

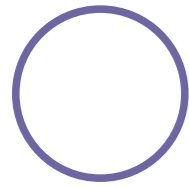


# FORWARD WITH AGILITY



2021 Annual and Sustainability Report





# About the Report

102-3, 102-46, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54

**“Forward with Agility”** is Semirara Mining and Power Corporation’s (SMPC) 2021 Annual and Sustainability Report (ASR), which covers the financial and sustainability performance of SMPC’s coal and power operations from January 1 to December 31, 2021.

Now on our third ASR since 2019, the report discloses our economic, environmental, and social impacts on our sites at Semirara Island, Antique, and Calaca, Batangas. In providing sustainable practices and relevant reporting, SMPC communicates to its stakeholders the concerns, updates, and accomplishments, such as its all-time-high financial performance,

for the reporting period. The 2021 ASR consolidates the previous disclosures with the additional significant topics alongside our management approaches, which illustrate the direct handling of the Company’s impacts in specific areas.

This report has been prepared in accordance with the GRI Standards: Core option. As such, the GRI Standards allow us to use the same metrics and structure, enabling comparability to our preceding reports. Furthermore, we continue our compliance with the Philippine Securities and Exchange Commission (SEC) Sustainability Reporting Guidelines for Publicly-listed Companies for this report.

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# About the Cover

The 2021 Annual and Sustainability Report's theme, "Forward with Agility," showcases the SMPC's record-breaking business results and exceptional shareholder returns amid the effects of the pandemic. We aim to develop our value chain by going beyond expectations in swiftly improving our sustainability and business services to our stakeholders. Aside from bracing against the obstacles, we sought the opportunities and came out strong this year, which led to our blockbuster

financial accomplishment in our Coal segment. Our transformative leadership and synergistic efforts continuously empower our stakeholders in achieving business and sustainability goals.

With our vigilance and alertness to these challenges and opportunities, SMPC came out strong by equipping ourselves strategically while integrating our business and sustainability initiatives in facing the future.



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## About Semirara Mining and Power Corporation

102-1, 102-2, 102-6

Semirara Mining and Power Corporation (SMPC) is a leading vertically integrated power generation company in the Philippines. We are still the only power producer that owns and mines our fuel source in the country to date. SMPC is also the largest coal producer, accounting for 99% of the country's coal production.

We also supply coal to other power plants, most cement plants, and other small boiler users in the food, textile, and canning industries. As a leader in the Philippine power industry, SMPC strives to efficiently manage fuel supply and power generation to deliver affordable and reliable energy to millions of Filipinos nationwide.





## Message from the Chairman

102-14

To our dear stakeholders,

2021 has been a momentous year for SMPC. We stood strong, exceeded expectations, achieved record-breaking business results in our 41-year history, and delivered exceptional stakeholder value.

### RECORD-HIGH BUSINESS PERFORMANCE

SMPC surged beyond and seized the growth opportunities given by the global economic reopening, leading to a 393-percent leap to PHP16.2 billion in consolidated net income and an earnings per share (EPS) of PHP3.81 this year.

Coal stayed as our top earnings contributor at PHP11.4 billion or 70 percent of consolidated net income. The 71-percent spike in average selling price (ASP) combined with the 16-percent jump in coal shipments and the 8-percent increase in coal production resulted in the segment's spectacular growth in 2021. Sales climbed to 15.2 million metric tons (MT) caused by the 24-percent rise in export shipments.

We successfully navigated through the coal price volatility and supply crunch amid escalating geopolitical crisis and unpredictable policy

interventions of China and Indonesia. Our ASP jumped to PHP2,695 per MT from last year's PHP1,577 per MT as the global supply-demand gap pushed index prices to record levels. A 229-percent increase of coal ASP at PHP4,452 per MT in the fourth quarter of the year greatly contributed to consolidated net income, soaring nearly 20 times from PHP297 million to PHP5.9 billion, our highest profit level in a quarter.

Our Power segment shared this success and benefitted from the rebound of higher spot prices and supply constraints, given its significant uncontracted

“  
**We stood strong, exceeded expectations, achieved record-breaking business results in our 41-year history, and delivered exceptional stakeholder value.**”



“  
**We have been tested, proven resilient, remained relevant, and outperformed by a hundredfold.**

capacity. It grew with a 49-percent hike in ASP to PHP4.11 per kWh though moderated by a 4-percent drop in electricity sales to 4,032 GWh. SEM-Calaca Power Corporation (SCPC) contributed PHP3.3 billion, a 154-percent upturn from PHP1.3 billion last year. On the other hand, Southwest Luzon Power Generation Corporation (SLPGC) achieved a 1,563-percent rise from PHP87 million to PHP1.4 billion income contribution.

This overall consolidated 2021 growth, stemming from our agility to respond to market opportunities and business conditions, allowed us to maintain a healthy balance sheet while paying a total of PHP21.4 billion in debts, capital expenditures, all-time high cash dividends, and increasing our Book Value Per Share (BVPS) by 8 percent. The government share of PHP6.4 billion is likewise the highest in 41 years.

We have been tested, proven resilient, remained relevant, and outperformed by a hundredfold.

### **SUSTAINABILITY-DRIVEN GOVERNANCE**

Our people’s hard work and sustainability-driven governance drove us to reach greater heights this year amid the effects of the lingering pandemic. We stay true to our Mission and Vision as we reciprocate the unwavering support of our stakeholders by our dedication to delivering real benefits. Stepping up our environmental, social, and governance (ESG) commitments came with a deeper understanding of how people, risk, and capital affect each of our stakeholder groups.

We have appropriated PHP1.5 billion from our Retained Earnings for future climate investment as we gear up to support the government’s energy plan toward a just energy transition. We have undertaken capacity building to develop and pursue a concrete carbon transition roadmap.

Our continual improvement in ensuring effective governance is attested with our improved

ASEAN Corporate Governance Scorecard (ACGS) scoring of 107.2 points in the 2021 assessment run. This achievement reaffirms our consistent record as one of the top-performing publicly-listed companies (PLCs) adhering to global standards on good governance.

We remain firm in upholding a workplace that fosters diversity, equity, and inclusion. Together with our Parent Company, DMCI Holdings, Inc., we have been honored to be cited in the 2021 Bloomberg Gender-Equality Index (GEI), a modified market capitalization-weighted index that aims to track the

performance of public companies committed to transparency in gender-data reporting.

We will continue our efforts in delivering quality service without compromising our stakeholder commitments for the years to come.

To our shareholders and stakeholders, on behalf of SMPC, I thank you for your continuing trust. Together with you, we can confidently move forward towards inclusive and sustainable growth.



**ISIDRO A. CONSUNJI**  
Chairman of the Board  
and Chief Executive Officer







## Message from the President and COO 102-14

To our dear stakeholders,

Our ability to move forward with agility amid continuous uncertainties and a rapid paradigm shift from the pandemic enabled SMPC to take advantage of the strong rebound in the global economy in 2021.

The Group's registered blockbuster earnings have benefitted all stakeholders in taxes and royalties, debt repayments, dividends, and employee remuneration, while some were retained for business growth and expansion.

### RECORD-HIGH FINANCIAL RESULTS

Consolidated revenues at PHP52.4 billion and net income at PHP16.2 billion hit an all-time high (ATH) on skyrocketing coal and electricity markets.

Our Coal segment dominated consolidated net earnings at 70 percent at PHP11.4 billion, followed by an impressive comeback of SCPC at 21 percent or PHP3.4 billion and SLPGC at 9 percent or PHP1.4 billion. The 49-percent electricity price increase paved the way for our Power segment's turnaround despite a 15-percent drop in total gross generation of 3,959 GWh.

“ We hurdled these challenges strategically and swiftly, ensuring our commitment to operate at an optimized level and become adaptive to a changing business environment.

### IMPROVING COAL OPERATIONS

Our Coal segment's lower actual strip ratio at 11.0 on the back of improved weather conditions and a more manageable level of water seepage in Molave North Block 7 (NB7) contributed to better production efficiency.

Full-year rainfall declined by 14 percent compared to last year, while average water seepage levels fell by 62 percent, leading to 2,395 cubic meters per hour in 2021.

The improved coal operations led to a higher production of 14.3 million metric tons or an 8-percent rise from 2020. We invested in technology and innovation to address water seepage at the Molave mine at manageable levels. A risk-based approach with safety as the foremost priority and implementation of

remediation measures enabled us to operate in the active mining blocks and meet production demand.

Production cost increased by 15 percent compared to last year due to additional production, 32-percent increase in fuel prices, 5-percent increase in fuel volume consumption from the additional heavy equipment, and employee salary adjustments.

### DELIVERING STRONG POWER REBOUND

Our Power segment recorded a striking turnaround amid lower plant output owing to improved market conditions and higher spot market exposure. Their core net income contribution for 2021 increased by 206 percent despite the 14 percent increase in total outage days from 471 to 535 days.

For SCPC, Unit 1 staged a strong rebound from 2020, while Unit 2 was mainly on a prolonged unplanned outage due to a defective generator stator until September 18, 2021. The unit went offline again on November 18 to raise its dependable capacity back to 300 MW and address its technical issues. The Company worked closely with the generator's original equipment manufacturer (OEM), to address these issues.

Dramatic SLPGC turnaround with its 1,563-percent increase in net income, 32 percent higher sales volume at 2,009 GWh, and 26 percent higher ASP at PHP3.64 per kWh was attributable to improved plant availability and higher electricity prices.

The narrower demand-supply margin in 2021 more than doubled (113 percent) average spot prices



“ ... we espouse transparency and accountability of our operations and our significant ESG impacts.

from PHP2.27 per kWh to PHP4.83 per kWh, which translated to a 49-percent recovery in overall ASP from PHP2.76 per kWh to PHP4.11 per kWh. The 1,028-GWh electricity sales magnified the impact of the price movement on the spot market in 2021.

Our use of lower grade coal contributed to the lower generation cost of SCPC and SLPGC by 5 percent and 9 percent, respectively, and improved profitability despite lower energy sold.

**RETHINKING RISK RESILIENCY**

Managing the COVID-19 transmission remained one of our top priorities. In transporting operations-critical materials and services, we ensure the materials and personnel undergo standard health and safety protocols. We also digitized our key processes, such as ship loading and collections, to be more cost-efficient and mitigate COVID-19 related risks. We sought to ensure minimal supply chain disruption and calibrated operational control reviews as we faced a longer lead time from OEMs.

We hurdled these challenges strategically and swiftly, ensuring our commitment to operate at an optimized level and become adaptive to a changing business environment.

**RAMPING UP OUR ESG**

Despite the challenges and headwinds triggered by the pandemic, we made significant strides in our environmental, social, and governance (ESG) priorities.

SMPC received top honors in the 2021 ASEAN Energy Awards for its accelerated coal mine rehabilitation of the South Panian Mine during the year. The award is Southeast Asia’s highest recognition for excellence, creativity, practicality, and dedication to a cause in the field of energy.

Through responsible resource management and strategic partnerships with our key stakeholders, we demonstrated environmental stewardship through our rehabilitation, restoration, and biodiversity offset programs. We sustained restoration of the rehabilitated South Panian mine with a science-based biodiversity impact assessment to re-establish biodiversity values, ecosystem services, and habitat types.

We expanded our carbon sequestration and biodiversity offsets as climate and remediative action to address nature-related risks and outcomes. Meanwhile, the rehabilitation of the North Panian mine is progressing as planned, with 98 percent of its 232 hectares completely covered up as of the end of the year.

Through our annual sustainability reports, we espouse transparency and accountability of our operations and our significant ESG impacts.

We believe in the importance of investing in the growth and competency development of our employees in re-positioning our business toward a sustainable future-fit economy. We focused on nurturing a culture of values-driven leadership, meritocracy, adaptive mindset, and ESG capacity building while ensuring stronger employee engagement through our governance, risk, and compliance programs.

During the year, we collaborated with the local government units on the continued safety of our host communities against COVID-19. We also worked closely with the government health agencies in the administration of our Group’s vaccine program rollout for the workforce. In 2021, 5,448 of our employees and labor contractors,

or roughly 93 percent of the total workforce, were fully inoculated.

SMPC is fortunate to be surrounded by people whose wisdom, fortitude, and support allow us to move forward with agility. Thank you to our Board of Directors who provide invaluable guidance; our frontliner and back office employees who bravely adapt to ever-changing work situations; our customers, host communities, and regulators who are the lifeblood of our business; and our shareholders, business partners and other stakeholders, without whom we would not be able to step forward with confidence.

**MARIA CRISTINA C. GOTIANUN**  
President and Chief Operating Officer







## CFO's Report

Dear stakeholders,

Our resiliency and adaptability to any situation have been vital for the SMPC Group in 2021. Our unwavering commitment to improving how we operate and manage our businesses has proven significant as we learn to live amid the COVID-19 pandemic.

The Group's risk resiliency and elevated working standards to continuously improve our financial processes contributed to process efficiencies that helped us cope with the new normal.

Though there were challenges brought by the pandemic, the operational successes and favorable market conditions enabled us to prudently optimize the SMPC Group's blockbuster financials and increase value to our stakeholders.



**...we continued to improve financial resiliency measures, such as cost prioritization, liquidity improvement through cash preservation and working capital optimization, and conservative debt management...**

### STAGGERING FINANCIAL PERFORMANCE

SMPC made a resounding recovery due to relentless efforts to address the previous year's headwinds, such as COVID-19 and water seepages in Molave North Block 7 (NB7). This allowed us to reap the benefits of resurging market conditions in the Coal segment. While the Power segment continues to grapple with prolonged and forced plant outages, the stronger rebound of the electricity market resulted in a spectacular turnaround from a net loss last year.

SMPC achieved stellar financial performance in 2021 as consolidated revenues and net income are at a record high in 41 years.

Consolidated net income went up nearly five times from PHP3.3 billion to PHP16.2 billion. This led to all-time high earnings per share of PHP3.81 and the highest return on equity of 36 percent in the Philippine energy sector for 2021.

The Coal segment remained the main earnings contributor at 70 percent, while SCPC and SLPGC contributed 21 percent and 9 percent, respectively.

### A STEADFAST COMMITMENT TO STAKEHOLDERS

Following the exceptional earnings in 2021, SMPC has remitted a record-high government royalty to the Department of Energy (DOE), amounting to PHP6.4 billion.

We have paid our banking creditors around PHP11 billion in debt service (principal and interest). Total bank loans are down by 24 percent, from PHP20.0 billion to PHP15.1 billion at the end of 2021.

The Company also reached its highest-ever dividend payout in 41 years at PHP12.7 billion after declaring a regular cash dividend of PHP1.25 per share in March and a special cash dividend of PHP1.75 per share in October. At the current year's net income, the total amount translated to a payout ratio of 79 percent. This is over and above our Company's dividend policy of a 20-percent minimum cash dividend payout.

The astounding performance is attributed to the dedication and





perseverance of our employees. More than providing monetary remuneration, learning, and development, SMPC also highlights the importance of our employees' well-being by ensuring their health and safety at all times.

Our responsibility to our community is an integral part of our business sustainability.

SMPC continuously develops numerous environmental stewardship, social development, and biodiversity programs.

### SUSTAINABLE FINANCIAL RESILIENCY

SMPC recognized that financial prudence and risk management remain significant amidst the threat of the emergence of new COVID-19 variants.

Capex declined by 22 percent to PHP3.9 billion in 2021, owing to the absence of LEP-related expenditures for SCPC

Unit 2. The bulk of the spending was mainly due to the re-fleeting and continuing water seepage management of the Coal segment. The rest was spent on power plant maintenance.

Debt repayments during the year more than offset debt availments, resulted in a lower total debt to equity ratio of 0.57:1. Meanwhile, the current ratio remained at a healthy level of 1.85:1.

While market conditions have been very favorable, we continued to improve financial resiliency measures, such as cost prioritization, liquidity improvement through cash preservation and working capital optimization, and conservative debt management, to withstand the pandemic challenges and be able to preserve and add value to our stakeholders.

This spectacular financial performance would not have been possible without the

guidance and support of our Board of Directors, CEO, and President, as well as the dedication and commitment of each employee.

To our stakeholders, thank you for your trust and confidence in SMPC. Rest assured that we will continue to prudently manage the Company's strong financial position and preserve value to enable the Company's growth opportunities.

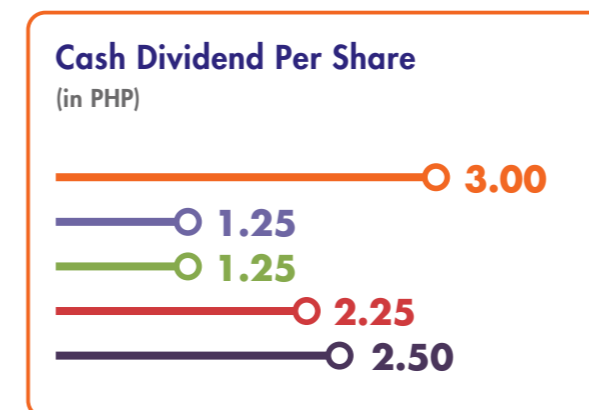
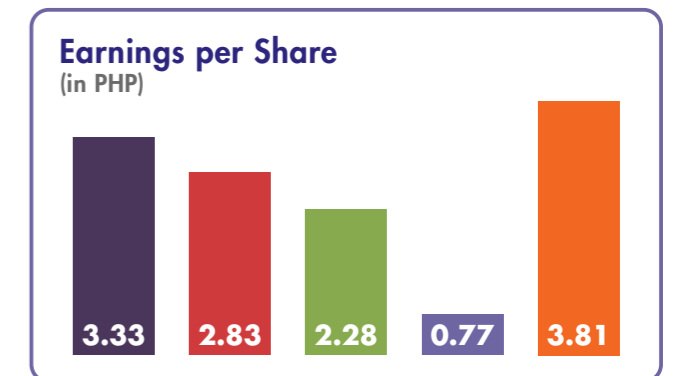
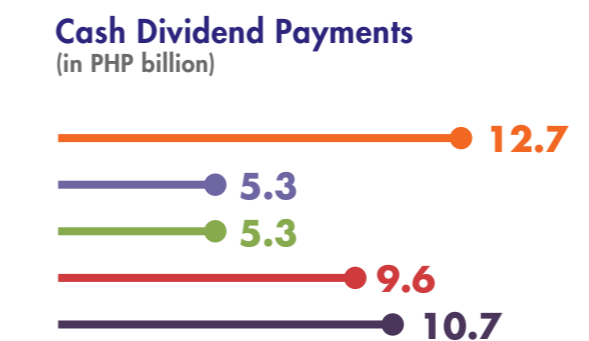
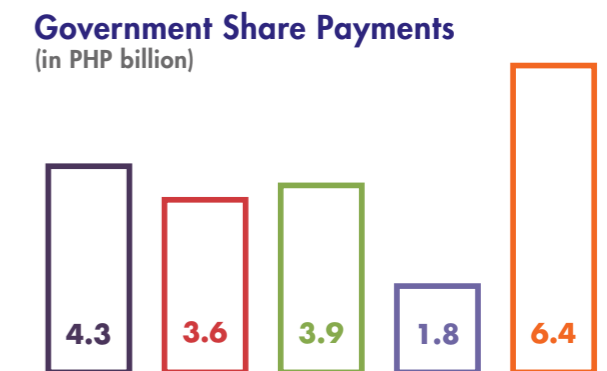
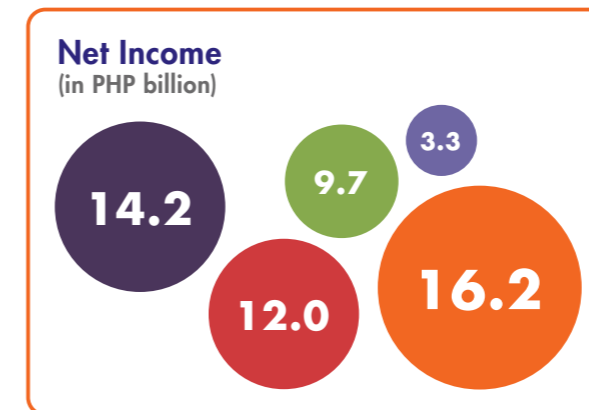
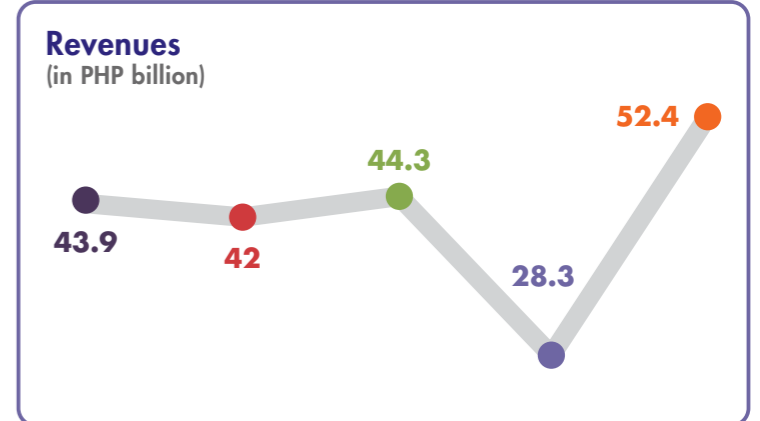


**CARLA CRISTINA T. LEVINA**  
Vice President and Chief Finance Officer

## ALL-TIME HIGH FINANCIAL PERFORMANCE

SMPC delivered a record-breaking performance in 2021, notwithstanding the challenges presented by the pandemic. Surging coal prices, higher coal production, and better-than-pre-pandemic electricity prices have driven our blockbuster 2021 financial performance.

● 2017 ● 2018 ● 2019 ● 2020 ● 2021





# Business Overview

Starting as the Semirara Coal Corporation and becoming the Semirara Mining and Power Corporation through its Power segment integration, SMPC recognizes the shared responsibility of its extractive and energy businesses.

## Our Vision

Semirara Mining and Power Corporation is the leading responsible vertically integrated energy enterprise contributing towards inclusive growth.

## Our Mission

- To responsibly and efficiently operate in all sites;
- To empower host communities, contributing to their sustainability;
- To nurture and uphold environmental stewardship; and
- To ensure equitable returns to all stakeholders.

## Our Corporate Objectives

- Business Sustainability
- Value Maximization

## Our Core Values



COMMITMENT



EXCELLENCE



PROFESSIONALISM



TEAMWORK

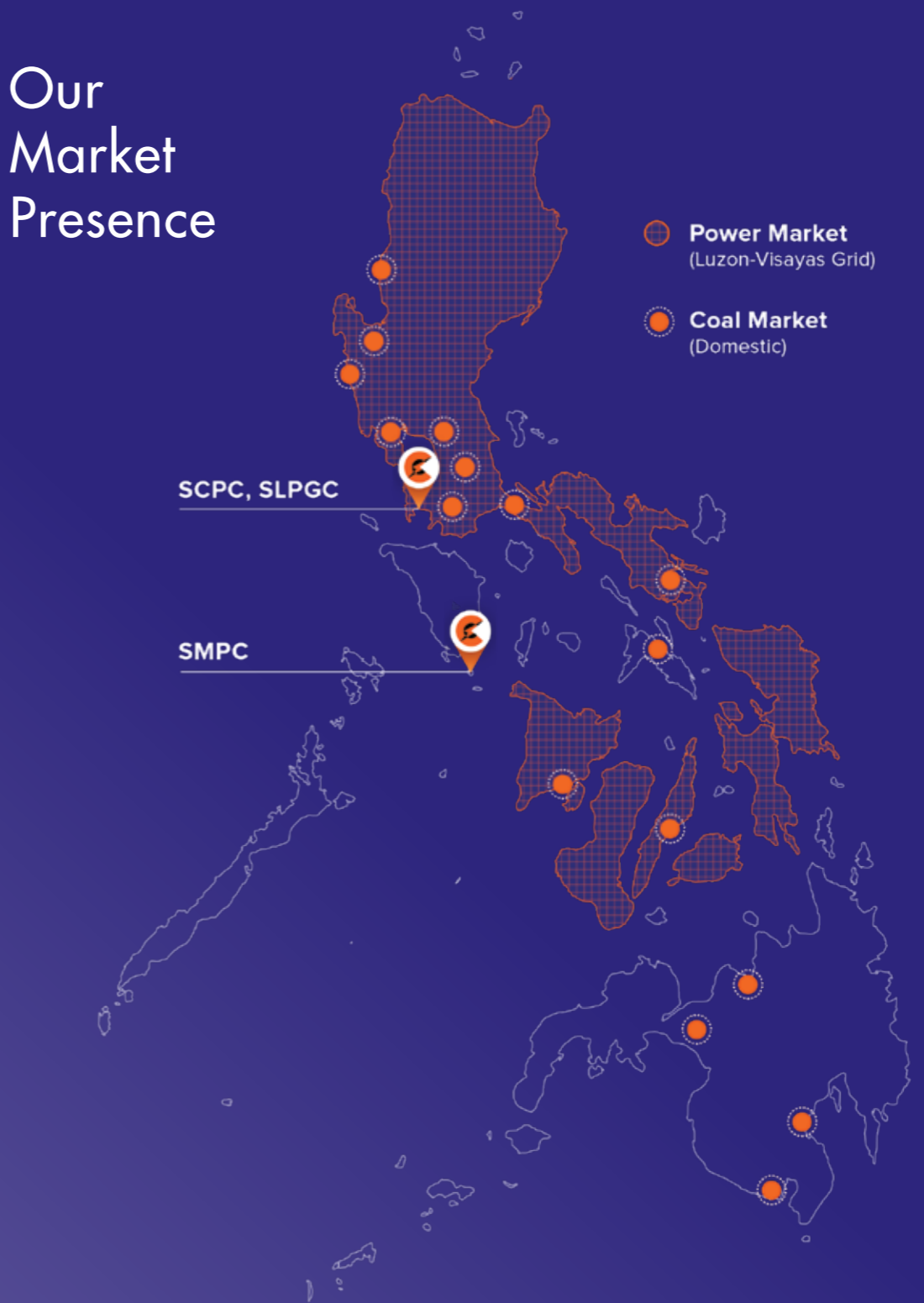


INTEGRITY



LOYALTY

# Our Market Presence



## WE EXPORT TO:



Brunei



Cambodia



China  
(including Taiwan)



India



Thailand



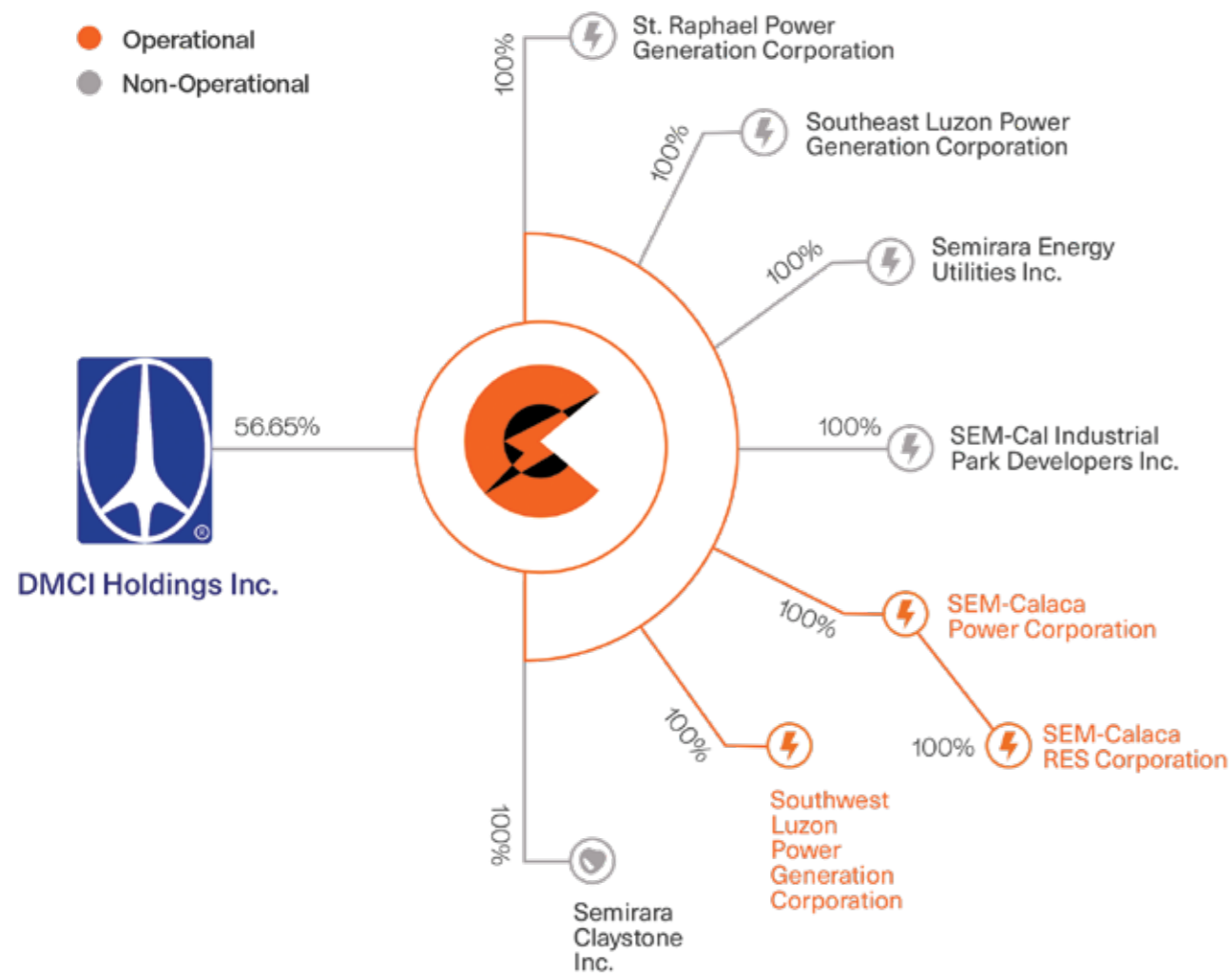
South Korea





## Our Business Structure

102-4, 102-5, 102-45



## Our Footprint

### SEMIRARA ISLAND, ANTIQUE PROVINCE

Semirara Island is in the first-class municipality of Caluya, located in the northwestern part of Antique Province. Caluya is around 350 kilometers south of Manila and 155 kilometers from the province capital in San Jose de Buenavista. The island covers 55 square kilometers (5,500 hectares) and has the largest coal deposit in the country.

Through Proclamation No. 649 in 1940, President Manuel L. Quezon declared Semirara Island a coal mining reservation. In 1976, the government actively pursued the exploration and development of indigenous energy resources because the increasing cost of imported crude oil led to heavy demand on the country's national reserves.

To lessen the country's dependence on imported fuel and secure affordable energy, President Ferdinand E. Marcos issued Presidential Decree

No. 972 or the "Coal Development Act of 1976." It declared Semirara Island as one of the coal regions of the Philippines, allowing the issuance of Coal Operation Contracts (COCs) for the area. Furthermore, the Department of Energy (DOE) extended SMPC's COC to July 14, 2027.

### CALACA, BATANGAS PROVINCE

Calaca is in the northwestern part of Batangas Province. It is around 117 kilometers south of Manila and 41 kilometers from the provincial capital of Batangas City. Major economic activities in Calaca include agriculture, service manufacturing, tourism, and cottage industries.

SMPC's wholly-owned subsidiaries, Sem-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC), operate two units of 300-MW and two units of 150-MW coal-fired power plants, respectively, in Calaca, Batangas.



