



Let's create a climate of change.

Together, we can make
a world of difference.

2016 Sustainability Report



About the cover

The Cover Photo:

The Verde Island Passage is the world's "center of center" of marine biodiversity based on the study of the US Smithsonian Institute. It houses a vast variety of sea turtles, mangroves, sea grass, and fish and coral species, including more than half of the Philippines' marine species. However, it is also threatened by factors such as industrial pollution and illegal and destructive fishing practices. Bordering the First Gen clean energy complex, 1,500 hectares of this biodiversity hotspot are being safeguarded by the company and local volunteers, benefitting the communities that depend on the passage for their food and livelihood.

The Message:

Let's Create a Climate of Change: Together We Can Make a World of Difference captures the message that First Gen wishes to convey to all our stakeholders and partners. All lives in the world are interconnected, every action impacts another. The herculean task to address climate change is not a task that can be done alone. It is only when we all come together and work toward the same path of a decarbonized future that we can protect our only home — Earth. We hope you join us in our journey of creating a better world.

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102-3, 102-4, 102-45, 102-46, 102-50, 102-52, 102-54, 102-56

About the report

Let's Create a Climate of Change: Together We Can Make a World of Difference is our second Sustainability Report covering our sustainability performance from January to December 2016. The 2016 Sustainability Report has been prepared in accordance with the GRI Standards: Comprehensive option. It hopes to communicate to our stakeholders the various ways that the Company transforms the nation through the deliberate decisions that we make every day—from the way we choose to do business, to how we enhance our environments, to our partnerships with communities, and our constant commitment to inspire generations.

The stories and data you will see in this report focus on our natural gas fleet composed of the 1000-MW **Santa Rita**, 500-MW **San Lorenzo**, and 414-MW **San Gabriel** combined cycle power plants and the 97-MW **Avion** open cycle natural gas power plant in the Clean Energy Complex in Batangas; the 1.6-MW **Agusan mini-hydroelectric** power plant in Damilag, Manolo Fortich, Bukidnon; **First Gen Energy Solutions**, which is the retail electricity arm of the Company; and our First Gen Head Office, which is newly located in Rockwell Business Center Tower 3, Ortigas, Philippines. The remainder of our portfolio composed of geothermal, hydro, solar, and wind power plants is reported by our subsidiary, the Energy Development Corporation, in their Annual Performance Report.

Though not externally assured, the Company, through our Technical Working Group, took necessary measures to ensure accountability, accuracy, and consistency of the information presented; And supplemented this with the guidance and technical expertise of our third-party consultant, the University of Asia and the Pacific, throughout the entire reporting process. Moving forward, First Gen commits to an independent assurance process in its future sustainability reports.

Inside the report

Together, We Stand	2
Our Sustainability Framework and Journey	6
First Gen's Energy Value Chain	8
Talking the Talk, Walking the Walk	10
Generating Power Through Synergy	11

<i>Breathe Easy</i>	12
---------------------	----

Drawing The Line	12
-------------------------	----

A Green Market	16
----------------	----

New Plants on the Block	18
--------------------------------	----

Truly Green	23
-------------	----

<i>Uplift Lives</i>	24
---------------------	----

Student Inventors, Young Pioneers	24
--	----

Team Carding Today	26
--------------------	----

Working Toward Good	27
----------------------------	----

<i>Inspire the Future</i>	33
---------------------------	----

Energizing Passion, Empowering People	33
--	----

Creating Ripples of Change	38
----------------------------	----

A View from the Inside	40
------------------------	----

First Gen and the World of Tomorrow	41
--	----

Board of Directors and Senior Management	42
--	----

GRI Content Index	44
-------------------	----

THE PRESIDENT'S MESSAGE

Together, We Stand

Our Earth is rapidly warming and the evidence is clear. The rise in temperature of about 0.85°C over the past century has brought about shifts in our climate that are unprecedented over decades to millennia¹. Climate change today is a force that is drastically changing the world we live in. It is a wake up call; a message delivered in the form of intensifying typhoons, droughts, and other extreme weather events that dictate — no, demand — *'business as usual'* as no longer an option.



Year after year, carbon dioxide measurements in the atmosphere have been breaking previous records. Starting at around 317 parts per million (ppm) when record-keeping began in 1958, the year 2013 saw the measurements exceed 400 ppm for the first time. Four years later (today), 400 ppm is no longer a novelty; it's the norm. To put it into context, the last time CO₂ levels were this high was 3 million years ago, when humans didn't exist and the world was substantially warmer. Scientists predict that if the current trend continues, it's likely to exceed 450 ppm — the threshold that gives humanity only half a chance at limiting warming to less than 2°C² — in just less than two decades.

The situation we have at hand demands urgent action and concerted effort before the world reaches a point of no return and certain catastrophe. The Paris Agreement signed by close to 200 countries in 2015 during the 21st Conference of the Parties (COP21), and put into force in less than a year, is a crucial step; though more will have to be done — and fast. It's comforting to note that the Philippines also ratified this agreement early this year.

It should be convincingly clear that with increasing concern over climate change and landmark agreements such as COP 21, our country and the rest of the world will have to dramatically reduce our dependence on fossil fuels. While daunting, we certainly all agree that it is necessary and believe it is doable.

Sustainability is the bottomline.

At First Gen, everything we do is graced toward sustainability. Each decision we've made and continue to make is founded on our purpose and values as a Company to build the nation inclusively and sustainably.

In this era where global sustainability is the greatest challenge faced by humanity, what's clear to us is that there is no room for coal. Coal is a stranded asset in the future; and the entire infrastructure of coal is being written down by companies with renewables entering the playing field.

Our Chairman's commitment in 2016 that we will not be investing in coal is what we call a *pivot* that we decided on. And actually, for me, maybe the uniqueness is we're making this pivot as a group.

Sustainability at First Gen is not just about the financial impact; it is about the environmental and social impact as well. It is, to a large extent, why we have prioritized our investments in natural gas, geothermal and hydro resource platforms because of their affordability to consumers and the least impact they do to the environment and society.

We are also proving through these investments that it is possible to provide for our country's energy needs, generate jobs that power our economy, and run a profitable business without sacrificing the urgent need to protect our environment.

- Natural gas is the cleanest fossil fuel and emits substantially less CO₂, NO_x, and SO_x, as well as other pollutants; Over-all, we produce about 21.4% of our country's gross generation, yet the carbon intensity of our portfolio is the lowest among the largest industry players.
- San Gabriel and Avion are the newest additions to the three existing gas-fired plants in the country, and are key assets that provide mid-merit and peaking solutions that are cleaner and more efficient in meeting the country's dynamic energy requirements.
- The clean and flexible characteristics of San Gabriel and Avion also make them ideal partners to support intermittent renewable energy, fast tracking the country towards low carbon development.
- We're focusing our efforts to grow our clean and renewable energy portfolio and to expand our natural gas platform beyond power generation by developing a world-class Liquefied Natural Gas (LNG) regasification terminal to continue the low carbon benefits that these gas plants provide.

Strength in Numbers

Our prevailing strategic commitment is to serve the growing needs of the Filipino consumer with clean, affordable electricity and address it by focusing our efforts to grow our clean and renewable energy portfolio. We continue to keep our eye on remaining, relevant, effective, pioneering solutions, and remain steadfast and smart about the choices we make in moving towards a decarbonized world.

We see the increasing relevance of staying committed to our current path in the wake of the ever-changing climate we face today alongside the booming Philippine economy. In this regard, we recognize our responsibility as a big player in the energy industry to take the lead, be

part of the solution, and drive the country toward having a cleaner, more breathable tomorrow.

We know that this path will not be easy.

However, we know that our choices will make positive ripples even beyond our business; thus, we remain insistent and dare to tread this path less travelled.

In this fight to tackle climate change, we remain hopeful because of our customers and partners that have chosen to walk the sustainable path with us.

Customers such as Unilever, RFM Corporation, De La Salle University – Dasmariñas, and Central Luzon State University, among many others, have insisted to be powered only by renewable energy, brought about by the realization that fundamental changes are needed in our way of living to create the future we need to have.

We have before us the opportunity to build a humane world; together, we can forge inclusive solutions and solve this climate crisis.

To end, I quote former United Nations Secretary Ban Ki-Moon: "When we stand together, there is no limit to what we can achieve."

Thank you again.



Giles B. Puno

102-1, 102-2, 102-7, 102-5, 201-1, EU1

A QUICK LOOK AT THE COMPANY First Gen Corporation

Date of Incorporation: **Dec. 22, 1998**
Principal Business: **Power Generation**
Employees: **394**
Conglomerate Net Sales (2016): **\$1.561 million**

16.2% of the country's total installed capacity³

21.4% of the country's gross generation

22 Clean & Renewable Power Plants



Geothermal

1169-MW

Through EDC
50.6% equity interest



Hydro

133.6-MW

132.0 MW
Pantabangan-Masiway
70.3% effective interest
1.6 MW Agusan
100% equity interest



Natural Gas

2011-MW

1000 MW **Santa Rita**
500 MW **San Lorenzo**
414 MW **San Gabriel**
97 MW **Avion**
100% equity interest



Wind

150-MW

Through EDC
50.6% equity interest



Solar

7.85-MW

Through EDC
50.6% equity interest

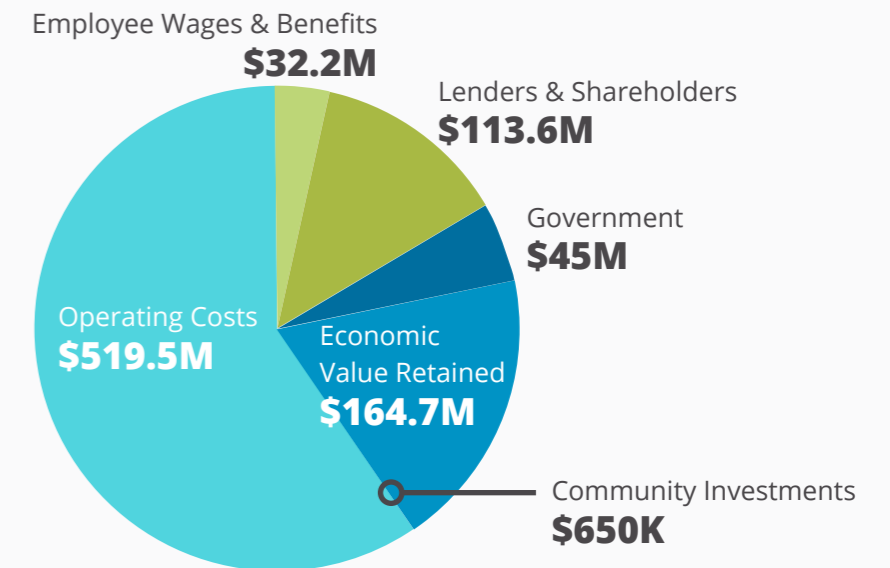
Our Service

First Gen Energy Solutions, Inc. (FGES), a wholly-owned subsidiary of First Gen, is envisioned to be a vehicle to help expand the customer base and the market segments that the Company serves by delivering innovative and value-added solutions — tailor-made to customers' needs — that transcend traditional power supply contracts. Value-Added Service (VAS) Programs offered by FGES fall into four categories: Capability-building for personnel development, technical services to enhance reliability of supply and improve efficiency, information technology to upgrade existing systems, and sustainability projects to help customers give back to their host communities.

Economic Value Generated, Invested, & Retained

\$875.6 million

value generated was distributed as follows:



Our Sustainability Framework

First Gen, together with the rest of the subsidiaries of First Philippine Holdings Corporation (FPH), embraces the philosophy of Corporate Sustainability (CS): a type of forward thinking business approach that allows the conglomerate to measure the full cost of our operations by assessing our economic (profit), social (people) and environmental (planet) performance — *the Triple Bottomline or Three P's* approach.

Our thrust allows us to do business in an enlightened way. When we give due consideration to these elements, it gives us peace of mind when performing our basic function as a business entity. Giving our CS philosophy a unique blend, we added *Business Ethics* in this list of elements to enable us to highlight the Lopez values that have guided us for many years. Our sustainability brand allows us to gain strategic value throughout the process of managing issues, which we attribute to the wealth of knowledge and experience gained through generations of providing better quality and service to our stakeholders. In the process, the services we provide have become the very foundation by which the good we do for society stands.

We recognize the reality that societal issues are ever present and evolving; continuously impacting business and taking the form of company risks. We believe what the global situation calls for is a systematic way to manage these risks and, when possible, seize opportunities that may arise from them.

