

GRI CONTENT INDEX



Materiality Disclosures TeaM Energy Corporation



For the Materiality Disclosures Service, GRI Services reviewed that the GRI Content Index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

GRI STANDARD	DISCLOSURE	REFERENCES AND OMISSIONS
GRI 101: Foundation 2016		
	GENERAL DISCLOSURES	
GRI 102: General Disclosur	es 2016	
GRI 102-1	Name of the organization	001
GRI 102-2	Activities, brands, products, and services	001
GRI 102-3	Location of headquarters	001
GRI 102-4	Location of operations	002
GRI 102-5	Ownership and legal form	002
GRI 102-6	Markets served	003
GRI 102-7	Scale of the organization	004
GRI 102-8	Information on employees and other workers	005
GRI 102-9	Supply chain	008
GRI 102-10	Significant changes to the organization and its supply chain	009
GRI 102-11	Precautionary principle or approach	009
GRI 102-12	External initiatives	010
GRI 102-13	Membership associations	011
GRI 102-14	Statement from senior decision-maker	011
GRI 102-15	Key impacts, risks, and opportunities	015
GRI 102-16	Values, principles, standards, and norms of behavior	021
GRI 102-17	Mechanisms for advice and concerns about ethics	023
GRI 102-18	Governance structure	024
GRI 102-19	Delegating authority	024
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	024
GRI 102-21	Consulting stakeholders on economic, environmental, and social topics	025
GRI 102-22	Composition of the highest governance body and its committees	026
GRI 102-23	Chair of the highest governance body	029
GRI 102-24	Nominating and selecting the highest governance body	029
GRI 102-25	Conflicts of interest	029
GRI 102-26	Role of the highest governance body in setting purpose,	030

	values, and strategy	
GRI 102-27	Collective knowledge of highest governance body	032
GRI 102-28	Evaluating the highest governance body's performance	032
GRI 102-29	Identifying and managing economic, environmental, and social impacts	032
GRI 102-30	Effectiveness of risk management processes	032
GRI 102-31	Review of economic, environmental, and social topics	033
GRI 102-32	Highest governance body's role in sustainability reporting	033
GRI 102-33	Communicating critical concerns	033
GRI 102-34	Nature and total number of critical concerns	033
GRI 102-35	Remuneration policies	034
GRI 102-36	Process for determining remuneration	034
GRI 102-37	Stakeholders' involvement in remuneration	034
GRI 102-38	Annual total compensation ration	035
GRI 102-39	Percentage increase in annual total compensation ratio	035
GRI 102-40	List of stakeholder groups	035
GRI 102-41	Collective bargaining agreements	036
GRI 102-42	Identifying and selecting stakeholders	036
GRI 102-43	Approach to stakeholder engagement	036
GRI 102-44	Key topics and concerns raised	037
GRI 102-45	Entities included in the consolidated financial statements	045
GRI 102-46	Defining report content and topic boundaries	046
GRI 102-47	List of material topics	046
GRI 102-48	Restatements of information	046
GRI 102-49	Changes in reporting	047
GRI 102-50	Reporting period	047
GRI 102-51	Date of most recent report	047
GRI 102-52	Reporting cycle	047
GRI 102-53	Contact point for questions regarding the report	047
GRI 102-54	Claims of reporting in accordance with the GRI Standards	048
GRI 102-55	GRI content index	048
GRI 102-56	External Assurance	048

	ECONOMIC	
Economic Performance		
GRI 103: Management Approach 2016		
GRI 103-1	Explanation of material and its topic boundaries	161
GRI 103-2	The management and its components	161
GRI 103-3	Evaluation of the management approach	161

GRI 201: Economic Performan	ce 2016	
GRI 201-1	Direct economic value generated and distributed	051
GRI 201-2	Financial implications and other risks and opportunities	053
	due to climate change	
GRI 201-3	Defined benefit plan obligations and other retirement	054
	plans	
GRI 201-4	Financial assistance received from the government	056
Indirect Economic Impacts		
GRI 103: Management Approa	ach 2016	
GRI 103-1	Explanation of material and its topic boundaries	162
GRI 103-2	The management and its components	162
GRI 103-3	Evaluation of the management approach	162
GRI 203: Indirect Economic Im	pacts 2016	
GRI 203-1	Infrastructure investments and services supported	056
GRI 203-2	Significant indirect economic impacts	065
Local Suppliers		
GRI 103: Management Approa	ach 2016	
GRI 103-1	Explanation of material and its topic boundaries	173
GRI 103-2	The management and its components	173
GRI 103-3	Evaluation of the management approach	173
GRI 204: Local Suppliers 2016		
GRI 204-1	Proportion of spending on local suppliers	065
Anti-Corruption		
GRI 103: Management Approa	ach 2016	
GRI 103-1	Explanation of material and its topic boundaries	162
GRI 103-2	The management and its components	162
GRI 103-3	Evaluation of the management approach	162
GRI 205: Anti-Corruption 2016	5	
GRI 205-1	Operations assessed for risks related to corruption	066
GRI 205-2	Communication and training about anti-corruption	067
	policies and procedures	
GRI 205-3	Confirmed incidents of corruption and actions taken	068
Anti-Competitive Behavior		
GRI 103: Management Approa	ach 2016	
GRI 103-1	Explanation of material and its topic boundaries	162
GRI 103-2	The management and its components	162
GRI 103-3		100
	Evaluation of the management approach	163
GRI 206: Anti-Competitive Bel		163
GRI 206: Anti-Competitive Bel GRI 206-1		068

	ENVIRONMENTAL	
Materials		
GRI 103: Management App	roach 2016	
GRI 103-1	Explanation of material and its topic boundaries	163
GRI 103-2	The management and its components	163
GRI 103-3	Evaluation of the management approach	163
GRI 301: Materials 2016		
GRI 301-1	Materials used by weight or volume	071
GRI 301-2	Recycled input materials used	071
GRI 301-3	Reclaimed products and their packaging materials	072
Energy		·
GRI 103: Management App	roach 2016	
GRI 103-1	Explanation of material and its topic boundaries	163
GRI 103-2	The management and its components	163
GRI 103-3	Evaluation of the management approach	164
GRI 302: Energy 2016		
GRI 302-1	Energy consumption within the organization	072
GRI 302-2	Energy consumption outside the organization	072
GRI 302-3	Energy intensity	075
GRI 302-4	Reduction of energy consumption	075
GRI 302-5	Reduction in energy requirements of products and	076
	services	
Water		
GRI 103: Management App	roach 2016	
GRI 103-1	Explanation of material and its topic boundaries	164
GRI 103-2	The management and its components	164
GRI 103-3	Evaluation of the management approach	164
GRI 303: Water 2016		
GRI 303-1	Water withdrawal by source	077
GRI 303-2	Water sources significantly affected by withdrawal of	077
	water	
GRI 303-3	Water recycled and used	079
Biodiversity		
GRI 103: Management App	roach 2016	
GRI 103-1	Explanation of material and its topic boundaries	164
GRI 103-2	The management and its components	165
GRI 103-3	Evaluation of the management approach	165
GRI 304: Biodiversity 2016		
GRI 304-1	Operational sites owned, leased, managed in, or	079
	adjacent to, protected areas and areas of high	
	biodiversity value outside protected areas	
GRI 304-2	Significant impacts of activities, products, and services	080

	on biodiversity	
GRI 304-3	Habitats protected or restored	085
GRI 304-3		
GRI 504-4	IUCN Red list species and national conservation list	086
Funitaria u	species with habitats in areas affected by operations	
Emission		
GRI 103: Management A		4.65
GRI 103-1	Explanation of material and its topic boundaries	165
GRI 103-2	The management and its components	165
GRI 103-3	Evaluation of the management approach	165
GRI 305: Emissions 2016		
GRI 305-1	Direct (Scope 1) GHG emissions	087
GRI 305-2	Energy indirect (Scope 2) GHG emissions	089
GRI 305-3	Other indirect (Scope 3) GHG emissions	090
GRI 305-4	GHG emissions intensity	092
GRI 305-5	Reduction of GHG emissions	092
GRI 305-6	Emissions of ozone-depleting substances (ODS)	094
GRI 305-7	Nitrogen Oxides (NOx), Sulfur Oxides (Sox), and other	095
	significant air emissions	
Effluents and Waste		
GRI 103: Management A	pproach 2016	
GRI 103-1	Explanation of material and its topic boundaries	165
GRI 103-2	The management and its components	165
GRI 103-3	Evaluation of the management approach	165
GRI 306: Effluents and W		
GRI 306-1	Water discharge by quality and destination	097
GRI 306-2	Waste by type and disposal method	099
GRI 306-3	Significant spills	099
GRI 306-4	Transport of hazardous waste	100
GRI 306-5	Water bodies affected by water discharges and/or runoff	101
Environmental Complian		
GRI 103: Management A		
GRI 103-1	Explanation of material and its topic boundaries	166
GRI 103-2	The management and its components	166
GRI 103-3	Evaluation of the management approach	166
GRI 307: Environmental		100
GRI 307-1	Non-compliance with environmental laws and	102
GRI 507-1	regulations	102
Supplier Environmental		
GRI 103: Management A	pproach 2016	

GRI 103-1	Explanation of material and its topic boundaries	166
GRI 103-2	The management and its components	166
GRI 103-3	Evaluation of the management approach	166
GRI 308: Supplier Social Assessment 2016		
GRI 308-1	New suppliers that were screened using environmental	103
	criteria	
GRI 308-2	Negative environmental impacts in the supply chain	103
	and actions taken	

	SOCIAL	
Employment		
GRI 103: Management	Approach 2016	
GRI 103-1	Explanation of material and its topic boundaries	166
GRI 103-2	The management and its components	166
GRI 103-3	Evaluation of the management approach	166
GRI 401: Employment 2	016	
GRI 401-1	New employee hires and employee turnover	107
GRI 401-2	Benefits provided to full-time employees that are not	111
	provided to temporary or part-time employees	
GRI 401-3	Parental Leave	112
Labor and Management	t Relations	
GRI 103: Management	Approach 2016	
GRI 103-1	Explanation of material and its topic boundaries	167
GRI 103-2	The management and its components	167
GRI 103-3	Evaluation of the management approach	167
GRI 402: Labor and Mar	nagement Relations 206	
GRI 402-1	Minimum notice periods regarding operational changes	115
Occupational Health an	d Safety	
GRI 103: Management	Approach 2016	
GRI 103-1	Explanation of material and its topic boundaries	167
GRI 103-2	The management and its components	167
GRI 103-3	Evaluation of the management approach	167
GRI 403: Occupational H	Health and Safety 2016	
GRI 403-1	Workers representation in formal joint management-	115
	worker health and safety committees	
GRI 403-2	Types of injury and rates of injury, occupational	117
	diseases, lost days, and absenteeism, and number of	
	work-related fatalities	
GRI 403-3	Workers with high incidence or high risk of diseases	119
	related to their occupation	
GRI 403-4	Health and safety topics covered in formal agreements	120
	with trade unions	

