



**San Miguel  
Global Power**  
*Giving You the Power to Celebrate Life*

# We Move

2021-2022  
Integrated Sustainability Report



## ABOUT THE COVER



Evolution is the catalyst for progress. Meeting and exceeding the demands of an ever-changing world requires the tenacity to stay on the move and the innovation to enhance one's capabilities. San Miguel Global Power embraces this transformation and is poised to continue our advance. Motivated to do more than just survive, **we move**.

Global events in recent years have challenged what organizations have always viewed as the norm. The COVID-19 pandemic taught us that more must be done to safeguard our health. Numerous geopolitical conflicts have also shown the volatility and interconnectedness of global resources. Lastly, the progressing effects of climate change push us to mitigate and adapt to its impacts while regenerating and protecting our environment. These circumstances are the backdrop for our direction as a Company. Guided by our *Malasakit*, we respond to the needs of today.

We redefined our purpose to better navigate the present and build momentum for our transformative undertaking. By adopting integrated thinking, we view the business in a holistic manner that synergizes with sustainability. Equipped with our innovations, vision, and values, the Company will always find new ways to reach our goal of contributing to the growth of the nation.

The cover features Christine Jaena Anamos, an employee at the Masinloc Power Plant. Nicknamed CJ, she represents one of the many talented individuals who make up San Miguel Global Power and share our vision. Together, their committed efforts have resulted in the numerous strides we have achieved and embodied the resiliency of the Company over the years. Through this report, San Miguel Global Power continues to tell our story as we rise from the challenges of yesterday and move toward a promising tomorrow, one step at a time.

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# ABOUT THE REPORT

GRI 2-2, 2-3, 2-4

Over the years, at San Miguel Global Power, we have demonstrated our drive to make our sense of responsibility and *Malasakit* tangible—from how we manage our operations to the transparency we leverage in our reporting. This drive is powered by our values, which push us to constantly evolve and improve as we strive toward our ambitions.

In this publication, we take a step further by presenting our first Integrated Sustainability Report (ISR), which we believe will better communicate our sustainability impacts and how our Company has continued to create value for our stakeholders. This will be a hybrid report using two globally-recognized reporting frameworks, the GRI Standards and the Integrated Reporting <IR> Framework.

We are also continuously guided by the San Miguel Corporation (SMC) Sustainability Framework: A World of Good and the United Nations’ Sustainable Development Goals (UN SDGs) in the disclosure of business and sustainability-related information. Our emissions data has been computed based on the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard.

Financial statements have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS), which also include the Philippine Accounting Standards (PAS) and Philippine Interpretations issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC).

Corporate governance-related topics and disclosures are aligned with both the GRI Standards and the Philippine Securities and Exchange Commission’s (SEC) Integrated Annual Corporate Governance Report (I-ACGR). The I-ACGR is a form used to disclose information on a publicly-listed corporation’s compliance with the recommendations under the Code of Corporate Governance for Publicly-Listed Companies.

## Reporting Scope and Boundary

The information in this ISR covers the period from January 1, 2021 to December 31, 2022. Some information covers 2023 updates such as milestones, recognitions, rebranding and strategic initiatives. While the report boundary is primarily limited to San Miguel Global Power, there may be instances in which material topics and report information extend to entities outside of the Company for proper context. In these instances, the report will contain clear references to the outside entities.

Entities covered include our owned and operated power plants alongside the Independent Power Producer Administrator (IPPA) power plants, namely:

### Independent Power Producer

All Material Topics:

- Limay Power Plant (Units 1, 2, 3, and 4)
- Malita Power Plant (Units 1 and 2)
- Masinloc Power Plant (Units 1, 2, and 3)

Selected Material Topics (201, 203, 401, 402, 404, 304, 307):

- Ilijan Power Plant
- Mariveles Power Plant

### Independent Power Producer Administrator

- Sual Power Plant
- San Roque Hydroelectric Power Plant

### Joint Venture

- Angat Hydroelectric Power Plant (4 Main Units and 3 Auxiliary Units)

## Materiality Approach

This year, we updated our material topics by adopting the “Double Materiality Assessment” approach and conducting a stakeholder engagement activity across all San Miguel Global Power sites. We determine an environment, social, and governance (ESG) topic as material to the Company if it has an impact on our financial performance, our operations, our key stakeholders, and the environment. This re-evaluation of material topics helps us determine the key issues that matter to the company and how we provide value to our stakeholders, which is further discussed on page 42.

## Reporting Process Improvements

The primary change in our reporting process for the period 2021 to 2022 is the adoption of the <IR> Framework, which entails the inclusion of more holistic information, such as our value creation process and the management of our capitals. This maiden ISR also contains the following new additions:

- An updated list of material topics based on a comprehensive Double Materiality Assessment conducted from 2022 to 2023
- The San Miguel Global Power ESG Roadmap as our corporate sustainability strategy
- Inclusion of the Mariveles and Ilijan Power Plants as entities covered by disclosures
- Use of carbon accounting in line with the GHG Protocol for standardizing emissions disclosures
- Use of the new San Miguel Global Power branding elements

## Disclaimer on Forward-looking Statements

While the ISR contains factual statements and disclosures as they appear on other company documents, it will also contain forward-looking statements that include, but are not confined to, outcomes of financial performance, growth prospects, and business trends. Readers are cautioned that these statements and factors may be subject to risks and uncertainties that may cause actual results to differ from those expressed in the forward-looking statements.

## Certification from the Board

This statement certifies that San Miguel Global Power’s Board of Directors has thoroughly reviewed and approved the content of the Company’s Integrated Sustainability Report covering the period January 1, 2021 to December 31, 2022.

## Navigation Icons



Financial Capital



Manufactured Capital



Intellectual Capital



Human Capital



Social and Relationship Capital



Natural Capital



MESSAGES

# We Move Forward Together

## A MESSAGE OF EMPOWERMENT FROM OUR PRESIDENT

### GRI 2-2

The years 2021 through 2022 were, without a doubt, a great challenge for our company. The COVID-19 pandemic remained a global threat for much of 2021, while the war in Ukraine that started in early 2022 triggered, among many things, skyrocketing fuel prices and tightening supply. Both significantly impacted our economy and, especially, our Company.

Yet time and again, the San Miguel Group has shown resilience and the focus and ability to continue creating value and being responsive to customers' needs, even in difficult times.

Despite our particular challenges, we at San Miguel Global Power remained steadfast in our commitment to provide the country with reliable and accessible power. At the same time, we forged ahead with key sustainability programs that transform how we do business.

Progressing in our sustainability agenda has become even more essential for us now, given the significant impacts on our industry of the global pandemic, geopolitical conflicts, and the climate crisis.

We recognize that the climate crisis is a problem that affects our business directly and that we have a responsibility to help address it. This is why one of our highest priorities these past couple of years has been to build a more climate-resilient and sustainable portfolio.

In broad strokes, our strategy involves optimizing current and new technologies to continue providing reliable and affordable power for our country and, more crucially, exploring various energy sources, especially as we advance towards the San Miguel Group's declared goal of net-zero emissions by 2050.

We are giving equal consideration to steady power generation and green technologies. Concurrently, we will continue moving forward with our environmental and social commitments, as laid out in our sustainability roadmap.

Our nationwide Battery Energy Storage System (BESS) facilities are vital to energy security and the future integration of more renewable capacities into the national grid. As an ancillary service, it supports grid functions through frequency and voltage correction and mitigation. BESS is also known for its scalability, low environmental impact, and ability to store power from both conventional and renewable energy sources.

Progress on our BESS expansion during 2021-2022 has been substantial, with the construction of our 1,000-megawatt target capacity in full swing across the Philippines. Upon completion by 2024, our battery storage network will be the largest in the country and among the largest in Southeast Asia.

Beyond BESS and other business expansion activities, San Miguel Global Power contributes significantly to the San Miguel sustainability agenda through multi-stakeholder environment and livelihood programs.

SMC's sustainability agenda—envisioning "A World of Good," where its businesses foster a sustainable future that is good for the planet, people, and progress—echoes San Miguel Global Power's aspirations and lines up with our ESG roadmap.

Our environment and livelihood programs also directly support SMC's declared sustainability goals: uplifting at least 15 million people by 2030, establishing a circular economy approach by 2040, creating a fully sustainable and ethical supply chain by 2040, and achieving net zero by 2050.

Project 747 demonstrates our care for the environment and our determination to mitigate the impacts of climate change. In the period covered in this report, we successfully planted over 6.5 million seedlings and propagules across 2,097 hectares of land. This consolidates all our forest rehabilitation efforts in areas where our power plants and BESS facilities are.

To ensure forests will grow in these areas, we empowered local People's Organizations (POs) as project co-owners, showing that environmental protection is the company's and the community's shared responsibility. With their help, we exceeded the initial tree planting scope of Project 747, and the POs will continue to monitor and care for the trees we have planted in their respective areas.

As a Ridge-to-Reef Conservation Program, Project 747 extends San Miguel Global Power's environmental stewardship to aquatic life by covering freshwater and marine ecosystems. Through our Adopt-a-River program, we planted bamboo trees along 79 kilometers of riverbank in Quezon and Zambales to help prevent soil erosion. Meanwhile, through our coral reef rehabilitation initiative in Malita Bay, we installed 250 modules of reef cubes that will benefit marine life.


Our sustainability initiatives aim to cover the complex needs of our country, from the localized need for basic necessities to our primary mission of nation-building. For example, SMC's Walang Iwanan COVID-19 program continued in 2022, and we contributed a total of Php 14 billion to those still affected by the pandemic years later.


This Integrated Sustainability Report will reveal more of our progress across all relevant fronts. While we are grateful for the meaningful wins we've achieved thus far, we know there's still much to be done, given present realities: that resources for power, whether traditional or renewable, continue to be limited; that affordable and reliable power remains inaccessible to many; that our country's progress and development rest in large part on the power industry and how we can sustainably navigate the challenges still in front of us, including climate change and a responsible and equitable energy transition.

I do not doubt that with the help of all our stakeholders and with all of us working and moving forward together, we will overcome these challenges and achieve all our goals. We thank you, our dear stakeholders, for the unwavering support you have shown our company.

**Ramon S. Ang**  
President



 Pursued long-term development through our flagship CSR programs for our Better World communities and critical stakeholders.

 Provided over 7,000 people from Better World Tondo with their food, health, and educational needs on a near-daily basis.

 Over 110,000 beneficiaries in total have received support from our outreach programs.

## MESSAGES

# Committed to Sustainable Business

## A REPORT ON PROGRESS FROM OUR GENERAL MANAGER

GRI 2-2

**Elenita D. Go**  
General Manager



To our valued stakeholders:

In our previous report, we expressed our intention to double down on our ESG initiatives, following suit with the San Miguel Corporation's greater sustainability agenda to create "A World of Good." Two years later, San Miguel Global Power presents our ESG Roadmap—our own way of aligning with the San Miguel framework that maps out our economic, environmental, social, and governance goals. It is a significant development that the Company will use to navigate our sustainability journey moving forward as we fulfill our mission to give our stakeholders the power to celebrate life.

The Company's sustainability journey is dependent on how we approach the needs of our stakeholders amid the shifting business and environmental landscape. After withstanding the onset of the pandemic in 2020, we soon found ourselves bracing for emerging factors such as the fluctuation in global fuel prices. On the national level, the Philippine government has set a 75% emissions reduction target that it plans to support through an increased share of renewable sources in the energy mix and fossil fuel divestment.

These circumstances have greatly affected our business, with the domino effect of the global energy market on our own market competitiveness and the influence of Philippine emissions targets on our portfolio. However, San Miguel Global Power is ready to meet these uncertainties with sufficient risk management measures and a solid corporate strategy.

### Investing in the Future

Our strategy moving forward is to diversify our portfolio by finding the right renewable energy sources and innovating our current power plants to match the growing need for reliable, consciously-sourced energy for the country. During the pandemic years, we rose to the challenge of rebuilding a better future and continue to do so to this day.

Despite the challenges of the global pandemic and geopolitical issues, we are progressing into a period of constant development. We are pioneering technologies and practices that will bring us closer to the goals of our ESG Roadmap. We are on track with the completion of the 1,320 MW of BESS facilities that will contribute to grid stability. We have also built the Batangas LNG Power Plant, which will provide an additional capacity of 1,300 MW to reduce our power plant emissions. The Company is also increasing our power generation capacity for the baseload plants through turbine retrofitting and expansion projects in Masinloc, Mariveles, and Batangas. We have been working on the modernization of the Angat Hydroelectric Power Plant, which we will complete in 2024.

We have invested significant financial resources to expand our portfolio sustainably, having been awarded the Best Local Currency Bond Deal of the Year for our Php 40 billion bond that will partially finance our future LNG, BESS, and solar projects.

During this period, we explored ways to improve our own internal sustainability systems. Working with a mindset of adaptability to propel us forward, we were able to transform our monitoring and reporting systems, overseen by a dedicated Sustainability Team.

From individual, varying methods of emissions monitoring per plant to the adoption of a plant-wide standard using the GHG Protocol, we equip ourselves for the Company's eventual transition to decarbonization. We transitioned from sustainability reporting with the GRI Standards to the combined use of the GRI Standards alongside the International Integrated Reporting <IR> Framework to properly communicate how the Company creates value. To keep our report focused on what matters most to the Company and our stakeholders, we adopted a Double Materiality Assessment approach for material topic identification. These material topics define our priorities and the commitments of our ESG Roadmap.

This journey of transformation to pursue sustainability more effectively is best embodied in our rebranding initiative. San Miguel Global Power re-energized our commitment to sustainable business and deepened our connection with San Miguel Corporation through a new corporate identity.

We move forward, reigniting our sense of *Malasakit* backed by our willingness to evolve and improve. The Company recognizes that these changes, though primarily affecting the way we do things, require collaboration between us and our stakeholders. Unique to San Miguel Global Power is our approach that promotes stewardship for our stakeholders. Our employees, who keep our business running, are one of the major participants alongside Team *Malasakit* in our CSR activities, while the POs that reside at our project sites have become co-owners of our programs, doubling as beneficiaries and stewards of our environmental initiatives.

As we invest in the future, San Miguel Global Power is ready to give it our all. With our ESG Roadmap, we resolve to achieve net zero by 2050 through our current projects and those in the works. The Company will further concretize our plans by identifying targets under the Roadmap's short, medium, and long term goals.

Our plan for adopting renewable energy continues as we lay the foundations of our future solar projects and start dedicated Research and Development units. Apart from expanding our business, we will broaden the reach of our social and environmental initiatives, such as the BLUE Corals Project and Project 747.

San Miguel Global Power has achieved much during the period, from becoming more transparent with new ways of monitoring and reporting to firming up our commitments through our ESG Roadmap and corresponding programs. We do, however, believe that there is more to be done.

The Company will continue to contribute to the nation's needs, advancing in areas that will help us become a more sustainable business that empowers our stakeholders in the long run. We vow to push forward our sustainability agenda, complementing the creation of a better world.

HIGHLIGHTS

# Our Sustainability Highlights in 2021-2022

## Economic Goal

Low carbon investments for clean energy access



**Sustainable Financing:** Php 40 billion bond recognized as Best Local Currency Bond Deal of the Year 2022 at the ESG Green Finance Awards. Part of the proceeds will go toward financing our green portfolio.

Providing a diversified portfolio that responds to the country's growing economy:

**1,000 MWh** BESS capacity for power quality and grid stability

**14** New BESS facilities completed (Lamao, San Manuel, Masinloc, Gamu, Concepcion, Mexico, Magapit, Kabankalan, Tabango, Malita, Maco, Jasaan, Tagaloan, and Pitogo)

**8** BESS facilities for completion in 2023-2024 (Magapit, Gamu, Mexico, Lumban, Mariveles, Tabango, Villanueva, and Tagum)

**1,320 MW** LNG combined cycle plant in Batangas with ongoing development



Solar energy projects being developed

Energy efficiency programs:



Transition energy turbine retrofitting and expansion projects in Masinloc, Mariveles, and Batangas



Modernization of the Angat Hydroelectric Power Plant (2021-2024)

## Social Goal

Relevant sustainable solutions for internal and external stakeholders



Conducted baseline studies with the SMGP Foundation to create data-based host community profiles



Carried out a Mandatory Occupational Safety and Health seminar for all employees and encouraged third party service providers to do the same

**65%** of management positions held by women

**392** San Miguel Global Power scholars;

**144** Scholars graduated



Over Php 260 million social investment for CSR programs

## Environmental Goal

GHG emissions reduction and resource protection



Baseline GHG accounting study and monthly monitoring aligned with the **GHG Protocol**, an internationally accepted standard, as part of our step-by-step process towards a clean energy future



Cascaded and implemented a **GHG Inventory Tool** for monthly monitoring of emissions across all sites to demonstrate our commitment towards net zero carbon emissions



**Biodiversity protection:** Expansion of Project 747 and Coral Reef Monitoring programs, where **3,011,464** trees and mangroves were planted



Recycled **80-90%** of waste by-products at the Limay Power Plant

**12,758 m<sup>3</sup>** water recycled



Around 9,736 T CO<sub>2</sub>e sequestered

## Governance Goal

Good governance that supports sustainability and climate resilience



**Corporate identity rebranding:** Re-introducing the Company name as San Miguel Global Power and launching a new company logo



Establishment of a Sustainability Team and the transition of our **Sustainability Report** to an **Integrated Sustainability Report**



Updated and conducted a more comprehensive materiality assessment through the **"Double Materiality"** approach



Participated in the yearly Department of Labor and Employment (DOLE) inspection to monitor the business' General Labor and Occupational Safety and Health compliance and ensure a decent and safe workplace for all

# Our Company

GRI 2-2, 2-6

San Miguel Global Power represents SMC's investments in the power generation industry. It holds the largest net attributable capacity in the Philippines, and operates a diversified portfolio of power sources - coal, natural gas, and renewable energy such as hydroelectric power, and Battery Energy Storage Systems (BESS).



OUR COMPANY

GRI 2-2, 2-6

Our Company is one of the largest power generation companies in the country, with a combined capacity of 4,719 MW that is approximately 19% of the National Grid, 26% of the Luzon Grid, and 7% of the Mindanao Grid.<sup>1</sup> The 1,200 MW Ilijan Combined Cycle Power Plant was turned over to San Miguel Global Power in 2022 at the end of our IPPA agreement. This further diversified the Company's energy mix based on owned power-generating assets.

As an energy business, our own value chain encompasses multi-stakeholder involvement in the generation, distribution, and retail of much-needed power throughout the Philippines. We engage with other businesses in generating and selling electricity, primarily to Distribution Utilities (DUs), Retail Electricity Suppliers (RES), and contestable customers, as well as through the Wholesale Electricity Spot Market (WESM). The Company also sells Ancillary Power Services to the grid through our BESS.

Beyond generating power, we create, sustain, and transform value for households across the Philippines. This value creation process is influenced by external

factors, such as evolving regulatory conditions and legislation in favor of decarbonization, and our current capacity as a business to contribute to the global net zero objective through diversification and innovation. The availability of new and viable technologies play a role in determining how quickly our business can transition.

Our continuing goal is to be the industry leader in Southeast Asia by accelerating actions toward achieving net zero by 2050. We integrate sustainable power solutions into our operations by investing in high efficiency, low emission (HELE) technologies and adopting frontier technologies such as our 1,000 MWh BESS and liquefied natural gas (LNG) projects. Additionally, San Miguel Global Power is exploring opportunities to develop greenfield plants, including up to 800 MWp of solar and hydroelectric power plants.

*Malasakit* drives us to contribute to solving the country's need for energy security and equitable access to power. Our ESG Roadmap attests to our commitment to energizing a sustainable future, giving present and future generations the power to celebrate life.



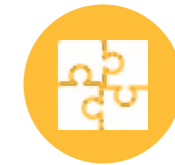
<sup>1</sup> SMGP, SEC Form 17-A (2022), p. 3

GRI 2-2, 2-6



OUR VISION

To be the trusted partner leading in sustainable and resilient energy business geared towards a globally competitive Philippines



OUR PURPOSE

To provide stable, reliable, and affordable energy that advances inclusive growth and enhances people's lives



OUR SUSTAINABILITY AGENDA

We aspire to integrate sustainability in every aspect of our business to continue creating shared value with our stakeholders—communities, customers, employees and investors



OUR CORPORATE VALUES

San Miguel Global Power fosters a culture of excellence founded on commitment and compassion. *Malasakit* is at the core of our work, pushing us to deliver excellent service to our partners, customers, and other key stakeholders. It is the overarching corporate value that our other God-fearing values are grounded on. Our values allow us to fulfill our role as a responsible corporation by promoting sustainable development and upholding the highest ethical standards.



Our vision, purpose, sustainability agenda, and corporate values have been updated as of September 2023.



OUR COMPANY

# Our History

We have been expanding our reach and ability to generate and transform value for the benefit of Filipinos throughout the years.



San Miguel Corporation (SMC) is established as a large and diversified conglomerate in the Philippines.

**January:** San Roque Hydropower Inc. (formerly Strategic Power Devt. Corp.) becomes the IPPA for the San Roque Power Plant, a hydroelectric power plant in San Manuel, Pangasinan.

**June:** South Premiere Power Corp. becomes the IPPA for the Ilijan Power Plant, a natural gas-fired combined cycle power plant in Ilijan, Batangas.

**September:** SMC consolidates its power generation business by transferring equity interests in IPPA subsidiaries to San Miguel Global Power.



Angat Hydroelectric Power Plant

**November:** San Miguel Global Power acquires a 60% stake in Angat Hydropower Corporation, the owner and operator of the Angat Hydroelectric Power Plant.



Kabankalan BESS

SMGP Kabankalan BESS starts construction.

**June:** The Company starts constructing the Mariveles Power Plant.

**July:** Unit 4 of the Limay Power Plant commences commercial operations.

Start of the construction of BESS facilities in 20 locations in the Philippines.

**May:** Executed EPC contract for the Batangas Combined Cycle Power Plant with Black & Veatch, BVI (Philippines) Corporation, and First Balfour, Inc.

**March:** The Securities and Exchange Commission (SEC) approves renaming SMC Global Power Holdings Corp. to San Miguel Global Power Holdings Corp.

**March 31:** President Ferdinand R. Marcos, Jr. inaugurates the 1,000 MWh BESS of San Miguel Global Power.

1890 2009 2010 2013 2014 2017 2018 2019 2020 2021 2022 2023

SMC enters the power industry by acquiring rights to administer the output produced by Independent Power Producers (IPPs) in privatization auctions conducted by the government through the Power Sector Assets and Liabilities Management Corporation (PSALM).

**November:** San Miguel Energy Corporation (now Sual Power Inc.) becomes the IPPA for the Sual Power Plant, a coal-fired thermal power plant in Sual, Pangasinan.

San Miguel Global Power initiates the construction of the greenfield power plants: the 2 x 150 MW Malita Power Plant in Davao Occidental and the 4 x 150 MW Limay Power Plant in Bataan.

**July:** Units 1 and 2 of the Malita Power Plant commence commercial operations.

**September:** Unit 2 of the Limay Power Plant commences commercial operations.



Groundbreaking Ceremony for the Malita Power Plant in Davao Occidental

SMC signs a contract with Fluence Energy, a global leader in energy storage, to supply and install the BESS.

**March:** Unit 1 and Unit 3 of the Limay Power Plant commence commercial operations. San Miguel Global Power completes the acquisition of equity interests in SMGP Masin Pte. Ltd. (formerly Masin AES Pte. Ltd.), which indirectly owns the Masinloc Power Plant and the Kabankalan BESS.

Masinloc Power Partners Co. Ltd. Unit 3 (351.75 MW), the first supercritical power plant of San Miguel Global Power, starts commercial operations.

**January:** Kabankalan BESS starts its commercial operations.

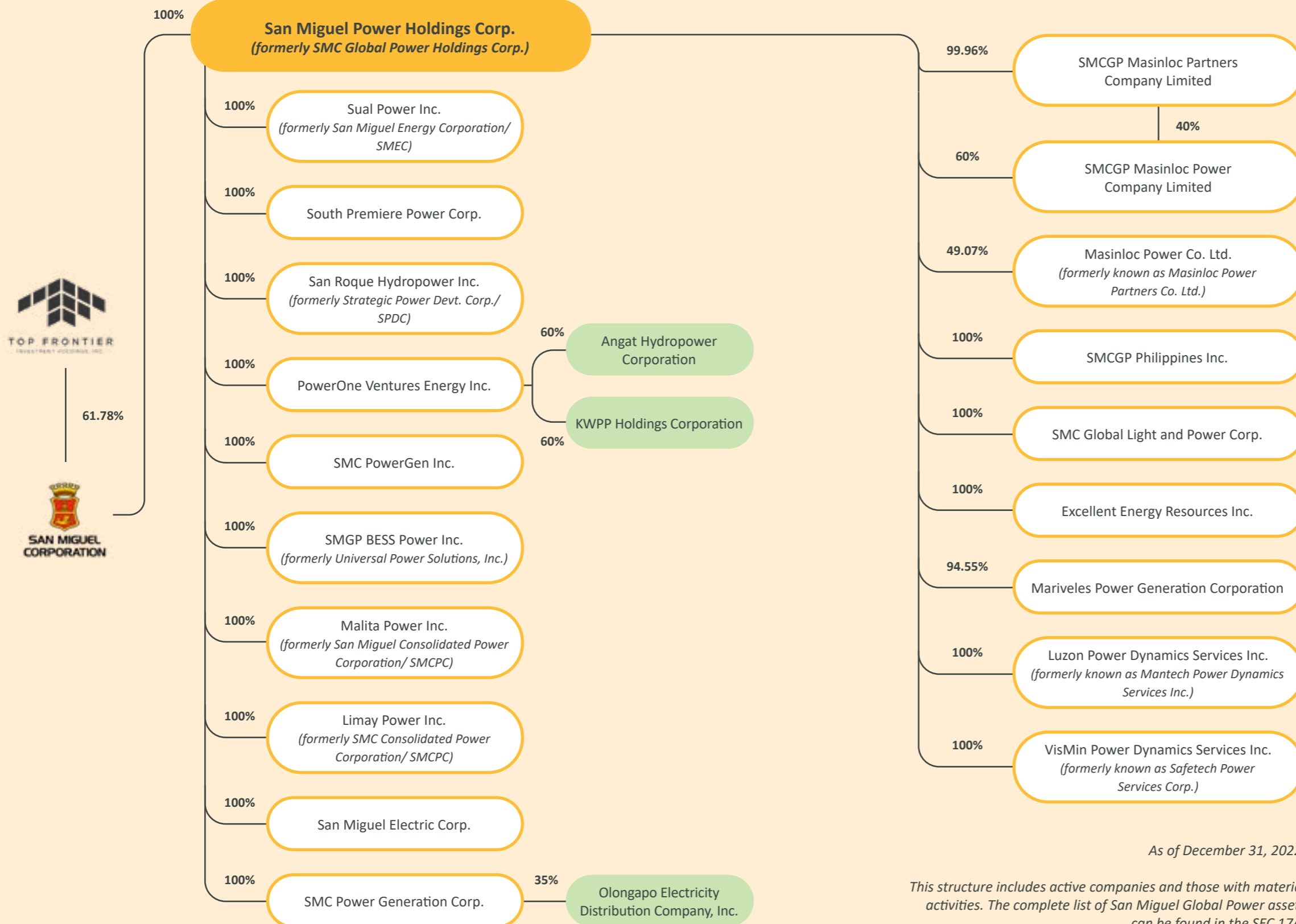
**June:** The Ilijan Power Plant was turned over to San Miguel Global Power as an Independent Power Producer.

**September:** San Miguel Global Power launches a new logo.



OUR COMPANY

# Our Structure



As of December 31, 2022.

This structure includes active companies and those with material activities. The complete list of San Miguel Global Power assets can be found in the SEC 17A.

OUR COMPANY

# Our Portfolio at a Glance

GRI 2-2, 2-6

Throughout the years, we have established a solid portfolio of power plants that enables us to serve Filipinos. Reliable and renewable energy has never been more critical, given the increasing demand for electricity and the worsening impacts of climate change.

To continue creating value for our stakeholders, San Miguel Global Power has been working on the finalization of our ESG Roadmap, where we will map out our transition plan as we continue to provide reliable power that boosts economic growth.

One of the ways the Company has taken a step closer to this goal is through our innovative BESS project. The zero-emission BESS facilities, set to be the largest grid-scale installation in the Southeast Asian region upon completion, will be used as an ancillary service integrating power from various energy sources into the National Grid.

With this, San Miguel Global Power continues to diversify and expand our portfolio, ensuring we continue to progress toward a sustainable future.

### Legends

- Coal
- Hydroelectric
- Natural Gas
- Battery Energy Storage
- - - \* Committed Plants



Sual Power Plant  
Independent Power Producer Administrator



San Roque Power Plant  
Independent Power Producer Administrator



Angat Hydroelectric Power Plant



Ilijan Power Plant



Dela Paz Power Plant\*



Battery Energy Storage Facilities\*



Masinloc Power Plant



Mariveles Power Plant\*



Limay Power Plant



Malita Power Plant

OUR COMPANY

# Power Generation

## INDEPENDENT POWER PRODUCER (IPP)

### Limay Power Plant



Total Number of Employees

437

2021

465

2022

Limay Power Inc. (formerly, SMC Consolidated Power Corporation)

Location	Limay, Bataan
Plant Type	Coal-fired Thermal Plant
Technology	Circulating Fluidized Bed (CFB) Technology
Number of Units	4
Installed Gross Capacity	600 MW
Installed Capacity by Regulatory Regime	Subnational (Luzon-Visayas Grid)
Operations and Maintenance	Luzon Power Dynamics Services Inc. (formerly Mantech Power Dynamics Services Inc.)

	Unit 1	Unit 2	Unit 3	Unit 4
Date of Commercial Operations	May 2017	September 2017	March 2018	July 2019



Malita Power Plant

### Malita Power Plant

Malita Power Inc. (formerly, SMC Consolidated Power Corporation)

Location	Malita, Davao Occidental
Plant Type	Coal-fired Thermal Plant
Technology	Circulating Fluidized Bed (CFB) Technology
Number of Units	2
Installed Gross Capacity	300 MW
Installed Capacity by Regulatory Regime	Subnational (Mindanao Grid)
Operations and Maintenance	VisMin Power Dynamics Services Inc. (formerly Safetech Power Services Corp.)

	Unit 1	Unit 2
Date of Commercial Operations	July 2017	February 2018



Total Number of Employees

246

2021

249

2022



Limay Power Plant



Masinloc Power Plant

## JOINT VENTURE (JV)

### Angat Hydroelectric Power Plant



Total Number of Employees



#### Angat Hydropower Corporation

<b>Location</b>	Angat Reservoir in San Lorenzo, Norzagaray, Bulacan
<b>Plant Type</b>	Hydro Power Plant
<b>Installed Gross Capacity</b>	218 MW
<b>Date of Commercial Operation</b>	1967
<b>Operations and Maintenance</b>	Angat Hydropower Corp. (60%) and Korea Water Resource (40%)

	Main Unit 1	Main Unit 2	Main Unit 3	Main Unit 4	Auxilliary Unit 1	Auxilliary Unit 2	Auxilliary Unit 3	Auxilliary Units 4 & 5
<b>Generating Capacity</b>	50 MW	50 MW	50 MW	50 MW	6 MW	6 MW	6 MW	28 MW
<b>Date of Commercial Operations</b>	1967	1967	1968	1968	1967	1967	1978	Under rehabilitation

### Masinloc Power Plant

#### Masinloc Power Partners Co. Ltd.

<b>Location</b>	Masinloc, Zambales		
<b>Plant Type</b>	Coal-fired Thermal Plant		
<b>Technology</b>	Subcritical Pulverized Coal (Unit 1 & 2), Supercritical Steam Generator Technology (Unit 3)		
<b>Number of Units</b>	3		
<b>Plant Type</b>	Coal-fired Thermal Plant		
<b>Installed Gross Capacity</b>	994 MW		
<b>Installed Net Capacity</b>	920.9 MW		
<b>Installed Capacity by Regulatory Regime</b>	Subnational (Luzon-Visayas Grid)		
<b>Operations and Maintenance</b>	Luzon Power Dynamics Services Inc. (formerly Mantech Power Dynamics Services Inc.)		
	Unit 1	Unit 2	Unit 3
<b>Generating Capacity</b>	1 x 330 MW	1 x 344 MW	1 x 351.75 MW
<b>Date of Commercial Operations</b>	June 1998	December 1998	September 2020



Total Number of Employees



Angat Power Plant

OUR COMPANY

INDEPENDENT POWER PRODUCER ADMINISTRATOR (IPPA)

Sual Power Plant

Sual Power Inc. (formerly, San Miguel Energy Corporation)

Location	Sual, Pangasinan
Plant Type	Coal-fired Thermal Plant
Installed Gross Capacity	1,200 MW (San Miguel Global Power: 1,000 MW; TeaM Sual: 200 MW)
Date of Commercial Operation	October 1999
Operations and Maintenance	TeaM Sual Corporation (TeaM Sual)



Sual Power Plant



San Roque Power Plant

San Roque Power Plant

San Roque Power Inc. (formerly, Strategic Power Development Corporation)

Location	San Manuel, Pangasinan
Plant Type	Dam-type Hydro Power Plant
Installed Gross Capacity	345 MW
Date of Commercial Operation	May 1, 2003
Operations and Maintenance	San Roque Power Corporation (SRPC)

OUR COMPANY

# ENERGY STORAGE

## Battery Energy Storage System (BESS)

Our BESS is one of San Miguel Global Power’s flagship contributions to a more energy-secure Philippines. Launched in 2018, BESS will augment the country’s need for nationwide electrification and pave the way to economic productivity with its environmental and operational advantages over conventional power infrastructure.

The foremost of its merits is its ease of construction and installation. The average construction time of a BESS facility is approximately nine months, allowing it to be integrated into operations sooner compared to power plants, which require years to complete.



**21**  
Goal of establishing 21 BESS sites spanning Luzon, Visayas, and Mindanao



In fact, San Miguel Global Power has finished the construction of 500 MWh of BESS units in 2022, making significant progress on our total expected capacity of 1,000 MWh of BESS units by 2040. Among these are the 10 MWh unit located in Masinloc, Zambales, and the 2 x 20 MWh units in Kabankalan, Negros Occidental, which commenced operations in 2022. The following year, the Company’s 90 MWh BESS facility in Bataan was inaugurated. Once completed, these units will be located throughout Luzon, Visayas, and Mindanao.

Once up and running, BESS facilities operate with lithium-ion battery technology that has a non-existent carbon footprint and generates zero noise pollution, waste, and water extraction. One installation alone, given its average 3.5 MWh capacity, can power off-grid communities, which can easily be scaled up as needed by adding more BESS units. This initial capacity is enough to provide for the average power needs of a small barangay population, bridging reliable energy to remote locales.

It also supports the widespread adoption of renewable energy in the country, which faces the challenge of intermittency. BESS’ bi-directional energy function allows it to store excess energy from the grid and from both traditional and renewable energy sources, ready to be discharged back to the grid when necessary. BESS stabilizes the grid by not only discharging power in times of need, but also through ancillary functions such as frequency regulation and voltage correction and mitigation.

For these reasons, BESS has become one of our leading technologies in line with our ESG Roadmap. San Miguel Global Power forges on with our goal of establishing 21 BESS sites throughout the country to sustain the energy demands of a growing Philippine economy.





FEATURE STORY

# Ilijan Power Plant

## COMBINED-CYCLE, DUAL-FUEL POWER PLANT

### LNG ENTERS THE SAN MIGUEL GLOBAL POWER PORTFOLIO

*The Ilijan Power Plant is the latest addition to our Company's growing portfolio.*

In December 1996, the Philippine government initiated the construction of the Ilijan Power Plant and awarded the project to Korea Electric Power Corporation (KEPCO) under an Energy Conversion Agreement. In June 2010, San Miguel Global Power was granted the IPPA agreement for the same plant. Under the said agreement, San Miguel Global Power handled the fuel supply and power marketing, while maintenance and operations would still be under KEPCO's local subsidiary and facility operator.

The Ilijan Power Plant was officially turned over to San Miguel Global Power in June 2022, becoming the Company's first fully-owned natural gas plant.

The historical plant, which can provide approximately 10% of Luzon's power supply, has several notable features:

- 

First local power facility with 500kV switchyard system
- 

Operates one of the largest reverse osmosis desalination plants in the country
- 

Assessed among the top industrial gas turbines in the world with highest efficiency ratings
- 

First successful commercial operation of Mitsubishi 501G gas turbine



The Ilijan Power Plant is the largest natural gas facility in the country, comprising two blocks with a rated capacity of 600 MW each.

The Ilijan Power Plant is the largest natural gas facility in the country, comprising two blocks with a rated capacity of 600 MW each. NPC/PSALM supplied natural gas to the Ilijan Power Plant from the Malampaya gas field in Palawan (Malampaya) under a gas supply agreement with Shell Exploration Philippines BV (Malampaya GSPA), which expired on June 4, 2022. The Ilijan Power Plant can also run on diesel oil stored on site.

Most of the power plant's capacity is contracted to Meralco under long-term Power Supply Agreements (PSAs).



## OUR COMPANY

# Awards & Recognitions

San Miguel Global Power was awarded the Asset Triple A Awards for Sustainable Finance as the Best Transition Bond for 2022, with a Php 40 billion fixed rate bond. This is among the largest local currency bond transactions for a non-bank Philippine corporation. The proceeds will partially finance the company's investments in LNG projects, battery energy storage systems, and renewable energy.

We have also consistently received recognition from government agencies for our compliance with government regulations. During the 2021 Compliance Awards for Retail Competition and Open Access (RCOA), the Department of Energy (DOE) awarded eight of our power plants with a Plaque of Appreciation for our full compliance and contribution to implementing the transition into the RCOA regime. The transition, with the implementation of the RCOA, involved the shift from former policies that did not allow energy market customers to select their electricity suppliers to allowing contestable customers to negotiate and select retail electricity suppliers.

