ALSONS CONSOLIDATED RESOURCES, INC.

2025 SUSTAINABILITY REPORT

Table of Contents

About the Report 3

Company Highlights 5

- *Business Portfolio* 5
- *Membership in Associations* 5
- *Recognized Excellence* 5

Sustainability Framework 7

Materiality Assessment 8

Stakeholder Engagement 14

Contribution to the UN SDGs 15

Investment Management 18

- *Direct Economic Value Generated (Revenue)* 17
- *Direct Economic Value Distributed* 18
- *Procurement and Supply Chain* 18
- *Proportion of Spending on Local Suppliers* 19

Corporate Governance 22

- *Board of Directors* 20
- *Training on Anti-Corruption Policies and Procedures* 20
- *Incidents of Corruption* 22
- *Labor-Management Relations* 23

Responsible Business 25

- *Resource Management (Energy, Materials)* 24
- *Water and Effluents* 28
- *Conservation of Nature and Biodiversity* 35
- *Air Emissions* 37
- *Waste Management* 39
- *Environmental Compliance* 43
- *Community Relations and Development* 44
- *Customer Satisfaction* 49
- *Data Privacy* 50

Risk Management 55

- *Occupational Health and Safety* 52
- *Climate-related Risks and Opportunities* 55

Employee Welfare 61

- *Hiring and Benefits* 57
- *Training and Development* 62
- *Diversity, Equal Opportunity, and Anti-discrimination* 64
- *Labor Standards and Human Rights* 64

About the Report

Alsons Consolidated Resources, Inc. (ACR or the Company) marks its sixth year of publishing an annual Sustainability Report, presenting the sustainability initiatives and performance of its energy and power operations.

As one of Mindanao's key independent power producers, ACR contributes significantly to supporting the region's economic growth and the needs of its expanding population. Through its role in the energy sector, the Company remains committed to providing dependable electricity that supports Mindanao's continued development while contributing to the Philippines' broader economic progress.

Reporting Period, Scope, and Boundaries

This Sustainability Report presents the operations and performance of Alsons Consolidated Resources, Inc. ("ACR" or the "Company") from January 1 to December 31, 2025. It highlights ACR's power generation business, known as the Alsons Power Group, which plays a critical role in supplying electricity to Mindanao. The report does not cover the Company's subsidiaries or operations beyond the power sector.

The report provides sustainability disclosures for the following ACR-affiliated power generation entities:

- **Mapalad Power Corporation - Iligan (MPC-Iligan)**
- **Mapalad Power Corporation - Ubay (MPC-Ubay)**
- **Western Mindanao Power Corporation (WMPC)**
- **Sarangani Energy Corporation (SEC)**
- **Siguil Hydro Power Corporation (SHPC)**

Additionally, this report includes key employee welfare data from the following entities:

- **Alsons Power Makati Head Office - Power Business Unit (PBU-Makati)**
- **Sindangan Zambo-River Power Corporation (SZPC)**
- **San Ramon Power Inc. (SRPI)**
- **Bago Hydro Resources Corporation (BHRC)**
- **Alabel Solar Energy Corporation (ASEC)**
- **Alsons Energy Development Corporation (AEDC)**
- **Alsons Power Supply Corporation (APSC)**

ACR is committed to transparency and accountability in its sustainability reporting. While this report aims to present accurate and comprehensive data, certain information may be subject to limitations due to operational or data availability constraints.

Reporting Standards

- Global Reporting Initiative (GRI) Standards
- Securities and Exchange Commission's Guidelines for Annual and Sustainability Reporting

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Company Highlights

Business Portfolio

The Alsons Consolidated Resources, Inc. (ACR or the Company) operates a diversified portfolio of power generation assets that play an important role in maintaining a stable and reliable energy supply in the country, with focus on Mindanao. With a strong regional presence, the Company continues to strengthen and expand its energy mix by integrating both conventional and renewable energy sources to help meet the region's growing electricity demand.

The Company's power generation portfolio includes the following entities:

- Mapalad Power Corporation - Iligan (MPC-Iligan) – Operates a 105.8 MW diesel power plant located in Iligan City.
- Mapalad Power Corporation - Ubay (MPC-Ubay) – Operates a 54 MW diesel power plant (Phase 1) located in Ubay, Bohol.
- Western Mindanao Power Corporation (WMPC) – Runs a 107 MW diesel-fired power plant in Sangali, Zamboanga City.
- Sarangani Energy Corporation (SEC) – Operates a 237 MW coal-fired power plant in Maasim, Sarangani Province.
- Siguil Hydro Power Corporation (SHPC) – Operates a 14.5 MW run-of-river hydropower facility in Maasim, Sarangani Province.

Membership in Associations

- Chamber of Commerce - SOCCSKSARGEN
- People Management Of the Philippines (PMAP) - *SOCCSKSARGEN Chapter*

Recognized Excellence

ACR regards its awards and recognitions as a reflection of its industry leadership, a tool to strengthen stakeholder confidence, and an inspiration for employees to pursue excellence. Collectively, these accolades highlight the Company's dedication to innovation, sustainability, and efficient operations in the energy sector. The recognition affirms the company's brand purpose and commitment to strengthening connections with employees, communities, and stakeholders through meaningful and consistent communication.

In line with this, Alsons Power Group has been honored with the prestigious Award of Merit under the Communication Management Division – Internal Communication Category for its *"We Power with Care"* Brand Relaunch at the 21st Philippine Quill Awards, marking the company's first-ever Quill win.

Sarangani Energy Corporation (SEC)

- **Plaque of Recognition from the Department of Environment and Natural Resources - Community Environment and Natural Resources Office (DENR CENRO) Kiamba** for its steadfast support and partnership in advancing environmental protection, sustainable resource management, and community empowerment. Awarded during the DENR CENRO Kiamba

Recognition of Partners and Stakeholders event on December 11, 2025.

- **Plaque of Recognition as a Proactive Education Partner** during the 2025 *Pugay Pasasalamat* event of the Department of Education (DepEd) Region XII held in Koronadal City, South Cotabato, on December 12, 2025.

Siguil Hydro Power Corporation (SHPC)

- **Plaque of Recognition** for significant contributions to water quality initiatives and collaborative efforts under the Adopt-An-Estero/Water Body Program. Presented during the DENR-Environmental Management Bureau (EMB) Water Summit on June 27, 2025.

- **Best Practices Presenter** for the Adopt-An-Estero Program during the 7th SOX Environment Summit held from November 12–14, 2025, at The Farm, Koronadal City.

Western Mindanao Power Corporation (WMPC)

- **Certificate of Appreciation from the Department of Labor and Employment (DOLE) Region IX** for active participation and support as a donor for the Project Angel Tree activity during the Regional Information and Service Caravan on Childhood on September 25, 2025.

- **Awardee, DENR-EMB Region IX Environmental Awards Night** held on November 14, 2025, at the Garden Orchid Hotel, Zamboanga City, with the theme "Sustaining Together: Honoring Environmental Partners."

- **Plaque of Recognition from DepEd Zamboanga City Division** for sustained contributions to the Adopt-A-School Program. Presented during the Division Summit and Recognition of Partners on February 17, 2025.

Mapalad Power Corporation- Ubay (MPC-Ubay)

- **Plaque of Commendation from DepEd Ubay II East District, Bohol**, awarded on December 13, 2025, in recognition of its sustained support for district programs, projects, and educational initiatives.

- **Plaque of Appreciation from Tipolo Elementary School, Ubay II District,** for its continued support to school programs and activities, including the provision of Brigada Eskwela materials, assistance in minor classroom repairs, and the donation of a smart TV for classroom instruction.

- **Certificate of Recognition from Sinandigan Elementary School**, awarded on July 3, 2025, for continued support in Brigada Eskwela activities.

- **Certificate of Recognition from Sinandigan Elementary School**, presented in August 2025, in recognition of its partnership and support for the school for the 2025–2026 academic year.

Sustainability Framework

ACR's sustainability framework (Figure 1) is anchored on responsible business practices and the pursuit of long-term value for both the Company and its stakeholders. Guided by insights from its Materiality Assessment, ACR has identified key sustainability priorities that support its role in promoting socio-economic development in the Philippines.

The framework is organized around five core pillars: 1) Investment Management, 2) Corporate Governance, 3) Responsible Business, 4) Risk Management, and 5) Employee Welfare. Together, these pillars define ACR's approach to sustainability by guiding how the Company strengthens governance, manages risks, conducts its operations responsibly, and supports the welfare and development of its workforce.



Figure 1: Sustainability Framework

Materiality Assessment

In line with the materiality principle of the GRI Standards, ACR focuses its sustainability efforts on issues most significant to both its stakeholders and business operations. In 2020, ACR conducted a materiality assessment to identify and prioritize key sustainability topics, evaluating their relevance and potential impact on the business and its stakeholders.

The Materiality Assessment Approach (Figure 2) supports transparent and credible reporting while strengthening ACR's sustainability initiatives. It also enables the Company to better align its programs with stakeholder priorities and enhance its ability to deliver meaningful and long-term impact while advancing its strategic objectives.



Figure 2: Materiality Assessment Approach

The Company regularly reviews and reports its material topics (Figure 3 & 4), providing stakeholders with meaningful insights into its progress and the challenges encountered on its sustainability journey to ensure transparency, accountability, and continuous improvement in ACR's sustainability efforts.

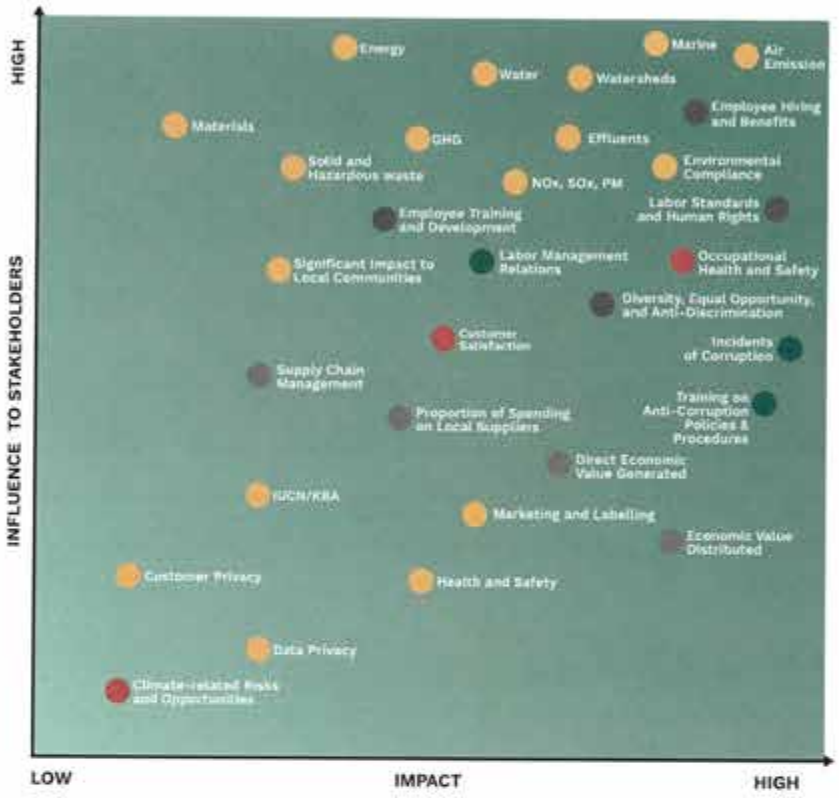


Figure 3: Materiality Matrix

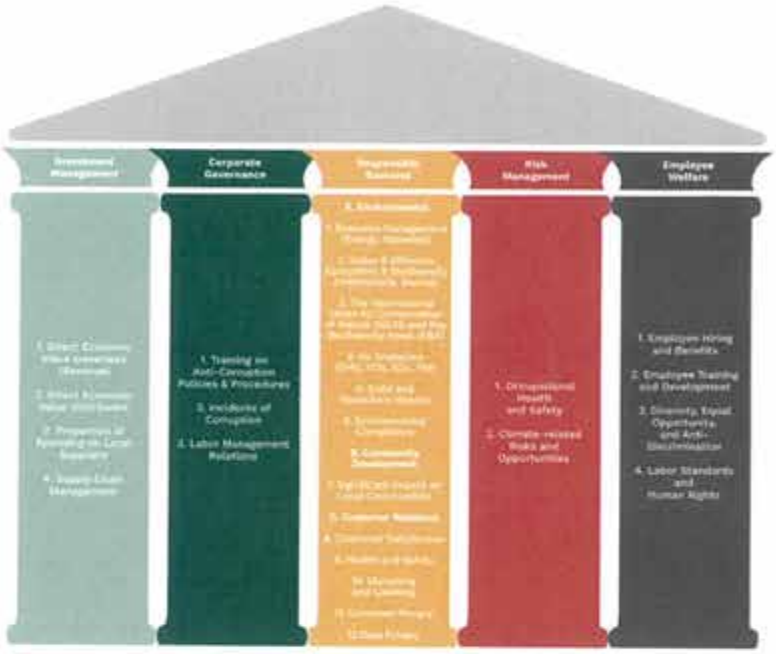


Figure 4: Material Topics

Below are the identified material topics of ACR, along with their corresponding operational definitions.

Investment Management	
Direct Economic Value Generated	Refers to the total revenue and financial value created through the Company's operations, including sales, investments, and other income sources. This metric reflects the overall financial contribution of the business to the economy.
Direct Economic Value Distributed	Represents the portion of the Company's economic value that is allocated to stakeholders, including operating costs, employee wages and benefits, payments to suppliers, dividends to shareholders, community investments, and tax contributions to governments.
Proportion of Spending of Local Suppliers	Measures the percentage of procurement expenditures directed toward local suppliers within the Company's areas of operations.
Supply Chain Management	Encompasses the strategies, ethical practices, and supplier sourcing standards to ensure resiliency, avoid disruptions, and minimize environmental and social risks.
Corporate Governance	
Training on Anti-Corruption Policies and Procedures	Refers to programs and initiatives designed to educate employees, management, and stakeholders about anti-corruption laws, ethical business practices, and company policies aimed at preventing bribery, fraud, and misconduct. These trainings help reinforce a culture of integrity and compliance.

Incidents of Corruption	Accounts for reported cases of bribery, fraud, or unethical business conduct within the organization. This includes verified cases of corruption, actions taken to address them, and preventive measures implemented to mitigate future risks.
Labor-Management Relations	Describes the interactions and negotiations between the Company and its workforce, particularly regarding employment terms, working conditions, collective bargaining agreements, and dispute resolution.
Responsible Business	
a. Environmental Development	
Resource Management (Materials and Energy)	Accounts the efficient use, conservation, and sustainable sourcing of materials and energy within operations. This includes efforts to minimize waste, improve energy efficiency, and transition to renewable energy sources where applicable.
Water and Effluents (Ecosystem and Biodiversity)	Refers to the responsible management of water resources, including consumption, discharge, and treatment of wastewater. This ensures minimal disruption to local ecosystems and biodiversity while maintaining regulatory compliance.
The International Union for Conservation of Nature (IUCN) and Key Biodiversity Areas (KBA)	Provides a framework for assessing potential environmental risks related to the Company's operations. Compliance with IUCN guidelines and the protection of KBAs ensure that industrial activities do not contribute to habitat degradation or threaten vulnerable species.
Air emissions (GHG, NO_x, PM, and SO_x)	Focuses on monitoring and managing emissions from power generation and other operational activities. Compliance with national air quality standards and the implementation of emission control technologies help mitigate environmental and health-related impacts.
Solid and Hazardous Waste	Addresses the responsible handling, storage, and disposal of waste materials generated by operations. The Company adheres to strict waste management protocols to prevent environmental contamination and ensure compliance with government regulations.
Environmental Compliance	Refers to adherence to environmental laws, policies, and industry best practices. The Company implements monitoring and reporting mechanisms to ensure operations meet regulatory requirements while continuously improving environmental performance.
b. Community Development	
Significant Impacts to the Local Communities	Refers to the effects of the Company's operations—whether positive or negative—on local communities. This includes employment generation, economic contributions, infrastructure development, and potential environmental and social risks. The Company implements measures to mitigate adverse impacts while enhancing positive contributions.
c. Customer Relations	

Customer Satisfaction	Measures the quality and reliability of the Company's services based on customer feedback. This includes initiatives such as surveys, service improvements, and engagement programs to enhance customer experience and strengthen relationships.
Health and Safety	Focuses on ensuring the well-being of customers and stakeholders interacting with the Company's services. Safety protocols, risk management measures, and compliance with industry standards are implemented to minimize health-related risks and promote safe energy consumption.
Marketing and Labeling	While material to the Company, this topic is less significant given the nature of operations. However, the Company upholds fair marketing practices, responsible advertising, and transparent product communication, ensuring compliance with regulatory guidelines and ethical business conduct.
Customer Privacy	Relates to the responsible handling of customer data, ensuring that personal information is securely managed and protected against unauthorized access or misuse.
Data Privacy	Encompasses policies and procedures to safeguard the integrity, confidentiality, and security of personal and business-related data collected during operations. The Company adheres to Republic Act 10173, otherwise known as the Data Privacy Act of 2012, and other relevant regulations to ensure data protection.
Risk Management	
Occupational Health and Safety	Covers the policies, programs, and safety measures in place to ensure a safe workplace and the prevention of any hazards, injuries, and fatalities within the Company's operations.
Climate-based Risks and Opportunities	Refers to the potential impacts of climate change on the Company's operations, including physical risks such as extreme weather events and regulatory risks associated with emissions and sustainability compliance. It also encompasses opportunities for innovation, such as renewable energy integration, efficiency improvements, and climate adaptation strategies.
Employee Welfare	
Employee Hiring and Benefits	Encompasses the Company's approach to attracting, recruiting, and retaining talent, ensuring competitive compensation, benefits, and welfare programs. This includes fair hiring practices, performance-based incentives, and employee well-being initiatives.
Employee Training and Development	Focuses on continuous learning and upskilling programs designed to enhance employee competencies. This includes technical training, leadership development, career advancement opportunities, and industry-specific certifications to foster professional growth.
Diversity, Equal Opportunity, and Anti-Discrimination	Covers policies and initiatives that promote inclusivity in the workplace, ensuring equal opportunities regardless of gender, ethnicity, age, or background. It also includes measures to prevent discrimination and harassment, ensuring a fair and respectful work environment.

