IT'S DISENCOURAGING

Climate change may be daunting. But today, solutions are in sight.

Electric vehicles are rapidly meeting our need for mobility while cleaning up one of the biggest sources of carbon emissions. First Gen is helping to encourage the electrification of our transport system by shifting to electric vehicles and providing clean and renewable energy that can be used to power electric vehicles.

IT'S TIME TO REGENERATE A DAMAGED WORLD.
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How to Read the Report

This report focuses on our value creation story. It starts with our leadership overview on where we stand in our path towards achieving our mission, and our direction ahead. This is followed by an analysis of the effects of external environment factors that influenced how our strategy and tone from the top, with our operating context, influenced our strategy and our direction ahead. Therefore, we identified which created values aligned with and contributed to the Sustainable Development Goals.

It follows with an analysis of the effects of external environment factors that affect the transformation of our capitals to products and services and values to stakeholders—our value creation sources. We then translated the values we captured from these capitals into financial and non-financial results to determine our impacts on these precious resources. Lastly, we identified which created values aligned with and contributed to the Sustainable Development Goals.

Assurance

To check the report’s compliance with the Guiding Principles and Content Elements of the Global Reporting Initiative (GRI) Standards, we commissioned the University of Asia and the Pacific’s Center for Social Responsibility (UA&P CSR) as an independent third-party expert to review the report. The result of the evaluation is presented on page 200. Selected 2022 environmental and social data and indicators were in scope for First Philippine Holdings Corporation (FPH) ESG Data Assurance performed by ERM Certification and Verification Services Limited (ERM CVS). The ERM CVS full assurance statement can be accessed in the 2022 FPH Integrated Report.

Disclaimer On Forward-Looking Statements

The report contains forward-looking statements based on the Company’s analysis of trends, projections, plans, and other information available during the writing stage of this report. The scenarios presented were not intended to predict likely future events and outcomes. While we believe that the declared expectations may be reasonable, investors and other stakeholders are cautioned that actual outcomes may differ materially from those expressed or implied, as future situations are difficult to predict and subject to risks and uncertainties beyond the Company’s control. Lastly, the ongoing and evolving COVID-19 pandemic during the report’s writing stage poses inordinate uncertainties to the Company’s outlook.

Certification from the Board

Thereby certify that the 2022 First Gen Integrated Report is a fair presentation of the Company’s operations for the period January 1 to December 31, 2022. The report includes material environmental, social, and governance (ESG) issues which are based on accurate information available to the Company for the reporting period. This certification is being issued pursuant to the March 17, 2021 authorization of the First Gen Board for the annual issuance of an Integrated Report to communicate to the Company’s stakeholders its financial and non-financial (ESG) performance, and its designation of the Board Risk Oversight Committee to review and finalize the report.

FEDERICO R. LOPEZ
CHAIRMAN AND CHIEF EXECUTIVE OFFICER FIRST GEN CORPORATION
# 2022 at a glance

## FINANCIAL CAPITAL

*In USD thousands except per share data

<table>
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<tr>
<th>Year</th>
<th>Revenues</th>
<th>Consolidated Net Income</th>
<th>Net Income Attributable to Equity Holders of the Parent</th>
<th>Recurring Net Income Attributable to Equity Holders of the Parent</th>
<th>Total Assets</th>
<th>Total Liabilities</th>
<th>Equity Attributable to Equity Holders of the Parent</th>
<th>Non-Controlling Interests</th>
<th>Basic/Diluted Earnings Per Share for Net Income Attributable to Equity Holders of the Parent (in USD/share)</th>
</tr>
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<tr>
<td>2022</td>
<td>2,666,706</td>
<td>369,512</td>
<td>261,390</td>
<td>265,446</td>
<td>5,375,868</td>
<td>2,416,251</td>
<td>2,413,980</td>
<td>545,637</td>
<td>0.071</td>
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<tr>
<td>2021</td>
<td>2,166,782</td>
<td>258,253</td>
<td>252,437</td>
<td>252,437</td>
<td>5,503,389</td>
<td>2,530,186</td>
<td>2,438,010</td>
<td>535,193</td>
<td>0.070</td>
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<tr>
<td>2020</td>
<td>1,830,300</td>
<td>275,695</td>
<td>275,695</td>
<td>252,437</td>
<td>5,708,472</td>
<td>2,752,421</td>
<td>2,438,010</td>
<td>532,570</td>
<td>0.073</td>
</tr>
<tr>
<td>2019</td>
<td>2,151,386</td>
<td>314,228</td>
<td>296,208</td>
<td>284,410</td>
<td>5,209,697</td>
<td>2,618,198</td>
<td>2,423,481</td>
<td>466,520</td>
<td>0.076</td>
</tr>
<tr>
<td>2018</td>
<td>1,978,689</td>
<td>319,485</td>
<td>221,200</td>
<td>242,992</td>
<td>5,059,901</td>
<td>2,788,974</td>
<td>1,855,146</td>
<td>415,781</td>
<td>0.055</td>
</tr>
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</table>

## MANUFACTURED CAPITAL

3,501.4MW installed capacity

22,352.4GWh of power generated in 2022

## INTELLECTUAL CAPITAL

100% subsidiaries certified to ISO 9001, ISO 14001 and ISO 45001

43 information technology solutions implemented to date

USD 5.3 million investment on various initiatives in addressing information security, technology risk, and data privacy

## NATURAL CAPITAL

11,629,336.3 tCO₂e greenhouse gas (GHG) emissions avoided vs. coal

0.30 tCO₂e/MWh emission intensity

10,140 hectares of forest reforested

1,739,824.0 tCO₂e carbon sequestered from natural forests in geothermal reservations

127,608 hectares of natural forest protected in geothermal reservations

## SOCIAL AND RELATIONSHIP CAPITAL

550 students supported with scholarships

165 schools in host communities assisted with equipment and materials for blended and modular learning

67,020 doses of COVID-19 vaccines donated to 14 LGUs

PHP 4.5 million invested to support COVID-19 management in host barangays and LGUs

23 social enterprise and livelihood projects supported to augment sources of income of host communities

Net hire ratio of 0.84 indicates the workforce decreased.

82% of recruits are millennials and Gen Z

Diversity, Equity, and Inclusion

- The eligibility of common-law and same-sex partners as dependents for the purpose of medical insurance was recognized and implemented
- Employees were trained on Cultivating Psychological Safety in the Workplace and Promoting Gender-Inclusive Workplaces; and
- Prescriptions for acceptable office attire have been revisited and expanded for a more gender-neutral and safe work environment.

Employee Engagement Index of 67%

Significantly above the Philippines Norms by -30% 

Company’s care for the community, employee well-being, and health and safety were the highest scoring organization climate statements in the 2022 Employee Engagement Survey

## HUMAN CAPITAL

Zero reported incidents of child labor, forced labor, and discrimination

Human rights due diligence

- Formulated the Human Rights Management and Monitoring Plan
- Developed the Grievance Redress Mechanisms

Readiness for hybrid work

- Established hybrid work practices and programs
- Re-opened the hybrid office setup

0.14 Total Recordable Incident Rate vs. 0.18 TRIR target for employees and contractors

4518 vaccine booster doses administered to employees, contractors, and family members

Company’s care for the community, employee well-being, and health and safety were the highest scoring organization climate statements in the 2022 Employee Engagement Survey
2022 Key Milestones

**JANUARY**
- Commencement of the Green Energy Options program (GEOP), wherein GEOP end-users, GEOP Renewable Energy Suppliers and Distribution Utilities (DU) can register to participate in the program.
- First Gen paid cash dividends of PHP0.8964 per share on the 52.85 million outstanding Series “G” preferred shares, and PHP0.38904 per share on the 13.75 million Series “G” preferred shares issued to First Philippine Holdings Corporation.
- First Gen paid cash dividends of PHP0.02 per share on outstanding Series “B” preferred shares.
- First Gen paid cash dividends of PHP0.01 per share on outstanding Series “E” preferred shares.

**FEBRUARY**
- First Gen repurchased 1.26 million shares of its Series “G” preferred shares.

**MARCH**
- First Gen launched an integrated electric vehicle (EV) pilot project called GreenWheels. Its fast and solar-powered EV charging station was constructed inside the First Gen Clean Energy Complex in Batangas City.
- First Gen switched its first set of GEOP end-users in the market, supplying nine customers with full RE supply from our geothermal capacities.
- EDC refinanced its USD50 million Mizuho Bank, Ltd loan and availed loans totaling PHP3 billion from Bank of the Philippine Islands and UnionBank of the Philippines.

**APRIL**
- EDC inaugurated its 3.6 MW Mindanao 3 (M3) binary geothermal power plant, expanding its existing Mount Apo geothermal facility with an additional supply of clean, reliable and stable power in Mindanao.
- EDC secured a PHP2.6 billion loan from Security Bank Corporation.

**MAY**
- ERC approved EDC’s application to develop a point to point power transmission line that will connect its 3.6 MW power plant near Mount Apo to the Mindanao grid.
- EDC received the Department of Energy’s (DOE) approval to conduct system impact studies (SIS) for the 100 MW Burgos 4 wind power project in Burgos, Ilocos Norte, and the 100 MW Burgos 5 wind power project in Burgos and Passaqun, Ilocos Norte.
- First Gen declared cash dividends of PHP0.35 per share to its common shareholders.

**JUNE**
- FGP Corp. drew the remaining USD58 million of its USD508 million term loan facility with Bancio de Oro, Bank of the Philippine Islands, Philippine National Bank, and Sumitomo Mitsui Banking Corporation.
- EDC secured a PHP1.5 billion loan from CTBC Bank Corp.

**JULY**
- First Gen fully redeemed the outstanding 65.34 million Series “G” preferred shares at face value.
- First Gen paid cash dividends of PHP0.8964 per share on the 52.85 million outstanding Series “G” preferred shares, and PHP0.38904 per share on the 13.75 million Series “G” preferred shares issued to First Philippine Holdings Corporation.

**SEPTEMBER**
- To acknowledge the Province of Batangas’ historical, current and future support toward the Company’s initiatives, the floating storage regasification unit’s name was agreed to be changed from BW Paris to BW Batangas by FGEN LNG Corp and BW LNG.
- On its first anniversary, EDC’s Net Zero Carbon Alliance (NZCA) created a strategic framework toward private sector carbon neutrality by 2050. EDC conceived and established the NZCA in 2021 to encourage and support Philippine enterprises in attaining net zero greenhouse gas (GHG) emissions or carbon neutrality by 2050.
- EDC initiated a PHP4 billion loan from China Banking Corporation and Banco de Oro.

**OCTOBER**
- First Gen signed a memorandum of understanding (MOU) with the Batangas City LGU for the development of the Batangas City Eco-Park & Wildlife Rescue Center. The center is a project of the Batangas City LGU under its tagline: “Magkatuwang Tayo”, which enjoins public-private partnerships. The eco park is designed for the improvement of health, economy, eco-tourism, and environmental (flora and fauna) of Batangas City.
- EDC launched the Geo 24/7-7 powered vehicle. EDC’s electric vehicles are fueled by steam energy from the charging station in the Tangingan Geothermal Power Plant, Kananga, Leyte.
- First Gen secured a grant from the US Trade and Development Agency (USTDA) for a feasibility study on a planned geothermal power project in Mindanao.

**NOVEMBER**
- First Gen secured the Certificates of Compliance (COC) of Pantabangan Hydroelectric Plant (PHEP) and Musoay Hydroelectric Plant (MHEP) from the Energy Regulatory Commission (ERC). COCs were issued after deliberations and site technical inspections from the ERC. These were conducted after our compliance with the requirements declared in the 2016 Philippine Grid Code, WESM Rules, Department of Environment and Natural Resources (DENR) and other laws and regulations.
- First Gen declared cash dividends of PHP0.42 per share to its common shareholders.

**DECEMBER**
- First Gen resumed its face-to-face Customers Appreciation Night (CAN) attended by over 250 power supply customers from retail and wholesale segments.
- EDC launched the Geo 24/7-7 powered vehicle. EDC’s electric vehicles are fueled by steam energy from the charging station in the Tangingan Geothermal Power Plant, Kananga, Leyte.
OUR BUSINESS

Who We Are

Guided by our mission of forging collaborative pathways for a decarbonized and regenerative future, First Gen is one of the leaders in providing clean and renewable energy in the Philippines.

The Lopez Credo and Values guide our decision-making processes at all times. As a power generation company, we are committed to acting in the best interest of our stakeholders to ensure equitable benefits for all. While we sustain consistent collaboration across all levels to achieve our decarbonization and regeneration goals, we maintain our mission to prioritize the welfare of our customers, employees, suppliers, contractors, the environment, communities, and investors.

THE LOPEZ CREDO AND VALUES

We, as employees of the Lopez group of companies, believe that our primary reason for being is to serve God and the Filipino people.

Thus, we shall always conduct ourselves in a manner that is mindful of the long-term mutual benefit of the Lopez Group, and the various publics we serve.

We will be responsible stewards of all our resources, and conscious of our obligation to present and future generations.

Since 1928, and in the years and generations to follow, our commitment to the distinctive Lopez values will not change as we remain committed to serve our stakeholders.

In our service to the Filipino people, we will be guided by the following distinct Lopez Values:

• A Pioneering Entrepreneurial Spirit
• Business Excellence
• Unity
• Nationalism
• Social Justice
• Integrity
• Concern for Employee Welfare and Wellness

We know from generations of experience that it is by living according to these values that a company can be built to last.
OUR MISSION
To forge collaborative pathways for a decarbonized and regenerative future.

OUR PURPOSE
We recognize that our planet’s life support systems and social institutions are now at a breaking point. Unbridled consumption and primacy of bottom-line growth are at the root of the climate crisis, our alienation from nature, and the profound social and economic divisions, that have become existential threats to humanity today.

Overcoming all of these challenges will require paradigm shifts in the ways that we think, live, and do business. It is now clear that pursuing sustainability that seeks only to do less harm is no longer good enough.

Instead, we need to create symbiotic, mutually beneficial relationships with nature and society that benefit more than just shareholders. Businesses today must urgently become a regenerative force that elevates everything that they touch – customers, employees, suppliers, contractors, the environment, communities, and investors.

The transformation cannot be done by entities working alone. We are mindful that we exist within highly diverse and nested systems, and that we must all play unique, reciprocal, and synchronized roles in a world that needs to be healed.

Our collective success will be measured by how quickly we can decouple economic and social prosperity from the destruction of our planet’s life support systems.

We choose this path because we believe it is the only way to a destination where everyone has the opportunity to thrive and prosper on a healthy planet. We choose this path because we believe it is the only way to create lasting value for all stakeholders and not just shareholders. We choose this path because it is inseparable from the Lopez Values that have, and always will, define us.

OUR CHOSEN PATH
We choose to harness only those energy sources that allow us to meet the needs of the present without harming the ability of future generations to meet theirs.

With a deep understanding of the evolving needs of our customers, we will deliver resilient and compelling energy solutions that will promote energy productivity, empowering our customers to make the right choices and to do more with less energy, simultaneously reducing their carbon footprints.

We will lead the transition to a decarbonized energy system in line with the UN IPCC target of limiting global warming to 1.5 degrees Celsius, by focusing on the following:

- We will build on our platform of renewable and low carbon energy assets and complement them where appropriate with flexible generation and storage technologies.
- We will expand the use of clean and renewable geothermal resources that provide uninterrupted power 24/7 globally, deploying our extensive experience in geothermal development, gained over four decades in the Philippines.
- We will operate our geothermal and hydrological resources with a regenerative mindset that will strengthen and enrich the communities and biodiverse ecosystems in which we are all embedded.
- We will operate geothermal plants because to do so would be inconsistent with the UN IPCC target and lead to a planet that is uninhabitable for future generations.
- We will build on our platform of renewable and low carbon energy assets and complement them where appropriate with flexible generation and storage technologies.
- We will expand the use of clean and renewable geothermal resources that provide uninterrupted power 24/7 globally, deploying our extensive experience in geothermal development, gained over four decades in the Philippines.
- We will operate our geothermal and hydrological resources with a regenerative mindset that will strengthen and enrich the communities and biodiverse ecosystems in which we are all embedded.
- We will reaffirm our 2016 commitment that we will not build, develop or invest in coal-fired generation plants because to do so would be inconsistent with the UN IPCC target and lead to a planet that is uninhabitable for future generations.
- We believe that natural gas, as the least carbon-intensive fossil fuel, will continue to play a vital role in the transition to a decarbonized world for some time. Natural gas-fired plants will enhance grid security and resilience and support the development of more variable renewable sources such as wind, solar, and hydro, in combination with storage. Gas-fired plants can respond quickly and reliably when variable renewable sources are not available, allowing the lights to stay on.
- We will pioneer the development of a liquefied natural gas (LNG) terminal that will introduce reliable, flexible, and cost-competitive LNG to the Philippines. LNG will enable our own and other existing gas-fired plants continue to operate by initially supplementing, and eventually even replacing, declining indigenous natural gas reserves. The LNG terminal can serve as a hub that will underpin new large and small scale LNG opportunities as a means to introduce natural gas throughout the many islands of the Philippines.

As we progress along our chosen path, we will always seek to enable shared prosperity and well-being in ways that will regenerate our planet for future generations.

- We will actively pursue new, innovative, economically viable technologies that can further reduce the carbon intensity of natural gas, recognizing that it may otherwise become necessary to phase natural gas use down in line with decarbonization targets.
- We will lead the development of decentralized and resilient microgrids that enable universal access to electricity in ways consistent with social justice and the transition to a decarbonized future.

We will lead the transition to a decarbonized energy system in line with the UN IPCC target of limiting global warming to 1.5 degrees Celsius, by focusing on the following:
First Gen is a player in the energy industry with 31 operating power plants strategically positioned in each of the three major island grids in the Philippines. The Company is one of the biggest Independent Power Producers (IPP) in the nation with a total installed capacity of 3,501.4 megawatts (MW).

First Philippine Holdings Corporation (FPH), one of the largest and oldest conglomerates in the Philippines, is the majority shareholder of First Gen. FPH has significant investments in power generation, real estate, manufacturing, construction, and engineering.

First Gen’s power facilities produce electricity using a variety of fuels and renewable resources, including natural gas, geothermal steam, hydroelectricity, wind, and solar energy. The electricity generated is primarily sold to privately-owned distribution utilities (DU) such as Meralco, National Power Corporation (NPC), electric cooperatives, large commercial and industrial clients through its Retail Electricity Suppliers (RES), the National Grid Corporation of the Philippines (NGCP), under long-term Power Purchase Agreements (PPAs), Power Supply Agreements (PSAs), Power Supply Contracts (PSCs), Feed-In Tariff (FIT), Ancillary Service Procurement Agreements (ASPA), and the Wholesale Electricity Spot Market (WESM). Thereafter, distribution services and transmission lines deliver the electricity to customers.

First Gen’s Energy Value Chain

Power Generation
- Natural Gas
- Geothermal
- Hydroelectric
- Solar
- Wind

Transmission

Distribution

Homes and Businesses

Refer to the Business Model section on page 66 for more details on the Value Chain.

First Gen Total Power Generated (GWh)

<table>
<thead>
<tr>
<th>Year</th>
<th>GWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>22,352.4</td>
</tr>
<tr>
<td>2021</td>
<td>19,805.3</td>
</tr>
<tr>
<td>2020</td>
<td>18,884.4</td>
</tr>
</tbody>
</table>

*Source: DEPARTMENT OF ENERGY LIST OF EXISTING POWER PLANTS (GRID-CONNECTED)
The Philippine Power Industry in Numbers

Currently, First Gen exclusively serves the Philippine market. There are 357 power stations in the nation as of November 2022, totaling 28,358 MW of generating capacity. As of 31 December 2022, there are 189 retail power suppliers and 3,089 customers in the Luzon and Visayas region who are eligible for contestability. We present the important details of the Philippine Power Industry to put First Gen’s national contribution and the available opportunities into context.

### Total Power Plants in the PH (as of Nov 2022)*

- **Luzon**: 157 (48.0%)
- **Visayas**: 80 (24.5%)
- **Mindanao**: 90 (27.5%)

### Total Gross Generating Capacity in the PH (as of Dec 2021)

- **Luzon**: 70.9%
- **Visayas**: 15.3%
- **Mindanao**: 13.8%

### No. of Contestable Customers by Phase (as of Dec 31, 2022)

- **Phase 1**: 1,510 (48.9%)
- **Phase 2**: 663 (21.5%)
- **Phase 3**: 916 (29.7%)

### No. of Contestable Customers by Segment (as of Dec 31, 2022)

- **RES of last resort**: 44 (37.0%)
- **Local RES (Distribution)**: 28 (23.5%)
- **Suppliers of last resort**: 47 (39.5%)

*Source: 2022 List of Existing Power Plants per Grid
First Gen is a subsidiary of the First Philippines Holdings (FPH) Corporation. As of December 31, 2022, our corporate structure, including our subsidiaries and ownership is as follows:
Today it’s undeniable that the climate emergency being faced by humanity is real and in urgent need of action. In the last few years, we’ve employed various platforms, venues, and forums, including our integrated report covers, to highlight the existential threat posed by the climate crisis. Now it feels so much more encouraging as we see a myriad of sectors of society weaving threads from their respective fields into a tapestry of solutions that aims to bring carbon emissions down to zero by 2050. While the challenge is still daunting, we know that, with the right focus, countless solutions will come to light.

The journey to Net Zero will involve three phases that need to be executed within a limited timeframe. More importantly, we must keep in mind that the overriding goal is to “solve the climate emergency” by mitigating and reversing emissions as well as adapting to its impacts that are already here and intensifying. Because if we don’t get it right, the exponential deterioration of global climate systems and the environment will make it impossible to solve other problems like poverty, inequality, disease, food production, freshwater scarcity, mass migration, social displacement, mass extinction of species, and biodiversity loss, among others. All of this we will feel during our lifetimes and they’re undeniably accelerating as we can see in news reports every single day now.

Recall that Paris COP 21 applauded the agreements that signaled we could limit global warming to 2.0 degrees Celsius if all commitments were met. Since then, the UN IPCC issued a Special Report on Global Warming, followed by its Sixth Assessment Reports from Working Groups I, II and III, all with dire warnings and consequences for a 2-degree Celsius warmer world. Taken together, they underscored the scientific consensus that our targets must not exceed 1.5 degrees by end century. This target is slipping away from us fast but the 1.5 degrees Celsius must still remain our base case.

Consequently, “solving the climate emergency” means deliberately embarking on a journey through these phases.

In PHASE ONE, we REDUCE Greenhouse Gas (GHG) emissions of carbon dioxide, methane, nitrous oxides and fluorinated gases from the current 59 gigatons (Gt) of GHG’s per year, and we see emissions peak by 2025. This is where most efforts are centered today. But we cannot stop there.

Next, in PHASE TWO, we aim further to ELIMINATE all emissions of GHG’s. We must get to Net Zero emissions by 2050.

However in PHASE THREE by 2050, we must begin the arduous task of reducing the concentration of greenhouse gases in the atmosphere. We must get to what is called NET NEGATIVE EMISSIONS. This is best described in the words of NASA climate scientist James Hansen: “If humanity wishes to preserve a planet similar to that on which civilization developed and to which life on Earth is adapted... CO2 will need to be reduced... to at most 350ppm.”

For reference, pre-industrialization carbon dioxide levels were at 280ppm and we sailed past 350ppm in 1986. We continued to blow through 400ppm in 2013, the same year Super Typhoon Yolanda, the most powerful typhoon on earth to ever make landfall, announced to the world, through the suffering of millions of Filipinos, that climate change is here and that we better get our acts together now. While the COVID-19 pandemic has given the world a short respite, today emissions are on the rise again and Paris COP 21 targets still aren’t being met.
We now need to realize Phases One, Two and Three within the rapidly diminishing timeframe of the next 27 years. Failing to do this over the limited period will trigger irreversible tipping points, the effects of which we are already seeing in news reports from all over the world every day. The clock ticks as we speak. Winning this war and solving climate change will mean staying laser-focused on strategies, tactics and accelerating technologies that are likely to scale within this very critical timeframe of the next 27 years.

Progress through Phases One to Three in the battle to “solve the climate emergency” has many facets beyond just energy. It spans agricultural practices, food production, waste management practices, industrial processes, deforestation, f-gases used in refrigeration and many others. The key elements of the energy transition involves the following: reducing the carbon intensity of electricity, scaling up energy efficiency efforts, electrifying as much of transport and the industrial sectors, using carbon-neutral fuels for other hard-to-reach sectors, and deploying nature-based and man-made carbon capture, use and storage. All these will have immense implications for the central role of the electricity grid. The most important point is that by 2050, we will need 5 times the electricity we use today; and we will need 10-12 times the clean energy in use today.

Progress through Phases One to Three in the battle to “solve the climate emergency” has many facets beyond just energy.

We view First Gen’s diverse portfolio of clean and renewable energy sources as a key enabler to a greener electricity grid. Our target is to grow our low carbon energy portfolio to 13,000 MW by 2030, of which 9,000 MW will be renewables. The construction of our LNG terminal has reached practical completion, and soon after we expect the commissioning of our floating storage and regasification unit vessel. Of course, over time, we must look toward repowering our natural gas facilities with green fuels like hydrogen as these become more feasible, or they can be decommissioned outright before 2050.

As we clean up our energy grid, we must also move towards scaling up energy efficiency as the “first fuel” and encourage its use everywhere. Today these efforts are still sparse and fragmented but they have great potential. They are the lowest-hanging fruit to reduce carbon emissions and are no brainers because they also bring real cost savings and enhance the bottom lines of our customers.

Yet, as we navigate this energy transition, we must bear in mind the need to keep the lights on and keep power prices affordable for all. At the same time, we must continue to improve access to 24/7 electricity for millions of households in the country who currently do not have it reliably in their lives if we are to even begin uplifting them from poverty.

Progress through Phases One to Three in the battle to “solve the climate emergency” has many facets beyond just energy.
Decarbonizing and scaling up a green electricity grid over the next three decades is probably the greatest energy transition in the history of mankind. It’s not just changing the electricity system but building a new global energy system with components we have never built before and at a massive scale. This will need nothing short of collaborative action among various players that today consider themselves competitors. And these also need well-coordinated and timely action on the part of regulators who must ensure energy security and be well versed on the elements that make for a successful and just energy transition.

In addition to creating a future-ready energy system, our being 4th on the world’s climate vulnerability list necessitates that we prepare Philippine cities, communities, and infrastructure for resilience in a climate-changed world. The impacts of the climate crisis as well as climate action that will be demanded of everyone are among the forces in history that will transpire “gradually and then suddenly”. If we’re not prepared and conveniently ignore it, we’ll be overwhelmed and not recognize the world around us in the coming thirty years. The science tells us we no longer have a choice. We need to act in a systematic and collaborative way if we want to succeed and make serious headway in tackling other issues like hunger, poverty, and the other pressing Sustainable Development Goals of our time. Trying to solve those will be futile if we don’t build for the resilience we need and if we don’t ultimately “solve the climate emergency.”

The forces unleashed by the climate emergency are already creating a future that, by necessity, must look very different from the past. The times call for new paradigms and even social constructs. We will need to measure progress using new metrics and reshape our way of life to thrive in a changed and rapidly changing world. It’s all about reimagining our relationship to the planet and to one another. If humans have such immense power to degenerate the Earth, if we so choose, humanity can also wield the same power to change course and regenerate it not just for the sake of currently living humans but for the millions of other species that co-inhabit our world today and tomorrow.

This journey to Net Zero is not purely driven by the bottom line. To all our stakeholders, thank you for your support in helping us transform our Company to one that’s truly responsive to the needs not only of our country but of the world.

FEDERICO R. LOPEZ
Chairman and Chief Executive Officer
First Gen Corporation
President’s Message

Dear Stakeholders,

We are experiencing uncertain times. Natural disasters more than ever provide evidence of the existential threat from climate change and the need for urgent action. The UN Environment Programme’s 2022 Emissions Gap Report states that “wider-ranging, large-scale, rapid, and systemic transformation is now essential to achieve the temperature goal of the Paris Agreement.” The consensus and feasibility to limit global warming to the 1.5 degree target is increasingly challenged.

We are fortunate to finally see the worst of COVID-19 behind us. We are, however, moving ahead with a backdrop of pessimism and uncertainty driven by deteriorating geopolitical pressures that is worsening a global economic slowdown. Economic managers are challenged to address high inflationary conditions and have responded by raising interest rates. The days to access cheap financing are gone for the foreseeable future. The Russian invasion of Ukraine and the worsening US-China relations are driving geopolitical concerns and are leading to a more divided, fragmented world. At home, we are not spared by the higher prices of electricity, imported fuel, and basic commodities made worse by the reduced value of the Philippine Peso. It is not a pretty picture to say the least.

If we pause to figure out how to best move forward, we like to think that more than ever, First Gen and, our parent, FPH’s unified mission to forge collaborative pathways for a decarbonized and regenerative future is even more relevant. Aligning the business model of First Gen’s clean and renewable energy portfolio with a common mission and purpose is an effective way to align, engage, and inspire our talent within our organization to move ahead with optimism despite uncertainties.

Since our declared commitment to stay away from coal in 2016, I am proud to say that we have persisted in our mission to make a clean and sustainable impact as a major player in the energy industry, especially in the midst of a compounding climate crisis.

Despite being a relatively small contributor to global emissions, the country still struggles as the most vulnerable nation in the battle against climate change and global warming, according to the World Risk Index 2022. In 2022 alone, we faced 18 tropical storms, with Super Typhoon Paeng causing severe flooding in Maguindanao, and Tropical Storm Agaton causing landslides in Leyte.

In recent years, the government has made positive steps and declared a moratorium on the construction of new coal fired power plants—an effort to transition away from coal and move toward the use of more renewable energy. The Philippine power market is also becoming increasingly democratized towards a more sustainable energy system, wherein the Retail Competition and Open Access (RCOA) allows qualified power consumers to choose their power supplier. In fact, under the Green Energy Option Program (GEOP), even customers with smaller power demand will be able to choose renewable energy sources for their facilities. With all these, the country is increasing opportunities to heighten decarbonizing efforts towards a larger proportion of renewables in its fuel mix.

If we take a moment to reflect on where we’ve come from and manage our way forward, let us not forget the role we have played as the leading energy provider in the Philippines and our commitment to be at the forefront of the country’s transition to a cleaner and sustainable future.
First Gen aims to move towards our net zero target, by further expanding our clean energy portfolio through investments in natural gas and renewables.

In response to the current developments in our country’s energy industry and platform, First Gen aims to move towards our net zero target, by further expanding our clean energy portfolio through investments in natural gas and renewables. First Gen’s diverse portfolio is tailor fit to the country’s growing demand for clean and renewable energy.

We are investing heavily in LNG infrastructure in preparation for the eventual depletion of the offshore Malampaya natural gas field, the country’s only indigenous natural gas source, and to address energy security issues that will ensure uninterrupted power for our daily activities. As has been widely reported, the Malampaya natural gas field is quickly being depleted, and we are already experiencing more frequent supply disruptions. It is estimated that by 2027, Malampaya could no longer reliably supply natural gas to power plants that account for almost 20% of the country’s power.

Our offshore LNG terminal, which is nearing completion, will enable us to receive and regasify LNG imported from other parts of the world, ensuring we have enough fuel to meet our energy needs. We believe that this investment in LNG infrastructure will play a crucial role in enabling us to achieve the global goal of Net Zero by 2050.

Additionally, we are confident that our continued developments in both natural gas and LNG are helping the country wean off coal. We have determined that natural gas serves as a reliable bridge to renewable energy sources, since our natural gas plants can quickly generate power and complement the intermittency of solar and wind power plants. This can also complement other renewable energy sources like hydro and geothermal, providing energy security throughout the transition.

To truly achieve a sustainable and decarbonized energy system, however, natural gas must pave the way for more sustainable and renewable energy sources. As renewable energy becomes more reliable, natural gas will eventually be phased out and replaced with other clean sources such as green hydrogen or decarbonized by emerging technologies, such as carbon capture. As such, First Gen is keeping abreast of developments in these technologies, while also exploring the use of nature-based solutions to offset carbon emissions.

The country’s ambitions for a cleaner energy mix are contingent on increased clean energy capacity. The DOE’s Philippine Energy Plan (PEP), for instance, illustrates a massive growth in natural gas and renewable capacity in the near future. As a response to this need, we are diligently working towards significantly growing our portfolio to 13GW by 2030, aiming for a majority of this capacity to be powered by renewables.
Due to the depletion of the Malampaya gas field, natural gas supply remained constrained, resulting in gas restrictions at our gas plants in FGCEC. However, Santa Rita, San Lorenzo, and Avion were able to provide electricity to customers and the grid by having the flexibility to operate using liquid fuel. And once LNG is available, these three plants will have the capability to run on Malampaya, imported LNG, and liquid fuel thereby addressing the key issue of energy security. We are keen to advance the development of the 1,200-MW Santa Maria Combined Cycle Gas Project. With the LNG Terminal in place soon, fuel supply issues should be a thing of the past.

We inaugurated the 3.6-MW Mindanao 3 Binary Power Plant project in Kidapawan last April 27, 2022 as part of our renewable energy portfolio expansion. Meanwhile, the construction of the 28.9-MW Palayan Binary Project is ongoing, with the aim of starting commercial operations by September 2023.

The 100-MW Aya Pumped-Storage Hydro Power Project is scheduled to start construction in the third quarter of 2023. The project will supply ancillary services to the grid and is designed to pump water from its reservoir to its upper reservoir for storage when there is excess electricity at low cost. The stored water is then...
The transition towards a decarbonized world is an important and urgent initiative that requires collaboration among all stakeholders, including the government, private sector, civil society, and the general public. This critical transition is where First Gen’s identity and mission has always been rooted, and throughout the years, we simply anchored ourselves to this commitment. We are pleased that many in the industry are joining us in our mission. “I am honored and grateful to all of the people who have remained confident in our chosen path, and have given unwavering support to us in the dedicated pursuit of our mission. I continue to enjoin others to embark on this critical journey with us towards a decarbonized and regenerative future.”

Believing in a sustainable and regenerative future

The transition towards a decarbonized world is an important and urgent initiative that requires collaboration among all stakeholders, including the government, private sector, civil society, and the general public. This critical transition is where First Gen’s identity and mission has always been rooted, and throughout the years, we simply anchored ourselves to this commitment. We are pleased that many in the industry are joining us in our mission.

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FRANCIS GILES B. PUNO
President and Chief Operating Officer
First Gen Corporation
The External Environment

The analysis of social, environmental, technological, and political contexts is vital in addressing external environment-related issues as they have an impact on how well an organization generates value in the short, medium, and long term. These circumstantial elements can have a direct or indirect impact on the organization by affecting the accessibility, value, and affordability of the organization’s capitals. These variables exist in the context of the specific organization, the industry or region in which it operates, and the larger social or global context.

Navigating Local and Global Constraints

Geopolitical Conflicts and the COVID-19 Pandemic

Geopolitical factors, such as the Russia-Ukraine Conflict, and COVID-19 restrictions have impacted commodity prices, energy costs, and contract structures. These have caused concerns in the world’s fuel supply and energy security. Likewise, macroeconomic factors have challenged the environment for project development with foreign exchange rate volatility, potential stagflation, and rising credit costs.

Global market conditions have led to significant volatility in the power sector. Increasing commodity costs, for instance, have significantly impacted coal-based contracts, while prices of renewable energy prices like Geothermal, Wind, and Solar remained relatively consistent. Therefore, volatile market conditions highlight the need for a diverse mix of power plants, which help mitigate the macroeconomic impacts to the energy industry of a country.

Implication to First Gen:

These factors impact the cost of electricity generation, particularly for parts of our portfolio that are linked to these. However, First Gen’s diverse and complementary portfolio of renewables and gas puts us in a strong position to effectively navigate these world dynamics.
The Philippine Energy Sector

As the globe experienced various threats to energy security, the Philippine experience also highlighted the need for further energy supply. In 2022, the country experienced periods of high WESM prices during periods with high demand and power plant outages, both of which contributed to incidents of tight energy reserves. This highlights the need for additional power reserves and new capacity from reliable power sources.

The Philippine Department of Energy (DOE) also recently released its latest version of the Philippine Energy Plan (PEP) 2040, which presents an overall energy strategy. This plan discusses a significant increase in capacity in the future to address energy security risks that we are already concerned with today. This PEP foresees the need to almost double installed capacity by 2030 and to grow by almost 5 times by 2040. Moreover, this growth will need to come primarily from gas and renewables, consistent with the country’s overall goal to transition away from coal. Consistent with the rest of the world, the Philippines aims to lower its carbon footprint and evolve its power sector to a cleaner, more resilient, industry.

More and more, businesses are tasked with the responsibility to think beyond the bottomline and integrate sustainability and stakeholder value into their strategies. The impact of climate change has increased awareness on the significant direct inputs (“Scope 2”), but increase all the way up their value chain to consider “Scope 3” emissions—which includes where businesses ultimately source their power from. In fact, sourcing renewable energy is one of the most affordable and readily available ways of greening supply chains. As such, companies and industries have also targeted to disclose their Scope 3 emissions—showing how critical it is for companies to consider how to green their entire supply chain.

More and more, businesses are increasingly becoming aware of their emissions. This awareness has increased in scope, as businesses aren’t just concerned about their own (“Scope 1”) emissions, or even limited to their direct inputs (“Scope 2”), but increase all the way up their value chain to consider “Scope 3” emissions—which includes where businesses ultimately source their power from. In fact, sourcing renewable energy is one of the most affordable and readily available ways of greening supply chains. As such, various companies and industries have also targeted to disclose their Scope 3 emissions—showing how critical it is for companies to consider how to green their entire supply chain.

Across various industries, businesses have been made to support climate justice, as cases have been made to identify the negative impact of GHG emissions on human rights. Implication to First Gen:

In spite of challenges, the Philippine Energy Transition continues, as seen by the government’s support to increase variable renewable energy (VRE) as reflected in the PEP 2040. This development cannot be achieved without enabling the function of natural gas. In line with this, the PEP 2040’s vision for a long-term power mix driven by natural gas and renewables is consistent with the energy transition’s requirements for a balanced energy mix. In turn, this outlook is consistent with the company’s own plans for its portfolio.

Therefore, First Gen is committed to further developing additional gas and renewable capacity. We aim to develop clean energy solutions and projects to meet the rising energy demand of the country.

One of the crucial projects that is already underway is the LNG Terminal. Through utilizing liquefied natural gas (LNG), for instance, First Gen is directly addressing the Malampaya resource depletion and ensuring fuel flexibility. This transition to LNG ensures the long-term use of natural gas—which, in turn, is crucial to support an increased dependence on renewable energy. Moreover, First Gen is developing several clean and renewable power projects to help propel this clean energy transition, all while maintaining our assets’ resilience and dependability.

The Clean Energy transition is central to First Gen’s purpose and its overall strategy. First Gen is committed to advancing national clean energy capacity by growing its renewable and natural gas portfolio. The Philippine Energy Transition will not happen overnight, but First Gen’s power portfolio remains suited to support it.

The global impact of climate change has increased awareness on the significant impact of ESG on business. In line with this, the Bangko Sentral ng Pilipinas (BSP) has provided guidelines on the implementation of the Environmental and Social Risk Management System, which is in turn aligned with the Network for Greening the Financial System (NGFS), which the BSP is a part of. These are all consistent with global efforts to improve Financial Reporting of ESG—especially given the efforts of the International Financial Reporting Standards Board (IFRS) to harmonize ESG standards globally.

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Across sectors, ESG has increasingly been in the forefront—particularly with regards to sustainability and health. In July 2022, for example, the United Nations (UN) General Assembly approved a landmark resolution recognizing the human right to a clean, healthy, and sustainable environment through a unanimous vote. As Covid concerns continued, the concern for health has also increasingly been highlighted—particularly as vaccination efforts continued in the country. Moreover, various movements have been made to support climate justice, as cases have been made to identify the negative impact of GHG emissions on human rights.

Implication to First Gen:

This development is definitely aligned with the Company’s goals, as First Gen’s mission of forging collaborative pathways for a decarbonized and regenerative future highlights our commitment to delivering value to our stakeholders. Environmental preservation is vital to the Company and strengthens the need to strive for the decarbonization of our operations. By continuously improving our capability to generate power from natural gas and expanding our reach into RE assets, we are catering to the growing base of customers that are ready to embrace sustainable consumer practices and are looking into clean energy alternatives.