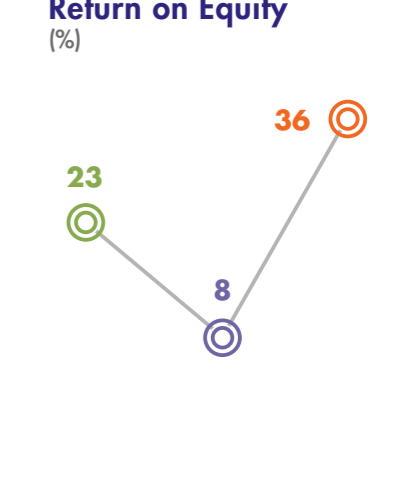
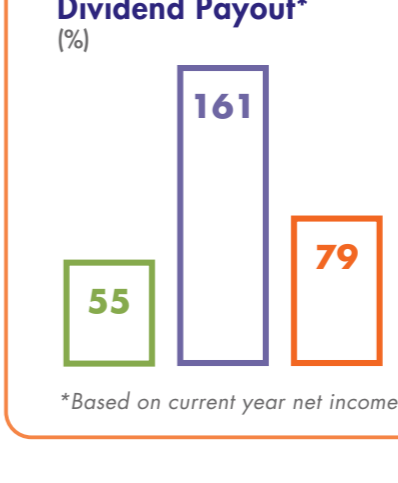
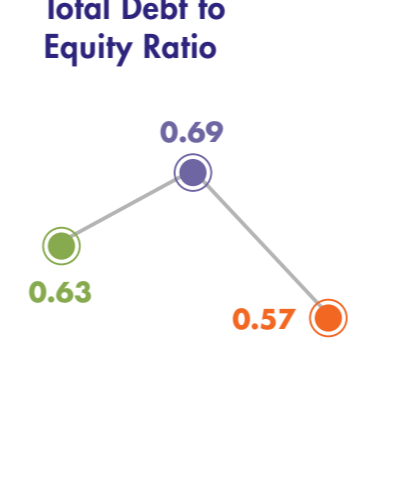
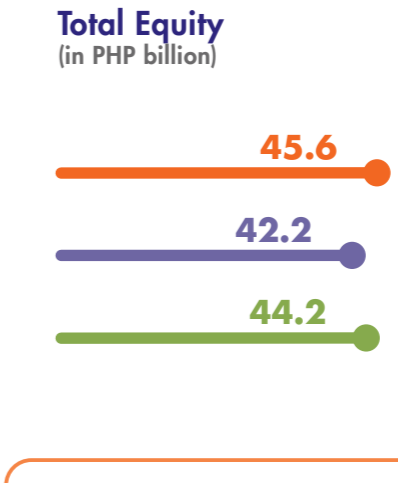
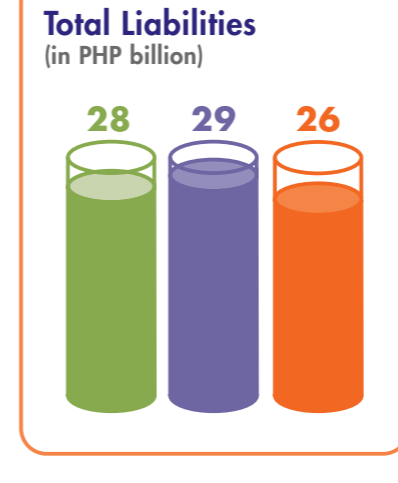
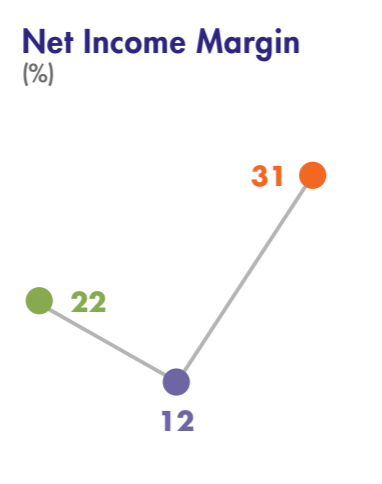
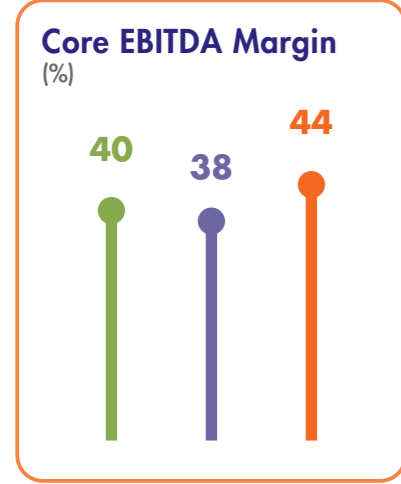
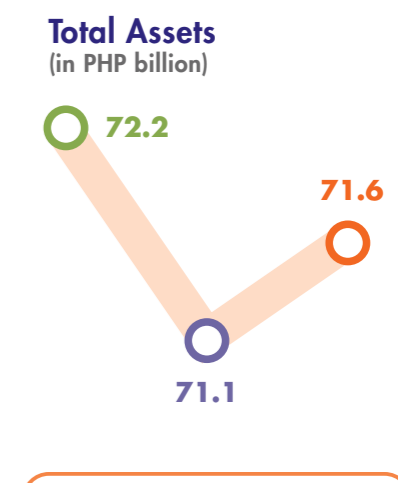
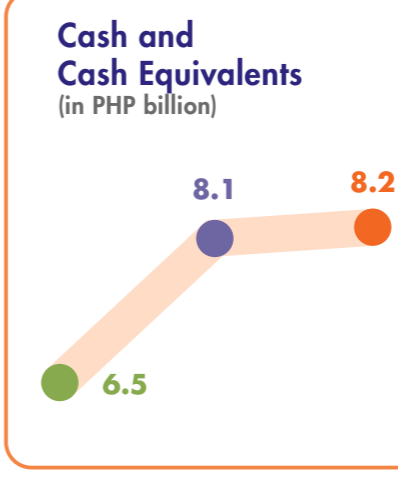
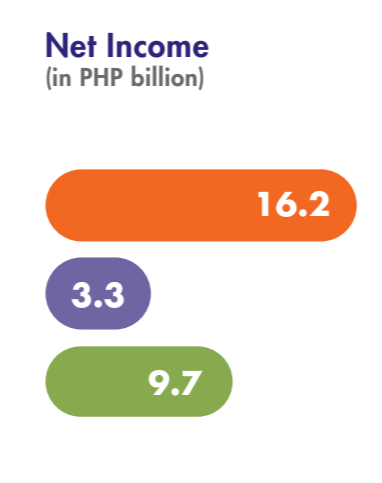
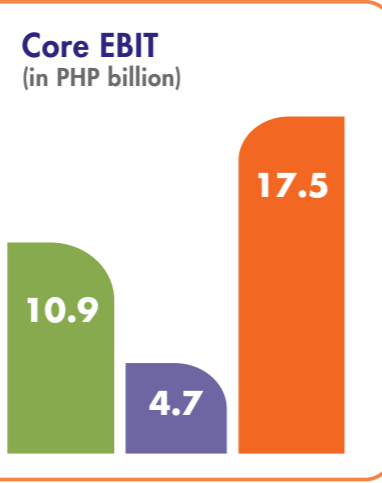
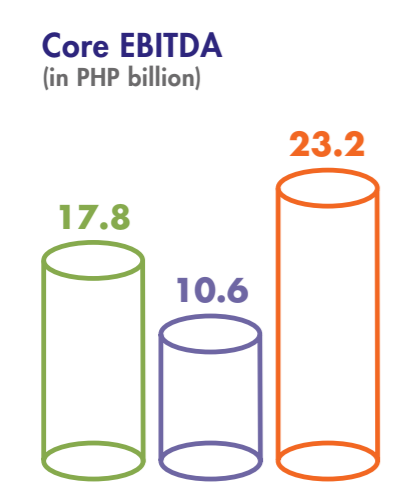
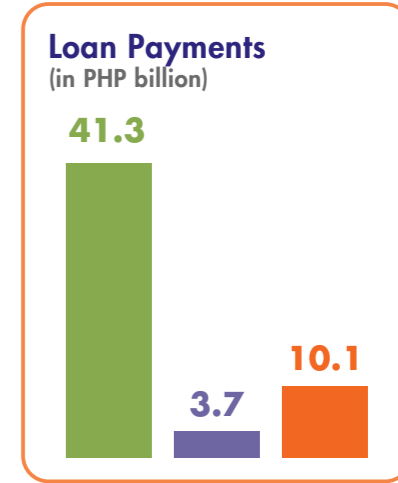
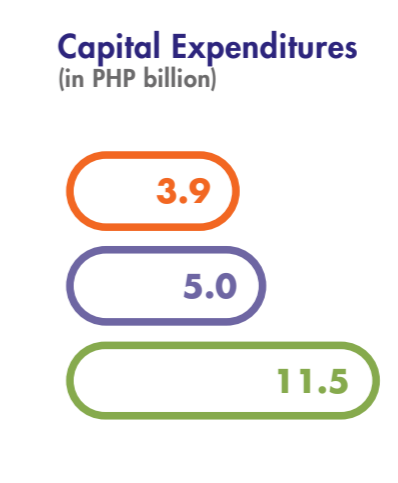
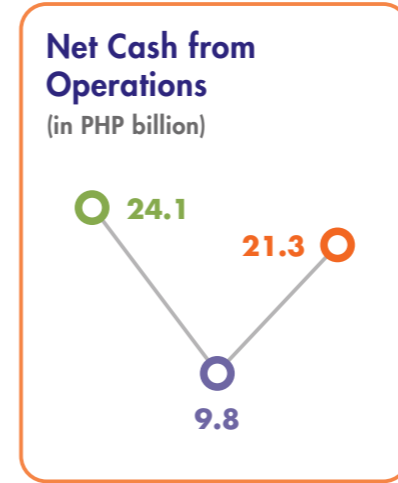
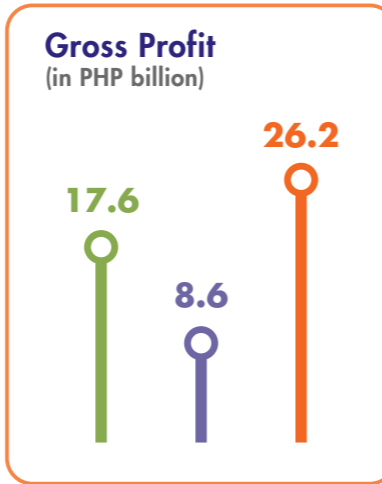
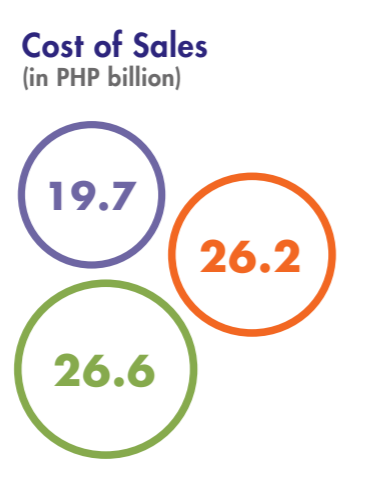
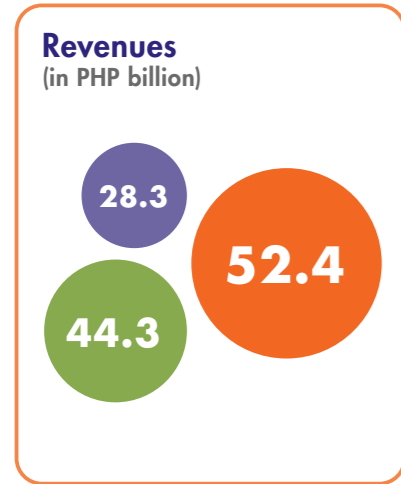
# Our Business Performance





# SUMMARY OF CONSOLIDATED FINANCIAL PERFORMANCE

● 2019 ● 2020 ● 2021

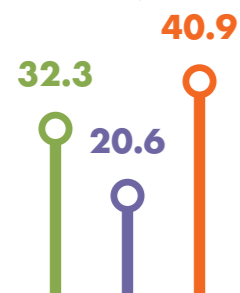




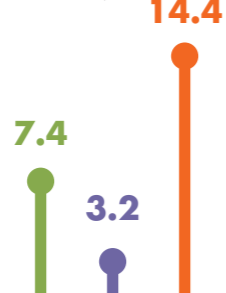
## COAL SEGMENT STANDALONE HIGHLIGHTS

● 2019 ● 2020 ● 2021

### Revenues (in PHP billion)



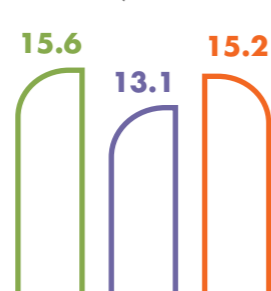
### Net Income (in PHP billion)



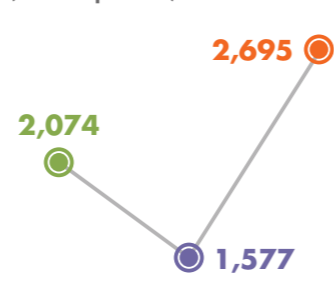
### Production (in million MT)



### Sales Volume (in million MT)



### Average Selling Price (in PHP per MT)



## SOARING GLOBAL COAL PRICES

Global coal prices hit new highs in 2021 amid a strong global economic recovery from the COVID-19 pandemic.

From a 4.4-percent decline in total coal consumption in 2020 due mainly to the impacts of COVID-19, coal demand worldwide rebounded as economic activities began to pick up during the year. However, coal production failed to keep pace with the growth in demand resulting in power outages and idle factories, such as in China and India. Moreover, the imposition of an import ban by China on Australian coal and the rally in natural gas

prices also contributed to coal's bullishness during the year.

These developments brought the Newcastle index (NCI) and Indonesian coal index (ICI4) to peak levels at USD269.50 on October 5 and USD122.08 on October 8, respectively.

China began easing its ban along with government efforts to boost domestic supplies following the surge in coal prices. Likewise, global coal indices started to relax and eventually closed the year at USD165.86 (NCI) and USD60.60 (ICI4).

## OPERATIONAL TURNAROUND FROM THE PREVIOUS YEAR

SMPC's adaptation strategies for COVID-19 and its effective water seepage control management resulted in improved coal operations during the year.

The actual strip ratio improved by 21 percent from 13.9 to 11.0, which is lower than the expected strip ratio of 11.42 for 2021 due to improved weather conditions and a more manageable level of

water seepage in Molave NB7.

As a result, coal production for the year stood at 14.3 MMT, an 8-percent growth from 13.2 MMT last year.

High production and beginning inventory levels amid a global supply-demand gap translated to a 16-percent rise in coal sales volume from

13.1 MMT to 15.2 MMT. Export sales which comprise 62 percent of the total volume sold in 2021, reached 9.4 MMT, a 24-percent jump from 7.6 MMT last year. Approximately 95 percent of export sales went to China, with the remaining sold to South Korea, India, and Cambodia. Meanwhile, sales to local power plants, cement, and other industrial plants or facilities climbed 5 percent to 5.8 MMT during the year.

## A RECORD-BREAKING YEAR FOR COAL

The Coal segment recorded its best-ever top and bottom-line results in 2021 as standalone coal revenues and net income reached PHP40.9 billion and PHP14.4 billion, respectively. The 98-percent upturn in revenues and 346-percent surge in net income results from improved coal production and high beginning inventory, enabling the segment to take advantage of record-high coal prices in the middle of a global supply crunch during the year.

ALLOCATION (in PHP Billion)	2021	2020	2019
National (60%)	3.8	1.1	2.3
Province (8%)	0.5	0.1	0.3
Municipality (18%)	1.2	0.3	0.7
Barangay (14%)	0.9	0.3	0.6
<b>Total Royalties</b>	<b>6.4</b>	<b>1.8</b>	<b>3.9</b>

Net of intercompany eliminations, the segment staged a solid 535-percent rebound from a ten-year low of PHP1.8 billion in 2020 to a record level net income of PHP11.4 billion in 2021.

SMPC has remitted PHP6.4 billion of government shares to the Department of Energy (DOE) in accordance with its 2021 financial results, the highest in its 41 years. This is owing to record-setting coal sales and average selling prices.

Of the PHP6.4 billion in royalties, the national government will retain more than PHP3.8 billion. Following the law, the rest will go to the host local government units of the SMPC mine site. The province of Antique will receive PHP512 million, while the municipality of Caluya and Barangay Semirara will receive around PHP1.2 billion and PHP896 million, respectively.

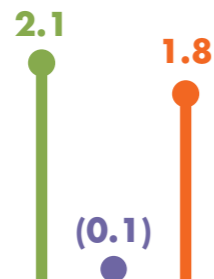
## POWER SEGMENT STANDALONE HIGHLIGHTS

● 2019 ● 2020 ● 2021

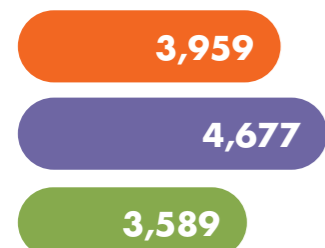
### Revenues (in PHP billion)



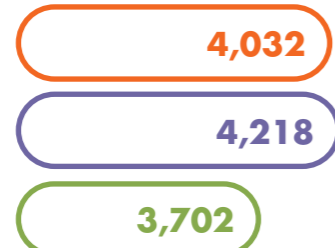
### Net Income (in PHP billion)



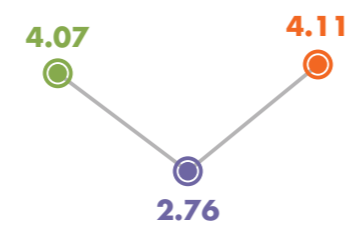
### Energy Generated (GWh)



### Energy Sold (GWh)



### Average Selling Price (in PHP per kWh)



### STRONG REBOUND OF ELECTRICITY DEMAND AND PRICES

Electricity demand showed signs of a strong recovery in 2021, indicating the country's continued economic recovery from a pandemic-induced contraction last year.

The gradual easing of COVID-19 restrictions and increased vaccination rates got more people back to work and allowed businesses to operate for longer hours and at higher capacities.

Consequently, the annual system peak demand recorded in 2021 reached 13,752 MW, 4 percent up from the 2020 peak. This figure

also surpassed the pre-pandemic peak demand of 13,450 MW in 2019 by 2 percent.

Plant outages and derating during the summer months, the preventive maintenance shutdown of the Malampaya gas field in October, and the unavailability of the Luzon-Visayas high-voltage direct current (HVDC) submarine cable caused by Typhoon Odette towards the end of the year, all contributed to a narrowing supply-demand gap as well as the surge in electricity prices in 2021.

As a result, average spot prices of electricity in the Wholesale Electricity Spot Market (WESM) reached PHP4.83 per kWh, more than double last year's average of PHP2.27 per kWh.

### IMPROVED RELIABILITY BOGGED DOWN BY SCPC UNIT 2 OEM ISSUE

Overall gross generation fell by 15 percent from 4,677 GWh to 3,959 GWh due mainly to the prolonged outage of SCPC Unit 2 following the original equipment manufacturer (OEM) issue on the defective generator stator.

Plant availability of SCPC contracted by 31 percent from 74 percent in 2020 to 51 percent in 2021 as total outage days grew from 191 to 358 days, coming mainly from Unit 1 boiler tube leak and Unit 2 extended plant outage. SLPGC fared better, with plant availability improving by 23 percent, from 62 percent to 76 percent.

Likewise, combined electricity sold for 2021 slumped by 4 percent from 4,218 GWh to 4,032 GWh on lower plant output. Out of the total electricity sold by both SCPC and SLPGC, 75 percent went to customers under bilateral contracts, while the remaining was sold through WESM or the spot market.

### A STRONG FINANCIAL COMEBACK AMIDST HEADWINDS

The combined revenue of SCPC and SLPGC stood at PHP16.6 billion, a 42-percent improvement from PHP11.6 billion reported last year. The segment's bottom line has swung back to positive territory after generating PHP1.8 billion net income from a PHP91-million net loss last year.

Net of intercompany eliminations, net income contribution from the Power segment climbed 242 percent from PHP1.4 billion to PHP4.8 billion.

The striking turnaround posed by the Power segment amid lower plant output was due mainly to improved market conditions and higher spot market exposure.

Average selling prices spiked 49 percent from PHP2.76 per kWh to PHP4.11 per kWh, owing to an 8-percent increase in electricity price of a bilateral contract with a coal passthrough and the 138-percent surge in average selling prices to spot. The expiration of a 170 MW supply contract in the fourth quarter of 2021 enabled the segment to further benefit from the rise of spot electricity prices in the WESM.

SCPC standalone revenues grew by 28 percent from PHP7.3 billion to PHP9.3 billion, resulting in a dramatic net income recovery of 1,381 percent from PHP32 million to PHP474 million. Lower plant output of SCPC units was eclipsed by the 70 percent rise in average selling prices of bilateral contracts and spot sales.

Meanwhile, SLPGC's standalone revenues expanded by 67 percent, from PHP4.4 billion to PHP7.3 billion, while its bottom line bounced back from a PHP123-million net loss to a PHP1.3-billion net income. Its impressive performance was largely the result of improved plant availability and higher electricity prices which more than offset the increase in replacement power purchases for its bilateral contracts during plant outages.



# Our Sustainability Performance







## DELIVERING STAKEHOLDER VALUE

Our business growth results in more significant contributions to our valued stakeholders.

Our enhanced collaboration and engagement enable us to create opportunities for inclusivity, meet stakeholder obligations, and contribute to economic development.

**Government Payments**  
**PHP7.16 BILLION**

**Wages and Benefits**  
**PHP2.65 BILLION**

**Goods and Services Spend**  
**PHP26.5 BILLION**

**Environmental and Community Spend**  
**PHP112 MILLION**



## INTEGRATING CLIMATE ACTION

We commit to mitigating the impacts of our operations through strategic environmental stewardship.

We leverage organizational resources to manage climate and biodiversity remediation through our rehabilitation, restoration, and offset programs.

**Climate Investment Fund**  
**PHP1.5 BILLION**  
Appropriated Retained Earnings

**Carbon Offset**  
**1.97 MILLION**  
Inland reforested trees planted to date

**640,898**  
Mangroves planted to date

**Biodiversity Offset**  
**170,349**  
Surviving giant clams propagated to date

**Forest Adopted**  
**50**  
Hectares

**Land Rehabilitation**  
**98%**  
North Panian mine backfill cover



## ENABLING SOCIAL INCLUSION

Through our interconnected and collective leadership, our employees are equipped with a mindset of resilience and competency to remain agile and responsive to business conditions. Our enhanced safety and health protocols and strategic management enabled us to protect our employees and community despite the associated risks in our industry and the pandemic.

**Jobs Generated**  
**3,943**  
Employees

**Training**  
**47**  
Average hours per employee

**Local Hires**  
**58%**  
Employees from host communities

**Work-related Harm**  
**0**  
Fatality

**Talent Retention**  
**98%**

**COVID-19 Response**  
**12,500**  
Antigen test kits to community

**PHP15.6 MILLION**  
Vaccines to employees



## STRENGTHENING CORPORATE GOVERNANCE

We pursue a sustainability-driven governance with accountability, transparency, and fairness in our decision-making process. Aligned with our ethical responsibilities, we balance long-term economic strategies with our stakeholder interests.

**Independent Directors**  
**4**  
Out of 11 Board Directors

**Board Gender Diversity**  
**27%**  
Women Board Members

**ASEAN Corporate Governance Scorecard 2021 Assessment**  
**107.2**  
Score points





## ESG AWARDS AND RECOGNITIONS



### WINNER, SPECIAL SUBMISSION CATEGORY

- Accelerated Coal Mine Rehabilitation of South Panian Mine
- 2021 ASEAN Energy Awards

### 2021 BLOOMBERG GENDER-EQUALITY INDEX

- Bloomberg L.P.

### ASIA'S BEST EMPLOYER BRAND AWARD

- 16<sup>th</sup> Employer Branding Awards
- Employer Branding Institute (India)

### EXCELLENCE AWARD FOR PUBLICATIONS AND WRITING CATEGORIES

- 2019 Annual and Sustainability Report: "Transcending Towards Sustainability"
- 18th Philippine Quill Awards
- International Association of Business Communicators Philippines

### MOST ACTIVE PLACEMENT PARTNER

- University of Batangas



## OUR SUSTAINABILITY VALUE CHAIN

Our core business enable us with the opportunities to leverage and positively contribute to all 17 United Nations Sustainable Development Goals (SDGs). At SMPC, we continue to pursue significant efforts to mitigate our environmental impacts, create social inclusion, support energy security, report on financial flows, and respect stakeholder obligations. We work to integrate changes to bolster collaboration, partnership, and meaningful dialogue with the government, civil society, communities, and other stakeholders.

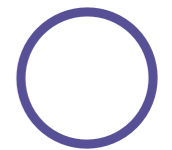


## ENVIRONMENTAL SUSTAINABILITY

Our operational activities cause impacts on land, water, the flora and fauna, and people that depend on these resources. Being aware of our business footprint, we focus on land rehabilitation, restoration, and offsets on managing and mitigating our impacts.

## SOCIAL INCLUSION

In leveraging social inclusive growth, SMPC invests in programs to empower our employees and communities for a better quality of life. These programs equip people with access to skills, livelihood, education and well-being that are not temporary but life-changing solutions toward a sustainable island economy of self-sufficiency after the end of mine life.



## ECONOMIC DEVELOPMENT

SMPC commits to capital development through the strategic allocation of funds and the sharing of its economic development more broadly. We do not only measure our success through our financial performance but on our positive economic impacts towards poverty alleviation, food security, and local economic growth.







- Royalties, taxes to local, regional, and national government units
- Local employment opportunities
- Skills training
- Local procurement support
- Non-mining livelihood and entrepreneurship projects



- Vegetable and backyard farming program
- Agro-farming livelihood and capacity building
- Groundwater resource management



- Workplace Occupational Safety and Health (OSH) program and protocols
- Employee vaccination program
- Community health programs and capacity building support
- SMPC infirmary services
- COVID-19 response and isolation facilities
- LGU partnerships on community health workers training



- Sponsorships of undergraduate and teachers' postgraduate scholarships
- Blended school learning materials and equipment support
- E-learning support
- Partnership with Divine Word School of Semirara Island, Inc. and D.M. Consunji Technical Training Center



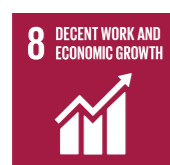
- Gender-inclusive, diversity and equity policy
- Gender-sensitive harassment policy
- Gender-inclusive livelihood projects



- Alternative water sources use
- Rainwater collection system program for community
- Wastewater treatment facilities
- Effluent quality monitoring



- Cost-efficient and energy-saving facilities upgrades
- P2.50/kWH subsidy for community electricity through Antique Electric Cooperative



- Economic growth with local procurement through MSMEs
- Direct, indirect and induced employment



- Road network infrastructure projects in Semirara Island
- Infirmary infrastructure repairs and upgrades in Semirara Island
- IT infrastructure sharing with the community



- Out-of-school youth skills training and job opportunities for graduates
- Social development livelihood projects for women and marginalized groups
- Inclusive employment to PWD



- Social development programs after end of mine life
- Land rehabilitation and restoration
- Infrastructure projects



- Water resource management
- Emissions, waste and effluents management
- Energy efficiency management
- Responsible sourcing and green criteria to suppliers
- Bottom ash repurpose



- Carbon offsets through reforestation
- Biodiversity offsets through marine and terrestrial conservation programs
- PHP1.5 billion appropriation for climate investment
- Capacity building towards a carbon transition roadmap
- Emergency response and disaster resilience program



- Endangered clams propagation and reseedling
- Coral transplantation
- Partnerships for Marine Protected Areas, Semirara Island, Antique and Balayan, Batangas



- Panian mine restoration
- Biodiversity offset through Semirara Biodiversity Conservation Center programs
- Partnership for Adopt-A-Forest



- Community dialogues, consultations and issues resolution
- Zero child and forced labor violation
- Whistleblowing and community grievance mechanisms



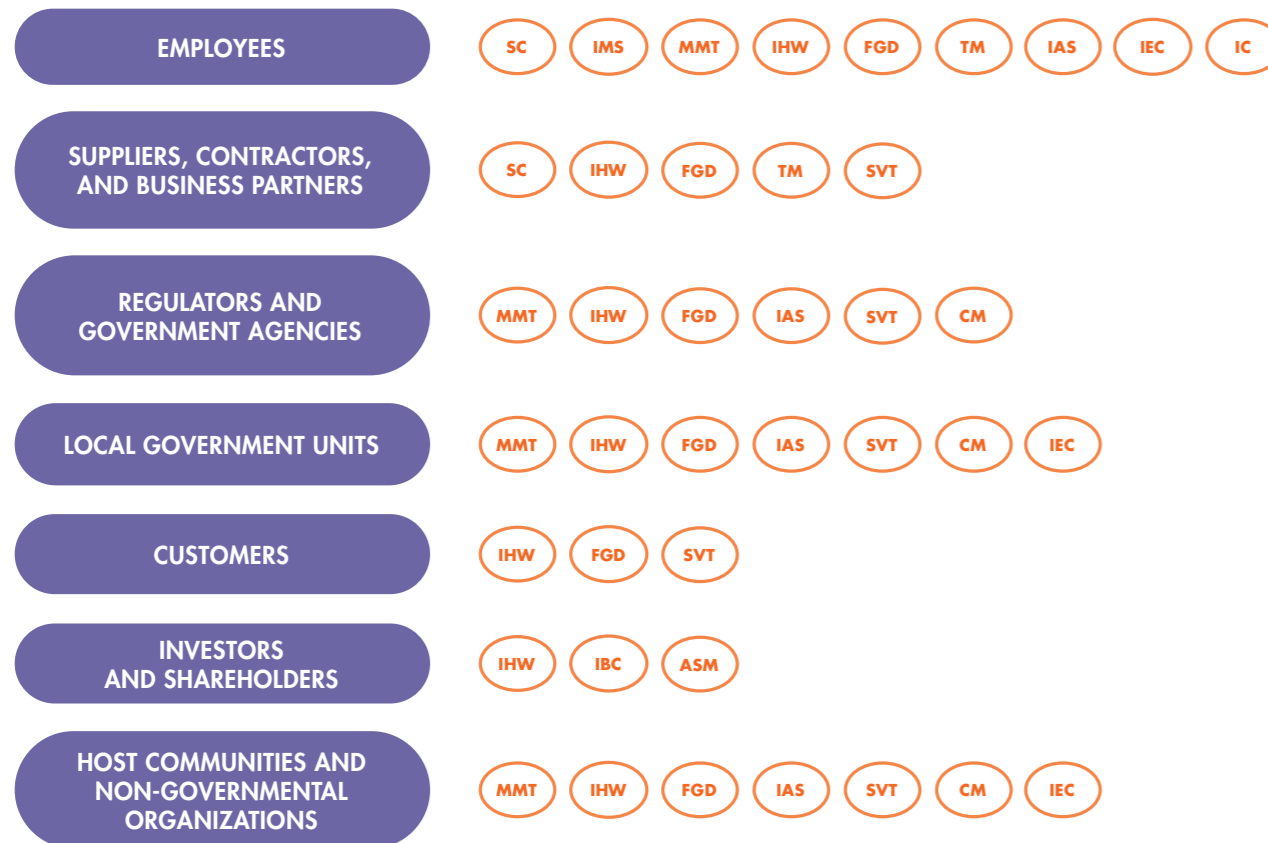
- Public-private partnerships on sustainable environmental and social development programs
- Regular convergence and coordination meetings with local government units on Barangay Development Plans

# OUR STAKEHOLDER ENGAGEMENT

102-4, 102-5, 102-45

Stakeholder engagement is an important element in our approach to sustainability. We identified and engaged stakeholder groups through various consultations, surveys, and focus group discussions. By understanding the issues and concerns that are most important to them, we can design appropriate and timely responses and advance our sustainability agenda.

LEGEND	
<b>ASM</b>	Annual Stockholders' Meeting
<b>CM</b>	Consultations, meetings
<b>FGD</b>	Focus group discussions, consultations
<b>IAS</b>	Impact assessment and studies
<b>IBC</b>	Investor briefings, conferences
<b>IC</b>	Internal communication (Postman email and text blast)
<b>IEC</b>	Information, Education, and Communication programs
<b>IHW</b>	Integrity hotline and whistleblowing
<b>IMS</b>	Integrated Management System (IMS) meetings
<b>MMT</b>	Multi-partite Monitoring Team
<b>SC</b>	Safety Committee meetings
<b>SVT</b>	Site visits, tours, and inspections
<b>TM</b>	Toolbox meetings, town halls



# AFFIRMING OUR MATERIALITY

102-40, 102-42, 102-43, 102-44, 102-47

SMPC adheres to the GRI Sustainability Reporting Standards as our sustainability reporting framework that guides our stakeholder engagement and materiality.

We rolled out survey questionnaires and focus group discussions through a third-party GRI specialist to determine the material topics and issues relevant to our key stakeholder groups in 2018. We identified 18 out of the 33 GRI topics that greatly affect and influence our decision-making

to our stakeholders, therefore, material to the Company. Furthermore, we considered mine rehabilitation as a material topic and among the priority directives of our main regulator, the Department of Energy (DOE), which oversees our coal operating contract.

In 2021, we held several consultations and conducted engagement activities (i.e., economic and social impact assessment survey, convergence with LGU leaders) with our key stakeholder groups to

reaffirm our material topics. These identified material topics demonstrate a significant impact on our stakeholders and may also affect their decision-making. We aligned our material topics to our sustainability strategies and priorities.

As we remained vigilant to the effects of the COVID-19 pandemic, SMPC responded by augmenting the health and safety needs of our people and communities during these challenging times covered in our material topics.



## ENVIRONMENTAL SUSTAINABILITY

- Materials
- Energy
- Water and Effluents
- Biodiversity
- Emissions
- Waste
- Supplier Environmental Assessment
- Mine Rehabilitation



## SOCIAL INCLUSION

- Employment
- Labor/Management Relations
- Occupational Health and Safety
- Training and Education
- Local Communities
- Customer Health and Safety
- Socio-Economic Compliance
- Emergency and Disaster Resilience
- COVID-19 Response



## ECONOMIC DEVELOPMENT

- Economic Performance
- Market Presence
- Indirect Economic Impacts







# Integrating Climate-Nature Stewardship

SMPC pursues a scientifically anchored approach that is relevant, just, and valuable in managing our environmental impacts and increasing nature-positive action while balancing business needs. We remain purpose-driven and be adaptive in actively addressing nature dependencies and related organizational and societal risks. We seek to integrate our performance measurement and a reporting framework to enhance existing disclosures and stakeholder communication.



In situ giant clam spawning activity in Semirara Marine Hatchery





## MANAGING ENERGY USE AND EMISSIONS

### ENERGY RESOURCE

103-1, 103-2, 103-3

SMPC ensures the responsible and rational use of energy from heavy equipment use and power generating facilities and prudent consumption of resources.

We implemented cost-efficient energy-saving upgrades and innovations to align ourselves

to the ISO 50001 Energy Management System standards and move towards compliance with the Republic Act 11285 or the Energy Efficiency and Conservation Act.

In 2021, we implemented several projects that saved around 10.27 million kWh of

electricity from our operations. These involved the LED upgrade of our mining and power plant lighting system and key industrial process improvements, such as boiler water conditioning, stoker improvement, and rainwater collection system.

### ENERGY CONSUMPTION WITHIN THE ORGANIZATION 302-1

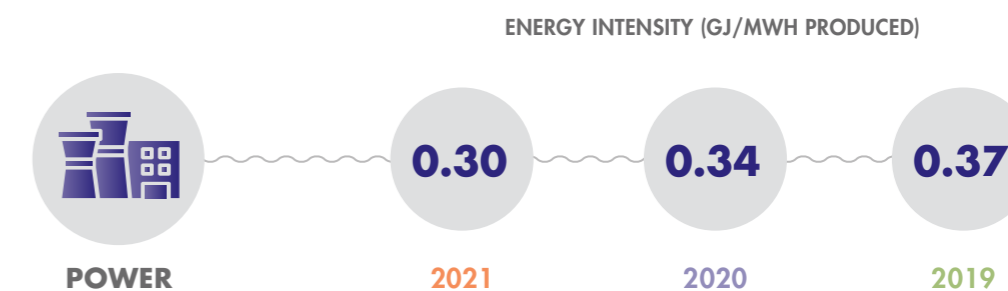
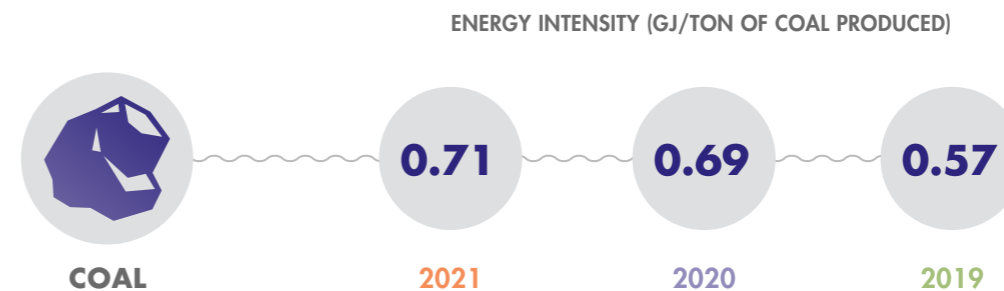
ENERGY SOURCE - CONSOLIDATED (In millions, GJ)	2021	2020	2019
Renewable	-	-	-
Non-renewable (Includes gasoline, diesel, bunker fuel, coal, & oil)	24.53	26.01	21.64
Electricity Consumption	1.34	0.56	1.74
Electricity Sold	14.54	15.86	13.42
<b>Total</b>	<b>11.33</b>	<b>10.71</b>	<b>9.96</b>

In managing water seepage, which entailed dewatering mitigation measures at our Molave mine, energy consumption increased by

40 percent due to the higher energy demand. Likewise, electricity consumption from our power plants in Semirara Island increased by around 18 percent.

The consolidated gross generation of our Calaca, Batangas power plants decreased by 15 percent or around 2.5 million GJ against the 2020 level. This is mainly attributable to the prolonged unplanned shutdown of Unit 2; as such, the consolidated operating hours of our Power segment also decreased by 2 percent compared to the levels last year.

### ENERGY INTENSITY 302-3 GJ/PRODUCTION/GENERATION





## EMISSIONS 103-2, 103-3

The coal energy industry requires higher accountability and greater transparency of our operations through stringent regulations and stakeholder obligations related to GHG emissions. Our emission management adopts several policy frameworks and compliant control facilities and technology to monitor and mitigate our emissions, including GHG, nitrogen oxides (NOx), sulfur oxides (SOx), and other particulates.

Electrostatic precipitators, limestone injections, wet scrubbers, cyclone separators, and covered coal yards are measures implemented to control particulate matter and pollutant gasses, such as SOx, and keep concentration at allowable limits. Fly ash from power plants is repurposed as a cement additive or sold for additional revenue.

In controlling fugitive emissions, we utilize watering sprinklers, dust suppressors, mobile water trucks, and atomizers during our coal mining, handling, and storage operations.

We align our GHG accounting practices with ISO 14064-01:2018 standards, Greenhouse Gas Protocol Standards, and the Intergovernmental Panel on Climate Change (IPCC) guidelines.

We conform to the Ambient and Source Emissions Standards and other DENR mandates by using our monitoring systems, including the Continuous Emission Monitoring System (CEMS), closed-circuit televisions (CCTVs), Stack Emission Monitoring, and Ambient Air Quality Monitoring.

On the other hand, Units 1 and 4 completed their third-party stack emissions monitoring. Unit 3 experienced an unplanned shutdown at the time of the sampling, completing only 1 out of the required two tests for the year. In contrast, Unit 2's prolonged shutdown deferred its monitoring activities for the year.

The higher coal production led to the 11-percent increase in GHG emissions for our Coal segment. Our continued

efforts to manage the water seepage also contributed to this increase as emissions from our power plants on the island have increased by 30 percent compared to 2020 levels. Fugitive emission becomes the primary emission contributor, which takes 42 percent of the total emissions, followed by mine truck and shovel operations with 38 percent.

Our Power segment's consolidated GHG Scope 1 emissions also decreased by 13 percent, aligned with its lower materials and energy consumption for 2021. The combined emissions of Units 1 and 4 contributed to more than 70 percent of the total Power segments emissions.

### Direct (Scope 1) GHG emissions (in million tCO2e) 102-48, 305-1

2021	2020	2019
5.80	6.31	5.34

### Indirect (Scope 2) GHG emissions (in tCO2e) 102-48, 305-2

2021	2020	2019
18,506	15,210	15,977

**Scope 1** – Direct GHG emissions from sources that are owned or controlled by SMPC, including emissions generated by own power plants, coal stockyard, and mining equipment.  
**Scope 2** – Indirect GHG emissions from purchased electricity.

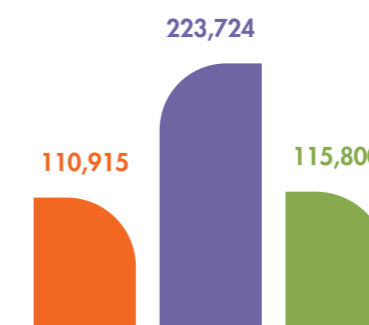
Our Information, Education, and Communication (IEC) program ensures open and regular communication to our host communities and affected key stakeholders regarding scheduled start-up activities of our Calaca power plant operations, the expected impact thereof, and our mitigation action. This includes coordination meetings with DENR regulators in resolving community concerns promptly, if any. We also arrange official facility inspections and dialogues to discuss our pollution prevention measures and appropriate action plans to enhance trust and transparency among our stakeholders.

We value the feedback of our host communities which enables us to affirm and continually improve the effectiveness of our management approach.