The first level to this strategy is *managing the current landscape* where we make it a point to systematically identify and address issues we deem vital to our business. To make sure no stone is left unturned, we subject the risks and opportunities we find to another layer of assessment based on the World Business Council for Sustainable Development's (WBCSD) framework. In a nutshell, the framework requires that risks and opportunities be categorized as *Inside the fence*, *Outside the fence*, or *Beyond the horizon*. Those that are *"Inside the fence"* are matters that affect our operations and supply chains; *"Outside the fence"* are those that affect the communities where we operate; while *"Beyond the fence"* point to issues that affect entire market systems as well as global risks like climate change. This process of categorizing allows us to look even deeper into the nature of each risk and opportunity, and understand better the implications to our business. We believe that this step puts us in a better position to scour for the best possible approach to every situation we find ourselves in.

For the second level, *shaping the future landscape*, we remain positive and see the silver lining amid changes and instability. We recognize that work planning without attention to the entire system of evolving "megatrends" will not be complete for decision-making. This systems thinking strategy allows us to correctly assess the risks we need to manage. As we scope our environment for trends and emerging issues, we keep our eyes peeled for business opportunities, particularly on where our expertise may be put to good use. ■

FPH Sustainability Journey

MID 2014 Setting the Direction

We started by building the foundation for the philosophy in mid-2014. We needed to know where we were coming from, hence this period was devoted to baseline studies and benchmarking. This process also involved 25 consultations with internal sustainability champions, resulting in an inventory of our best practices as well as our gaps.

2015 Contemplating which Route to Take

Before going full swing, we needed a solid business case for adopting corporate sustainability. Hence, the pilot activities in FPIP was a venue for us to probe into the potential values we wish to attain:

- a) carbon reduction,
- b) avoided penalties due to environmental problems and social conflicts,
- c) elimination of regulatory risks, and
- d) enhanced reputation that can facilitate access to green funds, and the recruitment and retention of much needed talents.

2016 Hiking the First Mile

Once we saw potential benefits from the pilot study, we crafted our operational plan to embed the sustainability philosophy across the conglomerate through capacity-building initiatives. In parallel, embedding programs were rolled out to involve our employees in sustainability. The process was capped by the development of the sustainability portfolio by each subsidiary and a formal issuance of the *"FPH Sustainability Policy."* To launch our conglomerate-wide effort for sustainability through the GRI, we had our sustainability summit to deepen knowledge on how sustainability impacts business.

2017 Keeping an Eye on the Compass

For 2017, the focus will be the full installation and strengthening of each subsidiary's portfolio. In parallel, embedding programs like the "No Impact Week" and "Zero Hero" will be rolled out. To make sure that the sustainability programs are carried out, refresher and capacity-building seminars were provided to each subsidiary. We agreed to formally measure our sustainability initiatives starting with Sustainability Reporting.

We are already looking to the future and on to the fifth stage of our sustainability journey. On the right course and running on all cylinders, we will establish metrics to assess the benefits we will reap from a continued sustainable operation as we contribute to a vibrant future for all.

FPH Sustainability Policy

We are committed to improving people's lives and futures by ensuring that as our businesses grow, the environment, our employees, and our other stakeholders progress with us.

We are constantly working to transform the Philippines in positive and innovative ways through our responsible growth and investments.

All of these are made possible through our values. As a Lopez company, we work with **nationalism, integrity, social justice, unity, excellence, a pioneering entrepreneurial spirit** for the service of our nation.

FIRST GEN'S Energy Value Chain

A Utilizing Clean and Renewable Power

A.1: The Agusan mini-Hydroelectric Power Plant in Manolo Fortich, Bukidnon is operated and maintained by FG Bukidnon Power Corporation (FG Bukidnon) and uses water from the Agusan river to generate electricity.

A.2: The primary fuel of our natural gas plants comes from the Malampaya offshore gas field in Palawan, which undergoes treatment at an onshore processing gas facility in Tabangao, Batangas, before it is delivered through an 8-km underground pipeline to the plants in the First Gen Clean Energy Complex.

A.3: Our Santa Rita (SR), San Lorenzo (SL), and Avion natural gas plants have the capability to switch to liquid fuel, which is delivered by sea vessels and received through the fuel jetty, during any gas supply interruption to ensure continued operations.

B Addressing electricity needs through a holistic portfolio

Our Santa Rita and San Lorenzo natural gas power plants and Agusan mini-Hydroelectric power plant are designed for baseload operations, addressing the constant need for electricity. Meanwhile, our newest plants, San Gabriel (SG) and Avion natural gas power plants, efficiently respond to variable electricity needs and address mid-merit and peaking requirements, respectively.

C Bringing Clean Air to the Philippines

First Gen primarily sells power to Meralco, the largest energy distributor in the country; to electric cooperatives, large industrial clients, and Wholesale Electricity Spot Market; and, through First Gen Energy Solutions, to contestable customers or those end-users in the 1.0 MW threshold (following the rules of the Retail Competition and Open Access.)

D Ensuring Inclusivity in Growth

Beyond our core business of delivering clean and renewable power throughout the country, we also ensure the protection of our natural resources and the development of communities, especially where we operate.

324 bantay dagat members supported

60 bird & 34 fish species observed at operational sites

0 injuries & 0 fatalities to the public

PHP 9M environmental protection to prevent, reduce, control hazards.

511 MW Additional capacity due to San Gabriel and Avion

2 awards to FG Bukidnon by national Occupational Safety and Health organizations

15% purchases spent on local suppliers

ANNUAL CUSTOMER SATISFACTION SURVEY
9.14/10 Score SR and SL
5/5 Score FG Bukidnon,

Access to **14,000 job vacancies** because of initiated job fair

88k forest tree seedlings donated

3.06 GJ/MWh energy intensity of the organization

0.37 tons CO₂eq/MWh emission intensity of First Gen

OUR MANAGEMENT APPROACHES

Talking the Talk, Walking the Walk

Throughout our service to the Filipino people in providing reliable and efficient power through clean and renewable sources of energy, it is vital that we are in harmony with the environment and society. In this regard, we are guided by our Company policies which are hinged on the distinct Lopez Values. These policies ensure that we are able to create positive economic contributions, maximize shareholder value, ensure operational excellence, protect and enhance the environment, create beneficial partnerships with communities, care for our employee and labor workforce, and uphold the principles of honesty, integrity, and transparency in doing business. Among others, these policies include:

- The **Code of Business Conduct and Ethics**, which establishes the Code of Conduct for the purpose of setting the principles and guidelines in the conduct of our company's businesses and dealings with our stakeholders;
- The **Manual on Corporate Governance** — supplemented by the policies of Anti-Bribery and Corruption, Insider Trading, Conflict of Interest, Company Code on Employee Discipline, Whistleblower Policy, and others — which intends to institutionalize the principles of good corporate governance among the Board of Directors, Management, employees, and shareholders;
- The **Quality policy**, and **Environment, Safety, and Health (ESH) policy**, which guide the Company in ensuring strict compliance with health and safety standards and in managing actual or potential environmental, safety, and health risks;
- The **Corporate Social Responsibility (CSR) policy**, which guides the Company in establishing relevant, responsive, sustainable, and culturally-appropriate social programs that will improve the quality of life of communities, especially in areas where we operate; and upholding the rights of communities in our areas of operation;
- And the **FPH Conglomerate-wide Sustainability Policy**, formally established in 2016, which guides the Company in Corporate Sustainability endeavors, ensuring that its businesses apply and practice the holistic people-planet-profit approach across all operations and activities;

“When the last tree is cut, the last fish is caught, and the last river is polluted; when to breathe the air is sickening, you will realize, too late, that wealth is not in bank accounts and that you can’t eat money.”

Alanis Obomsawin

Conversations with North American Indians in “Who is the Chairman of this meeting?”, 1972

Supplement to these is the **Enterprise Risk Management (ERM) system**, which is applied across all operations and assets to assess, identify, prevent or manage, and monitor risks, including physical, political, economic, operational, social, technical, legal, environmental, counterparty, organizational, financial, safety, and other actual and potential risks.

In addition, the Company also subscribes to international standards and charters which allow us to continually grow and mature in ensuring inclusivity all throughout. These standards include the **CDP** (previously the Carbon Disclosure Project), **Global Reporting Initiative (GRI)**, and **ISO 14001:2004** (Environmental Management System), **ISO 9001:2008** (Quality Management System), and **OHSAS 18001:1999** (Occupational Health and Safety Management System).■

MATERIALITY AND STAKEHOLDER ENGAGEMENT

Generating Power Through Synergy

The Company's sustainability approach engages stakeholders at the onset of project development and all throughout the plant and business operations. First Gen's Stakeholder Management Procedure involves both external and internal stakeholders in decisions that may affect them. Consultations, inclusion of all important sectors, seeking for shared purpose, transparency, and sustained stakeholder participation are all observed.

- **Impact** - A high score (out of 4) indicates stakeholder belief of the topic's importance to them
- **Influence** - A high score (out of 4) indicates stakeholder belief on their ability to influence the topic

Through the use of a survey and interviews with various stakeholders from January 18 to February 03, 2017, the following topics and concerns were identified:

GRI Standards Economic, Environmental, and Social priorities identified:				
<i>Economic</i>	201-1	Direct economic value generated and distributed	3.25	2.67
<i>Environment</i>	302-4	Reduction of Energy Consumption	3.56	2.79
<i>Labor</i>	302-1	Energy consumption within the organization	3.03	3.20
<i>Human Rights</i>	403-1	Representation in formal joint management-worker health and safety committees	3.11	2.46
<i>Society</i>	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	3.06	2.56
<i>Product</i>	413-2	Operations with significant actual and potential negative impacts on local communities	3.22	2.70
<i>Responsibility</i>	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.26	3.08
<i>Electric Utilities</i>	EU13	Biodiversity of offset habitats compared to the biodiversity of the affected areas	3.54	3.02

Other raised topics:

Low Carbon Footprint

Being at the forefront of shaping the low carbon energy industry in the Philippines, the Company still has a lot of potential in widening its portfolio. Community members, where First Gen operates, look up to the Company but need more information about its operations and actual contributions.

Protecting Habitats

Climate change continues to pose threats to the environment and society. Stakeholders believe that the Company can take the lead in mobilizing its immediate community to protect the habitats and natural resources around them.

Women Empowerment

Due primarily because of the nature of the industry, stakeholders observed that there are more male than female employees in First Gen. Leadership in the Board is also predominantly male. Stakeholders hope for more women participation in the Company.

Occupational Health & Safety

The Company has been observed to always comply with strict health and safety standards. Aside from mere compliance, we always strive to go beyond by following international health and safety standards and having a GRI Sustainability Report.

Reducing Energy Cost

Power rates in the Philippines remain high. The energy supplied by First Gen allows some customers to customize their energy consumption through its mid-merit and peaking power plants. The benefits of natural gas-fired power plants can greatly contribute in reducing and stabilizing energy cost in the country.

BREATHE EASY

Drawing the Line

Perhaps what haunted people the most in 2013 was the thought of all the lost children — without their parents, without their homes, without any means to reach out for those who could help — in storm-torn Tacloban.

“This country already has energy alternatives that do not mortgage the future of our children and the future of our planet.”

Chairman Federico R. Lopez



By November 8 of 2013, the worst of Typhoon Yolanda had torn houses from their foundations, if not by the winds, then by the flood. The storm had toppled electrical posts and phone lines, severing the island’s connection to the rest of the country. Hence, once the storm had moved on, instead of hearing cries for aid or reports of damage from Leyte and Samar, the outside world could only hear silence. It was only later that the numbers would come in — the death toll changing every day, the extent of the damage becoming unimaginable. Some couldn’t bear to think of old and young family members separated from each other in the calamity. And those who saw the damage for themselves were stunned. Of the 14 million affected by Yolanda, a staggering 6 million were children.⁴

Two and a half years later, First Philippine Holdings Chairman Federico R. Lopez would still be thinking about all of it as he

sat before the world-famous environmentalist Al Gore, who was in Manila presenting findings on the state of global climate. Gore had told the audience: “**All our infrastructure was built for a world that’s now changing**”, and Chairman Lopez, being a man whose very work was at the heart of that statement, began to reflect on what it would take to re-power and uplift lives in the Yolanda-struck provinces.

It was clear to him that simply providing aid and restoring electricity, while critical, was not enough. The challenge was much larger than that. What could First Philippine Holdings do not just to prepare communities to be more resilient to future disasters, but to prevent the likelihood of more disasters from happening? For Chairman Lopez and First Philippine Holdings, the excessive amounts of carbon dioxide responsible for warming our planet was key. He decided that it was time to draw the line.

On May 23, 2016, Chairman Lopez called for urgent action, on the heels of 2016 becoming the hottest year on record, globally, for the third consecutive year. “**The world has much less time to act than previously believed,**” he said. And boldly, in front of shareholders at the Company’s Annual Stockholders’ Meeting, the Chairman declared that First Philippine Holdings and its subsidiaries would not build, develop, or invest in any coal-fired power plants—the most carbon-intensive form of power generation.