## 2022 The Asset Triple A Awards for Sustainable Financing

- **"Best Transition Bond"** for Php 40 million Fixed Rate Bonds

## Plaque of Appreciation for DOE 2021 Compliance Awards for RCOA (Retail Competition and Open Access)

- SMEC (San Miguel Energy Corp.) – Sual
- SCPC (SMC Consolidated Power Corporation, now Limay Power Inc.) – Limay
- SPDC (Strategic Power Devt. Corp.) – San Roque
- MPPCL (Masinloc Power Partners Company Limited) – Masinloc
- SPPC (South Premiere Power Corp.) – Ilijan
- SMCPC (SMC Consolidated Power Corporation) – Limay
- SCPC-RES (SMC Consolidated Power Corporation) – Malita
- MPPCL-RES (Masinloc Power Partners Company Limited) – Masinloc

## Angat Hydro Power Plant

- **Certificate of Exemplary Compliance** awarded by the Philippine Electricity Market Corporation (for the period 26 June 2020 to 25 June 2021)
- **Certificate of Award** awarded by the Philippine Electricity Market Corporation (for the period 26 December 2021 to 25 June 2022)
- **Plaque of Recognition as 2022 Top Business Taxpayer** – Corporation (Norzagaray) awarded by Liga ng mga Licensing Officers sa Bulacan, Inc.

## Ilijan Power Plant

- **Plaque of Appreciation as Top 2 Taxpayer Business Taxes (2022)**, given by the City Government of Pasig

## Limay Power Plant

- **Certificate of Appreciation (2021)** – The certificate is given by the DOE in compliance with the reportorial requirements of DOE Circular No. 2013-05-0006
- **Certificate of Maintenance (2021)** – For Limay plants with IMS Certification covering ISO 9001:2015 (Quality Management Systems), ISO14001:2015 (Environmental Management Systems), and ISO 45001:2018 (Occupational Health and Safety Management Systems)

## Sual Power Plant

- **Plaque of Appreciation as Top 10 Taxpayer Business Taxes (2022)**, given by the City Government of Pasig

Aside from ensuring full compliance with all applicable laws and regulations, we invest in social and environmental initiatives that transform our capitals to create shared value for our stakeholders.

## Malita Power Plant

- **Scroll of Honor (2021)** – Awarded by the Philippine Red Cross (PRC) Bataan Chapter to an individual/group/organization with a minimum of 4 years of distinguished service as a leader or official, or as a unit, with a minimum of 200 units.
- **Certificate of Appreciation for Environmental Conservation Through Advocacy and Implementation of the Ridge Reef Program (2021)** – Certificate of Appreciation is given by the DENR- Region XI for being one of the active partners in environmental conservation and rehabilitation through their advocacy and implementation of the Ridge to Reef Program covering social empowerment of the Peoples Organization in Davao Occidental.

# Our Sustainability Approach

GRI 2-22, 2-29

*Malasakit* is the meaning behind our actions. San Miguel Global Power's approach to sustainability is based on this sense of *Malasakit* that drives us to create shared value and inclusive growth as the country's trusted energy business.

*Project 747 Mangrove Plantation in Padre Burgos, Quezon*

OUR SUSTAINABILITY APPROACH

# Our Sustainability Framework

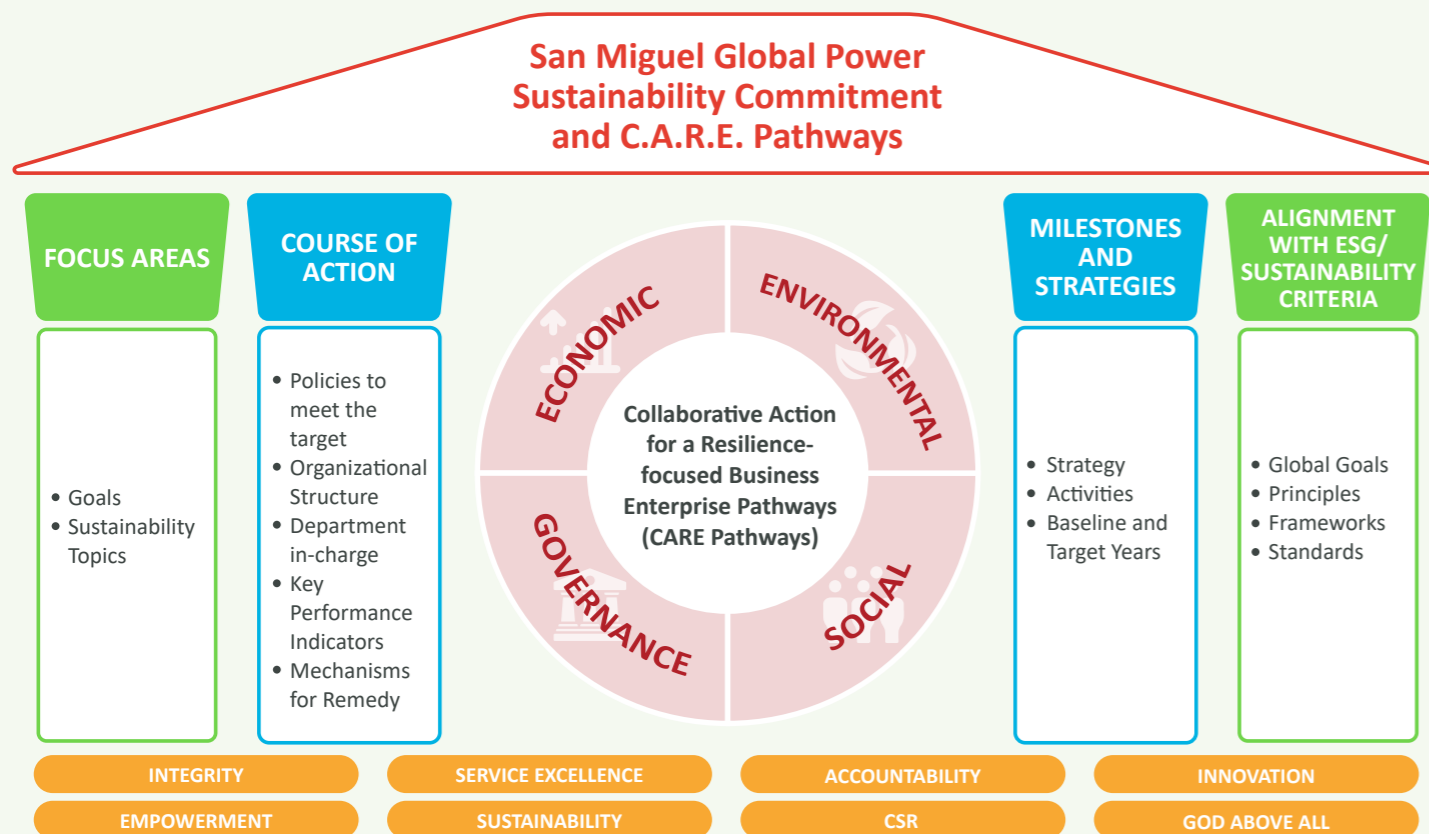
San Miguel Global Power follows SMC’s alignment with the United Nations’ Sustainable Development Goals (UN SDGs) and the SMC sustainability framework, “A World of Good,” which guides our organization’s own sustainability framework.

## PAVING A PATH TO NET ZERO

In 2020, San Miguel Global Power expressed our intent to create a roadmap to better illustrate our integration of sustainability within the organization. During the period 2021 to 2022, we made progress on building the foundations of our ESG Roadmap, which we will continue to develop moving forward.

The San Miguel Global Power ESG Roadmap presents our overarching Ambition:

We aspire to integrate sustainability in every aspect of our business to continue creating a shared value with our stakeholders—communities, customers, employees, and investors.



A World of Good considers the value that SMC creates for its stakeholders and focuses on three aspects: Kalikasan: Good for Planet, Kalinga: Good for People, and Kasaganahan: Good for Progress. As our parent company, SMC’s mission to build a world with a sustainable future is one that our Company wholeheartedly embraces and participates in.

San Miguel Global Power is committed to empowering the nation by providing reliable sources of energy. We work toward enabling Company-wide sustainability practices that support inclusive growth and development.

This transition to a net zero future is one of our major initiatives to become a more sustainable business by the year 2050. To make this happen, we set internal strategies among our Company departments that synergize with the greater ESG Roadmap.

As we advance our net zero agenda, we will follow our Collaborative Action for Resilience-focused Business Enterprise Pathways (CARE Pathways). These CARE Pathways each have their own Economic, Environmental, Social, and Governance objectives that we aim to achieve within the organization.

Our Roadmap will be fueled by these Pathways and operationalized through the identification of focus areas, milestones, courses of action, and alignment with ESG and sustainability criteria such as global goals, principles, frameworks, and standards for each ESG topic. This is vital to achieving our ambition of becoming the leading power company in Southeast Asia, championing net zero targets by 2050, and promoting the value of stewardship for all stakeholders.



OUR SUSTAINABILITY APPROACH

# Corporate Strategy

San Miguel Global Power’s corporate strategy is defined in our CARE Pathways. It is the framework that guides the Company to pursue business that benefits the country by keeping in mind its economic, environmental, social, and governance objectives, as well as the strategies to achieve them. These strategies are vital to helping us integrate sustainability into our business to continue creating shared value with our various stakeholders.

As of the end of 2022, we were able to expand and redefine the roles of the Sustainability Roadmap Team to be part of the governance structure of San Miguel Global Power. Since our ESG Roadmap currently presents our pathways, overarching goals, and strategies, our Sustainability Management Team and Steering Council are discussing how the Company can further align with these objectives through potential impact and risk identification in the areas of business and ESG.



### Economic Strategies

- 1 Accelerate sustainable financing in our business model
- 2 Invest in net carbon neutral technology, innovations, and solutions
- 3 Diversify our energy mix by expanding our business in renewable energy
- 4 Meet our customer’s evolving needs for clean, reliable, and accessible energy



### Environmental Strategies

- 5 Reduce emissions in the supply chain and operations in support of international agreements
- 6 Utilize resources responsibly to promote a circular economy
- 7 Protect the biodiversity that provides and sustains ecosystem services
- 8 Ensure compliance with environmental requirements, laws, and regulations

## Strategies



### Social Strategies

- 9 Collaborate with stakeholders in the planning and implementation of health, education, livelihood, and environmental programs
- 10 Promote diversity, succession planning, and continuous employee development, focusing on training and education as well as health and safety
- 11 Promote culture formation and employee experience
- 12 Identify, monitor, and address human rights impacts and performance in alignment with the UN Guiding Principles on Business and Human Rights



### Governance Strategies

- 13 Foster a responsible business that is built on ethics, integrity, and transparency
- 14 Implement an integrated governance structure that embeds sustainability across the business
- 15 Cultivate external partnerships that drive innovation and contribute to achieving globally agreed goals and enhancing climate resilience

OUR SUSTAINABILITY APPROACH

# Sustainability Management and Reporting

GRI 2-12, 2-13, 2-14

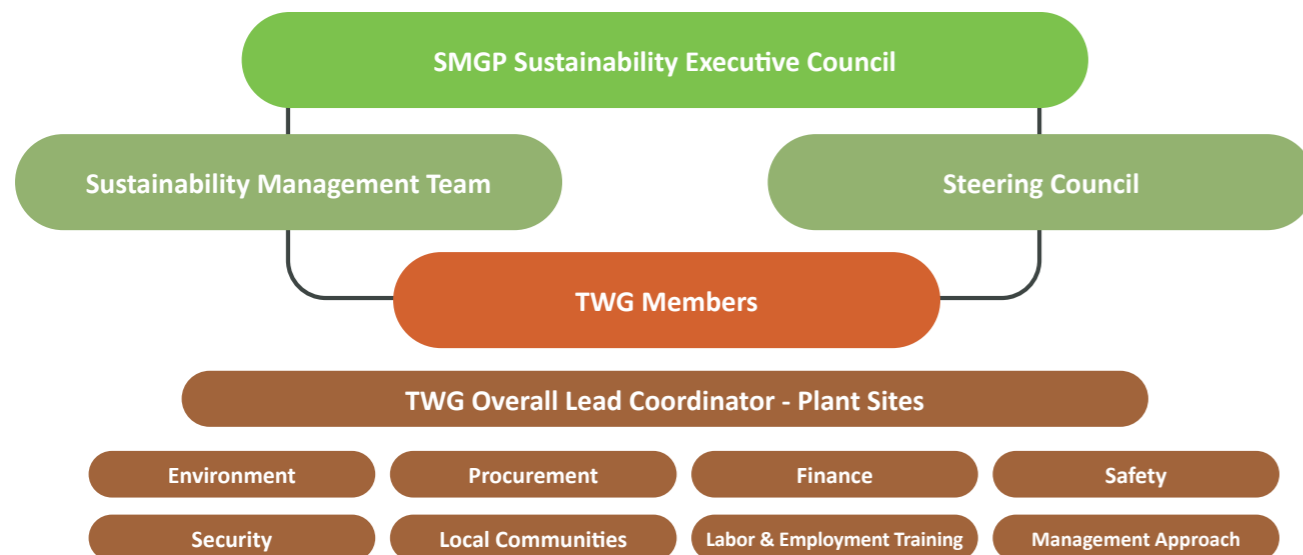
The Sustainability Management and Reporting Council—composed of individuals focusing on the environment, development, and communications—work toward turning our sustainability framework and ESG Roadmap into reality.

We created this Council to make the pursuit of social and environmental responsibility a Company-wide approach, with hand-in-hand efforts from the upper management down to our talent pool of sustainability practitioners.

The team is currently dedicated to overseeing the sustainability-related concerns and initiatives of our Company such as monitoring, strategizing, and reporting. Council members are assigned to perform specific functions.



## SAN MIGUEL GLOBAL POWER'S INTEGRATED SUSTAINABILITY REPORT STRUCTURE



## SUSTAINABILITY MANAGEMENT STRUCTURE



OUR SUSTAINABILITY APPROACH

# Materiality Assessment Process

GRI 3-1, 3-2, 3-3

San Miguel Global Power’s drive to become a sustainable business is a process of constant improvement and adaptation. As we progress, it is equally important for us to keep our stakeholders updated on where our Company is in our sustainability journey.

We uphold this firm commitment to transparency by carrying out stakeholder engagements and materiality assessments. Stakeholder engagements foster collaboration and help us touch base with the concerns of our stakeholders, while an objective materiality assessment allows us to align their concerns with the areas our business creates the most impact to improve our reporting.

For our first Integrated Sustainability Report (ISR), we reviewed and updated our material ESG topics since our last assessment in 2020. This review resulted in an increased number of material topics, from 25 material topics in our 2019-2020 Sustainability Report (SR) to 32 material topics in the 2021-2022 ISR. These topics were based on the GRI Standards, <IR> Framework, SASB Standards, CDP, TCFD, and recommendations from our stakeholders. This way, the ISR will better reflect, in a holistic manner, our approach to sustainability and value creation, as well as the resiliency of the Company amid challenges and responsiveness to opportunities over time.



Stakeholder Consultation in Mariveles, Bataan for the Materiality Assessment

GRI 3-2, 3-3

The Company commissioned the Center for Social Responsibility of the University of Asia and the Pacific (UA&P-CSR) for assistance in developing our ISR, which includes the facilitation of our materiality assessment process.

UA&P-CSR utilized their pioneering **Quadrilateral Materiality Assessment Tool**, which is aligned with the GRI Standards’ Double Materiality Approach. This method allows for “true impact reporting,” giving equal consideration to financial materiality and impact materiality. Financial materiality pertains to our economic value creation and information pertinent to our investors and shareholders (financial stakeholders). Impact materiality, on the other hand, covers economic, environmental, and social information that is of interest to a broader range of our stakeholders (socio-economic environment stakeholders).

The methodology used by UA&P-CSR has two main processes, namely the Process of Surfacing and the Process of Prioritization. The Process of Surfacing involves the four activities of desk research or literature review, benchmarking with industry peers of the Company, Senior Management Consultation, and Stakeholder Consultation.

UA&P-CSR identified, prioritized, and consulted with a total of 127 financial and socio-economic environment stakeholders across our plants through either synchronous (onsite or online guided survey administration) or asynchronous modalities, depending on the stakeholders’ availability.

The results of the Process of Surfacing were revisited and validated by our Senior Management Committee during a face-to-face plenary session where we finalized our material ESG topics. We identified 32 final material ESG topics, including nine environmental, 13 social, and 10 governance topics.

Key stakeholder groups consulted during the materiality testing process across all sites:



OUR SUSTAINABILITY APPROACH

IMPACT OF MATERIAL TOPICS TO VALUE CREATION

Legends <IR> Capitals: Financial Manufactured Intellectual Human Natural Social & Relationship

Material Topics	Relevant <IR> Capital <i>[see Managing Our Capitals]</i>	Relevant SDGs
ENVIRONMENTAL	Materials	
	Energy	
	Water and Effluents	
	Biodiversity	
	Emissions	
	Waste	
	Supplier Environmental Assessment	-
	Environmental Compliance	-
	Climate Action	
SOCIAL	Employment	
	Labor/Management Relations	
	Occupational Safety and Health (OSH)	
	Training and Education	
	Local Communities	
	Supplier Social Assessment	
	Diversity and Equal Opportunity	
	Rights of Indigenous Peoples	
	Customer Health and Safety	
	Marketing and Labeling	
	Customer Privacy	
	COVID-19 Pandemic	
	Customer Relationships	
	ECONOMIC & CORPORATE GOVERNANCE	Economic Performance
Market Presence		
Indirect Economic Impacts		
Procurement Practices		
Anti-corruption		
Anti-competitive Behavior		
Innovation		
Business Ethics and Conduct		
Corporate Governance		
Risk Management	-	

Risks Involved:

- Operations and Supply Chain Management
- Brand Reputation
- Market Competitiveness
- Environment
- Regulations
- Data Management, Privacy, and Security
- Health and Safety
- Funding and Revenues
- Workforce
- Energy Source

Current Impact on Value Creation:

- Positive
- Negative
- Perceived as Negative

Relevant GRI Topics	Risks Involved	Current Impact on Value Creation <i>[see Managing Our Capitals]</i>
301		
302		
303		
304		
305		
306		
306		
2-27		
-		
401		
402		
403		
404		
413		
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418		
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-		
201		
202		
203		
204		
205		
206		
-		
-		
2-9-21		
-		



# Our Business Model

GRI 2-6

Since we first began providing power for the Filipino people in 2009, San Miguel Global Power set out to carry on the values and positive reputation of San Miguel Corporation as it ventured into the energy industry. Guided by our principles and core values that emphasize responsibility over the environment and concern for society, we continue to strive toward creating more value for stakeholders as we improve and grow our business.



OUR BUSINESS MODEL

INPUTS



FINANCIAL

	2021	2022
• Capital expenditure (CAPEX):	Php 40.0 B	Php 48.7 B
• Operational expenditure (OPEX):	Php 84.7 B	Php 192 B



HUMAN

	2021	2022
• Number of employees:	1358	1771
• Percentage of females in Senior Management:	29%	29%
• Training and development programs for employees		



INTELLECTUAL

- IT platforms and digital innovation
- Data Privacy Policy and CRM facility
- Expansion
- SMC and San Miguel Global Power brands
- Establishment of ESG Roadmap



MANUFACTURING

- Total installed capacity: 4,720 MW
- 3 CFB power plants installed capacity: 900 MW
- 1 Supercritical power plant installed capacity: 335 MW
- 1 LNG power plant installed capacity: 1,200 MW
- MHI 501G gas turbine in CCGT
- 1 Hydroelectric power plant installed capacity: 218 MW
- BESS installed capacity: 1,000 MW
- Units of conventional power plants (Masinloc): 2



NATURAL

	2021	2022
• Non-Renewable materials consumed:	6.60 M MT	11.9 M MT
• Renewable Materials Consumed:	2.36 M MT	2.28 M MT
• Water Withdrawal:	5.30 M ML	5.02 M ML
• Energy Consumed:	90.0 M GJ	90.1 M GJ



SOCIAL & RELATIONSHIP

	2021	2022
• Social investment for CSR programs:	Php 286 B	Php 155 B
• Compliance with government regulations		
• Continued COVID-19 response		

Collaborative Action for a Resilience-focused Business Enterprise Pathways

CARE Pathways

PURPOSE

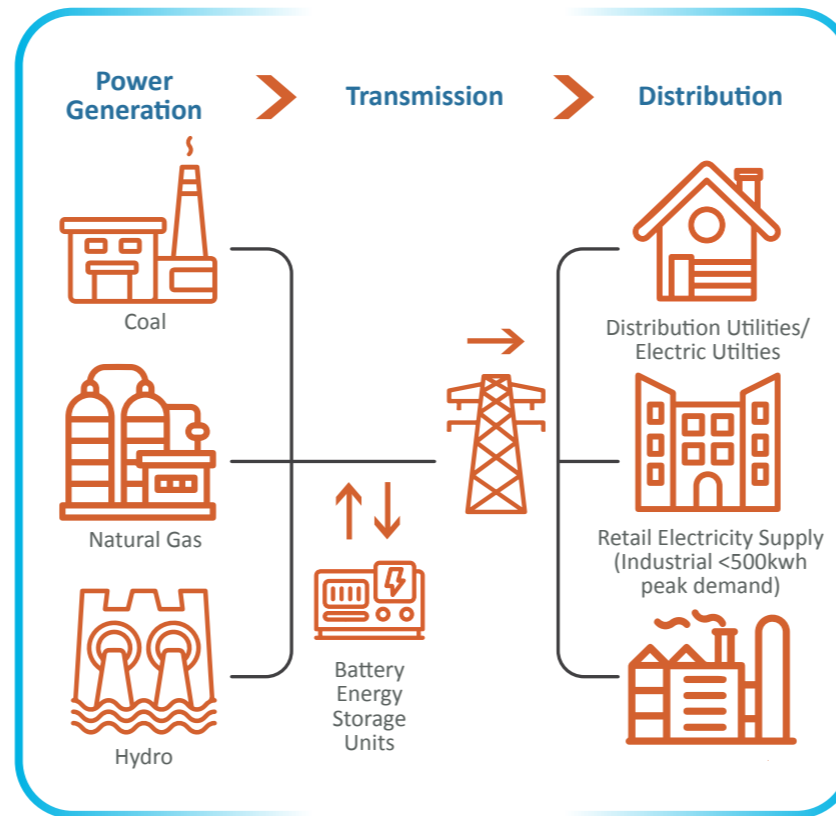
To provide stable, reliable, and affordable energy that advances inclusive growth and enhances people's lives

VISION

To be the trusted partner leading in sustainable and resilient energy business geared towards a globally competitive Philippines

CORE VALUES: MALASAKIT

Integrity | Service Excellence | Accountability | Innovation  
Empowerment | Sustainability | Corporate Social Responsibility | God Above All



SUSTAINABLE AGENDA

We aspire to integrate sustainability in every aspect of our business to continue creating shared value with our stakeholders—communities, customers, employees and investors.

Cognizant of our **External Environment** (page 52), we intend to manage each **Risk and Opportunity** (page 59) and act on our **Outlook** (page 157) to continuously create and preserve value for our stakeholders.

Our Corporate Strategy guided by our CARE Pathways

Low carbon investments for clean energy access

GHG reduction and resource protection

Cutting-edge sustainable solutions for stakeholders

Good governance that supports sustainability and climate resilience

OUTPUTS

	2021	2022
• Direct economic value generated:	Php 135 B	Php 235 B
• Economic value distributed:	Php 117 B	Php 227 B
• Economic value retained:	Php 17 B	Php 8 B
• Spending on local suppliers:	Php 36 B	Php 68 B

	2021	2022
• Training hours per employee:	7.20	22.65
• Accession rate:	16.4%	23.5%
• Turnover rate:	7.00%	7.57%
• Percentage of employees covered by an OSH system (GRI 403):	100%	100%
• Percentage of employees having undergone evaluation (GRI 404-3):	100%	100%

- IT platforms developed across San Miguel Global Power facilities: 12\*
- Rebranding initiative
- Data Privacy Act compliance
- No data privacy breach
- Harmonized brand for all San Miguel Global Power subsidiaries
- No unauthorized access or use of data

\*Read more about IT platforms on pages 84-89.

	2021	2022
• Amount of power produced:	12.4 M MWh	12 M MWh
• Amount of hazardous waste generated:	113.47 MT	215.98 MT
• Amount of hazardous waste disposed:	97.92 MT	135.07 MT
• Amount of recycled ash:	215,275.42 MT	291,683.65 MT
• Contribution to the Philippine grid:	20%	19%
• Power security of the country		
• Frequency regulation of BESS		

	2021	2022
• Trees and mangroves planted through Project 747:	1.88 M	1.13 M
• Water discharged:	5.30 M ML	5.01 M ML
• Water consumption:	1,997.13 ML	2,147.42 ML
• Water recycled:	7,912 m <sup>3</sup>	4,864 m <sup>3</sup>
• Scope 1 (Direct) Emissions generated:	12.3 M T CO <sub>2</sub> e	12.3 M T CO <sub>2</sub> e
• Scope 2 (Indirect) Emissions generated:	11,010 T CO <sub>2</sub> e	11,999 T CO <sub>2</sub> e
• Approx. amount of carbon dioxide sequestered:	5,100 T CO <sub>2</sub> e	4,640 T CO <sub>2</sub> e
• Species sighted:	50 <	-

	2021	2022
• Local communities reached through livelihood programs:	10	10
• New suppliers:	91	74
• Household members reached:	-	326
• Beneficiaries (Families/Person):	65/2,330	-
• Scholars graduated and employed:	144	-
• POs participating in livelihood programs:	9	-
• Scholarship Grants for 2021-2023: 213		

OUTCOMES  
Value Created to our Stakeholders



INVESTORS

Positive returns on their investments and strong financial results



EMPLOYEES

Engaged workforce and increased women's representation, competitive compensation and benefits, enhanced employee experience, and higher employee productivity



CUSTOMERS

Reliable and affordable power, support for industrial development, formation of strategic partnerships, transparency in business transactions, and a diverse energy portfolio offering



SUPPLIERS AND BUSINESS PARTNERS

Sustainable value chains and streamlined operations and management systems



GOVERNMENT AND REGULATORS

Strengthened relationship with regulators and transparency with and adherence to regulations



COMMUNITIES

Engagement, self-reliance, and improved quality of life

## OUR BUSINESS MODEL

San Miguel Global Power's approach to value creation is illustrated in our simplified value creation model. It demonstrates our CARE Pathways as our response to changing business environments as we transition to net zero by 2050.

It involves stewardship over the capitals we obtain and utilize for the productivity of our business and our products and services. The care with which we manage our capitals is founded on our core values, while the outcomes are concretized and transformed into stakeholder value through our business activities. These activities are influenced by the external environment and business landscape, including the risks we manage and the opportunities we capture associated with our ambition to transition to net zero.

Our current direction as a Company is also driven by our corporate strategy, as indicated on pages 38-39, which sets out holistic goals towards a low-carbon economy to ensure that we do good not only for our customers, but for the greater population and the environment. This strategy guides us in determining how to use our inputs and capitals to remain profitable and viable in the long term.

Our financial capital is composed of our retained earnings, investments, and debts, which we use to maintain and upgrade our infrastructure, source materials, acquire assets, and fund overall operational expenses. While we believe that business is more than merely making profit, we recognize that our financial capital is central to the continuity of our operations.

Infrastructure is one component of our manufactured capital and includes our energy generation portfolio and grid ancillary services. These take the form of the following power infrastructures:

- Coal-fired power plants, which are an essential baseload capacity for ensuring reliable energy supply for customers' needs;
- Our hydroelectric power plant utilizing uninterrupted water flow for sustainable electricity generation;
- Liquefied Natural Gas (LNG) power plants, which enhance electricity generation while having lower carbon emissions; and
- Our BESS for storing renewable energy, instantaneously providing energy when needed, and increasing operational efficiency to redefine energy storage standards.

By investing in renewable energy, energy efficiency, and other sustainable practices, we can position our Company as an industry leader, attract new customers and investors, promote innovation, and contribute to a cleaner and healthier planet.



Stakeholder Consultation in Ilijan, Batangas for the Materiality Assessment

To safeguard our unique processes and procedures, we utilize intellectual capital in our digital systems and cybersecurity procedures. Our digital technology framework comprises elements like cybersecurity, digitalization, and digitization. Data security is paramount and is achieved through secured technical and physical storage, continuous monitoring, and cutting-edge digital platforms. These efforts protect our data assets from potential cyber threats, ensuring their integrity and availability. By incorporating digital innovation into our operations, we enhance efficiency and streamline transactions between facilities. These forms of intellectual capital aid our workforce in running efficient operations.

Human capital, on the other hand, gives us hands that make the business spring to life. We value the diverse pool of talents across San Miguel Global Power and aim to continue to develop the capabilities of our 2,300-strong workforce throughout the Philippines while improving the benefits they receive.

Our care for our people cascades to our other key stakeholders, such as our communities. We continue to build on our social and relationship capital through our CSR programs and community engagements.

Lastly, San Miguel Global Power partners with communities and cause-oriented groups to care for our natural capital in the areas we operate. While we primarily use natural resources in our operations, we also go beyond our work sites and care for neighboring ecosystems through initiatives like our flagship environmental program, Project 747. The program rehabilitates upland and coastal areas in provinces across the Philippines with the help of government and community organizations so that everyone in the area can benefit from a restored ecosystem.

OUR BUSINESS MODEL

# External Environment

The external environment of San Miguel Global Power is a complex landscape that both affects and is moved by our stakeholders. Our external environment's primary context is the energy industry, where the existing and potential trends and events that occur within the industry can affect our Company's ability to create value.

## EVOLUTION OF ENERGY POLICIES AND REGULATIONS

The energy industry remains subject to stringent environmental and commercial regulations, both on a global and national level. It is one of the industries that is greatly affected by the United Nations' Paris Agreement, which calls for a global reduction of emissions to maintain global warming to 1.5 degrees Celsius or lower.

The Philippines has responded accordingly by setting its own emission reduction targets and preparing national plans to set the direction for the energy industry's response to climate change through the Department of Energy (DOE). National programs include the DOE's National Renewable

Energy Program (NREP) and the Philippine Energy Plan of 2020–2040. Regulations such as the Energy Efficiency Act, Renewable Energy Standards, and Electric Vehicle Act are also aligned with this direction.

The DOE's Renewable Energy Management Bureau announced plans in 2021 for further improving policies in support of renewable energy development and the NREP. This signals the potential for similar regulations in favor of renewable energy and close monitoring of environmental impacts to take root in the near future.

### What this means for the Company:

As a Company committed to compliance and alignment with national development goals, the emergence of new regulations directly impacts both our business strategy and operations. Changes in energy policy, such as a higher renewable energy supply within a specified time frame and with other requirements, for example, prompt us to adjust our operations accordingly. Our targets and strategy will also be affected and may need to be adjusted depending on industry-relevant regulations.

### How we are responding:

One of San Miguel Global Power's priorities is to ensure full compliance with all applicable laws and regulations. We continue to stay abreast of new laws, rules, and regulations that concern the energy industry to ensure that we continue to perform our obligations under them. The Company regularly participates in public consultations initiated by regulatory bodies to review proposed rules for the Philippine energy industry. To date, San Miguel Global Power has been compliant with and continues to perform our obligations under applicable laws and regulations relevant to our businesses. Apart from compliance, we continue to document and chart our sustainability journey through our ESG Roadmap, where our corporate strategies will directly link to factors in our external environment.

#### Our strategic response

- 3 Diversify our energy mix by expanding our business in renewable energy
- 8 Ensure compliance with environmental requirements, laws, and regulations
- 15 Cultivate external partnerships that drive innovation and contribute to achieving globally agreed goals and enhancing climate resilience

External Environment

See pages 38-39 to learn more about the ESG Strategies.

# ROLE OF RENEWABLE ENERGY AND DEMAND IN THE MARKET

Trends from the DOE's 2022 Power Statistics report point toward the increased adoption and capacity of renewable energy, increasing to a total installed capacity of 8,264 MW in 2022 from 7,617 MW in 2020. Energy businesses currently have varying shares of renewable energy in their portfolios and baseload capacities. However, electricity suppliers are also required to source a portion of their energy supply from renewable energy as mandated by and based on the Renewable Energy Act.

As the country's economy grows, it is crucial for power companies to remain flexible in catering to the increasing energy demand that comes with growth and development.

### What this means for the Company:

San Miguel Global Power is poised to fulfill the energy needs of the growing economy by utilizing our diversified portfolio, which includes renewable energy sources and BESS. While actively seeking renewable energy investments, such as hydro and solar power projects, we also take into consideration the country's energy security and the affordability of such sources for our consumers.

In times where intermittent renewable energy is unable to meet high demand, BESS stabilizes the grid through its frequency regulation capability. Today, the Company remains among the leading energy businesses that respond to the baseload needs of the Philippines, with baseload being a marker of reliability. San Miguel Global Power holds a 26% market share in the Luzon grid, 7% in the Mindanao grid, and 19% in the National Grid as of December 2022.<sup>2</sup> Providing reliable energy continues to be critical in responding to current energy demand as well as its projected growth.

### How we are responding:

Currently, the Company aims to construct more greenfield power projects alongside and timed with the improved interconnectivity of the Luzon and Visayas grids and the implementation of the Wholesale Electricity Spot Market (WESM) in Mindanao. Our portfolio diversification plans include transitioning into high-growth, low-emission, and viable frontier technologies through our 1,000 MWh BESS projects, 1,313 MW LNG power plant project, and initial 8,000 MWp solar project.

By exploring new technologies and locating them strategically in high-demand and grid-proximate areas, we can better maintain cost competitiveness. We are exploring opportunities to convert our existing coal plants to adopt fuel gasification as a means of reducing our carbon emissions.

In addition to these measures, the Company has internal controls in place to maintain the competitiveness of our pricing and portfolio offerings. We aim to create positive working relationships with our off-takers by consistently delivering a reliable power supply and building customer loyalty.

These initiatives align with our ESG Roadmap, where we lay down our strategies for moving toward a greener energy portfolio.

#### Our strategic response

- 1 Accelerate Sustainable Financing in our Business Model
- 2 Invest in net carbon-neutral technology, innovations, and solutions
- 3 Diversify our energy mix by expanding our business in Renewable Energy
- 4 Meet our customers' evolving needs for clean, reliable, and affordable energy
- 10 Promote diversity, succession planning, and continuous employee development, focusing on training and education as well as health and safety
- 14 Implement an integrated governance structure that embeds sustainability across the business.

<sup>2</sup> SMGP, SEC Form 17-A (2022), p. 3.

OUR BUSINESS MODEL

# STAKEHOLDER INTERESTS AND SOCIO-ENVIRONMENTAL ADVOCACIES

The sociopolitical sphere represents a variety of civil interest groups that champion particular causes. Some of these groups have advocacies that resonate with the preferences of consumers, customers, potential job applicants, and policymakers. Relevant to the energy industry are groups concerned about the environment and climate change that support legislation focused on renewable energy.

Additionally, the emergence of remote work following COVID-19 working arrangements has influenced the preferences of potential talents. Other workplace conditions that the labor force considers include current trends in company culture, employer branding, and compensation and benefits.



What this means for the Company:

The concerns of our stakeholders, particularly those in relation to the environment and the use of fossil fuels, can directly impact our reputation. On one hand, environmental activism has continued to support renewable energy, which we also aim to develop in the future. On the other hand, misinformation has the potential to negatively impact our reputation.

Potential applicants' employer and workplace preferences may also mold the volume and demographic of applicants that will show interest in the Company. They become a potential audience for the Company's efforts to communicate our workplace opportunities and culture.

How we are responding:

To build a better relationship and understanding of our business with our stakeholders, San Miguel Global Power practices transparency and accountability through publicly disclosed sustainability-related initiatives and information, education, and communication (IEC) campaigns. Fuel diversity and BESS are among the topics discussed further during the regular IECs we hold in the communities where we operate. The IECs are part of the initiatives that the company conducts regularly to help maintain transparency and open lines of communication with our stakeholders.

With the drive to attract a capable and dynamic workforce, we also have initiatives for cascading our Company's workplace benefits and development programs. In line with this, our ESG Roadmap presents strategies that encapsulate how we will build better relationships with different stakeholder groups.

Our strategic response

- 4 Meet our Customer's Evolving needs for clean, reliable, and accessible Energy
- 9 Collaborate with stakeholders in the planning and implementation of health, education, livelihood, and environmental programs
- 11 Promote culture formation and employee experience
- 12 Identify, monitor, and address human rights impacts and performance in alignment with the UN Guiding Principles on Business and Human Rights
- 13 Foster a responsible business that is built on ethics, integrity, and transparency
- 15 Cultivate external partnerships that drive innovation and contribute to achieving globally agreed goals and enhancing climate resilience.

External Environment

See pages 38-39 to learn more about the ESG Strategies.

# TECHNOLOGICAL ADVANCEMENTS

Numerous technological advancements are being made in areas relevant to the energy sector, including digital management systems and technology for greenhouse gas (GHG) emissions reduction. The rapid development of artificial intelligence has also created the potential for it to be used in the analysis of power generation equipment behavior.



What this means for the Company:

The increasing demand for reliable energy and the country's growing economy go hand in hand with the need to manage the country's energy transition. San Miguel Global Power's ESG Roadmap is designed to support the country's current and future energy needs in a manner that addresses climate action while balancing the need for baseload capacity. This involves employing new technologies and solutions to help achieve carbon neutrality and the eventual shift to net zero.

How we are responding:

San Miguel Global Power continuously invests in technology to improve our internal systems and plant operations. These investments are being properly timed in case newer and more efficient technology becomes available.

For GHG emissions, while we believe technology will play a crucial role in achieving significant reductions, the Company continues to explore other initiatives, such as carbon capture, to supplement the minimization of our carbon footprint. The Company is also implementing energy efficiency efforts that form part of our carbon accounting baseline and monitoring.

In addition to the high efficiency, low emission (H.E.L.E) technology utilized by modern coal-fired power plants, San Miguel Global Power's power plants use environmental control equipment to maintain emissions within and below regulatory limits. These include our circulating fluidized bed technology at our Limay and Malita Power Plants and our supercritical boiler technology at the Masinloc Power Plant. Other practices, such as limestone injection, use of electrostatic precipitators, use of flue gas desulfurization, and retrofitting throughout our other plants, are done to reduce resource consumption and emissions output.