## GHG EMISSIONS INTENSITY 102-48, 305-4

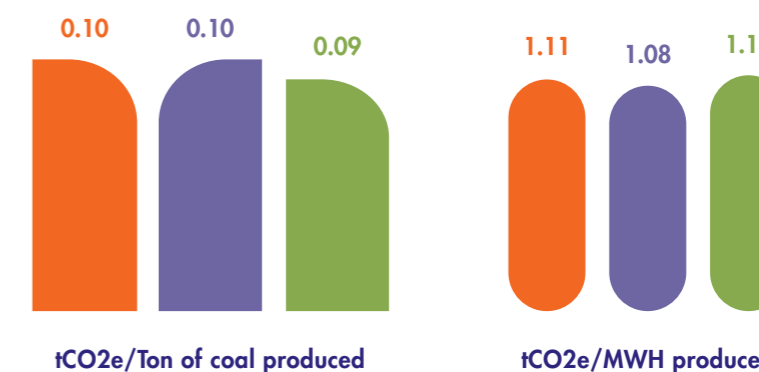
● 2021 ● 2020 ● 2019

### TONS CO2E PER PHP BILLION REVENUE/SALES



In 2021, we recalibrated our restoration and offset programs to be flexible to site-specific environmental and operational conditions as part of our climate-nature action. We continue to invest in bio-sequestration as a remediative step to re-establish ecosystem and biodiversity values to absorb GHG emissions.

### TONS CO2E PER PRODUCTION/GENERATION





# ADDRESSING WATER RESOURCES AND EFFLUENTS

## WATER RESOURCES

103-1, 103-2, 103-3, 303-1, 303-2

Water is a crucial element in our core business. We utilize water prudently to minimize our impact on shared water resources with our local communities. Our water management practices aim to ensure equitable access and prudent use of sustainable water supply with our stakeholders.

Before its treatment and use, water is withdrawn from several adjacent sources. For instance, river water undergoes the demineralization process before being converted to steam for turbine power generation. Meanwhile, seawater runs through our own desalination plant treatment at Semirara Island before being used for power generation or domestic use by residents and employees. Prior to discharge, water undergoes treatment before being sent back to the sea.

We regularly conduct monitoring measures and tests to ensure the effectiveness of our water sustainability practices.

## SEMIRARA MINE SITE

Our desalination plant at our mine site taps alternative water sources to lessen our reliance on freshwater. This includes the impounded rainwater in Sanglay and a rainwater collection system to support our operational and administrative needs.

Our rainwater collection system installations increased its output from 0.66 Megaliters in 2020 to 2.71 Megaliters of water in 2021, leading to the extension of the project to schools and other strategic locations on Semirara Island.

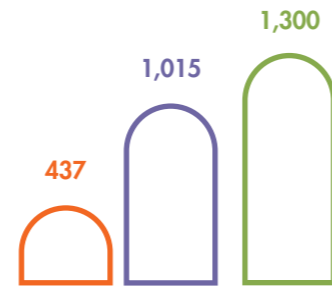
### WATER WITHDRAWAL

102-48, 303-3 (in Megaliters)

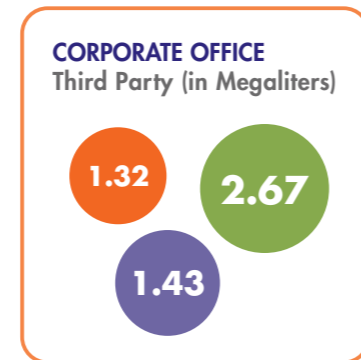
MINE SITE	2021	2020	2019
<b>Surface Water</b>			
Bunlao Spring	98	140	46
Sanglay Spring	1,202	366	64
Sanglay Lake	549	441	489
Rainwater collection system	3	0.66	-
<b>Ground Water</b>			
Puntod Deep Wells	58	164	15
Unong Deep Wells	-	-	16
Fresh Water Well No. 6	-	129	56
<b>Sea Water</b>			
Ilugao Bay	36,876	32,654	28,183
Third-Party	-	-	-
<b>Total</b>	<b>38,785</b>	<b>33,896</b>	<b>28,870</b>

● 2021 ● 2020 ● 2019

### DESALINATION PLANT PRODUCTION (in Megaliters)



### WATER WITHDRAWAL



## CALACA POWER PLANT SITE

Despite the lower gross generation in 2021, our Power segment recorded a 1-percent decrease in water withdrawal due to the fill and drain procedure implementation for Unit 2. The procedure prevents tube corrosion while the plant is in a lengthy shutdown. The plant site also experienced leaks from a damaged underground raw water supply line, contributing to its high withdrawal.

### WATER WITHDRAWAL 102-48, 303-3

(in Megaliters)

● 2021 ● 2020 ● 2019

CALACA PLANT SITE	2021	2020	2019
<b>Surface Water</b>			
Dacanlao River	1,790	1,326	959
<b>Ground Water</b>			
Groundwater	42	92	26
<b>Sea Water</b>			
Balayan Bay <sup>1</sup>	839,991	905,987	885,531
<b>Total</b>	<b>895,823</b>	<b>907,405</b>	<b>886,516</b>

<sup>1</sup>Water withdrawn passes through the Water Treatment Plant. 50% is converted into demineralized water for boiler use, while the remaining 50% recovery at WTP discharged to Balayan Bay is within the DENR limit.

### WATER CONSUMPTION 102-48, 303-3

(in Megaliters)

	2021	2020	2019
Coal Operations	2,346	2,255	2,317
Power Operations	1,823	1,408	977
Head Officer	0.29	0.28	1.18
<b>Total</b>	<b>4,170</b>	<b>3,664</b>	<b>3,925</b>

### FRESHWATER\* WITHDRAWAL INTENSITY

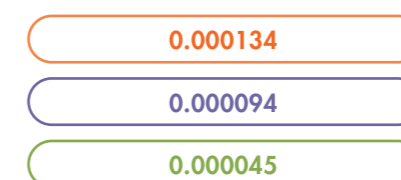
Megaliters per production/generation

FRESHWATER WITHDRAWAL INTENSITY PER SEGMENT

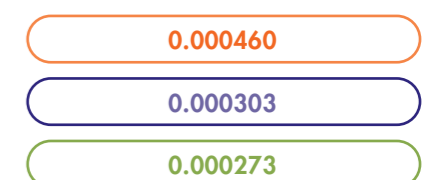


2021  
2020  
2019

COAL (IN MEGALITERS/ TON OF COAL PRODUCED)



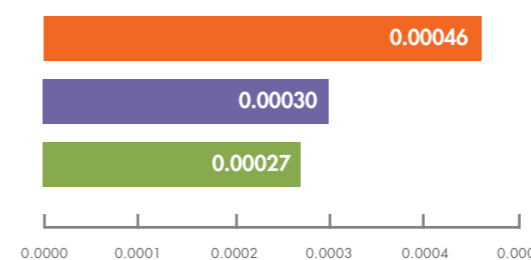
POWER (IN MEGALITERS/ MWH PRODUCED)



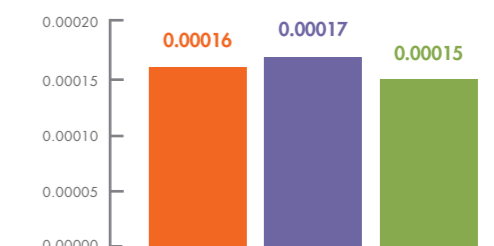
\*Includes surface water and groundwater withdrawals

### WATER CONSUMPTION INTENSITY

MEGALITERS/MWH PRODUCED



MEGALITERS/TON OF COAL PRODUCED





## EFFLUENTS 303-2

We perform treatments on our effluents to reduce our water impacts through our pollution control facilities, which comply with Republic Act No. 9275 (Clean Water Act) and DENR Administrative Order No. 2016-08 (Water Quality Guidelines and General Effluent Standards of 2016).

In our mining operations, our wastewater treatment facilities include pocket sumps, settling ponds, cooling canals, and oil and water separators. We use neutralization, oil-water separator, and coal sedimentation ponds in our Power segment effluents.

The dominant water discharge comes from our plants' cooling water. Other discharge sources, which underwent treatment, include the Calaca Plant, neutralization pond, oil-water separator pond, and coal sedimentation pond.

Through our treatment process, we return approximately 95 percent of our water withdrawals to Balayan Bay, Batangas, while 92 percent to Ilugao Bay, Semirara Island. Condensation and unaccounted water use, such as cleaning and fire hydrants, cause a small percentage of unreturned water.

Effluent quality monitoring is conducted monthly by our Environmental unit and quarterly by a DENR-accredited third party. We assess and monitor our effluents periodically alongside third parties and in-house monitors. Afterward, a Multi-partite Monitoring Team (MMT) validates the monitoring results.

All third-party ambient and effluent quality monitoring were conducted during the year. A monthly internal water leak audit was also performed in our Power segment to ensure water was withdrawn and maximized based on its intended use.

## WATER DISCHARGE 102-48, 303-4 (in Megaliters)

	DISCHARGE	LOCATION	2021	2020	2019
Coal	Sea Water	Ilugao Bay	36,439	31,640	26,553
Power	Sea Water	Balayan Bay	894,000	905,997	845,945
Corporate	Drainage	Makati City	1.04	1.12	1.81
		<b>Total</b>	<b>930,440</b>	<b>937,637</b>	<b>872,500</b>



## OPTIMIZING LAND RESOURCE

103-1, 103-2, 103-3

SMPC goes beyond complying with our license to operate by mitigating its direct operational impacts on the ecosystem. Our strategic land resource management aims to restore and develop mined-out and open areas through engineering and leading practices.

As part of our environmental restoration and biodiversity conservation goals, we conduct reforestation and wildlife species propagation. It also includes improving longevity through planning, close monitoring, and assessment.

### SOUTH PANIAN RESTORATION



**407,209**

hills/trees

SURVIVING TREES PLANTED



**30**

Captive-bred birds  
REINTRODUCED

## MINE REHABILITATION AND RESTORATION

SMPC adopts a science-based approach to ensure a sustainable restoration at the end of mine life. With our close collaboration and leveraging with the Department of Energy (DOE), we demonstrated our responsible closure approach in the successful South Panian mine rehabilitation which has been recognized by our ASEAN peers.

In 2021, we upscaled restoration of the South Panian mine with a focus on re-establishing land function, biodiversity values and ecoservices. We also enhanced

measures during the year to improve the survival of the planted trees, such as erosion controls.

Our rehabilitation of the depleted North Panian pit is on track with a 98 percent backfilled coverage of the mined out area. It serves as an overburden area for our Molave and Narra mines due to its adjacent location to both mines. Its final closure plan and implementation will be subject to the DOE approval with due regard of its continuing support to optimize extraction activities.

### NORTH PANIAN REHABILITATION

AREA

**232**  
Hectares

VOLUME OF  
BACKFILLED  
MATERIALS

**277**  
Million,  
BCM

BACKFILLING  
COVER

**98%**

ELEVATION

Prior to  
backfilling

**-300**  
Meters below  
sea level

After  
backfilling

**30**  
Meters above  
sea level



**STORY**

**SMPC BAGS ASEAN ENERGY AWARD FOR ACCELERATED SOUTH PANIAN REHAB**



SMPC received top honors in the ASEAN Energy Awards, Southeast Asia’s highest recognition for excellence, creativity, practicality, and dedication to a cause in the field of energy.

SMPC was declared the winner in the Special Submission category for its accelerated rehabilitation of its South Panian pit in Semirara Island, Antique. The category is reserved for projects that involve innovative, creative, best practices, and excellent cases in coal development and utilization.

Considered the fastest rehabilitation effort of its kind and scale in the Philippines, SMPC’s accelerated the backfilling and reforestation of the 168-hectare open pit of the South Panian mine.

After the depletion and closing of the Panian Pit in September 2016, SMPC completed the rehabilitation plan for South Panian in less than two years, which should have been five to ten years. SMPC transformed the area from 260 meters below sea level to five to 11 meters above sea level with rolling terrain and over 350,000 seedlings of endemic and native trees.



South Panian Open Pit in 2017



South Panian Rehabilitated Pit in 2021

**PROMOTING RESOURCE EFFICIENCY** 103-1, 103-2, 103-3

Through the DOE Coal Operating Contract No. 5, SMPC explores, develops, and extracts coal resources in Semirara Island in a prudent and rational manner.

SMPC uses coal as a primary product and our resource for low-cost baseload energy production. Alongside coal, our power generation plants use non-renewable materials, such as gasoline and diesel.

In promoting responsible material management, our Power segment deploys coal-stocking measures at minimum inventory to prevent coal-related hazards, spontaneous combustion, and waste control. We store our diesel and gasoline at a fuel depot in Semirara Island in case of potential supply interruption and inventory purposes.

At a consolidated level, non-renewable materials in tons decreased by 12 percent, while liters increased by 3 percent.

The shutdown of Unit 2 primarily caused this decline, or more than 380,000-ton decrease in material use, including coal, oil, and limestones. These materials are crucial inputs for power plant operations.

In contrast, our Coal segment experienced a 39-percent increase in non-renewable material in tons due to the increased demand for energy. Coal consumption for energy generation on the island increased by 48,148 tons compared to 2020.



301-1	MATERIALS USED BY WEIGHT OR VOLUME					
	MATERIALS USED BY WEIGHT OR VOLUME	UNIT	LOCATION	2021	2020	2019
	Renewable	Tons/liters	None	-	-	-
	Non-renewable	In millions, tons	Coal, light and heavy oil, limestone, hydrazine hydrate, and liquefied petroleum gas (LPG)	2.8	3.2	2.6
	Corporate	in millions, liters	Diesel and gasoline	225.6	219.1	183.6



## PURSUING TO SUSTAINABLE WASTE MANAGEMENT 103-1, 103-2, 306-2

SMPC established waste management systems to ensure waste materials are accounted for and disposed of safely.

We placed coded trash bins to segregate our wastes throughout our workplace, wherein we collect the recyclables in the Materials Recovery Facilities (MRF) before being sold to recyclers. Aside from MRFs and storage facilities, we maintain our composting facility for biodegradable materials.

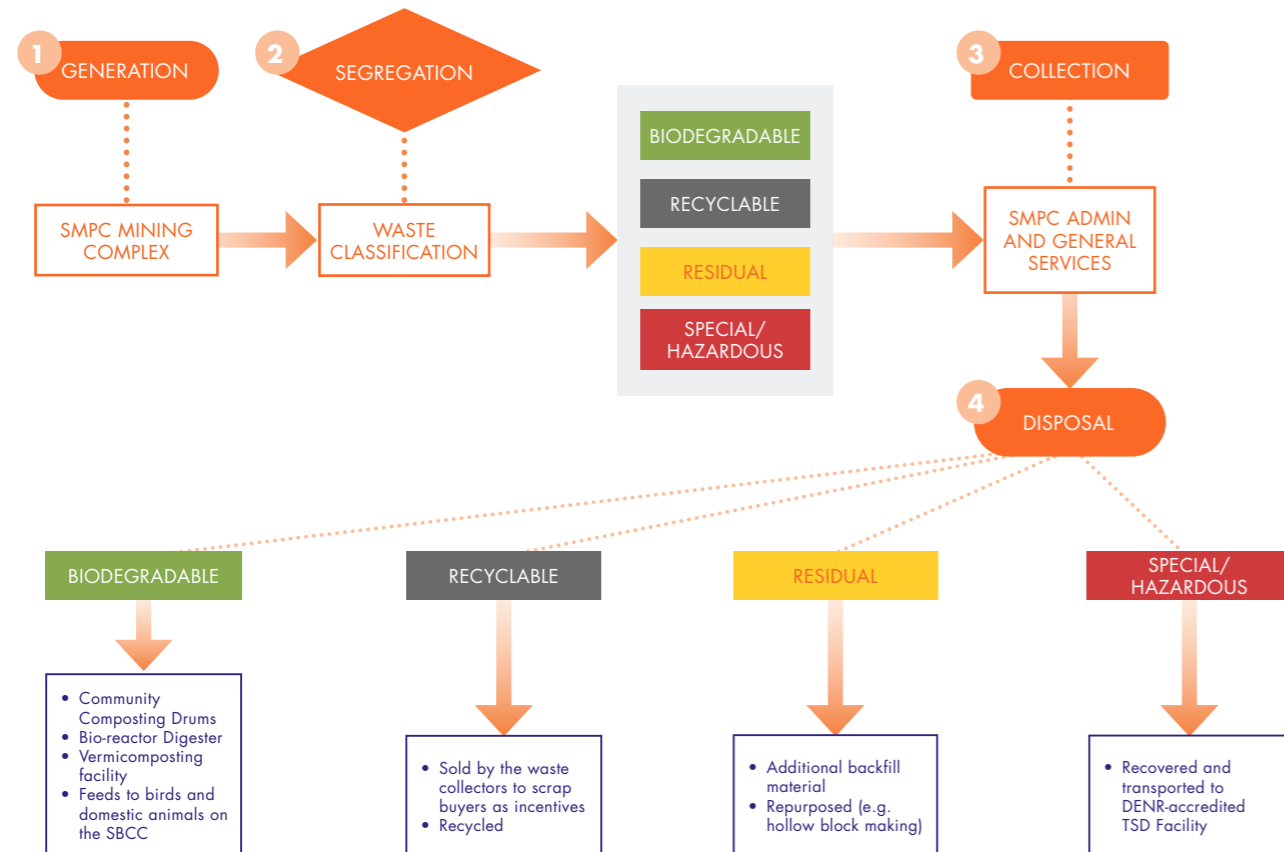
We found ways of using our waste materials and by-

products through cost-efficient strategies. We utilize used oil as a start-up fuel for our power plant units in Semirara Island. Meanwhile, we donate the collected bottom ash from our Coal and Power segments to the local cooperatives and organizations. Bottom ash acts as a construction material additive for activities, such as concrete hollow block making.

Residual coal collected from the conveyor line can power pottery kilns. Additionally, we collect fly ash and sell them to cement manufacturers for additional profit.

Every industry produces waste products from its operations, particularly large-scale businesses. Improperly managed wastes can lead to adverse effects on the environment and community. Our 4-step waste management process aims to mitigate the impacts of our mining operations, promote a circular economy through repurposing residual material, recycling, and engagement with the local communities.

### MINE SITE WASTE MANAGEMENT



## COAL

### WASTE BY COMPOSITION, IN METRIC TONS (T) 306-3

WASTE COMPOSITION	WASTE GENERATED	WASTE DIVERTED FROM DISPOSAL	WASTE DIRECTED TO DISPOSAL
Hazardous	2,405	2,220	161
Non-hazardous	966	495	471

### WASTE DIVERTED FROM DISPOSAL BY RECOVERY OPERATIONS, IN METRIC TONS (T) 306-4

WASTE COMPOSITION	ONSITE	OFFSITE	TOTAL
<b>HAZARDOUS WASTE</b>			
Preparation for reuse	2,220	0	2,220
Recycling	0	0	0
Other recovery options	0	0	0
<b>Total</b>	<b>2,220</b>		
<b>NON-HAZARDOUS WASTE</b>			
Preparation for reuse	211	0	211
Recycling	0	0	0
Other recovery options	284	0	284
<b>Total</b>	<b>495</b>		
<b>Waste Prevented</b>			<b>2,715</b>

### WASTE DIRECTED TO DISPOSAL-BY-DISPOSAL OPERATIONS, IN METRIC TONS (T) 306-5

WASTE COMPOSITION	ONSITE	OFFSITE	TOTAL
<b>HAZARDOUS WASTE</b>			
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	0	0
Landfilling	0	0	0
Other disposal operations	0	161	161
<b>Total</b>			<b>161</b>
<b>NON-HAZARDOUS WASTE</b>			
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	0	0
Landfilling	471	0	471
Other disposal operations	0	0	0
<b>Total</b>			<b>471</b>



## POWER

### WASTE BY COMPOSITION, IN METRIC TONS (T) 306-3

WASTE COMPOSITION	WASTE GENERATED	WASTE DIVERTED FROM DISPOSAL	WASTE DIRECTED TO DISPOSAL
Hazardous	48	-	44
Non-hazardous	44	17	29

### WASTE DIVERTED FROM DISPOSAL BY RECOVERY OPERATIONS, IN METRIC TONS (T) 306-4

WASTE COMPOSITION	ONSITE	OFFSITE	TOTAL
<b>HAZARDOUS WASTE</b>			
Preparation for reuse	0	0	0
Recycling	0	0	0
Other recovery options	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NON-HAZARDOUS WASTE</b>			
Preparation for reuse	0	0	0
Recycling	0	0	0
Other recovery options	0	17	17
<b>Total</b>	<b>0</b>	<b>17</b>	<b>17</b>
<b>Waste Prevented</b>			<b>17</b>

### WASTE DIRECTED TO DISPOSAL-BY-DISPOSAL OPERATIONS, IN METRIC TONS (T) 306-5

WASTE COMPOSITION	ONSITE	OFFSITE	TOTAL
<b>HAZARDOUS WASTE</b>			
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	0	0
Landfilling	0	44	44
Other disposal operations	0	0	0
<b>Total</b>	<b>0</b>	<b>44</b>	<b>44</b>
<b>NON-HAZARDOUS WASTE</b>			
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	0	0
Landfilling	0	30	30
Other disposal operations	0	0	0
<b>Total</b>	<b>0</b>	<b>30</b>	<b>30</b>

## STORY

### REPURPOSING RESIDUAL WASTE



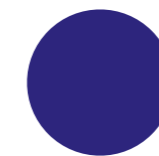
SMPC spearheaded and established people group organizations by providing bottom ash, equipment, and other materials for Concrete Hollow Block Making (CHB) as a sustainable development project for inclusive growth.

Bottom ash is a residual waste from power plant generation and can be repurposed as a substitute for concrete hollow block making.

SCPC and SLPGC supported the "Asosasyon ng Dacanlao

Higit sa Kaunlaran" Producers Cooperative (ADHIKA), a cooperative that provides CHB manufacturing livelihood to the residents. Over time, ADHIKA grew from 31 to 158 members. Its revenues earned PHP5.2 million in 2021 as it evolved into a multipurpose cooperative and provided a sustainable capital to expand its services to include cement and rice importation, cash and appliances lending, groceries provision, and bills payment, loading, and money remittances.

SMPC replicated the successful CHB livelihood program with the Villaresis Foursquare Concrete Hollow Blocks Fabrication Association in Barangay Semirara by providing bottom ash, equipment, and construction materials. Currently, 10 CHB fabricators regularly earn from the program, generating PHP1.1 million revenue in 2021. With its success, we plan to expand the project to Barangay Alegria and Tinogboc.





## NURTURING BIODIVERSITY

### CONSERVING MARINE BIODIVERSITY

103-1, 103-2, 103-3, 304-1, 304-2

We have invested in marine protection programs and rehabilitation initiatives through the Semirara Marine Hatchery Laboratory (SMHL), which includes the propagation and care of abalone, coral fragments, seagrass, and several clam species. Among these species include the world’s largest clam species endemic to the island—*Tridacna gigas*.

Our successful propagation of endangered clams along the island coastline proves that responsible mining and thriving marine life are possible. These clams are keystone species crucial to the coral reef ecosystem and act as bio-indicators of the overall health of the marine ecosystem.

Our support to the University of the Philippines Marine Science Institute through the donation of our clams samples for conservation efforts has been duly recognized and cited in the published Oxford Journal of Molluscan Studies in 2021.

Since SMPC’s sites operate near the coastal areas of Semirara Island and Calaca, Batangas, we implement programs to reduce our environmental

impact and conserve marine biodiversity. Our stakeholders monitor the surrounding coastal environment and further engage through our Information, Education, and Communication (IEC) campaigns.

We coordinate with the government in conducting our Marine Ecology Assessment to monitor the impacts of our business activities on local marine life and ecosystems.

Our Cawong and Dacanlao River clean-ups have been held in partnership with the

DENR-EMB Region IV-A and local communities since 2012. We performed six river and four coastal clean-up activities in 2021.

SCPC and SLPGC provided capacity building for the Barangay Carenahan sea patrollers to empower them in assessing and determining the health of the reefs in Balayan. To further protect the marine sanctuary, we also conducted capacity building on seaweed farming as an alternative livelihood and overfishing prevention.



ENDANGERED CLAMS (304-3)	2021	2020	2019
<b>Semirara Island, Antique</b>			
Propagated	170,349	135,090	170,167
Reseeded	69,424	66,930	84,778
IUCN Red List	2*	2	8
<b>Balayan Bay, Calaca, Batangas</b>			
Surviving	149**	45	36

\**T. gigas* & *T. derasa* listed as Vulnerable  
\*\*Visual observation only

HABITATS PROTECTED (304-3)	AREA (IN HECTARES)
<b>Semirara Island, Antique</b>	
Marine Protected Area, Barangay Tinogboc, Caluya, Antique	49.77
Marine Protected Area, Barangay Alegria, Caluya, Antique	87.95
Semirara Marine Hatchery Laboratory	150.00
Semirara Biodiversity Conservation Center	2.00
<b>Total</b>	<b>289.72</b>
<b>Calaca and Balayan, Batangas</b>	
*Dacanlao and Cawong Rivers (1,600 square meters)	0.16
Adopt an E-NGP Site Barangay Patugo, Balayan, Batangas	50.00
<b>Total</b>	<b>50.16</b>
<b>Grand total</b>	<b>339.88</b>

\*Approximate area as the adopted riverbank is three kilometers

In promoting marine preservation and biodiversity, SMPC volunteers and the Barangay Tinogboc residents collected 1,000 kg of residual waste on the coast of Sitio Sabang in Semirara Island in celebrating the International Coastal Clean-up Day. We also joined the clean-up activities in the Barangay Dacanlao toward the adjacent Barangay San Rafael and the Adopt-an-Estero/Water Body Program of the DENR along Dacanlao and Cawong Rivers.



## MEASURING TERRESTRIAL ECOLOGY

We continually engage qualified third parties to conduct monitoring of the terrestrial ecology at affected sites to assess the predicted impacts on biodiversity and ecosystem services and the effectiveness of managing residual impacts through our remediative steps of restoration and offsetting.

Assessment data are collected using standard practices such as stratified nested-quadrat method for vegetation

assessment, mist netting and cage trapping for live capture of wildlife specimen, and transect walk using audio and visual cues for observation of different faunal assemblages. Indices are calculated using

the Paleontological Statistics (PaST v.3.20) software, and qualitative definitions are based on the 1998 Fernando Biodiversity scale, a widely used reference in local terrestrial ecology assessments.

### DIVERSITY

3.24 (HIGH)

3.01 (HIGH)

- FLORA
- FAUNA

### EVENNESS

0.84 (VERY HIGH)

0.82 (VERY HIGH)

Based on Terrestrial Ecology Monitoring Progress Report 2021 of Lichel Technologies, Inc.

## SUSTAINING REFORESTATION 103-1, 103-2, 103-3, 304-2

SMPC, through its strategic stewardship, also points our sustainability approach toward the reforestation and vegetation restoration disrupted by our mining activities and nearby areas through active monitoring and science-based methodologies.

For our carbon sequestration initiative, we plant mangroves or *bakawan*, which play a vital role in coastal communities. These plants act as shields against strong winds and waves caused by typhoons. Additionally, mangroves have a large carbon absorption

capacity, keeping the carbon dioxide level at manageable levels and greenhouse emissions reduction.

We plant and protect greeneries, such as the preservation and expansion of the mangrove population of the island, outside our mining sites.

### SURVIVING TREES



**640,898**

**MANGROVES**  
planted in 192 hectares



**967,174**

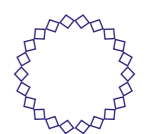
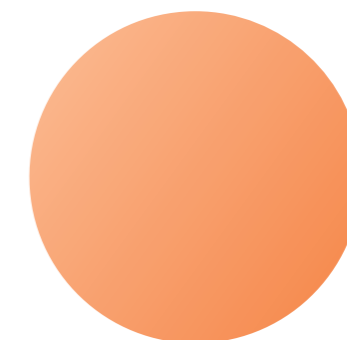
in 477 hectares inside  
the mining complex

**1,007,617**  
in 594 hectares outside  
the mining complex

**26,285**

in Batangas

As part of our environmental stewardship programs, we undertake reforestation beyond our operating sites. We collaborate with environmental consultants and the local government units to tap areas that would most benefit and rationalize additional tree planting and carbon sequestration.





## CONSERVATION STATUS OF TREE SPECIES PROPAGATED IN SEMIRARA ISLAND 304-4

IUCN RED LIST CATEGORY <sup>1</sup>	COMMON NAME	SCIENTIFIC NAME	2021	2020	2019
Vulnerable <sup>5</sup>	Narra	<i>Pterocarpus indicus</i>	100,206	100,397	96,221
Vulnerable <sup>5</sup>	Mahogany	<i>Swietenia macrophylla</i>	3,484	3,537	1,389
Vulnerable <sup>5</sup>	Mancono	<i>Xanthostemon verdugonianus</i>	71	25	29
Vulnerable <sup>5</sup>	Supa	<i>Sindora supa</i>	17	17	17
Vulnerable <sup>5</sup>	Balisayon	<i>Terminalia microcarpa Decne</i>	19,275	4,406	-
Vulnerable <sup>5</sup>	Ipil	<i>Intsia bijuga</i>	568	568	-
Least Concern	Molave	<i>Vitex parviflora</i>	130,386	99,986	96,221
Not Evaluated	Dau	<i>Dracontomelon dao</i>	4,898	1,175	-
<b>Total</b>			<b>258,905</b>	<b>210,111</b>	<b>193,877</b>

NATIONAL CONSERVATION LIST <sup>2</sup>	COMMON NAME	SCIENTIFIC NAME	2021	2020	2019
Endangered <sup>3</sup>	Mancono	<i>Xanthostemon verdugonianus</i>	71	25	29
Endangered <sup>3</sup>	Molave	<i>Vitex parviflora</i>	130,386	99,986	96,221
Endangered <sup>3</sup>	Supa	<i>Sindora supa</i>	17	17	17
Vulnerable <sup>4</sup>	Narra	<i>Pterocarpus indicus</i>	100,206	100,397	96,221
Vulnerable <sup>4</sup>	Ipil	<i>Intsia bijuga</i>	568	568	-
Vulnerable <sup>4</sup>	Dau	<i>Dracontomelon dao</i>	4,898	1,175	-
Not Listed	Balisayon	<i>Terminalia microcarpa Decne</i>	19,275	4,406	-
Not Listed	Mahogany	<i>Swietenia macrophylla</i>	3,484	3,537	1,389
<b>Total</b>			<b>258,905</b>	<b>210,111</b>	<b>193,877</b>

<sup>1</sup>International Union for Conservation of Nature (IUCN)

<sup>2</sup>DENR Administrative Order 2017-11 Updated National List of Threatened Philippine Plants and their Categories

<sup>3</sup>Endangered Species - refers to species, subspecies, variety, or forma that is not critically endangered but whose survival in the wild is unlikely if the causal factors continue operating.

<sup>4</sup>Vulnerable Species - refers to a species or subspecies, variety, forma, or other infraspecific categories of plant that is not critically endangered nor endangered but is under threat from adverse factors throughout its range and is likely to move to the endangered category in the future. This shall include variety, forma, or other infraspecific categories

<sup>5</sup>Vulnerable (VU) species – refers to species categorized by the IUCN as likely to become endangered unless the circumstances threatening its survival and reproduction improve. It is therefore considered to be facing a high risk of extinction in the wild.

IUCN RED LIST	COMMON NAME	SCIENTIFIC NAME
Least Concern	Agoho	<i>Casuarina equisetifolia</i>
Least Concern	Molave	<i>Vitex parviflora</i>
Least Concern	Kalingag	<i>Cinnamomum mercadoi</i>

As part of our household backyard farming program, SCPC and SLPGC donated seeds for the agricultural activity in Calaca and Balayan,

Batangas, last November 2021 to provide a sustainable vegetable supplement for 45 households at our impact barangays Baclaran, Durungao,

and Sampaga. This program would also help them eat fresh and healthy food and reduce their everyday food consumption expenses.

### STORY UPSCALING ADOPT-A-FOREST PROGRAM



Over 10,000 seedlings of narra, molave, and mahogany were planted by SCPC and SLPGC at its adopted 50-hectare upland forest site at Barangay Patugo, Balayan, to surpass its annual 5,000 seedling target.

The program commenced during the rainy season and ensured the greater survival of the planted trees. Additionally, we regularly disseminated information to the DENR-CENRO to promote sustainable forest management and prevent slash and burn farming (*kaingin*) methods. We also provided fruit-bearing tree seedlings to the community.

To further enhance our Adopt-A-Forest program, we will upscale with additional 50 hectares at other areas, such as Mt. Makiling Forest Reserve.







## PROMOTING BIODIVERSITY CONSERVATION

### SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS

304-4

CONSERVATION STATUS OF IMPORTANT ANIMAL SPECIES IN SEMIRARA ISLAND		
IUCN Red List	COMMON NAME	SCIENTIFIC NAME
Vulnerable	Philippine duck	<i>Anas luzonica</i>
Least Concern	Philippine hanging parrot	<i>Loriculus philippensis</i>
Near Threatened	Long-tailed macaque	<i>Macaca fascicularis ssp. philippensis</i>

CONSERVATION STATUS OF SPECIES IN SEMIRARA BIODIVERSITY CONSERVATION CENTER				
National Conservation List	COMMON NAME	SCIENTIFIC NAME	2021	2020
Endangered (EN)	Philippine Eagle-owl	<i>Bubo philippensis philippensis</i>	7	6
Vulnerable (VU)	Mantanani Scops-owl	<i>Otus mantananensis romblonis</i>	7	5
Vulnerable (VU)	Philippine Duck	<i>Anas luzonica</i>	6	6
Critically Endangered (CR)	Blue-naped Parrot	<i>Tanygnathus lucionensis ssp.</i>	2	2
Endangered (EN)	Nicobar Pigeon	<i>Caloenas nicobarica nicobarica</i>	2	2
Other Threatened Species (OTS)	Mindoro Monitor Lizard	<i>Varanus (marmoratus) bangonorum</i>	5	5
Other Threatened Species (OTS)	Philippine Box Turtle	<i>Cuora amboinensis</i>	25	11
Other Threatened Species (OTS)	King Cobra	<i>Ophiophagus hannah</i>	1	1
Endangered (EN)	Large Flying Fox	<i>Pteropus vampyrus</i>	2	1
<b>Total</b>			<b>57</b>	<b>39</b>

\*DENR Administrative Order No. 2019-09 Updated National List of Threatened Philippine Fauna and their Categories

CONSERVATION STATUS OF SPECIES IN SEMIRARA BIODIVERSITY CONSERVATION CENTER				
IUCN	COMMON NAME	SCIENTIFIC NAME	2021	2020
Vulnerable (VU)	Philippine Eagle-owl	<i>Bubo philippensis philippensis</i>	7	6
Near Threatened (NT)	Mantanani Scops-owl	<i>Otus mantananensis romblonis</i>	7	5
Vulnerable (VU)	Philippine Duck	<i>Anas luzonica</i>	6	6
Near Threatened (NT)	Blue-naped Parrot	<i>Tanygnathus lucionensis ssp.</i>	2	2
Near Threatened (NT)	Nicobar Pigeon	<i>Caloenas nicobarica nicobarica</i>	2	2
Endangered (EN)	Southeast Asian Box Turtle	<i>Cuora amboinensis</i>	25	11
Vulnerable (VU)	King Cobra	<i>Ophiophagus hannah</i>	1	1
Near Threatened (NT)	Island Flying Fox	<i>Pteropus hypomelanus</i>	1	1
Near Threatened (NT)	Large Flying Fox	<i>Pteropus vampyrus</i>	0	1
<b>Total</b>			<b>51</b>	<b>35</b>

### UPHOLDING WILDLIFE CONSERVATION 304-1

The Semirara Biodiversity Conservation Center (SBCC) has functioned as a wildlife rescue center in rehabilitating helpless pullets, eggs, juvenile birds found fallen from the nest, injured adult birds, and other wildlife after a storm or found before vegetation clearing during mine expansion projects. Furthermore, SBCC plans to start new species recovery programs to breed nearly or completely extinct wildlife on Semirara Island.

To help in community involvement and information dissemination, SMPC conducts educational tours and lectures in SBCC, educating the community about the importance of biodiversity conservation and species for reintroduction in Semirara Island.

Lastly, SBCC, through its habitat restoration activities, provides information about the particular habitat requirements of each species of birds and other wildlife, including their feeding biology and diet, breeding habits, ethological needs, etc.

This year, we released over 30 native birds at the

rehabilitated South Panian mine to reintroduce biodiversity and establish a functional ecosystem. Among the released species were ten native birds turned over by residents and nursed back to health by the company veterinarian in compliance with the Wildlife Farm Permit issued to SBCC by DENR-Region VI.





## ADVOCATING RESPONSIBLE SUPPLY CHAIN

### SUPPLIER ENVIRONMENTAL ASSESSMENT AND SUPPLY CHAIN MANAGEMENT 103-1, 103-2, 103-3

In incorporating sustainability practices in our supply chain, SMPC integrated a supplier environmental assessment within our supplier accreditation process. Through the ecological criteria included in our supplier screening, we gain further insights into the potential risks of their processes and practices, including waste reduction and management practices, procurement procedures, energy efficiency technologies, and other efforts toward mitigating their environmental footprint.



