

A young boy with a joyful expression is the central focus, sitting on a large, dark rock. He is wearing a blue t-shirt and blue jeans. In his hands, he holds a yellow toy excavator. The background is a vibrant, surreal landscape with a gradient of colors from red and orange on the left to blue and green on the right. In the distance, there are silhouettes of animals, possibly water buffalo, in a field. The overall mood is one of hope and transformation.

TRANSFORMING FOR THE NATION



ABOUT THE REPORT

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

“Transforming for the Nation” is Semirara Mining and Power Corporation’s (SMPC) 2022 Annual and Sustainability Report (ASR). This report presents our sustainability journey with a focus on the economic, environmental, and social impacts of our sites at Semirara Island, Antique, and Calaca, Batangas. Its scope covers SMPC’s financial and sustainability performance during the year.

This report is prepared in accordance with the GRI Standards for the period January 1 to December 31, 2022, and the Philippine Securities and Exchange Commission (SEC) Sustainability Reporting Guidelines for Publicly-listed Companies.

For comments and suggestions, please contact:

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ABOUT THE COVER



The cover features a child dividing the pre-mining Panian (left) and the rehabilitated Panian (right) after its 16-year mine life. This symbolizes how SMPC, in twenty-five years, turned what used to be a destitute island into a thriving community; a debt-saddled company into a leading vertically-integrated enterprise powering much of the country's energy requirements.

The boy in the middle represents the future, and how we ensure that development and caring for the land go hand-in-hand toward transformative and inclusive growth.



TABLE OF CONTENTS

About the Cover	02	Reinforcing Climate-Nature Stewardship	44
Message from the Chairman and CEO	05	Creating a Sustainable Talent Ecosystem	74
Message from the President and COO	08	Enabling Inclusive Growth	93
CFO's Report	12	Strengthening Climate Capacity	111
SCC at 25: Breaking Records, Making History	16	Redefining Risk as Opportunity	117
Business Overview	23	Championing Good Governance	123
Our Business Performance	26	Our Leadership	139
Elevating Stakeholder Value	34	Financial Statements	147
Supporting Sustainable Development Goals	37	Index	157



ABOUT SEMIRARA MINING AND POWER CORPORATION

2-1, 2-6

Semirara Mining and Power Corporation (SMPC) is a leading vertically integrated energy enterprise in the Philippines. Our subsidiaries— Sem-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC)— provide baseload power to the Luzon and Visayas grids.

To date, we are still the only power producer in the country that owns and mines our own fuel source. SMPC is also the largest coal producer, accounting for 99% of domestic coal production and exports.

Aside from fueling our power plants, we supply coal to other power plants, the majority of cement plants, and other small boiler users in the food, textile, and canning industries. As a major player in the Philippine power industry, SMPC strives to efficiently manage fuel supply and power production to deliver affordable and reliable energy to millions of Filipinos nationwide.





ELEVATING VALUE CREATION: MESSAGE FROM THE CHAIRMAN AND CEO 2-22

To our dear stakeholders,

2022 marks the silver anniversary of Semirara Mining and Power Corporation since the takeover of DMCI Holdings, Inc. in 1997. In 25 eventful years, we have transformed a losing venture into the nation's most modern coal mine, responsible for over 99 percent of local coal production and exports.

I am pleased to report that coinciding with this milestone year, we have surpassed our previous all-time-high performance, achieving record-breaking business results while at the same time accelerating sustainable and inclusive growth.

DELIVERING GREATER VALUE TO STAKEHOLDERS

We capped our silver year by setting another banner performance as our consolidated net income reached PHP39.9 billion, outperforming our 2021 record-profits of PHP16.2 billion. This translated to an earnings per share of PHP9.38 and a return on equity of 73%, the highest among our power and mining peers.

Our improved operating efficiencies and continuous innovation led to an all-time high coal production while strategic market pivots in both our coal

and power businesses enabled the Company to take advantage of elevated market prices and favorable foreign exchange rates.

Earnings were still hugely driven by our coal business after generating a PHP32.4 billion record-level profit which accounted for 81 percent of our consolidated net income.

Our coal business reached new heights as our annual production hit 16 million metric tons (MMT), the maximum level allowed per our Environmental Compliance Certificate (ECC). Our approach to boost our domestic sales and create new export markets in South Korea, Brunei, and other Asian countries were proven worthwhile as these were able to cushion the decline in our coal exports to China following its shift towards Russian coal and its repeated lockdowns to control COVID-19. Meanwhile, our average selling prices soared to a record-level of PHP5,136 per MT as the global energy crisis was exacerbated by ongoing conflicts between Russia and Ukraine.

Our success extends to our power generation segment, whose net income contribution grew 56 percent from PHP4.78 billion to PHP7.46 billion.



We strategically pivoted towards spot sales, reduced our exposure to replacement power, and benefitted from the favorable market conditions. In addition, our efficient coal blending combined with our risk-based asset management curbed the effect of surging fuel prices. SEM-Calaca Power Corporation (SCPC) contributed PHP5.13 billion, a 54 percent upturn from PHP3.33 billion last year while Southwest Luzon Power Generation Corporation (SLPGC) achieved a 61 percent rise from PHP1.45 billion to PHP2.33 billion income contribution.

We distributed the highest-ever dividend and government royalties as a true testament of our continuous effort to deliver greater value to our stakeholders.

Total dividends reached an all-time high PHP21.3 billion or PHP5.00 per share. This translates to a 53 percent payout ratio, more than above our dividend policy of 20 percent of previous year's net income.

Government royalties skyrocketed from PHP6.4 billion to a staggering PHP16 billion which will help to further propel progress as we move towards a post-COVID economy.

GOOD GOVERNANCE TOWARDS BUSINESS SUSTAINABILITY

We believe that good corporate governance spurs business sustainability and stakeholder accountability. I am proud to report that in August 2022, our Company has rejoined the PSE index (PSEi), a 30-company benchmark index of our local bourse. Market capitalization as of end of 2022 stood at PHP146.6 billion. This 58 percent improvement in our market capitalization surpassed the performance of the PSEi which slipped by 8 percent on the back of geopolitical tensions and rising inflation and fuel prices.

We also take seriously our critical role in building a diverse and inclusive workplace, and we constantly explore ways to improve representation at all levels. This is evidenced by SMPC being cited for the second year in a row in the Bloomberg Gender-Equality Index (GEI), which tracks the transparency of Publicly Listed Companies (PLCs) in their gender data reporting.



Furthermore, SMPC joined 31 other Philippine PLCs as an ASEAN Asset Class awardee, scoring 100.76 points this year in the ASEAN Corporate Governance Scorecard (ACGS) assessment for good corporate governance.

Powering our passion for the work we do also comes with our responsibility to care for the environment. We adopt practices that focus on restoring and regenerating natural habitats impacted by our mining activities. This year, we have improved our capacity building for Scope 3 greenhouse gas emissions as part of our carbon transition roadmap development.

2022 crowns 25 successful years of transformation for our business and the nation. We recognize that our corporate achievements are merely the sum of the individual endeavors of our people. Thinking of the great community of people linked to SMPC's success, it's easy to understand how we made it to where we are today.

I thank our Board of Directors for their invaluable guidance, our employees for their amazing dedication and service, our shareholders, regulators, business partners, host communities, and other stakeholders for their trust and cooperation.

As we move forward, we carry with us 25 years' worth of experiences, lessons, trials, and triumphs. Guided by our vision, we shall continue broadening our horizons and driving economic progress in the years ahead of us.



**2022 crowns
25 successful years
of transformation for our
business and the nation.”**

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





FUTURE-PROOFING SUSTAINABILITY: MESSAGE FROM THE PRESIDENT AND COO ²⁻²²

To our dear stakeholders,

It is with great honor to report that we recorded our strongest financial results yet in 2022. This could not have occurred at a more opportune time as we celebrated our silver year under the DMCI Group.

In two and a half decades, we have weathered many changes, remaining steadfast in our stewardship roles as a transformative contractor, economic driver, and growth partner.

The profound transformation that has taken place in the Company in the last 25 years is best demonstrated by nothing less than our 2022 performance—a growth story that we share with our employees, host communities, shareholders, stakeholders, and the nation.

TOWARDS GREATER HEIGHTS

Globally, coal prices significantly peaked in 2022 due to a confluence of the Indonesian export ban, Russia-Ukraine war and its trade sanctions, coal plant resurgence due to energy crisis, and

energy supply issues. This positively impacted our business, allowing us to surpass historical record-breaking highs.

Consolidated revenues skyrocketed to PHP91.1 billion, a 74 percent upturn from 2021. Consolidated net income soared to PHP39.9 billion, beating prior year record of PHP16.2 billion. Increased domestic demand for coal, elevated market prices, higher spot electricity sales, and operational efficiencies propelled our business to all-time-high profits.

COAL BUSINESS TRANSCENDS LIMITS

Semirara coal production reached record-breaking 16 MMT in 2022, the maximum allowable volume under our Environmental Compliance Certificate. This is a 12 percent leap from last year's 14.3 MMT. We continued to innovate and invest in technology that led to the sustained water seepage management in the Molave mine. In parallel with better-than-expected strip ratio and favorable weather conditions, we were able to not just to meet but exceed our 15 MMT production target.



While coal exports slightly slipped on weaker China demand, this was cushioned by our exceptional domestic coal sales. Coal revenues managed to hike up from PHP40.9 billion to PHP76.2 billion, attributed to the 91 percent surge in average selling price (ASP) from PHP2,695 per MT to PHP5,136 per MT, fused with the company's strategic pivot to domestic and other Asian markets.

Coal shipments to other power plants shot up by 83 percent from 1.8 MMT to 3.3 MMT, while sale to our own plants rose by 13 percent from 2.3 MMT to 2.6 MMT. Industrial and cement plants sales stood at 1.8 MMT, 6 percent higher than 1.7 MMT in 2021.

We managed to keep 2022 production cost at the same level with our 2021 spend. For 2023, however, we project a 42 percent increase in consolidated capital spending as we replace old mining equipment and acquire additional ones to boost material handling capacity and improve cost efficiency.

POWER SEGMENT THRIVES DESPITE THE ODDS

We made significant inroads in the power segment despite reduced plant output. Core net income

contribution increased by 56 percent from PHP4.78 billion to PHP7.46 in 2022, owing to better selling prices, more spot sales, and lower replacement power purchases.

Combined spot electricity sales from SCPC and SLPGC spiked by 83 percent from 1,028 GWh to 1,881 GWh. Spot electricity ASP increased by 35 percent from PHP5.51 per kilowatt hour (KWh) to PHP7.46 per KWh due to thin supply-demand margins and higher fuel costs.

By the end of 2022, spot exposure widened by 56 percent to 540.85 MW (74% dependable capacity) due to the commercial operation of SCPC Unit 2 in October.

Overall plant availability slightly dipped (63% to 62%) as SCPC saw a 54-day increase in outage days, or 412 days mainly due to the GE generator vibration issue. But this was moderated by the 34-day decrease in SLPGC outage days.

We are pleased to deliver not only record returns to shareholders and other stakeholders. Most importantly, we did so safely and sustainably.



We are pleased to deliver not only record returns to shareholders and other stakeholders. Most importantly, we did so safely and sustainably.”





Our people are the core of our business.”

FUTURE-PROOFING OUR WORKFORCE

Our people are the core of our business. Even from its earliest days, SMPC looked to highly skilled and experienced talents to move our company forward and set new standards in the industry we are in.

In 2022, we ramped up our digitization program and formed our data science team, enabling us to arrive at more informed business decisions backed by data and analytics.

Being in the business for 25 years, we encountered transitional changes in the Company. Having a strong talent pipeline allowed capable internal candidates to fill the positions left vacant by retirees in critical roles, thus future-proofing our organization.

HARNESSING TECHNOLOGY TO OPERATE BETTER, SAFER

Apart from capacity building to drive excellence in our performance, we continued to invest in the health, safety, and overall welfare of our people

In 2022, we reinforced the construction of our cut-off wall, which serves as our second line of defense in pit safety. Furthermore, we leveraged geotechnical engineering, technology, and other instrumentations to strengthen our mine pit safety. We employed Slope Stability Radars (SSR), state-of-the-art equipment for real-time detection of slope movement. Located at strategic points in our site, the SSR system allows us to mine better and safer.



REIMAGINING THE FUTURE WITH NATURE IN MIND

Since we started integrating ESG principles into our operations, we are not only achieving business and financial breakthroughs, but are also making significant headways in our sustainability journey.

In fact, 2022 marked the completion of the fully covered Panian pit in Semirara Island, 4 years ahead of its original 10-year mine rehabilitation plan—the fastest of its kind and scale in the country. We continue to pursue a science-based restoration with nature-based solutions in our restoration sites.

We are also heavily investing in sustainable development programs, particularly towards Semirara Island's self-sufficiency and Inclusive growth.

Concretizing our business goals simultaneously with our sustainability agenda can be a daunting task. But at the heart of SMPC, we recognize that beyond meeting government mandates, shareholder expectations, and customer demands, we are doing this because it is the responsible thing to do—for our planet and for our people.

For the past 25 years, commitment, excellence, professionalism, teamwork, integrity, loyalty, and our sense of *malasakit* (care) have always been the essential ingredients for our success. These values shall continue to guide and enable us to come out on top as we write the succeeding chapters of our history.

I am confident we are building SMPC for the future and creating enduring value for our shareholders and communities, customers, suppliers, and partners. We look forward to another 25 years of growth and shared value.

MARIA CRISTINA C. GOTIANUN
President and Chief Operating Officer





EXCEEDING EXPECTATIONS: CFO'S REPORT

Dear Stakeholders,

2022 is a year of celebration and challenges for SMPC: the worst of the Covid-19 pandemic has passed, and the Philippines is progressing toward recovery. As a company, we celebrated our 25th anniversary since DMCI Holdings Inc. (DMCI) acquisition, and together with this momentous event, we achieved a staggering all-time high financial success.

Once again, our agility and adaptability to any situation were vital as we navigated the volatile market conditions locally and globally. We also proved our efficiency, creativity, and resourcefulness in finding alternative ways for cost minimization and rationalization as we faced the issue of high fuel prices this year.

ACHIEVING A RECORD-BREAKING PERFORMANCE

Our coal and power segments had a stellar financial performance last 2021, even with the ongoing battle with COVID-19 and water

seepage issues in the Molave North Block 7 (NB7). With renewed vigor this 2022, we surpassed our achievements last year and set a new annual profit record of PHP39.9 billion in net income, a 146 percent increase from last year's PHP16.2 billion.

The Company diversified and created new coal export markets; pivoted its power market strategy; improved cost and cash management and systems; and implemented internal controls, data management, and analysis that enabled more informed decision-making.

At the end of the year, our net income for the coal segment climbed to PHP32.4 billion due to higher selling prices and better operating margins. Owing to better selling prices and more spot sales, SCPC achieved PHP 5.1 billion in net income. Meanwhile, SLPGC's net income was PHP2.3 billion due to the combined effect of improved plant availability, elevated coal consumption, and higher margins.

Favorable market conditions played a significant role in our most considerable financial success since the company was founded 42 years ago as Semirara Coal Corporation. The Group's other income soared by 11 percent from PHP578 million to PHP1.25 billion, primarily due to foreign exchange gains from its coal exports and Japan equipment imports. Net forex gain stood at PHP1.02 billion, nearly three-fold from PHP340 million in 2021 due to 11 percent surge on year-on-year US\$/PHP exchange rate.

Our robust financial systems were also backed by strategic programs and improvements wherein plant operations and maintenance, minesite and plant management, finance, and senior management worked closely together to manage generation costs. With this synergy, we were able to keep our generation costs at the lowest across the power industry and generated savings of around PHP2 billion in 2022.

SMPC Group maintained a strong cash balance of PHP20.06 billion and a net cash position, as debt levels dropped by 32 percent from PHP15.07 billion to PHP10.20 billion. A total of PHP46.83 billion was paid in royalties (PHP15.70 billion), capital expenditures (PHP4.31 billion), debt and interest payments (PHP5.57 billion) and dividend payout (PHP21.25 billion) for 2022.

With our financial key performance indicators all at an all-time high, the financial position and liquidity of the group are at their healthiest level in 2022.





We look forward to continuing our positive growth to further contribute in transforming the nation and uplifting the communities.”



GENERATING SHARED VALUE

As net profit soared and reached an all-time high, we also broke records on government shares and cash dividend payments for our investors.

Our performance generated PHP15.96 billion of royalties to the Department of Energy from PHP6.4 billion last year—a 151 percent increase. On the other hand, for our investors, we were able to give our highest-ever dividend payments of PHP21.3 billion, or a 68 percent uptick from 2021 results. This was achieved through two (2) payouts: a regular cash dividend release of PHP1.50 per share, and a special cash dividend release of PHP3.50 per share, bringing our payout ratio to 53 percent.

We look forward to continuing our positive growth to further contribute in transforming the nation and uplifting the communities. We foresee headwinds in the coming year, such as regulatory policy changes, normalization of coal prices, and other operational and

financial risks. But we can also leverage on opportunities, such as maximizing the current coal and electricity prices, as well as the volatility of currencies; while these cannot reach or surpass 2022 levels, they are expected to trump 2021 values.

The Company is looking towards sustaining its financial results and condition through market price maximization, cost minimization, and boosting its power segment contribution through increased cost savings from using low-grade coal.

The SMPC Group surpassed its 2021 all-time high financial performance and exceeded 2022 financial targets, which translated to a return on equity of 73%—the highest among its mining and power peers for the year.

The Finance team continuously works on its thrust to further improve financial resiliency through cash preservation,



cost rationalization, operating capital optimization, conservative debt management, and financial risk management so that the SMPC Group can withstand business and market volatility challenges for value maximization to our stakeholders.

We remain committed to our vision of being one of the highest-performing companies in the Philippines and our drive to bring SMPC further.

As we cap off a successful 25th year under DMCI, I thank our Board of Directors, CEO, and President for their strong leadership and generous guidance. To our stakeholders, your continued trust and support shall fuel us in reaching new milestones and delivering shared value as the next chapter of our growth story unfolds.

CARLA CRISTINA T. LEVINA

Vice President and Chief Finance Officer

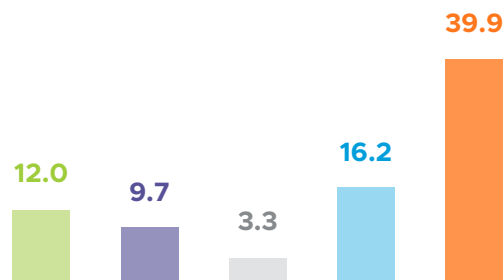
SMPC AT 25: BREAKING RECORDS, MAKING HISTORY

We made history in 2022 by breaking our previous financial and operational records. Our success was driven by maximum coal production, higher coal prices, favorable market conditions and strategic pivot to explore new markets.

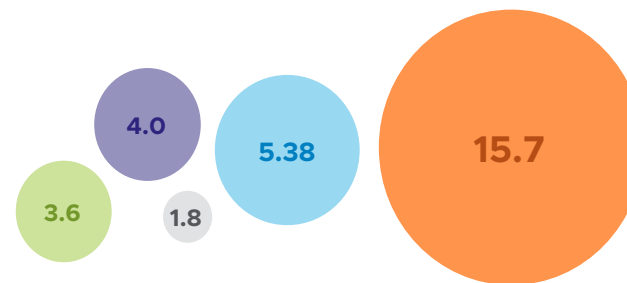
FINANCIAL HIGHLIGHTS IN 2022

2018 2019 2020 2021 2022

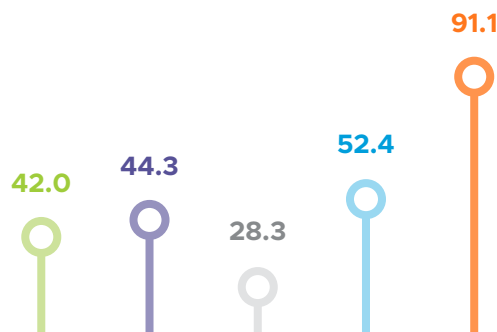
CONSOLIDATED NET INCOME (IN PHP BILLION)



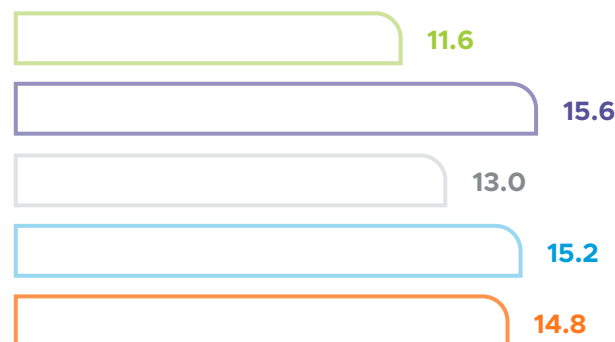
ROYALTY PAYMENT (IN PHP BILLION)



CONSOLIDATED REVENUES (IN PHP BILLION)

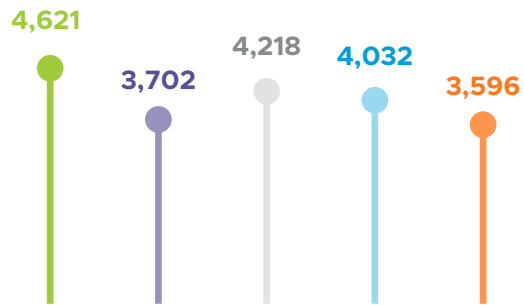


COAL SALES (IN MMT)

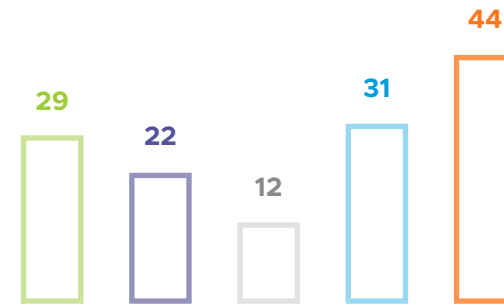




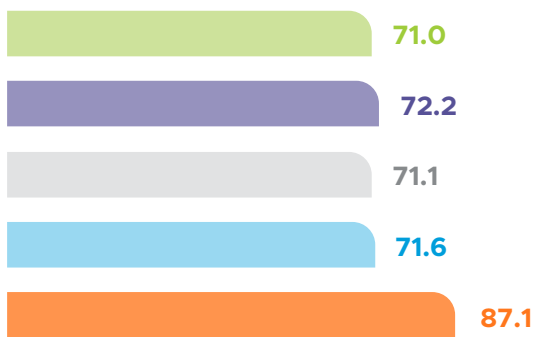
ENERGY SALES (IN GWH)



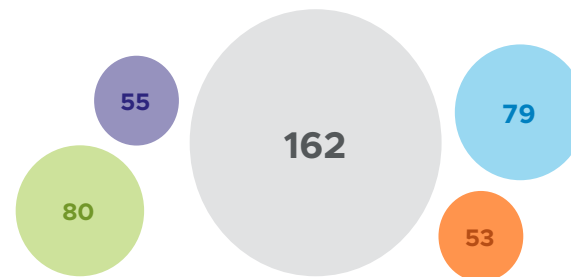
NET PROFIT MARGIN (%)



TOTAL ASSETS (IN PHP BILLION)



CASH DIVIDEND PAYOUT RATIO (%)





OPERATIONAL HIGHLIGHTS IN 2022

16 MMT
All-time-high
coal production

From 800,000 metric tons in 1997, our coal production grew 19x to 16 million metric tons in 2022— the maximum allowable capacity under our Environmental Compliance Certificate.

**SMPC is
1st global
customer
of
Komatsu
PC 3400
excavators**

Komatsu Ltd., a global leader in mining and heavy equipment manufacturing, spent several years designing and testing the PC3400 in Japan before choosing to partner with SMPC, deeming our mining operations as exceptionally well-suited for the product's further trial and development. SMPC is the first customer to benefit from the PC3400's increased bucket capacity, improved fuel efficiency, and enhanced safety features which boost overall production performance.

CHAMPIONING PROGRESS: ISIDRO A. CONSUNJI IS MANAGEMENT MAN OF THE YEAR 2022

“

MY INTEREST WAS IN VALUE CREATION
AND BUSINESS TRANSFORMATION.”

Recognizing his management qualities as well as DMCI's role in national development, job creation, and income generation, Isidro A. Consunji, Chairman and CEO of Semirara Mining and Power Corporation, was named **Man of the Year 2022 by the Management Association of the Philippines (MAP)**.

“

In the late 1990s, we invested in what others then considered a zombie company: Semirara Coal Corporation... To transform the company, we focused on raising production and improving coal quality... We changed the mining method... These initiatives allowed us to create new domestic and foreign markets for Semirara coal.”



ESG AWARDS AND RECOGNITION

INDICES

Philippine Stock Exchange (PSE)

- PSE Index (PSEi)
- Dividend Yield Index

Bloomberg Gender-Equality Index

Asiamoney 2022 Asia's Outstanding Companies Poll

- Most Outstanding Company in the Philippines for the Materials Sector

Alpha Southeast Asia Magazine 12th Institutional Investor Corporate Awards 2022

- Most Organized Investor Relations (3rd place)
- Best Senior Management Investor Relations Support (2nd place)
- Most Consistent Dividend Policy (3rd place)
- Most Improved Investor Relations (sole winner)

ASEAN Capital Markets Forum 2022

- ASEAN Asset Class Award

19th Philippine Quill Merit Award

- 2020 ASR Powering Sustainable Change

Top Taxpayer Awards 2022, Provincial Government of Batangas

- Top 2 - Southwest Luzon Power Generation Corporation
- Top 3 - Sem-Calaca Power Corporation



CAPTURING STORIES OF IMPACT: 'ANO'NG KWENTONG SEMIRARA MO?'

For our 25th anniversary celebration, we launched “Anong Kwentong Semirara Mo?”—a video campaign featuring stories that amplified the voices of our stakeholders.

The Anong Kwentong Semirara Mo? series presents a collection of inspiring stories showcasing the company’s positive impacts on livelihood, education, skills training, and infrastructure development. It turns the spotlight on key stakeholders from Semirara Island, Antique, and Calaca, Batangas. Woven into the stories are themes of hope, perseverance, altruism, and empowerment.



280,700

VIEWS

368,133

PEOPLE
REACHED

10,937

ENGAGEMENTS

Social media metrics as of November 29, 2022

SCAN THIS QR CODE
TO WATCH THE VIDEOS





“ Dahil sa SMPC tuloy-tuloy ang trabaho ko at nakapagpatayo kami ng sariling bahay sa Sibay.”

Ema Elcacion
Automatic Welder at SMPC,
mobile department for 8 years



“ Dahil po sa Agro farm hindi lang po ako ang nabigyan ng trabaho, marami pa po kami.”

Eduardo Magan
an SMPC Agro Model
Farm Beneficiary since 2021



“ Bilang scholar ng SMPC, grateful po ako para kami ay libre sa pag-aaral.”

Maria Liza Lim
Teacher and officer-in-charge in
Semirara National High School



“ Nagbago po ang aming buhay nuong nabigyan kami ng livelihood ng SMPC... Nuong nandiyan na ang unit na ibinigay ng kumpanya.”

Joel Ignacio
President of SEMFA, resident of Semirara for 50 years



“ Malaki po ang tulong talaga sa amin... sa mga anak na nag-aaral... Ang SMPC po ay nag supporta dito sa patahian ng libreng training, mga kagamitan tulad ng sewing machine.”

Merlin Calimoso Cagay
Dressmaker from the Semirara Women’s Organization

BUSINESS OVERVIEW

2-2, 2-6

SMPC successfully transformed into an integrated energy enterprise after it acquired 2x300MW coal-fired power plants from the National Power Corporation in 2009.

Today, our coal revenues primarily come from the production and sale of sub-bituminous coal. Our shares are listed and traded on the Philippine Stock Exchange under the symbol "SCC." We uphold responsible mining and sustainability practices, fulfilling our role to support the country's energy security.



OUR VISION

Semirara Mining and Power Corporation is a reliable, 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.

To ensure equitable returns to all stakeholders.

OUR CORPORATE OBJECTIVES

Business Sustainability

Value Maximization

OUR VALUES



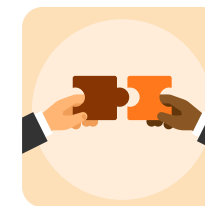
COMMITMENT



EXCELLENCE



LOYALTY



TEAMWORK



INTEGRITY

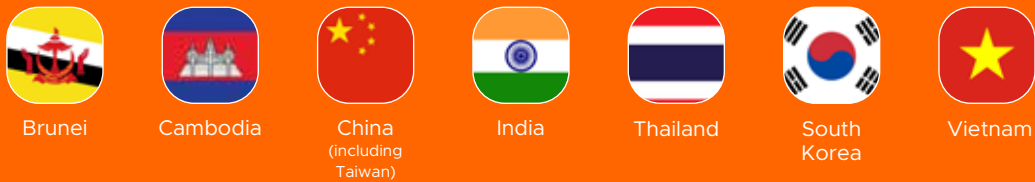


PROFESSIONALISM

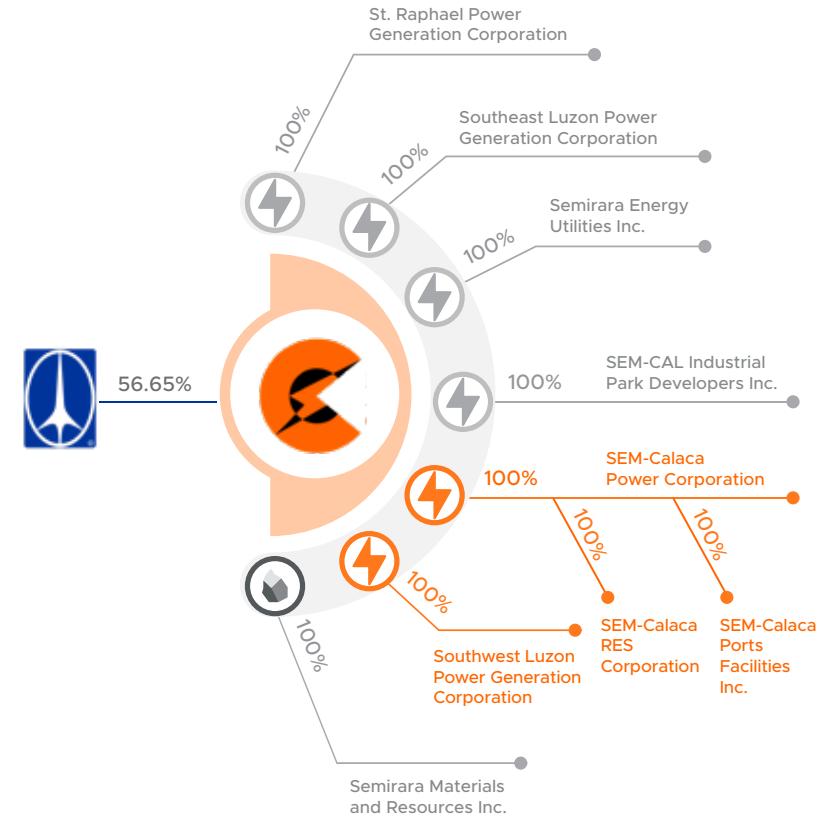
OUR MARKET PRESENCE



We export to:



OUR BUSINESS STRUCTURE 2-1, 2-2, 2-6



- Operational
- Non-Operational

OUR FOOTPRINT

SEMIRARA ISLAND, ANTIQUE PROVINCE

Semirara is an island located in the Caluya archipelago which is situated south of Mindoro Island.

In 1940, Semirara Island was declared a coal mining reservation site by President Manuel L. Quezon by virtue of Proclamation No. 649. To secure affordable energy and lessen the country's reliance on imported fuel, the Philippine government explored and developed indigenous energy resources. President Ferdinand E. Marcos, Sr. issued Presidential Decree No. 972, or the "Coal Development Act of 1976," which designated Semirara Island as a coal region. This allowed Coal Operation Contracts (COCs) to be issued in Semirara. SMPC's current COC has been extended to July 14, 2027, by the Department of Energy (DOE).

Today, the island is home to the largest known coal reserve and operating coal mine in the country.

CALACA, BATANGAS PROVINCE

Located in northwestern Batangas Province, Calaca City is 117 kilometers south of Manila and 41 kilometers from the province's capital, Batangas City. Its major economic activities include agriculture, service manufacturing, tourism, and cottage industries. Located within it are coal-fired power plants owned by SMPC's subsidiaries Sem-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC). SCPC operates two 300-MW PC power plants, while SLPGC runs two 150-MW CFB power plants.



OUR BUSINESS PERFORMANCE

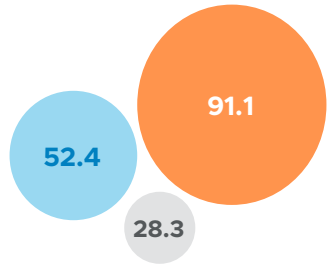
2022 was marked by favorable market conditions and prudent strategic decisions that paved the way for our unprecedented, record-breaking financial success.



