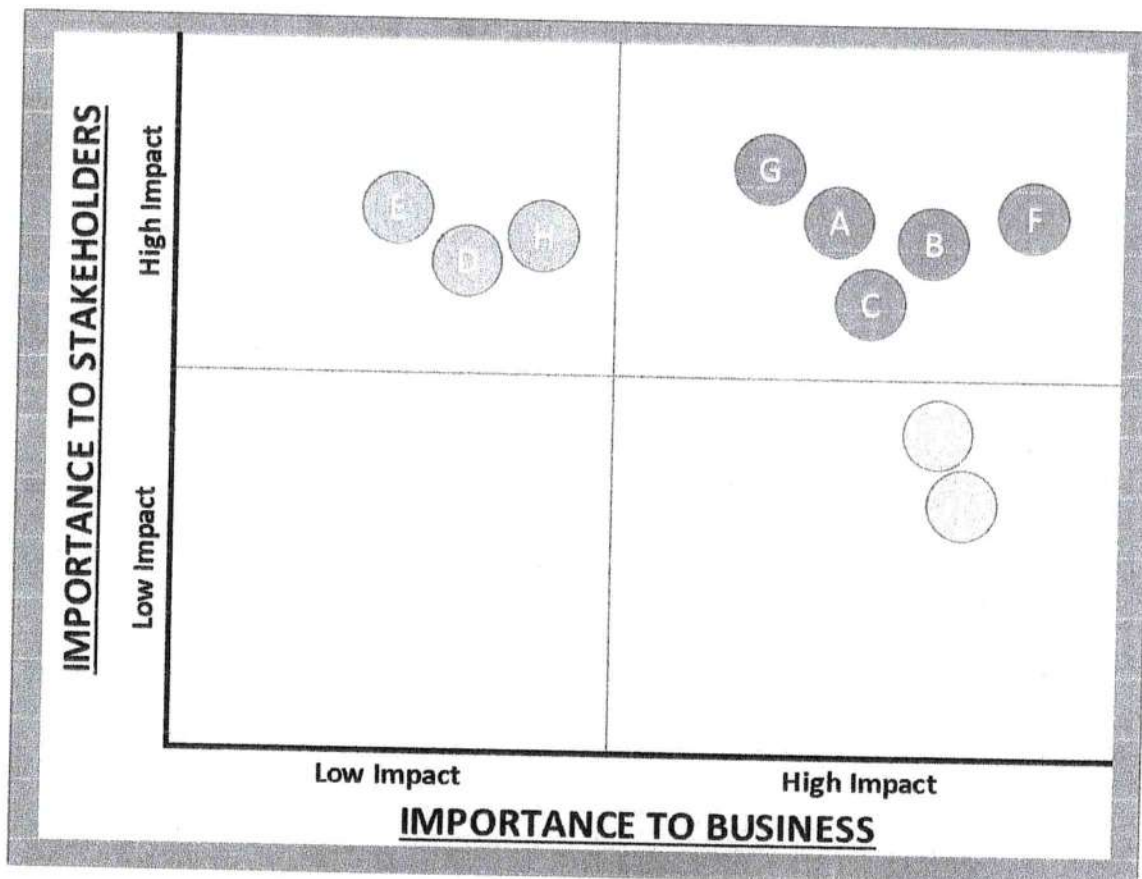
This report covers the Parent Company and its subsidiaries, collectively referred to as the Group. This covers the fiscal year 2022 for the entire Group, including all locations in Makati, Cebu, Bohol and Iloilo. Any locations closed during the period were not included in this report.