Labor Standards and Human Rights	Refers to compliance with labor laws and international human rights principles, ensuring fair wages, ethical labor practices, and safe working conditions. It includes commitments to preventing forced labor, child labor, and other labor rights violations within operations and supply chains.

Stakeholder Engagement

ACR places strong emphasis on maintaining active relationships with its stakeholders as part of its commitment to responsible operations. Insights gathered through consultations, feedback mechanisms, and partnerships inform the Company's decisions and help shape initiatives that support shared progress and lasting impact.

Stakeholders	Communication Methods	Frequency	Key Concerns and/or Expectations	ACR's Response
Employees	• Weekly Meetings, town halls • Email, correspondences • Employee engagement activities • Coaching and Mentoring • Mid-Year Assessment and OKR Goal Setting • Mid-Year General Assembly • IBCI Sports Fest	Weekly - Regular, As necessary	• Diversity and collaboration • Competitive compensation and benefits • Inclusive culture and teamwork • Continuous learning and career development • Weekly work accomplishments, technical issues, support concerns, announcements, etc. • Work-life balance, mental health support and • Clarity on career pathing • Communication for Business Continuity	• Brand Relaunch: *We Power with Care*, fostering a culture of fairness, inclusion, and high performance. • Fair and inclusive hiring • Launched a Total Rewards and Recognition platform • Promote a healthy, safe workplace with a strong culture of teamwork and camaraderie. • Implemented flexible work arrangements and a "Wellness Fridays" initiative. • Rolled out Frontline Management Development Program (FLMDP). • OKR Goal Setting, developing a culture of high performance. • We power with care day (Annual company anniversary and synchronized CSR activities)
Suppliers	• Meetings, calls, emails	Regular, as necessary	• Timely submission of Goods Receipt Purchase Orders (GRPO) & Invoice to Finance and Accounting • Coordination, operations, and logistics • Concerns and issues or contracts concerns • Long-term partnership stability	• Clear and transparent accreditation • Responsible procurement • Evaluation of potential suppliers, long-term value, due diligence • Digital Procurement Portal to automate and speed up the accreditation and payment tracking process.
Customers	• Surveys, calls, emails, website, social media • Focused group discussions	Regular, as necessary	• Service performance • Client experience and satisfaction • Accessibility and convenience • Reliability, responsiveness, competence and credibility	• Customer surveys and feedback • Consistent focus on customer satisfaction • Annual customer appreciation night
Local Government Units and Regulators	• Calls, emails, meetings, government audits • Quarterly Meeting • Public consultations	As necessary, quarterly	• Compliance to regulatory regulations • Economic and sustainable growth • Disaster preparedness	• Adherence to Environmental regulations • Compliance response to queries • Economic contribution: The Company contributes to public

	• On-site regulatory inspections		• Environmental footprint	revenues through the payment of Gross Income Tax (GIT), Real Property Taxes (RPT) to host local government units, and full compliance with Energy Regulation No. 1-94 (ER 1-94) • Volunteered technical expertise or equipment during local government-led disaster simulation drills
Shareholders/Investors	• Annual Shareholders' Meeting Organizational, Special and Regular Meeting. •Conference, calls, emails, website	As scheduled/As necessary	• Financial updates	• Immediate response to investors' queries • Regular and accurate disclosures, and business • Timely updates via the company website
Local Communities	•Partnerships and agreements • Emails, meetings • Information Education Campaign • Community engagement • Plant visit	As necessary, quarterly	• Education assistance • Information dissemination • Environmental sustainability • Health and livelihood initiatives	• Consistent community engagement through regular facility visits/plant tours • Sustained educational and financial aid for students, educators, and schools, including the establishment of Early Childhood Care and Development (ECCD) Centers in IP-dominated communities • Partnerships with local communities for reforestation, conservation awareness, and clean-up activities • Livelihood and medical outreach programs providing skills training and healthcare support • Educating the students about the environmental and human health safety features of the power plant • Quarterly community dialogue with the multi-partite monitoring team (MMT)

Contribution to the UN SDGs

ACR goes beyond its Sustainability Framework by actively pursuing initiatives that advance the United Nations Sustainable Development Goals (UN SDGs) across its operations and the wider community. In 2025, it aligned its programs with priority SDGs, enhancing their relevance and potential impact. Although formal targets are still under development, sustainability principles remain central to ACR's projects, helping generate meaningful benefits for the communities it serves.

Investment Management	PHP 14.9B Direct Economic Value Generated PHP 1.7B Direct Economic Value Retained PHP 2.5B Government Taxes	
Corporate Governance	11 Board Members Zero incidents of corruption	
Responsible Business	**A. Environmental** 68,379,454.97 kWh Total Energy Generated (Renewable) 1,132,360.29 tCO_2 Scope 3 Emissions Watershed Enhancement Project (WEP) **B. Community Development** • Education and Youth Development • Health and Social Welfare Programs • Community Relations and Welfare Support • Environmental Conservation and Sustainability Programs • Livelihood and Community Empowerment • Stakeholder Engagement and Community Relations **C. Customer Relations** 4.68/5 Customer Satisfaction	
Risk Management	• 6,615,675 total safe-man hours • Zero work-related fatalities • 66 employees in the Health & Safety Committee • 2 mental health professionals	

Employee Welfare	• 501 total employees • 72% male and 28% female employees • 15.47% new hire rate • Involuntary turnover decreased by 62.5% from 2024 to 2025 • 12,013 Training hours provided for employees • 365 total training sessions conducted • No incidents of discrimination, child labor, forced labor, or violations of intellectual property and human rights were reported.	

Investment Management

Alsons Consolidated Resources, Inc. (ACR) investment management aims to drive economic results while upholding high governance standards and promoting responsible procurement. This is to ensure that profitability is aligned with long-term sustainability and ethical business conduct.

Direct Economic Value Generated (Revenue)

ACR delivered a strong performance in 2025, with net income rising by 19.11% to PhP 14.94 billion from PhP 12.54 billion in 2024. This was driven by the continued strong performance of Sarangani Energy Corporation (SEC) and the combined contributions of its business units, including improved participation in the Wholesale Electricity Spot Market, the operations of Siguil Hydro Power Corporation (SHPC) and MPC-Ubay, and its Retail Electricity Supply (RES) unit, Alsons Power Supply Corporation. Notably, SHPC, the Company's 14.5-megawatt hydropower plant in Maasim, Sarangani, which commenced commercial operations in June 2024, now operates as a must-run facility in the market. Meanwhile, MPC-Ubay currently operates under a contract with the Energy Development Corporation (EDC) and also participates in the Wholesale Electricity Spot Market (WESM).

This financial strength is further reinforced by its upgraded "PRS Aa (corp.) Issuer Credit Rating with a Stable Outlook" from Philippine Rating Services Corporation, an improvement from last year's PRS Aa–, which applies to its PhP 3-billion Commercial Paper Program (with PhP 1.156 billion outstanding as of November 17, 2025). This also reflects ACR's strong capacity to meet financial obligations, supported by consistent profitability, positive operating cash flows, strategic partnerships, and a diversified portfolio. Despite a challenging market environment and geopolitical uncertainties, the Company maintained stable and profitable operations while continuing to advance its renewable energy pipeline, including hydro and solar projects, with plans to commence its first large-scale solar development in Mindanao, reinforcing its commitment to sustainable growth.

DISCLOSURE	2025	2024	2023
Direct economic value generated	14,942,499,489	12,544,478,772	12,422,746,980
Direct economic value distributed			
a. Operating Costs	10,032,245,163	8,364,745,244	8,680,593,547
b. Employee Wages & Benefits	606,373,680	538,223,529	344,235,626
c. Payments to Suppliers, Other Operating Costs	6,384,849,081	5,625,819,248	6,575,381,813
d. Dividends given to Stakeholders & Interest Payments to Loan Providers	3,538,261,534	11,155,538,252	11,752,351,750
e. Taxes given to the Government	2,523,607,444	1,737,730,970	1,604, 953,723
f. Investments to the Community (e.g., Donations, CSR)	24,536,530	26,530,713	17,464,132

Direct Economic Value Distributed

ACR contributes to economic growth in Mindanao and parts of the Visayas by directing its financial resources toward activities that create value for a wide range of stakeholders.

In 2025, the majority of its economic value distributed was allocated to core operations, with around 43.41% (PhP10 billion) spent on operating costs and 27.62% (PhP6 billion) on payments to suppliers and other operating expenses, ensuring the continued delivery of reliable and efficient power.

The Company also allocated 15.31% (PhP3.5 billion) to dividends and interest payments, reflecting its commitment to delivering returns to investors and financial partners, while 2.62% (PhP606 million) supported employee wages and benefits, recognizing the importance of its workforce. Meanwhile, 10.91% (PhP 2.5 billion) was contributed in taxes to support public services, and 0.11% (PhP24.5 million) was invested in community initiatives, including social development programs. Through this balanced distribution, ACR not only sustains its operations but also supports local industries, strengthens communities, and contributes to broader economic development, while continuing to expand its renewable energy portfolio in line with its long-term sustainability goals.

Reinforcing these contributions, SEC, the Group's 237-MW baseload power plant in Maasim, Sarangani, continues to demonstrate strong tax compliance and contribution to national revenue. In 2025, SEC was recognized by the Bureau of Internal Revenue Revenue Region 18 as the Top Corporate Income Taxpayer for 2024, while also retaining its distinctions as Top Value-Added Tax (VAT) Taxpayer and Top Withholding Tax Agent for the second consecutive year. These recognitions reflect the Company's commitment to responsible fiscal practices and transparent tax compliance.

Beyond national contributions, SEC also plays a significant role in supporting local economic development. As a Philippine Economic Zone Authority-registered enterprise operating under the Special Economic Zone Act of 1995, the Company is subject to a 5% gross income earned (GIE) tax in lieu of most national and local taxes, excluding real property tax. This framework enables direct fiscal benefits to host communities, with the Local Government of Maasim receiving over PhP50 million in special tax revenues from SEC during the first three quarters of 2024.

Through these contributions, SEC reinforces its role as a responsible corporate taxpayer while supporting inclusive economic growth at both the national and local levels.

Driving Economic Activity in the Southern Regions of the Philippines

ACR and its subsidiaries contribute to economic growth across Mindanao and select Visayas regions, where most of its customers are located. As an independent power provider, the Company delivers reliable and cost-effective electricity that supports businesses, energizes industries, and improves the daily lives of communities. Beyond supplying power, ACR strengthens the regional economy by creating jobs, paying taxes, and partnering with local suppliers and service providers, fostering sustainable economic opportunities in its host areas. Looking ahead, the Company continues to expand through renewable energy projects across Mindanao and the Visayas, supporting a diversified energy mix and delivering sustainable solutions that promote long-term regional development.

Tax Strategy

ACR upholds responsible tax practices as part of its contribution to national development and the economic progress of its host communities. The Company ensures strict adherence to all applicable national and local tax regulations, while treating tax compliance as an integral part of its broader commitment to sustainable and inclusive socio-economic growth.

DISCLOSURE	2025	2024	2023
Income/(Loss) Before Tax	2,934,529,423	2,767,100,977	2,566,586,317
Net Income/(Loss) After Tax	2,437,300,754	2,526,801,256	2,285,065,755

Procurement and Supply Chain

ACR maintains rigorous procurement and supply chain practices that support transparency, efficiency, and sustainable operations. Supplier accreditation and selection processes are continually refined to ensure that all major vendors meet high standards for service quality, environmental stewardship, and ethical conduct.

Supplier Standards and Ethical Sourcing

All accredited suppliers of ACR are required to follow strict ethical, labor, and environmental standards. Suppliers undergo a comprehensive accreditation process to verify licenses, certifications, and policies that safeguard workers' rights. Regular audits and assessments are conducted to ensure ongoing compliance, reinforcing the Company's commitment to human dignity, fair labor practices, and responsible sourcing.

To further strengthen its Supplier Accreditation Process (SAP), ACR has integrated SAP B1 Accounting Software into the Business Partner Master Data Maintenance Policy, aiming to ensure suppliers provide complete and verified business credentials while streamlining accreditation, enhancing compliance, and promoting greater transparency in supplier relationships.

Strengthening Supplier Relationships and Supporting Local Businesses

ACR treats its suppliers as strategic partners in advancing long-term business and sustainability objectives. By fostering strong, value-driven relationships, the Company collaborates with vendors that share its dedication to ethical practices, environmental responsibility, and operational excellence, while also supporting local businesses and industries in the regions it serves.

Proportion of Spending on Local Suppliers

ACR prioritizes local suppliers whenever possible, aiming to benefit from shorter lead times, reduced freight costs, and enhanced after-sales support. Local vendors supply a wide range of essential materials and services, including coal, limestone, sand, fuel, spare parts, office supplies, and vehicles. These considerations are incorporated into contract negotiations and supplier evaluations, ensuring that procurement decisions support ACR's strategic objectives, sustainability goals, and operational efficiency.

Supply Chain	2025	2024
Spending on local suppliers	3,605,621,981.26	1,918,775,478.39
Percentage of Local Suppliers	56.47%	34.11%

Corporate Governance

Alsons Consolidated Resources, Inc. (ACR) is committed to upholding exemplary corporate governance by embedding integrity, transparency, and accountability into every aspect of its operations. Through strong oversight and ethical decision-making, the Company and its subsidiaries manage risks effectively while generating long-term value for stakeholders. ACR's governance framework emphasizes compliance with regulations, rigorous internal controls, and proactive board supervision, reflecting industry best practices and the Company's dedication to responsible leadership.

Board of Directors

The Board of Directors of Alsons Consolidated Resources, Inc. (ACR) is composed of 11 highly competent and experienced professionals, including 10 males and 1 female member, who uphold the principles of corporate governance in guiding the Company's strategic direction.

The Board ensures long-term economic stability, legal compliance, and corporate responsibility, safeguarding the interests of stakeholders, investors, and business partners. Each member brings relevant expertise, industry knowledge, and leadership experience, equipping the Board to effectively oversee the Company's performance, risk management, and sustainability initiatives.

While ACR has no formal diversity targets for Board composition, the Company remains fully committed to promoting gender equality, inclusivity, and diversity in leadership.

More information about the Board of Directors can be found here.

Training on Anti-Corruption Policies and Procedures

Corruption poses significant risks to business sustainability, stakeholder trust, and long-term growth. To address this, ACR has established a comprehensive anti-corruption program that educates employees, officers, and business partners on ethical business conduct and compliance expectations. The Company's Anti-Corruption Policy is embedded in its Code of Business Conduct and Ethics, which applies to all employees, directors, suppliers, and business partners.

ACR's anti-corruption training program includes:

Onboarding and Early Awareness – All new hires receive orientation on the Anti-Corruption Policy, Code of Conduct, ethical standards, and reporting/whistleblowing procedures during onboarding. Completion of anti-corruption training is mandatory to ensure early awareness of compliance expectations and the Company's zero-tolerance stance on unethical behavior.

Annual Training and Certification – Employees participate in a yearly refresher course delivered through the Learning Management System (LMS), covering topics such as anti-bribery, conflicts of interest, gifts and hospitality, and reporting obligations. Each employee must also pass an annual

Code of Conduct certification exam to validate their understanding and adherence to the Company's ethical standards.

Declarations and Compliance Tracking – Staff submit annual compliance declarations and conflict-of-interest disclosures to reinforce accountability. Training completion, exam results, and overall compliance are monitored through the LMS and reported for governance and audit purposes.

To strengthen its anti-corruption framework, ACR implements the following key initiatives:

- Regular training sessions on the Whistleblowing Policy and Code of Conduct to help employees identify and report unethical behavior.
- Clear policies outlining prohibited practices, ethical decision-making guidelines, and consequences for non-compliance.
- Leadership by example, with senior management actively demonstrating integrity, ethical decision-making, and accountability.
- Open communication channels that encourage employees to report concerns without fear of retaliation.
- Annual reviews for business partners to ensure that suppliers and contractors comply with the Company's ethical standards.

Through these measures, ACR strengthens its ethical culture, reduces compliance risks, and fosters transparent and accountable operations that support long-term business sustainability.

Communication and Training on Anti-Corruption Policies and Procedures	2025	2024	2023
Percentage of Business Partners to whom the organization's Anti–Corruption Policies and Procedures have been communicated	100%	100%	100%
Percentage of Directors and Management that have received Anti–Corruption Training	100%	100%	100%
Percentage of Employees to whom the organization's Anti–Corruption Policies and Procedures have been communicated	100%	100%	100%
Percentage of Employees that have received Anti–Corruption Training	100%	100%	100%

Incidents of Corruption

ACR maintains a strict zero-tolerance policy for corruption, ensuring ethical business practices across all levels of the organization. The Company enforces rigorous anti-corruption measures, including mandatory training programs, annual compliance reviews, and the renewal of the Certificate of Integrity and Compliance, to safeguard against conflicts of interest and unethical conduct.

In 2025, ACR reported zero incidents of corruption involving directors, employees, or business partners. Specifically, there were no cases of directors being removed or disciplined, no employees dismissed or disciplined, and no contracts with business partners terminated due to corruption during this period, reflecting the effectiveness of the Company's compliance and governance framework.