Unlike coal and oil plants that emit harmful by-products, our clean and renewable power plants are built at the center of communities—giving us the opportunity to provide immediate and lasting impact to our stakeholders. The communities that surround our facilities benefit from partnerships that foster inclusive growth. We aim to do this through efforts such as initiating economic activities in project areas, improving the provision of basic utilities, and providing additional resources for schools and community development activities.
Moreover, government agencies have established priorities to respond to the risks of climate change:

- The DENR have established policies related to climate change and provide national guidance on environmental and natural resources.
- The DOE, as indicated earlier, has also endeavored to accelerate renewable energy expansion and create an environment to encourage additional clean energy investment.
- The Climate Change Commission (CCC) convened a “Climate Investment Forum” that tackled how climate change will affect the country’s ability to develop, also creating opportunities for public and private action—including financing the country’s NDC.

In 2021, the Philippines submitted its first nationally determined contributions (NDC) in accordance with the Paris Agreement. This NDC includes the commitment to reduce greenhouse gas emissions to about 75% from 2020 to 2030 across multiple sectors, including energy. Furthermore, the 27th Conference of the Parties (COP27) highlighted the importance of renewables and low-emissions energy. All this highlighted the need to transition to a clean energy future.

**Environmental and Planetary Context**

Climate change remains the largest environmental concern that the world is facing. In line with this, the UN Intergovernmental Panel on Climate Change (IPCC) released its last two chapters of the 6th Assessment Report, which outlined the severity of the challenge to adapt to and mitigate climate change.

In response, first nationally determined contributions (NDC) in accordance with the Paris Agreement. This NDC includes the commitment to reduce greenhouse gas emissions to about 75% from 2020 to 2030 across multiple sectors, including energy. Furthermore, the 27th Conference of the Parties (COP27) highlighted the importance of renewables and low-emissions energy. All this highlighted the need to transition to a clean energy future.

**Political and Regulatory Environment**

The aforementioned DOE’s PEP 2040 highlights the power industry transition from oil and coal to RE and gas power sources. The national goal is 35% of RE by 2030 and 40% by 2040. The DOE also released the Renewable Portfolio Standards (RPS) which mandates electricity suppliers to source a certain percentage of their energy supply from an RE resource. This percentage was increased 2.52% every year from November 2022, to reach the 50% RE energy mix target by 2040. While the Philippines concluded its election in May 2022, resulting in a change in administration, these policies—along with its coal moratorium—remain present, aiming to guide the Philippines towards a clean energy transition.

In addition, other national programs are being developed to support the growing RE industry:

- The Renewable Energy Trust Fund finances the research, development, demonstration, and promotion of RE systems;
- The development of energy storage and smart grid systems which optimize RE generation and dispatch;
- An ongoing national study on Competitive Renewable Energy Zones (CREZ) aims to identify potential areas for RE development. So far, it has identified 25 CREZ across the country which covers 152,097 of potential RE projects;
- The Green Energy Auction Program (GEAP) auctioned off 2,000MW in RE capacity to RE facilities without existing power supply agreements or power purchase agreements in 2022;
- Through the GEOP, First Gen obtained the largest share of end-users in the industry in 2022;
- The Retail Competition and Open Access (RCOA) which finalized the rules on Retail Aggregation, as follows:
  - End-users within a Contiguous Area can join together and be treated as a single Contestable Customer; and
  - The Minimum Aggregated Demand for Retail Access is set at 500kW.

In line with the developments in policy and regulations, First Gen is scaling up its capacity to bring value to customers and further developing its RE portfolio to deliver clean energy solutions needed by the country.
Technological Advancement

Technological advancement and decarbonization often come hand in hand. The aforementioned PIP 2040 encourages the use of cleaner technologies as part of the energy transition, such as hydrogen for power generation and fuel cells. There are also developments in carbon capture technology and research on its large-scale use to further decrease carbon emissions. In the long run, these will help further decarbonize our already low carbon portfolio.

The COVID-19 Pandemic Recovery and Hybrid Set-Up

As the globe recovered from the impact of COVID and restrictions eased, the country is starting its economic recovery path leading to increased business activity and mobility. In line with this, power demand growth was expected to “rebound” after the pandemic. However, this was tempered in 2022, largely due to global and macro-economic conditions. Despite this, First Gen’s plant operations continued to reliably generate power and even execute key maintenance and other activities.

In addition, employees continued to receive COVID-19 vaccines while nascent, have long-term potential to decarbonize power generation, and efforts to decarbonize our own operations, including energy efficiency initiatives, solar panel installations, and electrification to lower our fleet emissions.

While a number of these technological advancements are still foreseen over the long-term, First Gen continues to closely monitor these developments and find ways to integrate these into its strategy and its mission.

Implication to First Gen:

First Gen continues to monitor key technological advancements, including:

• Keeping abreast on the commercial viability and local market opportunities of technologies that can address the gaps in RE systems, i.e. battery and energy storage technologies.
• Efforts to increase efficiency and decrease carbon intensity, such as high-efficiency gas turbines.
• Close monitoring of the development of emerging technologies such as Hydrogen and Carbon Capture that, while nascent, have long-term potential to decarbonize power generation.

Our Material Topics, Standards, And References

First Gen consistently monitors its environmental, social, and governance metrics through various stakeholder engagements and materiality determination processes. These were carried out in 2020 by the University of Asia and the Pacific Center for Social Responsibility using the “Double Materiality” strategy. The Company reviews its material issues every three years. We are scheduled to conduct our materiality test next cycle.

Our approach consisted of two sub-elements:

• Financial materiality: Review of environmental, social, and governance (ESG) issues that may have an impact on the Company’s financial performance; and
• Impact materiality: Review of the Company’s effects on the economy, environment, people, and the sustainable development agenda.

In 2021, the Company’s ESG Technical Working Group and the Steering Committee analyzed and associated these material topics with the material aspects resulting from the rapid materiality assessment conducted by the parent company, First Philippine Holdings Corporation (FPH). The following methods were used to arrive at First Gen’s final list of significant ESG issues:

1. FPH and First Gen scanned all potential ESG issues from First Gen’s risk monitoring records, new laws, and regional and global ESG developments tracked from news reports, academic articles, and the energy industry.

2. The potential for creating favorable or unfavorable financial and sustainability impacts was then assessed for the universe of ESG issues using the following standards and references:
   • SASB, TCFD, ESG standards of rating agencies, and performance standards of our investors and lenders for our financial materiality review; and
   • The FPH environmental and social safeguards policies, GRI, the UN Guiding Principles on Business and Human Rights, and the UN Sustainable Development Goals for our impact materiality review.

3. The Steering Committee, which consists of representatives from various corporate departments, prioritized and approved the materiality list.

<table>
<thead>
<tr>
<th>Environmental</th>
<th>Material Topics</th>
<th>Key Indicators</th>
<th>Current Impact on Value Creation</th>
<th>Timeframe of Impact</th>
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<tbody>
<tr>
<td>1. Climate Change</td>
<td>• Description of the impact associated with the risk or opportunity and method of management</td>
<td>Both positive and negative</td>
<td>Short to Long Term</td>
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<td>2. Biodiversity/Nature’s Integrity</td>
<td>• Size of restored and protected areas</td>
<td>Positive</td>
<td>Medium to Long Term</td>
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<td>• List of environmental programs</td>
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<td>• Total number of BCN Red List species and national conservation list species with habitats in areas affected by operations</td>
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<td>• Number of kilometers of foot and drone patrols</td>
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<td>• Number of seedlings generated</td>
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<td>• List of IUCN Advocacies to promote Species Conservation</td>
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### Water Use and Management

- Total water withdrawal
- Total water discharged
- Total water consumption
- Compliance with regulatory requirements

**Current Impact on Value Creation:** May be positive or negative

**Timeframe of Impact:** Short to Medium Term

### Waste Management and Circularity

- Total waste generated
- Total waste diverted from disposal
- Total waste disposed and treated

**Current Impact on Value Creation:** Both positive and negative

**Timeframe of Impact:** Short to Medium Term

### Environmental Policy and Management Systems

- Number of incidents of non-compliance with environmental permits, standards, and regulations
- Number of operations implementing an environmental management system
- Number of operations certified to ISO 14001:2015
- Environmental policy

**Current Impact on Value Creation:** Positive

**Timeframe of Impact:** Short to Long Term

### Greenhouse Gas Emissions

- Gross direct greenhouse gas (GHG) emissions (Scope 1)
- Gross energy indirect GHG emissions (Scope 2)
- Gross other indirect (Scope 3) GHG emissions
- GHG emissions intensity ratio
- Amount of GHG emissions reductions

**Current Impact on Value Creation:** Negative

**Timeframe of Impact:** Short to Medium Term

### Pollution Reduction

- Programs that reduce, eliminate, or prevent pollution at its source
- Amount of nitrogen oxides (NOx), sulfur oxides (SOx), and particulate matter (PM), carbon monoxide (CO) and other significant air emissions
- NOx, SOx, CO and PM emission intensity

**Current Impact on Value Creation:** Both negative and positive

**Timeframe of Impact:** Short to Medium Term

### Conservation of the Natural World/Resource Efficiency

- Weight of materials used, whether renewable or nonrenewable

**Current Impact on Value Creation:** May be positive or negative

**Timeframe of Impact:** Short to Medium Term

### Climate Risk and Strategy

- Long- and short-term strategy or plan to manage Scope 1 emissions
- Strategies or plans to address air emissions-related risks, opportunities, and impacts

**Current Impact on Value Creation:** Positive

**Timeframe of Impact:** Short to Long Term

### Opportunities in Renewable Energy

- Renewable capacity as percentage of total capacity
- Total electricity generation by energy source
- Planned capacity

**Current Impact on Value Creation:** Positive

**Timeframe of Impact:** Medium to Long Term

### Energy Efficiency

- Energy consumption within the organization
- Reduction measures on energy consumption
- Generation efficiency

**Current Impact on Value Creation:** Positive

**Timeframe of Impact:** Short to Medium Term

---

### Social

#### Health and Safety (Employees and Communities)

- Number and rate of fatalities
- Lost time incidents
- Near miss frequency rate
- Recordable incident rate
- Occupational Safety and Health (OSH) audits conducted
- List of OSH training conducted for employees and contractors
- Amount invested for implementation of OSH Programs
- List of CESHM activities and outcomes

**Current Impact on Value Creation:** Both positive and negative

**Timeframe of Impact:** Short to Medium Term

#### Gender Equality and diversity

- Percentage of employees per category by gender and age group
- Total number of incidents of discrimination and corrective actions taken
- Percentage of women in leadership positions
- Employee male to female ratio by rank and age group

**Current Impact on Value Creation:** Both positive and negative

**Timeframe of Impact:** Short to Medium Term

#### Human rights due diligence

- Employee training and number of hours of training on human rights policies
- List of initiatives and outcomes
- Number of Collective Bargaining Agreement (CBA) negotiations closed

**Current Impact on Value Creation:** Positive

**Timeframe of Impact:** Short to Medium Term

#### Human Capital Development

- Total number and rate of new employee hires and turnover
- Total and average hours of training per employee
- Percentage of employees receiving regular performance reviews

**Current Impact on Value Creation:** Both positive and negative

**Timeframe of Impact:** Short to Medium Term

#### Community Relations

- Number of operations with local community engagement, impact assessments, and development programs
- Number of operations with significant actual and potential negative impacts on local communities
- Amount invested to community per category

**Current Impact on Value Creation:** Positive

**Timeframe of Impact:** Medium to Long Term

#### Supplier Programme

- Number of suppliers that were screened using environmental and social criteria
- Percentage of suppliers identified as having significant actual and potential adverse environmental and social impacts

**Current Impact on Value Creation:** Positive

**Timeframe of Impact:** Short to Medium Term

#### COVID-19 mitigation for Employees

- Number of vaccine doses administered to employees and household members

**Current Impact on Value Creation:** Positive

**Timeframe of Impact:** Short to Medium Term

#### COVID-19 mitigation for Partner Communities

- Number of LGUs and vaccines reallocated to the community
- Number of PPEs reallocated to the community
- Number of COVID-19 mitigation programs implemented

**Current Impact on Value Creation:** Positive

**Timeframe of Impact:** Short to Medium Term

#### Employee Satisfaction

- Employee satisfaction rating on values and working conditions
- Overall engagement index

**Current Impact on Value Creation:** Positive

**Timeframe of Impact:** Short to Medium Term
### III. OUR OPERATING CONTEXT

#### Material Topics Key Indicators | Current Impact on Value Creation | Timeframe of Impact
---|---|---
10. Anti-corruption/ Bribery | • Percentage of operations assessed for risks related to corruption  
• Percentage of the organization’s governance bodies and employees that have been informed on its policies and procedures  
• Total number and nature of confirmed incidents of corruption | Positive | Short to Medium Term
11. Social License to Operate | • Feedback from stakeholders | Positive | Short to Medium Term
12. Power Supply Availability | • Number of hours of planned and forced outage | Both positive and negative | Short to Medium Term
13. Stakeholder Engagement | • Frequency of engagement by type and by stakeholder group  
• List of stakeholder group  
• List of stakeholders’ concerns  
• List of engagement channels | Positive | Short to Medium Term
14. Investor Relations | • Programs on investor relations mentioned in First Gen’s website  
• Investor communication objectives and channels | Positive | Medium to Long Term
15. Cybersecurity | • Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations  
• Total number of complaints concerning customer privacy | Positive | Short to Medium Term
16. Access and Affordability | • Number of customer accounts  
• Customer satisfaction rating | Positive | Short to Medium Term

#### GOVERNANCE

| Material Topics | Key Indicators | Current Impact on Value Creation | Timeframe of Impact |
---|---|---|---|
1. Board and Governance Structure | • Percentage of individuals within the governance bodies by gender and age group  
• Expertise of governance body including ESG  
• Composition of the highest governance body and its committees  
• Board meeting attendance | Positive | Medium to Long Term
2. Governance Policies and Programs/ Corporate Behavior | • Established governance policies and mechanism  
• Whistleblower protection  
• Oversight for ethics issues | Positive | Short to Medium Term
3. Economic Performance | • Revenues per platform  
• Consolidated net income  
• Net income attributable to equity holders of the parent  
• Recurring net income attributable to equity holders of the parent | Positive | Short to Medium Term
4. Business Model Resilience | • Plans on preventing disruption of resources and processes | Positive | Short to Medium Term
5. Systemic Risk Management/ Critical Incident Risk Management | • Description of key impacts, risks, and opportunities  
• Mitigating actions on risks | May be positive or negative | Short to Long Term
6. Innovation and Digital Transformation | • Initiatives developed and implemented, business units that benefitted, and their corresponding outcomes | Positive | Short to Medium Term
Managing Material Risks and Opportunities

Our Risk Management Process

To accomplish the Company’s strategic goals, First Gen identifies and analyzes risks and opportunities in value creation and develops and implements action plans to address these risks. We involve important stakeholders from business divisions, project teams, and support groups to ensure that these risks are included in their risk registers. Along with the Enterprise Risk Management (ERM) group, these various groups conduct risk analyses based on the likelihood, impact, and determination of risk ownership, as risk owners are involved in creating mitigating measures. In addition, the Company monitors these risks through frequent updates, conversations with Senior Management, and presentations to the Board Risk Oversight Committee (BROC) to ensure the effectiveness of the risk management process and attendant mitigating measures.

We Manage Risks in Four Levels

ERM is treated as part of strategy execution.

1. Board Risk Oversight Committee Reviews
2. Strategic & Operational Risk Reviews
3. Operational Risk Reviews
4. Project Risk Reviews

Our Risk Management Process

- **Identify**
  - Output: Risk Register
  - Review and improve the process
  - Output: Risk Profile

- **Analyze**
  - Output: Risk Profile

- **Respond**
  - Output: Mitigating Measures

The ratings indicated correspond to the risks discussed in the next pages.
Our Risks Mitigating Measures

First Gen carries out a thorough risk management procedure which includes all active projects, operating facilities, and support units. Based on the ratings, this procedure identifies the important risks and develops the suitable mitigation solutions. Regular presentations on the top risks are presented to Senior Management and the BROC.

### External Risks & their Direct Effects on the Strategic Objectives & Key Targets

#### 1 - Market Risk
- The expiration of our key contracts in 2024, 2025, and 2027, is putting about 2,000 MW of our capacity at risk of being uncontracted.
- The Company has:
  - Discussed with customers about contracting these capacities; and
  - Explored strategies to contract some of these capacities in other market segments.

**Risk time horizon**: Short to Long term  
**Stakeholders directly affected**:  
**Capitals affected by the risk**:  
**Likelihood**: Possible  
**Impact**: Very Significant

#### 2 - Political and Regulatory Risks
- The invasion of Ukraine by Russia caused supply disruption and price shocks leading to an overall higher operational cost for the company.  
- The local regulatory landscape in the energy industry is challenging due to the delays or changes of various regulatory issuances and amendments, affecting the timeliness and the financial viability of our growth projects.
- The Company has:
  - Identified procurement options to minimize the impact of supply disruptions and high fuel prices;  
  - Engaged various regulators and local government officials in the energy sector;  
  - Participated in Technical Working Groups (TWG) with various regulations in the development;  
  - Closely coordinated with regulatory groups and institutions to aid the progress of key issues; and  
  - Collaborated with like-minded organizations, customer groups, and individuals to collectively push regulations that promote clean and renewable energy advocacy.

**Risk time horizon**: Short to Long term  
**Stakeholders directly affected**:  
**Capitals affected by the risk**:  
**Likelihood**: Likely  
**Impact**: Major Impact

#### 3 - Climate Risk and Exposure to Natural Catastrophes
- Climate change effects, such as drought, super typhoon, and flooding, increase the probability of operational disruption, customer service, and property damage for First Gen.
- The Company has:
  - Conducted various natural calamity studies (e.g., typhoon, flood, tsunami, earthquake, etc.) and explored additional data providers to ensure that climate risk related information is sufficient and updated;  
  - Continuously modified plant design and implemented various weather-proofing and resilience initiatives to safeguard against the effects of natural disasters;  
  - Regularly inspected earthquake risk mitigating measures, such as installing seismic monitors at strategic locations on-site;  
  - Continuously improved the emergency response and business continuity management plans and conducted drills; and  
  - Obtained and maintained natural catastrophe insurance covers for various sites.

**Risk time horizon**: Short to Long term  
**Stakeholders directly affected**:  
**Capitals affected by the risk**:  
**Likelihood**: Almost Certain  
**Impact**: Significant Impact

---

**Legends:**

- **Stakeholders**
  - Employee  
  - Customer  
  - Competitor  
  - Regulator  
  - Financial Institutions  
  - Suppliers  
  - Contractors  
  - Community  
  - Planet  
  - Investors

- **Capitals**
  - Financial Capital  
  - Human Capital  
  - Intellectual Capital  
  - Manufactured Capital  
  - Natural Capital  
  - Social and Relationship Capital
### External Risks & their Direct Effects on the Strategic Objectives & Key Targets

#### 4 - Fuel Supply Risk

The depletion of the Malampaya gas field and our steam supply challenges may affect our production and cash flow. Operations are highly dependent on:

- The consistent availability of the plants’ required fuels, particularly natural gas;
- The expertise of the natural gas field operator;
- The existence of a valid Gas Supply Purchase Agreement (GSPA) before the depletion of resources; and
- The availability of steam as a geothermal resource in commercial quantities.

The invasion of Ukraine by Russia in early 2022 also increased our exposure to the supply disruption and price shocks of key commodities, including oil and natural gas.

**Mitigating Measures**

<table>
<thead>
<tr>
<th>Natural Gas Plants</th>
<th>Geothermal Plants</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Company has:</td>
<td>The Company has:</td>
</tr>
<tr>
<td>- Maintained its proposed LNG project to develop an Interim Off-shore Terminal which can service the requirements of a Floating Storage and Regasification Unit (FSRU) in anticipation of the expiry of the service contract of the Malampaya Gas Field in the next three years. This is will be on-stream by the fourth quarter of 2022, and the Company has signed agreements with premier EPC and OE contractors, FSRU and Tugboat providers, and an O&amp;M adviser.</td>
<td>- Maximized modern technology to optimize steam extraction from the wells;</td>
</tr>
<tr>
<td>- Ensured the availability and adequacy of liquid fuel; and</td>
<td>- Identified procurement options to minimize the impact of supply disruptions and high fuel prices.</td>
</tr>
<tr>
<td>- Addressed steam decline through longer impact distribution of reinjection, scaling prevention initiatives, and targeted infill injection for pressure support; and</td>
<td>- Employed a more comprehensive well development planning, improved well design and predictive modeling tools, intensive monitoring of production lines, debottlenecking activities, and fortifying vulnerable wells and surface facilities.</td>
</tr>
<tr>
<td>- Instituted a systematic and targeted customer acquisition strategy while improving customer stickiness through data-driven analytics;</td>
<td></td>
</tr>
<tr>
<td>- Expanded the client coverage to ensure contracts are closed with various customer segments (electric cooperatives, distribution utilities, contestable customers, GEOP customers, and ancillary service markets) and minimize exposure to low WESM prices;</td>
<td>- Increased efforts to establish and strengthen the Group’s brand as a pioneer in clean and renewable energy; and</td>
</tr>
<tr>
<td>- Improved plant flexibility to cater to different contracts or energy demands;</td>
<td>- Increased competitive through portfolio optimization, attractive pricing, plant flexibility, premier client servicing, and constant participation in Competitive Selection Process activities to ensure client retention; and</td>
</tr>
<tr>
<td>- Launched communication campaigns, such as the First Gen Energy Solutions, to increase awareness and differentiate the brand and its services from its competitors;</td>
<td>- Continuously monitoring the technological advancements in the global energy industry while improving internal technical capability.</td>
</tr>
<tr>
<td></td>
<td>- Instituted a systematic and targeted customer acquisition strategy while improving customer stickiness through data-driven analytics;</td>
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<tr>
<td></td>
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</tr>
</tbody>
</table>

**Risk time horizon**: Short to Medium term

**Likelihood**: Likely

**Impact**: Significant Impact

#### 5 - Competition & Technology Risk

- Industry competitors are aggressively pursuing the same set of customers (new and expiring contracts for renewal), which may impact our revenue generation and cash flow.
- Technology advancements in traditional, and renewable energy, and increased interest from foreign players to enter the Philippine market also contributes to competition.

**Mitigating Measures**

<table>
<thead>
<tr>
<th>The Company has:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Instituted a systematic and targeted customer acquisition strategy while improving customer stickiness through data-driven analytics;</td>
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<td>- Expanded the client coverage to ensure contracts are closed with various customer segments (electric cooperatives, distribution utilities, contestable customers, GEOP customers, and ancillary service markets) and minimize exposure to low WESM prices;</td>
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</tr>
</tbody>
</table>

**Risk time horizon**: Short to Medium term

**Likelihood**: Likely

**Impact**: Significant Impact

#### 6 - Cybersecurity Risk

The modernization and interconnection of our assets and Information Technology (IT) infrastructure increased our operation efficiency, but also exposed us to cyber security risks.

**Mitigating Measures**

<table>
<thead>
<tr>
<th>The Company has:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Continuously conducted IT and Operational Technology (OT) vulnerability assessment studies and prioritized implementing recommended mitigation plans;</td>
</tr>
<tr>
<td>- A high-level committee that oversees information security activities for both IT and OT initiatives;</td>
</tr>
<tr>
<td>- Acquired IT Security Governance and IT Security Operations services;</td>
</tr>
<tr>
<td>- Launched information security technology risk, and data privacy programs to manage and reduce information security risks and ensure compliance with the Data Privacy Act; and</td>
</tr>
<tr>
<td>- Developed related frameworks and policies for cascading and implementation to the whole organization;</td>
</tr>
</tbody>
</table>

**Risk time horizon**: Short to Long term

**Likelihood**: Possible

**Impact**: Significant Impact
External Risks & their Direct Effects on the Strategic Objectives & Key Targets

<table>
<thead>
<tr>
<th>Risk</th>
<th>Description</th>
<th>Mitigating Measures</th>
<th>Risk time horizon*</th>
<th>Stakeholders directly affected</th>
<th>Capitals affected by the risk</th>
<th>Likelihood</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 - Financial Risks</td>
<td>The COVID-19 pandemic may affect our access to funding, disrupt our financing plans, and delay our growth projects. In 2022, the Ukraine invasion by Russia caused high inflation and interest rates. The Philippine currency also experienced its worst depreciation since 2008 against the US dollar, as the peso weakened by 9.3% in 2022.</td>
<td>• The Company has: - A predictable cash flow due to the majority of its capacity being contracted; - Continued and timely paid debt through the Company’s deleveraging program; - Explored and formed partnerships for new projects; - Interest Rate Risk - a mix of fixed and floating-rate loans; - Liquidity Risk - prepayment of loans; refinancing bulky maturities to smoothen or extend the repayment profile; and - Foreign Exchange (FX) Risk - the Finance and Treasury Group closely monitors FX rates to determine hedging opportunities; Senior Management is regularly informed/updated on FX risk exposure and mitigation plans.</td>
<td>Short to Long term</td>
<td></td>
<td></td>
<td>Possible</td>
<td>Significant Impact</td>
</tr>
<tr>
<td>8 - Pandemic Risk</td>
<td>The ongoing COVID-19 pandemic affects the Company’s operations, workforce, customers, market, and earnings. It may impact our revenue generation, cash flow, and delay our growth projects.</td>
<td>• Developed and continuously improved extensive health and safety strategies and modified work-from-home and shelter-in-place set-ups, rigorous health screening protocols, physical and mental wellness programs, and information campaigns; • Developed a return-to-work program (RTW) through hybrid work environments; • Developed and promoted vaccination and booster programs for all employees; • Actively supported local and national health programs through donations of testing equipment and accommodations for frontline workers and returning OFWs; and • Engaged industry players and business partners on pandemic preparedness and response through information sharing and supporting competency development programs.</td>
<td>Short to Medium term</td>
<td></td>
<td></td>
<td>Unlikely</td>
<td>Minor Impact</td>
</tr>
</tbody>
</table>

* Short term (1-5 years), Medium term (5-10 years), Long term (10 or more years) risk.
### III. OUR OPERATING CONTEXT

#### External & Internal Opportunity

<table>
<thead>
<tr>
<th>Opportunity Context</th>
<th>Working Strategy</th>
<th>Contributing Capitals</th>
<th>Impact to Stakeholders</th>
<th>Organizational Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>External:</strong> The Philippine Energy Plan (PEP 2040) highlights the country’s ambition to significantly increase Renewable Energy (RE) and Gas, while decreasing dependence on coal. Pursuing this ambition emphasizes the need for further development of RE options and natural gas plants. Aside from highlighting the opportunity to build new power plants, this recognizes the role of natural gas as a crucial complement to enabling renewable energy. As such, there is a larger directive towards a more complementary fuel mix led by gas and renewables. This ambition is supported by government programs that aim to increase the opportunities for developing RE and clean energy systems.</td>
<td>First Gen continues to operate among the biggest RE capacity in the Philippines and has the largest natural gas capacity – all while staying true to the zero coal stance it has taken since 2016. As such, the Company aims to be a leader in the clean energy transition – a viewpoint consistent with the country’s ambition to diversify and more resilient fuel mix. By leveraging our diverse and complementary portfolio, First Gen will take a portfolio approach in marketing and developing its assets. Our investment in the LNG Terminal, for instance, helps actualize this ambition by enabling us to expand our gas capacity and increase our ability to support RE investment.</td>
<td>Supports the construction of new assets and maintenance of current assets Funds the development and commercialization of clean energy assets</td>
<td>Supports potential developments in RE Lowers the dependence on coal and supports the transition to a decarbonized future Creates access to cleaner, reliable, and cost-competitive energy sources</td>
<td>This will create long-term benefits as it encourages financial support and public demand for our clean energy and natural gas projects.</td>
</tr>
<tr>
<td><strong>External:</strong> Increasing interest in decarbonized and regenerative business models</td>
<td>First Gen can leverage this interest by working with regenerative partners who will support the clean energy transition. This will help secure markets and pathways towards our shared regenerative future. In line with this, First Gen continues to monitor the development of key technologies that support our decarbonization journey, as well as those of our partners.</td>
<td>Executes the responsibilities of a retail salesforce Increases our reach to customers Investigates use cases and commercial opportunities of those technologies Funds the development and utilization of these technologies</td>
<td>Provides clean energy options for clean energy demand Increases the diversity of their investments and support investor clean energy advocacy</td>
<td>In the long-term, the Company will benefit through increased access to the burgeoning retail market. Emerging regenerative business can also contribute to decarbonizing our assets and business models.</td>
</tr>
<tr>
<td><strong>External:</strong> Development &amp; preparation for new/emerging electricity markets</td>
<td>First Gen is developing retail capabilities and holistic service capabilities to cater to the needs of the retail market.</td>
<td>Supports the expansion into the retail market, should be further scaled up to address additional markets and growth</td>
<td>Creates additional options for power investment off-take and more investment incentives in clean and renewable energy Develops emerging markets provide customers with additional options on power sources</td>
<td>RCOA and GEOP will create short to long term benefits because of increased markets for our RE Portfolio. RCOA will revolutionize the industry towards increased customer centrality and more democratized power markets.</td>
</tr>
<tr>
<td><strong>External:</strong> National need for additional clean energy supply to support growth</td>
<td>As economic activity grows, the Philippines will increasingly require new power capacity. This need must be filled by clean energy capacity, given the decreased interest in coal and regulations such as the coal moratorium. As such, the growing economic demand creates the need for new clean energy supply – a key opportunity for power plant developers. The aforementioned PEP 2040 highlights the need for growth, while adding that the additional capacity is expected to come primarily from renewable energy and natural gas. This need for additional clean and renewable energy capacity must be served – which creates an opportunity for power generators.</td>
<td>Supports the construction of new assets and maintenance of current assets Provides monetary resources for the development and commercialization of clean energy assets</td>
<td>Increases opportunity to earn returns from new power plant capacity Increases availability of clean energy sources Increases options to source power from clean energy supply Additional economic activity can be securely powered by clean energy</td>
<td>The need for more energy is only increasing. This increases the value of both our existing and potential growth power plant assets, by ensuring that there is enough demand for our continued growth in the industry. As such, this opportunity creates a significant pathway for growth especially for a clean and renewable energy company such as First Gen.</td>
</tr>
</tbody>
</table>

These opportunities will assist in further decarbonizing First Gen’s portfolio and streamlining processes, and potentially create new revenue streams consistent with our vision and goals, generate new projects, develop new markets for asset expansion, and ultimately support national energy security. First Gen continues to advance in our strategies and operations as we endeavor to preserve our current portfolio and develop new opportunities.
Climate Change and Implementation of TCFD

In 2020, First Gen collaborated with FPH to start the Task Force on Climate-related Financial Disclosures (TCFD) prescriptions for the systematic analysis of climate risks and opportunities. We are on track with the TCFD road map disclosed in the 2021 Integrated Report. Overall, we complied with the following TCFD recommendations:

- climate-centric sustainability policy and updated mission in 2018-2019;
- climate scenario analysis in 2020;
- assessment of climate risks and opportunities in 2021; and
- formulation of decarbonization plans in 2022.

By 2022, First Gen participated in the decarbonization workshop for each subsidiary and head office departments conducted by the FPH Corporate Sustainability Group (CSG). It aimed to achieve the following:

- to define the subsidiary’s climate strategy aligned with the FPH mission; and
- to develop a preliminary climate transition plan to meet the subsidiary’s net zero goal. (subject to continuing refinements).

The figure below describes the workshop content and process:

To ensure the accuracy of our climate change plans, we examined the numerous climate principles, the related definitions, and the nuances of the IPCC recommendations and the Philippine climate obligations in its Nationally Determined Contribution (NDC). Our growing understanding of these decarbonization requirements enable us to be more cautious with our commitments. We understand that our mitigation plans are challenged by the current lack of commercial scale and affordable GHG removal technologies. Hence, we decided to continuously improve our plans as new technology solutions became available, subject to other factors dependent on the conditions of the group. The planning and workshop processes spanned four months, inclusive of the internal consultations and plan reviews by the parent company. First Gen’s consolidated climate strategies and decarbonization road map are further discussed on page 70.
### Social Issues

In 2021, we identified social issues as emerging concerns across the world, further triggered by the pandemic and human rights issues. As such, we maintain our commitment to protect our stakeholders, and improve the inclusivity of our operations. In last year’s Integrated Report, we disclosed the results of the human rights impact assessment of our subsidiaries across their value chains. By 2022, we completed the remaining requirements of the human rights due diligence, namely: a) the formulation of management measures for the potential human rights issues that the subsidiaries identified in 2021; and b) the development of a Grievance Redress Mechanism.

In addition, we provided additional information for performance evaluation and monitoring. For each potential human risk, the following were identified: responsible group, baseline information, indicator, data verification, collector, and method of collection.

In 2022, we prioritized embedding human rights topics under our Wellness Programs by expanding the subjects of learning sessions to cover social topics, such as promoting gender inclusiveness in the workplace and safe working spaces (identifying and addressing workplace bullying).

Recognizing that our operations may potentially harm others, we completed the Grievance Redress Mechanism (GRM) in 2022. The GRM is tailored to First Gen’s operating companies and project needs. This mechanism enables various stakeholders (employees, customers, host communities, and other affected entities) to raise their concerns about our business and operations, and seek resolution when they perceive a negative impact arising from our business activities. Ultimately, a GRM aims to provide remedy that will restore the situation of individuals and groups that have been harmed. The GRM accounted for the entire process, which included a variety of methods for gathering concerns, conducting an inquiry, and monitoring grievances. In 2022, we went beyond the human rights mechanism to protect our stakeholders by working on other factors that would promote a regenerative community. The details of our regeneration road map is discussed in the Progress on our Mission section on page 68.

Below is the summary of First Gen’s potential Human Rights risks and management measures.

<table>
<thead>
<tr>
<th>Potential Human Rights Risk</th>
<th>Management Measures</th>
</tr>
</thead>
</table>
| Labor issues                | • Respect labor and union rights and consistent implementation of labor policies  
|                             | • Transparency in Department of Labor and Employment (DOLE) reportorial submissions and audits |
| Physical and social displacement | • Early consultation and relocation assistance for lost properties, livelihood and amenities  
| Environmental impacts on stakeholders | • Environmental impact assessment and mitigation, consultation with stakeholders, regular performance monitoring, and reporting |
| Priority hiring concerns    | • Installation of a local hiring process with due consideration of local regulations and hiring standards |
| Health and safety of workforce and communities | • Implementation of health and safety programs through OSH management systems  
|                             | • Workers participation in health and safety processes: risk assessment, hazards reporting, incident reporting and investigations  
|                             | • Health and safety mandatory training, toolbox meetings, and culture programs |
| Delivery of quality product and services | • Established business processes through our management systems  
|                             | • Compliance to applicable laws and regulations  
|                             | • Feedback mechanism and constant communication with customers to address their concerns  
|                             | • Implementation of secured and digitized solutions |
| Equitable benefit sharing   | • Stakeholder profiling, community consultations, and regular social acceptability surveys |
| Bribery and corruption      | • Vendors code for responsible sourcing and robust grievance redress mechanism |
| Cultural issues             | • Free and prior consent and continuous engagement of IP communities throughout the project life |
Our Value Creation Story

Strategic Positioning

First Gent’s strategic objectives guide our long-term strategies and draw from our mission of forging collaborative pathways towards a decarbonized and regenerative future.

We continuously refine the objectives through annual Strategy and Synergies Planning (SSP) activities, Risk Management, and other related strategic planning processes. These exercises transform our objectives into strategies for our day-to-day operations. The SSP process provides us with a holistic view of our external environment (i.e., market trends, opportunities, risk, and community impact) and internal context (i.e., organization needs, budget, and capabilities). These planning processes are also aligned with the company’s budgeting procedure to ensure consistency between resources and strategies. Moreover, our Risk Management Process provides an assessment of various threats that we must mitigate and adapt to. These processes involve key stakeholders, including senior management, and considers the inputs of various groups and departments who, in turn, interact with various other stakeholders outside the company. As such, we aim to create strategies that provide value to all stakeholders within the organization.

Through the SSP and similar planning processes, we create a roadmap to achieve a competitive market advantage and formulate climate-ready environmental solutions. This roadmap is consistent with our Decarbonization Journey, which is discussed in “Progress in Our Mission”.

Our Strategic Objectives and Long Term Vision

Our long-term vision is to become a decarbonized energy provider with a Net Zero portfolio by 2050. We aim to maximize the use of renewable energy sources while providing secure and resilient energy. Collectively, our objectives on decarbonization, growth, and stakeholder value embody our mission, purpose, and chosen path.
1. Grow by Expanding our Clean Energy Portfolio

The Philippine Energy Plan (PEP), which will be further discussed in our Outlook section, maps out a future defined by massive growth in power capacity, predominantly driven by natural gas and renewables. As the country continues to wean itself off coal, it will require significant capacity additions from renewables and natural gas to meet the country’s significant power requirements while supporting its energy transition through a less carbon intensive energy mix. As such, our Outlook illustrates a future that is characterized by massive growth in gas and renewable energy.

As such, First Gen aims to grow its clean energy portfolio to as much as 13 GW by 2030. As we pursue growth, we also aim to increase the proportion of renewables in our portfolio. In line with this, we aim for up to 9 GW out of our 13 GW ambition to be powered by renewables.

Our progress in several growth projects, including the Gas Expansion, Hydro and Geothermal Developments, and the LNG Regasification Terminal, are examples of efforts that help us progress towards this Growth objective. Our continued focus in developing projects in our clean and renewable portfolio showcase our progress in terms of Growth.

We will grow our investments in low carbon natural gas to complement the growing demand for clean and renewable energy. As we expand our use of renewable energy, natural gas will continue playing a crucial role in energy security. At the same time, we will closely monitor decarbonizing technologies that can help us progress towards our Net Zero ambition. We also aim to develop a larger portion of renewables in our portfolio to diversify our platform, including growth projects in various renewable platforms such as Hydro, Geothermal, Solar, and Wind.

By complementing renewable energy growth with expansion in natural gas, we aim to provide a stable and reliable supply of energy for customers while meeting the demands for cleaner and renewable energy sources.

2. Spur Decarbonization by Collaborating with Regenerative Partners

In line with our mission to forge collaborative pathways with our stakeholders, our decarbonization objective reflects our goal of empowering regenerative partners in the energy transition, consisting primarily of current and potential customers and partners. As the public increases its ability to choose clean energy, the opportunity to work with regenerative partners will also increase significantly. Currently, our efforts to expand our retail readiness and increase customer focus are examples of how we are making progress towards this goal. We continue making strides to cater to like-minded organizations who can be partners towards the clean energy transition.

Our long term vision is to increase the breadth and depth of our relationship with regenerative partners and customers. As the market landscape transitions towards a more retail environment, we continue to progress our emphasis on serving specific customer demands.

This drives our efforts to scale up our retail readiness and improve our ability to create value for our customers. With a more democratized future energy market, we aim to provide comprehensive energy solutions by developing and offering products beyond kWh. We aspire to progress the advancement and adoption of emerging clean energy technologies and businesses that create value for our partners. By making low carbon products available to our customer base, we hope to help reduce national carbon footprint and spur decarbonization.

3. Go Beyond Shareholder Value by Creating Stakeholder Value

This objective focuses on First Gen’s commitment to elevate all stakeholders, as embodied in our regenerative and decarbonized mission and the Pentad Diagram. The first two goals highlight the value we provide to our investors, environment, and our customers. Having the entire Pentad of stakeholders in mind, this goal covers our aim to continuously improve our services for our co-creators and communities.

We ensure that the value we bring to our business also creates value for all our stakeholders as detailed in our Environment, Social, and Governance (ESG) objectives and initiatives. To progress in this goal, we have executed various programs for our communities and stakeholders, providing value to the environment (i.e. Binhi and other environmental and reforestation programs), society (i.e. execution of CSR programs), and governance (i.e. integrating the company’s Mission into our Planning processes).