### NEW SUPPLIERS ASSESSED WITH GREEN CRITERIA 308-1

SUPPLY CHAIN 102-9, 102-48

	2021	2020	2019
<b>TYPES OF SUPPLIERS ENGAGED</b>	<b>Materials</b> Original Equipment Manufacturer (OEM) Brand & component Equivalent/Aftermarket parts  <b>Services</b> Technology certified personnel Contractor and technical support	<b>Materials</b> Original Equipment Manufacturer (OEM) Brand & component  <b>Services</b> Technology certified personnel	<b>Materials</b> Original Equipment Manufacturer (OEM) Brand & component  <b>Services</b> Technology certified personnel
<b>TOTAL NUMBER OF SUPPLIERS ENGAGED THROUGHOUT THE SUPPLY CHAIN</b>	775	1,029	1,131
<b>COAL</b>	422	661	477
<b>POWER</b>	353	368	654
<b>GEOGRAPHIC LOCATION OF SUPPLIERS</b>			
<b>LOCAL</b>	78.5%	76%	52%
<b>FOREIGN</b>	21.5%	24%	48%
<b>ESTIMATED MONETARY VALUE OF PAYMENTS MADE TO THE SUPPLIER (IN PHP BILLION)</b>	26.50	12.7	19.5
<b>COAL</b>	16.40	8.5	13.0
<b>POWER</b>	10.10	4.2	6.5





# Nurturing Talent

103-1, 103-2

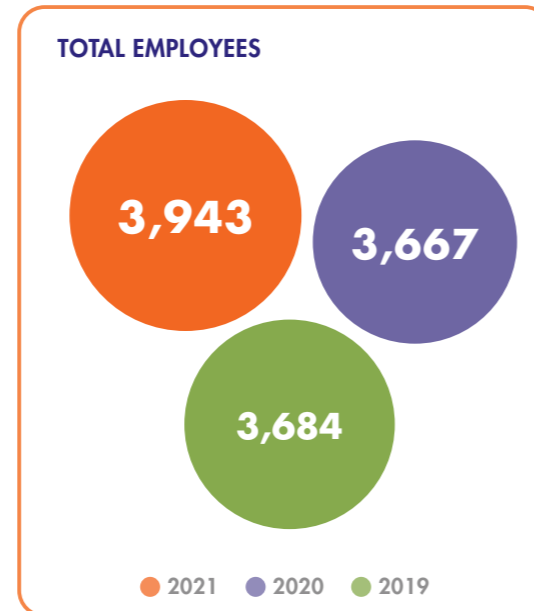
We continuously instill a culture of learning and growth in our workforce by promoting the development of everyone without compromising their safety and dignity. We uphold a leadership that caters to strengthening a mindset of agility, supporting innovations in our methods, and reinforcing digitization of our processes in the organization. These mindsets carry out our plan towards a quality, skill-progressive workforce, enabling operations longevity.





## CHAMPIONING DIVERSITY, EQUITY, AND INCLUSION

We view our employees as valuable assets. While our male-dominated workplace is attributed to the nature of our operations, we ensure fair treatment of our employees and nurture diverse talent regardless of gender or orientation. An affirmation of this practice was recognized by the Bloomberg Gender-Equality Index (GEI) in 2021. The GEI measures gender equality across five pillars: female leadership and talent pipeline; equal pay and gender pay parity; inclusive culture; anti-sexual harassment policies; and pro-women brand.



### BY SEGMENT, GENDER, AND EMPLOYMENT TYPE 102-8

	COAL		POWER		TOTAL	
	%	NUMBER	%	NUMBER	%	NUMBER
Male	94	3,249	87	428	93	3,677
Female	6	201	13	65	7	266
<b>Total</b>	<b>100</b>	<b>3,450</b>	<b>100</b>	<b>493</b>	<b>100</b>	<b>3,943</b>

### BY GENDER AND LOCATION 405-1

	COAL		POWER		TOTAL
	MALE	FEMALE	MALE	FEMALE	
Luzon	488	72	412	65	<b>1,037</b>
Visayas	1,532	98	10	-	<b>1,640</b>
Mindanao	1,229	31	6	-	<b>1,266</b>
<b>Total</b>	<b>3,249</b>	<b>201</b>	<b>428</b>	<b>65</b>	<b>3,943</b>

### BY AGE GROUP 405-1

	COAL		POWER		TOTAL	
	%	NUMBER	%	NUMBER	%	NUMBER
Under 30 years old	33	1,146	26	130	32	1,276
30 to 50 years old	61	2,094	52	256	60	2,350
Over 50 years old	6	210	22	107	8	317
<b>Total</b>	<b>100</b>	<b>3,450</b>	<b>100</b>	<b>493</b>	<b>100</b>	<b>3,943</b>

### BY LEVEL

	COAL		POWER		TOTAL	
	%	NUMBER	%	NUMBER	%	NUMBER
Executive	0.2	8	0.6	3	0	11
Managerial	1	34	5	24	1	58
Professional – Technical	5	175	20	98	7	273
Supervisory	5	174	17	83	7	257
Rank and File	89	3,059	58	285	85	3,344
<b>Total</b>	<b>100</b>	<b>3,450</b>	<b>100</b>	<b>493</b>	<b>100</b>	<b>3,943</b>





**STORY**

**VALUING EQUALITY**



We ensure that our work environment promotes the growth and development of our employees, particularly women, without compromising their safety and dignity.

We give women in the workforce equal training, succession, promotion, compensation, and benefits to rise and thrive at their chosen roles. Our non-discrimination policies protect our people across all positions.



Being a woman is not a weakness. Even in this industry, SMPC provides an avenue to realize our potential to the fullest.

**GIRLIE BITARRA,**  
GEOLOGY DEPUTY HEAD



As a female welder with mostly male colleagues, I am proud to say that I can work my best at SMPC. If they can do it, so can I!

**AILYN TUPAS, WELDER,**  
MOBILE DEPARTMENT



As I live up to the people's expectations, I'm glad to be part of an organization that promotes a happy balance between men and women in the workforce.

**GERMA C. NINGAS,**  
ADMINISTRATION AND  
GENERAL SERVICES  
SUPERVISOR



We may be dominated in terms of numbers, but our contribution to this company is not outnumbered or under-weighting. Let's continue to learn and exercise our capabilities towards self-growth.

**NIKKA MACATANGAY,**  
ENVIRONMENTAL  
SUPERVISOR



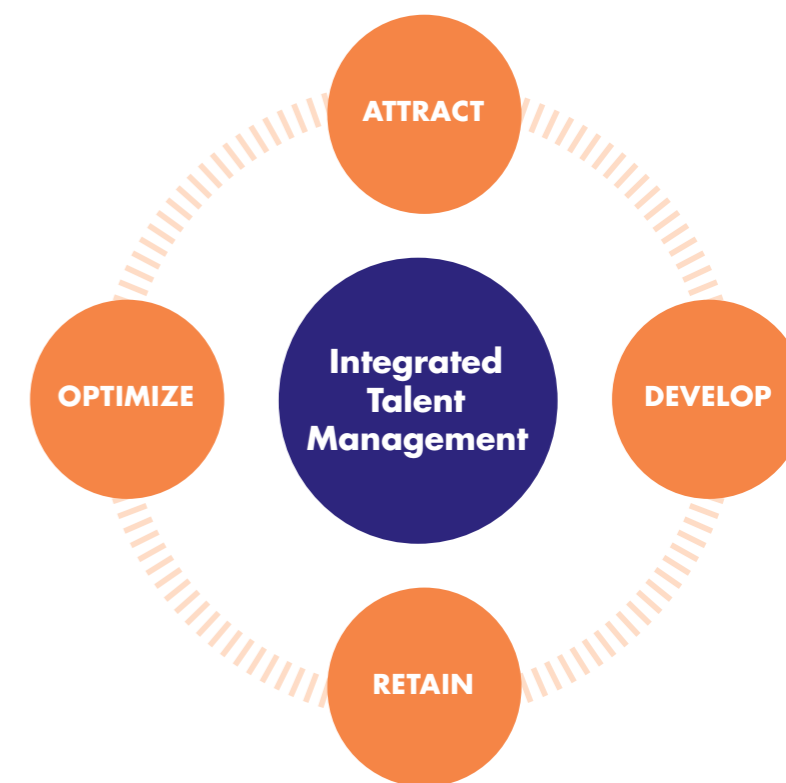
I am proud to be part of a company that provides a vast equal opportunity for both men and women for professional growth.

**ROSELLE S. AQUINO,**  
PURCHASER, SUPPLY CHAIN  
MANAGEMENT, SPC

Even in a male-dominated industry, we provide equal opportunity to our workforce, regardless of gender. We salute the women of SMPC for their hard work, dedication, and drive to grow to their fullest.

**SUSTAINING THE RIGHT TALENTS** 103-1, 401-1

SMPC's integrated talent management framework enables its human resources to realize and pursue their long-term career plans with the company. Through competency-based recruitment, we can attract talents that fit the role and culture of the company. Our regular training needs assessment enables competency development to close the skill gap and achieve optimum performances. Productivity, excellence, and positive work outputs are rewarded to motivate and retain employees who will become the next experts and people managers in the field.



401-1	NEW HIRES	EMPLOYEE TURNOVER	HIRING RATE	TURNOVER RATE
COAL	577	330	17%	10%
POWER	23	30	5%	6%
CONSOLIDATED	600	360	16%	9%



## COMPETENCY-BASED RECRUITING

In 2021, SMPC gained an increased number of applicants and quality hires with experience and skills that match the required job competency, work attitude, and overall fit to the culture of SMPC. Aside from our competency-based approach to hiring, we monitor the applicable trends in recruitment and integrate them into our talent attraction process. This holistic approach toward talent attraction provides a competitive advantage as it boosts productivity across the organization.

## ENABLING CAREER ADVANCEMENT 103-3

SMPC aims to obtain a reduced turnover rate by applying our retention strategy to our employees, from their onboarding and employment to their eventual retirement or departure from the company.

SMPC values motivation and employee satisfaction as a key to providing long-term and impactful contributions no matter what level you are in the organization. We provide a competitive pay package and rewards mechanism

## NEW HIRES 401-1

NEWS HIRES BREAKDOWN	COAL	POWER	CORPORATE	CONSOLIDATED
BY AGE GROUP				
Under 30 y.o.	386	14	18	418
30-50 y.o.	164	9	4	177
Over 50 y.o.	4	0	1	5
<b>Total</b>	<b>554</b>	<b>23</b>	<b>23</b>	<b>600</b>
BY GENDER				
Male	457	20	9	486
Female	97	3	14	114
<b>Total</b>	<b>554</b>	<b>23</b>	<b>23</b>	<b>600</b>
BY REGION				
Luzon	50	23	23	96
Visayas	358	0	0	358
Mindanao	146	0	0	146
<b>Total</b>	<b>554</b>	<b>23</b>	<b>23</b>	<b>600</b>

## EMPLOYEE TURNOVER 401-1

TURNOVER BREAKDOWN	COAL	POWER	CORPORATE	CONSOLIDATED
BY AGE GROUP				
Under 30 y.o.	152	10	8	170
30-50 y.o.	110	9	8	127
Over 50 y.o.	50	11	2	63
<b>Total</b>	<b>312</b>	<b>30</b>	<b>18</b>	<b>360</b>
BY GENDER				
Male	286	23	7	316
Female	26	7	11	44
<b>Total</b>	<b>312</b>	<b>30</b>	<b>18</b>	<b>360</b>
BY REGION				
Luzon	47	26	18	91
Visayas	167	2	0	169
Mindanao	98	2	0	100
<b>Total</b>	<b>312</b>	<b>30</b>	<b>18</b>	<b>360</b>

to our employees, allowing them to stay while furthering their careers.

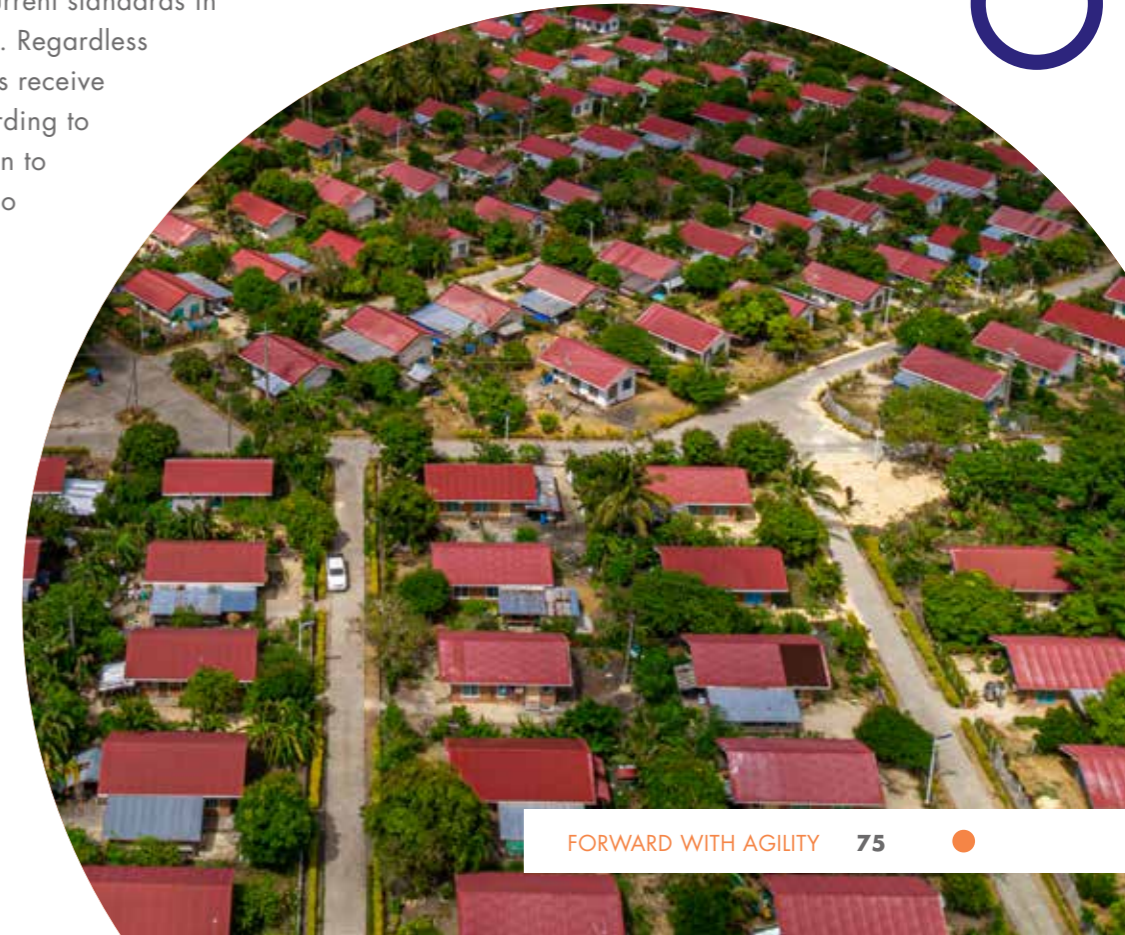
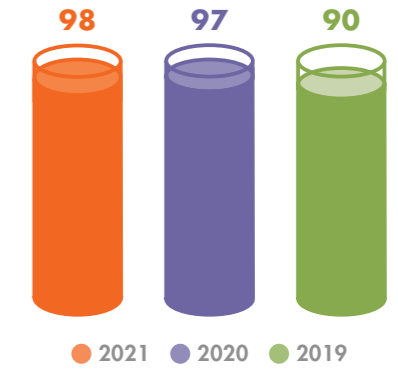
In carrying out sustainable growth, we place the utmost importance on the expertise and commitment of our employees. We have further improved our fill-in rate in 2021 by promoting competent and engaged internal candidates to critical functions and management positions.

## IMPROVING QUALITY OF LIFE 405-2

As we take care of our employees, SMPC ensures to provide salary and benefits in upholding their right to financial security and livelihood. We comply with the Department of Labor and Employment (DOLE) guidelines on employee compensation and benefits. We keep our industry standards and labor market rates updated, so our employees are compensated and have improved their quality of life.

In providing competitive salaries to our employees, we review and adjust our salary structure based on the current standards in the market as applicable. Regardless of gender, our employees receive fair and equal pay according to their role and contribution to the organization. We also provide annual salary increases, ranging from 7 percent to 22 percent, which is higher than the country's across-the-industry range of 5.5 percent in 2021.

## Retention Rate







## LIST OF BENEFITS 401-2



Government Mandated Leaves (Magna Carta for Women, VAWC)



SSS



PhilHealth



Pag-Ibig



Paternity Leave



Maternity Leave



Vacation Leave



Sick Leave



Bereavement Leave and Assistance



Service Award



Retirement Plan



Family Relocation



Rice Allowance, Mine Site employees



Electricity and Water Allowance, Mine Site employees



Medicine Allowance/ Reimbursement



On-Site Housing/ Housing Assistance and Accommodation



Free Mine Site Infirmary services, Mine Site employees



Life and Accident Insurance



Medical Care - Insurance (HMO)



Free Education, Mine Site Employees' Dependents



Emergency Leave

## DEVELOPING POTENTIALS 103-1

SMPC believes that employee growth and development are analogous to the Company's growth and expansion. We provide employees with the right opportunities to enhance their skills and help them achieve their highest potential in their chosen careers. We provide resources and continuous interventions that enable our employees to build up their competencies to quickly adapt and respond to uncertain and volatile situations and increase output quality.

## ACCELERATING SKILLS AND COMPETENCIES 103-2, 103-3, 404-2

Aside from talent acquisition, SMPC also implements training needs assessments to analyze gaps, thereby creating internal and external development interventions covering behavioral enhancement, technical-functional, and leadership development across levels.

Our interventions include training, shadowing, coaching and mentoring, on-the-job practice, and stretch assignments for our employee development programs. Revisiting individual development plans set at the start of the performance year is done regularly by the managers to

ensure alignment of interventions and progress of their employees.

Due to the pandemic challenges, we fully adopted an e-learning management system to respond quickly to the learning needs of our workforce. We implemented training programs through webinars, online interactions, and the use of other online collaborative tools, allowing our people to learn at their own pace.

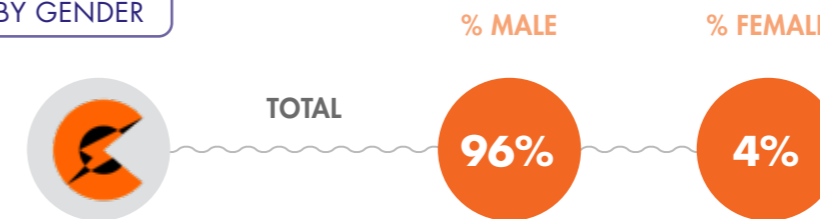
We also employ a competency-based approach to assess the effectiveness of our employee development. Our regular

key talent reviews and standardized measurement tools help us identify potentials that match a blueprint of a successful expert and a leader.

Our performance management system, aligned to the digital improvements, helps us provide a robust talent management process. As we strengthen and improve the talent pool, SMPC consistently finds ways to produce a competent, productive, and engaged workforce.

## EMPLOYEES RECEIVING PERFORMANCE REVIEWS 404-3

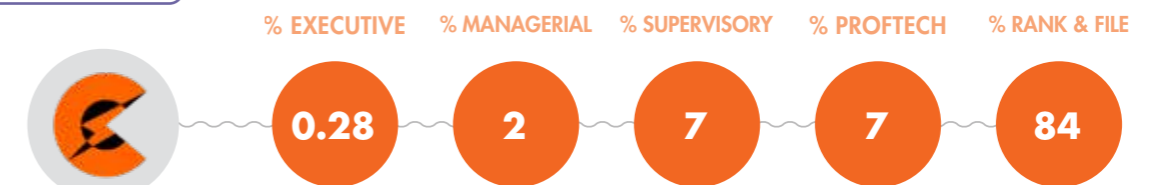
BY GENDER



Employees of all levels receiving performance reviews

**100%**

BY POSITION



CONSOLIDATED



### AVERAGE TRAINING HOURS PER EMPLOYEE 404-1

	TOTAL EMPLOYEES	TOTAL TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE
Coal	3,450	164,433	48
Power	493	24,203	49
<b>Consolidated</b>	<b>3,943</b>	<b>188,636</b>	<b>47</b>

### TOTAL TRAINING HOURS

BY TRAINING CATEGORY 404-2

TRAINING CATEGORY	COAL	POWER	TOTAL
Behavioral	12,601	2,936	15,537
EHS	45,176	9,212	54,388
Leadership	3,467	414	3,881
Professional and technical development	99,598	9,579	109,177
Quality management	3,591	2,062	5,653
<b>Total</b>	<b>164,433</b>	<b>24,203</b>	<b>188,636</b>

### AVERAGE TRAINING HOURS PER EMPLOYEE

	BY GENDER	
	MALE	FEMALE
Coal	57	71
Power	39	66
<b>Consolidated</b>	<b>45</b>	<b>67</b>

### AVERAGE TRAINING HOURS BY LEVEL

BY LEVEL	EXECUTIVE	MANAGERIAL	SUPERVISORY	PROFTECH	RANK & FILE
Coal	42	65	52	51	47
Power	19	68	72	50	41
<b>Consolidated</b>	<b>35</b>	<b>66</b>	<b>59</b>	<b>51</b>	<b>47</b>

### TRAINING SPEND

	COAL	POWER	TOTAL
No. of Employees	3,450	493	3,943
Total 2021 Training Spend (in PhP capitalized and expensed)	8,101,738	1,104,504	9,206,242
Average Training Spend per Employee (in PhP)	2,348	2,240	2,335

In 2021, we placed the highest training spending on leadership development and professional and technical development. Our significant investments in this area show our commitment to providing expertise to our professionals and equipping leaders.

Due to pandemic restrictions, face-to-face training was decreased to ensure the safety of our employees. While ensuring quality and continuity of learning, we placed interactive training assessments and debriefings. Telecommuting and flexible work arrangements enabled us to adapt to the pandemic situation. Compared to 2020, the 2021 training implementation resulted in a 21-percent increase in training hours.

### STORY

#### DIGITIZED LEARNING



Finding opportunities amid the pandemic, SMPC launched The Learning Hub, our learning management system (LMS) that provides opportunities for self-paced learning and continuous skills development even outside of their usual workplaces.

Our LMS also allows employees to catch up on missed learning sessions due to work-related responsibilities. It enables them to access past web recordings to refresh skills and knowledge, using devices like laptops, tablets, or even mobile phones.

The e-LMS allows employees to access training offerings and customize development



tracks based on their identified competencies. We have carefully selected courses for each category to address their needs for improvement and competency requirements in enhancing their skill set.

The training courses include Behavioral; Leadership; Professional and Technical Development; Quality Management System; Environment, Health, and Safety; and a separate location for all the webinar recordings in the archive.



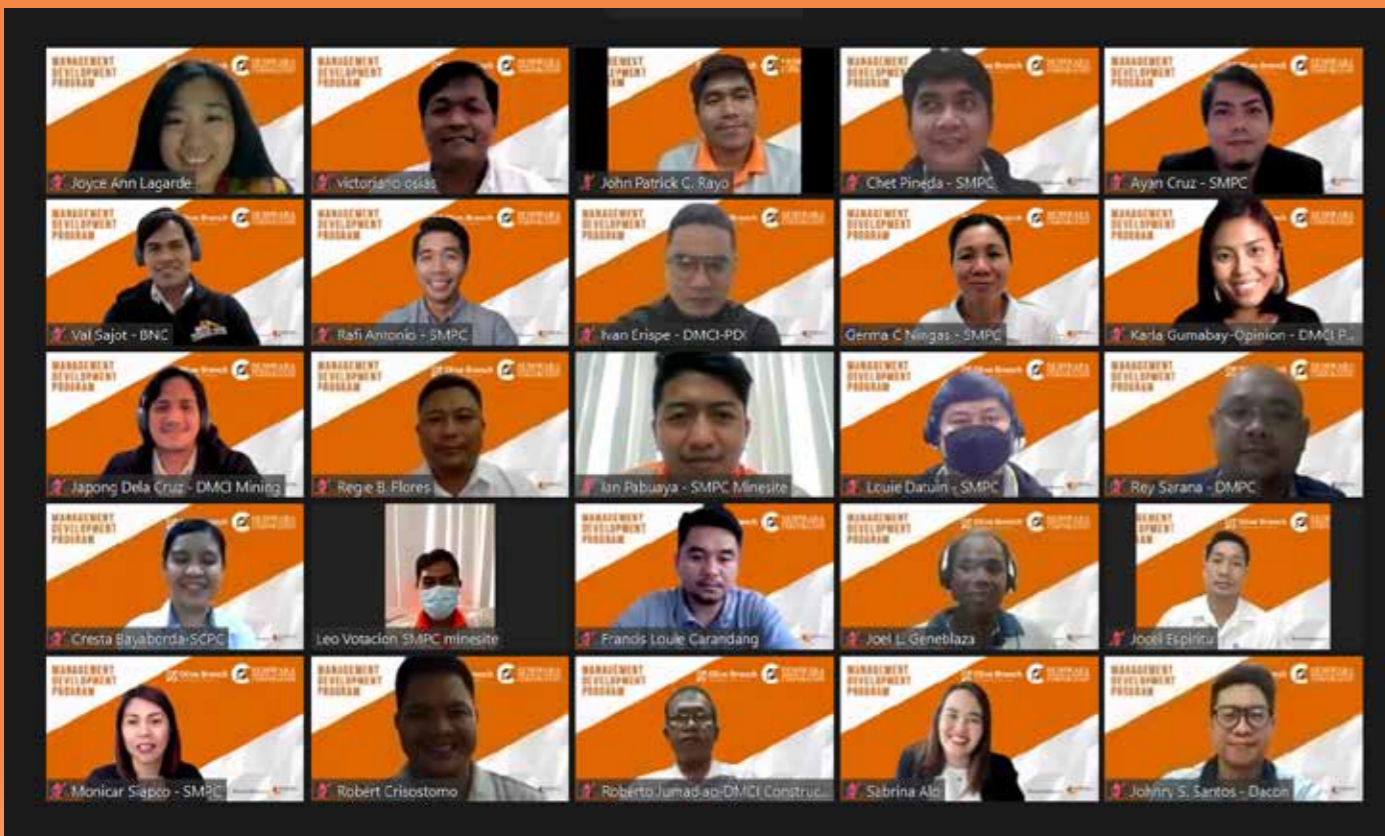
**STORY**  
**AUGMENTING LEADERSHIP**



As part of our continuous employee development program in 2021, 26 supervisors from SMPC and its subsidiaries, SCPC and SLPGC, joined their counterparts from parent company DMCI Holdings, Inc. (DMCI-HI) in taking the first level of the Management Development Program (MDP).

The Foundation Management and Leadership Training (FMLT), a 12-week, five-module course, aims to equip participants with the knowledge and skills of self-management, foundational leadership, and business strategies. The training topics included personal encounters, aspirations and values, situational analysis and decision-making, productivity and sustainability, business continuity, and change and adaptation.

Sponsoring its fourth run, our SMPC President and Chief Operating Officer, Maria Cristina C. Gotianun, values the significance of leadership sustainability as she continuously supports our learning culture. Meanwhile, the Olive Branch Applied Business Sciences, Inc. facilitated the program, culminating in the group project presentations, mostly about process improvements.



**STORY**  
**UPSKILLING TECHNICIANS**



In our efforts to train all levels of employees in the organization, 11 cadet technicians and 15 apprentice mechanics joined the heavy equipment repair and maintenance certification training last October 2021.

We aim to accelerate the development of our SMPC mechanics and technicians to keep up with today's industry standards in heavy equipment and maintenance. The training also facilitated the career and personal growth of our employees.

The curriculum includes Engine Servicing, Electrical Servicing, Hydraulic Servicing, Powertrain Servicing, and Undercarriage Servicing courses.

This certification training is aimed at our mine site employees to be more self-reliant in optimizing heavy equipment repairs, lowering the cost of maintenance, and increasing their confidence in performing everyday tasks.



**STORY**  
**ALIGNING WITH INDUSTRY STANDARDS**



In promoting workforce development, SCPC and SLPGC employees join the Certified Welding Inspector (CWI) and Radiographic Test (RT) Film Interpretation Training and Certification sponsored by the Philippine Welding Society.

10 CWI and 10 RT Film Interpretation, including maintenance supervisors and project-in-charge, performance engineers, and other potential engineers for career and succession planning, joined the event.

The program aims to align the technical competencies of our maintenance and performance engineers involved in the maintenance and refurbishment projects of our boilers, particularly welding works and metallurgy, to keep up with the industry standards.

This training verified the competence of our employees through recognized certifying bodies of the industry, increasing their confidence to assert technical observations and analysis to third-party contractors, suppliers, and technical consultants.







## FOSTERING COMMITMENT

102-41, 402-1

Internally, we placed employee communication through real-time feedback, “e-Kumustahan” sessions, and general assemblies to welcome discussions, about employee wellness, performance results, and other matters related to attending and aiding our people during the pandemic.

This practice of reaching out and ensuring everyone had their opinions heard fosters renewed commitment to sustain and carry out the Company’s mission.

## EMPLOYEE ENGAGEMENT PROGRAMS 403-6

● COVID-19 Awareness and Prevention Campaign



● Employees Concern Program



● General Assembly



● Government Benefits Awareness



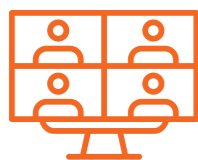
● HR Connect



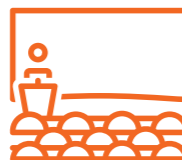
● River and Coastal Cleanup



● LEAP (Leadership Engagement to Accelerate Performance)



● Health Lectures



● Employee Recognition



## UPHOLDING FUNDAMENTAL RIGHTS

102-41, 407-1, 408-1, 409-1

SMPC views our employees as valuable assets. Hence, we protect their fundamental principles and rights at work. We align our policies with the International Labour Organization (ILO) conventions, including abolishing child labor; freedom of association; forced labor elimination; provision of equal opportunities and treatment; and collective bargaining.

We are committed to recognizing the importance of diversity in all areas of our business, including recruitment, talent development, skills enhancement, appointment to roles, Board appointments, retention of employees, and succession planning, among others.

SMPC does not tolerate harassment, discrimination, and intimidation on the grounds of race, origin, gender, age, disability, marital status, sexual orientation, religion or belief, or any unlawful reason.

We ensure our workplace is free from all forms of child labor. The Company prohibits persons below 18 years of age from being hired or employed in any form. Neither does the Company engage in or condone forced labor in its workplace.

To date, we have 23 union members, or 0.53 percent of our Coal segment workforce, covered by the Collective Bargaining Agreement (CBA). We negotiated with the company union members and resulted in a wage agreement, working hours, and terms of employment, among others.

Whenever there is a reglementary period, we comply with the minimum notice period provided by the DOLE to give our people ample adjustment time. We provide at least a one-week notice period post-consultation before implementing significant organizational changes.



**1,332**  
Training Hours on human rights awareness

**264**  
Participants

**0**  
Child and Forced Labor Violation







## ENFORCING A SAFETY CULTURE

103-1, 103-2, 103-3, 403-1

SMPC prioritizes and values workplace safety across all of our sections in promoting a culture of an enhanced, safe work environment. This culture of safety allows our workforce and contractors to perform their duties for the Company with managed risk to health and well-being.

Through leveraging systems focused on employee protection, SMPC reduces the potential risks (i.e., manpower loss and regulatory sanctions), which hinder our business progression. We strategically and continuously allocate our resources to implement safety mechanisms and procedures to improve the working conditions through careful risk monitoring and assessments.

To further improve the safety of our employees, in 2020, our Coal segment successfully transitioned to ISO 45001:2018, which aims to improve our occupational safety and health (OSH) measures. In 2021, our Power segment migrated from OHSAS 18001:2007 to the same OSH management system. In pursuing continuous improvement and safety system effectiveness, our regular monitoring with external assurance decreased our workplace-related incidents over the years.

## RESPONDING TO HEALTH-RELATED NEEDS 403-2, 403-3

SMPC goes beyond what is required and improves our safety protocols based on the risk assessments conducted regularly by our Occupational Health (OH) team.

Our operations include risks and hazards, such as chemicals, fumes, dust, and noise. SMPC values the safety of our workforce and reduces these health hazards through

site implementations of dust suppression systems, fume hoods, work schedule adjustments, and wearing personal protective equipment.

We instill a culture of safety in our employees by orienting them with safe work practices and registering them to undergo sufficient training hours before doing their on-site responsibilities.



SMPC provides essential medical services through an on-site clinic and infirmary with a medical team of physicians, nurses, and other medical professionals, as well as regular check-ups for employees at risk of work-related impairments. Emergency transportation and health services are available at the sites 24/7.

We established the Occupational Health Office to quickly respond to the health-related needs of our people in operations, enabling them to save time and resources in traveling to the infirmary. We deploy our health practitioners in the office at defined intervals in providing services, such as consultation, treatment, and blood extraction.

### OUR ENVIRONMENTAL, HEALTH, AND SAFETY (EHS) COMMITTEES 403-4

Coal Operations	Power Operations	Corporate Office	TOTAL
205	102	14	321
191	94	13	298
182	58	13	253

● 2021 ● 2020 ● 2019

### EMERGENCY MEDICAL VEHICLE AVAILABILITY

	2021	2020	2019
Coal Operations	3*	3*	3*
Power Operations	2	2	2
Corporate Office	1**	1**	1**

\* Emergency medical vehicle

\*\* Shared with the affiliate

Our Environmental, Health, and Safety (EHS) Committees conduct monthly meetings to review, monitor, and report our health and safety program effectiveness. In adapting to the new normal working protocols, virtual meetings took place

to consolidate experiential knowledge from health and safety-related incidents and provide feedback on training programs.

With the additional EHS Committee members,

particularly our materials and service provider employees, we can have a more efficient rollout of EHS projects, timely incident reporting, transparency in incident investigation, and faster sharing of lessons learned and best practices because of the increased membership in the committee.



## LEVERAGING PIT SAFETY

In mitigating the geological hazards and risks in our mine sites, SMPC integrates innovations and behavioral measures to enhance pit safety and avoid loss of life.

To mitigate critical risks factors, such as slope stability, we employ planning and assessment measures, such as geohazard mapping, pre-start inspections, and toolbox meetings to assess our areas before work.

In leveraging our systems, we invest in new technologies, such as our weather station typhoons and rainfall monitoring, slope stability radars covering our Molave Pit, and a PRO3-Advanced Equipment Simulator for our heavy equipment operators. We continued simulator training in 2021, totaling 1,249 training hours for our 350 workers.

We secure the issuance of a working permit based on our established ground control plant from our MTSO, MPED, Geology, and OSH bodies. We obtain the permit before executing medium- to high-risk unloading, upon newly opening mine blocks, resumption of mining activities after a wall collapse, and quarrying activities.



### OUR PIT SAFETY PROGRAM

- Ground Control Plan
- Pit slope stability management
- Jet grouting technology
- Conduct of double cut-off wall
- Area assessment and verification via drone technology
- Geo-hazard mapping and pit slope stability assessment
- Area inspection and safety patrol
- Safety permit before opening new mining blocks

**58**  
EPR Drills  
Conducted  
in 2021

## STABILIZING DISASTER RESILIENCE 102-13

SMPC places importance on the swift and proper response of the workforce when faced with natural disasters in maintaining safety and health at the workplace. We include our disaster resilience measures from our Emergency Preparedness and Response (EPR) plan and involve our key stakeholders, regulators, and first responders in our drills. Through these drills, we obtain feedback, which enables us to leverage our systems in enhancing safety and health resilience.

In extending the reach of our safety and health protocols, our ERT also assesses the community needs regarding disaster resilience and joins the local Barangay Disaster Operation Center (BDOC) in showcasing our leadership toward safety.

To comply with the prevailing quarantine protocols, our Corporate Office EHSS Committee has decided to shift towards tabletop and virtual EPR drills as applicable. Such activities allowed our team to refresh their knowledge on what to do during an emergency while maintaining a safe distance from other attendees.

### OUR RESILIENCE PARTNERS 102-13

Philippine Air Force 505th Search and Rescue Group



Philippine Coast Guard-Semirara



Philippine Red Cross



Semirara Island Emergency Action Group



Philippine Integrated Fire Protection Organization



Bureau of Fire Protection





## POWER PLANT SAFETY

Our Power segment's mitigation measures address equipment- and plant-related risks, including electrical shocks, burns, boiler fires, explosions, and contact with hazardous chemicals as primary workplace risks. We provide pre-job planning, EPR equipment, and training to our employees. We also oversee the activities through our Risk and Safety Management Program, which requires the monitoring and reporting of safety incidents, root cause analysis, and incident investigation management.