Confirmed incidents of corruption and action taken	2025	2024	2023
Number of incidents in which Directors were removed or disciplined for corruption	0	0	0
Number of incidents in which Employees were dismissed or disciplined for corruption	0	0	0
Number of incidents when contracts with Business Partners were terminated due to incidents of corruption	0	0	0

Upholding a Culture of Integrity

ACR reinforces ethical behavior across the organization through policies and systems that promote accountability and responsible conduct. Complementing its anti-corruption initiatives, the Company maintains governance mechanisms that guide employees and leaders in making principled and compliant decisions.

Disclosure	2025
Total number of legal actions related to anti-competitive behavior, anti-trust, or monopoly practices that were pending or completed during the reporting period	0

Central to this framework is the Corporate Governance Manual, which sets the standards for transparency, accountability, and responsible management within the organization. Consistent with regulatory requirements and recognized governance practices, the manual has been formally submitted to the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC). It serves as a key reference that embeds good governance principles into the Company's operations and decision-making processes.

Other policies of the Company include:

1. Whistleblowing Policy
2. Code of Business Conduct and Ethics
3. Related Party Transactions
4. Conflict of Interest Policy
5. Insider Trading Policy
6. Health, Security, and Welfare Policy

Responsible Business

At Alsons Consolidated Resources, Inc. (ACR), responsible business practices are embedded into every aspect of operations, reflecting a strong commitment to ethical leadership, environmental care, and social responsibility. Guided by the brand promise, "We Power With Care," the Company integrates sustainability into decision-making, employee engagement, and operational strategies.

A. Environmental Stewardship

Resource Management (Energy, Materials)

ACR emphasizes the careful use of energy and materials to limit environmental impact while maintaining operational effectiveness. From power plants to offices and logistical operations, the Company implements measures to reduce waste, optimize energy use, and maximize resource efficiency.

Energy

Energy is a critical input in plant operations, facility management, and transportation. To minimize environmental impact while ensuring a reliable power supply, ACR monitors electricity, gasoline, and diesel consumption and continuously seeks ways to improve efficiency.

The Company's Environmental Management System (EMS), aligned with ISO 14001:2015, provides a structured approach to energy conservation and sustainable practices. Key initiatives include:

- Targeting energy reductions across plant operations to lower consumption and costs
- Rejecting low-quality fuel to boost combustion efficiency and reduce emissions
- Replacing conventional lighting with solar-powered streetlights and perimeter lamps
- Installing photo-switch lamps in towers and water tank yards to reduce unnecessary energy use
- Turning off idle equipment and transformers to eliminate standby power draw
- Launching the Light Off Initiative to ensure non-essential lights are switched off in unused areas and during breaks
- Performing regular preventive maintenance to extend equipment lifespan and maintain efficiency
- Improving heat rates to enhance fuel efficiency
- Using LED and solar-powered lighting for outdoor facilities

In 2025, the Company consumed 10,559,983 liters of fuel and generated 1,502,625,053.62 kWh of electricity from non-renewable sources across SEC, WMPC, MPC–Iligan, and MPC–Ubay. Of the total generation, 173,057,043.12 kWh was utilized for internal operations, while 1,329,568,010.50 kWh was sold to the grid. In addition, renewable energy operations through SHPC generated 68,379,454.97 kWh, with 147,454.00 kWh consumed for internal use.

Electricity Consumption*	2025		2024	
	kWh	Gigajoules	kWh	Gigajoules
Non-Renewable				
Self- Generated (Total)	1,502,625,053.62	5,409,450.19	1,523,175,629.40	5,483,432.27
Self-Generated (Consumed by the organization)	173,057,043.12	623,005.36	174,865,981.00	629,517.53
Self-Generated (Sold/ consumed by the customers)	1,329,568,010.50	4,786,444.84	1,348,355,870.00	4,854,081.13
Third-party provider (consumed by the organization)	6,018,006.60	21,664.82	4,937,860.40	17,776.30
Renewable				
Self- Generated (Total)	68,379,454.97	246,166.04	44,654,440.00	160,755.98
Self-Generated (Consumed by the organization)	147,454.00	530.83	97,800.00	352.08
Self-Generated (Sold/ consumed by the customers)	68,232,000.97	245,635.20	44,556,640.00	160,403.90
Third-party provider (consumed by the organization)	66,289.95	238.64	0	0

** Electricity Conversion Factor to GJ: 0.0036 is based on the Sustainable Energy Authority of Ireland*

Fuel Consumption

Energy Type*	Activity	2025		2024	
		Liters	Gigajoules	Liters	Gigajoules
Gasoline	Vehicles/Transportation	46,755.36	1,544.33	42,773.24	1,412.80
Diesel	Vehicles/Transportation	422,109.11	15,449.19	86,568.19	3,169.26
	Main Diesel Engine	1,988,255.76	72,770.16	-	-
	Emergency Power Generators	2,964.54	108.5	13,658,001.27	500,019.43
	Fire Water Pump	-	-	487.2	17.84
	Limestone Handling System	171,156.97	6,264.35	217,464.24	7,961.37
	Water Pumping Station	-	-	10,747.41	393.46
	Boilers	1,001,077.77	36,639.45	-	-
	Heavy Vehicles	-	-	323,185.82	11,831.83

Bunker-C Fuel Oil	Vehicles/Transportation	6,924,903.00	280,458.57	13,819,032.00	559,670.80
Lube Oil	Mechanical components	61,873.66	2,190.33	92,105.00	3,260.517
LPG**	Kitchen Operations, or other uses	2,760.93	67.97	64.98	1.6
TOTAL		**10,621,857.10**	**415,492.85**	**28,250,429.355**	**1,087,738.91**

**Conversion Factor to GJ is based on the Sustainable Energy Authority of Ireland*

Gasoline: 0.03303
Diesel: 0.0366
Bunker-C Fuel Oil: 0.0405
LPG: 0.0246
Lube Oil: 0.0354

***The LPG conversion factor from kilograms (kg) to liters (L) is 1.969 L/kg, based on Flogas conversion references*

Energy Type	Type	2025		2024	
		Metric Tonnes	Gigajoules	Metric Tonnes	Gigajoules
Coal	Sub-bituminous coal	933,463.66	25,987,628.29	921,299.17	25,648,968.89

***The Coal conversion factor from MT to GJ is 27.84 GJ /MT, based on Flogas conversion references*

Conversion Factor	
Electrical Grid	0.0036 GJ/kWh
Electricity (Visayas) Electricity (Mindanao)	0.6935 t-CO_2/MWh 0.8522 t-CO_2/MWh
LPG conversion Kg to L Lubricants conversion L to Kg	1.969 L/Kg 0.88 L/Kg
Coal Energy Conversion Coal Emission Conversion	0.0278 GJ/Kg 1.816 kg CO_2/tonnes
Fuel Energy Conversion Lube Oil Conversion	Gasoline 0.0330 GJ/L Diesel 0.0366 GJ/L LPG 0.0246 GJ/L Bunker Fuel Fuel Oil: 0.0405 GJ/L Lube Oil: 0.0354 GJ/L
Fuel Emission Conversion	Gasoline 2.288 kg CO_2/L Diesel 2.910 kg CO_2/L LPG 1.473 kg CO_2/L Bunker Fuel Fuel Oil: 3.005 kg CO_2/L Lube Oil: 2.647 kg CO_2/L

ACR continues to strengthen sustainable energy management by pursuing long-term strategies such as fuel procurement optimization, coal blending, and the gradual transition of diesel-powered plants to solar energy, ensuring both a reliable electricity supply and reduced environmental impact.

In 2025, WMPC focused on enhancing energy efficiency, optimizing fuel usage, and improving overall plant performance while maintaining compliance with the Department of Environment and Natural Resources and the Environmental Management Bureau. Diesel generator operations were fine-tuned to

maximize combustion efficiency, supported by preventive and predictive maintenance programs and careful monitoring of load dispatch to minimize idling. Fuel management practices were strengthened through better inventory tracking, consumption analysis, and strict adherence to fuel quality standards, preserving engine performance and limiting emissions. In addition, internal energy audits and performance reviews were conducted to identify areas for improvement, while equipment maintenance and targeted upgrades helped reduce parasitic energy loads and improve overall operational efficiency. Energy optimization objectives were fully integrated into the 2025 operational planning process, aligning resource management with sustainability goals and environmental compliance commitments. Through these efforts, WMPC set clear targets for improved generator efficiency, reduced fuel consumption, full compliance with emission standards, and heightened awareness of energy efficiency among personnel.

At the same time, MPC- Iligan maintained its critical role in ensuring grid stability in Mindanao under an Energy Regulatory Commission (ERC)-approved Ancillary Services Procurement Agreement (ASPA). In 2025, MPC - Iligan reactivated Unit 1 to provide dispatchable reserves and explored solar-powered perimeter lighting and photo-switch sensors to reduce internal electricity consumption. It also sustained readiness for ASPA dispatchable reserve operations, ensuring uninterrupted service for the regional grid.

Looking ahead, with the Mindanao-Visayas Interconnection Project (MVIP) now active, MPC - Iligan is strategically positioned as a reserve provider for the Philippine grid. It continues to leverage innovative technologies and best practices to deliver reliable electricity while supporting industrial growth in Iligan City and promoting environmental stewardship.

SEC plant's operations require significant internal energy use to support plant functions, making energy efficiency a key operational priority as higher consumption directly increases fuel use and resource demand. Energy use is managed through an Energy Conservation Program focused on optimizing internal consumption and improving efficiency across plant processes. As a power generation facility, it is not exposed to external power interruption risks because it can sustain its own house load, and at this stage, the company continues to prioritize internal efficiency improvements and operational optimization rather than adopting renewable energy installations.

Materials

Under the guidance of the Plant Technical Assistance team, ACR implements practices that limit the consumption of non-renewable resources, promote waste reduction, and maintain compliance with all regulatory requirements.

Materials Used by Weight and Volume	2025	2024
Bunker-C Fuel Oil (L)	6,924,903.00	13,819,032.00
Diesel (L)	3,585,564.15	14,296,454.13
Gasoline(L)	46,755.36	42,773.24
Lube Oil (L)	61,873.66	92,105.00
Coal (MT)	933,463.66	921,299.00

At the SEC Plant, coal sourcing is carefully managed, with purchases made only from government-approved local and international mines that require land rehabilitation after extraction. Coal remains the primary operational material, supplemented by diesel and other essential inputs, while ACR continues to explore environmentally friendly alternatives for sustainable operations.

In parallel with its thermal operations, the Company also advances its commitment to sustainability through its renewable energy portfolio.

SHPC operates a run-of-river hydropower facility, reinforcing its commitment to responsible resource utilization by generating electricity without the need for large water impoundment. This approach supports operational efficiency while minimizing environmental impact, as it relies on the natural flow of water with minimal alteration to surrounding ecosystems. Led by the Power Plant Manager, the Company integrates sustainable practices by reducing non-renewable resource consumption, adhering to regulatory standards, and implementing waste reduction initiatives. Complementing these efforts, a 10 kW solar power system installed at the Weir site has significantly reduced reliance on diesel generators, lowering fuel consumption and associated emissions.

In 2025, SHPC primarily utilized water as a renewable input for its hydropower operations, with diesel serving only as backup power at the Weir site. To manage perishable and high-value materials, strict maintenance protocols are implemented for diesel engines, including scheduled oil changes, performance monitoring, and preventive maintenance programs. These measures enhance fuel efficiency, extend equipment lifespan, and reduce unnecessary resource depletion.

WMPC, meanwhile, focused on fuel efficiency. Diesel fuel remained the primary operational material, supported by necessary consumables to ensure reliable power generation. WMPC implemented preventive maintenance programs, including scheduled oil analyses and timely replacements, alongside real-time monitoring of diesel engines to maximize efficiency and extend service life. It also upgraded fuel treatment and filtration systems, reducing sludge production and minimizing waste disposal volumes.

In addition, MPC-Iligan focused on intensifying resource circularity in 2025. As the plant assumed a more active role in grid stability under the Ancillary Services market, materials such as heavy fuel oil (HFO) and lubricating oils were managed more efficiently. MPC-Iligan established a two-year service agreement with the Department of Environment and Natural Resources (DENR)-accredited Treatment, Storage, and Disposal (TSD) facilities, ensuring that 100% of oil sludge and used lubricants are diverted from landfills and reintegrated into the industrial value chain. The plant maintained a zero-non-compliance record for hazardous waste handling, with all hauling activities documented through the DENR-EMB Online Manifest System to guarantee traceability and full legal compliance under Republic Act 6969.

MPC-Iligan also applied Condition-Based Monitoring for lubricants, replacing oils only when degradation occurs rather than following a fixed schedule, extending resource life cycles. Additionally, by selling treated waste materials to accredited partners, MPC-Iligan converts potential environmental liabilities into cost-offsetting measures, demonstrating that sustainability and financial efficiency can coexist.

Waste Optimization and Fuel Reduction

Improving fuel efficiency while minimizing waste generation remains an important focus for the Company's operational and environmental performance. To support this objective, initiatives have been introduced to enhance the utilization of heavy fuel oil (bunker C) through the use of specialized fuel additives designed to improve combustion efficiency and support more effective electricity generation.

These improvements in the fuel treatment process, together with enhancements to the diesel engine filtration system, have led to a measurable reduction in sludge formation at the facility. Lower sludge volumes translate to reduced waste handling and disposal requirements, resulting in operational savings while also lessening the plant's environmental footprint.

At SHPC, complementary measures have also been implemented to support waste reduction and fuel optimization. The installation of solar power at the Weir site has reduced reliance on the diesel generator set, thereby lowering overall fuel consumption and associated emissions.

Environmental protection efforts extend beyond plant operations. All ACR companies regularly participate in river cleanups, promote proper waste segregation, and support community-led sustainability initiatives aimed at reducing debris and other environmental impacts along nearby waterways. These activities contribute to maintaining the surrounding ecosystem while supporting the plant's long-term operational sustainability.

Water and Effluents

Water is a critical resource in ACR's operations. Effective water stewardship and proper effluent management are important in protecting surrounding ecosystems and communities from potential risks associated with industrial discharge. To mitigate these risks, the Company implements structured water conservation and wastewater management practices that align with regulatory requirements and its broader sustainability commitments. These efforts support both responsible resource use and the protection of nearby environments.

In 2025, SHPC continued optimizing water utilization in turbine operations to ensure efficient generation, while turbine output water was primarily reused within the facility for generator cooling and for filling firefighting equipment tanks. Water levels were continuously monitored through automated systems to support accurate resource planning and operational control.

To maintain optimal water flow and minimize sediment accumulation, the plant also conducted manual desilting activities at the upstream weir. These measures help sustain operational efficiency while ensuring that water management practices remain aligned with applicable environmental permits and regulatory requirements.

Meanwhile, MPC-Iligan maintained strong performance in wastewater management throughout 2025. The facility achieved a 100% pass rate in all monthly effluent tests conducted by the Department of Environment and Natural Resources (DENR)-accredited third-party laboratories. Treated discharge consistently

remained well below the limits set under DENR Administrative Order 2016-08 (General Effluent Standards) for key parameters, including Oil and Grease, Chemical Oxygen Demand (COD), Total Suspended Solids (TSS), and heavy metals.

In addition to monitoring effluent quality, MPC-Iligan strengthened the management of oil-based waste generated during operations. Collected oil-based waste stored in sludge and used oil tanks was hauled by DENR-accredited Treatment, Storage, and Disposal (TSD) partners. These materials were subsequently repurposed as alternative fuels, preventing potential contamination of nearby soil and marine ecosystems, including Iligan Bay.

SEC thermal plant relies on groundwater for its operations due to Environmental Compliance Certificate (ECC) restrictions on the use of seawater from Sarangani Bay for cooling purposes. While necessary for plant operations, this reliance presents risks related to groundwater depletion and potential supply disruptions, particularly during flooding events that may affect water quality. To manage these risks, SEC implements water efficiency measures under its resource conservation initiatives, including optimizing water use and enhancing infiltration systems to improve flood resilience. The Company continues to explore additional measures such as rainwater harvesting and water recycling to strengthen long-term water sustainability, in alignment with Republic Act No. 11285, or the Energy Efficiency and Conservation Act.

At the Group level, total water withdrawal in 2025 reached 4,392,904.52 m³ from both groundwater and surface water sources across its operating facilities, including SEC, SHPC, WMPC, MPC–Iligan, and MPC–Ubay. Through recycling and reuse initiatives, the Group conserved 16,100.00 m³ of water, reinforcing its commitment to sustainable and efficient water resource management.

DISCLOSURE (cubic meter)	2025	2024	2023
Water Withdrawal	4,392,905	4,531,631	4,224,538
Water Consumption	3,580,105	4,392,376	4,279,296
Water Discharge in Operations*	809,778	142,595	1,055,797
Water Discharge (SHPC hydropower)	88,191,971	-	-
Water Recycled/Reused**	16,100	1,247,086	281,916

**Only WMPC reported water discharge in 2024, while in 2025, the scope of disclosure expanded to include SEC, WMPC, and MPC-Iligan, covering three facilities in total, increasing reported figures due to broader operational coverage.*
***Since 2023, WMPC and SEC have reported water recycled and reused. The significant decrease in recycled water is attributable to SEC, which recorded a reduction from 1,245,382.70 in 2024 to 14,600.00 in 2025.*

In 2023 and 2024, water consumption was estimated based on raw water withdrawal minus actual effluent discharge. This approach assumed that process water recirculated within the boiler system constituted recycled water. However, this methodology resulted in an overstatement of recycled/reused water and a corresponding understatement of actual water consumption, as internal recirculation within the process was classified as recycled water.