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

	2022	2021
Economic value generated	₱3,849,971,823	₱2,469,384,265
Economic value distributed		
Operating costs	3,290,172,921	1,952,491,814
Employee wages and benefits	187,522,436	176,903,542
Payment to suppliers of goods and services	3,234,592,366	2,054,319,847
Payments to providers of capital	317,574,134	2,325,739,309
Payments to government	119,531,561	93,259,940
Corporate Social Responsibility	2,069,438	2,017,035

	2022	2021
	<i>(In PHP Millions)</i>	
TOTAL ASSETS	₱11,587.1	₱10,352.2
TOTAL LIABILITIES	1,187.6	929.9
TOTAL STOCKHOLDERS' EQUITY	10,399.5	9,422.3

FINANCIAL RATIOS		
CURRENT RATIO	6.52 : 1	7.21 : 1
DEBT-TO-EQUITY RATIO	0.11 : 1	0.10 : 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>
--	--	--	---

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	93	%

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	0	0
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
<p><i>No incidents of corruption were noted during covered period of this report.</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>Since no incidents of corruption were noted during covered period of this report, no stakeholders were negatively affected.</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>No incidents of corruption were noted during covered period of this report.</i></p>	<p><i>Since no incidents of corruption were noted during covered period of this report, no stakeholders were negatively affected.</i></p>	<p><i>If incidents of corruption occur, the anti-corruption policies and procedures adopted are implemented by the organization.</i></p>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p><i>Improves positive business reputation and trustworthiness.</i></p>	<p><i>Suppliers and contractors and employees, management, shareholders and other business partners.</i></p>	<p><i>Management adopted and implemented 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>


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:

	<h3>Related Party Transactions Policy</h3>
	<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>

	<h3>Whistle-blowing Policy</h3>
	<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)	34,075,274	Li
Energy consumption (light fuel oil - Operation)	2,823,991	Li
Energy consumption (lubricant - Operation)	383,976	Li
Energy consumption (electricity - Plant Consumption)	23,283,793	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (heavy fuel oil - Operation)	14,392,310	Li
Energy consumption (light fuel oil - Operation)	687,149	Li
Energy consumption (lubricant - Operation)	162,473	Li
Energy consumption (electricity - Plant Consumption)	-15,084,941	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)	20,187	Cubic meters
Water consumption (Plant Consumption)	26,462	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><i>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.</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
<p><i>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.</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 Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p><i>Fast track the development of alternative water resources or technologies that will help conserve natural resources being exploited for power generation.</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>

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• Renewable	Information not available	kg/liters
• non-renewable (HFO)	22,635,408	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	2	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	388,981	kg
SO _x	553,085	kg
Persistent organic pollutants (POPs)	1,400	kg
Volatile organic compounds (VOCs)	Information not available	kg
Hazardous air pollutants (HAPs)	Information not available	kg
Particulate matter (PM)	136,724	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	25,125	kg
Reusable	1,830	kg
Recyclable	6,395	kg
Composted	11,515	kg
Incinerated	0	kg
Residuals/Landfilled	5,385	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	1,258,508	kg
Total weight of hazardous waste transported	721,460	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	16,133	Cubic meters
Percent of wastewater recycled	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>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

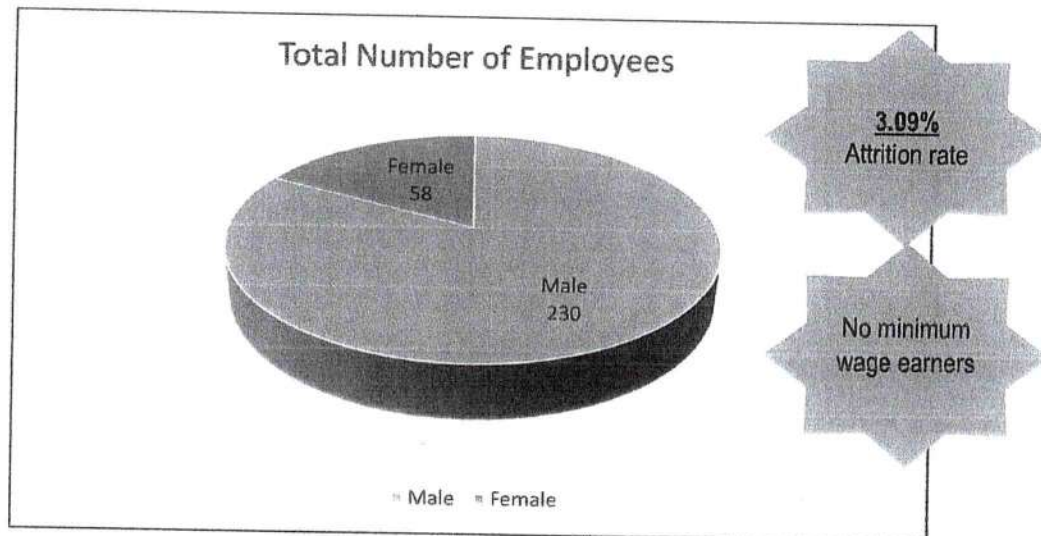
Non-compliance with Environmental Laws and Regulations