Consistent with our Regenerative Journey, First Gen continues to embark on initiatives towards regeneration including efforts towards improving the following key metrics:

- Environmental pillar: Decarbonization, Energy Efficiency, and supporting our nearby ecosystems
- Social pillar: measures on creating value for our communities and employees
- Governance pillar: Alignment with our decarbonized and regenerative Mission and Purpose

Our long term vision for a regenerative future includes elevating everything within our reach. We focus on environmental integrity and social equity by closely tracking our footprint in various areas, including waste discharge, water usage, community development, and employee wellness. We continuously monitor and adopt best practices to balance our impact among all stakeholders. In the long run, we hope to spur inclusive development and growth for our organization and stakeholders.
To summarize the preceding discussions, the following table details our strategic objectives and their corresponding timeline, target stakeholders, capitals, resource allocation, strategic initiatives, outcomes, and impacts:

<table>
<thead>
<tr>
<th>Strategic Objectives</th>
<th>Target Horizon</th>
<th>Target Stakeholders</th>
<th>Affected Capitals</th>
<th>Resource Allocation Plans</th>
<th>Initiatives</th>
<th>Target Outcomes</th>
<th>Impact on Strategic Goal</th>
</tr>
</thead>
</table>
| Grow by expanding our Clean Energy Portfolio | Short to Long term | • Investors - growing the portfolio will increase both the returns for investors and financing requirements  
• Co-creators - Coordinating requirements  
• Customers - meeting increased energy demands  
• Earth - growth will come largely from low carbon and renewable energy sources, improving national carbon intensity | • Financial Capital - funding requirement to develop new projects  
• Manufactured Capital - development of new plants and/or enhancing existing plants  
• Intellectual Capital - adapting new technologies for portfolio growth  
• Human Capital - enhance ability to lead growth enabling projects need to scale up multi project development ability  
• Natural Capital - increased requirement for plant inputs as capacity is added | Capital Fund Raising for Growth Projects  
Selection of suppliers and partners  
Allocation of human capital for growth projects | • Developing the organization and employee skills to support rapid growth and best practices from agile methodology (agile multi project development)  
• Continued effort to maintain assets and increase efficiency of existing plants (resilient asset management)  
• Selection of potential suppliers, partners, and locations for new project development | Grow our portfolio to 13 GW by 2030, 9 GW of which powered by RE  
• Short Term: Development of LNG Terminal by 2023 – to sustain current and potential gas projects [on track] as well as develop additional RE projects  
• Medium Term (2025-2030): Grow through higher efficiency gas turbines and expanding our current RE portfolio  
• Long Term (2030 Onwards): Grow through increased share of Renewable Energy Capacity | By closely monitoring the progress of our current and future projects, we will increase our portfolio’s clean energy capacity. |
| Spur Decarbonization by Collaborating with Regenerative Partners | Short to Long term | • Customer - increase customers with cleaner energy solutions; support our customers’ decarbonization efforts  
• Earth - reduce the nation’s energy carbon footprint by enabling the switch to renewable and cleaner energy options  
• Community - mitigate climate change impacts to the community; provide cleaner energy options  
• Investors - clean energy solutions will give investors resilient investments against climate change effects  
• Co-creators - source low carbon inputs across the entire supply chain | • Financial - fund investments to achieve decarbonization targets  
• Natural - increase inputs from renewable sources  
• Human capital - internalize the organization’s goal to decarbonize and align operations; scale up capability to provide decarbonized value to customers  
• Manufactured - increase development of cleaner assets and technologies; explore non kWh solutions  
• Intellectual - quickly adapt new technologies and best practices on decarbonization  
• Social and relationship capital - collaborate with customers, community, regulatory bodies, suppliers, and competitors to decarbonize the nation’s energy grid | Scale up human capital allocated to creating value for regenerative partners  
Investing in new technologies and systems to enhance values to customers and partners | • Explore and scale emerging business models for the clean energy transition and support decarbonization  
• Collaborate with current and prospective customers and partners to advance regenerative principles  
1. Initiatives that educate the public on the importance of the clean energy transition  
2. Development of key projects that reduce our carbon (i.e., BINHI)  
3. Create platforms for sharing information across industries, i.e. Net Zero Carbon Alliance (NZCA) | • Increase customers supplied with clean energy  
• Develop and market beyond kWh products & services  
• Sustain low carbon footprint for power assets  
• Sustained availability and reliability and increased efficiency of existing plants | Monitoring these milestones ensures that the organization will provide value to many customers and decarbonized partners.  
Through serving multiple partners, we will support the country’s transition to renewable energy by providing a reliable power portfolio of clean and renewable energy sources. |
| Go Beyond Shareholder Value by Creating Stakeholder Value | Short to Long term | • Customers - assure customers that their products are from decarbonized and regenerative sources  
• Investors - support investors’ sustainability & decarbonization objectives  
• Community - increase employment opportunities and improve community relations  
• Earth - support decarbonization and regenerative efforts for the environment  
• Co-Creators: Provide co-creators with opportunities to collaborate towards decarbonization; Collaborate with co-creators towards decarbonized business models | • Social and relationship capital - understand stakeholder needs to forge loyalty and synergy  
• Human capital - develop a more holistic approach towards the five stakeholders | Investment in key stakeholder activities (i.e. BINHI, Nature Based Solutions, etc.)  
Investment in education activities for key internal and external stakeholders | • Enhance our touchpoints and relationships with communities and stakeholders  
1. Development of community related activities to ensure development of partners  
2. Continuously monitor performance and environmental impact of our assets and operations | Progress and stakeholder value priority will be measured through ESG Pillars:  
Environment: Decarbonizing our assets/lowering carbon intensity; and supporting our nearby ecosystems  
Social: Creating a safe and capable environment for our employees, communities, and co-creators  
Governance: Progressing the organization towards our Mission and Purpose | Enhancing stakeholder value will increase credibility in collaborative pathways towards a decarbonized and regenerative future. |
First Gen is one of the country’s leaders in producing clean and renewable energy. Our diverse fuel mix, including natural gas, geothermal, solar, and wind, allows us to manage various risks and reduce our environmental impact. We also developed technical expertise by continuously improving our operations and enhancing our portfolio. We have also maintained steady profits and strong balance sheets. We leverage these unique organizational strengths to create an edge against competitors.

We further amplify these advantages by cultivating the organizational background that will achieve the strategic priorities. In recognition of the need to consistently develop crucial capabilities, we focus our strategy on the following capability system:

1. **Solutions-based engagement:** We seek to create more intimate relationships with our customers, as we provide them with various products and decarbonizing energy solutions. The products and services we develop will be grounded on a deep understanding of our partners’ needs, as we increase our touchpoints with them to gain privileged customer insights.

2. **Clean energy advocacy leadership:** We aim to create an environment that catalyzes decarbonization. We will do this by collaborating with partners to advance regenerative principles and increase support for the clean energy transition.

3. **Dynamic adaptation of regenerative businesses:** We will localize and scale emerging business models that support decarbonization. We leverage our ability to learn, experiment, and replicate successful net zero business models to make more products available to the market.

4. **Agile multi-project development:** We seek to deliver numerous projects simultaneously to deliver on our Growth objective. This capability is founded on cohesive work from planning to execution and a transparent and collaborative work environment. This will allow us to help ensure timely completion of work to supply a rapidly growing industry.

5. **Resilient asset management:** We will ensure that our portfolio thrives under a constantly changing business, regulatory, and climate landscape. We shall closely monitor and mitigate potential risks across technological, commercial, legal, environmental aspects and capitalize on opportunities that increase the value of our assets.

First Gen’s strategic objectives are essential for risk management and taking advantage of opportunities presented by the external environment, which is progressively moving toward cleaner energy sources in response to the threat of climate change. These embody our approach to navigating risks, capitalizing on opportunities, and evolving our business model towards the future. Further, these objectives and strategies are founded on our identity as a clean energy solutions provider and our mission of bringing decarbonized and regenerative future to life.

We are well-positioned to take advantage of opportunities for a future powered by sustainable energy because we were early adopters in this field. Our clean energy portfolio of natural gas and renewables puts us in a strong position to provide products and services to ensure energy security as we go through this momentous change and pave the way for more RE development.
IV. OUR VALUE CREATION STORY

First Gen Business Model

Power Generation

First Gen produces low-carbon and renewable power for our customers using five different sources:

Natural Gas Power

First Gen’s gas power plants use indigenous natural gas sourced from the Malampaya gas field in Northern Palawan to generate power. It is delivered via an underwater pipeline to the First Gen Clean Energy Complex in Batangas, where it is combusted to spin turbines that generate electricity.

Geothermal Power

The Company’s geothermal power plants generate energy using the earth’s natural heat. When water seeps three kilometers below the ground, it is heated in the hot reservoir, rises back up as steam to power the turbines, and produces electricity. After the heat extraction process, the condensed water is reinjected to its source to replenish the geothermal reservoir.

Hydroelectric Power

Hydroelectric power generation follows the hydrological cycle. Reservoirs store potential energy gathered during the rainy season. First Gen’s hydro plants harness this stored energy through their intake towers and convert it to kinetic energy through the force of flowing water. The plant’s turbines then spin and convert into mechanical energy which generates electricity. After this process, the water flows back to its source.

Wind Power

The turbines convert the wind into kinetic energy. Then, the moving blades spin the shaft connected to the generator to produce electricity.

Solar Power

Solar energy is produced when photovoltaic cells in solar panels absorb sunlight particles called photons. Photons energize the electrons in the silicon, which go through copper wirings in the solar panels. The solar panels then generate direct current (DC) power which passes through an inverter to convert electricity into usable alternating current (AC) power.

Detailed description of our power plants can be accessed in the First Gen website’s ‘Our business’ webpage.

Transmission

The National Grid Corporation of the Philippines manages the electricity flow from generation companies to distribution utilities through the state-owned power grid. NGCP also ensures the energy supply of the power grid always meets the energy demand and system frequency by managing the reserves.

First Gen supplies energy to the NGCP by entering into Ancillary Service Procurement Agreements (ASPs) which permit energy provision to the NGCP’s reserves. These reserves adjust the energy supply in the power grid and manage the system frequency to match the energy demand and maintain grid health.

Distribution

Distribution utilities manage the physical energy flow from NGCP to Contestable Customers (large end-users with at least 500kW monthly average electricity consumption at peak demand) and the Captive Market (customers with a monthly average electricity consumption below 500kW at peak demand).

First Gen enters into Power Supply Agreements to provide the energy requirements DUs deliver to their coverage area. First Gen also partners with DUs by entering into Distribution and Wheeling Services Agreements (DWSA) to serve First Gen’s contestable customers located in the DU’s coverage area.

Aligned with the value creation process of FPH, First Gen invests in its various forms of capital, develops conscious leaders, and cultivates capabilities for long-term value creation to support its power plant projects and operations. These initiatives sustain the transition toward a regenerative and decarbonized future.

By fostering collaboration and trust, we aim to influence our various stakeholders in our mission to create regeneration and decarbonization pathways through:

a) generation of low-carbon and renewable power;

b) transmission of power to the grid;

c) distribution of power to customers and businesses.

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a) generation of low-carbon and renewable power;

b) transmission of power to the grid;

c) distribution of power to customers and businesses.
Progress on our Mission

The First Gen is fully aligned with our parent company, FPH in the mission of forging collaborative pathways for a decarbonized and regenerative future. Our goal is to reduce carbon intensity and promote sustainability through the clean energy transition by facilitating a low-carbon energy landscape.

To achieve a decarbonized future, we are dedicated to operating a low carbon portfolio, which will contribute to decreasing the overall carbon footprint of the country. Moreover, our commitment to regeneration goes beyond the reduction of emissions. We aim to enhance all aspects of our surroundings, including communities, partners, and other stakeholders. We highlight this regenerative ambition through pursuing three main pillars—Environment, Social, and Governance.

First Gen invested in the development of its infrastructure, personnel, and operating models in alignment with FPH’s overall value creation process. Through meaningful collaboration, transparency, and inclusivity, these investments and activities aim to improve the organization’s ability to create long-term value for meaningful relationships with its diverse stakeholders and ground the transition towards a more regenerative and decarbonized future.

FPH Group Mission Pillars | Outputs of FPH Subsidiaries | Outputs of First Gen
--- | --- | ---
1. Governance Pillar | Adoption of the unified FPH mission. Subsidiaries were given the flexibility to modify the mission to fit their operations. | We adopted the mission ‘Forging collaborative pathways to a decarbonized and regenerative future’ and established our strategic objectives to produce and offer clean and sustainable energy solutions:
   a. Grow by expanding our clean energy portfolio
   b. Spur decarbonization by collaborating with regenerative partners
   c. Go beyond shareholder value by creating stakeholder value

   The Company’s mission and goals are embedded into the organization’s planning processes—help ensure that First Gen’s strategies are aligned with our Mission, Purpose, and Chosen Path.

2.0 Environmental Pillar | Energy audits guided by Republic Act 12285 (Energy and Conservation Act of the Philippines) | Energy audits were conducted on the four power plants in the First Gen Clean Energy Complex (FGCEC), three from EDC and two from FGHydro. All other plants are scheduled to undergo energy audits in 2023. Further, we continue the implementation of initiatives to reduce energy consumption.

   2.1. Energy efficiency | Waste management plan | We established waste management by implementing guidelines on proper handling, waste storage, and disposal according to regulatory requirements. As a result, almost 50% (941.35 tonnes) of our wastes were diverted from the landfill. As a result of the capacity building with FPH, we developed Waste Management Enhancement Plans. Furthermore, we partner with organizations such as ABS-CBN Lingkod Kapamilya Foundation, Bantay Kaalaman to recycle waste oil, lead, and plastic casing of batteries. Further, we minimize waste generation through proper and timely maintenance of our equipment, spill prevention measures, use of appropriately sized materials, paper recycling, and paperless transactions. We will revisit a more robust waste management plan.

   2.2. Waste management plan | | We maintained biodiversity programs such as the BINHI: A Greening Legacy—a broadscale reforestation and biodiversity initiative, and the Project Center of the Center (Project CoC) which involves marine conservation work of the Verde Island Passage with local communities.

3.0 Social Pillar | Human rights due diligence across the value chain (potential human rights impact assessment, measures, and Grievance Bedress Mechanism) | We developed the first Human Rights Management and Monitoring Plan across the First Gen value chain based on priority risks identified in the Human Rights Impact Assessment (HRIA), and identified systems for Grievance Bedress Mechanism that cater to FPH’s stakeholders.

   3.1. Human rights | Gender equality and diversity | We conducted a gender gap analysis with concerned groups to develop strategies.

   3.2. Gender equality and diversity | Corporate Social Responsibility (CSR) objectives and strategies were aligned with the new mission | We sustained various CSR and community relations projects on the: 1) environment, 2) education, 3) community health and safety, 4) livelihood, 5) sociocultural, and 6) disaster response and relief.

3.3. Values for communities | | We embedded ESG principles in our culture through HR policies and programs (e.g. Internal Recruitment Policy, gender inclusive recruitment strategy; the use of Gender Equality and Diversity (GED) language and perspectives in our internal communications).

4.0 Embedding Regenerative Mindset | Playbook for employee embedding | We emphasized the vendor’s code for responsible sourcing in the power segment.

   4.1. Employees | | We influenced our vendors through the inclusion of ESG criteria in our vendor accreditation process.

   4.2. Supply chain | Engaged of vendors on ESG in the non-power segment, specifically in First Balfour | We embedded ESG principles in our culture through HR policies and programs (e.g. Internal Recruitment Policy, gender inclusive recruitment strategy; the use of Gender Equality and Diversity (GED) language and perspectives in our internal communications).
Currently, decarbonization is predicated on key activities to ensure minimal emissions from our power plant operations. Key efforts in this phase include: (i) energy efficiency & reducing household consumption, (ii) electrifying operations (i.e. utilizing EV’s instead of Internal Combustion Engines (ICE) for transportation, and (iii) expanding emissions monitoring and management technologies.

1. **Efficiently Operate Low Carbon Portfolio (2023-2025)**
   - Energy efficiency & reducing Household consumption
   - Electricity operations - i.e., utilize EV’s for transport
   - Expand emissions monitoring and management technologies

2. **Decrease Portfolio Carbon Intensity (2026-2030)**
   - Grow gas portfolio with higher efficiency gas plants
   - Grow current renewable energy portfolio
   - Explore utilization of nature-based solutions

3. **Expand Share of our Renewable Portfolio (2030 onwards)**
   - Expand RE investments, solar, wind, battery storage

**Decarbonization Journey**

- **2023**
  - Efficiently Operate Low Carbon Portfolio
- **2025**
  - Decrease Portfolio Carbon Intensity
- **2030**
  - Expand Share of Renewable Portfolio

**Decarbonization Road Map**

First Gen’s Decarbonization Road Map towards 2030 has three main phases:

- **Efficiently Operate Low Carbon Portfolio (2023-2025)**
- **Decrease Portfolio Carbon Intensity (2026-2030)**
- **Expand Share of our Renewable Portfolio (2030 onwards)**

**Road Maps to Realize Our Mission**

**Decarbonization road map**

First Gen's Decarbonization Road Map towards 2030 has three main phases:

1. **Efficiently Operate Low Carbon Portfolio (2023-2025)**
   - Energy efficiency & reducing household consumption
   - Electricity operations - i.e., utilize EV’s for transport
   - Expand emissions monitoring and management technologies

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   - Grow gas portfolio with higher efficiency gas plants
   - Grow current renewable energy portfolio
   - Explore utilization of nature-based solutions

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**First Gen Decarbonization Journey**

- **2023**
  - Efficiently Operate Low Carbon Portfolio
- **2025**
  - Decrease Portfolio Carbon Intensity
- **2030**
  - Expand Share of Renewable Portfolio

**Decarbonized and Regenerative Future**

**Regenerate road map**

Our Regenerative Road Map focuses on our ability to elevate all three of our ESG pillars—environment, social, and governance—with the ultimate goal of uplifting all our stakeholders as guided by the period framework.

- **Environment Pillar**
  - We aim to further improve our metrics on waste, water, and biodiversity among others by minimizing the impact of our operations.

- **Social Pillar**
  - We aim to further our progress on human rights and corporate social responsibility to amplify our impact to all our stakeholders.

- **Governance Pillar**
  - We aim to ensure that our mission is fully engrained in all organizational levels.

**First Gen Regenerative Journey**

We are in the process of defining what regenerative means for our operations as guided by FPH ESG Pillars.

- **Environmental**
  - Decarbonizing our assets, improving our impact on water, energy consumption, waste management, and biodiversity

- **Social**
  - Creating a safe and capable environment for our employees, communities, and co-creators

- **Governance**
  - Progressing the organization towards our Mission and Purpose

**Regenerative System**

- **Decarbonized**
  - Meeting minimum standards
- **Green & Sustainable**
  - Doing less damage to carbon neutrality
- **Regenerative**
  - Co-evolving with stakeholders

**First Gen has implemented a zero-coal stance since 2016**

Delivering on our Strategy

Financial Capital Performance
First Gen’s financial capital is crucial for the Company’s operations and investments in the power sector. It plays a key role in enabling the Company to pursue its growth and expansion strategies by providing access to funding and capital markets, managing financial risks, and optimizing its capital structure.

Financial Capital Management
Financial capital consists of operational funds that are managed to achieve the best possible economic and social outcomes that can increase stakeholder value. We prioritize stakeholder interests and ensure the efficient use of resources.

We utilize financial models to determine the cash and income generated by our subsidiaries and the Company as a whole, and to evaluate potential returns on new projects against the Company’s hurdle rates. The company negotiates with lenders to secure debt with favorable terms tailored to our needs, while meeting leverage ratios and debt service coverage ratios to ensure our ability to meet debt obligations.

We are committed to maximizing shareholder value by optimizing the use of our financial capital. We pay dividends while also strategically allocating cash for debt payments and growth projects that can sustainably increase company value.

Investor Relations
At First Gen, maintaining investor trust and transparency is a top priority. The Investor Relations team is responsible for communicating the Company’s message, strategy, and objectives to all financial stakeholders, while also ensuring timely updates and providing a platform for concerns. Building trust and aligning ESG initiatives with stakeholders’ goals are also key objectives.

The team holds meetings with existing and potential shareholders regularly and responds to inquiries promptly. It also issues press releases, announcements, and public disclosures to keep stakeholders informed. Feedback from stakeholders is reported to Senior Management.

In 2022, 94% of First Gen’s total generated economic value was invested into the economy in the form of operating costs, employee wages and benefits, payments to providers of capital, payments to the Government, and investments in the community by implementing health, education, livelihood, environment, emergency response and relief, and socio-cultural programs.

First Gen increased its investments in natural capital, manufactured capital, human capital and social and relationship capital in 2022.

We directed investment efforts towards natural capital, which represents 76.1% of operational expenses and investments, to secure power supply in the grid. This was accomplished through land procurement and upkeep, obtaining permits, complying with environmental regulations, implementing corporate social responsibility (CSR) projects and initiatives, enhancing resource efficiency, and implementing water and waste management practices.

In addition, we invested 16.8% of operational costs and investments in manufactured capital. This was used for constructing the LNG Interim Offshore Terminal (IOT) Project to address the depletion of the Malampaya gas field, building the Palayan Bayan, Mindanao 3, and Tanawan geothermal plants, procuring and installing new equipment, operating and maintaining power plants, improving buildings towards resiliency, and enhancing shelter-in-place programs. EDC inaugurated the 3.6-MW Mindanao-3 binary plant on April 27, 2022, while the LNG IOT is set to be completed in 2023 to ensure grid security.

First Gen prioritizes its employees, allocating 5.8% of total operational costs and investments for their welfare. The company provides occupational health and safety training, medical and psychosocial programs, and invested in the procurement of COVID-19 vaccines in 2021. Additionally, the company invests in the growth of its employees by providing skills development, training programs, and subscriptions to learning platforms like Udemy.

First Gen also invests 0.9% of its total operational costs and investments in social and relationship capital to strengthen its relationships with local communities and other stakeholders. The company adheres to community and LGU regulations, conducts CSR activities, donates to social causes, networks with associations, sponsors events, and pays membership fees.

Lastly, the remaining 0.4% is invested in intellectual capital, which includes IT software and tools, branding and marketing, cybersecurity measures, research and studies, and securing ISO certifications.

In 2022, 76.1% of operational expenses and investments was directed to secure power supply in the grid. This was accomplished through land procurement and upkeep, obtaining permits, complying with environmental regulations, implementing corporate social responsibility (CSR) projects and initiatives, enhancing resource efficiency, and implementing water and waste management practices.
Geothermal

In 2022, the geothermal platform recorded a substantial increase in revenue amounting to PHP 42.7 billion, a growth of 24.9% from the previous year's PHP 34.2 billion. This growth can be attributed to higher total volume sales, which increased from 7,726 GWh in 2021 to 7,845 GWh in 2022, as well as higher average selling prices to both the WESM and for its power supply contracts. This was partly offset by a decrease in revenue contribution from Mt. Apo due to the expiration of its Power Purchase Agreement (PPA) with NPC in February 2022, resulting in the plant’s lower contracted capacity. Nevertheless, the higher availability of plants and an increase in average sales price led to a positive growth in both operating and net income.

Wind & Solar

Burgos Wind's net income declined by 68.3%, or PHP 1.2 billion from PHP 1.8 billion in 2021 to PHP 0.6 billion in 2022, due to a weaker wind regime, lower FIT rates in 2022, as well as a higher current income tax provision resulting from the expiry of its income tax holiday in November 2022. Meanwhile, Burgos Solar's net income decreased by 13.6%, or PHP 6.9 million from PHP 50.9 million in 2021 to PHP 44.0 million in 2022, due to lower generation sales and lower FIT rates in 2022.

Natural Gas

The natural gas platform reported a decrease in net income by 8.7% or USD 17.3 million from USD 199.3 million in 2021 to USD 182.0 million in 2022, despite an increase in operating income. This was due to Arion’s lower income contribution resulting from higher fuel cost driven by higher average fuel prices, as well as higher interest expenses from the Php 2.8 billion loan it availed in December 2021. However, San Gabriel’s net income increased due to better net dependable capacity and fewer forced outages in 2022.
First Gen uses clean and low-carbon sources to consistently deliver reliable power with minimum negative impact. The Company’s manufactured capital comprises 31 power projects with a combined installed capacity of 3,501.4 MW distributed across the Philippines. In 2022, First Gen generated a total of 22,352.4 GWh of electricity.

To know more how First Gen’s Financial Capital is contributing to the effort to forge collaborative pathways for a decarbonized and regenerative future, please see pages 62–63.

<table>
<thead>
<tr>
<th>Where We Progressed in 2022</th>
<th>Impact Materiality</th>
<th>Financial Materiality</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Increase in RNI</td>
<td>Financial capital increased as First Gen benefitted from servicing the energy supply issues in the market that led to higher electricity prices</td>
<td></td>
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<tr>
<td>• Increase in common dividends declared</td>
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</tbody>
</table>

No. of Power Projects

- **4** Natural Gas projects
- **13** Geothermal projects
- **1** Wind project
- **3** Hydro projects
- **10** Solar projects

Total Installed Capacity

- **2,017.0 MW** (57.6%) Natural Gas projects
- **1,188.0 MW** (33.9%) Geothermal projects
- **150.0 MW** (4.3%) Wind project
- **134.4 MW** (3.8%) Hydro projects
- **12.0** (0.3%) Solar projects
IV. OUR VALUE CREATION STORY

2022 INTEGRATED REPORT

All of our geothermal power plants in Leyte and Negros tripped as a result of Super Typhoon Odette's impact on the Visayas region in 2021. The storm significantly impacted the transmission lines, which NGCP operates and maintains, which impacted our ability to provide electricity to our consumers.

The Visayas Market suspension had an impact on the Leyte Facilities (Unified Leyte - Tongonan), although the Negros Facility only experienced little restriction. The greater steam availability in Leyte was caused by reduced well decline rates and unscheduled well outage rates.

Meanwhile, EDC met its contractual requirements through generation from its units in 2021 and 2022. These contracts' maintenance allowances were used during downtime. EDC fulfills contracts with fully utilized maintenance allowances or those without any maintenance allowances via purchases made on the WESM.

Geothermal Operational Highlights

Natural Gas

Our natural gas plants continued to provide reliable power to the grid in 2022, in spite of several challenges. Since there were no major maintenance outages scheduled for 2022, Santa Rita generated more energy than in 2021. While the electricity generated by San Lorenzo in 2022 also increased, major maintenance inspections during the first quarter tempered the surge. Due to improvements in the gas supply situation for FGCEC in the second half of 2022, San Gabriel also generated significantly more energy.

We are maintaining our Santa Rita and San Lorenzo power plant assets in reliable condition through collaborations with our Operations & Maintenance team for critical maintenance tasks. In spite of operating for about 20 years now, these plants still operate in top condition due to how we have been managing and operating these assets.

Malampaya's natural gas supply continued to be constrained as a result of the gas field's depletion. We experienced several gas restrictions in 2022, until supply to the First Gen Clean Energy Complex (FGCEC) improved towards the latter part of the year. In spite of this, the gas power plants continued to supply electricity to the customers and the grid, using liquid fuel to ensure consistent operations, contributing significantly to First Gen's revenue. In addition, our contracts helped preserve financial stability in spite of significant market and industry volatility.

Natural Gas

*2020 Actual Energy Generation for San Lorenzo and 2020-2021 generation efficiency for Santa Rita and San Lorenzo were corrected to reflect calendar year data
*2020 and 2021 unplanned outages were corrected due to revised scope including other outages

<table>
<thead>
<tr>
<th></th>
<th>Santa Rita</th>
<th>San Lorenzo</th>
<th>San Gabriel</th>
<th>Avion</th>
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<tr>
<td>Actual Energy Generation (GWh)</td>
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<td>Net Capacity Factor (%)</td>
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<tr>
<td>Availability (%)</td>
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<td>Generation Efficiency (%)</td>
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<table>
<thead>
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<th>Baclayon</th>
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<tr>
<td>Actual Energy Generation (GWh)</td>
<td>3,875.6</td>
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<td>Net Capacity Factor (%)</td>
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<td>Availability (%)</td>
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<td>Reliability (%)</td>
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<td>Unplanned Outage (in hours)</td>
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<td>15,406.9</td>
<td>12,411.6</td>
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<table>
<thead>
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<th></th>
<th>Palipinon</th>
<th>Nasulo</th>
<th>Mindanao</th>
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<tbody>
<tr>
<td>Actual Energy Generation (GWh)</td>
<td>1,377.2</td>
<td>1,054.3</td>
<td>1,110.2</td>
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<td>Net Capacity Factor (%)</td>
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<tr>
<td>Availability (%)</td>
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<td>97.6</td>
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<tr>
<td>Reliability (%)</td>
<td>94.4</td>
<td>90.0</td>
<td>99.6</td>
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<td>Planned Outage (in hours)</td>
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<tr>
<td>Unplanned Outage (in hours)</td>
<td>1,682.5</td>
<td>3,999.3</td>
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</table>
**Hydroelectric**

**First Gen Hydro Power Corporation (FGHPC)**

The low water elevation of the Pantabangan Hydroelectric Power Plant (PHEP) reservoir effectively impacted our operations. This was brought about by the high water releases of National Irrigation Authority (NIA) for irrigation purposes, but significantly lower water inflow to the reservoir. Once the water level elevation at the Pantabangan reservoir declines below 207 meters above sea level (masl), the dependable capacity of our Pantabangan Hydro Plant also starts to decline.

We briefly benefited from Pantabangan’s 120 MW capacity in January of 2022. By the end of December 2022, the Pantabangan reservoir’s water level rose to only 206.6 masl, which is equivalent to IO5MW of reliable capacity. At the beginning of 2022, this was one of the lowest water elevations observed. It is projected that this low height may impact the 2023 generation.

As a hydropower plant, our complex’s electricity production costs are generally lower or more economical as water is used as its fuel. Additionally, we benefit from zero-rated VAT sales as a renewable energy plant. Compared to non-RE plants, this instantly results in a 12% lower generation fee. W e already offer costs that are significantly more affordable than those of WESM and utility generation.

Although our initiatives and projects entailed costs (health protocols, sheltered in place work scheme, remote plant operations, etc.) to the organization, we believed that these significantly improved the bottomline of FGHPC as we attained zero-business disruption attributable to natural or man made causes.

Due to the geopolitical situation between Ukraine and Russia, coal prices worldwide significantly increased, which impacted electricity costs, particularly those from the spot market. This resulted in high electricity rates at the WESM. When the plant complex is producing electricity, this has a favorable impact on our revenue from electricity sales to the WESM. However, since a portion of our capacity is contracted out to power customers under Power Supply Agreements, the WESM is our customers’ default replacement power source when the units are on reserve shutdown. As a result, the high replacement power given to our power consumers countered the revenue received from the energy sales to the spot market.

After nearly two years of operating under a Provisional Authority to Operate, we finally obtained the COCs of PHEP and Masiway Hydroelectric Power Plant (MHEP) from the Energy Regulatory Commission (ERC) in 2022.

A power plant must obtain the COCs in order to get the crucial authorization to operate. The COCs were awarded following deliberations and site technical inspections by ERC, ensuring that our PHEP and MHEP duly comply with the 2016 Philippine Grid Code, WESM Rules, DENR, and other laws and regulations. This is a significant achievement considering that our units are already considered “legacy” plants or power plants built before these regulatory regimes were established.

With our focused asset management system and conformity with the requirements of ISO 55000:2014, as well as the implementation of energy efficiency and conservation management in compliance with RA 11285, we consistently ensure that we optimize our physical assets throughout their operational life.

Despite substantially higher rates in the WESM, we met our contracted PSAs for 2022 and upheld our agreed PSA price. Our contracted capacity as of September 26, 2022, was 43.0 MWs. However, we aim to cut our contracted capacity to about 20 MWs in 2023 due to the difficulties in sourcing replacement electricity. This can be accomplished by transferring and renewing expired PSAs through EDC or refusing to renew some short-term expiring PSAs.

**FG Bukidnon Power Corporation (FG Bukidnon)**

Being a run off river plant, the FG Bukidnon generation’s profits and availability of water input are both immediately impacted. The plant’s input was low in 2022, particularly in the first half, which led to a 55.7% drop in net generation from 2021.

The forced outages brought on by the plant’s generating unit 1 equipment failure affected the plant’s output in 2022. These mainly were caused by the thrust guide bearing overheating in May 2022 and the permanent magnet generator cover damage in July 2022. Local service providers carried out repairs right away.

**Pantabangan - Masinqui - Agusan Planeer Outage (in hours) Actual Energy Generation (GWh) Net Capacity Factor (%) Availability (%) Reliability (%) Planned Outage (in hours) Unplanned Outage (in hours) Pantabangan Masinqui Agusan 2022 2021 2020 2022 2021 2020 2022 2021 2020 2022 2021 2020 2022 2021 2020 2022 2021 2020 2022 2021 2020 259.3 264.4 255.2 41.4 44.7 39.6 10.2 12.1 9.7 24.8 25.2 24.2 39.5 42.5 37.6 72.7 86.1 68.9 92.5 85.6 83.6 95.4 92.6 94.6 991 100.0 99.9 99.9 100.0 99.9 100.0 95.6 95.7 99.8 1,295.4 2,423.2 1,654.5 393.9 848.1 2,169.5 276.9 445.7 58.8 2.3 94.7 169.4 2.1 14.2 277.2 375.8 21.9 18.4

FG Bukidnon fulfilled its obligations under PSA with its lone customer, CEPALCO, which takes all available generated energy from the plant.
Wind & Solar

While solar resources are able to produce between 6:00AM until 6:00PM and peaking during noon on a regular day, the Burgos plant generation is strongly dependent on the sufficient quantity of wind speed required to run wind plants. Prompt maintenance work was ensured to prevent unanticipated interruptions.

The weak La Niña events in 2022 caused the low winds in January, March, and May to August, with an ENSO index of -0.7 in Jan and -0.6 in March, -0.6-0.8 levels in May-August. Easterly Pacific trade winds also dropped significantly in January 2022, affecting wind power generation.

As of November 2022, the supply and installation of the UL-FM Approved Orient227 (FM200) Fire Suppression System in the Basement Cable Spreading Room was completed at 30%. Additionally, the cylinder tanks with complete accessories, clean agents, and discharge nozzles are projected to arrive by January 2023.

By April 2022, the accelerometer installation was also completed. Additionally, the stone masonry wall canal construction beside the substation perimeter fence to mitigate the risk of soil erosion was completed in November 2022.

<table>
<thead>
<tr>
<th>Burgos Wind</th>
<th>Burgos Solar</th>
<th>Solar Rooftop</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Energy Generation (GWh)</td>
<td>311.9</td>
<td>416.3</td>
</tr>
<tr>
<td>Net Capacity Factor (%)</td>
<td>23.7</td>
<td>31.7</td>
</tr>
<tr>
<td>Availability (%)</td>
<td>97.5*</td>
<td>96.8*</td>
</tr>
<tr>
<td>Reliability (%)</td>
<td>99.9</td>
<td>99.9</td>
</tr>
<tr>
<td>Planned Outage (in hours)</td>
<td>34.3</td>
<td>32.8</td>
</tr>
<tr>
<td>Unplanned Outage (in hours)</td>
<td>6.2</td>
<td>5</td>
</tr>
</tbody>
</table>

*Energy-based availability
**Performance ratio (PR). Ratio of measured output to expected output for a given period and based on the system nameplate rating.

COVID-19 Adjustments

Work from home arrangements persisted in 2022, and we maintained efforts to incorporate different COVID prevention and management measures. For corresponding Operations & Maintenance (O&M) teams, Shelter-In-Place (SIP) arrangements started in 2020 and continued throughout 2022. Despite pandemic restrictions, the power stations operated promptly due to the tight adherence to protocols and the elevated immunization and booster efforts for staff and contractors. We also continued to conduct important Corporate Social Responsibility (CSR) initiatives.

We continuously modify methods for testing, case management, disinfection, ventilation, and PPE requirements in light of the local pandemic scenario and modifications to the regulatory standards. To boost protection, we engaged in effective COVID immunization campaigns and Carbon Dioxide Level Assessment ventilation studies were conducted in our work sites. Moreover, we developed online booking and payment options for disinfection fees. Carbon dioxide sensors were procured to evaluate the ventilation in all meeting rooms as part of the ongoing endeavor to improve infection prevention procedures in the workplace. This initiative complies with DOLE 224-21, “Guidelines on Ventilation for the Workplaces and Public Transport to Prevent and Control the Spread of COVID-19,” which establishes a maximum threshold of 1000 parts per million (ppm) of carbon dioxide as the limit for a room to be deemed safe and adequately ventilated.

We initiated the RBC Online Office Entry (desk, meeting room, and parking reservations) through the Jumpree App available on the EDC portal for laptops and computers, it currently only works with iOS 12 or Android 11 smartphones.

We completed significant maintenance tasks for both units of the San Lorenzo Power Plant despite continuing COVID restrictions. These ensure that the San Lorenzo Units stay dependable, operate reliably, and prevent unexpected component failure during routine operations. Additionally, we continuously work closely with our O&M Contractor to schedule the correction of equipment or system problems connected to performance with the Grid Operator.

We also conceptualized and implemented a project to operate our hydroelectric plants in 2022 remotely. It was determined that our plants must run whether or not the required personnel physically report to the plant sites to assure company continuity and resilience. In order to install WESM in Mindanao before its commercial operation begins in January 2023, FG Bukidnon began purchasing real-time monitoring equipment in 2022. The equipment installation is planned for the first quarter of 2023.
The US economy experienced severe inflation in 2022, and the Federal Reserve immediately raised interest rates to counter it, which caused the peso to depreciate against the US dollar. We successfully managed both the foreign exchange risk and the interest rate risk in 2022 because of EDC’s responsible financial risk management procedures, even with additional loan facilities of PHP23.9 billion signed in 2022. Additionally, we managed to control the interest rates on our new loans by asking our relationship banks for a floating-rate term loan structure.

In November 2022, the stone masonry construction along the access road going to Wind Farm East drive was completed. Through this construction, we mitigated soil erosion and saved PHP1.5 million in costs and 588 hours in manpower.

Although the building of the stone masonry wall is not covered under the Civil Works Contract, we collaborated with the W&S Civil Works Contractor (FWC) to arrange for them to supply labor for the stone masonry wall construction as part of their 2022 activity. EBWPC supplied and delivered all of the materials required for the construction. Gas supply remained inadequate during the first half of 2022. As a result, many deliveries of condensate fuel and diesel were made to ensure the continuous operation of Santa Rita, San Lorenzo, and Arison. The second half of 2022 saw an improvement in FGPEC’s gas supply. As a result, the FGPEC power plants ran more consistently in the second part of the year.

Due to the increased frequency of gas constraints and its incapability to run on liquid fuel, San Gabriel operated at a reduced capacity in 2021. However, due to the use of banked gas from the Philippine National Oil Company (PNOC), San Gabriel’s capacity factor increased in 2022, which decreased outages. San Gabriel also profited from an increased gas supply in the second half of 2022.

Future-Proofing Measures

The US economy experienced severe inflation in 2022, and the Federal Reserve immediately raised interest rates to counter it, which caused the peso to depreciate against the US dollar. We successfully managed both the foreign exchange risk and the interest rate risk in 2022 because of EDC’s responsible financial risk management procedures, even with additional loan facilities of PHP23.9 billion signed in 2022. Additionally, we managed to control the interest rates on our new loans by asking our relationship banks for a floating-rate term loan structure.

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Resiliency Plans

In 2018, FGPC, FGP, FNPC, and PMPC presented the Resiliency Compliance Plan to the DOE. The plan included emergency response measures in the areas of system, stockpile, response and recovery, and strengthening infrastructure. Under systems, an emergency response team, plan, drills, and maintenance of fire and protection systems and firefighting tools were covered. Programs that checked inventory were outlined under stockpiling, and action plans before, during, and after emergencies were provided for response and recovery.

The latest emergency response programs and measures were reported to enhance infrastructure, and the power plants continue to carry out all the reported projects and programs. In addition, the Company implemented various emergency response management initiatives at its headquarters, geothermal plants, and other locations. These initiatives involved emergency response drills and training, stocking up supplies in case of disasters, and revising relevant protocols.

The company also invested in research to improve risk analyses and pinpoint the best possible risk reduction strategies. They created the Head Office Business Recovery Plan for Energy Development Corporation to cover the Big One scenario, in line with the National Energy Contingency Plan. Desktop simulation exercises were conducted to improve the facility crisis management teams’ readiness and capabilities under given scenarios, and various emergency response management initiatives were implemented.

As part of the company’s Burgos W&S Natural Catastrophe Resiliency Projects, we completed the Burgos Earthquake recording instrument installation and the stone masonry wall canal construction beside the substation perimeter fence as a permanent mitigation strategy against soil erosion. The company also continued with engineering controls like building retrofitting projects and Leyte cooling tower replacements, examining the structural problems of buildings constructed in the 1990s.