Yolanda

14 million
affected

6 million
were
children

A look back on 2016

The GOOD

Wind turbine **costs fell by as much as 30%** since 2012

Low-Carbon Growth: The uptake of RE alongside the displacement of coal with natural gas resulted in a decrease of the country's emissions by 3% alongside 1.6% growth in GDP.

RE Marathon: the country ran on renewables for 110 days straight and was powered by RE for more than 250 days last year.

Friendly Skies: The International Civil Aviation Organization saw governments, businesses, and civil society sign off on a plan to cap emissions from air travel.

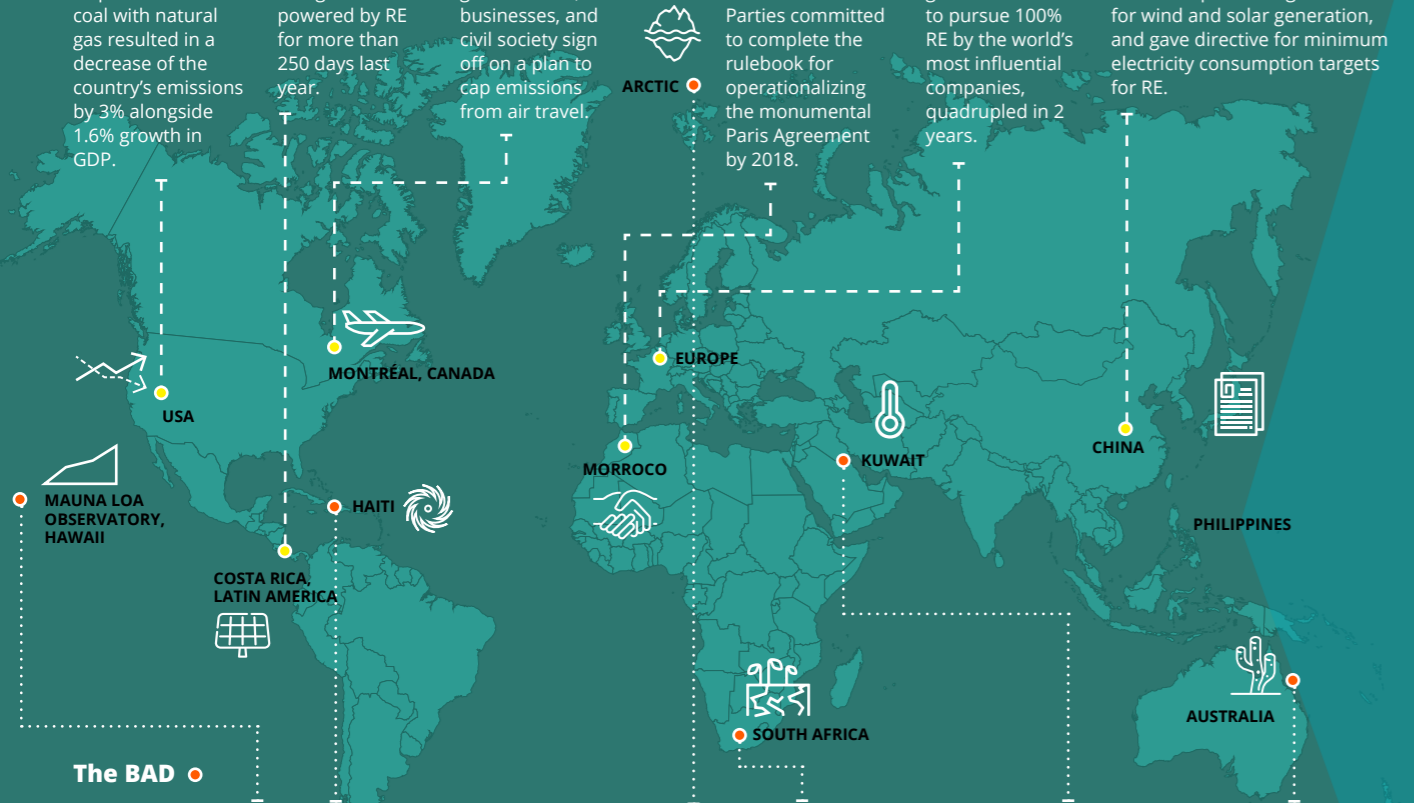
Fossil fuel divestment funds **double to \$5tn** from 2015

Irreversible Momentum: Countries during the 22nd Conference of Parties committed to complete the rulebook for operationalizing the monumental Paris Agreement by 2018.

Private Movement: Membership for the RE100, a global movement to pursue 100% RE by the world's most influential companies, quadrupled in 2 years.

Global RE capacity **grew 51%** in 5 years.

1-2-3 punch: The government ordered provinces to suspend approvals of coal-fired plants, issued a minimum purchase guarantee for wind and solar generation, and gave directive for minimum electricity consumption targets for RE.



The BAD

Unprecedented Rise: Despite seasonal variation, there was no week in 2016 where CO₂ concentrations dipped below 400 parts per million — a not-so-appealing new record.

A Typhoon to Remember: Category-4 Hurricane Matthew resulted in over 1,600 deaths and about \$10.5 billion in damages to the small-island nation

Melting Away: Combined with the Arctic, sea ice coverage is at record lows after declining by twice the size of Alaska — roughly the size of India.

Devastating Drought: Two consecutive poor rainy seasons in South Africa led to drought and substantial agricultural losses for small-scale farmers

Burning Through Records: The highest temperature ever recorded for the eastern hemisphere was broken, with 54°C setting the new record.

The Great Bleaching: Back-to-back severe bleaching events caused by warming oceans have caused bleaching to 2/3 of the Great Barrier Reef

2016 was the **third consecutive warmest year** on record.

February and March reached above **1.5°C** for the first time

16 of the 17 warmest years on record have occurred since 2001

The GOOD

New RE Installed generating capacity grew by **75%**

2.34x growth in wind and solar generation from 2015

Philippines signed the **Paris Agreement** in April 2016

Policy Support: Provincial officials approved a resolution declaring Ilocos Norte as the first “clean, green, and coal-free” province in the country.

Climate Leaders: The first Climate Change Reality Leadership Training in the country was led by former US Vice President Al Gore, and packed with around 800 participants.

A Gloomy Christmas: At least 27,000 families were affected by Typhoon Nina, which barreled through parts of Bicol and southern Luzon on Christmas day.

Growing Renewables: Biomass, Solar, and Wind installed generating capacity grew 122-percent in one year.

State of Calamity: Seasonal El Niño, intensified by rising global temperatures, caused a five-month drought that brought agricultural losses and famine.

Scorching Summer: The city held the highest temperature record at the dangerous levels of 39.3°C

The BAD

14 typhoons in 2016

5th most affected by climate change events, 1995 to 2015

Coming Together

On March 14, 2017, with a unanimous vote from the Senate, the Philippine Government became the 134th nation to ratify the historic Paris Agreement. This agreement between 196 nations forged in Paris in December 2015 signifies a global acceptance of the need to urgently shift to a low carbon world by “holding the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the increase of 1.5°C above pre-industrial levels.” Today, global measurements indicate an increase of close to 0.98°C since pre-industrial levels⁵. Being consistently one of the top five nations at risk due to climate change⁶, it was but fitting that we ratified our commitment.

By formally joining this global pact, the Philippines agrees to work alongside other nations to reduce carbon emissions, and effectively decouple these emissions from economic growth. Globally, countries are recognizing the crucial role of the energy sector in achieving this, and are shifting towards renewable and clean sources of energy — celebrating achievements great and small in the renewable landscape, and investing increasingly in technologies that serve to change the energy sector as we know it.

In recent years, at least 35 countries have shown that growing their economies is possible without increasing their emissions⁷, and increasing the use of renewable energy is seen as a way to achieve this. Amid the continued drop in prices of renewable energy like wind and solar, the Philippines now ranks as one of the highest in the region in terms of wind and solar generating capacities. Combined, they generate enough electricity to power the average annual use of around 863 thousand⁸ Filipino households.

Thus, rather than see the declaration to shun coal as restricting or limiting, First Gen has willingly embraced its unique role in powering the nation's growth and ambition while not risking our children's future, which we all hold so dear. Acting on this global crisis is an imperative; it cannot be any other way. However, we also recognize that ensuring a more livable Philippines is not a singular effort, and will require the work of many to succeed. Thus, moving forward, we hope to engage with those who have the same ideals and conviction. It is only by inspiring one another to act with a new sense of urgency that we can truly avert a catastrophe of epic global proportions. ■

⁵ NOAA National Centers for Environmental Information, State of the Climate: Global Climate Report for February 2017, published online March 2017, retrieved on April 11, 2017 from <https://www.ncdc.noaa.gov/sotc/global/201702>.
⁶ Krefl, Sonke, David Eckstein, and Inga Melchior. GLOBAL CLIMATE RISK INDEX 2017: Who Suffers Most From Extreme Weather Events? Weather-related Loss Events in 2015 and 1996 to 2015. Publication. Germanwatch. Berlin: Germanwatch e.V., 2016. November 2016. Accessed March 2017. <https://germanwatch.org/de/download/16411.pdf>.
⁷ Yeo, Sophie, and Simon Evans. “The 35 countries cutting the link between economic growth and emissions.” Carbon Brief. April 05, 2016. Accessed April 10, 2017. <https://www.carbonbrief.org/the-35-countries-cutting-the-link-between-economic-growth-and-emissions>.
⁸ Around 2.072 million MWh generated from wind and solar in 2016, using 2.4MWh as the annual typical household consumption

A Green Market

Change is never easy.

Real change relies on pioneers who stay the course no matter what and eventually show what is possible. Creating a livable planet in the face of global warming for seven billion humans will require massive change, especially for the energy sector, with business as usual no longer an option.

First Gen recognizes the enormity of this challenge and remains committed to accelerating the shift to a low carbon economy by providing only sustainable energy options. We continue to be inspired by the actions of our equally committed consumers who have chosen to truly lead.

In support of these efforts and given the digitalization of the energy sector, First Gen constantly collaborates with its customers to bring value beyond just the sustainable kWh that it provides. A few examples include:

Safety Matters:

Safety is of paramount importance to First Gen. Whenever we can, we seek to reinforce a work culture built around employee wellness both inside and outside of the workplace. In response to requests by customers, First Gen, thru FGES, facilitates linemen training workshops that increase skills and awareness when working on electricity distribution lines, thus making it safer.

Insight, Action, and Savings:

The Company is currently working with its customers to deploy cloud-based metering solutions that

generate valuable insight, which lead to action and savings. As the saying goes, "you can't manage what you can't measure."

Reliability beyond Electricity:

For First Gen, keeping the lights on by providing 24/7 RE power is not enough. Using complex modeling software, our customers gain insight into their electrical distribution systems. Recommendations provided make their systems more reliable, safe and efficient – a must for any business in a highly competitive environment. ■

The Green Ambassadors | Exemplars in the Industry

2016 was the year when First Gen introduced its Green Ambassador awards at the annual Customers Appreciation Night (CAN). Given that some of our customers who source 100 percent RE supply expressed hope that they could inspire others to do the same, we felt it was fitting to recognize them as true "ambassadors." The award was also in recognition of their impressive sustainability achievements and on-going programs. This recognition also seeks to raise awareness that the issue of climate change will require humanity to come together.



Analog Devices – Analog has one of the few gold-certified LEED buildings in the Philippines, and is aiming to reach the highest certification — Platinum!



Hoc Po Feeds Corporation – A feeds corporation that is unique with its use of biomass in its boilers for their prawn feed manufacturing process; they also reclaim their packaging materials to minimize waste.



Central Luzon State University (CLSU) – CLSU showcased their commitment to sustainability by purchasing one of the first e-jeps in the country, powered by 100 percent RE.



RFM Corporation – One of the leading and respected Food & Beverage companies in the Philippines, RFM promotes sustainability and implements energy efficient programs within their plants.



De La Salle University-Dasmariñas (DLSU-D) – Ranked as the 50th most sustainable university in the world, DLSU-D raises environmental consciousness among the youth through its sustainability programs.



Speciality Pulp Manufacturing, Inc. (SPMI) – True to Sustainability, SPMI uses state-of-the-art, environment-friendly technologies to produce their export-quality pulp products.



De La Salle - Health Sciences Institute – They recently opened a green medical art center and sourced 100 percent RE, keeping true to their mission of *healing and saving lives*.



Unilever Philippines, Inc. – Unilever global targets to source all grid-purchased electricity from RE by 2020. Locally, their Cavite factory is the first Unilever manufacturing plant in Southeast Asia to source all its electricity from RE.



Green Era Biotech Corporation – Green Era advocates the production of feed that is safe for animals, beneficial for their customers, and sustainable to the environment.