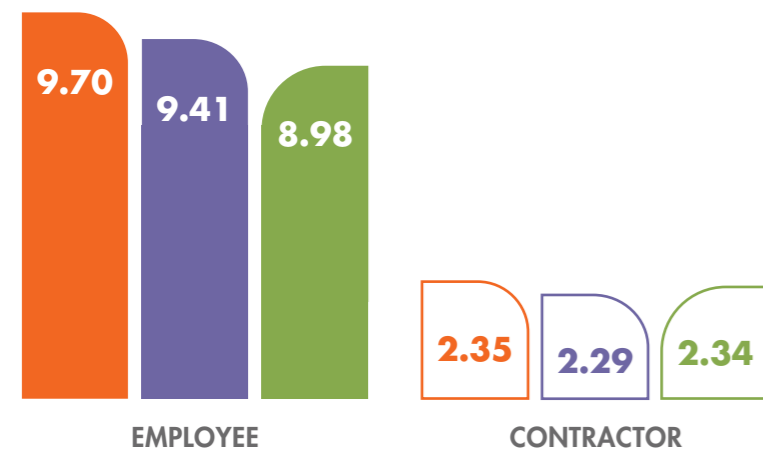
In 2021, we established the incident reporting through an online platform to mitigate associated COVID-19 risk in the workplace.

### Legend:

● 2021 ● 2020 ● 2019

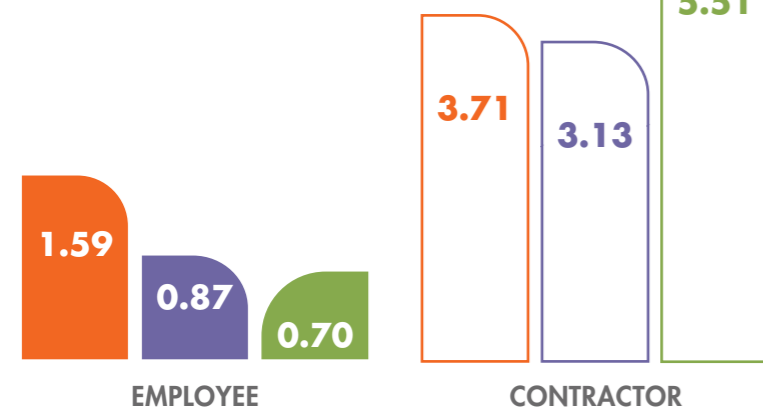
### Number of hours worked (Coal)

(in millions) 403-9



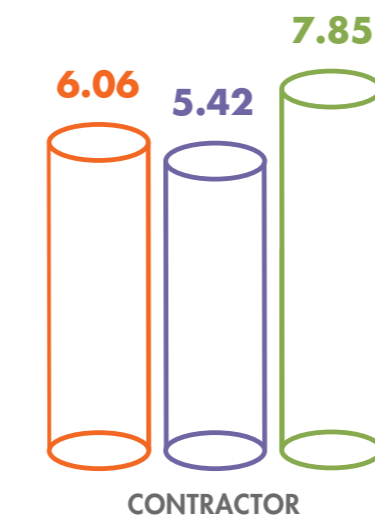
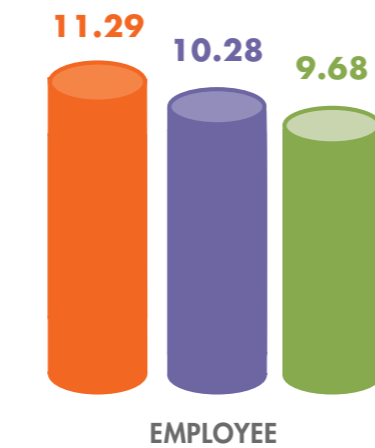
### Number of hours worked (Power)

(in millions) 403-9



### Consolidated Number of hours worked

(in millions) 403-9



## CONTRACTOR SAFETY

Aside from placing health and safety to our employees, at SMPC, we recognize our responsibility of providing a safe workplace for the operations of our contractors.

In 2021, our Power segment contractors completed 3.71 million manhours, which is a 19-percent surge compared to the 2020 data. This increase resulted from the contractor personnel deployment, addressing the unplanned shutdown of Unit 2 of SLPGC.

We continuously aim to improve the availability and reliability of our power plants in the coming years,

leading to a gradual reduction in contractor-related manhours.

Our OSH performance in our Power segment showed remarkable improvement in contractor injuries by 58 percent, while employee injury increased by one incident compared to 2020.

The OSH performance of our mine site contractors remained steady with an incremental 2-percent increase in manhours work and one incident reduction compared to 2020.

### OUR SAFETY PERFORMANCE 403-7

	COAL				POWER			
	EMPLOYEES		CONTACTORS		EMPLOYEES		CONTACTORS	
	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE
Fatalities	-	-	-	-	-	-	-	-
High consequence work-related injury*	-	-	-	-	-	-	-	-
Recordable work-related injuries**	51	5.26	5	2.13	4	2.52	8	2.16
Fatalities	1.00	0.11	-	-	-	-	-	-
High consequence work-related injury*	-	-	-	-	-	-	-	-
Recordable work-related injuries**	39	4.15	6	2.62	3	3.45	19	6.07
Fatalities	1.00	0.11	-	-	-	-	-	-
High consequence work-related injury*	-	-	-	-	-	-	-	-
Recordable work-related injuries**	33	3.67	5	2.14	2	2.85	26	4.72

\*Refers to an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.

\*\*Refers to a work-related injury or ill health, such as days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness, or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

● 2021 ● 2020 ● 2019



## ELEVATING EMPLOYEE WELLNESS

We provide our people with medical and health benefits coverage, free medical consultations, and annual physical examinations (APE) through Health Maintenance Organization (HMO) insurance and infirmary services for regular monitoring of employee health.

In 2021, our corporate office and Power segment completed the APEs for all its employees. However, the COVID-19 surge from May to November 2021 hindered and delayed the APEs of our Coal segment employees, having a 73-percent completion. Due to the COVID-19 exposure of the staff during these months, the SMPC Hospital had a lockdown. This delay limited the number of consultations, even on APE. Hence, we extended our APE and conducted it in our Occupational Health Office, where the medical technologist performed blood extraction and specimen collection.

### WORK-RELATED ILL HEALTH 403-10

	COAL		POWER		CORPORATE	
	Employees	Contractors	Employees	Contractors	Employees	Contractors
Fatalities	-	-	-	-	-	-
Recordable work-related ill health	116	20	39	33	9	1
COVID-19	108	20	39	33	9	1
Noise-induced hearing loss	-	-	-	-	-	-
Musculoskeletal Diseases	8	-	-	-	-	-
Fatalities	-	-	-	-	-	-
Recordable work-related ill health	-	-	-	-	-	-
*Noise-induced hearing loss	-	-	-	-	-	-
Musculoskeletal Diseases	11	-	-	-	-	-

● 2021 ● 2020

We implement ways to mitigate the noise from our operation. We perform a combination of shift modification to reduce the time of exposure and issuance of fit-for-purpose personal protective equipment, such as earmuffs and earplugs. We also conduct regular monitoring and clinical intervention for our at-risk employees, especially those diagnosed.

We assessed ergonomic hazards per activity basis. Training plays a crucial role in preventing musculoskeletal disorders, wherein proper posture while performing a common or repetitive task must be observed along with the right tools and equipment for the task at hand.

In addition to strict compliance to the quarantine protocols, we implemented additional COVID-19 protocols in our workplace, including a negative RT PCR for antigen test results for our personnel and those going to Semirara Island and adherence to a 14-day quarantine protocol for returning contractors and employees before allowing full reintroduction to the workforce.



### STORY

## #PROJECTWELLNESS CAMPAIGNS

SMPC believes that change can be achieved through awareness. The launch of the #ProjectWellness program allows our employees to join a series of webinars, promoting awareness of holistic well-being and fostering a safe and healthy working environment.

We set a schedule for the series of webinars with our HMO provider, wherein an assigned, licensed medical expert from MediCard discusses our identified topic, From nutrition to mental and physical health care, among others.

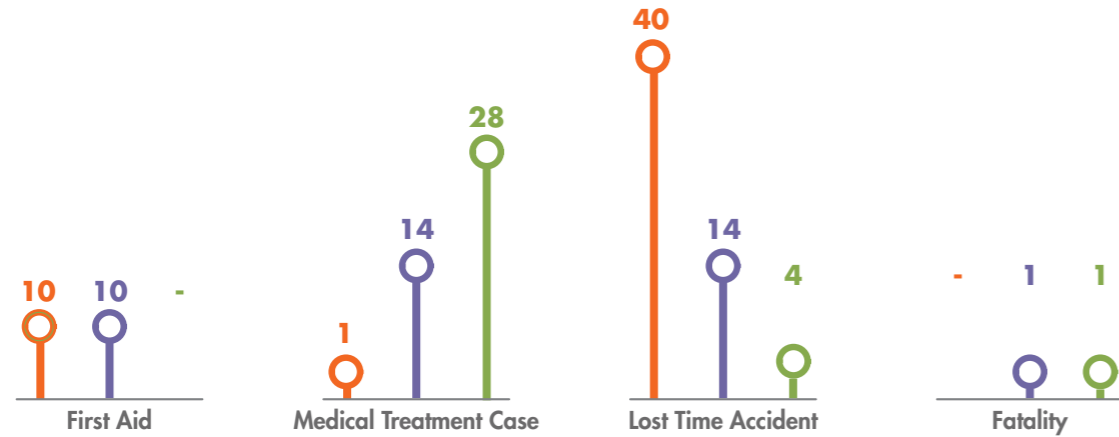
Due to the effects of the pandemic, it is undeniable that it also caused a considerable impact on the mental health of our employees. Hence, for 2021, we focused on mental health awareness to reduce the stigma associated with mental health challenges and employ emotional well-being practices.



**Legend:**

● 2021 ● 2020 ● 2019

**Employee Injuries (Coal)**



**Contractor Injuries (Coal)**



**Employee Injuries (Power)**



**Contractor Injuries (Power)**



**CUSTOMER HEALTH AND SAFETY 403-9**

We uphold transparency through customer engagement and provide access for inspection of our facilities, coal production, and loading procedures. Subject to the COVID-19 Alert Levels conditions, we allowed customer visits during the year and ensured their safety through proper protective equipment and adherence to travel and site safety protocols.

We recognize the concern of our customers about the potential risk of spontaneous combustion of coal due to its economic, environmental, and safety impacts. Our coal stockyard management orientation informs our customers about the management and designs of our coal stockpiles, along with our preventative measures.



**3**  
Customer  
Complaint



**100%**  
Products Assessed  
for Improvement  
416-1

**CARING FOR OUR PEOPLE DURING COVID-19**

103-1, 103-2, 413-1

Although COVID-19 affected most businesses, SMPC, through our agility, maintained resilience and efficiency in providing services to our customers while prioritizing the health of our people.

Even with the lingering effects of the pandemic on the economy and everyday life, establishing health, financial, and resource security became more important.

As an essential industry, we prepared our workplace to become a safe work environment for our on-site employees. We placed engineering controls (i.e., barriers, floor signs, and fresh air intake) in the corporate office and implemented basic health procedures (i.e., thermal scanners, daily health monitoring, and frequent disinfection). Suspected-case individuals were covered by a paid quarantine period.

To ensure our employees are safe from the virus, we provided regular rapid antigen tests to front liners from the hospital, security, ERT, and OH aides every 14 days. We also gave our workforce access to the SMPC infirmary on medical services through telemedicine consultation.

Keeping our employees healthy, we provided multivitamins and meals during contract tracing and monitoring in isolation and home setup.

In following the health protocols related to travel, we perform RT-PCR testing before they board the Manila-Semirara flight. We also follow the 14-day quarantine period for employees and visitors deployed on the island.







## PREPARING FOR THE NEW NORMAL 403-6

In upholding our safety culture, SMPC partnered with local health units and health service providers for our vaccination program implementation to further protect our at-risk employees. Since our employees are essential to the industry, the program reduces our downtime or disruption from absences due to illnesses.

### VACCINATIONS PROVIDED 401-2, 403-6

VACCINE	2021		2020		2019	
	COAL	POWER	COAL	POWER	COAL	POWER
Flu	209	369	611	354	200	78
Pneumonia	0	0	16	243	10	319
Human papillomavirus (HPV)	0	0	68	0	100	0
Anti-tetanus	0	0	0	208	0	252
<b>Total</b>	<b>209</b>	<b>369</b>	<b>695</b>	<b>805</b>	<b>310</b>	<b>649</b>

Note: HPV and flu vaccines for the Coal segment are donated by the Provincial Health Office of Antique, while the anti-tetanus vaccines came from the Rural Health Unit. Power segment's vaccinations are purchased by the company.

● 2021 ● 2020 ● 2019

COVID-19 VACCINATION	COAL	POWER	CONSOLIDATED
Local Government Unit (LGU)	2,610	689	3,299
Company	1,840	309	2,149
<b>Total</b>	<b>4,450</b>	<b>998</b>	<b>5,448</b>
Target	4,832	998	5,830
% Vaccinated	92%	100%	93%

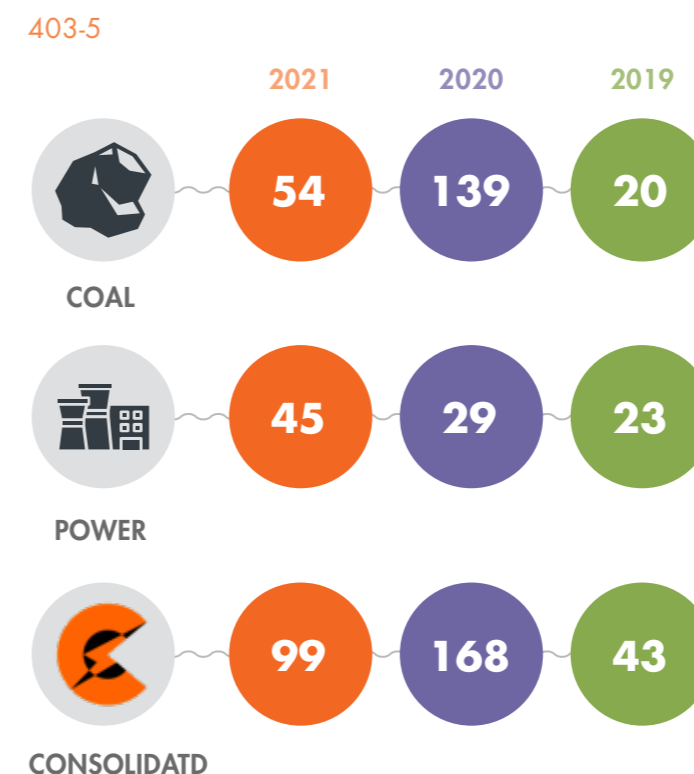
To enable self-sufficiency and alertness in our workforce, we provide training and personal health sources for our employees relevant to their job responsibilities to strengthen our aim of building a culture of safety in our work environment. We provide health-centered education to enable our employees to access habits and practices that minimize work-related risks. SMPC held online and on-site training programs and seminars related to health and safety protocols. Topics included in these programs and training are about protecting mental health, managing stress, handling depression during the pandemic, and ensuring COVID-19 protocol in the workplace.

As part of our goal of being alert during an accident, we partnered with the Philippine Red Cross-Batangas to strengthen the competence of our Emergency Response Team (ERT). We enlisted 36 of our ERT to the First Aid Training for Industrial Employees to refresh, re-tool and re-certify old first-aiders and certify new first-aiders in accordance with prescribed recognized standards.

### WORKER TRAINING ON OCCUPATIONAL SAFETY AND HEALTH 403-5

	2021		2020		2019	
	COAL	POWER	COAL	POWER	COAL	POWER
Training Hours	41,654	9,212	27,170	3,542	72,787	12,041
Average ESH Training Hours Per Employee	11.97	17.03	3.81	6.60	23	26

### SAFETY TRAINING 403-5







# Valuing Inclusivity

SMPC's growth serves as a catalyst to positively contribute to the local, regional, and national economic development and prosperity.





## DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED 102-48, 201-1

(in PHP billion)

Legend:

● 2021 ● 2020 ● 2019

	2021	2020	2019
<b>DIRECT ECONOMIC VALUE GENERATED</b>	<b>52,680</b>	<b>28,614</b>	<b>44,732</b>
Revenue	52,423	28,251	44,252
Interest Income	21	56	283
Other Income	235	307	197
<b>ECONOMIC VALUE DISTRIBUTED</b>	<b>42,473</b>	<b>24,515</b>	<b>33,923</b>
Operating cost	18,926	13,515	19,964
Employee benefits and wages	2,655	1,856	2,037
Payment to providers of capital	13,615	6,402	6,597
Payment to government	7,165	2,699	5,283
Community investments	112	43	42
<b>ECONOMIC VALUE RETAINED</b>	<b>10,207</b>	<b>4,099</b>	<b>10,809</b>

Our business performance allows us to contribute to the economic advancement of our host communities. We pay our mining royalties to the national government, which are allocated to the provincial and municipal governments of Antique and Caluya and our barangay host communities in Tinogboc and Semirara.

**1st Class**  
Municipality  
for Caluya  
since 2007

**5th Place**  
among Top 10 Municipalities with  
Highest Amount of Total Revenue\*

**PHP33.5 billion**  
Royalties to date since 1997

**PHP6.4 billion**  
Royalties in 2021

\* Based on Philippine Commission on Audit 2020 Annual Financial Report to the Local Government Vol. I

## ROYALTIES (in PHP billion)

LOCATION	2021	ROYALTIES SINCE 1997	ALLOCATION SHARE (%)
Philippine Government	3.8	20.1	60
Province of Antique	0.5	2.7	8
Municipality of Caluya	1.2	6.1	18
Barangays Semirara and Tinogboc	0.9	4.7	14
<b>Total</b>	<b>6.4</b>	<b>33.5</b>	<b>100</b>

## BUILDING SUSTAINABLE PARTNERSHIPS

103-1, 103-2, 413-1

SMPC gears its community through the cultivation of inclusive and sustainable self-sufficiency.

We recalibrated our 6 Es Social Development Program (SDP) to build and gain trust through social inclusion and sustainable growth of an island economy. Our SDP is aligned with the preferred priority projects of our impact communities and the Barangay Development Plans

(BDPs) in Semirara Island to ensure that the projects remain relevant to the sustainable development of the communities.

We remain responsive to upscale, replicate and accelerate the implementation of our livelihood projects, notably for the seaweed farmers, the vulnerable, and the disadvantaged most affected by the pandemic. Upscaled projects are aimed toward

poverty alleviation through food security and improved nutrition, and augmenting family income.

To ensure sustained outcomes, we engage with additional capacity-building programs for the target beneficiaries, organized people groups, and leaders. Regular consultation with the stakeholders was done to raise, discuss and collaborate for the success of the programs.





## OUR 6 ES SOCIAL DEVELOPMENT PROGRAM IN SEMIRARA ISLAND

ENVIRONMENTAL STEWARDSHIP

EMERGENCY PREPAREDNESS AND RESILIENCE

EMPLOYMENT

ECONOMIC EMPOWERMENT

ENERGY

EDUCATION

### COMMUNITY SPEND (in PHP million)

	2021	TO DATE
Education	8.59	616
Environmental Stewardship	33.11	266
Economic Empowerment	34.10	364
Emergency Preparedness and Resilience	20.88	149
Energy	15.78	114
<b>Total</b>	<b>112.46</b>	<b>1,508</b>



## ENABLING SUSTAINABLE COMMUNITIES 203-1

PHP3.42 million

Maintenance of road network in Semirara Island

**56.9 km**  
Length of maintained road network



In 2021, we invested in building and maintaining road infrastructure to support the island economy's growing needs.

Our company-funded land and sea transportation used by SMPC workers, community members, and cargos helped the circulation of the local economy. We maintain the MV Maria Cristina, a passenger boat, and shuttle service for employees and civilians. While the COVID-19 restrictions caused a temporary pause in its commercial travel services, MV Maria Cristina was used to transport COVID-19 community patients to the mainland Antique.

We also continued our free shuttle services for SMPC employees and residents of Semirara Island. However, the service can only operate at 50-percent capacity while adhering to the physical distancing protocols. Six scheduled bus trips within a day serve approximately 1,600 of our people. We spent approximately PHP756,000 annually for the shuttle service operation.

## SUPPORTING ENTREPRENEURSHIP AND LIVELIHOOD

103-2, 203-2

We support local entrepreneurs through local procurement and deliver livelihood programs to people organizations by enhancing their knowledge and resource management through capacity building.

**446** Registered MSMEs in Semirara Island or **17%** increase from 2020







**2,250**

SMPC uniforms produced by Semirara Women's Organization

**30**

Barangay Tinogboc women who underwent livelihood training on soap-making and food preservation



102-13

**OUR COMMUNITY PARTNER ORGANIZATIONS**

- Alegria Seaweeds Planters and Farmers Association, Inc.
- Alegria Women's Organization
- Asosasyon ng Dacanlao sa Higit na Kaunlaran Producers Cooperative (ADHIKA)
- Integrated Multipurpose Cooperative
- Semirara Employees Cooperative
- Semirara Fishermen's Association
- Semirara Tricycle Operators and Drivers Association
- Semirara Women's Organization
- Tinogboc Farmers' and Fishermen Association
- Tinogboc Women's Organization
- Villaresis Foursquare Hollow Block Fabrication Association
- Villaresis-Pinagpala-Bagong Barrio Fisherfolks Association, Inc.

**OUR GOVERNMENT PARTNER ORGANIZATIONS**

- Bureau of Fisheries and Aquatic Resources-Antique
- Department of Agriculture-Caluya, Antique and Calaca, Batangas
- Department of Science and Technology-Industrial Technology Development Institute
- Department of Trade and Industry-Antique

**STORY**

**ELEVATING COMMUNITIES**



Through our social development programs, we aim to promote sustainable fishing and farming, cultivate food security, and improve livelihood skills and opportunities for Semirara Island's self-sufficiency.

**SEAWEED FARMING**

We pursued efforts to assist the island's seaweed farming industry, specifically on how to regain high-yielding and high-value seaweed varieties. The decline of seaweed quality and production in Semirara Island is attributed to the past infestation of rabbitfish (danggit) and the spreading of seaweed diseases locally known as "ice-ice". Through partnerships with the Bureau of Fisheries and Aquatic Resources-Antique and Municipal Agriculture Office of Caluya, we provided training on farming technology and provided 10 local seaweed farmers with 1,000 kg of good quality seaweeds seedlings for propagation during the year. Our project also aims to assist farmers through marketing links for better market prices for their produce.

**FISHING**

We launched our fiberglass banca program to promote sustainable fishing livelihood in Semirara Island. Fiberglass banca has gained popularity among fishermen due to its durability and longer asset life, i.e. 30 to 50 years versus 5 to 8 years for wooden banca. We provide all materials for the boat fabrication, as well as the motor engine, rudder assembly, shafting, and propeller. Through the "bayanihan" system, the beneficiaries undertake the fabrication with the technical assistance of experts from LGU-Caluya's Municipal Agricultural Office. In 2021, we completed the turnover of 20 fiberglass bancas to the fisherfolks of Barangay Alegria.

**AGROFORESTRY**

We established an agro farm which created livelihood for 36 local residents and adopted sustainable farming practices, including composting biodegradable waste as organic fertilizer and sustainable water use. We also organized communal gardens using idle lands for vegetables and root crops to improve food security and nutrition and to provide additional income. Most of the vegetables and root crops are bought from nearby Mindoro and the mainland of Antique. Our project also aims to enable food market prices at reduced or more affordable levels.





## CREATING INCLUSIVE EMPLOYMENT

103-1, 103-2, 103-3, 202-1, 202-2, 203-2

In providing local employment, SMPC hires talents for our workforce from the community. Approximately 42 percent of our mine site employees are from Semirara Island and Caluya, while 57 percent are from the provinces of Aklan, Antique, Capiz, Iloilo, and Mindoro. As for our power plant employees, 61 percent reside in Calaca and Balayan.

With the employment we provide to our local communities of Semirara Island, we remain the largest employer, accumulating a payroll amount of PHP2.31 billion for 2021. We achieve an average pay ratio of 1:1 compared to the local minimum wage.

A significant proportion of our management team is composed of the local community. Residents from Batangas make up 45 percent of the management of our Power segment. Furthermore, our Board of Directors and key officers are all Filipino citizens.

### EMPLOYEES BY ORIGIN

YEAR	SEGMENT	NO. OF EMPLOYEES	AKLAN, ANTIQUE, CAPIZ, ILOILO, AND MINDORO	CALACA AND BALAYAN, BATANGAS
2021	Coal	3,450	57%	
	Power	493		61%
	<b>Total</b>	<b>3,943</b>	<b>50%</b>	<b>8%</b>
2020	Coal	3,169	56%	
	Power	498		61%
	<b>Total</b>	<b>3,667</b>	<b>48%</b>	<b>9%</b>
2019	Coal	3,229	54%	
	Power	455		75%
	<b>Total</b>	<b>3,684</b>	<b>48%</b>	<b>9%</b>

## PROMOTING COMMUNITY HEALTH

103-2, 203-1

In helping to promote the health and wellness of our community, we operate the Semirara Infirmary to assist our employees and island residents with their basic medical needs. The health center provides medical services and our annual health programs.

SMPC continuously strengthens the Semirara Infirmary through our healthcare program investments. Aside from providing primary medical services, the facility also leads wellness education for the

community with medical topics, such as infant care, infection prevention, and nutrition.

We invested around PHP3.95 million for the 2021 repair and maintenance of the infirmary to further improve its services to our employees and communities.

**15**  
Bed capacity of  
SMPC Infirmary

### Legend:

● 2021 ● 2020 ● 2019

STAKEHOLDER GROUP	2021	%	2020	%	2019	%
Employees	14,465	57	9,047	53	14,217	49
Employee Dependents	4,840	19	3,920	23	8,030	28
Community Residents	6,048	24	4,018	24	6,488	23
<b>Total</b>	<b>25,353</b>	<b>100</b>	<b>16,985</b>	<b>100</b>	<b>28,735</b>	<b>100</b>



## RESPONDING TO COVID-19

203-1

Despite the continuous rollout of the pandemic vaccines, our host communities in Semirara Island and Calaca, Batangas still need health and wellness support.

We worked closely with the Municipality of Caluya and the Province of Antique to accelerate the COVID-19 vaccination rollout on Semirara Island. We extended free transport services for the safe arrival of the vaccines and accommodations to the Antique Provincial Health Office (PHO) and Municipal Health Office (MHO) medical teams who administered the jabs.

SMPC's 2,900-sqm public food court serves as the primary vaccination site on the island, which can accommodate up to 200 vaccinees per day with proper physical distancing protocols.



**12,500**  
Rapid antigen kits  
for Antique



PPE provision  
for frontliners in  
Antique hospitals



Repurposed 4-story  
building isolation  
facility in Calaca  
Power Complex



Public handwashing  
facilities in  
Semirara Island



Support to distance  
education for Antique  
and Batangas schools

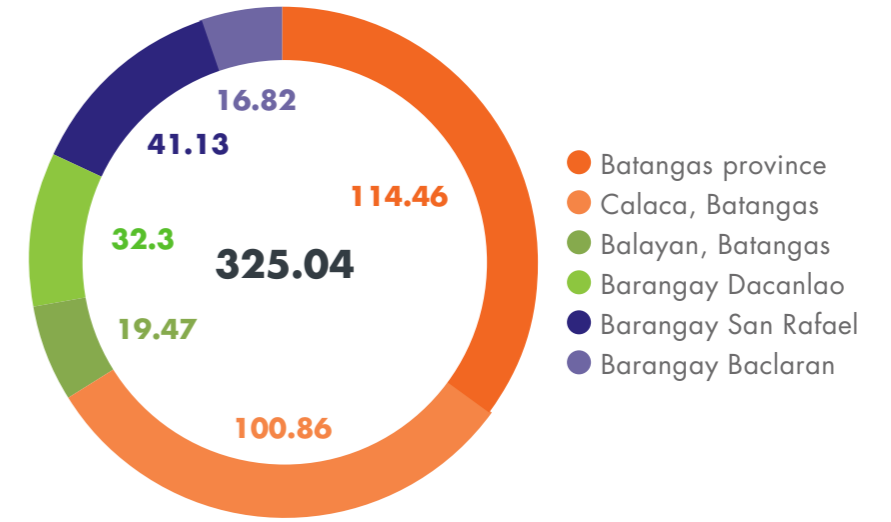


"Share a Love"  
outreach project to  
600 pupils across PH

## ENABLING CAPACITY BUILDING

Our Power companies released PHP325.04 million to our host communities in Batangas for the COVID-19 response assistance through the DOE Department Circular No. 2020-04-00080, Energy Regulations 1-94 (ER 1-94) program. Through this program, our Batangas host communities are better equipped with the COVID-19 response needs, such as mass testing facilities and procurement of proper medical testing kits, among others.

DOE ER-194 Funds Remitted for COVID-19 Response  
(in PHP million)



As part of our quarterly IEC program, we held webinars about health awareness in the community to demonstrate healthy practices for common health issues, like COVID-19 prevention, tuberculosis, and heart attacks, to the barangay health workers of our host communities. Furthermore, we also hosted disaster risk reduction and management webinars to increase awareness of the community in responding to emergencies and natural disasters.

## FOSTERING EDUCATION

103-2, 203-2

SMPC continues its partnership with Divine Word School of Semirara Island, Inc. (DWSSII) and the Semirara Training Center, Inc. (STCI) to provide learning opportunities for our community. We provide scholarships to children of our mine site employees and enroll them at DWSSII.

We also extend financial support to the K-12 students of DWSSII, with an overall 403 graduates for the academic year 2020-2021. Furthermore, we strengthen this partnership by providing professional training assistance to DWSSII school teachers and personnel.

**3,242**  
DWSSII  
graduates  
since 2003





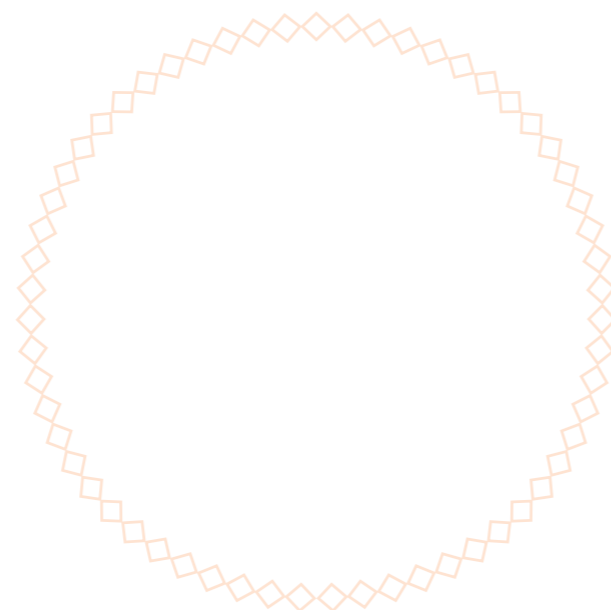


We launched our Balik-Eskwela Program to offer an Alternative Learning System (ALS) for our employees and out-of-school youth. In partnership with Arnold Janssen Foundation, this program enabled them to continue their education by obtaining their high school diplomas, with 71 currently enrolled for 2021. Last November, the program produced nine successful graduates, including two SMPC and six non-company employees.

At SMPC, we view postgraduate education as a significant component of community development. Hence, we invest in the educators of Semirara Island in pursuing their Master of Arts (MA) in Education degree for public and private school teachers, allowing them to pursue their postgraduate degrees for free. In 2021, four of our 64 scholars have finished their degrees.

#### SCHOLARSHIPS GRANTED

	NO. OF SCHOLARS	AMOUNT
Coal	40	3,215,940
Power	34	1,060,966
<b>Total</b>	<b>74</b>	<b>4,276,906</b>



#### ENRICHING SKILLS

SMPC partnered with DOE to provide full support to STCI, a non-stock, nonprofit technical-vocational center accredited by the Technical Education and Skills Development Authority (TESDA) as part of our community capacity-building initiative. To develop their skills portfolio, we provided technical training to our personnel and the residents of our host communities. Majority of the enrollees, including graduates of DWSSII's Senior High School Technical Vocational Livelihood Track and students from Mindanao, specialize in welding, automotive servicing, industrial electricity, and machining. About 44 percent of these graduates are employed by the Company, our contractors, or have found gainful employment abroad.

#### COMMUNITY SKILLS TRAINING

TRAINING	2019 TO 2021
Automotive Servicing	39
Machine Shop Practice	4
Shielded Metal Arc Welding	24
Electrical Installation and Maintenance	18
Automotive (NC II)	42
Scaffolding Erection Training (NC II)	28
Pipefitting	25
Scaffolding Refreshers Course	30
<b>Total</b>	<b>210</b>

**1,234**  
STCI  
graduates  
since 2007





STORY

**LIFE-CHANGING OPPORTUNITY FOR SCHOLARS-TURNED EMPLOYEES**



SMPC, through its Power subsidiaries SCPC and SLPGC, bestowed scholarships to 20 third- and fourth-year state university Engineering and Chemistry students from Calaca and Balayan municipalities and nearby towns of Batangas, including those from Quezon and Oriental Mindoro provinces.

Since 2010, we have helped more than 80 scholars by providing them with financial support, opportunities, relevant field experience, and even employed some in the Company.



After getting my license, I joined SCPC's Cadetship Training program, which eventually led me to become a plant electrician for the company.

**ENGR. JONATHAN BATHAN,  
PLANT ELECTRICIAN**



SMPC's scholarship allowed me to become an international exchange student, pushing me to improve my leadership and academic skills.

**ENGR. CLYDE CALINGASAN,  
CHO CONTROL ROOM  
ENGINEER**



With the scholarship, Cadetship program, and even during my employment, thank you, SMPC, for helping me since the beginning.

**ENGR. HAZELLINE CATCHILLAR,  
PLANNING AND SCHEDULING  
ENGINEER**



With SMPC's generosity, I am now practicing my profession and starting my career with it.

**JESSICA LOPEZ, FINANCE AND  
ACCOUNTING ASSISTANT**



I am forever grateful for the company's generosity because if it weren't for them, I wouldn't have reached my dream and been able to help my family.

**ENGR. RAY ANTHONY CASAL,  
PLANNING AND SCHEDULING  
ENGINEER**

In leading the community to education values, SMPC's scholarship programs aim to bring inclusive development to our impact communities. We do not end our support after the student obtains a degree. SMPC goes beyond by providing employment opportunities and various experiences in the field.



STORY

**LITERACY SUPPORT TO 7,500 CALUYA STUDENTS**



SMPC provided educational storybooks to more than 7,500 public and private school students to boost student literacy amid the ongoing distance learning setup in Caluya, Antique. We commissioned two storybooks titled "A Home for Giants" and "Ang Paaralan ni Tatay", published by Adarna House.

A Home for Giants chronicles the journey of a giant clam named Taks, who found a permanent home in the waters of Semirara Island. Meanwhile, Ang Paaralan ni Tatay depicts mining through the eyes of a miner and his son.

The Department of Education (DepEd) Schools Division of Antique "strongly recommends" the two storybooks in the subjects of Science, English, Filipino, and Edukasyon sa Pagpapakatao. Furthermore, these storybooks support DepEd's Contextualization, Localization, and Indigenization (CLI), which makes the learning materials relatable for learners.



## ENABLING ELECTRIFICATION 203-1

SMPC provides Semirara Island electrification projects and affordable, subsidized electricity at a rate of PHP4.00 to PHP6.00 per kWh, with a subsidy of PHP2.50. This subsidy allows residents at Semirara Island to save around 50 percent compared to Antique's average rate for electricity.

Our ongoing partnership with Antique Electric Cooperative, Inc. (ANTECO) has led to building infrastructures for electrification and power generation on Semirara Island for the past two decades.

**PHP2.50/kWH**  
Continuing subsidy through ANTECO gives residents an affordable electricity rate of PHP4.00 to PHP6.00/kWH



## COLLABORATING WITH INDUSTRY PARTNERS

102-12, 102-13

We partner with industry associations as part of our collaboration to promote sustainable energy industry growth in the Philippines and other ASEAN countries. As members of the ASEAN Forum on Coal (AFOC) National Committee of the Philippines, Inc. and the Philippine Chamber of Coal Mines, Inc., we lead, support, and participate in the promotion, development, and growth of coal energy in the country and ASEAN region.

We also joined the Philippine Independent Power Producers Association (PIPPA), which aims to advance public policies, legislation, and information on governing issues that provide adequate, reliable, and affordable energy in the Philippines.

## ENGAGING SOCIO-ECONOMIC COMPLIANCE

SMPC meets its stakeholder obligations by operating ethically and responsibly. Hence, we aim to reduce the risks and apply directives to our sustainability practices to ensure our core businesses function for long-term.

We follow external mandates that integrate with our internal regulatory measures, with a crucial focus on the economic, environmental, and social aspects. Our Governance, Risk, and Compliance (GRC) framework enables a fair governance system and robust risk management, becoming the driving force of our business strategy.