Moreover, the measures detailed in the Resiliency Compliance Plan are part of the ongoing operations at the various sites under the company’s Business Continuity Management Program. The company’s resiliency strategy highlights best practices implemented throughout the pandemic, such as Shelter in Place, Social Distancing Tags, and the Hybrid Schedule that successfully prevented the local spread of COVID-19 in the workplace.
Project Updates

Natural Gas

Interim Offshore LNG Receiving Terminal Project

Our LNG IOT is progressing substantially according to schedule. Offshore, the structural components for the jetty have been constructed, and all the major equipment has been installed on the Loading Platform and the Utility Platform. All the quick-release hooks and fenders have been erected, along with the equipment for the berthing and mooring dolphins. Onshore, the Facility Control Room (FCR) and the Jetty Monitoring Building (JMB) are structurally complete and ready for outfitting with equipment.

The hydro test and gauge piping of the 24-inch onshore HP Gas pipeline have also been completed. Gas metering skids have been installed at the Gas Metering Area, the Santa Rita, San Lorenzo, San Gabriel, and Arion.

Meanwhile, cable pulling is progressing throughout the site, both onshore and on the jetty. The next stage of the project is mechanical completion, followed by commissioning. The tugboats supplied by Svitzer, which will be used to manage the offshore operations, will be delivered to the Angel Group.

Santa Maria Power Plant

In 2022, First Gen Ecopower Solutions, Inc. started the selection process related to the development of the Santa Maria Combined Cycle Gas Turbine (CCGT) Project.

Geothermal

Innovations & Sustaining Programs

In 2022, we installed an EV fast charging station in the First Gen Clean Energy Complex. This charging station sources energy from the solar panels installed in the San Gabriel warehouse and provides the power requirements of the EV used by the employees on our site for official business trips. Compared to driving a diesel or gas-powered vehicle, the Company avoided about 1 ton of carbon emissions each year by utilizing the EV.

First Gen Clean Energy Complex (FGCEC) continues to implement the Methane Fugitive Emission Management Program which was launched in July 2020. The program seeks to identify gas leaks early using an optical gas imaging camera, leading to the correction of gas leaks and a decrease in fugitive methane emissions from gas leakage.

According to this program, the flow rate of recorded CH4 gas leaks in 2022 was considerably less than the 6 cu. ft/hr standard based on the US Methane Standards of 2006. The overall amount of fugitive methane emissions at the FGCEC was 102 tons CEGeq, which was 98.09% less than the baseline for 2019. The complex’s first natural gas leak survey, which will be done twice a year, was completed in December 2022.

FGCEC installed solar PV panels on its properties to significantly reduce the GHG emissions caused by houseload power demand. The solar PV panels fall under the category of “change in fuel or power technology” and have been installed at the FGCEC Admin Building and the San Gabriel Warehouse.

The solar PV panels installed at the FGCEC Admin Building were installed in 2017 and generate electricity for the building. In 2022, they generated 48.3 MWh of electricity with an equivalent GHG reduction of 17.4 tons. This has had a positive impact on the environment, and the company is proud of its efforts to reduce its carbon footprint.

Similarly, the solar PV panels installed at the San Gabriel Warehouse were installed in 2012 and supply the electricity requirement of the warehouse. These panels generated 280.3 MWh of electricity in 2022 with an equivalent GHG reduction of 100.9 tons.

For FCRS, the brine piping supply to the binary plant and Fluid Collection & Reinjection System (FCRS) Construction were completed, while the Connection Asset (CA) Construction and Balance of Plant (BOP) Construction were completed at 99.5% and 98.5% respectively. In addition, the fencing for the control building was installed for the CA. Overall, the project logged 4.9 million safe working hours without a lost time incident as of December 2022.

Mindanao 3 Binary Project (3.6MW)

The Mindanao 3 (M3) Binary Power Plant Project started in March 2021. Completion of Testing & Commissioning was achieved on March 25, 2022 with the successful accomplishment of the Grid Compliance Tests as witnessed by the NGCP. Inauguration ceremony of the new M3 Power Plant was held on April 27, 2022 with representatives from DOE as guest of honor and speaker.

20-MW Tanawan Geothermal Power Plant

The Operations Committee has approved the awarding of OEM and BOP contracts to contractors last September 2022. The project team started the first round of tree cutting operations last December 2022.

Palayan Binary Project (28.9MW)

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28-MW Mahanagdong Geothermal Brine Optimization Plant

The Board of Directors gave its project approval and authorized the awarding of OEM and BOP contracts to contractors last November 2022. The OEM Contract’s Limited Notice to Proceed (LNP) was signed in December 2022.

Innovations & Sustaining Programs

To reduce carbon emissions from geothermal operations, EDC developed a program for innovations. A multidisciplinary team at EDC conducts feasibility studies on technologies like carbon capture and storage and carbon recycling.

Additionally, EDC launched its first Geo 24/7-powered vehicle. EDC is piloting the use of EVs fueled by steam energy from the charging station it built at its Tongoan Geothermal Power Plant in Kananga, Leyte.

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20-MW Tanawan Geothermal Power Plant

The Operations Committee has approved the awarding of OEM and BOP contracts to Toshiba and First Balfour, Inc. (FBI), respectively, last July 2022. While CA and FCRS contracts were awarded to FBI last September 2022. The project team started the first round of tree cutting operations last December 2022.

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Project Updates

Hydroelectric

First Gen Hydro Power Corporation (FGHPC)

We formalized our Key Result Area (KRA) for energy efficiency and conservation initiatives for 2022 in compliance with RA 11285 and its implementing rules and regulations according to the DOE DC 2019-11-0014. Our initial target is to reduce our energy consumption by four percent from our baseline data (PHEP, MHEP, and Housing Compound) or about 52,381.3 kWhs. We exceeded our target with an actual reduction of energy consumption of 73,194.46 kWhs.

FG Bukidnon Power Corporation (FG Bukidnon)

In 2022, the plant completed the installation of water meters in each building in its Administration facility for the plant’s Water Management Program. The program aims to ensure that water usage is within the average based on industry practice and to ensure the availability of water for daily and future use. The water usage initially measured in 2022 will be used as a baseline starting in 2023, which should be at +/- 3%.

Other Project Developments

The 100-MW to 120-MW Aya Pumped-Storage Hydro Power Project is targeted for implementation by the third quarter of 2023. The detailed engineering designs of the civil, hydromechanical, and electromechanical elements are in progress, while most of the permits and endorsements have already been secured.

Wind & Solar

First Gen aims to maximize the solar and wind opportunities through EDC. Before 2030, EDC aims to begin the construction of 1GW of existing on-shore wind concessions, after the completion of planned grid developments. Additionally, the 3GW of off-shore wind concessions in the Guimaras-Bohol-Negros Occidental area is targeted to be done by 2030. Moreover, EDC is analyzing the potential for a 100-MW solar farm in the Leyte geothermal sites and 30-MW wind farm in the Burgos wind sites.

In 2022, the plant completed the installation of water meters in each building in its Administration facility for the plant’s Water Management Program. The program aims to ensure that water usage is within the average based on industry practice and to ensure the availability of water for daily and future use. The water usage initially measured in 2022 will be used as a baseline starting in 2023, which should be at +/- 3%.

FG Bukidnon has been conducting its plant assessment internally since the fourth quarter of 2021. These include a condition-based assessment and hydrology. It aims to verify the plant’s maximum potential capacity to determine the necessary steps in upgrading or uprating the plant considering its current status (66 years this year). This is also in preparation for the end of contact with PSAIM and CEPALCO in 2025. The internal assessment is scheduled to be completed in 2023.

In 2022, we continued with the predevelopment activities of our run-of-river projects: 32 MW Bubusanawan, 33 MW Tapokan, 30 MW Payoc, and the 49 MW San Isidro project. These hydro projects in Mindanao are expected to benefit from renewable energy markets such as Feed in Tariff and the Green Energy Auction Program.
Streamlining Strategies

**Natural Gas**

As a Company, we are committed to constantly improving our operations and advocating for clean energy. We strive for solutions-based engagement and have been exploring methods to improve our gas and power plants' flexibility and efficiency, as well as lower their carbon footprint. We are constantly monitoring developments in potential decarbonizing technologies for our gas plants, such as Energy Efficiency Solutions, Nature Based Solutions, Carbon Capture technology, and the use of hydrogen. We recognize that it may take time for some of these to develop into viable solutions, but continue to keep abreast of potential strategies to lower our operating carbon footprint. We are also dedicated to agile multi-project development, as seen through our ongoing work on the Santa Maria Combined Cycle Gas Turbine Project.

In addition to our commitment to growth and decarbonization, we prioritize resilient asset management through our gas portfolio operations. We have submitted Resiliency Compliance Plans for several power stations, which include emergency response plans and trainings, fire protection systems and firefighting equipment, and infrastructure projects to ensure the continuous operation of the power stations. We regularly evaluate and monitor these procedures to maintain their effectiveness.

Furthermore, we uphold stakeholder value by supporting our host communities. In 2022, we provided building supplies and resources for blended and modular learning to several host community schools in Batangas. We also maintained our support systems for our scholars and collaborated with our host towns in strengthening emergency resilience by providing them with emergency response vehicles.

**Geothermal**

EDC established the NZCA in September 2021 to encourage and support Philippine businesses in achieving carbon neutrality by 2050. By sharing best practices and providing capacity-building tools, NZCA gives its partners a framework to accomplish its aim. In 2022, six new partners joined the NZCA partner pool.

We also focused on setting up the foundations to scale up Agile practices in multi-project development in 2022. This involved several initiatives, such as creating the Council of Agile Champions and the Agile Knowledge Base, conducting coaching and mentoring sessions, and providing Agile trainings.

EDC continues to help slash-and-burn farmers transition to sustainable farming models that are profitable and environmentally friendly. Baslay Highland Agriculture Cooperative (BASHACO) in Dauin, Negros Oriental comprises 88 farmers who produce coffee using agroforestry, Tongonian Farmers Association (TOFAR) of Leyte and Sondawa Coffee Farmers Association (SOCOFA) of Mt. Apo also reverted to environmentally protective techniques in tilling the land and launched their own coffee and cacao processing facilities with the help of EDC.

In addition to its CSR programs, EDC is also progressing in the Ayta project construction, which will transform the Company’s overall capacity. We also aim to achieve decarbonization or regenerative capacity. Through our dynamic adaptation efforts, EDC continues to help solutions-based engagement and support other local needs, various capability building activities were conducted in collaboration with host barangays, the municipal office personnel, the Bureau of Fire Protection, and schools. Meanwhile, the environment regulatory compliance focused on the Forest Protection, and schools. Meanwhile, our environmental regulatory compliance is further demonstrated through our funding of biodiversity initiatives, such as BINHI initiatives.

**Hydroelectric**

FGHPC is dedicated to providing clean and cost-effective energy solutions to its customers, while also ensuring compliance with regulatory requirements. As part of the Renewable Portfolio Standards (RPS), we are required to supply a predetermined percentage of our energy demands from RE sources. We not only meet this requirement, but also help our contracted customers comply with it.

We also offer competitive energy prices and sell Renewable Energy Certificates (RECs) to help non-RE energy customers comply with the RPS rules. Our commitment to clean energy is further demonstrated through our funding of biodiversity initiatives, such as BINHI initiatives.

Through our dynamic adaptation of regenerative businesses, we aim to have a net zero carbon footprint and maximize the utilization of our assets while adhering to international standards. We are concurrently implementing numerous hydro projects that are at various stages of development and implementation.

Our goal is to achieve First Gen’s growth objectives through our financial and operational targets, while also progressing in the Ayta project construction, which will transform our economic model and increase our overall capacity. We also aim to achieve decarbonization or regenerative capacity. Through our dynamic adaptation efforts, EDC continues to help solutions-based engagement and support other local needs, various capability building activities were conducted in collaboration with host barangays, the municipal office personnel, the Bureau of Fire Protection, and schools. Meanwhile, our environmental regulatory compliance is further demonstrated through our funding of biodiversity initiatives, such as BINHI initiatives.

**Wind & Solar**

In addition to achieving its growth objectives through EDC’s wind and solar opportunities, First Gen maintains its goal of upholding stakeholder value through CSR efforts that maximize the company’s overall impact on the community and stakeholders. To support education, we maintain the SIKAT Scholarship Program, Brigada Eskwela, and the distribution of school supplies and necessary financial aid. Moreover, the BHWPC conducted tree planting activities for our environmental advocacy with the 17 BINHI partner schools and local stakeholders. To support other local needs, various capability building activities were conducted in collaboration with host barangays, the municipal office personnel, the Bureau of Fire Protection, and schools. Meanwhile, our environmental regulatory compliance focused on the Forest Land Use Agreement, Reinstatement Maintenance and Tree Cutting Permit Compliance and National Greening Program Adoption.

First Gen pursues operational excellence by ensuring that our targets are streamlined according to the Company goals, capabilities, and ways to play.
In 2022, organizations faced diverse challenges globally, including economic uncertainty and new responses to COVID-19. These circumstances caused changes in the preferences of leaders and talent, creating new potential risks to engagement, culture, and productivity. In the face of these challenges, First Gen prioritized its employees by implementing innovative measures to enhance its employer value. We emphasized organizational capability and effectiveness through talent, work environment, and change management. We are dedicated to providing our employees with a productive work environment that allows them to be at their best and achieve a healthy work-life balance in the face of ongoing changes in the new normal.

### Human Capital Performance

We launched various projects to promote decarbonization in its operations. Development of projects, plans, and activities for the next few years are progressing significantly. Met contractual requirements through reliable power generation.

### Composition of Workforce

#### Share of Employees by Gender

- **Male**: 69% (1,494)
- **Female**: 31% (657)

#### Share of Employees by Employment Contract

- **Permanent**: 1,362
- **Temporary**: 628
- **Male**: 1,322
- **Female**: 626
- **Male**: 132
- **Female**: 28

To know more how First Gen’s Manufactured Capital is contributing to the effort to forge collaborative pathways for a decarbonized and regenerative future, please see pages 62–63.
IV. OUR VALUE CREATION STORY

With the changing industry landscape and the company’s growth aspirations, First Gen focused on hiring talents to contribute to our goals, purpose, and chosen path. We hired 175 new employees in 2022, or 8% of the entire workforce, bringing our overall headcount to 2,151. 82% of recruits are millennials or Gen Z. This is 8% more than our 2021 figures at 74%. 63% of new hires were male, and 37% were female, the same proportion as in 2021.

In 2022, First Gen observed a higher number of workers leaving, which coincided with the current trend of shifting employee preferences and resulting in organizational phenomena like “The Great Resignation” and “Quiet Quitting.” The Company recorded a churn rate of 10 percent for the year, which approximates the pre-pandemic rates. Sixty percent (60%) of separations were voluntary, while 40% were involuntary, mostly cases of end of term contracts and retirements. The top three reasons cited for voluntary exits were career opportunities outside of the Company, personal reasons, and pursuing further studies. 62% of leavers belonged to the age group of 18-40 years old, and 25% were female.

To partially address the challenges of recruitment and providing career opportunities, HR formalized the Internal Recruitment Policy and the Employee Development Policy to encourage employees to proactively explore internal opportunities for growth and learning.
Embedding DEI in people practices

As a result of our active participation in GED programs, we have taken concrete steps to foster a more inclusive work environment, as demonstrated in the following initiatives in 2022:

- Diversity, Equity, and Inclusion (DEI): sensitive information collected from both employees and applicants are now optional. Survey forms that collect our workers' gender information now include an option to abstain from disclosure, and job candidates are no longer asked for their gender and age in their application forms.
- The Special Leave for Women and Leaves for Victims of the Violence Against Women and Children (VAWC) Policies were formalized. Although these were already enforced and practiced in the organization since the enactment of the laws, the policies were instituted to further communicate our commitment to our female employees and our compliance with the law.
- The eligibility of common-law and same-sex partners as dependents for the purpose of medical insurance was recognized and implemented.
- Prescriptions for acceptable office attire have been revisited and expanded for a more gender-neutral and safe work environment.
- Employees were trained on Cultivating Psychological Safety in the Workplace and Promoting Gender-Inclusive Workplaces.
- International Women’s Month has been celebrated annually in the Company (through events and communications) since 2021.
- We created a Diversity dashboard in Workday, First Gen’s HR information system, which provides metrics and insights to HR and people managers on key demographic information of their groups such as gender, age range, years of service, and job levels, and provides other metrics such as internal movements and turnover rates of demographic cuts.
- Engagement survey findings are analyzed according to the various demographic groups such as gender, age group, tenure band, job class, job level, location, and functional group, in order to tailor interventions if needed.

These embedding efforts bore fruit and are appreciated by employees. In the 2022 engagement survey, 94% of the respondents answered favorably in the statement targeting diversity and inclusion, “People in my organization respect diversity and uniqueness of individuals.” up by +4% from the 2020 results.
We provide a work environment that promotes the cultivation of adaptive and lifelong learning. We provide curated learning solutions that help build key capabilities to achieve our growth ambitions and business priorities.

Given the new and evolving business environment, First Gen continues to develop talent by:
- Enabling flexible learning at the speed of need;
- Developing people managers and our future leadership bench;
- Accelerating talent mobility by honing skills for career development; and
- Enabling employees to take charge of their development by providing guidance and access to various modes of learning and development.

A First Gen subsidiary that makes up 72% of the Company’s total headcount prioritized programs that are critical to business operations especially in addressing the basics of safety to address critical general safety concerns arising from the environment as well as systems-related hazards. The primary mode of learning was through developmental assignments and on-the-job learning in most of the growth projects, thus reducing the number of total training hours rendered for the year.

The current business landscape requires prompt learning and the application of new skills. In 2022, we continued scaling up “learning delivery at the speed of need” by creating more digital content and increasing access to our learning-on-demand platform. This allowed employees to:
- Access learning content at their time of need and preference;
- Learn at their own pace and immediately practice new skills while in the flow of work;
- Personalize the courses according to their specific needs; and
- Share and get recommended training in an online learning community.

Notably, for the First Gen head office, gas and hydro business units and support groups, digital learning increased training reach from 80% before the pandemic to 97% of employees in 2022. Digital learning became a tool for learning inclusion as it surpassed barriers of location, roles, and time availability. In addition, “Learning and Professional Development” ranked #1 as the area of most improvement based on the 2022 engagement survey.

Friday DEAL, which stands for “Drop Everything and Learn,” was designed to supplement on-demand learning by setting aside dedicated time to learn collaboratively. In 2022, the focus was on Robotics Process Automation, IoT, Big Data Analytics, and other digital skills.

Coaching and Mentoring

The Coaching and Mentoring program equips people managers with skills to integrate coaching into their daily work, to help improve performance in a self-managed hybrid set up, build and develop new talent capabilities; and improve engagement and team environment.
Employee ownership of development

In 2022, a new Employee Development Policy was created to provide a framework and a shared language for employee development, promote employee ownership and initiative in learning and development, and support people managers in facilitating continuous learning and growth. We believe that knowledge goes beyond the classroom and includes on-the-job training, learning from peers, and both formal and on-demand training. This new policy promotes talent mobility by empowering employees to expand their horizons and prepare themselves to explore possibilities beyond their current roles.

Our commitment to human rights

At First Gen, we constantly strive to protect the human rights of our employees and clients. In 2022, we developed and implemented the Human Rights Management and Monitoring Plan and the Grievance Redress Mechanisms.

Human Rights Management and Monitoring Plan

To reinforce our commitment to upholding human rights, we developed a comprehensive Human Rights Management and Monitoring Plan. This plan is designed to identify potential risks and violations that may arise from the activities and operations of our business, with the ultimate goal of gaining a more profound understanding of human rights and ensuring their protection. First Gen identified four potential rights that may be affected by our business operations:

- Health and Safety - Potential impacts on workforce and local communities
- Unethical Practices - Potential impacts of partner/suppliers actions on local communities if customers
- Labor Practices - Potential impacts on employees of workplace discrimination, harassment, and data privacy breaches
- Unfair Practices - Potential impacts on customers

Grievance Redress Mechanisms

We take pride in cultivating and nurturing a work environment that is just, considerate, and dignified, recognizing that it can fuel innovation and enable our personnel to reach their maximum potential. In line with this, the Company consistently formulates and implements programs and initiatives that ensure our employees feel valued and supported.

Performance management and individual development plans

Our annual performance management cycle starts with goal setting at the beginning of the year and concludes with year-end performance reviews. In 2022, all employees in the organization received performance evaluations from their managers.

Beyond the evaluation processes, we encourage managers and employees to have regular conversations on their performance and development areas. Our year-round performance evaluations promote an environment where teams can communicate their progress through individual development plans, enabling them to discover new opportunities to optimize their work performance.
Ensuring compliance with labor standards

Fundamental to our operations is our compliance with local labor standards, which define the effectiveness of our systems and processes. Our declaration and commitment to conducting business responsibly are deeply rooted in the fundamental corporate values of our Company. We participate and cooperate with all external audits and inspections required by law and maintain a positive working relationship with our government agencies through timely coordination and thorough compliance.

New policies

We remain committed to implementing and upholding policies that are designed to facilitate the seamless operation of our business. Specifically, we have taken a strategic approach towards establishing policies prioritizing labor practices, non-discrimination, anti-sexual harassment, occupational safety and health, freedom of association, collective bargaining, working hours, and the new safety and health guidelines during the COVID-19 pandemic. This includes formalizing our Special Leave and Leave for Victims against VAWC policies, as shared in page 99.

Freedom of association and collective bargaining

In 2022, we concluded 11 Collective Bargaining Agreements (CBA) with 11 Unions across the fleet. Instead of giving out tokens or memorabilia to commemorate the conclusion of the CBAs, both the management panel and union panels agreed to plant trees through the EDC Binh CommuniTREE and donated a portion of the savings to the SIKAT scholarship program. To continuously support labor-management relations specifically for Supervisors, we launched the SEMCC-Supervisory Employees Management Cooperation Council, a labor-management council that discusses the collective concerns of supervisors.

Code of conduct and ethical standards for employees

Based on our core corporate values, our Company has persistently enforced a standardized Code of Employee Discipline with equity and impartiality. We prioritize the dissemination of this policy to new hires through its integration into the Onboarding Program. As part of this process, every employee acknowledges comprehension of the Code by affixing their signature to a receiving copy.

No to forced labor and child labor

We do not condone any form of forced labor and child labor in our operations and supply chain. We ensure that the terms and conditions of employment for our workers are documented in their employment contracts, in strict adherence to the established labor standards of the Philippines. There were no reported incidents of forced labor and child labor in 2022.

Company Remuneration

Employees

At the core of First Gen’s compensation philosophy lie three principles:
- Ensuring that compensation programs and policies support the delivery of the corporate strategy and create long-term sustainable shareholder value;
- Pay for performance;
- Keeping our competitive market position in relation to total rewards (base pay, variable compensation, and benefits).

Employees Directors

Employees Directors

The key elements of our compensation structures are annual base salary, fixed bonuses, variable compensation based on annual targets, and employee benefits.

Pay and benefits practices

We ensure regular reviews of pay equity within the organization and the external labor market through the benchmarking of practices. We design our salary structure and benefits package taking into consideration the needs and preferences of our target employee and candidate groups, and, at the minimum, legal requirements.

An Employee Benefits Pulse Survey was conducted in 2022 to gather our employees’ views on the existing benefits program of the Company, its market competitiveness, and how it can support the future of work in the hybrid environment. The results highlighted the benefits that are important to and appreciated by our employees.

Directors

Directors of the Company receive a standard per diem for attendance at each board meeting and bonuses. Under the Company’s By-laws, directors do not receive any stated salary for their services, but per diem in the amount determined by the board of directors may be allowed for attendance at each meeting. A resolution was likewise passed by the stockholders of the Company fixing the maximum annual compensation of the board of directors at a certain percentage of the Company’s net income before income tax for the preceding year.
First Gen received 20 awards and citations from various Occupational Safety and Health (OSH) agencies, which are listed in the Awards section on page 199. The Company’s efforts to consistently strengthen the implementation of health and safety practices and programs resulted in zero fatality, with a 0.14 Total Recordable Incident Rate (TRIR) for 2022, surpassing the target of 0.18 TRIR. Two lost time incidents were incurred, and these were reported to Department of Labor and Employment (DOLE) as part of our monthly reportorial submissions, investigated, and addressed with appropriate corrective actions.

Guided by the Environmental and Safety and Health Policy (ESH Policy), all subsidiaries of First Gen have established an OSH Management System within their operations to cultivate a safe work environment for the employees, contractors, visitors, and the community. Our OSH Management System includes the following key processes:

a. Developing measurable leading and lagging OSH indicators, with periodic monitoring;

b. Identifying and assessing OSH hazards and risks planning for mitigating measures using hierarchy of controls, monitoring and appraising the effectiveness of mitigating actions;

c. Providing OSH training and awareness programs to all employees to help them perform their functions safely;

d. Complying with OSH regulations and promptly submitting reports;

e. Integrating OSH programs and safe work practices into operations through the Permit to Work (PTW) system for medium to high-risk works;

f. Determining and using of appropriate Personal Protective Equipment (PPE) for various tasks, and installing safety and emergency control systems in different areas of operations;

g. Empowering the employees to report hazards, risks, and incidents to prevent injuries and ill-health;

h. Implementing and cascading tools for incident investigation and root cause analysis.

Keeping track of the subsidiaries’ OSH performance is done through compliance monitoring, work inspections and audits conducted by internal auditors, the corporate QESH, regulatory agencies, insurers, and certifying bodies. A total of 3,084 audits and inspections were conducted for the operating sites in 2022. The areas for improvement identified during the audits were thoroughly analyzed, and corrective actions were planned based on the results of cause analysis. The effectiveness of the implemented actions is closely monitored and confirmed through validation processes.

First Gen endeavors to comply with the OSH laws and regulations. Lapses in complying with the requirements of Rule 7, Section 33 of the DOE Circular No. 2012-31, 0009 on the validity of safety personnel’s permit resulted into a fine of PHP225,000.00 by EDC. These incidents were acted upon and addressed. Further, our compliance obligation monitoring process was also revisited and improved.

Following our procedure for incident reporting and investigation, the employees report incidents to their superiors both verbally and in writing. A qualified and experienced team is formed to investigate and categorize the incidents. The corresponding actions to address the causes of incidents are reviewed by management. Approved actions are executed, monitored, and assessed for their effectiveness. These actions are included in the monthly committee meetings led by the President, who serves as the head of our ESH Committee.

In adherence to our established management protocols, First Gen conducts periodic meetings of the First Gen ESH Committee to assess the state of occupational safety and health (OSH) related metrics, result of risk assessments, safety and health incidents and investigations, adherence to OSH regulations, and initiatives to improve the OSH management system. The significant OSH risks form part of the enterprise risks reported and discussed to the Board Risk Oversight Committee (BROC).

Strengthening our Health and Safety Performance and Wellness Programs

- 0.14 TRIR vs. 0.18 TRIR target
- 0.46 near miss frequency rate for employees and workers
- 20 OSH awards received
- 3084 audits and inspections
- 30 OSH trainings conducted
- 130 emergency drills conducted
- 92% employees completed the 8-hour Mandatory Health and Safety Seminar for Workers
- USD 11.6 million investment on OSH

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- 20 OSH awards received
- 3084 audits and inspections
- 30 OSH trainings conducted
- 130 emergency drills conducted
- 92% employees completed the 8-hour Mandatory Health and Safety Seminar for Workers
- USD 11.6 million investment on OSH
At the same time, the Company focuses on enhancing employees’ skills and abilities to ensure they can carry out their roles efficiently and safely. The Company sponsored specific training sessions on Occupational Safety and Health listed below, which consumed a total of 4,024 employee hours.

### OSH Work-related Training

<table>
<thead>
<tr>
<th>List of Training</th>
<th>Training Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandatory OSH Seminar for Employees</td>
<td>520</td>
</tr>
<tr>
<td>New Employee OSH Orientation</td>
<td>196</td>
</tr>
<tr>
<td>Standard First Aid Training and Basic Life Support with AED Training</td>
<td>1,328</td>
</tr>
<tr>
<td>Basic Occupational Safety and Health</td>
<td>520</td>
</tr>
<tr>
<td>Drug Assessment Team Training</td>
<td>12</td>
</tr>
<tr>
<td>Incident Investigation for Safety and Health Committee Training</td>
<td>144</td>
</tr>
<tr>
<td>Loss Control Management Training</td>
<td>80</td>
</tr>
<tr>
<td>Hazard Identification, Risk Assessment, and Control (HRIAC) Training</td>
<td>8</td>
</tr>
<tr>
<td>Maritime Security Training for Port Facility Personnel</td>
<td>56</td>
</tr>
<tr>
<td>Port Facility Security Officer Course (PFSO)</td>
<td>216</td>
</tr>
<tr>
<td>Scaffolding Training</td>
<td>176</td>
</tr>
<tr>
<td>Authorized Gas Tester Training</td>
<td>204</td>
</tr>
<tr>
<td>Lessons Learned Management</td>
<td>9</td>
</tr>
<tr>
<td>Manual Handling</td>
<td>9</td>
</tr>
<tr>
<td>Driving Safety</td>
<td>11</td>
</tr>
<tr>
<td>Compressed Gas Cylinder Safety</td>
<td>6</td>
</tr>
<tr>
<td>Behavior Based Safety</td>
<td>9</td>
</tr>
<tr>
<td>Critical Eqpt. El Measuring Eqpt.</td>
<td>14</td>
</tr>
<tr>
<td>Signals Management</td>
<td>5</td>
</tr>
<tr>
<td>Confined Space Safety</td>
<td>11</td>
</tr>
<tr>
<td>Lifting Operations</td>
<td>8</td>
</tr>
<tr>
<td>Diving Operations</td>
<td>7</td>
</tr>
<tr>
<td>Isolations and LOTO Procedure</td>
<td>11</td>
</tr>
<tr>
<td>Permit to Work</td>
<td>10</td>
</tr>
<tr>
<td>Safety Inspections and Observations</td>
<td>10</td>
</tr>
<tr>
<td>Marine Terminal Management</td>
<td>7</td>
</tr>
<tr>
<td>ISPS Code Requirements</td>
<td>7</td>
</tr>
<tr>
<td>Risk Assessment Methodology</td>
<td>11</td>
</tr>
<tr>
<td>Environmental Inputs</td>
<td>11</td>
</tr>
<tr>
<td>Safety Systems</td>
<td>8</td>
</tr>
</tbody>
</table>

### Emergency Preparedness

Aside from safety during daily operations, First Gen initiates programs to continue safe business operations during emergencies. The emergency response plans for various situations were tested and reviewed for suitability and readiness. In 2022, 130 emergency drills were conducted across various sites. Moreover, firefighting equipment and other emergency tools, installations, and paraphernalia undergo periodic functional tests. The Company also initiated the Family Preparedness Program to cover practical emergency measures with the family members of said employees. Five sessions with topics on 1) emergency and disaster preparedness, 2) basic life support and first aid application, 3) managing home emergencies, 4) understanding earthquakes and volcanoes, and 5) readiness on weather disturbance were participated by the employees and their family members. Other emergency preparedness initiatives done in 2022 were:

- Development of the LNG Emergency Response Plan and the Coordinated Emergency Response Plan document to include considerations for the LNG facility in FGCEC.
- Finalized the National Energy Contingency Plan (NECP) and Department Circular for the “Big One Scenario” in collaboration with the Department of Energy (DOE).
- Use of Workday Learning on Demand Family Preparedness Videos Releases (5 Modules) – accessible to all employees for knowledge and guidance.
- With COVID-19 cases starting to decline in 2022, First Gen adapted the FPH Group and Lopez Affiliates Risk Based Guide in the Prevention and Control of COVID-19 Outbreak which serves as a playbook for all companies on managing risks until the outbreak is declared endemic. To prevent infections, we continue to use health declaration questionnaires, follow minimum public health standards, offer OH teleconsultation, and vaccination programs to employees and their families. A total of 4,316 vaccine booster doses were administered to employees, contractors, and family members.

Moreover, other OH programs that we have been implementing pre-pandemic were continued:

- Health risk assessment and management of health hazards in the workplace.
- Occupational Health Reporting and Recording.
- Health Services and Medical Emergency Response.
- Substance Abuse Management Program (Alcohol and Drugs).
- Industrial Hygiene.
- Health and Wellness including Emotional Well being, physical and fitness activities.
- Ergonomics in the Workplace.
- Blood Supply Programs.
- OH programs for contractor operations.

### COVID-19 response and regular OH programs

With COVID-19 cases starting to decline in 2022, First Gen adapted the FPH Group and Lopez Affiliates Risk Based Guide in the Prevention and Control of COVID-19 Outbreak which serves as a playbook for all companies on managing risks until the outbreak is declared endemic. To prevent infections, we continue to use health declaration questionnaires, follow minimum public health standards, offer OH teleconsultation, and vaccination programs to employees and their families. A total of 4,316 vaccine booster doses were administered to employees, contractors, and family members.

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- Industrial Hygiene.
- Health and Wellness including Emotional Well being, physical and fitness activities.
- Ergonomics in the Workplace.
- Blood Supply Programs.
- OH programs for contractor operations.
Wellness

First Gen’s rapid development and expansion can be attributed to the valuable contributions of our talented personnel. However, growth naturally entails increased effort, ranging from heightened workloads to the acquisition of novel skills. In order to attend to our staff’s well-being and efficiency, we continued to provide wellness programs and services for the entire company. Despite the easing of health restrictions, we continued to deliver these wellness programs and services virtually. The efficacy of these virtual activities, as well as the high level of participation, has confirmed the escalating need for dependable support programs and lessons on self-help and life skills.

The Wellness Wednesdays Program (WWP) that began in 2020 provides monthly education and awareness sessions that promote holistic wellness. It takes a comprehensive approach to total well-being, including hard skills, soft skills (such as assertiveness, listening, and gender sensitivity), and life skills such as financial management. In 2022, a total of 23 WWPWs were conducted, with 479 unique participants attending various learning sessions. Participants responded positively, giving the program an average rating of 3.7 out of 4 for the year.

We also continued our Employee Assistance Program, called Reach out. The program offers 24/7 access to online resources for preventing self-injury, as well as scheduled counseling services for our employees and their family members. In 2022, over a total of 45 cases were managed, with 104 individual counseling sessions conducted under the program throughout the year. Outside of the EAP we have also supported First Gen employees and dependents through our referral network of licensed and qualified professionals.

While the Reach Out initiative was well established, we investigated additional avenues to provide support. This led to the development of the Here4U program, which offers employees the opportunity to have mental health check-ins with trained volunteer employees (confidants). The confidants undergo certification and continuous training as psychological first-aiders. This program aims to create a more accessible and relaxed environment for conversations, as employees are made aware that they have colleagues they can trust and turn to for support during times of difficulty arising from work, family, relationships, or other personal matters. As of December 2022, 21 psychological first-aiders completed the training, composed of employees from First Gen and companies within the Lopez group.

The 2022 engagement survey results show employee appreciation for First Gen’s wellness agenda. Wellbeing was among the top ten climate statements, with respondents sharing that senior management and immediate superiors support their wellness.

Understanding the ‘Voice of our People’

First Gen’s Employee Engagement Survey

The First Gen engagement survey for 2022 shows that 67% of the employee population is fully engaged, while 24% are partially engaged. Participation rate is at 98%.

Highlights and conclusions from the 2022 survey data include the following:

- The Engagement Index remains significantly above the Philippines Norms by 10%.
- Engagement Index by gender were at 73% (male), 62% (female), and 41% for (other gender/prefer not to say). A third gender category, “prefer not to say,” was introduced in 2022.
- Company culture, values and care for employees are what employees like best about working at First Gen
- Commitment to the vision and mission and responsible corporate citizenship are widely admired by employees
- Many employees value the hybrid / work from home scheme and want it retained
- Highest scoring organizational climate statements relate to the Company’s care for the community; employee well-being, and health and safety
- 91% of the respondents answered favorably in the statement targeting diversity and inclusion

<table>
<thead>
<tr>
<th>2018</th>
<th>2020</th>
<th>2022</th>
<th>Change from previous survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement Index</td>
<td>59%</td>
<td>72%</td>
<td>67%</td>
</tr>
<tr>
<td>Participation Rate</td>
<td>91%</td>
<td>97%</td>
<td>98%</td>
</tr>
</tbody>
</table>
Pulse Survey

In 2022, a subsidiary of First Gen conducted a Pulse Survey as a follow-up to their most recent engagement survey, which provided a check-in on key priority areas. With a participation rate of 98%, including 100% in Ilocos and 99% in Leyte, the survey showed that employees feel capable of contributing to their Group’s goals and are open to change. However, overall scores for Organization, Inclusion, and Change Management were lower compared to 2021 but still higher than the Philippine norms. Based on these results, it is recommended to review the 2021 Action Items, communicate the progress of the transformation, and prioritize work and healthy work habits.

Employee Communications

The Company conducts an annual Communications Checkpoint to gain insight into the employees’ perception of the information they receive and to identify opportunities to enhance the quality and effectiveness of information for work and engagement purposes.

Results from the 2022 survey showed improvements compared to the previous year’s scores, and observed across various campaigns, evaluating these based on content quality and quantity. Adequacy of leadership and other departmental communications were also covered. Based on the engagement survey, the key benefit of communications is keeping employees connected. “We have found effective ways to stay connected in the current environment” was one of the top ten scoring statements.

Our New Ways of Working

First Gen believes that a hybrid work model empowers employees to perform at their best. By offering greater freedom and independence in determining the most effective ways to be productive and by strategically balancing individual, stakeholder, and team needs, a hybrid approach allows our team to optimize work-life integration and take advantage of both virtual and on-site opportunities.

Our Hybrid Work Principles, launched in 2021, guided employees on approaches to new ways of working. In 2022, we focused on translating these principles into actionable, everyday team norms. Through the Flex your WOW (ways of working) initiative, the Company conducted 25 workshops across various teams, empowering them to agree on their location, collaboration, and communication norms. Each set of norms is unique and is reflective of the best and most effective work practices from each department.

Simultaneously, the organization embarked on renovating office spaces to cultivate a pleasing hybrid experience. Our refreshed office spaces now have hot desks, project rooms, and more open collaboration areas that help spark creativity and innovation for our talents. Select meeting rooms are now also hybrid-ready, making use of technology that makes hybrid conferencing a seamless experience.

Company business processes have evolved significantly to maximize digital tools. Accounting and procurement processes are enabled by apps and automation, as are various approval, documentation, and customer management processes. HR operations have primarily operated through virtual means, encompassing recruitment, employee benefits, onboarding, and a majority of training sessions conducted through digital channels. Additionally, the Company employs digital and multimedia channels to ensure employees are informed effectively and efficiently.

To optimize the impact of engagement initiatives, we employed a combination of virtual and in-person interactions. In 2022, three virtual town halls were held to provide key updates on business matters, personnel programs, and the corporate vaccination program. The Year-End Party was hosted on site, serving as the first organization-wide face-to-face interaction of the year. This event revitalized our employees and instilled hope for a prosperous 2023 at First Gen.
### Our Sustainability Highlights in 2022 and Plans for 2023 and beyond

<table>
<thead>
<tr>
<th>Where We Progressed in 2022</th>
<th>Impact Materiality</th>
<th>Financial Materiality</th>
<th>Our Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Signing of the UN Women Empowerment Principles (WEPs) and receiving an award from the UN Women and the Philippines Business Coalition for Women Empowerment were key steps to embracing gender equality and diversity into our culture.</td>
<td>• Most of the human capital sustainability areas that are material to our business were created and preserved in 2022.</td>
<td>• If the trend of voluntary attrition or the &quot;Great Resignation&quot; continues, the cost of hiring to replace vacant positions may increase.</td>
<td>• Allocation of human capital for growth projects.</td>
</tr>
<tr>
<td>• Gaining ground in the human rights front with the crafting of plans and action steps to mitigate potential risks identified in the value chain.</td>
<td>• 40% of those who left the company were mostly cases of end of contract and retirements. On the other hand, the rate of new hires was ~8%. We believe it continues to preserve value for the business.</td>
<td>• Deployment of retention strategies and programs to keep our key talents and high potentials may impact the company's financials.</td>
<td>• Scale up human capital allocated to creating value for regenerative partners.</td>
</tr>
<tr>
<td>• Passage of new policies and practices for a more inclusive workforce.</td>
<td>• Though the use of the on-demand training platform was for a specific business of First Gen, it generated a significant increase in training hours for the BU.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Bringing to life the hybrid work principles that guide employees on approaches to our new ways of working.</td>
<td>• Improved training statistics as a result of continuous offering of on-demand training programs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Solid employee engagement scores related to diversity, health and safety, employee wellness, and learning and professional development.</td>
<td>• Loss of employee headcount (net hire ratio below 1).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Improved training statistics as a result of continuous offering of on-demand training programs.</td>
<td>• Reduced overall training hours and average training hours per employee.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Decline in Employee Engagement Index, but still above the Philippine Norms.</td>
<td>• Decline in Employee Engagement Index, but still above the Philippine Norms.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Social and Relationship Capital Performance

#### Collaborative Effort to Create Value with Stakeholders

First Gen seeks to empower its key stakeholders by forming synergistic relationships in the journey towards regeneration and decarbonization. This will enable the company to forge the path of shared prosperity, which includes a healthy society, a decarbonized environment, and a better and regenerative future for all.