In 2025, a more accurate and representative measurement methodology was implemented. Water consumption for ash pond spraying is now estimated based on the average number of water spraying trips per day, multiplied by the corresponding volume per trip. This revised approach excludes internal

recirculation and provides a more realistic estimate of actual water use, improving data accuracy, transparency, and alignment with GRI 303 reporting principles.

Compliance with Regulatory Requirements

Adherence to environmental regulations is a key part of ACR's operational governance and environmental stewardship. The Company secures the necessary permits from the National Water Resources Board (NWRB) and designates qualified Pollution Control Officers (PCOs) to oversee environmental compliance across all operating facilities. These officers monitor water consumption and wastewater discharge, verifying that operational activities remain consistent with permit conditions and regulatory requirements. Compliance activities include maintaining valid permits, implementing automated systems for water level monitoring, and conducting periodic internal checks to ensure alignment with applicable environmental standards.

ACR's Environmental Management System (EMS) is certified under ISO 14001:2015, reflecting its commitment to meeting both local and international environmental management standards. As part of this system, the Company continues to strengthen its Water Resource Conservation and Water Pollutant Elimination programs to address operational risks, including those associated with climate variability. Some facilities have adopted hybrid cooling systems that combine closed-loop and open-loop processes, allowing the plants to maintain efficient cooling performance while reducing water loss.

During 2025, MPC-Iligan further reinforced its regulatory compliance practices by incorporating more data-driven monitoring into its daily operations. The plant maintained 100% validity of its NWRB and discharge permits. Regulatory representatives and inspectors from both the NWRB and the DENR conducted site visits during the year, with the facility sustaining a satisfactory compliance standing.

In addition, MPC-Iligan transitioned fully to the DENR–Environmental Management Bureau's Online Self-Monitoring Report (SMR) platform, enabling the digital submission of quarterly environmental data. This system enhances transparency and accuracy in reporting while supporting the Company's compliance with national environmental legislation, including the Philippine Clean Air Act and the Clean Water Act.

Sustainable Water Management

In 2025, ACR secured approval from the Department of Environment and Natural Resources – Environmental Management Bureau (DENR-EMB) to repurpose treated wastewater for irrigation within its plant premises. In support of this initiative, the Company operates an in-house wastewater treatment facility that complies with the General Effluent Standards under DENR Administrative Order (DAO) 2016-08 and DAO 2021-19, with discharge volumes monitored daily using calibrated flowmeters.

SEC, meanwhile, is authorized to discharge treated wastewater to the Kamanga Agro-Industrial Ecozone (KAIEZ) pond through a Certificate of Interconnection issued by the Ecozone. KAIEZ is a 91.7-hectare industrial park located in Maasim, Sarangani, developed by the Alcantara Group through its subsidiary to support agro-industrial and industrial investments in the region.

The Group is also advancing plans to expand KAIEZ and develop an additional agro-industrial economic zone in Sarangani to accommodate increasing industrial activity and investment demand.

The recycled water is applied for regular spraying at the ash pond to suppress fly ash and prevent dispersion to surrounding communities. These practices form part of EMB Region XII's environmental mitigation measures while reducing reliance on fresh water. Monthly wastewater sampling and analysis ensure ongoing compliance with discharge standards, and ACR is actively exploring advanced treatment technologies to improve effluent quality by removing a broader range of pollutants.

To maintain efficient water flow and support reliable hydropower operations, SHPC conducted desilting of the upstream weir in 2025, maintaining optimal reservoir levels, preventing sediment accumulation, and improving water allocation for power generation. This involved manual dredging and sediment removal by the Operations & Maintenance (O&M) team and local labor, monitoring water flow and sediment levels to avoid downstream impacts, and integrating automated water level monitoring systems to optimize resource planning.

At WMPC, operational improvements focused on timely offsite disposal of hazardous wastes, particularly treatment sludge, through DENR-accredited transporters and treatment facilities, minimizing risks associated with prolonged onsite storage and enhancing both environmental compliance and site safety.

In addition, the MPC–Ubay facility strengthened its water management initiatives as part of its ECC obligations and broader environmental responsibility strategy. As a baseload backup facility, the plant maintains operational readiness while optimizing resource use, ensuring that water management practices remain efficient even during periods of intermittent operation.

To support this, the plant implemented infrastructure and operational enhancements to reduce reliance on freshwater abstraction while maximizing alternative water sources. Notably, a rainwater harvesting system installed during construction captures rooftop runoff and channels it into the plant pond for storage and reuse. This system supplements operational water requirements, reduces groundwater extraction, supports stormwater management, and enhances resilience during periods of limited water availability.

Routine monitoring of water abstraction, consumption, and efficiency enables the proactive identification of conservation opportunities. Preventive maintenance, regular operational checks, and environmental monitoring further ensure the sustained efficiency of wastewater treatment systems and continued compliance with DENR standards.

These efforts are complemented by ongoing coordination with regulatory agencies to ensure transparency, adherence to ECC conditions, and alignment with best environmental management practices. Moving forward, the MPC-Ubay Power Plant will continue to explore innovative technologies and operational strategies to further enhance water efficiency, strengthen wastewater treatment, and support long-term environmental sustainability, forming a critical part of the Company's broader climate resilience, resource conservation, and responsible operations programs.

Sustainable Water Management Program

With water being critical in power generation and plant operations, MPC-Ubay formed its Sustainable Water Management Program to minimize water consumption, prevent pollution, and promote conservation. The program covers all aspects of water use, including domestic consumption, equipment cleaning and maintenance, cooling and auxiliary plant operations, stormwater and wastewater management, fire protection reserves, and groundwater abstraction monitoring.

To promote efficient water use, MPC-Ubay's key initiatives include:

- Installation of water-efficient fixtures and controlled distribution systems to minimize losses.
- Segregation, treatment, and continuous monitoring of wastewater to prevent contamination from oil, chemicals, or hazardous materials.
- Rainwater harvesting for non-potable uses and the reuse of treated wastewater, where feasible.
- Regular monitoring of water abstraction and discharge, integrated into environmental audits and management reviews.
- Pollution prevention through spill response procedures, safe hazardous waste storage, and emergency preparedness.

Clear roles support program implementation: plant managers oversee policies, pollution control officers monitor performance, operations personnel implement conservation measures, and all staff and contractors follow water management guidelines.

Aiming for continuous improvement, MPC- Iligan conducts regular program evaluations and audits, adopting advanced technologies and best practices, providing training and awareness programs for personnel, and engaging stakeholders to strengthen regulatory coordination. In 2025, these initiatives resulted in a 100% pass rate for all wastewater effluent samples, with multi-stage treatment ensuring that Oil & Grease, Total Suspended Solids (TSS), and other parameters remain within DENR DAO 2016-08 standards. An "Early Warning" sampling protocol further enhances monitoring by testing key points along the treatment process, including direct sampling from the Oil-Water Separator and the final regulatory outfall.

Ecosystem and Biodiversity

Recognizing that its operations intersect with diverse natural habitats, ACR proactively mitigates environmental impacts while promoting conservation. Each subsidiary designates Pollution Control Officers (PCOs) to ensure strict compliance with water and air pollution regulations, hazardous waste management, and other environmental safeguards. The Company also partners with local government units (LGUs), communities, schools, and environmental organizations to integrate long-term sustainability initiatives, enhancing biodiversity and fostering ecological resilience for future generations.

ACR conducted comprehensive assessments of all operational sites, including owned, leased, and managed properties, as well as areas adjacent to its facilities. Evaluations covered both legally protected areas and regions with high biodiversity value to ensure alignment with conservation efforts.

Key ecosystem and biodiversity initiatives included:

- **Sarangani Energy Corporation (SEC)**:
  - Operates near a marine protected area.
  - Wastewater is fully treated through dedicated facilities in compliance with the Clean Water Act to ensure effluent remains within allowable limits.
  - Conducts monthly effluent testing and annual underwater habitat assessments to monitor water quality and ecosystem health.
  - Works closely with government agencies to support the protection and conservation of the marine sanctuary and surrounding ecosystems.

- **Siguil Hydro Power Corporation (SHPC)**:
  - Maintains ecosystem and biodiversity management measures in compliance with its Environmental Compliance Certificate (ECC) and Department of Environment and Natural Resources (DENR) regulations.
  - No new land-disturbing activities were undertaken in 2025.
  - Continue river and riparian inspections to prevent adverse impacts on surrounding ecosystems.
  - Participates in the Watershed Enhancement Project of Alsons Power Group, supporting watershed conservation, biodiversity protection, and community-based environmental initiatives through continuous coordination with DENR–EMB Region XII.

- **Western Mindanao Power Corporation (WMPC)**:
  - Integrates environmental safeguards in operations, adhering to ECC conditions and national environmental laws (RA 8749 and RA 6969).
  - Enforces pollution control measures, proper hazardous waste management, spill prevention systems, and regular environmental monitoring.
  - Supports vegetation management and greening initiatives where feasible.
  - Continued mangrove planting on site for the third consecutive year, formally adopting the area and implementing planning agreements with government agencies and stakeholders to ensure long-term protection, monitoring, and maintenance.
  - Biodiversity assessments guide operational and conservation practices, while improved waste management, including off-site disposal of hazardous waste and recycling initiatives, minimizes ecological risks and supports sustainable operations.

- **MPC-Iligan**:
  - Biodiversity protection and restoration targets are clearly defined.
  - Aims to restore and maintain degraded forest lands within host communities and critical watersheds.
  - Targets planting and ensuring the survival of 10,000 native and agroforestry trees annually through 2031, with 2026 as the base year for formal target monitoring.
    - Seedling survival rate of over 90%
    - Cumulative mapping of restored hectares in partnership with DENR-EMB

- Tracking active partnerships through memoranda of understanding (MoUs) with Iligan Bay Chamber of Industries (IBCI), NGOs, and other stakeholders

Watershed Enhancement Project

As part of its commitment to sustainability, Alsons Power launched the Watershed Enhancement Project (WEP) in 2018, further strengthening its environmental efforts in Maasim, Sarangani. Focused on revitalizing the Siguil River Watershed, WEP goes beyond environmental rehabilitation as it serves as a model of inclusive development. Through the integration of reforestation, water resource conservation, and biodiversity protection, the program aims to transform the Siguil River Watershed into a self-sustaining ecosystem while promoting long-term ecological balance and community participation.

In preparation for these targets, the Watershed Enhancement Project (WEP), implemented in partnership with the Conrado & Ladislawa Alcantara Foundation, Inc. (CLAFI), delivered key accomplishments in 2025 across reforestation, agroforestry, and community engagement. A total of 21,000 seedlings were planted, with a 100% survival rate in Sitio Miga and 50% in Sitio Tudok in Maasim, Sarangani, alongside the monitoring of 131 hectares of established areas and identification of additional plantable sites. The project also strengthened community participation through agroforestry and Sloping Agricultural Land Technology (SALT) training, development of farm plans, and formalized partnerships with local farmers through Farm Development Agreements. To sustain implementation, 25,000 seedlings were produced through local nurseries, supporting both ecosystem restoration and community-based livelihood opportunities.

Looking ahead to 2026, MPC-Iligan plans to co-finance watershed restoration projects with IBCI members, transition to "Inclusive Agroforestry" with Indigenous Peoples communities planting fruit-bearing trees alongside native species, and further strengthen long-term survival rates through livelihood integration.

Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Geographic Location	Type of area	Position in relation to protected areas	Type of operation	Size of area	Identify official recognition
Power Plant Coordinates, 5.8682° N, 125.0803° E	Terrestrial	adjacent to	CFB Power Generation	34.1 ha	National or local protected area legislation

Habitats Protected or Restored

Location	Size (ha.)	Existing partnership with a third-party	Current Status of the Area	Remarks
Bukana Mala, Barangay Bolong, Zamboanga City	1.04	MOA on adopting a Mangrove Planting Site is in process	WMPC seeks guidance from local government agencies on whether the adoption of the proposed	WMPC has been conducting mangrove planting activities on the site for three consecutive years. To ensure the survival and

			area is feasible and permissible	sustainability of the planted mangroves, WMPC has initiated the adoption of the area and intends to enter into agreements with various government agencies and stakeholders for its protection, monitoring, and maintenance
Kamanga Marine Protected Area	9347.4	CLAFI	Continuing protection	-
Sitio Loddazzal, Bunguiao, Zamboanga City	40	WMPC Multi-Partite Monitoring Team (WMPC-MMT)	The carbon sequestration project was turned over to the local government unit (LGU) for their monitoring and maintenance.	-

Conservation of Nature and Biodiversity

Alsons Power Group prioritizes the protection of biodiversity in all its operations, guided by environmental regulations aligned with the International Union for Conservation of Nature (IUCN). Recognizing the potential impacts on Key Biodiversity Areas (KBAs), the Company conducts thorough assessments to identify habitats that may be affected by business activities. The IUCN Red List of Threatened Species is used as a reference to ensure that endangered species are not harmed. Conservation measures, including habitat protection and restoration, are integrated into environmental management plans to minimize ecological impacts and support biodiversity preservation.

Flagship Biodiversity Programs of ACR

Beyond meeting regulatory requirements, ACR implements various Corporate Social Responsibility (CSR) initiatives focused on ecosystem protection and rehabilitation:

- Adopt a Shoreline: Engaging coastal communities in cleaning and preserving marine habitats.
- Mangrove Restoration: Rehabilitating coastal ecosystems to enhance biodiversity and mitigate climate change impacts.
- Reforestation: Supporting tree-planting in degraded areas to restore forest cover and enhance carbon sequestration.
- Watershed Protection: Reforestation and watershed enhancement activities improve water quality, reduce erosion, and promote a healthier environment for host communities

In 2025, WMPC implemented several flagship biodiversity programs within its area of critical responsibility to support ecosystem protection and environmental sustainability. A key initiative is its Mangrove Conservation and Rehabilitation program, which includes systematic mangrove planting activities in the last three years and the formal adoption of the site. WMPC is also pursuing agreements

with government agencies and local stakeholders to ensure the long-term protection, monitoring, and maintenance of these mangroves, helping enhance coastal biodiversity and strengthen ecosystem resilience.

To further support biodiversity conservation, WMPC conducts regular biodiversity monitoring and assessments to evaluate the health and status of flora and fauna within its area of critical responsibility. These assessments guide operational practices, minimize ecological impacts, and inform adaptive management strategies that strengthen conservation outcomes.

WMPC also promotes community and stakeholder engagement by actively collaborating with local communities, government units, and environmental agencies. Through education programs, capacity-building initiatives, and participatory conservation activities, stakeholders are encouraged to contribute to habitat protection, resource stewardship, and sustainable ecosystem management.

Recognizing the relationship between waste management and biodiversity protection, WMPC integrates waste management and habitat protection measures into its environmental programs. The company prioritizes off-site disposal of hazardous wastes, promotes recycling and reuse, and implements circularity initiatives to minimize ecological risks and protect sensitive habitats within its area of critical responsibility.

In addition, WMPC supports broader environmental initiatives of ACR's Watershed Enhancement Project, which aims to improve biodiversity and restore critical watershed areas through tree planting and habitat rehabilitation. The initiative contributes to soil stabilization, improved water retention, and healthier river systems while engaging local communities and stakeholders. Strategic resource allocation through the Company's Annual Strategic Planning Process, with oversight from its CSR arm, ensures proper implementation and monitoring. Partnerships with academic institutions, environmental organizations, and advocacy groups further strengthen the long-term sustainability and impact of these programs.

Promoting Marine and Freshwater Conservation

The Company supports the conservation of marine and freshwater ecosystems through responsible operational practices, environmental monitoring, and regulatory compliance. A dedicated wastewater treatment facility ensures that all discharges comply with the standards set under the Clean Water Act. Effluent quality is regularly analyzed, while annual underwater habitat assessments are conducted to monitor marine ecosystem health and evaluate any potential impacts from operations. The information gathered from these activities helps guide improvements in the Company's CSR programs and ensures that environmental initiatives remain aligned with scientific findings and regulatory requirements.

In 2025, SHPC continued working closely with DENR–EMB Region XII under the Adopt-an-Estero Program. Through this partnership, SHPC conducts regular water quality monitoring of the Siguel River, contributing important data that supports the protection and sustainable management of the river system. As a run-of-river hydroelectric facility, SHPC ensures that water diverted for power generation is returned safely to the natural waterway without introducing chemicals or contaminants. Because the plant does not utilize chemical additives in its operations, the natural condition of the river is maintained, minimizing potential effects on aquatic ecosystems. These practices, together with ongoing monitoring and coordination with regulators, support the conservation of freshwater resources while ensuring full compliance with environmental standards.

WMPC also implements programs aimed at protecting marine and freshwater environments within and around its Area of Critical Responsibility. These efforts include mangrove planting and rehabilitation activities that help strengthen coastal ecosystems and support marine biodiversity. At the same time, initiatives are carried out to prevent contamination and ecological degradation of freshwater habitats. WMPC conducts regular monitoring of water quality and aquatic species to evaluate ecosystem conditions and guide conservation measures. The company also works with local communities, government agencies, and environmental groups through educational programs, cleanup activities, and collaborative conservation efforts that encourage responsible stewardship of marine and freshwater resources.

SEC operations are located near ecologically significant areas, including the Kamanga Marine Eco-Tourism Park and Security in Maasim, recognized as one of the Philippines' notable protected areas. This proximity reinforces the SEC's commitment to maintaining environmentally responsible operations and supporting the protection of surrounding ecosystems. In line with this, SEC has also actively participated in coastal cleanup activities and Scubasurero initiatives, contributing to marine waste collection and coastal resource protection in its host communities.