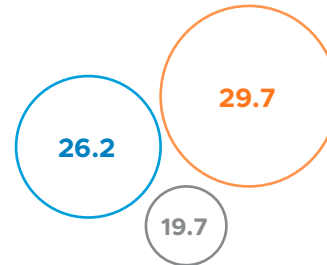
SUMMARY OF FINANCIAL PERFORMANCE

2020 2021 2022

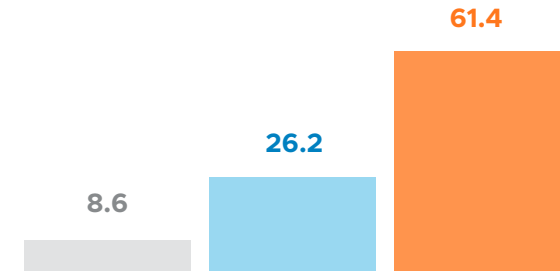
REVENUES (IN PHP BILLION)



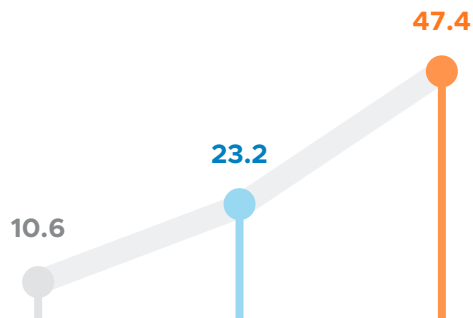
COST OF SALES (IN PHP BILLION)



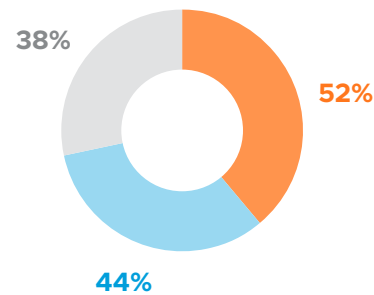
GROSS PROFIT (IN PHP BILLION)



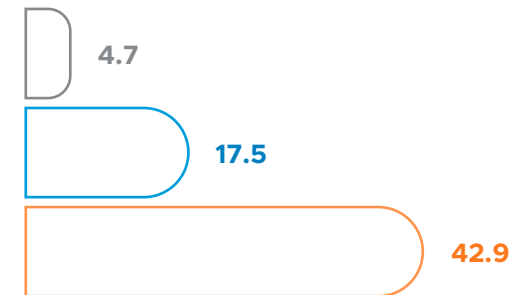
CORE EBITDA (IN PHP BILLION)



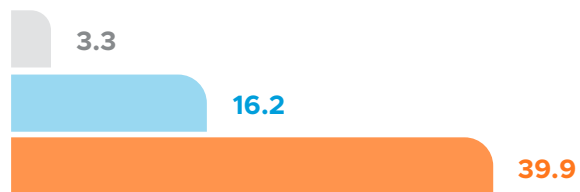
CORE EBITDA MARGIN (%)



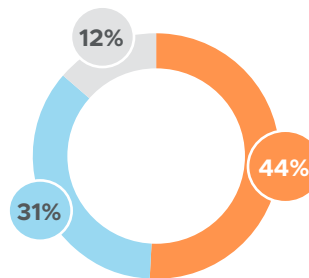
EBIT (IN PHP BILLION)



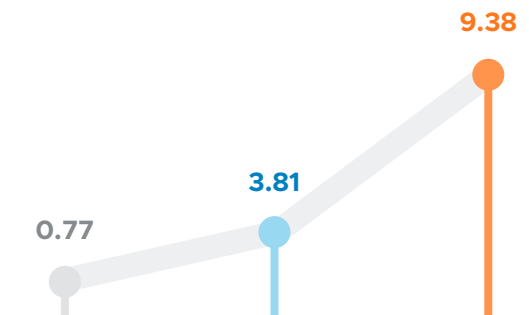
NET INCOME (IN PHP BILLION)



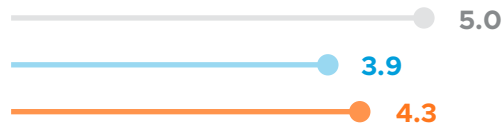
NET PROFIT MARGIN (%)



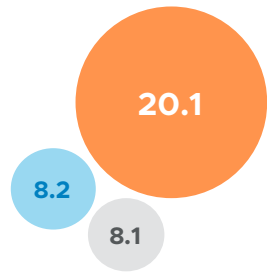
EARNINGS PER SHARE (IN PHP BILLION)



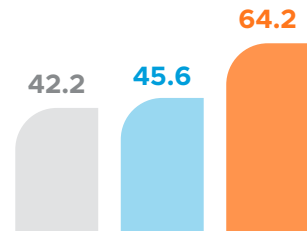
CAPITAL EXPENDITURES (IN PHP BILLION)



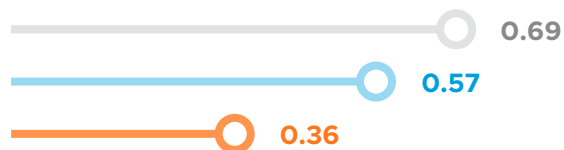
CASH AND CASH EQUIVALENTS (IN PHP BILLION)



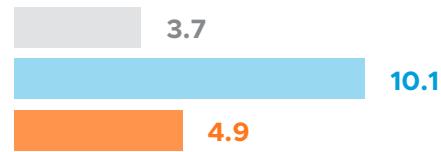
TOTAL EQUITY (IN PHP BILLION)



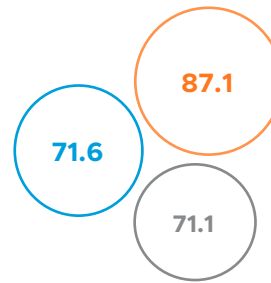
DEBT TO EQUITY RATIO



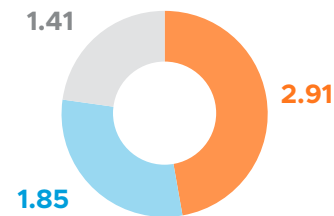
LOAN PAYMENTS (IN PHP BILLION)



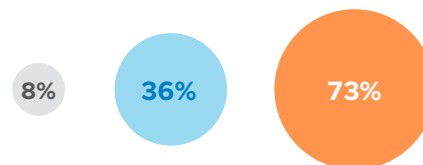
TOTAL ASSETS (IN PHP BILLION)



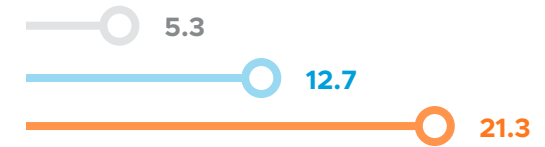
CURRENT RATIO



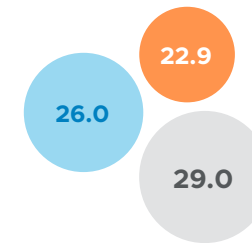
RETURN ON EQUITY (IN PHP BILLION)



DIVIDEND PAYMENTS (IN PHP BILLION)

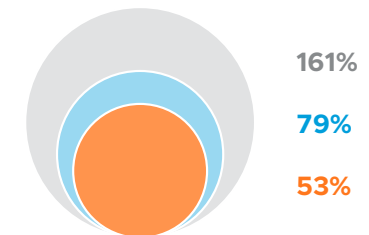


TOTAL LIABILITIES (IN PHP BILLION)

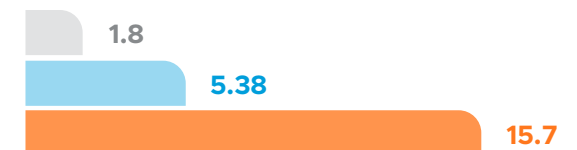


DIVIDEND PAYOUT* (%)

**Based on current year net income*



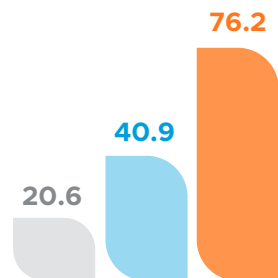
ROYALTY PAYMENTS (IN PHP BILLION)



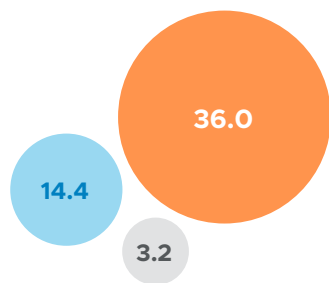


COAL SEGMENT STANDALONE HIGHLIGHTS

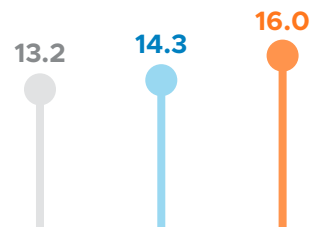
REVENUES (IN PHP BILLION)



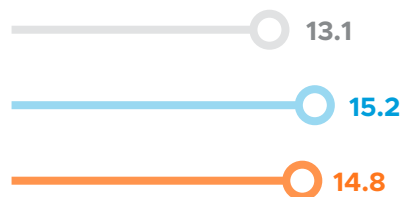
NET INCOME (IN PHP BILLION)



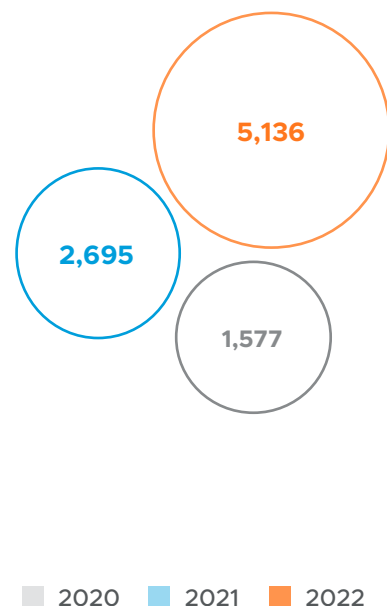
PRODUCTION (IN MILLION MT)



SALES VOLUME
(IN MILLION MT)



AVERAGE SELLING
PRICE (IN PHP PER MT)



BREAKING RECORDS: ACHIEVING FINANCIAL MILESTONES @ 25

In 2022, we celebrated our 25th anniversary with a remarkable financial position, ending the year with a net income of PHP36.0 billion. This figure more than doubled (146%) our previous-year all-time high of PHP14.4 billion, owing to better operating margins. Coal segment revenues accelerated by 86%, going from P40.86 billion to P76.18 billion due to higher selling prices and favorable foreign exchange rates.

FAVORABLE GLOBAL MARKET CONDITIONS

The year 2022 presented positive global market conditions. Policy interventions and weather-related supply disruptions induced market volatility in 2022. These were followed by rising fuel prices and trade sanctions on Russia after its invasion of Ukraine caused global supply chain disruptions that drove up coal indices.

The average Newcastle index (NEWC) surged by 162%, going from \$137.3 to \$360.2 and peaking at \$452.8 on September 9 before ending the year at \$398.50. Average Indonesian Coal Index (ICI4) grew at a slower pace (32%) from \$65.3 to \$85.9 and ended the year at \$90.45.

Semirara coal ASP sizzled by 91%. It went from PHP2,695 per metric ton (MT) to PHP5,136 per MT on elevated market indices and the company's strategic pivot to domestic and other Asian markets.

Aside from favorable coal indices, the foreign exchange rate also worked to our advantage. The segment booked PHP1.02 billion in net forex gain following an 11% jump in the average US\$/PHP exchange rate from US\$: PHP49.3 to US\$: PHP 54.5.

For 2023, global coal price indices are expected to consolidate as key markets face easing energy crises, high inventories from aggressive stockpiling, warmer-than-expected winter, slow economic recovery, and an influx of steeply-discounted Russian coal. NEWC is likely to become more volatile and primed for a correction compared to ICI, given the former's EU exposure and the latter's focus on Asian markets. The divergence between the two indices is expected to narrow during the



year. With Semirara coal pricing primarily derived from ICI, Management expects its ASP to be more stable, hovering below the 2022 level but still above the pre-pandemic level.

OPTIMIZED COAL PRODUCTION WITH OPERATIONAL EFFICIENCY

As we strengthened operational efficiency, we achieved all-time high coal production for the first time ever. Production rose by 12% from 14.3 MMT to 16 MMT, which is the maximum allowable volume under the company's Environmental Compliance Certificate. This record high was thanks in part to good weather conditions, sustained water seepage management, and a better-than-expected strip ratio.

The strip ratio was 9.9, 10% lower than last year (11.0) and 8% below the expected level for 2022 (10.8). The improved strip ratio was attributable to the near-depletion of East Block 4 and South Block 5 (both in Molave mine), together with the reduced water seepage level in the area.

The segment's ending high-grade coal inventory grew by 22% from 0.9 MMT to 1.1 MMT on robust production and slightly lower shipments. Including lower-grade coal, ending inventory increased by 67% from 1.2 MMT to 2.0 MMT.

STRATEGIC COAL MARKET DIVERSIFICATION

Domestic coal sales jumped by 33% from 5.8 million metric tons (MT) to a historic high of 7.7 million MT due to the segment's strategic pivot away from China and stronger demand from its own power plants. Meanwhile, exports slumped by 24% from 9.4 million MT to 7.1 million MT. Sales from China fell by 55% from 8.9 MMT to 4.0 MMT, but coal sales to other foreign buyers improved more than 6 times (520%) from 0.5 MMT to 3.1 MMT.

SMPC focused on the Philippines, South Korea, and other Asian markets to lessen its dependency on China, which had been importing heavily discounted Russian coal. China accounted for 56% of foreign shipments, followed by South Korea (31%), Thailand (7%), Cambodia (2%), Vietnam (2%), Brunei (1%), and India (1%).



POWER SEGMENT STANDALONE HIGHLIGHTS

POWER SALES

Despite facing maintenance outages and unplanned downtime in 2022, the power segment managed to more than double its standalone net income owing to improved selling prices, increased spot sales, and reduced replacement power purchases.

The reduction in power generation led to an 11% decline in total power sales, with BCQ sales sustaining a 43% drop, cushioned by an 83% upsurge in spot sales. Spot sales accounted for 52% of power sales due to lower contracted capacity.

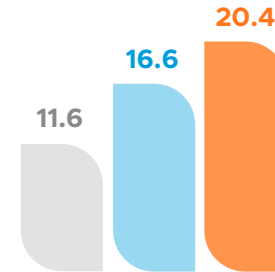
Spot exposure widened by 56%, representing 74% of the segment's total dependable capacity, and overall ASP rallied by 38% from PHP4.11/KWh to PHP5.67/KWh, mainly due to elevated spot prices. Persistent red and yellow alerts, elevated fuel prices, and thin supply margins led to a 53% jump in average spot prices in the Luzon-Visayas grid moving from Php 4.83/KWh to Php 7.39/KWh. BCQ ASP increased by 2% from PHP3.64/KWh to PHP3.71/KWh, while Spot ASP rose by 35% from PHP5.51/KWh to PHP7.46/KWh.

PLANT AVAILABILITY, AVERAGE CAPACITY, AND GROSS GENERATION

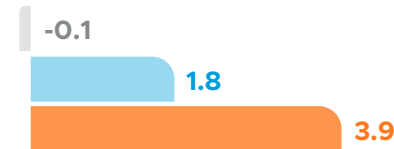
The power segment experienced a dip in overall plant availability from 63% to 62% due to increased SCPC outage days moderated by decreased SLPGC outage days. The total average capacity fell by 5% from 749 MW to 708 MW due to SCPC Unit 2's deration. Gross generation dropped by 6% from 3,959 GWh to 3,729 GWh due to lower plant availability and average capacity.

For 2023, spot prices are expected to remain elevated, with some upside potential, given the growing demand and limited baseload capacity entering the market. Combined spot electricity sales from SMPC subsidiaries, SEM-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC) surged by 83%, and spot electricity ASP expanded by 35% due to thin supply-demand margins and higher fuel costs.

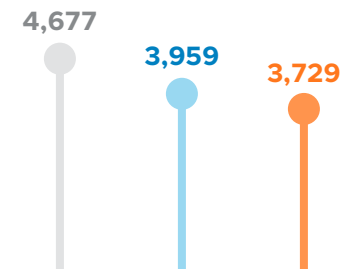
REVENUES (IN PHP BILLION)



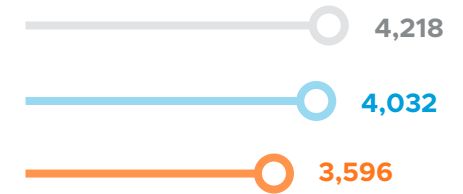
NET INCOME (IN PHP BILLION)



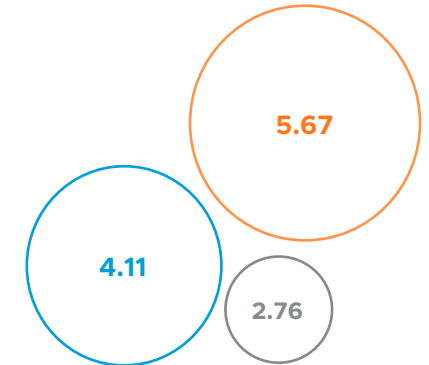
ENERGY GENERATED (GWH)



ENERGY SOLD (GWH)



AVERAGE SELLING PRICE
(IN PHP PER KWH)



2020 2021 2022



SLPGC IMPROVES REVENUE ON BETTER SELLING PRICES AND LOWER OUTAGE DAYS

SLPGC had strong financial results in 2022. The company's standalone revenues increased by 18% from PHP7.32 billion to PHP8.65 billion, mainly due to improved plant output and selling prices. Net income declined by 34% on higher cash costs, tax provisions, and asset write-down.

Overall plant availability improved from 76% to 80% because of lower outage days (143 days vs 177 days in 2021). Unit 1 showed a 27% improvement in availability from 66% to 84%. However, Unit 2 dropped by 10% from 86% to 77% due to the deferment of its Q4 2021 planned outage to Q1 2022.

Total power sales slipped by 3% on lower contracted capacity and replacement power volume. Spot market exposure expanded by 24% from 126.10 MW to 156.30 MW. BCQ sales went down by 15% from 1,708 GWh to 1,454 GWh, while spot sales jumped by 67% from 301 GWh to 503 GWh. As of year-end, almost half of our 300 MW dependable capacity has been contracted with no fuel pass-through provision in place. SLPGC was a net market seller at 344 GWh in 2022.

SLPGC achieved higher average selling prices (ASP), soaring by 21% from PHP3.64/KWh to PHP4.42/KWh following a strategic pivot to spot sales, coupled with better market prices. BCQ ASP was flattish (1%) from P3.27/KWh to P3.31/KWh, while spot ASP surged by 33% from P5.74/KWh to P7.62/KWh mainly due to tight supply margins, higher fuel costs, and prolonged outages of several baseload plants.

Management has ongoing negotiations to sell the GTs and has received approvals from the Department of Energy and other regulatory agencies for the asset decommissioning.

In accordance with PFRS 5, equipment was revalued to reflect the price difference between its book value and estimated net selling price. This resulted in a write-down (non recurring loss) of PHP156 million and a reclassification of the long-term asset as Assets Held for Sale.

While replacement power purchases fell by 26% from PHP1.64 billion to PHP1.22 billion on lower contracted obligations and better plant performance, there was

an increase in cash cost by 34% from PHP4.58 billion to PHP6.15 billion owing to elevated fuel costs, maintenance activities, and insurance costs. Income taxes swung from a PHP2 million tax benefit to a PHP201 million tax provision following the expiration of its ITH at the end of 2021.

Despite the steeper cash costs and higher taxes in 2022, the company remains optimistic about cost savings that can be further realized from its blending and use of low-grade coal to help keep its generation cost low as compared to its coal power plant peers.

SCPC'S STRONG REVENUE AND INCOME GROWTH

SCPC's standalone revenues expanded by 27%, mainly due to higher selling prices. Its reported net income grew more than six times (533%) on better revenues and lower cash costs.

The overall average selling price climbed by 57% on the combined effect of higher spot prices and the fuel pass-through of some BCQ sales. Cash costs declined by 10% from PHP6.72 billion to PHP6.04 billion on lower generation and sales, combined with higher power plant maintenance and insurance costs.

Overall plant availability fell by 14%, from 51% to 44%, on higher outage days for both plants. Unit 1 availability declined by 14% from 85% to 73%, while Unit 2 availability retreated by 13% from 16% to 14%. Consequently, power sales shrank by 19% on lower gross generation, contracted capacity, and replacement power volume. But spot sales accelerated by 90% due to the high level of uncontracted capacity and the commercial operations of Unit 2 in October 2022.

Year-end contracted capacity more than doubled (122%) from 20.45 MW to 45.45 MW, where more than half (55%) of the 2022 contracts have fuel pass-through provisions.

SCPC remained a net seller, with volume more than doubling (104%) from 644 GWh to 1,312 GWh. As of December 31, 2022, bulk (89%) of running dependable capacity (430 MW) is available for spot selling (384.55 MW).



ELEVATING STAKEHOLDER VALUE

We adopt a holistic approach in engaging our stakeholders. We boost economic development, pursue environmental stewardship, and uphold good governance practices.



BOLSTERING ECONOMIC GROWTH

Our business enables us to create opportunities for inclusivity, meet stakeholder obligations, and contribute to economic development.

Government Payments

PHP 18.89 B

Goods and Services Spend

PHP 37.3 B

Wages and Benefits

PHP 3.02 B

Environmental and Community Spend

PHP 84.55 B



REINFORCING CLIMATE-NATURE STEWARDSHIP

We pursue an integrated approach that is relevant and inclusive in managing our environmental impacts and increasing nature-positive action while balancing business sustainability.

Biodiversity Offset

182 K

Giant clams propagated to date

Carbon Offsets

2.13 M 641 K

Trees planted to date

Mangroves planted to date

Habitats Protected or Restored

1,633.85

Hectares

North Panian Mine Rehabilitation

100% PHP 1.66 B

Fully covered pit

Spend



ENABLING PROGRESS



Our people are the core of our business. We empower our employees and host communities to become adaptive, resilient, and competent through upskilling, reskilling, and impactful sustainable development programs amidst a safe environment.

Jobs Generated

4,381

Employees

Training

98

Average hours per employee

Local Hires

66%

from host communities

Work-related Harm

0

Fatality

Social Development Program

54,215

Beneficiaries

STRENGTHENING CORPORATE GOVERNANCE 2-12

Our sustainability-driven governance approach integrates the values of accountability, transparency, and fairness into every aspect of our decision-making process. We balance our stakeholder interests with foresight in our economic strategies while complying with our ethical responsibilities.

Independent Directors

4

Out of 11 board members

Board Gender Diversity

27%

Female board members

ASEAN Corporate Governance Scorecard: 2021 Assessment

100.76

Score points



SUPPORTING SUSTAINABLE DEVELOPMENT GOALS

We develop programs and initiatives that respond to the needs of our stakeholders while contributing to economic, environmental, and social sustainability.



COMMITTED TO A SUSTAINABLE FUTURE

At SMPC, we take into account Environmental Sustainability, enable Economic Development, and pursue Social Inclusiveness. We support and contribute to all 17 United Nations Sustainable Development Goals (SDGs) through the responsible conduct of our business and operations, actively promoting collaboration, partnership, and dialogue with all our stakeholders to ensure balanced and holistic outcomes.



ENVIRONMENTAL SUSTAINABILITY

Our operations affect the air, land, water, flora, fauna, and communities that depend on these resources. We conduct rehabilitation, restoration, and offsets to mitigate the negative impacts and foster the positive impacts of our business operations.



SOCIAL INCLUSIVENESS

To uphold our duty to foster inclusive growth, we work with our employees and communities to elevate their quality of life. Our programs equip people with skills training, livelihood, education, infrastructure, and other forms of assistance. These programs have the end goal of cultivating a sustainable island economy that has attained self-sufficiency after end-of-mine life.



ECONOMIC DEVELOPMENT

We remain passionate about our role as an economic driver. We not only measure success in terms of financial achievements but also through positive impacts towards poverty alleviation, food security, and local economic growth.



- Royalties, taxes to local, regional, and national government units
- Improvement of livelihood
 - » Local employment opportunities
 - » Technical and vocational skills training
 - » Non-mining livelihood and entrepreneurship projects
- Local procurement



- Agro Model Farm and backyard farming program
- Agriculture and aquaculture capacity building
- Poultry model farm and capacity building



- Workplace Occupational Safety and Health program
- Pit Safety program
- Employee COVID-19 and flu vaccination program
- Community health programs and capacity building support
- SMPC infirmary services
- COVID-19 response program
- LGU partnerships on community health workers training



- Undergraduate scholarships and postgraduate scholarships for teachers
- Blended school learning materials and equipment support
- E-learning support
- Partnership with the Divine Word School of Semirara Island, Inc.



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



- Alternative water sources use
- Rainwater collection system program for communities
- Wastewater treatment facilities
- Effluent quality monitoring
- Groundwater resource management



- Cost-efficient and energy-saving facilities upgrades
- Php 2.50/KwH subsidy for Semirara Island electricity through Antique Electric Cooperative



- Local procurement through MSMEs
- Direct, indirect, and induced employment
- Payment of taxes and royalties
- Respecting and promoting the rights and welfare of employees



- Infirmary infrastructure repairs and upgrades in Semirara Island
- Community access to the company IT network infrastructure



- Out-of-school youth skills training and job opportunities for graduates
- Social development projects for women and marginalized groups



- Social development programs after end of mine life
- Mine rehabilitation and restoration
- Transport and community infrastructure projects such as electrification and the construction and maintenance of road networks



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



- Carbon offsets through afforestation and reforestation
- Biodiversity offsets through marine and terrestrial conservation programs
- PHP 1.5 billion appropriation for climate investment
- Capacity building towards a carbon transition roadmap
- Emergency response and disaster resilience program
- Partnership for a mangrove enrichment program with Caluya Municipality



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



- Panian mine restoration
- Avian biodiversity offset through the Semirara Biodiversity Conservation Center



- Community dialogues, consultations, and issue resolutions
- Zero child and forced labor violations
- Whistleblowing and community grievance mechanisms
- Core values, Code of Conduct and Ethics



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



OUR STAKEHOLDER ENGAGEMENT 2-1, 2-2, 2-26

LEGEND

- ASM** Annual Stockholders' Meeting
- CM** Consultations, meetings
- FGD** Focus group discussions, consultations
- IAS** Impact assessment and studies
- IBC** Investor briefings, conferences
- IC** Internal communication (Postman email and text blast)
- IEC** Information, Education, and Communication programs
- IHW** Integrity hotline and whistleblowing
- IMS** Integrated Management System (IMS) meetings
- MMT** Multi-partite Monitoring Team
- SC** Safety Committee meetings
- SVT** Site visits, tours, and inspections
- TM** Toolbox meetings, town halls
- CSS** Customer satisfaction survey
- OCS** Organizational climate survey
- SM** Social media

EMPLOYEES

FGD IAS IC IEC IHW IMS MMT SC TM OCS SM

SUPPLIERS, CONTRACTORS, AND BUSINESS PARTNERS

CM FGD IHW SC SVT TM

REGULATORS AND GOVERNMENT AGENCIES

CM FGD IAS IHW MMT SVT

LOCAL GOVERNMENT UNITS

CM FGD IAS IEC IHW MMT SVT

CUSTOMERS

CM FGD IHW SVT CSS

INVESTORS AND SHAREHOLDERS

ASM IBC IHW

HOST COMMUNITIES AND NON-GOVERNMENT ORGANIZATIONS

CM FGD IAS IEC IHW MMT SVT SM

Stakeholder engagement is essential to integrating the concerns and priorities of our stakeholders into our sustainability approach. We identified key stakeholders and engaged with them through consultations, surveys, and focus group discussions. These engagements provide insights into stakeholder issues and concerns that we can add to our sustainability agenda and create appropriate and timely responses for.

In 2022, we continued to measure our ESG impacts on our key stakeholders. This included an Economic Impact Assessment in Semirara Island through focus group discussions, surveys, and consultations conducted by a third party expert.

To get insights from our employees and improve employee value proposition, we solicited feedback and recommendations through Organizational Climate Surveys.

We also inform, educate, and communicate to the general public and our key stakeholders through social media, allowing interested groups to learn more about the company, our ESG programs, and its impacts. Individuals may also send general inquiries to SMPC Empowering Others's official Facebook page.





OUR MATERIALITY APPROACH

2-14, 2-29, 3-2

Guided by the revised GRI standards, we sustain meaningful stakeholder engagement activities that aid in our materiality process. Issues identified from internal and external engagements are collected and assessed for their potential and actual impacts on the economy, environment, and society. These engagements included meetings with LGU leaders and an economic and social impact assessment survey. After assessing our impacts, we finalized our list of material topics and aligned them with our sustainability strategies.

Topics that are associated with high likelihood and severity impacts are considered material. We identified 20 material topics, which we align with our sustainability practices and programs. We reaffirmed our material topics in 2022.

Our Board is responsible for reviewing and approving the reported information including our material topics.

OUR MATERIAL TOPICS



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



- Employment
- Occupational Health and Safety
- Diversity and Equal Opportunity
- Security Practices
- Local Communities
- Emergency Response and Disaster Resilience
- Labor/Management Relations
- Training and Education
- Customer Health and Safety



- Economic Performance
- Market Presence
- Indirect Economic Impacts

REINFORCING CLIMATE-NATURE STEWARDSHIP



We pursue a science-based approach to managing environmental impacts that is relevant, just, and valuable. We adopt practices that focus on restoring and regenerating natural environments impacted by our mining activities. Through our mine rehabilitation, restoration, offsets, and biodiversity programs, we aim to protect the planet's future and the ecosystem of our host communities.





MANAGING ENERGY USE AND EMISSIONS

ENERGY RESOURCE MANAGEMENT

3-3, 302-4

We responsibly manage our energy consumption and monitor our usage for heavy equipment, power generating facilities, and other resources. Our cost-efficient, energy-saving upgrades have also aligned us closer to ISO 50001 Energy Management System standards and allowed us to comply with Republic Act 11285 or the Energy Efficiency and Conservation Act. Our coal segment also

completed its first external energy audit in December 2022.

In 2022, we saved around 12.27 million kWh of electricity. This was accomplished through continued boiler water conditioning, condenser vacuum improvement for Unit 3, mechanical stoker improvement, rainwater collection, and replacing desktop units with laptops.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION 302-1, 12.1.2

ENERGY SOURCE - CONSOLIDATED (IN MILLIONS, GJ)	2022	2021	2020
Renewable	-	-	-
Non-Renewable (Includes gasoline, diesel, coal & oil)	23.37	24.53	26.01
Electricity Consumption	1.17	1.34	0.56
Electricity Sold	12.96	14.54	15.86
TOTAL	11.57	11.33	10.71

Reduced water seepage in 2022 decreased our total energy usage for the Coal segment by 2% or approximately 230 thousand GJ as compared to 2021.

Total power generated by our power plants in Calaca, Batangas, fell by 6% or 912 thousand GJ versus the prior year. This was due to the unplanned shutdown of Unit 2, which also lessened the Power segment's consolidated operating hours by 7%.



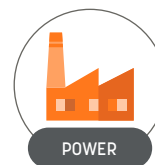
ENERGY INTENSITY

GJ/PRODUCTION/GENERATION 302-3, 12.1.4



ENERGY INTENSITY (GJ/TON)

0.62	0.71	0.69
2022	2021	2020



ENERGY INTENSITY (GJ/MWh)

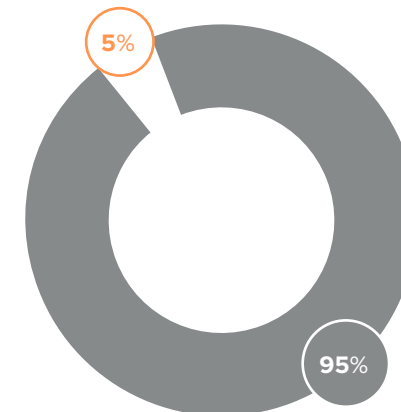
0.45	0.30	0.34
2022	2021	2020

INSTALLED POWER PLANT CAPACITY^{EU1}

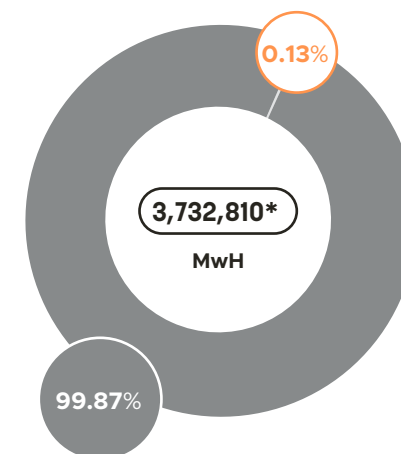
UNIT	SOURCE	INSTALLED CAPACITY (MW)
1	Coal	300
2	Coal	300
3	Coal	150
4	Coal	150
Gas Turbine 1*	Oil-Based	25
Gas Turbine 2*	Oil-Based	25
TOTAL		950

*Desynchronized to the Luzon-Visayas grid as of August 15, 2022

INSTALLED CAPACITY BY SOURCE



TOTAL MWh GENERATED BY SOURCE



*includes ancillary gas turbine units

● Coal ○ Oil-Based

EMISSIONS 3-3

We monitor our GHG emissions through a management system that is founded on policy frameworks, strengthened through technology, and made efficient by control facilities.

We compute GHG emissions, nitrogen oxides (NOx), sulfur oxides (SOx), and other particulates. We control levels of particulate matter and pollutants such as SOx using technology. Our equipment for controlling particulate matter and pollutants includes electrostatic precipitators, limestone injections, wet scrubbers, cyclone separators, and covered coal yards. For our mining operations, we manage fugitive emissions, by using watering sprinklers, dust suppressors, mobile water trucks, and atomizers.

We monitor stack emissions for Units 1, 3, and 4 during the year. Meanwhile, the monitoring of Unit 2's stack emissions resumed in the second half of the year after its repair activities.

Meanwhile, our coal mining seepage control program resulted in lower manageable water levels through continued water pumping maintenance and supplemental grouting

Our monitoring systems include the following:

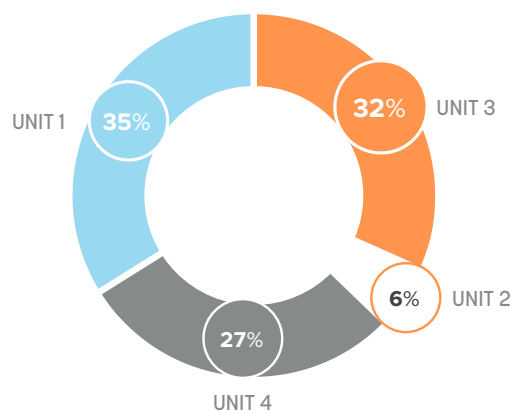
- Continuous Emission Monitoring System (CEMS)
- Stack Emission Monitoring
- Ambient Air Quality Monitoring.

at a lesser scale. These strategies consequently reduced 1% of power plant emissions compared to those of last year.