Training and Education		
GRI 103: Management App	roach 2016	
GRI 103-1	Explanation of material and its topic boundaries	167
GRI 103-2	The management and its components	167
GRI 103-3	Evaluation of the management approach	167
GRI 404: Training and Educa		107
GRI 404-1	Average hours of training per year per employee	123
GRI 404-2	Programs for upgrading employee skills and transition	126
	assistance programs	120
Diversity and Equal Opport		1
GRI 103: Management App		
GRI 103-1	Explanation of material and its topic boundaries	168
GRI 103-2	The management and its components	168
GRI 103-3	Evaluation of the management approach	168
GRI 405: Diversity and Equa		100
GRI 405-1	Diversity of governance bodies and employees	131
GRI 405-2	Ratio of basic salary and remuneration of women to	135
GRI 405-2	men	122
Non-discrimination		
GRI 103: Management App	roach 2016	
GRI 103-1	Explanation of material and its topic boundaries	168
GRI 103-2	The management and its components	168
GRI 103-3	Evaluation of the management approach	168
GRI 406: Non-discrimination		100
GRI 406-1	Incidents of discrimination and corrective actions taken	136
Freedom of Association and		150
GRI 103: Management App		
GRI 103-1	Explanation of material and its topic boundaries	168
GRI 103-2	The management and its components	168
GRI 103-3	Evaluation of the management approach	168
	ation and Collective Bargaining 2016	100
GRI 407-1	Operations and suppliers in which the right to freedom	137
GRI 407-1	of association and collective bargaining may be at risk	157
Child Labor	of association and conective barganning may be at risk	
GRI 103: Management App	roach 2016	
		160
GRI 103-1	Explanation of material and its topic boundaries	169
GRI 103-2	The management and its components	169
GRI 103-3	Evaluation of the management approach	169
GRI 408: Child Labor 2016		407
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	137
Forced or Compulsory Labo	r	

GRI 103: Management App	proach 2016	
GRI 103-1	Explanation of material and its topic boundaries	169
GRI 103-2	The management and its components	169
GRI 103-3	Evaluation of the management approach	169
GRI 409: Forced or Comput	sory Labor 2016	
GRI 409-1	Operations and suppliers at significant risk for incidents	138
	of forced or compulsory labor	
Security Practices		
GRI 103: Management App	roach 2016	
GRI 103-1	Explanation of material and its topic boundaries	169
GRI 103-2	The management and its components	169
GRI 103-3	Evaluation of the management approach	169
GRI 410: Security Practices	2016	
GRI 410-1	Security personnel trained in human rights policies or	138
	procedures	
Human Rights Assessment		
GRI 103: Management App	roach 2016	
GRI 103-1	Explanation of material and its topic boundaries	170
GRI 103-2	The management and its components	170
GRI 103-3	Evaluation of the management approach	170
GRI 412: Human Rights Ass	essment 2016	
GRI 412-1	Employee training on human rights policies or	138
	procedures	
GRI 412-2	Significant investment agreements and contracts that	139
	include human rights clauses or that underwent human	
	rights screening	
Local Communities		
GRI 103: Management App	proach 2016	
GRI 103-1	Explanation of material and its topic boundaries	170
GRI 103-2	The management and its components	170
GRI 103-3	Evaluation of the management approach	170
GRI 413: Local Communitie	s 2016	
GRI 413-1	Operations with local community engagement, impact	139
	assessments, and development programs	
GRI 413-2	Operations with significant actual and potential	140
	negative impacts on local communities	
Supplier Social Assessment	1	
GRI 103: Management App	proach 2016	
GRI 103-1	Explanation of material and its topic boundaries	171
GRI 103-2	The management and its components	171
GRI 103-3	Evaluation of the management approach	171
GRI 414: Supplier Social As	sessment 2016	

GRI 414-1	New suppliers that were screened using social criteria	141
GRI 414-1	Negative social impacts in the supply chain and actions	141
011 414-2	taken	141
Public Policy		
GRI 103: Management Ap	proach 2016	
GRI 103-1	Explanation of material and its topic boundaries	171
GRI 103-2	The management and its components	171
GRI 103-3	Evaluation of the management approach	171
GRI 415: Public Policy 201	6	
GRI 415-1	Political contributions	141
Marketing and Labeling		
GRI 103: Management Ap	proach 2016	
GRI 103-1	Explanation of material and its topic boundaries	173
GRI 103-2	The management and its components	173
GRI 103-3	Evaluation of the management approach	173
GRI 417: Marketing and La	abeling 2016	
GRI 417-1	Requirements for product service information and	142
	labeling	
GRI 417-2	Incidents of non-compliance concerning product and	142
	service information and labeling	
GRI 417-3	Incidents of non-compliance concerning marketing	142
-	communications	
Customer Privacy		
GRI 103: Management Ap	•	The second se
GRI 103-1	Explanation of material and its topic boundaries	173
GRI 103-2	The management and its components	173
GRI 103-3	Evaluation of the management approach	173
GRI 418: Customer Privacy		B. 2500
GRI 418-1	Substantiated complaints concerning breaches of	142
	customer privacy and losses of customer data	
Socio-Economic Complian		
GRI 103: Management Ap		1
GRI 103-1	Explanation of material and its topic boundaries	172
GRI 103-2	The management and its components	172
GRI 103-3	Evaluation of the management approach	172
GRI 419: Socio-Economic		
GRI 419-1	Non-compliance with the law and regulations in social	142
	and economic area	

	ELECTRIC UTILITIES	
EU-1	Installed capacity, broken down by primary energy	145
	source and by regulatory regime	
EU-2	Net energy output broken down by primary energy	145
	source and by regulatory regime	
EU-3	Number of residential, industrial, institutional, and	146
	commercial customer accounts	
EU-4	Length of above and underground transmission and	147
	distribution lines by regulatory regime	
EU-5	Allocation of CO2 emissions, allowances or equivalent,	147
	broken down by Carbon Trading Framework	
EU-10	Planned capacity against projected electricity demand	147
	over the long term, broken down by energy source and	
	regulatory regime	
EU-11	Average generation efficiency of thermal plant by	148
	energy source and by regulation time	
EU-12	Transmission and distribution losses as a percentage of	149
	total energy	
EU-13	Biodiversity of offset habitats compared to the	149
	biodiversity of the affected areas	
EU-15	Percentage of employees eligible to retire in the next 5	150
	and 10 years broken down by job category and region	
EU-17	Days worked by contractor and subcontractor	150
	employees involved in construction, operation, and	
	maintenance activities	
EU-18	Percentage of contractor and subcontractor employees	152
	that have undergone relevant health and safety	
	training	
EU-22	Number of people physically or economically displaced	152
	and compensation, broken down by type of project	
EU-25	Number of injuries and fatalities to the public involving	153
	company assets, including legal judgments,	
	settlements, and pending legal cases of diseases	
EU-26	Percentage of population unserved in licensed	153
	distribution or service areas	470
EU-27	Number of residential disconnections for non-payment,	153
	broken down by duration of disconnection and by	
511.00	regulatory regime	450
EU-28	Power Outage Frequency	153
EU-29	Average Power Outage Duration	156
EU-30	Average plant availability factory by energy source and	157
	by regulatory regime	

The Art of Sustainability

Have you ever wondered how art endures through time and space? Even after the paint dries on canvas, clay hardens into sculpture, and words become literature

Art in itself is an inspiration to mankind, but its ability to sustain and transcend cultures and civilizations is what truly inspires us.

Art is energy. Energy generated by us. Energy that powers us.

As a company that knows energy, albeit in a different form, we aspire for sustainability so we can continue to power lives.

Art is boundless and universal. It evolves yet at its core remains a human truth.

In this Sustainability Report - TeaM Energy's latest canvas - we paint our vision of a more sustainable future by meeting the latest Global Reporting Initiative (GRI) standards, the most widely referenced sustainability framework globally.

We draw more avenues to inspire stakeholder engagement. We continue to trace opportunies to help us meet the growing energy needs of our nation. We collaborate with communities, through trainings on biodiversity monitoring to promote forest conservation. Indeed, in everything we do, human truth remains at the core.

Art is purposeful, persevering, and powerful.

Sustainability comes with struggles. The dynamic landscape of the power industry has consistently challenged our resolve and resilience. But it has also taught us this: power through with purpose.

We remind ourselves that our work should persevere - just like art - passed on to our children and our children's children.

We power through challenges through sustained profitability, operational excellence, significant social contribution, and our ability to work and function as an inspired team - bound by our common values.

Art is where imagination, creation, and innovation exist.

TeaM Energy's work towards sustainability is no different; it requires imagination, creation, and innovation. This is why, we reimagined the way we report our company's progress - through forms of art. Through visual and literary art, we humanize numbers and data - capture the very essence of our sustainability efforts.

Art is one and many. One works inspires many.

We hope that this Sustainability Report inspires renewed and many passions - as we all continue to innovate and pave the path towards a more sustainable and inclusive growth.

Shu V. Akordo

John V. Alcordo Former Chairman and CEO

Name of the organization

TeaM Energy Corporation ("TEC")

102-2

Activities, brands, products, and services

Power Generation and Power Supply

102-3

Location of headquarters

Corporate Office 25/F W Fifth Avenue Building, 5th Avenue, Bonifacio Global City, Taguig City 1634 Philippines

AAAR

FUL

Call Last

Collin anno calla an

Pagbilao Power Station Isla Grande, Barangay Ibabang Polo, Pagbilao, Quezon 4302 Philippines

> Sual Power Station Barangay Pangascasan, Sual Pangasinan 2403 Philippines



Location of Operations

TeaM Energy operates only in the Philippines.



Ownership and legal form

"TEC" is 50% owned by Tokyo Electric Power Co. International, B.V. or ("TEPCI") (which is a wholly-owned subsidiary of Tokyo Electric Power Co., Inc. or "TEPCO") and 50% owned by Marubeni Corporation ("Marubeni").

TeaM Sual Corporation ("TSC") and TeaM (Philippines) Energy Corporation ("TPEC") are wholly owned subsidiaries of TEC.

TEC, TSC and TPEC are stock corporations.

TeaM Energy Foundation Inc. ("TEFI") is a non-stock, non-profit corporation and a foundation.

Markets served

NAME OF THE ORGANIZATION

TeaM Energy Corporation

and

TeaM Sual Corporation TEC and TSC are involved in power generation and, operates and maintains Units 1 & 2 of the Pagbilao Power Station ("PPS") and the Sual Power Station ("SPS"), respectively.

Units 1 & 2 of the PPS and the SPS are operated under a build-operate and transfer ("BOT") scheme, pursuant to long-term Energy Conversion Agreements ("ECAs") with the National Power Corporation ("NPC") that hold from 1996-2025 and 1999-2024, respectively.

The electricity generated by PPS and SPS are covered by ECAs with NPC. These ECAs do not handle transmission and distribution. The Power Sector Assets and Liabilities Management Corporation ("PSALM") appointed Therma Luzon, Inc. ("TLI") and San Miguel Energy Corporation ("SMEC") as the administrators of the generated electricity covered by the respective ECAs of PPS and SPS.

The excess capacity produced (electricity not purchased by NPC under the ECA) is supplied to various electric cooperatives, economic zones and private companies throughout Luzon and the electricity market by TPEC through its Energy Supply Business ("ESB").

TeaM (Philippines) Energy Corporation TPEC handles the ESB that sells, markets, and trades the excess electricity generated by PPS and SPS that is not contracted by NPC. Its customers include cooperatives, economic zones and private companies throughout Luzon and the electricity market. It also buys electricity from other sources and sells them. For this purpose, it also operates substation facilities.