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	1	#
No. of cases resolved through dispute resolution mechanism	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>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	288	#
a. Number of female employees	58	#
b. Number of male employees	230	#
Attrition rate ⁴	3.09%	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 rate = (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	42%	58%
PhilHealth	Y	31%	36%
Pag-ibig	Y	25%	17%
Parental leaves	Y	28%	48%
Vacation leaves	Y	67%	72%
Sick leaves	Y	42%	71%
Medical benefits (aside from PhilHealth))	Y	38%	46%
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	57%	64%
(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 is 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
<p><i>High employee turnover</i></p>	<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>	<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>

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	248 Hours	hours
b. Male employees	2,032 Hours	hours
Average training hours provided to employees		
a. Female employees	4	For 58 employees
b. Male employees	9	For 230 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	42 Employees	%
Number of consultations conducted with employees concerning employee-related policies	Around 4	# (2022 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	20%	%
% of male workers in the workforce	80%	%
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	47	#

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	Y	Embodied in the Company's supplier accreditation policy
Forced labor	Y	
Child labor	Y	
Human rights	Y	
Bribery and corruption	Y	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Suppliers became aware of the Company's sustainability requirements on accreditation.</i>	<i>The Management has incorporated the sustainability topics in the Group's supplier accreditation policy</i>
What are the Risk/s Identified?	Management Approach
<i>This may limit the number of suppliers to choose from</i>	<i>The Management has incorporated the sustainability topics in the Group's supplier accreditation policy</i>
What are the Opportunity/ies Identified?	Management Approach
<i>The Company may contribute in the reduction of practices of certain suppliers that make use of forced/child labor, violate human rights and engage in bribery and corruption.</i>	<i>The Management has incorporated 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
<i>No IPs in our area of operations</i>	<i>No IPs in our area of operations</i>
What are the Opportunity/ies Identified?	Management Approach
<i>No IPs in our area of operations</i>	<i>No IPs in our area of operations</i>

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	No survey conducted in 2021 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.	<p>A. Diversification of power plant portfolio.</p> <p>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</p>

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


Certification

I, Mishelle Anne Rubio-Aguinaldo. Assistant Corporate Secretary of SPC Power Corporation with SEC registration number AS094-002365 with principal office at the 7/F BDO Towers Paseo, 8741 Paseo de Roxas, Makati City, on oath state:

- 1) That on behalf of SPC Power Corporation, I have caused SEC Form 17-A (Annual Report) report to be prepared;
- 2) That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
- 3) That we submit the attached report on the Annual Report in compliance with SEC reportorial requirements;
- 4) That SPC Power Corporation will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and
- 5) That I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of the filing fee.

The Certification was issued by the undersigned Assistant Corporate Secretary in lieu of the Corporate Secretary since the latter, by reason of his health condition (i.e. diabetic, cancer survivor, and had also lost one of his kidneys) and advanced age, has to observe health and safety protocols. Moreover, since the onset pandemic in 2020, it has been a practice that the Assistant Corporate Secretary issue certifications and other reportorial requirements for reasons of practicality, convenience, and accessibility. Rest assured, the Assistant Corporate Secretary is supervised by the Corporate Secretary and has personal knowledge on all corporate matter that she certifies.

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of April, 2023.


Mishelle Anne R. Rubio-Aguinaldo
Affiant

SUBSCRIBED AND SWORN TO before me this APR 17 2023, at Makati City, Philippines by the affiant who exhibited to me her Philippine Passport No. P7454258B, issued on August 24, 2021 at DFA Manila, valid until August 23, 2031.