Bohol II Electric Cooperative, Inc. was also awarded as the *Customer of the Year* for their exemplary and professional business practices, alongside their environmental and community advocacies.

In recognizing these industry partners for their sustainable practices, First Gen and EDC hope they continue along their respective paths and influence others to do the same. In that way, we can all enjoy a cleaner, healthier way of life. ■

BREATHE EASY

New Plants on the Block

Against the backdrop of lush, verdant mangroves and the blue Batangas Bay, stand the newest additions to the natural gas fleet of First Gen Corporation: Avion and San Gabriel “Flex Plant” — the latest pioneering efforts of the Company.

Designed mainly for addressing the steep increases in the daily demand for electricity, the San Gabriel “Flex plant” — South East Asia’s most efficient natural gas-fired plant — and the Avion plant — the first in the country to run on air craft engines for land-based power generation, enabling the plant to ramp up rapidly — are much needed technologies in a rapidly developing country that seeks to preserve the environment as well.

As a large player in the energy industry, we recognize the complex links between the need to provide energy for a bustling, growing economy (security) coupled with the responsibility to develop low carbon sources of power (sustainability) and ensure affordable and accessible supply of energy at the same time (equity). With the two new natural gas plants, First Gen is able to provide clean energy sources that are competitively-priced while being flexible enough to meet the ever increasing variability in demand.

“Sustainable development means the ability to produce the need for the economic machine to run itself but not at the expense of the environment.”

Jerome Cainglet
VP for Business Development and Finance

CLEAN ENERGY

In 2016, 14 typhoons visited the Philippines and wreaked havoc, with the last one — Typhoon *Nina* (Typhoon Nock-Ten) — bringing a gloomy Christmas morning, filled with destruction, and affecting at least half a million people, in its aftermath¹⁰.

For the Philippines, a country frequently visited by typhoons, the extraordinary strength of super typhoons that have entered the country in recent years — such as Ondoy (2009), Yolanda (2013) and Lando (2015) — shows the glaring reality that climate change impacts are mostly borne by the poor who are the most vulnerable. With the energy sector contributing to about two-thirds of the global greenhouse gas emissions released into the atmosphere from 1990-2013¹¹, the responsibility in reducing emissions by providing clean and low carbon energy rests heavily on energy companies.

First Gen acknowledged this responsibility and has chosen to develop only clean sources of fuel to power the country’s growing economy. The San Gabriel and Avion power plants, like the Santa Rita and San Lorenzo plants, use natural gas which produces around 55% less global warming-inducing CO₂, 99% less acid rain-inducing SO_x, and 66% less smog-inducing NO_x emissions compared to coal¹². Likewise, clean-burning natural gas has no harmful by-products such as sludge, which can poison water supply, and fly ash, which can cause negative health impacts, including respiratory complications, lung disease, and heart damage — costs borne by society at large. Our

efficient plant operations and clean energy sources ensure that our plants, which are monitored by continuous emissions monitoring systems, run to the highest international and local environmental standards.

While the new gas plants have only recently started generating electricity, our Santa Rita and San Lorenzo natural gas plants have proven time and time again that natural gas plants are one of the most efficient and reliable technologies in the Philippines’ power system. Its indigenous and clean burning fuel also ensures that its carbon intensity is the lowest among fossil fuel-based plants.

At First Gen, we continue to remain steadfast in our commitment to provide clean and renewable energy sources to help build the nation, while maintaining our high standards of operations, efficiency, and reliability all throughout the value chain.

Upgrade in San Gabriel Technology resulted in:



Compared to baseline of expanding the business by 414-MW using the Santa Rita technology, multiplied by the generation of San Gabriel in 2016.

¹⁰ News, ABS-CBN. “LOOK: The aftermath of Typhoon Nina in Marinduque.” ABS-CBN News, December 28, 2016. Accessed March 18, 2017. <http://news.abs-cbn.com/news/12/28/16/look-the-aftermath-of-typhoon-nina-in-marinduque>.
¹¹ CAIT Climate Data Explorer. 2017. Washington, DC: World Resources Institute. Available online at: <http://cait.wri.org>
¹² 5-year average is derived from U.S. Energy Information Administration, Electric power industry emissions estimates, 1990 through 2015

FLEXIBILITY IS KEY

Certain power plant technologies such as coal are typically designed to run almost all of the time. Turning them off and on multiple times in a day would cause damage to the plant resulting in unreliability and costly repairs. Frequent start and stops would also be uneconomical due to the long heat up time, leading to very inefficient and costly operations — costs which are eventually passed on to consumers. Thus, for these technical and economic reasons, they are typically required to run continuously.

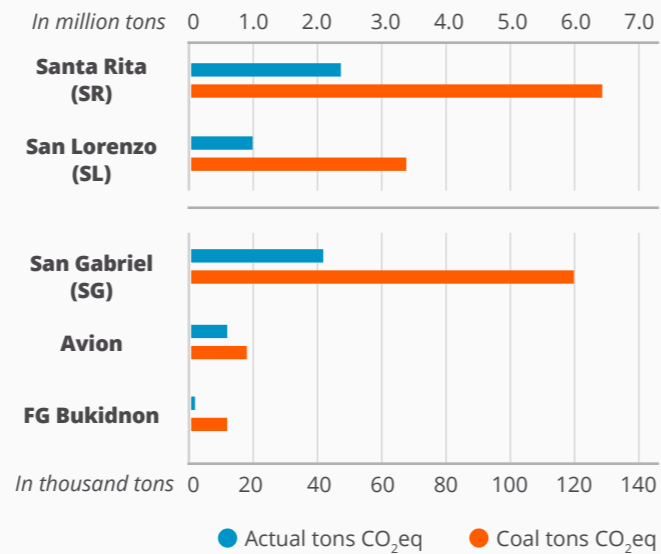
Enter renewable energy technologies. In the last decade, there has been a rapid uptake of renewables due to the declining costs in RE technology. In 2016 alone, global renewable capacity grew by 138.5 gigawatts, or 8% from the previous year¹³. The swift entry of renewables, such as solar and wind, has ultimately disrupted the energy sector due to their variable electricity production throughout the day. As a result, there is a need for plant technologies that can quickly make up for sharp drops and surges, not just in electricity needs, but also in power supply; and adjust accordingly to avoid blackouts and ensure energy security — something which inflexible power plant technologies that need to run 24/7 cannot provide.

Our new gas plants are designed precisely to be able to start and stop quickly. A sudden dip in supply when solar generation drops as clouds occasionally shade solar panels, for instance, coupled with the simultaneous rise in electricity use (e.g. due to appliances being turned on) would need the quick-response technology of Avion, which can immediately come into the grid at full power in less than fifteen minutes, and exit when electricity demand lessens. San Gabriel, on the other hand, is flexible enough to react to the variability in electricity needed throughout the day — for example, when electricity use rises (due to aircon use) during scorching afternoons — and adjust accordingly.

With more renewables expected in the future driven by game-changing innovations that are already disrupting the energy sector in other countries, flexibility will be key.

1 Avoided the emission of 6.33 million tons CO₂eq*

Plant CO₂eq emissions versus coal

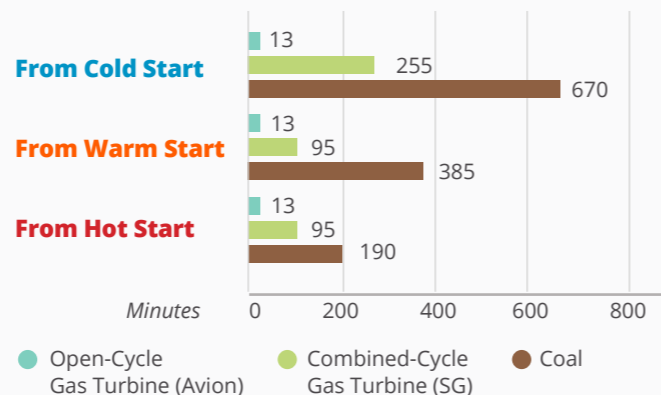


*Compared using 2016 generation and emission intensity of each plant versus 0.97 tons/KWh emission intensity of a coal plant

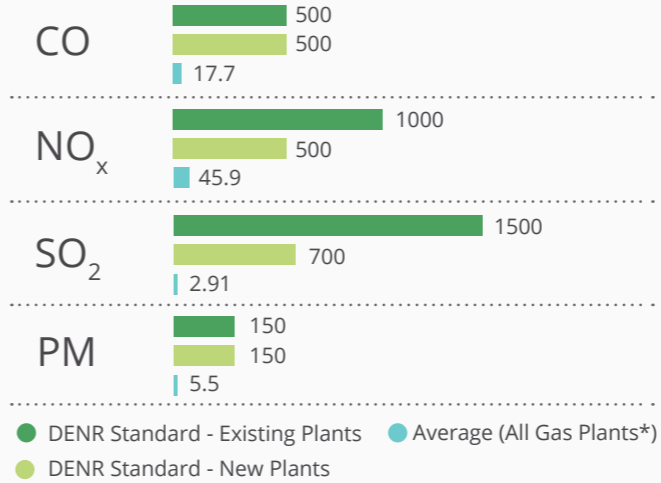
2 Serving Immediate Energy Needs

- Cold Start** – non-operational for > 20 hours
- Warm Start** – non-operational for 8 to 10 hours
- Hot Start** – non-operational for < 6 hours

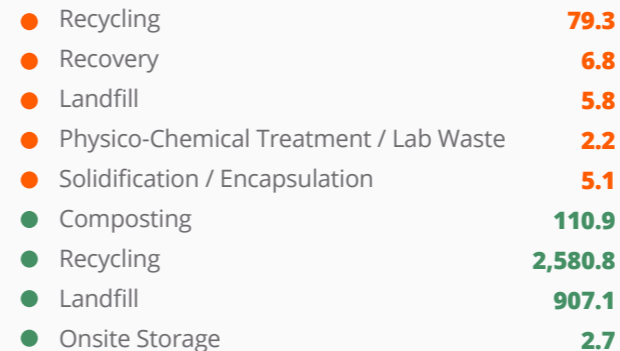
Minutes to reach full load



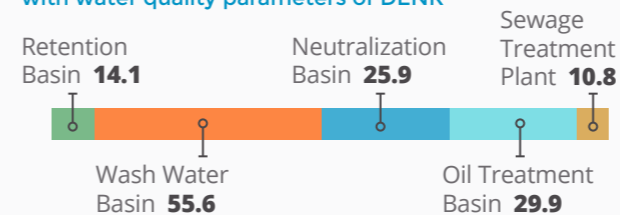
3 Well Below Standards (point source emissions in mg/Nm³)



4 Clean and Green (in tons) Over 70% of our plant generated wastes are recycled



Water Treatment* (in m³) 100% of water discharges are treated to ensure compliance with water quality parameters of DENR



*Does not apply to FG Bukidnon as it is a run-of-river hydro plant

COMPETITIVELY-PRICED




Based on a study commissioned by the Energy Regulatory Commission in 2015¹⁴, while coal is favoured when operating constantly at high levels of output (baseload), the technology increasingly becomes expensive and unreliable as it tries to match the variability in demand. On the other hand, natural gas plants, such as San Gabriel, are effectively cheaper and cost-effective when supporting this variability largely due to the designed flexibility of these technologies in ramping up and down, to follow the needed demand in the grid. Putting in natural gas-fired technologies that are able to run cost-efficiently during sudden surges and drops in demand also helps temper increasing costs of electricity moving forward. In addition to this, 2016 generation costs calculations¹⁵ show that on average, gas-fired power plants can also be cost-competitive with coal at baseload.

With the country's growing economy, coupled with a growing renewable energy industry, the investment in flexible, reliable, efficient, and cost-effective natural gas technologies is a forward-thinking business strategy that will enable the country to balance the "energy trilemma"¹⁶ of environmental sustainability, energy security, and energy equity.