Our primary emission contributor was fugitive emissions, taking up 46% of our total emissions. Meanwhile, mine truck and shovel operations were responsible for 34% of our emissions.

Our power segment's GHG Scope 1 emission decreased by 6% in 2022, owing to a 1% decline in materials and a 13% decline in electricity consumption.

POWER SEGMENT: GHG SCOPE 1 EMISSIONS PER UNIT

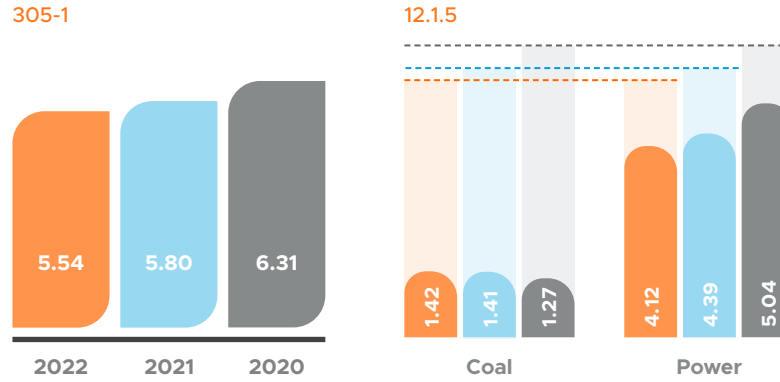


Unit 2's prolonged shutdown further reduced its emission to 239 thousand tCO2e.

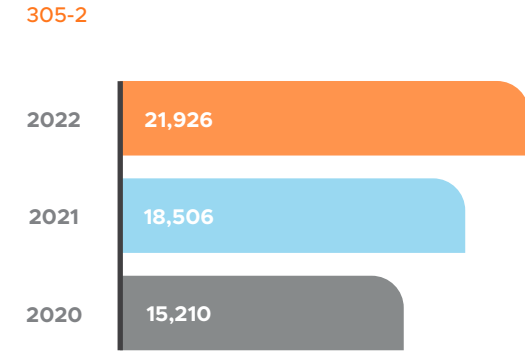




DIRECT (SCOPE 1) GHG EMISSIONS (IN MILLION TCO₂E)



INDIRECT (SCOPE 2) GHG EMISSIONS (IN TCO₂E)



OTHER INDIRECT (SCOPE 3) GHG EMISSIONS 305-3

31.12 MILLION TCO₂E

- SCOPE 1** - Direct GHG emissions from sources that are owned or controlled by SMPC, including emissions generated by its power plants, coal stockyards, and mining equipment
- SCOPE 2** - Indirect GHG emissions from purchased electricity
- SCOPE 3** - All indirect emissions not included in Scope 2 that occur in SMPC's value chain, including both upstream and downstream emissions

2022 2021 2020





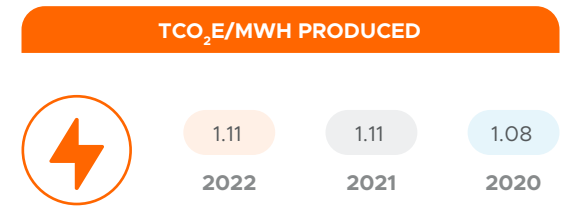
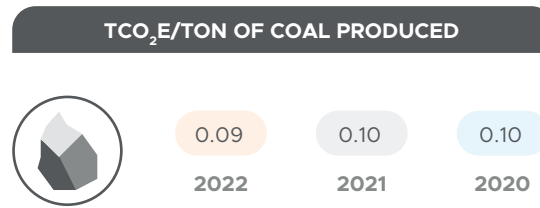
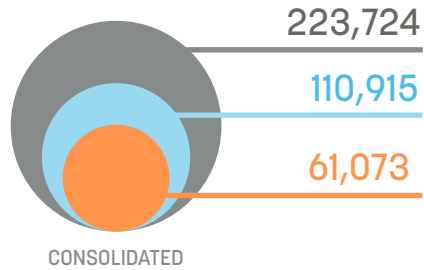
GHG EMISSIONS INTENSITY ³⁰⁵⁻⁴

TONS CO₂E

PER PHP BILLION REVENUE/SALES

PER PRODUCTION/GENERATION ^{12.1.8}

● 2022 ● 2021 ● 2020



**REDUCTION OF
GHG EMISSIONS ³⁰⁵⁻⁵**

17,900 TCO₂E

**TCO₂E/BILLION
REVENUE ³⁰⁵⁻⁴**

0.0003
RATIO OF TOTAL SCOPE 3
EMISSIONS AND TOTAL REVENUE

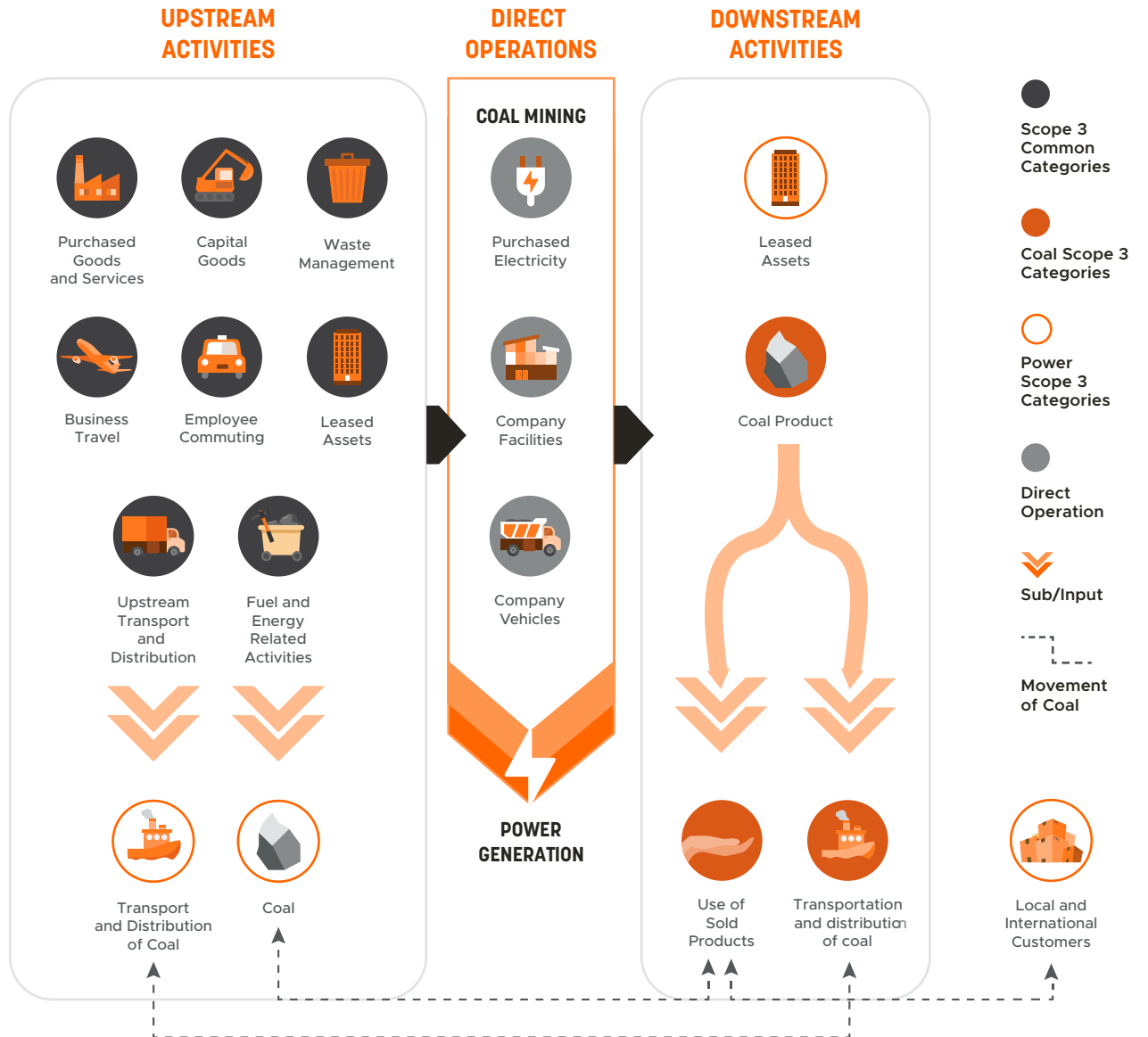
We seek opportunities to optimize our operations, manage energy consumption, and incrementally reduce our GHG emissions. Our Energy Efficiency & Conservation (EEC) projects resulted in a 17,900 tCO₂e reduction during the year. Another project in the pipeline is the installation of a low vacuum economizer for Unit 1, with a target emissions reduction of around 100,000 tCO₂e.

Aside from engineering interventions, we are keen on pursuing partnerships with local or foreign organizations to expand our nature-based carbon sequestration initiatives and offsets.

NITROGEN OXIDES (NO_x), SULFUR OXIDES (SO_x), AND OTHER SIGNIFICANT AIR EMISSIONS ^{305-7, 12.4.2}

PARAMETERS	UNITS	COAL	POWER
NO _x	Kg	150,230	1,382,002
SO _x	Kg	685,573	6,805,732
Particulate matter (PM)	Kg	129,646	187,145
Carbon Monoxide	Kg	377,617	-
Mercury	Kg	2.35	-
Lead	Kg	54.03	-
Cadmium	Kg	3.33	-
Arsenic	Kg	5.57	-

OVERVIEW OF SMPC'S VALUE CHAIN GHG EMISSIONS





GHG EMISSION ACCOUNTING

Our GHG accounting practices follow these standards:

- ISO 14064-01:2018 Standards
- Greenhouse Gas Protocol Standards
- Intergovernmental Panel on Climate Change (IPCC) Guidelines

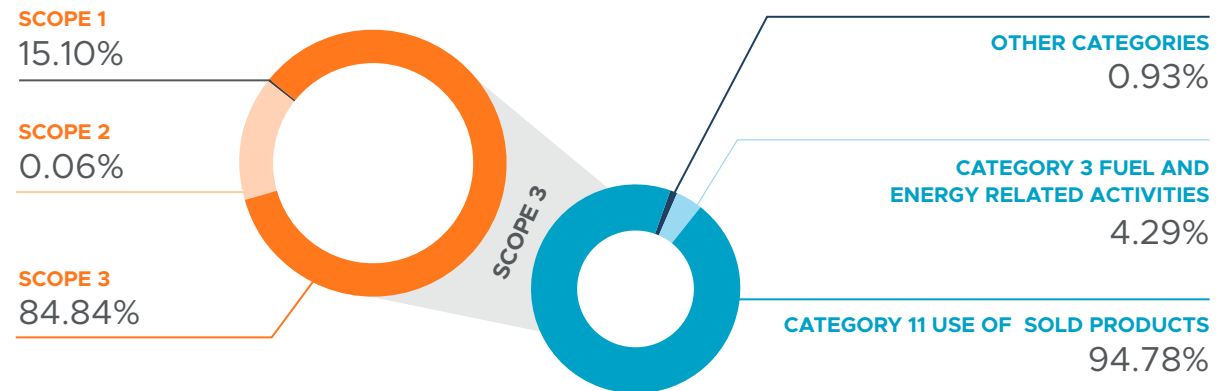
In 2022, we established our baseline Scope 3 GHG emissions as a step towards the development of a carbon transition plan. We identified our material Scope 3 categories using information from a series of company-wide activities and engagements such as

workshops, document reviews, interviews, and technical training. Our calculation for our baseline Scope 3 emissions includes carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O). Including these compounds in our baseline is aligned with our calculations of our Scope 1 and 2 emissions.

Emission factors and global warming potential (GWP) rates used were sourced from the following:

- IPCC's Fifth Assessment Report
- Science Based Targets' Setting 1.5C-aligned Science-based Targets: Quick Start Guide for Electric Utilities
- The Carbon Disclosure Project

OUR ORGANIZATION'S OVERALL GHG EMISSIONS



SMPC's Scope 1, 2, and 3 emissions are consistent with the respective average emissions of its global peers in the coal mining and power industries.

Scope 3 are largely from the combustion of sold coal products from the mining business, whereas **Scope 1** emissions are from the burning of fossil fuels for the power generation business.



WATER RESOURCE AND EFFLUENT MANAGEMENT

WATER RESOURCES

3-3, 303-1, 303-2

Using water prudently helps us minimize our impact on the water resources we share with our local communities. Through water management practices, we ensure equitable access to water supply in the areas where we operate. We regularly monitor and test our water resources to ensure that our water sustainability practices are effective.

We withdraw water from several adjacent sources before treating and using it. To get water for our power-generating steam turbines, we demineralize river water. Through our desalination plant at Semirara Island, treated water is used to generate power or for domestic use by our employees. Before we discharge our water into the sea, it also undergoes treatment.



SEMIRARA MINE SITE

To lessen our freshwater usage, we tap alternative water sources. These sources include a rainwater collection system that accumulates water reserves in Sanglay, which provide for our operational and administrative needs at the mine site.

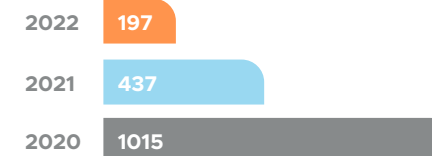
The overall increase in surface water withdrawal was mainly due to the additional households from our newly hired equipment operators and the needs of our agro model farm.

Our rainwater collection systems continued to decrease the stress on groundwater resources as we withdrew more than 2.16 Megaliters of water in 2022. We also completed the installation of rainwater collectors for five schools and daycare centers. Moving forward, we aim to replicate this initiative in other schools of the host municipality.

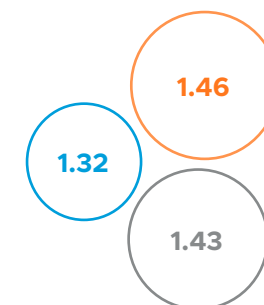
WATER WITHDRAWAL (IN MEGALITERS) 303-3, 12.7.4

COAL OPERATIONS	2022	2021	2020
SURFACE WATER			
Bunlao Spring	193	98	140
Sanglay Spring	1,304	1,202	366
Sanglay Lake	559	549	441
Rainwater collection system	2.16	2.71	0.66
GROUND WATER			
Puntod Deep Wells	51	58	164
Unong Deep Wells	-	-	-
Fresh Water Well No. 6	57	-	129
SEA WATER			
Ilugao Bay	36,123	36,876	32,654
TOTAL	38,290	38,785	33,896

DESALINATION PLANT PRODUCTION (IN MEGALITERS)



THIRD PARTY (IN MEGALITERS)



CALACA POWER PLANT SITE

With lower gross generation, the power segment's water withdrawal went down by 14% in 2022. Despite the prolonged shutdown of Unit 2, the complex was able to prevent major water leaks throughout the year. To maintain the integrity of tubes and prevent corrosion, we continued to conduct fill and drain procedures for Unit 2.

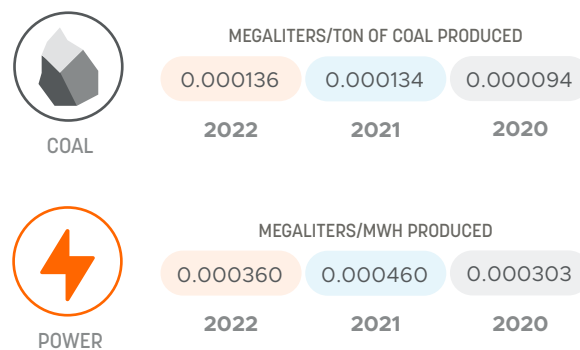


WATER WITHDRAWAL (IN MEGALITERS) 303-3

POWER OPERATIONS	2022	2021	2020
SURFACE WATER			
Dacnanlao River	1,291	1,790	1,326
GROUND WATER			
Groundwater	52	42	92
SEA WATER			
Balayan Bay*	770,852	893,991	905,987
TOTAL	772,195	895,823	907,405

*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.

FRESHWATER* WITHDRAWAL INTENSITY (MEGALITERS PER PRODUCTION/GENERATION)



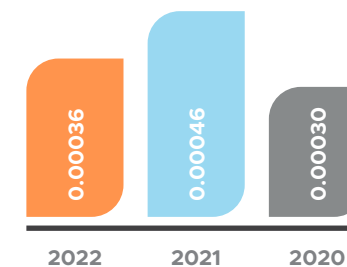
*Includes surface water and groundwater withdrawals

WATER CONSUMPTION (IN MEGALITERS) 303-5, 12.7.6

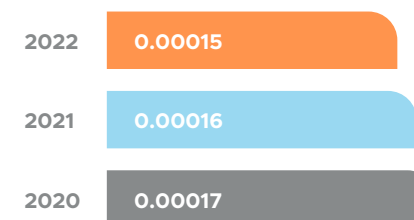
	2022	2021	2020
Coal Operations	2,364	2,346	2,255
Power Operations	1,344	1,823	1,408
Corporate Office	0.33	0.29	0.28
TOTAL	3,708	4,170	3,664

WATER CONSUMPTION INTENSITY

Megaliters/MwH produced



Megaliters/ton of coal produced



EFFLUENTS 303-2

To reduce our water-related impacts, we use pollution control facilities to treat our effluents. Our water treatment processes 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).

Most of our water discharge is from our power plants' cooling water. Our Calaca Plant has facilities to treat this water discharge, such as its neutralization pond, oil-water separator pond, and coal sedimentation pond. In our mining facilities, we treat wastewater using the following facilities: pocket sumps, settling ponds, cooling canals, and oil and water separators.

Through our treatment process, we return about 95% of the water withdrawn from Balayan Bay, Batangas, and 92% from Ilugao Bay, Semirara Island. The small percentage of unreturned water is caused by condensation and unaccounted water use from sources such as cleaning and fire hydrants.

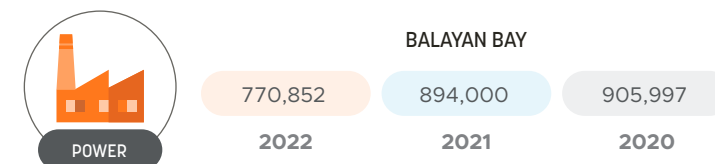
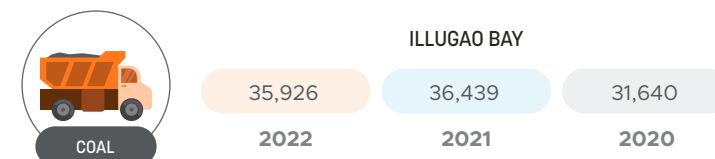
New facilities for wastewater treatment were installed during the year. We opened two settling ponds for the Narra and Molave pits to intercept silt generated from mining operations. We also operated our new septage treatment plant that will manage the sludge from operations and support facilities like housing and offices.

We periodically assess and monitor our effluents through in-house monitors and third-party monitoring. Our environmental unit monitors the quality of our effluents monthly, while on a quarterly basis, this is done by a DENR-accredited third party. The results of these assessments are validated by a Multi-partite Monitoring Team (MMT).

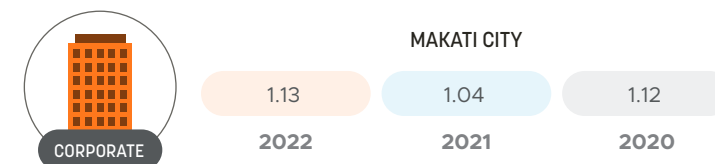
In 2022, we successfully conducted all third-party ambient and effluent quality monitoring activities. Our power segment also performed an internal water leak audit each month to ensure that withdrawn water was used efficiently.

WATER DISCHARGE (IN MEGALITERS) 303-4

Sea Water



Drainage



TOTAL



LAND RESOURCE MANAGEMENT 3-3

By mitigating the direct impact of our operations on the ecosystem, we go beyond mere compliance to our license to operate. We have developed a strategic land resource management plan for restoring and developing mined-out and open areas through engineering expertise and leading restoration practices.

To pursue No Net Loss and Net Positive Impact goals for restoration and biodiversity offsets, we engage in afforestation and agriculture that aid in topsoil preservation, restoring biodiversity and land function, among others.

MINE REHABILITATION AND RESTORATION

In 2022, we completed the largest and fastest open pit mine rehabilitation in the Philippines.

Following the Panian pit's closure in 2016, we expedited the South Panian pit's rehabilitation, completing the process in under two years instead of the original 10-year plan. This remarkable accomplishment earned SMPC the ASEAN Energy Award in 2021.

Transforming the mined-out area from an elevation of 260 meters below sea level to 5 to 11 meters above sea level, we have cultivated a rolling terrain with over 400,000 seedlings of endemic and native trees.

We undertake a responsible, science-based program that ensures sustainable restoration and beneficial land use after mining operations have ceased.





PANIAN MINE REHABILITATION



400 ha
Total
Rehabilitated
Area



Man-hours
11.5 M
hours



Total volume of
backfilled materials:
452 M
BCM

equivalent to



217,000
Olympic-size
swimming pools

NORTH PANIAN MINE



AREA **234 ha**



VOLUME OF
BACKFILLED MATERIALS **304 M**
BCM



ELEVATION
AFTER BACKFILLING **40**
MASL



ELEVATION
PRIOR TO BACKFILLING **-260**
MASL



REHABILITATION
SPEND **PHP 1.66 B**



BACKFILLING COVER **100%**

SOUTH PANIAN MINE



SURVIVING
TREES PLANTED **418,657**



CAPTIVE BIRDS
REINTRODUCED **66**

OVERBURDEN MANAGEMENT (IN MILLION, BCM)

YEAR	WASTE GENERATED <small>12.6.4, 306-3</small> (i.e., Volume of overburden removed)	WASTE DIVERTED FROM DISPOSAL <small>12.6.5, 306-4</small> (i.e., In-pit, road resurfacing, sea barrier)	WASTE DIRECTED TO DISPOSAL <small>12.6.6, 306-5</small> (i.e., North Panian)
2022	157.65	129.43	28.22
2021	157.16	123.80	33.36
2020	182.78	83.10	99.68
TOTAL	497.58	336.33	161.25



PROMOTING EFFICIENCY IN MATERIALS USE ³⁻³

The DOE's Coal Operating Contract No. 5 authorizes us to prudently explore, develop, and extract coal resources in Semirara Island. We use coal as a primary product and as a source of low-cost energy. Aside from coal, our power plants also use gasoline and diesel.

We have a number of strategies for storing our materials safely. Our power segment stocks the lowest amount of coal possible to be able to meet market and customer demands. This method of coal stocking prevents coal-related hazards, spontaneous combustion, and waste control. We also store our diesel and gasoline at our restricted fuel depot in Semirara Island to support operational requirements and mitigate supply chain disruption.



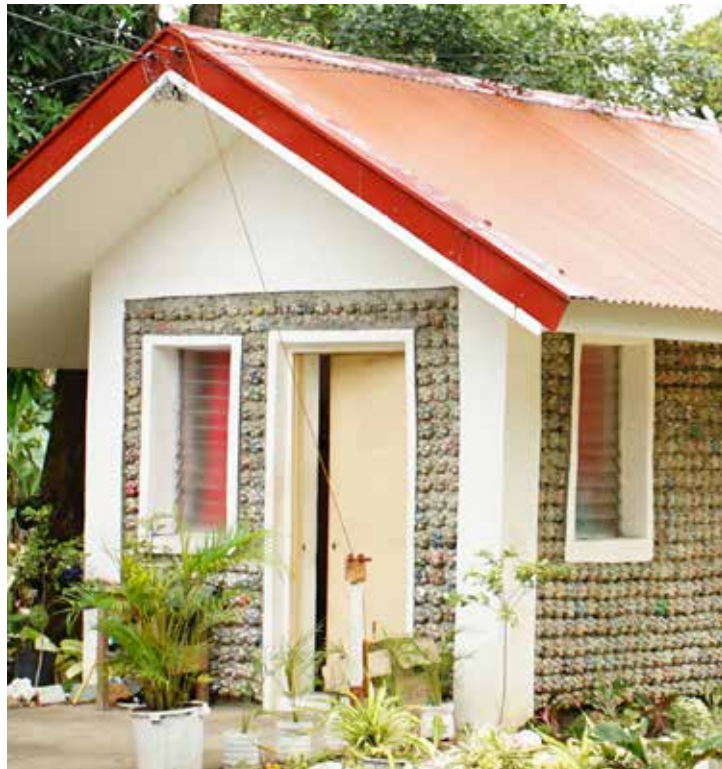
MATERIALS USED BY WEIGHT OR VOLUME ³⁰¹⁻¹	UNIT	DESCRIPTION	2022	2021	2020
Renewable	Tons/Liters	None	-	-	-
Non-Renewable	In millions, Tons	Coal, light and heavy oil, limestone, hydrazine hydrate, and liquefied petroleum gas (LPG)	2.8	2.8	3.2
	In millions, Liters	Diesel, gasoline	221.8	225.6	219.1

Our non-renewable materials usage in tons and liters decreased by 1% and 2%, respectively. The prolonged shutdown of Unit 2 in 2022 caused a great decline in materials used that are crucial to power plant operations, including coal, oil, and limestone. There was also a 3.4 million liter decrease in fuel consumption because of the temporary halt of operation in the Narra pit during the first quarter of 2022. Moreover, our diesel-fed mining equipment operated at a longer period in higher elevation at the Molave pit.

PURSUING SUSTAINABLE WASTE MANAGEMENT

3-3, 306-1, 306-2

Our solid waste management program and practices aim to promote circularity, the sustainable use of natural resources, and the safe disposal of waste materials. Our comprehensive waste management process covers waste generation, segregation, collection, and disposal.



Eco bricks from upcycled plastic waste are used to build community infrastructure in Semirara Island.

WORKPLACE WASTE MANAGEMENT

Coded trash bins are placed inside our workplaces to promote waste segregation. Here, 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

SIGNIFICANT WASTE-RELATED IMPACTS

Our commitment to sustainable business practices is evident in our use of locally available materials, such as coal fly ash and bottom ash. By repurposing these materials, we not only reduce our environmental footprint but also contribute to a more circular economy within the mining industry.

How we repurpose waste into useful products:

- OIL** Used as start-up fuel for power plant units in Semirara Island.
- BOTTOM ASH** Repurposed as an additive to concrete hollow block making and as asphalt for government road projects. Donated to local cooperatives and organizations for livelihood as an additive to concrete hollow block making.
- FLY ASH** Used by third parties as a cement admixture.

Our Power segment's waste management practices include the efficient collection of its coal fly ash for repurpose of a third-party company. Coal fly ash is reused as a sustainable alternative to traditional concrete and cement admixture. Waste is minimized, thus conserving the use of natural resources and avoiding an environmentally costly end-product.

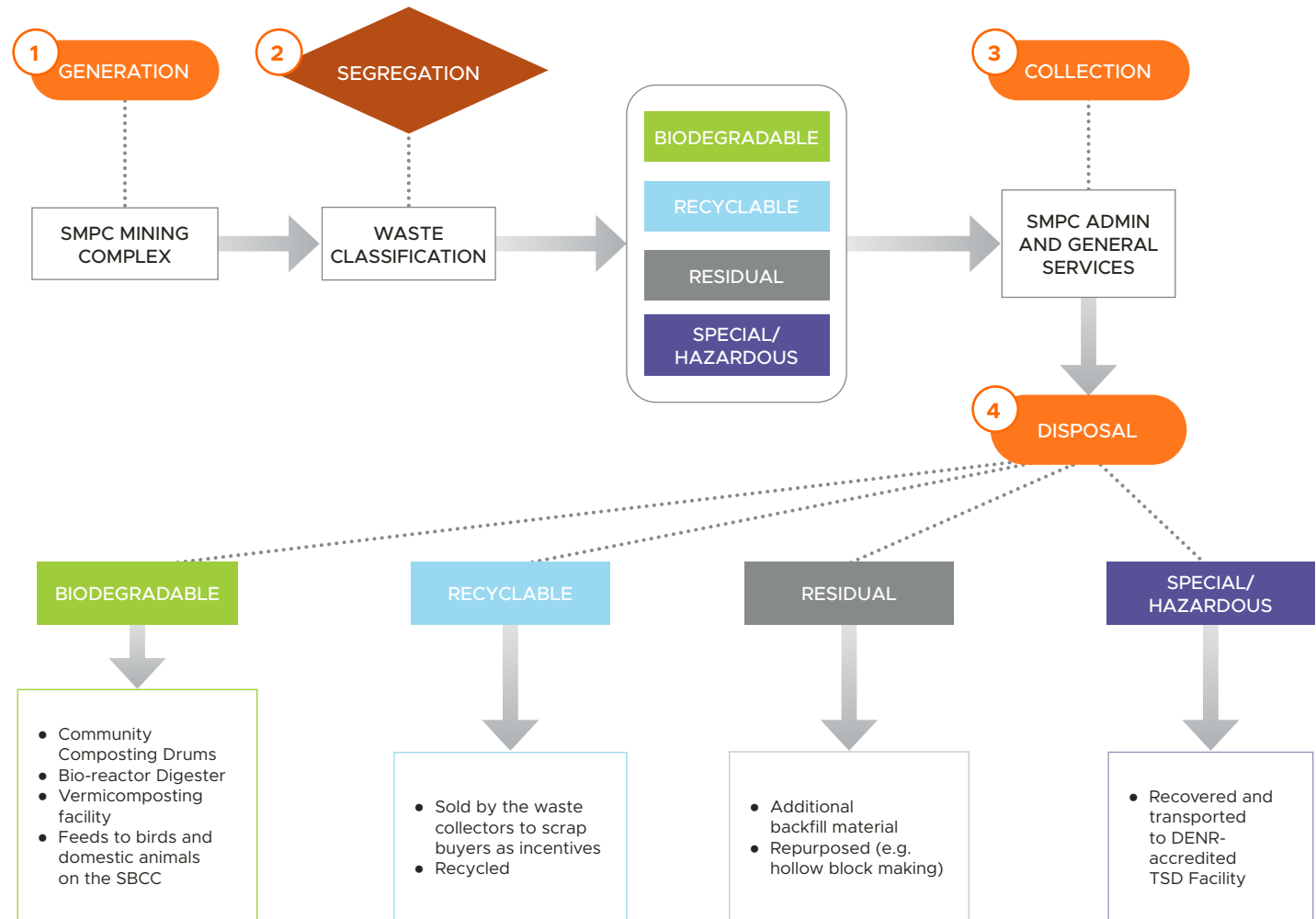
COAL FLY ASH UTILIZATION FOR BENEFICIAL USE

315 K
MT Generated

91% Utilization



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	1,700	1,587	130
Non-hazardous	970	626	345

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

Waste Composition	Onsite	Offsite	TOTAL
HAZARDOUS WASTE			
Preparation for reuse	1587	0	1587
Recycling	0	0	0
Other recovery options	0	0	0
TOTAL			1587
NON-HAZARDOUS WASTE			
Preparation for reuse	0	0	0
Recycling	329	0	329
Other recovery options	297	0	297
TOTAL			626
WASTE PREVENTED			2213

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

Waste Composition	Onsite	Offsite	TOTAL
HAZARDOUS WASTE			
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	0	0
Landfilling	0	0	0
Other disposal operations	0	130	130
TOTAL			130
NON-HAZARDOUS WASTE			
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	0	0
Landfilling	345	0	345
Other disposal operations	0	0	0
TOTAL			345



POWER

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

Waste Composition	Waste generated	Waste diverted from disposal	Waste directed to disposal
Hazardous	37.17	-	20.61
Non-hazardous	33.88	14.05	15.14

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

Waste Composition	Onsite	Offsite	TOTAL
HAZARDOUS WASTE			
Preparation for reuse	0	0	0
Recycling	0	0	0
Other recovery options	0	0	0
TOTAL			0
NON-HAZARDOUS WASTE			
Preparation for reuse	0	0	0
Recycling	0	14.05	14.05
Other recovery options	0	0	0
TOTAL			14.05
WASTE PREVENTED			0

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

Waste Composition	Onsite	Offsite	TOTAL
HAZARDOUS WASTE			
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	0	0
Landfilling	0	20.61	20.61
Other disposal operations	0	0	0
TOTAL			20.61
NON-HAZARDOUS WASTE			
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	0	0
Landfilling	0	15.14	15.14
Other disposal operations	0	0	0
TOTAL			15.14

REIMAGINING WITH NATURE IN MIND

3-3,304-1, 304-2

We focus on optimizing carbon sequestration, restoration, and biodiversity offsets. We re-establish biodiversity values, ecosystems, and habitats in rehabilitated areas with No Net Loss and/or Net Positive Impact goals, and foster partnerships to promote climate resilience and adaptation.