Doc. No. 28;
Page No. 6;
Book No. 7;
Series of 2023.

ATTY. JOEL ESTER FLORES
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2024 (2021-2024)
APPOINTMENT NO. M-85
ROLL NO. 27107/AJCEL/2021
PERMANENT ADDRESS: 1111 1111/1111 CITY
1111-1111-1111-1111-1111-1111
0070.000-1111-1111-1111-1111-1111

Certification

I, Mishelle Anne R. Rubio-Aguinaldo. Assistant Corporate Secretary of SPC Power Corporation with SEC registration number AS094-002365 with principal office at the 7/F BDO Towers Paseo, 8741 Paseo de Roxas, Makati City, on oath state:

- 1) That on behalf of SPC Power Corporation, I have caused SEC Form 20-IS (Preliminary Information Statement of PC Power Corporation) report to be prepared;
- 2) That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
- 3) That we submit the attached report on Preliminary Information Statement in compliance with SEC reportorial requirements;
- 4) That SPC Power Corporation will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and
- 5) That I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of the filing fee.

The Certification was issued by the undersigned Assistant Corporate Secretary in lieu of the Corporate Secretary since the latter, by reason of his health condition (i.e. diabetic, cancer survivor, and had also lost one of his kidneys) and advanced age, has to observe health and safety protocols. Moreover, since the onset pandemic in 2020, it has been a practice that the Assistant Corporate Secretary issue certifications and other reportorial requirements for reasons of practicality, convenience, and accessibility. Rest assured, the Assistant Corporate Secretary is supervised by the Corporate Secretary and has personal knowledge on all corporate matter that she certifies.

IN WITNESS WHEREOF, I have hereunto set my hand this 5th day of May, 2023.

Mishelle Anne R. Rubio-Aguinaldo
Affiant

SUBSCRIBED AND SWORN TO before me this MAY 05 2023, at Makati City, Philippines by the affiant who exhibited to me her Philippine Passport No. P7454258B, issued on August 24, 2021 at DFA Manila, valid until August 23, 2031.

Doc. No. 171;
Page No. 36;
Book No. 7;
Series of 2023.

ATTY. JOEL FLORES FLORES
NOTARY PUBLIC - MAKATI CITY
UNTIL DECEMBER 31, 2023 (2023-2024)
APPOINTMENT NO. M-113
ROLL NO. 77376 / ACLE (EXEMPT)
PTR NO. 9562564 / JAN. 03, 2023 / MAKATI CITY
IBP NO. 261994 / JAN. 03, 2023 / PASIG CITY
1107 D. BATAAN ST., GUADALUPE NUEVO, MAKATI CITY

MINUTES OF THE 2022 ANNUAL STOCKHOLDERS' MEETING
SPC POWER CORPORATION
May 31, 2022, 9:00 A.M.
via ZOOM Video Teleconference

I. REGISTRATION

Shareholders Present:	Outstanding Shares	Percentage
	1,486,858,873	99.34%
Directors Present:		
Alfredo L. Henares	<i>Chairman of the Board Chairman, Executive Committee Member, Audit Committee</i>	
Dennis T. Villareal	<i>President and CEO Member, Executive Committee Member, Corporate Governance Committee</i>	
Alberto P. Fenix, Jr.	<i>Executive Director Member, Executive Committee</i>	
James Roy N. Villareal	<i>Member of the Board</i>	
Enrique L. Benedicto	<i>Independent Director Member, Corporate Governance Committee</i>	
Sergio R. Ortiz-Luis, Jr.	<i>Independent Director Chairman, Corporate Governance Committee Member, Audit Committee</i>	
Francisco L. Viray	<i>Independent Director Chairman, Audit Committee Member, Corporate Governance Committee</i>	
Lee, Dal Hun	<i>Member, Executive Committee</i>	
Kim, Kilwon	<i>Member, Executive Committee Member, Audit Committee Member, Corporate Governance Committee</i>	
Lee, Kyung-Eun	<i>Member of the Board</i>	
Youn, Sang Young	<i>Member of the Board</i>	
Jaime M. Balisacan	<i>Treasurer SVP, Finance and Administration</i>	
Others Present:		
Victor P. Lazatin	<i>Corporate Secretary</i>	
Maria Luz L. Caminero	<i>SVP, Legal/Regulatory Affairs Compliance Officer</i>	
Cesar O. Villegas	<i>SVP, Operations and Business Development</i>	
Nino Ray D. Aguirre	<i>VP, Finance</i>	
Mishelle Anne R. Rubio-Aguinaldo	<i>Assistant Corporate Secretary</i>	

Guidelines on voting procedure and participation by remote communication is contained in the Information Statement.