TeaM Energy Foundation inc. TEFI is the social development arm that conducts sustainable programs on Electrification, Environment, Education and Engagement in Pagbilao, Quezon and Sual, Pangasinan. 5

Scale of the organization

Total Number of Operations

Data in USD	FY 2015 - 2016 April 2015 to March 2016	FY 2016 - 2017 April 2016 to March 2017
Net Sales	525,498,100	498,445,560
Operating Income	291,847,034	254,039,550
Total Assets	2,960,124,013	2,797,276,766
Loans	1,768,786,000	1,609,331,086
Equity	290,457,331	381,593,623

PAGBILAO POWER STATION

Gross Generation	Pagbilao Unit 1	Pagbilao Unit 2
FY 2015-16	2,347,210 MWh	2,580,092 MWh
FY 2016-17	2,644,484 MWh	2,134,375 MWh

SUAL POWER STATION

Gross Generation	Sual Unit 1	Sual Unit 2
FY 2015-16	4,323,780 MWh	3,080,564 MWh
FY 2016-17	3,781,504 MWh	4,199,722 MWh



Information on employees and other workers

Fiscal Year 2016 April 2015 - March 2016

	Total Employees	Male	Female	% of Male	% of Female
Corporate Office					
Managerial	64	40	24	63%	37%
Professional/Technical	42	15	27	36%	64%
Rank and File	90	44	46	49%	51%
Pagbilao Power Station					
Managerial	45	41	4	98%	9%
Professional/Technical	32	31	1	97%	3%
Rank and File	204	171	33	84%	16%
Sual Power Station					
Managerial	47	42	5	89%	11%
Professional/Technical	31	30	1	97%	3%
Rank and File	222	195	27	88%	12%
	Total Employees	Male	Female	% of Male	% of Female
Corporate Office					
Managerial	61	38	23	63%	37%
Professional/Technical	37	14	23	38%	62%
Rank and File	88	42	46	48%	52%
Pagbilao Power Station					
Managerial Professional/Technical	45 29	41 28	4	91% 97%	9% 3%
Rank and File	192	162	30	84%	16%
Sual Power Station					
Managerial	47	42	5	89%	11%
Professional/Technical	31	30	1	97%	3%
Rank and File	224	195	29	87%	13%
	and the second	and the second sec	to the second	The second se	and the second s
	Total Employees	Male	Female	% of Male	% of Female
Corporate Office		Male	Female	% of Male	% of Female
	Employees				
Managerial Professional/Technical	Employees 3 5	2 1	Female 1 4	67% 20%	% of Female 33% 80%
Managerial	Employees 3	2	1	67%	33%
Managerial Professional/Technical Rank and File	Employees 3 5	2 1	1	67% 20%	33%
Managerial Professional/Technical Rank and File Pagbilao Power Station	Employees 3 5 2	2 1	1	67% 20%	33%
Managerial Professional/Technical Rank and File Pagbilao Power Station Managerial	Employees 3 5 2	2 1 2	1	67% 20% 100%	33%
Managerial Professional/Technical Rank and File Pagbilao Power Station	Employees 3 5 2	2 1	1	67% 20%	33%
Managerial Professional/Technical Rank and File Pagbilao Power Station Managerial Professional/Technical	Employees 3 5 2 3 3	2 1 2 3	1 4 -	67% 20% 100%	33% 80% - -
Managerial Professional/Technical Rank and File Pagbilao Power Station Managerial Professional/Technical Rank and File Sual Power Station	Employees 3 5 2 3 3	2 1 2 3	1 4 -	67% 20% 100%	33% 80% - -
Managerial Professional/Technical Rank and File Pagbilao Power Station Managerial Professional/Technical Rank and File	Employees 3 5 2 3 3	2 1 2 3	1 4 -	67% 20% 100%	33% 80% - -

ALL EMPLOYEES

PERMANENT **EMPLOYEES**

TEMPORARY **EMPLOYEES**

Fiscal Year 2017 April 2016 - March 2017

ALL	FMD	0 0	YF	FS

PERMANENT **EMPLOYEES**

TEMPORARY **EMPLOYEES**

						1
	Total Employees	Male	Female	% of Male	% of Female	
Corporate Office						-
Managerial Professional/Technical Rank and File	65 42 94	42 15 46	23 27 48	65% 36% 49%	35% 64% 51%	
Pagbilao Power Station						
Managerial Professional/Technical Rank and File	47 31 231	43 30 195	4 1 36	91% 97% 84%	9% 3% 16%	
Sual Power Station						
Managerial Professional/Technical Rank and File	48 33 220	43 31 195	5 2 25	90% 94% 89%	10% 6% 11%	_
		100 million (100 million)				
	Total Employees	Male	Female	% of Male	% of Female	- 5
Corporate Office						
Managerial Professional/Technical Rank and File	62 37 91	40 14 44	22 23 47	65% 38% 48%	35% 62% 52%	3
Pagbilao Power Station						
Managerial Professional/Technical Rank and File	47 28 194	43 27 161	4 1 33	91% 96% 83%	9% 4% 17%	
Sual Power Station						
Managerial Professional/Technical Rank and File	48 33 223	43 31 193	5 2 30	90% 94% 87%	10% 6% 13%	
	and the second					_
	Total Employees	Male	Female	% of Male	% of Female	- 1
Corporate Office						5
Managerial Professional/Technical Rank and File	3 5 3	2 1 2	1 4 1	67% 20% 67%	33% 80% 33%	
Pagbilao Power Station						1
Managerial Professional/Technical Rank and File	- 3 37	3 34	- - 3	- 100% 92%	- - 8%	3
Sual Power Station						
Managerial Professional/Technical Rank and File	;	-	÷	- - 100%		5
						and a state of the

For the reporting period, substantial portions of the organization's work are performed by its permanent employees. Contractors are engaged for specific projects of undertakings and only a minimum of these contracts are self-employed or individuals.

There are no significant variations in employment numbers of permanent and temporary employees.





Supply Chain

As the organization's primary activities are related to the generation and supply of power, with coal as the fuel source, the main elements of its supply chain can be described in the chart below:

1. Coal

Coal is the main fuel of the Pagbilao Power Plant and Sual Power Plant. The coal for the contracted capacity under TEC's and TSC's agreements with the National Power Corporation are supplied by the Independent Power Producer Administrators ("IPPA") for each plant, specifically, Therma Luzon, Inc. for the Pagbilao Power Plant and San Miguel Energy Corporation for the Sual Power Plant. For the uncontracted capacity, the coal is supplied by TPEC. Among TPEC's coal suppliers is Banpu.

2. Coal Management

Upon arrival of the coal, this is unloaded at the respective plants and the process of stacking and reclaiming are undertaken. Providing support services for these activities are cooperatives (composed of members/workers from the local communities) and skilled service contractors. Also providing support are contractors who assist in maintaining the coal systems and who provide parts for replacement and repairs.

3. Energy Conversion

Through the boilers and turbines, the coal is converted into energy. Various contractors are engaged to ensure that said process is conducted without incident, whether in the maintenance of the boilers and turbines, or during replacement and repair of parts.

4. Connections

To ensure that the plants are connected to the grid and that the energy generated passes through, contractors are engaged to maintain the switchers and other connection assets.

COAL	COAL MANAGEMENT	ENERGY CONVERSION	CONNECTIONS
ІРРА	Unloading	Boiler	Transformers
TPEC	Stacking / Reclaiming	Turbine Generator	Switchers
Suppliers (for TPEC) Banpu (\$)	Suppliers: Cooperatives Service Contractors OEM parts	Suppliers: OEM Service Contractors	Suppliers: OEM Service Contractors

Significant changes to the organization and its supply chain.

In February 2016, the company appointed a new Chairman and CEO, Mr. John V. Alcordo, following the passing of our former President and CEO, Mr. Federico Puno.

102-11

Precautionary Principle or approach

TeaM Energy ensures that its operational controls comply with all applicable government regulations. Over and above this, TeaM Energy continues to commit its operations under the precautionary principle of ensuring all possible impacts to the environment and stakeholders are addressed. Through the years, we have subjected our Integrated Management System ("IMS") to thorough reviews and continual improvement to ensure that all environmental aspects and Occupation Health and Safety ("OHS") hazards have been identified, and their associated impacts and risks determined and controlled.

We have established risk assessment methodology in our sites to evaluate modifications in our operations and capital expenditures prior to implementation. Notwithstanding any gap in government regulation, we continue to seek measures to address these risks.



External Initiatives

In 2012, together with other CEOs, COOs, Managing Directors, and Country Representatives in the country, TeaM Energy's CEO signed The Integrity Pledge, initiated by the Makati Business Club ("MBC") and the European Chamber of Commerce ("ECCP").

The Integrity Pledge is a formal and concrete expression of commitment by companies to abide by ethical business practices and to support a national campaign against corruption. As signatory to the Integrity Pledge, TeaM Energy is commited to implement the Pledge's provisions and abide by a Unified Code of Business which includes driving integrity in the areas of:



TEFI takes the lead in the plan to conduct training on Biodiversity Monitoring Systems ("BMS") among our community partners. This is to encourage and strengthen stakeholder involvement in the protection and proper management of forest resources and rehabilitation areas. As for government initiatives, BMS helps to contribute to improved conservation and sustainable use of forests by providing simple, cost-effective, and standardized methods in monitoring the trends in population of indicator/priority species and land uses.

This is in line with the Philippine Commitment to the Conservation of Biological Diversity, in order to provide up-to date and comparable information. Currently, TEFI is protecting 144,000 hectares of forestland in General Nakar, Quezon Province that has the potential to avoid an estimated 23,925,000 Mtc of carbon emissions. The area is also rich in biodiversity and provides vital ecosystem services. To equip the indigenous tribal communities with necessary skills and knowledge on biodiversity and carbon stock inventory of their ancestral domain, 20 Agta/Dumagat - Remontado members participated in the Biodiversity and Carbon Stock Assessment Training on April 13 to 18, 2015.

This training not only allowed the participants to gain self-confidence in conducting inventories, but also gave them a stronger sense of ownership of the REDD-plus Program.

Membership of associations

TeaM Energy is a member of the Philippine Independent Power Producers Association ("PIPPA"). TeaM representatives attend regular meetings to discuss updates on any legislation and proposed measures affecting its members. Through PIPPA, TeaM participates in the drafting and formulation of revenue measures through its inputs.

TeaM Energy is also a member of the Tax Management Association of the Philippines ("TMAP") with TeaM representatives involved in consultation meetings regarding proposed tax legislations. Through TMAP, TeaM participates in the formulation of revenue measures.

TeaM Energy is also a member of the Philippine Association of National Advertisers and the Philippine Coal Plant Users Group.

TPEC is a member of the Retail Electricity Suppliers Association of the Philippines.

TEFI is an active member of several organizations and councils such as the League of Corporate Foundations, Philippine Business for the Environment and the Philippine Council for NGO Certification.