Through our Multi-partite Monitoring Team (MMT) established pursuant to our DENR-Environmental Compliance Certificate (ECC), we hold regular stakeholder consultations to remain relevant and responsive to the needs of our key stakeholders. We commit to balanced reporting through our annual and quarterly reports to the DOE, Energy Regulatory Commission (ERC), and other regulators.

We comply with rules imposed by the industry regulators and the DOE. We follow these rules closely along with our ECC. In showing leadership through transparency, we report incidents of non-compliance to the relevant government bodies and regulators.

## 2021 NON-COMPLIANCE INCIDENTS 419-1

Our non-compliance controversy stems from the violation of Article V of Energy Regulatory Commission (ERC) Resolution No. 10, Series of 2020 or otherwise known as "A Resolution Adopting the Interim Reliability Performance Indices and Equivalent Outage Days Per Year of Generating Units. Specifically, that generating plants using pulverized coal technology are allowed only a maximum of 16.8 days of unplanned outages, while generating plants using circulating fluidized bed coal technology are permitted a maximum of 16.8 days of unplanned outages. Any excess is considered to be a violation of the said resolution.

Subject to due process, administrative sanctions will be imposed in case of non-compliance subject penalty ranging from PHP100,000 to PHP500,000 depending on the number of violations (ERC Resolution No. 3, Series of 2009, "Resolution Amending the Guidelines to Govern the Imposition of Administrative Sanctions in the Form of Fines and Penalties pursuant to Section 46 of Republic Act 9136).

CASE REFERENCE	STATUS
<p><b>SCPC</b> ERC Case No. 2021-063 SC Violation: Unit 1 - 5.24 days excess of the maximum allowable unplanned outage.</p>	<p>ERC promulgated its decision dated September 8, 2021, on January 28, 2022, and found SCPC liable for administrative penalties of PHP337,200 for Unit 1 and PHP3,975,600 for Unit 2.</p> <p>In the computation of penalties, the ERC used the Exception Clause under Section 4, Art. VII of Resolution No. 10, Series of 2020 and considered the yardstick by which reliability may be measured pursuant to Sec. 4, Art. 1 of Resolution 21, Series of 2016, i.e., frequency, duration, and magnitude.</p>
<p>ERC Case No. 2021-064 SC Violation: Unit 2 - 96.2 days excess of the maximum allowable unplanned outage.</p>	<p>On February 15, 2022, SCPC filed its Motion for Reconsideration (MR) with the ERC and provided additional documents and justification for the reduction and non-imposition of penalty.</p>
<p><b>SLPGC</b> ERC Case No. 2021-079 SC Violation: Unit 2 - 0.54 days excess of the maximum allowable unplanned outage.</p>	<p>ERC promulgated its decision on October 20, 2021, imposing an administrative penalty of PHP135,400.</p> <p>An MR was filed on November 4, 2021, providing additional documents and justification for reducing and non-imposition of penalty.</p> <p>As of December 2021, the MR remains pending for resolution.</p>





# Building Climate Capacity

201-2






Our carbon management and sustainability practices underpin our Board's policy commitment to act on climate change. In addressing this concern, we undertake to build our organizational capacity to move forward toward a sustainable, just, and inclusive energy transition. We manage our climate-related risks and opportunities; strengthen

our policy, reporting, and communication; and collaborate with stakeholders.

We seek to align our climate-related disclosures with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a widely accepted framework for climate-related financial risk disclosures.



## OUR DISCLOSURE REPORTING PROGRESS 102-11, 201-2

ACTION		2017	2018	2019	2020	2021	2022
 <p>GOVERNANCE</p>	Approve a climate change policy commitment	●					
	Report Scope 1 and 2 GHG emissions, water resource, and biodiversity performance to the Board and management			●	→	→	→
	Amend Risk Committee Charter to integrate climate-related, ESG, and sustainability oversight				●		
	Establish a Strategy and Sustainability Committee to develop and oversee a carbon transition roadmap aligned to the business strategy					●	
	Establish a cross-functional corporate ESG team and TCFD Working Group to pursue the development of a carbon transition plan					●	
 <p>STRATEGY</p>	Establish water resource management		●	→	→	→	→
	Undertake carbon and biodiversity offsets through partnerships			●	→	→	→
	Pursue continual education on TCFD and climate-related matters			●	→	→	→
	Integrate GHG emissions, water conservation, and energy efficiency plans in our operational strategy planning				●	→	→
	Improve energy efficiency through process improvement or upgrade of key power plant installations				●	→	→
	Allocate PHP1.5 billion of appropriated retained earnings for new climate-related investments and projects in preparation for a concrete carbon transition plan					●	
 <p>RISK MANAGEMENT</p>	Update Group Enterprise Risk Management (ERM) policy and risk register to integrate climate and TCFD recommendations				●		
	Conduct climate risk awareness, identification, and assessment across the organization					●	→
 <p>METRICS AND TARGETS</p>	Align GHG reporting framework and inventory management plan to ISO 14064:2011 Standards, Greenhouse Gas Protocol of World Resources Institute, 2006 IPCC 5th Assessment Report, and Ozonaction Kigali Factsheet		●	→	→	→	→
	Publish Scope 1 and 2 GHG emissions			●	→	→	→
	Integrate GHG mitigation, water conservation, and energy efficiency goals in annual operational planning				●	→	→
	Develop capacity building on measurement of Scope 3 GHG emissions					●	→
 <p>REPORTING AND COMMUNICATION</p>	Disclose climate-related matters and sustainability performance in our annual reports, analyst briefings, and community newsletters			●	→	→	→

● Done      ●→ Commenced & Continuing





## GOVERNANCE

To strengthen our climate governance, we created a Board-level Strategy and Sustainability Committee. We established a cross-functional management team to explore, lead and manage our climate-related risks and opportunities as part of our transition pathway to support global climate goals.



### STRATEGY AND SUSTAINABILITY COMMITTEE

Assists the Board in setting climate strategies and develops a roadmap for business sustainability in a low-carbon economy. The Committee considers the implications of climate change, ESG trends, and investor and stakeholder expectations. It guides major plans of action pursued by management.



### BOARD

Our Board Committees assist the Board in climate oversight by including climate-related issues, risks, and opportunities as meeting agenda.



### CORPORATE GOVERNANCE COMMITTEE

Oversees the review of climate-related ESG metrics as integral to the CEO's performance scorecard criteria. Key results areas cover the business development, climate mitigation, and biodiversity focus areas, among others.



### AUDIT COMMITTEE

Conducts oversight through assurance reports on the adequacy and effectiveness of our integrated management systems on ESG governance.



### RISK COMMITTEE

Oversees the Company's climate-related risks and opportunities, including emerging risks and trends. The Committee reviews management reports on climate risk assessment, approach, and response to climate and associated risks.

### CHIEF EXECUTIVE OFFICER

Our Chief Executive Officer has the overall responsibility of managing climate-related strategies, risks, and opportunities crucial in re-positioning our business towards an inclusive and just energy transition.

### PRESIDENT AND CHIEF OPERATING OFFICER

Spearheads and leads a cross-functional Corporate ESG Sustainability Group to pursue our climate strategies and capacity building.

### CHIEF RISK OFFICER

Leads the enterprise risk management implementation, including business continuity management and climate change adaptation, and reports climate-related matters to the Risk Committee and senior management.

### CHIEF FINANCE OFFICER

Evaluates the significant capital expenditure (CapEx) projects, including those designed to improve environmental, energy conservation, and energy efficiency performance.

### CORPORATE ESG SUSTAINABILITY GROUP

Aims to ensure that the executive leadership calibrates, coordinates, manages, and communicates climate and ESG focus areas with our internal and external stakeholders. The Group escalates material sustainability issues to the Strategy and Sustainability Committee and senior management for appropriate disposition.



### TCFD WORKING GROUP

Undertakes building the organization's climate knowledge, determining our Scope 3 GHG emissions, and developing a carbon transition plan through potential climate and sustainability partnerships. The Group also pursues opportunities to expand carbon offsets to mitigate the environmental impacts of our operations.



### ENVIRONMENTAL AND ENERGY EFFICIENCY MANAGEMENT

Manages, monitors, and reports the key climate and nature-related programs and performance metrics on carbon emissions, carbon intensity, water intensity, biodiversity, and energy efficiency.



### SUPPLY CHAIN MANAGEMENT

Collaborates with the Environmental and Energy Efficiency Management to seek opportunities across the supply chain to explore and leverage technology to improve energy efficiency and to minimize, reuse, and recycle waste.



### HUMAN RESOURCES OCCUPATIONAL SAFETY AND HEALTH SOCIAL DEVELOPMENT MANAGEMENT

Collaborates and engages with stakeholders to support and advance our climate action and ESG focus areas.



## STRATEGY



We are still studying and developing a concrete carbon transition roadmap. We continuously monitor new and emerging climate-related legislation and assess its impact on business sustainability and future growth.

To support our climate action response, we allocate climate-related operational funds for carbon mitigation, such as offsets, the adoption of energy-efficient technology, and energy conservation.

We actively seek partnerships to restore and sustainably manage natural and modified ecosystems included in our nature-based solutions on climate action.

### PHP1.5 Billion

RETAINED EARNINGS APPROPRIATION FOR CLIMATE INVESTMENT

## RISK MANAGEMENT



We have taken high-level initial steps of integrating climate-related risks into our existing processes.

We embedded climate-related risk identification and assessment in our ERM framework. We incorporated and mapped climate-related risks into our current risk taxonomy, risk categories, and types. We also integrated climate risks in our adaptation and business continuity plan.

## METRICS AND TARGETS



We measure, monitor, and report our Scope 1 and 2 GHG emissions, water consumption, and energy efficiency to management. We continue our capacity building and seek potential partnerships to determine our Scope 3 GHG emissions as our immediate step to supporting a carbon transition plan.

## REPORTING AND COMMUNICATION



In practicing transparency to our stakeholders, we disclose our Scope 1 and 2 GHG emissions in the relevant Environmental section in our annual report.

We have incorporated and communicated our carbon and biodiversity offsets, and ESG performance in our analyst and investor briefings, community newsletters, information campaigns, and other communication platforms.





# Transforming Risks into Opportunities

SMPC recognizes the changing business landscape, which exposes our business to risks that could adversely impact the achievement of our strategic and operational objectives. Our Enterprise Risk Management (ERM) framework sets a proactive and structured approach to manage these risks and maximize opportunities. It ensures risks are identified, assessed, mitigated, and monitored. We continuously calibrate our ERM through

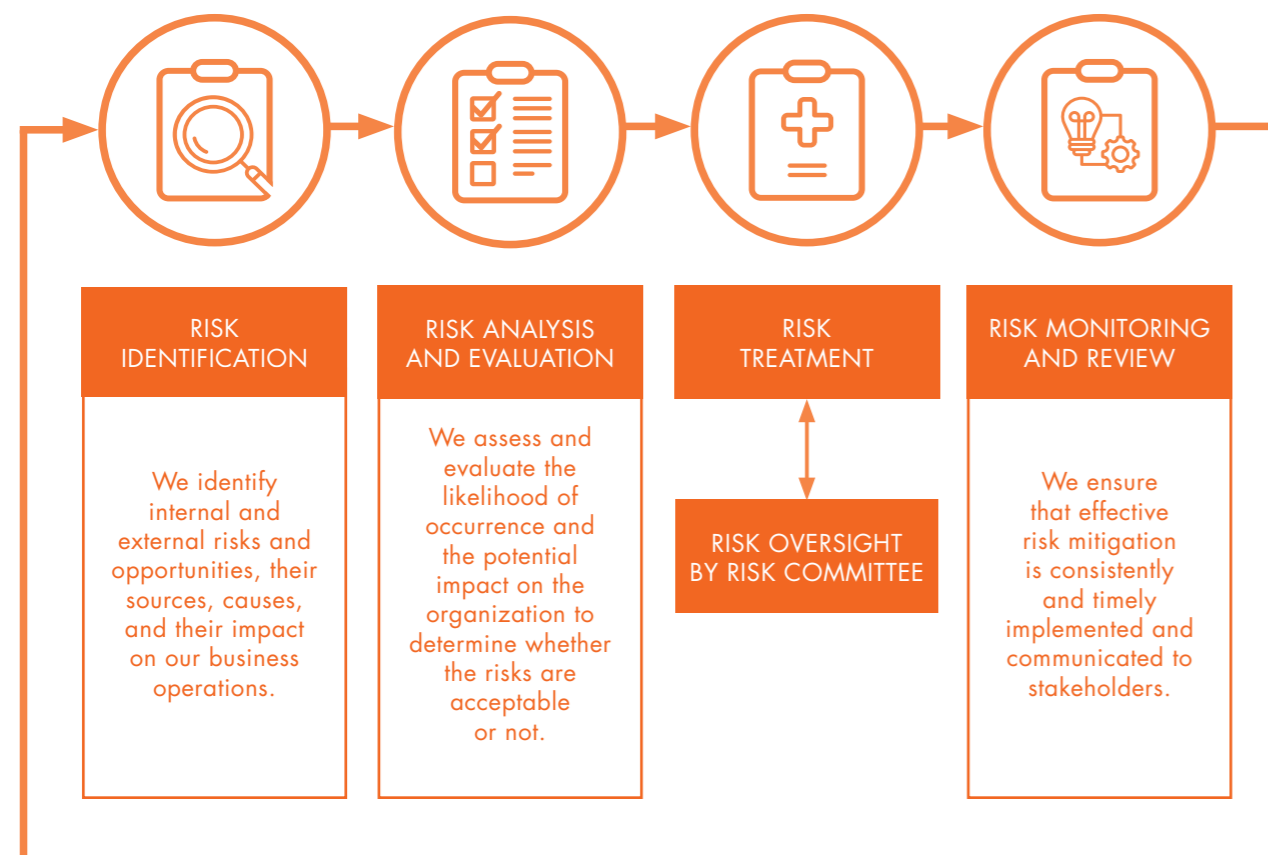
regular proactive review by our Board, Risk Committee, and Management in evaluating the risks that significantly affect our strategies and operations. We have integrated climate-related risks and opportunities in overarching ERM. We continue to build organizational capacity to ensure our people get updated with the relevant knowledge in adapting to emerging risks and trends and implement appropriate risk responses for our business sustainability.





## OUR RISK MANAGEMENT PROCESS

We mitigate the relevant risks by establishing an appropriate risk treatment or response to reduce the risk exposure to an acceptable level.



## OUR RISK GOVERNANCE

Our Board of Directors establishes our risk appetite following definition, analysis, and evaluation.

Our Risk Committee oversees the effectiveness of our risk management and reports on signification and emerging risks to the Board. Our Senior Vice President - Chief Risk, Compliance, and Performance Officer leads the implementation and continual improvement of the ERM framework.





## OUR CLIMATE RISK MANAGEMENT

Our Enterprise Risk Management framework covers climate-related risks. This framework helps us mitigate potential negative impacts, take risks for strategic opportunities, and improve our resilience against climate-related risks.

To address potentially stranded asset risks, our Power subsidiary, SCPC, invested in the Life Extension Program of Units 1 and 2, as an effect that by doing so, both plants will have longer economic life and efficiency.

## OUR BUSINESS CONTINUITY MANAGEMENT 102-15

Our Business Continuity Management ensures the calibration of the critical business processes to a level of agility with minimal business disruption and uncompromising safety of employees. We continuously improve our adaptation and emergency preparedness to strengthen organizational capabilities towards resilience.

The pandemic became our turning point to focus on more sustainable solutions that enable us to navigate effectively during disruptive and dynamic challenges. We continued

updating our risk assessment amid the changing business landscape. We encouraged more frequent communication and collaboration among the members of the Board and risk management leaders to address efficiently the risks that impact our strategic goals. We sustained the digital transformation and capacity building of our people to ensure unimpeded delivery of our products and services, minimal supply chain disruption, productivity, and proactive COVID-19 risk management toward the safety and health of our workforce.

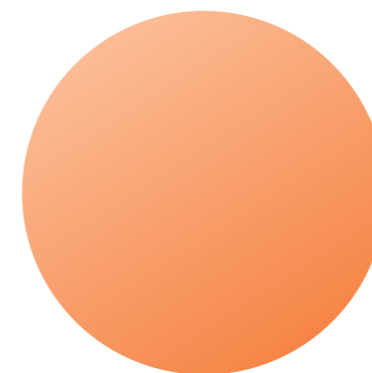
## OUR INFORMATION TECHNOLOGY RISK MANAGEMENT

Our ERM framework enables us to understand the risk implications of technological advances and innovations. As we take advantage of online and virtual engagements in the organization, we ensure our IT governance on information security, cybersecurity, data privacy, infrastructure,

operational technology, and other technology-enabled processes are identified, assessed, managed, and reported to the Board Committee and Management.

During the year, we further strengthened our IT infrastructure and system security to ensure the integrity of our data and other IT assets. We enhanced the capability of our team by increasing awareness of cyber threats

and attacks and completing professional certifications on cybersecurity. We conducted internal vulnerability assessment and monitoring to determine our preparedness and address system gaps and weaknesses. Our IT backup and disaster recovery plan and procedure remain in place to ensure the early restoration of critical IT and communication services and systems for business continuity.



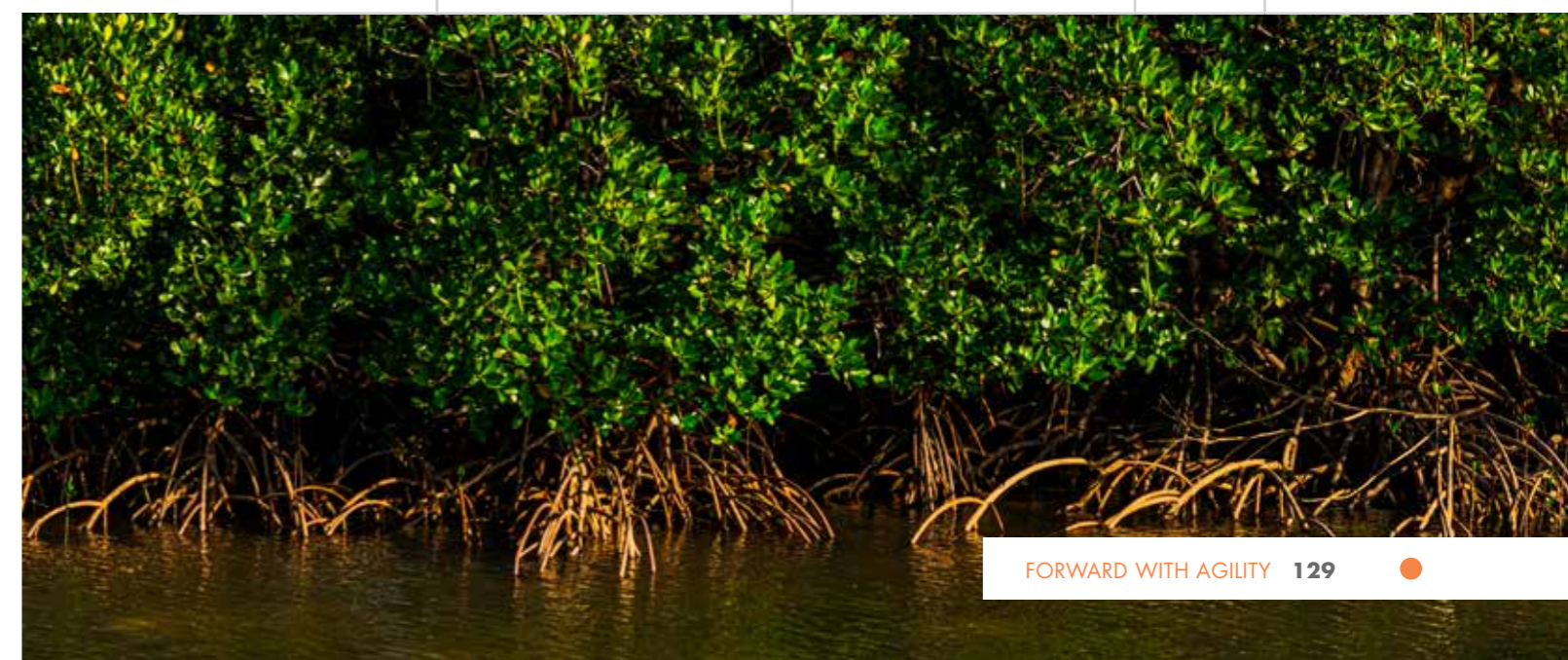


# OUR RISK MANAGEMENT PERFORMANCE IN 2021 102-15

● Achieved 
 ● Partially Achieved 
 ● Not Achieved

KEY BUSINESS RISK	MEASURES	RISK MANAGEMENT	COAL	POWER
Occupational Health, Safety, and Physical Security	<ul style="list-style-type: none"> <li>Zero fatality</li> <li>Reduced non-lost time injury</li> <li>Reduced non-lost time accident</li> <li>Reduced fire incidents</li> <li>Reduced equipment accidents</li> <li>Reduced occupational illnesses</li> </ul>	<ul style="list-style-type: none"> <li>Proactive hazard identification and risk reduction measures</li> <li>Pit safety controls</li> <li>Incident management</li> <li>Occupational safety and health program</li> <li>COVID-19 protocols and vaccination program</li> <li>Flexible work-from-home arrangement</li> <li>Safety culture employee engagement program</li> <li>OHS practices in conformance with ISO 45001:2018</li> </ul>	●	●
Price Volatility & Supply/Demand Balance; Power Regulations, Competition, and Commodity Trading	<ul style="list-style-type: none"> <li>Financial targets</li> <li>Market share (%)</li> </ul>	<ul style="list-style-type: none"> <li>Global price index monitoring</li> <li>Wholesale Electricity Supply Market (WESM) price monitoring</li> <li>Contract management</li> <li>Optimization of market opportunities</li> <li>Global energy crisis assessment</li> </ul>	●	●
Asset Performance	<ul style="list-style-type: none"> <li>Equipment and/or power plant availability, reliability, and utilization</li> <li>Power net generation</li> <li>Strip ratio</li> <li>Cost per metric ton</li> <li>Fuel efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Coal fleet optimization</li> <li>Fuel management (use of low-grade coal)</li> <li>Asset management plan</li> <li>Equipment condition monitoring and data analytics</li> <li>Project management</li> </ul>	●	●
Climate-related	<ul style="list-style-type: none"> <li>Business continuity and sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Business continuity management</li> <li>Climate risk integration in ERM framework management</li> <li>TCFD pillars and capacity building</li> <li>Acute and chronic physical risk management through production, inventory, shipping and supply chain management</li> </ul>	●	●

KEY BUSINESS RISK	MEASURES	RISK MANAGEMENT	COAL	POWER
People & Talent	<ul style="list-style-type: none"> <li>Retention rate</li> <li>Separation rate</li> <li>Implemented succession plan</li> </ul>	<ul style="list-style-type: none"> <li>Talent management and retention program</li> <li>Succession management</li> <li>Calibrated learning and development program</li> </ul>	●	●
Compliance & Reputation	<ul style="list-style-type: none"> <li>Full compliance</li> <li>SMART impacts of social development projects</li> </ul>	<ul style="list-style-type: none"> <li>Impact assessment and implementation of new or emerging rules and regulations</li> <li>Compliance monitoring and reporting system</li> <li>Proactive community engagement and relations program</li> <li>Information, Education, and Communication (IEC) program</li> <li>Partnerships with community and people groups</li> </ul>	●	●
Procurement & Inventory Management	<ul style="list-style-type: none"> <li>On-time delivery</li> <li>Availability of critical parts/spares</li> </ul>	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Streamlining delivery process</li> </ul>	●	●
Information Technology	<ul style="list-style-type: none"> <li>Zero disruption of IT services</li> </ul>	<ul style="list-style-type: none"> <li>Disaster recovery plan</li> <li>Incident response management</li> <li>Continual enhancement of IT security solutions and upgraded network infrastructure</li> <li>Upgraded or new operational technologies and systems</li> </ul>	●	●





# Elevating Corporate Governance

SMPC aligns the values of accountability, transparency, and fairness to our processes, allowing us to achieve the highest performance level. Through our integrated systems for corporate governance, we direct our efforts to promote sustainable decision-making in the best interest of our stakeholders and shareholders.







## A MODEL FOR GOOD GOVERNANCE

In the **2021** ASEAN Corporate Governance Scorecard (ACGS) assessment, we maintained our good governance standing with **107.2** score points, an improvement from our previous year's score of 100.1. We continue to be among PLCs, which achieved a score of 97 points and higher in the country and the region. This achievement shows how we stand by the values and pillars embedded in our corporate governance framework. The ASEAN Capital Markets Forum

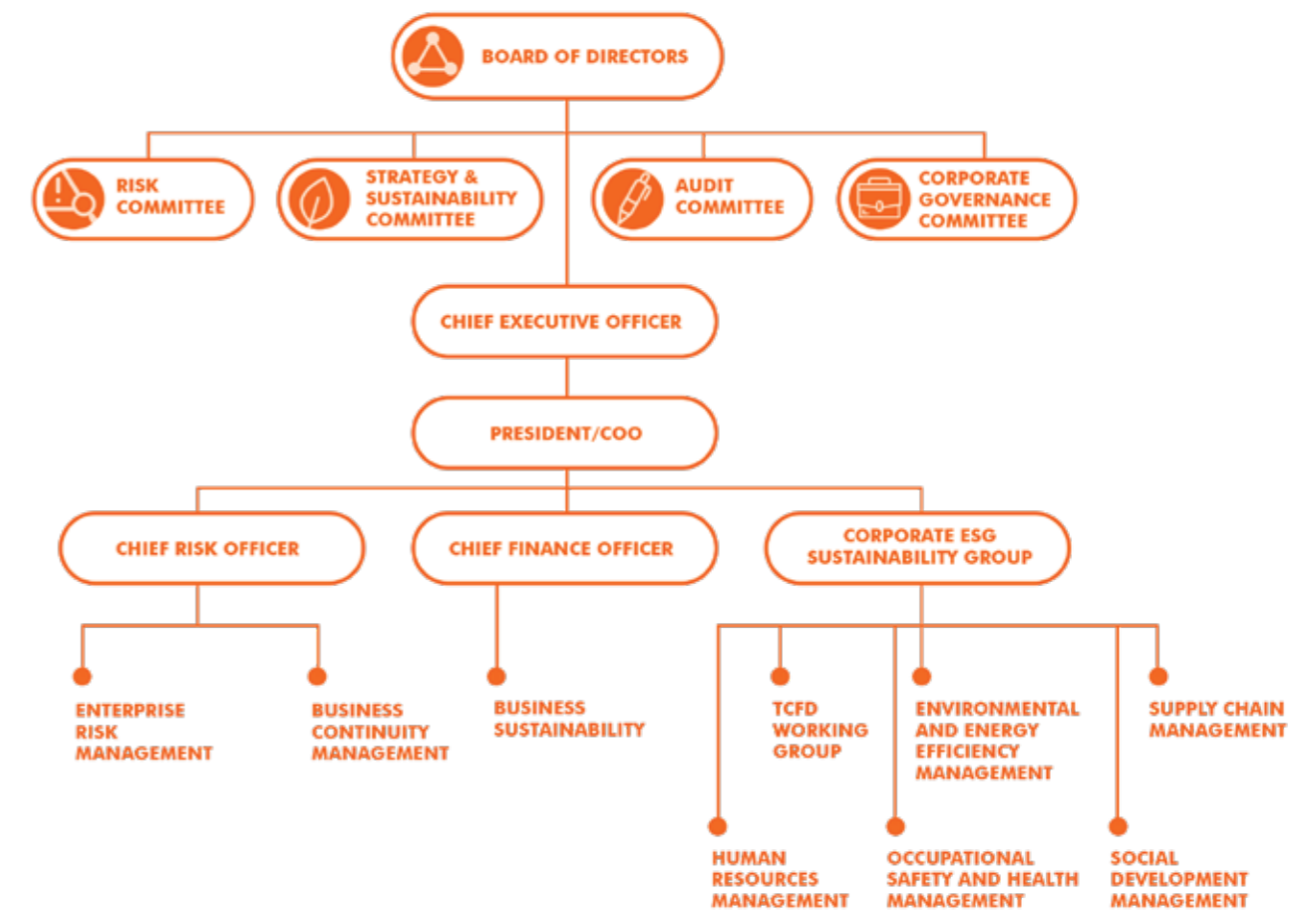
created the ACGS to evaluate the corporate governance of PLCs among the six ASEAN member countries, including the Philippines.

**Since 2015, we consistently ranked in the Top 100 Philippine PLCs in ACGS, which shows how we stand by the values and pillars integrated into our corporate governance framework.**

In 2021, SMPC and parent DMCI Holdings, Inc. landed in the Bloomberg Gender-Equality Index (GEI), a modified market capitalization-weighted index that aims to track the performance of public companies committed to transparency in gender data reporting. The GEI evaluates 418 companies from 45 nations and regions through its specific criteria, including female leadership, participation, and inclusive company policy.

## OUR GOVERNANCE AND SUSTAINABILITY STRUCTURE

102-18



Our Board uses a governance framework that adheres to international good governance practices and SEC-compliant corporate governance guidelines, including the SEC Corporate Governance Code for Publicly Listed Companies, and ACGS. Adhering to these standards, SMPC promotes a transparent, accountable, and compliant corporate governance. Our structure specifies and supports our responsibilities and tasks managing and achieving our efforts and goals for sustainable development while considering the environmental, social, governance, and climate change impact.



## OUR PRINCIPLES OF CORPORATE GOVERNANCE 102-18

### RESPONSIBILITIES OF THE BOARD

- 1 A competent, working board fosters the organization's long-term success in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.
- 2 The fiduciary roles, responsibilities, and accountabilities of the Board are known to all directors, shareholders, and other stakeholders.
- 3 Board committees ensure and support the effective performance of the Board's functions.
- 4 Directors devote the time and attention necessary to perform their duties and responsibilities properly and effectively.
- 5 The Board endeavors to exercise objective and independent judgment.
- 6 The Board maintains its effectiveness through a regular appraisal process.
- 7 Board members are duty-bound to uphold high ethical standards in the interests of all stakeholders.

### DISCLOSURE AND TRANSPARENCY

- 8 The Company sets corporate disclosure policies and procedures following the best practices and regulatory expectations.
- 9 The Company establishes the appropriate selection and appointment of an external auditor and exercises effective oversight of its independence and audit quality.
- 10 The Company discloses material and reportable non-financial and sustainability issues.
- 11 The Company maintains a comprehensive and cost-efficient communication channel for disseminating relevant information for informed decision-making by investors, stakeholders, and other interested users.

### STRONG INTERNAL CONTROLS AND RISK ENTERPRISE MANAGEMENT

- 12 The Company has a strong and effective internal control system and enterprise risk management framework to ensure integrity, transparency, and proper governance for its affairs.

### STAKEHOLDER RELATIONS

- 13 The Company treats all shareholders fairly and equitably.
- 14 The rights of stakeholders established by law, contractual relations, and voluntary commitments must be respected. Where stakeholders' rights and interests are at stake, stakeholders should have the opportunity to obtain prompt, effective redress for the violation of their rights.
- 15 A mechanism for employee participation is established to create a symbiotic environment, realize the Company's goals and participate in its corporate governance processes.
- 16 The Company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders positively and progressively, fully supporting its comprehensive and balanced development.

**Note:** Our detailed policies can be found in our Manual on Corporate Governance and Code of Conduct and Business Ethics at [http://www.semiraramining.com/corporate\\_governance](http://www.semiraramining.com/corporate_governance).

As part of a broader Integrated Enterprise Governance, Risk, and Compliance (GRC) Framework, our corporate governance guides us toward sustainable and holistic management practices. We effectively addressed challenges using this framework that involved calculated internal controls, assessment, and independent evaluation. This framework and our references for good governance, notably our Manual on Corporate Governance and Code of Conduct and Business Ethics,

continuously guide the Board of Directors and all levels across the organization.

In 2021, our Company fully complied with the provisions of our Manual on Corporate Governance. SMPC continues to be an institutional member of the Shareholders' Association of the Philippines Inc. (SharePHIL), which promotes investor education and shareholder activism and advocates the protection of shareholders' rights.

## OUR INTEGRATED ENTERPRISE GOVERNANCE, RISK, AND COMPLIANCE (GRC) FRAMEWORK





## LEADERSHIP: THE BOARD OF DIRECTORS

102-22

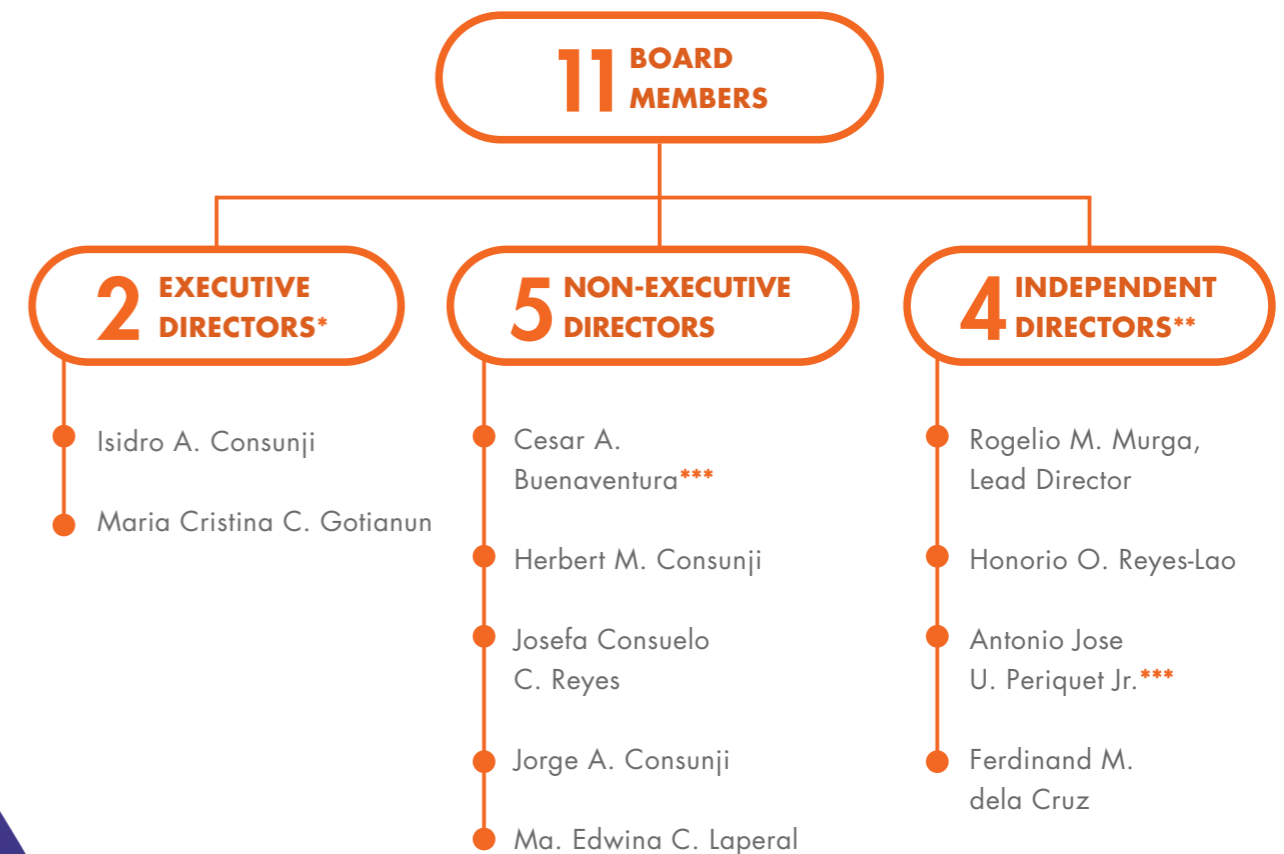
Distinguished by its diversity and competence, our Board of Directors includes professionals in engineering, economics, finance, and management of essential industries. We believe that effective decision-making requires a diverse mix of skill sets and perspectives.

Our continuous commitment to a fair and diversified management team ensures our ability to uphold sustainability.

## BOARD COMPOSITION

Our Board has an appropriate mix of highly-qualified individuals with stature and experience in relevant fields, such as coal energy industries, finance, risk management, government service, and business operations, among others.

Our Independent Directors complement to provide a value-adding Board through their expertise, experience, and objective judgment to strengthen our corporate governance.



\* Our Executive Directors did not serve on more than two boards of listed companies outside our parent company, DMCI Holdings Inc., during the year.