First Gen cultivates positive and mutually beneficial relationships with its key stakeholders by identifying their challenges through various engagement channels and addressing their concerns.

#### Results of Stakeholder Engagements

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Concerns/Challenges raised</th>
<th>Engagement channels used</th>
<th>Ways to address the concerns/challenges</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>• Employee's safety, health and well-being</td>
<td>• Active communication channels</td>
<td>• Adapted to a hybrid workforce and to new ways of working</td>
<td>• Zero fatality</td>
</tr>
<tr>
<td></td>
<td>• Impact of COVID-19 to the business</td>
<td>• Employee engagement surveys</td>
<td>• Holistic approach on implementation of well-being programs</td>
<td>• 67% Employee Engagement Index</td>
</tr>
<tr>
<td></td>
<td>• Suitable work processes</td>
<td>• Virtual town halls</td>
<td>• Massive, rapid workplace vaccination program</td>
<td></td>
</tr>
<tr>
<td>Customers</td>
<td>• Power supply availability and reliability</td>
<td>• Yearly customer feedback survey</td>
<td>• Safeguarding of decent working conditions and fair employment</td>
<td>• Increase in number of customers from 157 to 297</td>
</tr>
<tr>
<td></td>
<td>• Value-added services</td>
<td>• Customer support</td>
<td></td>
<td>• 42% availment of VAS in 2022</td>
</tr>
<tr>
<td>Suppliers and Contractors</td>
<td>• Professional business partnership</td>
<td>• Vendor accreditation and post-accreditation processes</td>
<td>• Enhanced the vendor accreditation process to include ESG criteria in accrediting suppliers and contractors</td>
<td>• Zero fatality</td>
</tr>
<tr>
<td></td>
<td>• Health and safety of contractors’ workers at First Gen’s premises</td>
<td>• Regular contractor meetings</td>
<td>• Work in progress audits to ensure compliance to ESH requirements</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Continued implementation of stringent COVID-19 protocols at work sites</td>
<td></td>
</tr>
</tbody>
</table>

Table continued on next page
Building A Decarbonized Future with Customers

First Gen Energy Solutions (FGES), the power marketing and power equipment company of First Gen Corporation, has maintained its commitment to providing flexible terms, competitive power prices, unparalleled warranties and guarantees, technical expertise, and customized value-adding services (VAS).

These resulted in 297 customers in 2022, with a 47% increase of customers from 2021. This yielded significant growth on contestable customers, Green Energy Option Program (GEOP) end users and distribution utilities/electric cooperatives.

The Company enhanced its customized value-adding services (VAS) by increasing its VAS projects to 221% in 2022 compared to the previous year. The services provided to customers include, but are not limited to, energy management services like energy audits, system loss reduction, thermographic inspections, and transformer testing; sustainability programs like green branding partnerships, CSR activities, RE power plant tours, and APX register; and capability building services like lineman training, succession planning, and business continuity seminars. Out of the 2197 clients served in 2022, 108 received VAS.

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</tr>
</thead>
<tbody>
<tr>
<td>Regulatory Bodies</td>
<td>Compliance with regulations and reporting requirements</td>
<td>Regulatory reports (monthly, quarterly, and annual)</td>
<td>Ensured timely submission of required reports</td>
<td>Compliance with regulatory requirements</td>
</tr>
<tr>
<td>Communities</td>
<td>Assistance to community</td>
<td>Partnerships and livelihood programs</td>
<td>Invested in community development and livelihood programs</td>
<td>550 scholars supported</td>
</tr>
<tr>
<td></td>
<td>Water and waste management impacts to communities</td>
<td>Regular dialogues with partner community organizations</td>
<td>Disaster response and relief operations</td>
<td>25 livelihood projects generating PHP 22 million net revenues and labor contracts</td>
</tr>
<tr>
<td></td>
<td>Communication and information</td>
<td>Invested in community development and livelihood programs</td>
<td>COVID-19 management assistance</td>
<td>PHP 201.9 million worth of investments in CSR activities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Waste management and responsible use of water</td>
<td>Waste management and responsible use of water</td>
<td>67,020 doses of COVID-19 vaccines donated to 14 LGUs</td>
</tr>
<tr>
<td>Investors</td>
<td>Return on investment</td>
<td>Annual Stockholder Meeting</td>
<td>Reliable business operations</td>
<td>108 clients served received VAS.</td>
</tr>
<tr>
<td></td>
<td>Information and updates on the Company</td>
<td>Company Website</td>
<td>Disclosures of useful information about the Company</td>
<td>108 clients served received VAS.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ESG disclosures and reports</td>
<td>Timely response to surveys and queries of investors</td>
<td>108 clients served received VAS.</td>
</tr>
</tbody>
</table>

In 2022, First Gen and its subsidiaries invested PHP 201.9 million (USD 3.62 million) in CSR programs to support its decarbonization and regeneration mission. These prioritized education, livelihood, environment, community health and safety, disaster relief and response, and local culture.
Growing Together With Partner Communities

First Gen invests in CSR programs that promise to support the growth and improvement of local communities in its host towns and municipalities as the Company continues its journey toward a shared prosperity and regenerative future for all.

Our Corporate Social Responsibility (CSR) Group uses the Regenerative Pathways as a platform to narrate First Gen’s journey of collaboration with its stakeholders, employees, and communities towards a shared prosperity for a better and regenerative future.

First Gen understands the value of education and the potential it holds to create future change-makers and builders of nations. As a result, its educational program offers financial aid and scholarships to deserving residents of the host communities while also ensuring their holistic development and employment opportunities after graduation. In order to guarantee that the host communities have access to high-quality education, it also provides them with resources including school construction materials, school supplies, and blended/modular learning resources.

In 2022, First Gen provided 30,849 students and teachers with school supplies, assisted 89 schools for blended/modular learning, and assisted 51 scholars with their education. Meanwhile, EDC supported 499 scholars across its project sites through its bimonthly webinar series called SIKATalks, which serves as a platform for coaching and mentoring of the current SIKAT scholars by EDC employees and SIKAT graduates. It aims to help the scholars with their holistic development.

EDC continues to partner with education institutions, local government units, and education foundations to implement scholarship programs and other initiatives that benefit EDC’s host communities in Mt. Apo, Leyte, and Bocos Norte. Through Keitech Educational Foundation, Inc. (Keitech), a technical-vocational training institute established by EDC, 203 scholars were provided with technical training in 2022. In addition, EDC continued to support the Mt. Apo Foundation, Inc. (MAFI) by providing scholarship grants to 22 deserving students from Mindanao. In Bocos Norte, EDC donated a mobile school called “School on Wheels” equipped with laptops, printers, and internet connection. This reached out to students and supported their distance learning programs under the Department of Education. EDC also partnered with Lidl Haus International to provide laptops to 20 elementary schools in Kilapawan City giving technology access to students from an indigenous community.

First Gen’s skills training and social enterprise development program prioritizes capacity building and sustainability of livelihood support, as it aims to provide community members, particularly out of school youth and IP communities, with opportunities for regenerative employment and livelihood. Through various social enterprise development programs for IP communities, coastal communities, and farmers, First Gen provided four communities with opportunities to augment their sources of income. These projects generated around PHP 7.2 million labor contracts and revenues.

First Gen, together with its partners SEARCH Foundation and the Maraining Mamawra Farmers Skilled Workers Association (MAMAFSWAS), successfully implemented a 2,000 square meter pilot farm in Barangay Maraining, Jolo, Sulu. During its launch in August 2022, members of the MAMAFSWAS and their guests harvested various vegetables including ampalaya, kalabasa, talong, sitaw, bell pepper, and tomatoes. The pilot farm is part of the community-building initiative Mamawra Agroforestry Social Enterprise Development Plan (MA-SEDP).
First Gen continued to partner with Connected Women in the implementation of the Elevate AIBA (Artificial Intelligence and Data Analytics) Program which aims to accelerate women empowerment in the digital age, by building their own economic resilience through technology skills, communication, and remote work which will provide equal opportunity for women and improve their overall quality of life including their families. Twenty women from First Gen host communities graduated in 2022 from this program.

EDC also supported community organizations and farmers’ associations in generating around PHP 15 million revenues from livelihood projects comprising four long-term social enterprise projects and around 15 short-term livelihood projects. These collectively benefit an estimated 2,000 households across EDC’s project sites.

In September 2022, First Gen signed a Memorandum of Understanding (MOU) to support the Batangas City local government in the rehabilitation of a two-hectare dumpsite and its development into an Eco-Park, an eco-friendly facility for the local residents and a sanctuary for wildlife in the city. First Gen continues to collaborate with local government units, agencies, and local community members to protect the environment through the BIBBI program which involves reforestation of demaded areas and protection of terrestrial and marine biodiversity.

Enhancing Resilience of Communities

First Gen understands the susceptibility of its host communities to climate risks, crises, and catastrophes. To ensure that the community is informed and prepared for any crisis, the Company continues to collaborate with local government agencies, other host organizations, and community people.

Building a Climate-Resilient Future

The Company’s environment program supports the holistic development approach. Its Create for the Climate program trained the local communities on climate change awareness and action through various IECs on Climate Change Mitigation and Adaptation which were participated by 337 individuals from three schools and various external stakeholder groups.

First Gen continued its Ideathon 2021: Innovate for the Climate project wherein a total of six climate action projects were implemented in 2022. These projects, proposed and implemented by employees and students from partner schools, aim to equip various local communities with projects that will aid in climate adaptation and mitigation.

In 2022, First Gen conducted a series of capacity building sessions for five host municipalities on Climate and Disaster Risk Assessment, Greenhouse Gas Inventory, Climate Expenditure Tagging, and the People’s Survival Fund.

Preparing and Responding to Disasters

As part of First Gen’s commitment to build local capacities on emergency and disaster response, the CSR team in partnership with the Archdiocese of Lipa and Lipa Archdiocesan Social Action Commission, Inc. (LASAC) facilitated the Humanitarian Emergency Assistance Response Training (HEART) to community responders.

EDC also signed a memorandum of agreement with the Sorsogon City Disaster Risk Reduction Management Office (CDRRMO) for the installation of a very high-frequency repeater system at the EDC radio tower facility to strengthen and improve the radio communications within the 64 barangays of Sorsogon City.

In Bocos Norte, EDC partnered with the Office of the Municipal Disaster Risk Reduction and Management to conduct its third Municipal Rescues Olympics which aimed to enhance the capabilities of rescue volunteers to respond more effectively during emergencies. This activity was participated in by volunteers from Emergency Rescue Teams from II barangays of Burgos.

First Gen conducted several operations to provide relief assistance amounting to PHP 2,080,000 to 3,620 disaster-stricken families in Nueva Ecija and Nueva Vizcaya who were affected by Super Typhoon Karding. Meanwhile during the first quarter of 2022, EDC and its employees extended financial assistance worth PHP 2.79 million to two barangays and nine municipalities in Leyte who were affected by Typhoon Odette. A few months later, Leyte was impacted by tropical cyclone Agaton prompting EDC to provide relief assistance amounting to PHP 12 million to affected communities.
Strengthening Local Health Programs

First Gen understands that community health is a key driver of economic development and a key component in realizing the Company’s regenerative goals. As a result, First Gen conducted clinics in 189 communities, offered medicines and healthcare supplies to 98 barangays and 5,629 people, and supported 10 children through a feeding program through its various health programs.

First Gen continued to support the IWASH Program which provides community members of Batangas City, Caloocan, Marikina, and Malabon with access to water, sanitation, and hygiene facilities. In 2022, this program benefitted 3,100 households. The Company also donated 75 water filters to provide 750 households in Bohol with access to clean water.

Continuing COVID-19 Response

Responding to and mitigating the impacts of the pandemic has been one of the Company’s priorities since 2020. In order to maintain the general well-being of its personnel and to support the government’s overarching goal of achieving herd immunity against COVID-19, First Gen continued its vaccination campaigns in 2022.

First Gen also continued its support to various LGUs in managing the pandemic. The Company donated 67,020 doses of vaccines to 14 LGUs and two institutions in 2022. Meanwhile, EDC donated cash assistance worth PHP 225,000 to Negros Oriental Chamber of Commerce Inc (NOCCI) to support their vaccination efforts in the Negros Oriental province.

Creating A Safe Workplace and Community Environments

First Gen is dedicated to providing a secure and healthy working environment for all of its personnel, including contractors and subcontractors. The Company implements a number of Occupational Safety and Health (OSH) programs that focus on preventing illness, fatalities, and serious injuries. It also ensures safe plant operations to limit any negative effects on surrounding communities, and it assures that all of its operations comply with all applicable laws and regulations.

First Gen continues to implement its Contractor ESH Management (CESHM) System to manage the risks associated with contractor activities, conduct due diligence on contractors’ regulatory compliance status prior to engagement, and ensure that the contractors align with First Gen’s ESH requirements and expectations during project execution.

CESHM Activities

- A total of 19 identified contractors for Pre-Qualification were monitored and evaluated by ESH representatives.
- All contractors were assessed on the environmental and social criteria set in the CESHM guidelines and checklist. About 62% of the contractors were assessed to have potential social and environmental impacts due to insufficient compliance with the DOLE and DENR requirements. Non-compliant contractors were given a reasonable timeline to comply and provide regulatory requirements documentation.
- First Gen continues to implement its Contractor ESH Management (CESHM) System to manage the risks associated with contractor activities, conduct due diligence on contractors’ regulatory compliance status prior to engagement, and ensure that the contractors align with First Gen’s ESH requirements and expectations during project execution.
- ESH Representatives conduct Work In Progress (WIP) Audits to verify compliance and ensure implementation of First Gen ESH requirements on site. 19 WIP Audits were conducted for 15 identified contractors for First Gen.
- Collaboration among Procurement, Corporate QES, site ESH focals, and project proponents.
### LNG Terminal Project:

**3 Million Safe Man-hours without Lost Time Injury achieved in September 2022**

As we forge collaborative pathways for a decarbonized and regenerative future, we ensure that the wellbeing and safety of our employees, contractors, and communities is our utmost priority.

<table>
<thead>
<tr>
<th>Contractor OSH Data</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Man-hours Worked</td>
<td>21,433,340</td>
<td>18,937,450</td>
<td>12,339,119</td>
</tr>
<tr>
<td>Work Related Fatalities Due to Injury (no. of cases)</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Fatality Rate</td>
<td>0</td>
<td>0</td>
<td>0.02</td>
</tr>
<tr>
<td>Work Related Fatalities Due to Illness (no. of cases)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lost Time Incidents</td>
<td>1</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Lost Time Incident Rate</td>
<td>0.01</td>
<td>0.06</td>
<td>0.06</td>
</tr>
<tr>
<td>Disabling Injury &gt; 6 mos. (no. of cases)</td>
<td>0</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Disabling Injury &lt; 6 mos. (no. of cases)</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Restricted Work Case (no. of cases)</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Medical Treatment Case (no. of cases)</td>
<td>10</td>
<td>12</td>
<td>2</td>
</tr>
<tr>
<td>Total Recordable Incident Rate</td>
<td>0.12</td>
<td>0.22</td>
<td>0.15</td>
</tr>
<tr>
<td>Near Miss Incidents (no. of cases)</td>
<td>50</td>
<td>37</td>
<td>19</td>
</tr>
<tr>
<td>Near Miss Rate</td>
<td>0.47</td>
<td>0.39</td>
<td>0.31</td>
</tr>
</tbody>
</table>

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**First Gen Clean Energy Complex — GKK Awards Regional Winners**

The Department of Labor and Employment’s (DOLE) recognized FGPC, FGP Corp., and FNPC as regional winners in the 12th Gawad Kaligtasan at Kalusugan (GKK) program. The three FGEN subsidiaries subsequently received the Silver Award during the GKK National Awarding Ceremonies.

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**Where We Progressed in 2022**

<table>
<thead>
<tr>
<th>Impact Materiality</th>
<th>Financial Materiality</th>
<th>Our Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>We increased our customers, our primary regenerative partners, through improved value adding services that cater to individual customer needs.</td>
<td>By increasing the customers we serve, we support the country’s transition to renewable energy.</td>
<td>Increase in our net revenues</td>
</tr>
<tr>
<td>We formed and maintained synergistic relationships with the communities through our CSR initiatives that provide them continued access to education, enable community development, and enhance their resilience.</td>
<td>Through continued collaborations towards regeneration and decarbonization, we promote a shared prosperity for a better and regenerative future with the communities.</td>
<td>CSR initiatives and other key stakeholder activities entail operational costs and investments.</td>
</tr>
</tbody>
</table>

To know more how First Gen’s Social and Relationship Capital is contributing to the effort to forge collaborative pathways for a decarbonized and regenerative future, please see pages 62–63.
First Gen consistently accounts for the intangibles that equip and enhance its mission and credibility, such as digitization, data security, organizational systems, and related practices. In 2022, processes involved in utilizing our intellectual capitals were improved based on risk assessments, technology development, and hybrid employee work arrangements.

First Gen maintains a Quality Management System certified to ISO 9001:2015 and an Environmental, Safety, and Health Management System in accordance with ISO 14001:2015 and ISO 45001:2018. The Quality Policy was initiated in 2003, while the Environmental Safety, and Health Policy was developed in 2013. These policies, which guide First Gen's management systems and those of its subsidiaries, are maintained and reviewed periodically. These policies are available on the First Gen website.

Following the certification of the Prime Meridian PowerGen Corp (PMPC) to the three standards: ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 in January 2023, covering the audit of the 2022 operations, 100% of the Integrated Management Systems of First Gen’s operating companies are now ISO certified. FGHPC’s Asset Management System is also certified to ISO 55001:2014. To verify compliance with the standards and effectiveness of process implementation, the operating companies conducted internal audits. The First Gen Head Office performed corporate audits to ensure the streamlining of operating sites’ processes with the corporate standards.

Maintaining Sustainable Practices

<table>
<thead>
<tr>
<th>First Gen Subsidiaries</th>
<th>Scope of IMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FGPC/FGPC</td>
<td>Asset management of Santa Rita, San Lorenzo, and San Gabriel natural gas power plants</td>
</tr>
<tr>
<td>FNPC</td>
<td>Operations and maintenance of Airon Power Plant</td>
</tr>
<tr>
<td>PMPC</td>
<td>Development and maintenance of geothermal resources and operations and maintenance of the FCRS, power plants, and ootchyard of EDC’s geothermal facilities, including all support processes of EDC Green Core Geothermal Incorporated (GCCGI) and Bacman Geothermal Incorporated (BGI)</td>
</tr>
<tr>
<td>EDC</td>
<td>Operation and maintenance of Pantabangan and Masiway Hydroelectric Plants</td>
</tr>
<tr>
<td>FGPC</td>
<td>Operation and maintenance of 16-MW Hydroelectric Plant</td>
</tr>
<tr>
<td>FGBPC</td>
<td>Certified to ISO 9001, ISO 14001 and ISO 45001</td>
</tr>
<tr>
<td>FGHPC</td>
<td>Annual internal audits</td>
</tr>
<tr>
<td>FGPC</td>
<td>Annual corporate audits</td>
</tr>
<tr>
<td>FGBPC</td>
<td>Annual third party audits</td>
</tr>
</tbody>
</table>

The certifying bodies also executed third-party audits to validate and verify conformance to the standards.

Maintaining the management systems and alignment of sustainable processes and practices enabled the organization’s efficient and safe operations, reliable power delivery to customers, and compliance with regulatory requirements while preserving the environment and maintaining good relations with the community.

Upgraded Digital Solutions to Meet Challenges and Demands

First Gen is guided by both its business continuity management (BCM) and information security programs to ensure the protection of critical business processes from the effects of major failures of information systems, industrial control systems, or disasters and to ensure their timely recovery, which includes appropriate backup systems and built-in resilience.

Since information security or cybersecurity is one of the Company’s identified risks, we are integrating the mitigating and preventive programs into our BCM. The Company gives due importance to the protection of information, systems, and infrastructures and the continuity of its operations in the event of a cyberattack or other security breaches.

To maintain and improve its information security posture, First Gen regularly conducts risk assessments to identify potential vulnerabilities and threats. The evaluation covers people, processes, and technology to identify potential weaknesses and implement appropriate security measures for effective risk mitigation. Additionally, incident responses, including guidelines for identifying and reporting security breaches and procedures for restoring operations and recovering lost data, are in further development to cover more critical events and incidents.

Employees are also educated and trained on best practices for information security, such as detecting phishing scams and protecting themselves and the organization from other cyberattacks. Establishing a culture of security within the organization is vital for First Gen, as employees are encouraged to promptly report suspicious activity and actively contribute to the protection of company assets.

Data privacy policies and information security management system (ISMS) procedures, standards, and guidelines are developed to test and update existing processes in order to match the demands of an evolving threat landscape, which include regular...
penetration testing and vulnerability scanning, and updating of software and systems which ensure protection against known security vulnerabilities.

In summary, First Gen’s information security and business continuity programs are essential components of its overall continuity plan and help to protect information, systems, and infrastructures and ensure the continuity of operations in the event of a cyberattacks or other security breaches. It includes risk assessments, the implementation of various security measures, incident response procedures, employee education and training, and regular testing and updating.

As with the other capitals, First Gen engaged its stakeholders: the employees, IT vendors and suppliers, and regulatory agencies to determine the challenges and concerns related to intellectual capital.

With the results of stakeholder engagements, risk assessments and challenges brought about by the hybrid work arrangements, cyberattacks, and systemic data management, several information technology (IT) or information security (infosec) programs added to the Company’s digital solutions in 2022. The cost of investment in IT and cybersecurity software, tools, and systems in this reported year amounted to USD 5.3 million, having a minimal decrease from the USD 5.6 million investment in 2021. These solutions aim to address the following: 1) cybersecurity/infosec risks that emerged during risk assessments; 2) process improvement and efficiency; 3) compliance; 4) stakeholder value; 5) process safety; and 6) culture transformation.

<table>
<thead>
<tr>
<th>STAKEHOLDER VALUES</th>
<th>SOLUTIONS</th>
<th>Risk Detection/ Mitigation</th>
<th>Process Improvement &amp; Efficiency</th>
<th>Regulatory Compliance</th>
<th>Stakeholder Relationship</th>
<th>Process Safety</th>
<th>Culture Transformation</th>
<th>STAKEHOLDERS IMPACTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Records Management System (RMS)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Management, Employees</td>
</tr>
<tr>
<td>2. RBC Refresh Project</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>Operating sites, EDC</td>
</tr>
<tr>
<td>3. IT Managed Security Operations</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Temporary</td>
<td></td>
<td>Permanent</td>
<td>Operating sites, EDC</td>
</tr>
<tr>
<td>4. SAP Road mapping</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Operating sites, EDC</td>
<td></td>
<td></td>
<td>Customers</td>
</tr>
<tr>
<td>5. Road to Retail Readiness</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Operating sites, EDC</td>
<td></td>
<td>Power Marketing</td>
<td></td>
</tr>
<tr>
<td>6. Alarm Management System</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Operating sites, EDC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Process Safety Management Dashboard</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Operating sites, EDC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Work Management System Dashboard</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Operating sites, EDC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Electronic Shift Log (E-Shift Log)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Operating sites, EDC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. dipal DDI applications</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Operating sites, EDC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Maximo Enterprise Asset Management System</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Operating sites, EDC</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

To date, our First Gen IT Group is maintaining 43 information technology solutions that support the business operations, data and information integrity, security and privacy, and process improvement.
Offering Decarbonization Solutions

A

1st on First Gen’s mission of decarbonization, regeneration, and the 2050 Net Zero goal, the Company seeks to deliver value to customers beyond the kWh while consistently elevating decarbonization solutions.

With the industry transitioning towards a more retail and customer-centric market, First Gen broadened its strategy on value delivery to its customers. Hence, we conducted touchpoints with our customers and other stakeholders to supplement our understanding of their needs and expectations. These were carried out through the constant collaborations among our First Gen Energy Solutions (FGES) and customers and feedback collection through annual customer surveys. Beyond clean power delivery, we developed various value-added services (VAS) and influenced our customers to utilize and patronize the use of clean and renewable energy. Refer to Social and Relationship section on page 117 for the list of VAS offered to and availed by the customers.

As mandated in the Philippine Energy Plan, First Gen’s natural gas facilities serve as a transition fuel and the first step to the country’s path towards decarbonization, while we expand the Company’s portfolio of renewable energy. We continuously explore other sources of clean fuels and technologies such as Hydrogen that could possibly replace natural gas as fuel for its natural gas-fired power plants, and other RE sources and related technologies, such as Carbon capture and storage.

Natural Capital Performance

As we continue to grow and expand our energy portfolio, First Gen remains committed to its mission of “Forging Collaborative Pathways for a Decarbonized and Regenerative Future.” We shall lead the transition to a decarbonized energy system. Our strategies are founded in our objective of strengthening clean energy position through a diverse, complementary, and reliable portfolio of natural gas and renewable energy. We are firm in our strategy that the development of our natural gas business is a necessary step in our journey towards decarbonization and regeneration as the transition fuel to continue supporting the DOE’s PEP (2040). The government plan highlights the country’s ambition to significantly increase renewable energy and natural gas capacities and decrease our dependence on coal. The government program aims to increase the share of renewable energy to 35% by 2030 and 50% by 2040. First Gen’s RE subsidiary, Energy Development Corporation continued to participate in the renewable energy (RE) expansion program in 2022 and plans to continue this path in the future.

As we continue to develop, grow, and build on our platform of renewable and low-carbon energy assets, our way of play will continuously involve the responsible utilization and preservation of our natural resources for the welfare of our current and future generations. Our mission, our way of play and our Environment, Safety and Health Policy are the guiding directions as we continue to create value in our energy portfolio for both our manufactured and natural capital.

As stated in our Environmental, Safety, and Health (ESH) Policy, First Gen commits to preserve and enhance the environment. We maintain an Environmental Management System (EMS), covering our business development, project monitoring, and asset management activities to reduce environmental emissions, effluents, and wastes and promote the efficient use of energy, water, and other resources. The EMS of our subsidiaries: FGPC, FG/ FNPC, FG/ Hydro, FG Bukidnon, EDC and recently, PMPC maintain individual certifications to ISO 14001:2015. We annually review our environmental risks to ensure the effectiveness of our mitigation strategies for environmental protection and preservation. Consistent with the EMS protocols, all our subsidiaries undergo the annual audits conducted by the: 1) Corporate Quality, Environment, Safety and Health (QESH) team; and 2) their respective certifying body. The ESH Policy is posted on the Company’s website.

With the environmental programs in place, First Gen has no incidents of non-compliance with environmental standards and regulatory requirements of the country.

Upskilling Our People

In 2022, First Gen also collaborated with FPH for FPH Group-wide capability building activities on the following: a) Human Rights Due Diligence; b) Waste Management and Circularity; c) Energy Efficiency; d) TCFD; e) Decarbonization, and f) CSR Review to support our mission and strategies. These workshops are intended to strengthen the capabilities of First Gen and all the FPH subsidiaries and to align with the methodologies and standards in setting ESG targets, indicators, and strategies.

Summary of Outcomes, Values and Plans For Intellectual Capital

- Increase in digital and cybersecurity solutions and awareness programs
- Drafting of policies and guidelines related to information and cybersecurity
- Capitalized on management systems to foster process improvements

Where We Progressed in 2022 Impact Materiality Financial Materiality Our Plans

<table>
<thead>
<tr>
<th>Where We Progressed in 2022</th>
<th>Impact Materiality</th>
<th>Financial Materiality</th>
<th>Our Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in digital and cybersecurity solutions and awareness programs</td>
<td>Preserved and improved on our intellectual capital through digitization, information security solutions and management systems that contributed to the Company’s performance</td>
<td>The transformation of our culture to digitalization and lightening our security through cybersecurity affected the rise of cash flows but these were managed by concerned groups.</td>
<td>Continue to implement and initiate programs to maintain the security and integrity of our systems, data and information</td>
</tr>
<tr>
<td>Drafting of policies and guidelines related to information and cybersecurity</td>
<td></td>
<td></td>
<td>Monitor on technologies that will enable us to meet our Net Zero ambition</td>
</tr>
<tr>
<td>Capitalized on management systems to foster process improvements</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

To know more how First Gen’s Intellectual Capital is contributing to the effort to forge collaborative pathways for a decarbonized and regenerative future, please see pages 62–63.
The Greenhouse Gas (GHG) emissions of First Gen were generated from using natural gas as the primary fuel for First Gen’s combined cycle gas turbine (CCGT) power plants and other renewable energy technologies, such as hydropower, geothermal, solar, and wind. These emissions affect various sectors of the economy and energy supply security.

The natural gas platform in First Gen Clean Energy Complex (FGCEC) makes up the 84% of First Gen’s Scope 1 emissions. The observed increase in total emissions from 2021 to 2022 in Figure 1 is due to the increase of our Scope 1 emissions, affected by the increasing activity of the various industries of the economy as it recovers from the pandemic and resulting in continuous energy demand. Furthermore, due to the decreasing supply of natural gas from the Malampaya Gas Field, the power plants in FGCEC have relied on liquid fuel as a supplement, thus resulting in increased emissions given the innate properties of liquid fuel. The ongoing construction and eventual operations of the FGEN LNG Interim Offshore Terminal (IOT) shall mitigate these emissions by ensuring a constant supply of natural gas thereby significantly decreasing the use of liquid fuel. The IOT also has the potential of enabling other natural gas industries in boosting our national transition to decarbonization.

Note: The Scope 1 Emission for 2021 was changed from 5,355,433.40 to 4,982,953.0 due to the corrections made in the 2021 generation data of San Gabriel and Avion Natural Gas Plants.
First Gen’s emission intensity in 2022 was 0.30 compared to the 2021 emission intensity of 0.31 as shown in Figure 5. This reduction was contributed by the decrease in the GHG emission intensity of FGCEC in 2022 compared to 2021, primarily due to the decrease in liquid fuel consumption and more available natural gas in its operation in the 2nd half of 2022 when the natural gas supply was reallocated to FGCEC.

For our 2022 natural capital performance, the amount of carbon emissions generated from producing the same amount of energy of 22,352.42 GWh is 63% lower than a coal-fired power plant. Moreover, producing power using our clean and renewable energy, prevented the release of 11,629,336.3 tonnes of greenhouse gas emissions (tCO2e), equivalent to the removal of approximately 2,505,764 gasoline-powered passenger vehicles in one year. We are constantly monitoring updates on emerging technologies that can further decarbonize our gas plants, such as carbon capture technology and using alternative fuels such as hydrogen, batteries, and other clean energy options.

Other Emissions Affecting Air Quality

Aside from GHG, we consistently monitor our other emissions to comply with regulatory standards. The measured concentrations of these pollutants were significantly lower than the emission limit values set under RA 8749 (Philippine Clean Air Act) due to the dry low NOx technology, embedded in the plants’ combustion systems. The total emissions and the emission intensity are shown in the table below.

### Table 1: Other Significant Air Emissions

<table>
<thead>
<tr>
<th>Emission</th>
<th>Weight in Tonnes</th>
<th>Emission Intensity in tonnes CO₂e per Gigawatt hour (Tonnes/GWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon Monoxide (CO)</td>
<td>615.8</td>
<td>0.04</td>
</tr>
<tr>
<td>Nitrogen Oxides (NOx)</td>
<td>3642.3</td>
<td>0.25</td>
</tr>
<tr>
<td>Sulfur Oxides (SOx)</td>
<td>355.3</td>
<td>0.02</td>
</tr>
<tr>
<td>Particulate Matter (PM)</td>
<td>147.1</td>
<td>0.01</td>
</tr>
</tbody>
</table>

### Decarbonization Initiatives Implemented

#### Methane Fugitive Emission Management Program

First Gen Clean Energy Complex (FGCEC) continues to implement the Methane Fugitive Emission Management Program which started in July 2020. The program aims for the early detection of fugitive emissions using an optical gas imaging camera, resulting in the rectification of gas leaks and reduction of fugitive methane gas emissions from gas leakage. Based on this program, recorded gas leaks in 2022 had a flow rate significantly less than the 6 cubic ft/hr standard based on the US Methane Standards of 2016. FGCEC’s total fugitive methane emission was equivalent to 132 tonnes CO2e which was 98.09% lower than the 2019 baseline. In December 2022, the complex conducted the first natural gas leak survey, which is set to be carried out twice a year. This program contributed to the periodic identification of leak sources and performance of immediate corrective maintenance activities to address them.

#### Electric Vehicle (EV) Initiative

In 2022, we installed an EV fast charging station in the FGCEC. This charging station sources energy from the solar panels installed in the San Gabriel warehouse and provides the power requirements of the EV used by the employees in our site for official business trips. By using the EV, we prevented approximately 1 ton of carbon emission per year as opposed to using a vehicle powered by diesel or gasoline.

The electric vehicle initiative was also implemented by EDC in 2022 when it launched its first Geo 24/7-powered vehicle. EDC is currently in the pilot stage of using electric vehicles where the charging stations are fueled by steam energy from its Tongonan Geothermal Power Plant in Kananga, Leyte.
Preparatory works for the GHG Readiness Assurance Project – External Limited Assurance of GHG

In 2022, corporate QESH teams of First Gen and EDC collaborated to source potential third party entities that can provide limited assurance of First Gen’s GHG emission data gathering, analysis and monitoring processes. The GHG assurance project is one of First Gen’s initiatives to further enhance the organization’s capability in ensuring that the GHG monitoring and reporting systems in place are in accordance with global industry standards. This is in order for our organization to be assured of having an accurate, reliable and quality GHG data reporting system that is being used in the different disclosures of the Company to various external stakeholders and investors.

NZCA provides its partners with a framework to achieve its goal by sharing best practices, scaling up carbon emission reduction and tracking, and providing better access to green financing, among many other capacity-building tools. In 2022, six (6) new partners joined NZCA’s pool of partners (6 six pioneer partners).

In 2022, EDC launched an Innovation Program on Decarbonization which explores technologies that reduce carbon emissions in geothermal operations. Moreover, EDC’s multidisciplinary teams conduct feasibility studies on technologies such as carbon capture and storage and carbon recycling.

Clean Energy Advocacy

The Net Zero Carbon Alliance (NZCA) is an initiative of EDC. Established in September 2021, NZCA is EDC’s response to its mission to forge collaborative pathways for a decarbonized and regenerative future.

As the country’s first initiative spearheaded by the private sector to achieve net zero carbon emissions among businesses, NZCA seeks to inspire and assist Philippine businesses in taking immediate steps to achieve carbon neutrality by 2050 and contribute to the country’s efforts to address its climate crisis.

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Energy Efficiency

First Gen’s energy consumption for power generation originates from raw sources and electricity purchased from the grid. As shown in Figure 7, the increase in energy consumption for 2022 is attributed to the corresponding increase in generation.

In 2022, EDC launched an Innovation Program on Decarbonization which explores technologies that reduce carbon emissions in geothermal operations. Moreover, EDC’s multidisciplinary teams conduct feasibility studies on technologies such as carbon capture and storage and carbon recycling.

First Gen implemented the following initiatives in 2022 to improve the Company’s energy efficiency and contribute to Scope 1 reduction of approximately 233.02 tonnes of CO₂e.

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Energy Savings (kWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FGCEC Solar PV Panel Installation at Administration Building</td>
<td>48,310.00</td>
</tr>
<tr>
<td>San Gabriel Solar PV panels at SG Warehouse</td>
<td>280,250.00</td>
</tr>
<tr>
<td>FGHPC Installation of energy meters at Masiway Hydroelectric Plant</td>
<td>73,194.46</td>
</tr>
</tbody>
</table>

Table 2: Energy Efficiency Initiatives

Figure 7: First Gen Overall Energy Consumption

Other Energy Efficiency Initiatives Implemented

Conduct of Baseline Energy Audits

In compliance with DOE’s Department Circular 2019-11-004, the Implementing Rules and Regulations of RA 11285 Energy Efficiency and Conservation Act, First Gen facilities engaged the services of PI Energy Inc., as an accredited DOE Energy Service Company (ESCO) to perform a baseline energy audit. The energy audit also served as an enabling activity to identify the energy consumption improvement areas of First Gen facilities that can aid in the development of applicable energy management and efficiency programs.

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### Water and Wastewater Management

#### Water Use

Water is a vital resource for First Gen since it serves as a primary source of power generation in its hydroelectric plants, with secondary operational use as a coolant for its natural gas and geothermal plants. It also provides the domestic water needs for all its assets. All First Gen power plants regularly monitor water withdrawal to ensure compliance with the extraction rate limits set by the National Water Resources Board (NWRRB) for groundwater and seawater.

For our hydroplant operations in Pantabangan and Masiway, the volume of water used in power generation is dependent on the volume of water required by the National Irrigation Authority (NIA) to be released from the reservoir for irrigation purposes. The volume of water extracted and discharged for our hydro plant operations in Table 3 is the surface water that passed through the First Gen facility turbines and were returned back to the receiving body of water.