Looking ahead, First Gen is working towards developing a Liquefied Natural Gas (LNG) regasification terminal in anticipation of the depletion of the Malampaya gas supply to ensure that the country will have the physical infrastructure to continue low carbon generation, resulting in continued energy and environmental security. In this endeavour, First Gen continues to prioritize consumers by finding ways to make the entire process of sourcing, transport, delivery, and production as cost efficient as possible. ■

2016 Power Plant Performance

	1000-MW Santa Rita		500-MW San Lorenzo		414-MW San Gabriel*		97-MW Avion*		1.6-MW FG Bukidnon	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Actual Energy Generated (GWh)	6,666.7	7,388.1	3,769.5	3,725.2	608.6	-	72.6	-	9.6	9.2
Availability (%)	90.5	97.2	96.6	94.9	98.8	-	92.2	-	96.7	96.8
Generation Efficiency (%)	54.0	53.93	54.8	54.7	57.7	-	37.5	-	67.8	66.0
Avg. Outage Duration (Hrs.)	69.3	22.0	26.83	36.6	8.5	-	57.8	-	24.0	23.2
Avg. Unplanned Outage Duration (Hrs)**	22.2	5.6	5.4	15.0	13.1	-	0.3	-	2.3	3.6
Avg. Outage Frequency (per unit per event)	3.3	3.5	2.8	2.7	2.5	-	4.7	-	0.6	1

	 Energy Consumption (GJ)	 Water Withdrawal (m ³)		 Emissions (kilo-tons CO ₂ eq)			Total
		Deepwell	Surface/Sea	Scope 1	Scope 2	Scope 3	
SR	20,358,347	371,190	603,747,621	2,494.6	-	0.0	2,494.6
SL	11,163,309	284,122	310,167,894	1,390.2	-	0.0	1,390.2
SG*	336,805	1,774	77,826,430	45.9	1.4	0.0	47.4
Avion*	123,948	14,248	-	11.8	0.4	0.0	12.2
FG Bukidnon	10,451	324	-	0.2	-	0.0	0.2
Head Office	8,328	-	3,952	2.9	1.1	0.0	4.0

100% of

- contractors undergo health and safety trainings¹⁷
- contractors represented in Occupational Safety and Health committee
- plants have been assessed for health and safety impacts

Zero

- incidents of non-compliance concerning health and safety impacts of products
- spill incidents for 2016
- fines for non-compliance with laws and regulations on environment, health and safety, and those concerning provision and use of products and services

*All data presented is from plant commercial operations onwards, except Actual Energy Generated (GWh) which includes commissioning period.

**Pertains to forced outage, reserve shutdown, or outages outside of management control

BREATHE EASY | FEATURE STORY

Truly Green

No worthwhile victory is ever won alone.

Some of First Gen's biggest partners in the quest for a sustainable future are the Green Ambassadors — contestable customers who insist on meeting their energy needs through a supplier who delivers both the quantity and the quality of clean energy.

Among the titans of industry, Unilever Philippines is proud to call itself a Green Ambassador. The Anglo-Dutch multinational entered an agreement with First Gen at the end of 2016, aligning itself with Unilever global objective to source 100% of its total energy across all operations from renewables by 2030. Unilever's Sustainable Living Plan outlines its vision to grow the business while increasing positive social impact and decreasing environmental footprint. Today, the company's Cavite site is the first of their assets to run on purely renewable energy.

Another Green Ambassador, De La Salle University-Dasmariñas (DLSU-D), which serves 15,000 students across a 27-hectare campus, sees sustainability as part of its mission-vision. "We consider it the university's moral and social responsibility to teach the next generation to care for the environment and make it a way of living their lives," says DLSU-D Vice Chancellor for Finance and Administrative Services Mary May C. Eulogio. As early as 2011, the university had been looking for ways to meet De La Salle Philippines' challenge to reduce energy consumption in order to achieve "a 'green' educational network that is carbon-neutral or better." In 2016, they formalized their agreement with First Gen. "Others promise a mix of sources, but First Gen provides pure renewable energy," says Vice Chancellor Eulogio. "We do admire them for that. It's not just advocacy, but it's actually making significant changes."

Though the Ambassadors are still in the early stages of their partnership with First Gen, they have begun envisioning how the partnership can strengthen their sustainability

commitments. Aside from receiving value-enhancing services, DLSU-D is considering how First Gen can infuse its technical expertise into the university's academic activities. "We are in the process of planning for some integration in the next school year," says Vice Chancellor Eulogio of this bespoke, one-of-a-kind service. "It's like allowing our students to experience a living laboratory within the campus."

Meanwhile, Unilever, through a flexible agreement, has begun mapping out the road to being *Carbon Positive* by 2020. Alongside relying exclusively on renewable sources and eliminating coal from their energy mix within the next four years, Unilever supports First Gen's vision to extend its reach. "We intend to directly support the generation of more renewable energy than we consume and make the surplus available to the markets and communities in which we operate," shares Marika Lindstrom, Vice President for Supply Chain.

The overall impact of this partnership with First Gen is certainly not lost on the Green Ambassadors. "Whether it's a simple and mundane act of properly segregating waste or a major decision of switching to renewable energy, all of these contribute positively towards carbon neutrality," says Vice Chancellor Eulogio. Similarly, Unilever foresees that the partnership with First Gen is only the beginning of a larger multi-sector effort to deepen the commitment to sustainability. "We believe that this move towards renewable energy can inspire more industry leaders to develop their own sustainability pledges and work with us towards a brighter future," shares Ed Sunico, Vice President for Sustainable Business and Communications. ■

UPLIFT LIVES

Student Inventors, Young Pioneers

For a developing country such as the Philippines, energy access is vital to reducing poverty, improving health, and increasing productivity. However, despite progress in modern technology, around 11 million Filipinos¹⁸ are still without access to electricity.

Faced with this glaring reality, the Sikat Solar Challenge Foundation, Inc. (SSCFI), together with First Philippine Holdings, First Gen, and Energy Development Corporation, redirected its efforts from the international stage — placing third in the 2,487-km World Solar Challenge in Australia through De La Salle University students' Sikat II solar car — to bring the proven ingenuity of our youth to the local stage; in 2015, the Sikat Design Challenge was launched.

Aiming to *'Inspire, Collaborate, and Uplift,'* the challenge ultimately seeks to harness the creativity and talent of young minds in creating innovative, practical, and

sustainable renewable energy solutions for the benefit of poor off-grid rural communities in the country. "The competition is not about the most innovative technology," expresses SSCFI president Arthur de Guia, "But how the technology can impact [people's lives] in these communities." With this in mind, SSCFI welcomed 36 teams — up from the first cycle's 12 — from 30 universities all around the Philippines for the 2016 challenge. This greatly expands its reach for delivering sustainable energy solutions to communities from Batanes in the north down to Davao in the south.

Starting in August 2016 until the challenge finale in July, the teams began with community visits and capability-building workshops to start the process of crafting their project prototypes. To set the mindset of creating *with* and not only *for* the community, Sikat sponsored a Design Thinking workshop late last year where students learned the five-stage design process and strategy of *Design Thinking* that puts communities and their needs at the center of design. This process specifically emphasizes learning and immersing oneself with the identified community in order to better understand their needs, while at the same time constantly involving these communities throughout the design process.

With this shift in perspective, the participants came back from their initial community immersions enlightened and much more inspired with their developed solutions. "We never knew innovation could be integrated with a community," expressed one team from Ateneo de Cagayan - Xavier University, "with the community's help, [we realized] we can come up with a better solution."

Another group from the University of San Carlos reflected on the challenge, "It taught us to be more critical and open-minded with our ideas. Sikat has opened up many facets in our lives."

So far, the ideas have been very impressive — ranging from a solar-powered pest control device to an agricultural e-tractor to aid in farming productivity, to a combined *kawayan*-wind-mill-and-potable-water-extractor, and even a solar-powered desalination box to boost income from salt-making!

“The challenge prerequisite to visit a rural community and empathize with them before formulating designs has led to a wide range of solutions that addressed unique community needs,” excitedly shares President de Guia. Further, he mentions how one school — the Polytechnic University of the Philippines — has been very open and accommodating in sharing their Sea-Powered Light Buoy idea even prior to the regionals and finals happening later this year. “For them, the competition is really about helping uplift lives,” President de Guia explains, “So they shared their designs in the hope of helping others produce better ideas — even if it meant stiffer competition.” It is through inspiring actions like this that the true spirit of the challenge is seen.

With these promising innovations, SSCFI looks forward to addressing the real needs of underprivileged communities. “Imagine the impact if all 36 of these projects [from teams all over the country] were deployed,” shares President de Guia, “it could benefit the lives of more than 50,000 people!” ■

Team Carding Today

“It’s not just a project, it’s meant to help a community.”

Jeremy de Leon
Team Carding
2015 Sikat Design Challenge

Since being exposed to the plight of underprivileged communities with little to no access to electricity during the first run of the Sikat Design Challenge, the winning team — Mapua’s Team Carding — as well as the two runners-up — DLSU Manila’s Team Animo and Ateneo’s Team aGilas — continue to find ways to help improve the lives of their chosen communities. Working off from their initial prototypes and utilizing the cash prize won from the competition, all teams have been deploying their inventions, obtaining feedback from their partner communities, and fine-tuning their designs in the past year to ensure that their inventions can address the specific needs of their communities.

Through the support of Sikat partner companies including First Gen Corporation, the three groups received mentoring to further improve on and ensure the sustainability of their ideas. With the help of Sikat, Team Carding, in particular, has been able to secure a PhP 1 million research grant from USAID Science, Technology, Research and Innovation for Development (STRIDE) to improve the commercial viability of their invention called *Bathala* — a rocket stove that aims to provide the Dumagat community with a smokeless way of cooking, alongside producing clean, drinking water and access to electricity.

From a portable rocket stove, *Bathala* has since gone through several iterations. While preserving its original functionality, it is now a communal cookstove that can be used to cook for 2 to 3 Dumagat families.

Moving forward, the team has high hopes for their invention. Beyond serving the Dumagat community, Team Carding hopes to commercialize *Bathala* to make it available to other rural communities touched by the Sikat Design Challenge. “Seeing that there is a solution like this,” Gabriel Leyson of Team Carding fondly recounts, “...it broadens my view that there can be something I can pursue after graduating that is more meaningful than just my own personal goals.” Through the challenge and thereafter, Sikat hopes to continue inspiring the youth, such as Gab and the rest of Team Carding, to utilize their ingenuity in harnessing renewable energy to provide energy access to the marginalized communities. ■

203-1, 203-2, 304-2, 304-3, 304-4, 308-1, 413-1, 413-2, 414-1, EU13

UPLIFT LIVES

Working Towards Good

First Gen constantly works to transform the Philippines in positive and innovative ways with the Lopez Values as our guiding light. It is imperative in our business that as we grow, we are able to build the nation by uplifting the lives of communities and ensuring the protection of our environment.

Partnerships for Protection

Off the coastal waters of Batangas, Oriental Mindoro, Occidental Mindoro, Marinduque, and Romblon is the famed Verde Island Passage that houses the greatest concentration of marine species in the world. First Gen, along with First Philippine Conservation, Inc. and Conservation International, initiated the Project Center of Center (CoC) back in 2004 to protect the passage from prevailing illegal and destructive fishing practices of poachers.

In 2010, First Gen assumed the role of direct implementer focusing on marine law enforcement in nine marine protected areas in the municipalities of Lobo, Mabini, and Tingloy; and provided support to the remainder of the Bantay Dagat (sea patrol) network composed of seven other towns and one city in partnership with the Province of Batangas – Environment and Natural Resources Office. Taken all together, First Gen, through the network, safeguards 1,554 hectares of marine protected area.

In 2016, 324 Bantay Dagat volunteers were provided with life and accident insurance, while 63 new volunteers were given training. The municipalities of Lobo, Mabini, and Tingloy were also given logistical and operational support, which included fuel, equipment, honorarium, and food allowance. In addition to this, education incentives were also provided to 49 volunteers to support their families.

The Greening Revolution

Aside from this, First Gen is also working with the municipality of Lobo to create an eco-tourism project to ensure environmental protection alongside providing additional income. First Gen is also strengthening the capability of the Bantay Dagat in the municipalities of Tingloy and Mabini on establishing organizational guidelines, documentation, management and recording among others for their livelihood activities.

The Company also supports various watershed initiatives nationwide in partnership with different organizations to ensure the sustainability of water and biodiversity protection. These initiatives include monitoring and evaluation of the sub watersheds of Mt. Makiling for adaptive management; rehabilitation and monitoring of the Marikina Watershed; and establishment of a watershed program for the Province of Bukidnon.

As part of the development project in the 1990s, rehabilitation of the area surrounding the First Gen Clean energy complex, which was mostly swamp lands, with abandoned fishponds and a depleting mangrove patch, was undertaken.

Nearly two decades later, the rehabilitation led to greater biodiversity in the area. The compound today is home to 60 bird species such as kingfishers and woodpeckers, and has become a frequent destination of migratory birds. Olive Ridley turtles, considered as common but vulnerable turtle species¹⁹ due to their declining population, have also found protection during nesting season near the beachfront, where First Gen conducts monthly clean-ups.

First Gen also teamed up with its subsidiary, the Energy Development Corporation (EDC), this past year to create a sustainable seedling nursery program that aims to provide the province of Batangas with at least 50,000 seedlings a year. This is in addition to the forest tree and mangrove nurseries that the Company started in 2008 and 2012, respectively, that have distributed free-of-charge about 520,000 forest tree seedlings and 42,000 mangrove propagules to Batangas organizations and residents since their inception.