Air Emissions

ACR carefully manages air emissions from energy and power generation to protect health and the environment. Pollutants from diesel engines and other combustion systems, such as nitrogen oxides (NO_x), particulate matter (PM), and carbon monoxide (CO), which can contribute to respiratory illnesses, smog formation, and environmental degradation, are controlled through robust emission measures, with ongoing improvements to air quality management practices.

The Company prioritizes measuring, reducing, and mitigating greenhouse gas (GHG) emissions through initiatives aligned with its Environmental Management System (EMS) and sustainability commitments.

- Deployment of Low-NO_x Boilers and High-Efficiency Dust Collectors: Use of low-emission boilers and electrostatic precipitators (ESPs) to minimize airborne pollutants.
- Built-in DeSOX System: Minimizes sulfur dioxide (SO_2) emissions, ensuring compliance with regulatory standards.
- Carbon Sink Projects: The Siguil and Kamanga River Watershed projects, covering 9,347 hectares, act as natural GHG sinks, offsetting emissions and enhancing biodiversity.

Non-Renewable (tCO_2)	2025	2024
SCOPE 1		
Self-Generated (Consumed by the organization)	147,413.91	149,020.79
Gasoline	106.98	97.87
Diesel	10,433.99	41,602.68
Lube Oil	163.78	243.80
Bunker C	20,809.33	41,526.19-
LPG	4.07	0.1

Coal	1,695,440.71	1,673,346.47
TOTAL	**1,874,372.77**	**1,864,311.71**
SCOPE 2		
Third-party provider (consumed by the organization)	5,128.55	4,208.04
SCOPE 3		
Self-Generated (Sold/ consumed by the customers)	1,132,360.29	1,149,068.87

SEC manages air emissions to minimize environmental and community impacts. It operates within approved plant parameters and ensures regular maintenance of air pollution control systems to maintain compliance and support consistent emission control performance.

Similarly, WMPC had all emissions from its fossil-fuel operations fully comply with the Clean Air Act and other Philippine regulations. It conducted continuous emission monitoring, annual accuracy audits of its monitoring system, and comprehensive reporting to uphold transparency and regulatory accountability.

WMPC aligns with national air quality initiatives, focusing on pollution prevention, operational efficiency, and stakeholder engagement. By adopting clear communication with communities and regulatory bodies, adopting cleaner technologies and enhanced emission controls, it responsibly manages air emissions while supporting sustainable energy and protecting public health.

MPC-Ubay, meanwhile, operates diesel-fueled engines for power generation and prioritizes strict air emissions management to comply with environmental regulations and protect ambient air quality, public health, and ecosystems. Diesel combustion produces pollutants including sulfur dioxide (SO_2), NO_x, PM, CO, volatile organic compounds (VOCs), and GHGs, which are systematically monitored, controlled, and mitigated.

To minimize SO_2 emissions, MPC-Ubay implements fuel quality controls by using procurement and diesel fuel that meets Philippine sulfur content standards. Fuel storage, handling, and transfer systems are carefully maintained to prevent contamination, preserve fuel integrity, and promote efficient combustion that reduces pollutant formation.

MPC-Ubay further introduced a comprehensive preventive maintenance program for all diesel engines, including routine inspections, calibration, combustion tuning, injector maintenance, and turbocharger checks. These measures optimize combustion efficiency, minimize incomplete combustion, and reduce NO_x, PM, and CO emissions. Engine parameters are closely monitored to maintain optimal air-to-fuel ratios and stable combustion.

In addition, MPC-Ubay periodically conducts stack emission testing through DENR-accredited third-party laboratories to ensure compliance with emission standards under Republic Act 8749 (Philippine Clean Air Act of 1999) and its Implementing Rules and Regulations. Ambient air quality is also periodically monitored to assess potential off-site impacts from plant operations. Results are documented, reported to regulatory authorities, and used to guide continuous environmental performance improvements.

MPC-Ubay also monitors GHG emissions from diesel combustion (Scope 1 emissions) and implements measures to improve fuel efficiency and reduce carbon intensity. Environmental initiatives, including tree planting, vegetation maintenance, and local ecological programs, support carbon sequestration and promote environmental sustainability.

It also operates an Environmental Management System aligned with national regulations requirements and industry best practices. Pollution Control Officers (PCOs) oversee compliance by inspecting emission sources, documenting monitoring results, coordinating with regulatory agencies, and implementing corrective actions as needed. Regular environmental audits and internal compliance checks are conducted to ensure compliance with permit conditions, Environmental Compliance Certificate (ECC) commitments, and DENR-EMB standards.

Continuous Improvement Commitment

MPC-Ubay propels air emissions management through technology upgrades, operational optimization, employee training, and stakeholder engagement, ensuring responsible power generation and protecting air quality, public health, and environmental sustainability in Brgy. Imelda, Ubay, Bohol. It complies with the Philippine Clean Air Act through annual third-party emission testing and offsets its carbon footprint via reforestation and community partnerships.

In the first half of 2025, MPC-Iligan partnered with a local NGO on a watershed restoration project, planting over a thousand trees, including native reforestation species and agroforestry seedlings like Narra, with high survival rates. Through diligent monitoring, the program achieved a high tree survival rate, ensuring these areas function effectively as long-term carbon sinks. Its tree-growing initiatives have expanded through partnerships with the Iligan Bay Chamber of Industries, local schools, and CENRO.

Looking ahead to 2026, MPC-Iligan will continue to uphold its "We Power with Care" brand promise, combining operational excellence with nature-positive initiatives to balance energy production with climate resilience in host communities/cities. To ensure the effectiveness of these measures, MPC- Iligan's PCO conducted routine inspections and performance assessments of pollution control devices. The CEMS also undergoes an annual third-party audit to verify compliance with Republic Act 8749, the Philippine Clean Air Act of 1999.

Moreover, to uphold the integrity and effectiveness of these measures, the Company's PCO conducts routine inspections and performance assessments of pollution control devices. Additionally, the CEMS undergoes an annual third-party audit to ensure compliance with Republic Act 8749, or the Philippine Clean Air Act of 1999.

Waste Management

Operating 24/7, ACR's facilities inherently generate waste, which is managed through a structured, data-driven framework that emphasizes the "Reduce, Reuse, Recycle" hierarchy to minimize environmental impact and enhance resource efficiency.

Waste Generated (Metric tonnes)	2025	2024*
Non-Hazardous Waste		
Reusable Waste**	9.29	0.25
Recyclable Waste	-	0.29
Accredited Recycler***	2.91	60,058,986.00****
Composted*****	16.80	1.21
Landfill******	30.25	30.83
Total	**59.25**	**60,059,018.57**
Hazardous Waste		
Waste Oil (L) *(Sludge)*	236,524.13	219,660.00
Others (MT)*******	10.13	24.30

**Restated figure for comparison*

***Reusable, non-contaminated lube oil and additive containers are returned to suppliers for reuse or sent to accredited recyclers if no longer usable. Wooden crates and lumber are primarily reused for storage and operational purposes.*

****Scrap metals generated from maintenance activities are properly segregated and sold or turned over to accredited recyclers for recycling. Recyclable materials such as clear bottles, plastic bottles, and soda cans—primarily generated in high volumes from hydration stations during training and other activities—are likewise sold or donated to accredited recyclers.*

*****Fly ash generated from Sarangani Energy Corporation (SEC) is collected and transferred to accredited partners for reuse (e.g., cement production), in compliance with applicable regulations. It is hauled by Holcim Cement Plant and ABA King Cement.*

******Biodegradable waste, such as leaves and grass, is composted on company premises through on-site composting or natural decomposition in designated accumulation areas.*

*******Waste such as cellophane, wrappers, sachets, tissues, sweepings, and other solid waste is disposed of through the local government unit (LGU) landfill facility.*

********Others: Containers, drums, used fluorescent tubes and bulbs, lead-acid batteries, oil-contaminated materials (e.g., rags), electronic waste, and healthcare waste*

At SEC, the power plant generated 28.339 metric tons of solid waste. Demonstrating our commitment to circularity, 0.611 tons of empty containers were repurposed as site receptacles, and about 0.71 metric tons of organic compost were produced. Residual non-hazardous waste is managed with the Municipal Environment and Natural Resources Office (MENRO) of Maasim, Sarangani Province. All waste collected by municipal dump trucks is weighed on a calibrated scale to ensure accurate records before transfer to the local government unit's Sanitary Landfill.

SHPC, a run-of-river hydroelectric facility, generates minimal solid and hazardous waste due to its renewable operations and a lean workforce of 15–20 employees. Waste primarily consists of domestic solid waste, including food packaging, paper, and other biodegradable and non-biodegradable materials from office and welfare areas, along with small amounts of maintenance-related waste, such as used rags, scrap materials, and spent oils. SHPC ensures proper disposal through source segregation in line with environmental regulations and coordinates with authorized waste collectors and the local government unit for collection and final disposal.

Despite its limited waste footprint, SHPC continues to reinforce responsible waste management. Plans include enhanced bin labeling, regular employee reminders to strengthen source segregation, upgraded

temporary storage for maintenance waste to prevent spills, and initiatives to reduce single-use plastics and paper, supported by periodic internal compliance monitoring.

At WMPC, waste streams primarily arise from routine operations and maintenance activities, including scrap metals, electronic waste, packaging materials such as wooden crates and lumber, and domestic solid wastes like plastics, glass, and aluminum. These are managed through source segregation, onsite storage, and recovery processes. Recyclables are handed to accredited recyclers, wooden materials are reused, e-waste is recovered, and residual waste is disposed of through authorized haulers to approved landfill facilities. Waste data are tracked and monitored using internal log sheets, hauling manifests, recycler receipts, and inventory records, consolidated for DENR-EMB compliance reporting (SMR) and verified through regular inspections.

WMPC actively promotes waste reduction and circularity by emphasizing reuse and recycling, minimizing packaging, encouraging responsible consumption among employees, and collaborating with contractors and suppliers to limit unnecessary waste.

MPC-Ubay generates a variety of wastes, including solid, liquid, biodegradable, non-biodegradable, and hazardous streams. To mitigate these risks resulting from poor management, all waste is carefully processed through designated Material Recovery Facilities (MRFs) and controlled storage areas, with strict segregation at the source. Ordinary solid wastes are separated into recyclables and residuals, with recyclables recovered whenever feasible, and residuals transported to authorized municipal disposal facilities, with disposal fees settled during annual business permit renewal. Hazardous wastes, including used lubricants, oily sludge, and industrial ash, are handled through a "cradle-to-grave" approach, securely stored, labeled, and transported to DENR-accredited TSD service providers. Certificates of Treatment (COT) or equivalent documentation are obtained to validate proper disposal, ensuring compliance and environmental protection.

Waste management is supported by rigorous tracking and monitoring systems. Generation is recorded by type, quantity, source, and disposal method, with hazardous waste tracked through regulatory manifests and treatment certificates. Internal monitoring is conducted by the PCOs, who oversee storage conditions, transport, documentation, and reporting. Quarterly Self-Monitoring Reports (SMRs) are submitted via the DENR-EMB online portal, while periodic audits and inventory reviews ensure practices remain compliant and continuously improve environmental performance. Beyond compliance, MPC Ubay emphasizes waste minimization and circularity. Initiatives include operational efficiency improvements, preventive maintenance, employee awareness programs, and strict source segregation. Recyclables are recovered through the MRF, and used oil and sludge are sold to accredited recyclers for conversion into alternative fuels, diverting materials from landfills.

Annual training sessions on Spill Response and Waste Management equip employees to prevent waste at the source, while targeted sessions on hazardous waste handling reinforce strict compliance. The Environment, Health, & Safety (EHS) team leads these initiatives, maintaining oversight and ensuring the effective implementation of policies.

To maintain these standards, the EHS team conducts annual training sessions focused on stringent source segregation. This protocol ensures that hazardous materials are effectively isolated and transferred to the MRF for specialized handling. Our Environmental Team remains dedicated to the strict oversight and implementation of these policies, ensuring full regulatory compliance and operational sustainability.

Moreover, the Company maintained a structured waste management system by implementing proper segregation at the source. Waste materials are sorted into designated waste receptacles, ensuring that biodegradable, recyclable, and hazardous wastes are separated efficiently. Hazardous waste is kept in secure containment areas, while solid waste is managed through on-site MRFs. To enhance monitoring and compliance, the Company has a Waste Data Collection System, which tracks the volume and type of waste generated, supporting more informed decision-making on waste reduction strategies.

To strictly adhere to waste management protocols and regulations, PCOs play a vital role in overseeing waste management practices, ensuring that solid and hazardous waste is transported, treated, and disposed of by DENR-accredited service providers. Additionally, they lead training sessions and seminars on Solid and Hazardous Waste Management, Spill Response, and Environmental Compliance, ensuring that employees are equipped with the knowledge to uphold best practices. For hazardous waste disposal, the Company works with TSD service providers, obtaining Certificates of Treatment as proof of proper waste processing.

Sustainable Ash Management and Wastewater Treatment

At the heart of the Company's environmental stewardship is a proactive approach to managing operational byproducts and wastewater. Fly ash and bottom ash, generated from plant operations, are stored in specially designed ash ponds lined with High-Density Polyethylene (HDPE) to prevent seepage and safeguard soil and water quality. Fully compliant with government regulations, the Company maintains a valid Hazardous Waste Generator ID and follows mandated disposal procedures.

Through partnerships with Holcim Philippines and Will & Joe Aggregates, fly ash and bottom ash are repurposed for cement production and road construction, reducing landfill waste while supporting infrastructure development. Efforts are underway to expand similar collaborations with other cement manufacturers, further advancing circular economy initiatives.

Further, wastewater management is treated with equal diligence. All leachate and runoff from plant operations undergo treatment before safe discharge into DENR-approved receptors, preventing contamination of natural water sources and protecting aquatic ecosystems.

For SEC, its biological filtration program introduced water lilies into the coal runoff pond, leveraging the plants' natural absorptive and transpirational properties to control water accumulation and manage runoff effectively. Complementing this, a "Triple-Wash Procedure" was established for J201-classified hazardous waste, enabling safe recovery and repurposing of previously disposed chemical-contaminated containers.

Further complementing these efforts, WMPC strengthened its approach to sustainable fuel management and responsible wastewater treatment. Enhanced fuel handling and storage measures, coupled with regular inspections and containment systems, prevent spills and protect soil and water resources. Hazardous waste

compliance is rigorously maintained, with proper storage, transport, and disposal procedures, while partnerships promoting the reuse of operational byproducts continue to reduce the environmental footprint. All leachate, surface runoff, and process wastewater undergo treatment to meet the effluent standards under Republic Act No. 9275, safeguarding nearby water bodies.

At MPC-Iligan, 2025 saw the introduction of clinical waste monitoring at the onsite clinic, ensuring healthcare-related activities generate zero contamination. Condition-Based Monitoring (CBM) for lubricants extended the lifecycle of oils and minimized waste oil production, while a pilot Return-to-Supplier program allowed non-contaminated chemical containers to be returned to suppliers, significantly reducing hazardous waste volumes at the source.

Environmental Compliance

ACR maintains a commitment to environmental laws, working in close coordination with regulators and the Multi-Partite Monitoring Team (MMT) to ensure absolute transparency. By proactively adjusting to regulatory shifts, the Company is proud to report zero sanctions or legal disputes related to environmental compliance in 2025. This success is driven by a dedicated Legal and Regulatory Compliance (LRC) group that oversees all ECCs and permits. On-site, PCOs manage the nuances of air and water quality, supported by the EHS team through a robust EMS.

To preempt potential violations, the Company employs a rigorous prevention strategy. This includes routine maintenance, regular inspections, and quarterly effluent sampling to ensure all emissions and discharges stay within legal thresholds. Furthermore, specialized pre-treatment facilities manage wastewater before disposal. As standards evolve, the ACR continuously updates its processes to remain a leader in responsible operations.

At the plant level, SEC facility prioritizes environmental compliance to ensure responsible operations and long-term sustainability. The EHS team oversees the implementation of policies, programs, and regulatory requirements. Environmental laws and updates are continuously reviewed and integrated into plant operations, with processes adjusted as needed to maintain compliance.

SEC adopts a self-regulation approach supported by transparent engagement with regulators and the MMT, including quarterly community dialogues and monitoring activities that serve as a platform for reporting and discussing environmental performance. These engagements cover air quality, coastal and groundwater conditions, soil, and noise levels, ensuring continuous compliance verification and strengthening transparency with host communities. In collaboration with Conrado & Ladislawa Alcantara Foundation, Inc., it implements initiatives that go beyond compliance to strengthen environmental stewardship and community support.

SHPC remains fully compliant with its ECC and all applicable environmental permits. By consistently adhering to the DENR rules, SHPC ensures the timely submission of reports and precise monitoring of environmental parameters. All operational activities at the plant follow established safeguards, focusing on waste management, pollution prevention, and ecosystem protection through continuous coordination with regulatory agencies.

Meanwhile, WMPC's environmental compliance summary reflects a continued dedication to stewardship. WMPC successfully maintained all required ECCs and permits, aligning its performance with DENR standards and the broader ACR sustainability framework. Significant improvements in 2025 include:

- Enhanced Monitoring & Reporting: Upgraded systems have been implemented for more precise tracking of emissions and discharges.
- Operational Efficiency: Plant performance was optimized to reduce the environmental footprint and improve fuel efficiency.
- Transparency & Stakeholder Engagement: Reporting protocols were strengthened to keep stakeholders fully informed on compliance and performance.