#### Table 3: Volume of Water Extraction, Discharge and Consumption per First Gen Facility

<table>
<thead>
<tr>
<th>Facility</th>
<th>Extraction</th>
<th>Discharge</th>
<th>Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2021</td>
<td>2022</td>
</tr>
<tr>
<td>Santa Rita</td>
<td>603,700.10</td>
<td>553,403.19</td>
<td>597,613.05</td>
</tr>
<tr>
<td>San Lorenzo</td>
<td>255,111.20</td>
<td>287,627.82</td>
<td>278,517.01</td>
</tr>
<tr>
<td>San Gabriel</td>
<td>166,563.70</td>
<td>204,985.83</td>
<td>242,677.52</td>
</tr>
<tr>
<td>Avion</td>
<td>142.7</td>
<td>342.92</td>
<td>331.49</td>
</tr>
<tr>
<td>RBC Head Office</td>
<td>0</td>
<td>0.49</td>
<td>0.65</td>
</tr>
<tr>
<td>Agusan</td>
<td>48,654.40</td>
<td>60,914.97</td>
<td>43,650.85</td>
</tr>
<tr>
<td>Pantabangan-Masiway</td>
<td>1,916,435.00</td>
<td>1,578,684.79</td>
<td>1,666,685.39</td>
</tr>
<tr>
<td>EDC</td>
<td>2,014.70</td>
<td>1,548.02</td>
<td>1,179.38</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,992,621.80</td>
<td>2,687,508.03</td>
<td>2,831,657.93</td>
</tr>
</tbody>
</table>

Water consumption figures show relatively consistent values with a slight decrease in 2022 due to minimal well-related activities (e.g., workover, quenching and drilling) for our geothermal plants in EDC. First Gen ensures that all wastewater generated by the assets are properly treated before discharged into the environment. Wastewater treatment facilities yield effluents compliant with quality standards before their release into receiving bodies of water. Moreover, effluent quality is regularly monitored for its compliance with DENR Department Administrative Order 2016-08, 2021-19, and the Philippine Clean Water Act of 2004. These efficient water consumption practices and proper wastewater management systems contribute to First Gen’s consistent efforts to minimize the environmental impacts of its operations.
Table 4: Management of Water as a Shared Resource

<table>
<thead>
<tr>
<th>Facility</th>
<th>Areas of operation and value chain where water is used and how it is used</th>
<th>Water source</th>
<th>Point of discharge and how effluents are managed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Rita</td>
<td>Groundwater (deep well) is used as feed water for the HRSG boilers, and domestic purposes.</td>
<td>Groundwater - two dedicated deep wells each for Santa Rita and San Lorenzo Power Plants</td>
<td>Used water is treated in neutralization systems, oil-water separators, and sewage treatment plants (STP) before being discharged to Batangas Bay. Quality of effluents are being monitored and analyzed every other week by the O&amp;M Contractor and quarterly by a third-party service provider recognized by the Department of Environment and Natural Resources-Environmental Management Bureau (DENR-EMB). No heavy metals are detected in SR, SL, and SG effluents. A cooling water system is a once-through non-contact system, where seawater for cooling is returned to Batangas Bay upon passing through the condenser. Temperature change is monitored by getting the temperature difference between the daily temperature logs from the outfall and the intake. The physiochemical quality of seawater intake and discharge are being monitored every other week by the O&amp;M Contractor and quarterly by a third-party service provider recognized by DENR-EMB. It is good to note that the cooling water discharges have no pollution load. No heavy metals are also detected from the cooling water discharge.</td>
</tr>
<tr>
<td>San Lorenzo</td>
<td>Seawater is used for a one-pass process as cooling water to condense steam from HRSG. The condensate (water) is returned to the boilers for steam generation.</td>
<td>Seawater - from Batangas Bay for once-through cooling</td>
<td></td>
</tr>
<tr>
<td>San Gabriel</td>
<td></td>
<td>Groundwater - one dedicated deep well for San Gabriel Power Plant</td>
<td></td>
</tr>
<tr>
<td>Avion</td>
<td>Groundwater (deep well) is used in the cooling tower, for NOx control, and for domestic purposes.</td>
<td>Groundwater - two dedicated deep wells for Avion Power Plant</td>
<td>Used water is treated at the water treatment plant and discharged to the two retention basins for settling before final discharge. Oily wastewater is treated at the oil-water separators. The final effluents are discharged to the Cabubulag River and eventually to Batangas Bay. The quality of effluents is monitored and analyzed monthly by a third-party service provider recognized by DENR-EMB.</td>
</tr>
<tr>
<td>Agusan</td>
<td>The plant is a run-of-river consisting of two 800-kW turbine generators that use water from the Agusan River to generate electricity.</td>
<td>The Agusan mini hydro plant is located in Dampilag, Manolo Fortich, Bukidnon, 36 km southeast of Cagayan de Oro City in Northern Mindanao. Aside from power generation, the river also serves as a source for the irrigation system, especially in the upstream areas.</td>
<td>The diverted water that runs the plant of two 800-kW turbine generators is being returned back to the river.</td>
</tr>
<tr>
<td>Pantabangan</td>
<td>Water is the main fuel for power generation. Water is sourced from the impounded water of the Pantabangan reservoir (NIA-owned). Water released from PHPP from its tail water is the main source of fuel for power generation of MIHEP, the facilities being cascading plants.</td>
<td>Water is sourced from the Pantabangan reservoir. The tributaries of the reservoir are 36% from Upper Pampanga and Carranglan River, 36% water discharge from Casocnan Hydroelectric Power, and 8% from Canili-Diayo dams. Water is primarily sourced from the water discharged from the PHPP. Water is impounded via the Masiway reservoir and is capable of storing 6 million cubic meters of water.</td>
<td></td>
</tr>
<tr>
<td>Masinaya</td>
<td>For its operation, EDC uses geothermal condensate for cooling but makeup freshwater is drawn as needed. Freshwater is also used for domestic purposes.</td>
<td>Water discharged from the power plants through its tailrace goes directly to the Masiway reservoir. On the other hand, water discharge utilized for domestic use in the power plant passes through our Sewage Treatment Plant (STP) to ensure that our effluents are still within the prescribed environmental limits. Quarterly monitoring is being conducted upstream (Pantabangan reservoir) and downstream (Masiway reservoir) to ensure that the quality of our water being discharged is still within limits.</td>
<td>EDC follows the zero-discharge system for its geothermal fluid collection and reinjection system (FCRS) to maximize recharge to the geothermal system. Minimal treated domestic wastewater is discharged, leading to the river system.</td>
</tr>
<tr>
<td>EDC Geothermal</td>
<td>EDC withdraws freshwater from river systems in the vicinity of the geothermal facilities, as well as from local water districts and water concessionaires.</td>
<td>EDC follows the zero-discharge system for its geothermal fluid collection and reinjection system (FCRS) to maximize recharge to the geothermal system. Minimal treated domestic wastewater is discharged, leading to the river system.</td>
<td></td>
</tr>
<tr>
<td>EDC Burgos</td>
<td>Freshwater is used for domestic purposes.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EDC Head Office</td>
<td>Freshwater is withdrawn from local water districts and water concessionaires.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RBC Head Office</td>
<td>Freshwater is used for domestic purposes.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
IV. OUR VALUE CREATION STORY

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Table 5: Management of Water Related Impacts

<table>
<thead>
<tr>
<th>FACILITY</th>
<th>Minimum standards for quality of effluents discharged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Rita</td>
<td>The effluent quality of wastewater discharges follows the DENR, Administrative Order (DAO) 2016-08 and DAO 2021-19 Standards for Class SC Water. The effluent quality of wastewater discharges follows the DENR, Administrative Order (DAO) 2016-08 and DAO 2021-19 Standards for Class SC Water.</td>
</tr>
<tr>
<td>San Lorenzo</td>
<td>The effluent quality of wastewater discharges follows the DAO 2016-08 and DAO 2021-19 Standards for Class SC Water.</td>
</tr>
<tr>
<td>San Gabriel</td>
<td>The effluent quality of wastewater discharges follows the DAO 2016-08 and DAO 2021-19 Standards for Class SC Water.</td>
</tr>
<tr>
<td>Arcon</td>
<td>The effluent quality of wastewater discharges follows the DAO 2016-08 and DAO 2021-19 Standards for Class SC Water.</td>
</tr>
<tr>
<td>Agusan</td>
<td>FG Bukidnon – Water Meter Installation</td>
</tr>
<tr>
<td>Pantabangan-Masiway</td>
<td>FG Bukidnon – Water Meter Installation</td>
</tr>
<tr>
<td>EDC Geothermal (BacMan, Leyte, Southern Negros, Mt. Apo) &amp; EDC Burgos</td>
<td>EDC follows the general effluent standards indicated in the DAO 2016-08 and DAO 2021-19.</td>
</tr>
</tbody>
</table>

Water Management Initiatives Implemented in 2022

FG Bukidnon – Water Meter Installation

In 2022, the plant completed the installation of water meters in each building in its Administration facility for the plant’s Water Management Program. The program aims to ensure that the water usage is within the average based on industry practice and to ensure the availability of water for daily and future use. The water usage initially measured in 2022 will be used as the baseline starting 2023 which should be at +/- 5%.

First Gen intends to participate in capacity building for water management initiatives in 2023 to equip the key personnel at the facility ground level with a systematic approach in identifying, measuring, monitoring, and reducing water consumption and wastewater generation from various activities.

Waste and Hazardous Materials Management

First Gen manages its wastes so that cross-contamination of non-hazardous and hazardous wastes are prevented from the point of generation, storage, transport, treatment, and disposal. The Company ensures that its wastes are managed according to the waste management hierarchy: elimination, reduction, reuse or recycling, treatment, and disposal according to RA 9003 (Philippine Ecological Solid Waste Management Act) and RA 6969 (Toxic Substances and Hazardous and Nuclear Wastes Control Act). Due diligence of third-party service providers is carried out in compliance with regulatory requirements.

The total volume of hazardous and non-hazardous wastes were slightly lower in 2022 compared to 2021. However, hazardous waste generated in 2022 started to increase due to the ramping up of onsite activities.

Figure 10: Total Weight of Waste Generated – Hazardous and Non-Hazardous (Tonnes)

Figure 11: Total Weight of Waste Diverted and Waste Diverted (Tonnes)
IV. OUR VALUE CREATION STORY

2022 INTEGRATED REPORT

September 2022: CSR Stories – The Adventures of Betty the Bote

April 2022: Earth Eats: jumpstart with a healthy diet that is also climate-friendly

June 2022: Ready, set, race for climate action! The Zoom-tacular Race for Climate Action

March 2022: Avoiding a Climate Lockdown: A Briefing on the Intergovernmental Panel on Climate Change Assessment Report 6 Working Group 2 (IPCC AR6)

May 2022: It’s Month of the Ocean!

February 2022: World Wetlands Day: Communities depend on mangroves, vice versa.

Participation in FPH Capacity Building Sessions

Together with the other FPH subsidiaries, key groups in First Gen facilities participated in the decarbonization capacity building workshops hosted by the FPH Corporate Sustainability Group from May to November 2022.

Information Education Campaigns

First Gen maintains environment programs that primarily raise climate change awareness and encourage climate action among its employees, customers, communities and partner stakeholders. For 2022, First Gen continued to implement the “What’s Heating Up?” series under the Create of the Climate (CFTC) program.

Table 7: First Gen’s Environmental Information Education Campaigns in 2022

Table 6: Management of Waste Related Impact

MANAGEMENT OF SIGNIFICANT WASTE-RELATED IMPACTS

<table>
<thead>
<tr>
<th>Activity / Process</th>
<th>Waste Management</th>
<th>Impact Management</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hazardous and Non hazardous Wastes generated from Company operations</td>
<td>Storage: Hazardous wastes are labeled, segregated, and stored in hazardous wastes storage building. Transport and Disposal: Hazardous wastes are transported by the DENR accredited transporter and delivered to DENR accredited treatment storage and disposal (TSD) facility for proper treatment. Non-hazardous wastes are disposed of through the Local Government Unit. Waste Minimization: To minimize waste generation, use of materials are optimized through proper maintenance, spill prevention measures, use of appropriate sized materials, paper recycling, and paperless transactions.</td>
<td>• Established guidelines on proper handling, storage, and disposal of wastes • Prevented spills that may potentially contaminate storm drains and water bodies • Utilized the Company’s in-house neutralization system • Complied to fire safety requirements • Monitored weekly the condition of the hazardous waste storage building • Conducted due diligence audit of transporter and TSD facilities • Partnered with ABS-CBN Lingkod Kapamilya Foundation - Bantay Kalikasan for recycling of waste oil, lead and plastic casing of batteries</td>
<td>• Complied with legal and regulatory requirements • No spill incidents resulting in release to environment</td>
</tr>
</tbody>
</table>

Environmental Training/Workshop

<table>
<thead>
<tr>
<th>Environment Training/Workshop</th>
<th>Objectives</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste Management</td>
<td>To capacitate the subsidiaries on waste management and circularity.</td>
<td>Development of waste management enhancement plan</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>To assist the FPH subsidiaries in understanding the importance of energy efficiency as the first step to decarbonization.</td>
<td>Initiated the conduct of energy audits as the initial step to the development of our energy efficiency plans</td>
</tr>
<tr>
<td>Decarbonization</td>
<td>To provide guidance on the development of climate strategies and transition plans in establishing decarbonization targets</td>
<td>Crafted a decarbonization road map for First Gen facilities</td>
</tr>
</tbody>
</table>

Protecting Nature’s Integrity and Biodiversity

First Gen is committed to safeguarding and enhancing the environment and the ecosystems where we operate our business since we depend on the resources provided by nature to achieve growth and ongoing value creation by providing clean and renewable energy to support our country’s energy security.

2022 Initiatives

FGCEC - Mini - Mangrove Forest

Located within the host barangays of Sta. Clara and Sta. Rita Aplaya of Batangas City, FGCEC maintains its 10-hectare mangrove area at the complex that has a carbon sequestration potential of approximately 98.4 tons/ha.

This mangrove forest is a seat of biodiversity and provides a habitat for an array of aquatic and terrestrial species. It stabilizes the shoreline, minimizes erosion, and protects the area from storm surges and flooding.
IV. OUR VALUE CREATION STORY

The Company, through EDC, fully supports the restoration of open and denuded forests, and watersheds. Since its launch in 2008, the BINHI program has partnered with 88 forest communities to plant more than 10,000 hectares nationwide, making it the largest private sector-led reforestation initiative.

The Mapilig (Xanthostemon bracteatus), a species of ironwood, seen here thriving within the area of the Bacon-Manito Geothermal Project

In 2022, the forest restoration program has generated 272,443 quality seedlings of Philippine native tree species in the central and satellite nurseries spread across the project sites. The seedlings were either distributed to partners to supply tree-planting activities or maintained in the nurseries as part of seedling stock for future initiatives.

The Company, through EDC, fully supports the restoration of open and denuded forests, and watersheds.

BINHI PROGRAM

BINHI, in the continuing effort to be at the forefront of environmental conservation, is the nationwide greening program of our renewable energy subsidiary, EDC, which collaborates with the country’s top foresters, botanists, and wildlife biologists with over 200 partner organizations across the 16 regions of the Philippines. EDC has invested Php 27 million in 2022 towards its various environmental initiatives and watershed management programs.

Through this program, EDC has the objective to undertake holistic management and watersheds around its project sites and continue to implement its forest protection activities as part of its role as the deputized manager of the watersheds within four geothermal reservations in Albay, Sorsogon, Negros Oriental, Leyte, and Mt. Apo. The BINHI program aims to reforest degraded watersheds, preserve, and propagate threatened native tree species, and protect biodiversity outside its work sites.

EDC’s forest protection and biodiversity conservation initiatives aim to protect and maintain the integrity of habitats and ecosystems of the 127,608 hectares of forest lands within the geothermal reservations where the Company operates.

Use of Seashells as Raw Materials for Paving Blocks

In 2022, a pilot project on the use of seashells as raw materials in the production of paving was launched. The pilot project confirmed that seashells, which were previously disposed to sanitary landfills, could be used as aggregates in the production of pavements. In 2022, approximately 17,073 kg of seashells were used as aggregates in the production of 19,700 pieces of pavements and installed at the Forest Tree Nursery Driveway. This resulted to a reduction of 51% in the amount of non-hazardous residual wastes that was being dumped in sanitary landfills through its diversion as a useful aggregate in the production of a new product.

FGCCEC - Adopt-a-River/ Water Body Program

First Gen also continues its long-term partnership with the DENR under the Adopt-a-River/ Water Body Program, which aims to protect and enhance the Cababulan River in Brgy. Sta. Clara, Batangas City through regular water quality monitoring and cleanup activities.

FGCCEC - Bantay Dagat

With the aim to continue and conserve marine biodiversity, First Gen also continuously supports the Bantay Dagat operations to protect the Verde Island Passage which is the Center of Biodiversity, in partnership with partner local communities and local government agencies.

• EDC and its local partners completed 3,004.55 km of foot patrols and drone patrols within the identified focus conservation areas in 2022.
• Forest patrols in 2022 resulted in eight apprehensions with the DENR, including the capture of free Agarwood (Aqularia malaccensis) gatherers, and the confiscation of three hunting guns in Leyte.
• With the contribution of EDC’s strict implementation of forest protection activities in cooperation with Task Force Bantay Kabtangan (TFBK), three cases on illegal forest activities, including illegal cultivation at the protected forestland were filed in EDC’s host municipality of Valencia in Negros Oriental.
• No forest fires were reported within the geothermal reservations with the help of purposive forest patrols and increased patrol visibility to prevent forest fire occurrences.
• Through EDC’s initiatives to protect the watersheds within the geothermal reservations, the forests and other land covers were enabled to sequester over 1.7 million tonnes of carbon dioxide equivalent (tCO2e) each year from the atmosphere.

In 2021, a pilot project on the use of seashells as raw materials in the production of paving was launched. The pilot project confirmed that seashells, which were previously disposed to sanitary landfills, could be used as aggregates in the production of pavements.

The Company, through EDC, fully supports the restoration of open and denuded forests, and watersheds. Since its launch in 2008, the BINHI program has partnered with 88 forest communities to plant more than 10,000 hectares nationwide, making it the largest private sector-led reforestation initiative.

In 2022, the forest restoration program has generated 272,443 quality seedlings of Philippine native tree species in the central and satellite nurseries spread across the project sites. The seedlings were either distributed to partners to supply tree-planting activities or maintained in the nurseries as part of seedling stock for future initiatives.
## Protected Species

Due to the easing of pandemic restrictions across EDC’s areas of operations, the on-the-ground activities for the implementation of BCMP III have resumed in 2022 after being temporarily deferred in 2021. The conduct of biodiversity monitoring activities in EDC’s Bacon-Manito Geothermal Project (BMGP) resulted in the sampling of a total of 104 species of terrestrial vertebrate fauna and the observation of a total of 334 distinct morphospecies of flora. Of the 104 fauna species, three (3) are classified as threatened in the IUCN Red List. These include the Endangered Golden-crowned Flying Fox (*Acerodon jubatus*), the Near-Threatened Large Flying Fox (*Pteropus vampyrus*), and the Vulnerable Mottle-winged Flying Fox (*Dermopterus leucopus*).

First Gen, through EDC’s Biodiversity Conservation & Monitoring Program, continues to protect endangered species, with its in-house team of wildlife biologists and foresters and in partnership with expert groups such as the University of the Philippines Institute of Biology (UP-IB), Silliman University in Negros Oriental, and Philippines Biodiversity Conservation Foundation, Inc (PBCFI) in Negros Occidental.

With its first phase commencing in 2008, EDC has partnered anew with UP-IB for the third phase of the BCMP (BCMP III) which focused on:

- Biodiversity Metrics,
- Flagship Species Initiative,
- Flora Conservation,
- Botanical Treasures, and
- the establishment of the UP-IB-EDC Biodiversity Hub

### Table 8: 2022 EDC Biodiversity Information Education Campaigns

<table>
<thead>
<tr>
<th>Project Site</th>
<th>Activity/Initiative</th>
<th>Inclusive Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>BMGP</td>
<td>Watercolor Workshop featuring the Mapilig</td>
<td>June 3</td>
</tr>
<tr>
<td>SNGP/NNGP</td>
<td>Watercolor Workshop featuring the Red Lauan</td>
<td>June 9</td>
</tr>
<tr>
<td>EBWPC</td>
<td>Watercolor Workshop featuring the Ubinagt</td>
<td>June 14</td>
</tr>
<tr>
<td>MAGP</td>
<td>Watercolor Workshop featuring the Almaciga</td>
<td>June 17</td>
</tr>
<tr>
<td>TGP</td>
<td>Watercolor Workshop featuring the Katmon Bayani</td>
<td>June 23</td>
</tr>
<tr>
<td>Head Office</td>
<td>Launch of Virtual Art Exhibit of the Watercolor Workshop Submissions on EDC BINHI’s Facebook Page</td>
<td>June 25</td>
</tr>
<tr>
<td>BMGP</td>
<td>Alay sa Bisahay: Bang Plushies for Wildlife Conservation</td>
<td>June 29</td>
</tr>
<tr>
<td>TGP</td>
<td>Leyte BINHI Ambassadors: Out in the Wild</td>
<td>Nov 7-9</td>
</tr>
<tr>
<td>BMGP</td>
<td>Bacman BINHI Ambassadors: Out in the Wild</td>
<td>Nov 10-12</td>
</tr>
<tr>
<td>MAGP</td>
<td>Mt. Apo Ambassadors: Out in the Wild</td>
<td>Nov 29-Dec 1, Dec 2</td>
</tr>
<tr>
<td>MAGP</td>
<td>Alay sa Kalikasan Launch of: Apo’s Brew 6 Dinha the Apo Myra Plush Toy</td>
<td>Dec 5</td>
</tr>
<tr>
<td>Head Office</td>
<td>BINHI website update includes Biodiversity Conservation and Flagship Species section</td>
<td>Dec 8</td>
</tr>
<tr>
<td>Head Office</td>
<td>BINHI Hero of the Week</td>
<td>Oct-Dec</td>
</tr>
<tr>
<td>Head Office</td>
<td>Exhibit booth during 30th Annual Philippine Biodiversity Symposium</td>
<td>Dec 6-9</td>
</tr>
<tr>
<td>Head Office</td>
<td>Virtual launch of the UP-IIEC Biodiversity Hub on EDC BINHI’s website and during the Philippine Biodiversity Symposium</td>
<td>Dec 8</td>
</tr>
</tbody>
</table>
IV. OUR VALUE CREATION STORY

As First Gen continues to move towards energy transition, we will continue to protect and create value for the planet with the decision to retain our zero coal portfolio and develop more low carbon and renewable energy solutions with our natural gas power plants supporting our RE platforms. Our programs and initiatives on reforestation, protecting the biodiversity areas, and internal low carbon and energy savings mechanisms will be pursued to realize our mission of decarbonization and regeneration.

Our Plans

Where We Progressed in 2022

Impact Maternity

GHG Emissions
- Increased in absolute value of Scope 1 Emissions
- Decrease in natural capital due to the use of natural gas (fossil fuel) as a transition fuel.
- Improvement in the emission intensity due to the increased contribution in generation from renewable energy sources
- Increase in the natural capital due to the effective management and reduction of methane fugitive emissions

Energy Efficiency
- Use of Solar Panels for House Load Energy Consumption
- Pilot testing of electric vehicles and installation of charging stations
- Implementation of energy audits.

Investors
- Increase in the manufactured and financial capital due to the increase in generation.
- Conduct readiness assessment to prepare for an external limited assurance of our GHG accounting and monitoring processes.
- Continue monitoring updates on emerging technologies that can further decarbonize our gas plants.
- Continue the development of our decarbonization roadmap using science-based targets.
- Continue feasibility studies in the pre-development of future renewable energy projects

Employees/Subsidiaries
- Increase in knowledge and understanding regarding the necessity and need for external assurance of GHG data
- Initiated the crafting of the high level decarbonization road map

Investors & Government
- Initiated steps to prepare and comply with TCFD requirements on external assurance of GHG data
- Develop strategies at the plant level to address improvement opportunities identified from the energy audit.
- Develop and establish energy efficiency and reduction targets

Planet
- Decrease in natural capital due to the use of natural gas (fossil fuel) as a transition fuel.
- Improvement in the emission intensity due to the increased contribution in generation from renewable energy sources
- Increase in the natural capital due to the effective management and reduction of methane fugitive emissions

Investors
- Increase in the manufactured and financial capital due to the increase in generation.
- Conduct readiness assessment to prepare for an external limited assurance of our GHG accounting and monitoring processes.
- Continue identifying opportunities to improve house load and efficiency of plant equipment to generate more energy at lower fuel consumption.
- Develop strategies at the plant level to address improvement opportunities identified from the energy audit.
- Develop and establish energy efficiency and reduction targets

Financial Maturity

Table 9: 2022 List of fauna, flora and mangrove species in the IUCN Red List in First Gen’s clean and renewable energy project operational areas (FGCEC and EDC)

<table>
<thead>
<tr>
<th>Species Monitored</th>
<th>Total 2022</th>
<th>Critically Endangered</th>
<th>Endangered</th>
<th>Vulnerable</th>
<th>Near Threatened</th>
<th>Least Concern</th>
<th>Not Evaluated</th>
<th>Data Deficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bird</td>
<td>330</td>
<td>1</td>
<td>9</td>
<td>21</td>
<td>29</td>
<td>270</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Fish</td>
<td>34</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>11</td>
<td>23</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Bat</td>
<td>36</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>5</td>
<td>27</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Reptiles</td>
<td>49</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>46</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Amphibians</td>
<td>44</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>4</td>
<td>36</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Small Mammals</td>
<td>19</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>17</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Medium Mammals</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mangrove</td>
<td>33</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>19</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td>Flora</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>551</td>
<td>1</td>
<td>12</td>
<td>33</td>
<td>42</td>
<td>428</td>
<td>34</td>
<td>0</td>
</tr>
</tbody>
</table>
### Our Value Creation Summary

The organization ensures the company’s activities and initiatives are aligned with its Mission, Purpose, and Goals. Through annual Strategy and Synergies Planning (SSP) activities, risk assessment, and other related strategic planning processes, we are able to get a holistic view of our external environment, as well as analyze risks that we need to mitigate and adapt to. These planning activities are included in our value creation process to produce intended outcomes based on our objectives and strategies.

### Where We Progressed in 2022

<table>
<thead>
<tr>
<th>Area</th>
<th>Impact Materiality</th>
<th>Financial Materiality</th>
<th>Our Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Utilization</td>
<td>Decrease in water consumption</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wastewater Management</td>
<td>Continuous compliance of water discharge quality to DENR effluent standards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waste Management</td>
<td>Decrease in total volume of waste generated</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase in compliance of waste disposal in compliance to DENR standards and requirements</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Enhancement of Waste Management Plans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conservation of the Natural World</td>
<td>Sustainment of FGCEC’s Programs</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mini Mangrove Forest</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Adopt-a-River Program</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bantay Dagat</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Biodiversity Conservation &amp; Monitoring Program</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementation of Capacity Building</td>
<td>Waste Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Energy Efficiency</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Decarbonization Workshops</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainment of Information Education Campaigns for Employees on the Impact of Climate Change</td>
<td>Employees/Subsidiaries</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase in the knowledge and understanding of First Gen’s mission of the development and implementation of ESG programs and initiatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase in knowledge and understanding of employees for the appreciation and understanding of the company’s mission to abate the impacts of climate change</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

To know more how First Gen’s Natural Capital is contributing to the effort to forge collaborative pathways for a decarbonized and regenerative future, please see pages 62–63.
**Our Value Creation Diagram**

**Our Outlook**
- Transition towards retail oriented markets
- Dynamic solutions and project developments
- Furthering the clean energy transition
- Our long term net zero goals

**Strategic Objectives**
1. Grow by Expanding our Clean Energy Portfolio
2. Spear Decarbonization by Collaborating with Regenerative Partners
3. Go Beyond Shareholder Value by Creating Stakeholder Value

**Value Chain**
- Natural Gas
- Geothermal
- Hydro
- Wind
- Solar
- Transmission
- Distribution

**Inputs**
- **Financial Capital**
  - USD 2.1 billion retained earnings
  - USD 666.2 million equity invested by common shareholders
  - USD 227.2 million equity invested by preferred shareholders
  - USD 16.6 billion debt provided by lenders

- **Manufactured Capital**
  - 4 Natural gas projects (2.087.0 MW)
  - 13 Geothermal projects (1,188.0 MW)
  - 1 Wind project (150.0 MW)
  - 13 Geothermal projects (1,188.0 MW)
  - 4 Natural gas projects (2,017.0 MW)

- **Intellectual Capital**
  - USD 5.5 million investment on cybersecurity and information security/technology enhancement
  - Risk-based and stakeholder-focused processes through integrated management systems
  - 100% subsidiaries certified to ISO 9001, ISO 14001 and ISO 45001
  - 43 information technology solutions implemented to date

- **Human Capital**
  - 2,236 employees, 2,271 male to female ratio
  - 375 women in senior management positions
  - 46,096 hours of employee skills training
  - 3,934 hours training related to human rights
  - 513 employees trained on human rights issues
  - 175 new hires
  - 4,468 COVID-19 vaccine booster doses administered to employees, contractors, and family members

- **Natural Capital**
  - 0.003 tCO2/USD of emission intensity
  - 2,829,089.47 ML of water withdrawn
  - 0.14 total recordable incident rate
  - Compliance with DOLE’s general labor and OSH standards
  - 98% EEI organization climate dimension on working conditions
  - 67% Employee Engagement Index*

- **Social & Relationship Capital**
  - USD 3.62 million community investment
  - Partnership with 43 local government units and 237 host communities in areas of business operations
  - 22% increase in Value Adding Services (VAS) projects
  - Health and safety management protocols extended to contractors
  - Continuing COVID-19 management support to partner communities
  - Compliance with government regulations

**External Environment**
- The Philippine energy industry
- 2022 in focus: Global supply and economic conditions and the Malampaya constraints
- Social environment: Operations and development that take into the communities affected
- Environmental and planetary context: Climate change highlighting the need for renewables and low-emissions energy
- Political and regulatory environment: New RE programs
- Technology advancement: New developments in clean energy technology and energy storage
- The COVID-19 pandemic and the transition to a hybrid set-up

**Capabilities**
1. Solutions-based engagement
2. Clean energy advocacy leadership
3. Dynamic adaptation of regenerative businesses
4. Agile multi-project development
5. Resilient asset management

**Performance**
- USD 2.7 Billion
- Direct value generated (Revenues from sale of electricity)
- 0.003 tCO2/USD emission intensity
- 0.30 tCO2e/MWh emission intensity

**Output**
- 22,352.4 GWh of clean and renewable energy
- 8,966.64 MtCO2e of Scope 1 emissions
- 3,001.91 tCO2e of Scope 2 emissions
- 2,829,089.47 ML of water discharged
- 759.74 tons of non-hazardous wastes disposed
- 131.3 tons of hazardous wastes treated and disposed

**Strategies**
- **Operational Objectives**
  - Create value for our stakeholders
  - Ensure sustainable development

**Risks**
- Pandemic risk
- Competition and technology risk
- Political and regulatory risks
- Fuel risk
- Climate risk exposure
- Market risk
- Cybersecurity risk
- Financial risks

**Opportunities**
- Increased interest in decarbonized and regenerative business models
- Increased momentum and development of regulatory enablers for RE and natural gas
- Development of emerging markets
- Growing demand for additional energy supply

**Intangible Capital**
- Compliance with cybersecurity standards and regulations
- Process improvement and efficiency
- Culture transformation to digitalization

**Natural Capital**
- Adaptation to climate change
- Resilience to future carbon regulation
- GHG avoided (tCO2e) vs. Coal (6,269,036.30)
- Forest protected: 127,608 hectares
- Species of fauna and 30 species of mangroves monitored

**Social & Relationship Capital**
- 550 students supported through scholarships
- 185 schools provided with learning materials and school supplies
- 47% increase in customers served
- 157,020 doses of vaccines donated to 14 LGUs
- 23 social enterprise and livelihood projects supported to augment sources of income of host communities
- PHP 22 million net revenues generated from livelihood projects and contracts for host communities

**Value Impacts and Timeframes**
- Created/Preserved
- Eroded; impact decreased
- Value Creation Timeframes

**Stakeholders**
- Customers
- Employees/Suppliers/Partners
- Planet
- Host Communities
- Investors
- Government
- Subsidiaries
Our ESG Values

The integration of ESG practices created and preserved values for First Gen and all of our stakeholders. Our strategic investment in the six capitals generated both immediate and long-term values, while our steadfast commitment to protecting the environment and prioritizing stakeholder interests were instrumental in fostering positive impacts to our stakeholders and the communities we serve. Moreover, our careful management of intangible assets has served to preserve and enhance our capitals while mitigating any potential ESG-related risks. As a result, we’ve achieved a pattern of steady growth throughout 2022.

To measure our investments in protecting the six capitals, we used a financial tagging tool introduced in 2021. This tool captured our operational costs and investments for each capital. Unlike the previous year, we improved our reporting by considering only the expenses that protected the capitals from potential harm or generated new value. Thus, our ESG investments presented below are not directly comparable to the previous year’s figures.

### Values for First Gen and Its Stakeholders

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Values for the Stakeholder</th>
<th>Values for First Gen</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Customers</td>
<td>• Continued delivery of clean and renewable energy solutions and provision of value-adding services</td>
<td>• Stable revenues from loyal customers and additional revenues from new customers</td>
</tr>
<tr>
<td>2. Co-creators (employees, suppliers, and partners)</td>
<td>• Stable livelihood sources</td>
<td>• Attraction and retention of employees/talents and like-minded partners</td>
</tr>
<tr>
<td>3. Planet</td>
<td>• Renewal of critical ecosystem functions in our work sites</td>
<td>• Continued supply of raw materials from natural resources</td>
</tr>
<tr>
<td>4. Host communities</td>
<td>• Education and livelihood opportunities</td>
<td>• Granted a social license to operate</td>
</tr>
<tr>
<td></td>
<td>• Improved local economy from First Gen’s distributed income</td>
<td>• Emergency response readiness</td>
</tr>
<tr>
<td>5. Investors</td>
<td>• Lower ESG risks on capital, which mean stable investments and long-term values from First Gen assets</td>
<td>• Continued access to capitals</td>
</tr>
<tr>
<td>6. Government</td>
<td>• Contribution of First Gen to the government’s sustainable development agenda and to the national economic recovery</td>
<td>• Government support</td>
</tr>
</tbody>
</table>

### Investments in Protecting our Capitals

<table>
<thead>
<tr>
<th>Capital</th>
<th>Composition of Expenses and Investments</th>
<th>Amount (USD millions)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufactured</td>
<td>• Construction, acquisition, maintenance and improvement of buildings, facilities and infrastructure</td>
<td>357.3</td>
<td>68.8%</td>
</tr>
<tr>
<td></td>
<td>• Procurement, installation, and maintenance of equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Asset resiliency</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Shelter in place infrastructure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human</td>
<td>• Compensation and benefits</td>
<td>123.1</td>
<td>23.7%</td>
</tr>
<tr>
<td></td>
<td>• Retirement funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Skills development</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Vaccination program</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Employee engagement and well-being activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social</td>
<td>• Corporate social activities</td>
<td>19.2</td>
<td>3.7%</td>
</tr>
<tr>
<td></td>
<td>• Customer relations</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Investor relations</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Memberships, partnerships, and conferences</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Permitting/compliance to regulatory requirements from communities and the LGU</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural</td>
<td>• Land acquisition and maintenance</td>
<td>11.3</td>
<td>2.2%</td>
</tr>
<tr>
<td></td>
<td>• Energy efficiency and conservation projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Water efficiency and research</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Permitting/compliance to environmental regulatory requirements</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Biodiversity and environmental CSR projects and activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intellectual</td>
<td>• Intellectual property</td>
<td>8.2</td>
<td>1.6%</td>
</tr>
<tr>
<td></td>
<td>• IT software, systems, and tools</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Cybersecurity programs</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Maintenance of management systems and business models</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>519.1</td>
<td>100%</td>
</tr>
</tbody>
</table>
The manufactured capital received the largest share of our investment allocation at 68.8%, primarily attributed to building acquisition, construction, equipment purchase, and maintenance. Our human capital, which encompasses employee compensation and benefits, skill development, capability building, medical vaccination, and well-being programs, comprised 23.7% of our total ESG expenses. Meanwhile, social capital, which includes community and investor relations, stakeholder engagement, and collaborations, accounted for 3.7% of the ESG allotment. Our natural capital received 2.2% of the ESG expenses and investments, covering environmental community projects, regulatory compliance, energy efficiency, water and waste management efficiency programs. The remaining 1.6% of ESG expenses and investments went to intellectual capital, which includes intellectual property, IT and cybersecurity solutions, management systems, and product research.

Our approach to ESG integrates it into our design, operations, and cost allocation, underscoring the interdependencies of the capitals within the larger system in which we operate. Each element within this system—nature, people, and business—complements and reinforces the other, reflecting our mission of regeneration. Moving forward, we will continue to preserve or restore the integrity of the parts that are essential to creating and preserving value for our company, stakeholders, and the planet.

As we work towards a decarbonized and regenerative future, we recognize our responsibility to address the challenges faced by society and the environment. We believe that simply conducting business as usual is insufficient, so we strive to create value in the larger systems in which we operate. Guided by the United Nations Sustainable Development Goals (SDGs) and the latest Philippine Development Plan (PDP), we are committed to promoting a resilient, inclusive, and progressive society while restoring the integrity of our environment and natural resources.

To identify how our business activities and corporate initiatives can better impact our society, we utilized the SDGs as a framework and assessed the performance of our capitals, aligning them with relevant SDG targets and indicators. In 2022, we took this a step further by referencing our contributions to the national SDG indicators, informed by the latest PDP. We then grouped our impacts into five core sustainability areas: People, Planet, Prosperity, Peace, and Partnerships.

Throughout 2022, First Gen's operations and initiatives directly and indirectly contributed to all 17 SDGs, impacting 15 targets. We remain committed to supporting the government in achieving the UN Global Goals. We collaborate with various agencies to pursue our environmental and social empowerment programs, while ensuring that our business activities positively impact the Philippine economy.
IV. OUR VALUE CREATION STORY

2022 INTEGRATED REPORT

People

Goals SDG Targets Impacts

1.8 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters

- 5,680 families in Nueva Ecija and Nueva Vizcaya affected by Supertyphoon Karding were given relief assistance
- Strengthened the emergency and disaster response capacity of the host communities in Batangas through the Humanitarian Emergency Assistance Response Training (HEART)

2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment

- 23 livelihood projects generating PH₱ 22 million in net revenues and labor contracts for First Gen’s host communities
- 2,000 households across EDC project sites benefitted from the livelihood projects of EDC-supported community organizations and farmer’s associations

3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being

- No cases of work-related illness with the implementation of OSH programs mentioned on page 109
- All employees provided with medical support through:
  - annual physical examinations and medical reimbursements
  - online consultations with our OSH team
  - physical and mental health information campaigns
  - COVID-19 infection testing
  - vaccination programs on influenza and COVID-19
  - 4,518 employees, contractors, and family members administered with vaccine booster shots
- 19 barangays and 5,629 people assisted in 399 community clinics, and provided with medical and healthcare supplies
- 2 new health centers in Manitoba, Albay provided with medical supplies, equipment, and furniture
- 23 barangays in Kananga, Leyte received dental services and dental equipment donations through the Dental Health Unit
- 141 LGUs and 2 institutions benefited from the 67/2020 COVID-19 vaccine doses
- Support to Negros Oriental Chambers of Commerce, Inc. for vaccination programs in Negros Oriental

4.3 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes

- 50,849 students and teachers provided with school supplies
- 86 schools assisted in blended/modular learning
- 51 students received scholarships
- 12 schools provided with construction materials benefitting 7,453 students under First Gen’s Brigada Eskwela program
- 499 students maintained scholarships through EDC’s banner education program SIKAT
- Launched “School on Wheels”, a mobile school equipped with laptops, printers and internet connection to support distance learning program of the Department of Education in Ilocos Norte

4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

- 203 scholars provided with technical training by the Kotech Foundation, Inc., EDC’s technical vocational training institute
- 23 women from First Gen host communities graduated from ECE, AIBA (Artificial Intelligence and Data Anotomy) training
- 12 college scholars, 7 Grade 11 and 5 Grade 12 scholars supported in partnership with Batangas State University, 3 Grade 11 and 5 Grade 12 scholars in partnership with the Lyceum of the Philippines University - Batangas, and 5 Grade 12 scholars in partnership with the University of Batangas

4.3 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations

- 20 elementary schools in Kidapawan City’s indigenous communities granted laptops, in partnership with LittleLife International
- 22 students in Mindanao received scholarships through the EDC- supported Mt. Apo Foundation, Inc.