Developed over the past year and launched this February 2017, the fruit-bearing and forest tree seedlings from the latest nursery program will be managed by the Archdiocesan Ministry on Environment (AMEN). The Ministry aims to distribute the seedlings among residents in the hopes of encouraging the community to plant more trees and create a more livable and green Batangas.

Distributed

Since 2008

520,000
forest tree seedlings

Since 2012

42,000
mangrove propagules



2 Environmental Awards

- **Plaque of recognition** (First Gas) for exemplary practice in implementation of different environmental mandates
- **Bayani ng Kalikasan award** (First Gen) for contributing to climate change mitigation through developing low carbon sources of energy



7,467 kilos
of compostable & residual wastes removed during coastal clean-ups



35 marine protected
areas safeguarded covering
1,554 ha



Established in Lobo
4 organic vegetable farms

Lives and Livelihoods

Through the years, First Gen has been able to build and maintain beneficial partnerships with stakeholders through the Multi-partite Monitoring Team (MMT). While they provide the Company with an independent assessment of its plants' performance, they also serve as the community's avenue to raise their concerns and needs. In turn, these are then used by the Company to create new or improve on existing community development projects.

Since livelihood remains to be a priority for the communities, First Gen in 2016 continued to provide livelihood trainings to expand the residents' skillsets and improve their employability.

Last year, 21 trainees from *barangays* Sta. Clara, Danglayan, Bolbok, Sta. Rita Aplaya, and Sta. Rita Karsada completed the Basic and Construction Occupational Safety and Health Trainings (BOSH/COSH) which enables them to be safety practitioners in construction industries. In addition, community members from three host barangays also received Gas Tungsten Arc Welding and Shielded Metal Arc Welding trainings which are used in many applications, such as automotive work, piping, ornamental and metal artwork, and maintenance and repair of machine components.

“Our relationship with the community is like a gear. It’s already moving, but you have to continually oil it—you have to make contact, you have to talk to them. There should always be that continuing interaction.”

Ramon Araneta
VP for External Affairs, the *Audacity* DNA

As a new project, First Gen also conducted a job fair for the province of Batangas last August 16 in partnership with its sister company, First Philippine Industrial Park (FPIP) — a 475-hectare industrial park with over 100 locators that generate over 40,000 jobs. During the fair, more than 14,000 vacancies from multi-national corporations needing skilled workers, such as Avance Pilipinas and Brother Industries, were made available to more than 700 jobseekers from the community. Alongside this, hundreds of individuals also received employment coaching prior to the job fair to increase employment chances.

Particular to FG Bukidnon in Mindanao, the employment of qualified local personnel for permanent positions has been a priority. To date, more than 90% of personnel are locals. Moreover, around 100 skilled and unskilled workers are hired annually during plant maintenance activities to augment the plant's manpower.

Beyond providing livelihood training and opportunities, through Energy Regulations No. 1-94 (ER 1-94), the 2016 combined generation of around 10 million MWh of electricity from our natural gas and hydro plants was also able to contribute about PhP 106 million for community development project trust funds. The aggregate contribution funded various infrastructure projects such as streetlight installations, canal construction, equipment and vehicle procurement, and construction of farm-to-market roads.

 **14k** vacancies to more than **700** job seekers

PhP 105.9M contributed for community dev't project trust funds

Opening Opportunities

Creating positive changes to lives of community members is not a one-dimensional approach. Opportunities are found not just in providing livelihood, but also in creating hope through enabling a brighter future. Knowing this, First Gen enables more opportunities through tackling education and providing access to healthcare.

In 2016, students of several schools in Batangas were given school supplies and school bags to support their continuing education. A values formation seminar with student government leaders of Sta. Rita Aplaya and Sta. Rita Karsada elementary schools was also conducted in November to promote and establish leadership values. Review materials for the National Achievement Test were also given to elementary schools in our host communities to maintain their mean percentage score above the passing rate (of 75%). Beyond our host communities, First Gen also 'built back better' and completed the construction of 16 typhoon-resilient school buildings for Yolanda-stricken schools in Leyte, Capiz, Samar, and Laguna.

In the aspect of health care, 30 families in Damilag, Manolo Fortich in Bukidnon were provided with access to clean and sanitary water – something which they could only get before by walking several kilometers. Around 9000 individuals were also provided with access to health care, including dental and optical care, through partnerships with the Municipal and Provincial Health offices of Batangas and Manolo Fortich, and the Asian Eye Institute.

In our mission to build the nation, we know that transforming the Philippines is not something that can be done alone. We recognize that great things can happen when people come together. That is why throughout these many efforts to create positive change in the lives of people, we make it a point to partner with stakeholders and organizations to expand opportunities and reach as many people as possible. ■



9,000 individuals with health care access



PhP44.5 million to build typhoon resilient schools

A New Shot at Life



In 2015, 50-year old father of three Orlando Perez' failing vision cost him his means of livelihood. This led to his wife leaving for Malaysia to provide for their family in his stead. No longer being able to read or recognize faces, Orlando grabbed the opportunity to be a beneficiary of the Company's optical mission in partnership with Asian Eye Institute. After his eye surgeries in 2016, Orlando considered regaining his sight as the best gift one could ever receive. Being able to see again and do things independently restored his capability to provide for his family. He is now awaiting a call from an employer abroad and hopes to leave soon so that his wife can come back home. Aside from this, they are now more hopeful of sending their son to college. ■

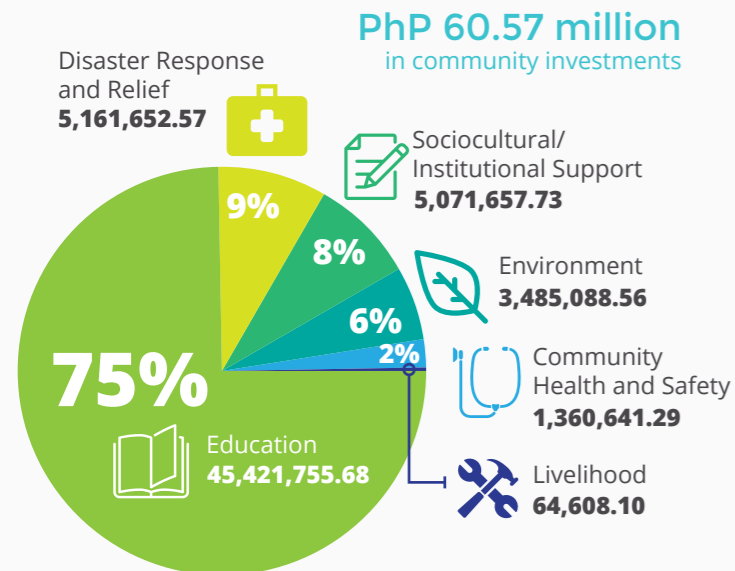
2016 Key Environment and Society Statistics

Proactive Management of Potential Risks

Throughout our plant operations, the Multi-partite Monitoring Team is a stakeholder group that assesses and validates the plants' performance.

	Potential Negative Impact	Management method	2016 Performance
Hazardous & Solid Waste Management	Improper disposal of waste generated by plants	Implementation of solid waste management plan, waste treatment, and other methods to ensure proper segregation, storage, transport, treatment and disposal of wastes from plant operations and through DENR accredited facilities that follow RA 9003 (Ecological Solid Waste Management Act) and RA 6969 (Control of Toxic Substances and Hazardous and Nuclear Wastes)	Hazardous and Solid Wastes were accounted for.
Plant Emissions	Concentration may exceed standards / limits	Installation of efficient pollution control facilities as per RA 8749 (Clean Air Act) and regular calibration of equipment for monitoring of emissions.	All gas plants' emissions follow standards and fall below the DENR Limit (for both New and Existing Plants) for CO, NO _x , SO _x , and PM.
Deep Well Withdrawal	Over extraction	Monitoring of withdrawals to ensure compliance with extraction rate limits as per NWRB permit.	All plants are within their specified extraction limits.
Water Discharges	Discharge quality may exceed standards / limits	Installation of efficient pollution control facilities as per RA 9275 (Clean Water Act) and regular water sampling analysis and testing to ensure compliance.	Water discharge quality as per water quality sampling and analysis follow and are within DENR limits and standards.

Community Investments (In PhP)



100% of operations have

- local community development programs
- stakeholder engagement plans

80% of operations have

- participatory social and environmental impact assessments and monitoring
- community consultation committees
- formal community grievance processes

100% (620) new suppliers (13,374) total suppliers

screened using environmental, labor, human rights, and impacts on society criteria

102-8, 202-1, 205-1, 205-2, 205-3, 401-2, 402-1, 403-1, 403-2, 404-1, 404-2, 404-3, 405-1, 412-1, 412-2, 415-1

INSPIRE THE FUTURE

Energizing Passion, Empowering People

At the heart of a company that cares and dares to make a difference are employees who believe in the same principles of nation-building through sustainable means. "Our people are the reason we can deliver on our promises to our stakeholders," Claudine Tolentino, Human Resource Analyst at First Gen, explains. Purpose, vision, employee well-being, business excellence, and synergy are reasons why we thrive in the face of adversity.



A Visionary Organization:

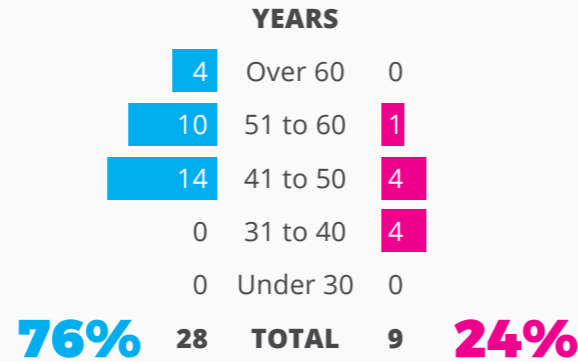
First Gen is a Company that continues to be built on the desire to blaze new trails for the country. It is this sense of mission and pride that energizes its employees and inspires many to also take on the task of finding sustainable development solutions in building the nation.

Ivan Bulatao, a Project Development Engineer for the Liquefied Natural Gas Receiving and Regasification terminal project (LNG project), recounts, "I've helped build LNG projects overseas and saw how they benefitted other countries." He further adds, "I'm proud to have the opportunity to bring this pioneer project to my own country so it can transition to cleaner, more stable and flexible sources of fuel."

Like Ivan, many other employees in First Gen share its vision and mission in building the nation fuelled further by the Company's authentic goal to walk its talk in sustainable development and inclusive progress.

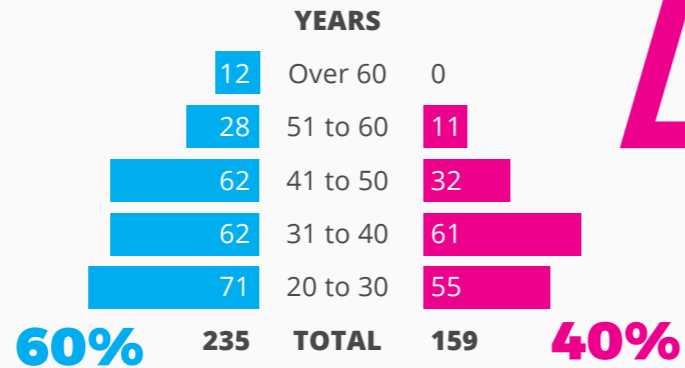
A Look into Our People

Senior Management



Regular Employees

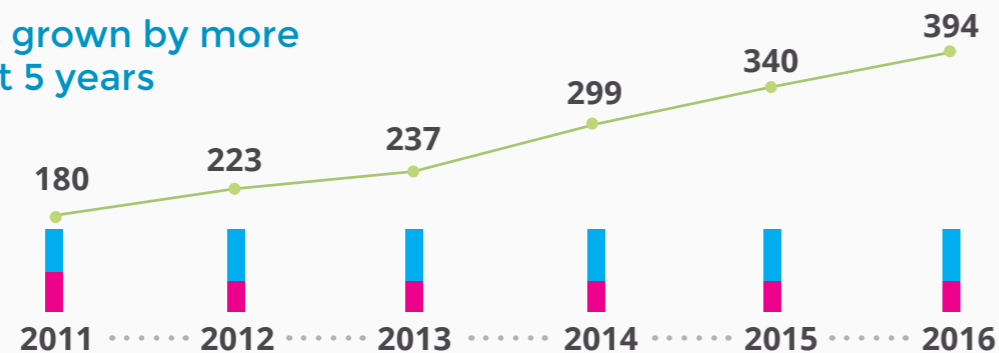
Our young employee base allows for a healthy dose of fresh, new, and innovative ideas.