\*\* An Independent Director can be elected to only five companies within the DMCI Group conglomerate

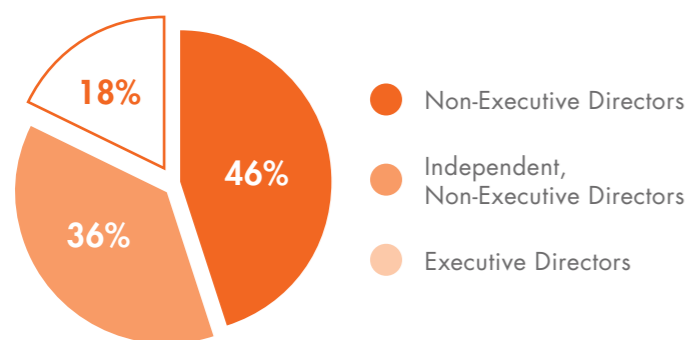
\*\*\* In 2021, our Non-Executive Director, Cesar A. Buenaventura, and Independent Director, Antonio Jose U. Periquet, Jr., held more than five directorships in publicly listed companies. Their concurrent directorships have not affected their effectiveness in exercising their roles and responsibilities.



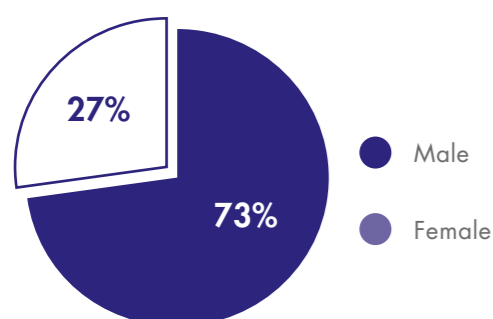


## BOARD DIVERSITY

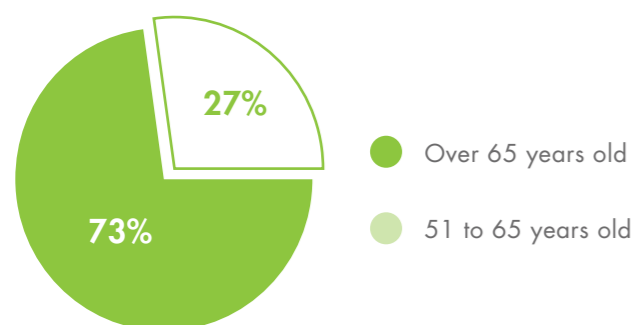
### By Independence



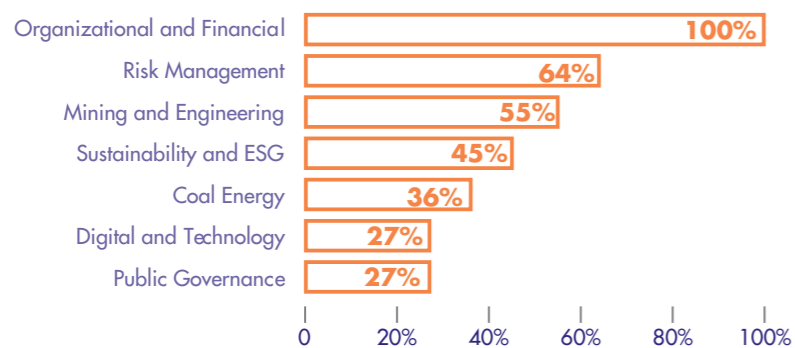
### By Gender



### By Age



### By Expertise



## NOMINATION AND SELECTION 102-24

The Corporate Governance Committee nominates directors to the Board to fill any vacancies. The Board assesses the membership candidates during the evaluation and nomination process based on how well their knowledge, competencies, experience, and skills align with the Company's goal. The Board also accounts for any conflicts of interest during the appraisal process. Directors are elected or re-elected during the Annual Stockholders' Meeting (ASM).

## ATTENDANCE AND DIRECTORSHIP IN OTHER BOARDS 405-1

At the start of each year, our Corporate Secretary communicates the meeting schedule of the Board. The Board meets regularly every quarter of the year and may call for a special meeting as needed in accordance with the corporate By-Laws. The Board had nine (9) meetings, including the organizational meeting in 2021, and met the SEC's minimum Board meeting attendance requirement of 50 percent. Our SEC 17-A details the attendance of our Board and Board Committee meetings.

On May 3, 2021, the Chairmen of our Audit Committee, Risk Committee, and Corporate Governance Committee attended a virtual Annual Stockholders' Meeting to answer any potential shareholder questions about Committee topics.

## REMUNERATION

102-35, 102-36, 102-37, 102-38, 102-39

The Board of Directors' remuneration and changes are reviewed and approved at the annual stockholders' meeting. The remuneration includes a yearly retainer fee, per diem, reimbursement of allowances, and short-term cash incentive for regular Executive Directors, if necessary.

Personal loans or extensions of credit to Directors are prohibited under our Board Charter on Good Governance Guidelines unless with Board approval. In 2021, there have been no loans approved.

## PERFORMANCE AND EVALUATION 102-27, 102-28

Being the highest governing body, Board members are accountable for maintaining their ability for effective corporate governance. SMPC encourages participation in the Director Development Program and provides new Directors an orientation covering the Company's financial, operational, and management components to directly offer them the opportunity to improve their knowledge and abilities.

**TOTAL ANNUAL COMPENSATION PACKAGE LIMIT (INCLUDING BONUSES):**  
10% of the Company's net income before tax during the previous year

## REMUNERATION SUMMARY

EXECUTIVE DIRECTOR	NON-EXECUTIVE DIRECTOR AND INDEPENDENT DIRECTOR
<ul style="list-style-type: none"> <li>Fixed Retainer Fee PHP240,000/annum*</li> <li>Fixed Meeting Per Diem PHP20,000/Committee Meeting attended*</li> </ul>	<ul style="list-style-type: none"> <li>Fixed Retainer Fee PHP150,000/month (or PHP1,800,000/ annum)**</li> <li>Fixed Meeting Per Diem PHP20,000/Committee Meeting attended*</li> </ul>

\*Date of Shareholder approval – May 4, 2009  
\*\*Date of Shareholder approval – May 4, 2015

Note: Details of Directors' individual remuneration in 2021 are disclosed in our SEC 17-A Annual Report.

## SUCCESSION PLANNING

SMPC anchors sustainable corporate governance to effective management. SMPC's leadership program prepares candidates for future positions of higher responsibility by providing training and development. Our Executive Succession Plan ensures a seamless transfer between leaders by laying out the steps for key position successions.



## BOARD COMMITTEES 102-22

### CORPORATE GOVERNANCE COMMITTEE

Chairman	Members
Honorio O. Reyes-Lao - Independent Director	Rogelio M. Murga - Independent Director Ferdinand M. dela Cruz - Independent Director

#### Main Oversight

- Nomination and selection process and criteria for directorship
- Board and Director performance and development
- CEO performance evaluation and review of related performance metrics
- Board and executive succession planning
- Key officers' appointment and movement
- Corporate governance

**Note:** The Corporate Governance Committee's accomplishments for the year are disclosed in our SEC 17-A Annual Report and I-ACGR.

### RISK COMMITTEE

Chairman	Members
Rogelio M. Murga - Lead, Independent Director	Honorio O. Reyes-Lao - Independent Director Ferdinand M. dela Cruz - Independent Director Isidro A. Consunji - Executive Director Maria Cristina C. Gotianun - Executive Director

#### Main Oversight

- Enterprise-wide risk management framework
- Risk governance
- Risk management practices and policies
- Oversight of climate-related risks

**Note:** The Risk Committee's accomplishments for the year are disclosed in our SEC 17-A Annual Report and I-ACGR.

### AUDIT COMMITTEE

Chairman	Members
Antonio Jose U. Periquet Jr. - Independent Director	Honorio O. Reyes-Lao - Independent Director Ferdinand M. dela Cruz - Independent Director

#### Main Oversight

- Financial reporting process and integrity of the financial statements
- Internal control environment
- External and internal audit performance
- Related party transactions
- Compliance with legal and regulatory requirements

**Note:** The Audit Committee Annual Report to the Board of Directors is included our SEC 17-A, as well as our I-ACGR.

### STRATEGY AND SUSTAINABILITY COMMITTEE

Chairman	Members
Antonio Jose U. Periquet Jr. - Independent Director	Honorio O. Reyes-Lao - Independent Director Ferdinand M. dela Cruz - Independent Director Cesar A. Buenaventura - Non-Executive Director Isidro A. Consunji - Executive Director Maria Cristina C. Gotianun - Executive Director

#### Main Oversight

- Corporate strategic directions, policies, and practices
- Business sustainability
- Sustainability development with consideration of climate-related risks and opportunities



## ASSURANCE

### MONITORING OUR COMPLIANCE TO POLICIES AND STANDARDS

With the rigorous discipline required of a responsible power and mining company, SMPC undertakes self-monitoring in conjunction with industry best practices.

#### INTERNAL AUDITS

Internal auditors conduct regular surveillance audits to guarantee a strong enterprise-wide compliance system and culture.

#### INTERNAL MONITORING

Our Environmental Unit collaborates with concerned groups to evaluate the efficacy of our environmental activities every month to find areas for improvement.

#### EXTERNAL AUDITS

External assurance parties and local regulators are invited to assess our compliance with government regulations, industry guidelines, and conformance to internationally recognized standards.

#### MULTI-SECTORAL MONITORING

Composed of government representatives and various stakeholder groups, a Multi-partite Monitoring Team (MMT) oversees and evaluates the Company's compliance with ECC conditions, applicable laws, rules, and regulations every quarter.

### COMPLIANCE WITH PHILIPPINE REGULATIONS

We collaborate closely with the Department of Energy (DOE) and regulators to ensure that our policies, processes, and reportorial requirements comply with applicable laws and standards.

We also comply with the specific measures and conditions outlined in the Environmental Compliance Certificate (ECC) issued by the Philippine Department of Environment and Natural Resources (DENR).

### CONFORMANCE TO GLOBAL SAFETY STANDARDS AND SUSTAINABLE BEST PRACTICES

Our Coal operations have been ISO-certified for Quality, Environment, and OHS management systems for the past thirteen years and continue to be certified in 2021. Our Power subsidiaries, SEM-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC), on the other hand, successfully migrated to ISO 45001:2018 in 2021 while maintaining international standards on Quality and Environmental management systems over the previous five years.





## COMMUNICATION BEYOND COMPLIANCE

We strive to set the standard for reporting and transparency within the industry. We have continuously followed SEC and PSE rules, which provide the best approach to communicate our activities with comprehensive, timely, and balanced information to our stakeholders. SMPC is always searching for ways to enhance its reporting practices, not just by looking at what is required but also by looking at international standards that might help us frame our disclosures more effectively.

Currently, our Company disclosures include the following:

- Board Attendance and Changes
- Quarterly Financial Reports
- Changes in Shareholdings of Directors, Principal Officers, and Beneficial Owners
- List of Top Shareholders
- Compliance Report on Corporate Governance

Our Information Policy ensures that our investment partners and other relevant stakeholders securely obtain our disclosures, including financial performance, operational highlights, growth prospects, possible hazards, and non-financial concerns.

## INVESTOR RELATIONS

To ensure effective investor relations and engagement alignment, our Investor Relations (IR) is handled by our Parent, DMCI Holdings, Inc.'s (DMC) group-wide IR function.

Our IR contact information  
 Email: [Investor\\_Relations@semirarampc.com](mailto:Investor_Relations@semirarampc.com); T +632 8888-3000



## INVESTOR ENGAGEMENT PLATFORMS

<b>Annual Stockholders' Meeting (Virtual Meeting)</b>	May 3, 2021
<b>Analyst-Media Briefings (Virtual Meetings)</b>	<p><b>Q4/FY 2020 Earnings Call Briefing</b> March 4, 2021</p> <p><b>Q1 2021 Earnings Call Briefing</b> May 6, 2021</p> <p><b>Q2/H1 2021 Earnings Call Briefing</b> August 3, 2021</p> <p><b>Q3/9M 2021 Earnings Call Briefing</b> November 2, 2021</p>
<b>Local Investor Conference (Virtual Meetings)</b>	<p><b>Maybank Kim Eng Corporate Access</b> February 2, 2021</p> <p><b>RCBC Securities Non-deal Roadshow</b> September 28, 2021</p> <p><b>Jefferies and Regis Partners Corporate Access</b> October 13, 2021</p> <p><b>Maybank Kim Eng: DMCI Holdings Day</b> November 23, 2021</p>



## EQUITABLE TREATMENT OF SHAREHOLDERS

Our corporate governance framework safeguards minority shareholders from principal risks posed by controlling shareholders. Our Principles of Corporate Governance guarantee equal treatment for minority and foreign owners, including basic shareholder rights protection.

“ONE COMMON SHARE  
ONE VOTE”

### PROPORTIONAL VOTING

We uphold a share structure of “one vote per one common share.” SMPC has no current practice that awards disproportionate voting rights to select shareholders.

### SHARE REPURCHASE

All shareholders are treated equally and fairly regarding share repurchases.

### VOTING RIGHTS

We uphold our shareholders’ right to be informed, participate, and vote on important matters during the ASM

### MATTERS OF FUNDAMENTAL IMPORTANCE

- Amendments to the Company’s constitution and similar governing documents
- Appointment and re-appointment of the external auditor
- Authorization of additional shares
- Election of Directors, done individually
- Extraordinary transactions, including transfer or sale of all or substantially all of the Company’s assets, sale of a business unit or subsidiary that accounts for a majority portion of the Company’s assets
- Nomination by non-controlling shareholders of candidates for Board Directors
- Remuneration (per diem, fees) of Directors

## ANNUAL STOCKHOLDERS’ MEETING

On the first Monday in May, SMPC holds the Annual Stockholders’ Meeting, which allows the Board members to communicate with the Company’s partners and investors and relay the present status of relevant areas of concern. The ASM serves as our engagement platform with our shareholders and ensures transparency of our operations, and our decision-making includes them.

Because of the pandemic and to minimize unnecessary physical contact, the SEC authorized the Annual Stockholders’ Meeting to be held online this year. On May 3, 2021, shareholders virtually attended the ASM. We took precautions and implemented systems to ensure shareholder safety during the meeting.

The Chairman of the Board and Chief Executive Officer, Board Directors, President and

Chief Operating Officer, Chief Finance Officer, Corporate Secretary, Investor Relations Officer, other Key Officers, and the external auditor, Sycip Gorres Velayo & Co. (SGV & Co.) attended the 2021 ASM to answer any potential shareholder questions.

### AGENDA OF THE MEETING

- Approval of the minutes of the previous year’s ASM held on July 3, 2020, and rationale thereof
- Approval of Management Report for 2020, and rationale thereof
- Ratification of the acts of the Board and Management in 2020 and until the date of the ASM, and rationale thereof
- Re-appointment of SGV & Co. as independent external auditor, with details of name, qualification, and details thereof
- Election of Board Directors individually, with information on the individual profile of nominees for election to the Board with the following details: age, education, experience, position, type of directorship, other directorships in listed and non-listed companies, Board Committee memberships, beneficial share ownership, and Board meetings attended
- Discussion of other matters



## POLL VOTING

We give equal opportunity for shareholders to vote in person, electronically, or in absentia to maintain shareholder equality.

We adopted the following procedures for the virtual 2021 ASM:

- Poll voting was conducted for all resolutions rather than a show of hands.
- Votes were cast and counted for each agenda item.
- Voting results were presented for each agenda item during the meeting to inform the participants of such an outcome.
- Appointment of SGV & Co. as the independent body to count and validate the votes from polls cast by the shareholders for items stated in the agenda requiring approval and/or ratification.

## DECISION-MAKING

Decisions for shareholders' concerns, such as the nomination of Board members and other essential matters, were discussed in the ASM.

## SHAREHOLDERS PARTICIPATION

Following the presentation of the Management Report by Maria Cristina C. Gotianun, President and Chief Operating Officer, shareholders and guests asked questions on the Management Report and company performance. The ASM minutes highlighted the shareholders' queries and Management's responses.

## DISCLOSURE

The SEC and PSE published the total and outcomes of shareholder voting (approving, disapproving, or abstaining) for all resolutions within five working days. This information was also made public on the Company's website on the day of disclosure.

We disclosed and uploaded to our website the entire minutes of the 2021 ASM, including the attendance of Board Directors, officer attendance, and the Certification of Quorum, within the prescribed five days following the ASM.



## OUR DUTIES TO STAKEHOLDERS

Through our ongoing engagement and fair treatment processes built into the corporate governance framework, SMPC continuously protects the rights of our stakeholders. Our Code of Conduct and Business

Ethics and duties identify our responsibilities to our stakeholders. In recognizing our mutual support to our stakeholders, we maintain accountability in resolving their concerns and helping them grow. →



**2021 ANNUAL STOCKHOLDERS' MEETING**  
3 MAY 2021





## CODE OF CONDUCT

Our Code of Conduct and Business Ethics, OSH stakeholder policies, anti-harassment, anti-discrimination, child labor, forced labor, environmental, employee compensation and benefits, and community relations programs are all designed to respect, protect, and fulfill human rights in the workplace and communities.

We enhance our awareness of human rights by facilitating internal training and participating in forums organized by external stakeholders. We also continuously communicate and expect suppliers and business partners to uphold responsible and ethical supply chain management and corporate citizenship, including compliance with the principles of human rights and fair play, through our formal Expectations of Suppliers, Contractors, and Business Partners. We may choose not to cooperate with or cease business agreements with partners who fail to achieve our expectations or refuse to take corrective action in the event of non-compliance to guarantee that we sustainably do business.

<b>CODE OF CONDUCT AND BUSINESS ETHICS</b>	Policies, soft controls, and assurance procedures that promote openness, integrity, and accountability within the organization.
<b>ALTERNATIVE DISPUTE RESOLUTION POLICY</b>	Alternative dispute resolution processes for settling corporate governance disputes and shareholder/stakeholder differences.
<b>WHISTLEBLOWING INTEGRITY REPORTING MECHANISMS</b>	Secure reporting venue for stakeholders to raise valid complaints and confidential concerns such as fraud, human rights concerns, questionable, and unethical transactions in good faith.
<b>GIFT AND ENTERTAINMENT POLICY</b>	Prohibition for employees receiving gifts, benefits, or interest from suppliers, customers, or business partners that could reasonably be interpreted as inducing favoritism over others.
<b>CONFLICT OF INTEREST POLICY</b>	Directors, officers, and employees are required to submit a single transaction Disclosure statement of indirect financial interest in contract or purchase proposed to be entered into by the Company.
<b>ANTI-CORRUPTION POLICY</b>	Prohibition of all forms of bribery and corruption that breach any applicable law as they cause market distortions and curtail economic, social, and political development in the country.

## EMPLOYEES

- Safety, Health, and Welfare Policy
- Training and Development
- Workplace and Contractor Safety
- Employee Engagement Programs

We created policies and programs to ensure our people's growth, health, and well-being. We provide our employees with various opportunities to improve their technical and soft skills and tangible and behavioral measures for workplace safety.

## CREDITORS AND BUSINESS PARTNERS

- Safeguarding Creditors' Rights Policy

We commit to meeting our obligations to our creditors and business partners on schedule. SMPC implements operational and fiscal management measures to safeguard the Company's financial status and preserve repayment capability to meet all debt covenants. Our policy for fair transactions and the confidentiality of proprietary non-public information protects our creditors.

## CUSTOMERS

- Customer Welfare Policy

Our policy framework protects the customer's welfare, ensuring their right to information accessibility, and high-quality service from SMPC. Our principle of responsible marketing and Code of Conduct safeguard our customers against the illegal and unethical use of their personal information. We maintain our transparency by proper nominations and declarations process, and our team handles resolutions and complaints regarding services given.

## GOVERNMENT

- Integrated Management Policy

We foster a working relationship with government agencies as our regulator and development partner by maintaining continual engagement and meeting obligations. By adhering to government regulations and using an integrated management approach, we promote transparency and collaboration continuously.

## SUPPLIERS AND CONTRACTORS

- Supplier and Contractor Policy

SMPC is committed to meeting our contractual responsibilities to our suppliers and contractors. We create sustainable, high-quality business partnerships that benefit our stakeholders through sustainability accreditation, monitoring of our procurement procedures, and supplier review and selection.

## COMMUNITIES AND ENVIRONMENT

- Social Development Program
- Environmental Policy
- Climate Change Policy
- Environmental Stewardship Program

SMPC commits to developing sustainable systems for our local communities. We launch several social development and environmental programs to widen their access to education, livelihood, and a healthy ecosystem. We encourage communication with our communities about environmental issues caused by our operations and keep on track with the rehabilitation and reforestation of the local ecosystem.





## TRANSACTION POLICIES

Our corporate governance benefits and grows from policies that sustain healthy business practices via regulation and ethical transactions. The following policies demonstrate our unwavering commitment to maintaining excellent corporate behavior.

	COVERAGE	2021 COMPLIANCE
<b>POLICY ON INSIDER TRADING</b>	<ul style="list-style-type: none"> <li>Prohibits insider trading among Directors, officers, and employees</li> <li>Requires prior Stock-Trading reporting protocol for Directors and officers to notify the Legal Department</li> </ul>	There was no insider trading case violation reported.
<b>RELATED PARTY TRANSACTIONS (RPT) POLICY</b>	<ul style="list-style-type: none"> <li>Requires Directors, officers, and key management personnel to notify Audit Committee or Corporate Counsel of an immediate family members' past, present, or potential RPT</li> <li>Requires Independent Director's review of material RPTs</li> </ul>	All actual RPTs were conducted in arms-length terms.
<b>MATERIAL RELATED PARTY TRANSACTIONS POLICY</b>	<ul style="list-style-type: none"> <li>Requires two-thirds approval vote of the Board with at least a majority of the Independent Directors, of all transactions of SMPC and subsidiaries meeting the materiality threshold of RPTs amounting to 10% or higher of SMPC's Total Consolidated Assets based on its latest audited consolidated financial statement</li> </ul>	There was no material-related party transaction that breached the prescribed SEC materiality threshold during the year.





# Our Leadership



# BOARD OF DIRECTORS



## **ISIDRO A. CONSUNJI 73**

Filipino, Executive Director  
Chairman and Chief Executive Officer  
2021 Risk Committee, Member  
2021 Strategy and Sustainability Committee, Member

### **EDUCATION**

BS Civil Engineering  
*University of the Philippines Diliman*

Master of Business Economics  
*Center for Research & Communication (now University of Asia and the Pacific)*

Master of Business Management  
*Asian Institute of Management*

Advanced Management  
*IESE Business School, Barcelona, Spain*

### **BOARD APPOINTMENT**

First appointment as Chairman, *November 2014*  
First appointment as a director, *May 2001*  
Date of last re-election as director, *May 3, 2021*

### **PRESENT DIRECTORSHIP IN LISTED COMPANIES**

DMCI Holdings, Inc. (within Company Group)  
Atlas Consolidated Mining and Development Corporation

### **OTHER DIRECTORSHIPS WITHIN COMPANY GROUP**

Dacon Corporation  
DMCI Masbate Power Corporation  
DMCI Mining Corporation  
DMCI Project Developers, Inc.  
ENK Plc (U.K.)  
M&S Company Inc.  
Maynilad Water Services  
SEM-Cal Industrial Park Developers Inc.  
SEM-Calaca Power Corporation  
Semirara Cement Corporation  
Semirara Claystone Inc.  
Semirara Energy Utilities Inc.  
Southeast Luzon Power Generation Corporation  
Southwest Luzon Power Generation Corporation  
St. Raphael Power Generation Corporation  
Toledo Mining Corporation Plc (U.K.)



## **MARIA CRISTINA C. GOTIANUN 67**

Filipino, Executive Director  
President and Chief Operating Officer  
2021 Risk Committee, Member  
2021 Strategy and Sustainability Committee, Member

### **BOARD APPOINTMENT**

First appointment as a director, *May 2006*  
Date of last re-election as a director, *May 3, 2021*

### **PRESENT DIRECTORSHIP IN LISTED COMPANIES**

DMCI Holdings, Inc. (within Company Group)

### **OTHER DIRECTORSHIPS WITHIN COMPANY GROUP**

Dacon Corporation  
Divine Word School of Semirara Island, Inc.  
DMCI Masbate Power Corporation  
DMCI Power Corporation  
SEM-Cal Industrial Park Developers Inc.  
SEM-Calaca Power Corporation  
Semirara Claystone Inc.  
Semirara Energy Utilities Inc.  
Semirara Training Center, Inc.  
Southeast Luzon Power Generation Corporation  
Southwest Luzon Power Generation Corporation  
St. Raphael Power Generation Corporation

### **EDUCATION**

BS Business Economics, *University of the Philippines Diliman*



## **CESAR A. BUENAVENTURA 92**

Filipino, Non-Executive Director  
2021 Strategy and Sustainability Committee, Member

### **BOARD APPOINTMENT**

First appointment as a director, *May 2001*  
Date of last re-election as a director, *May 3, 2021*

### **PRESENT DIRECTORSHIP IN LISTED COMPANIES**

Concepcion Industrial Corporation  
DMCI Holdings, Inc. (within Company Group)  
International Container Terminal Services, Inc.  
iPeople, Inc.  
PetroEnergy Resources Corporation  
Pilipinas Shell Petroleum Corporation

### **OTHER DIRECTORSHIPS WITHIN COMPANY GROUP**

DM Consunji, Inc.

### **EDUCATION**

BS Civil Engineering, *University of the Philippines*

Master's Degree Civil Engineering  
Major in Structures, *Lehigh University, Bethlehem, Pennsylvania (Fulbright Scholar)*

### **SPECIAL RECOGNITION**

Honorary Officer,  
Order of the British Empire  
by Her Majesty Queen Elizabeth II





**ROGELIO M. MURGA 87**

Filipino, Lead Independent Director  
2021 Risk Committee, Chair  
2021 Corporate Governance Committee, Member

**BOARD APPOINTMENT**

First appointment as a director, *November 2014*  
Date of last re-election as a director, *May 3, 2021*

**PRESENT DIRECTORSHIP  
IN LISTED COMPANIES**

Nil

**OTHER DIRECTORSHIPS  
WITHIN COMPANY GROUP**

SEM-Calaca Power Corporation (Independent Director)  
Southwest Luzon Power Generation Corporation (Independent Director)

**EDUCATION**

BS Mechanical Engineering, *University of the Philippines*

Senior Management Program, *Harvard Business School in Vevey, Switzerland*

Honorary Degree of Doctor of Science – Honoris Causa, *Feati University (2004)*



**ANTONIO JOSE U. PERIQUET, JR. 61**

Filipino, Independent Director  
2021 Audit Committee, Chair  
2021 Strategy and Sustainability Committee, Chair

**BOARD APPOINTMENT**

First appointment as a director, *August 2019*  
Date of last re-election as a director, *May 3, 2021*

**PRESENT DIRECTORSHIP  
IN LISTED COMPANIES**

DMCI Holdings, Inc. (Independent Director, within Company Group)  
Ayala Corporation  
Max's Group of Companies  
Philippine Seven Corporation  
Universal Robina Corporation

**OTHER DIRECTORSHIPS  
WITHIN COMPANY GROUP**

SEM-Calaca Power Corporation (Independent Director)  
Southwest Luzon Power Generation Corporation (Independent Director)

**EDUCATION**

AB Economics, *Ateneo de Manila University*

Master of Science Economics  
*Oxford University, UK*

Master in Business Administration  
Darden Graduate School of Business Administration, *University of Virginia, USA*



**HONORIO O. REYES-LAO 77**

Filipino, Independent Director,  
2021 Corporate Governance Committee, Chair  
2021 Audit Committee, Member  
2021 Risk Committee, Member  
2021 Strategy and Sustainability Committee, Member

**BOARD APPOINTMENT**

First appointment as a director, *May 2017*  
Date of last re-election as a director, *May 3, 2021*

**PRESENT DIRECTORSHIP  
IN LISTED COMPANIES**

DMCI Holdings, Inc. (Independent Director, within Company Group)  
Philippine Business Bank

**OTHER DIRECTORSHIPS  
WITHIN COMPANY GROUP**

DMCI Project Developers, Inc. (Independent Director)  
SEM-Calaca Power Corporation (Independent Director)  
Southwest Luzon Power Generation Corporation (Independent Director)

**EDUCATION**

BA Major in Economics. *De La Salle University*

BS Commerce, Major in Accounting,  
*De La Salle University*

Master in Business Management,  
*Asian Institute of Management*

Banking Operation, *Philippine Banking Institute*



**FERDINAND M. DELA CRUZ 55**

Filipino, Independent Director  
2021 Audit Committee, Member  
2021 Corporate Governance Committee, Member  
2021 Risk Committee, Member  
2021 Strategy and Sustainability Committee, Member

**BOARD APPOINTMENT**

First appointment as a director, *May 2021*  
Date of last re-election as a director, *May 3, 2021*

**PRESENT DIRECTORSHIP  
IN LISTED COMPANIES**

Nil

**OTHER DIRECTORSHIPS  
WITHIN COMPANY GROUP**

Nil

**EDUCATION**

Advanced Management Program  
*Harvard Business School*

BS Mechanical Engineering (Cum Laude)  
*University of the Philippines*





**JORGE A. CONSUNJI 70**  
Filipino, Non-Executive Director

**BOARD APPOINTMENT**

First appointment as a director, *May 2001*  
Date of last re-election as a director, *May 3, 2021*

**PRESENT DIRECTORSHIP  
IN LISTED COMPANIES**

DMCI Holdings, Inc. (within Company Group)

**OTHER DIRECTORSHIPS  
WITHIN COMPANY GROUP**

Cotabato Timberland Co., Inc.  
D.M. Consunji, Inc.  
Dacon Corporation  
DMCI Masbate Power Corporation  
DMCI Mining Corporation  
DMCI Power Corporation  
DMCI Project Developers, Inc.  
Eco-Process & Equipment Phils. Inc.  
M&S Company, Inc.  
Maynilad Water Services, Inc.  
Royal Star Aviation, Inc.  
SEM-Cal Industrial Park Developers Inc.  
SEM-Calaca Power Corporation  
Semirara Claystone Inc.  
Semirara Energy Utilities Inc.  
Sodaco Agricultural Corporation  
Southeast Luzon Power Generation Corporation  
Southwest Luzon Power Generation Corporation  
St. Raphael Power Generation Corporation

**EDUCATION**

BS Industrial Management Engineering,  
*De La Salle University, Manila*

Advanced Management Program Seminar,  
*University of Asia and the Pacific*

Top Management Program  
*Asian Institute of Management*



**HERBERT M. CONSUNJI 69**  
Filipino, Non-Executive Director

**BOARD APPOINTMENT**

First appointment as a director, *May 2001*  
Date of last re-election as a director, *May 3, 2021*

**PRESENT DIRECTORSHIP  
IN LISTED COMPANIES**

DMCI Holdings, Inc. (within Company Group)

**OTHER DIRECTORSHIPS  
WITHIN COMPANY GROUP**

DM Consunji, Inc.  
DMCI Mining Corporation  
DMCI Power Corporation  
DMCI Project Developers, Inc.  
DMCI-MPIC Water Company Inc.  
SEM-Cal Industrial Park Developers Inc.  
SEM-Calaca Power Corporation  
Semirara Claystone Inc.  
Southwest Luzon Power Generation Corporation  
Subic Water & Sewerage Corp.

**EDUCATION**

BS Commerce, Major in Accounting  
*De La Salle University*

Top Management Program  
*Asian Institute of Management*



**MA. EDWINA C. LAPERAL 60**  
Filipino, Non-Executive Director

**BOARD APPOINTMENT**

First appointment as a director, *May 2007*  
Date of last re-election as a director, *May 3, 2021*

**PRESENT DIRECTORSHIP  
IN LISTED COMPANIES**

DMCI Holdings, Inc. (within Company Group)

**OTHER DIRECTORSHIPS  
WITHIN COMPANY GROUP**

Artregard Holdings, Inc.  
D.M. Consunji, Inc.  
Dacon Corporation  
DFC Holdings, Inc.  
DMC Urban Property Developers, Inc.  
DMCI Project Developers, Inc.  
SEM-Calaca Power Corporation  
Southwest Luzon Power Generation Corporation

**EDUCATION**

BS Architecture, *University of the Philippines*

Master in Business Administration,  
*University of the Philippines*

Executive Certificate for Strategic  
Business Economics Program,  
*University of Asia and the Pacific*



**JOSEFA CONSUELO C. REYES 74**  
Filipino, Non-Executive Director

**BOARD APPOINTMENT**

First appointment as a director, *May 2015*  
Date of last re-election as a director, *May 3, 2021*

**PRESENT DIRECTORSHIP  
IN LISTED COMPANIES**

Nil

**OTHER DIRECTORSHIPS  
WITHIN COMPANY GROUP**

Manila Herbal & Essential Oils Co., Inc.  
SEM-Calaca Power Corporation  
Southwest Luzon Power Generation Corporation

**EDUCATION**

AB Economics  
*University of British Columbia, Vancouver,  
Canada*

Strategic Business Economics Program,  
*University of Asia and the Pacific*



# KEY OFFICERS

102-23



**ISIDRO A. CONSUNJI**  
Chairman of the Board  
Chief Executive Officer



**MARIA CRISTINA C. GOTIANUN**  
President  
Chief Operating Officer



**JUNALINA S. TABOR**  
Senior Vice President,  
Chief Risk, Compliance  
and Performance Officer



**ATTY. JOHN R. SADULLO**  
Vice President, Legal, Corporate  
Secretary & Counsel; and  
Corporate Information Officer



**JOJO L. TANDOC**  
Vice President, Human Resources  
and Organization Development



**RUBEN P. LOZADA**  
Vice President,  
Mining Operations and  
Resident Manager



**JOSE ANTHONY T. VILLANUEVA**  
Vice President, Marketing - Coal



**KARMINE ANDREA S.J. CHING**  
Assistant Vice President,  
Corporate Planning



**CARLA CRISTINA T. LEVINA**  
Vice President,  
Chief Finance Officer



**ANDREO O. ESTRELLADO**  
Vice President,  
Power Market and  
Commercial Operation







**RUBEN P. LOZADA**  
Vice President,  
Mining Operations  
and Resident Manager



**LETO T. MACLI-ING, JR.**  
Mining Division Head  
Mine Truck and Shovel  
Operations Head



**MARK LOUIS  
A. BENTAYO**  
Deputy Manager,  
Mining Division for  
Product, Electrical, and  
Mechanical Services



**MARK C. MUNAR**  
Deputy Manager, Mining  
Division for Mine Truck  
and Shovel Operations  
and Mobile Maintenance,  
and Engineering



**DANILO S.  
TIRONA, JR.**  
Deputy Manager, Mining  
Division for Geology,  
Mine Planning, and  
Engineering



**VICENTE CESAR  
V. MALIG**  
Administrative  
Division Head



**CRESLITO D.  
BANGALAO**  
Deputy Manager for  
Administrative Division,  
Mine Operations  
Audit Head

# OPERATIONS COAL



**HAROLD HENRY  
G. CABANILLA**  
Quality, Safety, and  
Health Head



**DAVE PHILIP  
L. CASTRO**  
Mine Planning and  
Engineering Head



**JERRY O. CELO**  
Electrical Services Head



**JANESTO S. DIAZ, JR.**  
Environmental and  
Biodiversity Head,  
Pollution Control Officer



**AGUSTIN  
D. GONZALES**  
Ship Repair and  
Maintenance Manager



**ROWENA A.  
HORNAES**  
Materials Control Head



**JOBBER A. MALSI**  
Accounting Manager



**RODANTE Q. MOLINA**  
Mechanical Services Head



**ALMAR  
G. VALDEMAR**  
Human Resources Head



**JOSE LEO  
S. VALDEMAR**  
Power Plant Head



**ROMULO A. SERRA**  
Mobile Maintenance  
Officer-In-Charge



**BERNARD  
M. CADIGAL**  
Social Development  
Officer



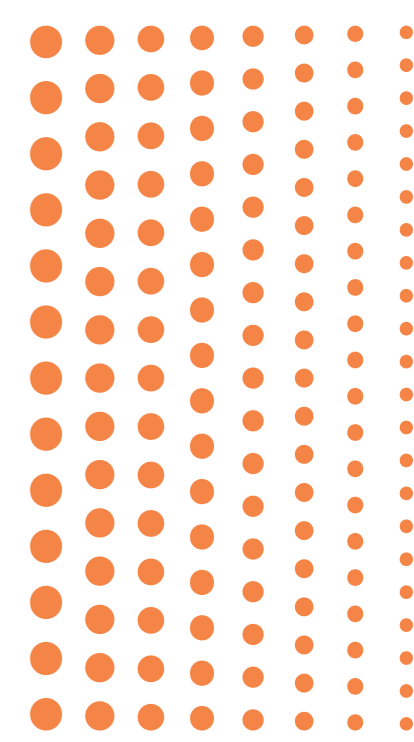
**RACHELLE ANN  
N. LAURICIO**  
Information, Education,  
and Communication Officer



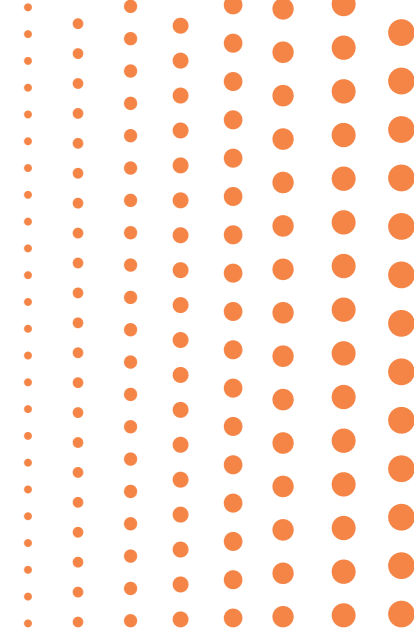
**ANNA LIZA  
F. PATINGAN**  
Occupational  
Health Officer



**EDUARDO T. POTAYRE**  
Mine Planning  
and Engineering  
Senior Consultant







**DENEL C. MATEO**  
Vice President and Calaca  
Power Complex Manager

SCPC



**CHARLIE V. ROBLES**  
Assistant Vice President,  
Plant Manager,  
Data Protection Officer

SLPGC



**NOEL N. SALAMAT**  
Plant Manager,  
Data Protection Officer

SHARED SERVICES



**EDGARDO V. ARAYA**  
Support Services Manager

**OPERATIONS**  
POWER



**VERMOND PAULO  
D. LAINEZ**  
Operations Manager



**NIÑO ODELON  
R. DE LUMBAN**  
Supply Chain  
Management Manager



**ADOLFO M. MENDOZA**  
Operations Manager



**BERNARD I. CARPIO**  
Maintenance Manager



**RICHARD V. ENDAYA**  
Asset and Materials  
Control Management  
Superintendent



**PORTIA M. VIZCONDE**  
Communications and  
Public Relations Supervisor



**JULIUS D. ESCALA**  
Accounting Manager



**CONSTANTINO  
B. TUMBAGA**  
Maintenance Manager



**JOSEPHINE G. OLARTE**  
Finance and  
Accounting Manager



**DAVE DETZER  
C. MANALO**  
Supply Chain  
Management Manager



**HARVEY B. LUCY**  
Environment, Safety,  
and Health Head



**PENYLANE C. PEREYRA**  
General Services Head



# CORPORATE OFFICE



**LEAH ANNE A. AGDUYENG**  
Internal Audit Head



**RAFAEL L. ANTONIO**  
Corporate Communications Officer



**J. SAMSON L. CLEMENTE, JR.**  
Treasury Head



**RICARDO ERVIN R. DULDOCO**  
Market Analysis and Regulatory Manager



**CHRISTOPER E. FERNANDEZ**  
Administration and General Services Head



**MADELEINE D. FLORES**  
Human Resources and Organization Development Manager



**MARIE JOY H. LAGDA**  
Controller - Power



**RAMEL CELINO S. MANGUBAT**  
Risk Advisory Manager, Data Protection Officer



**EDGAR C. MARIANO**  
Procurement and Logistics Head



**VINEL O. PESTAÑO**  
Controller - Coal



**ARIS V. POLICARPIO**  
Marketing Manager - Power



**JOSEPH D. SUSA**  
Corporate Governance and Compliance Manager



**REX C. VILLARIAS**  
Information and Communications Technology Head



**JESUS G. VILLAVICENCIO, JR.**  
Energy Trading Head





# Our Financial Statements



## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of SEMIRARA MINING AND POWER CORPORATION is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2021 and 2020, in accordance with prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed this 24th day of February 2022.