102-14

Statement from the senior decision-maker

Please refer to the Chairman and CEO's message "The Art of Sustainability"



Ikigai is a Japanese concept that means "a reason for being." It means having a direction or purpose in life, that which makes one's life worthwhile.



a reason being a sustainable vision Power the nation



A description of key impacts, risks, and opportunities

SECTION 1

THEMES	IMPACT ON SUSTAINABILITY AND EFFECTS ON STAKEHOLDERS
Reliability and Availability	Given that our mission is to be the Nation's Growth Partner, TeaM Energy's reliability ar availability will impact on national development. TeaM Energy contributes 12% of the nation capacity and 16% of Luzon capacity. Electricity Generation & Supply Reliability ar Availability supports the power consumption needs of industrial, commercial and resident users and contributes to the stability of the grid and the sustainability of economic growth Reliability and availability affect the operations, business profitability and reputation
	business and industrial consumers, and affect the quality of life of residential users.
Environmental Impact	Our system and programs have also allowed us to perform well according to environment performance standards, minimizing atmospheric, marine and terrestrial impact. If performing well in terms of heat rate efficiency and by having the proper controls complying with environmental laws and regulations, we can bring down carbon emissions the barest minimum. With our programs such as the Carbon Sink Initiative, and o Electrification Program which involves Solar technology, we lessen the country's carbo footprint. We monitor marine flora and fauna surrounding the plant to ensure a health ecosystem.
	We train and engage communities to develop and deepen their environmental stewardsh mindset. With these communities involved in caring for their environment, we have fore areas (e.g. Sioasio) that are maintained with relatively higher survival rates (compared to the national average noted by the DENR). The plant grounds provide a safe haven for various we bird species
Social Impact	On the national level, the electricity that we produce caters to the country's nation development needs. The energy that we generate can power up 10.2 million households assuming an average of 1000 kW of power per factory, 2,200 factories. For every kilowa hour that we sell, one centavo goes to the ER 1-94 program which funds developme initiatives for the host region, municipality, province and barangay.
	Our Significant Social Contribution programs have specific targets in electrification education, economic development, and environment. (Refer to related Indications) How we operate our plants will have an impact on the safety of our employees, contractors are business partners. Our Occupational Health and Safety programs and targets highlight the importance we place on the safety of our employees and business partners. We provide targeted training and development for our employees to be competent in their work and we provide programs that equip employees eligible for retirement with skills to be productive citizens post employment.
Financial Impact	Value provided to the following: (Picking up from EC1)
	Government units: The taxes that we pay to the government, both national and local, he fund development programs and provide basic services.
	Suppliers/Providers: Payments to the suppliers and providers support the generation business and employment opportunities.
	Employees: Through wages, salaries and benefits, we provide employees the opportunity develop a good quality of life.
	Shareholders/Funders: Our revenues allow us to maintain our level dividend and de payments.

TeaM Energy's Corporate Goals are approved by the Board of Directors. Goals of groups, divisions or departments, sections, and units are based on the Company's Vision. Each division/ department under a group develops its SOSI goals (Sustained Profitability, Operational Excellence, Significant Social Contribution, InSPIRED TeaM) to contribute to TeaM Energy's Corporate Goals.

These, together with our policies and standards, are based on research, developed, deliberated upon, and recommended by the different groups mentioned above for the approval of the Executive Committee. Individual goals are aligned with the goals of the group they belong to.

Through SOSI, the abovementioned groups are able to manage our performance. TeaM Energy also conducts a review of the goals, performance disclosures, and strategies on an annual basis. The company has projected stretch targets that we seek to improve on each year, making adjustments if and when necessary, based on our better understanding of the factors in the market environment or factors within the organization.

Various departments are also responsible for regularly monitoring performance against corporate goals. These are reported on a monthly basis and are captured by the Business Planning Section of Strategic Planning in a "Corporate Scoreboard" which is released electronically to all employees and posted on the Company's bulletin boards a month after each performance month being reviewed.

This includes performance against the SOSI goals approved by the Executive Committee. Our number one priority is to maintain the excellent operations of our plant, being the core and basis of our business, and recognizing the significant impact of our operations on our stakeholders. All work as a team to contribute to this objective.

TABLES SUMMARIZING TARGETS, PERFORMANCE TARGETS, AND LESSONS LEARNED FOR THE CURRENT REPORTING PERIOD.

		and the second se
THEMES	Most important risks for the organization arising from sustainability trends	Most important opportunities for the organization arising from sustainability trends
Reliability and Availability	Our plants are aging plants having been built in the 90s. It is critical that we maintain our plants very well to ensure reliability and availability to our IPPAs and customers. Business continuity concerns arising from natural, force majeure events would be risks affecting the reliability and availability of the power plants	Contingency planning for the plant operations. Pursuing a business continuity program following the ISO/IEC 22301:201 standard Capacity addition to contribute to growing energy demand requirements Energy consumption management for company and for customers
Environmental Impact	Until renewable energy becomes more affordable, coal will continue to be a main fuel source for baseload plants. Due to public pressure or policy or lack of information, there could difficulty in pursuing additional coal / fossil-fuel projects even if technology is proven to mitigate environmental impact to meet regulatory standards.	GHG Accounting Initiative Exploring renewable options
Social Impact	As we pursue new projects, especially those that would involve construction, exposure to safety, health and security risks increase. Many workers on the Pagbilao 3 project are from the locality, and involvement could be viewed with as much importance as actual employment in a completed, operating environment. This affects our relationship with our communities and our reputation. Any reduction in kWh (sales) level would impact on the amount of funds to beneficiaries of ER 1-94	Improving systems and procedures relating to safety, health for our employees and contractors and the security of the plant operations. Greening the supply chain: Widen scope of suppliers covered Private sector movement for increased transparency and improved governance. Increased chances for partnerships with the government, both national and local
Financial Impact	Unplanned outages lessen dividends to our shareholders Credit risks such as disputes and uncollectible receivables Law and Regulations In Greening the Supply Chain, suppliers may need to increase their prices to comply with regulations	Possible additional projects to increase capacity to address energy requirements
A Contraction of the second		

Targets for the next reporting period and medium-term objectives (3-5 years) and goals related to risks and opportunities

Institutionalize contingency planning for operations Conduct audit and gap assessment for business continuity program Enhance maintenance planning

Heat rate efficiency will remain to be an important performance indicator.

We must maintain excellent environmental performance.

Maintain or improve technology to mitigate environmental impact

Appropriate environmental education to various stakeholders.

Pro-active information to local community to avoid misunderstanding of our operations.

Explore and conduct feasibility study on renewable projects

Continuous improvement of systems and procedures relating to safety, health and security to maintain safe, healthy and secure operations of the plants

Implementation of IEC plan co-developed with the local government, schools, the local community, EPC contractor for the safety of the local community, employees and contractors (given increased land and sea traffic), especially during the Pagbilao Unit 3 construction period.

Integrity Initiative: Achieve and maintain advanced level based on identified areas for improvement.

Conduct stakeholder consultations to identify critical needs as basis for programs and partnerships

Monitor and comply with ECA commitments/obligations

Feasibility study for additional capacity.

Pursue Greening the Supply Chain, in partnership with suppliers, beginning with and prioritizing the top 20 suppliers (in terms of total value)

TeaM Energy looks to its governing boards for direction in fulfilling the vision and mission of the Company, and living its corporate values. TEC, TSC, and TPEC are governed by their respective Board of Directors ("BoDs") with the same set of seven members: three Japanese Directors affiliated with TEPCO, three Japanese Directors from Marubeni Corporation, and one Filipino Director.

While our board structure requires the Filipino Director to be a nominee of Marubeni, he is expected to decide independently.

Chairing the TEC, TSC, and TPEC BoDs is the President of TEC and TSC. He is also the Chairman and President of TEFI. Having the same set of Directors for the three companies ensures progress towards the same vision under TeaM Energy, as well as an efficient and effective governance structure for the organization.

Of the seven members of the Board, five are Directors based in Manila and comprise the Executive Committee:

(1) TEC President, who is also the President of TSC;

(2) the TEC Executive Vice President ("EVP") for Business Development and Commercial Affairs, who is also the TPEC President;

(3) the EVP Operations;

(4) the EVP for Finance and Chief Finance Officer; and

(5) the VP for Controllership. TEFI, on the other hand, is governed by its own Board of Trustees ("BoT").

THE REAL PROPERTY OF THE REAL

Of its nine Trustees, five come from TEC's Executive Committee and four are officers or management employees of TEC, TSC or TPEC.

At present, there are eight men and one woman in the TEFI BoT. The ExCom carries out functions delegated by the three Boards of Directors. All four companies have various committees such as the Management Committee, which is composed of senior managers and top officers, Health and Safety Committee, Uniform Committee, Food Committee, and INSPIRED TeaM Committee, to name a few.

Members of the committees are either group based or plant-based. In determining the composition of the BoD, the company's shareholders, TEPCO and Marubeni, have their own qualifications and criteria in addition to those prescribed in the Philippine Corporation Code.

The shareholders implement a selection process for directors who can add value and contribute independent judgment to the formulation of sound economic, environmental and social corporate strategies and policies in the Company. Compensation of the executive officers are consistent with TeaM Energy's compensation philosophy, which recognizes individual expertise and performance, company contribution, and value in the marketplace.

Executive compensation aligns the interests of management and shareholders and is geared towards driving sustained superior performance.

			TARGET / PERFORMANCE	
THEMES	PERFORMANCE	2014-2015	2015-2016	2016-2017
Reliability	EFOR			
and Availability	Pagbilao	2.00 / 3.63	2.00 / 1.42	2.00 / 0.34
	Sual	2.00 / 2.01	2.00 / 2.06	2.00 / 5.03
Environmental Impact	HEAT RATE			
	Pagbilao Unit 1	2371.42 2296.56	2395.13 2303.13	2320.87 2325.25
	Pagbilao Unit 2	2371.42 2301.50	2395.13 2298.05	2320.87 2269.22
	Sual Unit 1	2342.80 2383.50	2385.88 2350.85	2353.20 2335.07
	Sual Unit 2	2314.07 2364.72	2367.08 2304.74	2307.04 2300.41
Social Impact Financial Impac		Refer to Social Indic Refer to Economic I		

Lessons Learned from the FY 2013-14 and FY 2014-15

Reliability and Availability

TeaM Energy proactively adopted systems and processes to cater to the increasing demand for more cost-effective and dependable power.

• Continual strategy evaluation and assessment based on actual performance to change or fine-tune if necessary according to the current actual situation.

• Synergizing all available maintenance tools to preserve the reliability and efficiency of our aging plants meeting the dispatched load while complying with safety, health and environmental requirements (e.g. shifting the maintenance strategy from preventive to predictive approach based on statistical analysis, Life Expectancy and Assessment Program, Risk and Reliability Based Maintenance Program, Operational Risk Assessment, Obsolescence Management Program, Root Cause Analysis Approach).

• Development and implementation of projects to sustain full capacity

• Conduct of benchmarking activities and study tours on the topics of plant processes, our CSR programs, stakeholder engagement mechanisms, and environmental and safety management systems.

Other sections of the Sustainability Report show the economic, environmental, and social impact of our operations.

Environment Impact

• Finding the balance between compliance with the Philippine Clean Air Act, generation of maximum load capability, minimizing capital investment, and maintaining low-cost power drove Pagbilao Power Station to innovate its system of controlling fuel flow based on determined coal quality parameters. When PPS was constructed, it was intended to handle design coal, with high calorific value but higher emission levels and at higher costs. Using boiler mixed firing, PPS can use two types of coal - the low sulfur content coal and higher sulfur content coal. This mixed-firing technology enables PPS to meet environmental emission levels and still operate at maximum load capability even without installing an end-of-pipe Flue Gas Desulphurization system.

• On the other hand, Sual Power Station ("SPS") implemented its Heat Rate Improvement and Unit Auxiliary Equipment Efficiency and Reliability programs to generate and supply reliable yet affordable energy under its key goal of Operational Excellence. Coal blending is also employed as a strategy to make use of available coal without compromising environmental regulations.