We have also begun to implement the use of artificial intelligence to monitor specific plant operations and enhance performance monitoring. This is an initiative that we foresee will benefit and streamline our processes, and it can be rolled out to other plants in the future.

Lastly, the development of our ESG Roadmap will serve as further guidance for the technologies we seek to adopt. We aim to innovate our systems to achieve the environmental, economic, and social goals that are outlined in the ESG Roadmap.

Our strategic response

- 2 Invest in net carbon neutral technology, innovations, and solutions

OUR BUSINESS MODEL

## POLITICAL EVENTS AND ADMINISTRATION CHANGE

In the international landscape, global conflicts and disputes have lasting impacts on market conditions. The Russia-Ukraine war, in particular, contributes significantly to the limited supply and increased cost of fuel, natural gas, and coal. The impact of these events are felt globally, including in the Philippines, where the energy sector has experienced challenges in fuel costs and supply availability.

On the national level, changes in leadership both in the national and local governments may also affect legislation and policy implementation, depending on the preferred policies and priorities of incumbent officials, whether elected or appointed.

Our strategic response

- 15 Cultivate external partnerships that drive innovation and contribute to achieving globally agreed goals and enhancing climate resilience

What this means for the Company:

Aside from regulation and government policy that drives change and shapes the energy industry, global market conditions—as affected by socio-political events—are also factored into the Company's approach to financial and operational management.

How we are responding:

San Miguel Global Power conducts the necessary monitoring of changing market conditions and external factors that can affect the course of our business. We use this data to continually update our Business Continuity Plan and Enterprise Risk Management program. In response to the fuel price hike, the Company has implemented several cost-cutting measures.

As part of stakeholder management, we also aim to maintain harmonious relationships with our local communities, which include the local government, in order to establish trust and keep ourselves informed of current policy directions. This is in line with our ESG Roadmap strategy to promote collaboration and partnerships.



External Environment

See pages 38-39 to learn more about the ESG Strategies.

## CLIMATE CHANGE VULNERABILITY AND ENVIRONMENTAL IMPACTS

Climate change exists as the primary concern surrounding the environment, with the Philippines being especially prone to natural disasters such as typhoons, floods, and earthquakes. These natural disasters cause damage to infrastructure and human life as they increase in scale and intensity over time.

Apart from environmental hazards, the depletion of non-renewable natural resources and the overall degradation of ecosystems continue due to increasing human activity. This results in a loss of biodiversity and affects human activity that relies on natural resources.

The climate change crisis and the state of the natural environment influence related global and national legislation that aims to curb activities that may damage the ecosystem further. Such legislation involves environmental and industry regulations.

What this means for the Company:

San Miguel Global Power is not spared from the effects of climate change and natural disasters, which can cause a scarcity of the resources we use and affect the integrity of our infrastructure. Typhoons and earthquakes can negatively impact our power plants, which we must respond to with climate change adaptability measures.

Our Company is also committed to caring for the environment, with dedicated programs for protecting biodiversity and strategies for managing our own environmental impacts so as to respond to the climate crisis. These measures are informed by existing knowledge and practices in climate change mitigation and adaptation.

How we are responding:

Care for the environment and planet is core to the *Malasakit* of the Company. In addressing climate change-related impacts and risks, we are currently updating our Business Continuity Plan and Enterprise Risk Management program.

Our business strategy and ESG Roadmap, on the other hand, prioritize stewardship over natural resources through the adoption of green energy and the responsible management of our operational impacts.

Our strategic response

- 5 Reduce emissions in the supply chain and operations in support of the International Agreements
- 6 Utilize the resources responsibly to promote a circular economy
- 7 Protect the biodiversity that provides and sustains ecosystem services



Coral Reef Monitoring and Underwater Cleanup in Ilijan, Batangas

OUR BUSINESS MODEL

# Risk Management

To effectively identify and monitor risks is to gain the capacity to manage and plan for them.

San Miguel Global Power has established an Enterprise Risk Management (ERM) framework that includes a register of risks, well-defined management goals and objectives, assessment and management processes and strategies, and assessments for further improvement of current risk measures. This system guides the Board and the Audit and Risk Oversight Committee in identifying enterprise-level risk exposures and assessing the effectiveness of our current risk management strategies.



## RISK GOVERNANCE

The Audit and Risk Oversight Committee is responsible for developing, overseeing, and maintaining our ERM system alongside Senior Management. As the primary body for risk governance, the Audit and Risk Committee communicates its findings to the Board and advises the Board on its risk appetite levels and risk tolerance limits.

# Risks and Opportunities

As climate change concerns continue to mount and the world doubles its efforts toward a net zero future, the changing landscape presents new and potential risks and opportunities for the energy sector. At the same time, the interplaying preferences and responses of stakeholder groups continue to mold the sociopolitical sphere and, subsequently, our way of doing business.

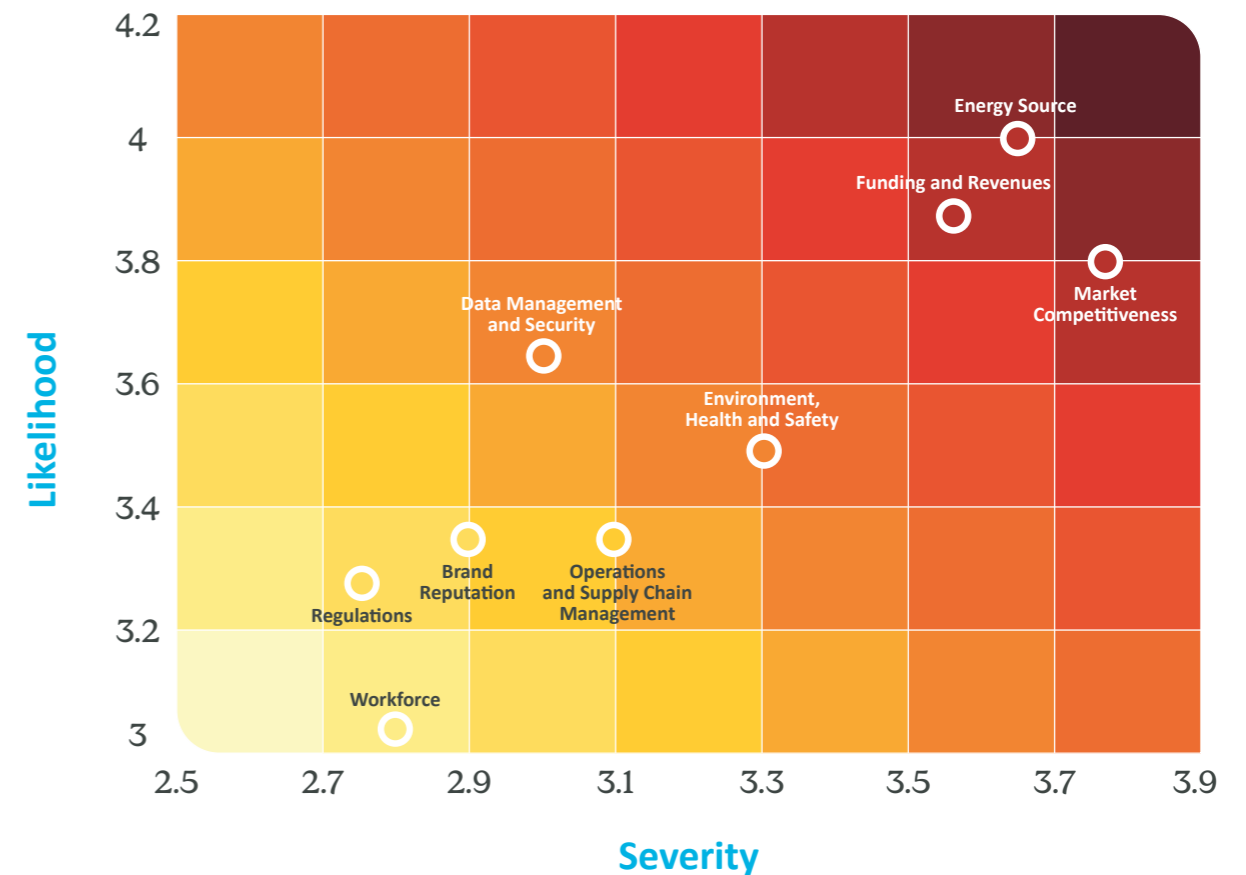
As part of our risk and opportunity identification process, we reviewed the state of our external environment alongside our own business model and operations. These internal factors include our power generation portfolio, management and governance systems, and workforce capabilities.

For the period 2021 to 2022, San Miguel Global Power was able to identify nine categories where our

Company's key risks and opportunities, both internal and external, lie, as well as our specific approaches for managing them.

These categories are plotted in our Risk Heat Map below, which illustrates the likelihood of the identified risks per category occurring and the severity of their impacts should the risk occur. Energy source-related risks have the highest likelihood of occurring, while market competitiveness-related risks may cause the greatest impact. Closely following these two categories are risks involving funding and revenues. Meanwhile, workforce-related risks have the least likelihood of occurring, and risks involving regulations have the least severity of impact.

Risk Heat Map



OUR BUSINESS MODEL

Legends

Capitals:

- Financial
- Manufactured
- Intellectual
- Human
- Nature
- Social & Relationship

Stakeholder Groups:

- Employees
- Investors
- Customers
- Suppliers and Business Partners
- Government and Regulators
- Communities

Type:

- Internal
- External



1 Market Competitiveness

Capitals Involved	
Stakeholder Groups	
Risk Type	
Time Horizon	Short to Medium

It is our goal to stay on top of emerging trends and keep our pricing competitive as we invest in green energy. Our current business strategy includes further diversification of our portfolio as we balance the country's needs for reliable and cost-competitive power. Our ESG Roadmap provides guidance in ensuring the sustainability of our business and the overall responsible management of our footprint in support of our carbon neutrality, and, ultimately, net zero objectives. Ongoing fluctuations in global fuel prices, meanwhile, also affect supply availability.

Though we face risks on both the renewable and non-renewable energy fronts, our extensive portfolio is an opportunity for us to further diversify. This allows the Company to attract customers with varying energy needs and preferences. The likelihood of capturing this opportunity remains high given our pursuit of our ESG Roadmap, which is seen to potentially boost our market competitiveness further.

Risks

- Investors and customers could favor industry competitors with more renewable energy assets due to the push for renewable energy and changing attitudes towards conventional energy sources.
- Accessing new carbon-neutral technologies and investing in renewable energy assets require significant financial capital. Competitors could secure long-term contracts if they develop renewable plants at a faster pace.
- Fluctuating global fuel prices affect the Company's pricing and overall competitiveness.

Opportunities

- The Company already has an extensive portfolio, and diversifying it with renewable energy boosts industry competitiveness. This will also contribute to compliance with DOE's Renewable Portfolio Standards (RPS).
- The Company continues to explore expanding its customer base.
- Adopting the <IR> Framework and establishing the ESG Roadmap ensures that sustainability is embedded in the way we do business. This further enhances our market competitiveness as we continue to explore technologies that can potentially help us achieve energy transition and decarbonization objectives.

Our Response and Strategies

To manage the risks of competition, San Miguel Global Power proactively studies market behavior and trends. The results of these are discussed through regular inter-departmental meetings where we can align objectives and strategize. Part of our strategy to maintain competitiveness is sustaining a positive relationship with our DU customers and offering competitive rates and value-added services. Continuously updating our employees' skills is also among our strategies to enhance our market competitiveness. This involves technical training for the ongoing technology upgrades at plants, data privacy, and similar initiatives. To capture the opportunities of the renewable energy trend, we will further develop initiatives in line with our ESG Roadmap.

## OUR BUSINESS MODEL

### 2 Energy Source

Capitals Involved	
Stakeholder Groups	
Risk Type	
Time Horizon	Short to Medium

The Philippine energy landscape consists of a growing need for reliable and affordable energy as economic activity picks up. However, the risk of energy sources being limited by global regulations, such as coal moratoriums and decarbonization, is already in effect. The country's total reliance on erratic renewable energy sources could compromise its ability to maintain energy security.

Coal moratoriums will prevent the adoption of additional fossil fuels in our portfolio, while the Philippine government's goal of a 75% reduction in emissions can support our own plans to grow our renewable energy portfolio.

In this sense, the risk of reduced support for conventional power sources is also an opportunity for San Miguel Global Power to develop other measures for a steady supply of

energy. The installation of our 1,000 MWh BESS will support the country's need for grid stability as an ancillary service and, at the same time, help pave the way for our expansion into renewable energy and lessen emissions with our greenfield projects.

The future development of greenfield power plants becomes an additional opportunity for the Company to improve market competitiveness. We have estimated that, despite gradually increasing installed capacity in the Philippines, net reliable capacity is insufficient to meet peak demand. We have the potential to contribute more reliable energy sources with our investments in renewable energy sources such as hydro and solar, as well as LNG power plants and HELE technology.

#### Risks

- The United Nations called for a coal phaseout for Organization for Economic Cooperation and Development (OECD) nations by 2030 and the world by 2040. They also noted that no new coal plants should be built. As a result of this call to action, new regulations will likely emerge. At the same time, fuel sources are also being depleted.
- The country has national plans to reduce GHG emissions by 75%, achievable through renewable energy use and fossil fuel divestment. The Department of Energy's (DOE) Clean Energy Scenario from the Philippine Energy Plan (PEP) 2020–2040 aimed for a 35% renewable energy mix by 2030 and a 50% renewable energy mix by 2040.

#### Opportunities

- The Company may consider innovative solutions for renewable energy sources such as hybrid renewable energy and BESS, which will diversify our portfolio and increase market competitiveness.
- The Company's long-term strategy to transition to renewables can gain interest from investors and customers.

#### Our Response and Strategies

To further manage risks, we have several internal mechanisms in place for a steady transition, such as our Business Continuity Plan, Resiliency Compliance Plan, and Emergency Preparedness and Response Plan. We are also diversifying our portfolio through BESS, exploration of LNG, and further R&D initiatives for emerging technologies that support the net zero objective.

### 3 Brand Reputation

Capitals Involved	
Stakeholder Groups	
Risk Type	
Time Horizon	Short to Medium

Misinformation, data security breaches, and a growing public concern for the environment are some of the risks that affect our brand reputation. This is a risk that affects internal stakeholders, such as our employees.

The productivity of employees who encounter misinformation or data breaches has a moderate likelihood of being negatively affected, while potential applicants who encounter the same may opt out of applying for openings.

While some communication channels can be misused by external parties to inflict harm on our brand, San Miguel Global Power continues to use its own channels

as an opportunity to inform stakeholders about our efforts. Our ongoing finalization of our ESG Roadmap and the publication of our sustainability reports highlight both our strategies and actions in line with our vision, purpose, values, sustainable agenda, and code of ethics. Together, these policies and initiatives aid in clarifying any misinformation about the Company and help reinforce our long-term commitment to sustainability, people empowerment, economic development, and environmental management.

#### Risks

- The confidence of our investors, suppliers, and customers may be affected in the event of a data privacy breach.
- The Company could develop a negative reputation as an employer in cases of unaddressed issues and high attrition.

#### Opportunities

- Our ESG roadmap and first ISR will highlight and strengthen the Company's carbon neutrality and eventual net zero objectives, potentially attracting more investors and boosting corporate reputation further.
- Increased interest among investors and customers for renewable energy can further boost the Company's long term diversification plan and expansion of renewable energy use in the country
- San Miguel Global Power's comprehensive and relevant CSR programs and sustainability goals further promote an internal culture that is anchored on "Malasakit sa kapwa" and "Malasakit sa kapaligiran," among others.

#### Our Response and Strategies

We manage reputational risks by actively engaging our key stakeholders and maintaining open lines of communication. This comes in various forms, such as regular Multi-partite Monitoring Activities, Information and Education Campaigns and establishing a Community Grievance Mechanism through our Community Relations Offices across sites. The Company maintains several publicly available disclosures on our environmental performance, including website articles and sustainability reports, to assure our stakeholders of the action behind our commitments. These initiatives are implemented as part of our compliance and response to stakeholder consultation feedback. To address the data privacy risk, we also have the Conduct of Privacy Impact Assessment (PIA) and the Conduct of Data Privacy Awareness Training, which are mandatory for all employees to ensure each other's privacy. Our Data Privacy Management Program actively prevents data privacy breaches and prepares the Company for such cases, allowing us to maintain stakeholder confidence. Suppliers and contractors are also required to sign non-disclosure agreements to protect the data privacy of both parties.



OUR BUSINESS MODEL

4 Environment, Health, and Safety

Capitals Involved	
Stakeholder Groups	
Risk Type	
Time Horizon	Short to Medium

As we continue to diversify and expand our portfolio, we expect an influx of manpower and operational and construction activities in our facilities. Given the nature of power generation, workplace hazards and occupational health and safety remain as high priorities, as they can potentially affect the wellbeing of our personnel and the efficiency of plant operations.

Machinery wear and tear also occurs over time, thus the importance of regular maintenance checks and activities.

For existing traditional power sources, the need to closely monitor GHG emissions is imperative for avoiding

negative impacts on the environment. As we grow our business footprint, we remain compliant with all relevant environmental regulations and mindful of our obligations as a responsible corporate citizen.

Power is integral to ensuring the country's economic growth. As we remain focused on environmental responsibility, we also recognize opportunities to further reinforce climate-resilient initiatives, ensure the continued safe operations of our facilities, and provide the reliable power that Filipinos need.

Risks

- Contracting and transmitting COVID-19 remain a risk for personnel. Natural disasters can potentially damage structures and equipment, especially older infrastructure.
- There is a potential risk of unmitigated high GHG emissions from facilities using traditional energy sources.
- Hazardous waste is generated and handled at plants. Aside from environmental risks, this can potentially affect communities and workers' health negatively if not handled according to standard protocols.
- Plant expansion activities include groundwork that can potentially cause soil erosion and lead to runoff of unfiltered debris that may contaminate bodies of water. Thus, it is important to be compliant with all requirements and standards.
- Corporations that generate high GHG emissions could be held legally accountable for climate change impacts, considering the National Inquiry on Climate Change launched by the Commission on Human Rights (CHR) in 2015. This led to probes into the possible human rights violations that may have been committed by fossil fuel and cement companies.

Opportunities

- The Company's decarbonization strategy, investment in RE, and efforts to mitigate environmental impacts can attract more investors and further boost its reputation.
- The Company, through SMGP Foundation, has made significant positive impact through its comprehensive upland and mangrove forest protection, rehabilitation, and tree growing program called Project 747. As of year-end 2022, we had planted almost 7 million trees nationwide. The program also has a livelihood component that provides additional support to local host communities.
- There are opportunities to install climate-resilient infrastructure and further improve disaster preparedness and response.

Our Response and Strategies

San Miguel Global Power keeps plant personnel safe through established occupational health and safety measures. We monitor our waste generation, water consumption, and emissions to ensure that we are compliant with environmental regulations and strive to enhance our power plants' capacity to withstand environmental hazards. The Company also ensures compliance with Health, Safety, and Environment (HSE) regulations, including obtaining necessary permits for business undertakings. All San Miguel Global Power plants have been granted ISO certifications, ensuring that the Company follows international standards on health and safety management. For managing the environment, we have programs that go beyond compliance, such as Project 747 and Water for All.

5 Regulations

Capitals Involved	
Stakeholder Groups	
Risk Type	
Time Horizon	Short to Medium

Operating in a semi-regulated industry, energy production and distribution companies face regulatory risks that are highly likely to occur and may greatly impact businesses, including San Miguel Global Power. Key among these risks are those involving the phaseout of fossil fuels, which are currently being utilized by the business to support energy security and resolve energy intermittence.

Additional related risks include difficulties in immediately complying with emerging and more rigid environmental and

labor regulations. Generally, regulations and policies within the industry remain volatile. These difficulties may impact the reputation of the Company, affecting the confidence of stakeholders such as our regulators and workers.

Properly preparing for these regulations and ensuring compliance, once implemented, can become opportunities for the Company to go above and beyond merely following regulations and further improve our relationship with our stakeholders.

Risks

- In a semi-regulated industry, the risk of non-compliance can significantly delay or compromise operations. Environmental, health, and safety regulations are particularly significant, especially in environmentally sensitive locations like protected areas (PAs).
- Urgent global calls to action regarding decarbonization can result in new or revised regulations that will push for more renewable energy sources. Long-term national government strategies, such as net zero and decarbonization targets, are gradually being put in place to ensure a just transition to clean energy.

Opportunities

- The time horizon for the national transition to alternative energy sources gives San Miguel Global Power the opportunity to execute ESG Roadmap targets that are in line with the country's strategies.
- Engaging with our network of industry experts can prepare the Company for legislation in development and help us learn best practices through knowledge exchange.

Our Response and Strategies

To manage regulatory risks, the Company prepares compliance plans and continuously monitors and reports on its environmental impacts. Additionally, we are preparing to become carbon neutral and net zero through the finalization of our ESG Roadmap. Our leadership structures are also in place to provide oversight over Company activities. San Miguel Global Power also ensures full compliance with laws and regulations relevant to our business while monitoring the surfacing of new legislation.

OUR BUSINESS MODEL

6 Workforce

Capitals Involved	 
Stakeholder Groups	 
Risk Type	
Time Horizon	Short to Medium

One of the factors that plays a crucial role in the Company's delivery of quality service is the competency of its workforce. As such, risks of attrition and underperformance can highly impact the efficiency of operations at San Miguel Global Power. These risks can stem from changes in the workplace, the preferences of applicants, or a mismatch in skills and responsibilities. In particular, the likelihood of attrition due to employees going into retirement remains high.

Understanding our role in the development and training of our employees, there is an opportunity to improve the

productivity of our workforce by ensuring that relevant skills training and career development plans are in place. Talent retention and attraction can be achieved through our initiatives to improve employer branding and the overall experience of our employees. We will continuously communicate our activities as a Company that resonate with the values of potential employees, such as our focus on improving employee safety and wellbeing, addressing labor concerns, supporting talent development, and encouraging social engagement through CSR volunteerism.

Risks

- The changing work arrangements and preferences of talents, such as working remotely or at home, are external risks that may cause attrition.
- Skills mismatch and lack of technical knowledge may affect the operational efficiency of a business.
- The ever changing trends of the industry, including the changes to sustainability reporting guidelines, can cause an adjustment period for the employees. Employees face environmental, health, and safety risks, especially among skilled workers.

Opportunities

- Setting an achievable schedule and targets gives the Company sufficient time to accomplish all tasks and objectives.
- Properly utilizing communication channels can promote our employer brand and attract new applicants.
- Attracting a younger, competent workforce can bring new perspectives to the Company.

Our Response and Strategies

San Miguel Global Power seeks to mitigate the risks of attrition by continuously improving our employer branding and attracting new talent to the Company. To address risks related to current talent, our human resources retention strategies are focused on addressing labor concerns, revisiting compensation and benefits to remain competitive, and honing in on training and knowledge transfer programs catered to the industry. San Miguel Global Power provides various opportunities for employees to learn and develop both soft skills (self-improvement) and hard skills (technical knowledge).

7 Data Management, Privacy, and Security

Capitals Involved	 
Stakeholder Groups	   
Risk Type	
Time Horizon	Short to Medium

As organizations gradually digitalize their internal procedures, the risk of data breaches and cyberattacks leading to data leakage or loss becomes increasingly likely. Quickly-evolving cyber threats require close monitoring on behalf of the Company to avoid the transfer of data to unauthorized parties. Furthermore, San Miguel Global Power can also experience data loss due to a lack of recordkeeping and centralized data systems.

The availability of cloud storage programs, robust on-premise platforms, and online management systems serves as an opportunity for the Company to streamline communication and efficiency. This has a high likelihood of contributing to improved sustainability monitoring and reporting processes.

Risks

- The lack of a centralized database for disclosures poses a potential risk for data turnover in recordkeeping.
- The need for cybersecurity has become more prominent with the widespread adoption of technology and digitalization in the industry. Data breaches and cybersecurity threats may be unpredictable and may lead to loss of confidence among stakeholders.
- Data loss may affect the operational activities of a business and lead to inefficiencies.

Opportunities

- Digitalization, cloud storage, and other data management technologies can improve our operations by streamlining communication and boosting data efficiency.
- The San Miguel Global Power Data Privacy Council and all Compliance Officers on Privacy can share concerns, best practices on data privacy related matters.
- A solid data management system can show the Company's commitment to accountability, transparency, and sustainability.

Our Response and Strategies

To counter the risk of unauthorized data usage and leakage to other parties, we include confidentiality clauses and data privacy provisions in our contracts. We also implement data privacy and security initiatives within the workplace, such as training, privacy impact assessments, and management programs. These initiatives are consistent with the requirements of the National Privacy Commission pursuant to the Data Privacy Act of 2012.

OUR BUSINESS MODEL

8 Funding and Revenues

Capitals Involved	
Stakeholder Groups	
Risk Type	
Time Horizon	Long Term

Funding and revenues are central to maintaining our operations and our ongoing expansion into renewable energy. Given this, there is a risk of additional expenditure required to maintain market competitiveness in an industry that is turning toward renewable energy, which can impact our financial capital. Additionally, potential divestments from our existing fuel-based power plants may affect revenues.

However, the global call for decarbonization opens up an opportunity for San Miguel Global Power to further pursue renewable energy projects with financial support for green investments. Our existing renewable energy plants and BESS are ongoing projects that demonstrate our goal to transition our portfolio to net zero and are further promoted to potential investors through our disclosures, reports, and other communication channels.

- Risks**
- The trend of transitioning to renewable energy poses a financial risk to businesses, given the significant investments required to adopt clean energy technologies and comply with emerging regulations that may add to further costs.

- Opportunities**
- Given the more proactive approach of global and national economies to decarbonize, there is an opportunity for the Company to secure funding for our green energy projects by promoting our ESG initiatives and concrete plans to achieve net zero carbon.

**Our Response and Strategies**

Though there is an actual risk of expense when adopting renewable energy, San Miguel Global Power’s development of our ESG Roadmap will be carried out to ensure that our transition will be well-managed and gradual. These steps will account for our current and future resource allocation to maximize their value in the long term. We will continue to communicate our ESG Roadmap, which contains our strategies, resource allocation, and timeframe for a smooth transition to net zero, to tap into potential funding from like-minded investors.

9 Operations and Supply Chain Management

Capitals Involved	
Stakeholder Groups	
Risk Type	
Time Horizon	Short to Medium

Given the diversity of our portfolio, San Miguel Global Power’s operations are affected by a confluence of factors that may impact various segments of our supply chain. Supply chain operations encompass procurement, workforce management, such as occupational health and safety, and other far-reaching aspects of the business. Given this, businesses may be affected by factors that impact any segment of the supply chain. Government bodies, for example, are responsible for the timely awarding of permits for business activities, which determine when projects may start or continue.

Opportunities arising from our operations, however, can instead improve the way we conduct business. This includes obtaining new and relevant technology that can improve our data management. Updating our Enterprise Risk Management program also aids in anticipating and preparing for potential risks along our supply chain.

- Risks**
- Data management and workforce inefficiencies will likely have impacts on the rest of the supply chain.
  - External risks can arise from natural disasters that cause structural damage, equipment breakdown, and deterioration of other key infrastructure. Outbreaks, as the COVID-19 pandemic, can hamper operations due to the unavailability of employees, suppliers, and contractors.
  - Disagreements with regulatory bodies, contractors, and affected communities can also hamper the supply chain, such that permits and contracts are either late or not awarded.

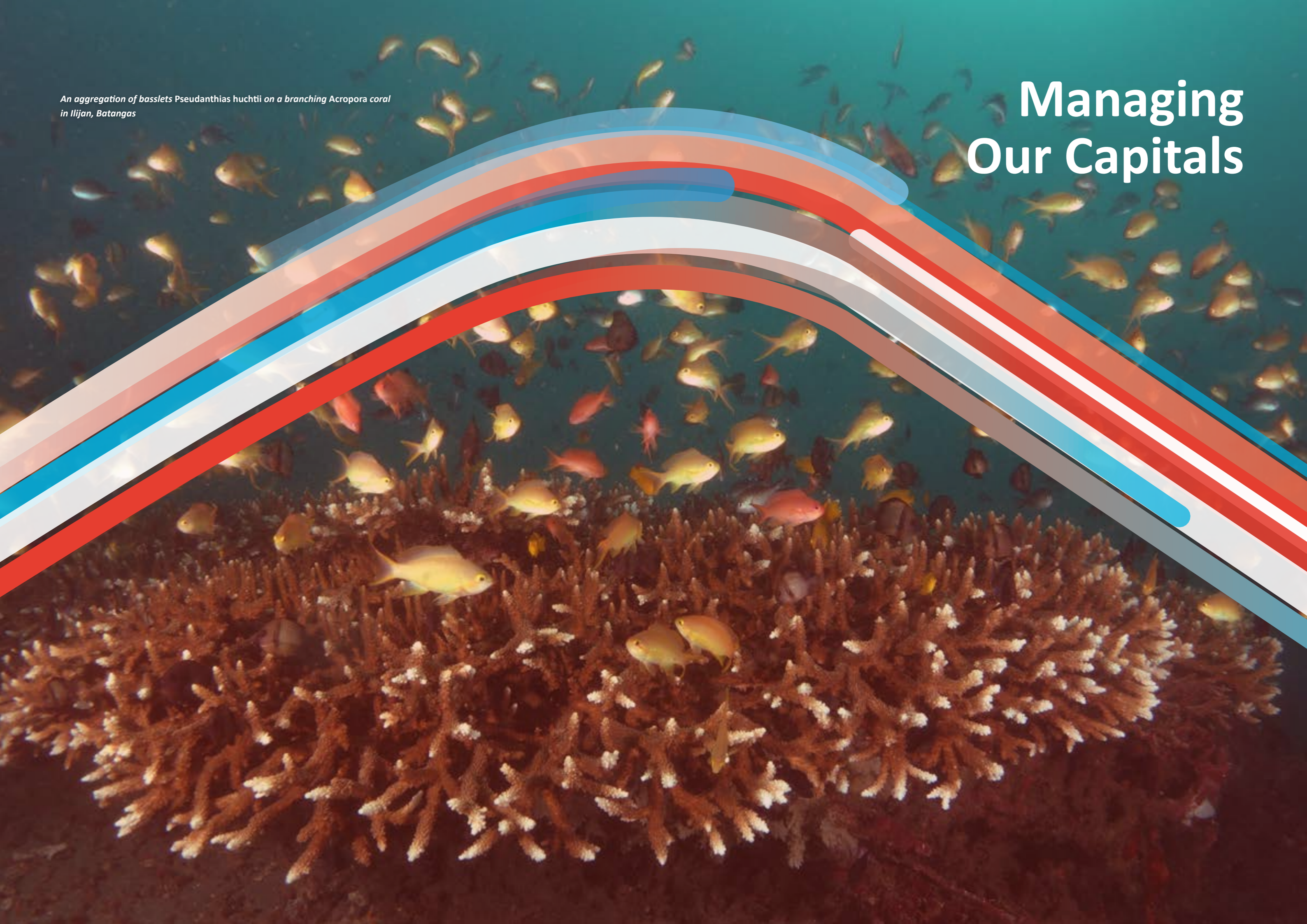
- Opportunities**
- San Miguel Global Power can utilize or upgrade technology that will improve data management.
  - The Company's risk assessment frameworks allow it to improve disaster preparedness and response. Additionally, San Miguel Global Power can install and update climate-resilient infrastructure.
  - The mandatory documents for each respective project can be determined beforehand to prevent delays caused by the submission of incomplete documents.

**Our Response and Strategies**

To manage inefficiency and operational risks, we carefully manage our resources through material cost benchmarking and standardizing our bidding process. We also utilize a Detailed Unit Price Analysis (DUPA) and avoid higher markups from trading companies by only purchasing from exclusive and authorized suppliers. Moving forward, we are currently updating our Enterprise Risk Management program.

*An aggregation of basslets Pseudanthias huchtii on a branching Acropora coral in Ilijan, Batangas*

# Managing Our Capitals



## FINANCIAL CAPITAL



# Financial Capital

*Our financial capital allows the business to stay on track with our corporate strategy, thus ensuring continuity of service for our stakeholders and financial returns for our stockholders.*



## FEATURE STORY

# Transition bonds awarded twice over for sustainable financing

San Miguel Global Power's Php 40 billion Fixed Rate Bonds were recognized by regional award-giving bodies in 2022 as the Company continues to fund our advance toward a net zero future. The bond is the first of its kind and is the largest non-bank corporate bond transition in the Philippines.

## FINANCIAL CAPITAL

The bond is the first of its kind and is the largest non-bank corporate bond transition in the Philippines.

Institutional investment magazine Alpha Southeast Asia awarded San Miguel Global Power as the Best Local Currency Bond Deal of the Year 2022 during the 16th ESG Green Finance Awards for the aforementioned transition bond. The Company was also presented with the Best Transition Bond by the acclaimed Asset Publishing and Research Ltd.'s Asset Triple A Country Awards 2022 for Sustainable Finance.

Proceeds from the transition bonds will be used to partially finance our net zero transition, including our LNG and solar power plant projects and BESS expansion. Fueled by action and initiative, San Miguel Global Power's financial strategy ties in with our intention to expand our business to better provide power across the country.



**Php 40 Billion**

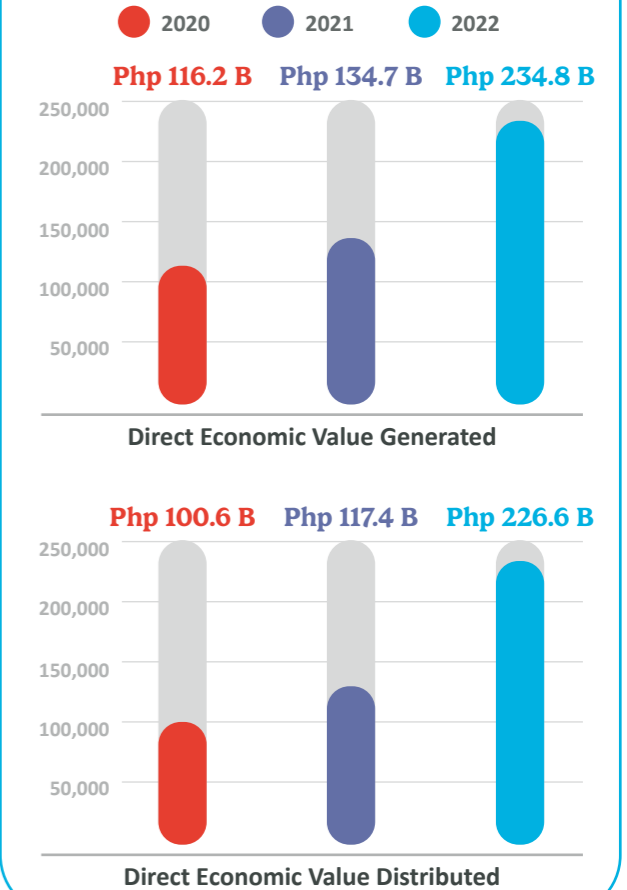
Fixed Rate Bonds were recognized by regional award-giving bodies in 2022

Sustainable financing is central to our financial capital management. It is the guiding principle for where and how we invest and prioritizes a stable transition to net zero, which will require significant capital allocation. At the same time, we fund the maintenance of our current portfolio to ensure that our plants maximize their power generation capacity during their lifespan while investing in technologies that further minimize any environmental footprint.

San Miguel Global Power's financial resources are managed under several fiscal measures that factor in cost optimization, the timely payment of our debt obligations, and market competitiveness.



## Our Financial Capital Outcomes:



## FINANCIAL HIGHLIGHTS

	Years Ended December 31		
	2020	2021	2022
<i>(In Millions)</i>			
Revenues	Php 115,029	Php 133,710	Php 221,389
Cost of power sold	(69,314)	(92,161)	(198,371)
Selling and administrative expenses	(6,210)	(4,915)	(5,740)
Other operating income	87	207	11,608
Operating Income	39,592	36,841	28,886
Interest expense and other financing charges - net	(18,583)	(18,269)	(18,288)
Interest income	1,007	617	1,211
Equity in net losses of an associate and joint ventures	(473)	(117)	(400)
Other income (charges)	5,254	(1,194)	(7,240)
Income before income tax	26,797	17,878	4,169
Income tax expense	(7,923)	(1,900)	(1,035)
Net income	18,874	15,978	3,134

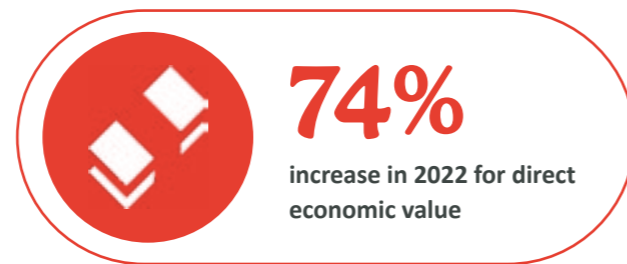
FINANCIAL CAPITAL

POWERING THE ECONOMY

GRI 201

Our economic performance is composed of the financial contributions we make, such as our investments in our communities, and the value we generate for the national and local economies.

San Miguel Global Power, as a major energy business, invests in power generation infrastructure that boosts economic development, supports industries, and lights up Filipino homes.



In 2021, the Company generated Php 134,680 million of economic value, with the resulting revenue owing to the full-year operation of the Masinloc Power Plant's Unit 3 starting in September 2020, higher spot prices, and the softened impact of fuel price surges due to contract stipulations.

Expectedly, in 2022, we were able to generate a direct economic value of Php 234,787 million, up 74% from the previous year as the COVID-19 situation eased and economic activity continued to pick up. Revenues in 2022 were mainly due to a higher average realization price, improved nominations from customers as pandemic-related restrictions were lifted, and the commercial operations of the 20 MW Kabankalan BESS that started in January 2022.