Unless otherwise required by law, on all matters to be taken up, majority vote of the outstanding capital stock present and represented at the meeting where a quorum is existing shall be sufficient.

For the election of directors, the eleven (11) nominees receiving the most number of votes will be elected to the Board of Directors. Cumulative voting will apply.

After the nomination for directors is closed, the Corporate Secretary will ask if any stockholder prefers the election to be done by secret ballot, the procedure for which will be provided by the Corporate Secretary. If none so prefers, the stockholders will vote openly. The Corporate Secretary, in the presence of the external auditor, will then tally and report on the votes, including the votes of stockholders *in absentia*. Thereafter, the Chairman will declare the elected directors.

Voting on motions may be done by secret ballot, if any stockholder so requests, or by *viva voce* or by raising of hands. In case of a division of the house, the votes will be tallied and reported by the Corporate Secretary in the presence of the external auditor.

Stockholders who will participate via remote communication or in absentia may submit their votes on agenda items requiring stockholders' action and on the nomination and election of directors, as well as their concerns, through email info@spcpower.com on or before 9:00 A.M. of May 31, 2022, or an hour before the conduct of the Annual Stockholders' Meeting.

Stockholders who will participate via remote communication will receive the Zoom meeting invitation and other instructions in their email account, or on their mobile phone or Viber account. They will be admitted by the meeting host/administrator of the meeting and their presence will be recorded. They can participate in the meeting, and raise questions and concerns via live video, audio, and/or chat services on Zoom platform.

Separate Guidelines were emailed to the stockholders before the meeting.

II. MEETING PROPER

MINUTES OF THE 2022 ANNUAL STOCKHOLDERS' MEETING SPC POWER CORPORATION May 31, 2022, 10:00 A.M. via ZOOM Video Teleconference

1. Call to Order

The Chairman called the meeting to order at 10:00 a.m. Pursuant to the Internal Procedures for Annual Stockholders' Meeting by Teleconference, the Chairman directed the Corporate Secretary to verify and state for the record (a) the identities of the stockholders participating in the teleconference either by person or by proxy; and (b) those who have the right to vote; and to (c) certify the sending of notices and the existence of quorum.

2. Certification of Due Notice and Presence of a Quorum

The Corporate Secretary certified that: (1) there are 1,486,858,873 shares represented in person or by proxy, with right to vote; (2) notice was published in Malaya Business Insight and Manila Standard on May 8 and 9, 2022 and the said notice was sent to all stockholders of record as of May 10, 2022 as required by the ByLaws, SEC Memorandum Circular No. 6, series of 2020, and SEC Notice dated April 20, 2020; and that (3) stockholders present representing 1,486,858,873 shares or 99.34%, which constitute more than a majority of the total issued and outstanding shares, are present in the meeting; a quorum is therefore present to transact the business at hand.

3. Approval of Minutes of the Previous Annual Stockholders' Meeting of 28 May 2021

The Chairman proceeded to the reading and approval of the Minutes of the Annual Stockholders' Meeting held on May 28, 2021. A copy of the Minutes is available in the Company's website and was emailed to the stockholders before the meeting.

A motion that the reading of the minutes be dispensed with, and that the minutes be approved, was made and seconded. The Chairman asked if there are objections, but none was raised. Thus, the Corporate Secretary was directed to cast all votes in favor of the motion.

Resolution:

Upon motion duly seconded, the stockholders present and represented by proxy, resolved that the reading of the Minutes of the Annual Stockholders Meeting held on May 28, 2021 be dispensed with, and that the same be approved.