A real milestone, MPC-Iligan successfully renewed all critical environmental permits, including the Permit to Operate (PTO) and Discharge Permit (DP), with a five-year validity and zero delays in application. To meet modern transparency mandates, it proactively adjusted its reporting protocols to align with the DENR-EMB's 2025 Online Monitoring System, achieving 100% compliance with new digital requirements. This leadership is sustained through continuous professional development, with MPC Iligan's Senior EHS Engineer/PCO participating in DENR-led workshops on the latest hazardous waste and air quality standards to ensure the organization remains at the forefront of regulatory application.

Non – Compliance with Environmental Laws and Regulations	2025	2024	2023
Total Amount of Monetary Fines for Non – Compliance with Environmental Laws and/or Regulations	0	0	0
No. of Non – Monetary Sanctions for Non – Compliance with Environmental Laws and/or Regulations	0	0	0
No. of Cases Resolved through Dispute Resolution Mechanism	0	0	0

B. Community Development

Community Relations and Development

ACR is committed to strengthening relationships with its host communities through continuous engagement and sustainable development initiatives. These efforts are aligned with ACR's three corporate social responsibility (CSR) pillars—Education, Environment, and Community Health & Welfare—which guide the Company's initiatives to uplift communities, build meaningful partnerships, and promote sustainable progress in host and neighboring areas. In partnership with The Conrado & Ladislawa Alcantara

Foundation, Inc., ACR advances inclusive development, environmental stewardship, and social progress, reinforcing its commitment to creating shared value across its areas of operation.

In 2025, WMPC supported its host communities through various CSR donations and assistance programs. It provided furniture to several barangays, including 50 chairs and five folding tables each to Barangays Bolong and Victoria, and 100 chairs to Barangay Sangali. WMPC also contributed to community and environmental projects, allocating Php 48,000 for the construction of a Materials Recovery Facility (MRF) in Barangay Manicahan and another Php 48,000 worth of construction materials for the Coast Guard Sub-Station in Sangali. Additional support included Php 5,000 to Barangay Sta. Maria for the Supreme Elementary Learner Government Teachers' Month celebration, Php 5,000 to the Department of Labor and Employment-Zamboanga City Federation of Family Welfare Committees (DOLE-ZCFFWC) Medical Mission, and Php 2,000 to the City Health Office for the AIDS Candlelight Memorial balloon donation.

Meanwhile, in Ubay, Bohol, MPC-Ubay also supported various community initiatives in 2025, including a cash donation for the municipality's environmental programs on April 24. It continued its Monthly Pantry and Rice Supplies Donation to the CAFGU Ubay Unit, providing 25 kilos of rice along with sugar and coffee. It also assisted in disseminating Community Drive Testing announcements across host barangays. In December, MPC Ubay donated 90 plastic chairs to Barangays Sinandigan and Tipolo, and 24 office chairs to Barangays Imelda, Tipolo, Union, and Sinandigan, further strengthening its support for local communities.

Alsons Power Group conducted simultaneous community and environmental initiatives across its business units nationwide in celebration of its anniversary under the "We Power with Care Day" program, demonstrating its continued commitment to environmental stewardship and community support.

Site/Company	Location	Activity	Output	Participants
WMPC	Zamboanga City (Sitio Bukana Mala, Bolong)	Coastal cleanup	125 kg of non-biodegradable waste collected	75+ employees and community volunteers
BHRC	Negros Occidental (Sitio Balasyang)	River cleanup	900 kg of waste removed	50 local stakeholders
MPC	Bohol (Ubay plant premises)	Tree-planting activity	150 seedlings planted for reforestation & biodiversity	100 employees, community members, LGU volunteers
APSC & MPC Iligan	Iligan City (Centennial Park, Dalipuga)	Coastal cleanup	110 kg of recyclable and non-biodegradable waste collected	75+ volunteers
SZPC	Zamboanga del Norte (Brgy. Poblacion, Siayan)	Tree-planting activity	120 narra trees planted for watershed protection & greening	100 volunteers
Makati Team	Makati (La Mesa	Tree-planting	150 seedlings contributed	32 employees

	Eco Park)	activity	to urban greening	
SEC & Siguil Hydro	Sarangani	Community education support + tree planting	School supplies and Smart TVs provided; tree-planting within the plant premises	500+ students benefited; employees & community participants

Overall, the initiatives resulted in the collection of approximately 1,135 kilograms of waste, the planting of 420 trees and seedlings, the support of more than 500 students, and the mobilization of around 430 employees, volunteers, and stakeholders across Luzon, Visayas, and Mindanao, demonstrating the Group's strong commitment to environmental stewardship, education support, and community engagement.

Education and Youth Development

ACR and its subsidiaries actively support education and youth development across their host communities through scholarships, financial assistance, school facility improvements, early childhood education initiatives, technical-vocational training, and career readiness programs, in line with its long-standing commitment to investing in people and communities.

In 2025, SEC provided support to hundreds of Junior High School, Senior High School, and college scholars from Maasim and Alabel, covering tuition, school supplies, and uniforms. SEC also organized career guidance sessions and plant tours for students from Mangelen Integrated School, Aniceto Lopez Sr. National High School, Notre Dame of Dadiangas University, and Mindanao State University, helping students gain exposure to industry practices and workplace expectations. These efforts are complemented by broader education investments, including school facility improvements such as the provision of construction materials for Colon National High School and the donation of smart TVs to both schools and the Mindanao State University Psychology Department.

Beyond scholarships and school support, SEC, together with SHPC and in partnership with the Conrado & Ladislawa Alcantara Foundation, Inc. (CLAFI), strengthened early childhood education through the construction of Early Childhood Care and Development (ECCD) Centers in Maasim. In 2025, SEC and SHPC completed the construction of the Company's first ECCD Center in Sitio Tahakayo, Barangay Amsipit in Maasim, Sarangani. The 48-square-meter center will benefit more than 50 children from Sitio Tahakayo and nearby Sitios Lebe, Makmal, Kabkal, and Titip, providing safe and appropriate learning spaces for young children and addressing long-standing gaps in early learning access in host communities. SEC also continued to support Brigada Eskwela initiatives by providing construction materials, learning kits, and digital learning tools to schools in Maasim, Alabel, and General Santos, contributing to improved learning environments and reduced resource gaps in public schools.

SEC's education support is further reinforced through its technical-vocational initiatives. The Maasim TechVoc Competence Center, established in 2011, has produced TESDA NC II–certified graduates in various technical fields and continues to support skills development under the Technical-Vocational-Livelihood (TVL) track. The facility, including tools and equipment, was later donated to the Department of Education and continues to benefit local learners.

In 2025, Alsons Power Group formalized a partnership with Mindanao State University–Iligan Institute of Technology (MSU-IIT) and St. Peter's College in Iligan through a Memorandum of Agreement for the Company's Cadetship Program. The initiative is designed to prepare fresh graduates in Engineering, Economics, Finance, and Business Management for careers in the power and energy sector through structured 18-month training, mentorship, and hands-on exposure to trading operations, portfolio management, compliance, and customer relations. The program strengthens industry–academe collaboration and supports the development of job-ready professionals aligned with industry needs.

WMPC likewise supported 75 Junior and Senior High School students from Bunguiao, Manicahan, and Sangali National High Schools with Php 123,000 in allowances for School Year 2025–2026, while 11 college scholars received Php 239,345 in tuition support. Nine weightlifters and one coach benefited from Php 349,000 in allowances under the Hidilyn Scholarship Program, along with Php 150,000 for a 75-day intensive training program. In October, WMPC-supported athletes represented the Philippines at the Asian Youth Games in Bahrain, highlighting the program's role in advancing youth development beyond academics.

For its part, MPC-Ubay continued its support for local education through Brigada Eskwela, donating paint materials and providing classroom repairs, equipment, learning materials, and teaching supplies to several elementary schools. MPC-Ubay also supported ECCD programs through assistance to daycare centers, helping strengthen foundational learning in host communities. Beyond education, MPC Ubay promoted community development and environmental stewardship by assisting in the construction of the Parochial Catholic Church in Union, Ubay, donating cash vouchers to the Bureau of Fire Protection Ubay, supporting a proposed fire station in Barangay Imelda, and planting 150 seedlings within the plant buffer zone in partnership with host barangays and the Municipality of Ubay.

Supporting Host Communities through ER 1-94

As part of its regulatory obligations under Energy Regulation No. 1-94 (ER 1-94), the Company allocates contributions to its host communities through a structured benefit-sharing mechanism mandated for power generation facilities. Administered in accordance with Department of Energy (DOE) guidelines, these contributions are distributed across designated development accounts, including electrification, development and livelihood, reforestation and watershed management, and environmental enhancement funds.

Through these accounts, ER 1-94 supports a range of community-based initiatives in host areas. The allocation and utilization of funds are coordinated with local government units and relevant stakeholders to ensure that projects are responsive to community needs and aligned with local development priorities.

These contributions form part of the Company's localized economic value distribution and community development framework, complementing its broader sustainability and stakeholder engagement efforts. The Company continues to strengthen transparency in reporting, including working toward the disclosure of quantified contributions and program-level impacts in future sustainability reports.

Environmental Conservation Program

(Aligned with ECC Compliance – Carbon Sink and GHG Mitigation Initiatives)

In line with ECC Condition No. 9, which emphasizes carbon sinks and greenhouse gas (GHG) mitigation, ACR is collaborating with the DENR – Community Environment and Natural Resources Office (DENR-CENRO) to formalize a memorandum of agreement for a comprehensive reforestation program. This initiative forms part of the Company's broader efforts to restore ecosystems, enhance biodiversity, and contribute to national climate mitigation goals.

Reforestation, agroforestry, and ecosystem restoration are integrated into ACR's environmental management and corporate social responsibility programs. Through a partnership with (CLAFI, the Company supports sustainable agriculture and livelihood capacity-building for Indigenous Peoples (IP) communities in Barangays Sinandigan, Union, and Tipolo, including the development of a coffee-based social enterprise that fosters long-term economic resilience alongside environmental protection.

ACR has also established a 1.4-hectare fruit-bearing tree plantation within its Noise Buffer Zone, planting around 500 trees of various species to support carbon sequestration, enhance local biodiversity, improve microclimatic conditions, and provide potential livelihood and food security benefits for nearby communities. Sustained monitoring and maintenance have resulted in a tree survival rate of approximately 97% as of January 2026, reflecting effective site preparation, species selection, and consistent care.

Beyond terrestrial ecosystems, ACR supports coastal and marine conservation through employee-led clean-ups in partnership with local government units and environmental organizations, as well as reef restoration and marine habitat initiatives that strengthen fisheries, protect biodiversity, and improve ecosystem resilience against climate pressures.

Community Health and Social Welfare Initiatives

ACR continues to enhance community well-being by delivering essential health and social services that directly improve quality of life. With a focus on accessible healthcare, the Company implements medical outreach programs, health education activities, and preventive care initiatives designed to support underserved populations. These programs provide immediate medical assistance while also strengthening long-term community health resilience.

In 2025, ACR reached over 2,000 individuals through medical and dental missions, offering consultations, treatments, and preventive care. To further support emergency preparedness, a fully equipped ambulance was donated to the Provincial Government of Sarangani, enhancing local capacity to respond to urgent medical needs.

WMPC conducted a community outreach program that served 313 beneficiaries, providing a range of health and wellness services, including medical consultations, dental care, circumcision (Operation Tuli), massage therapy, blood testing, and haircut services. This integrated approach addressed both immediate healthcare needs and overall community well-being.

On October 30, 2025, MPC-Ubay organized a comprehensive outreach activity featuring medical consultations, a feeding program, and circumcision services. The initiative was supported by 19 MPC-Ubay volunteers, an 11-member medical team, 12 barangay health workers and Tanods, six barangay officials, and two teachers from Tipolo Elementary School. The program served 277 residents, including 52 beneficiaries for circumcision, 110 individuals receiving medical consultations, and 166 participants in the feeding program, bringing the total number of beneficiaries to 328.

Significant Impact on Local Communities

ACR's operations significantly influence the economic and social landscape of its host communities. While its power generation facilities provide essential energy for industries, businesses, and households, they also have both positive and negative local impacts. The Company is committed to assessing and managing these effects through responsible practices, proactive stakeholder engagement, and targeted mitigation or enhancement measures.

In 2025, ACR conducted an impact assessment to reduce operational risks and enhance the benefits of its presence in local communities.

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Vulnerable groups	Does the particular operation have an impact on indigenous people	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
220 MW Coal-Fired Baseload Power Plant	Christian, Islam, and the IP Community, fisherfolks	Yes	* Right to Health and a Balanced Ecology * Indigenous Peoples' Rights (Free and Prior Informed Consent)	Conducted the following Monitoring with the Multi-Partite Monitoring Team: - Air Quality Monitoring - Ground and Coastal Water Quality Monitoring - Noise Quality Monitoring - Soil Quality Monitoring A Certificate of Non-Overlap was secured from the National Commission on Indigenous Peoples.
Diesel Power Plant, Zamboanga City, Philippines	Seaweeds Farmers & Fishfolk	Yes	Right to a Healthy Environment, Right to Access Natural Resources, and Right to Community Health and Safety	Water Resource Conservation, Environmental Management System (EMS) Compliance, and Regular Monitoring and Oversight

ACR remains committed to balancing the benefits of power generation with its environmental and social responsibilities. The Company addresses environmental concerns such as air emissions, water use, noise, and land access through strict regulatory compliance, continuous monitoring, and investments in cleaner technologies. Indigenous communities are engaged in accordance with Free, Prior, and Informed Consent (FPIC) requirements, while health and safety risks are mitigated through established systems and community awareness initiatives.

At the same time, the Company contributes significantly to local economic growth and energy security. Its power plants generate direct and indirect employment, support local businesses, and strengthen commercial and industrial activities. By prioritizing local hiring, offering skills development programs, and integrating small enterprises into its supply chain, ACR amplifies its positive impact. Infrastructure improvements, including roads and utilities, are often facilitated through its operations, further enhancing community development in partnership with local governments and stakeholders.

In 2025, SEC strengthened these commitments by intensifying environmental monitoring and community engagement. Through the MMT, air quality, coastal and groundwater conditions, soil, and noise levels were assessed quarterly to ensure regulatory compliance and transparency. Community Information, Education, and Communication (IEC) sessions kept residents informed of monitoring results, while submitted grievances were investigated and addressed through technical conferences, reinforcing accountability and trust. SEC's reliable power supply continues to support both lowland and upland communities, enabling economic activity, commercial growth, and long-term social development, particularly among vulnerable and remote sectors.

WMPC complements these efforts by upholding the community's environmental and public health rights. Its Water Resource Conservation program maximizes efficient use and recycling, reducing pressure on local sources, while adherence to ISO 14001:2015 Environmental Management System standards ensure operations meet local and international regulations. Dedicated Pollution Control Officers regularly monitor water consumption, wastewater discharge, and other environmental impacts, addressing deviations promptly.

MPC-Ubay further contributes by providing a stable and reliable power supply to households, businesses, schools, and health facilities across Bohol. In 2025, the company supported local employment, boosted the economy through local procurement, and extended financial and in-kind assistance, including furniture and fixtures, to host barangays Imelda, Tipolo, Union, and Sinandigan, enhancing basic services and local development programs. MPC-Ubay also conducted a medical mission in October, serving community members with healthcare services, and led a tree-planting activity in July, promoting environmental stewardship and sustainability.

C. Customer Relations

To enable a holistic assessment of customer satisfaction among its bilateral customers, and in line with the Mission and Vision that underscore Alsons' motto of "Powering with Care," Alsons Power Supply Corporation (APSC) conducted a Customer Satisfaction Survey to gauge the experience of its bilateral customers on the services provided by Sarangani Energy Corporation (SEC) and APSC. This initiative supports the Group's commitment to being one of the most reliable power providers in Mindanao and across Southeast Asia.

Customer Satisfaction

ACR continues to deliver reliable, responsive, and customer-focused energy solutions. Using a triangulated (qualitative and quantitative) survey instrument, the latest customer satisfaction survey assessed performance across four key areas: Plant Availability and Reliability, Delivery and Dispatch Services, Billing and Settlement, and Customer Service and Engagement. Overall ratings remained consistently high across all service areas, ranging from Satisfied to Very Satisfied, with an overall average score of **4.68 out of 5**. The same is measured at 93%, which is equivalent to an OKR rating of Above Average. The specific areas evaluated by bilateral customers are as follows:

Plant Availability
Customers reported strong satisfaction with plant availability and operational responsiveness, reflecting confidence in the Group's management of technical reliability and issue resolution. Key recommendations included regular review of protection coordination and system settings, as well as more timely and transparent communication of Preventive Maintenance Schedules (PMS) and allowable outages, with continuous updates as needed.

Trading Operations
Customers expressed high satisfaction with the timeliness and accuracy of nomination, re-nomination, and delivery processes, including BCQ declarations, as well as the handling of dispatch-related concerns and outage communications. The nomination process was described as straightforward, consistently followed, and flexible when required. Improvements were suggested in data reconciliation and in allowing re-nomination and re-declaration where appropriate, subject to contractual and Wholesale Electricity Spot Market (WESM) compliance.

Billing and Settlement
Customers reported strong satisfaction with billing efficiency, professionalism, and accuracy, with statements noted at 95–100% accuracy and no billing disputes recorded. Areas for enhancement included WESM-related billing, reconciliation, and remittance of remarketed unutilized contracted capacity, as well as continued implementation of the Prompt Payment Incentive.

Customer Relationship
Customers highlighted strong satisfaction with engagement, responsiveness, and issue resolution, supported by well-received value-adding services. Recommendations focused on faster resolution of concerns through collaborative approaches and more regular consultative engagements to proactively address issues.

Customer Privacy

Alsons Power Group recognizes data privacy as a fundamental element in building and maintaining trust with customers, partners, employees, and other stakeholders. The Group is committed to the responsible collection, processing, and protection of personal information through the implementation of robust security measures and strict adherence to applicable laws and regulations.