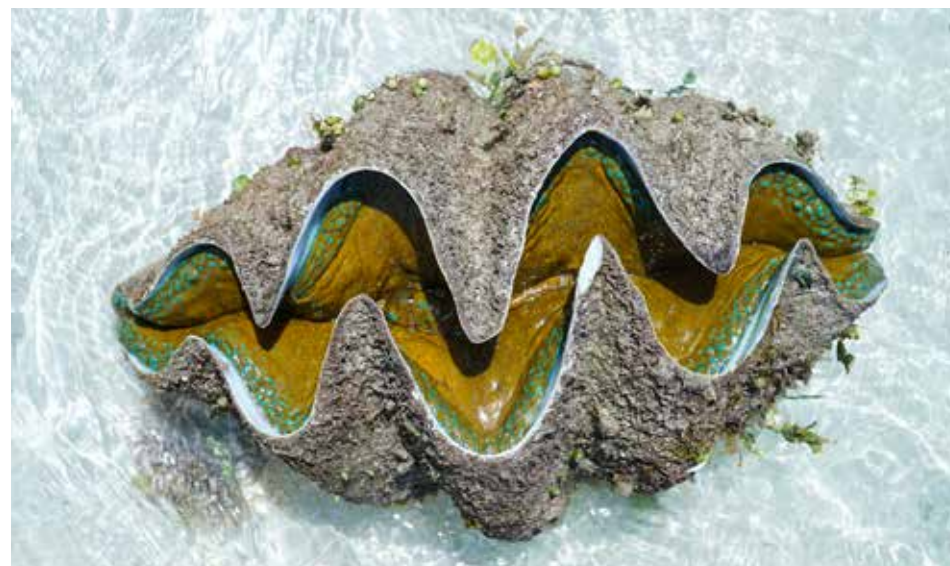
REVIVING MARINE BIODIVERSITY

The Semirara Marine Hatchery Laboratory (SMHL) is our flagship program for marine biodiversity. Established in 2010, the facility is dedicated to spearheading marine rehabilitation efforts and utilizing advanced technology to enhance Semirara Island’s marine ecosystem and long-term fishing viability. It is one of the few facilities worldwide which propagates bivalve mollusks and is the only private facility in the Philippines that breeds eight species of giant clams and is the only private facility in the Philippines that breeds eight species of giant clams. Our giant clam propagation program was a runner-up in the ASEAN Energy Awards in 2015.

We collaborate and engage with local government units, government agencies, and communities to protect and enhance sustainable marine life in the Marine Protected Areas and sanctuaries of Semirara Island; Barangay Carenahan, Batangas; and the Dacanlao and Cawong Rivers.

We engage with our stakeholders on biodiversity topics through on-site Information, Education, and Communication (IEC) campaigns. Moreover, we monitor the impact of our business activities on marine ecosystems through our Marine Ecology Assessment and with the help of stakeholders who monitor the surrounding coastal environment.

Our power subsidiaries, SCPC and SLPGC, provided training sessions for Barangay Carenahan sea patrollers to strengthen their skills in assessing the health of the reefs in Balayan. We also conducted capacity-building sessions on overfishing prevention and seaweed farming as an alternative livelihood. 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 2022.



**T. gigas & T. derasa listed as Vulnerable*

***Visual observation only, third-party survey not conducted in 2022*

IUCN RED LIST FOR GIANT CLAMS 304-4	2022	2021	2020
SEMIRARA ISLAND, ANTIQUE			
Propagated	182,598	170,349	135,090
Reseeded	70,388	69,424	66,930
IUCN Red List	2*	2*	2*
BALAYAN BAY, CALACA, BATANGAS			
Surviving	149**	149**	45

SMPC RESEEDED 500 GIANT CLAMS IN SEMIRARA ISLAND



Giant clams are important to the overall health of more than 287 hectares of Marine Protected Areas (MPAs) in Semirara Island, Caluya, Antique. Recognizing their role as keystone species to the coral reef ecosystem, SMPC reseeded 500 giant clams on March 16 and 17, 2022, in partnership with the Department of Energy and the Barangay Local Government Units of Alegria and Tinogboc.

The clams were grown at the Semirara Marine Hatchery Laboratory (SMHL). Locally known as taklobo or manlot, giant clams can grow up to four feet in length and weigh 500 pounds, making them the largest living bivalve mollusks. They can filter polluted waters and function as health bioindicators in marine ecosystems.



HABITATS PROTECTED OR RESTORED 304-3

AREA (IN HECTARES)

SEMIRARA ISLAND, ANTIQUE ^{12.5.4}

Marine Protected Area, Barangay Tinogboc	49.77
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Marine Protected Area, Barangay Alegria	87.95
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Marine Protected Area, Barangay Semirara, Caluya, Antique Semirara Marine Hatchery and Laboratory	150.00
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Semirara Biodiversity Conservation Center	2.00
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Mangrove Sanctuary, Magtang River, Barangay Harigue, Sibay Island, Caluya Antique	4.00
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SMPC Reforested Areas	1,141.08
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Mangrove Forests, Semirara Island	192.32
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TOTAL	1,627.12
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CALACA AND BALAYAN, BATANGAS

*Dacanlao and Cawong Rivers	0.16
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Marine Protected Area, Barangay Carenahan	6.57
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TOTAL	6.73
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GRAND TOTAL	1,633.85
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FEATURE STORY

RE-CREATING THE OCEAN'S BUILDING BLOCKS: ARTIFICIAL REEF DEPLOYMENT AT BALAYAN AND SEMIRARA MARINE PROTECTED AREAS

Constructing artificial reefs is one of SMPC's conservation strategies for rehabilitating coral reefs. They may be made from different materials, such as concrete, and come in many shapes and varieties. These man-made structures mimic some characteristics of natural coral reefs and are designed to protect, enhance, or restore some of the components of marine ecosystems.

In partnership with the Balayan LGU, SCPC and SLPGC deployed 100 artificial coral reefs at the Marine Protected Area in Barangay, Carenahan, Balayan on April 20-23, 2022. SMPC also deployed man-made reef balls along Semirara Island's coastal waters to mitigate the effects of overfishing, destructive fishing practices, and coastal development.

Coral reefs provide homes to different species of marine life. They also support the complex ocean food webs and act as buffers, slowing down waves and protecting coastlines.

REMEASURING RESTORATION

We monitor the terrestrial ecology at affected sites to assess the potential impacts of our activities on biodiversity and ecosystems. These assessments help us monitor whether our environmental stewardship efforts and initiatives are effective.

FLORAL BIODIVERSITY AND LAND FUNCTION ANALYSIS

In 2022, we engaged a third party expert, the University of the Philippines Los Baños Foundation Inc. (UPLBFI) to remeasure the effectiveness of our interventions for improving the landscape function analysis (LFA) and floral diversity at our restoration sites since the 2019 assessment. The study also included the estimation of carbon potential as part of our holistic nature-based solution approach on environmental sustainability.

More species have been identified in the floral biodiversity assessment. The study observed 752 species, which was a 3.6% increase from the 726 species recorded in 2019. Our continued interventions for landscape rehabilitation and protection are geared towards meeting the target functionality represented by onsite reference forests.

Sunriser is a secondary growth forest in Semirara Island, which has begun to thrive as a suitable landscape. It now exhibits similar features to that of an old-growth natural forest with healthy amounts of carbon stock.



Sunriser site, 1 of 2 Reference Forest showing advanced secondary forest. Semirara Island, Antique.



Panian Manggahan, reforested and protected site showing almost the same characteristics as the Sunriser reference forest.



Panian Narra, reforested and protected site showing almost the same characteristics as the Sunriser reference forest.

SUSTAINING REFORESTATION

3-3, 304-2

Reforestation, afforestation, revegetation and restoration are our key sustainability programs for areas disrupted by mining activities.

Our programs include planting mangroves for carbon sequestration and coastal community protection. We also protect and enrich mangrove areas outside our mining sites on the island.

Our reforestation and afforestation projects extend beyond our operating sites. We collaborate with environmental experts, communities, and local government units to constantly improve our strategic approach to environmental sustainability.

SEMIRARA ISLAND, ANTIQUE

TREES PLANTED (SINCE 2000)

SEMIRARA ISLAND, ANTIQUE

MANGROVES PLANTED (SINCE 2002)

CALACA AND BALAYAN, BATANGAS

TREES PLANTED (SINCE 2017)

INSIDE THE MINING COMPLEX

OUTSIDE THE MINING COMPLEX



1.18M trees
in 529 ha



1.01M trees
in 612 ha



640,898 mangroves
in 192 ha



42,153 trees
in 50 ha





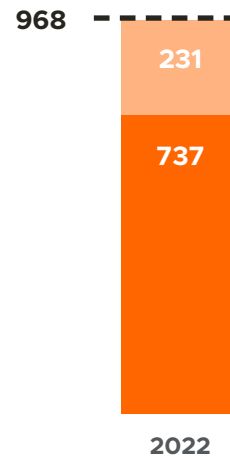
ADVANCING CARBON SEQUESTRATION

The UPLBFI study also measured the current carbon stock potential within the 550 hectares of forests and mangroves planted and protected in Semirara Island.

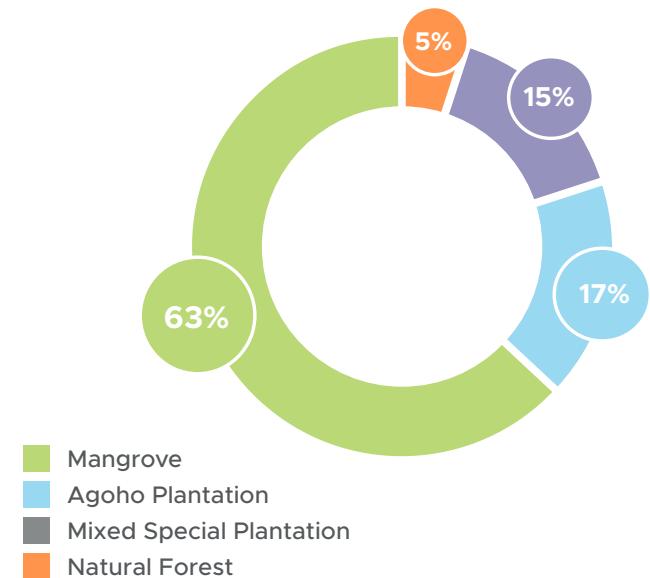
The study of selected sampling sites indicated an overall carbon stocking of about 968 kilotons of carbon dioxide equivalent (ktCO₂e), with the highest sequestration from the mangroves. This shows a 10.8% increase from the 2019 study. Surviving mangroves in Semirara Island showed the highest carbon stock, with more than 837 tons of carbon per hectare (tC/Ha), a value that is greater than other known documented carbon stock assessments in the Philippines to date (Gevaña, et. al, 2018*).

Mangroves are powerful carbon sinks because they capture carbon dioxide and store these in their roots and branches. Mangrove forests store an estimated 3-5 times more CO₂ per hectare than tropical forests, making these coastal forests extremely valuable to climate change mitigation. Mangroves act as important habitats for fish, shellfish, and other marine organisms, thereby sustaining marine resources that our community fisherfolks depend on for livelihood. They also stabilize shorelines and protect coastal communities from storm surges and extreme weather events.

CARBON STOCK PER VEGETATION TYPE
(MEASURED IN KT_{CO2E})



CARBON STOCK PER VEGETATION TYPE
(MEASURED IN KT_{CO2E})



*Gevaña D, Camacho L, Pulhin J. 2018. *Conserving Mangroves for Their Blue Carbon: Insights and Prospects for Community-Based Mangrove Management in Southeast Asia*. In: Makowski C., Finkl C. (eds) *Threats to Mangrove Forests*. Coastal Research Library, vol 25. Springer Nature. pp. 579-588

UPSCALING OUR ADOPT-A-FOREST PROGRAM

Through SCPC and SLPGC’s Adopt-a-Forest program, over 10,000 seedlings of Narra, Molave, and Mahogany trees were planted during the first quarter of the year. This was followed by weekly tree planting activities spearheaded by SCPC and SLPGC employees from June to October 2022, wherein they added Guyabano, Langka, and Lipote trees to the line-up of species being planted.

MANGROVE ENRICHMENT: 10,000 MANGROVES FOR MAGTANG RIVER

SMPC donated mangrove seedlings to the Municipality of Caluya Antique to support the enrichment of the Magtang River in the island of Sibay and Caluya. To date, 7,000 seedlings have been planted.

SEEDS OF HOPE

SCPC and SLPGC joined the “Seeds of Hope” campaign, a local greening project of the Calaca Municipal Environment and Natural Resources Office. Through the project, they handed over 120 fruit-bearing tree seedlings such as *sampalok*, *santol*, *atis*, and *langka*.



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

IUCN RED LIST CATEGORY ¹	2022	2021	2020
VULNERABLE (VU)⁵			
Narra (<i>Pterocarpus indicus</i>)	99,801	100,206	100,397
Mahogany (<i>Swietenia macrophylla</i>)	3,418	3,484	3,537
Mancono (<i>Xanthostemon verdugonianus</i>)	67	71	25
Supa (<i>Sindora supa</i>)	17	17	17
Balisayon (<i>Terminalia microcarpa Decne</i>)	19,678	19,275	4,406
Ipil (<i>Intsia bijuga</i>)	568	568	568
LEAST CONCERN			
Molave (<i>Vitex parviflora</i>)	159,389	130,386	99,986
NOT EVALUATED			
Datu (<i>Dracontomelon dao</i>)	4,898	4,898	1,175
TOTAL	287,836	258,905	210,111

SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS 304-4, 12.5.5

LEAST CONCERN

Molave (*Vitex parviflora*)

Agoho (*Casuarina equisetifolia*)

Kalingag (*Cinnamomum mercadoi*)

NATIONAL CONSERVATION LIST ²	2022	2021	2020
ENDANGERED³			
Mancono (<i>Xanthostemon verdugonianus</i>)	67	71	25
Molave (<i>Vitex parviflora</i>)	159,389	130,386	99,986
Supa (<i>Sindora supa</i>)	17	17	17
VULNERABLE⁴			
Narra (<i>Pterocarpus indicus</i>)	99,801	100,206	100,397
Ipil (<i>Intsia bijuga</i>)	568	568	568
Dau (<i>Dracontomelon dao</i>)	4,898	4,898	1,175
NOT LISTED			
Balisayon (<i>Terminalia microcarpa Decne</i>)	19,678	19,275	4,406
Mahogany (<i>Swietenia macrophylla</i>)	3,418	3,484	3,537
TOTAL	287,836	258,905	210,111

¹International Union for Conservation of Nature (IUCN)

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

³Endangered 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.

⁴Vulnerable 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

⁵Vulnerable (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.

⁶Near threatened (NT) species – refers to species categorized by the IUCN as those that may be vulnerable to endangerment in the near future.



FEATURE STORY

SECURING MARINE PROTECTED AREAS IN CARENAHAN, BALAYAN

Bright orange buoys and flotation markers can now be seen bobbing through the waters of the Marine Protected Areas (MPAs) of Carenahan Fish Sanctuary and Fish Reserve in Balayan, Batangas. These markers were installed by SCPC and SLPGC to mark the area of the MPAs wherein fishing and collecting marine life is not allowed. Inland, a new watchtower was built for the Bantay Dagat of LGU Balayan so that they have an area to stay in and observe from. Both projects contribute the security, whether inland or in the waters of the MPAs.



CONSERVATION STATUS OF SPECIES IN SEMIRARA BIODIVERSITY CONSERVATION CENTER 304-4

NATIONAL CONSERVATION LIST*	2022	2021	2020
ENDANGERED			
Philippine Eagle-owl (<i>Bubo philippensis philippensis</i>)	7	7	6
Nicobar Pigeon (<i>Caloenas nicobarica nicobarica</i>)	2	2	2
Large Flying Fox (<i>Pteropus vampyrus</i>)	0	2	1
VULNERABLE			
Mantanani Scops-owl (<i>Otus mantananensis romblonis</i>)	7	7	5
Philippine Duck (<i>Anas luzonica</i>)	7	6	6
OTHER THREATENED SPECIES			
Mindoro Monitor Lizard (<i>Varanus (marmoratus) bangonorum</i>)	4	5	5
King Cobra (<i>Ophiophagus hannah</i>)	3	1	1
Philippine Box Turtle (<i>Cuora amboinensis</i>)	34	25	11
CRITICALLY ENDANGERED			
Blue-naped Parrot (<i>Tanygnathus lucionensis ssp.</i>)	6	2	2
TOTAL	70	57	39

*DENR Administrative Order No. 2019-09 updated the national list of threatened Philippine fauna and their categories.



IUCN RED LIST CATEGORY	2022	2021	2020
ENDANGERED			
Southeast Asian Box Turtle (<i>Cuora amboinensis</i>)	34	25	11
VULNERABLE			
Philippine Eagle-owl (<i>Bubo philippensis philippensis</i>)	7	7	6
Philippine Duck (<i>Anas luzonica</i>)	7	6	6
Mindoro Hawl Owl (<i>Ninox mindorensis</i>)	1	1	0
King Cobra (<i>Ophiophagus hannah</i>)	3	1	1
NEAR THREATENED			
Mantanani Scops-owl (<i>Otus mantananensis romblonis</i>)	7	7	5
Blue-naped Parrot (<i>Tanygnathus lucionensis ssp.</i>)	6	2	2
Nicobar Pigeon (<i>Caloenas nicobarica nicobarica</i>)	2	2	2
Island Flying Fox (<i>Pteropus hypomelanus</i>)	3	1	1
Large Flying Fox (<i>Pteropus vampyrus</i>)	0	0	1
TOTAL	70	52	35

SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS 304-4, 12.5.5

LEAST CONCERN

Philippine hanging parrot
(*Loriculus philippensis*)

VULNERABLE

Philippine duck
(*Anas luzonica*)

NEAR THREATENED

Long-tailed macaque
(*Macaca fascicularis ssp. philippensis*)



GREENING OUR SUPPLY CHAIN

SUPPLIER ENVIRONMENTAL ASSESSMENT AND SUPPLY CHAIN MANAGEMENT

3-3

We accredit suppliers through an environmental assessment based on ecological and social criteria. We consider the sustainability of each supplier's waste management strategies, procurement practices, energy-saving technology, if any, and other efforts to lessen their environmental footprint.

100%

of new suppliers assessed
308-1

7

New suppliers assessed with green criteria
308-2



NEW SUPPLIERS ASSESSED WITH GREEN CRITERIA 308-1

SUPPLY CHAIN 102-9	2022	2021	2020
Materials			
Original Equipment Manufacturer (OEM)	■ ■	■ ■	■ ■
Brand & Component	■ ■	■ ■	■ ■
Equivalent / Aftermarket Parts	■	■	■
Services			
Technology Certified Personnel	■ ■	■ ■	■ ■
Contractor and Technical Support	■	■	■

TYPES OF SUPPLIERS ENGAGED:

■ Coal ■ Power

	2022	2021	2020
Total number of suppliers engaged throughout the supply chain	982	775	1029
Coal	427	422	661
Power	555	353	368
Geographic location of suppliers (%)	100	100	100
Local	81	79	76
Foreign	19	21	24
Estimated monetary value of payments made to the supplier (In billions Php)	37.3	26.5	12.7
Coal	22.3	16.4	8.5
Power	15.0	10.1	4.2

CREATING A SUSTAINABLE TALENT ECOSYSTEM 3-3



We continuously invest in capacity building to create a work culture that is innovative, responsive to change, and open to opportunities that may boost our business well into the future.



PROMOTING DIVERSITY, EQUITY, AND INCLUSION ³⁻³

We value safety and advocate diversity, equality, and inclusion, forging a safe workspace that gives equal opportunity regardless of gender or age. While the demographics show that our industry is dominated by men, SMPC makes conscious efforts to equally support the advancement of women as leaders in the company, and ensures that contributions of employees across all levels are recognized.

CREATING OPPORTUNITIES FOR LOCAL TALENTS TO THRIVE

SMPC was once again listed under the Bloomberg Gender-Equality Index (GEI) for the second year in a row. The Bloomberg GEI is an index that tracks companies' commitment to upholding gender

equality through policy development, representation, and transparency in gender-data reporting.

We also show support to the United Nations' Women's Empowerment Principles (WEP), a set of principles offering guidance to business on how to promote gender equality and women's

empowerment in the workplace, marketplace and community, in asserting corporate responsibilities to promote Gender Equality and Women's Empowerment.

SMPC is a signatory of the UN Women's Empowerment Principles (WEP).

New Positions Created:

- Tax and compliance: 1 Officer, 2 Specialists
- Marketing / Business Development - Senior manager
- Marketing - Coal, Assistant manager
- Senior data scientist
- Junior data scientist

EMPLOYEES

YEAR	COAL	POWER	CONSOLIDATED
2022	3,785	596	4,381
2021	3,450	493	3,943
2020	3,169	498	3,667





BY SEGMENT, GENDER, AND EMPLOYMENT TYPE 2-7

GENDER	COAL		POWER		TOTAL	
	%	#	%	#	%	#
Male	94	3,541	89	530	93	4,071
Female	6	244	11	66	7	310
TOTAL	100	3,785	100	596	100	4,381

BY GENDER AND LOCATION 405-1

LOCATION	COAL		POWER		TOTAL		TOTAL
	M	F	M	F	M	F	
Luzon	519	88	512	66	1,031	154	1,185
Visayas	1,716	125	10	-	1,726	125	1,851
Mindanao	1,306	31	8	-	1,314	31	1,345
TOTAL	3,541	244	530	66	4,071	310	4,381

BY AGE GROUP 405-1

AGE GROUP	COAL		POWER		TOTAL	
	%	#	%	#	%	#
Under 30 years old	31	1,176	23	138	30	1,314
30 to 50 years old	63	2,380	58	346	62	2,726
Over 50 years old	6	229	19	112	8	341
TOTAL	100	3,785	100	596	100	4,381

BY LEVEL 405-1

JOB LEVEL	COAL		POWER		TOTAL	
	%	#	%	#	%	#
Executive	0.2	9	0.2	1	0.2	10
Managerial	1	38	4	26	1	64
Professional - Technical	6	241	13	75	7	316
Supervisory	5	183	14	85	6	268
Rank and File	88	3,314	69	409	85	3,314
TOTAL	100	3,785	100	596	100	4,381

PROMOTING GENDER EQUALITY IN THE WORKPLACE

During the 2022 celebration of International Women's Day, SMPC honored its women who are currently holding roles that are dominated by males in our industry, such as female welders and engineers. The women of SMPC continuously break stereotypes and gender norms, serving as icons of empowerment to other women.

In line with our commitment to build a more gender-inclusive workforce, SMPC aims to provide more opportunities for women to maximize their potential within the Company.



We may be dominated in terms of numbers, but our contribution to this company is not outnumbered. Let's continue to learn and exercise our capabilities towards self-growth. "Kaya mo sapagkat babae ka, hindi babae lang!" To all the women of SMPC, we are significant, and I am proud of you."

Nikka M. Depusoy
Environmental Supervisor, SCPC



Being a woman is not a hindrance to my work. For me, the most important trait in being a good environmental engineer is to be able to do your job well and contribute to the success of the company, whether you are a man or a woman."

Rachel Louise R. Columna
Environment Engineer





CULTIVATING LEADERS: ENGINEERING CADETSHIP PROGRAM

The 9th batch of cadet engineers started their 10-month-long extensive training in 2022 under the Calaca Power Complex Engineering Cadetship Program (CPC-ECP). Through the competency-based training course, 14 cadet engineers were given an opportunity to become next generation leaders in their field.

Engineers under the program received up-to-date knowledge and skills training, and gained access to exclusive learning courses and activities.

The cadetship program, which started in 2010, boasts 146 graduates. The program consists of 160 hours of lecture and 1,440 hours of on-the-job training on all areas of power generation.



DEVELOPING TALENT TALENT DEVELOPMENT, MANAGEMENT, AND SUCCESSION

SMPC is guided by an integrated talent management framework, which focuses on attraction, development, optimization, and retention. This approach enables our human resources to pursue their career plans in the company while learning and growing in a challenging field.

Developing our talents through regular training and upskilling is part of our program to improve competency and enrich skills. We also reward productivity, excellence, and positive work performance to engage and motivate our employees in their daily work.



COMPETENCY-BASED RECRUITING ³⁻³

To attract the right talent, we keep abreast of market trends in recruitment and remain competitive in our hiring process, resulting in an increase in applicants and new hires in 2022.

	NEW HIRES	EMPLOYEE TURNOVER	HIRING RATE	TURNOVER RATE
Coal	726	387	20%	11%
Power	122	24	22%	4%
CONSOLIDATED	848	411	20%	10%

NEW HIRES 401-1

NEWS HIRES BREAKDOWN	COAL	POWER	CONSOLIDATED
BY AGE GROUP			
Under 30 years old	419	27	446
30-50 years old	289	89	378
Over 50 years old	18	6	24
TOTAL	726	122	844
BY GENDER			
Male	626	120	746
Female	100	2	102
TOTAL	726	122	848
BY REGION			
Luzon	106	121	227
Visayas	449	0	449
Mindanao	171	1	172
TOTAL	726	122	848

RETENTION RATE



While we encountered challenges in retention due to the lingering effects of the pandemic, this was cushioned by promoting competent, ready-now, and engaged internal candidates to critical functions and leadership positions.

EMPLOYEE TURNOVER 401-1

TURNOVER BREAKDOWN	COAL	POWER	CONSOLIDATED
BY AGE GROUP			
Under 30 years old	228	3	231
30-50 years old	127	8	135
Over 50 years old	32	13	45
TOTAL	387	24	411
BY GENDER			
Male	327	20	347
Female	60	4	64
TOTAL	387	24	411
BY REGION			
Luzon	60	24	84
Visayas	236	0	236
Mindanao	91	0	91
TOTAL	387	24	411

SMPC HONORS DEDICATED EMPLOYEES WITH 25+ YEARS OF SERVICE



Rodante Q. Molina, a Mechanical Services Department Manager and in service for 38 years, was one of the 29 employees who have been in the company for more than 25 years that were honored during the 2022 SMPC Service Awards.

In our 25th year under DMCI, we recognized longtime employees whose invaluable passion, dedication, and loyalty have been instrumental in SMPC's success.



ENABLING CAREER ADVANCEMENT

SMPC retains talent through providing a quality employee experience from onboarding up until retirement. We aim to obtain a reduced turnover rate by reciprocating a competitive pay package and rewards mechanism, ensuring employee satisfaction. We also provide an environment where employees are valued and appreciated for their contributions.



IMPROVING REWARDS AND BENEFITS 405-2

A competitive rewards system has a major impact on an organization’s ability to acquire, retain, and motivate high potential employees. This strategy ultimately results in higher levels of performance. We design competitive salary and benefits packages and ensure that our employees are well compensated by keeping our industry standards and labor market rates updated. In terms of compensation, our employees receive fair and equal pay based on their roles and individual contributions, regardless of gender.


SMPC also complies with the Department of Labor and Employment (DOLE) guidelines on employee compensation and benefits. Furthermore, we provide yearly salary increases that are higher than the country’s across-the-industry range of 5.5 percent in 2022.

LIST OF BENEFITS 401-2


	CORPORATE OFFICE	MINE SITE	POWER PLANT SITE
Rice Allowance		✓	
Electricity & Water Subsidy		✓	
Medicine Allowance and Reimbursement	✓	✓	✓
Emergency Leave		✓	
On-Site Housing/Housing Assistance and Accommodation		✓	✓
Medical or Mine Site Infirmary Healthcare		✓	✓
Life & Accident Insurance	✓	✓	✓
Health Insurance (HMO)	✓	✓	✓
Health Insurance (In-House)	✓	✓	✓

**Minesite employees, for multi-skilled, and supervisors up*


SSS




PAG-IBIG




PHILHEALTH




MAGNA CARTA FOR WOMEN




RETIREMENT PLAN




BEREAVEMENT LEAVE




VACATION LEAVE




SICK LEAVE



RELOCATION



PATERNITY LEAVE



NURTURING POTENTIALS

3-3

SMPC provides employees with the right opportunities, resources, and training for them to enhance their skills and unleash their potential within their chosen careers. We continue to invest in training programs to develop skills, enabling our people to better contribute to the Company's success.

EMPLOYEES RECEIVING PERFORMANCE REVIEWS 404-3

BY GENDER

	% MALE	% FEMALE
Coal	96%	4%
Power	89%	11%

BY POSITION (%)

	EXECUTIVE	MANAGERIAL	SUPERVISORY	PROFTECH	RANK & FILE
Coal	6.03	15.6	25	40	114
Power	0.2	4	14	13	69
CONSOLIDATED	0.23	1	6	7	85

AVERAGE TRAINING HOURS PER EMPLOYEE BY POSITION 404-1

	TOTAL EMPLOYEES	TOTAL TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE
Coal	3,785	384,743	102
Power	596	44,959	75
CONSOLIDATED	4,381	429,702	98





ACCELERATING COMPETENCIES

3-3 404-2

SMPC implements training needs assessments to create skills development plans and interventions tailor-fitted to the current needs of our employees.

Our interventions include training, shadowing, coaching, mentoring, on-the-job practice, and stretch assignments. Managers regularly revisit individual employee development plans set at the start of the performance year to ensure the alignment of interventions and the progress of their employees.

The increase in average training hours was due to implementation of hybrid learning set up in 2022 across all sites. This way, employees can join live sessions anywhere using mobile devices. We also have an E-Learning Management System that allows employees to take training courses at their own pace.

SMPC's talent review process is designed to prepare potential candidates to become leaders and subject-matter experts. We also conduct regular talent reviews and training evaluation to gauge our employee's development. Furthermore, our performance management system comprehensively measures productivity, competency, compliance, and other areas for development of employees at all levels in the organization.

Group average training hours per employee:

109%
increase in
2022 vs. 2021

TRAINING HOURS

AVERAGE TRAINING HOURS PER EMPLOYEE BY GENDER 404-1

	MALE	FEMALE
Coal	101	105
Power	69	87
CONSOLIDATED	87	101

BY TRAINING CATEGORY 404-2

	COAL	POWER	TOTAL
Behavioral	41,193	5,679	46,872
EHS	180,344	10,104	190,448
Leadership	7,876	3,088	10,964
Professional and technical development	142,484	21,116	163,600
Quality management	12,846	4,972	17,818
TOTAL	384,743	44,959	429,702

AVERAGE TRAINING HOURS PER EMPLOYEE BY LEVEL 404-1

	EXECUTIVE	MANAGERIAL	SUPERVISORY	PROFTECH	RANK & FILE
Coal	26	90	105	104	102
Power	202	94	99	114	62
CONSOLIDATED	114	92	102	109	82

TRAINING SPEND

	COAL	POWER	TOTAL
No. of Employees	3,785	596	4,381
Total 2022 Training Spend (in PHP)	9,435,320	1,955,188	11,390,509
Average Training Spend per Employee (in PHP)	2,493	3,281	2,600



BIKING OUR WAY TO A HEALTHIER, HAPPIER WORKFORCE

Employees of SCPC and SLPGC join in on the bimonthly weekend biking activity initiated by the Medical Section and the Human Resources Department. Covering 40 km, the route goes around the neighboring municipalities of the SCPC and SLPGC.

The biking activity aims to create a healthier and happier workforce through spending time together in a healthy activity. Biking is scientifically proven to lower blood pressure and cholesterol levels, increase mobility, and improve the mind and body connection. Moreover, it's also considered a therapeutic activity to combat depression, anxiety, and stress and it gives a great sense of freedom and happiness.

FOSTERING EMPLOYEE ENGAGEMENT

WELL-BEING PROGRAMS

3-3, 2-30, 402-1, 403-6

We care about our employees' physical, interpersonal, and emotional well-being at work. We have a roster of well-being programs includes the following:

- COVID-19 Awareness and Prevention Campaign
- Code of Conduct and Discipline Annual Orientation
- Virtual Town Hall Meeting
- Government Benefits Awareness
- Share A Love Program
- River and Coastal Cleanup
- LEAP (Leadership Engagement to Accelerate Performance)
- Project Wellness
- Employee Recognition Year End Awards

We believe in fostering a workplace culture where everyone feels they are heard. Good communication across the organization is cultivated by maintaining an active internal communications system. Regularly communicate company milestones, organizational announcements and relevant industry updates in our internal channels to keep everyone well-informed. Additionally, we conduct employee engagement activities to mitigate job strain and foster collaboration. Leaders also provide feedback through team huddles, as often as needed, and share relevant organizational updates through an annual town hall session.

UPHOLDING FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK

3-3, 2-30, 407-1, 408-1, 409-1

0

Child and
Forced Labor
Violation

We protect our employee's fundamental rights. Aligning our policies with the International Labour Organization (ILO) conventions, minors (below 18yo) are not considered in any form of employment in our company, neither force anyone to do labor. We uphold freedom of association, diversity, equal treatment and opportunities in all offered programs and in all areas of the business.

2-8

1,057

Workers
who are not
employees

Our labor union's Collective Bargaining Agreement (CBA) covers 23 members or 0.53% of our coal segment workforce. Through the CBA, we have negotiated wage agreements, working hours, and terms of employment, among others.

We provide at least a one-week notice period post-consultation before implementing significant organizational changes. This complies with the minimum notice period provided by the DOLE to give our people ample adjustment time.

PARENTAL LEAVE 401-3

	Entitled to Parental Leave	Employees who took Parental Leave	Employees who returned to work after Parental Leave ended	Employees who returned to work after parental leave ended who were still employed twelve months after their return to work	% Retention Rate
MALE					
Coal	1,694	59	59	58	100
Power	300	7	7	7	100
TOTAL	1994	66	66	65	100
FEMALE					
Coal	166	15	7	6	47
Power	36	2	2	2	100
TOTAL	202	17	9	8	53





ENSURING SAFETY AND OCCUPATIONAL HEALTH

3-3, 403-1, 403-8

SMPC promotes a culture of safety in the workplace, with both the coal and power segments adhering to the following ISO standards: 45001:2018 since 2020. This safety standard aims to improve our occupational safety and health (OSH) measures.

We recognize the risks involved in the nature of our business and seek to reduce work-related incidents by improving our workplace with careful risk monitoring and assessments, implementing safety mechanisms and procedures, and regular monitoring with external assurance. We strategically allocate our resources to ensure that our safety and health standards are met. There was no fatality recorded in 2022.

SAFEGUARDING WORK-RELATED HEALTH NEEDS 403-2, 403-3

Guided by risk assessments conducted regularly by our Occupational Health (OH) team, SMPC addresses health hazards from chemicals, fumes, dust, and noise through site implementations of dust suppression systems, fume hoods, work schedule adjustments, and wearing personal protective equipment.

Work safety culture is instilled in our employees through safe work practices and sufficient training hours in preparation for on-site responsibilities.