Tabulation of votes:

Total Votes	Objections	Abstain
1,473,739,523	0	0

4. Report of the Chairman and Presentation of the Audited Financial Statements as of and for the Year Ended December 31, 2021

The Chairman reported that year 2021 was indeed marred by challenges largely drawn from the covid-19 pandemic, competitive environment, and Typhoon Odette, which caused severe damage to power facilities, especially to distribution utilities, and left the entire island of Bohol without power. Yet, he reported that the group acted swiftly to ensure that power generation and power distribution facilities were restored as early as possible while providing financial support to customers, employees and communities affected. He further reported on the performance of the plants and distribution facilities:

- **Panay Diesel Power Plant 1** reportedly sustained its 15MW dependable capacity with a very high availability of 98.2%. The increase in utilization rate, net generation and operating hours was largely due to the damage on Cebu-Negros Submarine cable, the PMS of PCPC, and continued recovery from pandemic slowdown.
- Panay Diesel Power Plant 3's 50MW dependable capacity was also sustained at 97.8% plant availability with a substantial increase in utilization rate, net generation and operating hours
- **Bohol Diesel Power Plant** experienced a 2.9% decline in utilization due to the massive damage in transmission and distribution facility. In 2021 however, net generation and operating hours jumped to 399% and 363%, respectively
- **Power Barge 104** plant availability decreased by 5.9% due to retrofitting of turbo charges in one of the engines and other maintenance works; utilization rate by 10%; while increasing net generation by 151% and operating hours by 149%
- **KEPCO-SPC Power Corporation** sustained its 2x100MW each at reduced availability of 5.1% and a 48% increase in planned outage and 423% forced outage due to boiler tube leaks. KSPC's net generation decreased by 5.3% while keeping the net heat rate stable
- **Bohol Light Company, Inc.** managed to lower its system loss by 13.8% despite the decline in peak demand as a result of quarantine protocols and Typhoon Odette
- **Mactan Electric Company Inc.** also managed to lower its system loss by 10% while improving its commercial operations which was also greatly affected by the pandemic

The Chairman continued on to financial performance and reported that the consolidated net income declined by 26.8%, as such, earnings per share decreased from P1.07 in 2020 to P0.80 in 2021. Other factors that affect financial performance include: extreme competition, expired power supply contracts of investee company, suspension of WESM operations in Bohol, among others.

On a positive note, the Chairman reported that the group was able to maintain a solid financial position and that there is material headroom from which to pay dividends, to maintain the performance of the assets, and to take advantage of investment opportunities for growth. Reportedly, total assets fell by 9% at P10,352.2 million. He further reported that up to P2,319.7 million was paid in cash dividends, the highest annual payment representing 142% of the earnings.

The objective, according to the Chairman, is to have a resilient financial foundation and a strong platform for growth to fund future expansion, some of which include development of solar power projects in Luzon and Visayas, development of battery energy storage system (BESS), and energy and ancillary service contracts.

The Chairman ended his report by expressing his deepest appreciation and gratitude.

After the Chairman's report, SVP for Finance and Administration, Mr. Jaime M. Balisacan presented the highlights of the Audited Financial Statements as of and for the Year Ended 2021.

SVP Balisacan reported that the consolidated net income of P1,197.2 million in 2021 was 26.8% lower compared to previous year. This resulted in lower return on equity of 11.99% from 15.80% last year. According to him 72.5% of the consolidated income comes from equity share in the earnings of investee companies which fell by 28.5% due to Typhoon Odette and expired power supply contracts which were not fully compensated by the increase in WESM revenue. He further explained that 26.5% of the consolidated income is from the power generation business which registered income contribution of P317.8 million, that is 17.8% lower than the previous year. The contribution from power distribution business sharply declined by 68.9% to P11.4 million, from P36.6 million of the previous year, due to temporary under-recoveries of cost of purchased power. Although revenue increased by 23.7%, the increase is caused by i) higher pass-through cost of purchased power distributed or sold to customers and (ii) higher pass-through cost of fuel used to generate incidental energy for rendering ancillary services.