- Republic Act No. 9136 (Electric Power Industry Reform Act of 2001 – EPIRA).
- ERC Resolution on Retail Competition and Open Access (RCOA) and related ERC issuances.

- WESM Rules and Market Manuals, including confidentiality and information governance provisions.
- Republic Act No. 10173 (Data Privacy Act of 2012) and its Implementing Rules and Regulations.
- National Privacy Commission (NPC) Advisories and Circulars.
- Other applicable laws, ERC rules, and market operator requirements.

Data Privacy

ACR's comprehensive Data Privacy Notice informs customers how their personal information is collected, used, stored, and protected, ensuring transparency and reinforcing the Company's commitment to confidentiality and security. The Privacy Policy covers:

- Information Collection – Specifies the personal data collected and its purpose.
- Usage and Disclosure – Defines how data is used and shared in compliance with regulations.
- Stakeholder Rights – Provides options to access, correct, or opt out of data use.
- Security Measures – Ensures protection against unauthorized access, breaches, or misuse.

All data handling adheres to transparency, purpose, and proportionality, with robust security protocols continuously updated to meet industry best practices.

Health and Safety

APSC handles the sales and other related services of Alsons Power Group; as such, APSC has not received any Health and Safety non-compliances from government agencies and instrumentalities that oversee and measure Health and Safety regulations.

Marketing and Labeling

While marketing and labeling are considered material topics, their application differs for a power generation company. Traditional product concerns such as packaging and labeling are not directly relevant to ACR's operations. Instead, the Company emphasizes transparency, fair pricing, and responsible communication with customers and stakeholders.

All marketing materials, public disclosures, and contractual agreements adhere to regulatory requirements and industry best practices. Clear and accessible information on power rates, supply agreements, and sustainability commitments ensures that customers and stakeholders remain well-informed.

APSC, while responsible for market compliance under the WESM, the Independent Electricity Market Operator of the Philippines (IEMOP), and the Philippine Electricity Market Corporation (PEMC), ensures accuracy in all its communications. However, APSC does not have direct responsibility for traditional marketing and labeling functions.

Risk Management

ACR manages risks through a strong focus on workplace safety and the integration of climate-related considerations into business operations. Occupational health and safety programs, supported by regular training and compliance monitoring, are in place to protect employees and minimize incidents. Climate-related risks, including extreme weather events and regulatory developments, are likewise considered in decision-making to enhance operational resilience and long-term sustainability.

Occupational Health and Safety

Occupational health and safety remain a fundamental priority for ACR, reflecting its commitment to protecting employees, contractors, and visitors while sustaining reliable and uninterrupted operations. The Company integrates occupational health and safety (OHS) into its overall risk management strategy, aligning its systems with national regulations and international standards such as ISO 45001:2018, Republic Act No. 11058 (Occupational Safety and Health Standards), and relevant Department of Labor and Employment (DOLE) regulations.

A structured OHS management system supports the proactive identification of hazards, implementation of risk control measures, and promotion of a strong safety culture across the organization. Core safety practices include systematic hazard identification and risk assessments, emergency preparedness planning, safe work procedures for high-risk activities, behavior-based safety initiatives that encourage reporting of hazards and near-miss incidents, digital safety monitoring systems, and active engagement through joint safety committees composed of management, employees, and contractors.

Alongside operational safety, the Company promotes employee health and well-being through workplace wellness initiatives. These include occupational health monitoring through regular medical examinations and ergonomic assessments, vaccination drives and preventive health campaigns, workplace stress management programs, and access to mental health support services. Health and wellness webinars are also conducted regularly to promote awareness on topics such as nutrition, fitness, mental health, preventive healthcare, and work-life balance. Mandatory Occupational Safety and Health (MOSH) training sessions further reinforce safety awareness and compliance across the workforce.

In 2025, SHPC transitioned fully into its operational stage following the completion of major construction and development activities. As operations stabilized, safety programs were recalibrated to focus on routine plant operations and maintenance risks, including equipment operation, electrical safety, confined space entry, working at heights, and emergency response. Instead of large-scale construction-oriented training, SHPC adopted more targeted and task-specific approaches such as toolbox meetings, refresher training, and on-the-job safety briefings for employees and contractors. Safety enforcement was also strengthened through clearer standard operating procedures, improved coordination between operations and maintenance teams, and stricter monitoring of compliance during daily activities.

WMPC likewise maintained a robust Occupational Health and Safety Management System in 2025, aligned with ISO 45001:2018, Republic Act No. 11058, and applicable Department of Labor and Employment regulations. Safety performance continued to be monitored through measurable indicators, audits, and continuous improvement programs.

All incidents were investigated, with corrective and preventive actions implemented and monitored to closure. Risk mitigation efforts included systematic hazard identification and risk assessment, digital incident monitoring systems, and active engagement of the EHS Committee. Employee well-being was supported through 100% annual medical examinations, health and wellness webinars, vaccination campaigns, ergonomic assessments, and access to mental health support services.

In 2025, MPC-Ubay continued strengthening its Occupational Health and Safety framework through its EHS program. During the year, MPC-Ubay strengthened its safety management systems through improved risk assessment processes, including periodic hazard identification, risk evaluation, and updated control measures. The company conducted regular internal safety audits and quarterly reviews to monitor compliance, evaluate safety performance indicators, and identify opportunities for improvement. Documentation and reporting systems were also enhanced to ensure timely incident reporting, effective corrective action tracking, and continued compliance with Philippine occupational safety and environmental regulations.

MPC-Ubay sustained a strong safety culture through regular safety trainings, emergency response drills, and hazard identification workshops for employees and contractors. Compliance with personal protective equipment (PPE) requirements was reinforced through continuous monitoring, while preparedness was strengthened through fire, evacuation, medical emergency, and disaster response drills. Safety awareness was further supported through toolbox meetings, safety bulletins, and plant-wide communication initiatives.

Employee health and well-being remained a priority in 2025 through regular medical checkups, health screenings, and vaccination programs. The company also promoted mental health awareness and stress management initiatives, while workplace health monitoring helped ensure early detection of potential occupational health risks and strengthened health emergency preparedness within plant facilities.

Recognizing the close link between environmental management and occupational safety, MPC–Ubay sustained its emissions monitoring, waste management, and water conservation initiatives. Safe housekeeping standards, spill prevention measures, and pollution control practices were consistently implemented alongside electrical and mechanical safety controls, ensuring safe and compliant operating conditions across plant facilities.

MPC–Ubay also strengthened collaboration with local stakeholders to support disaster preparedness and emergency response initiatives. The Company participated in community outreach, educational programs, and environmental awareness activities, while maintaining transparency in environmental and safety reporting—reinforcing its commitment to responsible operations and meaningful stakeholder engagement.

In 2025, MPC–Iligan maintained 100% safety management coverage for its 37 employees, in full compliance with Republic Act No. 11058 and its implementing rules and regulations. The Company recorded 929,637 safe man-hours, with zero fatalities and zero lost-time incidents.

During the year, only two minor work-related injuries involving cuts and lacerations were recorded, resulting in a recordable injury rate of 22.69. To further strengthen safety awareness and preparedness, MPC–Iligan conducted nine specialized emergency drills, including fire safety, oil spill prevention and recovery, emergency evacuation, and confined space entry. In addition, 20 safety training sessions were delivered to 55 participants, covering fire safety, road hazards, oil spill preparedness, and behavior-based safety.

Beyond physical safety, MPC–Iligan integrates mental health into its occupational safety and health strategy. Employees participated in dedicated mental health initiatives supported by clinic-based wellness consultations and stress management programs, helping ensure a resilient workforce capable of meeting the demands of operating in a high-responsibility power generation environment.

SAFETY PERFORMANCE	2025	2024	2023
Employees in the health & safety committee	66	59	-
Total Man-Hours	1,965,862	-	-
Safe Man Hours	6,615,675	7,087,383.82	4,900,258
No. of Work-Related Injuries	2	10	20
Rate of recordable work-related injuries **	1.02	0	0
No. of Work-Related Fatalities	0	0	0
Rate of fatalities as a result of work-related injury *	0	0	0
No. of Work-Related Ill-Health Incidents	9	0	0
Rate of recordable work-related Ill-Health Incidents	4.58	0	0
No. of Safety Drills	34***	38	22

** Rate of recordable work-related injuries = (Number of recordable work-related injuries X 1,000,000) Number of hours worked)*

*** Rate of fatalities as a result of work-related injury = (Number of fatalities as a result of work-related injury X 1,000,000) / Number of hours worked)*

**** The number of safety drills conducted during the year includes fire, earthquake, tsunami, terrorist attack, and multi-scenario drills (covering fire, armed attack, and bomb threat)*

Type of incident	2025
Contusion, bruises, hematoma	2
Cuts, lacerations, punctures	4
Incise wounds	1

Soft tissue injury	1
Sprains	1
Medical Certification/Inflamed ankle	1
Others	1

Safety Training	2025	2024
Number of Employees Attended	329	-
Medical Trainings	59	6
Road Safety Trainings	36	5
Fire Safety Trainings	70	12
Occupational Health and Safety Trainings	25	28
EHS Orientation	37	-

Employee Mental Health and Well-Being Initiatives

In 2025, the Company moved beyond the safety checklist to protect the "human engine" of the organization. This shift began in April with Stress Management sessions that replaced corporate buzzwords with a practical toolkit for decompressing. To keep the momentum, "Wellness Wednesday" became a weekly digital ritual, turning the company bulletin into a steady pulse of mental health literacy.

The strategy thrived on human connection. From the physiological relief of Laughter Yoga to the "Mental Health and Fatherhood" sessions for working fathers, the Company addressed the specific, often unspoken burdens of its people. By July, the "Healthy Team, Healthy Workplace" initiative reinforced the link between a nourished body and a sharp mind, proving that physical and mental vitality are inseparable.

The year's most vital work occurred in the quiet spaces of empathy. During Suicide Prevention Month, the "You Matter" campaign signaled that support is a professional requirement, not an extracurricular activity. This culminated in October's "Emotional First Aid" training, empowering peers to recognize the shadows of distress before they become crises.

Mental Health Care	2025
No. of mental health professionals	2
No. of employees availed/visits the clinic	42
No. of mental health activities	11

No. of participants in mental health activities	1,012

In 2025, SEC reaffirmed its commitment to international operational standards by securing recertifications for ISO 45001 (Safety), ISO 14001 (Environment), and ISO 9001 (Quality). These benchmarks serve as the formal backbone of the organization, ensuring that every process, from environmental stewardship to internal management, meets a globally recognized level of discipline.

SEC reached a significant milestone of 3 million safe man-hours without a lost-time incident, a feat that reflects the collective vigilance of the entire workforce. To mark the occasion, the SEC recognized key employees whose daily dedication to Environmental, Health, and Safety protocols turned these statistics into a tangible reality of workplace safety.

This internal discipline earned national recognition at the Department of Labor and Employment's 13th Gawad Kaligtasan at Kalusugan (GKK), where the SEC received the Safety Excellence Award. The honor highlights the efficacy of its rigorous risk assessments and continuous training programs.

Climate-related Risks and Opportunities

As global and local climate policies continue to evolve, the Company proactively assesses its exposure to climate-related risks and integrates climate resilience into its decision-making processes. The Company has identified several physical and transition risks that could impact its operations, financial performance, and regulatory standing:

- **Physical Risks:** Extreme weather events, such as typhoons, floods, and heatwaves, pose threats to infrastructure, supply chains, and employee safety. Changes in temperature and precipitation patterns may also affect operational efficiency and resource availability.
- **Regulatory Risks:** Stricter environmental regulations and carbon pricing mechanisms could lead to increased compliance costs and capital expenditures to meet new standards.
- **Market and Financial Risks:** Changing consumer preferences, investor scrutiny, and shifts in energy markets may impact demand for certain products and services.
- **Reputation Risks:** As climate awareness grows, companies with insufficient sustainability measures face reputational risks that could affect stakeholder trust and business partnerships.

While climate change presents challenges, it also offers opportunities for innovation, efficiency, and long-term value creation:

- **Renewable Energy Integration**: Investments in cleaner energy sources, energy efficiency, and low-carbon technologies can enhance sustainability while reducing operational costs.
- **Resilient Infrastructure Development**: Strengthening assets against climate impacts ensures business continuity and mitigates financial losses due to climate-related disruptions.

- **Regulatory Compliance and Competitive Advantage**: Staying ahead of environmental policies and sustainability reporting standards positions the Company as a responsible industry leader.
- **Sustainable Finance and Partnerships**: Accessing green financing, sustainability-linked investments, and strategic partnerships supports long-term growth and innovation in climate-friendly initiatives.

Employee Welfare

To strengthen its organizational culture, ACR relaunched its brand around the promise "We Power with Care," reinforcing a shared understanding of the Company's values and expectations. The initiative encourages employees to embrace and demonstrate this promise both within the workplace and beyond. As part of the brand relaunch and the Employee Value Proposition program, quarterly sessions invite employees to share their experiences with Company benefits, highlighting how these programs positively impact their work and personal growth.

We Power with Care Day

To mark its 33rd anniversary in 2025, Alsons Power Group launched "We Power with Care Day," a nationwide initiative that transformed a corporate milestone into a day of collective action. Over 500 employee volunteers across seven locations stepped away from their daily operations to engage in environmental and community projects. This wasn't just a celebration of the past three decades; it was a deliberate investment in the company's culture of empathy and shared purpose.

The day's activities were built on the pillars of sustainability and community development. Employees worked alongside local government units and community partners to plant trees, clean up coastal and river areas, and provide educational support to more than 500 students. For the volunteers, the impact was twofold: while they contributed to the resilience of their surroundings, the work also fostered a deeper sense of belonging and organizational pride that transcends traditional office roles.

From a corporate citizenship perspective, the initiative reflects a broader commitment to human rights and inclusive growth. By aligning employee volunteerism with environmental protection and education, Alsons Power integrated its workplace policies with its social responsibility goals. The program demonstrates that powering progress is most effective when it is purpose-driven, creating a work environment where employees feel valued not just for their professional output, but for their contribution to the communities they serve.

Hiring and Benefits

ACR is dedicated to attracting and retaining top talent by creating an inclusive, rewarding, and growth-oriented workplace. Through fair hiring practices, competitive benefits, and employee-focused programs, the Company fosters engagement, capability, and well-being, enabling its workforce to perform at its best. Its merit-based recruitment process emphasizes qualifications, skills, and experience while promoting equity and inclusion, ensuring equal opportunities in hiring, promotion, and career development, and reinforcing a culture of diversity, fairness, and professional growth. In 2025, the Company has a total of 501 employees and 161 contractors.

Employee Count

DISCLOSURE	2025	2024	2023
Total Number of Employees (permanent, temporary/probation)	501	479	450

Employee Breakdown*		2025	
A. By Contract	Permanent/Regular	420	
	Temporary/Project-based/Probationary	81	
TOTAL		**501**	
B. By Gender		**Male**	**Female**
		360	**141**
TOTAL		**501**	
C. By position	Top Management	3	2
	Senior Management	11	6
	Middle Management	19	8
	Supervisors	92	59
	Rank and File	235	66
SUBTOTAL		**360**	**141**
Total number of employees from the local community (Filipino)		360	141
Number of employees under the vulnerable group**		12	1
Total Number of Contractors		151	10

** Employee figures are derived from the total workforce of the following operating companies: SEC, SHPC, WMPC, MPC–Iligan, MPC–Ubay, ASEC, BHRC, SZPC–AEDC, APSC, and PBU Makati.*

*** Vulnerable group - Vulnerable Sector includes Elderly, Persons with Disabilities (PWDs), Vulnerable Women, Refugees, Migrants, Internally Displaced Persons, People Living with HIV and Other Diseases, Solo Parents, and the Poor or the Base of the Pyramid (BOP; Class D & E)*

New Employee Hires and Employee Turnover

DISCLOSURE	2025	2024	2023*
New Hires	76	50	-
Voluntary Turnover	60	28	-
Involuntary Turnover	3	8	-

** The collection of this information has not yet been initiated in 2023*

Breakdown		2025					
		New Hires		Turnover Voluntary		Turnover Involuntary	
A. By Contract	Permanent/Regular	35		44		3	
	Temporary/Project-based/Probationary	41		16		0	
TOTAL		76		60		3	
B. By Gender		Male	Female	Male	Female	Male	Female
		43	33	34	26	2	1
TOTAL		76		60		3	
C. By position	Top Management	0	0	2	0	0	0
	Senior Management	0	0	2	1	0	0
	Middle Management	3	1	9	3	0	0
	Supervisors	14	9	5	6	0	0
	Rank and File	29	20	16	16	1	2
TOTAL		76		60		3	
D. By Age group	Above 50 years	4	0	7	1	1	0
	30 - 50 years	17	14	20	14	1	1
	> 30 years	17	24	6	12	0	0
TOTAL		76		60		3	

Comprehensive Benefits and Employee Well-being

ACR provides a comprehensive benefits package supporting employees' physical, mental, and social well-being. This includes government-mandated benefits, Health Maintenance Organization (HMO) coverage for employees and dependents, medical reimbursements, insurance programs, hospital credit lines, annual physicals, and wellness hours. Mental health initiatives include counseling, workshops, and stress management, while facilities such as breastfeeding rooms, accessible ramps, and prayer spaces promote inclusion.

In 2025, health programs expanded with preventive care, health caravans, wellness stipends, leave policies, and team-building activities. Recognition and engagement programs, including Employee Value

Proposition (EVP) Serye and Empuls Rewards & Recognition (RnR), reinforce a supportive workplace culture that aligns with labor standards, human rights, and holistic employee well-being.