The Company has grown by more than 2x in the past 5 years

Distribution through the years averaged at

58% Male
42% Female



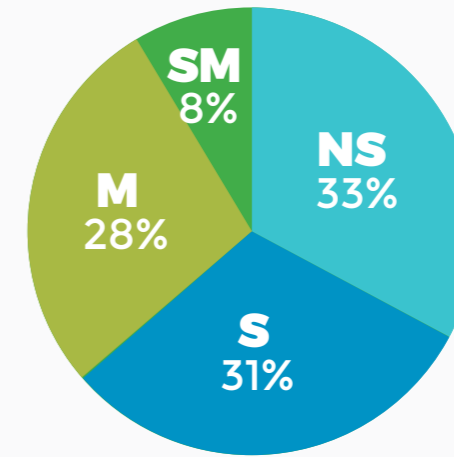
A Collaborative Workplace:

Our big dreams are powered by dynamic teams. Like an orchestra, we find that we produce the greatest harmony when we create together. This culture of collaboration, despite the diversity of groups, finds commonality in the Lopez Values the company espouses.

For Nicco Miranda, First Gen has all three things that are rarely met in finding a meaningful workplace — a great job, a great boss, and a great team. Since joining the Power Economics team mid-2015, he has since learned more about the culture of First Gen and its employees. "Parang tropa tropa lang (We're all friends). There's mutual respect regardless of position", he says candidly, "We can be clowning around at times but when there's a job to accomplish, professionalism is present and everyone tries to contribute his share."

This culture is key to our synergized workplace, and is also mirrored in the physical spaces where we create. Now located in the Rockwell Business Center, the new tech-ready open office spaces are designed to encourage open collaboration and allow employees to bring their unique backgrounds, experiences, and perspectives to the workplace and drive the Company towards success.

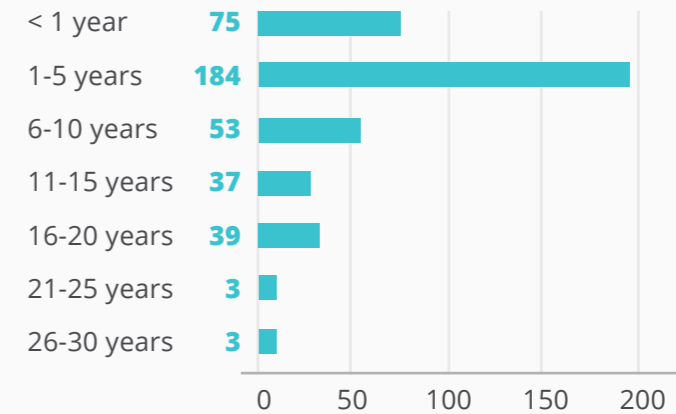
Employee Roles



Close to 1:1 ratio of supervisory to non-supervisory employees

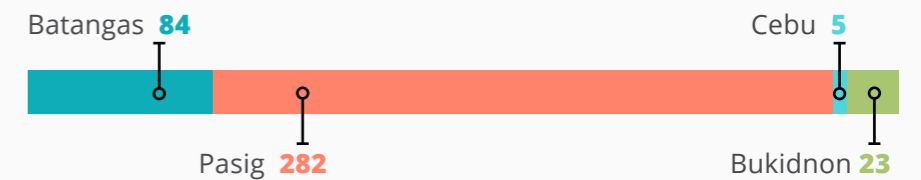
- NS** Non-Supervisory (Staff to Assistant)
- S** Supervisory (Supervisors to Asst. Managers)
- M** Management (Managers to AVPs)
- SM** Sr. Management (VPs and up)

Years of Service



More than half of the employees have been with the company for less than 5 years, attributed to the 2x growth of the Company in the past 5 years

Employees in Base of Operations



Growth Mindset:

First Gen is committed to fostering a work environment that enables continuous learning and growth. We give our employees opportunities to utilize their talents and skills, while training and encouraging them to handle bigger, more challenging tasks.

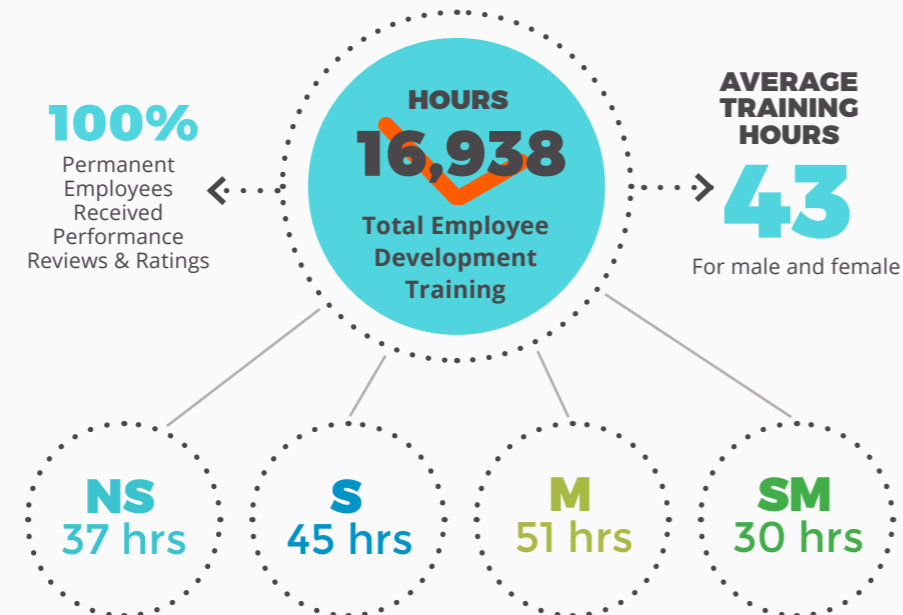
Charley May Dorado, designated in-house engineer of the Internal Audit team, shares her experience, "Before I joined the team, I was an Asset Performance Engineer and I was exposed to various on-the-job trainings across First Gen power plants. There I gained a lot of knowledge and experience — things I share with my current team for operations and maintenance audits of First Gen power plants."

The ever dynamic energy sector offers with it infinite learning possibilities. This experiential learning is further supported by formal and informal mentorships — monitoring and guiding employee progress; and learning and development training opportunities — because we believe that our employees' advancement in turn contributes to First Gen's continued growth.

Trainings to Ensure Competitiveness

	Programs	Attendees
Functional/Technical Gaining knowledge on industry best practices, developing skillsets	135	652
Core Skills Improving business acumen	30	800
Leadership Creating great leaders and engaged teams	12	92
Management Improving corporate governance, strategy, direction	8	111

Developing Future Leaders



Working with Purpose:

First Gen is a company that is committed, daring, and deliberate in the choices that it makes. Led by strong-willed leaders who dare to make a difference, the Company inspires employees who have the same passion and purpose in their everyday work.

"As a Power Marketing Officer, I get to educate our customers about the importance of choosing clean and green power," shares Chloe Kayanan, whose work in the past eight years involved negotiating and securing power supply contracts, "I am proud of working for a Company that values, advocates, and practices sustainability." To this, Kenchezzca Pastorfide,

accountant at First Gen, agrees, "I feel fulfilled and enlivened to be working for a Company that is built by great passion and core values." She continues, "First Gen always gives their best selves in providing services that make the world a better place to live in — and I'm more than grateful to be taking part in it."

Through inspired, engaged and passionate employees who are *Empowered to Make A Difference*, First Gen is undoubtedly strengthened to adapt and navigate the dynamic, ever-changing landscape of the energy industry. ■

Ensuring a Safe and Beneficial Workplace

We value each and every employee in the Company, and ensure their safety and comfort in the workplace.

100%

- employee representation in the Occupational Safety and Health Committee
- of operations underwent to human rights and corruption reviews
- of employees and senior management* were made aware of the anti-corruption policies

Zero

- incidents of corruption
- contributions to political causes and movements
- % injury²⁰, occupational diseases, lost days, and absentee rate

30 days

minimum notice period to employees for significant operational changes that affect them

308 hours

training devoted to human rights policies & practices

Average entry level wage

2X more than

local minimum wage

Benefits

- Clothing Allowance
- Christmas Cash Gifts
- Leave Benefits (Maternity, Paternity, Solo Parents, Bereavement)
- Funeral / Bereavement Aid
- Group Insurance and Medical Benefits
- Service Awards

Particular to Roles

	NS	S	M	SM
Overtime	✓	Supervisors		
Night Differential	✓	Supervisors		
Gas Allowance		Asst. Mgrs.	✓	✓
Car Plan			✓	✓
Club Memberships			AVPs	✓

*training on anti-corruption is in development

²⁰ Injuries included refer to injuries resulting to restricted work activity, disabling injury, and fatalities

POWER CAMP

Creating Ripples of Change

“We need to build a better future for everyone else, not just ourselves”

Sidney Cordero

Learning and Development and Employee Engagement Head, Human Resources Group



Amidst the conversations around climate change and global warming, it is the voice of the youth that is most needed. Today's youth are the first to come of age amidst this global crisis; they have the most at stake in addressing climate change for they will bear its long-term consequences. The challenge, then, is to empower them to make their voices heard, and shift the paradigm toward making sustainability a way of life.

This was the goal that Sidney Cordero, LDE head and later on the Project head for Power Camp, believed in. “What kind of roles should the youth have which can create a better community, a better world?” The idea of creating a camp that opens up young minds to similar questions and develops leaders that can pave the way to change was the start of First Gen's *Power Camp*.

Power Camp is designed to engage promising young minds from different universities to tackle these questions in the context of the energy sector. This is done by allowing them to learn more about the industry and discover the multi-faceted issues surrounding it — from technical, social, economic, to political.

In 2016, top-notch students from different universities from all over the country were immersed in five day live-in workshops that involved focused multidisciplinary talks and seminars to build their interest, knowledge, and skill sets in various topics. Such topics included the dynamics in the energy sector, the Sustainability business model of the Company, and the future outlook with renewables and other disruptive industry innovations. These discussions were further supplemented with site visits to First Gen's Natural

Gas plants in the Clean Energy Complex in Batangas and the Pantabangan-Masiway hydroelectric plant in Nueva Ecija. As the final output of the camp, students were given the challenge of developing new business plans that would simultaneously address the pressing problem of the country's growing energy demand alongside limited resources and the urgency to act on climate change.

Participants of the power camp have shared how the experience has changed their perspective and inspired them to continue bringing the sustainability mindset to others. “Sustainable development plays a vital role in how we, future engineers, see and plan for things in the future,” Jan Patrick Si of DLSU shares, “I have become increasingly aware that my actions and suggestions carry with it certain implications that must be examined

thoroughly in order to ensure that the future is not compromised by the needs of the present.”

From the previous camp, Sidney mentions that three Power Campers have now become employees at Lopez companies, including First Gen; while others have gone on their individual paths — teaching and leading organizations — still taking to heart and spreading to others the lessons they've learned. Needless to say, not only did the camp inspire some to take charge of their future through the energy sector, but it also created a ripple effect to others. It seems very likely that these ripples will eventually become waves in influencing more people to come together and take action to ensure a sustainable future. ■

A View from the Inside

For any fresh graduate, the transition from the many steps of formal education to the very first rung of the corporate ladder can be daunting. While many fresh graduates enter the ‘real world’ looking to explore and discover their career along the way, there are some who are lucky enough to know exactly where they want to be by the time they get their diploma.

During the summer before graduation, Marc Duque and Richard Milante from Ateneo de Manila University were given the chance to learn about the energy sector and experience First Gen’s work culture when they were invited to the inaugural of First Gen Power Camp in 2015. Following the experience, both knew they wanted to work with the Company upon graduating.

Surprisingly, Marc, who is currently a Power Marketing Analyst, went into the Power Camp with few expectations. “At first, I really did not know what I was getting into,” Marc said of his initial motivations to join the Power Camp. “I just wanted to know more about the energy landscape here in the Philippines.” Nevertheless, the Power Camp sparked Marc’s interest to pursue energy work, as it was clear to him that First Gen represented the kind of company he wanted to join — one with the right mindset of being sustainable.

Richard, on the other hand, was immediately enamored by the employees’ sincere embrace of the Lopez Values, as evidenced in the camp seminars and later on in his job interviews. “I was and still am impressed with the company’s candor,” he said, thinking back on

his transformation from Power Camper to a Business Development Analyst of the Lopez group. “I’m a strong believer and advocate of social justice, which also happens to be a Lopez value. So to work for a company that is guided by social justice and stands by its principles, though unpopular, is simply amazing for me.”

Lately, Marc and Richard have both been noticing and are excited at the fact that First Gen’s identity and presence has been gaining ground among people in their age group. Detailing his experience during First Gen’s recent participation in a university career fair, Richard mentioned, “I was surprised to find quite a number of people already knowledgeable about the Company’s commitment to sustainability!”