Despite the decline in net income, SVP Balisacan proudly reported a sound financial position ending 2021 with consolidated assets amounting to P10,352.2 million, 9.5% lower compared with P11,440.0 million as at end-2020, due mainly to high dividend payouts in 2021, while financial ratios remain favorable. The group remains liquid with cash generated from operating activities and cash dividends from investee companies.

Opportunity to ask questions

After the presentation, the Chairman opened the floor for questions and instructed the stockholders who wish to ask questions to use the microphone or to use the chat box.

Question 1: I have noticed that the company's earnings haven't been improving for the past few years and have declined by around 72% this quarter. With the reasons being KSPC's advanced maintenance on generating units and decline in sales of power supply contracts, what measures have the company been taking across all business segments to revert such declines and grow earnings again?

Director Villareal answered that the group is working closely with KSPC to continue to expand marketing efforts to address the shortage in power supply contracts. The Chairman added that aside from ensuring full utilization of assets, the group has been looking into different opportunities and assets for the corporation. Dir. Villareal expounded on business development efforts including the 80 million allocation for power barges in the Visayas region, in addition to over 470 MW thermal capacity and about 300 MW renewable acquisition.

Question 2: Regarding the solar power and battery related projects that was mentioned, is there a timeline for these ventures currently? Apart from these, are there any other ventures or projects under evaluation? Perhaps in other existing business segments or other renewable sources?

For the solar project, the group is currently undergoing due diligence which is expected to be completed within the year to finally start the project which usually takes 8-10 months to be completed. For the battery project, we are already finalizing the EPC discussions and hopefully start the project within the first half of the year.

Question 3: With some spillover from the impact of Typhoon Odette and rise of commodity prices around the world, how much of an impact can this be for the company in the near future in terms of margins and earnings stability. What measures have been done to hedge itself against such risks and also maintain its competitiveness in the market?

The Chairman was optimistic that the effects of the typhoon will be temporary as the only in-island supply in the Province of Bohol which suffered power interruption of two months. The group worked with both the local government and the private sector to alleviate the situation. The Chairman humbly conveyed that while it was not exactly profitable, it was an act of civic duty which the locals greatly appreciated. According to the Chairman, the reason for declining earnings in the past is the underutilization of assets caused by non-renewal of power supply contracts caused by certain policy issues, not to mention the preference with respect to short term contracts and increased competition. At any rate, the Chairman remains positive that eventually, demand will increase and there will be an opportunity for the group's assets to fill that gap.

The Chairman inquired if there were more questions, but none followed.

5. Approval of Directors' Fees/Bonus for CY 2021

The Chairman proceeded to the next item of the agenda which is the approval of the Directors' Fees for calendar year ended December 31, 2021.

A motion that (1) each director who served the Corporation during the calendar year ending December 31, 2021 be paid directors' fees in the amount of P600,000.00 for a full year of service or pro rata thereof; (2) the Chairman be paid an additional P200,000.00; and (3) each director performing executive functions be paid additionally for such services which payment in the aggregate amounts to P15,257,857.00, was made and seconded. The Chairman asked if there are objections, but none was raised. Thus, the Corporate Secretary was directed to cast all votes in favor of the motion.

Resolution:

Upon motion duly seconded, the stockholders present or represented by proxy resolved that the said motion to pay the amount of ₱600,000.00 to each director who served the Corporation during the calendar year ended December 31, 2021 for a full year or pro rata, an extra payment of ₱200,000.00 for the Chairman, and to pay those directors performing executive functions an additional amount aggregating to P15,257,857.00 be approved.

Tabulation of votes:

<i>Votes</i>	<i>Objections</i>	<i>Abstain</i>
1,473,739,523	0	0

6. Ratification of All Previous Actions of the Board of Directors and Officers of the Corporation Since the Last Annual/Regular Meeting

A motion that the actions taken by the Board of Directors and Officers of the Corporation since the last annual stockholders meeting on May 28, 2021 be ratified and approved, was made and seconded. The Chairman asked if there are objections, but none was raised. Thus, the Corporate Secretary was directed to cast all votes in favor of the motion.