GRI 201

Direct Economic Value Distributed (in Php millions)

	2021	2022
Operating Cost	74,948	182,045
Employee Wages and Benefits	1,741	2,127
Payments to providers of capital	30,531	31,651
Payments to government	30,531	
Community Investments, Donations, and Contributions	286	155

Operating costs in 2021 met at Php 79,294 million, a 32% increase due to higher spot market purchases amid the lack of peak capacity and lower net generation from the Sual and Ilijan Power Plants. The Ilijan Power Plant, in particular, was faced with extended outages because of restrictions in gas supply. Higher fuel, coal, and natural gas prices during the year also contributed to the higher operating costs. This trend of rising fuel prices continued into 2022.

Despite the tapering effects of the pandemic, San Miguel Global Power carried on supporting our employees, with an increase in expenses toward salaries, wages, and benefits in 2021. Similarly, there were more personnel-related expenses in 2022, which was the year the Company established our Multi-Employer Retirement Plan.

While our financial resources are primarily allocated toward operational and business activities, the Company is steadfast in including contributions to our local communities as part of our mission to empower our countrymen.



The Company invested Php 162 million in the local community as infections from the COVID-19 pandemic began to lessen in 2021. These investments power the corporate social responsibility programs of the SMGP Foundation and the initiatives of our power plants.



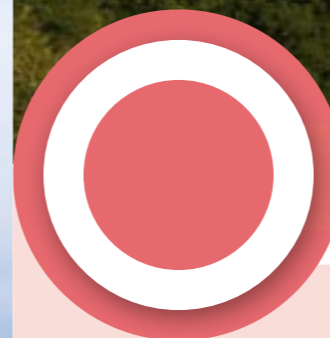
The Masinloc Power Plant allocated Php 750,000 yearly from 2021 to 2022 to enhance its community health clinics by donating medical equipment, tools, and medicine. It also funded several other health projects within Brgy. Bani, Masinloc, such as pro-bono medical and dental missions and medical equipment installations. Similarly, the Limay Power Plant has an annual free pap smear screening program that it carries out for Limay communities.

From 2021 to 2022, the Malita and Ilijan Power Plants focused on improving their local buildings and infrastructure by funding the repairs and construction of parts of nearby schools and facilities.



# Manufactured Capital

*We build power generation infrastructure that supports the needs of the growing Philippine economy and gives Filipinos energy they can rely on.*



## FEATURE STORY

# Responding to the call for reliable energy

*Energy demands in the country have begun to outpace power supply from the grid, leading to the urgent need for reliable energy. In response, the Company's expansion projects will contribute to the nation's power requirements.*

San Miguel Global Power remains set on our expansion strategy to accommodate the country's growing need for reliable energy. Our strategy has become increasingly relevant as energy demands in 2021 onward steadily creep up, exceeding pre-pandemic demand levels based on market data from 2022.

The Company's expansion project, which involves our Mariveles and Masinloc Coal-Fired Power Plants and Batangas Gas-Fired Power Plant, aligns with our strategy to supplement renewable energy with non-renewable sources capable of reliable and affordable power generation. The addition of the LNG plant to our current portfolio is also essential for our transition to net zero, given its lessened emission intensity.

With current energy needs not being met, the availability, affordability, and reliability of power generated by coal-fired power plants are essential for the growing economy. When these needs are fulfilled, it can lead to a positive chain reaction, with businesses being able to grow and more jobs becoming available.

ER 1-94 benefits host communities of power plants by allocating Php 0.01 per kWh of electricity generated by the plant. The allocated funds can then be disbursed for electrification, development, livelihood, and environmental enhancement for the benefit of the host community. This is in addition to the existing CSR projects that the Company already carries out through the SMGP Foundation.



MANUFACTURED CAPITAL

OUR EXPANSION PROJECTS

Mariveles Circulating Fluidized Bed Coal Power Plant

<b>Total Capacity</b>	600 MW
<b>Location</b>	Mariveles, Bataan
<b>EPC Partner</b>	Formosa Heavy Industries Corp.
<b>Expected Completion</b>	2023 (Unit 1 and Unit 2), 2024 (Unit 3 and Unit 4)

- High combustion efficiency
- Low combustion temperature
- Low SOx and NOx emissions
- Wide fuel adaptability

Masinloc Supercritical Pulverized Coal Power Plant

<b>Total Capacity</b>	700 MW
<b>Location</b>	Masinloc, Zambales
<b>EPC Partner</b>	Formosa Heavy Industries Corp.
<b>Expected Completion</b>	2025 (Unit 4 and Unit 5)

- High combustion efficiency
- Less coal used
- Less GHG emissions than subcritical coal power plants

Batangas Combined Cycle Gas Power Plant

<b>Total Capacity</b>	1,320 MW
<b>Location</b>	Ilijan, Batangas
<b>EPC Partner</b>	Black & Veatch Corporation
<b>Expected Completion</b>	2024 (Unit 1, Unit 2, and Unit 3)

- Higher combustion efficiency than conventional power plants
- Reuses hot exhaust gas to generate electricity
- Less water consumption and 50% less GHG emissions than conventional power plants



Circulating Fluidized Bed (CFB) technology also provides similar benefits to our coal-fired power plants, but this time by operating at lower temperatures. A CFB power plant, such as the Company’s Limay, Malita, and Mariveles Power Plants, leverages versatility in the types of fuel that it can use. This optimizes power generation and minimizes environmental impact.

Apart from generating power, San Miguel Global Power also makes investments in technology for storing it. BESS allows us to store excess electricity during periods of low demand and release it during peak demand to contribute to grid stability and support the integration of renewable energy.

By embracing cutting-edge technology, we actively contribute to the modernization of the power sector and the advancement of a reliable and sustainable energy supply.

Our manufactured capital takes the form of power plants, energy infrastructure, and public utilities that are essential to the service we provide. The entirety of our portfolio, which includes various power generation assets contributing to the reliable production of electricity, has a total installed capacity of 4,719 MW.

From 2021 to 2022, we continued the course of our strategy to expand our portfolio to accommodate renewable energy sources and diversify our energy mix. This entailed welcoming power plants such as the natural gas-fired Ilijan Power Plant and, at the same time, maintaining steady generation and reduced emissions in existing coal-fired plants.

The Ilijan Power Plant is the Company’s venture into LNG-powered plants as we tap into renewable sources of energy. It boasts an installed capacity of 1,200 MW while producing far less emissions than traditional coal-fired plants. Our other renewable energy plants are the hydroelectric San Roque and Angat Power Plants, which utilize flowing water to generate clean energy.

By using supercritical technology for the 335 MW Masinloc Power Plant’s Unit 3, we further reduce our GHG emissions and coal consumption. Supercritical technology uses less fuel and keeps our plant on track with resource efficiency by running boilers at higher steam pressure and temperature.

Our Manufactured Capital Outcomes

2021

Power security for the country

20% of Philippine grid’s energy supplied

Frequency regulation of BESS

2022

Power security for the country

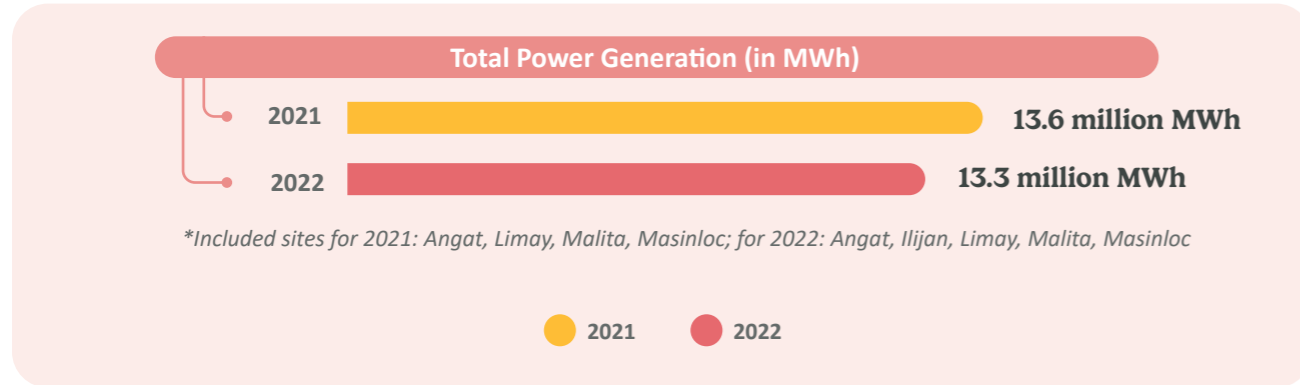
19% of Philippine grid’s energy supplied

Frequency regulation of BESS

MANUFACTURED CAPITAL

# OPERATIONAL PERFORMANCE

San Miguel Global Power’s total power generation in 2021 amounted to an impressive 13,662, 457.35 MWh of electricity. Simultaneous to our power generation performance was our careful management of waste from our operations, where we disposed of 364.85 metric tons of waste and recycled 215,275.42 metric tons of ash. We continued to progress into the succeeding year, with 13,301,892.47 MWh of electricity produced in 2022, along with 339.95 metric tons of waste disposed of and 291,683.65 metric tons of ash recycled.



# ENHANCING ENERGY EFFICIENCY

GRI 302

We leverage energy efficiency to successfully carry out our business with minimal environmental impacts. Across our plants, we utilize both up-to-date technology and best practices to run our machinery in an optimized manner while consuming less energy.

One key innovation being put to work is the supercritical boiler technology at the Masinloc Power Plant. The Masinloc Power Plant’s Unit 3 supercritical boiler consumes less coal and fuel than subcritical boilers, which is made possible by its unique ability to operate at a higher pressure and temperature. This leads to a more efficient process that skips the steam production that subcritical boilers require.

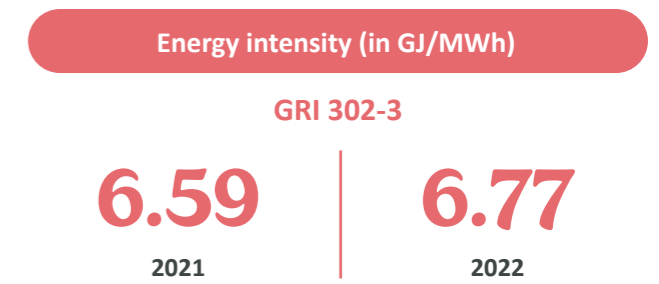
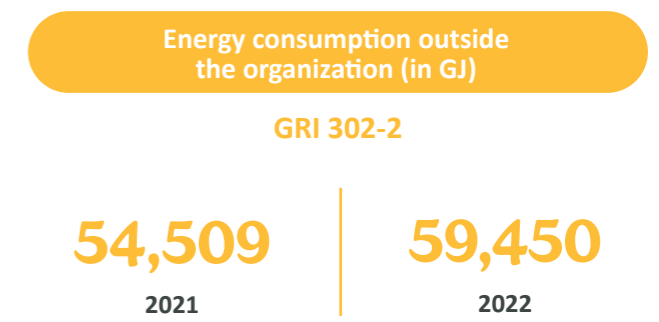
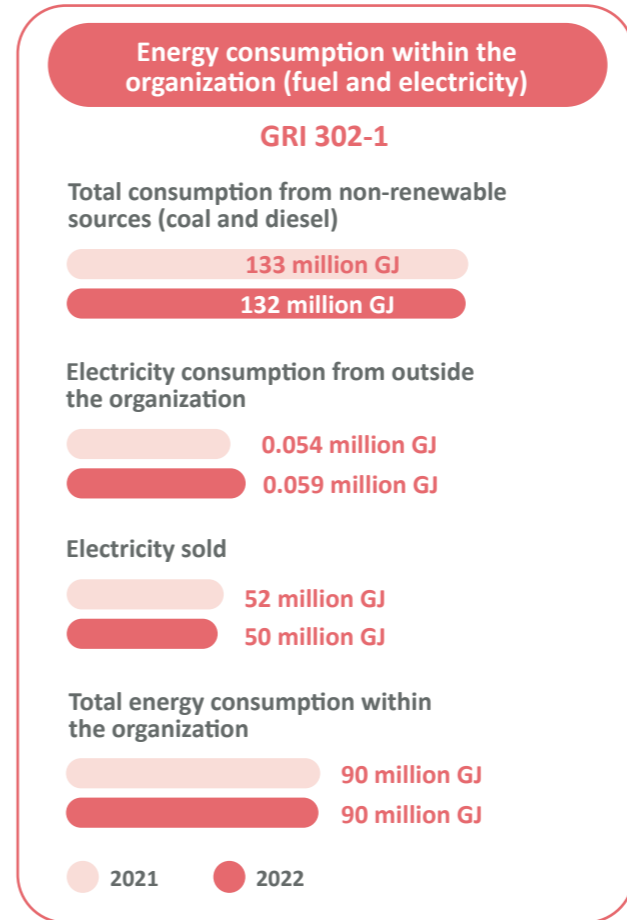
The Company aims to operate with global environmental standards and best practices in mind. The Malita Power Plant adheres to several international management standards in its plant operations as part of its operational and environmental management. These include ISO 9001 (Quality Management System), ISO 14001

(Environmental Management System), ISO 50001 (Energy Management System), ISO 55001 (Asset Management System), and ISO 22302:2019.

The Angat Hydroelectric Power Plant, on the other hand, is currently undergoing a rehabilitation program. There are plans to initiate a comprehensive energy program once the rehabilitation is completed.

General practices that the Company undertakes to ensure compliance with regulatory requirements include the use of measuring devices to monitor our fuel consumption and the future implementation of plant-wide energy audits.

San Miguel Global Power will continue to pursue energy efficiency in other ways, seeking strategies to improve insulation, maximize equipment performance, and minimize energy loss during generation, transmission, and distribution.



INTELLECTUAL CAPITAL



# Intellectual Capital

*We innovate beyond our physical assets by leveraging systems that boost efficiency and provide structure to our organizational knowledge.*



FEATURE STORY

## Reenergizing the San Miguel Global Power identity

*Our corporate identity has evolved significantly with its vibrant colors and dynamic shape, but our mission to empower Filipinos stays the same.*

San Miguel Global Power has made significant strides on the operational and sustainability fronts in the past few years, from the diversification of our power generation portfolio to the development of our ESG Roadmap. It is a journey of continuous progress and transformation for the Company.

In late 2022, we shared our Company's story. We unveiled the new corporate identity to our employees and the rest of the San Miguel Corporation group, conveying our ability to adapt to changing times and our commitment to the constant pursuit of excellence.

INTELLECTUAL CAPITAL

## THE MEANING IN THE NAME

Once “SMC Global Power,” the Company has now reiterated our brand name to “San Miguel Global Power” to emphasize our connection with our parent company, San Miguel Corporation. We continue to share the mission of San Miguel Corporation to empower our stakeholders and contribute to national development. Together, the San Miguel Corporation Group will rise to the challenge of nation-building, all for the benefit of our fellow Filipinos.



## THE STORY BEHIND THE SYMBOL



*Aspiring to create a better, more sustainable tomorrow while being responsive to the needs of today*

Our new logo is as lively and dynamic as the San Miguel Global Power of today, a blend of bright colors reflective of our holistic strategy that synthesizes business and sustainability. The familiar shape of the San Miguel escudo remains, echoing our historical roots as a Company.

We recognize the value that the San Miguel Global Power brand brings. As the identity of the Company, we manage our brand capital by unifying all our brand assets and communication to promote a positive reputation with our stakeholders.

San Miguel Global Power understands the value of our intangible assets and how they affect the way our business is conducted, as well as how they boost employee productivity.

Our digital infrastructure is a critical component of our intellectual capital. This includes the network of online systems and applications we use for our operations and business dealings.

*We constantly search for more efficient platforms to better suit our workplace tasks and support them accordingly with a solid data security system.*

Responsible use of our digital platforms to protect data security is also practiced and promoted throughout the Company.

Our Intellectual Capital Outcomes

2021-2022



No data privacy breach



Harmonized brand for all San Miguel Global Power subsidiaries

## EMBRACING EFFICIENCY AND STREAMLINED OPERATIONS

We welcome innovation and believe in the power of digitalization to help us shape a more efficient and customer-centric future. The Company implements several digital initiatives that cover once-manual and in-person processes.

From using QR codes to convey information without using resources like paper to implementing a Company-wide data management system, San Miguel Global Power continues to capture opportunities for innovation. By doing so, we streamline our processes and enhance the user experience of both our employees and customers.

Adopting management systems that simplify workflows and create easily-accessible databases is essential to the digitalization journey. We use digital management tools such as SAP to integrate critical business functions across our supply chain, from procurement and production to marketing and human resource management, all under one system.



The Company also uses other programs to complement SAP for more modular functions such as billing and payment management, automated data analysis and computation, and cloud-based data storage.

Our Real-Time Dispatch Trading Application is a vital tool in our digital arsenal. The web-based application collects market data from the WESM in real time and equips us with crucial insights. We further optimize our market participation and compliance by uploading our bid offers through the IEMOP New Market Management System’s (NMMS) web service.

## INTELLECTUAL CAPITAL



In pursuit of accessibility, we also made a digital pivot to human resource management. The SMC Global Cash Advance and Reimbursement System (GCARS), Employee Self Service (ESS), and Manager Self Service programs keep employment-related information within reach. Employees can update their information, download and send forms, and make requests through these internal programs. By eliminating manual processes and standardizing request forms, we have reduced processing time and enhanced transparency.

The Company aims to make business transactions easier for our customers as well. We designed the user-friendly Online Bills Payment Portal (OBPP) to empower our valued customers and provide them with a convenient and secure platform to facilitate a seamless billing experience.

San Miguel Global Power's digitalization initiatives have redefined how we operate, communicate, and serve our customers. Embracing cutting-edge technology has improved our internal processes and enhanced the overall experience of our digital usership.

**As we continue to innovate and evolve, we are committed to shaping a future where digitalization is vital to propelling us forward as an industry leader.**

## SECURING OUR DIGITAL SYSTEMS

## GRI 418

As we shift company functions to computer platforms in line with innovation, we take equal care to secure our digital workspace. San Miguel Global Power recognizes the importance and sensitivity of the personal data of the stakeholders we engage, such as our employees and customers.

Our data security practices protect us from cyberthreats and safeguard our customers' sensitive data. By responsibly handling data, we maintain the trust of stakeholders who enter into business dealings with us, including applicable rules and regulations.

To ensure that we fully comply with RA 10173 (Data Privacy Act) of the National Privacy Commission (NPC), San Miguel Global Power has a designated Data Privacy Office and Regulatory Compliance Department. The Company also has a Data Privacy Council, which serves as a dynamic venue for our Compliance Officers on Privacy to share their concerns and best practices on data privacy-related matters.

Some of our security practices include conducting a Privacy Impact Assessment (PIA). The assessment identifies risks and vulnerabilities to privacy breaches and is applied to all of the Company's data processing systems. Once we know of the potential risks, we

formulate solutions for avoiding, reducing, and eliminating them.

We further cascade the proper handling of personal data throughout the workplace by empowering our employees through mandatory data privacy awareness training.

**This training aims to educate everyone about the Data Privacy Act in order to build a culture of privacy where each individual in the Company recognizes his or her obligation to secure, protect, and respect one another's privacy.**

We are continuously looking for ways to secure and protect all the personal and sensitive data we collect from all stakeholders, making sure that their data is secured and accessed only by those who are authorized to process it.

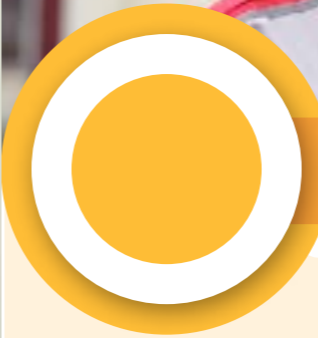


HUMAN CAPITAL



# Human Capital

*We move forward together. The San Miguel Global Power community embodies the values shared within the Company, with each and every individual bringing their skills and talents forward to serve.*



FEATURE STORY

## Women at Work

The World Economic Forum cites the energy sector as “one of the worst industries for women in leadership,” based on an international dataset from the International Energy Agency. Gender gaps, as shown in issues such as representation in leadership and pay equality, continue to persist in current-day businesses across the globe.

Cognizant of the challenges of the industry and committed to empowering stakeholders, including our workforce, San Miguel Global Power strives to create a workplace of support and safety where women can work on equal footing with men. We support everyone, no matter where they are in their career journey.

The Company has several policies and programs in place to promote diversity and non-discrimination. Our twofold approach to gender equality is to amplify equal opportunities and value individuality while holding people accountable in instances of injustice.

We have non-discrimination policies applied to the provision of compensation and benefits, ensuring that our people are compensated not based on their

personal backgrounds but on their experience and qualifications. Cases of discrimination and harassment can be anonymously reported by individuals under our Whistle Blowing Policy. Our Board Diversity Policy, on the other hand, recognizes the value that women can bring as leaders.

Throughout our plant sites, women from different backgrounds have also taken up traditionally male-dominated technical roles as engineers, plant operators, and technicians. We have a diverse female workforce where mothers can be plant maintenance supervisors and fresh graduates are welcomed into cadetships to gain more experience.

While our plant operations and the energy industry as a whole still have a gender gap to address, women make up 54% of our workforce in San Miguel Global Power's corporate office. By making San Miguel Global Power a welcome workplace for individuals of varying backgrounds, we hope to encourage and inspire more women to pursue careers in the field of science, technology, engineering, and mathematics (STEM).

*“Kapag narinig mo ang word na ‘engineering,’ ang unang papasok sa isip mo [ay] panlalaki ang role,” says Ms. Morano, an instrumentation and control technician at San Miguel Global Power.*

*["When you hear the word ‘engineering,’ the first thing that comes to mind is that it's a role for men.”]*

HUMAN CAPITAL

HEAR IT FROM HER

Read the firsthand accounts of the women of San Miguel Global Power as they share their experiences, challenges, and hopes while working in the energy industry.

Balancing Motherhood and Mechanical Maintenance

What does your week look like?



On the weekdays, I stay in our company accommodation. On weekends, I travel a total of six hours so that I can spend my free time with my family in Bulacan. Even though I was used to this setup when I was single, becoming a mother [has made] it much harder for me [to be away from my family].

Since the Mariveles Power Plant is in the construction and commissioning stage, my team is working on the preparation of all the equipment maintenance programs to be implemented upon turnover. I guide my four Planning Engineers in our daily activities and make sure to check on them and listen to their suggestions on how to make our system better. There are also times [when] I have a chance to collaborate and have meetings with other departments, discuss some issues, and learn new things from them.

But that's not where my day ends. [After work,] I make sure to have time at night to videochat with my two children, express my love for them, and give them a virtual good-night kiss.



Anna Karen Capal, Mechanical Maintenance Planning Supervisor at the Mariveles Power Plant

Seizing Opportunities



Joie Olarte, Water Treatment Operator at the Limay Power Plant

How did you first become interested in working in a power plant and breaking into a male-dominated industry?



Since [San Miguel Global Power] has a cadetship program that gives fresh graduates a chance to work with them, I grabbed the opportunity. Since then, I've liked the thought of working in a powerplant. Being in a male-dominated industry was never an issue for me since, back in college, I used to be with male classmates, and everyone in our company is treated equally.

Achieving Together

Can you describe the support or mentorship you received from other colleagues in the power plant?



The thing that I love [about] our plant is the support everyone gets from each other, whether male or female. [...] My seniors, superiors, and managers always encourage me to push [past] my limits. They'd entrust me [with] tasks, even if it's a very masculine job, because they know my capabilities and [that] I also want to [test myself.] I am also empowered to see my female colleagues succeed and get promotions, [encouraging] me that I can also achieve and do what they've achieved.



Bernadette Cati-an, Mechanical Maintenance Engineer at the Malita Power Plant

Equal Opportunities to Gain Experience

Can you share a memorable experience or achievement?



In the past few months, I have been working under the mentorship of Kuya Wendell, one of my fellow I&C Technicians. [When I started,] he was very clear when he said that he would not treat me like a child and that I have to do the same amount of labor because we're equal. He would let me do all the work by myself, but [he would] be around whenever I needed guidance. He would always say that the real test of my skills will come once he's no longer around to guide me, and so it was.

Kuya Wendell was on a three-week leave when Unit 2 had an emergency shutdown. Calibration of HP and LP turbine bypass valves falls under the expertise of Kuya Wendell. I had only assisted him [with the calibration] twice at that time. But we were short on manpower since only two groups were available.

When my supervisor asked if I could handle such a critical task, I knew right away that Kuya Wendell prepared me for this. All I must do is to trust my gut and recall every single detail that I have learned from my experience. I could not contain the happiness I felt when we got satisfactory results. It was a smooth startup. This might be a small win, but it would serve as a stepping stone for my future endeavors. Given the right guidance from the right people, it is truly magnificent how well women can achieve the same results. After all, excellence has no gender.



Christine Jaena Anamos, Instrumentation and Control Maintenance Technician at the Masinloc Power Plant



## Representing Women in STEM

Why did you choose this kind of profession?



There are many reasons why I chose civil engineering as my profession. One of the main reasons is my love for mathematics. Also, what captured my interest was its various specialties. It offers many opportunities, and I can learn many things. In a field that is usually dominated by men, women are greatly valued. We offer different perspectives and ideas, and we see issues that men tend to ignore.



**Karen Yamson, Principal Engineer for Dam Operations at the Angat Hydroelectric Power Plant**

## The Strength to Lead



**Rhoda Eje, Operations Shift Superintendent at the Ilijan Power Plant**

What are the challenges you've encountered at work as a woman?



Working in Operations requires physical strength. However, I was able to contribute to successful plant operations through my intellectual [capabilities] and ability to lead the group composed of all-male members. Being [a] female engineer will not limit oneself to [achieving] a key position in the power plant, such as being a shift superintendent.

### GRI 2-7, 401-1

San Miguel Global Power's workforce is the backbone of the Company—holding together our operations and putting our strategy and vision into action. Through adversity and in times of constant change, our people have kept the momentum of progress going throughout the business by deploying their skills, expertise, and effort to keep services running for our countrymen.

In return, the Company is committed to supporting our employees and giving them the tools and training they need to succeed in their careers.

Part of providing for our employees is also ensuring that they are safe at work. As such, we exercise strict occupational health and safety measures to keep workplace hazards at bay, whether these are at our plant sites or offices.

With a holistic human resource strategy, we manage our human capital to maximize productivity and maintain the well-being of each and every one of our employees.

### Our Human Capital Outcomes

2021

**20%** accession rate

**7%** turnover rate

2022

**26%** accession rate

**8%** turnover rate

### Employees By Employment Contract

**93%**  
full-time

**93%**  
full-time

**7%**  
fixed

**7%**  
fixed

2021

2022

*Full-time* (employees with an indeterminate employment contract period, e.g. project hires, consultants, probationary employees); *Fixed* (employees with an indefinite period, e.g. regular employees)

### Employees by Employment Type

**99%**  
permanent

**99%**  
permanent

**1%**  
temporary

**1%**  
temporary

2021

2022

*Permanent* employees based on the standard work hours per week, e.g. regular, probationary, full-time consultants, project hires; *Temporary* employees are those with less than the standard work hours per week, e.g. part-time consultants.

### Employee Hires

**17%**  
male

**22%**  
male

**3%**  
female

**4%**  
female

2021

2022

### Employee Turnover

**5%**  
male

**5%**  
male

**2%**  
female

**3%**  
female

2021

2022



HUMAN CAPITAL

## DEVELOPING AN EFFECTIVE WORKFORCE

GRI 2-7, 203-1, 401-2, 401-3

The employment journey starts with attracting individuals who share the values of the Company and can provide the right skills for the job at hand. San Miguel Global Power’s Human Resources department’s talent attraction strategy prioritizes promoting the Company’s key sustainability and corporate social responsibility initiatives, as well as benefits and compensation packages.

Salary and benefits are benchmarked against constantly evolving industry standards to ensure that we maintain a competitive edge as an employer. Furthermore, bonuses are provided to employees who have made significant contributions or displayed exemplary performance in their role.

### Our Primary Benefits for Employees

- 1 Group accident insurance coverage
- 2 Health Maintenance Organization (HMO) and subsidies for dependents
- 3 Vacation, sick, and parental leaves
- 4 Supplemental and medicine allowances
- 5 Burial assistance for employees and dependents
- 6 Multi-purpose loan
- 7 Provision of uniforms for plant-based employees

In 2022, Human Resources rolled out the Multi-Employer Retirement Plan (MERP) following guidelines prescribed by Corporate Human Resources for New Businesses. This includes 100% coverage by the company and can be availed of by employees within applicable conditions throughout San Miguel Global Power’s different subsidiaries. The benefit is offered to resigning employees who have worked for the Company for at least 10 years.

### Parental Leaves

Position	Male		Female	
	2021	2022	2021	2022
Employees took the Parental Leave	32	40	13	20
Employees returned after took PL	32	40	12	19
Employees returned after PL who are still employed 12 months after their return to work	31	39	12	19
Return to work rate	100%	100%	92%	95%
Retention rate	97%	98%	92%	95%

Parental leaves include maternity leave, paternity leave and solo-parent leaves.

## PROMOTING DIVERSITY AND EQUAL OPPORTUNITY

GRI 2-7, 405-1, 406-1

Maintaining a diverse workforce brings new paradigms to the workplace that can catalyze new, efficient, and effective ways of doing things.

Equal employment opportunities are provided to the people of San Miguel Global Power, where we aim to foster a workplace that upholds total respect regardless of differences and backgrounds.

We formalize our commitment to equal opportunity through our compliance with national laws such as RA No. 6725 (An Act Strengthening the Prohibition on

Discrimination against Women with Respect to Terms and Conditions of Employment) and our own company’s Board Diversity Policy and Organizational Diversity Policy. These policies promote diversity across the entire Company, giving all competent individuals the opportunity to work at San Miguel Global Power safely, from the staff to the executive level.

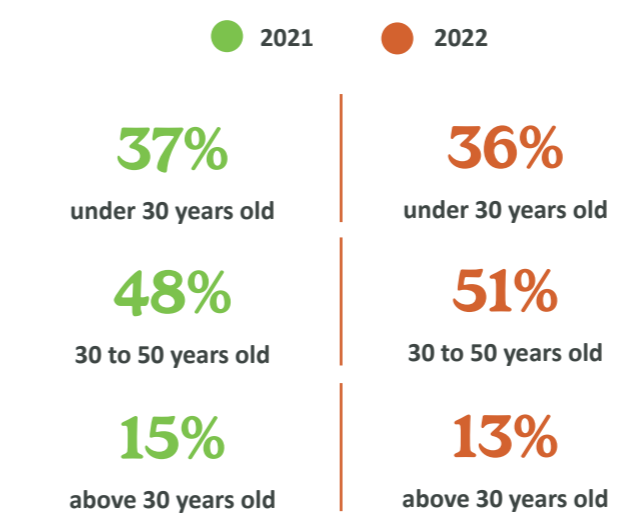
### Employee headcount



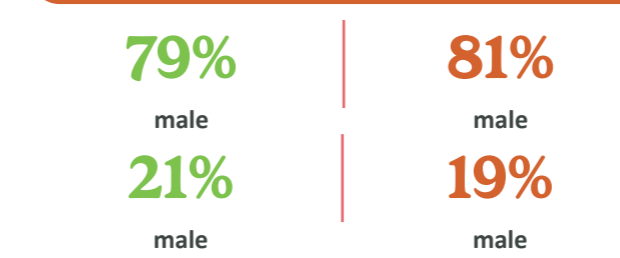
## OUR DIVERSITY SCORECARD

GRI 405-1

### By Age



### By Gender



### By Job Level



HUMAN CAPITAL

## NURTURING EMPLOYEE COMPETENCY

GRI 404-2

Part of becoming a well-performing business is having a capable workforce. To systematize the professional development of our employees and track their progress in an objective manner, San Miguel Global Power is guided by our Learning and Development (L&D) Policy.

In line with our L&D Policy, we have several employee development programs that are applicable to different stages of one's employment journey with the Company. Progression plans help employees constantly upskill, especially toward leadership roles, as they gain experience within their current role.

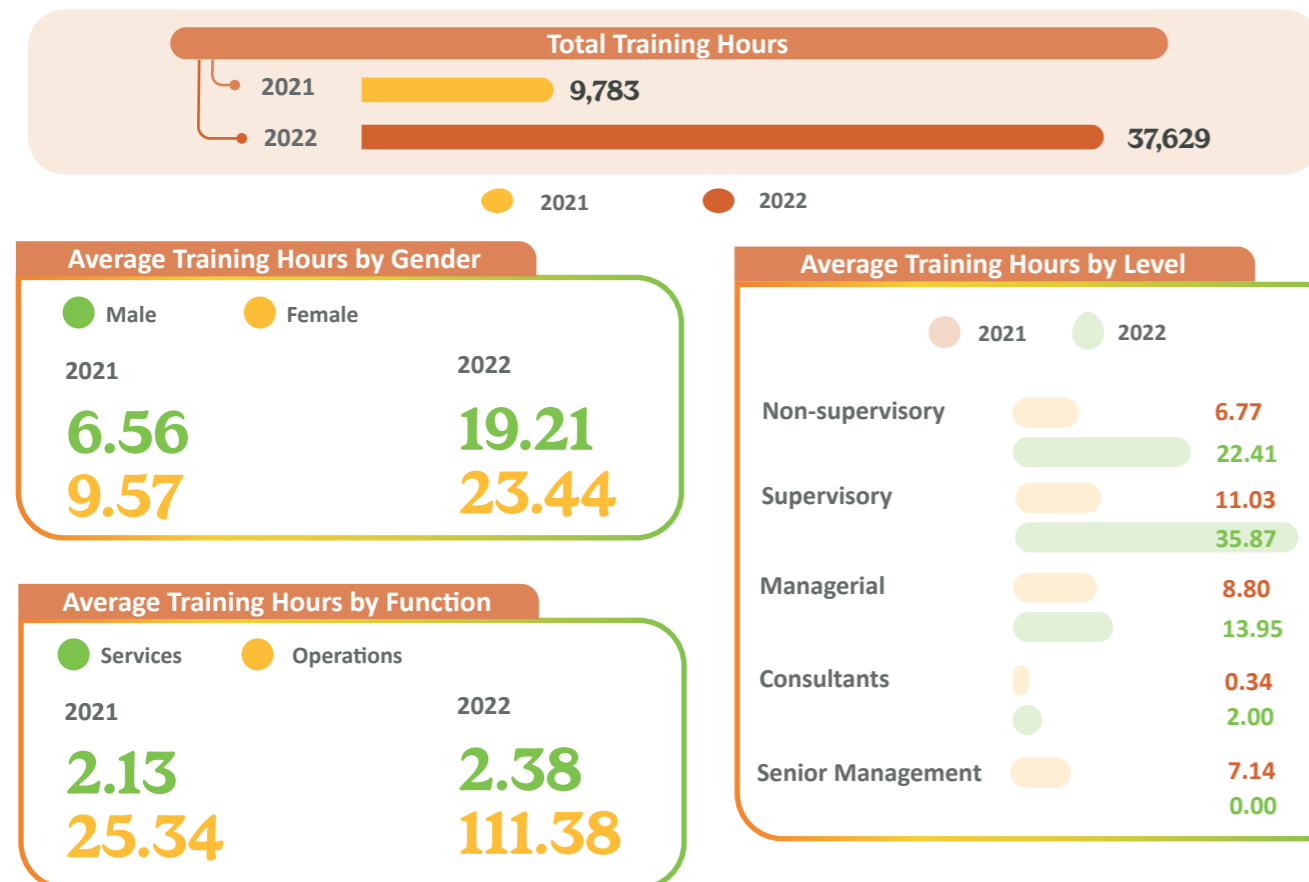
Training programs cover an array of technical, managerial, administrative, and organizational skills,

with some being executed by external trainers. An employee's training plan is personalized through our Training Identification Process, which looks holistically at the employee's current strengths, skill match, and qualifications. Once identified, a training plan is created to fill an employee's competency gaps or further improve his or her existing skills.

Employee performance is also tracked through annual performance evaluations. These provide valuable insight into monitoring and managing the competencies of our workforce.

## ANNUAL TRAINING HOURS PER EMPLOYEE

GRI 404-1



Significant increase in total training hours in 2022 was due to the availability of training providers for in-person trainings and less restrictions on conducting social gathering such as training.

## LABOR-MANAGEMENT RELATIONS

GRI 402-1

As an employer, San Miguel Global Power aims to maintain a workplace where employees are treated fairly and empowered to voice their input on how we can improve as a Company.

When our employees have grievances or concerns, they can file written complaints, followed by an arranged dialogue between management and the concerned party. In cases where applicable, these concerns are elevated to the Plant Manager and submitted to Human Resources for resolution.

Similarly, we believe that hearing from our stakeholders is an opportunity to gain new perspectives and feedback on what we can do better. Employee feedback allows us to improve our policies and programs.

In cases where significant organizational changes are to be implemented, we inform our people one month prior to implementation to give them adequate time to bring up any possible concerns or inputs regarding the change.



## OCCUPATIONAL HEALTH AND SAFETY

GRI 403-1, 403-2, 403-3, 403-4, 403-6, 403-7, 403-8

Running power plants involves working with heavy equipment and machinery that can pose safety hazards if not managed properly. As such, San Miguel Global Power takes a no-compromise approach to our occupational health and safety measures at our plants and office sites to keep our people safe and healthy.

We implement an Occupational Health and Safety (OHS) Plan across the Company that adheres to the Philippine Occupational Safety and Health Standards and RA No. 11058 (Act of Strengthening Compliance to Occupational Health Standards). The Company-wide OHS Plan works in conjunction with the specific OHS Management Plans carried out at our respective power plant sites.

The Malita Power Plant, in particular, has an OHS Management System that adheres to ISO 45001:2018 and has been used at the site since 2016. The Limay Power Plant also has a Management System compliant with ISO 45001. These Management Systems anchor world-class health and safety practices to our own plant safety measures.

Furthermore, all plants practice Hazard Identification, Risk Assessment, and Controls (HIRAC) for the systematic control, management, and mitigation of workplace hazards and safety-related incidents. All individuals—whether workers, employees, contractors, or subcontractors—must also secure Safe Work Permits, Job Hazard Analysis, and similar documents before proceeding to work activities.