OUR ON-SITE HEALTH SERVICES:

- 24/7 Infirmary and services by a team of physicians, nurses, and other medical professionals
- Regular check-ups for employees at risk of work-related impairments
- Emergency transportation



INFIRMARY MEDICAL PERSONNEL

	COAL	POWER
Physician		
OH	4	1
Non-OH	2	
Nurse		
OH	5	4
Non-OH	10	
Dentist		
OH	2	1
Non-OH	0	
Medical technologist	5	
Radiologic technologist	1	
Xray Technologist Aide	1	
Nursing Aids	5	
Midwife	1	



EMERGENCY MEDICAL VEHICLE

Coal Operations	3
Power Operations***	2*
Corporate Office	1*

*Emergency medical vehicle

**Shared with the affiliate

***Patient transport vehicle-registered since 2021



OUR ENVIRONMENTAL, HEALTH, AND SAFETY (EHS) COMMITTEE MEMBERS 403-4

	MINE SITE	POWER PLANT SITE	CORPORATE OFFICE	TOTAL
2022	241	100	14	355
2021	205	102	14	321
2020	191	94	13	298

There was an increase in the number of EHS committee members in 2022 as representatives from each department were included. This allows a more efficient rollout of EHS projects, timely incident reporting, transparency in incident investigation, and faster sharing of best practices and lessons learned.

Our Environmental, Health, and Safety (EHS) Committees conduct monthly meetings to review, monitor, and report on our health and safety program effectiveness.

ELEVATING EMPLOYEE WELLNESS

To maintain our employees' good health condition, we offer health benefits throughout the year.

OUR BENEFITS:

- Medical and health benefits coverage
- Free medical consultations
- Annual physical examinations (APE) through Health Maintenance Organization (HMO) insurance
- Infirmary services for regular monitoring of employee health.

	COAL		POWER	
	EMPLOYEES	CONTRACTORS	EMPLOYEES	CONTRACTORS
Fatalities	-	-	-	-
Recordable work-related ill health	78	-	40	3
COVID 19	70	-	34	3
Noise induced hearing loss	0	-	6	-
Musculoskeletal Diseases	8	-	-	-



WORK-RELATED ILL HEALTH IN 2022 403-10



NOISE

Noise is a work hazard we face. To prevent noise-induced hearing loss, mitigation measures include a combination of shift modification to reduce the time of exposure and issuance of fit-for-purpose personal protective equipment like earmuffs and earplugs. We also conduct regular monitoring and clinical intervention for our at-risk and diagnosed employees.



MUSCULOSKELETAL DISEASES

Ergonomic hazards are assessed per activity to prevent musculoskeletal diseases, which often stem from improper posture while performing a common or repetitive task or using inappropriate tools. We constantly train our employees on proper tool utilization to decrease such incidents.



RECORDABLE WORK-RELATED ILL HEALTH

Fumigation of dengue hotspots such as our housing facilities and transport terminals was conducted to reduce the spread of diseases on the island.

SAFETY TRAININGS CONDUCTED 403-5

	COAL	POWER	TOTAL
2022	26	10	36
2021	54	45	99
2020	139	29	168

	2022		2021		2020	
	COAL	POWER	COAL	POWER	COAL	POWER
Training Hours (Total)	174,036	9,854	41,654	9,212	27,170	3,542
Average ESH Training Hours	63.42	15.67	11.97	17.03	3.81	6.60

Earthquake	Electrocution
Segment specific emergencies such as gas, steam, or dust explosions; clogging of pipeline	Poisoning
Tsunami, typhoon, and flood	Threat of violence
Slope failure	Bomb
Vehicular extrication	Chemical leak
Fire	Medical emergency
Personnel injury	Volcanic eruption
	Power failure

Our Resilience Partners 102-13

Philippine Air Force 505th Search and Rescue Group
Philippine Coast Guard-Semirara
Philippine Red Cross, Nasugbu, Batangas & Makati-Rizal Chapter
Semirara Island Emergency Action Group
Philippine Integrated Fire Protection Organization
Bureau of Fire Protection, Calaca, Batangas
City Disaster Risk Reduction and Management Office, Calaca, Batangas
Calaca City Police
Batangas Medical Center
Western Batangas Medical Center



82

EPR Drills Conducted in 2022

ALWAYS READY IN CASE OF EMERGENCIES

To bolster our emergency preparedness, we partnered with the Philippine Red Cross–Batangas to strengthen the competence of our Emergency Response Team (ERT). We enlisted 36 ERT members to First Aid Training for Industrial Employees to refresh, retool, and recertify longtime first-aiders, and certify new first-aiders in accordance with prescribed recognized standards.

STABILIZING DISASTER RESILIENCE

To mitigate disasters and accidents, our Emergency Preparedness and Response (EPR) plan includes disaster resilience measures that involve key stakeholders, regulators, and first responders in our drills.

To comply with the prevailing quarantine protocols in 2022, our Corporate Office EHSS Committee shifted towards tabletop and virtual EPR drills to refresh emergency preparedness knowledge while maintaining a safe distance from other attendees.

Our ERT assesses the community’s disaster resilience needs and joins the local Barangay Disaster Operation Center (BDOC) in sharing safety practices.

A plant-wide fire fighting training attended by around 300 to 350 employees and contractors in SCPC and SLPGC was conducted to improve the response on fire prevention and readiness.



Advanced Equipment Simulator. We continued simulator training in 2022, totaling 1,001 training hours for our 195 workers.

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

LEVERAGING PIT SAFETY

We adopt a combination of innovative solutions and behavioral measures to enhance pit safety and prevent loss of life.

Critical risk factors such as slope stability are mitigated through thorough planning and assessment measures including geohazard mapping, pre-start inspections, and toolbox meetings conducted prior to work commencement.

We invest in cutting-edge technology and leverage data to bolster safety systems. This includes weather stations for typhoon and rainfall monitoring, slope stability radars deployed at strategic points at the Molave and Narra pits, and PRO3-Advance Equipment simulators for heavy equipment operators. These investments facilitate real-time monitoring and informed decision-making, ensuring that safety is a strategic imperative throughout the entire mining process. With the support of prisms and extensometers, the Robotic Total Station (RTS) is used as a back-up system to augment slope monitoring.

POWER PLANT SAFETY

We provide our people with pre-job planning, EPR equipment, and necessary training to address equipment and plant-related risks, including electrical shocks, burns, boiler fires, explosions, and contact with hazardous chemicals as primary workplace risks. 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.

CONTRACTOR SAFETY

In 2022, our Power segment contractors completed 3.11 million man-hours worked, a 16% decrease against 2021 levels. This decline can be attributed to the decline in contractor personnel deployment.

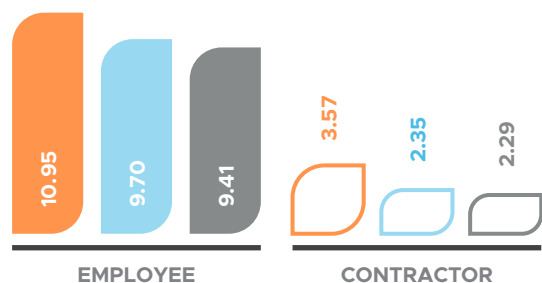
As one of our key stakeholders and players, we recognize our responsibility to provide a safe workplace for our contractors as well.

Our OSH performance improved as both employee and contractor injuries fell by 25% and 38%, respectively, as compared to 2021.

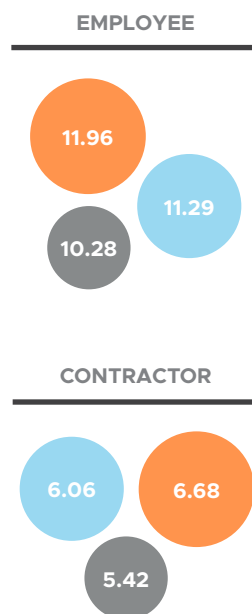
The OSH performance of our mine site contractors remained steady. Contractor man hours worked jumped by 52% but saw a 20% decline in work-related injuries as the number fell to 4 from 5 in 2021.

NUMBER OF HOURS WORKED (IN MILLIONS)

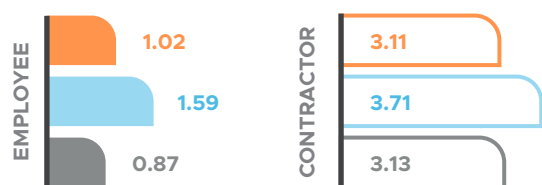
Coal



Consolidated



Power



2022 2021 2020

OUR SAFETY PERFORMANCE 403-7

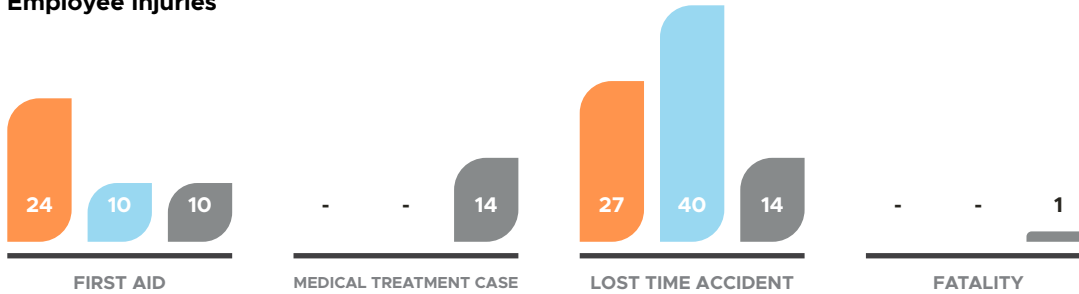
	COAL			
	EMPLOYEES		CONTRACTORS	
	NUMBER	RATE	NUMBER	RATE
FATALITY				
2022	-	-	-	-
2021	-	-	-	-
2020	1	0.11	-	-
HIGH-CONSEQUENCE WORK-RELATED INJURY*				
2022	-	-	-	-
2021	-	-	-	-
2020	-	-	-	-
RECORDABLE WORK-RELATED INJURY**				
2022	51	4.66	4	1.12
2021	50	5.15	5	2.13
2020	39	4.15	6	2.62
	POWER			
	EMPLOYEES		CONTRACTORS	
	NUMBER	RATE	NUMBER	RATE
FATALITY				
2022	-	-	-	-
2021	-	-	-	-
2020	-	-	-	-
HIGH CONSEQUENCE WORK-RELATED INJURY*				
2022	-	-	-	-
2021	-	-	-	-
2020	-	-	-	-
RECORDABLE WORK-RELATED INJURY**				
2022	3	2.95	5	1.61
2021	4	2.52	8	2.16
2020	3	3.45	19	6.07

*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.

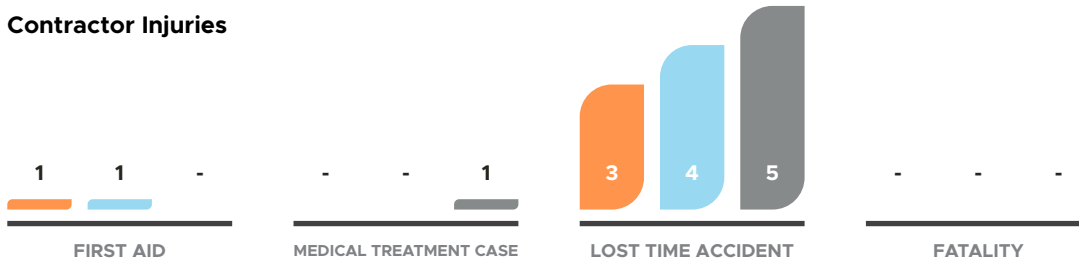
**Refers to a work-related injury or ill health, such as days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness, or significant injury or ill health diagnosed by a physician or other licensed healthcare professional even if they do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

2022 2021 2020

Employee Injuries



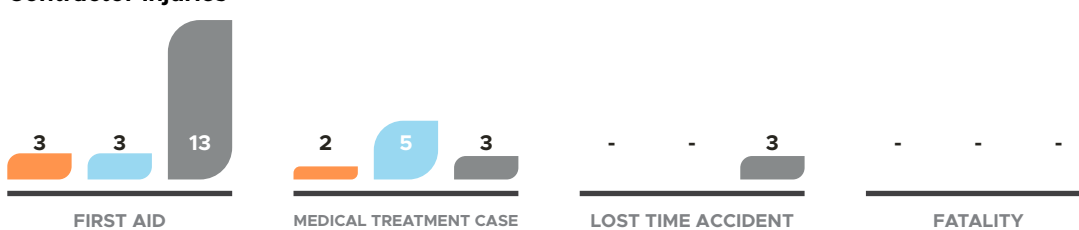
Contractor Injuries



Employee Injuries



Contractor Injuries



100%

Products Assessed for Improvement

CUSTOMER HEALTH AND SAFETY 3-3, 403-9, 416-1

As part of our customer health and safety thrust, we provide access for the inspection of our facilities, coal production, and loading procedures. For transparency, we also allowed customer visits during the year and ensured their safety through proper protective equipment and adherence to travel and site safety protocols.

Immediate concerns of customers include the potential risk of foreign materials and the high moisture content of coal deliveries. For potential risk of foreign materials, we employ a combination of controls such as crusher installation and the use of metal detectors. Maintaining moisture content is attainable through managed loading during the rainy season.

Our coal stockyard management orientation further informs our customers about the design and handling of our coal stockpiles, along with preventive measures.

THRIVING IN THE NEW NORMAL

SMPC partnered with local health units and health service providers for our vaccine program. Our yearly vaccination program aims to protect our employees at-risk, ensuring their health while reducing work disruption from absences due to illnesses.

Challenges in vaccination include vaccination hesitancy, especially in the case of COVID-19 shots. The OH team however, made interventions to further promote getting booster vaccinations.



FEATURE STORY



SMPC STRENGTHENS BARANGAY ALEGRIA AND TINOGBOC COVID-19 RESPONSE ⁴¹³⁻¹

To help the Barangay Health Unit of Tinogboc quickly respond to health needs in their barangay, SMPC donated two units of Chariot service vehicles and various medical supplies totaling PHP417,440 to Barangay Alegria and Barangay Tinogboc last March 25, 2022.

The project is under our Social Development and Management Program (SDMP) and aims to address the COVID-19 preparedness and response needs of the community.

COVID-19 VACCINATION

	COAL		POWER		CONSOLIDATED	
	%	#	%	#	%	#
1st Booster	55	2,659	58	611	68	3,270
2nd Booster	8	366	7	116	8	482

OTHER VACCINATIONS PROVIDED ^{401-2, 403-6}

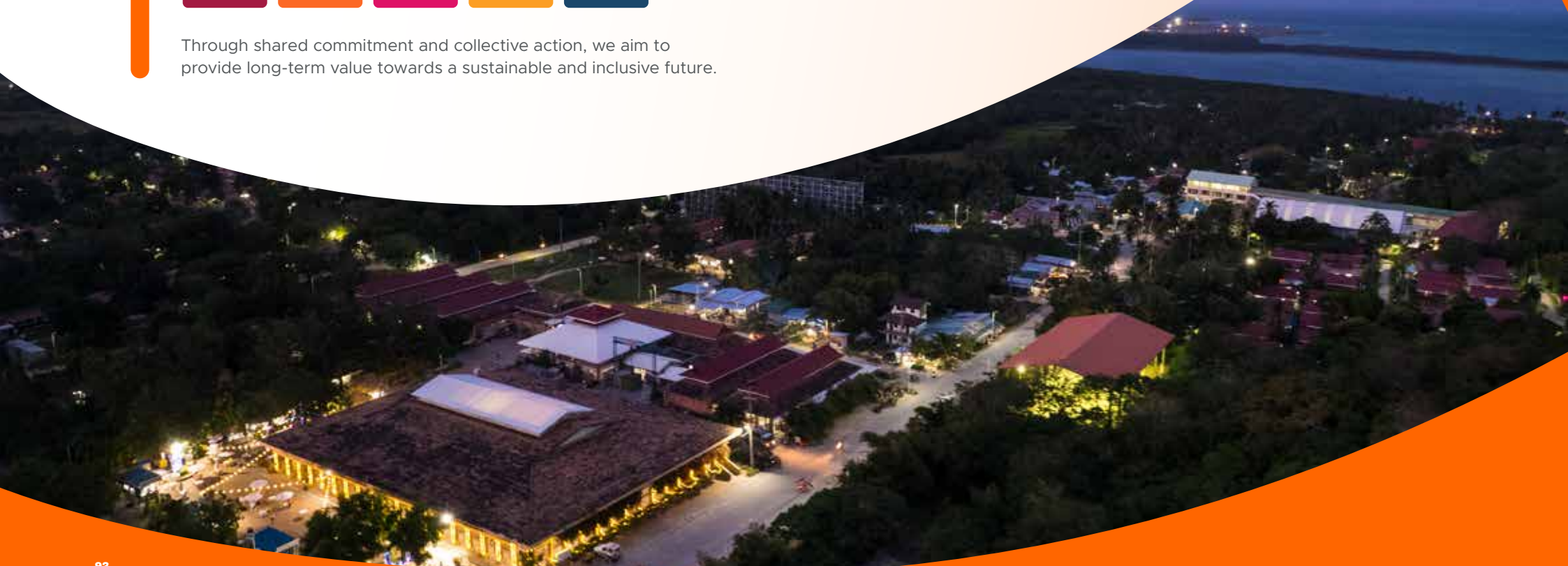
	2022		2021		2020	
	COAL	POWER	COAL	POWER	COAL	POWER
Flu	0	0	209	369	611	354
Pneumonia	0	0	0	0	16	243
Human papillomavirus (HPV)	0	0	0	0	68	0
Anti-tetanus (1500/3000 IU)	606	0	0	0	0	208
Tetanus Toxoid	328					
Verocell (Anti rabies)	19					
Speeda (Anti rabies)	395					
TOTAL	1,348	0	209	369	695	805

Note: Verocell, Anti-tetanus and Tetanus Toxoid were purchased by SMPC while SPEEDA were donated by the Provincial Health Office-Antique

ENABLING INCLUSIVE GROWTH



Through shared commitment and collective action, we aim to provide long-term value towards a sustainable and inclusive future.



DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

201-1

When our business performs well, this success also advances economic growth in our host communities. We pay our mining royalties to the national government. These royalties are then allocated to the provincial and municipal governments of Antique and Caluya and our barangay host communities in Tinogboc and Semirara.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (IN PHP MILLIONS)

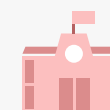
	2022	2021	2020
Direct Economic Value Generated	91,730	52,680	28,614
Revenue	91,068	52,423	28,251
Interest Income	412	21	56
Other Income	251	235	307
Economic Value Distributed	69,449	42,473	24,515
Operating cost	25,309	18,926	13,515
Employee benefits and wages	3,019	2,655	1,856
Payment to providers of capital	22,150	13,615	6,402
Payment to government	18,886	7,165	2,699
Community investments	85	112	43
Economic Value Retained	22,280	10,207	4,099

ROYALTIES SINCE 1997 (IN PHP BILLION)

LOCATION	2022	TO DATE	ALLOCATION SHARE
Philippine Government	9.58	29.65	60%
Province of Antique	1.28	3.95	8%
Municipality of Caluya	2.87	8.90	18%
Barangays Semirara and Tinogboc	2.23	6.92	14%
TOTAL	15.96	49.42	100%

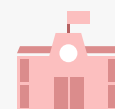


Both SMPC host communities among the country's wealthiest



1st Class

Municipality of Caluya since 2007



7th Richest

Municipality of Caluya in terms of total assets (Php 3.117B) in 2021*



10th RICHEST

Calaca, Batangas among Cities with Substantial Cash Inflows from Operating Activities

*Source: 2021 Annual Financial Report for the Local Government (Volume I)



CATALYZING ECONOMIC ACTIVITY

203-1

On top of royalties, our operations significantly impact local economic activity. The construction of community infrastructure such as the SMPC Food Court, Commissary, and Wet Market led to the increase of local livelihood opportunities. Furthermore, employees living in our mine site drive consumption on the island due to their wages and high disposable income.

According to an SMPC employee survey conducted by a third-party expert, the respondents spent around PHP46 million per month in 2022. By using a special calculation called the Keynesian multiplier of 4.708, we can estimate that the total effect of this spending on the local economy is about PHP216 million per month.

INDUCED MULTIPLIER EFFECTS OF MONTHLY CONSUMPTION SPENDING

LOCATION	AMOUNT	MULTIPLIER	INDUCED MULTIPLIER EFFECT
Total Monthly Consumption spending, Php million	46	4.708	216

Note: Figures are based on SMPC employee survey of 360 workers per Economic Impact Assessment of the Semirara Mining and Power Corporation 2022 by the Philippine Social Science Council.

SUPPORTING LOCAL ENTREPRENEURSHIP

3-3, 203-1

Beyond generating jobs and royalties, we supported livelihood formation in Semirara Island through the construction of a Commissary (2009), Food Court (2013) and Wet Market (2013). These commercial facilities have since provided opportunities for local entrepreneurs to sell their products and services to the community.

Before the pandemic, Micro, Small, and Medium Enterprises (MSMEs) on the island experienced steady growth. Despite the setbacks caused by the pandemic, local businesses have shown signs of recovery following the easing of restrictions.



416*

Registered MSMEs in Semirara Island

**7% decline from 2021 is mainly due to the pivot of most non-essential MSMEs to online business.*



ENSURING SOCIO-ECONOMIC COMPLIANCE

3-3

To meet our stakeholder obligations, we operate ethically and responsibly.

We hold regular stakeholder consultations through our Multi-partite Monitoring Team (MMT) established pursuant to our DENR- Environmental Compliance Certificate (ECC).

We duly report incidents of non-compliance to the relevant government bodies and regulators.

2022 NON-COMPLIANCE INCIDENT

413-2

CASE DESCRIPTION

SMPC received a DENR Order docketed as “In the Matter of Administrative Violation of Presidential Decree No. 1586

[Establishing an Environmental Impact Statement System, Including Other Environmental Management Related Measures and for Other Purposes] and its Implementing Rules and Regulations; Semirara Mining and Power Corporation, Respondent, EMB Case No. 2022-04-0501.”

The order directed SMPC to settle the fine of One Million Four Hundred Thousand Pesos (PHP1,400,000.00) within fifteen (15) days for the alleged violation of its Environmental Compliance Certificate (ECC) terms and conditions with reference no. ECC-CO-2001-0001.

STATUS

Resolved
SMPC paid a penalty amounting to **PHP1.4M**.

FORTIFYING COMMUNITY RELATIONSHIPS

In a study conducted by the Philippine Social Science Council in 2022, SMPC received high satisfaction ratings from its host community, Barangay Semirara.

PROGRAM/AREA	MEAN SCORE
1. Overall satisfaction in the coal mining operations and their contribution to community development	4.88
2. Sufficiency of sources of livelihood	4.46
3. Availability of infrastructure support	4.88
4. Presence of schools and educational institutions	4.92
5. Availability of services and utilities	4.83
6. Maintenance of peace and order	5.00
7. Level of community involvement in planning and implementation of programs and projects	4.50
8. Environmental conservation and disaster mitigation	4.75

Score: 1 lowest; 5 highest

Source: Economic Impact Assessment of the Semirara Mining and Power Corporation 2022, Philippine Social Science Council



OUR INDUSTRY PARTNERS

Our partnerships with industry associations help us promote sustainable growth of the energy industry within the Philippines and other ASEAN nations. We are members of the ASEAN Forum on Coal (AFOC) National Committee of the Philippines, Inc. and the Philippine Chamber of Coal Mines, Inc. Both associations provide us with more avenues to promote, develop, and grow coal energy locally and within ASEAN.

We are also part of the Philippine Independent Power Producers Association (PIPPA), which promotes reliable and affordable energy in the Philippines by advancing related public policies and legislation.



FORGING SUSTAINABLE COMMUNITY PARTNERSHIPS

3-3, 413-1

We maintain good relationships with our host communities, and our 5 Es Social Development Program (SDP) centers on social inclusion and promoting the sustainable growth of Semirara Island's economy. Our programs are all geared towards upholding long-term self-sufficiency for our host communities.

We aim towards poverty alleviation through food security, skills training and livelihood programs. We also aligned our SDP to the Barangay Development Plans (BDPs) in Semirara Island to remain relevant to the sustainable development needs of our stakeholders.

We are constantly looking for ways to upscale and accelerate our livelihood projects, especially for fisherfolks, seaweed farmers, women, and those most vulnerable to COVID-19. We hold regular consultations with our stakeholders to evaluate the programs and look for collaboration opportunities. With continuity being a key factor in the success of social development, we tap into other possible capacity-building programs for target beneficiaries.

OUR 5 Es SOCIAL DEVELOPMENT PROGRAM



Economic Empowerment



Environmental Stewardship



Education



Emergency Preparedness and Resilience



Employment



54,215
Beneficiaries

COMMUNITY SPEND (IN PHP MILLION)

SDP SPEND (IN MILLIONS, PHP)	2022	TO DATE (2022)
Education	12.95	628.95
Environmental stewardship	43.51	309.51
Economic empowerment	22.27	500.27
Emergency preparedness and resilience	5.82	154.82
TOTAL	84.55	1,593.55





ENABLING SUSTAINABLE INFRASTRUCTURE

203-1

ROADS

Our infrastructure investments in 2022 include the building and maintenance of roads to pave the way for the island's growing economic needs.



12.8 KMs

Length of maintained road network

TRANSPORTATION



112K

MV Ma. Cristina passengers since 2016

We fund land and sea transportation to support the bustling economy of the island. These infrastructures transport cargo by SMPC workers and host community members.

Owing to the relaxed travel restrictions in 2022, we were able to continue the commercial operations of our passenger boat, the MV Maria Cristina, which has a seating capacity of 186. From April to May 2022, the vessel carried around 2,000 passengers. While the boat underwent repairs in the third quarter of the year, it resumed operations in late November 2022. Since 2016, the vessel has helped more than 112,000 passengers travel along the Semirara–Bulalacao and Semirara–San Jose routes.

Each year, we also invest around PHP585,000 to run our free shuttle system, which serves SMPC employees and Semirara Island residents. On a daily basis, six scheduled bus trips can carry about 1,600 people.

FOSTERING EDUCATION 3-3, 203-2

Through our partnership with the Divine Word School of Semirara Island, Inc. (DWSSII) and the Semirara Training Center, Inc., we provide our community with opportunities to further their education.

These opportunities come in the form of scholarships, financial aid, and training for school staff. We bestow scholarships to the children of our mine site workers so that they can study at DWSSII. We also financially support DWSSII's K-12 students and provide training assistance to the school's teachers and personnel.



147

K-12 graduates from DWSSII in 2022



3,648

DWSSII graduates since 2003

Aside from providing access to basic education in our communities, we also have a Balik-Eskwela Program that offers an Alternative Learning System (ALS) for our employees and out-of-school youth. The program enables these enrollees to continue their education and obtain high school diplomas. In 2022, 46 students were enrolled in the program. This was also done in partnership with the Arnold Janssen Foundation. We continue to support the Department of Education's (DepEd) Blended Learning Modalities in 37 schools, including the provision of a risograph machine and ink supply to the DepEd of Antique.

Aside from supporting students, we also believe that postgraduate education is important to the professional development of teachers. We help Semirara Island's public and private school educators pursue a Master of Arts (MA) in Education degree, free of charge. Seven of our 59 scholars finished their degrees in 2022.



Blended Learning Support

12,762

Student Beneficiaries

COLLEGIATE SCHOLARS	Number of Scholars	Total Amount Granted (In million, PhP)
Coal	44	3.06
Power	44	3.74
TOTAL	88	6.80

PROMOTING COMMUNITY HEALTH

3-3, 203-1

The health and wellness of our community are important to us. To fortify the local healthcare system, we put up the Semirara Infirmary where our employees' and island residents' medical needs will be attended to. We also, provide medical services, as well as annual health programs on infant care, infection prevention, nutrition, etc.

The infirmary is manned by a team of dedicated healthcare workers including 6 physicians, 2 dentists, 5 medical technologists, 1 radiologic technologist, 1 X-ray technologist aide, and 15 nurses.

We hold webinars for the barangay health workers of our host communities to increase awareness about common health issues. We also conduct sessions on COVID-19 prevention, tuberculosis, and heart attack. We have also hosted webinars on disaster risk reduction and management so that our host communities stay prepared for natural disasters and other emergencies.



15

SMPC Infirmary bed capacity

Stakeholder	2022	%
Employees	16,349	58%
Employee Dependents	6,404	23%
Community Residents	5,562	29%
TOTAL	28,315	100%





IMPROVING HEALTH FOR ALL:

SMPC AND SPPCPG-BACOLOD'S JOINT MEDICAL MISSION SERVES 787 SEMIRARANHONS

On August 20, 2022, SMPC teamed up with St. Padre Pio Contemplative Prayer Group-Bacolod City (SPPCPG-Bacolod) and the Barangay Local Government Units (BLGUs) for a one-day medical mission to enhance health and wellness. A total of 787 residents of Semirara Island in Caluya, Antique benefitted from the activity, availing much-needed consultations and other medical services, as well as free vitamins, medicines, and eyeglasses.

During the event, 15 minor surgeries took place, including the removal of lymphoma, sebaceous cysts, and breast mass.

The 39-strong team was made up of doctors, nurses, and allied health professionals from SPPCPG-Bacolod and SMPC Infirmary.



It is very rewarding to make a difference in other people's lives. You know that by leaving your comfortable house and clinic for three days, traveling 14 hours by land and sea, performing surgery for 30 minutes that will solve someone's long-term health problem, that thought alone will make you feel good.

Dr. Jundad Legislador,
SPPCPG-Bacolod's surgeon



Nagpapasalamat ako dahil isa ako sa maraming natulungan. Pati asawa ko nakapagpasukat ng [salamín para sa] mata.

Roseller Domingo,
Barangay Tinogboc resident who availed of the medical mission

WORKING TOWARDS A NEW NORMAL

203-1

Aside from distributing vaccines, we also provided our host communities in Semirara Island and Calaca, Batangas with resources for testing and isolation. These efforts help curb the spread of COVID-19 and facilitate the transition to the new normal.



700 antigen kits donated to LGU of Caluya and Alegria LGUs



11 isolation tents installed in schools

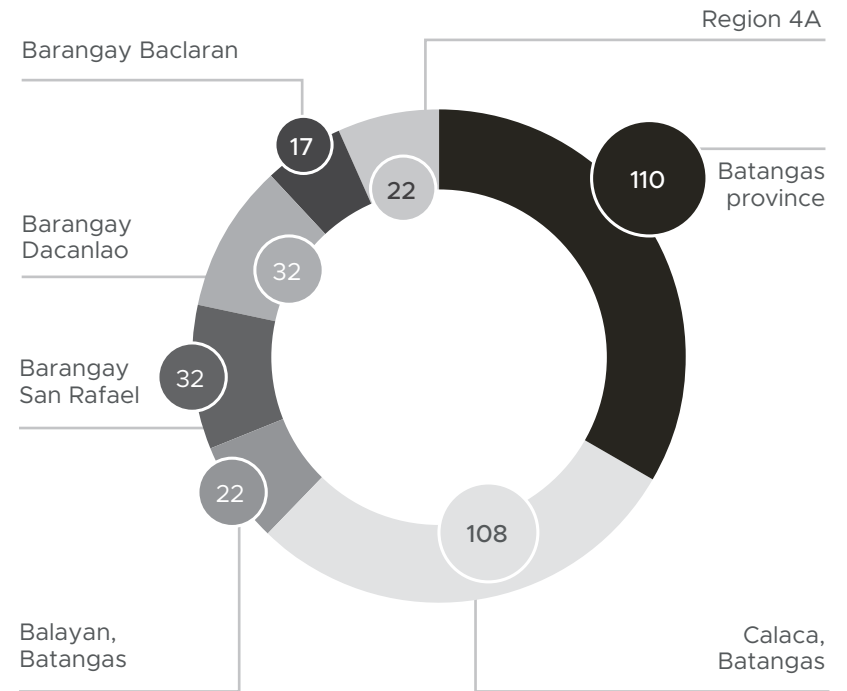


Repurposed 6-room isolation facility in Dacanlao, Batangas funded under DOE Energy Regulations (ER) 1-94



PHP343 million COVID-19 response in Batangas funded under DOE ER 1-94

DOE ER-194 FUNDS REMITTED FOR COVID-19 RESPONSE





OUR COMMUNITY PARTNER ORGANIZATIONS

2-28

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

Department of Education-Calaca, Batangas and Antique

Department of Education-Calaca and Balayan Batangas and Caluya, Antique

Department of Science and Technology-Industrial Technology Development Institute

Department of Trade and Industry-Antique

Municipal Agriculturist Office, Balayan, Batangas

Municipal Environment and Natural Resources Office - Calaca and Balayan, Batangas

Technical Education and Skills Development Authority

Department of Science and Technology

Cooperative Development Authority

Provincial Cooperative, Livelihood & Entrepreneurial Development Office, Batangas

SKILLS TRAINING FOR SELF-SUFFICIENCY

We continue to partner with Semirara Training Center, Inc. (STCI), a non-stock, nonprofit center accredited by the Technical Education and Skills Development Authority (TESDA), committed to providing excellent vocational education and teaching marketable skills to the people of Semirara Island and surrounding communities such as Caluya and Sibay. This is part of our efforts to build self-sufficiency and promote livelihood in the island.

STCI plays a huge role in developing the skills portfolios of our personnel and host community residents. Some enrollees are also graduates of DWSSII's Senior High School Technical Vocational Livelihood Track, and others hail all the way from Mindanao.

Enrollees of STCI can specialize in welding, automotive servicing, industrial electricity, and machining, which are essential specialties for our business and can land enrollees in fulfilling jobs here and abroad. In fact, about 44% of STCI's graduates have either been hired by SMPC, employed by our contractors, or built rewarding careers overseas.