Parental and Maternal Leave	2025	
	Male	Female
Total employees who took parental and maternal leave in 2025	11	6
Total number of employees who returned parental and maternal leave in 2025	11	4
Return to work rate	100%	66.67%

Employee Benefits

Employee Benefits (Full-time)	2025	
	No. of males who availed	No. of females who availed
SSS	76	35
Philhealth	24	10
Pag-IBIG	109	49
Parental/Maternity leave	17	10
Vacation Leave	336	131
Sick Leave	277	105
Medical benefits (aside from Philhealth) - HMO*	509	198
Housing assistance (aside from Pag-IBIG)	13	4
Retirement fund (aside from SSS)	98	58
Education support (Educational loan)	13	2
Company Stock Options	0	0
Telecommuting	37	45
Flexible working hours	59	51
Others		
Transportation Benefits (Shuttle Service) / Transportation Allowance	17	27
Employee Medical Assistance	56	15
Car Plan	6	2
Car Loan	55	24

Car Allowance	10	3
Birthday Leave	20	9
Medical Reimbursement	259	67
Financial Assistance during Calamity/Funeral	8	9
Rice Subsidy	347	129
Parental Assistance	0	0
14th Month Pay	350	135
Calamity Loan (SSS)	19	7
Hospitalization Loan for Employees	13	1
Magna Carta Leave	0	1
Vacation Leave (in excess of government-mandated VL)	233	56
Professional License Upgrading	2	0
Educational Loan	15	5
Meal Subsidy	56	30
Fuel Subsidy	87	40
Position Allowance	10	14
Perfect Attendance	0	1
Service Award	69	18
Rewards & Recognition	293	108
Vaccination	268	101
Communication Allowance	123	86
Bereavement/Financial Assistance	12	6

** Employees' dependents are included in the medical benefits provided, which cover healthcare services under the Company's Health Maintenance Organization (HMO) plan.*

Rewards, Recognition, and Engagement

In 2025, ACR enhanced its Rewards, Recognition, and Employee Engagement ecosystem, making appreciation more timely, meaningful, and embedded in daily work. The Empuls digital platform was upgraded with automated reward cycles, expanded recognition categories, clearer performance-based criteria, advanced analytics, and seamless integration with collaboration tools. These improvements enabled real-time, peer-to-peer acknowledgment of contributions in areas such as teamwork, innovation, safety compliance, and performance excellence. Employees could redeem points-based rewards for wellness, health-focused incentives, and goal-based achievements, reinforcing both motivation and well-being.

Visibility of awardees increased through town halls and internal communications, while manager insights and engagement analytics allowed leaders to recognize achievements proactively, strengthening team connections. Participation across the organization grew, creating a culture of appreciation that fosters loyalty, collaboration, and retention.

Complementing this, the year-end bonus program rewards employees for individual and team performance, with guaranteed performance pay and potential 15th-month bonuses for exceptional achievement.

Employee Transition and Retirement Support

Alsons Power Group implemented structured transition programs to support employees moving into retirement or new career phases. These initiatives were designed to ensure a smooth adjustment, provide guidance, and reinforce the Company's commitment to employee welfare beyond active service.

Key Activities

- **Pre-Retirement Seminars** – Conducted regularly to prepare employees for retirement, covering financial planning, health management, and lifestyle adjustments.
- **Career Transition Workshops** – Offered to employees exploring new opportunities, focusing on skills development, entrepreneurship, and alternative livelihood options.
- **Counseling and Advisory Services** – Provided one-on-one sessions with HR and external experts to address personal, financial, and emotional aspects of transition.
- **Community Engagement Programs** – Encouraged retirees to participate in volunteer work and community-based initiatives, reinforcing social inclusion and continued contribution.
- **Health and Wellness Support** – Extended medical check-ups and wellness activities to employees nearing retirement, ensuring a focus on long-term well-being.

2025 Developments

- Expanded hybrid formats (in-person and online) for seminars and workshops to increase accessibility.
- Strengthened collaboration with financial institutions and health providers to deliver specialized modules.
- High participation rates were recorded, reflecting employee confidence in the Company's transition support framework.

Disclosure	2025	
	Male	Female
Defined benefit plan obligations and other retirement plans	275	70
The employee conducted a transition program	176	41

Retirement Benefits

As of 2025, Alsons Power Group provides retirement benefits in accordance with Philippine labor laws and industry standards. Employees are covered by the Social Security System (SSS), which ensures access to basic retirement, disability, and death benefits. In addition, the Company complies with the Retirement Pay Law (Republic Act No. 7641), which mandates retirement pay for employees who meet the required age and length of service conditions.

Beyond statutory requirements, Alsons Power Group also offers company-sponsored retirement programs designed to supplement government-mandated coverage. These include:

- **Defined retirement benefits** under collective bargaining agreements (CBA) or company policy, ensuring equitable treatment and financial security for long-serving employees.
- **Provident fund contributions or savings programs**, where applicable, to help employees build additional retirement savings.
- **Financial literacy and retirement planning seminars**, conducted as part of employee development initiatives, to better prepare employees for post-employment life.

In 2025, the Company reported full compliance with Department of Labor and Employment (DOLE) regulations on retirement benefits, with no violations or disputes recorded. Regular audits and internal reviews confirmed that retirement entitlements were properly administered, reinforcing Alsons Power Group's commitment to employee welfare and long-term security.

Employee Experience and Workplace Culture

In 2025, ACR continued to put employees at the center of its operations, cultivating a workplace where engagement, growth, and well-being go hand in hand. Building on the Employee Value Proposition (EVP) launched in 2024, the Company aligned employees' needs and aspirations with its culture, mission, and business strategy, anchored by four pillars: 1) a culture that inspires; 2) opportunities for growth; 3) rewards that matter; and 4) people who thrive together. These pillars guide programs that foster collaboration, learning, recognition, and a supportive environment for all employees.

At SEC, 'Power Buddy' celebrations brought teams together across locations, blending virtual and onsite interactions with lively discussions, appreciation sessions, and shared experiences. The event reinforced connections, teamwork, and the company's "We Power With Care" culture, leaving employees energized and reminded of their central role in the organization.

Health and wellness initiatives complemented engagement programs.SHPC's monthly Healthy Bites introduced employees to nutritious food options, encouraging healthier lifestyle choices. WMPC strengthened employee support through ongoing EVP communications, highlighting learning and development, benefits, coaching, and well-being programs. Health caravans, wellness check-ups, and EHS "Monday Peptalks" promoted awareness of safety and preventive care, while seminars and emergency drills reinforced preparedness and confidence in workplace safety.

Rewards and recognition programs further reinforced a culture of appreciation. Through peer-to-peer recognition, performance-based awards, and expanded categories celebrating teamwork, innovation, customer service, and safety, employees were acknowledged in real time for their contributions. Quarterly town halls, Objectives and Key Results (OKR) planning sessions, strategic planning, and team-building activities enhanced transparency, alignment, and collaboration across the organization.

Together, these initiatives strengthened engagement, communication, and workplace culture, ensuring employees feel valued, supported, and empowered to grow while contributing to a high-performing and inclusive organization.

Training and Development

In 2025, ACR reinforced its commitment to continuous learning, professional growth, and employee well-being. Structured training programs strengthened technical expertise, leadership capabilities, and compliance awareness, ensuring employees remain competitive and ready to excel. Key initiatives included the Frontline Management Development Program (Mini-MBA) for emerging leaders, Managers Leadership Training, ongoing technical, soft skills, and EHS courses for operational and office staff, and targeted workshops for MMG personnel transitioning to supervisory roles, such as Lean Inventory and Warehouse Management, enhancing supply chain efficiency and cross-functional coordination.

Licensed engineers attended general assembly meetings and industry conventions to foster professional networks and knowledge exchange, while the Power Plant Manager completed a five-day MBA program focused on strategic decision-making and holistic organizational management. Learning opportunities were further expanded through AI-driven, personalized modules via Alsons University, LinkedIn Learning, and cloud-based training platforms, offering flexible access to both technical and managerial courses.

The company also maintained a competitive benefits package covering health, wellness, leave, and financial security, supplemented by clear templates for easy reference and onboarding briefings for new hires. Policies and programs were regularly reviewed to align with employee feedback and industry best practices, ensuring relevance and inclusivity.

Employee Training	**2025**			**2024**		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**
Total Training Hours	8,932	3,081	12,013	15,910	3,519	19,429
Total Number of employees who attended the trainings	409	221	630	300	101	401
Average hours of training	22	14	19	53	35	48

Employee-Initiated and Leadership-Supported Learning

For 2025, the Company placed a strong emphasis on employee-initiated training, allowing individuals to take an active role in their professional development. Employees are encouraged to participate in relevant conferences, workshops, and certification programs that enhance their expertise. Leaders play a crucial role

in this process by guiding their teams, ensuring that personnel receive the necessary support, and integrating training into career growth plans. Compliance training, such as for PCOs, remains a priority to uphold regulatory standards and operational excellence.

A total of 365 trainings, both internal and external, were conducted for 2025. The Company's total training hours reached 12,013, reflecting its strong commitment to continuous employee development. This investment in learning covered a range of programs, from technical and compliance training to leadership and career development initiatives.

Trainings done for upgrading employee skills	**2025**
Total Number of trainings conducted (Internal)	278
Total Number of trainings conducted (External)	87
Total Trainings	**365**
Breakdown of Trainings	
Functional Skills	15
Mandatory/Compliance Training	19
Conferences	2
Continuous Improvement	2
Business Continuity Capability Building	1
Technical Trainings	251
Leadership Skills Training	28
Soft Skills Training	47

Encouraging Participation and Closing Skills Gaps

ACR continues to create an inclusive training environment where all employees, regardless of gender or role, have equal opportunities for growth. Competency assessments identify skill gaps, which are addressed through targeted programs. Employees are regularly evaluated to ensure practical application of new skills, while feedback mechanisms (coaching, post-training evaluations, and manager input) allow continuous refinement of training strategies. Leadership development initiatives focus on managerial skills, decision-making, and team leadership to prepare employees for higher responsibilities.

In 2025, Learning and Development strengthened participation and closed skills gaps through individual development plans, gap assessments, employee-led sessions, the Frontline Management Development Program (FLMDP) for Leads, and the development of Operations & Maintenance technical trainings planned for 2026, ensuring practical application aligned with operational and business goals.

To minimize disruption, trainings were scheduled during reliever duty, and online, self-paced programs via SumTotal and Alsons University (LinkedIn Learning) provided flexible access to technical, leadership, and soft skills courses. Gamified learning paths and recognition through the Empuls platform, where

participants earned points redeemable for rewards, further boosted engagement. These measures ensured employees acquired relevant skills, enhanced leadership readiness, and aligned learning outcomes with business objectives.

Number of employees receiving regular performance and career development reviews	2025	
	Male	Female
Top Management	1	2
Senior Management	9	4
Middle Management	33	11
Supervisors	70	36
Rank and File	264	101
Total	377	154

Diversity, Equal Opportunity, and Anti-discrimination

ACR embeds diversity, equal opportunity, and anti-discrimination into the heart of its operations. The Company ensures that all individuals, regardless of gender, age, religion, socio-economic status, or disability, have fair access to employment and career growth throughout the entire employee lifecycle, from recruitment and onboarding to training, development, and promotion.

To foster inclusivity, the Company implements structured hiring processes, including clear job descriptions, applicant tracking systems, partnerships with educational institutions and industry networks, and regular feedback to refine recruitment strategies. Special attention is given to Indigenous Peoples and employees from vulnerable sectors, providing them with meaningful career opportunities.

Incidents and Violations	2025
Discrimination	0
Child Labor	0
Forced Labor	0
Violation of IP Rights	0
Violation of Human Rights	0
Negligence	0
Malpractice	0

Robust policies on anti-discrimination, anti-harassment, and human rights compliance align with national labor laws, including the Philippine Constitution, the Anti-Age Discrimination in Employment Act, the Magna Carta for Persons with Disabilities, and the Safe Spaces Act. Employees receive regular training on

labor rights, workplace conduct, and corporate social responsibility, reinforcing a culture of fairness, respect, and inclusion.

Labor Standards and Human Rights

ACR is committed to creating a workplace that is fair, safe, and inclusive, where labor rights and human dignity are central to operations. Beyond simply complying with labor laws, the Company integrates ethical employment practices into everyday business, ensuring employees can thrive in a supportive environment.

Commitment to Ethical Labor Practices

The Company provides a fair, safe, and inclusive workplace through merit-based employment, equal opportunity recruitment, a strong Code of Conduct, and labor standards programs covering workplace safety, health, and dignity. Guided by the principle "We Power with Care," ACR integrates labor rights and human dignity into its values, strengthening employee well-being, inclusivity, and its reputation as a socially responsible organization. Key policies include:

- Employment Policy – Ensures recruitment, compensation, and career advancement are merit-based and free from bias.
- Recruitment Policy – Promotes equal opportunities in line with labor laws and industry best practices.
- Code of Conduct – Reinforces professionalism, integrity, and respect in the workplace.
- Labor Standards Policies – Include the Sexual Harassment Policy, Drug-Free Workplace Program, HIV and AIDS Prevention and Control Policy, and Tuberculosis Prevention and Control Policy.

These policies protect employees' rights and well-being, creating a safe and supportive work environment.

Labor-Management Relations

ACR places strong emphasis on maintaining positive labor–management relations. By promoting transparency, accountability, and open communication, the Company ensures employees are aligned with organizational goals while minimizing risks associated with workplace disputes or ethical concerns. A minimum notice period of 15–30 days is typically provided to employees and their representatives prior to the implementation of significant operational changes that may substantially affect them.

While the Company does not have a labor union or Collective Bargaining Agreement, it adheres to national labor laws and international best practices, providing fair compensation, a safe and inclusive work environment, and formal channels for employees to raise concerns or provide feedback. Open-door practice strengthens communication, supported by a 30-day notice period for significant operational changes and ongoing conversations to address concerns.

Collective Bargaining Agreement	2025	2024	2023
Number of employees covered within collective bargaining	0	0	0

agreements			
Number of consultations conducted with employees concerning employee-related policies	54*	3**	0

The consultations were conducted with MPC-Ubay and APSC employees regarding employee-related policies.
*** The consultations were conducted with SPPC employees regarding employee-related policies.*

To support ongoing communication and engagement, ACR has implemented several structured platforms:

- **Pulong-Pulong Sessions** – Regular weekly or monthly hybrid meetings where leadership provides updates on corporate decisions, policies, and strategic initiatives.
- **Town Hall Meetings and Alsons Power Conversations, Dialogues, and Chats (ACDC)** – These forums provide employees with company updates while enabling direct interaction with senior management and key executives.
- **Toolbox Meetings** – Department-level discussions focused on operational efficiency, safety, and compliance, ensuring alignment with governance principles.
- **Coaching and Mentoring Programs** – Employees are supported through external training opportunities approved by the Makati Head Office, helping them strengthen both technical and soft skills, adopt updated work methods, and adapt to diverse workplace scenarios.

Compliance with Labor Laws and Industry Standards

The Company ensures full compliance with DOLE regulations and other relevant authorities, including labor standards on working hours, wages, safety, and benefits. Regular audits, assessments, and policy reviews maintain alignment with evolving laws and industry benchmarks. Engagement with industry groups, such as the regional PMAP, Family Welfare Committee, and benchmarking with peers supports continuous improvement in labor practices and human resource management.

Human Rights Protection and Grievance Mechanisms

The Company safeguards human rights through established policies, accessible grievance mechanisms, and effective remediation processes that protect employees from retaliation. In 2025, no incidents or legal actions related to forced or child labor were reported. Ongoing monitoring and internal assessments reinforce ethical labor practices and support compliance with human rights and sustainability standards.

DISCLOSURE	2025
No. of Legal actions or employee grievances involving forced or child labor	0
Number of grievances resolved	0
Number of non-technical delays	0
Duration of non-technical delays	0

Furthermore, the Company actively participates in quarterly Multi-Partite Monitoring Team (MMT) meetings to address community concerns regarding labor and employment practices. This engagement

fosters transparency and accountability while ensuring that the Company remains responsive to the needs of its workforce and stakeholders.

Training and Development in Labor Standards and Human Rights

ACR weaves labor rights and ethical employment practices into its employee training programs, ensuring awareness, compliance, and continuous improvement. Key initiatives include:

- Mandatory Labor Law and Human Rights Training – Educates all employees on workplace rights, ethical labor practices, and compliance with labor laws.
- Frontline Management Development Program – Builds leadership skills while reinforcing the importance of labor rights and employee well-being.
- Management Development Programs – Prepares potential leaders with a strong understanding of labor laws and ethical business practices.
- Occupational Safety and Health (OSH) Training – An eight-hour, in-house session delivered by internal SMEs to promote workplace safety, compliance, and respect for ethical standards.

In 2025, the Company further strengthened compliance and ethical awareness through:

- Code of Conduct Training – Focused on workplace ethics, professional behavior, and respect for labor and human rights, reaching all employees.
- Policy Refreshers – Covered labor laws, anti-discrimination measures, company policies, and employee rights for both new hires and existing staff.

These programs empower employees to understand their rights, promote ethical practices, and support a safe, inclusive, and respectful workplace culture.

Security personnel trained in human rights policies or procedures	2025
A total of the organization's security personnel have received formal training on human rights policies	12*

** 12 security personnel are from MPC-Iligan*

Strengthening a Culture of Labor Rights and Social Responsibility

Beyond compliance, ACR embeds labor rights and human dignity into its core values. Guided by the principle "We Power with Care," the Company prioritizes employee development, workplace inclusivity, and ethical practices. By integrating labor laws and human rights into daily operations, ACR ensures a fair, safe environment while reinforcing its reputation as a socially responsible organization.