Should employees find themselves in situations that they believe may cause injury or ill health, they are to abide by the Stop Work Authority Procedure of the Department of Labor and Employment (DOLE). Work-related incidents are then investigated by a Root Cause Analysis (RCA) Team.

**100%** of our employees and contractors are covered by internally-audited OHS systems

**Zero** fatality

SOCIAL & RELATIONSHIP CAPITAL

# Social & Relationship Capital

GRI 405, 411, 413, 414, 416, 417, 418

*We foster lasting positive relationships with our external stakeholders—extending prosperity to our communities and business partners and deeply valuing our customers.*

## Community wellbeing done right through our CSR programs

The SMGP Foundation is the Company's CSR arm, bringing our mission of national development and people empowerment straight to our neighboring communities. The SMGP Foundation's program pillars cover health, education, livelihood, and the environment.

### FEATURE STORY



Members of Katutubong Dumagat ng Sierra Madre ng Angat (KADUSMANA)

**SOCIAL & RELATIONSHIP CAPITAL**

**HEALTH: IMPROVING COMMUNITY WELL-BEING**

Our health programs ultimately aim to address the long-term need of communities for quality medical resources as well as the most basic and immediate needs for physical wellbeing.

For 2021-2022, the SMGP Foundation's health programs continued to focus on COVID-19 assistance for frontliners, community members, and the local government in the form of donated materials and financial support. We supplied communities with food, alcohol, and other medical supplies and donated medical equipment to health facilities such as the Masinloc Rural Health Unit. The Foundation also funded community pantries and relief operations for the benefit of our electric cooperatives.

**Php 14,116,904**

2021 Health Support Value

**Over 5,000 patients served**

within our host communities



*Blood Power: Blood Donation and Awareness Program conducted in Mariveles Power Plant with the Philippine Red Cross, San Miguel Global Power's Team Malasakit volunteers, and blood donors.*

**EDUCATION: SUPPORTING LEARNING FOR THE UNDERSERVED**



*Dumagat Alternative Learning System (ALS) graduates in Angat, Bulacan*

**392**

Total Scholars from 2021 to 2022

Our flagship scholarship programs are ENGINE (Educating New Generation of Innovative and Empowered Leaders), Tulong Dulong for IPs, the San Miguel Global Power 4-year Tertiary Scholarship Program, and the BESS Educational Support Program. Through these programs, we are able to provide support for underserved students across the country. Many of our educational assistance programs have been running for years, with ENGINE witnessing batches of deserving graduates since 2019.

ENGINE financially supports engineering students around the country, who may even become employed at San Miguel Global Power's plant sites. Tulong Dulong, meanwhile, funds the education of IPs in impoverished neighboring communities. By removing financial barriers to education, we enable children and young adults to learn and, eventually, uplift their families and communities collectively.

**LIVELIHOOD: FUNDING ECONOMIC OPPORTUNITY**

Through our livelihood programs, we equip communities with new skills that are matched with their social context. These programs are implemented after a thorough study and engagement with the community to help determine local needs and capabilities. This ensures the program's relevance and sustainability.

Implemented through the SMGP Foundation, Project 747 is San Miguel Global Power's pioneering effort on a comprehensive greening and livelihood program.

San Miguel Global Power's livelihood programs are tied in with other initiatives, such as Project 747's Biochar Community Development Program. The biochar product was a good fit for the community, given the availability of raw materials in the area. Similar projects consider factors like these, making the most of what the community already has.

CLAPS, or the Community Livelihood Appraisal and Product Scanning program, helps IPs develop their own Community Based Enterprises (CBEs). Currently, two CBEs sell agri-products like honey, bamboo sticks, mushrooms, and rags from the provinces of Angat, Bulacan and Malita, Davao Occidental. Over time, our CLAPS beneficiaries have not only begun to utilize new technology, but have also become less reliant on environmentally-harmful practices for their production.

Given its success in our first two CBEs, the Foundation aims to encourage and organize more CBEs across our other neighboring communities.

**Php 480,000**

Total Livelihood Support Value



*Project 747, Biochar Villa Maria Aeta Tribal Association in Porac, Pampanga*



*Host communities received training in enterprise development and management under the Community Livelihood Appraisal and Product Scanning (CLAPS) program.*

**SOCIAL & RELATIONSHIP CAPITAL**

**Our Social & Relationship Capital Outcomes**

2021-2022

**144** scholars graduated and employed at San Miguel Global Power

**5,958** medical, dental, and optical patients helped

**9** POs participated in the Biochar Community Enterprise Development Program

**578** household members participated in CLAPS

**4** community-based enterprises formed

**56** community partners of Project 747

San Miguel Global Power cultivates our social and relationship capital by building meaningful and productive connections with our network of stakeholders through our strategic social investment programs that respond to their felt needs.

As a business, we are also committed to working closely with our regulatory stakeholders to ensure that we adhere to applicable regulations. To date, the Company has been consistently complying with all business-related policies and regulations set by the national and local governments. This includes policies that safeguard our customers and promote responsible business practices.

The Company also actively reaches out to our local communities through the SMGP Foundation, which enhances the economic well-being of partner People's Organizations (POs) and beneficiaries by offering sustainable livelihood opportunities.

In pursuing sustainability, it is part of our mission to promote shared value and contribute to national development by considering the needs of our countrymen.

**CARING FOR LOCAL COMMUNITIES**

**GRI 12.9, 411, 413-1, 413-2**

The SMGP Foundation leads our community programs, which are designed to acknowledge the socioeconomic needs of the locale and the environmental stewardship that our business and the community have over the ecosystem.

To enable organized social action, we facilitate the formation of People's Organizations (POs) in the barangays where we operate. This way, the locale is properly represented and run by members of the community.

Part of being a responsible steward in our areas of operation is hearing out the concerns that community members may have regarding our business activities. Our Community Relations teams and the SMGP Foundation conduct regular consultations with the LGU and community members to build the context needed for effective CSR programs. From our consultations and other social impact studies, we gather data for creating community profiles.

In 2022, we conducted three baseline studies through the SMGP Foundation to guide us in the planning and evaluation of our CSR Programs with the host communities of Limay, Masinloc, Malita, and Angat. This is one of the company's initiatives to generate a data-based profile of our host communities with social development indicators, specifically public health, education, poverty/income, and the environment.

As part of our Environmental Compliance Certificate (ECC), we also conducted a Socio-Economic Study for the Limay Power Plant and an Annual Health Study for the Masinloc Power Plant to help identify and plan the projects that will improve the quality of life in the communities close to the plant sites. These continuing efforts to pursue a logical and data-driven approach to development will help us monitor and achieve a significant impact on the overall goal of sustainable development for our stakeholders.

The community programs implemented across our plant sites cater to health, education, and livelihood needs. From the donation of materials such as vitamins and school equipment to the hosting of webinars and the facilitation of scholarships, we document the impacts of our projects and plan for future initiatives.



*Inaburan Fisherfolk Association  
Malita, Davao Occidental*

**SOCIAL & RELATIONSHIP CAPITAL**

**Supporting Learning for the Underserved**

The education programs of the SMGP Foundation give underserved members of our communities the opportunity to learn across different educational levels. Programs such as ENGINE, for example, financially support 4th and 5th year engineering students by covering their educational expenses. Once they graduate, qualifying beneficiaries of ENGINE have the chance to work for the Company as engineers at our plant sites. As of 2021 and 2022, a total of 144 graduates have been employed by San Miguel Global Power.

Meanwhile, Tulong Dulong caters specifically to the IPs who reside near our plant sites. Given the poverty incidence in these areas, the Tulong Dulong program enables more IP students to continue their education.

**Respect for our Indigenous Peoples**  
GRI 12.11, 411-1

When it comes to operating responsibly, we take particular care when it comes to interactions with indigenous peoples (IP), respecting their rights to the land we share. Indigenous groups that are within the vicinity of our operations include the Ayta-Magbukun tribe of Biaan, the Dumagat tribe of Norzagaray, and the Tagacaulo and Manobo tribes settled along the peripheries of Sitio Inaburan.

The SMGP Foundation is currently assisting in the formulation of the Ayta-Magbukun tribe's Ancestral Domain Sustainable Protection Plan (ADSDPP), due to the proximity of our Mariveles Power Plant's operation to their ancestral land. The Foundation has also extended livelihood and educational assistance to the Dumagat tribe during the operation of the Angat Dam reservoir. San Miguel Global Power continues to abide by applicable legislation relating to land use and IP rights.

We believe in the importance of forging good relationships with our stakeholders. We also recognize that, to do so, we must establish healthy engagements with the members of our neighboring communities where the expression of concerns and needs can be done freely.

**Infrastructural Development**  
GRI 203-1

Apart from our power generation assets that contribute to the nation's utilities, San Miguel Global Power also invests in infrastructure for our local communities. By improving the infrastructure of the barangays where we operate, we spur progress for the educational and medical needs of our neighbors.

**Supporting Local Security**

In 2022, the Ilijan Power Plant contributed Php 850,000 for the construction of the Ilijan Philippine National Police (PNP) Detachment. The pro-bono project allows for the extended presence of the PNP in the area so that they can better render their services. At the same time, this initiative builds on the positive relationship we hold with our local law enforcement toward the common goal of maintaining peace and order in our communities.

**Building Better for Education**

To provide students and teachers with a more conducive space for learning, the Malita Power Plant spent Php 1,200,000 and Php 150,000 in 2021 and 2022, respectively.

The first project involved constructing a concrete fence around the perimeter of the 1,000-square meter Department of Education (DepEd) Division Office. This adds to the safety and security of DepEd personnel and is one of the ways in which we support education in the area.

Meanwhile, Php 150,000 went toward the refurbishment of one of the grade school buildings at Malita Central Elementary School. The Malita Power Plant paid for the repair, replacement, and improvement of the 3-classroom building's roof, ceiling, and pathways.

**COLLABORATING WITH OUR SUPPLIERS**

GRI 204-1, 308-1, 308-2, 414-1

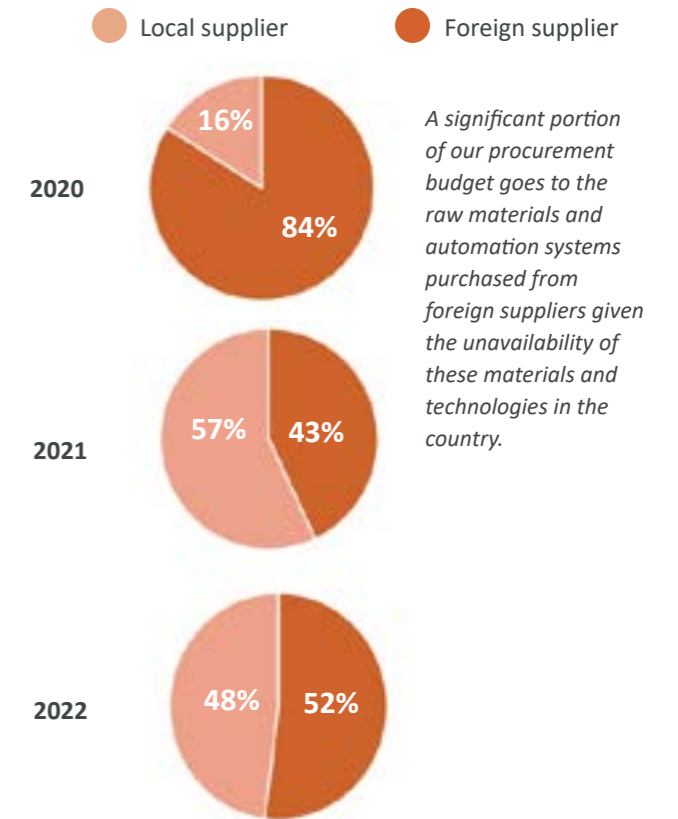
As part of our value chain, our Company suppliers play an important role in helping us conduct a responsible business. Thus, we seek out suppliers who share our values and can deliver efficient service and retain them as long-term business partners.

We have a supplier onboarding process wherein suppliers must first be accredited by a third party and subjected to an internal evaluation under SMC's Vendor Portal. This process is done prior to any transaction. New suppliers without previous transactions with other SMC business units are screened by the SMC Corporate Procurement Group. Once these steps are completed, the Company's Supplier Management Team will contact the supplier's trade references.

San Miguel Global Power holds our suppliers to a standard of environmental and social accountability, which should be reflected in their performance. We assess suppliers based on their environmental impacts and compliance with environmental, labor, and occupational health and safety regulations. We also review their specific programs in relation to these topics.

Throughout our partnership with them, the Company makes sure that suppliers continue to meet our standards. We hold annual performance evaluations and labor audits to monitor their conduct accordingly.

**Percentage of local vs. foreign procurement spending**



**SERVING OUR CUSTOMERS**

GRI 416, 417, 418

The Company places value in the customers that we serve through our diverse portfolio. Currently, we serve three main customer groups: DU customers, Retail Electricity Supply (RES) customers, and Directly Connected Customers (DCC).

DU customers include electric cooperatives that use electricity for their franchise areas. Our DU customers are the Company's longest-running customers, whom we have continued to serve reliably since San Miguel Global Power's beginnings in the power industry. The member-consumers of the DU group are typically the beneficiaries of our social development programs.

Meanwhile, our contestable customers, or RES customers, use the retail electricity that we provide for their respective industries. With over 100 contestable customers being served as of September 2022,

our Company builds on our relationship with these customers by going beyond our business agreements and generating value through social development.

Collectively, the members of local communities in our DU and RES areas who benefit from our CSR programs are known as our electric cooperatives. The close ties between San Miguel Global Power and our electric cooperatives are best represented by our SMGP Academy program, a professional development initiative that builds on their technical and administrative skills.

DCCs are customers who are directly connected to our power generation facilities, using bulk electricity for their industrial needs. The Company's partnership with these DCCs empowers large-scale economic productivity across major industries in the Philippines.

**SOCIAL & RELATIONSHIP CAPITAL**

**Customers**

San Miguel Global Power, through its subsidiaries, sells power, through PSAs, either directly to customers (e.g., distribution utilities, electric cooperatives, industrial customers and retail electricity suppliers) or through the WESM.

	Years Ended December 31					
	2020		2021		2022	
	Volume Sold (GWh)	Revenue (In millions Php)	Volume Sold (GWh)	Revenue (In millions Php)	Volume Sold (GWh)	Revenue (In millions Php)
<b>Meralco</b>	12,117	50,498	12,967	53,313	12,713	82,050
<b>WESM</b>	2,216	5,208	2,513	11,221	2,345	21,656
<b>Total Major Customers</b>	14,333	55,706	15,480	64,534	15,058	103,706
<b>Others*</b>	11,958	59,323	11,741	69,176	12,344	117,683
<b>Total Sales</b>	<b>26,291</b>	<b>115,029</b>	<b>27,221</b>	<b>133,710</b>	<b>27,402</b>	<b>221,389</b>

\*Includes non-Meralco distribution utilities, electric cooperatives, retail electricity suppliers, directly connected customers, contestable customers, sales to distribution customers, sales to related parties, and to NGCP for ancillary services, which individually contributes less than 20% to the consolidated revenues of San Miguel Global Power.

**REINFORCING A RESPONSIBLE BRAND**

**GRI 416, 417**

San Miguel Global Power empowers industries and communities through our service.

We strategically manage our relationships with our customers to improve retention and expand our offerings to a greater customer base. When we do so, we reinforce our commitment to being a responsible business that is equally responsive to the needs of our stakeholders.

Apart from delivering reliable energy to communities, our primary sales and marketing strategy for sustaining positive customer relations is to provide value-added services. These initiatives cater to the socioeconomic

needs of the communities of our DU and RES customers, who need not just electricity but a sustainable livelihood.

The Company's value-added services that focus on economic needs include facilitating technical forums and the SMGP Academy. We empower through education, with the SMGP Academy serving as a professional development program for the electric cooperatives under our DUs. Participants in the SMGP Academy build their institutional capabilities through sessions that impart a variety of administrative, governance, and technical skills. Bookkeeping and management are some of the administrative topics covered, while technical experts can further build their skills in repairs and engineering.

San Miguel Global Power regularly engages our customers through other CSR programs. We carry out medical and dental missions, donations for schools, relief assistance, and even infrastructure projects to support the basic needs of our electric cooperatives. Since 2019, we've supported more than 8,000 patients through our health programs.

**RESPONDING TO COVID-19**

**GRI 403**

COVID-19 is still a health concern that San Miguel Global Power takes seriously across all of our offices and plant sites. Continuing on into 2022, the Company implements stringent health protocols to prevent the spread of infection in the workplace. We play our part in San Miguel Corporation's nationwide response to COVID-19, where equal attention is given to protecting our offices and reaching out to affected communities.

By December 2021, San Miguel Global Power's relief assistance for COVID-19 had reached Php 100 million worth of donations, including food and medical supplies and equipment. We give back to health workers and support the recovery of the country as a whole.

Meanwhile, our internal COVID-19 management strategy involves keeping our employees in good health, encouraging healthy lifestyles, and providing them with vitamins. Our offices have sanitation stations, temperature checks, and require the use of face masks to reduce the transmission of COVID-19. Visitors and incoming personnel are also required to file online health declaration forms prior to entering our sites.

Vaccination is a crucial part of our strategy to combat COVID-19. San Miguel Corporation launched the "Ligtas Lahat" program, a company-wide initiative aimed at protecting all employees. Three months after the first

nationwide lockdown in March 2020, the company began testing its employees for COVID-19 as part of a comprehensive plan to safely reopen its workplaces and continue providing essential services to the public. By July 2020, San Miguel's RT-PCR Better World EDSA testing laboratory was fully operational, processing over 1,000 tests daily. Even before the company-procured vaccines arrived in late June 2021, the company's medical team had administered nearly 180,000 doses at various government vaccination sites. By the end of August 2021, over 80% of our nationwide workforce had been vaccinated, with more than 56,000 individuals receiving either their first or second primary vaccine doses.

Even as the COVID-19 situation eases, we continue to promote healthy habits and stringent sanitation in the workplace to keep our employees safe. By adopting a range of preventive measures, we lessen the incidence of harm befalling our workers and can continue to build a more resilient Company.

Malasakit continues to guide the way we engage our stakeholders—whether they are the Company's host communities, customers, or employees. Understanding their needs allows us to better respond in line with our intended purpose, which has always been the empowerment of people through our service and beyond.





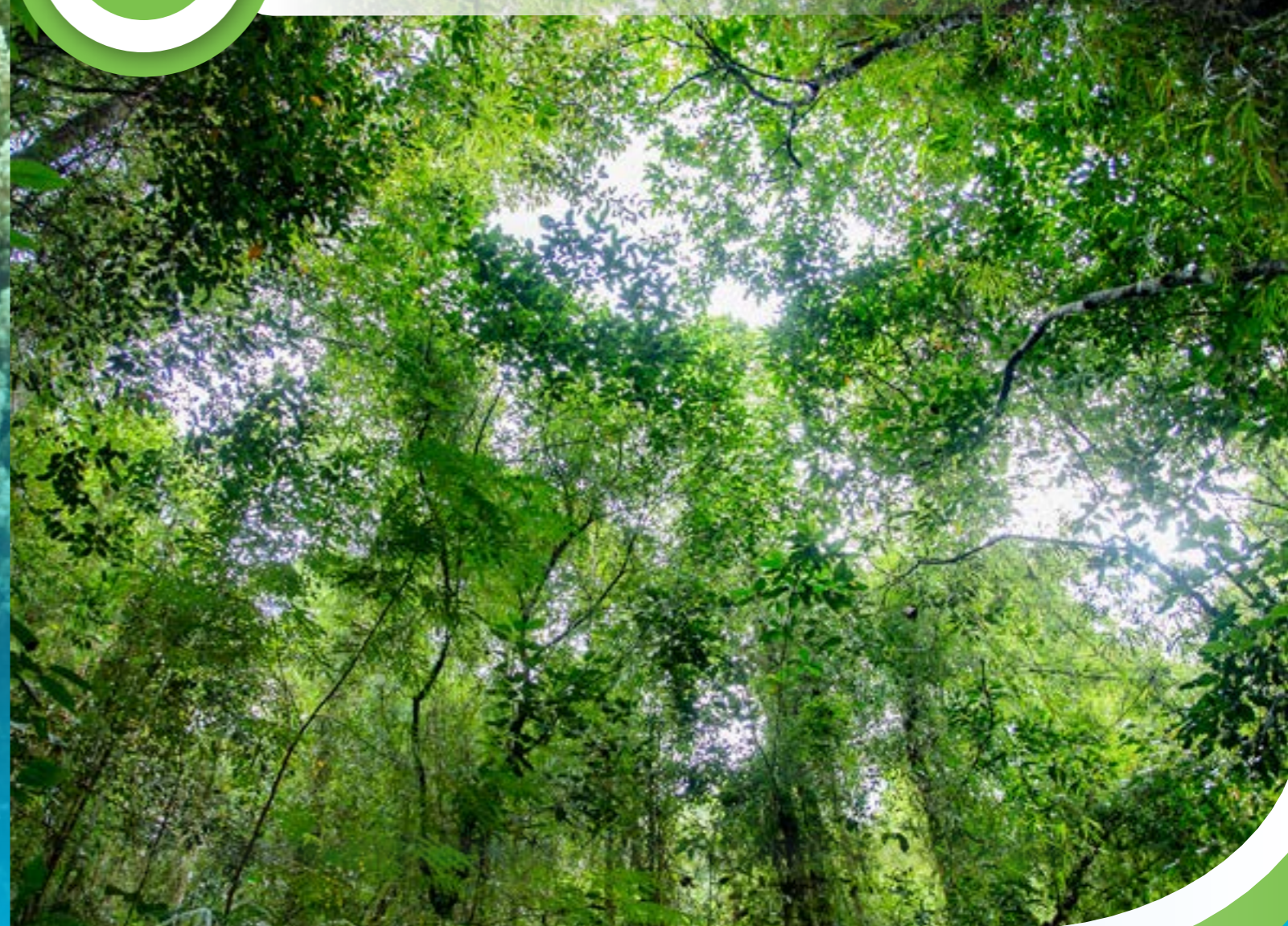
# Natural Capital

*We remain committed to responsible stewardship over our natural capital and have constantly improved our environmental efforts over the past two years.*

## Project 747:

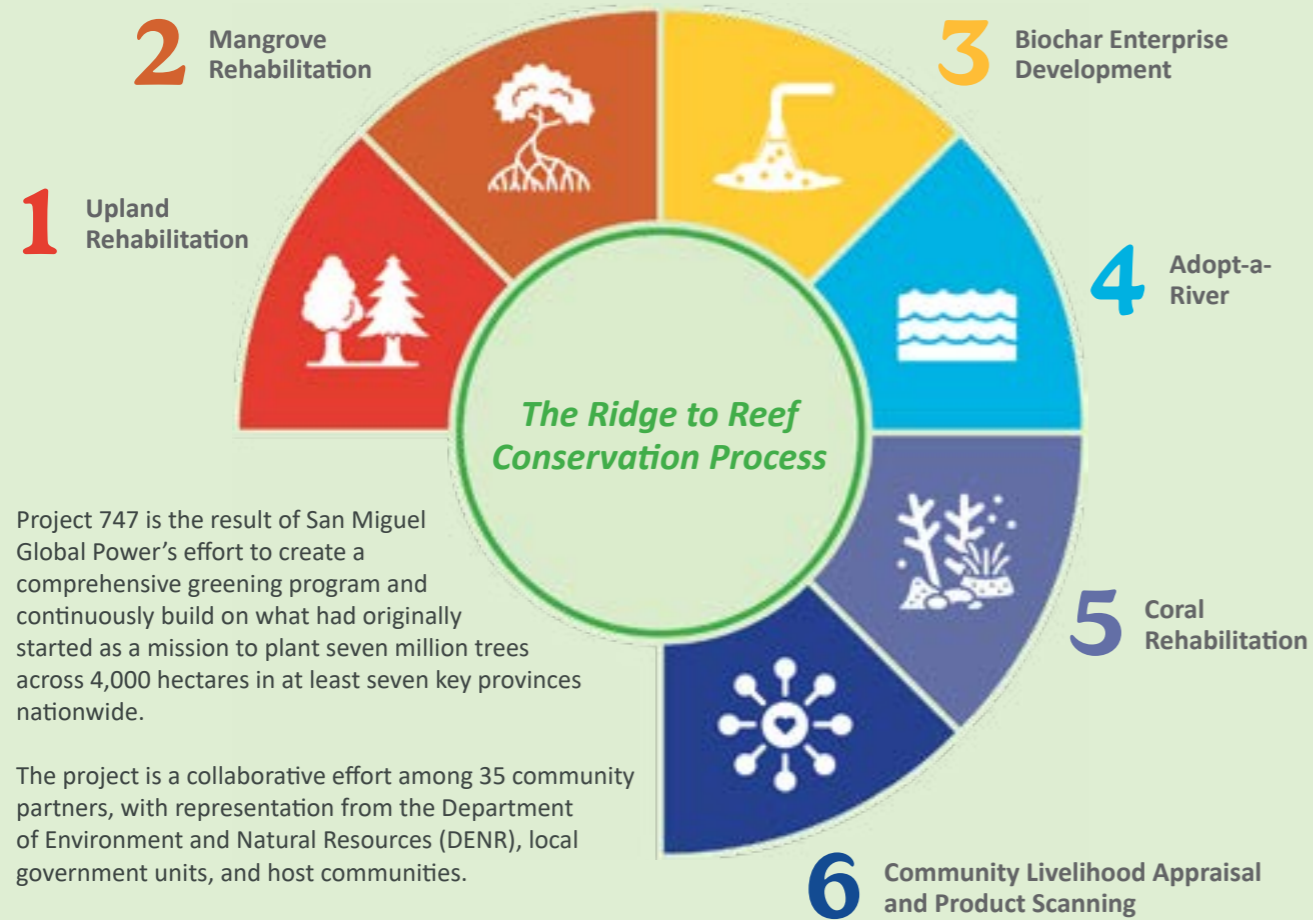
### RAISING THE BAR FOR REFORESTATION AND REHABILITATION

FEATURE STORY





NATURAL CAPITAL



Project 747 is the result of San Miguel Global Power’s effort to create a comprehensive greening program and continuously build on what had originally started as a mission to plant seven million trees across 4,000 hectares in at least seven key provinces nationwide.

The project is a collaborative effort among 35 community partners, with representation from the Department of Environment and Natural Resources (DENR), local government units, and host communities.

The Company undertook capacity-building and IEC campaigns once a strategy was set. We also facilitated the formation of People’s Organizations (POs), composed of members of the local communities.

**UPLAND AND MANGROVE REHABILITATION**

Project 747’s tree planting initiative has three main components: a Forest Rehabilitation Project and a Port Area Greening Project for the areas surrounding our power plants, and a Greening Program for our BESS sites.

For upland rehabilitation, endemic tree species were selected based on their survivability to meet the target 80% survival rate set by the DENR. Selected species were those with a 90% survival rate, as determined by inputs from our partnership with the local community. For coastal areas, San Miguel Global Power and our partners will be planting mangrove propagules.

The seedlings are maintained in nursery areas with easy access to water until they are ready to be planted in their target locations. As co-owners of the program and fellow stewards of the local environment, POs take charge of maintaining the nurseries and helping with upland and coastal planting.

**8,486,264**  
forest seedlings and mangrove propagules planted

**1,151**  
hectares established for upland reforestation

**477.6**  
hectares established for mangrove planting

**ADOPT-A-RIVER AND CORAL REHABILITATION**

Caring for both life on land and life under water, San Miguel Global Power rehabilitated freshwater and marine ecosystems by reintroducing life to rivers and reefs.

The Adopt-a-River component of Project 747 aims to prevent soil erosion along riverbanks by planting bamboo, whose roots can act as a binder that helps soil stay compact and structured. Bamboo can also be utilized as a raw material and become an avenue for livelihood for local craftsmen. As of 2022, we have planted over 5,600 bamboo culms along more than 60 kilometers of a designated riverbank under Adopt-a-River.

Furthermore, we turned our attention to the degraded coral reefs in Malita Bay. By selecting resilient coral fragments and partnering with organizations specializing in ocean knowledge, we were able to install 250 modules of reef cubes with 200 coral fragments transplanted into the modules.

**5,680** bamboo culms planted

**250** reef cube modules installed

**200** coral fragments transplanted

**BIOCHAR COMMUNITY ENTERPRISE DEVELOPMENT**

**11** POs participating

**8,200** bags of active biochar produced

POs, being not only the co-owners of the project but also the beneficiaries of the SMGP Foundation, underwent an additional Biochar Community Enterprise Development Program as part of the holistic approach of Project 747. We extend our dedication to improving the environment to also uplifting the lives of our local communities and addressing their needs in a holistic manner.

A total of 11 POs were organized by local indigenous peoples to participate in the Biochar program, where 8,200 bags of active biochar were produced. Biochar is a carbon-rich material derived from organic matter such as agricultural and forest waste abundant in the area. Its productive use as a plant fertilizer has opened additional income opportunities for the POs and upland farmers.

The production and sale of active biochar are in line with San Miguel Global Power’s goal of establishing a circular economy since it is produced from easily-obtained organic matter and can remedy the need to buy commercial fertilizer. The biochar can even be used for fertilizing the seedlings and propagules of our reforestation program.

As of 2022 and upon the awarding of the Certificate of Completion by the DENR, we have gone above and beyond project targets, with survival rates of 89% and above for the seedlings planted three years ago. The seedlings were also planted across 18 provinces, as opposed to the original goal of seven. The Company even went beyond implementing a purely environmental program by successfully carrying out a livelihood component.

Project 747 remains a testament to San Miguel Global Power’s drive to empower our countrymen and protect our environment. Given its success, we aim to cascade the program to even more of our plant sites and communities.

Figures as of December 2023.

NATURAL CAPITAL

Our Natural Capital Outcomes

2021

Approximately 5,100 T CO<sub>2</sub>e sequestered

More than 50 species sighted

2022

Approximately 4,636 T CO<sub>2</sub>e sequestered

San Miguel Global Power paves the way for a greener and more sustainable future through a comprehensive and forward-thinking approach to managing our natural capital and minimizing our ecological footprint.

Natural resources such as the materials that fuel our plants, the water we consume, and the land we use are intertwined with our operations as a power producer. Thus, we saw the improved use of renewable resources so that we rely less on dwindling and finite materials and leave behind more for succeeding generations.



Project 747, Members of Kapisanan Ng Samahan Ng Mamamayan Nagmamahal Sa Kalikasan Sa Quezon, Inc. (KASAMAQA Quezon, Inc.)



MANAGING OUR EMISSIONS

GRI 305

**Did you know?**

Our Limay Power Plant's emissions level stayed below half the applicable local and World Bank emission limits in 2022.

As we steadily supply the country with power, we are committed to strictly monitoring and managing our emissions from our non-renewable power plants and maximizing the productivity of our renewable power plants.

Emissions that result from our operations and are managed accordingly by the Company include nitrogen oxides (NOx), sulfur oxides (SOx), and particulate matter (PM). We leverage environmentally responsible technology and practices to keep these emissions within regulatory standards.

GHG Emissions

GRI 12.1, 305-1, 305-2, 305-4, 305-5

	2021	2022
Direct (Scope 1) (t-CO <sub>2</sub> e)	12,344,579.32	12,317,589.80
Indirect (Scope 2) (t-CO <sub>2</sub> e)	11,009.85	11,999.29
Other indirect (Scope 3) (t-CO <sub>2</sub> e)	N/A	N/A
Emission Intensity	0.89	0.92

\*GHG Emissions are for the Angat, Limay, Malita, and Masinloc Power Plants.

NATURAL CAPITAL

Innovation continues to play a role in boosting not only our productivity but also our environmental performance. The Circulating Fluidized Bed (CFB) technology used in our greenfield Malita, Limay, and Mariveles Power Plants is one example of energy efficiency with lessened impact. CFB allows boilers to operate at lower pressures and temperatures compared to traditional pulverized coal power plants and can use a greater range of fuel types. This results in a reduced production of NOx.

Additionally, injecting limestone as a fuel additive as it enters the boiler is a standard practice at our Limay and Malita Power Plants which further reduces SOx and PM. Limestone can also be used with Flue Gas Desulfurization (FGD) equipment and seawater to remove SOx and PM from flue gases. FGD equipment is currently being used at the Sual Power Plant.

Carbon capture and sequestration are other key initiatives that we use to offset our emissions. Our Ilijan Power Plant and Malita Power Plant organized tree-planting activities as part of a Carbon Sink Program.

Beyond this, Project 747 has served to plant over eight million seedlings throughout more than one thousand hectares of upland and coastal areas throughout the country. These activities create a twofold benefit of restoring the surrounding greenery of our power plants and removing carbon dioxide from the atmosphere through natural carbon capture.

Additionally, all of San Miguel Global Power’s power plants remain compliant with Philippine regulations on emissions owing to regular meetings and reviews of plant performance in terms of fuel efficiency. The Company plans to go beyond compliance by exploring catalytic reduction technology.

To track and monitor our greenhouse gas (GHG) emissions, we use the widely accepted GHG Protocol’s Corporate Accounting and Reporting Standard. This guides how we track and compute our Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased electricity) accurately and reliably.

GRI 305-7

NO<sub>x</sub> Emissions (in ppm)

Power Plant	2020	2021	2022	DENR Limit	World Bank Limit
Angat				N/A	N/A
Limay	58.45	60.34	66.37	486.57	365.66
Malita	68.28	38.41	56.08	486.57	365.66
Masinloc (Unit 1 & Unit 2)	199.8	220.29	181.2	731.32	365.66
Masinloc (Unit 3)	95.76	87.58	88.4	486.57	365.66
<b>Total in MT</b>	<b>13,278</b>	<b>13,188.04</b>	<b>10,174.61</b>		

SO<sub>x</sub> Emissions (in ppm)

Power Plant	2020	2021	2022	DENR Limit	World Bank Limit
Angat	0			N/A	N/A
Limay	46.91	49.85	101.76	245.30	700.85
Malita	58.45	33.71	59.36	245.30	700.85
Masinloc (Unit 1 & Unit 2)	324.37	426.74	329.73	525.63	700.85
Masinloc (Unit 3)	44.39	33.73	35.72	245.30	700.85
<b>Total in MT</b>	<b>24,291</b>	<b>28,863.36</b>	<b>22,160.14</b>		

GRI 305-7

Particulate Matter Emissions (in mg/nm)

Power Plant	2020	2021	2022	DENR Limit	World Bank Limit
Angat	0			N/A	N/A
Limay	5.28	6.53	4.66	150.00	50.00
Malita	8.92	10.55	6.98	150.00	50.00
Masinloc (Unit 1 & Unit 2)	55.38	124.99	107.6	200.00	50.00
Masinloc (Unit 3)	150	0.85	1.6	150.00	50.00
<b>Total in MT</b>	<b>1,193</b>	<b>2,009.25</b>	<b>1,464.31</b>		

CO Emissions (in ppm)

Power Plant	2020	2021	2022	DENR Limit	World Bank Limit
Angat	0			N/A	N/A
Limay	18.46	9.18	24.29	400.48	-
Malita	6.72	3.50	5.91	400.48	-
Masinloc (Unit 1 & Unit 2)	15.06	77.28	183.57	400.48	-
Masinloc (Unit 3)	22.55	49.94	27.95	400.48	-
<b>Total in MT</b>	<b>760</b>	<b>2,530.18</b>	<b>5,725.48</b>		

MINDFUL USE OF OUR MATERIALS

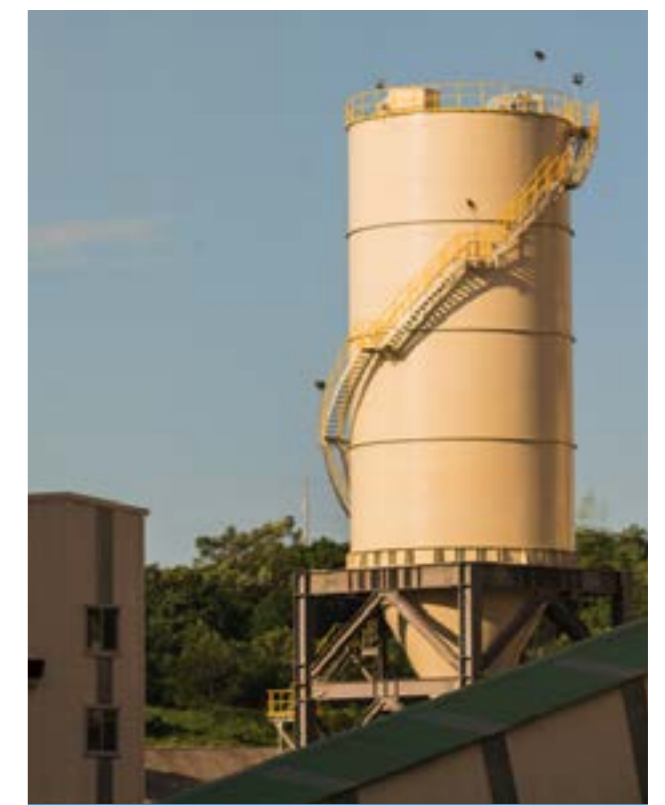
GRI 301-1

Because of our stewardship over the resources we use and the waste we generate, San Miguel Global Power manages our materials by aiming to only procure quantities necessary for our operations. We do so in line with our environmental strategy of enabling a circular economy founded on responsible resource use.

The Malita Power Plant’s ISO 55001-certified management system is one such mechanism for tracking materials use. It has an Assessment Management Policy that requires the appraisal of all assets through their various stages of use until disposal.

While the coal we use creates by-products such as fly ash and bottom ash, we are currently exploring ways to recycle by-products to safely divert them from waste disposal. The Malita Power Plant saw an increase in fly ash recycling due to rising demand from 2021 to 2022. The recycled by-product is supplied to the plant’s partner.

Meanwhile, the Limay Power Plant recirculates bottom ash into its furnace using a closed-loop system to maximize the use of the material. This can also be an alternative to other materials, such as silica sand.