Resolution:

Upon motion duly seconded, the stockholders present or represented by proxy resolved that the actions taken by the Board of Directors and Officers of the Corporation since the last annual stockholders meeting on May 28, 2021 be ratified and approved.

Tabulation of votes:

Votes	Objections	Abstain
1,473,739,523	0	0

7. Election of Directors (2022-2023)

The Chairman announced that stockholders as of May 10, 2022 are entitled to vote as discussed in the 2022 Information Statement posted on the website.

The Chairman of the Corporate Governance Committee (also Nomination Committee), Dir. Sergio L. Ortiz-Luis, briefly discussed the nomination process and the evaluation of the qualifications of the nominees. If found to be qualified, the list of the nominees are submitted to the Board. As required by the Articles of Incorporation and ByLaws, eleven (11) directors shall be elected. For 2022-2023, he announced the nominees as follows:

1. Dennis T. Villareal
2. Alfredo L. Henares
3. Alberto P. Fenix, Jr.
4. James Roy N. Villareal
5. Lee, Dal Hun
6. Kim, Kilwon
7. Lee, Kyung-Eun
8. Youn, Sang-Young

For Independent Directors:

1. Enrique L. Bendicto
2. Sergio R. Ortiz-Luis, Jr.
3. Francisco L. Viray

Dir. Ortiz-Luis explained that Mr. Bendicto had exceeded the term limit of nine (9) years as an independent director. Pursuant to SEC Memorandum Circular No. 4, Series of 2017, Mr. Bendicto's nomination was justified as he possesses impeccable credentials and unimpeachable integrity that have invaluable contributed to the reputation and standing of the Company. He emphasized that Mr. Bendicto is held in high esteem in the field of finance, banking and government. Along with his business acumen and decisive leadership in the Board, he has helped helm the direction taken by the Company bringing it to where it is now.

A motion to approve and close the nomination was made and seconded. The Chairman asked for objection, but none was raised. Since there are 11 directors to be elected and there are only 11 nominees, the Chairman directed the Corporate Secretary to cast all votes in favor of all those nominated. The Chairman asked if there are objections, but none was raised. Thus, the Corporate Secretary was directed to cast all votes in favor of the motion.

Tabulation of votes:

Votes	Objections	Abstentions
1,473,739,523	0	0

Resolution:

Upon motion duly made and seconded, the stockholders present or represented by proxy unanimously elected the following persons to serve as Directors for CY 2022-2023 and to act as such until their successors shall have been elected:

1. *Dennis T. Villareal*
2. *Alfredo L. Henares*
3. *Alberto P. Fenix, Jr.*
4. *James Roy N. Villareal*
5. *Lee, Dal Hun*
6. *Kim, Kilwon*
7. *Lee, Kyung-Eun*
8. *Youn, Sang-Young*

For Independent Directors:

1. *Enrique L. Bendicto*
2. *Sergio R. Ortiz-Luis, Jr.*
3. *Francisco L. Viray*

The Chairman congratulated the newly-elected members of the Board of Directors.

8. Appointment/Reappointment of External Auditors

A motion to reappoint the auditing firm of SyCip Gorres Velayo & Co. as the external auditor of the Corporation for the calendar year 2022 was made and seconded. The Chairman asked if there are objections, but none was raised. Thus, the Corporate Secretary was directed to cast all votes in favor of the motion.

Tabulation of votes:

Votes	Objections	Abstentions
1,473,739,523	0	0

Resolution:

Upon motion duly made and seconded, without any objection, the stockholders present or represented by proxy reappointed the auditing firm of SyCip Gorres Velayo & Co. as the external auditor of the Corporation for the calendar year 2022.

9. Other Matters

The Chairman inquired if there are other matters left to be taken up, but none was raised.

10. Adjournment

A motion to adjourn was made and seconded. The Chairman asked for objections but none was raised. The meeting was adjourned at 11:05 A.M.

*** FOR APPROVAL ***

Prepared and Attested By:

MISHELLE ANNE R. RUBIO-AGUINALDO
Assistant Corporate Secretary

Noted By:

VICTOR P. LAZATIN
Corporate Secretary

ALFREDO L. HENARES
Chairman

DRAFT