Social Impact

Strengthen internal processes. Support external efforts for improved governance.



Values, principles, standards and norms of behavior



IN.S.P.I.R.E.D TeaM

IN.TEGRITY S.ERVICE QUALITY P.EOPLE-ORIENTED I.NNOVATION R.ESPONSIBLE CITIZENSHIP E.XCELLENCE D.EDICATION TEAM.WORK

In 2010, TeaM Energy adopted a new code of ethics. This Code of Ethics and Business Conduct was based on a prior version of Mirant's Code of Ethics and Business Conduct. The version used by the company incorporates other provisions found in the TEPCO and the Marubeni code of ethics, as well as benchmarked global best practices of other companies.

The Code has been rolled-out to all employees. New employees must abide by the accomplishment and submission of a form stating that they have read and understood the Code of Ethics and Business Conduct.

During roll-out, there is a facilitated discussion with employees where possible scenarios are presented, explaining potential dilemmas that any TeaM Energy employee might face and the steps one needs to take.

We inform all employees that acting with integrity and behaving ethically requires that one face numerous seemingly gray-area scenarios that may challenge the basic notions of Right vs. Wrong, or Black or White. We always remind them that there are Compliance Officers who are ready to hear them out and provide guidance whenever they encounter such scenarios.

We provide our employees with guidelines in making lawful and ethical decisions by asking these questions:

A. What are the facts?

Members of our organization are encouraged to examine their own understanding of the situation before making a decision. They are trained to ask themselves questions such as, "Do I have enough information to make an informed decision? Do I need to obtain more information?" They are also instructed to consult their Compliance Officer if they find themselves in situations that they are uncomfortable with.

B. Is the action legal?

Members of our organization are explicitly told to refuse and report any illegal activity. In fact, there are guidelines for cases where the action is legal, but the individual involved has reservations about the decision to be made. In such cases, there is a recommendation to consult the Compliance Officer.

C. Am I sure that the action is legal?

There are scenarios when the individual involved in the decision is uncertain whether or not the action to be committed is within the boundaries of the law. Members of our organization are told to consult with a Compliance Officer when such situations arise.

D. Does the action comply with our code of ethics and with other applicable company policies?

Members of our organization are constantly reminded to keep our code of ethics in mind. Not every legal action is an ethical action, and if a member of our organization finds himself in a situation where an act is legal, but unethical, he is instructed to refer back to our code of ethics and to consult his Compliance Officer.

In the seminar held as part of the distribution process of our code of ethics, several videos are presented on a variety of ethical topics such as sexual harassment, use of company resources, accepting gifts, conflicts of interest, office gossip, and worker safety. After showing a video clip of a situation that involves an ethical concern, employees are asked whether or not they believe there was any violation committed. The exercise tests the understanding and analysis of the employee participant.

In addition, there is a video clip shown about what the true test of a compliance program is. It shows how the same standards are equally applied on high performing employees, to demonstrate that no one is above the rules.

From time to time, new policies relating to compliance are rolled-out during special learning sessions where policies are discussed and interactive games and quizzes facilitated. Updates are also communicated to all employees through email and posted in the company intranet.

Mechanisms for advice and concerns about ethics

The Company in the roll out provides the email addresses of all the Compliance Officers at the corporate and plant sites. Employees are encouraged to use the email addresses to report any incident where they think there is a compliance concern. As a safety measure, the Code also provides that "No employee will suffer retaliation for a report done in good faith, and made under a reasonable and honest belief of the situation being reported. Retaliation by a superior to a reporting employee is an offense punishable under the Employee Code of Discipline up to Termination (Acts Against Orderliness and Conduct, h).

The company has engaged a third party contractor which manages the whistle-blowing hotline. The company accepts and entertains anonymous whistle blowing reports. The compliance officer evaluates every report, filters and determines whether it would require additional information and/or whether it will conduct a full-blown investigation based on the lead provided.

All reports are treated confidentially. The Code provides for a no-retaliation policy against an employee who made a report in good faith. Retaliation by a superior to a reporting employee is an offense punishable under the Employee Code of Discipline.

Anti-bribery provisions are incorporated in all TeaM Energy contracts with contractors, clients and business partners.

All gifts and entertainment provided to business partners and especially involving government officials must be pre-approved by compliance officers. For management of internal bribery risks, all employees are mandated to report gifts and entertainment received from business partners (Php 5,000 gift threshold).

The Policy Against Corrupt Practices requires for a bribery risk assessment and due diligence for transactions with business partners, agents, joint venture, subcontractors. Bribery Risk Assessment refers to an assessment of the likelihood of being involved in bribery offenses based on common assessment standards such as operational risk, degree of corruption (country risk) in the country in which such Business Transaction is performed. Depending on the assessment, the applicable level of due diligence shall be applied. Red flags or warning signs are also evaluated as to the inherent risks of violation of anti-corruption laws.

Governance Structure

TEC, TSC, TPEC and TPEC Holdco are governed by their respective Board of Directors (BoDs") with the same set of seven (7) members: three (3) directors affiliated with TEPCO, three (3) Directors from Marubeni, and one (1) local (Philippine-based/non-expat) Director. While our shareholding structure requires the local Director to be a nominee of Marubeni, he is expected to decide independently.

Chairing the TEC, TSC, TPEC and TPEC Holdco BoDs is the President of TEC and TSC. He is also the Chairman and President of TEFI.

Of the seven (7) members of the Board, five are directors based in Manila and comprise the Executive Committee: (1) TEC President, who is also the President of TSC; (2) the TEC Executive Vice President ("EVP") for Energy Supply Business, Project Development and Commercial Affairs, who is also the TPEC Holdco President; (3) the EVP Operations; (4) the EVP for Finance for Finance and Chief Finance Officer, and; (5) the EVP for Controllership and Financial Planning.

The Executive Committee ("ExCom") carries out functions delegated by the Boards of Directors. Generally, except for those decisions which are required or mandated by law or by internal policy to be made by the Shareholders or BoD, the ExCom is responsible for decision-making on economic, environmental and social impacts.

All companies have various committees such the Management Committee, which is composed of senior managers and top officers, Health and Safety Committee, Uniform Committee, Food Committee and InSPIRED TeaM Committee, among others. Members of the committees are either group-based or plant-based.

102-19

Delegating authority

Members of the ExCom carry out the functions that address topics concerning the organization's economic, environmental and social issues.

102-20

Executive-level responsibility for economic, environmental and social topics

The organization has appointed the ExCom to be responsible for economic, environmental and social topics.

Consulting stakeholders on economic, environmental and social topics

For TeaM Energy

For social/community affairs, this is among the tasks of the External Affairs Department - which directly reports to the President

For economic matters, this is among the tasks of the Finance Department - which directly reports to the EVP-Finance and EVP-Controllership & Financial Planning

For environment topics, this is among the tasks of the Environment Section under the Technical Services Department - which directly reports to the respective Station Managers who report to the EVP-Operations

For customer topics, this is among the tasks of the Energy Supply Business, Project Development and Commercial Affairs Departments - which directly report to the EVP-Energy Supply Business, Project Development and Commercial Affairs

For supplier topics, this is among the tasks of the Materials Management Department which directly reports to the VP for Operations Optimization who reports to the EVP-Operations

For labor topics, this is among the tasks of the Human Resources Department - which directly reports to the EVP-Finance

For compliance and regulatory topics, this is among the tasks of the Legal Department which directly reports to the EVP-Finance

The President, EVP-Finance, EVP-Controllership & Financial Planning, EVP-Energy Supply business, Project Development and Commercial Affairs and the EVP-Operations report to the ExCom and to the BoD

The ExCom also reports to the BoD

For TEFL

TEFI Executive Director and Vice-President report to its BoT



Composition of the highest governance body and its committees

TEC, TSC, TPEC and TPEC Holdco are governed by their respective Board of Directors (BoDs) with the same set of seven (7) members: three (3) directors affiliated with TEPCO, three (3) Directors from Marubeni Corporation, and one (1) local (Philippine-based/non-expat) Director. While our shareholding structure requires the local Director to be a nominee of Marubeni, he is expected to decide independently.

Chairing the TEC, TSC, TPEC and TPEC Holdco BoDs is the President of TEC and TSC. He is also the Chairman and President of TEFI.

Of the seven (7) members of the Board, five are directors based in Manila and comprise the Executive Committee:

(1) TEC President, who is also the President of TSC;

(2) the TEC Executive Vice President "EVP" for Energy Supply Business, Project Development and Commercial Affairs, who is also the TPEC Holdco President;

(3) the EVP Operations;

(4) the EVP for Finance for Finance and Chief Finance Officer, and;

(5) the EVP for Controllership and Financial Planning

The ExCom carries out functions delegated by the BoD. Generally, except for those decisions which are required or mandated by law or by internal policy to be made by the Shareholders or Board of Directors, the Executive Committee is responsible for decision-making on economic, environmental and social impacts.

The directors, officers and Executive Committee members are elected on an annual basis.

All companies have various committees such the Management Committee, which is composed of senior managers and top officers, Health and Safety Committee, Uniform Committee, Food Committee and InSPIRED TeaM Committee, among others. Members of the committees are either group-based or plant-based.

TEFI is governed by its own Board of Trustees "BoT". Of its eleven (11) trustees, five (5) come from TEC's Executive Committee, five (5) are officers or management employees of TEC, TSC or TPEC, and one (1) independent and external trustee. There are nine (9) men and two (2) women in the TEFI BoT.



(YUGEN) Profound awareness creates immense commitment to better service

Chair of the highest governance body

The Chairman of the Boards of Directors of TEC, TSC, TPEC and TPEC Holdco is the President of TEC and TSC. He is also Chairman and President of TEFI. Having the same Chair ensures progress towards the same vision under TeaM Energy as well as an efficient and effective governance structure for the organization.

102-24

Nomination and selecting the highest governance body

In determining the composition of the Board of Directors, the company's shareholders, TEPCO and Marubeni, have their own qualifications and criteria in addition to those prescribed in the Philippine Corporation Code. The shareholders implement a selection process for Directors who can add value and contribute to independent judgment to the formulation of sound economic, environmental, and social corporate strategies and policies in the Company.

102-25

Conflicts of interest

The members of the Boards of Directors of TEC, TSC, TPEC and TPEC Holdco are selected and nominated by TEPCO and Marubeni Corporation who have their own criteria and qualifications, subject to the requirements of the Corporation Code.

The members of the Board of Trustees of TEFI include directors, officers and management employees of TEC, TSC or TPEC.

The TeaM Energy Code of Ethics and Business Conduct was released and rolled-out to all employees across sites in 2010. The Code of Ethics and Business Conduct was derived from the best practices of the Codes of Ethics of TEPCO and Marubeni, along with those of the previous shareholder of the Company.

We likewise continue to train new employees on our Code of Ethics and Business Conduct, which covers the importance of following laws and policies that concern our operations and financial reporting. Among other things, the Code provides guidelines on avoiding conflicts of interest involving business interests that might compromise independence in decision-making, and others involving ethical conduct in business dealings. The Legal Department likewise conducted a campaign to reinforce TeaM Energy's Anti-Corruption drive throughout the organization. Also, the Legal Department governs the monitoring of gifts from business partners.