When asked how his view of the Company has changed now that he is part of it, Marc pointed out: “Working with First Gen has made me realize how serious the Company is when it comes to making sure that we are really being ‘powered by good.’” He adds: “With the team’s determination to welcome more institutions in our low-carbon family, I am more hopeful that climate change can and will be addressed.” ■

FIRST GEN and the World Of Tomorrow

Whether we know it or not, the next great thinkers and pioneers are already among us, sitting in their playrooms or in their schools, unaware of the impact they will have on our future world. Someday, their decisions will greatly change the course of history — for better or for worse, depending on the examples they see from today’s generation.

At First Gen, we believe that in addition to teaching our children about living sustainably, showing them what’s possible today will have a more lasting impact.

That’s why First Gen has partnered with KidZania — the city where little kids can do big things — to give children the chance to experience what it’s like working as clean energy engineers at the Clean Energy Center, which features a small-scale functional replica of the power plant control room of one of the Company’s plants. The First Gen booth in

this miniature adult world takes role-playing to the next level by enabling children to experience and engage in sustainable energy development.

In this interactive activity, kids as young as four years old are introduced to natural gas, wind, and geothermal power plants. The real fun begins when the young clean energy engineers decide for themselves which power plants to turn on to meet their city’s energy needs, while keeping the environment clean and livable.

“Children learn more from what you are than what you teach.”

W.E.B. Du Bois

It is already clear from the start that the exhibit piques the interest of children, whose exclamations range from “This is the best job ever!” and “I want to keep doing this!” to the very hopeful “I wanna be an engineer!” By providing a memorable energy experience at KidZania, First Gen hopes to show the next generation of leaders that living sustainably can be fun in addition to making a big difference. ■

This article was adapted from the article, “First Gen’s Clean Energy Center” by Kevin M. Kison, published in Current magazine—the official internal publication of the First Philippine Holdings Corporation.

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Chairman Emeritus



Federico R. Lopez
Chairman



Francis Giles B. Puno
Director



Richard B. Tantoco
Director



Peter D. Garrucho, Jr.
Director



Eugenio L. Lopez III
Director



Tony Tan Caktiong
Independent Director



Jaime I. Ayala
Independent Director



Cielito F. Habito
Independent Director *

Senior Management



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Chairman and Chief
Executive Officer



Francis Giles B. Puno,
President and Chief
Operating Officer



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Dominador M. Camu Jr.
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Vice President for Corporate
Communications



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Reman A. Chua
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Teodorico R. Delfin
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Vice President



Jorge H. Lucas
Vice President



Carmina Z. Ubaña
Vice President and
Comptroller



Daniel H. Valeriano Jr.
Vice President



Charlie R. Valerio
Vice President and Chief
Information Officer



Conrado Ernesto
C. Viejo
Vice President



Ma. Theresa M.
Villanueva
Head of Internal Audit



Vincent C. Villegas
Vice President



Rachel R. Hernandez
Vice President
Corporate Secretary and
Compliance Officer

* Elected during the Corporation's Annual General Meeting held on May 11, 2016.
** Left the company on July 18, 2016

GRI Content Index

GRI 102: GENERAL DISCLOSURES Organizational Profile 2016

102-1	First Gen Corporation
102-2	Power Generation
102-3	p.1, Back Cover
102-4	Philippines (see p.1 for specifics)
102-5	p. 5, and 2016 AR SEC Form 17-A pp. 1-5
102-6	pp. 8 - 9; for capitalization, see: see: 2016 Annual Report, F/S , Note 24: Financial Risk Management Objectives and Policies
102-7	p. 5
102-8	pp. 34 - 35
102-9	pp. 8-9
102-10	pp.18 - 22, For more: 2016 Annual Report, F/S: Item 10 - PPE
102-11	pp. 6 - 7
102-12	p. 10
102-13	Philippine Independent Power Producers Association, Philhydro Association Inc., Semiconductor and Electronics Industries in the Philippines, Inc., Philippine Business for the Environment, National Renewable Energy Board

Governance 2016

102-18	Annual Corporate Governance Report (ACGR, as of Aug 2016), The Composition of the Board, pp 4 - 6, 46 - 58
102-19	ACGR (as of Aug 2016), pp. 7
102-20	For 2016, Aloysius L. Santos, Vice President for Sustainability, led the Company's sustainability efforts with the guidance and direction of our Company's sustainability champion and President, Giles B. Puno.
102-21	ACGR (as of Aug 2016), pp 67 to 73
102-22	ACGR (as of Aug 2016), pp 4 - 6, 7 - 12, 46 - 58
102-23	Mr. Federico R. Lopez is both the Chairman of the Board, and the Chief Executive Officer of First Gen. (For more: ACGR (as of Aug, 2016), pp. 13 - 14.)
102-24	ACGR (as of Aug, 2016), pp. 16 - 27.
102-25	ACGR (as of Aug, 2016), pp. 38 - 39
102-26	The Company's vision and mission was reviewed and affirmed by the board of directors during its Strategic Board Update held on September 14, 2016. (ACGR, as of Aug 2016, p. 7)
102-27	ACGR (as of Aug, 2016), pp. 27 - 31.
102-28	ACGR (as of Aug, 2016), pp 108 - 111
102-29, 102-30	pp. 10, ACGR (as of Aug 2016), pp. 59 - 62.
102-31	ACGR (as of Aug, 2016), pp 61 - 62
102-32	Sustainability Reporting is handled by First Gen Technical Working Group, headed by the VP for Sustainability, who seeks direction and guidance from our President.
102-33	p. 11, also Risk management Charter (http://www.firstgen.com.ph/corporate-governance/board-committees/board-committee-charter/the-risk-management-committee-charter/)
102-34	The identification and nature of critical concerns depends on the department or operating group directly involved in or handling the concern. These concerns typically involve operations, financing, of and/or regulations covering the Company. When a critical issue is identified, the department or operating group first studies the situation and raises the concern to various bodies such as the management, and/or the Board of Directors if need be.
102-35 to 102-37	ACGR (as of Aug, 2016), pp. 42 - 44
102-38, 102-39	Omitted. Provision of the information is restricted by confidentiality and security considerations.

Stakeholder Engagement 2016

102-40	Internal and external stakeholders including employees, management, suppliers, customers, local communities, government and regulatory bodies, and investors the Company is not unionized, and currently does not have complete information on contractors regarding this topic.
102-41	Nonetheless, compliance to relevant labor laws is required for all operations and contractors.
102-42	Evaluation and prioritization of stakeholders through a comprehensive impact-influence materiality matrix
102-43, 102-44	p. 11

Reporting Practice 2016

102-45 to 102-47	pp. 1, 11
102-48	None.
102-49	addition of FG Bukidnon, FNPC, PMPC, and FGES
102-50	p.1
102-51	May 2015
102-52	Annual
102-53	Back cover
102-54	p. 1
102-55	p. 44 to 45
102-56	p.1
103-1 to 103-3	pp. 10 - 11, comprehensive MADs are available in the Company website

ECONOMIC STANDARDS GRI 201: Economic Performance 2016

201-1, 201-2	pp. 2 - 5, 12-15
201-3	The funding of the retirement plan and payment of benefits is provided through a retirement fund established by the company. see: 2016 Annual Report, F/S , Note 21: Retirement Benefits.
201-4	None.

GRI 202: Market Presence 2016

202-1	p. 37
202-2	100% - local pertains to those living and residing in the Philippines (head office) and those community members within the areas of operation (site office).

GRI 203: Indirect Economic Impacts 2016

203-1, 203-2	pp. 27 - 32
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Strategy 2016

102-14, 102-15	pp. 2 - 4
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Ethics and Integrity 2016

102-16	p. 7, 10, also available in Company website (http://www.firstgen.com.ph/our-company/mission-vision-statement/ and http://www.firstgen.com.ph/our-company/lopez-credo-and-values/)
102-17	pp. 10, Company website (http://www.firstgen.com.ph/corporate-governance/company-policies/)

GRI 204: Procurement Practices 2016

204-1	pp. 8 - 9
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GRI 205: Anti-corruption 2016

205-1 to 205-3	pp. 37
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GRI 206: Anti-competitive Behavior 2016

206-1	None.
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ENVIRONMENTAL STANDARDS GRI 301: Materials 2016

301-1	(in k-tons) Natural Gas - 1,573, Liquid Fuel (inc. Diesel) - 4, Water (run-of-river, deepwell, marine) - 2,446,168.7
301-2	Gas plants use non-renewable fuel; FG Bukidnon uses 100% renewable as primary input
301-3	Not applicable. The Company is in the business of power generation.

GRI 302: Energy 2016

302-1, 302-2	p. 22
302-3	pp. 8 - 9
302-4	No programs in place for 2016. Planned programs for 2017
302-5	p. 19

GRI 303: Water 2016

303-1	pp. 22, 32
303-2	None.
303-3	No water conservation programs in place yet.

GRI 304: Biodiversity 2016

304-1	All our plants are not within protected areas
304-2, 304-3	pp. 27 - 32
304-4	p. 8, 28, birds - 60 species, fish - 34 species, mangroves - 34 species

GRI 305: Emissions 2016

305-1 to 305-3	p. 22
305-4	pp. 8-9
305-5	p. 19
305-6	None.
305-7	pp. 21, 32

GRI 306: Effluents and Waste 2016

306-1	pp. 21, 32
306-2	p. 21
306-3	p. 22
306-4	Not applicable.
306-5	None significantly affected.

GRI 307: Environmental Compliance 2016

307-1	p. 22
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GRI 308: Supplier Environmental Assessment 2016

308-1	p. 32
308-2	None identified. All significant vendors undergo a Vendor Accreditation Process to ensure compliance with all relevant labor, environmental, human rights, and other laws, and capacity to meet our requirements.

SOCIAL STANDARDS GRI 401: Employment 2016

401-1	23 turnovers (74% male, 26% female), 75 new hires (59% male, 41% female)
401-2	p. 37
401-3	130 employees eligible for parental leaves (solo, maternal, paternal); 9% availed of parental leaves; 100% return to work rate and retention rate after 1 year for employees who took parental leaves

GRI 412: Human Rights Assessment 2016

412-1, 412-2	p. 37
412-3	100%. All significant investment agreements contain general clauses requiring service providers, contractors, consultants or counter parties to comply with relevant laws, rules, and regulations.

GRI 402: Labor/Management Relations 2016

402-1	p. 37
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GRI 413: Local Communities 2016

413-1, 413-2	pp. 8 - 9, 32
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GRI 403: Occupational Health and Safety 2016

403-1	pp. 22, 37
403-2	p. 37
403-3	None. Health programs are implemented, pursuant to regulatory reqts
403-4	Not Applicable. First Gen is not unionized.

GRI 414: Supplier Social Assessment 2016

414-1	p. 32
414-2	All vendors undergo accreditation prior to engagement of products and services through a third-party business verifier. For suppliers with identified nature of businesses that have potential and/or actual labor impacts (including human rights concerns and impacts to society), their documents are sent to the Environment, Safety, and Health department for assessment before accreditation.

GRI 404: Training and Education 2016

404-1 to 404-3	p. 36
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GRI 415: Public Policy 2016

415-1	p. 37
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GRI 405: Diversity and Equal Opportunity 2016

405-1	p. 34
405-2	Average M:F remuneration ratio is 1.24:1 (Pasig), 1.40:1 (Batangas), 1.48:1 (Bukidnon); Note: Employees are hired, assessed, appraised, and paid based on qualifications and performance, and not based on gender.

GRI 416: Customer Health and Safety 2016

416-1, 416-2	p. 22
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GRI 406: Non-discrimination 2016

406-1	None.
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GRI 418: Customer Privacy 2016

418-1	None.
419-1	p. 22

GRI 407: Freedom of Association and Collective Bargaining 2016

407-1	None identified.
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Sector-Specific: Electric Utilities 2016

EU4, EU12, EU26, EU27 are not applicable to First Gen's business of power generation

EU1	p.5
EU2	p. 22
EU3	2016 AR, F/S: Item 16 - Significant Contracts, Franchise, Commitments and Contingencies
EU5	None.
EU10	2016 AR SEC Form 17-A, Management Report, pp. 37 - 38
EU11	p. 22
EU13	pp. 27 - 32
EU15	6% and 16% eligible to retire in 5 and 10 years
EU17	Construction - 2k days; 10 workers Operations - 15k days; 58 workers Maintenance - 14k days; 55 workers
EU18	p. 22
EU22	None during reporting period
EU25	pp. 8-9
EU28 to EU30	p. 22

GRI 408: Child Labor 2016

408-1	None identified.
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GRI 409: Forced or Compulsory Labor 2016

409-1	None identified.
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GRI 410: Security Practices 2016

410-1	Training on Human Rights is being conducted every other year. The next training will be on July 2017
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GRI 411: Rights of Indigenous Peoples 2016

411-1	Gas plants are not within communities of indigenous peoples. There are no known incidents for the remainder of assets.
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