1,345
STCI graduates
since 2006



70
graduates
in 2022

55
female

15
male

COMMUNITY SKILLS TRAINING

2019 TO 2022

Automotive Servicing	47
Machine Shop Practice	4
Shielded Metal Arc Welding	74
Electrical Installation and Maintenance	18
Automotive (NC II)	42
Scaffolding Erection Training (NC II)	28
Pipefitting	25
Scaffolding Refreshers Course	30
TOTAL	268



BOOSTING ISLAND ECONOMY

Learning livelihood skills and educational opportunities are essential for self-sufficiency and a thriving economy. Our social development programs provide skills training that allows for more equitable access to jobs and business opportunities.



SMPC SUPPORTS FISHERFOLKS WITH FIBERGLASS BANCAS

SMPC, in partnership with the Department of Energy, commenced the fabrication of additional 35 motorized fiberglass boats for the fisherfolk of Semirara Island.

40 of the pledged 75 boats have been turned over as of 2022. Our fiberglass banca program aims to promote sustainable fishing in Semirara Island. Priority is given to indigent fishermen to give them additional livelihood, income, and food sustenance for their families.

Fiberglass banca has gained popularity among fishermen due to its durability and longer asset life that spans approximately 30 to 50 years compared to the traditional wooden banca.

SMPC'S SEWING LIVELIHOOD PROGRAM EMPOWERS WOMEN IN SEMIRARA ISLAND

More than 3,000 kilograms of rags and over 5,000 pieces of uniform were delivered by the Semirara Women's Organization's (SWO) sewing livelihood program in 2022. This program, in partnership with the barangay local government unit, generated more than PHP590,000 in revenues, providing the women in the community with a steady source of income.

SMPC donated 12 high-speed sewing machine and shoulders the facility and utility fees. Capacity building and financial Trainings on dressmaking, tailoring, and financial literacy were also given to empower SWO members.



STRENGTHENING ISLAND FOOD SECURITY

We adopt an integrated approach to provide food security and livelihood, alleviate poverty, enable long-term sufficiency, and boost the resilience of our host communities beyond the life of the Semirara mine.

Our agro and poultry model farms were established in 2021 to fill the gaps in the island's local food economy and introduce alternative livelihood amidst the pandemic. With vegetables and root crops mainly sourced from nearby Mindoro and the Antique mainland, our farms' produce has since allowed locals to enjoy accessible food supply at reduced market prices due to the elimination of interisland transport costs. The project also provides additional sources of revenue to aid in the socio-economic recovery of our host communities.

AGRO MODEL FARM

26
local farmers trained on
agri-crop production

24K
kg total produce

95%
sold, contributing to
island food security

5%
used for local
consumption

PHP 1M
revenue

BAMBOO & RATTAN LIVELIHOOD

Our farms also utilize natural grown and planted bamboo in Semirara Island as an alternative livelihood through the production of sustainable bamboo furniture, utensils, and other materials.

16
locals trained

300
baskets
produced

10
sets of upcycled
furnitures manufactured



CREATING INCLUSIVE EMPLOYMENT

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

Through local hiring, we provide opportunities for meaningful work in our host communities. About 57% of our mine site employees are from Semirara Island and Caluya, while 7% are from the provinces of Aklan, Antique, Capiz, Iloilo, and Mindoro. When it comes to the composition of our power plant employees, 84% of them are residents of the province of Batangas.

We are the largest employer in Semirara Island, with an accumulated payroll that amounted to PHP2.60 billion in 2022. Compared to the local minimum wage, we have an average pay ratio of 1:1.

A large part of our management team comes from the local community. In our power segment, 56% of the management team are Batangas residents. On top of that, our entire Board of Directors and all our key officers are Filipino nationals.

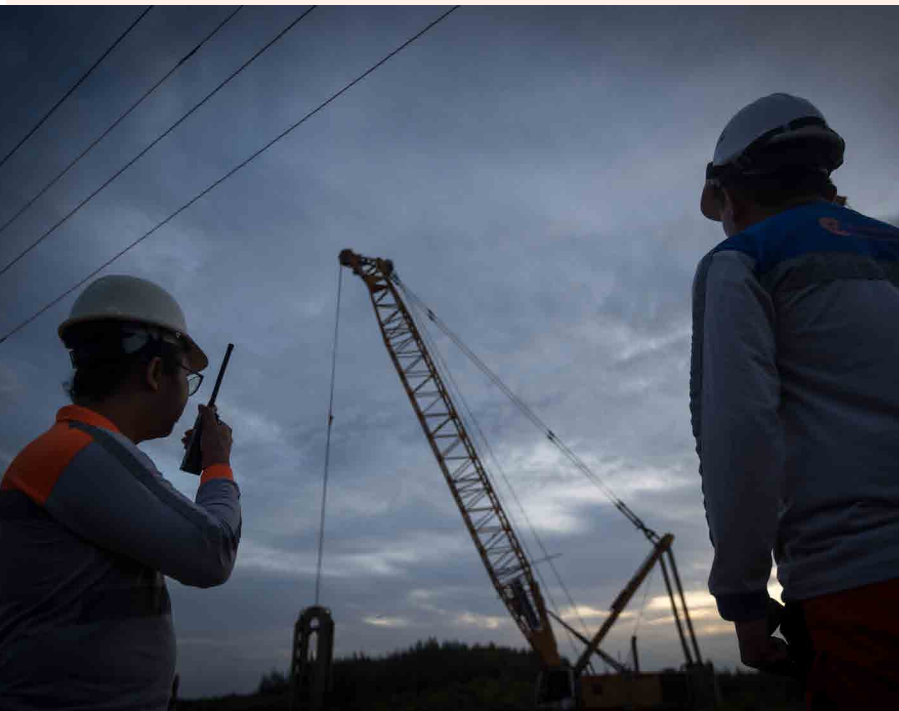
EMPLOYEES BY ORIGIN

YEAR	2022	NO. OF EMPLOYEES	AKLAN, ANTIQUE, CAPIZ, ILOILO, AND MINDORO	CALACA AND BALAYAN, BATANGAS
2022	Coal	3,785	64%	
	Power	596		67%
	Total	4,381	55%	9%
2021	Coal	3,450	57%	
	Power	493		61%
	Total	3,943	50%	8%
2020	Coal	3,169	56%	
	Power	498		61%
	Total	3,667	48%	9%



NOURISHING CHILDREN POST COVID-19: SCPC SUPPORTS FEEDING PROGRAM FOR PRE-SCHOOLERS

As face-to-face classes reopen in 2022, SEM-Calaca Power Corporation partnered with the provincial government of Batangas and Barangay Nutrition Scholars to host a feeding program for over 6,900 preschoolers. Each child was given two bags filled with immune-boosting nutri-goods and vitamins.



SECURITY PRACTICES

3-3, 410-1

SMPC operates critical energy installations that support the country's energy security. Operations of this scale and magnitude require fit-for-purpose security services for the protection of its people and assets.

Internal and external security personnel conform with relevant regulations and are trained to respect the human rights of employees, business partners, and host communities.



85%

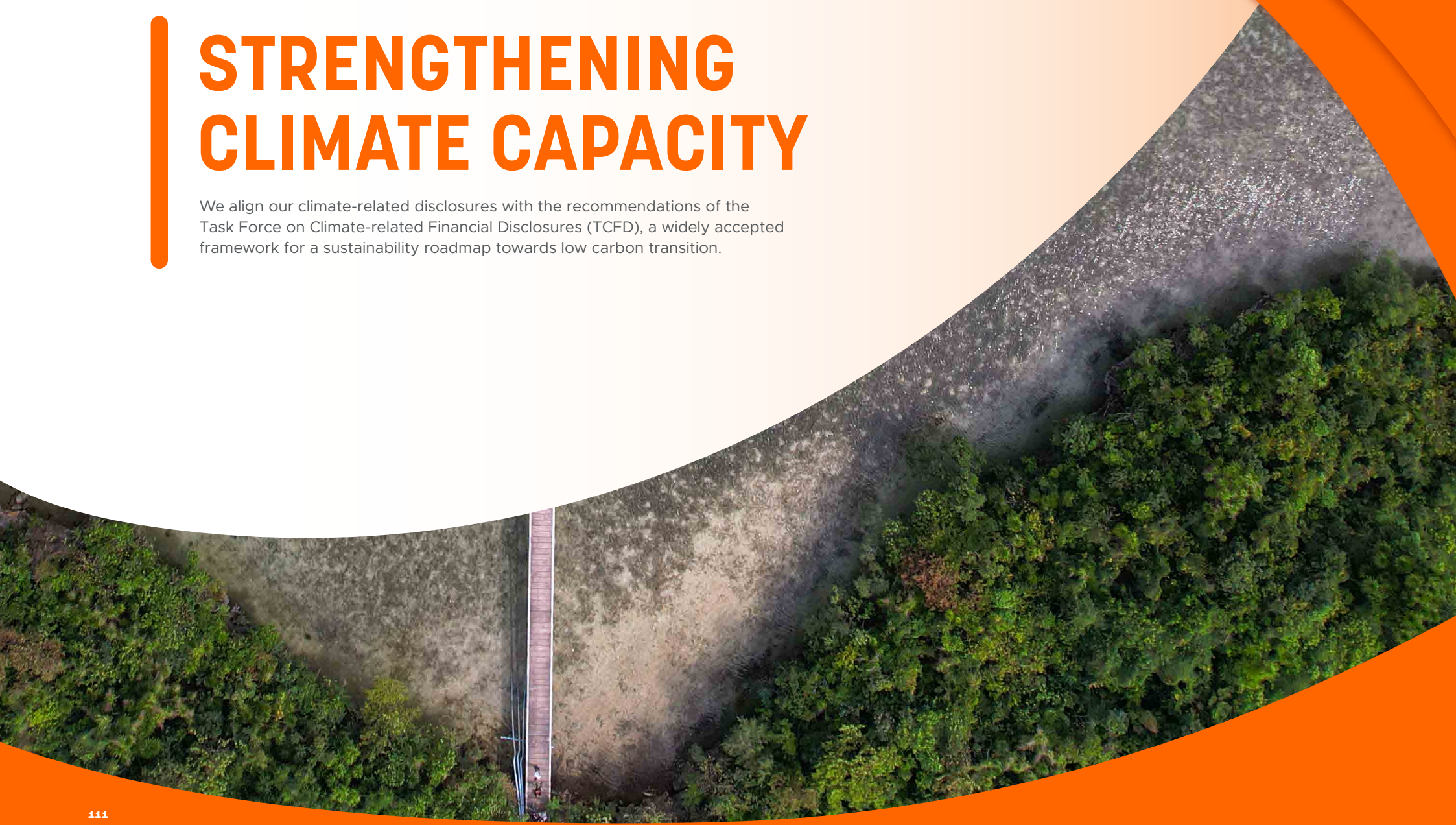
Security personnel with human rights training

212

Training hours on human rights awareness

STRENGTHENING CLIMATE CAPACITY

We align our climate-related disclosures with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a widely accepted framework for a sustainability roadmap towards low carbon transition.



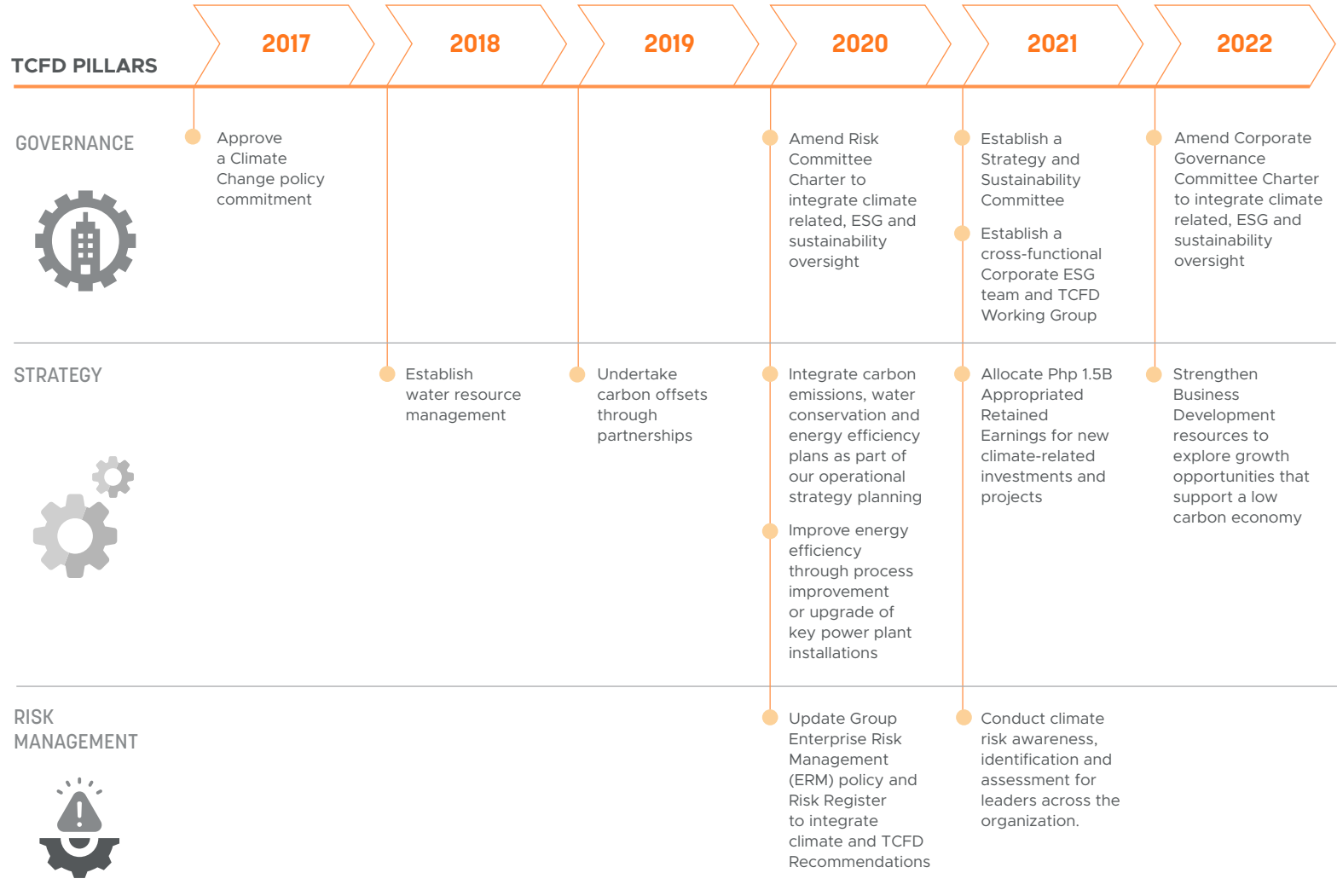


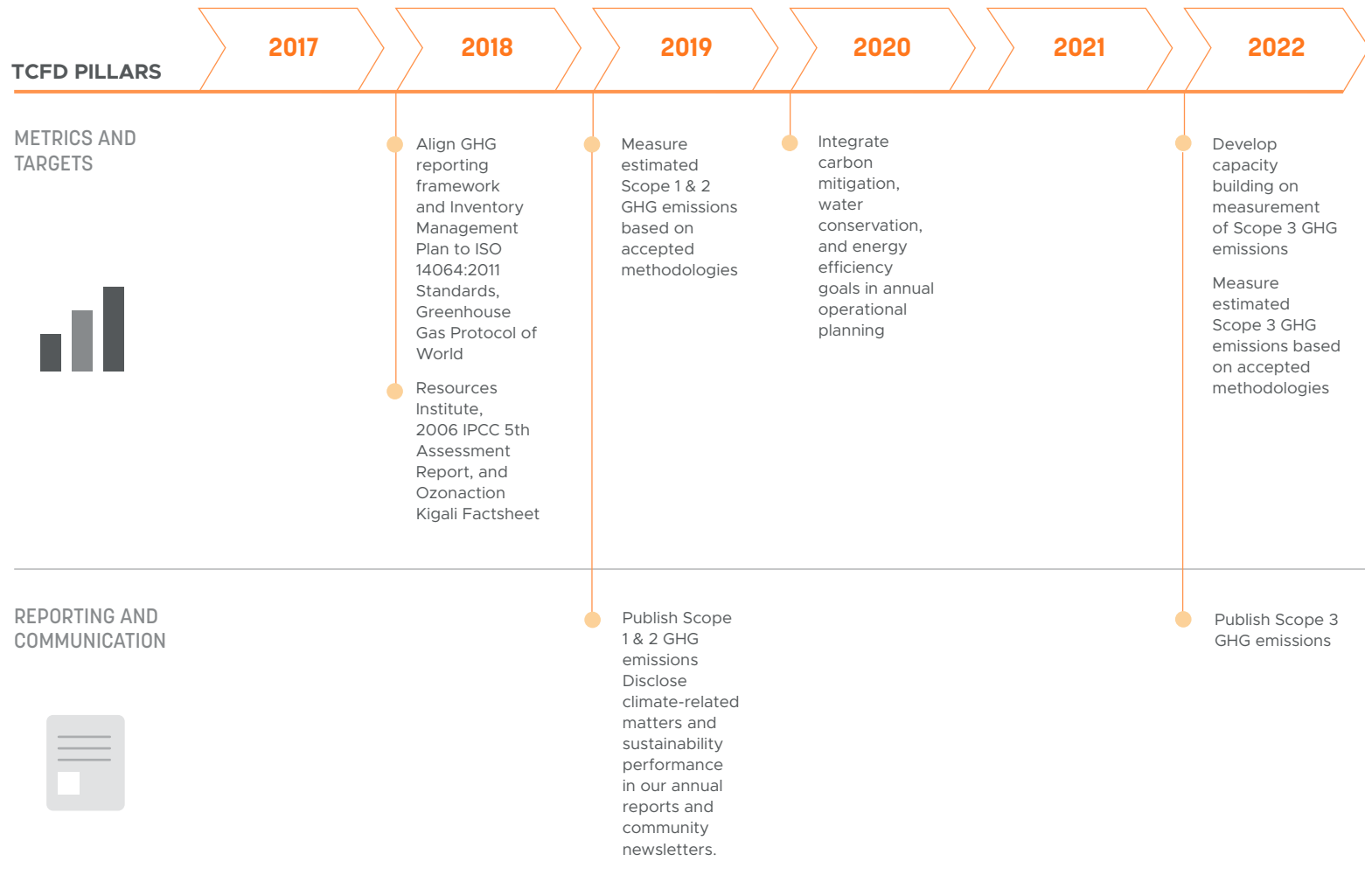
OUR DISCLOSURE REPORTING PROGRESS

2-14, 2-23, 201-2

We are committed to acting on climate change and having a strategy for sustainable development. We strengthen our climate capacity through carbon management and sustainability practices that we incorporate into our governance practices, strategies, risk management, and reporting and communication with stakeholders. We also make use of acceptable metrics to determine our baseline total GHG emissions. We undertake to build our organizational capacity to move forward toward a sustainable, just, and inclusive energy transition.

Our Board’s policy commitment to act on climate change is underpinned by our carbon management practices.





GOVERNANCE

2-13

We have created a Board-level Strategy and Sustainability Committee to assist in setting climate strategies and develop a roadmap for business sustainability. This cross-functional management team shall strengthen our climate governance and 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.

CORPORATE GOVERNANCE COMMITTEE

Oversees and reviews the framework, policies and programs related to ESG. Together with the Management, the Committee also oversees and reviews the company's material ESG metrics, targets and performance.

BOARD

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

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.

AUDIT COMMITTEE

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

MANAGEMENT 2-14

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 Financial Officer

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

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.

Business Development

Explore potential opportunities and partnerships to drive growth and competitive advantage and consider their climate-related impacts to the relevant stakeholders

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



PHP 1.5 B

Retained Earnings Appropriation for Climate Investment

Our current carbon-related and climate action response is focused on mitigation, such as offsets, the adoption of energy-efficient technology, and energy conservation. We strengthen our restoration efforts and management of natural and modified ecosystems included in our nature-based solutions on climate action through active partnerships with different stakeholders. We applied energy-efficient technology in our operations to reduce our carbon emissions coming from electricity consumption.

Our carbon transition roadmap, which will be our long-term plan, is in the research and development phase. Informing this process is our continuous monitoring of new and emerging climate trends and related legislation to assess their impact on business sustainability and future growth. We have improved our GHG accounting capacity and started to determine our Scope 3 emissions which can help us achieve and manage a low carbon performance in all covered scopes of GHG emissions moving forward.

RISK MANAGEMENT

We have embedded our climate-related risk identification and assessment in our Group Enterprise Risk Management (ERM) framework. This process includes integrating identified climate-related risks into our current risk taxonomy, risk categories, and types as well as in our adaptation and business continuity plan.



METRICS AND TARGETS

We measure, monitor, and report our Scope 1, 2 and 3 GHG emissions, water consumption, and energy efficiency. We continue our capacity building and seek potential partnerships to determine our Scope 3 GHG emissions as our immediate step to the development of a carbon transition plan. In 2022, we engaged a third-party professional services firm for the capacity building and baseline accounting of our Scope 3 GHG emissions generated from the upstream and downstream activities.

CLIMATE REPORTING AND COMMUNICATION

We show transparency in disclosing our Scope 1, 2 and 3 GHG emissions and provide complete picture of our organization's carbon footprint in the Environmental section of our annual sustainability report. SMPC has been cited as among the top 10 out of 100 Philippine companies with high ratings in climate-related reporting efforts according to GRI ASEAN's Climate Reporting in ASEAN: State of Corporate Practices 2022 study report.

We regularly communicate our carbon and biodiversity offsets and ESG performance through our analyst briefings, community newsletters, information campaigns, and other communication platforms.

	Basic	Developing	Established	Advanced	Leading
Alignment to acceptable reporting methodology				GHG emission Scopes 1, 2 and 3 are accounted for based on acceptable calculation methods.	
GHG Emission Scope Covered and Reported					GHG emission Scopes 1, 2, and 3 are calculated and reported.
GHG Emission Reporting Strategies		Management defined the responsibility for measuring and managing GHG emission data. Reduction targets are yet to be established.			
Periodic GHG Emission Reporting			GHG emission data is part of the company's annual sustainability report.		

Our analyst and investor briefings, community newsletters, information campaigns, and other communication platforms are channels where we constantly incorporate and communicate our carbon and biodiversity offsets and ESG performance.

We also welcome ESG inquiries in the form of questionnaires from primary stakeholder groups such as investors, lenders, and customers. This allows us to understand specific material information needed by a targeted stakeholder group.



REDEFINING RISK AS OPPORTUNITY

As the Philippines continues to recover from the pandemic, our company plays a vital role in ensuring energy security and sufficiency that will support the returning energy demands of the country's economic activities. Our Enterprise Risk Management (ERM) framework enables us to manage risks to deliver expected outcomes.

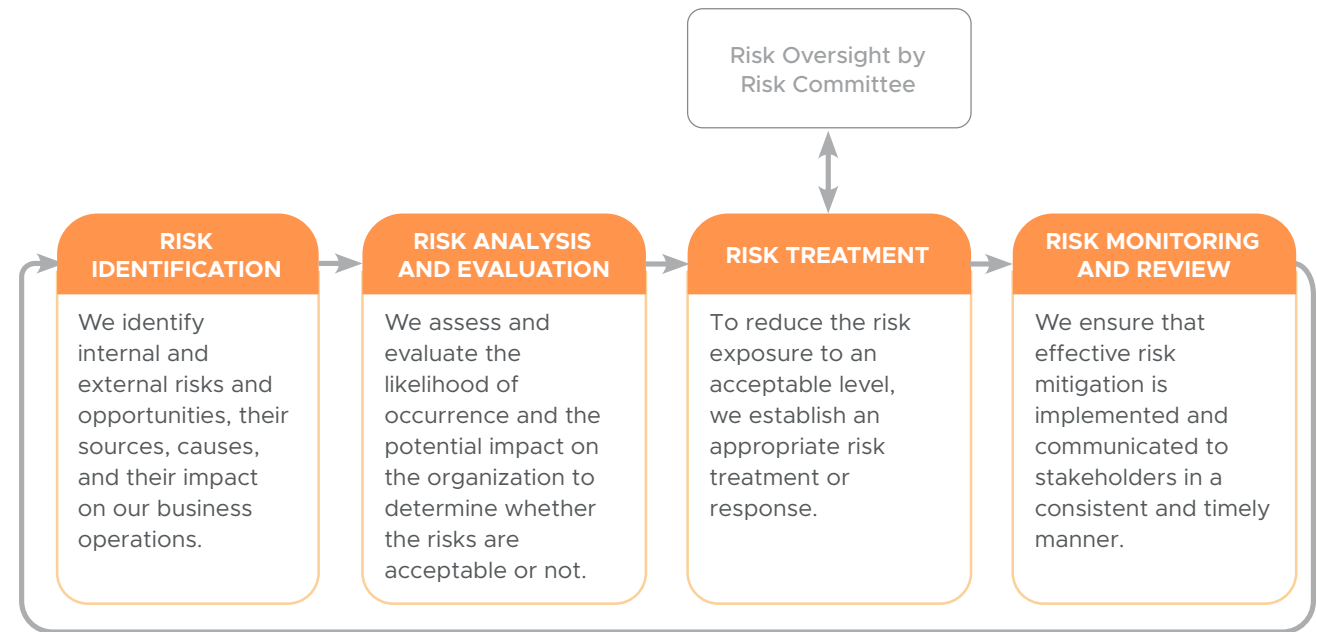


OUR ENTERPRISE RISK MANAGEMENT

2-16

Our framework's focus includes climate risk management, business continuity management, and information and technology risk management. We implement a robust and proactive approach for identifying, assessing, and mitigating these risks and capitalizing on opportunities. These steps ensure that we are prepared to face the challenges ahead of us, making us more agile and responsive.

Our ERM is continuously calibrated through regular review by our Board, Risk Committee, and Management to determine the impact of major risks on our strategies and operations. By prioritizing risk management, we can avoid or mitigate potential losses, maintain stakeholder confidence, and safeguard our position in the industry. We also continue to build organizational capacity by training our people to adapt to emerging risks and trends and implement appropriate risk responses.



RISK GOVERNANCE

Group/Individual Involved	Responsibilities
Board of Directors	Lead our risk governance strategy following definition, analysis, and evaluation
Risk Committee	Oversees the effectiveness of our risk management practices and reports on signification and emerging risks to the Board
Chief Risk Officer	Leads the implementation and continual improvement of the ERM framework.



CLIMATE RISK MANAGEMENT

Our Enterprise Risk Management framework covers climate-related risks. This framework helps us mitigate potential negative impacts of climate-related risks, capitalize on strategic opportunities, and improve our resilience in the face of these risks.

In 2022, we engaged a third party expert to help assess our total greenhouse gas emissions through determining our baseline Scope 3 emissions. This provided us with greater insights into the impact of our upstream and downstream activities, enabling us to design appropriate risk mitigation strategies for the future.





BUSINESS CONTINUITY MANAGEMENT

We continue to strengthen our Business Continuity Management (BCM) program by revising our policies and procedures, streamlining processes, defining roles and responsibilities in our organization, and periodically evaluating the effectiveness of our program.

Our BCP program enables us to mitigate the risks arising from potential disruptive events and natural disasters such as typhoons and earthquakes. We recognize the BCM's critical role in ensuring our ability to sustain operations and meet our commitments to customers and stakeholders. By investing in BCM, we can build confidence among our customers, investors, and stakeholders, ensuring that we are well-prepared to face potential disruptions and emerge stronger from any crisis that may arise.

To strengthen the program, we continued doing risk assessments, and we encouraged more frequent communication and collaboration among the members of the Board and risk management leaders.



INFORMATION TECHNOLOGY RISK MANAGEMENT

Our ERM framework enables us to understand the risk implications of technological advances and innovations. Even though we are slowly transitioning to more face-to-face activities, we ensure that 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. In 2022, there was no successful cyber attack that made an impact on our business.

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 holding training sessions and workshops on cyber threats and attacks and completing professional certifications in cybersecurity. We also conducted an 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.



OUR RISK MANAGEMENT PERFORMANCE IN 2022

2-16

Legend

- 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"> ● Zero fatality ● Reduced non-lost time injury ● Reduced non-lost time accident ● Reduced fire incidents ● Reduced equipment accidents ● Reduced occupational illnesses 	<ul style="list-style-type: none"> ● Proactive hazard identification and risk reduction measures ● Pit safety controls ● Incident management ● Occupational safety and health program ● COVID-19 protocols and vaccination program ● Flexible work arrangement ● Safety culture employee engagement program ● OHS practices in conformance with ISO 45001:2018 	 	
Price Volatility and Supply/ Demand Balance; Power Regulations, Contracting, and Energy Trading	<ul style="list-style-type: none"> ● Financial targets ● Market share (%) 	<ul style="list-style-type: none"> ● Global price index monitoring ● Wholesale Electricity Supply Market (WESM) price monitoring ● Contract management ● Optimization of market opportunities ● Global energy crisis assessment 	●	●
Asset Performance	<ul style="list-style-type: none"> ● Equipment and/or power plant availability, reliability, and utilization ● Power net generation ● Strip ratio ● Cost per metric ton ● Fuel efficiency 	<ul style="list-style-type: none"> ● Coal fleet optimization ● Fuel management (use of low-grade coal) ● Asset management plan ● Equipment condition monitoring and data analytics ● Project management 	●	

KEY BUSINESS RISK	MEASURES	RISK MANAGEMENT	COAL	POWER
Climate-related Risks and Natural Hazards	<ul style="list-style-type: none"> Business continuity and sustainability 	<ul style="list-style-type: none"> Business continuity management Climate risk integration in ERM framework management TCFD pillars and capacity building Acute and chronic physical risk management through production, inventory and supply chain management 		
People & Talent	<ul style="list-style-type: none"> Retention rate Implemented succession plan 	<ul style="list-style-type: none"> Talent management and retention program Succession management Calibrated learning and development program 		
Regulatory and Reputational	<ul style="list-style-type: none"> Full compliance SMART impacts of social development projects 	<ul style="list-style-type: none"> Impact assessment and implementation of new or emerging rules and regulations Compliance monitoring and reporting system Proactive community engagement and relations program Information, Education, and Communication (IEC) program Partnerships with community and people groups 		
Procurement & Inventory Management	<ul style="list-style-type: none"> On-time delivery Availability of critical parts/spares 	<ul style="list-style-type: none"> Supply chain management Streamlining delivery process 		
Information Technology	<ul style="list-style-type: none"> Zero disruption of IT services 	<ul style="list-style-type: none"> Disaster recovery plan Incident response management Continual enhancement of IT security solutions and upgraded network infrastructure Upgraded or new operational technologies and systems 		

CHAMPIONING GOOD GOVERNANCE

We uphold our responsibility to be accountable, transparent, and fair in our processes. Using our governance systems, we do our best to make sustainable decisions while keeping the interests of our stakeholders and shareholders in mind.



A MODEL FOR GOOD GOVERNANCE

The ASEAN Capital Markets Forum's ACGS evaluates the corporate governance of publicly listed companies (PLCs) in the six ASEAN member countries, including the Philippines. Since 2015, we have been included in the list of the Top 100 Philippine PLCs.

In 2022, SMPC and parent DMCI Holdings, Inc. landed in the Bloomberg Gender Equality Index (GEI), for the third year straight. This GEI tracks the performance of public companies committed to transparency in reporting on gender-related topics. The GEI regularly evaluates 418 companies from 45 nations and regions, and its criteria include female leadership, participation, and inclusive company policy.

SMPC BAGGED FOUR AWARDS IN THE SEA INVESTOR POLL; AMONG THE EIGHT BEST-MANAGED COMPANIES IN PH

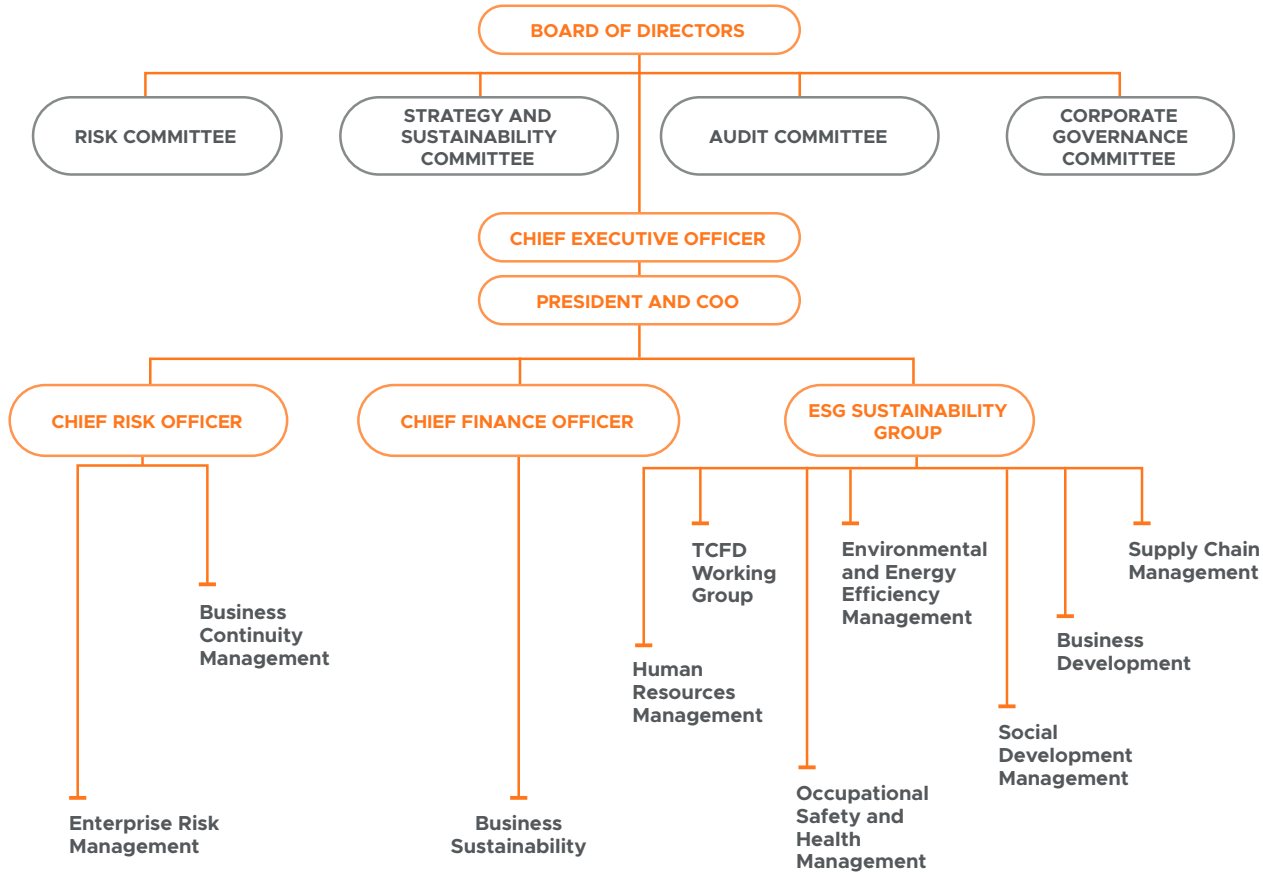
SMPC bagged four awards during the 12th Institutional Investor Corporate Awards 2022, emerging as one of the best-managed companies in the Philippines. Awards included Most Organized Investor Relations (3rd place), Best Senior Management Investor Relations Support (2nd place), Most Consistent Dividend Policy (3rd place), and Most Improved Investor Relations (sole winner).