**ISIDRO A. CONSUNJI**

Chairman of the Board and Chief Executive Officer



**CARLA CRISTINA T. LEVINA**

Chief Finance Officer

## STATEMENT OF BOARD OF DIRECTORS' RESPONSIBILITY FOR INTERNAL CONTROLS & RISK MANAGEMENT SYSTEMS

The Board of Directors ("Board") of SEMIRARA MINING AND POWER CORPORATION is responsible for the internal controls and risk management systems. The Board's Audit Committee assists in the oversight of the internal controls, financial reporting process, internal audit, external audit and compliance functions, while the Risk Committee assists in the oversight of the risk management process.

During the year, Management has established adequate and effective internal controls and risk management systems to provide reasonable assurance that:

- financial transactions are properly authorized, recorded and maintained to enable the preparation of financial statements that give a true, fair and transparent view of the Company's financial position and operating results; and
- governance processes and internal controls are strengthened, and significant risks are managed to ensure the achievement of the Company's business objectives.

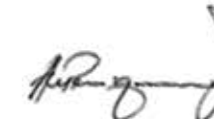
Based on the assurance work performed by the internal and external auditors and the oversight duties performed by the Board's Audit Committee and Risk Committee, the Board is of the opinion that the Company's internal controls and risk management systems are adequate and effective.

February 24, 2022



**ISIDRO A. CONSUNJI**

Chairman of the Board and Chief Executive Officer



**ANTONIO JOSE U. PERIQUET, JR.**

Audit Committee Chairperson



**ROGELIO M. MURGA**

Risk Committee Chairperson



## AUDIT COMMITTEE REPORT TO THE BOARD OF DIRECTORS

For the Year Ended December 31, 2021

The Audit Committee ("Committee") assists the Board of Directors ("Board") in fulfilling oversight of the following matters consistent with its Board-approved Audit Committee Charter:

- Internal control environment,
- financial reporting process and integrity of the financial statements including disclosures,
- external audit function,
- internal audit function, and
- compliance with reporting, legal and regulatory requirements.

In 2021, the Audit Committee accomplished the following in compliance with its Charter:

1. The members of the Audit Committee are composed of three (3) Board members, all are Independent Directors effective May 3, 2021.
2. The Chairman of the Audit Committee is an Independent Director.
3. The Committee had five (5) full Committee meetings on January 28, February 23, May 4, August 2, and October 26, 2021, which included a session with the external audit SGV Partner on February 23, 2021.
4. Recommended to the Board the reappointment of SGV & Co. as external auditor in 2021 based on SGV's performance, independence, qualifications and with due regard of Management's feedback.
5. Discussed with SGV team the audit areas of emphasis, related party transactions, and fraud, if any.
6. Reviewed and approved SGV's 2021 SGV engagement plan, scope, and fees.
7. Discussed with SGV and Management significant financial reporting issues, audit observations, audit engagement plan and overall quality of the financial reporting process as well as regulatory updates in financial and tax reporting.
8. Reviewed, approved and endorsed for Board approval the quarterly unaudited and annual audited consolidated financial statements of Semirara Mining and Power Corporation and its Subsidiaries as of and for the year ended December 31, 2021, ensuring that financial statements are in accordance with the required accounting and reporting standards
9. Reviewed, deliberated and resolved the significant accounting policies and estimates affecting the financial statements.

10. Reviewed significant related party transactions (RPT) are conducted at arms-length and meet the guidelines of the RPT Policy, Material RPT Policy and thresholds per Securities and Exchange Commission (SEC) rules and regulations.
11. Discussed with Internal Audit (IA) in a private session the assurance results with emphasis on the results of the vendor management reviews and fraud risk matters.
12. Discussed with IA the results of the audit conducted by outsourced auditors on the Company's integrated management system covering the environmental compliances including those that have significant impact to climate change.
13. Reviewed and discussed IA's 2020 annual report and results of assurance engagement work done during the period.
14. Reviewed and approved IA's 2021 risk-based Annual Plan for SMPC Group, work activity, budget, resources and continuing professional development plan including subsequent revisions.
15. Reviewed IA's assurance work activities and monitoring of management action plans.
16. Conducted evaluation of the internal audit function and the Chief Audit Executive's performance for improvement and effectiveness; and noted the 2020 Attestation of Internal Controls and Compliance and IA's 2021 Organizational Confirmation Independence.
17. Reviewed the adequacy and effectiveness of the internal controls, information technology system, and risk management system based on reports provided internal and external auditors, and from Management's assessment of internal controls.
18. Exercised oversight and review of Management's governance and compliance issues and updates with potential financial impact.
19. Conducted a self-assessment of the Committee's performance based on SEC's Guidelines on Audit Committee's effectiveness and disclosed such assessment results.
20. The Committee Chairman and members attended the virtual Annual Stockholders' Meeting on May 3, 2021.

Based on the reviews and discussions referred to above, and subject to the limitations on the Committee's roles and responsibilities referred to above, the Audit Committee recommends to the Board of Directors the inclusion of the Company's audited consolidated financial statements as of and for the year ended December 31, 2021 in the Company's Annual Report to the Shareholders and for filing with the Securities and Exchange Commission.

February 24, 2022



**ANTONIO JOSE U. PERIQUET, JR.**

Audit Committee Chairperson



## INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders  
Semirara Mining and Power Corporation  
2/F DMCI Plaza  
2281 Don Chino Roces Avenue  
Makati City

### OPINION

We have audited the consolidated financial statements of Semirara Mining and Power Corporation and its subsidiaries (collectively, the Group), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2021 in accordance with Philippine Financial Reporting Standards (PFRSs).

### BASIS FOR OPINION

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### ESTIMATION OF PROVISION FOR DECOMMISSIONING AND MINE SITE REHABILITATION COSTS

The Group has recognized provision for decommissioning and mine site rehabilitation costs for the open pit mines of its coal mining activities amounting to ₱298.76 million as of December 31, 2021. This matter is important to our audit because the amount involved is material and the estimation of the provision requires significant management judgment in the use of assumptions, which are subject to higher level of estimation uncertainty. Key assumptions include costs of backfilling, reforestation, and maintenance of the rehabilitated area, inflation rate, and discount rate.

Relevant information on the provision for decommissioning and mine site rehabilitation costs are disclosed in Notes 3 and 14 to the consolidated financial statements.

### Audit response

We obtained an understanding of and performed test of controls on management's processes and controls in the estimation of future decommissioning and mine site rehabilitation costs. We evaluated the competence, capabilities and objectivity of the mine site engineers and reviewed the relevant comprehensive mine rehabilitation plan prepared by the Group's Mine Planning and Exploration Department and Environment Department. We inquired of changes in the mine plan and in the cash flow assumptions, including management's bases for identifying and estimating the costs for various mine rehabilitation and closure activities, such as backfilling, reforestation and maintenance of the rehabilitated area. We compared the timing of the expected cash flows with reference to the rehabilitation plan for the open pit mines. We compared the cost estimates to billings, invoices and official receipts. We also evaluated the discount and inflation rates used by comparing these to external data.



### RECOVERABILITY OF ITEMS OF PROPERTY, PLANT AND EQUIPMENT WITH INDICATORS OF IMPAIRMENT

As of December 31, 2021, the Group has yet to obtain a supply agreement for its gas turbine plant with carrying value of ₱1,010.42 million. Also, the joint venture agreement for the development of a thermal power plant was terminated in 2020. As of December 31, 2021, no supply contract has been secured and construction of the plant itself has not commenced. As of the same date, the carrying value of the related asset amounted to ₱104.84 million. These conditions are impairment indicators for which the Group is required under PFRSs to test the recoverability of the relevant items of property, plant and equipment.

This is a key audit matter because the amounts are material to the consolidated financial statements and the assessment of recoverability requires significant judgment and involves estimation and assumptions about future electricity demand and supply, as well as external inputs such as electricity and coal prices, diesel costs, inflation rate and discount rates. In addition, because of the coronavirus pandemic, there is heightened level of uncertainty on the future economic outlook and market forecast.

The relevant information on this matter are disclosed in Notes 3 and 8 to the consolidated financial statements.

#### Audit response

We involved our internal specialist in evaluating the methodology and the assumptions used in the estimation of recoverable amounts. With respect to future electricity demand, we tested the reasonableness of the inputs to the forecasted revenue based on current and historical dependable capacity, electricity prices and growth rate, taking into consideration the impact associated with the coronavirus pandemic. We compared the electricity prices, coal prices, diesel costs and inflation rate with externally published data.

We tested the parameters used in the determination of the discount rates against the discount rates of comparable companies.

In addition, we reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of property, plant and equipment.

### ESTIMATION OF MINEABLE ORE RESERVES

The Group's coal mining properties totaling to ₱4,562.64 million as of December 31, 2021 are amortized using the units-of-production method. Under this method, management is required to estimate the volume of mineable ore reserves for the remaining life of the mine which is a key input to the amortization of the coal mining properties. This matter is significant to our audit because the estimation of the mineable ore reserves of the Group's coal mines requires use of assumptions and significant estimation from management's specialists.

The related information on the estimation of mineable ore reserves and related coal mining properties are discussed in Notes 3 and 8 to the consolidated financial statements.

#### Audit response

We obtained an understanding of and performed test of controls on management's processes and controls in the estimation of mineable ore reserves. We evaluated the competence, capabilities and objectivity of management's internal specialists engaged by the Group to perform an assessment of the ore reserves by considering their qualifications, experience and reporting responsibilities. We reviewed the internal specialists' report and obtained an understanding of the nature, scope and objectives of their work and basis of estimates, including the changes in the reserves during the year. We also tested the application of the estimated ore reserves in the amortization of mining properties.

### OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2021, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2021 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.



## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Dhonabee B. Señeres.

### SYCIP GORRES VELAYO & CO.



**DHONABEE B. SEÑERES**  
Partner

CPA Certificate No. 97133  
Tax Identification No. 201-959-816  
BOA/PRC Reg. No. 0001

August 25, 2021, valid until April 15, 2024  
SEC Partner Accreditation No. 97133-SEC (Group A)  
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions  
SEC Firm Accreditation No. 0001-SEC (Group A)  
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions  
BIR Accreditation No. 08-001998-098-2020,  
November 27, 2020, valid until November 26, 2023  
PTR No. 8854369 January 3, 2022, Makati City

February 24, 2022



**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

ASSETS	DECEMBER 31	
	2021	2020
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (Notes 4, 28, 29 & 30)	<b>₱8,213,048,027</b>	₱8,084,589,496
Receivables (Notes 5, 17, 28 & 29)	<b>6,937,177,994</b>	3,669,234,219
Inventories (Notes 6, 8 & 19)	<b>10,559,081,495</b>	10,740,142,357
Other current assets (Note 7)	<b>1,223,362,466</b>	805,492,732
<b>TOTAL CURRENT ASSETS</b>	<b>26,932,669,982</b>	23,299,458,804
<b>NONCURRENT ASSETS</b>		
Property, plant and equipment (Notes 8 & 10)	<b>43,107,760,967</b>	45,792,738,168
Right-of-use assets (Note 9)	<b>137,017,373</b>	156,848,975
Deferred tax assets - net (Note 24)	<b>559,756,567</b>	854,996,538
Other noncurrent assets (Notes 7, 10, 28 & 29)	<b>907,185,163</b>	1,041,682,098
<b>TOTAL NONCURRENT ASSETS</b>	<b>44,711,720,070</b>	47,846,265,779
	<b>₱71,644,390,052</b>	₱71,145,724,583
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables (Notes 13, 17, 28 & 29)	<b>₱10,370,383,326</b>	₱8,306,875,283
Short-term loans (Notes 11, 28 & 29)	-	5,425,000,000
Current portion of long-term debt (Notes 12, 28 & 29)	<b>4,208,923,654</b>	2,775,355,754
Current portion of lease liabilities (Notes 9, 28 & 29)	<b>14,837,120</b>	13,923,691
<b>TOTAL CURRENT LIABILITIES</b>	<b>14,594,144,100</b>	16,521,154,728
<b>NONCURRENT LIABILITIES</b>		
Long-term debt - net of current portion (Notes 12, 28 & 29)	<b>10,857,711,507</b>	11,673,716,060
Lease liabilities - net of current portion (Notes 9, 28 & 29)	<b>73,539,062</b>	89,095,024
Provision for decommissioning and site rehabilitation costs (Notes 3 & 14)	<b>325,556,377</b>	279,202,621
Pension liabilities (Note 18)	<b>124,049,009</b>	397,545,236
Other noncurrent liabilities	<b>59,493,190</b>	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>11,440,349,145</b>	12,439,558,941
<b>TOTAL LIABILITIES</b>	<b>26,034,493,245</b>	28,960,713,669
<b>EQUITY</b>		
Capital stock (Notes 15 & 28)	<b>4,264,609,290</b>	4,264,609,290
Additional paid-in capital (Note 28)	<b>6,675,527,411</b>	6,675,527,411
Retained earnings (Notes 16 & 28):		
Unappropriated	<b>28,753,790,517</b>	26,807,243,576
Appropriated	<b>6,800,000,000</b>	5,300,000,000
Net remeasurement losses on pension plan (Notes 18 & 28)	<b>(144,503,733)</b>	(122,842,685)
Treasury shares (Notes 15 & 28)	<b>(739,526,678)</b>	(739,526,678)
<b>TOTAL EQUITY</b>	<b>45,609,896,807</b>	42,185,010,914
	<b>₱71,644,390,052</b>	₱71,145,724,583

See accompanying Notes to Consolidated Financial Statements.

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	YEARS ENDED DECEMBER 31		
	2021	2020	2019
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b> (Note 31)			
Coal	<b>₱35,592,978,667</b>	₱16,488,547,162	₱29,085,433,388
Power	<b>16,831,448,267</b>	11,761,821,344	15,166,671,920
	<b>52,424,426,934</b>	28,250,368,506	44,252,105,308
<b>COSTS OF SALES</b> (Notes 19 & 31)			
Coal	<b>17,324,282,391</b>	12,280,311,958	17,783,785,669
Power	<b>8,915,287,329</b>	7,419,105,537	8,863,373,331
	<b>26,239,569,720</b>	19,699,417,495	26,647,159,000
<b>GROSS PROFIT</b>	<b>26,184,857,214</b>	8,550,951,011	17,604,946,308
<b>OPERATING EXPENSES</b> (Notes 20 & 31)	<b>(9,265,160,273)</b>	(4,554,061,716)	(7,364,921,176)
<b>INCOME FROM OPERATIONS</b>	<b>16,919,696,941</b>	3,996,889,295	10,240,025,132
<b>OTHER INCOME (CHARGES) - Net</b>			
Finance income (Notes 22 & 31)	<b>22,542,252</b>	45,872,939	282,983,032
Finance costs (Notes 21 & 31)	<b>(976,358,612)</b>	(1,094,820,551)	(1,316,867,512)
Foreign exchange gains (losses) - net (Notes 28 & 31)	<b>339,601,233</b>	154,685,877	(8,674,131)
Other income - net (Notes 23 & 31)	<b>239,739,686</b>	316,719,609	186,198,604
	<b>(374,475,441)</b>	(577,542,126)	(856,360,007)
<b>INCOME BEFORE INCOME TAX</b>	<b>16,545,221,500</b>	3,419,347,169	9,383,665,125
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b> (Notes 24 & 31)	345,124,059	132,597,757	(295,125,686)
<b>NET INCOME</b>	<b>16,200,097,441</b>	3,286,749,412	9,678,790,811
<b>OTHER COMPREHENSIVE LOSS</b>			
Item not to be reclassified to profit or loss in subsequent periods			
Remeasurement losses on pension plan (Note 18)	<b>(28,881,397)</b>	(34,933,908)	(89,133,039)
Income tax effect	<b>7,220,349</b>	10,480,172	26,739,912
	<b>(21,661,048)</b>	(24,453,736)	(62,393,127)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱16,178,436,393</b>	₱3,262,295,676	₱9,616,397,684
<b>Basic/Diluted Earnings per Share</b> (Note 25)	<b>₱3.81</b>	₱0.77	₱2.28

See accompanying Notes to Consolidated Financial Statements.



**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	CAPITAL STOCK (NOTE 15)	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS		NET REMEASUREMENT LOSS ON PENSION PLAN (Note 18)	TREASURY SHARES (Note 15)	TOTAL
			UNAPPROPRIATED (Note 16)	APPROPRIATED (Note 16)			
For the Year Ended December 31, 2021							
<b>BALANCES AS OF JANUARY 1, 2021</b>	<b>₱4,264,609,290</b>	<b>₱6,675,527,411</b>	<b>₱26,807,243,576</b>	<b>₱5,300,000,000</b>	<b>(₱122,842,685)</b>	<b>(₱739,526,678)</b>	<b>₱42,185,010,914</b>
COMPREHENSIVE INCOME							
Net income	-	-	<b>16,200,097,441</b>	-	-	-	<b>16,200,097,441</b>
Other comprehensive loss	-	-	-	-	<b>(21,661,048)</b>	-	<b>(21,661,048)</b>
Total comprehensive income (loss)	-	-	<b>16,200,097,441</b>	-	<b>(21,661,048)</b>	-	<b>16,178,436,393</b>
Cash dividends declared (Note 16)	-	-	<b>(12,753,550,500)</b>	-	-	-	<b>(12,753,550,500)</b>
Appropriation (Note 16)	-	-	<b>(1,500,000,000)</b>	<b>1,500,000,000</b>	-	-	-
<b>BALANCES AS OF DECEMBER 31, 2021</b>	<b>₱4,264,609,290</b>	<b>₱6,675,527,411</b>	<b>₱28,753,790,517</b>	<b>₱6,800,000,000</b>	<b>(₱144,503,733)</b>	<b>(₱739,526,678)</b>	<b>₱45,609,896,807</b>
For the Year Ended December 31, 2020							
BALANCES AS OF JANUARY 1, 2020	₱4,264,609,290	₱6,675,527,411	₱28,833,678,689	₱5,300,000,000	(₱98,388,949)	(₱739,526,678)	₱44,235,899,763
COMPREHENSIVE INCOME							
Net income	-	-	3,286,749,412	-	-	-	3,286,749,412
Other comprehensive loss	-	-	-	-	(24,453,736)	-	(24,453,736)
Total comprehensive income (loss)	-	-	3,286,749,412	-	(24,453,736)	-	3,262,295,676
Cash dividends declared (Note 16)	-	-	(5,313,184,525)	-	-	-	(5,313,184,525)
BALANCES AS OF DECEMBER 31, 2020	₱4,264,609,290	₱6,675,527,411	₱26,807,243,576	₱5,300,000,000	(₱122,842,685)	(₱739,526,678)	₱42,185,010,914
For the Year Ended December 31, 2019							
BALANCES AS OF JANUARY 1, 2019	₱4,264,609,290	₱6,675,527,411	₱20,468,072,403	₱9,300,000,000	(₱35,995,822)	(₱739,526,678)	₱39,932,686,604
COMPREHENSIVE INCOME							
Net income	-	-	9,678,790,811	-	-	-	9,678,790,811
Other comprehensive loss	-	-	-	-	(62,393,127)	-	(62,393,127)
Total comprehensive income (loss)	-	-	9,678,790,811	-	(62,393,127)	-	9,616,397,684
Cash dividends declared (Note 16)	-	-	(5,313,184,525)	-	-	-	(5,313,184,525)
Reversal of appropriation (Note 16)	-	-	4,000,000,000	(4,000,000,000)	-	-	-
BALANCES AS OF DECEMBER 31, 2019	₱4,264,609,290	₱6,675,527,411	₱28,833,678,689	₱5,300,000,000	(₱98,388,949)	(₱739,526,678)	₱44,235,899,763

See accompanying Notes to Consolidated Financial Statements.



**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	YEARS ENDED DECEMBER 31		
	2021	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	<b>₱16,545,221,500</b>	₱3,419,347,169	₱9,383,665,125
Adjustments for:			
Depreciation and amortization (Notes 8, 9, 10, 19 & 20)	<b>6,667,407,615</b>	6,280,597,948	6,923,044,039
Finance costs (Note 21)	<b>976,358,612</b>	1,094,820,551	1,316,867,512
Pension expense (Note 18)	<b>81,390,961</b>	70,889,130	692,535
Loss (gain) on sale of equipment (Notes 8 & 23)	<b>1,990,583</b>	(67,002,889)	(12,000,005)
Allowance for impairment of other assets	<b>1,041,239</b>	-	-
Net unrealized foreign exchange losses (gains)	<b>(179,861,726)</b>	68,737,670	139,226,570
Finance income (Note 22)	<b>(22,542,252)</b>	(45,872,940)	(282,983,032)
Rental income	<b>(3,441,745)</b>	-	-
Provision for impairment losses (Notes 8 & 20)	-	157,196,754	166,474,665
Equity in net earnings of joint venture (Note 10)	-	(306,874)	(690,954)
Unrealized loss on financial asset at FVPL	-	-	245,443,777
Operating income before changes in operating assets and liabilities	<b>24,067,564,787</b>	10,978,406,519	17,879,740,232
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	<b>(3,168,141,133)</b>	(47,706,197)	3,513,775,127
Other current assets	<b>(417,869,734)</b>	479,486,872	2,666,679,312
Inventories	<b>181,060,862</b>	(221,480,470)	2,769,576,176
Increase (decrease) in trade and other payables	<b>1,725,410,866</b>	(304,456,973)	(1,486,026,563)
Increase (decrease) in provision for decommissioning and site rehabilitation costs	<b>36,556,723</b>	-	(14,543,926)
Cash generated from operations	<b>22,424,582,371</b>	10,884,249,751	25,329,200,358
Proceeds from rent collected in advance	<b>62,934,933</b>	-	-
Interest received (Note 22)	<b>21,364,129</b>	75,968,005	282,983,032
Interest paid	<b>(835,851,414)</b>	(1,043,688,003)	(1,270,024,784)
Pension settlement (Note 18)	<b>(374,664,423)</b>	(13,348,477)	(11,071,731)
Income taxes paid	<b>(18,589,382)</b>	(78,615,783)	(193,027,854)
Net cash provided by operating activities	<b>21,279,776,214</b>	9,824,565,493	24,138,059,021

[FORWARD]

	YEARS ENDED DECEMBER 31		
	2021	2020	2019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to:			
Property, plant and equipment (including borrowing cost) (Notes 2, 8 & 30)	<b>(₱3,864,464,580)</b>	(₱5,483,531,298)	(₱11,634,346,801)
Computer software (Note 10)	<b>(7,402,204)</b>	(4,562,479)	(10,326,053)
Investment in a joint venture (Note 10)	-	(56,500,000)	-
Proceeds from sale of equipment (Note 8)	-	546,586,932	12,000,005
Decrease (increase) in other noncurrent assets (Note 10)	<b>133,890,921</b>	818,116,520	(742,661,592)
Net cash used in investing activities	<b>(3,737,975,863)</b>	(4,179,890,325)	(12,375,334,441)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from availments of loans (Notes 11, 12 & 30)	<b>5,304,970,000</b>	4,980,000,000	47,494,250,000
Payments of:			
Dividends (Notes 16 & 30)	<b>(12,751,642,860)</b>	(5,313,211,592)	(5,313,293,707)
Loans (Notes 11, 12 & 30)	<b>(10,119,384,286)</b>	(3,702,514,285)	(49,417,912,229)
Principal portion of lease liabilities (Notes 9, 28 & 30)	<b>(21,747,446)</b>	(13,096,262)	(10,868,143)
Net cash used in financing activities	<b>(17,587,804,592)</b>	(4,048,822,139)	(7,247,824,079)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>174,462,772</b>	31,651,758	39,232,685
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>128,458,531</b>	1,627,504,787	4,554,133,186
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>8,084,589,496</b>	6,457,084,709	1,902,951,523
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)</b>	<b>₱8,213,048,027</b>	₱8,084,589,496	₱6,457,084,709

See accompanying Notes to Consolidated Financial Statements.

**Notes to Consolidated Financial Statements:**[http://www.semiraramining.com/uploads/files/AFS/SMPC\\_CFS1221.pdf](http://www.semiraramining.com/uploads/files/AFS/SMPC_CFS1221.pdf)



# GRI CONTENT INDEX



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

STANDARD	NAME OF DISCLOSURE	PAGE NUMBER/ DIRECT ANSWER	REASON FOR OMISSION
<b>GRI 101: FOUNDATION 2016</b>			
<b>GRI 102: GENERAL DISCLOSURES 2016</b>			
102-1	Name of the organization	5	
102-2	Activities, brands, products, and services	5	
102-3	Location of headquarters	2	
102-4	Location of operations	20	
102-5	Ownership and legal form	20	
102-6	Markets served	5, 19	
102-7	Scale of the organization	19	
102-8	Information on employees and other workers	71	
102-9	Supply Chain	67	
102-10	Significant changes to the organization and its supply chain	No changes to supply chain in 2021	
102-11	Precautionary Principle or Approach	117	
102-12	External initiatives	112	
102-13	Membership of associations	90, 102, 112	
102-14	Statement from senior decision-maker	6 to 13	
102-15	Key impacts, risks, and opportunities	126, 128	
102-16	Values, principles, standards, and norms of behavior	18	
102-18	Governance structure	133	
102-21	Consulting stakeholders on economic, environmental, and social topics	33	
102-22	Composition of the highest governance body and its committees	136, 140	
102-23	Chair of the highest governance body	160	
102-24	Nominating and selecting the highest governance body	138	
102-26	Role of highest governance body in setting purpose, values, and strategy	134	
102-27	Collective knowledge of highest governance body	139	
102-28	Evaluating the highest governance body's performance	139	
102-35	Remuneration policies	139	
102-36	Process for determining remuneration	139	
102-37	Stakeholders' involvement in remuneration	139	
102-38	Annual total compensation ratio	139	
102-39	Percentage increase in annual total compensation ratio	139	
102-40	List of stakeholder groups	41	
102-41	Collective bargaining agreements	82, 83	

STANDARD	NAME OF DISCLOSURE	PAGE NUMBER/ DIRECT ANSWER	REASON FOR OMISSION
<b>GRI 101: FOUNDATION 2016</b>			
<b>GRI 102: GENERAL DISCLOSURES 2016</b>			
102-42	Identifying and selecting stakeholders	41	
102-43	Approach to stakeholder engagement	41	
102-44	Key topics and concerns raised	41	
102-45	Entities included in the consolidated financial statements	20	
102-46	Defining report content and topic boundaries	2	
102-47	List of material topics	41	
102-48	Restatements of information	67, 98, 46, 47, 48, 49, 50	
102-49	Changes in reporting	2	
102-50	Reporting period	2	
102-51	Date of most recent report	2	
102-52	Reporting cycle	2	
102-53	Contact point for questions regarding the report	2	
102-54	Claims of reporting in accordance with the GRI Standards	2	
102-55	GRI content index	186	
102-56	External assurance	None	

STANDARD	DISCLOSURE NUMBER	NAME OF DISCLOSURE	PAGE NUMBER/ DIRECT ANSWER	REASON FOR OMISSION
<b>GRI 200: ECONOMIC STANDARDS SERIES 2016</b>				
<b>GRI 103: Management Approaches 2016</b>	103-1	Explanation of the Material Topic and Its Boundary	104	
	103-2	The Management Approach and its Components	101, 104, 105	
	103-3	Evaluation of the Management Approach	104	
<b>GRI 201: Economic Performance 2016</b>	201-1	Direct economic value generated and distributed	98	
	201-2	Financial implications and other risks and opportunities due to climate change	115, 117	
<b>GRI 202: Market Presence 2016</b>	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	104	
	202-2	Proportion of senior management hired from the local community	104	
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1	Infrastructure investments and services supported	101, 105, 106, 112	
	203-2	Significant indirect economic impacts	101, 104, 107	

STANDARD	DISCLOSURE NUMBER	NAME OF DISCLOSURE	PAGE NUMBER/ DIRECT ANSWER	REASON FOR OMISSION
<b>GRI 300: ENVIRONMENTAL STANDARDS SERIES 2016</b>				
<b>GRI 103: Management Approaches 2016</b>	103-1	Explanation of the Material Topic and Its Boundary	44, 48, 51, 53, 54, 58, 61, 66	
	103-2	The Management Approach and its Components	44, 46, 48, 51, 53, 54, 58, 61, 66	
	103-3	Evaluation of the Management Approach	44, 46, 48, 51, 53, 54, 58, 61, 66	



STANDARD	DISCLOSURE NUMBER	NAME OF DISCLOSURE	PAGE NUMBER/DIRECT ANSWER	REASON FOR OMISSION
<b>GRI 300: ENVIRONMENTAL STANDARDS SERIES 2016</b>				
GRI 301: Materials 2016	301-1	Materials used by weight or volume	53	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	44	
	302-3	Energy Intensity	45	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	48	
	303-2	Management of water discharge-related impacts	48	
	303-3	Water withdrawal	48-49	
	303-4	Water discharge	50	
	303-5	Water consumption	49	
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	58	
	304-2	Significant impacts of activities, products, and services on biodiversity	58, 61	
	304-3	Habitats protected or restored	59	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	59, 62, 64	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	46	
	305-2	Energy indirect (Scope 2) GHG emissions	46	
	305-4	GHG emissions intensity	47	
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	54	
	306-3	Waste generated	55-56	
	306-4	Waste diverted from disposal	55-56	
	306-5	Waste directed to disposal	55-56	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	67	

STANDARD	DISCLOSURE NUMBER	NAME OF DISCLOSURE	PAGE NUMBER/DIRECT ANSWER	REASON FOR OMISSION
<b>GRI 400: SOCIAL STANDARDS SERIES 2016</b>				
GRI 103: Management Approaches 2016	103-1	Explanation of the Material Topic and Its Boundary	69, 73, 77, 84, 95, 99,	
	103-2	The Management Approach and its Components	69, 84, 95, 99,	
	103-2	Evaluation of the Management Approach	74, 84,	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	73	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	76, 88	
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	82	

STANDARD	DISCLOSURE NUMBER	NAME OF DISCLOSURE	PAGE NUMBER/DIRECT ANSWER	REASON FOR OMISSION
<b>GRI 400: SOCIAL STANDARDS SERIES 2016</b>				
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	84	
	403-2	Hazard identification, risk assessment, and incident investigation	84	
	403-3	Occupational health services	84	
	403-4	Worker participation, consultation, and communication on occupational health and safety	85	
	403-5	Worker training on occupational health and safety	89	
	403-6	Promotion of worker health	82, 88	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	93	
	403-9	Work-related injuries	92	
	403-10	Work-related ill health	86	
	GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	78
404-2		Programs for upgrading employee skills and transition assistance programs	78	
404-3		Percentage of employees receiving regular performance and career development reviews	77	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	71, 138	
	405-2	Ratio of basic salary and remuneration of women to men	75	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken		No recorded incidents
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	83	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	83	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	83	
GRI 412: Human Rights Assessment 2016	412-2	Employee training on human rights policies or procedures	83	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	95, 99	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	95	
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	113	



## TABLE OF RESTATEMENTS

We continue to fine-tune our measurable impacts on the environment, economy, and society.

GRI DISCLOSURE	DISCLOSURE TITLE	2019 DATA DISCLOSED IN 2020 REPORT	2019 RESTATEMENTS IN 2021 REPORT
<b>302-1</b>	<b>Energy consumption within the organization</b> (In million, GJ)		
	Non renewable	45.10	21.64
	Electricity consumption	1.13	1.74
	Electricity sold	13.34	13.42
	<b>Total</b>	<b>59.57</b>	<b>9.96</b>
<b>303-3</b>	<b>Water Withdrawal</b> (In Megaliters)		
	Calaca plant site > Balayan bay	845,937	885,531
	Calaca plant site > Total	846,922	886,516
<b>303-4</b>	<b>Water Discharge</b> (In Megaliters)		
	Corporate	0.0009	1.8
	<b>Total</b>	<b>872,498</b>	<b>872,500</b>
<b>305-1</b>	<b>Direct (Scope 1) GHG emissions</b> (In million tCO <sub>2</sub> e)	5.11	5.34
<b>305-2</b>	<b>Energy indirect (Scope 2) GHG emissions</b> (In tCO <sub>2</sub> e)	15,940	15,977
<b>305-4</b>	<b>GHG emissions intensity</b> (In tCO <sub>2</sub> e/MWH generated)	1.08	1.13

GRI DISCLOSURE	DISCLOSURE TITLE	2020 DATA DISCLOSED IN 2020 REPORT	2020 RESTATEMENTS IN 2021 REPORT
<b>302-1</b>	<b>Energy consumption within the organization</b> (In million, GJ)		
	Non renewable	61.58	26.01
	Electricity consumption	1.42	0.56
	Electricity sold	15.20	15.86
	<b>Total</b>	<b>78.20</b>	<b>10.71</b>
<b>302-3</b>	<b>Energy intensity</b>		
	Coal (In GJ/Ton of coal produced)	0.71	0.69
	Power (In GJ/MWH produced)	14.70	0.34
<b>303-3</b>	<b>Water Withdrawal</b> (In Megaliters)		
	Total water withdrawal > Coal	33,895	33,896
<b>304-4</b>	<b>IUCN Red List species and national conservation list species with habitats in areas affected by operations</b>		
	Giant clams > Propagated	137,197	135,090
<b>305-1</b>	<b>Direct (Scope 1) GHG emissions</b> (In million tCO <sub>2</sub> e)	6.30	6.31
<b>305-2</b>	<b>Energy indirect (Scope 2) GHG emissions</b> (In tCO <sub>2</sub> e)	15,225	15,210
<b>403-10</b>	<b>Work-related ill health</b>		
	Noise-induced hearing loss > Power		
	Employees	10	0
	Contractors	4	0
<b>403-9</b>	<b>Work-related injuries</b>		
	Recordable work related injuries > Coal		
	Number	38	39
	Rate	4.04	4.15