5.4 End all forms of discrimination against all women and girls everywhere

- No complaints from women personnel and workers with the enforcement of the Gender Equality and Diversity policy

5.8 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life

- 36% of managerial positions and 37% of senior leadership positions held by women

10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard

- No complaints from the employees and the community regarding inequality and discrimination following the implementation of the Human Rights, Gender Equality and Diversity policies

Planet

Goals SDG Targets Impacts

6.2 By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations

- 3,000 households benefited from the iWatish Program that provides access to water, sanitation, and hygiene facilities for communities in Caloocan, Marikina, Malabon, and Batangas cities
- 750 households in Bohol affected by Typhoon Odette received 75 water filters to access potable water

6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

- No grey water footprint (water needed to dilute polluted water) since effluent was treated and ensured to be within the DENR DAO 2018–08 and DAO 2021–19 standards
- Regular water quality monitoring and cleanup activities to protect the Cabahug River in Batangas City through the Adopt-a-River/Water Body Program with DENR

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

- 7,797.64 GWh of Net Electricity Generated from RE sources comprises 54.85% of total power generated from our portfolio
- 6.2 GWh Mindanao 3 Binary Project operations translated to a 43% increase of the RE portfolio, from 42.35% in 2021
- Ongoing expansion of our RE portfolio through the construction of RE-sourced plant facilities: Aya Pumped-Storage Hydro Power Plant (300 MW); Talayam Binary Project (28.9 MW), Mindanao 3 Binary Project (3.6 MW), Mahanagdong Geothermal Brine Optimization Plant (28 MW), and Tawarans Geothermal Power Plant (20 MW), and the pre-development activities of our run-of-river projects: Baukuranan (52 MW), Tagoloan (33 MW), Puyo (50 MW), and San Isidro project (49 MW)
<table>
<thead>
<tr>
<th>Pillar</th>
<th>SDG Goals</th>
<th>SDG Targets</th>
<th>Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planet</td>
<td>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</td>
<td>• 941 tonnes diverted, and 906 tonnes disposed and treated from the 1,837 tonnes generated</td>
<td>• Partnered with ABSCBN Lingkod Kapamilya Foundation – Bantay Kalikasan for recycling of waste oil, lead and plastic casing of batteries</td>
</tr>
<tr>
<td></td>
<td>12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</td>
<td>• Adoption of sustainable practices and integration of sustainability information in our BI and websites</td>
<td></td>
</tr>
<tr>
<td></td>
<td>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</td>
<td>• Conducted various natural calamity studies (e.g., typhoons, floods, storms, earthquakes, etc.) and explored additional data providers to ensure that climate risk related information is sufficient and updated</td>
<td>• Continuously modified plant design and implemented various weather proofing and resilience initiatives to safeguard against natural disasters</td>
</tr>
<tr>
<td></td>
<td>13.2 Integrate climate change measures into national policies, strategies and planning</td>
<td>• Capacitated our organization to build on our decarbonization plans. Our roadmap can be found on page 70.</td>
<td>• 4 webinars conducted through our Create for the Climate program to capacitate partner communities on climate change impacts</td>
</tr>
<tr>
<td></td>
<td>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</td>
<td>• 337 individuals from 3 schools and external stakeholder groups educated on climate change mitigation and adaptation through our Create for the Climate program</td>
<td>• 5 bust municipalities participated in the First Gen-sponsored capacity-building sessions on Climate and Disaster Risk Assessment. Greenhouse Gas Inventory, Climate Expenditure Tagging, and the People’s Survival Fund for their Local Climate Change Action Plans (LCCAP) preparation</td>
</tr>
<tr>
<td></td>
<td>13.5 By 2020, conserve at least 10 percent of coastal and marine areas, consistent with national and international law and based on the best available scientific information</td>
<td>• Continuous support for Bantay Dagat operations to protect the Verde Island Passage through the Center of Center, in partnership with partner local communities and local government agencies</td>
<td></td>
</tr>
<tr>
<td>Prosperity</td>
<td>6.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro, small- and medium-sized enterprises, including through access to financial services</td>
<td>• 2,151 employees provided with just compensation, decent work, benefits, safe work conditions, gender equality, and respect for human rights</td>
<td>• 175 jobs generated</td>
</tr>
<tr>
<td></td>
<td>8.4 Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries</td>
<td>• USD 767.8 million spending from local suppliers comprised 71.5% of the Company’s total purchases</td>
<td>• 175 new employees comprised of 110 male and 65 female, of which 61.5% belongs to age range 20 to 30, provided with decent work</td>
</tr>
<tr>
<td></td>
<td>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</td>
<td>• 330 species of birds, 36 species of bats, 25 small- to medium-sized mammals, 44 species of amphibians, 49 species of reptiles, 33 species of mangrove, and 54 species of fish</td>
<td></td>
</tr>
</tbody>
</table>
IV. OUR VALUE CREATION STORY

2022 INTEGRATED REPORT

<table>
<thead>
<tr>
<th>Pillar</th>
<th>SDG Goals</th>
<th>SDG Targets</th>
<th>Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prosperity</td>
<td>8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</td>
<td>• OSHMS TRIR of 0.14 from the 26,461,905 man-hours maintained. • Enforcement of respect to human rights and secured working environment following the established policies and guidelines related to Human Rights, Gender Equality and Diversity, Cultural Heritage and Indigenous People, OSH Policy and the Business Code of Ethics and Standards that resulted in no grievance related to the human rights violation.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9.e Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020</td>
<td>• All employees given internet access support through the Flexible Communication Allowance program.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</td>
<td>• Continued partnership with Connected Women in the implementation of Artificial Intelligence and Data Annotation (AIDA) to accelerate women empowerment in the digital age through technology skills, communication and remote work.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard</td>
<td>• No reported human rights discrimination. • Enforcement of policies on social safeguards, which encompass human rights, gender equality, diversity, anti-sexual harassment, and grievance mechanisms for both employees and stakeholders.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>10.4 Strengthen efforts to protect and safeguard the world’s cultural and natural heritage</td>
<td>• Preservation of cultural heritage within our operation sites through the Cultural Heritage and Indigenous Peoples Policy.</td>
<td></td>
</tr>
<tr>
<td>Peace</td>
<td>16.5 Substantially reduce corruption and bribery in all their forms</td>
<td>• Zero cases of bribery and corruption reported under the Anti-corruption Bribery policy.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements</td>
<td>• All EDC CBAs negotiated in good terms in 2022.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all</td>
<td>• Completed Human Rights Due Diligence activities in 2022. • No reported cases of sexual and gender-based violence against women.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>16.6 Promote and enforce non-discriminatory laws and policies for sustainable development</td>
<td>• Implementation of Workplace Issues Resolution Policy for fair, rational, and practical resolution of work-related issues.</td>
<td></td>
</tr>
<tr>
<td>Partnership</td>
<td>17.6 Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism</td>
<td>• FGCEC’s continued partnership with the Bureau of Fire Protection (BFP) and the Batangas LGU through the Advance Local Emergency Response Team (ALERT) Center to strengthen capacities of local community on disaster preparedness (fire and climate change). • Transparency of ESG efforts through our Company website, ESG profile website, Integrated Reports, and disclosures in the CDP portal.</td>
<td></td>
</tr>
</tbody>
</table>
Our Outlook

Our Outlook directs our responses to emerging trends from the External Environment, and facilitates a more dynamic approach towards our long-term mission and purpose.

Key Theme: Transition Towards Retail Markets

Context

The power sector previously focused on a smaller number of large and regulated customers. Historically, end consumers could only contract with Distribution Utilities or Energy Co-Operatives (Co-Ops) in terms of procuring electricity. However, with the advent of RCOA, the industry has shifted towards a more fragmented market of smaller and more diverse customers. RCOA provides customers that are within a certain size threshold the ability to contract directly with power generation companies via Retail Electricity Suppliers (“RES”). As such, power companies are now able to directly contract with customers who are able to reach this threshold— or “Contestable Customers”.

Thresholds for RCOA are set to decrease moving forward, which means that smaller customers will be able to directly contract power. This gives more and more customers the ability to procure electricity in a more retail manner, and enables the market to transition towards a more customer-centric model. Ultimately, thresholds are targeted to lower towards a level where individual households can be considered “Contestable”— essentially transforming the industry into a retail, consumer-focused market.

Opportunities

As with the rest of the industry, this change prompts us to evolve our organization, infrastructure, and ability to meet customer needs and expectations effectively. This significant market change means an expanded opportunity to market electricity in a more nuanced and customer-focused manner.

The transition towards retail markets also provides the customer with more choice and enables more ways of serving specific customer needs and requirements. Furthermore, it provides opportunities for clean energy players, as like-minded customers who qualify for retail access will be able to choose cleaner energy solutions. As retail thresholds drop, the market will increasingly become more liberalized.

Such a transition will definitely require an evolution in how power is marketed. However, organizations that are able to cater to these new market demands will be able to capitalize on new opportunities that these changes can bring.

Our Response

In response to this retail opportunity, First Gen has significantly improved its marketing and retail capabilities by developing front, back, and middle offices to cater to customer needs better. Moreover, it has progressed in developing additional services to provide value to our customers beyond kWh sales—in an effort to capitalize on opportunities from increased customer centrism.

Moving forward, First Gen intends to accelerate the scaling up of current retail capabilities during this market transition to address a growing customer base with more distinct needs. As the market becomes more customer-centric, our ambition is to become a holistic clean energy solutions provider that can cater to the specific needs of our customers.

Our Outlook

Our Outlook directs our responses to emerging trends from the External Environment, and facilitates a more dynamic approach towards our long-term mission and purpose.

Key Themes

<table>
<thead>
<tr>
<th>Key Themes</th>
<th>Implications &amp; Opportunities</th>
<th>Our Response</th>
</tr>
</thead>
</table>
| Transition towards Retail Markets   | Increased democratization of the PH Power Industry  
- Need to scale up and adapt organization for retail readiness  
- Increasing need to develop options to cater to specific customer needs | Capitalize on retail market by developing more customer-centric solutions  
- Scale up ability to deliver customer value  
- Deliver value beyond kWh  
- Scale up Retail Readiness—development of First Gen’s front, back, and middle office |
| Clean Energy Transition: Long-Term Net Zero Ambitions | Increased Support and Awareness for Decarbonization  
- Increasing support for Renewable Energy  
- Increasing awareness on role of natural gas in the energy transition  
- Advancement in regenerative and decarbonized business models | Enable the industry’s clean energy transition  
- Embark on our Decarbonization Journey—consistent with our Decarbonization Roadmap  
- Support RE with natural gas throughout the transition |
| Need for Rapid Project Development  | Significant Growth needed in Clean and Renewable Energy Capacity  
- Need to develop projects at a faster pace  
- Race to supply clean energy demand | Capitalize on growth opportunities  
- Pursue growth in Gas and Renewables  
- Expedite project development through agile approaches  
- Formation of meaningful long term partnerships |
Key Theme: Clean Energy Transition - Long-Term Net Zero Ambitions

Context

Since the Paris Agreement, there has been a larger focus on the need to address Climate Change on a global scale. Countries and companies around the globe have increasingly committed to make their way towards a Net Zero future. As part of these commitments, various organizations are looking towards greening their supply chains and transitioning their business processes towards more sustainable and decarbonized practices. Perhaps more than ever before, there is a call for businesses to be mindful of their impact on the environment – a trend that will likely only accelerate as the urgency of climate action increases.

As mentioned in the External Environment, businesses are also becoming increasingly aware of Scope 3 Emissions, as companies globally are looking to green their respective supply chains. As the call for climate action becomes more urgent, we believe that industry’s demand for greener supply chains will rapidly ramp up, as well. As such the call for greener ways of doing business – which translates to cleaner sources of energy – will be a prevailing industry theme for the long run.

Aside from sentiment increasingly favoring net zero, technology advancements will also enable the viability of a net zero future. Improvements in the economics of clean energy sources, as well as development in decarbonization technologies like Hydrogen and Carbon Capture can enable the long-term transition to Net Zero.

As such, we see that this call towards Net Zero will continue to be a significant trend that will define the future of not only the power industry, but every other industry, as well. The future of the energy industry will be defined by a transition towards clean and renewable energy solutions.

Our Response

The First Gen Portfolio is extremely well positioned for the Clean Energy Transition. This trend portrays a significantly positive outlook for the company. One of First Gen’s core defining principles is our commitment to maintaining a clean and zero-coal portfolio. Our early transition from coal gave us a substantial lead in the clean energy sector, most notably in natural gas and geothermal power generation. With the increasing transition towards clean energy, we have not only yielded substantial returns on investment, but also developed a diverse portfolio to help progress towards a more decarbonized and regenerative power industry. Our portfolio of natural gas and renewables is set to provide the country’s clean energy requirements. As such, we respond to these opportunities by ensuring the resilience of our current portfolio and pursuing growth in our clean energy capacity.

The First Gen Portfolio is extremely well positioned for the Clean Energy Transition. This trend portrays a significantly positive outlook for the company. One of First Gen’s core defining principles is our commitment to maintaining a clean and zero-coal portfolio. Our early transition from coal gave us a substantial lead in the clean energy sector, most notably in natural gas and geothermal power generation. With the increasing transition towards clean energy, we have not only yielded substantial returns on investment, but also developed a diverse portfolio to help progress towards a more decarbonized and regenerative power industry. Our portfolio of natural gas and renewables is set to provide the country’s clean energy requirements. As such, we respond to these opportunities by ensuring the resilience of our current portfolio and pursuing growth in our clean energy capacity.

The future will be largely defined by a pronounced clean energy transition and increased demand for clean energy options. This transition will require more dependence on renewables, but will also be predicated on enabling technologies, such as the Liquified Natural Gas Terminal, to provide the needed reliable support for intermittent renewable energy. As such, First Gen aims to facilitate the clean energy transition by developing and growing its clean energy portfolio, consisting of renewables and natural gas to support the energy transition. Through our diverse and complementary portfolio, we aim to ensure energy security as we make the crucial transition to a lower carbon energy future.

Opportunities

The road to a Net Zero will inevitably pass through cleaner energy options – especially given the crucial role that clean energy plays in reducing Scope 3 emissions for various businesses. As such, this trend creates significant opportunities for clean energy players like First Gen – as the value of a clean power portfolio increasingly becomes recognized. Combined with the increased viability of low carbon power sources, this market context is a key enabler for the clean energy solutions that First Gen provides.

The increased focus on sustainability is more than just a trend, as it is becoming a necessity across industries. We believe the increased awareness on the value of sustainable business practices and models will help enable the upheaval needed towards better ways of doing business. As industries pursue sustainability, they create more opportunity for First Gen to deliver on our Mission of Forging Collaborative Pathways for a Decarbonized and Regenerative future.
Context

As discussed in the External Environment section, the DOE has recently released its Philippine Energy Plan (PEP), which exhibits the country’s long-term energy plan up to 2040. In line with the country’s growing economic activity, this plan projects significant growth in the country’s power capacity—increasing by almost two times by 2030 and almost five times by 2040, according to their Clean Energy Scenario (CES). Moreover, this growth will be driven primarily by Natural Gas and Renewable Energy. Consistent with the country’s transition towards a much cleaner energy mix, coal capacity is expected to stagnate, while natural gas and renewables will experience massive capacity increases. In short, this PEP presents an outlook that anticipates an increasingly renewable future.

Guided by this, we foresee an industry that will be growing rapidly, particularly in the fields of Natural Gas and Renewable Energy. For such growth to occur, power projects must be completed in rapid succession, as well. The significant need for additional power capacity, as well as the changing market conditions, creates opportunities for project developers that are able to provide the needed growth.

Historically, project development in the power sector focused on executing a few large projects at a time. However, recent industry experience has moved towards rapid project development including smaller projects, in response to growing energy demand and innovation. The advancement of technology— including distributed energy systems, RE developments, and smaller fast-ramping units— has created additional options to cater to the grid’s requirements in a more flexible manner. Moreover, there has been significant evolution in project management principles that have enabled more rapid and nimble execution. As the industry continues to evolve, opportunities for growth will also come more rapidly.

Opportunities

The increased pace in project development enables proponents to fulfill the increased need for power supply. Furthermore, the evolution in the project development also comes with advancements in technology and intellectual capital, which can benefit organizations that are able to adapt them. Moreover, the rapid industry development is enabled by new ways of doing business that can benefit companies that are agile enough to adapt and utilize them. These industry advancements are crucial enablers to growth, allowing proponents to develop at a pace that aims to match the growth in power demand.

Moreover, the rapid development in the industry also signifies how critical it is to maintain the resilience of our assets. As the grid requires more projects to fulfill its needs, it will also require existing assets to continue operating dependably, as well. In short, the expected growth in clean energy creates a significant opportunity for power generators who aim to progress the country’s clean energy transition.

Our Response

To address these opportunities, First Gen is currently scaling its ability to build multiple projects simultaneously. Adapting to a more rapid industry pace, we aim to adopt more nimble project development strategies that will allow us to execute across multiple fronts. In line with this, the company continuously evolves our project development approach, and keeps our organization up to date with regards to technologies and methodologies that enable a more nimble approach to project development. This industry outlook is supportive of the company’s current portfolio and future prospects. As such, we see the opportunity to expand our portfolio while also ensuring the resilience of our assets.

First Gen aims to develop assets in line with key market and industry trends, adopting agile principles to ensure quality even as projects are developed more rapidly. We keenly stay abreast of potential innovation, closely tracking both established and emerging technologies that can allow us to serve power requirements in a more flexible and efficient manner. We also continue to monitor various technologies that enable nimble execution, including smaller scale power plants, decentralized energy projects, and various renewable energy systems that can more rapidly respond to industry opportunities.

Moreover, First Gen continues to prioritize the resilience of its various assets to address both predictable and fortuitous events. As the industry continues to transition, we also continue to strive for excellence and reliability with regards to our asset management.
First Gen understands the importance of good corporate governance in fostering the Company’s long-term success and securing sustained competitiveness in the energy industry. The Company remains steadfast in its commitment to finding resilient and regenerative solutions to mitigate the worsening effects of climate change. First Gen ensures that it strictly complies with corporate governance regulations and continuously improves its corporate governance structures to comply with and even perform beyond global best practices. The Company’s governance structure is detailed in its Manual on Corporate Governance, available on the Company’s website. Details of the Company’s governance practices are found in its Integrated Annual Corporate Governance Report, which is likewise posted on the Company’s website.
First Gen’s approach to corporate governance is guided by the Lopez Values, adherence to the SEC’s issuances on governance, respect for human rights, and our commitment to environmental, social, and governance (ESG) safeguard principles. Our structure, policies, programs, and protocols ensure the following:

- Full compliance with local regulations and international conventions signed by the country and relevant to our operations.
- Balanced emphasis on financial and non-financial aspects of the Company’s business strategy, operations and performance to achieve short- and long-term goals
- Creation of an environment that will protect the rights and allow equal treatment of all stakeholders;
- Sufficient controls that ensure effective management oversight within a culture of honesty and accountability throughout the organization; and
- Robust stakeholder engagement with timely disclosure of relevant information and the installation of necessary feedback mechanisms.

### Creating Value Through Governance

Through the Company’s governance framework, the Company is able to ensure the proper implementation of its value creation aspirations. The illustration below shows how the Company’s strategic objectives are aligned with and support its mission of forging a collaborative pathway for a decarbonized and regenerative future. A more detailed discussion of the foregoing is provided in Our Value Creation Story section on page 58.

<table>
<thead>
<tr>
<th>Mission</th>
<th>Strategic Objectives</th>
</tr>
</thead>
</table>
| **Decarbonize** | • Expansion of RE-sourced power projects  
|              | • Management of risks and opportunities  
|              | • Compliance with environmental parameters set by relevant regulatory bodies  
|              | • Increased number of customers availing themselves of clean energy |
| **Regenerate** | • Sustained Biodiversity programs: BINHI and Center of the Center (COC)  
|              | • Availability of human rights mechanism/grievance redress mechanism  
|              | • Sustainable programs and campaigns promoting our mission of a decarbonized and regenerative future |

#### Governance Structure

The Company’s governance system plays an important role in identifying the Company’s strategic direction. Guided by the Company’s Mission, Purpose and Chosen Path, the Company’s Board of Directors and Senior Management annually hold planning sessions to assess and identify the overall strategies, capabilities, goals, and direction of the Company. Among the topics discussed during said planning sessions are sustainability, regeneration and decarbonization. The Company’s strategic objectives, such as those discussed in the Our Value Creation Story section on page 58, are identified through these sessions. Outcomes of the Company’s initiatives relative to its objectives are likewise discussed in said section.

The Company relies on decision-making groups that are tasked to provide guidance in identifying and addressing material issues, which may have a significant impact on the Company. To ensure that these groups are properly equipped to provide solutions and make decisions in the organization’s best interests, the Company has in place a collaborative process for effective information exchange and productive consultation. At the initial stage, operating groups are responsible for determining material issues that have to be raised to these decision-making bodies. Once a decision has been made, these are cascaded through the following process:

- **BOARD OF DIRECTORS**
- **EXECUTIVE COMMITTEE**
- **SENIOR MANAGEMENT**
- **DEPARTMENT HEADS**
- **OPERATIONS**
Corporate Policies

The Company upholds the principles of honesty, integrity, and transparency in conducting its business. By implementing its policies, the Company is able to establish mechanisms whereby integrity and ethical business standards are ensured. Likewise, the policies are the Company’s instruments to support the maintenance and development of its capitals and monitor the organization’s culture.

ANTI-BRIBERY AND CORRUPTION POLICY

The Company’s Anti-Bribery and Corruption Policy was established to ensure that Company employees and personnel meet the standards and controls against graft and corruption as prescribed by government laws and regulations. Under said Policy, acts or attempts of corruption and bribery should be reported to the Company’s Human Resources Department, Internal Audit Group, or the employee’s immediate supervisor. The investigation and punishment (if merited) of any such act, shall be guided by the Company’s Manual on Corporate Governance, Code on Employee Discipline, and the Revised Penal Code of the Philippines. The Company’s Anti-Bribery and Corruption Policy is available on the Company’s website.

POLICY ON INSIDER TRADING

The Company’s Policy on Insider Trading was established to safeguard the fairness and integrity of the securities market in the Philippines, and to protect and maintain the confidence and trust of the Company’s investors and shareholders. Under said Policy, the Company’s directors, officers, employees, and their respective representatives are prohibited from buying or selling Company securities while in possession of material information not yet generally available to the public. Any act, attempt or allegation of prohibited insider trading shall be dealt with appropriately and swiftly. The investigation and punishment (if merited) of any act, attempt or allegation of prohibited insider trading shall be guided by the Company’s Manual on Corporate Governance, Code on Employee Discipline, the Securities Regulation Code of the Philippines, as well as other laws and regulations pertaining to the said subject. The Company’s Policy on Insider Trading is available on the Company’s website.

POLICY ON CONFLICT OF INTEREST

The Company’s Policy on Conflict of Interest was established to recognize the duty of loyalty expected from the directors, officers, and employees toward the Company and its shareholders. Under said Policy, directors, officers, and employees shall ensure that they do not have any business interest or activity that will interfere with the proper performance of their duties and functions. Any potential conflict of interest shall immediately be disclosed. An actual or potential material conflict of interest should be reported to the immediate superiors, Senior Management, or the Board of Directors (BOD). The procedure for reporting and the protection afforded by the Company’s Whistleblower Policy shall apply in each reported instance of violation. The Company’s Policy on Conflict of Interest is available on the Company’s website.

WHISTLEBLOWER POLICY

The Company’s Whistleblower Policy was established to promote a culture that encourages internal accountability and communication without fear of retaliation. Under the Policy, the identity of the Whistleblower and the information disclosed shall be kept confidential. Moreover, no retaliatory action against the Whistleblower shall be entertained nor tolerated by the Company. Furthermore, the Company shall take disciplinary action against any member who violates the confidentiality of any disclosure including the identity of the Whistleblower, or is found to have committed, initiated, or was otherwise involved in the commission of any retaliatory action against the Whistleblower. The Company shall also take disciplinary action, which may include employment termination, against any person found to have maliciously made a false or misleading disclosure. A Whistleblower may make a disclosure on any act that:
a. is contrary to law and Company rules, regulations, policies, or values; 
b. adversely affects Company image and reputation; 
c. is unreasonable, unjust, unfair, or discriminatory; 
d. has an undue or improper exercise of powers and prerogatives; or

e. has similar actions which are against Company interest or contrary to Company values.

The Policy provides a mechanism to address reports on said acts and grievances of any whistleblower. The Company’s Whistleblower Policy is available on the Company’s website.
The Company’s Material Related Party Transactions (Material RPTs) Policy was issued to promote good corporate governance and ensure the protection of the Company’s shareholders, especially the minority investors. It covers all entities within the First Gen conglomerate. The Policy states that the Company and its shareholders shall only enter into Material RPTs (as defined in the Policy) when terms and conditions are fair, at arm’s length and beneficial to both parties. Under the Policy, the Company’s directors have the overall responsibility of ensuring that Material RPTs are handled with integrity and in a sound and prudent manner. The Material RPTs shall also comply with applicable laws and regulations to protect the interests of the Company’s shareholders and other stakeholders. In the case of an abusive Material RPT, a Material RPT found to have been entered into not on an arm’s length basis, or one which unduly favors a related party, Senior Management shall provide directions on how to cut losses and allow recovery of losses or opportunity costs incurred by the Company. Directors, officers, and employees found to have been remiss in their duties in handling Material RPTs shall be penalized according to the Company’s Manual on Corporate Governance. Corporate Code of Conduct and Ethics, and Code of Discipline, as well as other applicable rules, regulations, and policies. The Company’s Material Related Party Transactions Policy is available on the Company’s website.

First Gen has developed its Responsible Asset Protection Policy to protect and promote human rights and safeguard, at the highest standards, the Company’s assets – its personnel, equipment, inventory, information, facilities, and partner communities. In protecting its assets, the Company adheres to the Lopez Values and the Voluntary Principles on Security and Human Rights, which include the following principles: capacity and competency of security personnel; security risk assessment and management; human rights training; and communication, organization awareness, and support. The Company likewise adheres to applicable national laws and local ordinances in protecting its personnel, assets, and information. A grievance mechanism is offered to ensure:

a. the complainant’s confidentiality;

b. a thorough assessment of the credibility and severity of the allegation or incident; and

c. implementation of appropriate corrective actions, if needed. The Responsible Asset Protection Policy is available on the Company’s website.

First Gen has developed its Quality Policy to guide the Company in its pursuit of quality performance. The Policy details the establishment and maintenance of a Quality Management System (QMS) that covers asset monitoring and control, development of energy-related businesses, and provision of resource management and support services to its subsidiaries. Specifically, the Company commits to the following:

a. providing quality service that ensures customer satisfaction;

b. enhancing competitiveness by meeting the requirements of international standards and going beyond compliance with legal requirements;

c. participating in shaping energy industry policies;

d. adopting the best technology in the power generation industry;

e. managing the business risks and capitalizing on opportunities; and

f. implementing consistent best management practices.

In doing its business, the Company commits to protecting and preserving the environment and supporting the communities it serves. As stated in the Policy, First Gen executes the necessary measures to ensure the Quality Policy is understood, observed, and integrated into the employees’ way of life. The First Gen Quality Policy is available on the Company’s website.

The Environmental, Safety, and Health (ESH) Policy was developed to manifest First Gen’s commitment to protecting and preserving the environment and providing its employees with a safe and healthy workplace. This Policy commits to developing and implementing an environment, safety, and health management system covering all its projects by:

a. complying with all applicable laws and regulations in the country and setting internal ESH standards;

b. providing and equipping its personnel with required resources, knowledge, and skill to effectively carry out their functions in a safe manner;

c. assessing and managing environmental impacts and occupational safety and health risks using appropriate technologies; and

d. carrying out its ESH programs to ensure the safety and well-being of its employees in the workplace, with efficient resources use.

The ESH Policy is adopted in the operations and activities of the Company’s operating assets. Management ensures that the ESH Policy is communicated to and understood by its employees, contractors, and other stakeholders through orientations, formal discussions, and robust implementation prior to, during, and post-activity engagements. The ESH Policy is available on the Company’s website.

The Corporate Social Responsibility (CSR) Policy guides the Company’s CSR department and Community Relations (ComRel) teams in developing CSR programs. The Company upholds the CSR principles of the Lopez Group by providing relevant, responsive, and sustainable programs that aim to improve our stakeholders’ quality of life. Specifically, it details the allocation of funds for CSR programs and the monitoring and evaluation of the environmental and social impacts of the Company. The CSR programs are led by the Office of the President, implemented by the CSR and ComRel teams per subsidiary, and complemented by the employees.

The four procedures that are followed when enforcing the Policy are:

a. stakeholder management, a process that manages the relationship and participation of stakeholders throughout the life of the project;

b. CSR and ComRel programs, which detail the process of developing, implementing, monitoring, and evaluating the impacts of the CSR programs;

c. donations and sponsorships, which cover the criteria for the donations and sponsorship requests to pass; and

d. employee volunteering, which supports the volunteer activity planning process, the actual volunteer work, and the documentation of contributions and pertinent data by the CSR department.

The CSR Policy is available on the Company’s website.

First Gen CSR department and the ComRel teams of relevant subsidiaries have a stakeholder map, issue and risk map, stakeholder engagement plans, CSR Plan, and Impact and Risk Monitoring. The CSR Policy is available on the Company’s website.
CULTURAL HERITAGE AND INDIGENOUS PEOPLES (IP) POLICY

In support of social justice as one of the Lopez Values, First Gen created its Cultural Heritage and Indigenous Peoples (IP) Policy. The Company believes that IP are valuable partners in its areas of operation, with rights to cultural integration and self-determination, and entitled to have their territories upheld and protected. The Policy was issued in support of the Company’s commitment to human rights, equality and diversity, national development, and compliance with relevant national laws and international conventions entered into by the country. The Company also recognizes that the IP’s diverse skills and knowledge can contribute to the Company’s informed planning, management, and implementation of its projects.

In adherence to the Policy, the Company ensures that its projects undergo consultations with IP recognized leaders and national institutions and agencies responsible for the promotion and protection of IP, as necessary. Consent from IP must be obtained before consultation as stipulated in Republic Act No. 8371 or the Indigenous Peoples’ Rights Act. In cases of conflicts or disputes concerning IP resolutions shall be reached through discourse founded on traditional laws, cultures, and practices, as far as practicable. The Cultural Heritage and Indigenous Peoples Policy is available on the Company’s website.

GENERIC EQUALITY AND DIVERSITY POLICY

In becoming a regenerative business that elevates its stakeholders, the Company initiated its Policy on Gender Equality and Diversity, with guidelines focusing on empowering people regardless of their gender orientation. The Company is committed to integrating gender equality and diversity in its operations, programs, and strategies. The Company believes that in doing so, it contributes to the Company’s economic performance and long-term success as well as the realization of the full potential of its employees and stakeholders, which leads to a more inclusive society.

The Policy complies with international guidelines on business and human rights, which uphold the fundamental rights of directors, officers, employees, and stakeholders independent of gender, race, culture, religion, ethnic background, and other affiliations.

Beyond the fundamental responsibilities, the Company recognizes that gender equality and diversity improve employee engagement and performance, and create a more robust learning environment. In turn, the Policy also enhances the Company’s ability to attract and retain employees, as well as increase its economic performance, competitive edge, and overall sustainability. The Company has zero-tolerance for all forms of workplace discrimination, including verbal and physical abuse. The Company facilitates access to a grievance redress mechanism for any complaint and the determination of any corrective and remedial action. The Gender Equality and Diversity Policy is available on the Company’s website.

HUMAN RIGHTS POLICY

The Company crafted its Human Rights Policy, which outlines the Company’s commitment to recognize and respect human rights based on the principles and values laid-out in the Philippine Constitution and related local issuances; UN Declaration of Human Rights; International Covenant on Economic, Social, and Cultural Rights; and International Labor Organization Declaration on Fundamental Principles and Rights at Work. These principles and values are embedded in the Company’s policies and the Code of Conduct that every employee must follow. The Company likewise expects its suppliers and business partners to share these values.

Aside from upholding human rights and of itself, the known benefits derived from adhering to human rights principles include:

- a. prevention of regulatory risks;
- b. sustenance of business operations;
- c. improvement of stakeholder relations;
- d. strengthened employee engagement;
- e. enhanced corporate image; and
- f. access to a new market for products and services.

The Company shall avoid causing adverse human rights impacts in its operations and, should these occur, it shall facilitate access to a grievance redress mechanism. In addition, the Company shall, to every extent possible, prevent or mitigate adverse human rights impacts in the provision of its products or services. The Human Rights Policy is available on the Company’s website.

ANTI-SEXUAL HARASSMENT POLICY

Sexual harassment is an unjust, malicious, and unlawful act that violates a person’s dignity, threatens their sense of security, and poisons the work environment. In establishing the Anti-Sexual Harassment (ASH) Policy, the Company aims to eliminate sexual harassment and build a culture that insuits and expects integrity, respects human rights, rejects intimidation, and curbs offensive behavior. The ASH Policy’s goal is to create a shared responsibility for the Company’s members to contribute toward a work environment that is inclusive, productive, promotes employee wellbeing and security, and fosters concern for the Company workforce. The ASH Policy identifies procedures to be followed in investigating and resolving complaints alleging specifically prohibited conduct and emphasizes the education and training of employees as mechanisms for the prevention of sexual harassment. The Anti-Sexual Harassment Policy is available on the Company’s website.

Code Of Business Conduct And Ethics

The Company’s Code of Business Conduct and Ethics was established to set the principles and guidelines in the conduct of the Company’s businesses and dealings with its stakeholders. The Code acknowledges the importance of good corporate governance in promoting the interests of its shareholders, customers, partners, employees, and the government. The Code likewise provides that the following values and principles will guide the Company:

- A pioneering entrepreneurial spirit
- Business excellence
- Unity
- Nationalism
- Social justice
- Integrity
- Employee welfare and wellness

The Code Of Business Conduct And Ethics encourages employees and stakeholders to adhere to the following principles:

- Integrity:
  - Honesty and transparency in all business dealings.
  - Fulfillment of commitments and responsibilities.
- Social responsibility:
  - Sustainability of the environment.
  - Respect for human rights.
- Business excellence:
  - Continuous improvement and innovation.
  - Excellence in performance and results.
- Unity:
  - Cooperation and collaboration among employees.
  - Respect for diversity and inclusion.
- Nationalism:
  - Respect for national laws and regulations.
  - National pride and identity.
- Social justice:
  - Fair treatment and opportunities for all.
  - Respect for human rights and dignity.
- Employee welfare and wellness:
  - Well-being and safety of employees.
  - Support for employee development.

The Code Of Business Conduct And Ethics guide the Company’s businesses and dealings with its stakeholders, emphasizing the importance of good corporate governance in promoting the interests of its shareholders, customers, partners, employees, and the government. The Code provides the following values and principles to guide its conduct:

- Integrity:
  - Honesty and transparency in all business dealings.
  - Fulfillment of commitments and responsibilities.
- Social responsibility:
  - Sustainability of the environment.
  - Respect for human rights.
- Business excellence:
  - Continuous improvement and innovation.
  - Excellence in performance and results.
- Unity:
  - Cooperation and collaboration among employees.
  - Respect for diversity and inclusion.
- Nationalism:
  - Respect for national laws and regulations.
  - National pride and identity.
- Social justice:
  - Fair treatment and opportunities for all.
  - Respect for human rights and dignity.
- Employee welfare and wellness:
  - Well-being and safety of employees.
  - Support for employee development.
VI. OUR GOVERNANCE

2022 INTEGRATED REPORT

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**Board Composition**

<table>
<thead>
<tr>
<th>Role</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>8</td>
<td>2</td>
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<tr>
<td>Female</td>
<td></td>
<td>2</td>
</tr>
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<td>Executive</td>
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</tr>
<tr>
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<td></td>
</tr>
<tr>
<td>Independent</td>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>

**Board of Directors**
p.186

- Board Risk Oversight Committee
- Audit Committee
- Compensation and Remuneration Committee
- Nomination and Governance Committee

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**Board Expertise**

1. Infrastructure
2. Education
3. Government/Regulatory
4. Communication
5. Finance and Investment
6. Industry/Operations
7. Environment and CSR
8. Risk Management

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Board Committees

In compliance with the Company’s Manual on Corporate Governance, certain members of the Board have been selected as members of the following standing committees: Nominations and Governance Committee, Compensation and Remuneration Committee, Audit Committee, and Board Risk Oversight Committee.

The Nominations and Governance Committee exercises the principal function of selecting and evaluating directors. Qualifications for selection are consistent with the By-laws and Manual on Corporate Governance. The committee ensures that the Board election will result in a mix of proficient directors, each of whom will add value and bring prudent judgment to the BOD. The committee is also tasked to review the structure, size, and composition of the Board and make appropriate recommendations thereto. Furthermore, the committee is tasked to review the recommendations of the Compliance Officer in relation to the Manual on Corporate Governance, as well as other corporate governance rules and regulations, and endorse the same to the Board for approval.

The Compensation and Remuneration Committee has the principal function of studying and recommending the appropriate compensation and/or reward system for corporate officers other than the Chairman. The Chairman’s compensation and remuneration shall be determined by the President and two directors, one of whom shall be an Independent Director. The committee shall establish a policy on the remuneration of directors and officers to ensure that their compensation is consistent with the Company’s culture, strategy, and the business environment in which it operates. Furthermore, it is tasked to review the Company’s human resources development or personnel handbook to strengthen provisions on conflict of interest, policies on salaries and benefits, and directives on promotion and career advancement.

The Audit Committee’s primary function is to assist the BOD in fulfilling its oversight responsibilities for financial reporting, internal control systems, internal audit activities, compliance with key regulatory requirements, and enforcement of the Corporate Code of Conduct.

The Board Risk Oversight Committee assists the BOD in overseeing management’s activities, including the risk management of the Company’s physical, financial, operational, labor, legal, security, environmental, and other aspects. The committee plays a vital oversight role and serves as an important liaison to the BOD. Under its charter, the committee is responsible for guiding the management through establishing the Company’s risk management philosophy and risk appetite. The committee likewise approves the Company’s risk management policy and processes and any revision thereto. It also communicates to key stakeholders the status of strategic and critical risks. The committee additionally provides the necessary support and resources to help management address these risks. Periodic reports are required from management to confirm that the Company’s risk management system is operating correctly and consistently with its objectives.

Board Committee Charters may be viewed on the Company’s website.

Principal Activities of the Board

As a publicly listed company in the Philippines, First Gen ensures that its BOD is composed of individuals responsible for managing and driving the corporate governance structures of First Gen. The BOD is responsible for guiding the Company toward fulfilling its economic targets and governance aspirations.

Among the pertinent topics discussed by the BOD during their meetings are: asset performance, status and operations; regulatory and finance updates; project development; market situations; health and safety programs due to the pandemic; and other issues and concerns as may be raised by the directors and management.

The present BOD of First Gen consists of ten members, including three Independent Directors. All of the directors were elected by the Company’s qualified stockholders during the annual general meeting held on May 18, 2022; however, Director Rafael L. Lopez assumed his position on July 12, 2022 upon the Securities and Exchange Commission’s approval of the Company’s amended articles of incorporation increasing the number of directors from 9 to 10.

![Legend: Present = Present, Absent = Absent, N/A = Not Applicable, R = Regular, S = Special, O = Organizational](image-url)

### Feb 3
- Federico R. Lopez
- Francis Giles
- Richard Raymond B. Tantoco
- Peter D. Garrucho Jr.
- Manuel L. Lopez Jr.
- Elvira L. Bautista
- Manolo Michael T. De Guzman
- Rafael L. Lopez
- Cielito F. Habito
- Edgardo O. Chua

### Mar 18
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A

### May 18
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A

### May 26
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A

### Jun 14
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A

### Jul 14
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A

### Sep 27
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A

### Nov 28
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
- N/A
Board of Directors

FEDERICO R. LOPEZ
Chairman & CEO
Tenure: On his twenty-fifth term
Committees: CR

Federico R. Lopez, born August 5, 1961, Filipino, has been a member of the Board since December 1998. He is Chairman of Energy Development Corporation (EDC) which was officially delisted from the Philippine Stock Exchange, Inc. effective November 29, 2018. He is a member of the Board of Directors of First Gen and FPH. He is also a Director of First Philippine Industrial Park, Inc. and the Board of Directors of EDC. Mr. Lopez is a Director of FPH, First Gen, EDC, and Independent Director of Cebu Air, Inc. First Gen, FPH and Cebu Air Inc. are publicly listed companies. Mr. Lopez has a Bachelor of Arts degree from the University of Pennsylvania (1983).

FRANCIS GILES B. PUNO
Director, President & COO
Tenure: On his eighteenth term
Committees: CR

Francis Giles B. Puno, born September 1, 1964, Filipino, was first elected to the Board of Directors of the Company in August 2003. He is President and COO of First Gen and FPH. He sits in the Boards of publicly listed companies FPH and Rockwell, and is the President of First Philippine Industrial Park. He is also a member of the Board of Directors of EDC. Mr. Puno holds the positions of Vice Chairman and CEO of First Gen, FPH and Cebu Air Inc. He also holds the positions of Vice Chairman and CEO of First Gen, First Gen

RICHARD RAYMOND B. TANTOCO
Director & Executive Vice President
Tenure: On his eighteenth term
Committees: AU

Richard Raymond B. Tantoco, born September 2, 1966, Filipino, has been a Director of the Company since August 2005. He is President and COO of First Gen and FPH. He sits in the Boards of publicly listed companies FPH and Rockwell, and is the President of First Philippine Industrial Park. He is also a member of the Board of Directors of EDC. Mr. Puno holds the positions of Vice Chairman and CEO of First Gen, FPH and Cebu Air Inc. He also holds the positions of Vice Chairman and CEO of First Gen, First Gen

PETER D. GARRUCHO JR.
Director
Tenure: Twenty-four terms
Committees: AU

Peter D. Garrucho Jr., born May 4, 1944, Filipino, has been a member of the Board since the Company’s incorporation in December 1998. He is a member of the Board of Directors of Energy Development Corporation (EDC) which was officially delisted from the Philippine Stock Exchange, Inc. effective November 29, 2018. He is a member of the Board of Directors of First Gen, FPH, and Cebu Air Inc. Mr. Garrucho has a Bachelor of Science degree in Business Administration (BBA) from the Kellogg Graduate School of Management of Northwestern University (1990).
Board of Directors

MANUEL L. LOPEZ JR.
Director
Tenure: On his third term
Committees: CR, NG

Manuel L. Lopez Jr., born on August 14, 1967, Filipino, was elected to the Board of Directors on November 19, 2020. Mr. Lopez is a member of the Board of Advisors of Rockwell, a listed company. He is the President and CEO of Global Integrated Contact Facilities Inc. (GICF) and SLASHdotPH, Director of Philippine Trade Foundation, Inc., and is a professional member of the International Association of Outsourcing Professionals (IAOP). Mr. Lopez holds a Bachelor of Science degree in Business Administration from De La Salle University (1991).