The awards are given by the Hong Kong-based Alpha Southeast Asia magazine. They are based on a poll of over 500 investors and analysts across Southeast Asia, the United States, and Europe.



OUR GOVERNANCE AND SUSTAINABILITY STRUCTURE

2-9



Our Board’s governance structure follows the ACGS’ standards, international good governance practices, and the SEC’s corporate governance guidelines, including the SEC Corporate Governance Code for Publicly Listed Companies. These standards also help us to uphold transparency and accountability. The framework also gives us clear responsibilities that guide us in achieving our goals for sustainable development and being mindful of our environmental, social, and governance-related impacts.





OUR PRINCIPLES OF CORPORATE GOVERNANCE

2-9, 2-12

RESPONSIBILITIES OF THE BOARD

1. To foster the organization's long-term success while adhering to its corporate objectives and the best interests of its shareholders and other stakeholders.
2. To make the Board's fiduciary roles, responsibilities, and accountabilities known to all Directors, shareholders, and other stakeholders.
3. To perform its functions effectively with the help of Board Committees.
4. To ensure that Directors devote the time and attention necessary to successfully perform their duties and responsibilities.
5. To exercise objective and independent judgment.
6. To maintain its effectiveness through a regular appraisal process.
7. To uphold high ethical standards in the interests of all stakeholders.

DISCLOSURE AND TRANSPARENCY

8. To put in place corporate disclosure policies and procedures that comply with best practices and regulatory expectations.
9. To establish appropriate processes for selecting and appointing an external auditor and effectively overseeing the auditor's independence and audit quality.
10. To disclose material and reportable non-financial and sustainability issues.
11. To maintain a comprehensive, cost-efficient channel for communicating relevant information that would aid the decision-making of investors, stakeholders, and other interested parties.

STRONG INTERNAL CONTROLS AND RISK ENTERPRISE MANAGEMENT

12. To maintain a strong, effective internal control system and enterprise risk management framework that is committed to integrity, transparency, and proper governance.

STAKEHOLDER RELATIONS

13. To treat all shareholders fairly and equitably.
14. To respect stakeholders' rights, including those established by law, contractual relations, and voluntary commitments. If stakeholders' rights and interests are at stake, they should promptly be given effective redress for the violation of their rights.
15. To establish a mechanism for employee participation that will uphold a synergistic work environment, be in line with the Company's goals, and provide opportunities to participate in the Company's corporate governance processes.
16. To be socially responsible in its dealings with its host communities. The Company should ensure that all its interactions serve its environment and stakeholders positively.

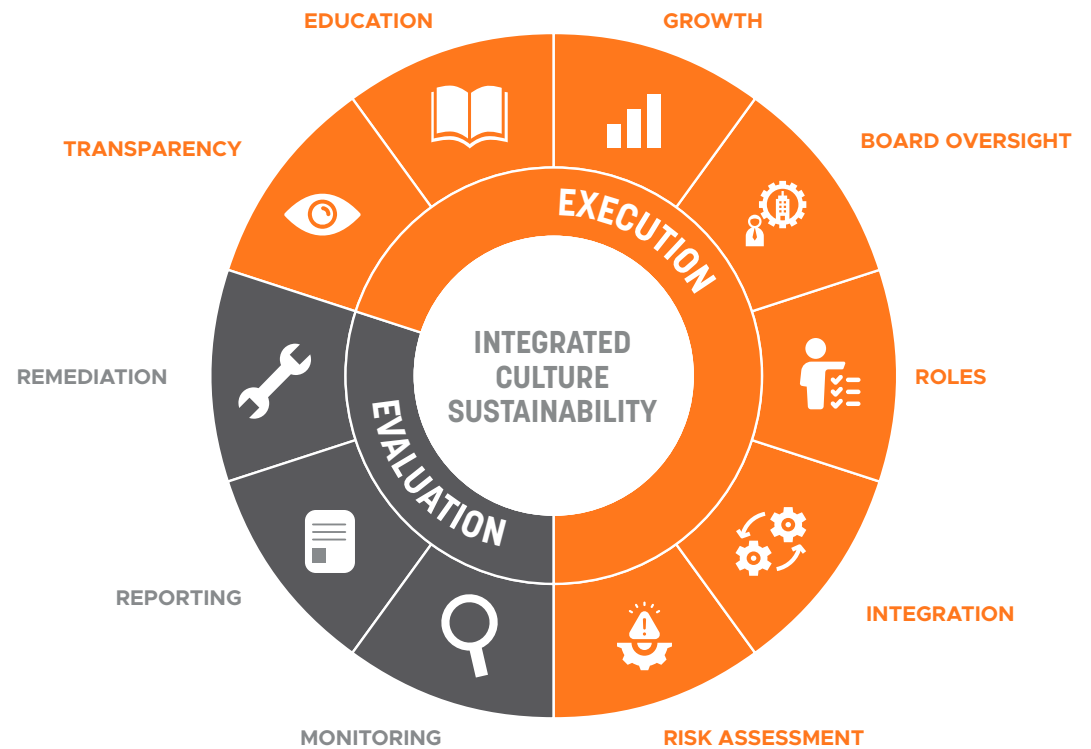
Note: For a more detailed picture of our policies, you can read our Manual on Corporate Governance and Code of Conduct and Business Ethics at http://www.semiraramining.com/corporate_governance.



Our Integrated Enterprise Governance, Risk, and Compliance (GRC) framework provides us with guidelines for sustainable and holistic management practices. By using this framework, we addressed challenges involving calculated internal controls, assessment, and independent evaluation. The Board of Directors and every member of the organization are continually guided by this framework and our references for good governance, such as our Manual on Corporate Governance and Code of Conduct and Business Ethics. In 2022, we fully complied with our Manual on Corporate Governance.

We are also an institutional member of the Shareholders' Association of the Philippines Inc. (SharePHIL), which supports investor education, shareholder activism, and the protection of shareholders' rights.

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



LEADERSHIP

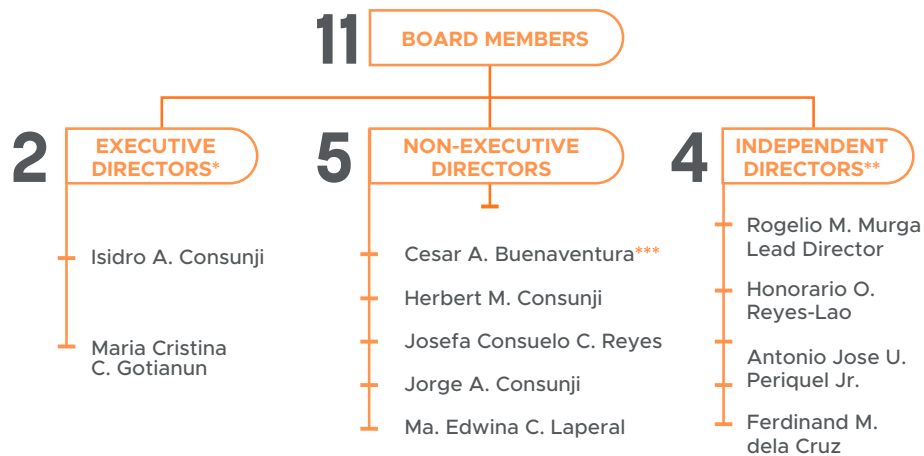
BOARD OF DIRECTORS

2-9

BOARD COMPOSITION

Our Board of Directors includes accomplished professionals that are prominent in a diverse range of fields that are relevant to SMPC, including coal energy industries, finance, risk management, government service, and business operations, among others. This creates a varied mix of perspectives and skills that is conducive to effective, fair, and sustainable decision-making.

The Independent Directors complement the Board and strengthen SMPC's corporate governance through their experience, expertise, and objective judgment.



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

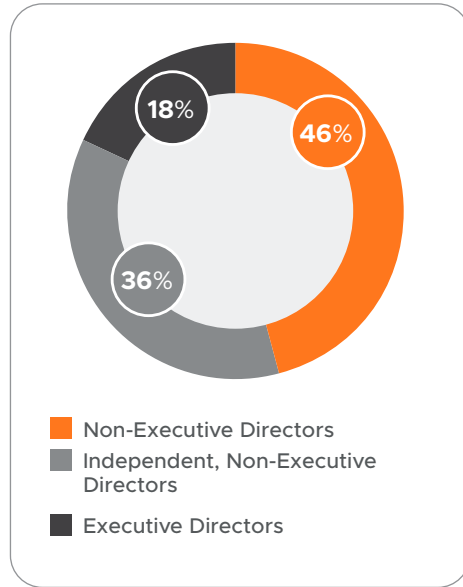
**An Independent Director can be elected to only five companies within the DMCI Group conglomerate.

***In 2022, our Non-Executive Director, Cesar A. Buenaventura held more than five directorships in publicly listed companies. His concurrent directorships have not affected his ability to effectively carry out his roles and responsibilities.

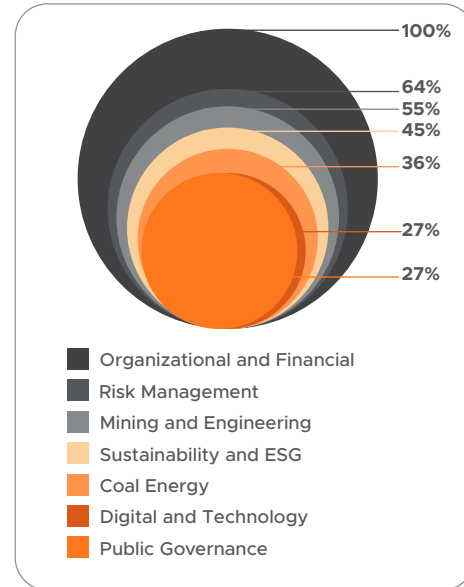


BOARD DIVERSITY

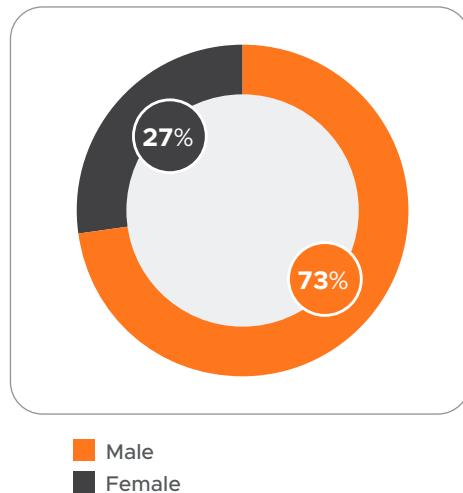
By Independence



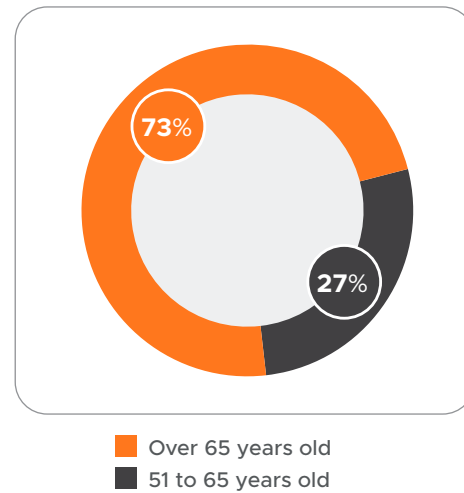
By Expertise



By Gender



By Age



NOMINATION AND SELECTION

2-10

When there are vacancies, the Corporate Governance Committee nominates Directors to the Board. Afterwards, the Board assesses these candidates to see how well their knowledge, competencies, experience, and skills align with the Company’s goals. The Board also checks whether nominees have any conflicts of interest. The election or re-election of Directors takes place during 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 2022, 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.

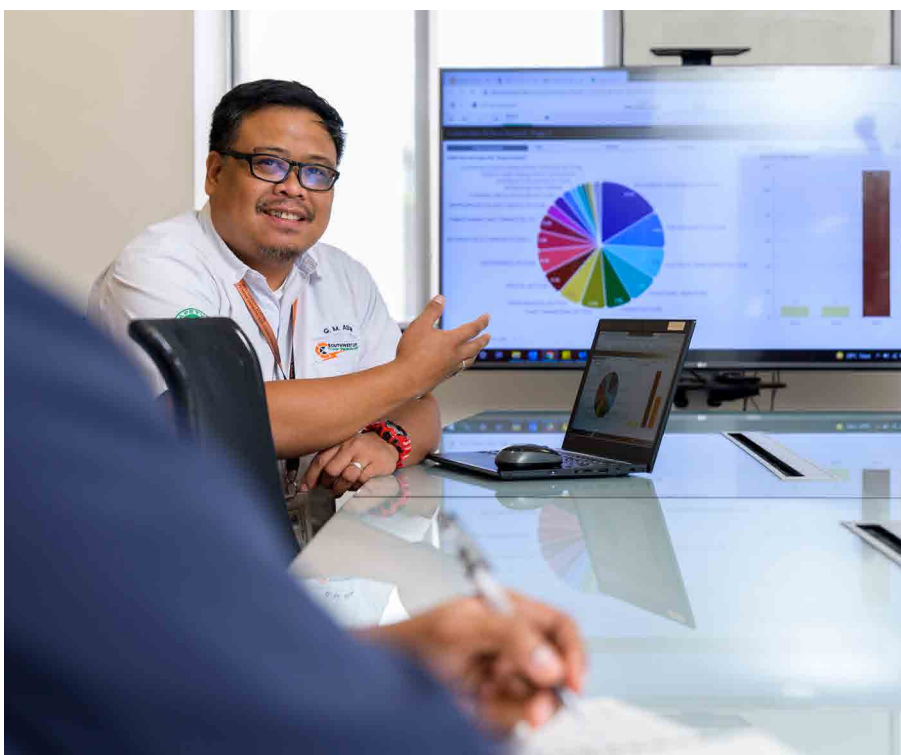
Our non-executive directors held a meeting on October 28, 2022, without the presence of our executive directors. The discussion focused on corporate sustainability, green energy towards zero carbon, and cleaner energy production.

PERFORMANCE AND EVALUATION

2-17, 2-18

As the highest governing body of the company, the Board is responsible for ensuring that it performs its corporate governance duties effectively. This is why SMPC provides a Director Development Program to enhance the skills and competencies of its Board members. We also provide new Directors with an orientation about the company's financial, operational, and management components.

There are also evaluation processes for the Board. During the annual Board Performance Assessment, the Board of Directors' individual members and committees are evaluated. The results of these evaluations are then examined by the Corporate Governance Committee, which created improvement plans along with the rest of the Board. The Board's 2022 performance evaluations were facilitated by the Corporate Governance and Compliance Manager.



REMUNERATION

2-19, 2-20, 2-21

During the ASM, the Board of Directors' remuneration and changes are reviewed and approved.

Remuneration for members of the Board currently includes a yearly retainer fee, per diem, and allowance reimbursements. Executive Directors may also be given a short-term cash incentive when needed. Our Board Charter on Good Governance Guidelines prohibits personal loans or extensions of credits to Directors unless these have been approved by the Board.

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
Fixed Retainer Fee PHP240,000 per annum*	Fixed Retainer Fee PHP150,000/month (or PHP1,800,000/ annum**)
Fixed Meeting Per Diem PHP20,000 per Committee Meeting attended*	Fixed Meeting Per Diem PHP20,000 per Committee Meeting attended*

*Date of Shareholder approval – May 4, 2009

**Date of Shareholder approval – May 4, 2015

SUCCESSION PLANNING

2-17, 2-18

Through our leadership program, we prepare, train, and develop promising candidates for positions of higher responsibility. We also have an Executive Succession Plan that lays out the steps for succession for key positions at the company, ensuring that these positions will always be filled.

BOARD COMMITTEES

2-9

CORPORATE GOVERNANCE COMMITTEE

Members

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

Main Oversight

- Nomination, 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
- ESG strategy, framework, programs, and performance
- Corporate governance

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

AUDIT COMMITTEE

Members

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

Main Oversight

- Financial reporting process and integrity of the company's 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.

RISK COMMITTEE

Members

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

STRATEGY AND SUSTAINABILITY COMMITTEE

Members

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

We take our responsibility to monitor our operations as a power and mining company seriously, and our standards for self-monitoring follow industry best practices.

INTERNAL AUDITS

Internal auditors conduct regular surveillance audits to ensure enterprise-wide compliance.

In 2022, our internal audit function is assessed by PwC Philippines as generally conforming to the International Standards for Professional Practice of Internal Auditing and its Code of Ethics.

INTERNAL MONITORING

Each month, our Environmental Unit teams up with concerned groups to evaluate our environmental activities and see where we can improve.

EXTERNAL AUDITS

We regularly invite external assurance parties and local regulators to assess our compliance with government regulations, industry guidelines, and internationally recognized standards.

MULTI-SECTORAL MONITORING

Every quarter, a Multi-partite Monitoring Team (MMT) oversees and evaluates the Company's compliance with ECC conditions, applicable laws, rules, and regulations. The MMT is made up of government representatives and relevant stakeholder groups.

COMPLIANCE WITH PHILIPPINE REGULATIONS

We work closely with the Department of Energy (DOE) and regulators to ensure that our policies and processes comply with applicable laws and standards. We also follow the measures and conditions outlined in our Environmental Compliance Certificate (ECC) issued by the Philippine Department of Environment and Natural Resources (DENR).

CONFORMANCE TO GLOBAL SAFETY STANDARDS AND SUSTAINABLE BEST PRACTICES ⁴⁰³⁻⁸

For the past fourteen years, our Coal operations have been ISO-certified for Quality, Environment, and OHS management systems, and we maintained these certifications in 2022. Our Power subsidiaries, SEM-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC), continue to be ISO 45001:2018-certified in 2022. Over the past six years, SCPC and SLPGC also continued to follow international standards on Quality and Environmental management systems.

COMMUNICATING BEYOND COMPLIANCE

We aim to be a standard bearer for reporting and transparency in our industry. SEC and PSE rules guide us in communicating our activities in a comprehensive and timely manner. This allows us to share our progress with our stakeholders effectively. We also hold our reporting practices to international standards and constantly look for ways to go beyond what is required.

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

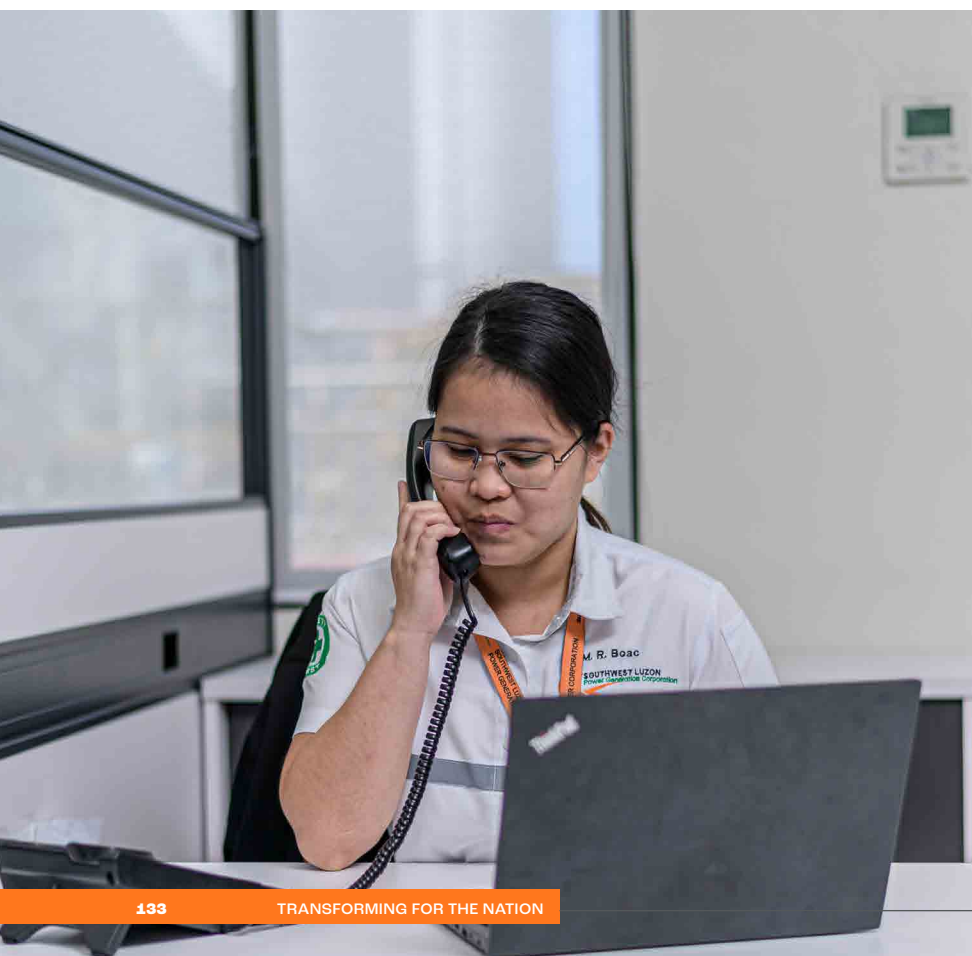


INVESTOR RELATIONS

Our Parent, DMCI Holdings, Inc.'s (DMC), handles our Investor Relations (IR) through its group-wide IR function. This ensures that it has an efficient and cohesive approach to IR.

For IR-related concerns, you may contact the following:

- Email: Investor_Relations@semirarampc.com
- Telephone Number: +632 8888-3000



INVESTOR ENGAGEMENT PLATFORMS

Annual Shareholders' Meeting

May 2, 2022

Analyst-Media Briefings (Virtual Meetings)

Q4/FY 2021 Earnings Call Briefing
February 28, 2022

Q1 2022 Earnings Call Briefing
May 10, 2022

Q2/H1 2022 Earnings Call Briefing
August 4, 2022

Q3/9M 2022 Earnings Call Briefing
November 2, 2022

Local Investor Conference

CLSA Philippines Investors Call
June 6, 2022

**Maybank Securities Invest ASEAN
2022 Philippine Week**
August 5, 2022

**Philippine Stock Exchange
Strengthening Access and Reach
(STAR) Investor Day**
August 16, 2022

**Jefferies and Regis Partners
Corporate Access**
November 22, 2022

EQUITABLE TREATMENT OF SHAREHOLDERS

Our Principles of Corporate Governance guarantee equal treatment for minority and foreign owners, including basic shareholder rights protection. These principles also safeguard minority shareholders from principal risks posed by controlling shareholders.

ONE COMMON SHARE
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’ rights 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 major 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

SMPC holds its Annual Stockholders’ Meeting (ASM) on the first Monday of May. The ASM fosters engagement and transparency between the Board and shareholders. During the meeting, Board members discuss the Company’s present status and relevant areas of concern with partners and investors.

To minimize physical contact and lessen COVID-19 exposure, the SEC allowed the Board to hold the ASM online in 2022. Shareholders virtually attended the ASM on May 2, 2022. We followed health protocols and standards to ensure shareholder safety during the meeting.

The Chairman of the Board and Chief Executive Officer, President and Chief Operating Officer, Chief Finance Officer, Board Directors, Corporate Secretary, Investor Relations Officer, other key officers, and the external auditor, SGV & Co. attended the 2022 ASM to answer any potential shareholder questions.

AGENDA OF THE MEETING

- Approval of the minutes of the previous year’s ASM held on May 3, 2021, and rationale thereof
- Approval of Management Report for 2021, and rationale thereof
- Ratification of the acts of the Board and Management in 2021 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

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

We adopted the following procedures for the virtual 2022 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.

DISCLOSURE

The SEC and PSE published the outcomes of shareholder voting (approving, disapproving, or abstaining) for all resolutions within five working days. This information was also published on the Company's website on the day of disclosure. We uploaded the minutes of the 2022 ASM to our website within the prescribed five days following the ASM. The minutes include the attendance of Board Directors, officer attendance, and the Certification of Quorum.

SHAREHOLDERS PARTICIPATION

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

DECISION-MAKING

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





OUR DUTIES TO STAKEHOLDERS

2-24, 2-26

CODE OF CONDUCT

We have policies and programs that enhance our capacity to respect, protect, and uphold human rights in the workplace and in our host communities. These include our Code of Conduct and Business Ethics, community relations program, and OSH stakeholder policies. We also have policies on anti-harassment, anti-discrimination, child labor, forced labor, environmental stewardship, employee compensation, and employee benefits.

To improve our knowledge of human rights issues, we held internal training sessions and participated in forums organized by stakeholders outside of the company. We also expect our suppliers and business partners to follow responsible supply chain management and corporate citizenship principles. We have also formalized our Expectations of Suppliers, Contractors, and Business Partners, and it covers topics such as human rights and fair play. We have a right to cease cooperation or business agreements with partners who fail to meet our expectations or refuse to make amends for cases of non-compliance.

<p>Code of Conduct and Business Ethics</p>	<p>Policies, soft controls, and assurance procedures that promote openness, integrity, and accountability within the organization.</p>
<p>Alternative Dispute Resolution Policy</p>	<p>Alternative dispute resolution processes for settling corporate governance disputes and shareholder/stakeholder differences.</p>
<p>Whistleblowing and Hotline Reporting Mechanisms 2-25</p>	<p>Secure reporting venues for stakeholders to raise valid complaints and confidential concerns about topics such as fraud, human rights, and questionable and unethical transactions.</p>
<p>Gift and Entertainment Policy</p>	<p>Prohibition for employees receiving gifts, benefits, or interest from suppliers, customers, or business partners that could reasonably be interpreted as inducing favoritism over others.</p>
<p>Conflict of Interest Policy 2-15</p>	<p>Directors, officers, and employees are required to submit a single-transaction disclosure statement of indirect financial interest in a contract or purchase proposed to be entered into by the Company.</p>
<p>Anti-Corruption Policy</p>	<p>Prohibition of all forms of bribery and corruption that breach any applicable law as these could cause market distortions and curtail economic, social, and political development in the country.</p>

HOW WE CARE FOR OUR STAKEHOLDERS

2-25

EMPLOYEES

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

We have policies and programs geared towards enhancing employee growth, health, and well-being. Our employees are given many opportunities to develop their technical and soft skills, and we have measures in place for workplace safety.

SUPPLIERS AND CONTRACTORS

- Supplier and Contractor Policy

We are committed to meeting our contractual responsibilities to our suppliers and contractors. We also ensure that our business partnerships are sustainable through sustainability accreditation for partners, monitoring procurement procedures, and our review and selection process for suppliers.

GOVERNMENT

- Integrated Management Policy

Government agencies are our regulators and development partners. We nurture our relationships with them through continual engagement and meeting obligations to them. Following government regulations and our integrated management approach also ensures that we remain transparent and collaborative.

CUSTOMERS

- Customer Welfare Policy

We have a number of policies and guidelines for our customers. Our Customer Welfare Policy ensures that our customers have a right to receive high-quality service and access information pertinent to them. SMPC's Code of Conduct and the principle of responsible marketing also have guidelines on safeguarding customers' personal information against illegal and unethical use. We also practice transparency through our nominations and declarations process, and we have processes for handling complaints about our services in case they occur.

CREDITORS AND BUSINESS PARTNERS

- Safeguarding Creditors' Rights Policy

We are committed to meeting our obligations to our creditors and business partners on time. To ensure that we repay all our debts, we have operational and fiscal management measures in place to keep our finances stable. We also protect our creditors through the confidentiality of proprietary non-public information and our policy on fair transactions.

COMMUNITIES AND ENVIRONMENT

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

We have committed to improving the quality of life of our host communities hand-in-hand with them. Our social development and environmental stewardship programs increase their access to education, livelihood opportunities, and healthy ecosystems, among others.

We are open to hearing about any concerns from our host communities about the impact of our operations. To fulfill our duty as stewards of our surrounding environment, we also have rehabilitation and reforestation programs for the local ecosystem.





TRANSACTION POLICIES

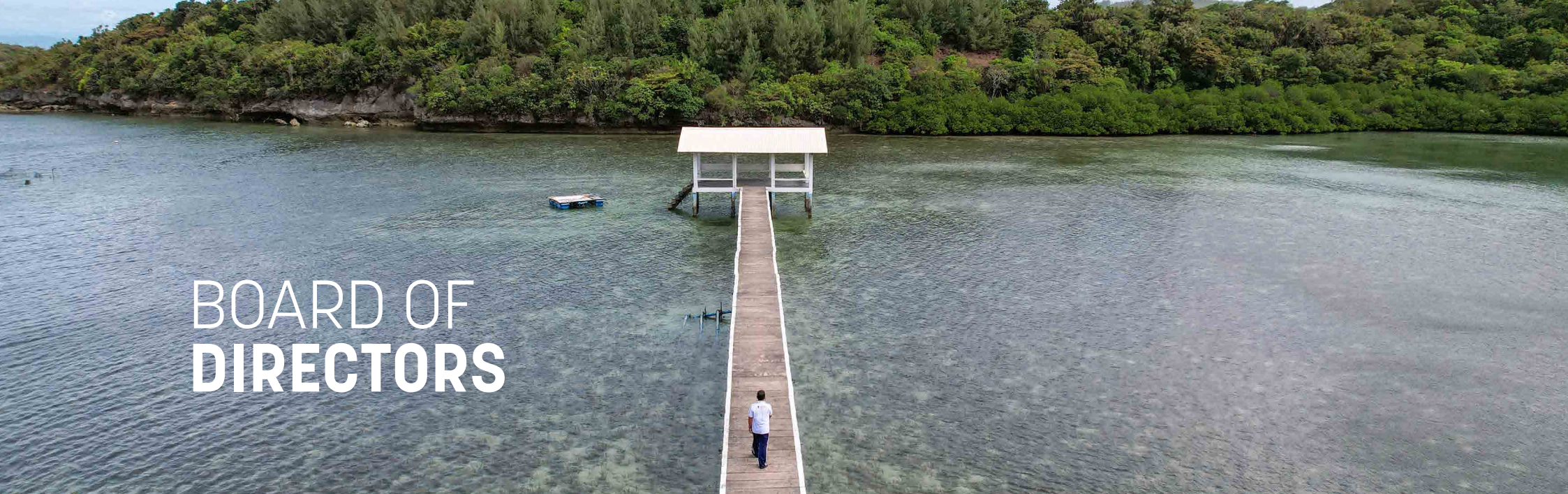
2-15

We sustain healthy business practices through regulated, ethical transactions. The following policies demonstrate our unwavering commitment to excellent corporate behavior.

	COVERAGE	2022 COMPLIANCE
Policy on Insider Trading	<ul style="list-style-type: none"> Prohibits insider trading among Directors, officers, and employees Requires prior Stock-Trading reporting protocol for Directors and requires officers to notify the Legal Department 	There was no insider trading case violation reported.
Related Party Transactions (RPT) Policy	<ul style="list-style-type: none"> Requires Directors, officers, and key management personnel to notify the Audit Committee or Corporate Counsel of an immediate family members' past, present, or potential RPT Requires Independent Director's review of material RPTs 	All actual RPTs were conducted in arms-length terms.
Material Related Party Transactions Policy	<ul style="list-style-type: none"> 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 	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, 74

*Filipino, Executive Director
Chairman and Chief Executive Officer
2022 Risk Committee, Member
2022 Strategy and Sustainability Committee, Member*

BOARD APPOINTMENT

First appointment as Chairman
November 2014
First appointment as a director
May 2001
Last re-election as a director
May 2, 2022

PRESENT DIRECTORSHIP IN LISTED COMPANIES

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

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 School, Barcelona, Spain

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, 68

*Filipino, Executive Director
President and Chief Operating Officer
2022 Risk Committee, Member
2022 Strategy and Sustainability Committee, Member*

BOARD APPOINTMENT

First appointment as a director
May 2006

Date of last re-election as a director
May 2, 2022

PRESENT DIRECTORSHIP IN LISTED COMPANIES

DMCI Holdings, Inc.
(within Company Group)

EDUCATION

BS Business Economics
University of the Philippines Diliman

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



CESAR A. BUENAVENTURA, 93

*Filipino, Non-Executive Director
2022 Strategy and Sustainability Committee, Member*

BOARD APPOINTMENT

First appointment as a director
May 2001

Date of last re-election as a director
May 2, 2022

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

EDUCATION

BS Civil Engineering
University of the Philippines

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

OTHER DIRECTORSHIPS WITHIN COMPANY GROUP

DM Consunji, Inc.