TeaM Energy also has its Procurement Policy and Delegation position on all transactions that require all employees to act in the best interest of TeaM Energy and its shareholders. It also gives details on how to protect information about our operations, customers and suppliers.

TEC and its subsidiaries and TEFI are subjected to regular audit by its shareholders and external parties.

102-26

Role of the highest governance body in setting purpose

A group was created to scope out various business development ideas ("BDIs")

After presenting these BDIs to the execom, the execom gave guidance to instead provide general principles as inputs to the strategic direction of the company

Instead of hiring an external consultant, a team was sent to train on strategic business planning.

Marching orders:

Develop and recommend a strategic business planning (SBP) program customized for TeaM Energy

The recommended program was presented to the execom and was tweaked based on their comments.

The program was implemented with a working group. key points from the output was prepared for the execom and the shareholders for their feeback and guidance.





Collective knowledge of the highest governance body

Aside from the regular meetings of the Board of Directors (for TEC, TSC, TPEC and TPEC Holdco) and the Board of Trustees (for TEFI) where the significant economic, environmental and social topics are discussed, there are periodic management reports which are submitted to them by the Executive Committee or by the relevant officers. Furthermore, documents or information are requested, from time to time, if the directors or shareholders require further clarification or have questions on the various topics.



Evaluating the highest governance body's performance

The evaluations are conducted by TEC's shareholders based in Tokyo - TEPCO and Marubeni.

Changes in the organization's membership are determined by TEC's shareholders - TEPCO and Marubeni.



Identifying and managing economic, environmental and social impacts

Management relays to the Board of Directors/Board of Trustees the various issues affecting the Company. The Board approves any major actions to be taken.

Feedback from stakeholders is included in the management reports, whenever necessary and applicable.

102-30

Effectiveness of risk management processes

The Board may direct the conduct of audits or request additional information.

Review of economic, environmental and social impact, risks, and opportunities

At least twice a year.

102-32

Highest governance body's role in sustainability reporting

The Technical Working Group of the Sustainability Report, assisted by consultants, ensures that material Aspects are covered. The Company President formally approves the report.

102-33

Communicating critical concerns

Critical concerns are communicated through the management reports.

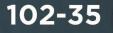
102-34

Nature and total number of critical concerns

Environment, operational and business issues - after presenting the issues and recommendations before the Board, these were resolved or approved.

Critical concerns that were communicated to the Board through management reports or discussions during Board meetings:

- 1. Collection issues (receivables)
- 2. Issues relating to the maintenance and operations of the plants



Remuneration policies

Regarding the remuneration policies of the highest governance body (Board of Directors), the directors are not being paid for being directors. They are being paid for being officers pursuant to secondment agreements with TeaM. Thus, an expat director is not being paid as a director. He is being paid as an officer.

As for the officers/senior executives who are expats, they are paid pursuant to secondment agreement with TeaM and their salaries/pay are based on remuneration policies of TEPCO and Marubeni. The secondment agreements of TEPCO/Marubeni provide that: "TEPCO/Marubeni pays an annual salary and any bonus for Seconded Employee with reimbursement by Employer. The amount is in accordance with TEPCO's internal regulation."

As for the officers/senior executives who are not expats, there are corporate and individual performance factors affecting increases (PMP, policy on merit increases) and short-term incentives.

102-36

Process for determining remuneration

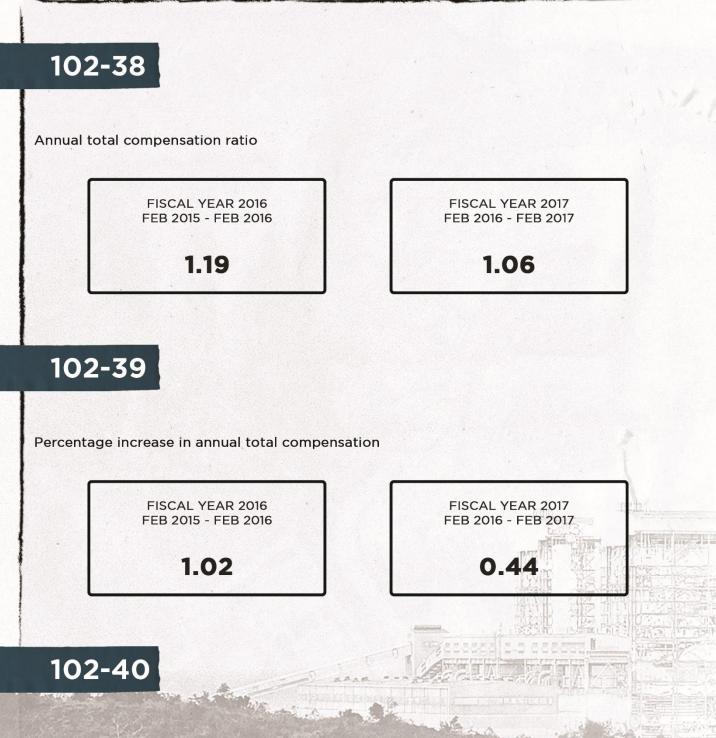
For expats - these are decided by TEPCO and Marubeni.

For non-expats - remuneration is based on Human Resources policies.

102-37

Stakeholder's involvement in remuneration

Shareholders' view and employees are considered in accordance with Human Resources policies.



List of stakeholder groups

For the purpose of this report, the various stakeholders engaged by the organization have been clustered into eleven major groups namely:

Employees, Suppliers and Contractors, ExCom, IPPA

Community, Program Partners, Shareholders, Customers, Government, Media, Institutional Investors



Collective bargaining agreements

			A provide the second seco		Second por	and the second
1			Corporate	Pagbilao	Sual	Total
		Total Employees	196	281	300	777
	FISCAL YEAR 2016 April 2015- March 2016	Total Employees covered by CBA		168	184	352
		% of Employees covered by CBA	0%	60%	61%	45%
			Corporate	Pagbilao	Sual	Total
		Total Employees	201	309	301	811
	FISCAL YEAR 2017 April 2016- March 2017	Total Employees covered by CBA		165	186	351
		% of Employees covered by CBA	0%	53%	62%	43%

102-42

Identifying and selecting stakeholders

We defined stakeholders as those who affect and can be affected by the decisions and actions of the corporation.

102-43

Approach to stakeholder engagements

Every time that a sustainability report is to be produced, UA&P conducts a stakeholder's engagement using the GRI framework. There are other engagements done by TeaM Energy but all are internal and not for sustainability reporting.



Key topics and concerns raised

Stakeholders had a number of concerns that the survey questionnaire was not able to accommodate. These concerns were not aspects required for disclosure by the GRI framework. These concerns are enumerated below:

SUAL

LABOR

a. Community

- Labor employment of PWDs and assistance for their work behavior and development
- There was a request to advise guards that absences due to health reasons are valid, but seeking medical certificates as an alibi is not.

b. Suppliers

 There was a request for programs to be created that would allow third-party members to be employed in TeaM Energy

c. Employees

- There were concerns about how much money has been saved to cover the end of cooperation period pay-out or "separation pay"
- End of cooperation package for employees who will not reach retirement age after contract of operation
- Have representatives from the union/R&F in the retirement committee of the company in which these representatives can access information regarding the date fund and allocation for retirement of all employees
- Programs/protection of employees for the End-of cooperation period
- Compa-ratio of confidential-employees with 120% while union members are not covered by compa-ratio
- Transparency of job evaluation across sites not yet aligned with table of organization
- Programs for career growth of those in the lower positions
- Scholarship program for employees' qualified dependents for confidential management rank and file

ECONOMIC

a. Community

- Enhance social responsibility for programs of special education through adopt a school
- Remaining available scholarship funds for sending the less fortunate reach their goal

b. Government

- Detailed report on the operations of TPEC and SMEC

c. Suppliers

- Plan to implement NCR rates for those third party services employed in the plant

d. Employees

- Amount of fund retained for "end of cooperation period" terms and conditions
- How much money allotted for end of cooperation? What company handles the money?
- Representation of the R&F in the budget committee for transparency in funds involving allocation of fund for separation pay of all employee on/before end of cooperation period under the ECA and separation pay in case of change of new ownership of company – Present revenues of each plant should be disclosed separately
- Transparency of job evaluation among employees
- Align company scholarship program with the union scholarship
- Increase numbers of beneficiaries of the scholarship

ENVIRONMENTAL

a. Community

- Programs or plans for the assessment on the possible effects of coal and ash on the environment/ community/nearby residents/workers
- Marine waters & resources, funding, maintenance, rehabilitation potential tourist spot for Sual - Rehabilitation of silted rivers
- Conservation of potable water supply
- Prevention of health hazards, toxic wastes, mercury, etc. These are observable to the affected areas of Sual.
- Health sector must be furnished with reports

b. Government

 Waste's volume and disposal method, and initiatives to mitigate environmental impacts of products and services

HUMAN RIGHTS

- a. Community
- Status as to why the municipal mayor was not allowed to enter the gate of the Team Energy for emergency response
- **b. Employees**
- Lists of health services given to community—medicines, senior citizen building, constructing "PWD Building," exclusive to Sual

SOCIETY

a. Community

 Lists of health services given to community —medicines, senior citizen building, constructing "PWD Building," exclusive to Sual

ELECTRIC UTILITIES

a. Community

- Programs/Projects of the corporation to assist in the provision of electricity to areas without connection; Initiative of the corporation to make cheaper the cost of electricity to its host areas
- Identify the readers/consumers of the Sustainability Report
- **b.** Suppliers

- Plan to invest in other areas like Visayas and Mindanao

PAGBILAO

LABOR

a. Employees

- Annual report of workers' health and safety concern regarding the use of coal
- Request for formal written communication for second phase of the evaluation and possible terms of reference
- Employees' length of service statistics

ECONOMIC

- a. Government
- Ensure business permits of contractors and subcontractors
- **b.** Suppliers
- Percentage of employees hired from host municipality, Quezon province and from other areas

ENVIRONMENTAL

- a. Employees
- Negative environmental impacts of global warming to the community
- **b.** Government
- Foul odor from coal yard experienced by community members during Southwest monsoon
- c. Suppliers
- Programs to all constituents affected by the operation of the plant

ELECTRIC UTILITIES

- a. Suppliers
- Subsidy to host community with regard to electric consumptions and bills

OTHERS

- a. Preparation needed by students who want to be employed in Team Energy
- **b.** Subsidy for electric consumption
- c. Is there a policy on Nepotism?
- d. Emphasize environmental protection initiatives in the Sustainability Report
- e. Plans of the company to shift eventually/little by little to explore other sources of energy other than coal/fossil fuel
- f. Provide free direct medical check-up for community members
- g. Provide more water for spraying to prevent ash fall going to the community

CORPERATE

EMPLOYEES

a. Labor - Benefits for contracted employees

b. Economic
 Future plans/projects of the company for expansion

c. Environmental
Trainings/discussions with the nearby community members (those affected by the power plant) on the environmental initiatives of the company
Sustainability plans of the company and its investments on the society

Callen Dans of a st

d. SocietyExit strategy programs for social projects beyond 5 years

GOVERNMENTS

LABOR

a. Include policy on hiring of Indigenous Peoples

ECONOMIC

a. Include cost of carbon sequestration implementation, if any

ENVIRONMENTAL

a. Include programs on carbon sequestration, if any



Sometimes we fail to see the many perspectives and solutions for sustainability because we have to be the ones to create it

MANY GERSP3CTIVES FOR JREATIV3 SOLUTIONS



Entities included in the consolidated financial statements

The organization can report on this Standard Disclosure by referencing the information in publicly available consolidated financial statements or equivalent documents.