NATURAL CAPITAL

GRI 301-1, 301-2

Materials used by weight or volume to produce the company's primary product (in MT)

	2020	2021	2022
Renewable materials (water and biodiesel)	3,509	2,357.10	2,106.64
Non-renewable Materials (coal, diesel, limestone, silica sand, river sand)	5.18 million	6.597 million	6.673 million



MINIMIZING WASTE GENERATION

GRI 12.6, 306-1, 306-2, 306-3, 306-4, 306-5

Protecting our environment requires diverting materials that could impact the stability of local biodiversity to proper disposal and avoiding unnecessary waste generation. We comply with related regulations for waste management and practice the appropriate segregation and treatment of our hazardous and non-hazardous waste.

The regulations that we comply with relating to our waste management include RA 6969 (The Toxic Substances and Hazardous and Nuclear Wastes Control Act), RA 9003 (Ecological Solid Waste Management Act), and other regulations by the Department of Environment and Natural Resources – Environmental Management Bureau (DENR-EMB).

Our plants follow a systematic and collaborative approach to waste management, where we engage the effort of our employees, plant personnel, and third-party service providers.

The management approach for hazardous waste begins with the temporary containment of the said waste in the Company's material recovery facility (MRF). A third-party and DENR-EMB accredited waste treatment facility then collects hazardous waste for treatment before proper disposal.

For non-hazardous waste, a service provider also collects the waste from our power plants' MRF before transportation to a separate MRF or recycling. Bottom ash produced by the Limay Power Plant that is not recycled is disposed of in the plant's managed ash storage facility, which is specially designed for accommodating by-products.

Waste by Type and Disposal Method

	Waste Generated (in MT)			Waste Diverted to Disposal (in MT)		
	2020	2021	2022	2020	2021	2022
Hazardous	145.30	113.47	215.98	0	113.47	215.98
Non-hazardous	363,801.30	309,897.54	381,029.27	167,483	94,622.12	88,891.99

Breakdown of waste diverted to disposal (in MT)

Disposal Type	2021			2022		
	Hazardous	Non-hazardous		Hazardous	Non-hazardous	
	Offsite	Onsite	Offsite	Offsite	Onsite	Offsite
Landfill	3.61	1.41	246.44	66.78	-	327.74
Other disposal operations	105.01	-	117.00	49.96	12.21	-
Incineration (no energy recovery)	1.71	-	-	2.93	-	-
Incineration (WTE)	-	-	-	0.0	-	-

NATURAL CAPITAL

# CONSERVING OUR WATER

GRI 12.7, 303-1, 303-2, 303-5

Water conservation and effluent management are crucial to San Miguel Global Power. We understand that water is a shared resource with our neighboring communities.

We obtain our water from the following sources across our plant sites: the Malita Power Plant draws raw potable water from the Culaman River and condenser cooling water from the Davao Gulf, while the Masinloc Power Plant obtains its raw water from the Luis River, potable water from its deep well, and condenser cooling water from Oyon Bay.

To manage the water that we draw and effluents from our operations, we regularly conduct water quality monitoring and implement necessary measures following our analyses. Other water management measures include regular flowrate tests, metering projects for consumption monitoring, rainwater harvesting, and the reuse of industrial wastewater for road cleaning and dedusting.

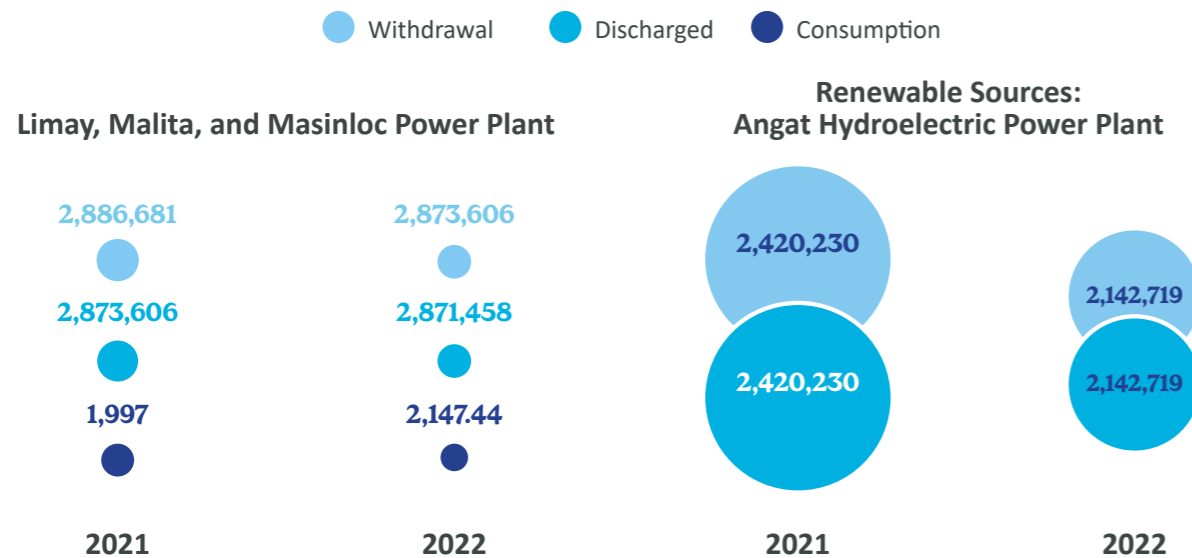
With water as a primary resource used for power generation, our Angat Hydroelectric Power Plant uses this for its main and auxiliary generators. The water that

is discharged from the main generators is discharged to the main tailrace and directed to Bustos Dam for irrigation, benefiting Bulacan Province. The auxiliary generators' discharged water is conveyed to Ipo Dam, which supplies water to the Greater Manila area within the Metropolitan Waterworks Sewerage System franchise.

The SMC Water Conservation Council has committed to a 50% reduction in water consumption in the next five years—a target that our plants are exercising a concerted effort towards.

In regard to our water consumption and discharge metrics, it is noteworthy that solely our Limay and Masinloc Power Plants operate within a region characterized by significant water scarcity. Conversely, the Malita Power Plant is situated outside such an area. Additionally, the data pertaining to our renewable energy source, the Angat Hydroelectric Power Plant, has been distinctly segregated. This decision arises from the fact that all water utilized for power generation in this facility is subsequently discharged directly into the tailrace, ultimately flowing into the Bustos Dam.

## Total amount of water withdrawn, discharged, and consumed (in ML)



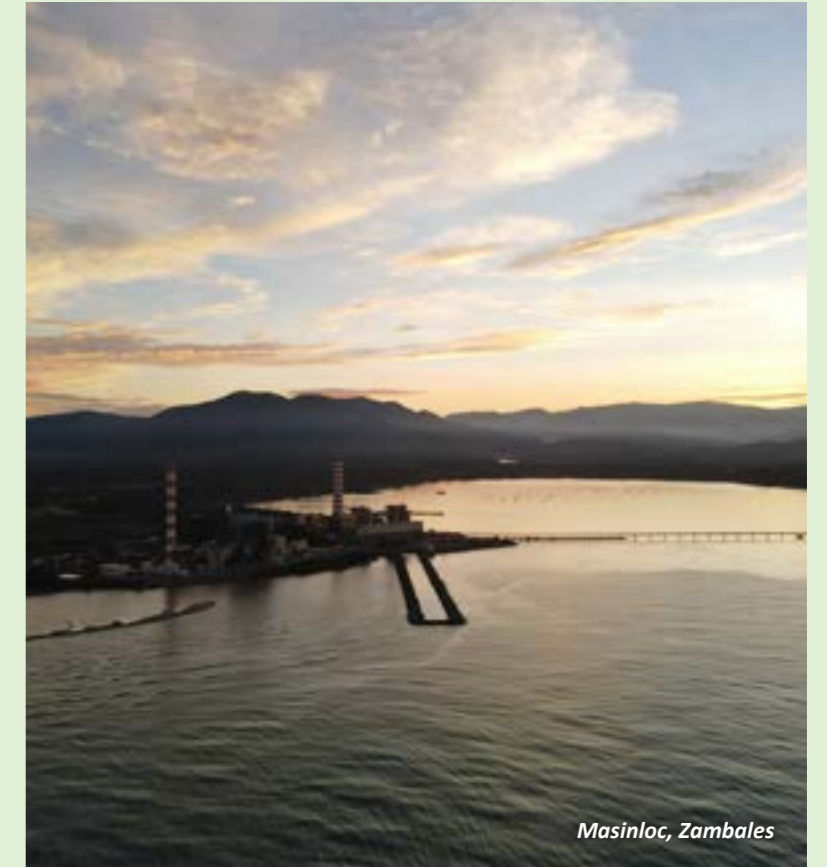
## GRI 303-3, 303-4

### Stewardship Over Shared Resources

San Miguel Global Power's Adopt-a-River program is an initiative for the Company to work with empowered local communities to rehabilitate streambanks near our areas of operation. This includes water bodies in Zambales, Quezon, and Davao Occidental.

During the period 2021 to 2022, the Company established 20 kilometers of streambank plantations to benefit life along the river, with an additional 5,680 bamboo culms added.

Through Adopt-a-River, partner communities work together with the Company to plant endemic tree seedlings along the water bodies, which will be maintained and monitored by the host community.



Masinloc, Zambales

## Water withdrawal and discharge by source and destination (in ML)

With Water Stress	Withdrawal (in ML)		Discharged (in ML)	
	2021	2022	2021	2022
Domestic Water	64.04	70.62	-	-
Groundwater	1,172.09	1,078.55	-	-
Seawater	2,536,681.63	2,534,844.48	2,537,003.28	2,535,059.71
Surface Water	829.32	920.84	-	-

Without Water Stress	Withdrawal (in ML)		Discharged (in ML)	
	2021	2022	2021	2022
Domestic Water	36.23	98.21	-	-
Seawater	347,573.15	336,319.31	347,680.16	336,398.76
Surface Water	324.11	273.90	-	-












\*With water stress: Angat, Limay, and Masinloc Power Plants; Without water stress: Malita Power Plant  
Based on ...

NATURAL CAPITAL

PROTECTING LOCAL ECOSYSTEMS

GRI 304, 12.5

Biodiversity at our Plant Sites

Site	2021	2022
Angat	<p><b>Vulnerable Species:</b></p> <ul style="list-style-type: none"> <li> <i>Penelopides manilae</i> (Luzon hornbill)</li> <li> <i>Copsychus luzoniensis</i> (White-browed Shama)</li> </ul>	<p><b>Vulnerable Species:</b></p> <ul style="list-style-type: none"> <li> <i>Macaca fascicularis</i> (Long-tailed macaque)</li> <li> <i>Dryophiops philippina</i> (Philippine Keel-bellied Whip Snake)</li> </ul>
	<p><b>Near Threatened Species:</b></p> <ul style="list-style-type: none"> <li> <i>Pernis steerei</i> (Philippine honey buzzard)</li> <li> <i>Malayopython reticulatus</i> (Reticulated python)</li> <li> <i>Varanus marmoratus</i> (Marbled water monitor)</li> </ul>	
Ilijan	<p><b>Least Threatened Species:</b></p> <p><b>106</b> fish species</p> <p><b>Near Threatened Species:</b></p> <ul style="list-style-type: none"> <li> <i>Chaetodon trifascialis</i> (Chevron butterflyfish)</li> </ul>	<p><b>Least Threatened Species:</b></p> <p><b>90</b> fish species</p> <p><b>Near Threatened Species:</b></p> <ul style="list-style-type: none"> <li> <i>Chaetodon trifascialis</i> (Chevron butterflyfish)</li> </ul>
	<p><b>Least Threatened Species:</b></p> <p><b>50</b> species</p>	<p><b>Vulnerable Species:</b></p> <ul style="list-style-type: none"> <li> <i>Vitex parviflora</i> (Molave)</li> </ul>
Mariveles	<p><b>Least Threatened Species:</b></p> <p><b>3</b> amphibian species</p>	<p><b>Near Threatened Species:</b></p> <ul style="list-style-type: none"> <li> <i>Limnonectes macrocephalus</i> (Luzon fanged frog)</li> </ul>

The land on which we operate is home to an array of flora and fauna that San Miguel Global Power aims to protect and preserve. The Company extends our *Malasakit* to human life and the life that thrives throughout the environment.

Our biodiversity initiatives focus on managing our local ecosystems to allow life to flourish alongside our operations.

The Angat Hydroelectric Plant is located in the Angat Watershed Forest Reserve. It has conservation efforts

in place to minimize disturbances from the plant that may occur if turbines and transformers are not properly managed.

The Ilijan Power Plant is also a neighbor to terrestrial and maritime ecosystems. With the facility's construction and potential impacts, the plant has taken careful steps in managing its water and materials and has also pursued the establishment of a mini forest. The mini forest is an effort to contribute to the area's carbon sink, which will benefit the community by sequestering carbon. Marine biodiversity is also cared for through the seeding of giant clams in the nearby marine ecosystem and the creation of the Marine Wildlife Nursing & Rescue Center in partnership with DENR-CALABARZON.

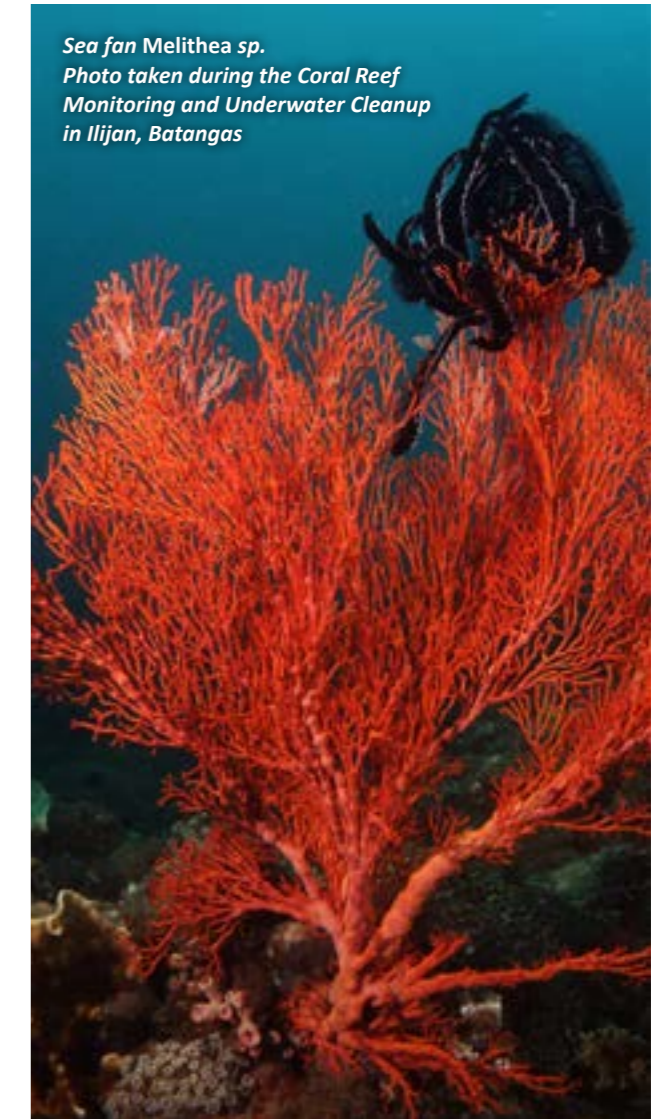
Caring for coral reefs

Our care for biodiversity applies to both life on land and life underwater, valuing the ecosystem in its entirety. San Miguel Global Power collaborates with other parties for coral reef rehabilitation as part of our regular environmental projects and a key initiative under Project 747.

The reefs we have chosen to sustain through the years are those near our plant sites. In 2021, we began our Malita Coral Reef Rehabilitation Project. With a Technical Working Group (TWG) composed of government entities, like-minded organizations, and People's Organizations (POs), we conducted a reef site validation activity to further study the area and the project's impact.

By 2022, the project had yielded the successful installation of 250 modules of reef cubes and coral fragment transplantation, budding hope for life to return to the reef. The next step for reef rehabilitation would be to monitor the progress and health of the reef over time to ensure that the project is sustainable.

The rehabilitation monitoring phase will be conducted quarterly by the TWG, allowing us to gather significant information on the effectiveness of the rehabilitation initiative. The information gathered can also be used as insights for expanding reef rehabilitation to our other plant sites moving forward.



*Sea fan Melithea sp.*  
Photo taken during the Coral Reef Monitoring and Underwater Cleanup in Ilijan, Batangas

## NATURAL CAPITAL



## CLIMATE ACTION IN MOTION

Combating climate change has become increasingly important for San Miguel Global Power over the years. We view climate change as a worldwide occurrence that can cause detrimental effects on everyone, from households to organizations and businesses. The Company itself has witnessed firsthand the damage that worsening natural disasters can do to crucial utilities infrastructure.

As a prominent player in the energy industry, we acknowledge the responsibility that we have to reduce emissions and adopt renewables. The challenge for the Company has always been to jointly deliver our service to meet consumer demands and make our own net zero commitment a reality.

Thus, we set our plans for climate action into motion by making significant strides in our sustainability initiatives.

## Improving our energy portfolio

To combat the emissions that largely result from coal-fired power plants, San Miguel Global Power looks into technology that can enable a more efficient use of coal that generates the power needed while using fewer resources.

Our innovations that have paved the way for cleaner practices at our coal-fired power plants include CFB technology and supercritical boilers. These not only aid in reducing carbon emissions, but also boost electrical output efficiency.

As a complementing initiative to build a more diverse and green portfolio, we continue to invest in renewable and clean energy. The Angat Hydroelectric Power Plant harnesses falling water to produce an impressive 218 MW of renewable power. It is only the beginning of our transition to net zero.

## Adopting carbon accounting standards

We believe that to manage our impacts, we must first measure them. By adopting accurate and world-class methodologies and measuring systems, we can gain better insights into the emissions we produce and enhance our transparency. The Company adheres to the GHG Protocol, a globally-recognized standard for accounting for greenhouse gas emissions.

To calculate the total equivalent carbon generated, the Company uses the emission factors provided by the US Environmental Protection Agency (EPA) and the Global Warming Potential (GWP) values from the Intergovernmental Panel on Climate Change (IPCC). We then employ the GHG Protocol methodology to determine our CO<sub>2</sub> emissions.

## Prioritizing Scope 1 and 2, plans for Scope 3

We prioritize Scopes 1 and 2 to build a strong carbon accounting framework, thus showing transparency and accountability in climate reporting. Focusing on these scopes helps us understand our carbon footprint and identify effective emission reduction strategies. Although we have prioritized Scopes 1 and 2, San Miguel Global Power acknowledges the importance of Scope 3 emissions in the value chain for a comprehensive understanding of environmental impact.

We plan to analyze Scope 3 when necessary for reporting as part of our long-term sustainability goals. This prioritization does not mean we disregard Scope 3 emissions, but it demonstrates our commitment to a systematic approach to emissions reporting. This aligns with industry best practices, as Scopes 1 and 2 are more directly controllable within the Company's boundaries. The approach also ensures the development of a reliable reporting process before expanding to more complex Scope 3 accounting.

## Following our ESG Roadmap

San Miguel Global Power's ESG Roadmap visualizes the path the Company will take toward our holistic set of economic, environmental, social, and governance goals. The Roadmap also drives us closer to our overarching goal of becoming a net zero company, in line with the global thrust to significantly reduce emissions. Actionable initiatives in line with our Roadmap have already been implemented across our operations, which include waste reduction, energy efficiency, and biodiversity management.



NATURAL CAPITAL

Recognizing climate-related risks

GRI 12.2, 201-2

The Company is aware of the multi-faceted and far-reaching impacts that climate-related risks pose to our operations and financial performance. Observing the current state of our environment, industry, and business, we have been able to identify the following climate-related risks that are relevant to our business:

1 Higher Costs due to Climate-related Laws and Policies

As governments worldwide intensify their efforts to combat climate change, new laws and policies may be introduced. Compliance with these regulations could lead to increased operational costs, as we may need to invest in cleaner technologies and adopt sustainable practices to reduce our carbon footprint.

2 Threats from Climate-related Crises

Climate change-induced extreme weather events, such as floods and typhoons, can severely impact San Miguel Global Power's facilities and disrupt operations. The potential for damage to power generation infrastructure poses a significant concern, as it can lead to potential downtime and financial losses.

3 Litigation and Non-compliance

Failure to meet legal requirements related to emissions and environmental standards could result in litigation and reputational damage. Legal repercussions may arise if the Company is found to be non-compliant with climate regulations, leading to financial penalties and potential restrictions on operations.

4 Natural Calamities Linked to Climate Change

San Miguel Global Power acknowledges the growing risks associated with natural calamities influenced by climate change. These events can directly impact the company's assets, employees, and surrounding communities, creating operational disruptions and increasing recovery costs.

5 Costs of Climate Change Regulations

As governments implement carbon pricing mechanisms like carbon taxes, our businesses may face additional financial burdens. Complying with these climate change regulations may require the Company to invest in emission reduction initiatives and transition towards cleaner energy sources.

6 Energy Transition towards Decarbonization

Governments worldwide are increasingly pushing for energy transition and decarbonization. The Company must navigate this transition and align our energy generation portfolio with low-carbon and renewable sources to remain competitive and sustainable in the long term.



Project 747 stakeholders from Candelaria, Zambales



Juvenile rockmover wrasse *Novaculichthys taeniourus*, photo taken during the Coral Reef Monitoring and Underwater Cleanup in Ilijan, Batangas.

Addressing Climate-related risks accordingly

In response to our identified climate-related risks, San Miguel Global Power banks on our operational and strategic resilience. At the same time, we recognize the value of adaptability in addressing climate change and have adopted the following climate change risk management initiatives:

1 Compliance with climate-related regulations and risk management

We closely monitor changes in the regulatory landscape to ensure compliance with climate-related laws and policies. We are also looking into adopting risk management measures to mitigate adverse effects.

2 Promoting renewable energy generation

By integrating renewables into our energy mix, we aim to reduce our carbon emissions and contribute to global efforts to combat climate change.

3 Engaging stakeholders

We continue to actively engage with our key stakeholders, such as our investors, regulators, communities, and environmental organizations, for a collaborative approach to climate change. This will involve transparent communication to help the Company navigate climate change challenges effectively.



# Leading With Good Governance

San Miguel Global Power goes beyond compliance by championing corporate leadership guided by our values, which hold us accountable to our stakeholders.



LEADING WITH GOOD GOVERNANCE

Our good governance practices, policies, and processes continue to focus on maintaining and promoting sound and sustainable business management. This means applying sustainability and legal consistency to our decision-making and ensuring that ethical practices support our progress.

We strive to continuously define and redefine the business' strategic direction in our Business Continuity Program, regulations, internal guidelines, and ethical standards. The Business Continuity Program covers procedures aimed at assessing, evaluating,

and mitigating potential risks and serves as the cornerstone of our business strategy. Our Company also ensures that we adhere to applicable laws and regulations while staying true to our core values and vision. San Miguel Global Power's concern for the environment, in particular, is reflected in our strict compliance with environmental regulations and the Company's pivot to renewable energy. Social responsibility is likewise upheld through regulatory compliance, stakeholder engagement, and CSR projects in partnership with SMGP Foundation, Inc.



OUR BEST GOVERNANCE PRACTICES



**Fair Compensation**

Top Management approves salary increases and compensation based on objective performance evaluation criteria while considering business affordability.



**Culture of Care and Ethics**

Leadership is selected based on evaluating competency and core values alignment, leading by example, and cultivating a culture of compassion and performance excellence. The Management also supports ethical conduct, anti-corruption, and whistleblower protection.



**Diversity and Inclusivity**

The Board conducts a self-assessment in line with our Board Diversity Policy to measure performance and identify strengths, weaknesses, behavior, perspective, and character significantly impacting Board effectiveness.



**Innovation**

The Board and Management's collective body of knowledge keeps the Company updated with emerging industry technologies—especially for renewable energy—which we further through partnerships, acquisitions, and other business ventures.



**Stakeholder Touchpoints**

Executives hold regular meetings with key stakeholders to determine the annual direction of the Company and priority items that take stakeholders' concerns into mind. Concerned parties may also report possible misconduct in line with our Whistle Blowing Policy.



# Company Policies and Programs

GRI 2-24, 205-2, 206

San Miguel Global Power exceeds compliance with legal requirements through company policies that uphold good governance standards. The company policies listed below are central to systematizing integrity and *Malasakit*, translating them into mandates that guide our people and day-to-day business practices.

## 1 Board and Organizational Diversity

The Board Diversity Policy and Organizational Diversity Policy of San Miguel Global Power guide the consideration of inclusivity and diversity at the executive level. This is achieved by maintaining a demographic of directors diverse in aspects that include, but are not limited to, gender, age, ethnicity, religion, culture, sexual orientation, skills, backgrounds, competencies, knowledge, experience, and tenure.

Diversity and inclusion are also considered in the nomination and election process for directors through professional performance and objective criteria relevant to the position. During this process, competent and qualified nominee directors should not be discriminated against based on their gender, background, or physical disability.

Furthermore, shareholders are provided information on nominees, such as their gender, age, backgrounds, skills, and tenure, to enable them to consider diversity in the selection of members of the Board for optimal decision-making. The Board is gender-diversified, with four (4) male members and three (3) female members.

*Reference: SMC Board Diversity Policy, available on the San Miguel Corporation website.*

## 2 Whistle Blower Protection

The Whistle Blowing Policy stated in the Company's Code of Conduct and Ethics sets out procedures for parties to communicate what they have observed to be potential issues or violations regarding San Miguel Global Power's accounting, internal accounting controls, or auditing matters to our Audit and Risk Oversight Committee and other matters unrelated to the aforementioned through our conventional reporting channels. Such communication is kept confidential.

Whistleblowers, whether directors, officers, employees, or other interested parties, are protected by our Non-Retaliation Policy. San Miguel Global Power does not tolerate any form of retaliation against parties who raise concerns and report possible legal or ethical violations in good faith under the Whistle Blowing Policy.

We continue to uphold our Whistle Blowing Policy to ensure that business is conducted with the highest standards of fairness, transparency, accountability, and ethics.

*Reference: Policy on Whistle Blowing is available on our company website.*

## 3 Conflict of Interest

The Conflict of Interest Policy stated in the Company's Code of Conduct and Ethics requires both the Company's officers and employees to avoid conflicts of interest and conduct business in a fair manner. Conflicts of interest are those influences that may affect one's decision-making in Company matters and may compromise one's exclusive commitment to the Company.

The policy includes refusing undue personal favors and gifts that may be construed as bribery, engaging in activities that are consistent with the responsibilities of the individual's role and not detrimental to the Company's interests, utilizing Company resources solely for Company purposes, and seeking clearance from Management prior to engaging in outside work.

To promote fairness, employees receive Full Business Interest Disclosure forms for disclosing details that can influence their performance or decisions or be misinterpreted as a conflict of interest.

Through San Miguel Global Power's Conflict of Interest Policy, we identify and resolve possible conflicts of interest between the Company and its internal stakeholders to protect our business and legal obligations.

*Reference: Policy on Conflict of Interest is available on our company website.*

## 5 Anti-corruption and Anti-competitive Behavior

The avoidance of corruption in all jurisdictions where the Group conducts business is stated in the Group's Code of Conduct and Ethical Business Policy. Such is achieved by observing applicable laws, regulations, and policies pertaining to anti-bribery and corruption and prohibiting both direct and indirect bribery or improper payments, as stated in San Miguel Global Power's "No Gift" Policy.

## 4 Code of Conduct and Ethical Business Policy

The Code of Conduct and Ethical Business Policy of the Group outlines the standard of ethical and business conduct that is expected of Company members. The policy identifies stakeholders such as employees, customers, suppliers, and partners and provides guidance on managing relationships and transactions with respective stakeholder groups. The policy also describes our commitment to excellence and care for the environment, which ultimately influences business, health, safety, and environmental practices.

San Miguel Global Power's Code of Conduct and Ethics, on the other hand, is aligned with the Group's policy, further expounding on the standards of conduct and values that our employees are expected to uphold. This includes values such as teamwork, accountability, customer focus, integrity, and social responsibility.

*Reference: Policy on Code of Conduct and Ethics is available on our company website.*

Beyond policies, San Miguel Global Power also carries out regular internal and external audits as a means of financial control. Transactions are likewise kept transparent with the Management and are subject to their approval.

During the period 2021 to 2022, San Miguel Global Power recorded zero incidents of corruption and/or corruption allegations.

LEADING WITH GOOD GOVERNANCE

**6 Related Party Transactions**

As part of our pursuit of business ethics, San Miguel Global Power's Related Party Transactions Policy and Policy on Material Related Party Transactions provide guidelines on transactions between the Company and related parties such as subsidiaries, shareholders, directors, and officers.

For transactions with shareholders and subsidiaries, these should be made at normal market prices and terms to uphold the interests of the Company and our other stakeholders. For transactions with directors, officers, and affiliates, the contract should first be approved by at least a majority of the Board of Directors.

**7 Health, Safety and Welfare, and Training**

Policies on upholding employee wellbeing and development are outlined in San Miguel Global Power's Employee Manual.

In supporting employee wellbeing, the Company's programs are directed at disease prevention and occupational health and safety. The holistic approach towards employee wellbeing also involves encouraging a healthy lifestyle through regular wellness initiatives integrated into various employee engagement activities, as well as providing individuals and employees with safeguard measures against harassment at the workplace.

Our Health, Safety and Welfare, and Training Policy as implemented in the workplace is discussed further under Human Capital, on pages 90-99.

**8 Dealings in Securities**

To protect the interests and resources of San Miguel Global Power, the Company's Policy on Dealings in Securities sets out provisions on the conduct of individuals such as directors, officers, and employees of the Company engaging in dealings involving Company securities. This includes disclosure requirements as laid out in the Securities Regulation Code.

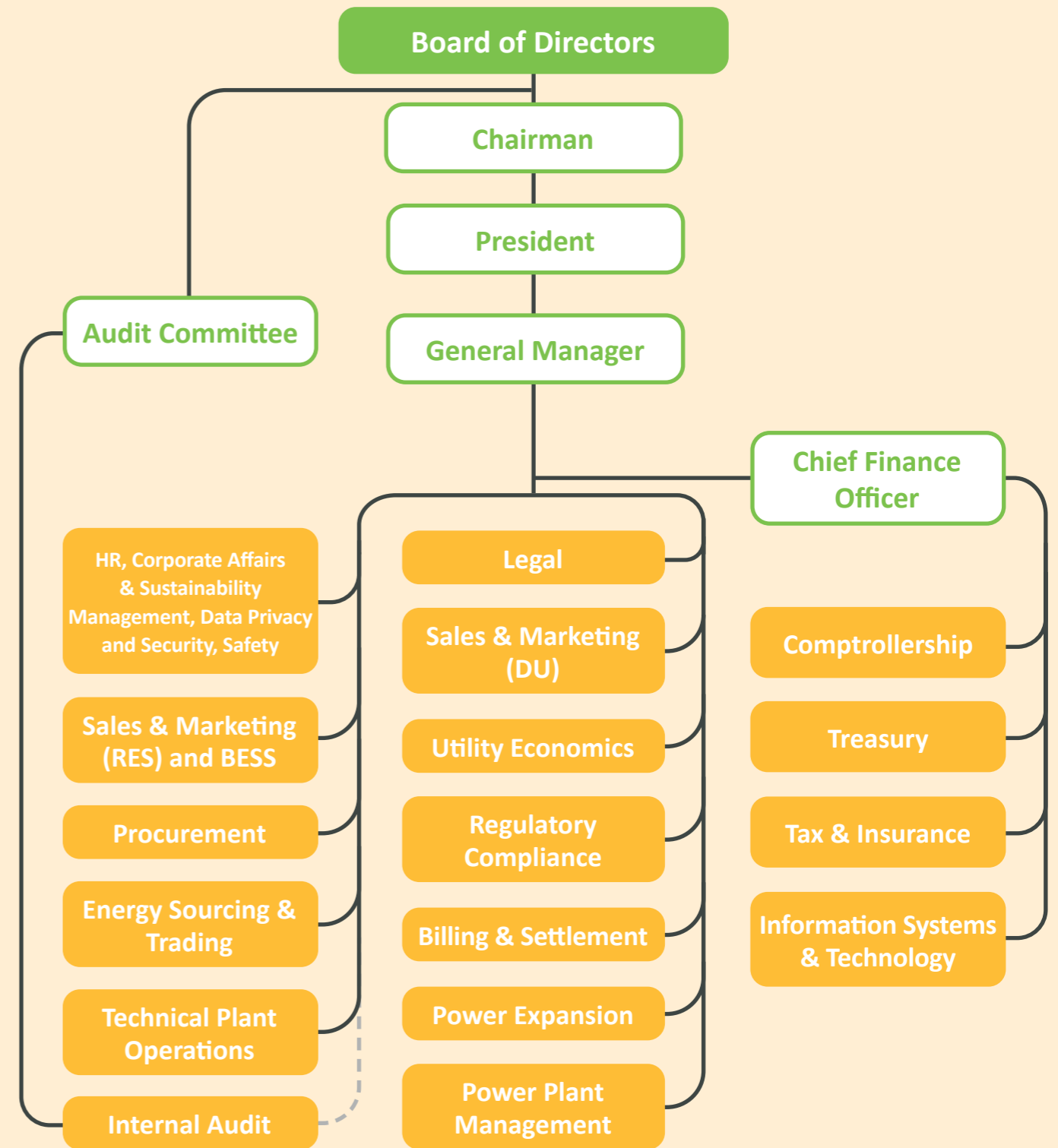


# Leaders of Action and Expertise

At the helm of setting our strategic goals and objectives, as well as overseeing the execution of said business strategy, is our leadership. San Miguel Global Power's governing body comprises individuals of diverse backgrounds with knowledge and qualities that keep us updated on emerging trends and embody the Company's core values.

## ORGANIZATIONAL STRUCTURE

GRI 2-9



LEADING WITH GOOD GOVERNANCE

# Creating Value through Governance

Capital / Stakeholders	Aspects related to value creation <i>[alignment with ESG Roadmap]</i>	Key Performance Aspects	Point of Reference
<b>Financial Capital</b>	5 Accelerate sustainable financing in our business model	Internal controls and internal audits to govern monetized resource allocation and utilization	Audit Committee; ongoing preparation for Enterprise Risk Management
<b>Customers</b>	13 Foster a responsible business that is built on ethics, integrity, and transparency	Ethical marketing	Preparation year for the renewal of ISO 9001: 2015 Quality Management Systems
		Customer health and safety	Preparation year for renewal of ISO 9001: 2015 Quality Management Systems
		Customer privacy	Preparation year for renewal of ISO 9001: 2015 Quality Management Systems
<b>Employees</b>	10 Promote diversity, succession planning, and continuous employee development focusing on training and education as well as health and safety	Employee safety	Preparation year for the renewal of ISO 45001: Occupational Health and Safety Management Systems; Preparation year for the renewal of ISO 9001: 2015 Quality Management Systems; Health and Safety Policy
		Employee rights	Code of Conduct and Ethical Business Policy; Policy on Data Privacy
		Equal opportunities	Diversity, Equity, and Inclusion Policy; Board Diversity Policy
		Reducing gender inequality	Diversity, Equity, and Inclusion Policy
		Compliance with legislation and regulations relating to employees	Code of Conduct and Ethical Business Policy; Policy on Code of Conduct and Ethics
<b>Suppliers and Business Partners</b>	13 Foster a responsible business that is built on ethics, integrity, and transparency;  15 Cultivate external partnerships that drive innovation and contribute to achieving globally agreed goals and enhancing climate resilience	Compliance with the requirements of ethical practices; Honor agreements with suppliers and partners	Supplier Code of Conduct; San Miguel Group Procurement Cycle General Policies and Guidelines

Capital / Stakeholders	Aspects related to value creation <i>[alignment with ESG Roadmap]</i>	Key Performance Aspects	Point of Reference
<b>Environment</b>	8 Ensure compliance with environmental requirements, laws and regulations	Water Management, Waste Management, Materials Usage, Emissions	Preparation year for renewal of ISO 14001: Environmental Management Systems; Environment Policy; DENR Policies; GHG Protocol: Corporate Accounting and Reporting Standard
<b>Government and Regulators</b>	13 Foster a responsible business that is built on ethics, integrity, and transparency	Anti-corruption	Anti-corruption and Sanctions Compliance Policy; Code of Conduct and Ethical Business Policy; Policy on Code of Conduct and Ethics
		Responsible corporate behavior	Code of Conduct and Ethical Business Policy; Policy on Code of Conduct and Ethics
		Meeting legal and regulatory requirements regarding the environment	Code of Conduct and Ethical Business Policy; Policy on Code of Conduct and Ethics; Environmental Management System
		Meeting regulatory standards with regard to products and services	Preparation year for renewal of ISO 14001: 2015 accredited Environmental Management Systems
<b>Intellectual Capital</b>	13 Foster a responsible business that is built on ethics, integrity, and transparency  14 Implement an integrated governance structure that embeds sustainability across the business.	Risk identification, evaluation and management	Audit Committee; Internal Controls; Internal and External Audits; ongoing preparation for enterprise risk management management
		-	GRI G4 Guidelines; Integrated Annual Corporate Governance Report

LEADING WITH GOOD GOVERNANCE

# The Board of Directors

GRI 2-9

San Miguel Global Power’s Board of Directors is responsible for the overall management and supervision of the Company. As the Company’s highest governing body, the Board’s powers and responsibilities are set forth in our Board Charter.

## BOARD COMMITTEES

GRI 2-10

The Board has established the following committees, whose duties and functions are provided for in the Amended Manual on Corporate Governance. According to the Amended By-laws, the Board of Directors has the power to create, by a resolution passed by a majority of all members of the Board, an Executive Committee of three members, all of whom shall be directors of the Corporation.

### 1 Executive Committee

The Executive Committee functions to exercise powers of the Board in managing the business and affairs of San Miguel Global Power when the Board is not in session, with the exception of powers that are specifically limited by law or by the Board.

### 2 Audit and Risk Oversight Committee

The Audit and Risk Oversight Committee functions to provide oversight over financial reporting, internal control systems, internal and external audit processes, compliance with applicable laws and regulations, and San Miguel Global Power’s ERM system.