ELVIRA L. BAUTISTA
Director
Tenure: On her second term
Committees: CR

Elvira Lopez Bautista, born July 15, 1960, Filipino, was elected regular director of the company in May 2021. She is the co-founder, President and Executive Director of the Knowledge Channel Foundation, Inc. (KCFI), a non-profit organization which operates the first and only TV, online and offline media tandem with produced and acquired content focused on the Philippines' PK-12 curriculum. Its teaching and learning ecosystem includes building capacities of teachers, child development center workers, parents and other stakeholders of education, and awarding schools and education leaders on innovation. She sits on the Boards of Lopez Inc., Philippine Business for Education, Southeast Asian Foundation for Children and Television, and Lopez Group Foundation, Inc., and is a professional member of the International Association of Outsourcing Professionals (IAOP). Ms. Bautista holds a Bachelor of Arts degree in Psychology from De La Salle University (1981) and a Master of Arts degree in Learning Technologies from Pepperdine University (2016).

MANOLO MICHAEL T. DE GUZMAN
Director
Tenure: On his first term
Committees: RO

Manolo Michael T. De Guzman, born August 15, 1969, Filipino, was elected regular director of the company in May 2022. He is a Managing Director at KKR and President of Philippines Clean Energy Holding Inc. He is also a member of the Board of Directors of Metro Pacific Hospital Holdings, Inc., Pinnacle Towers Holdings Inc., and Frontier Tower Associates Philippines Inc. Mr. De Guzman joined KKR in 2019 as a member of the Asia Pacific Infrastructure team. He has over 20 years of experience in Asia Pacific infrastructure transactions, covering core and non-core infrastructure assets across various subsectors. He was previously head of Philippines for Credit Suisse. Prior to joining Credit Suisse, he spent 18 years with the Macquarie Group, holding senior positions in both the infrastructure funds division and the advisory division. He was involved in creating two significant infrastructure funds for Macquarie—the communications infrastructure fund and the PINAI Philippines infrastructure country fund. Over the last 10 years, he has focused on the Philippines infrastructure sector. Mr. De Guzman holds a Bachelor of Engineering degree from the University of Sydney (1991), where he received first class honours, and a master's degree in Business Administration from the University of Chicago (1998).
Board of Directors

RAFAEL L. LOPEZ
Director
Tenure: On his first term

Rafael L. Lopez, born April 19, 1952, Filipino, was elected regular director of the Company in May 2022. He assumed his position on July 12, 2022 upon SEC approval of First Gen's amended articles of incorporation increasing the number of directors from 9 to 10. He is the Executive Advisor to the Chief Executive Officer of ABS-CBN Broadcasting Corp., the umbrella organization that wholly owns all international subsidiaries of ABS-CBN. Mr. Lopez was previously the COO of ABS-CBN Global, where he pioneered the US operation of ABS-CBN. In 1992, he initiated the broadcast of select programs in local free TV stations in the Bay Area and the video sales of then ABS-CBN programs, which evolved into the creation and distribution of The Filipino Channel and other television channels for news and movies. He holds a Bachelor Arts degree in Music from the San Francisco State University (1980). He also completed the Stanford Business Executive Program at Stanford University (2002).

CIELITO F. HABITO
Independent Director
Tenure: On his seventh term

Cielito F. Habito, born April 20, 1953, Filipino, was elected Independent Director of the Company in May 2016. An accomplished economist, Dr. Habito is a Professor of Economics at the Ateneo de Manila University and is also Chairman of Brain Trust Inc. and Operation Compassion Philippines. He also writes the weekly column “No Free Lunch” in the Philippine Daily Inquirer. He is an Independent Director at Stan Life Financial and a member of the Board of Governors of the Management Association of the Philippines. Board of Trustees of the Ramon Magsaysay Award Foundation, Advisory Committee of the Japan International Cooperation Agency (JICA)-Philippines, and CSO Advisory Group of World Bank Philippines, among others. At the international level, he is Chairman of the Governing Board of the Jakarta-based Economic Research Institute for ASEAN and East Asia, and Editor in Chief of the Asian Journal of Agriculture and Development. He served in the Cabinet of former President Fidel V. Ramos throughout his presidency in 1992-1998, as Secretary of Socioeconomic Planning and Director-General of the National Economic and Development Authority (NEDA). Dr. Habito is the recipient of numerous awards including the Presidential Award (2019) and Most Outstanding Alumnus Award (1993) from the University of the Philippines Los Baños (UPLB) Alumni Association, Philippine Legion of Honor (1998), The Outstanding Young Men (TOYM) Award (for Economics) in 1991, and the Gawad Lapu-lapu (Outstanding Alumnus Award) of the Philippine Science High School in 1991. He holds a Bachelor of Science degree in Agriculture (Major in Agricultural Economics), Summa cum laude (1975) from the University of the Philippines, a Masters degree in Economics from the University of New England (1978); and a Master of Arts Degree (1981) and Ph.D. in Economics (1984) from Harvard University.

ALICIA RITA L. MORALES
Independent Director
Tenure: On her fifth term

Alicia Rita L. Morales, born June 25, 1962, Filipino, was elected Independent Director of the Company in May 2008. She is the Managing Director of John Clements Consultants, Inc., principally for its talent development and leadership institute division. She was instrumental in obtaining the partnership with Harvard Business Publishing, a wholly-owned subsidiary of Harvard Business School, from 2007 to 2019. Ms. Morales has created leadership development programs for over 10,000 high potentials and senior leaders from leading multinationals and regional conglomerates in Southeast Asia. She is an Independent Director of EIPS Securities Corporation. She was previously President of RCBC Securities, Inc., Director of the Securities Clearing Corporation of the Philippines and PCIB Securities, Inc., President of the Harvard Business School Club of the Philippines, and Member of the Board of Trustees of the Harvard Club of the Philippines Global. Ms. Morales was the youngest Chairman of the PSE, a position she held for two terms. She garnered The Outstanding Women in Nation’s Service (TOWNS) award for the category ‘Business-Stock Exchange’ in 2004, and the Triple A Award from Maryknoll/Miriam College in 2014. She is a member of the International Coach Federation, a certified coach of Zenger Folkman, and a certified discussion leader of the Harvard Business School Club of the Philippines Global. Ms. Morales is a certified public accountant with a Bachelor of Science degree in Business Administration and Accounting from the University of the Philippines (1984) and an MBA from the J.L. Kellogg Graduate School of Management, Northwestern University, with a triple major in Finance, Marketing and Economics (1990). She is also a graduate of the Advanced Management Program from the Harvard Business School (2014).
EDGAR O. CHUA
Independent Director

Tenure: On his second term

Committees: RO, CR

Edgar O. Chua, born October 9, 1956, Filipino, was elected Independent Director of the company in May 2021. He is an Independent Director of Integrated Microelectronics Inc., Metrobank, Philcement, JG Summit Olefins Corp, and Phinma Corporation. He served as an Independent Director of EDC. He is on the advisory boards of Mitsubishi Motors Philippines Corporation and Coca Cola Bottlers Philippines Inc., and sits in the boards of several schools and foundations. He is the CEO of Amber Kinetics Inc.

As Country Chairman of the Shell Companies in the Philippines from 2003 to 2016, Mr. Chua was responsible for the exploration, manufacturing, and marketing sectors of the petroleum business, and oversaw the chemicals businesses and shared services. He has more than thirty-eight (38) years of experience in the business fields of chemicals, auditing, supply planning and trading, marketing and sales, lubricants, corporate affairs and general management. Outside the Philippines, he held senior positions as Transport Analyst in Group Planning in the UK and General Manager of the Shell Company of Cambodia. From July 1999 to August 2003, he served in various regional roles in Shell Oil Products East, including as GM for Consumer Lubricants for Asia Pacific, covering all countries East of the Suez Canal. He is a recipient of numerous local and international recognitions such as CEO EXCEL for Excellence in Communication in Organisations (2005); Asia People of the Year (2013); MAP’s Management Man of the Year (2013); CEO of the Year in the Asia Pacific SABRE (Superior Achievement in Branding Reputation and Engagement) Awards in China (2014); Lifetime Achievement Award by the Golden Wheel Awards Foundation (2015); and Global Filipino Executive of the Year by Asia CEO (2016). Mr. Chua earned his Bachelor of Science degree in Chemical Engineering from De La Salle University (1978) and attended various international seminars and courses, including the senior management course in INSEAD in Fontainebleau, France. He was also conferred Doctor of Humanities Honoris Causa by De La Salle Araneta University in 2018.

MARIO LUZA BAUTISTA
Senior Board Adviser

Served as Senior Board Adviser until May 18, 2022

DAVID SIMON LUBOFF
Senior Board Adviser

Served as Senior Board Adviser until May 18, 2022
Senior Management

As the Board of Directors in steering the Company toward its governance aspirations are the members of its management. The Board of Directors and Senior Management continuously seek to further improve the Company’s corporate governance structures. With the guidance of the Board of Directors, the Company’s Senior Management ensures the promotion and practice of innovation, as well as the management, maintenance and improvement of the Company’s capitals.¹

Management Composition

<table>
<thead>
<tr>
<th>Male: 30</th>
<th>Female: 13</th>
</tr>
</thead>
</table>

TOTAL 43

Management Expertise

Business Development, Administration and Management

Communication

Human Resources

Marketing

Environment and CSR

Legal and Regulatory

Risk Management and Audit

Banking, Accounting and Finance

1 Information on the performance and activities of the Company are provided in the discussion on Company’s capitals in Delivering on our Strategy on pages 72 to 152.

Senior Management List

As of December 31, 2022

Oscar M. Lopez
CHAIRMAN EMERITUS

Federico R. Lopez
DIRECTOR, CHAIRMAN, & CHIEF EXECUTIVE OFFICER

Francis Giles B. Puno
DIRECTOR, PRESIDENT, & CHIEF OPERATING OFFICER

Richard Raymond
B. Tantoco
DIRECTOR & EXECUTIVE VICE PRESIDENT

Jonathan C. Russell
EXECUTIVE VICE PRESIDENT & CHIEF COMMERCIAL OFFICER

Victor Emmanuel B. Santos Jr.
EXECUTIVE VICE PRESIDENT

Emmanuel Antonio P. Singson
EXECUTIVE VICE PRESIDENT, CHIEF FINANCIAL OFFICER & TREASURER

Renato A. Castillo
SENIOR VICE PRESIDENT & CHIEF RISK OFFICER

Anthony Julicer A. Alvis
VICE PRESIDENT

Ramon J. Araneta
VICE PRESIDENT

Erwin O. Avente
VICE PRESIDENT

Khairuddin Hyatt V. Basman
VICE PRESIDENT

Ma. Cecilia R. Batalla
VICE PRESIDENT

Jerome H. Cainglet
VICE PRESIDENT

Male: 30 Female: 13

TOTAL 43

¹ Information on the performance and activities of the Company are provided in the discussion on Company’s capitals in Delivering on our Strategy on pages 72 to 152.
Senior Management List
As of December 31, 2022

Gerald T. Cajucom
VICE PRESIDENT

Ramon A. Carandang
VICE PRESIDENT FOR CORPORATE COMMUNICATIONS

Ma. Aurora E. Ceniza
VICE PRESIDENT

Reman A. Chua
VICE PRESIDENT

Shirley H. Cruz
VICE PRESIDENT

Nurjehan Maria D. Dayrit
VICE PRESIDENT

Teodorico R. Dela
VICE PRESIDENT

Valerie Glorine Y. Dy Sun-Lim
VICE PRESIDENT, HEAD OF INVESTOR RELATIONS, & COMPLIANCE OFFICER

Anna Karina P. Gerochi
VICE PRESIDENT & HEAD OF HUMAN RESOURCES

Dennis Michael P. Gonzales
VICE PRESIDENT

Rachel R. Hernandez
VICE PRESIDENT & CORPORATE SECRETARY

Ernie G. Imperial
VICE PRESIDENT AND CHIEF DIGITAL OFFICER

Ariel Arman V. Lapus
VICE PRESIDENT

Rassen M. Lopez
VICE PRESIDENT

Denise Natalie F. Mercado
VICE PRESIDENT

Bernadette Ann V. Policarpio
VICE PRESIDENT

Peter Jason D. Samonte
VICE PRESIDENT

Jay Joel L. Soriano
VICE PRESIDENT AND HEAD OF STRATEGY AND PLANNING

Ronaldo B. Tablante
VICE PRESIDENT

Annalyn C. Tayag
VICE PRESIDENT

Maria Carmina Z. Uña
VICE PRESIDENT OF COMPTROLLER

Daniel H. Valeriano Jr.
VICE PRESIDENT

Carlos Lorenzo L. Vega
VICE PRESIDENT

Conrado Ernesto C. Viego
VICE PRESIDENT

Ma. Theresa M. Villanueva
VICE PRESIDENT

Ariel S. Villasenor
VICE PRESIDENT

Vincent Martin C. Villegas
VICE PRESIDENT

Angelo D. Macabuhay
HEAD OF INTERNAL AUDIT

Cara Martha D. Mathay
ASSISTANT CORPORATE SECRETARY
2022 INTEGRATED REPORT

ADDITIONAL INFORMATION

2022 Awards

First Gen’s conscious efforts towards excellence in its ESG activities were nationally and globally recognized in 2022. International and national award-giving organizations acknowledged First Gen and its subsidiaries’ initiatives, performance, and contributions to worker and employee health and safety; the community; and environmental preservation.

7th ASIA INTEGRATED REPORTING AWARDS
CSRWorks International
- Silver Award: Integrated Thinking for First Gen’s 2020 Integrated Report
- Bronze Award: Value Creation for First Gen’s 2020 Integrated Report
- Bronze Award: Integrated Thinking for EDC’s 2020 Integrated Report

CORPORATE GOVERNANCE
Institute of Corporate Directors
- 4 Golden Arrow Recognition at the ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards for First Gen
- Inclusion to the ASEAN Asset Class of 2021 at the 2021 ACGS ASEAN Virtual Awards for First Gen

GREEN BOND PERFORMANCE
The Asset
- Best Local Currency Green Bond at the Triple A Awards 2021 for EDC

PUBLIC RELATIONS PERFORMANCE
Public Relations Society of the Philippines
- Silver Anvil: Public Relations Tool Exhibit and Special Events (Exhibit Exposition) for Seatizen Webinar Series (Seatizen Stories and Seatizen Travels) at the 57th ANVIL Awards for First Gen
- Silver Anvil: Public Relations Programs on a Sustained Basis (Responsible Citizenship) for Employee Power (EMPOWER) Program at the 57th ANVIL Awards for First Gen

ENVIRONMENTAL PERFORMANCE
Department of Environment and Natural Resources - Environmental Management Bureau 5
- Best Environmental Initiatives Award for BacMan Geothermal Power Plant
- 12th Gawad Kaligtasan at Kalusugan National Silver Awardee for First Gas Power Corporation (FGPC)
- 12th Gawad Kaligtasan at Kalusugan National Silver Awardee for FGP Corp. (FGP)
- 12th Gawad Kaligtasan at Kalusugan National Region 4A Occupational Safety and Health (OSH) Champion for FGPC
- 12th Gawad Kaligtasan at Kalusugan National Region 4A OSH Champion for FGP
- 12th Gawad Kaligtasan at Kalusugan National Region 4A OSH Champion for FNPC

Safety Organization of the Philippines, Inc.
- Award of Excellence for FGPC
- Award of Excellence for FGP
- Award of Excellence for FNPC

Safety Health and Environment Association of the Power Energy Sector
- Titanium Corporate Safety and Health Excellence Award for EDC Burgos Wind Power Corporation
- Titanium Corporate Safety and Health Excellence Award for BacMan Geothermal Inc.
- Titanium Corporate Safety and Health Excellence Award for BacMan Geothermal Project
- Titanium Corporate Safety and Health Excellence Award for Green Core Geothermal, Inc.
- Titanium Corporate Safety and Health Excellence Award for Tongonan I Geothermal Power Plant
- Platinum Corporate Safety and Health Excellence Award for FGPC
- Gold Corporate Safety and Health Excellence Award for FNPC
- Gold Corporate Safety and Health Excellence Award for Prime Meridian PowerGen Corporation (PMPC)
- Gold Corporate Safety and Health Excellence Award for Prime Meridian PowerGen Corporation (PMPC)
- Bronze Corporate Safety and Health Excellence Award for Prime Meridian PowerGen Corporation (PMPC)

EDUCATIONAL PROMOTION
Technical Education and Skills Development Authority
- Kabalikat Award Industry Category Outstanding private sector partner in strengthening technical vocational education and training (TVET) for EDC’s KETECH Educational Foundation, Inc.

HUMAN RESOURCES
HR Asia
- Best Company to Work in Asia for EDC

The University of Asia and the Pacific’s – Center for Social Responsibility (UA&P-CSR) provided technical assistance to First Gen Corporation (referred to as “First Gen” or “the Company”) in conducting an internal review of its 2022 Integrated Report (IR). As a competent and independent practitioner of the International Integrated Reporting (IR) Framework, UA&P-CSR is the only Philippine institution that has provided an <IR>-certified training in the country through its partnership with Singapore-based CSRWorks International. We are also the leading partner-of-choice for several publicly-listed companies in the Philippines, providing technical assistance, content development, and capacity building on sustainability and integrated reporting.

Purpose of the Review

Integrated reporting is a type of corporate reporting that emphasizes a cohesive and effective approach to an organization’s value creation over time. The primary objective of integrated reporting is to enhance capital allocation, efficiency, and productivity. As part of its 2022 integrated reporting process, First Gen engaged UA&P-CSR to evaluate the quality and compliance of its report with the guidelines and requirements established by the <IR> Framework. This evaluation is a critical process that ensures the robustness of First Gen’s reporting procedures and the IR itself through internal quality control and compliance checks. Furthermore, we examined the report’s alignment with other international reporting standards utilized by institutions such as the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI). This assessment further ensures the consistency and credibility of First Gen’s IR and its ability to provide accurate and relevant information to its stakeholders.

Methodology: UA&P <IR> Practitioners Scorecard

To evaluate First Gen’s 2022 IR, UA&P-CSR designed the UA&P <IR> Practitioners Scorecard. This scorecard provides indicators to assess the Company’s information on the <IR> Framework Content Elements and Guiding Principles, as shown in Figure 1. The scorecard also incorporates indicators from the SASB and GRI Standards. However, we cannot assess these indicators yet, as First Gen has not completed the content of its report, including the proper labeling of the GRI and SASB indicators in the report.

The UA&P <IR> Practitioners Scorecard was utilized as a formal guidance document to review First Gen’s 2022 IR. The scorecard comprises a set of indicators designed to assist the Company in integrating the <IR> Content Elements into its disclosures and embedding the <IR> Guiding Principles throughout its entire report. First Gen submitted two (2) drafts of its 2022 IR on February 7 and March 17, 2023, which UA&P-CSR reviewed and evaluated against the scorecard’s indicators. The reports were evaluated both quantitatively, through percentage scores, and qualitatively, using our professional insights and recommendations based on observations of the leading practices of global companies in the integrated reporting environment. However, it is important to note that the results of the review using the scorecard do not establish benchmarks for the <IR> Content Elements, and the recommendations provided should not be regarded as “investment grade” information.

Findings and Recommendations: Assessing the Compliance of First Gen’s 2022 IR with the <IR> Framework

Over the years, First Gen has made significant progress in its integrated reporting journey. By adopting the <IR> Framework, the Company’s 2022 IR clearly communicated its value creation narrative. Moreover, with the support of its Company leadership, First Gen has strengthened its processes to identify external risks and disruptions, determine strategies to capture opportunities, and fulfill its mission of regenerating the planet and society while contributing to the achievement of the United Nations Sustainable Development Goals (UN SDGs). As a result of these efforts, First Gen has assessed how the aforementioned factors affect its capital transformation and impact the financial and non-financial performance of the Company. Through the assessment, the Company can enhance its resilience and continue to deliver long-term value to its stakeholders.

Figure 2 displays the notable enhancements made by First Gen’s report in fulfilling the guidelines and requirements of the <IR> Framework on the Content Elements and Guiding Principles. These improvements were based on our evaluations of the Company’s drafts submitted on February 7 and March 17, 2023, respectively. Additionally, Tables 1 and 2 outline our findings and expert recommendations concerning the <IR> Content Elements and Guiding Principles, using the most recent draft that First Gen submitted on March 17, 2023.

Figure 1. UA&P <IR> Practitioners Scorecard: <IR> Content Elements and Guiding Principles

Figure 2. Summary of Scores of the <IR> Content Elements and Guiding Principles of First Gen’s 2022 IR
Table 1. Assessment on the <IR> Content Elements of First Gen’s 2022 IR (March 17, 2023 version)

<table>
<thead>
<tr>
<th>&lt;IR&gt; Content Elements</th>
<th>Findings and Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organizational Overview and External Environment</strong></td>
<td></td>
</tr>
<tr>
<td>First Gen provided adequate information in key sections of its report such as &quot;Who We Are,&quot; &quot;What We Do,&quot; &quot;Organizational Structure,&quot; and &quot;Our Operating Context.&quot; These sections communicated the Company’s profile, operations, and external environment factors that may or currently impact its business, along with its corresponding strategies to address them. Furthermore, the sections &quot;2022 at a Glance&quot; and &quot;2022 Key Milestones&quot; have established the Company’s current market position and performance for the reporting period, further enhancing the report’s overall transparency and completeness.</td>
<td></td>
</tr>
<tr>
<td><strong>Strategy and Resource Allocation</strong></td>
<td></td>
</tr>
<tr>
<td>First Gen provided a clear presentation of its strategic direction by expressing its long-term vision and strategic objectives. It showed its roadmap for both its decarbonization and regeneration plans, including specific time horizons over the short, medium, and long term. The Company also indicated its strategies, resource allocation plans, and target outcomes to support its vision.</td>
<td></td>
</tr>
<tr>
<td><strong>Performance</strong></td>
<td></td>
</tr>
<tr>
<td>First Gen demonstrated a balanced discussion of its current level of performance, including both positive and negative effects on its various capitals. The Company also linked its performance with its outlook, providing an adequate basis for assessing its progress in delivering its management's strategic targets.</td>
<td></td>
</tr>
<tr>
<td><strong>Outlook</strong></td>
<td></td>
</tr>
<tr>
<td>First Gen has identified key themes such as Transmisa Towards Retail Markets, Clean Energy Transition, and Need for Rapid Project Development as opportunities for the Company. The report presented a sufficient explanation of how the Company will capitalize on these opportunities, including specific actions it will take.</td>
<td></td>
</tr>
<tr>
<td><strong>Basis of Preparation and Presentation</strong></td>
<td></td>
</tr>
<tr>
<td>First Gen presented a comprehensive description of its process for determining the material matters included in its report, as well as how such matters are quantified and evaluated. The Company also presented its key judgments on material topics thoroughly under its Material Topics, Standards, and References section.</td>
<td></td>
</tr>
</tbody>
</table>

Table 2. Assessment on the <IR> Guiding Principles of First Gen’s 2022 IR (March 17, 2023 version)

<table>
<thead>
<tr>
<th>&lt;IR&gt; Guiding Principles</th>
<th>Findings and Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Focus and Future Orientation</strong></td>
<td></td>
</tr>
<tr>
<td>First Gen ensured that its strategic objectives were aligned with various &lt;IR&gt; Content Elements in the report. Aside from the Strategy and Resource Allocation and Outlook sections, the strategy is embedded in the discussion of other content elements such as risks and opportunities, performance, and governance.</td>
<td></td>
</tr>
<tr>
<td><strong>Connectivity of Information</strong></td>
<td></td>
</tr>
<tr>
<td>First Gen demonstrated the interrelatedness of the &lt;IR&gt; Content Elements, despite having yet to complete the other portions of the report (e.g., the Chairman’s and President’s messages). The Company provided sufficient quantitative and qualitative information to connect financial and nonfinancial performance and present a holistic picture of its performance.</td>
<td></td>
</tr>
</tbody>
</table>
Stakeholder Relationships

- First Gen used the Pental Diagram framework to illustrate its engagement with key stakeholders and shareholders. The Company also explained how it manages stakeholder concerns and engagements. Moreover, First Gen included its stakeholders in the strategic positioning of the Company, emphasizing how they would be affected by the Company’s long-term vision.

Materiality

- First Gen utilized the "Double Materiality" process to determine the materiality of its environmental, social, and governance topics. The Company provided a detailed discussion on the material topics resulting from the process.

- However, the Company may consider elaborating on the negative and positive impacts of the material topics on its value creation aspirations in the next reporting cycle to further enhance its reporting.

Conciseness

- First Gen demonstrated the conciseness of its report by using plain language that can be easily understood by general readers. The Company also utilized appropriate infographics to complement its narratives and avoided redundancy by using cross-references. Additionally, First Gen used table presentations to show the interconnectedness of various content elements in its value creation process.

Reliability and Completeness

- First Gen achieved a balanced approach to integrated reporting by presenting all material topics and their impact on the Company's value creation in both positive and negative terms.

- To further strengthen the reliability and completeness of the report, the sections that need to be completed when the information becomes available include the Messages from the Chairman and President, Third-Party Review Statement, Data Assurance, and the relevant International Standards Context Index. The corresponding numbers and disclosure/code labels should be included on the pages where the discussion of material topics is presented.

Consistency and Comparability

- First Gen demonstrated comparability of its data with industry peers by utilizing common key performance indicators (KPIs) and baseline information. The Company also maintained consistency in the number of material topics covered in the current reporting period as in the previous one. This reinforces the reliability and relevance of its integrated reporting practice.

Summary of Expert Opinion

The 2022 Integrated Report (IR) of First Gen Corporation adheres to different international disclosure standards such as the GRI Standards (using the electric utilities supplement for power generation), SASB Standards, TCFD Framework, United Nations Guiding Principles on Business and Human Rights (UNGPs-BHR), and the UN SDGs – these frameworks are integrated with the International <IR> Framework.

The report addresses the previous year's recommendations. For instance, it now discusses the implications of the deployed capitals on the value creation process, delineating clearly what contributes to the Company's value generation and value recapitulating processes. It also presents specific corporate initiatives towards decarbonization (through operational efficiency and variable energy portfolio transition) and regeneration (through environmental and social initiatives, among others). These initiatives are vital as they communicate First Gen's practical pursuit to generate financial returns and resources on the capitals it deploys to sustain its operations, attracting and retaining financial capital while pursuing its mission.

It also highlights the Company's commitment to decarbonization and regeneration in collaboration with its parent company, First Philippine Holdings Corporation. The report details the Company's energy portfolio transition plans as a major supplier of baseload power capacity to the grid. With the nation's projected need to double capacity by 2030, First Gen is aware of the implications of its expansion plans towards renewable energy on the nation's future energy needs. The Company recognizes that natural gas must be one of the key transition energy portfolios to achieve this transition. However, First Gen also keeps a keen interest in advancements in renewable energy technology such as storage and hydrogen power to ensure that baseload power capacity will be available in its growing renewable energy portfolio.

The renewable energy market presents a significant opportunity for First Gen. However, the Company must be mindful of both strategic and systemic risks. Strategic risks, such as securing a market for its supply when contracts expire, are within the Company's control. On the other hand, systemic risks, such as disruptions to the global supply chain and extreme climate events, are beyond the Company's control. The 2022 IR shows that First Gen is aware of these risks and has measures in place to mitigate them. The potential impact on the Company's capital is also well-presented in the report.

The 2022 IR provides a comprehensive picture of First Gen's strategic balancing act as it shifts to an RE portfolio without compromising the nation's energy supply. It highlights the importance of natural gas as a transition portfolio while keeping its mission of decarbonization in mind. It also acknowledges the significant capital needed and the attendant risks involved, including the unpredictable energy policy environment and the need for stability by long-term capital. By addressing all these factors, the 2022 IR assures its pivotal role of stakeholders that the Company is committed to its mission and plans, despite the uncertainties and volatilities involved. Overall, the report provides valuable insights for stakeholders and readers to understand First Gen's delicate balancing act.

28 March 2023
University of Asia and the Pacific
Center for Social Responsibility
Disclaimer

The UA&P-CSR review team possesses the appropriate competencies and qualifications to uphold their independence throughout the review process. It is important to note that their assessment report and review of First Gen Corporation’s Integrated Report may yield positive results, but it is not considered an assurance engagement. The review team only provides professional findings and does not express any assurance. Furthermore, it should be clarified that the opinions and viewpoints expressed by the review team are their own and may not necessarily align with the views of UA&P-CSR.

As the undersigned, we have carefully reviewed the 2022 Integrated Report of First Gen Corporation, along with the relevant information provided by the management. In fulfilling our vetting engagement, we conducted thorough procedures to assess whether the information presented in the report is fairly stated, in accordance with the International <IR> Framework, and material in all respects.

As the review team, it is our responsibility to provide a conclusion based on our engagement. We have conducted a thorough evaluation and are pleased to report that in our professional opinion, the information presented in First Gen Corporation’s 2022 Integrated Report is fairly stated in all material respects, and is in compliance with the International <IR> Framework.

With 30 years of solid work experience and a robust business network in the Philippines and Southeast Asia, Mr. Cebu Legarde Hubo is a distinguished professional in the business sustainability space. He is currently a global ambassador for the International Integrated Reporting Council (IIRC-Local) and holds certifications in various standards such as GRI, <IR> Framework, TCFD, SASB, Standards and UNPRI Business and Human Rights. In 2022, Mr. Hubo was honored as an ESG Director and Climate Thought Leader by Diligent (New York) and included in the Modern Governance 100 list. He provides advisory services to multiple publicly listed companies (PLCs) in the Philippines for their non-financial reporting. Mr. Hubo’s notable accomplishments include integrating sustainability into the curriculum of UA&P and establishing a professional training program on business sustainability that is accredited by the Philippine Securities and Exchange Commission (SEC). He completed the WBEQ Executive Education for Leadership and Management and is presently enrolled in UA&P’s Strategic Business Economics Program (SBEPP). Before his sustainability advisory, Mr. Hubo was a Fulbright scholar at Deakin University and has worked with projects of Control Risks Group (Mumbai), IFI World Bank, UK Embassy Mandaue and Agent Finance de Desarrollo.

Dr. Winston Conrad Padojing is the President of the University of Asia and the Pacific (UA&P) and an associate professor of industrial economics and strategic management. As an expert in the fields of industry dynamics, strategic management, finance, and business sustainability, he has externally reviewed the sustainability reports of various companies in the Philippines. Also, he is a founding member of the Center for School Governance—an NGO involved in promoting good governance in universities and colleges. He is on the board of the Center for Research and Communications Foundation, Inc.—a think tank that aims to promote inclusive growth and development, and the Jose Joy Tanay Foundation that provides low-income student scholarships.

Dr. Winston Conrad Padojing
President, University of Asia and the Pacific

Francesca Louise Cabugoy
Ernest Marc Castillo
Fernand Francis Hermoso

GRI Standards and <IR> Framework Practitioners
TCFD certified Practitioners
UA&P Center for Social Responsibility

Lindsay Anne Estacio

Mr. Cebu Legarde Hubo
Global Ambassador International Integrated Reporting Council
Certified Specialist, Task Force on Climate-related Financial Disclosures
Former Stakeholder Council Member, Global Reporting Initiative
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**Statement of Use**

First Gen Corporation has reported the information cited in this GRI content index for the period from 1 January to 31 December 2022 with reference to the GRI Standards.

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<td>Economic Performance</td>
<td>Financial</td>
<td></td>
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<tr>
<td>20-1: Direct economic value generated and distributed</td>
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<tr>
<td>Business Model Resilience</td>
<td>Business Model Strategy &amp; Resource Allocation</td>
<td></td>
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<tr>
<td>2-22: Statement on sustainable development strategy</td>
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<tr>
<td>Systemic Risk Management/Critical Incident Risk Management</td>
<td>Risks &amp; Opportunities</td>
<td></td>
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<tr>
<td>2-12: Role of the highest governance body in overseeing the management of impacts</td>
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<tr>
<td>2-22: Statement on sustainable development strategy</td>
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<tr>
<td>Innovation &amp; Digital Transformation</td>
<td>Intellectual</td>
<td></td>
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</table>
### SASB Code Accounting Metric Response


<table>
<thead>
<tr>
<th>SASB Code</th>
<th>Accounting Metric</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>IF-EU-100a.1</td>
<td>(1) Gross global scope 1 emissions (million metric tons)</td>
<td>6.7</td>
</tr>
<tr>
<td>IF-EU-100a.2</td>
<td>(2) Percentage covered under emissions-limiting regulations</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>IF-EU-100a.3</td>
<td>(3) Percentage covered under emissions-reporting regulations</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>IF-EU-100a.4</td>
<td>Description of long-term and short-term strategy or plan to manage scope 1 emissions, emission-reduction targets, and an analysis of performance vs. those targets</td>
<td>Refer to page 60 to 65 and 70 to 71</td>
</tr>
</tbody>
</table>

#### Air Quality

<table>
<thead>
<tr>
<th>SASB Code</th>
<th>Accounting Metric</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>IF-EU-120a.1</td>
<td>Air Emissions</td>
<td>Percentage from facilities within urbanized areas</td>
</tr>
<tr>
<td>IF-EU-120a.2</td>
<td>(1) NOx (excluding N2O)</td>
<td>3,642.5</td>
</tr>
<tr>
<td>IF-EU-120a.3</td>
<td>(2) SOx</td>
<td>325.3</td>
</tr>
<tr>
<td>IF-EU-120a.4</td>
<td>(3) Particulate matter (PM2.5)</td>
<td>147.1</td>
</tr>
<tr>
<td>IF-EU-120a.5</td>
<td>(4) Lead (Pb)</td>
<td>0</td>
</tr>
<tr>
<td>IF-EU-120a.6</td>
<td>(5) Mercury (Hg)</td>
<td>0</td>
</tr>
</tbody>
</table>

#### Water Management

<table>
<thead>
<tr>
<th>SASB Code</th>
<th>Accounting Metric</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>IF-EU-140a.1</td>
<td>Total water withdrawn (thousands of cubic meters)</td>
<td>2,831,657.95</td>
</tr>
<tr>
<td>IF-EU-140a.2</td>
<td>Total water consumed (thousands of cubic meters)</td>
<td>2,568.46</td>
</tr>
<tr>
<td>IF-EU-140a.3</td>
<td>Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations</td>
<td>None</td>
</tr>
<tr>
<td>IF-EU-140a.4</td>
<td>Description of water management risks and discussion of strategies and practices to mitigate those risks</td>
<td>Refer to page 142</td>
</tr>
</tbody>
</table>

#### Energy Affordability

<table>
<thead>
<tr>
<th>SASB Code</th>
<th>Accounting Metric</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>IF-EU-240a.1</td>
<td>Average retail electric rate for (1) residential</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>IF-EU-240a.2</td>
<td>Typical monthly electric bill for residential customers delivered per month</td>
<td>Not Applicable</td>
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</tbody>
</table>

#### Workforce Health & Safety

<table>
<thead>
<tr>
<th>SASB Code</th>
<th>Accounting Metric</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>IF-EU-320a.1</td>
<td>(1) Total recordable incident rate (TRIR)</td>
<td>0.14</td>
</tr>
<tr>
<td>IF-EU-320a.2</td>
<td>Fatality rate</td>
<td>0</td>
</tr>
<tr>
<td>IF-EU-320a.3</td>
<td>Near miss frequency rate (NMFR)</td>
<td>0.46</td>
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</tbody>
</table>

#### End-Use Efficiency & Demand

<table>
<thead>
<tr>
<th>SASB Code</th>
<th>Accounting Metric</th>
<th>Response</th>
</tr>
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<tbody>
<tr>
<td>IF-EU-420a.1</td>
<td>Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>IF-EU-420a.2</td>
<td>Percentage of electric load served by smart grid technology</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>IF-EU-420a.3</td>
<td>Customer electricity savings from efficiency measures, by market (MWh)</td>
<td>Not Applicable</td>
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</tbody>
</table>

#### Nuclear Safety & Emergency Management

<table>
<thead>
<tr>
<th>SASB Code</th>
<th>Accounting Metric</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>IF-EU-540a.1</td>
<td>Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>IF-EU-540a.2</td>
<td>Description of efforts to manage nuclear safety and emergency preparedness</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>SASB Code</td>
<td>Accounting Metric</td>
<td>Response</td>
</tr>
<tr>
<td>-----------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>IF-EU-550a.1</td>
<td>Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations</td>
<td>0</td>
</tr>
<tr>
<td>IF-EU-550a.2</td>
<td>(1) System Average Interruption Duration Index (SAIDI)</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>IF-EU-550a.2</td>
<td>(2) System Average Interruption Frequency Index (SAIFI)</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>IF-EU-550a.2</td>
<td>Customer Average Interruption Duration Index (CAIDI), inclusive of major event days</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>F-EU-000.A</td>
<td>Number of customers served</td>
<td></td>
</tr>
<tr>
<td>F-EU-000.A</td>
<td>(1) residential</td>
<td>297</td>
</tr>
<tr>
<td>F-EU-000.A</td>
<td>(2) commercial</td>
<td></td>
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<tr>
<td>F-EU-000.A</td>
<td>(3) industrial</td>
<td></td>
</tr>
<tr>
<td>IF-EU-000.B</td>
<td>Total electricity delivered to:</td>
<td>22,352,420</td>
</tr>
<tr>
<td>IF-EU-000.B</td>
<td>(1) residential</td>
<td></td>
</tr>
<tr>
<td>IF-EU-000.B</td>
<td>(2) commercial</td>
<td></td>
</tr>
<tr>
<td>IF-EU-000.B</td>
<td>(3) industrial</td>
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</tr>
<tr>
<td>IF-EU-000.B</td>
<td>(4) all other retail customers</td>
<td></td>
</tr>
<tr>
<td>IF-EU-000.B</td>
<td>(5) wholesale customers</td>
<td></td>
</tr>
<tr>
<td>IF-EU-000.C</td>
<td>Length of transmission and distribution lines (km)</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>F-EU-000.D</td>
<td>Total electricity generated (MWh)</td>
<td>22,352,420</td>
</tr>
<tr>
<td>F-EU-000.D</td>
<td>Energy Source</td>
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<tr>
<td></td>
<td>Natural Gas</td>
<td>65.72%</td>
</tr>
<tr>
<td></td>
<td>Hydro</td>
<td>1.39%</td>
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<tr>
<td></td>
<td>Geothermal</td>
<td>31.42%</td>
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<tr>
<td></td>
<td>Wind</td>
<td>1.40%</td>
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<tr>
<td></td>
<td>Solar</td>
<td>0.07%</td>
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<tr>
<td>IF-EU-000.E</td>
<td>Total wholesale electricity purchased (MWh)</td>
<td>0</td>
</tr>
</tbody>
</table>
Acknowledgments

First Gen 2022 Integrated Report

• Office of the Chairman and CEO
• Office of the President and COO
• Accounting
• Business Development Groups
• Corporate Social Responsibility
• EDC Corporate Communications
• EDC Investor Relations
• EDC Technical Working Group
• Enterprise Risk Management
• FGCEC Technical Working Group
• FG Hydro Technical Working Group
• FG Bukidnon Technical Working Group
• FPH Corporate Sustainability Group
• Human Resources
• Information Technology
• Integrated Corporate Communications
• Investor Relations
• Legal and Regulatory
• Power Marketing
• Quality Environment Safety and Health
• Strategy and Planning Group

Cover
FPH Integrated Corporate Communications with Studio O, Inc.

Editorial and Design
Drink Sustainability Communications

Operational Photography
• AeroEye
• Albert Labrador
• Erik Liongoren
• Jeffrey Bajo
• Manuel Concepcion
• Mario Barbiera
• Marisol Pedregosa
• Toto Labrador

Portrait Photography
• Tom Epperson
• Jay Tablante