TEC's consolidated financial statements include TSC, TPEC, TPEC Holdings Corporation, TeaM Diamond Holding Corporation, TeaM (Philippines) Renewable Energy Corporation, and KEPCO Ilijan Corporation

TEFI is covered by separate financial statements.

Excluded from the coverage of this Sustainability Report:

TeaM Diamond Holding Corporation TeaM (Philippines) Renewable Energy Corporation KEPCO Ilijan Corporation Pagbilao Energy Corporation TPEC Holdings Corporation



Defining report content and topic boundaries

The process for defining report content begins with various consultation sessions with the stakeholders of Sual and Pagbilao Power Stations. These consultations were initiated by TeaM Energy through the University of Asia and the Pacific Center for Social Responsibility (UA&P - CSR). TeaM Energy selected the stakeholder representatives while UA&P served as the facilitators.

The process included the reintroduction of the GRI framework of Sustainability Reporting, to make sure that the concerns and interests of stakeholders were going to be included in the report. Questionnaires were used as the primary survey instrument, which assessed the influence and impacts of the groups on the company's goals and, conversely, the company goals and operations on the groups' interests and well-being. Three consultation visits were conducted in the following sites: Sual, Pagbilao, and the Corporate Office.

Aside from this, some questionnaires were accomplished and returned by those who were unable to go to the consultations. There were also briefings with TeaM Energy employees across sites.

List all the material topics

ECONOMIC

Economic performance, Indirect economic impacts, Procurement practices, Anticorruption, Anti-competitive behavior

ENVIRONMENT

Materials, energy, water, biodiversity, emisssions, effluents and waste, supplier environment assessment, environment compliance

SOCIAL

Employment, labor management relations, diversity and equal opportunity, supplier social assessment, human rights assessment, non-discrimination, freedom of association, child labor, forced or compulsory labor, security practices, local communities, public policy, socio-economic compliance, customer privacy, occupational health and safety

102-48

Restatements of information

The following benefits do not apply to Full time Probationary employees. As such, in TeaM's Sustainability Reports for 2012 and for 2013-15, these should be reflected as N (for No) instead of Y (for Yes): Performance-based Short Term Incentive, Annual Merit or Negotiated Increase, and Service Awards.

102-49

Changes in reporting

No significant changes in scope and aspect boundaries for the previous reporting periods.



Reporting period

Fiscal Year 2016 April 2015- March 2016 (12 months)

Fiscal Year 2017 April 2016-March 2017 (12 months)



Date of most recent previous report

2011 - 2012 TeaM Energy Sustainability Report: From LIGHTING to LEADING 2013 - 2015 TeaM Energy Sustainability Report: STRENGTH IN SYNERGY



Reporting Cycle

Biennial



Contact persons for questions regarding the report:

Froilan Gregory H. Romualdez III – Head, External Affairs Angela R. Rebueno – Associate, External Affairs

Claims of reporting in accordance with the GRI Standards

This report has been prepared in accordance with the GRI Standards: Comprehensive Option.

102-55

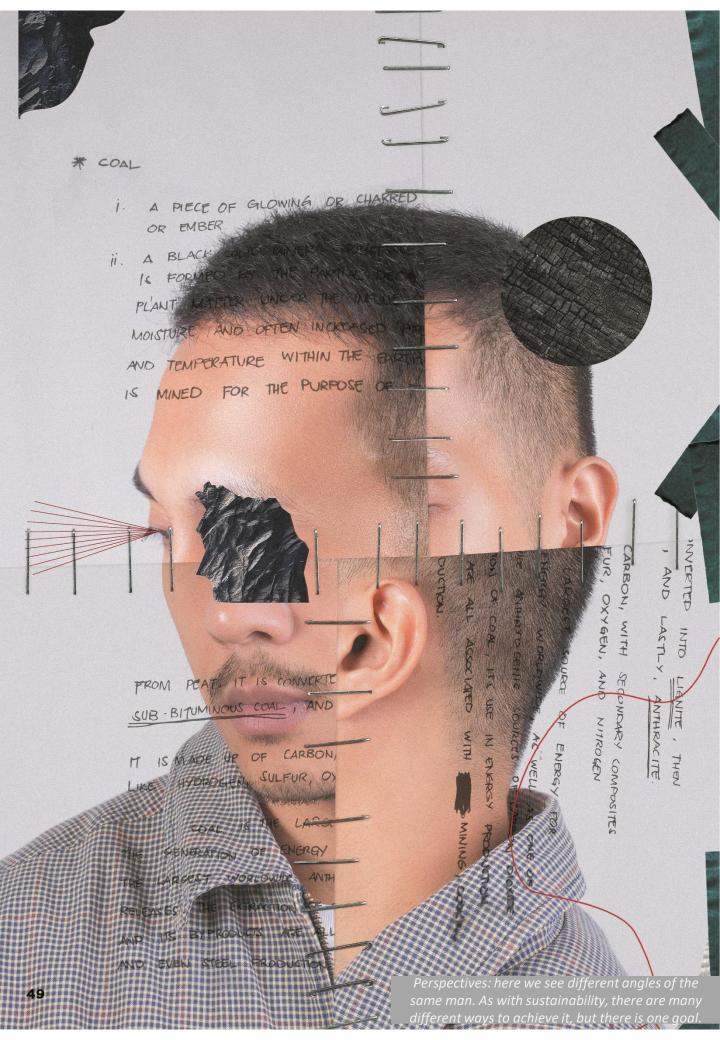
GRI content index

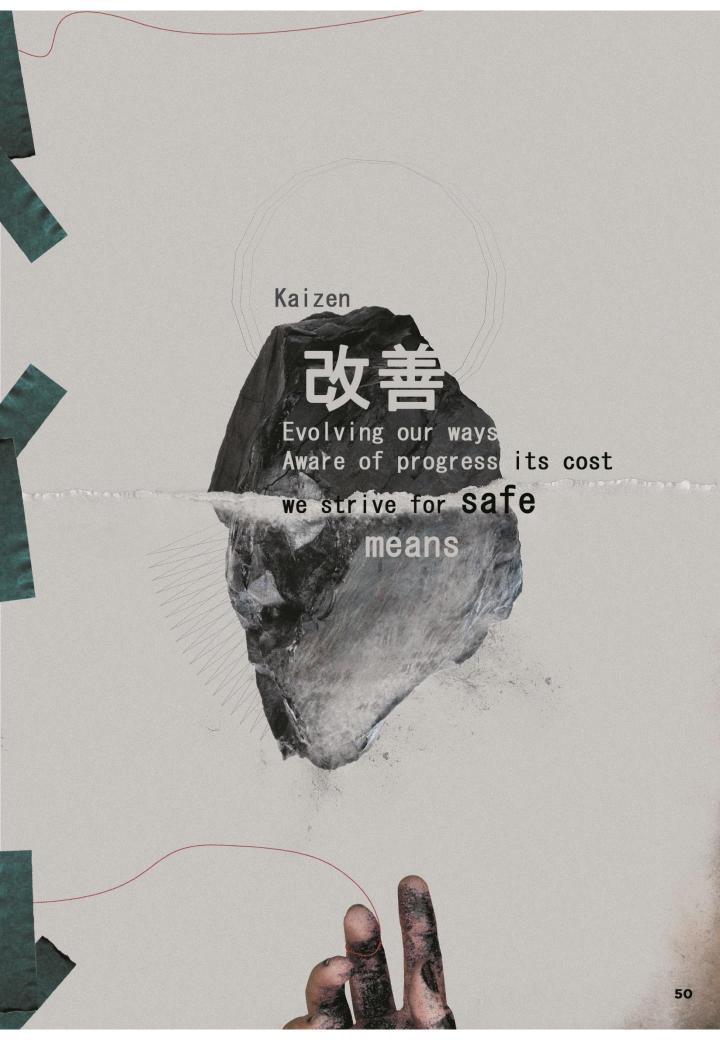
Please refer to the GRI content index page at the start of the report.

102-56

External Assurance

The present report has not been subjected to external assurance.





Direct economic value generated and distributed

TeaM Energy Corporation ("TEC")

IN USD	FY 2015 - 2016 April 2015 to March 2016	FY 2016 - 2017 April 2016 to March 2017
A) Direct Economic Value Generated	525,498,100	498,445,560
1) Revenues	525,498,100	498,445,560
B) Economic Value Distributed	495,068,747	444,010,606
2) Operating costs	119,530,500	129,398,492
3) Employee wages and benefits	38,874,383	40,494,176
4) Payments to providers of capital (interest + dividends)	251,430,007	196,801,787
5) Payments to government (tax only)	83,720,893	75,496,158
6) Community investments	1,512,964	1,819,994
C. Economic Value Retained (A-B)	30,429,353	54,434,954

ECONOMIC RESPONSIBILITIES

GRI Indicators	Classification	Description	GROUP
EC1	CORE	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	FINANCE
EC3	CORE	Coverage of the organization's defined benefit plan obligations	FINANCE
EC4	CORE	Significant financial assistance received from the government	FINANCE
EC6	CORE	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	FINANCE/MM

Ikigai is a Japanese concept that means "a reason for being." It means having a direction or purpose in life, that which makes one's life worthwhile.



a reason being a **sustainable** vision Power the nation

Financial implications and other risks and opportunities for the organization's activities due to climate change

TeaM Energy acknowledges that all members of society have a responsibility towards nature and the environment. We consider it an ethical obligation to act responsibly and to safeguard the well-being of future generations. With this priority, we focus primarily on pollution prevention by efficient utilization of resources and apply recycling, recovery, conservation, and an integrated environmental management practice. We employ the best available technology to generate and supply the most energy out of every resource we use in production. We mitigate the impact of our operations through the continuous implementation of an environmental management system based on ISO 14001:2004. We commit to comply with all relevant environment laws and regulations. We measure our compliance through realistic disclosures, self-assessment, and third-party auditing of our environmental performance.

TeaM Energy understands that our activities can potentially affect biodiversity in areas where we operate. We recognize that it is important to protect the surrounding ecosystem within the vicinities of our power plants that many animal and plant species rely on to thrive. Through our Foundation, we have implemented a variety of environmental programs such as reforestation and other nature rehabilitation projects as well as monitoring of population and habitats of migratory and endemic birds that have found home within our plant premises. We have partnered with government agencies, academic institutions and people's organizations to help us magnify our biodiversity preservation and awareness activities. (Sioasio reforestation in Sual. Livelihood development in General Nakar area in Quezon to prevent communities from cutting down trees as a means to protect forest area)

TeaM Energy has been publishing sustainability reports which pushes the Company for transparency in its disclosures and has encouraged it to stay ahead of the curve on its compliance with requirements and regulations. To date, it has published five reports (including this report), which are done in accordance with the Global Reporting Initiative standards.

TeaM Energy Corporation operates Pagbilao Unit 3 (owned by Pagbilao Energy Corporation, 50%-50% with Aboitiz). PEC has recently been chosen as a 1st Runner Up in the ASEAN Energy Awards in the category Clean Coal Use Technology Utilization.

Our Project Development team continues to evaluate and actively pursue renewable energy options and investment in green projects for the company.