JORGE A. CONSUNJI, 71

Filipino, Non-Executive Director

BOARD APPOINTMENT

First appointment as a director
May 2001

Date of last re-election as a director
May 2, 2022

PRESENT DIRECTORSHIP IN LISTED COMPANIES

DMCI Holdings, Inc.
(within Company Group)

EDUCATION

BS Industrial Management Engineering
De La Salle University, Manila

Top Management Program
Asian Institute of Management

Advanced Management Program Seminar
University of Asia and the Pacific

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



HERBERT M. CONSUNJI, 70

Filipino, Non-Executive Director

BOARD APPOINTMENT

First appointment as a director
May 2001

Date of last re-election as a director
May 2, 2022

PRESENT DIRECTORSHIP IN LISTED COMPANIES

Nil

EDUCATION

BS Commerce, Major in Accounting
De La Salle University

Top Management Program
Asian Institute of Management

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.



MA. EDWINA C. LAPERAL, 61

Filipino, Non-Executive Director

BOARD APPOINTMENT

First appointment as a director
May 2007

Date of last re-election as a director
May 2, 2022

PRESENT DIRECTORSHIP IN LISTED COMPANIES

DMCI Holdings, Inc.
(within Company Group)

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

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



JOSEFA CONSUELO C. REYES, 75

Filipino, Non-Executive Director

BOARD APPOINTMENT

First appointment as a director
March 2015

Date of last re-election as a director
May 2, 2022

PRESENT DIRECTORSHIP IN LISTED COMPANIES

Nil

EDUCATION

AB Economics
University of British Columbia,
Vancouver, Canada

Strategic Business Economics Program
University of Asia and the Pacific

OTHER DIRECTORSHIPS WITHIN COMPANY GROUP

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



FERDINAND M. DELA CRUZ, 56

*Filipino, Independent Director
2022 Audit Committee, Member
2022 Corporate Governance Committee, Member
2022 Risk Committee, Member
2022 Strategy and Sustainability Committee, Member*

BOARD APPOINTMENT

First appointment as a director

May 2021

Date of last re-election as a director

May 2, 2022

PRESENT DIRECTORSHIP IN LISTED COMPANIES

Nil

EDUCATION

Advanced Management Program
Harvard Business School

BS Mechanical Engineering (Cum Laude)
University of the Philippines

OTHER DIRECTORSHIPS WITHIN COMPANY GROUP

Nil



ROGELIO M. MURGA, 88

*Filipino, Lead Independent Director
2022 Risk Committee, Chair
2022 Corporate Governance Committee, Member*

BOARD APPOINTMENT

First appointment as a director

November 2014

Date of last re-election as a director

May 2, 2022

PRESENT DIRECTORSHIP IN LISTED COMPANIES

Nil

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)

OTHER DIRECTORSHIPS WITHIN COMPANY GROUP

SEM-Calaca Power Corporation
(Independent Director)

Southwest Luzon Power Generation Corporation (Independent Director)



HONORIO O. REYES-LAO, 78

*Filipino, Independent Director,
2022 Corporate Governance Committee, Chair
2022 Audit Committee, Member
2022 Strategy and Sustainability Committee, Member
2022 Risk Committee, Member*

BOARD APPOINTMENT

First appointment as a director
May 2017

Date of last re-election as a director
May 2, 2022

PRESENT DIRECTORSHIP IN LISTED COMPANIES

Philippine Business Bank

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

OTHER DIRECTORSHIPS WITHIN COMPANY GROUP

DMCI Project Developers, Inc.
(Independent Director)

SEM-Calaca Power Corporation
(Independent Director)

Southwest Luzon Power Generation Corporation
(Independent Director)



ANTONIO JOSE U. PERIQUET, JR., 62

*Filipino, Independent Director
2022 Audit Committee, Chair
2022 Strategy and Sustainability Committee, Chair*

BOARD APPOINTMENT

First appointment as a director
August 2019

Date of last re-election as a director
May 2, 2022

PRESENT DIRECTORSHIP IN LISTED COMPANIES

Ayala Corporation

Max's Group of Companies
Philippine Seven Corporation
Universal Robina Corporation

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

OTHER DIRECTORSHIPS WITHIN COMPANY GROUP

SEM-Calaca Power Corporation
(Independent Director)

Southwest Luzon Power Generation
Corporation (Independent Director)

KEY OFFICERS

2-11



ISIDRO A. CONSUNJI

Chairman Of The Board
Chief Executive Officer



**MARIA CRISTINA
C. GOTIANUN**

President
Chief Operating Officer



RUBEN P. LOZADA

Vice President,
Mining Operations and
Resident Manager



CHARLIE V. ROBLES

Vice President and Power
Complex Manager
**Effective December 16, 2022*



DENEL C. MATEO

Former Vice President and
Power Complex Manager
**Retired December 15, 2022*



JUNALINA S. TABOR

Senior Vice President,
Chief Risk, Compliance
and Performance Officer



**CARLA CRISTINA
T. LEVINA**

Vice President and
Chief Finance Officer



**JOSE ANTHONY
T. VILLANUEVA**

Vice President,
Marketing For Coal



**ANDREO O.
ESTRELLADO**

Vice President,
Power Market
and Commercial
Operations



**ATTY. JOHN R.
SADULLO**

Vice President,
Legal, Corporate
Secretary & Counsel;
and Corporate
Information Officer

OUR FINANCIAL STATEMENTS



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of SEMIRARA MINING AND POWER CORPORATION ("the Company") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2022 and 2021, 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 27th day of February 2023.


ISIDRO A. CONSUNJI
Chairman 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 27, 2023


ISIDRO A. CONSUNJI
Chairman 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, 2022

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.

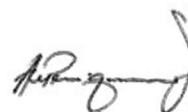
In 2022, the Audit Committee accomplished the following in compliance with its Charter:

1. The members of the Audit Committee are composed of three (3) Board members, all are Independent Directors.
2. The Chairman of the Audit Committee is an Independent Director.
3. The Committee had six (6) full Committee meetings on February 3, February 22, May 6, August 2, September 20, and October 28, 2022, which included a private session with the external audit SGV Partner on February 22, 2022.
4. Recommended to the Board the reappointment of SGV & Co. as external auditor in 2022 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 2022 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, 2022, 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 on September 20, 2022 the specific areas of concerns and challenges regarding compliance requirements.

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 2021 annual report and results of assurance engagement work done during the period.
14. Reviewed and approved IA’s 2022 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 Internal Audit Head’s performance for improvement and effectiveness; and noted the 2022 Attestation of Internal Controls and Compliance and IA’s 2022 Organizational Confirmation Independence.
17. Discussed the results of the external quality assessment of the internal audit functions to evaluate if it conformed with International Standards for Professional Practice of Internal Auditing and Code of Ethics.
18. 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.
19. Exercised oversight and review of Management’s governance and compliance issues and updates with potential financial impact.
20. Conducted a self-assessment of the Committee’s performance based on SEC’s Guidelines on Audit Committee’s effectiveness and disclosed such assessment results.
21. The Committee Chairman and members attended the virtual Annual Stockholders’ Meeting on May 2, 2022.

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, 2022 in the Company’s Annual Report to the Shareholders and for filing with the Securities and Exchange Commission.

February 27, 2023



ANTONIO JOSÉ U. PERIQUET, JR.

Audit Committee Chairperson

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and 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, 2022 and 2021, 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, 2022, 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2022 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 amounting to ₱285.95 million as of December 31, 2022 for the open pit mines of its coal mining activities. This matter is important to our audit because 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 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 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 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 and actual charges to billings, invoices and official receipts. We also evaluated the discount and inflation rates used by comparing these to external data.

ESTIMATION OF MINEABLE ORE RESERVES

The Group's coal mining properties with a carrying value of ₱4,196.98 million as of December 31, 2022 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 9 to the consolidated financial statements.

Audit response

We obtained an understanding 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.

PRESENTATION AND VALUATION OF 2X25 MW GAS TURBINE POWER PLANT AS ASSET HELD-FOR-SALE

The Group disclosed its commitment to sell the 2x25 MW Gas Turbine Power Plant (the Asset) as discussed and approved in the minutes of meeting of the Board of Directors (BOD) held on August 2, 2022. The Group maintains that the carrying amount of the Asset will be recovered principally through a sale transaction rather than through continuing use. As of December 31, 2022, the Group has yet to complete the sale of the Asset with a carrying value of ₱789.31 million. The Group assessed that the Asset will be accounted for as asset held-for-sale in accordance with Philippine Financial Reporting Standards (PFRS) 5, *Non-current Assets Held-for-Sale and Discontinued Operations*.

This is a key audit matter because the presentation and valuation of asset held-for-sale involves significant management judgments and estimates in assessing whether the requirements under PFRS 5 have been met.

The relevant information on this matter is disclosed in Notes 3 and 8 to the consolidated financial statements.

Audit response

We obtained management's evaluation on whether the requirements of PFRS 5 have been met as regards the proper presentation of the Asset in the consolidated financial statements. We evaluated whether management is committed to sell the Asset, an active program to locate a buyer has been initiated, and the sale is highly probable to take place within 12 months upon classification, by inspecting documents such as minutes of BOD meetings and correspondences with potential buyers. We determined whether the Asset is available for immediate sale in its present condition by checking if the Asset is no longer used in operations and cleared of any regulatory requirements. We assessed the likelihood that the plan to sell the Asset will not be significantly changed or withdrawn by evaluating management's course of actions and its related impact.

We determined that the Asset is carried at the lower of carrying amount and fair value less costs to sell. We reviewed the fair value assessment made by management, including assessment of key assumptions applied and evaluation of the explanations provided by comparing key assumptions to market data, where available. We obtained an understanding and reviewed the appropriateness of the nature, scope and basis of estimates of costs to sell the Asset.

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, 2022, 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, 2022 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 **Jennifer D. Ticlao**.

SYCIP GORRES VELAYO & CO.

Jennifer D. Ticlao

JENNIFER D. TICLAO

Partner

CPA Certificate No. 109616

Tax Identification No. 245-571-753

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 109616-SEC (Group A)

Valid to cover audit of 2022 to 2026 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. 08-001998-110-2020, November 27, 2020, valid until November 26, 2023

PTR No. 9566008, January 3, 2023, Makati City

February 27, 2023

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4, 28, 29 and 30)	P20,056,558,463	P8,213,048,027
Receivables (Notes 5, 17, 28 and 29)	10,198,812,587	6,937,177,994
Inventories (Notes 6, 9 and 19)	12,718,105,651	10,559,081,495
Other current assets (Note 7)	1,137,301,624	1,223,362,466
	44,110,778,325	26,932,669,982
Asset held-for-sale (Note 8)	789,312,800	-
Total Current Assets	44,900,091,125	26,932,669,982
Noncurrent Assets		
Property, plant and equipment (Notes 9 and 11)	40,961,238,063	43,107,760,967
Right-of-use assets (Note 10)	116,945,402	137,017,373
Deferred tax assets - net (Note 24)	486,751,049	559,756,567
Other noncurrent assets (Notes 11, 28 and 29)	637,757,385	907,185,163
Total Noncurrent Assets	42,202,691,899	44,711,720,070
	P87,102,783,024	P71,644,390,052
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 12, 17, 28 and 29)	P11,047,187,266	P10,370,383,326
Income tax payable (Note 24)	897,302,520	-
Current portion of long-term debt (Notes 13, 28 and 29)	3,487,809,312	4,208,923,654
Current portion of lease liabilities (Notes 10, 28 and 29)	15,978,993	14,837,120
Total Current Liabilities	15,448,278,091	14,594,144,100
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 13, 28 and 29)	6,708,378,202	10,857,711,507
Lease liabilities - net of current portion (Notes 10, 28 and 29)	54,721,853	73,539,062
Provision for decommissioning and site rehabilitation costs (Notes 3 and 14)	315,050,224	325,556,377
Deferred tax liabilities - net (Note 24)	124,788,736	-
Pension liabilities (Note 18)	145,574,979	124,049,009
Other noncurrent liabilities	53,593,031	59,493,190
Total Noncurrent Liabilities	7,402,107,025	11,440,349,145
Total Liabilities	22,850,385,116	26,034,493,245
Equity		
Capital stock (Notes 15 and 28)	4,264,609,290	4,264,609,290
Additional paid-in capital (Note 28)	6,675,527,411	6,675,527,411
Treasury shares (Notes 15 and 28)	(739,526,678)	(739,526,678)
Retained earnings (Notes 16 and 28):		
Unappropriated	47,372,204,129	28,753,790,517
Appropriated	6,800,000,000	6,800,000,000
Net remeasurement losses on pension plans (Notes 18 and 28)	(120,416,244)	(144,503,733)
Total Equity	64,252,397,908	45,609,896,807
	P87,102,783,024	P71,644,390,052

See accompanying Notes to Consolidated Financial Statements.

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2022	2021	2020
REVENUE FROM CONTRACTS WITH CUSTOMERS (Note 31)			
Coal	P70,506,120,909	P35,592,978,667	P16,488,547,162
Power	20,622,571,798	16,831,448,267	11,761,821,344
	91,128,692,707	52,424,426,934	28,250,368,506
COSTS OF SALES (Notes 19 and 31)			
Coal	21,139,699,216	17,324,282,391	12,280,311,958
Power	8,615,452,181	8,915,287,329	7,419,105,537
	29,755,151,397	26,239,569,720	19,699,417,495
GROSS PROFIT	61,373,541,310	26,184,857,214	8,550,951,011
OPERATING EXPENSES (Notes 20 and 31)	(19,952,229,080)	(9,265,160,273)	(4,554,061,716)
INCOME FROM OPERATIONS	41,421,312,230	16,919,696,941	3,996,889,295
OTHER INCOME (CHARGES) - Net			
Finance income (Notes 22 and 31)	413,379,725	22,542,252	45,872,939
Finance costs (Notes 21 and 31)	(857,922,894)	(976,358,612)	(1,094,820,551)
Foreign exchange gains - net (Notes 28 and 31)	1,003,605,129	339,601,233	154,685,877
Others - net (Notes 23 and 31)	242,561,516	239,739,686	316,719,609
	801,623,476	(374,475,441)	(577,542,126)
INCOME BEFORE INCOME TAX	42,222,935,706	16,545,221,500	3,419,347,169
PROVISION FOR INCOME TAX (Notes 24 and 31)	2,351,777,882	345,124,059	132,597,757
NET INCOME	39,871,157,824	16,200,097,441	3,286,749,412
OTHER COMPREHENSIVE INCOME			
Item not to be reclassified to profit or loss in subsequent periods			
Remeasurement gains (losses) on pension plan (Note 18)	32,116,652	(28,881,397)	(34,933,908)
Income tax effect	(8,029,163)	7,220,349	10,480,172
	24,087,489	(21,661,048)	(24,453,736)
TOTAL COMPREHENSIVE INCOME	P39,895,245,313	P16,178,436,393	P3,262,295,676
Basic/Diluted Earnings Per Share (Note 25)	P9.38	P3.81	P0.77

See accompanying Notes to Consolidated Financial Statements.

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Capital Stock	Additional Paid-in Capital	Treasury Shares (Note 15)	Retained Earnings		Net Remeasurement Loss on Pension Plan (Note 18)	Total
				Unappropriated (Note 16)	Appropriated (Note 16)		
For the Year Ended December 31, 2022							
Balances as of January 1, 2022	P4,264,609,290	P6,675,527,411	(P739,526,678)	P28,753,790,517	P6,800,000,000	(P144,503,733)	P45,609,896,807
Comprehensive income							
Net income	-	-	-	39,871,157,824	-	-	39,871,157,824
Other comprehensive income	-	-	-	-	-	24,087,489	24,087,489
Total comprehensive income	-	-	-	39,871,157,824	-	24,087,489	39,895,245,313
Cash dividends declared (Note 16)	-	-	-	(21,252,744,212)	-	-	(21,252,744,212)
Balances as of December 31, 2022	P4,264,609,290	P6,675,527,411	(P739,526,678)	P47,372,204,129	P6,800,000,000	(P120,416,244)	P64,252,397,908
For the Year Ended December 31, 2021							
Balances as of January 1, 2021	P4,264,609,290	P6,675,527,411	(P739,526,678)	P26,807,243,576	P5,300,000,000	(P122,842,685)	P42,185,010,914
Comprehensive income (loss)							
Net income	-	-	-	16,200,097,441	-	-	16,200,097,441
Other comprehensive income	-	-	-	-	-	(21,661,048)	(21,661,048)
Total comprehensive income (loss)	-	-	-	16,200,097,441	-	(21,661,048)	16,178,436,393
Cash dividends declared (Note 16)	-	-	-	(12,753,550,500)	-	-	(12,753,550,500)
Appropriation (Note 16)	-	-	-	(1,500,000,000)	1,500,000,000	-	-
Balances as of December 31, 2021	P4,264,609,290	P6,675,527,411	(P739,526,678)	P28,753,790,517	P6,800,000,000	(P144,503,733)	P45,609,896,807
For the Year Ended December 31, 2020							
Balances as of January 1, 2020	P4,264,609,290	P6,675,527,411	(P739,526,678)	P28,833,678,689	P5,300,000,000	(P98,388,949)	P44,235,899,763
Comprehensive income (loss)							
Net income	-	-	-	3,286,749,412	-	-	3,286,749,412
Other comprehensive income	-	-	-	-	-	(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	P4,264,609,290	P6,675,527,411	(P739,526,678)	P26,807,243,576	P5,300,000,000	(P122,842,685)	P42,185,010,914

See accompanying Notes to Consolidated Financial Statements.

SEMIRARA MINING AND POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	P42,222,935,706	P16,545,221,500	P3,419,347,169
Adjustments for:			
Depreciation and amortization (Notes 9, 10, 19 and 20)	6,176,939,560	6,667,407,615	6,280,597,948
Finance costs (Note 21)	857,922,894	976,358,612	1,094,820,551
Pension expense (Note 18)	79,442,426	81,390,961	70,889,130
Loss (gain) on sale of equipment (Notes 9 and 23)	(423,256)	1,990,583	(67,002,889)
Write-down of inventories and property, plant and equipment (Notes 9 and 20)	210,752,009	-	157,196,754
Provision for impairment losses on receivable and advances (Note 20)	30,987,428	1,041,239	-
Net unrealized foreign exchange losses (gains)	(1,202,246,647)	(179,861,726)	68,737,670
Finance income (Note 22)	(413,379,725)	(22,542,252)	(45,872,940)
Rental income	(5,900,159)	(3,441,745)	-
Equity in net earnings of joint venture	-	-	(306,874)
Operating income before changes in operating assets and liabilities	47,957,030,236	24,067,564,787	10,978,406,519
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	(3,302,054,947)	(3,168,141,133)	(47,706,197)
Other current assets	(706,211,281)	(417,869,734)	479,486,872
Inventories	(2,159,024,156)	181,060,862	(221,480,470)
Increase (decrease) in:			
Trade and other payables	1,024,407	1,725,410,866	(304,456,973)
Provision for decommissioning and site rehabilitation costs	(21,589,768)	36,556,723	-
Cash generated from operations	41,769,174,491	22,424,582,371	10,884,249,751
Proceeds from rent collected in advance	-	62,934,933	-
Interest received (Note 22)	413,379,725	21,364,129	75,968,005
Interest paid	(681,824,135)	(835,851,414)	(1,043,688,003)
Pension settlement (Note 18)	(25,799,803)	(374,664,423)	(13,348,477)
Income taxes paid	(694,302,527)	(18,589,382)	(78,615,783)
Actual usage of provision for decommissioning and site rehabilitation (Note 14)	(5,739,744)	-	-
Net cash provided by operating activities	40,774,888,007	21,279,776,214	9,824,565,493
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property, plant and equipment (including borrowing cost) (Notes 9 and 30)	(4,303,681,458)	(3,864,464,580)	(5,483,531,298)
Computer software (Note 11)	(449,549)	(7,402,204)	(4,562,479)
Investment in a joint venture	-	-	(56,500,000)
Proceeds from sale of equipment (Note 9)	618,006	-	546,586,932
Decrease (increase) in other noncurrent assets	266,832,339	133,890,921	818,116,520
Net cash used in investing activities	(4,036,680,662)	(3,737,975,863)	(4,179,890,325)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availments of loans (Notes 13 and 30)		5,304,970,000	4,980,000,000
Payments of:			
Dividends (Notes 16 and 30)	(21,252,510,224)	(12,751,642,860)	(5,313,211,592)
Loans (Notes 13 and 30)	(4,901,914,286)	(10,119,384,286)	(3,702,514,285)
Principal portion of lease liabilities (Notes 10, 28 and 30)	(23,690,307)	(21,747,446)	(13,096,262)
Net cash used in financing activities	(26,178,114,817)	(17,587,804,592)	(4,048,822,139)
EFFECT OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS	1,283,417,908	174,462,772	31,651,758
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,843,510,436	128,458,531	1,627,504,787
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	8,213,048,027	8,084,589,496	6,457,084,709
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	P20,056,558,463	P8,213,048,027	P8,084,589,496

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements:




https://www.semiramining.com/uploads/files/AFS/SMPC_CFSI222.pdf

Visit SMPC's website here:



www.semiramining.com

 SMPC Empowering Others

 Semirara Mining and Power Corporation

GRI CONTENT INDEX

Statement of use
GRI 1 used
Applicable GRI Sector Standard(s)

Semirara Mining and Power Corporation has reported in accordance with the GRI Standards for the period 01 January 2022 to 31 December 2022.

GRI 1: Foundation 2021

GRI 12: Coal Sector 2022

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GENERAL DISCLOSURES						
GRI 2: General Disclosures 2021	2-1 Organizational details	1, 4, 24				
	2-2 Entities included in the organization's sustainability reporting	23, 24				
	2-3 Reporting period, frequency and contact point	1				
	2-4 Restatements of information	None				
	2-5 External assurance	None				
	2-6 Activities, value chain and other business relationships	4, 23, 24				
	2-7 Employees	76				
	2-8 Workers who are not employees	85				
	2-9 Governance structure and composition	125, 126, 128, 131				
	2-10 Nomination and selection of the highest governance body	129				
	2-11 Chair of the highest governance body	146				
	2-12 Role of the highest governance body in overseeing the management of impacts	36, 126				
	2-13 Delegation of responsibility for managing impacts	114				
	2-14 Role of the highest governance body in sustainability reporting	43, 114				
	2-15 Conflicts of interest	136, 138				
	2-16 Communication of critical concerns	118, 121-122				
	2-17 Collective knowledge of the highest governance body	130				
	2-18 Evaluation of the performance of the highest governance body	130				
	2-19 Remuneration policies	130				
	2-20 Process to determine remuneration	130				
	2-21 Annual total compensation ratio	130				
	2-22 Statement on sustainable development strategy	5, 8				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-23 Policy commitments	112				
	2-24 Embedding policy commitments	136				
	2-25 Processes to remediate negative impacts	136, 137				
	2-26 Mechanisms for seeking advice and raising concerns	41-42, 136				
	2-27 Compliance with laws and regulations	96				
	2-28 Membership associations	104				
	2-29 Approach to stakeholder engagement	43				
	2-30 Collective bargaining agreements	84, 85				
MATERIAL TOPICS						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1				
	3-2 List of material topics	1, 43				
<i>Economic performance</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	95				12.8.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	94				12.8.2
	201-2 Financial implications and other risks and opportunities due to climate change	112				12.2.2
	201-3 Defined benefit plan obligations and other retirement plans	See direct answer in "Explanation"			Audited Financial Statement Notes to Financial Statement No. 18 https://semiraramining.com/uploads/files/AFS/SMPC_CFS1222.pdf	
	201-4 Financial assistance received from government	See direct answer in "Explanation"			Audited Financial Statement Notes to Financial Statement No. 24 https://semiraramining.com/uploads/files/AFS/SMPC_CFS1222.pdf	
<i>Market presence</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	109				12.8.1 12.19.1
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	109				12.19.2
	202-2 Proportion of senior management hired from the local community	109				12.8.3 12.19.3

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
<i>Indirect economic impacts</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	101, 102				12.8.1
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	95, 99, 101, 103				12.8.4
	203-2 Significant indirect economic impacts	100, 109				
<i>Procurement practices</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Not identified as material to SMPC	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers			Not applicable	Not identified as material to SMPC	
<i>Anti-corruption</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Not identified as material to SMPC	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption			Not applicable	Not identified as material to SMPC	
	205-2 Communication and training about anti-corruption policies and procedures			Not applicable	Not identified as material to SMPC	
	205-3 Confirmed incidents of corruption and actions taken			Not applicable	Not identified as material to SMPC	
<i>Anti-competitive behavior</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Not identified as material to SMPC	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			Not applicable	Not identified as material to SMPC	
<i>Tax</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Not identified as material to SMPC	
GRI 207: Tax 2019	207-1 Approach to tax			Not applicable	Not identified as material to SMPC	
	207-2 Tax governance, control, and risk management			Not applicable	Not identified as material to SMPC	
	207-3 Stakeholder engagement and management of concerns related to tax			Not applicable	Not identified as material to SMPC	
	207-4 Country-by-country reporting			Not applicable	Not identified as material to SMPC	
<i>Materials</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	58				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	58				
	301-2 Recycled input materials used		Percentage of recycled input materials used to manufacture the organization's primary products and services	Not applicable	Zero recycled materials used in mining coal, & generating electricity	
	301-3 Reclaimed products and their packaging materials		a.) Percentage of reclaimed products and their packaging materials for each product category b.) How the data for this disclosure have been collected.	Not applicable	Zero reclaimed materials used in mining coal, & generating electricity	
<i>Energy</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	45				12.1.1
GRI 302: Energy 2016	302-1 Energy consumption within the organization	45				12.1.2
	302-2 Energy consumption outside of the organization	See direct answer in "Explanation"			6.74 million, GJ	12.1.3
					SMPC's energy consumption outside of the organization is based on their Scope 3 emissions data, which are mostly spend-based. This value is based on the purchase electricity for resale of SCPC and SLPGC.	
	302-3 Energy intensity	46				12.1.4
	302-4 Reduction of energy consumption	45				
	302-5 Reductions in energy requirements of products and services			Not applicable	Energy requirement does not apply to SMPC's products, which are coal and electricity.	
<i>Water and effluents</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	52				12.7.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	52				12.7.2
	303-2 Management of water discharge-related impacts	52, 55				12.7.3
	303-3 Water withdrawal	53, 54				12.7.4
	303-4 Water discharge	55				12.7.5
	303-5 Water consumption	54				12.7.6

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
<i>Biodiversity</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	56, 63, 67				12.5.1
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	63				12.5.2
	304-2 Significant impacts of activities, products and services on biodiversity	63, 67				12.5.3
	304-3 Habitats protected or restored	64				12.5.4
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	63, 70, 71, 72				12.5.5
<i>Emissions</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	47				12.1.1
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	48				12.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	48				12.1.6
	305-3 Other indirect (Scope 3) GHG emissions	48				12.1.7
	305-4 GHG emissions intensity	49				12.1.8
	305-5 Reduction of GHG emissions	49				12.2.3
	305-6 Emissions of ozone-depleting substances (ODS)			Not applicable	SMPC does not produce, import, and/or export ODS	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	49				12.4.2
<i>Waste</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	59				12.6.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	59				12.6.2
	306-2 Management of significant waste-related impacts	59				12.6.3
	306-3 Waste generated	57, 61, 62				12.6.4
	306-4 Waste diverted from disposal	57, 61, 62				12.6.5
	306-5 Waste directed to disposal	57, 61, 62				12.6.6
<i>Supplier environmental assessment</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	73				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	73				
	308-2 Negative environmental impacts in the supply chain and actions taken	See direct answer in "Explanation"			None of the 7 new suppliers that were screened using environmental criteria showed that they have significant actual or potential negative impacts in the supply chain.	
<i>Employment</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	74, 79				12.15.1 12.19.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	79				12.15.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	81, 92				12.15.3
	401-3 Parental leave	85				12.15.4 12.19.4
<i>Labor/management relations</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	84				12.3.1 12.15.1
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	84				12.3.2 12.15.5
<i>Occupational health and safety</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	86				12.14.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	86				12.14.2
	403-2 Hazard identification, risk assessment, and incident investigation	86				12.14.3
	403-3 Occupational health services	86				12.14.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	86				12.14.5
	403-5 Worker training on occupational health and safety	88				12.14.6
	403-6 Promotion of worker health	84, 92				12.14.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	90				12.14.8
	403-8 Workers covered by an occupational health and safety management system	86, 132				12.14.9
	403-9 Work-related injuries	91				12.14.10
	403-10 Work-related ill health	87				12.14.11

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
<i>Training and education</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	82, 83				12.3.1 12.15.1 12.19.1
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	82, 83				12.15.6 12.19.5
	404-2 Programs for upgrading employee skills and transition assistance programs	83				12.3.3 12.15.7
	404-3 Percentage of employees receiving regular performance and career development reviews	82				
<i>Diversity and equal opportunity</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	75				12.19.1
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	76, 129				12.19.6
	405-2 Ratio of basic salary and remuneration of women to men	81				12.19.7
<i>Non-discrimination</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Not identified as material to SMPC	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken			Not applicable	Not identified as material to SMPC	
<i>Freedom of association and collective bargaining</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	85				12.18.1
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	85				12.18.2
<i>Child labor</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	85				12.16.1
GRI 408: Child Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	85				12.16.2
<i>Forced or compulsory labor</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	85				12.17.1

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	85				12.17.2
<i>Security practices</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	110				12.12.1
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	110				12.12.2
<i>Rights of indigenous peoples</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Not identified as material to SMPC	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples			Not applicable	Not identified as material to SMPC	
<i>Local communities</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	98				12.9.1
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	92, 98				12.9.2
	413-2 Operations with significant actual and potential negative impacts on local communities	96 (See "Explanation" for additional context)			This disclosure relates to the non-compliance incident detailed on page 96. The actual negative impact of the Coal segment of SMPC on local communities is the dispersion of dust in the haul roads and coal conveyance system.	12.9.3
<i>Supplier social assessment</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Not identified as material to SMPC	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria			Not applicable	Not identified as material to SMPC	
	414-2 Negative social impacts in the supply chain and actions taken			Not applicable	Not identified as material to SMPC	
<i>Public policy</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Not identified as material to SMPC	
GRI 415: Public Policy 2016	415-1 Political contributions			Not applicable	Not identified as material to SMPC	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
<i>Customer health and safety</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics	91				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	91				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	See direct answer in "Explanation"			4 Customer complaints concerning product (i.e., coal) health and safety impacts served	
<i>Marketing and labeling</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Not identified as material to SMPC	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling			Not applicable	Not identified as material to SMPC	
	417-2 Incidents of non-compliance concerning product and service information and labeling			Not applicable	Not identified as material to SMPC	
	417-3 Incidents of non-compliance concerning marketing communications			Not applicable	Not identified as material to SMPC	
<i>Customer privacy</i>						
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	Not identified as material to SMPC	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data			Not applicable	Not identified as material to SMPC	

TOPICS IN THE APPLICABLE GRI SECTOR STANDARDS DETERMINED AS NOT MATERIAL

TOPIC	EXPLANATION
<i>GRI 12: Coal Sector 2022</i>	
12.10 Land and resource rights	See page 26 of the report
12.11 Rights of indigenous peoples	There are no IPs in Semirara Island, Caluya, and Antique where the Coal segment of SMPC operates
12.13 Asset integrity and critical incident management	SMPC reports using GRI 306: Waste 2020 instead of GRI 306: Effluents and Waste 2016
12.20 Anti-corruption	<p>From COC Page 39 https://semirampc-my.sharepoint.com/:f:/p/rjtibayan/EiFzTgVGMQBFsKYIAGNo5fgBdJBmOygohHWBsiBf2EzO4A?e=VgyCqc</p> <p>CORRUPTION PREVENTION</p> <p>We base our business relationships on trust, transparency and accountability.</p> <p>All forms of bribery and corruption are prohibited and in breach of any applicable law, as they cause market distortions and curtail economic, social and political development in the country.</p> <p>Employees are prohibited from directly or indirectly giving or receiving any gift, payment or other benefit to any person for the purposes of securing or providing any improper business or other advantage.</p> <p>The Company also reserves the right to refer such matters to public authorities for possible criminal prosecution.</p> <p>The Company will pursue practices directed towards ensuring that its activities do not inadvertently contravene relevant money laundering legislation such as Republic Act 9160 or the Anti-Money Laundering Law. We will not engage in any transaction which we know or suspect involves the proceeds of criminal activity.</p> <p>All Departments / Business Units are required to take steps to minimize the risk of inadvertent participation in transactions involving the proceeds of criminal activity and should be alert to circumstances which ought to give rise to a suspicion of money laundering activity.</p>
12.21 Payments to governments	See page 95 of the report
12.22 Public policy	<p>From COC Page 66 https://semirampc-my.sharepoint.com/:f:/p/rjtibayan/EiFzTgVGMQBFsKYIAGNo5fgBdJBmOygohHWBsiBf2EzO4A?e=VgyCqc</p> <p>POLITICAL CONTRIBUTIONS AND ACTIVITIES</p> <p>It is a policy of the Company not to make donations to political parties or candidates.</p> <p>Any political activity and participation in electoral politics by our employees must occur strictly in an individual and private capacity and not on behalf of the Company. Employees should not use company time, property, equipment or funds to conduct or promote personal political activity.</p> <p>A Director, Executive Officer or Employee may engage in public service or political issues in his personal capacity. However, prior to pursuing his political plan or accepting a political appointment, he must notify in writing the Company's Human Resources management or the Board or Audit Committee, as appropriate.</p> <p>Unless otherwise specifically approved by the Audit Committee, he should do at least the following:</p> <ul style="list-style-type: none"> (a) where appropriate, make it clear that he is speaking or acting personally and not as a Director, Executive Officer or Employee of the Company; (b) not make a political contribution for or in the Company's name, and as such will not receive reimbursement from the Company for any such political contribution made as an individual; (c) not endorse for or in the Company's name the appointment or election of a public official or the passage or non passage of any political proposition; and (d) not use the Company's property in political activities.