### 3 Related Party Transaction Committee

The Related Party Transaction Committee functions to review all material related party transactions (RPTs) of the Corporation.

### 4 Corporate Governance Committee

The Corporate Governance Committee functions to assist the Board in the conduct of corporate governance throughout the Company.

## BOARD DIVERSITY

GRI 2-9, 405-1



## NOMINATIONS AND TRAINING

GRI 2-10, 2-17

San Miguel Global Power aims to maintain a governing body with an array of expertise and capacity to guide our Company toward our vision. As such, we nominate and elect directors based on a set of objective guidelines that prioritize their qualifications and potential contributions to the Company. These guidelines are enumerated in the Board Charter and Manual on Corporate Governance.

After nominations for election are submitted to San Miguel Global Power’s Corporate Secretary, owners of a majority of the Company’s outstanding capital stock vote within the stipulations of the Revised Corporation Code and in accordance with the By-Laws. The nominees with the highest number of votes are then declared elected for one year or until a successor is identified.

During their term, directors are encouraged to develop their professional skills continuously and be abreast of developments in the business landscape through an annual training program developed by the Corporate Governance Committee. The training program covers topics on the business and regulatory environment, audit, internal controls, risk management, sustainability, and strategy.

To gauge the performance of directors during their term, they undergo annual self-assessments on performance. The assessments cover the performance of the entire Board, the Chairman, the Board Committees, and its individual members. Pursuant to the policy of transparency with our stakeholders, we upload the results of the self-assessments on the Company website.

LEADING WITH GOOD GOVERNANCE

# COMPENSATION AND REMUNERATION

## GRI 2-19

In the long-term interest of San Miguel Global Power, the Company offers remuneration to our key officers and Board members in accordance with the remuneration packages determined by the Corporate Governance Committee and in line with the Manual on Corporate Governance.

The annual compensation of directors and executives aligns with the performance of each individual and the performance of the Company and is planned at a level sufficient for attracting and retaining competent officers and directors.

### Executive Compensation

The aggregate compensation paid or incurred during the last two (2) fiscal years and estimated to be paid in the ensuing fiscal year to the Chief Executive Officer, President and Chief Operating Officer and Senior Executive Officers of the Company are as follows:

Name	Year	Salary and Bonus (In Php millions)
Total compensation of the Chief Executive Officer, President and Chief Operating Officer and Senior Executive Officers*	2022	100.80
	2021	98.10
All other Officers and Directors as a group unnamed	2022	76.70
	2021	69.70

\*The Chief Executive Officer, President & Chief Operating Officer, and Senior Executive Officers of the Company for 2020 to 2022 are Ramon S. Ang, Elenita D. Go, Paul Bernard D. Causon and Ramon U. Agay.

### Standard Arrangements

In accordance with the By-Laws of the Company, directors receive a per diem allowance for their attendance at each meeting of the Board rather than a salary for their services, as resolved by the Board. The per diem allowance of independent directors is Php 40,000.00 for attending regular board and stockholders' meetings, Php 45,000.00 for attending special board meetings, and Php 20,000.00 for attendance at board committee meetings. In 2022, each independent director of the Company received a total of Php 600,000 for their attendance.

Furthermore, the By-Laws do not prohibit directors from serving the Company beyond their capacity as an officer, agent, or otherwise and subsequently receiving compensation. In 2021 and 2022, the directors of the Company did not receive any salary or compensation for their services as directors or committee participation. There were also no other special arrangements for directors to be given compensation. At present, there are no compensatory plans or arrangements for when a member of the Board is terminated, resigns, or retires.

# Good Governance in Practice

Corporate governance is an avenue for our Company to ensure we stand by our principles and values. Over the years, we have worked to build a culture of good corporate governance from the ground up, accomplishing our duties to the Securities and Exchange Commission (SEC), securing competent leadership, and establishing systems for check and balance.

In 2011, the Company's Board of Directors adopted our Manual on Corporate Governance and, several years later, our Amended Manual on Corporate Governance with additional amendments as necessitated by memoranda released by the SEC. The first Amended Manual on Corporate Governance (Amended Manual) was adopted in 2016, following further amendments in 2017, and the most recent Amended Manual was revised in 2020. Our By-Laws were also amended in line with the Amended Manual's provisions in 2017.

The SEC, under the Corporate Governance Code for Public Companies and Registered Issuers and pursuant to SEC Memorandum Circular No. 13, Series of 2021, began to require public companies to submit Annual Corporate Governance Reports (ACGR). San Miguel Global Power complied by filing our ACGR for 2021 in June 2022.

With documents such as our Amended Manual and By-Laws serving as the basis and foundation of our corporate governance practices, the Company designates a Compliance Officer to evaluate the compliance of the

Board and top-level management with the Amended Manual. Board directors are tasked with evaluating their own performance through self-assessments. In 2022, the Board and Board Committees approved the self-rating forms to be used for the self-assessments.

Our directors and officers also attend training seminars to improve their knowledge in the area of corporate governance. During the year, seminars that our directors and officers attended included those by SGV & Co. and the Center for Global Best Practices.

San Miguel Global Power remains committed to good governance by evaluating our performance and improving our policies and procedures with the Company's, shareholders', and other stakeholders' best interests in mind. More than standing by our current procedures, we remain open to seeking out best practices to move beyond what we are currently capable of.





# The Team

GRI 2-9

These are the leaders of San Miguel Global Power— individuals who embody our commitment to sustainability and responsibility, guiding the Company toward our shared goals.



THE TEAM

THE BOARD OF DIRECTORS



**Ramon S. Ang**  
Director and Chairman



Ramon S. Ang has been Chairman of the Board and Chief Executive Officer since 2010, President and Chief Operating Officer since 2017, and Chairman of the Executive Committee since 2011. He currently holds directorships in other domestic and international companies such as AHC; Mariveles Power Generation Corporation; Top Frontier Investment Holdings, Inc.; Petron Corporation; Ginebra San Miguel Inc.; San Miguel Brewery Hong Kong; Petron Malaysia Refining & Marketing Bhd; Eagle Cement Corporation; San Miguel Food and Beverage, Inc.; San Miguel Brewery, Inc.; San Miguel Foods, Inc.; San Miguel Yamamura Packaging Corporation; Sea Refinery Corporation; Clariden Holdings, Inc.; Anchor Insurance Brokerage Corporation; Philippine Diamond Hotel & Resort, Inc.; San Miguel Northern Cement, Inc.; Northern Cement Corporation; San Miguel Properties, Inc.; San Miguel Holdings Corp.; San Miguel Equity Investments Inc.; San Miguel Aerocity Inc.; SMC Asia Car Distributors Corp.; Master Year Limited; and Privado Holdings, Corp. He has a Bachelor of Science degree in Mechanical Engineering from Far Eastern University.



**John Paul L. Ang**  
Director and Vice Chairman



John Paul L. Ang has been Director and Vice Chairman of the Board since 2021. He currently holds directorships in Eagle Cement Corporation; Southwestern Cement Corporation; Top Frontier Investment Holdings, Inc.; San Miguel Corporation; Petron Corporation; San Miguel Food and Beverage; and KB Space Holdings, Inc. He has a Bachelor of Arts degree in Interdisciplinary Studies from the Ateneo de Manila University.



**Aurora T. Calderon**  
Director



Aurora T. Calderon has been a Director since 2010 and a member of the Executive Committee since 2011. She currently holds directorships in several subsidiaries of San Miguel Global Power; Top Frontier Investment Holdings, Inc.; San Miguel Food and Beverage, Inc.; Ginebra San Miguel, Inc.; Petron Corporation; Petron Malaysia Refining & Marketing Bhd; Petron Marketing Corporation; Petron Freeport Corporation; New Ventures Realty Corporation; Las Lucas Construction and Development Corporation; Thai San Miguel Liquor Company Limited; San Miguel Equity Investments Inc.; SMC Asia Car Distributors Corp.; San Miguel Yamamura Packaging Corp.; and San Miguel Aerocity Inc. She graduated *magna cum laude* with a degree in BS Business Administration, major in Accountancy, from the University of the East.

Legends

- Executive Committee
- Audit and Risk Oversight Committee
- Related Party Transaction Committee
- Corporate Governance Committee
- ★ Committee Chairperson



**Virgilio S. Jacinto**  
Director



Virgilio S. Jacinto has been a Director since 2011. He currently holds directorships at Petron Corporation and various domestic and international subsidiaries and affiliates of San Miguel Corporation. He holds a law degree from the University of the Philippines, where he graduated *cum laude* and was the class salutatorian. He also has a Masters of Law degree from Harvard Law School.



**Jack G. Arroyo, Jr.**  
Independent Director



Jack G. Arroyo, Jr. has been an Independent Director since 2011. He currently holds directorships at Philippine Healthcare Educators, Inc. and Philippine Health Insurance Corporation. He holds a Doctor of Medicine degree from the University of the Philippines College of Medicine.



**Consuelo M. Ynares-Santiago**  
Independent Director



Consuelo M. Ynares-Santiago has been an Independent Director since 2011. She currently holds directorships at Top Frontier Investment Holdings, Inc.; SMC SLEX Inc.; Anchor Insurance Brokerage Corporation; and Phoenix Petroleum Phil. Inc. She graduated from the University of the Philippines College of Law and was a former Associate Justice of the Supreme Court of the Philippines.



**Josefina Guevara-Salonga**  
Independent Director



Josefina Guevara-Salonga has been an Independent Director since 2017. She obtained her law degree from the University of the Philippines and was a former Associate Justice of the Court of Appeals of the Philippines.

THE TEAM

SUSTAINABILITY STEERING COUNCIL



**Elenita D. Go**

General Manager

**Paul Bernard D. Causon**

Vice President and Chief Finance Officer

**Ramon U. Agay Jr.**

Assistant Vice President and Comptroller  
*(Comptrollership, Treasury, Tax & Insurance, and Information Systems and Technology)*

**Danilo T. Tolarba**

Assistant Vice President and Human Resources Group Manager  
*(HR, CASM, Data Privacy, and Security)*

**Robert G. Balderas**

Technical Plant Operations Manager  
*(Technical Operations)*

**Julie Ann B. Domino-Pablo**

Assistant Vice President and General Counsel  
*(Legal)*

THE TEAM

SUSTAINABILITY STEERING COUNCIL



**Jeciel B. Campos**

Assistant Vice President and Sales & Marketing Manager (Sales & Marketing - DU)

**Gonzalo B. Julian, Jr.**

Assistant Vice President, Sales and Marketing Manager-RES, and Head of the Battery Business (Sales & Marketing - RES and BESS)

**Jose Ferlino P. Raymundo**

Assistant Vice President and Energy Sourcing & Trading Manager (Energy Sourcing & Trading)

**Melvin G. Rabanes**

Billing and Settlement Head (Billing & Settlement)

**Alberto B. Reyes III**

Utility Economics Manager (Utility Economics)

THE TEAM

SUSTAINABILITY STEERING COUNCIL



**Warren G. Belvis**  
 Regulatory and Compliance Manager  
*(Regulatory Compliance)*

**Reynaldo S. Matillano**  
 Internal Audit Manager  
*(Internal Audit)*

**Rene R. Mendoza**  
 Project Director/  
 Sustainability Technical  
 Advisor *(Power Expansion)*

**Rolando R. Evangelista**  
 Deputy General Mana/  
 Sustainability Technical Advisor  
*(Plant Operations)*

**Nelson M. Makalintal**  
 Business Procurement Manager  
*(Procurement)*

THE TEAM

SUSTAINABILITY STEERING COUNCIL



**Emmanuel C. Tayson**  
Ilijan Power Plant

**Joel D. Ysip**  
Limay Power Plant

**Vasco Teofilo R. Saldaña**  
Malita Power Plant

**Mathias R. Mancira**  
Mariveles Power Plant

**Roland R. Cabasa**  
Masinloc Power Plant

**Dong Hyung Kang**  
Angat Power Plant

## THE TEAM

## TECHNICAL WORKING GROUP

## Corporate Office

Avi Helena Babao  
 Carlos Bajacan  
 Dixie Anthony Banzon  
 Eufemio Lazaro  
 Francis Arceo  
 Eugenio Hernandez  
 James Juganas  
 Janelle Gomendoza  
 Jared Echevarria  
 Jelly Lopez  
 Joyce Jimsie Aguinaldo  
 Kristina Bautista  
 Krizzaline A. Landicho  
 Leah Catapia  
 Lee Dimapilis  
 Leymarie Dee Lim  
 Lily Ann Marie Duque  
 Ma. Angela Araneta  
 Margaret Basconillo  
 Maria Floreselda S. Abalos-Sampaga  
 Marisa Acorda - Dimalanta  
 Mary Claire Cantor  
 Mary Grace Ladao  
 Mike O'Brien S. Maralit  
 Myka Keziah Marinda- Tuppal  
 Ramon Agay Jr.  
 Rey Llesol  
 Rheza Mae Mamades-Lola  
 Ronald Allan Sumague  
 Ronald Dee  
 Samuel Allam

## Angat Hydro Power Plant

Pablito Pahamtang Jr.  
 Maribel Sollorano  
 Christian Alcantara  
 Alfeo Añoso  
 Saturnino C. Espiritu  
 Jasper Molinos  
 Jhon Carlo Callueng  
 Aileen Dela Cruz  
 Roque De Guzman

## Ilijan Power Plant

Joselito Y. Cortes  
 Mary Grace Guzman  
 Rosalyn M. Simara  
 Lisandro R. Magbojos  
 Jayson O. Bool  
 Jaybee L. Perez  
 Marites G. Malicdem  
 Charmagne Anne S. Jasmin  
 Blesilda F. Tenorio  
 Paul C. Magtibay  
 Marie Joane D. Bautista  
 Ronie P. Suyo  
 Prencelita L. Macalinao

## Limay Power Plant

Jennifer Cariño  
 Cherry Bobadilla  
 Gary A. Algodon  
 Lovely Ann Castro  
 Jelliane B. Velasco  
 Erika Mae Sanchez  
 Heidee Manalac  
 Anna Margarita B. Jaime  
 Marcel P. Oliveria  
 Gary Francisco  
 Anna Marie Sarmiento  
 Rowan Velonta  
 Jhedan Saquilabon

## Malita Power Plant

Joyce Q. Balayan  
 Dennis Ilan  
 Cleonante Capiloyan  
 George Basa  
 Hannabee Sordilla  
 Nicholjim Conales  
 Cristopher Federizo  
 Crystal Jade Aranguez  
 Jennifer Rico  
 Suzette Agad-Toring  
 Marisa Baduya  
 Col. Errol Ramones  
 April Rose Filipino  
 Alfredo Sevilla

## Mariveles Power Plant

Ferdimar Y. Gamboa  
 Diana De Chavez  
 Nielsen S. Ocampo  
 Jon Lee A. Dacion  
 Dennis B. Cabinian  
 Edmar A. Elca  
 Marirose T. Dela Rosa  
 Rodel Christian G. Tuppal  
 Arnulfo Y. Sangalang  
 Michael E. Felipe  
 Ma. Gloria S. Java  
 Ronilo H. Cudal  
 Ryan Adam B. Enriquez

## Masinloc Power Plant

Jennifer Ann Sauco  
 Jeremy Samaniego  
 Jeffren Argame  
 Dennis Tanguangco  
 Carlito Cabanela  
 Mar Tuazon  
 Darwin Talusan  
 Jeffrey Limen  
 Denmark Palma  
 Ma. Violeta Macariola  
 Noralyn Zepeda  
 Joseph Alegado  
 Roland Cabasa  
 Mariel Maya  
 Romualdo Versoza

*A child from the Aeta Magbukun Indigenous Cultural Community in Brgy. Biaan, Mariveles, Bataan and a beneficiary of San Miguel Global Power's Brigada Eskwela, Oplan Balik-Eskwela, Brigada Pagbasa, and health care services.*



## OUR OUTLOOK

# Moving Forward

San Miguel Global Power's mission to support national development means providing consistent and reliable power that boosts growth and upholds economic inclusion. As we continue to respond to the growing energy demands of the country, we remain committed to building a sustainable future guided by our ESG Roadmap.

## OUR OUTLOOK

## OUR FURTHER ACTION PLANS

## Economic Action Plans

Investing in LNG facilities and alternative fuels produced by renewable energy sources to improve power access and stability in remote areas

Investing in HELE technologies such as CFB and supercritical steam generation

Ensuring the availability of specific technical resources required for the pre-engineering, design, and sourcing of renewable energy projects through engaging with technical consultants

Exploring the development of knowledge resources to pursue nuclear energy, such as SMR (small modular reactor)

Introducing the WESM in Mindanao to align with regulatory and infrastructural developments

Focus on engaging with customers in specific industries:

- The semiconductor and electronics manufacturing industry due to their need for renewable energy to meet sustainability goals
- Malls, as peak users that can benefit from solar supply
- Exploration of opportunities with customers in industries such as cement, steel, tobacco, and data centers

Regularly conducting audits led by internal and external teams to assess demand for clean energy solutions and review investment portfolios

Project 747, Members of Kapisanan Ng Samahan Ng Mamamayan Nagmamahal Sa Kalikasan Sa Quezon, Inc. (KASAMAKA Quezon, Inc.)



## Environmental Action Plans

Executing plan to reduce carbon emissions in operations, involving the gradual retirement of old coal power plants, conversion of existing fossil fuel plants to hydrogen, and increased investments in renewable energy

Exploring hydrogen and nuclear plants while continually investing in technology for improved operational efficiency

Conducting stakeholder engagements to encourage a shift from business-as-usual (BAU) investments to clean energy

Creating an ESG policy that aligns with local and international disclosure requirements and our net zero goal

Conducting carbon accounting workshops and collaborating with a third-party service provider, such as GHD, to measure emission parameters and identify areas for improvement

Involving employee working groups to measure and identify process and equipment gaps and reduce emissions

Utilizing our Quality, Environment, Safety, and Health (QESH) and Logistics Department to monitor resource management in line with the IMS (ISO 9001:2015 and ISO 14001:2015)

Reducing generated waste by repurposing and recycling resources for higher value

Managing hazardous and non-hazardous waste with an accredited third-party contractor and selling fly ash generated from plant operations to cement plants

Continuously improving resource management to minimize waste and maximize resource utilization

Compliance with government and regulatory standards for environmental and safety requirements

Implementing initiatives to conserve and restore nature and biodiversity, including ongoing tree planting through Project 747 and area cleaning in sites and surrounding communities

Exploring the research and development of carbon capture, utilization, and storage (CCUS) technologies





OUR OUTLOOK

# Setting down targets for the future

The development of San Miguel Global Power’s ESG Roadmap is an important milestone in our sustainability journey. The next step that remains for the Company is to set measurable targets for our short-, medium-, and long-term goals to better track and report on our progress.

## BRACING FOR UNCERTAINTIES

Cognizant of the potential headwinds, San Miguel Global Power is bracing for an increase in resource demands, which will entail more financial, human, and manufactured capital. Our measures for managing

potential risks during the execution of our strategy include continued skills enhancement across our workforce, financial and governance controls, and the strategic hiring and upskilling of our employees.



# Optimizing our plants and portfolio

## GAINING TRACTION IN GREEN ENERGY: THE ANGAT HYDROELECTRIC POWER PLANT

The Independent Electricity Market Operator of the Philippines (IEMOP) reported that peak electricity demand in 2022 exceeded demand in 2021 by 4.57% and pre-pandemic levels by 6.91%. The Department of Energy, meanwhile, cited the lifting of quarantine restrictions and the picking up of major economic activities and industries as factors that have led to the increase in energy consumption in 2021.

The rise in activity has led to a subsequent rise in the demand for energy. This, however, must be considered alongside the use of natural resources. With the restricted gas supply of the Malampaya Gas Field and the surge in the price of fuel, other viable energy sources must be considered.

To provide the country with the power it needs, San Miguel Global Power has undertaken the rehabilitation and upgrading of the Angat Hydroelectric Power Plant after acquiring a 60% stake in Angat Hydropower Corporation in 2014. In 2020, we commenced the rehabilitation of the 218 MW Angat Hydroelectric Power Plant, where the upgrading of its generating units will be undertaken until 2024.

The newly rehabilitated plant is expected to produce an increased output of approximately 4%, providing additional capacity for the Luzon Grid. Apart from the additional power output, water resources from the plant’s Angat reservoir can provide 97% of Metro Manila’s residential drinking water and irrigation for Bulacan and Pampanga.



OUR OUTLOOK

## GROWING OUR RENEWABLE ENERGY SHARE

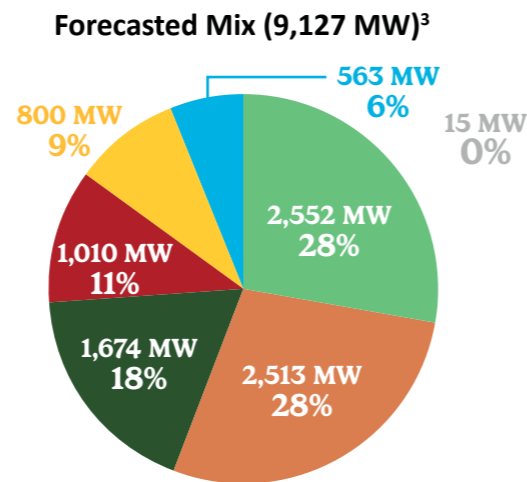
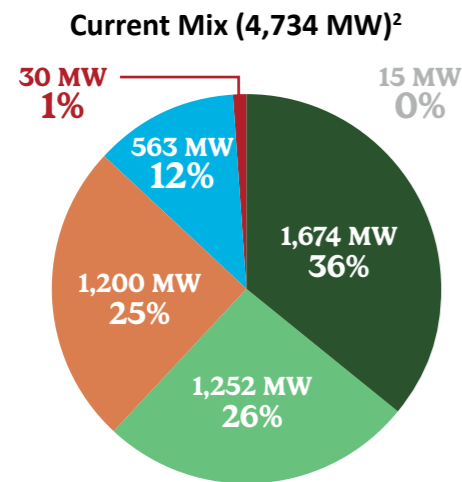
We will continue to prioritize projects in renewable energy as we progress on our decision to minimize our carbon footprint.

Currently, the Company is developing a portfolio of solar power projects across Luzon with an initially planned capacity of 800 MW. These projects will be strategically located in areas with moderate to high photovoltaic potential to maximize productivity. We made progress in 2022 by entering into a Solar Energy Operating Contract for a 130 MW solar project located in Bataan.

This project, referred to as the Bataan Solar Project, is currently in its pre-development stage.

San Miguel Global Power will continue to explore further acquisitions and developments of greenfield power plants, including up to 800 MW of additional solar-powered and hydroelectric plants. Similarly, the Philippines is projected to integrate up to 5,000 MW of renewable energy into the grid, which our 1,000 MW BESS facilities will provide crucial support for.

● Supercritical & CFB ● Hydro ● Natural Gas ● Pulverized Coal ● BESS ● Solar ● Others



<sup>2</sup> Mix as of March 31, 2022. Masinloc BESS, Kabankalan BESS and Tagum Peaking Power Plant represents 0.21%, 0.42% and 0.32% of installed capacity, respectively.

<sup>3</sup> 2025 Expected Fuel/Technology Mix of SMC Global Power includes the 600 MW Mariveles, 700 MW Masinloc Units 4 and 5, 1,313.1 MW Batangas Combined Cycle Power Plant, 1,000 MWh BESS expansion projects and 800 MWp solar power projects.



## AMPLIFYING EMISSIONS MONITORING AND MANAGEMENT

Our portfolio diversification strategy includes plans for transitioning into high-growth, low-emission, and viable frontier technologies for our BESS and LNG power plant projects. We will work on building up our own Research and Development (R&D) capabilities to tap into technology that can lower our overall GHG emissions. The variety of CCUS technologies that we are looking into currently include the use of ammonia and hydrogen energy.

While San Miguel Global Power strives to significantly reduce and eventually eliminate our GHG emissions through innovation, we will take the necessary steps to monitor them. The Company has been closely monitoring our Scope 1 and 2, with foundations being set for calculating and monitoring Scope 3. We aim to be able to successfully track our Scope 3 emissions within the next three to five years.

The Company can also reduce our emissions by using electric equipment and machinery. Electric vehicles (EVs), for example, can eliminate emissions and fuel use from our transportation activities. We will first conduct more studies on the matter given the current challenges of limited local EV distributors and manufacturers, charging stations, and the supply of coaster-type vehicles.



OUR OUTLOOK

# Protecting our common home

With *Malasakit* as our core value, San Miguel Global Power engages in the rehabilitation and as part of our continuing commitment to sustainability. Our sustainability objectives guide us in our biodiversity programs, with the overarching goal of maintaining and reviving ecosystems so they may continue their natural functions in supporting local wildlife.

Project 747 is the flagship environmental program of the SMGP Foundation and focuses on breathing life

into coral reefs and regenerating the nearby land with resilient plant life. We are looking forward to its future progress and expansion, given the promising past years of Project 747's implementation, where we exceeded our greening project targets. We aim to continue to share this milestones with more of our host communities.

## PLANTING AND PROSPERING ALONGSIDE THE LOCAL COMMUNITY

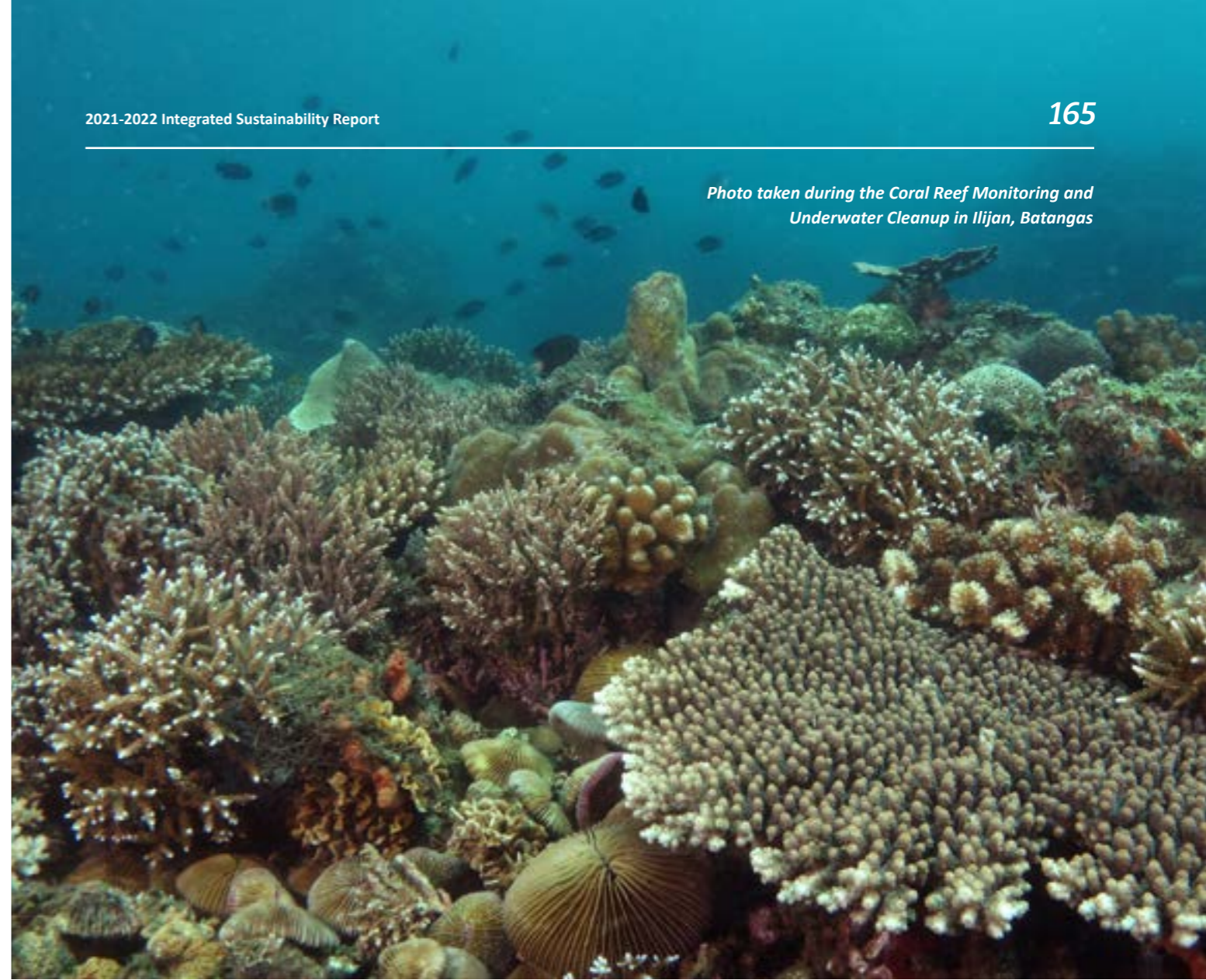
Our biodiversity projects have allowed San Miguel Global Power to connect with our stakeholders through the shared objective of caring for our common home. At the same time, a key component of Project 747 has been to go beyond being a greening program by sowing seeds of prosperity for the People's Organizations (POs) who have worked with us through livelihood programs and capacity-building on environmental monitoring.

As we expand Project 747, we will continue to bridge more livelihood opportunities for participating POs through our Biochar Community Enterprise Development Program and encourage the collaboration of more members of the nearby community. The Company will allot and provide resources for the POs who care for and maintain the project's nursery and planting sites in anticipation of its continued implementation.



*Kalingan San Juan Mangrove Planters Association (KSJMPA) participated in the Mangrove Enrichment Planting project under the Ridge-to-Reef Conservation Program in Ormoc City*

*Photo taken during the Coral Reef Monitoring and Underwater Cleanup in Ilijan, Batangas*



## REVIVING PHILIPPINE REEFS WITH BLUE CORALS PROJECT

In a joint effort to rehabilitate degraded coral reefs, a Technical Working Group composed of representatives from San Miguel Global Power, DENR, local communities, and ocean-focused organizations was established under the BLUE (Balanced & Healthful Life Underwater Ecosystem) Corals Project.

The project, set to begin in 2024 and run until 2027, will involve four components covering institutional strengthening and development, sustainable marine conservation, climate action, and other supporting programs. We aim to install at least 1,750 reef cubes and plant 1,400 coral fragments throughout select reefs and continuously monitor them with our project partners.

Following the Company's joint environmental and social thrust, the BLUE Corals Project will be an opportunity to care for both the environment and the community, namely the fishermen and POs of the seven target project sites. Rehabilitating coral reefs can help attract more fish to the area, which may help augment the livelihood of the fisherfolk.

We believe that this is only the beginning when it comes to our environmental initiatives. The coming years will entail observing the developments of the project and the formulation of similar projects to come as we enhance our thrust in sustainability and stewardship.

# Our Company's continued commitment

San Miguel Global Power will continue to be on the move, with each step bringing us closer to our commitments to sustainability. Our momentum is fueled by our drive to empower and serve our stakeholders, especially our countrymen in need, by providing low cost electricity.

We commit to becoming a Company that can be relied on—one that is capable of using innovation for the equal benefit of business, biodiversity, and community;

We endeavor to stimulate national development by supplying the Philippines with the power it needs for growth and catalyzing economic opportunities throughout our sites of operation;

And we move with the global community to achieve a sustainable and net zero future by contributing to the worldwide effort of combating climate change and investing resources to become a responsible corporation.



# External Review Committee and Assurance Statement

SMGP 2021-2022 Integrated Sustainability Report *Internal Review*



## Third-Party Statement on the Internal Review of the San Miguel Global Power 2021-2022 Integrated Sustainability Report

The University of Asia and the Pacific - Center for Social Responsibility (UA&P-CSR), a competent and independent practitioner of the International Integrated Reporting <IR> Framework, conducted an internal review of San Miguel Global Power’s (SMGP) 2021-2022 Integrated Sustainability Report (ISR). Leveraging its expertise, UA&P-CSR provides valuable technical assistance and content development on sustainability and integrated reporting for several publicly-listed companies in the Philippines. As a result, UA&P-CSR has earned the trust and confidence of various organizations, establishing itself as the preferred partner in the industry.

### Purpose of the Internal Review

Integrated reporting, a process rooted in integrated thinking, wcommunicates how an organization creates, preserves, or erodes value in the short, medium, and long term. It is further articulated through the Company’s strategy, governance, and performance and prospects, in the context of its external environment. Various companies are embracing the International Integrated Reporting <IR> Framework, recognizing its ability to usher in a more comprehensive, concise, and cohesive approach to corporate reporting.

With SMGP’s recent adoption of the <IR> Framework, UA&P-CSR’s internal review of the Company’s 2021-2022 Integrated Sustainability Report (ISR) stands as an important engagement. The primary objective of the internal review is to assess the quality and alignment of the maiden ISR with the guidelines provided by the <IR> Framework. This ensures that both the reporting process and the ISR itself undergo internal quality control processes and compliance checks that can contribute to the robustness of the report.

### Methodology: UA&P <IR> Practitioners Scorecard

The UA&P <IR> Practitioners Scorecard contains corroborating information vis-à-vis the requirement of the <IR> Framework to be included in an integrated report. It contains indicators aimed at assessing the alignment of SMGP’s 2021-2022 ISR with the <IR> Content Elements and Guiding Principles (see Figure 1). Additionally, the scorecard includes indicators to monitor the alignment of SMGP’s disclosures with the latest version of the GRI Standards.



Figure 1. UA&P <IR> Practitioners Scorecard: Content Elements and Guiding Principles

### SMGP 2021-2022 Integrated Sustainability Report *Internal Review*

The scorecard seeks to provide SMGP with recommendations to enhance its discussion on the <IR> Content Elements and effectively embed the <IR> Guiding Principles throughout its report. The review utilized both quantitative and qualitative methodologies. Quantitatively, it uses percentage scoring, while qualitatively, it draws on the leading practices of global companies recognized by the International Integrated Reporting Council (IIRC), including some global energy companies.

In line with this, UA&P-CSR provided three feedback reports to the Company containing scores, observations, and recommendations for each <IR> Content Element and Guiding Principle. These feedback reports were delivered based on SMGP’s three submitted drafts on July 25, 2023, October 24, 2023, and April 1, 2024, respectively. However, it is pivotal to emphasize that the scorecard does not establish benchmarks for these elements, and the recommendations should not be considered as “investment grade” information.

### Results of the Internal Review: Assessment of SMGP’s 2021-2022 ISR’s Alignment with the <IR> Framework

SMGP has adopted the <IR> Framework in crafting its first ISR. The ISR provides a comprehensive overview of the key report elements, including the Company’s organizational landscape, governance framework, business model, risk management approach, strategic direction, performance, and outlook.

Within the “Our Company” section, SMGP effectively communicates its history, organizational structure, marketing positioning, and notable achievements, while demonstrating a keen understanding of external environmental factors and their impact on operations and strategic responses. In the “Leading with Good Governance” section, the report outlines the Company’s governance structure, roles of Board Committees, and policies aligned with culture and values. To enhance future reports, SMGP should include specific examples of board activities influencing strategic direction and risk management, and strengthen remuneration disclosures by directly linking them to value creation.

Notably, the ISR highlights SMGP’s business model, aligning it closely with the Company’s purpose, vision, mission, values, and strategy. However, there is an opportunity to enhance the presentation of the business model by providing deeper insights into the availability, quality, and affordability of capitals. Moreover, the report effectively identifies specific risks and opportunities impacting value creation, although ensuring consistency in discussing risk implications throughout would provide a more comprehensive understanding.

In terms of strategy and resource allocation, SMGP’s CARE pathways and vision for achieving net zero by 2050 are clearly outlined, with recommendations for providing more detailed insights into resource allocation plans and targets. Furthermore, the performance and outlook sections of the ISR detail specific key actions for environmental and economic categories but could benefit from including actions for the capitals, social, and governance categories with clear timelines and categorized discussions for clarity. Implementing these recommendations will further enhance transparency, accountability, and stakeholder engagement in SMGP’s sustainability journey and future reporting efforts.

The ISR also demonstrates how the Company embeds the <IR> Guiding Principles. While the connection among various sections of the report is evident, the SMGP can further strengthen this aspect by providing detailed information on key content elements and illustrating the connection between financial and nonfinancial performance using both quantitative and qualitative data. This comprehensive approach will better illustrate the Company’s value creation process and future orientation.

Aligned with its core value of “*malasakit*,” SMGP emphasizes its commitment to creating value for its stakeholders throughout the report, particularly in discussions of the External Environment and Stakeholder Interests. However, the Company can enhance the report by providing a deeper explanation of its priority stakeholder identification process and detailing specific channels and activities implemented to maintain and nurture stakeholder relationships. This will further demonstrate SMGP’s dedication to stakeholder engagement and value creation.

In the current reporting cycle, SMGP has updated its materiality assessment. The developments made by the Company are evident in the discussion of its Materiality Assessment Process wherein it has effectively categorized material topics and established boundaries, including the number of topics and consulted stakeholders. To enhance future reports, the Company should elaborate on key stakeholders involved and incorporate a timeframe for action on identified material topics. This will provide stakeholders with a clearer understanding of SMGP’s sustainability priorities and plans.

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Moving forward, ongoing attention is needed to ensure that the ISR remains concise, reliable, complete, consistent, and comparable over time. The Company should refine reporting practices to deliver clear, accurate, and comparable information that meets stakeholders' needs and enhances the credibility of its sustainability reporting efforts. Regular review and improvement in these areas will strengthen the overall quality and effectiveness of SMGP's reports in the succeeding reporting cycles.

Upon conducting three reviews of SMGP's ISR drafts, we have observed significant progress in meeting the requirements and guidelines of the <IR> Framework, as shown in Figure 2. It is noteworthy that for the first feedback report, only the <IR> Content Elements were reviewed by UA&P-CSR as SMGP submitted the draft sections in three batches (on July 25, August 15, and August 17, 2023, respectively). Subsequently, the <IR> Guiding Principles were evaluated in the succeeding ISR drafts, which were submitted in its entirety, enabling UA&P-CSR to comprehensively assess the presentation of the report. The detailed findings and recommendations for each <IR> Content Element and Guiding Principle, based on the final ISR draft submitted by the Company on April 1, 2024, can be found in Tables 1 and 2, respectively.

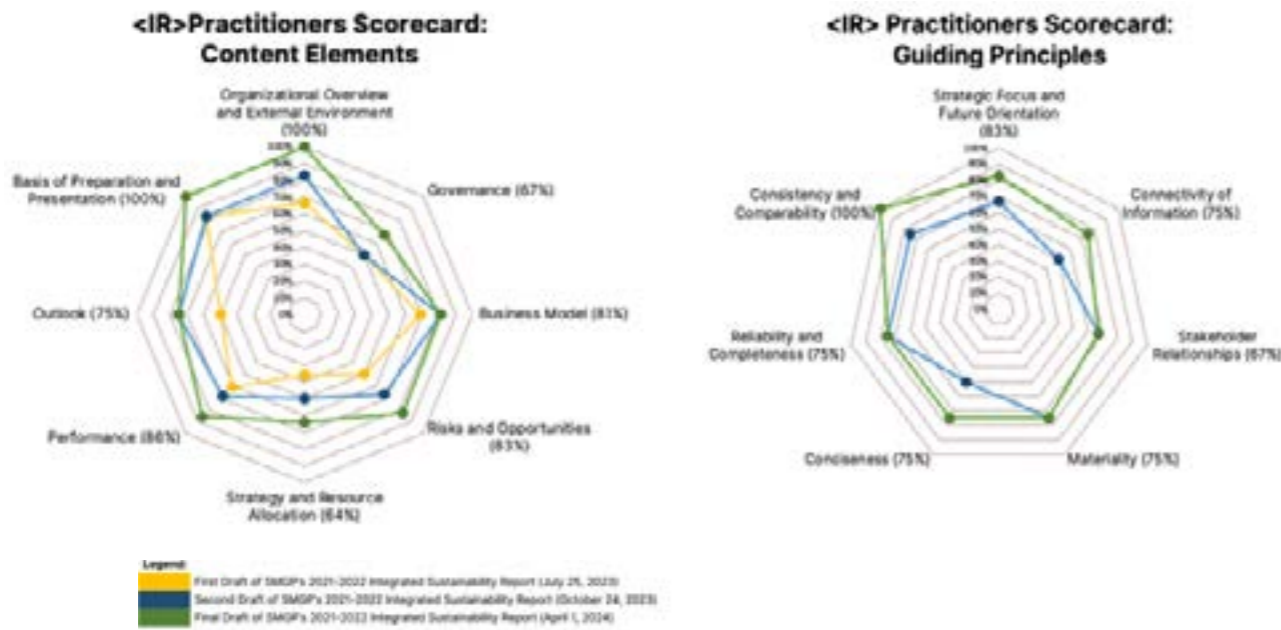


Figure 2. Summary of Scores of the <IR> Content Elements and Guiding Principles of SMGP's 2021-2022 ISR

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Table 1. Assessment of the <IR> Content Elements of SMGP's 2021-2022 ISR (April 1, 2024 version)

<IR> Content Elements	Findings and Recommendations
Organizational Overview and External Environment	<p>The "Our Company" section provided an organizational overview of SMGP through its profile, history, and organizational structure. It also highlighted its marketing positioning and key achievements by presenting its milestones, energy portfolio, and awards and recognition. Moreover, the discussion of external environment factors demonstrated its operating context by indicating the implications for SMGP and its strategic response, including its alignment with the Company's overall strategies.</p>
Governance	<ul style="list-style-type: none"> <li>SMGP was able to present its governance structure and delineate the roles and functions of its Board Committees. The governance policies and programs that align with the Company's culture and values were also discussed, and a summary table that presents how governance standards are aligned to key performance aspects, corporate strategy, and relevant &lt;IR&gt; capitals/stakeholders was included.</li> <li>To further elevate the quality of its governance discussion in succeeding reports, SMGP is encouraged to include specific board activities that showcase the influence of the Company's leadership on the strategic direction and risk management of the Company. Additionally, SMGP can still improve its remuneration disclosure by linking it to value creation in the short, medium, and long term.</li> </ul>
Business Model	<ul style="list-style-type: none"> <li>The Company identified the key elements of its business model (including inputs, business activities, outputs, and outcomes). It showed the alignment of the business model with the Company's purpose, vision, mission, corporate values, and strategy. A narrative on the linkage with other &lt;IR&gt; Content Elements including external environment, risks and opportunities, and outlook was also included. Moreover, it provided insight into SMGP's value creation and the relevance of each capital to the Company.</li> <li>However, it may further improve the presentation of its outputs and outcomes, following the suggested diagram in the &lt;IR&gt; manual. In the next reporting period, it may also provide insight into the Company's availability, quality, and affordability of capitals.</li> </ul>
Risks and Opportunities	<ul style="list-style-type: none"> <li>The Risk and Opportunities section provided insights into SMGP's risk management process, framework, governance, and, more importantly, the specific risks and opportunities across nine (9) critical areas that may impact the Company's value creation over time.</li> <li>A notable improvement that can be made is ensuring consistency in discussing the implications of risks throughout the report to provide further insight into how they may impact the Company, specifically its performance, operations, and sustainability objectives.</li> </ul>

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Strategy and Resource Allocation	<ul style="list-style-type: none"> <li>SMGP's strategy is clearly outlined through its CARE pathways, encompassing economic, environmental, social, and governance aspects. Additionally, it has communicated its long-term vision to achieve net zero by 2050. The Company has disclosed its collaborative approach to developing this roadmap, emphasizing the contributions of its Sustainability Management Team and Steering Council.</li> <li>As SMGP moves forward with establishing its ESG Roadmap, it could enhance its reporting by providing further insights into resource allocation plans, metrics, and targets for each strategy in the next reporting period.</li> </ul>
Performance	<ul style="list-style-type: none"> <li>SMGP sufficiently described its current level of performance as a basis for assessing its progress in delivering management's strategic targets. It also provided its past-to-present performance that reinforced comparability over the years.</li> <li>As a recommendation, the Company may consider determining its investments per capital to enhance the connectivity of its financial performance with performance regarding other capitals.</li> </ul>
Outlook	<ul style="list-style-type: none"> <li>The Company has incorporated specific key actions for environmental and economic categories, using color codes for differentiation in the report layout.</li> <li>To enhance future reports, it is recommended to include specific key actions for capitals, as well as social and governance categories, along with the timeframe for achieving these action plans. Additionally, to further strengthen the Outlook section, SMGP could categorize discussions (e.g., Opportunities, How We Respond, Actions) and incorporate more graphs throughout for comprehensive and cohesive discussions.</li> </ul>
Basis of Preparation and Presentation	<ul style="list-style-type: none"> <li>The report's Basis of Preparation and Presentation was presented sufficiently. It described how its material issues were defined, quantified, and evaluated using the relevant reporting frameworks and methodologies.</li> <li>To complete its presentation of information, SMGP should declare its use of the GRI 12: Coal Sector Standards 2022 in the summary of standards and frameworks used and by including it in its GRI Content Index.</li> </ul>

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Table 2. Assessment of the <IR> Guiding Principles of SMGP's 2021-2022 ISR (April 1, 2024 version)

<IR> Guiding Principles	Findings and Recommendations
Strategic Focus and Future Orientation	<ul style="list-style-type: none"> <li>SMGP presented its strategy through its CARE pathways, which were reflected throughout the report. It also showed the linkage of its strategy with the Company's discussions on other &lt;IR&gt; Content Elements such as governance, external environment, risks and opportunities, and outlook.</li> <li>In the next reporting period, SMGP may further disclose its metrics and targets to effectively monitor its progress over time.</li> </ul>
Connectivity of Information	<ul style="list-style-type: none"> <li>Overall, the interrelatedness of the various sections of the report, particularly the &lt;IR&gt; Content Elements, is demonstrated in the discussion and is further complemented by the use of cross-references, which shows the connectivity of presented information.</li> <li>Moving forward, SMGP should indicate (e.g., External Assurance Statement) and update (e.g., page numbers cited in the Content Index including the GRI 12: Coal Sector Standards) certain sections once they become available. The Company may also present the connection between its financial and nonfinancial performance by utilizing quantitative and qualitative data in the discussion of its &lt;IR&gt; capitals to comprehensively illustrate its value creation process. Furthermore, in the succeeding report, SMGP should provide context on its corporate strategies for economic and ESG aspects, as well as populate information for the sustainability framework once its ESG Roadmap is finalized.</li> </ul>
Stakeholder Relationships	<ul style="list-style-type: none"> <li>In alignment with its core value "malasakit," SMGP was able to emphasize its commitment to creating value for its stakeholders. This commitment was reiterated throughout the report such as in the discussion of the External Environment, particularly "Stakeholder Interests and Socioenvironmental Advocacies." The report also discusses how stakeholders played a significant role in the identification of material ESG issues and are considered in risk management.</li> <li>However, the Company can significantly enhance the report by providing a more in-depth explanation of its priority stakeholder identification process, and specific channels and activities implemented for maintaining and nurturing stakeholder relationships.</li> </ul>
Materiality	<ul style="list-style-type: none"> <li>SMGP has indicated the categorization of its material topics and the establishment of materiality boundaries (e.g., the number of topics and consulted stakeholders).</li> <li>Moving forward, the Company may provide a discussion on key stakeholders and incorporate a timeframe for action on the identified material topics in the succeeding report.</li> </ul>

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<p>Conciseness</p>	<ul style="list-style-type: none"> <li>• Infographics were utilized to present SMGP’s information concisely and enhance understanding for readers of the report. Additionally, it employed cross-references to limit the repetition of information.</li> <li>• In the final draft, SMGP should ensure consistent terminologies for clarity and coherence.</li> </ul>
<p>Reliability and Completeness</p>	<ul style="list-style-type: none"> <li>• SMGP developed a balanced report where its material issues included both positive and negative performance and outcomes that made significant impacts on the Company’s value creation. The report also shows reliability in reporting by disclosing the processes involved and referencing frameworks and methodologies used.</li> <li>• As a recommendation, SMGP should declare its use of the GRI 12: Coal Sector Standards 2022 and incorporate it in the GRI Content Index. In addition, the External Review Committee and Assurance Statement may be included in the final version once it is available.</li> </ul>
<p>Consistency and Comparability</p>	<p>The maiden 2021-2022 ISR is presented in alignment with the 2019-2020 GRI-based Sustainability Report (SR). SMGP also explained its transition to the &lt;IR&gt; Framework and the changes that were made particularly in updating the material topics and their impact on value creation. These enhanced the consistency and comparability of key performance indicators (KPIs) from the previous report and benchmarked industry standards.</p>

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Expert’s Key Insights

SMGP’s adoption of the <IR> Framework for its 2021-2022 ISR has revealed the significant internal transformations within the Company. SMGP, which manages a diverse portfolio of power generation assets including Independent Power Producers (IPP), Independent Power Producer Administrators (IPPA), joint ventures, and selected initiatives, has utilized the ISR to highlight and communicate its performance on key material topics, their implications on capitals and their contributions to the United Nations Sustainable Development Goals (UN SDGs), as well as the associated risks, opportunities, and overall impact on value creation.

Beyond complying with the Securities and Exchange Commission’s (SEC) Integrated Annual Corporate Governance Report (I-ACGR), adopting the <IR> Framework, complemented by selected disclosures from the GRI Standards, provides a robust and comprehensive framework for reporting performance. This approach effectively communicates SMGP’s performance, aspirations, strategies, and programs. It helps stakeholders gain a deeper understanding of the Company’s strategies and activities aimed at aligning its business model and optimizing the performance of its deployed capitals to generate and capture value, all while navigating the risks and opportunities inherent in the energy sector. This vision is rooted in SMGP’s core value of malasakit. In addition to the environmental, social, and governance (ESG) disclosures, the report now includes insights into deployed capitals, performance metrics, risk mitigation strategies, and steps taken to capitalize on opportunities.

The report highlights two key themes driving strategic shifts within the Company: (1) the alignment with its parent company, San Miguel Corporation’s (SMC) sustainability goals; and (2) the pursuit of transformation rather than transition. The SMGP Executive Council was specifically established to plan and monitor this mission and transformation process.

The first theme highlights the adoption of SMC’s sustainability goals which underscores the Company’s commitment to uplifting the lives of 15 million Filipinos by 2030, establishing a circular economy by 2040, ensuring a sustainable and ethical supply chain by 2040, and achieving net zero carbon emissions by 2050. This commitment is reflected in the Company’s name change, from SMC Global Power to San Miguel Global Power, embodying sustainability principles it aims to be identified with. The ISR outlines the financial implications of these sustainability initiatives, informing investment direction, capital expenditures, and funding decisions, particularly those related to green initiatives. This guidance ensures that financial resources are allocated appropriately to support the Company’s sustainability objectives.

The second theme focuses on SMGP’s pursuit of transformation through diversification rather than transition through portfolio reconstitution – the latter involving reducing its significant exposure to coal-fired power plants, a path taken by many other companies in the Philippines. This approach is practical and crucial for both the Company and the nation’s energy security, given its significant role in the national energy grid. The conventional power generation portfolio accounts for a significant portion of SMGP’s assets and the nation’s energy needs – contributing to 19% of the national grid, 26% of the Luzon grid (where over 60% of the national gross domestic product is generated), and 7% of the Mindanao grid. Taking a transition stance would pose disruptive risks to the national economy and the financial viability of the Company’s portfolio. Instead, the mission of “moving forward together” involves transitioning through the acquisition of additional capacity and/or utilization towards the direction of a low-carbon future. This includes initiatives like developing a 1,300 MW liquified natural gas (LNG) in Batangas, investing directly in renewable energy platforms such as hydroelectric projects, innovating within existing conventional power generation assets, and operating the nation’s first and largest Battery Energy Storage System (BESS) with a 1,300 MW capacity. Unlike conventional baseload power plant projects – which typically take years to complete, face challenges in meeting global net zero initiatives, and involve higher costs – the LNG storage and plant, along with the BESS, can be deployed more rapidly (e.g., BESS in 9 months) and at significantly lower costs. The BESS is particularly versatile and capable of storing energy from both conventional and renewable sources, thereby contributing to a more flexible and sustainable energy ecosystem.

Looking ahead, SMGP can further enhance future reports using the <IR> Framework, supplemented by other international reporting frameworks and standards, to illuminate the value creation process through its business model and its impact on stakeholders. Specifically, it may consider the following:



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- The value chain of SMGP extends beyond the scope and boundary set in the report, implying that sustainability initiatives are more extensive than its power generation and energy storage assets alone. For instance, its operations involve power distribution, power trading in the grid, retail electricity, and engagement in contestable and wholesale electricity markets. Additionally, SMGP has a substantial supply chain that includes logistics, power plant maintenance, and various investment activities. This broader engagement implies that SMGP’s sustainability-driven mission as aligned with that of SMC, its positive influence on the country, and its closely interrelated industries can be more extensive and far-reaching beyond what the present ISR reveals.
- Moreover, stakeholders will appreciate how the milestones established by SMC can be incorporated into SMGP’s ESG Roadmap. It is important to clearly articulate the implications of these milestones on SMGP’s plans, performance, and outcomes, particularly in relation to its sustainability goals. For instance, SMGP should explicitly outline the specific contributions the Company intends to make towards achieving these missions. This level of detail will enhance transparency and demonstrate SMGP’s commitment to aligning with and supporting SMC’s broader sustainability objectives.

The current ISR offers compelling insights based on the data and information presented, highlighting areas that warrant further elaboration in subsequent reports. For example, the significant increase in local supply sourcing from 16% in 2020 to 63% in 2022 represents a remarkable transformation within a short timeframe. This shift, considering SMGP’s extensive industry linkages, holds promising implications for the Philippine economy and its various sectors. Similarly, discussions surrounding the reasons for and plans to address the lower utilization rates of LNG-based and hydroelectric power plants compared to conventional baseload power plants could directly influence SMGP’s transformational goals and objectives for the future. These insights underscore the importance of ongoing analysis and strategic adjustments to optimize the Company’s contributions to sustainable energy development and economic growth.

26 April 2024  
**University of Asia and the Pacific  
 Center for Social Responsibility**

**Disclaimer:**

The UA&P-CSR review team possesses the necessary competencies and qualifications to maintain independence throughout the review process. However, it is important to clarify that our assessment report and review of SMGP’s 2021-2022 Integrated Sustainability Report should not be regarded as an assurance engagement. The review team only provides professional findings and does not express any assurance. Additionally, it should be noted that the views expressed by the review team are our own and may not necessarily reflect the views of UA&P-CSR.

As the undersigned, we have conducted a thorough review of SMGP’s 2021-2022 ISR, along with the accompanying information provided by the management. In fulfilling our role as a third-party reviewer, we have diligently performed procedures to determine whether the information presented in the report is fairly stated, in alignment with the International <IR> Framework, and material in all respects.

As the third-party review team, it is our responsibility to offer a conclusion based on our engagement. After conducting a thorough evaluation, we are pleased to report that, in our professional opinion, the information presented in SMGP’s 2021-2022 ISR is fairly stated in all material respects and is aligned with the International <IR> Framework.

SMGP 2021-2022 Integrated Sustainability Report *Internal Review*

**The UA&P-CSR Review Team**



Dr. Winston Conrad Padojinog is the President of the University of Asia and the Pacific (UA&P) and a professor of industrial economics and strategic management. Concurrently, he also serves as the President of the Center for Research and Communication Foundation, Inc. – the research and communication arm of UA&P that aims to promote inclusive growth and development. As an expert in the fields of industry dynamics, strategic management, finance, and business sustainability he has externally assured the sustainability reports of various companies in the Philippines in partnership with the UA&P Center for Social Responsibility. Also, he sits on the board of non-government organizations that promote good governance and education for the less privileged including CSR Philippines, Center of Excellence in Governance, the Institute of Solidarity in Asia, the Institute of Corporate Director, Center for Family Governance and Center for School Governance, and the Jose Jon Tiamsuy Foundation that extends scholarships to deserving students in Iloilo City. He also serves as policy advisor to several industry associations in the country such as Subdivision and Housing Developers Association (SHDA), Organization of Socialized and Economic Housing Developers of the Philippines (OSHDP), the National Real Estate Association, Inc. (NREA), Semiconductor and Electronics Industries of the Philippines (SEIPI), Philippine Franchise Association (PFA), and the Philippine Retailers Association (PRA).



Mr. Colin Legarde Hubo is a global ambassador for the International Integrated Reporting Council (IIRC-London) which is now also part of the International Financial Reporting Standards (IFRS). He was also an elected stakeholder council member of the Global Reporting Initiative (GRI Amsterdam) for six years and currently a member of the consultative group of the United Nations Commission on Trade and Development (UNCTAD) Regional Partnership for Sustainability Reporting in Asia. In the Philippines, he sits as an independent trustee of Petron Foundation and acts as the sustainability and ESG advisor of several conglomerates including GT Capital Holdings, Inc., First Philippine Holdings Corporation, SM Prime Holdings, Inc., DMCI Holdings, Inc., San Miguel Global Power, Petron Corporation, San Miguel Global Power, Energy Development Corporation, and multiple mining and energy companies.

In 2022, Diligent (New York) recognized him as an ESG, Diversity, and Climate Trailblazer and featured him in the Modern Governance 100 list. Colin initiated the UA&P Applied Sustainability Management in Asia Pacific (ASMAP) executive program which has been accredited by the Philippine Securities and Exchange Commission (SEC). Colin holds a Business Economics Certificate from UA&P’s Strategic Business Economics Program (SBEP) and completed the Wharton Executive Education for Leadership and Management. He was also Fleishman fellow at Duke University and has worked with IFC-World Bank, Control Risks Group, French Development Agency, and the UK Embassy in Manila.

  
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 UA&P Center for Social Responsibility

## EXTERNAL ASSURANCE STATEMENT



## INDEPENDENT ASSURANCE STATEMENT

C713592

## Introduction

DNV AS Philippine Branch ('DNV') has been commissioned by the management of San Miguel Global Power Holdings Corporation ('SMGP' or 'the Company', Securities and Exchange Commission Identification Number: CS200801099) to undertake an independent limited assurance in connection with selected indicators to be included in SMGP's 2021-2022 Integrated Sustainability Report ('the Report') for the calendar year 01 January 2021 to 31 December 2022. The Management of SMGP is responsible for developing the Report. The intended users of this Assurance Statement are the Management of the Company.

## Scope and Boundary of Assurance

Our assurance engagement is conducted in accordance with the Verisustain v6.0 Protocol, which is based on our professional experience and international assurance best practice, and the International Standard on Assurance Engagements ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information. These documents require, inter alia, that the assurance team possesses the specific knowledge, skills and professional competencies needed for an assurance engagement regarding sustainability information, and that the team complies with ethical requirements to ensure its independence.

The scope of assurance included a review of sustainability-related disclosures and performance data from San Miguel Global Power Holdings Corp's operations in the Philippines. Our assurance engagement was limited to selected indicators as indicated in selected indicators assured section of this Assurance Statement and carried out during April 2024 to July 2024.

The sustainability disclosures in this Report have been prepared based on the identified material sustainability factors and performance disclosures in relation to business activities undertaken by the Company for the calendar year 01 January 2021 to 31 December 2022.

The procedures performed in a limited assurance engagement vary in nature and timing and are less detailed than those undertaken during a reasonable assurance engagement, so the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our conclusion, so that the risk of this conclusion being in error is reduced, but not reduced completely.

We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on SMGP's website for the current reporting period.

## Responsibilities of the Management of SMGP and of the Assurance Provider

The Company's management has sole responsibility for the integrity of the Report and this responsibility includes designing, implementing, and maintaining internal controls over collection, analysis, aggregation and preparation of data, fair presentation of the information and ensuring that data is free from material misstatement. The Board has oversight and is responsible for the Company's sustainability reporting. SMGP has stated that this Report has been prepared based on the Guiding Principles and Content Elements of the International Integrated Reporting Framework (the '<IR> Framework') and has adopted general disclosures and selected topic-specific disclosures related to identified material topics from the GRI Standards and company formulated disclosures related to the identified material sustainability factors.

In performing our assurance work, DNV's responsibility is to plan and perform the work to obtain assurance about whether the selected information has been prepared in accordance with the reporting requirements and to report to SMGP in the form of an independent assurance conclusion, based on the work performed and the evidence obtained.

Our statement represents our independent opinion and is intended to inform all stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Independent Assurance Statement.



## Basis of our Opinion

We planned and performed our work to obtain the evidence considered necessary to provide a basis for our assurance opinion as part of the assurance engagement. We adopted a risk-based approach, i.e., we concentrated our verification efforts on the issues of high material relevance to SMGP and its key stakeholders. A multi-disciplinary team of sustainability and assurance specialists reviewed non-financial disclosures related to the Headquarter's in the Philippines, and selected sites of SMGP based on DNV's sampling plan. During the audit, we conducted the site visits to SMGP's Headquarter's, Limay Power Plant and Masinloc Power Plant in the Philippines. We undertook the following activities:

- Review of the non-financial sustainability-related disclosures in this Report;
- Review of the approach to materiality determination and review of outcomes of stakeholder engagement; DNV did not have any direct engagement with external stakeholders;
- Review of information provided to us by the Company on its reporting and management processes related to sustainability performance for the reporting year based on the framework adopted by SMGP;
- Interviews with select members of leadership team, and senior managers responsible for management of sustainability issues and review of selected evidence to support generic disclosures. We were free to choose interviewees and interviewed those with overall responsibility for the programmes to deliver the targets for medium- and long-term vision, mission and milestones;
- Performed desk review of selected sustainability parameters for all SMGP entities, and discussed findings and resolved with the Corporate Sustainability Team;
- Carried out on-site visit to SMGP's Headquarter's, Limay Power Plant and Masinloc Power Plant, to review the processes and systems for preparing site level sustainability data and implementation of sustainability strategy. We were free to choose the sites for on-site assessment or verification.
- Review of supporting evidence for key claims and data disclosed in the Report. Our verification processes were prioritized based on risk-based approach, i.e., relevance of identified material topics and sustainability context of the business;
- Review of the processes for gathering and consolidating the performance data and, for a sample, checking the data consolidation at site and corporate levels.

## Selected indicators

GRI	Indicator
201	201-1 Direct economic value generated and distributed 201-2 Financial implications and other risks and opportunities due to climate change 201-3 Defined benefit plan obligations and other retirement plans
202	202-1 Ratios of standard entry level wage by gender compared to local minimum wage
203	203-1 Infrastructure investments and services supported 203-2 Significant indirect economic impacts
204	204-1 Proportion of spending on local suppliers
205	205-1 Operations assessed for risks related to corruption 205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions taken
206	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
301	301-1 Materials used by weight or volume 301-2 Recycled input materials used
302	302-1 Energy consumption within the organization 302-2 Energy consumption outside of the organization 302-3 Energy intensity 302-4 Reduction of energy consumption 302-5 Reductions in energy requirements of products and services
303	303-1 Interactions with water as a shared resource 303-2 Management of water discharge-related impacts 303-3 Water withdrawal 303-4 Water discharge 303-5 Water consumption

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304	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
	304-2 Significant impacts of activities, products and services on biodiversity
	304-3 Habitats protected or restored
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations
305	305-1 Direct (Scope 1) GHG emissions
	305-2 Energy indirect (Scope 2) GHG emissions
	305-4 GHG emissions intensity
	305-5 Reduction of GHG emissions
	305-6 Emissions of ozone-depleting substances (ODS)
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
306	306-1 Waste generation and significant waste-related impacts
	306-2 Management of significant waste-related impacts
	306-3 Waste generated
	306-4 Waste diverted from disposal
	306-5 Waste directed to disposal
308	308-1 New suppliers that were screened using environmental criteria
	308-2 Negative environmental impacts in the supply chain and actions taken
401	401-1 New employee hires and employee turnover
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees
	401-3 Parental leave
402	402-1 Minimum notice periods regarding operational changes
403	403-1 Occupational health and safety management system
	403-2 Hazard identification, risk assessment, and incident investigation
	403-3 Occupational health services
	403-4 Worker participation, consultation, and communication on occupational health and safety
	403-6 Promotion of worker health
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
	403-8 Workers covered by an occupational health and safety management system
404	404-1 Average hours of training per year per employee
	404-2 Programs for upgrading employee skills and transition assistance programs
	404-3 Percentage of employees receiving regular performance and career development reviews
405	405-1 Diversity of governance bodies and employees
411	411-1 Incidents of violations involving rights of indigenous peoples
413	413-1 Operations with local community engagement, impact assessments, and development programs
	413-2 Operations with significant actual and potential negative impacts on local communities
414	414-1 New suppliers that were screened using social criteria
Company Formulated Disclosures	Innovation Business Ethics and Conduct Risk Management Climate Action COVID-19 Pandemic Customer Relationships

Opinion and Observations

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the information related to the selected indicators for the Report for the year 01 January 2021 to 31 December 2022 has not been prepared, in all material respects, with reference to the criteria for the measurement and disclosure of those selected indicators available in the GRI Standards. Without affecting our assurance opinion, we provide the following observations against the principles of VeriSustain applicable to the disclosure of selected subject matter:



**Stakeholder Inclusiveness**

*The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.*

The Report has brought out key stakeholders (i.e., Employees, Investors, Customers, Suppliers and Business Partners, Government and Regulators, and Communities) that SMGP had engaged in determining its material topics. The Report also brings out engagement modes, frequency of engagement, and how the resulting 32 material ESG topics have influenced SMGP's business Model. The report may further strengthen on this principle by providing elaboration on some of the key stakeholder concerns of each stakeholder group and how SMGP had addressed those concerns.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.

**Materiality**

*The process of determining the issues that are most relevant to an organization and its stakeholders.*

The report has described the approach taken by SMGP to determine its material topics. SMGP had commissioned the University of Asia and the Pacific (UA&P-CSR) for assistance in developing its ISR, through the use of its Quadrilateral Materiality Assessment Tool. This includes a process of desk research or literature review, benchmarking with industry peers, Senior Management Consultation, and Stakeholder Consultation, followed by validation by the Senior Management Committee, resulting in 32 material ESG topics, including nine environmental, 13 social, and 10 governance topics. The report may further strengthen on this principle by providing a materiality matrix to describe the prioritization of material topics within SMGP.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

**Responsiveness**

*The extent to which an organization responds to stakeholder issues.*

The Report outlines the Company's responses to identified material topics, key challenges faced and significant issues including risks faced during the reporting period in the section on "External Environment". Additionally, the Report details the Company's non-financial performance in relation to key material topics using selected GRI Topic Standards.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness.

**Reliability**

*The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.*

Most of the performance disclosures verified at the Division Office and sampled sites, as well as through desk reviews, were determined to be accurate, reliable, and traceable to their source. Throughout the engagement process, DNV had identified gaps in the data management process, resulting in a revision in the reported data and calculations related to environmental disclosures. These identified gaps were communicated, and the responses and corrections made to the reported data and information were reviewed.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.

**Completeness**

*How much of all the information that has been identified as material to the organization and its stakeholders is reported.*

The Report has disclosed the Company's business model, sustainability strategies, management approach disclosures and sustainability

EXTERNAL ASSURANCE STATEMENT



The Report presents disclosures related to the Company’s performance, challenges and concerns of stakeholders during the reporting period in a neutral, consistent and balanced manner, applying adequate consideration to not unduly influence stakeholders’ opinion made based on the reported data and information.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

Limitations

DNV’s assurance engagements are based on the assumption that the data and information provided by the SMGP to us as part of our review have been provided in good faith, are true, and is free from material misstatements. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. The engagement excludes the sustainability management, performance, and reporting practices of the SMGP’s suppliers, contractors, and any third parties mentioned in the Report. We did not interview external stakeholders as part of this assurance engagement.

We understand that the reported financial data, governance and related information are based on statutory disclosures and Audited Financial Statements, which are subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement. The assessment is limited to data and information within the defined reporting period. Any data outside this period is not considered within the scope of assurance.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 - Conformity Assessment – General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct during the assurance engagement and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals.

Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work or this report.

For and on behalf of DNV AS Philippine Branch



31 July 2024

DNV is a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. [www.dnv.com](http://www.dnv.com)

## GRI CONTENT INDEX

# GRI Content Index

## Statement of Use

San Miguel Global Power has reported the information cited in this GRI content index for the period of January 1, 2021 to December 2022 with reference to the GRI Standards.

## GRI 1 used

GRI 1: Foundation 2021

GRI Standard	Disclosure	Page Number/s	Direct Answer
<b>GRI 2:</b> General Disclosures 2021	2-1 Organizational details		San Miguel Global Power, 5th Floor C5 Office Building Complex #100 E. Rodriguez Jr. Ave. C5 Road, Brgy. Ugong, 1604 Pasig City, NCR, Philippines
	2-2 Entities included in the organization's sustainability reporting	4	
	2-3 Reporting period, frequency and contact point	4	
	2-4 Restatements of information		N/A
	2-5 External assurance	168-183	
	2-6 Activities, value chain and other business relationships	12-33, 44-49	
	2-7 Employees	90-99	
	2-8 Workers who are not employees		N/A
	2-9 Governance structure and composition	134-135, 138, 144-153	
	2-10 Nomination and selection of the highest governance body	138-139	
	2-11 Chair of the highest governance body		SMC Global Power Corporate Governance <a href="https://smcglobalpower.com.ph/corporate-governance?p=8">https://smcglobalpower.com.ph/corporate-governance?p=8</a>
	2-12 Role of the highest governance body in overseeing the management of impacts	40	SMC Global Power Corporate Governance <a href="https://smcglobalpower.com.ph/corporate-governance?p=8">https://smcglobalpower.com.ph/corporate-governance?p=8</a>
	2-13 Delegation of responsibility for managing impacts	40-41	

GRI Standard	Disclosure	Page Number/s	Direct Answer
<b>GRI 2:</b> General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	40-41	
	2-15 Conflicts of interest		SMC Global Power Corporate Governance Disclosures SMCGP Policy on Conflict of Interest (30 Oct 2020)
	2-16 Communication of critical concerns		SMC Global Power Corporate Governance <a href="https://smcglobalpower.com.ph/corporate-governance?p=8">https://smcglobalpower.com.ph/corporate-governance?p=8</a>
	2-17 Collective knowledge of the highest governance body	138-139	
	2-18 Evaluation of the performance of the highest governance body		SMC Global Power Corporate Governance <a href="https://smcglobalpower.com.ph/corporate-governance?p=8">https://smcglobalpower.com.ph/corporate-governance?p=8</a>
	2-19 Remuneration policies	140	SMC Global Power Corporate Governance <a href="https://smcglobalpower.com.ph/corporate-governance?p=8">https://smcglobalpower.com.ph/corporate-governance?p=8</a>
	2-20 Process to determine remuneration	140	SMC Global Power Corporate Governance <a href="https://smcglobalpower.com.ph/corporate-governance?p=8">https://smcglobalpower.com.ph/corporate-governance?p=8</a>
	2-21 Annual total compensation ratio		SMGP Annual Report (17-A) - 2022 <a href="https://smcglobalpower.com.ph/disclosures?a=17-a&amp;p=9">https://smcglobalpower.com.ph/disclosures?a=17-a&amp;p=9</a>
	2-22 Statement on sustainable development strategy	36-39	
	2-23 Policy commitments		SMC Global Power Corporate Governance <a href="https://smcglobalpower.com.ph/corporate-governance?p=8">https://smcglobalpower.com.ph/corporate-governance?p=8</a>
	2-24 Embedding policy commitments	132-134	
	2-25 Processes to remediate negative impacts	58-59,63,99	
	2-26 Mechanisms for seeking advice and raising concerns	132-133	

## GRI CONTENT INDEX

GRI Standard	Disclosure	Page Number/s	Direct Answer
<b>GRI 2:</b> General Disclosures 2021	2-27 Compliance with laws and regulations		N/A
	2-28 Membership associations	189	
	2-29 Approach to stakeholder engagement	40-41	
	2-30 Collective bargaining agreements		SMGP does not have collective bargaining agreements but provides avenues for employees to raise their concern on company policies and other relevant matters.
<b>GRI 3:</b> Material Topics 2021	3-1 Process to determine material topics	40-41	
	3-2 List of material topics	42-45	
	3-3 Management of material topics		
<b>GRI 12: Coal Sector 2022</b>	12	106, 115, 119, 120, 122, 126	
<b>GRI 201:</b> Economic Performance 2016	201-1 Direct economic value generated and distributed	76-77	
	201-2 Financial implications and other risks and opportunities due to climate change	56-57, 126-127	
	201-3 Defined benefit plan obligations and other retirement plans	96	
<b>GRI 202:</b> Market Presence 2016	202-2 Proportion of senior management hired from the local community		All SMGP company officers are Filipino.
<b>GRI 203:</b> Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	106	
	203-2 Significant indirect economic impacts	79	
<b>GRI 204:</b> Procurement Practices 2016	204-1 Proportion of spending on local suppliers	107	
<b>GRI 205:</b> Anti-corruption 2016	205-1 Operations assessed for risks related to corruption		SMGP has no current assessment of risks related to corruption.
	205-2 Communication and training about anti-corruption policies and procedures	133	
	205-3 Confirmed incidents of corruption and actions taken		There are no incidents of corruption and actions taken.

GRI Standard	Disclosure	Page Number/s	Direct Answer
<b>GRI 206:</b> Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		There is no new cases on anti-competitive behavior filled against SMGP or any of its subsidiaries.
<b>GRI 301:</b> Materials 2016	301-1 Materials used by weight or volume	118	
	301-2 Recycled input materials used	118	
<b>GRI 302:</b> Energy 2016	302-1 Energy consumption within the organization	83	
	302-2 Energy consumption outside of the organization	83	
	302-3 Energy intensity	83	
	302-4 Reduction of energy consumption	83	
<b>GRI 303:</b> Water and Effluents 2018	303-1 Interactions with water as a shared resource	120-121	
	303-2 Management of water discharge-related impacts	120-121	
	303-3 Water withdrawal	120-121	
	303-4 Water discharge	120-121	
	303-5 Water consumption	120-121	
<b>GRI 304:</b> Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	122-123	
	304-2 Significant impacts of activities, products and services on biodiversity	122-123	
	304-3 Habitats protected or restored	122-123	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	122-123	
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	115	
	305-2 Energy indirect (Scope 2) GHG emissions	115	
	305-4 GHG emissions intensity	115	
	305-5 Reduction of GHG emissions	115	
	305-6 Reduction of GHG emissions	115	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	115	

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GRI Standard	Disclosure	Page Number/s
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	119
	306-2 Management of significant waste-related impacts	119
	306-3 Waste generated	119
	306-4 Waste diverted from disposal	119
	306-5 Waste directed to disposal	119
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	107
	308-2 Negative environmental impacts in the supply chain and actions taken	107
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	95
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	96
	401-3 Parental leave	96
<b>GRI 402: Labor/ Management Relations</b>	402-1 Minimum notice periods regarding operational changes	
<b>GRI 403: Occupational Health and Safety</b>	403-1 Occupational health and safety management system	99
	403-2 Hazard identification, risk assessment, and incident investigation	99
	403-3 Occupational health services	99
	403-4 Worker participation, consultation, and communication on occupational health and safety	99
	403-6 Promotion of worker health	99
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	99
	403-8 Workers covered by an occupational health and safety management system	99
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	98
	404-2 Programs for upgrading employee skills and transition assistance programs	98
	404-3 Percentage of employees receiving regular performance and career development reviews	98
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	97
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	97
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples	106
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	105-106
	413-2 Operations with significant actual and potential negative impacts on local communities	105-106

GRI Standard	Disclosure	Page Number/s
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	107
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	107
<b>GRI 417: Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling	107
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	107

## Membership in Associations

Retail Electricity Suppliers Association  
 Philippine Independent Power Producers Association  
 Philippine Electricity Market Corporation (Rules Change Committee)  
 Philippine electricity Market Board  
 Philippine Electricity Market Corporation

## Acknowledgments

## Editorial and Design by

Drink Sustainability Communications

## Technical Assistance on Transitioning to Integrated Reporting by

University of Asia and the Pacific-Center for Social Responsibility (UA&P-CSR)

## External Assurance by

DNV AS Philippine Branch



# San Miguel Global Power

*Giving You the Power to Celebrate Life*

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