The following are the measures taken by TeaM Energy in promoting recycling: The accumulated fly ash of both the Sual and Pagbilao Power Stations are sold to cement manufacturers. Eagle Cement for Sual Power Station, and Republic Cement for Pagbilao Power Station.

Used lead acid batteries are donated to a battery manufacturing company that recycles the containers. This program is called the Motolite Balik Baterya Program.

TeaM Energy pays HMR envirocycle to haul and dispose our industrial and electronic scrap. HMR Envirocycle also offsets their payment for those items which they can still use or recycle. The Legal Department likewise conducted a campaign to reinforce TeaM Energy's Anti-Corruption drive throughout the organization. Legal also governs the monitoring of gifts from business partners.

TeaM Energy also has its Procurement Policy and Delegation position on all transactions that require all employees to act in the best interest of TeaM Energy and its shareholders. It also gives details on how to protect information about our operations, customers and suppliers.

TEC and its subsidiaries and TEFI are subjected to regular audit by its shareholders and external parties.

The existence of an on-site composting facility for biodegradable wastes at the plant sites TeaM Energy Foundation's Ecoswela program tie-up with the Department of Education where public school students are taught about proper waste management

Reducing Greenhouse Gas Emissions Annual inventory of greenhouse gas emissions Upland rehabilitation -- TeaM Energy planted trees in at least 60 hectares under TeaM Energy Foundation's Community Carbon Pool Program.

Energy Conversion and Related Infrastructure Development Project developments in the pipeline are focused on renewable energy, specifically solar and hydro electricity

Partnership with the local government and different NGOs for solar electrification programs in off-grid communities

Contribution to the realization of a Sustainable Society by solving various environmental and social issues

Program and enterprise development - TeaM Energy Foundation conducts programs to provide training on environment.

201-3

Defined benefit plan obligations and other retirement plans

TeaM Energy is committed to ensure that the employees' retirement fund can adequately cover any pension liabilities. Contributions to the fund are based on an independent valuation report prepared by a third party actuary.

The retirement fund is primarily administered and managed by a Board of Trustees (BOT). The BOT has delegated some trustee function over certain retirement fund assets to a trustee bank. Investment decisions are based on a set of guidelines that ensure optimal returns for the assets. Yearly changes in the value of assets and commitments depend primarily on price movements in the financial markets.

The cost of providing retirement benefits is determined using the projected unit credit actuarial valuation method in accordance with the Philippine accounting standard 19 (pas19), which prescribes the accounting and disclosure of employee benefits.

TeaM Energy

DEFINED BENEFIT PLAN OBLIGATION AND OTHER RETIREMENT PLANS

	12 MONTHS	12 MONTHS
V OF RETIREMENT PLAN ASSETS	37.84	41.14
	52%	57%
EQUITIES	19%	19%
REAL ESTATE	29%	24%
	100%	100%



Financial assistance received from government

TeaM Energy did not receive any direct financial assistance from the government. The government is also not present in the shareholding structure of the company.

Infrastructure investments and services supporter

TeaM Energy is operating and maintaining two of the most reliable coal-fired thermal power plants in the Philippines. As we operate, one centavo per kilowatt-hour (P0.01/kWh) of the total electricity sales was set aside as financial benefit of the host communities, resettlement site, barangay, municipality, province and region. The host communities can access this fund to implement local development projects in their Annual or Long Term Investment Plan. TeaM Energy assists the local government units in the development of program proposals, securing approval from the Department of Energy, and conduct of project monitoring evaluation and audit.

As the nation's growth partner, it is our mission to contribute to the country's development not only in terms of providing reliable and affordable energy but also by actively working with host communities on their sustainable development.

Since the start of our operations, TeaM Energy has been instrumental in the upliftment of the lives of our host communities in Sual and Pangasinan. From fifth class municipalities they are now first class municipalities.



Development and Impact of infrastructure investments and services supported

Projects funded through TeaM Energy Foundation	COST (PHP) 2015-2016	COST (PHP) 2016-2017	+ OR -	COMMERCIAL, IN-KIND OR PRO-BONO
Carbon Sink Initiative Project - Pagbilao Mangrove Experimental Forest Rehabilitation	1,704,705	7,693	+	In-kind
Ecoskwela Program	160,170	220,392		In-kind
Renewable Energy for the Environment	•	208,679		In-kind
Project SiKaP	3,124,078	2,451,900	+	In-kind
Brigada Eskwela	470,669	655,208	•	In-kind
59				

ż

Development and Impact of infrastructure investments and services supported

INDIRECT IMPACTS	SIGNIFICANT IMPACTS
Protection of 145 hectares of mangrove ecosystem in Quezon Province, which is considered one of the most diverse in the world	conservation has increased the protection of coastal communities against storm surges and flooding while helping
Protection of natural resources	Constructed vermicomposting facilities, material recovery facilities and gardens for three (3) elementary schools. Increased awareness by over 700 students and teachers
Protection of forests in Quezon and Pangasinan	Distributed 30 units of portable solar chargers to aid forest rangers in providing real time data on habitat, wildlife, trees, threats and illegal activities through the LAWIN Forest and Biodiversity Protection System (developed by USAID and DENR)
Improved learning environment through donation of classroom facilities in Sual and Pagbilao.	
Improved learning environment through restoration of school structures and furniture, and donation of renovation materials such as paint, paintbrushes, etc.	elementary schools in Sual, including minor restoration of Macaycayawan Elementary School and Baybay Norte Elementary School conducted by employee volunteers and
	conducted by employee volunteers and skilled workers. For Bataan, minor restoration of Old Alion Elementary School in Mariveles conducted by employee volunteers and skilled workers.

Projects funded through TeaM Energy Foundation	COST (PHP) 2015-2016	COST (PHP) 2016-2017	+ OR -	COMMERCIAL, IN-KIND OR PRO-BONO
F.E. Puno Engineering Scholarship	1,050,000	-	÷	In-kind
Computer Donation		397,386	*	In-kind
Future Bridging Leaders Program	1,400,677	150,000	+	In-kind
Badjao Community Assistance		386,199	•	In-kind
Relief Assistance	891,761	1,037,013	·	In-kind
Adopt A Barracks	339,755	-	•	In-kind

INDIRECT IMPACTS	SIGNIFICANT IMPACTS
Improved academic performance through sponsorship grants.	Provision of six (6) Engineering Professorial Chairs scholarships in partnership with the Engineering Department of the University of the Philippines, Diliman.
Improvement of school and learning environment through donation of equipments.	Donation of printer, projector, and 15 sets of desktop computers (monitor, CPU, AVR, keyboard and mouse) to be installed in 15 classrooms at Pagbilao Central Elementary School
Improved academic performance through sponsorship grants among youth.	Funded scholarship to 25 youth First FBLP cohorts in partnership with the AIM-TEC. AIM-TeaM Energy Center conducted Youth Bridging Leadership workshop for 67 Mindanao Youth Leaders at Xavier University, Cagayan De Oro
Nutrition Reduced mortality rate, improved health and better hygiene Education Improved performance in school as reflected in their respective score cards Livelihood Improved sense of responsibility among Badjao parents	 Nutrition 61 children; lunch meals every weekdays over a span of six months Education 35 formal education scholars received supplies, new set of uniform, shoes, bags 15 informal education scholars; in preparation for formal education. Livelihood 12 Badjao mothers benefiting through making of fans and rags 3 Badjao fathers received fishing boats 25 households of Badjao Dalahican with 42 families
Improved nutrition, health and safety, and over-all mental and physical well-being of affected families and individuals through timely relief assistance	Donation of relief items such as various food items, kitchen utensils and shelter kits to 2,080 families affected by Typhoon Lando in Sual and Alaminos, Pangasinan and Typhoon Nona in Calapan, Mindoro. Also for families affected by Typhoon Nona, donation of three complete sets of solar-powered refrigeration units - one unit each for two (2) Rural Health Units in Laoang and one (1) Rural Health Unit in Palapag Municipalities of Northern Samar.
Improved sense of morale and enhanced physical well-being among PNP officials	Turned over 20 units of double decker arm-type steel beds, 40 units bed foam with leatherette cover, 3 units of 15-door steel lockers to the Pangasinan Police Provincial Office in Lingayan, Pangasinan.

Projects funded through TEFI	COST (PHP) 2015-2016	COST (PHP) 2016-2017	+ OR -	COMMERCIAL, IN-KIND OR PRO-BONO
Medical Assistance	97,604	402,310	+	In-kind
Disaster Management Training		264,894	+	In-kind
Quezon Livelihood Program	10,001,671	30,000,000		In-kind
On Rural Electrification	758,204	4,490,366		

INDIRECT IMPACTS	
Improved health conditions of community.	Donation Pangasina
Improved security and level of awareness on disaster readiness and management	In the pro- covering 2 barangay locations (
Improved technological capacity and enhanced skills development for livelihood	Increased and Tayab
	Through T Renewable

_ - - - -

SIGNIFICANT IMPACTS

Improved health conditions of community.	Donation of medicines to the Rural Health Unit of Sual, Pangasinan, for the benefit of its residents.
Improved security and level of awareness on disaster readiness and management	In the province of Quezon, conducted 10 training sessions covering 406 participants including university faculty/staff, barangay officials, and community members conducted in 8 locations (6 municipalities, 1 Daraga Albay, 1 SLSU Lucban)
Improved technological capacity and enhanced skills development for livelihood	Increased livelihood income of various barangays in Unisan and Tayabas areas of Quezon Province.
	Through TEFI's Household Electrification Assistance through Renewable Technology and Social Preparation for the Upliftment of Lives ("HEART AND SOUL Project"), 112 households from different barangays in Sual, Pangasinan and 65 from Brgy. Pita and Brgy. Babuyan in Infanta, Pangasinan were energized, benefitting approximately 885 individuals. This is, in addition to the 5,818 households that the foundation energized since 2010, benefitting 29,090 individuals in Polilio Islands in Guezon Province and Infanta in Pangasinan. The HEART AND SOUL project is a public-private effort of the Department of Energy ("DOE") and TEFI promoting the use of photovoltaic systems (solar home systems). More importantly, Project HEART and SOUL aims to bring energy to the farthest and remotest areas, using electricity as a means to catalyze growth and bring sustainable development to marginalized communities. What differentiates this project from other electrification projects is it uses a framework that includes pro-active stakeholder engagement, shared responsibilities and progressive leadership development to deepen the commitment of the communities to sustain the changes and benefits well after TEFI or the DOE have finished the project. Aside from HEART and SOUL, TEFI lighted a total of 94
	Aside from HEART and SOUL, TEFT lighted a total of 94 households in Sual and Bolinao, Pangasinan and 29 households in Pagbilao, Quezon; approximately 615 individuals who are hardly reached by any form of intervention through a fundraising campaign known as "Light A Home".
	Most of the recipients of this project are homes with no sufficient source of income or no income at all and are living in poverty without basic necessities like electricity.

Indirect economic impacts

Both the Pagbilao and Sual Power Stations are coal-fired thermal power plants with potential actual and significant environmental and social impacts. Pagbilao Power Station's host communities are Barangay Ilayang Polo (host barangay of the resettlement site), Barangay Ibabang Polo in Pagbilao, the Municipality of Pagbilao, the Province of Quezon, and Region IV-A. Sual Power Station's host communities are Barangay Pangascasan in Sual, the Municipality of Sual, the Province of Pangasinan, and Region 1.

TeaM Energy manages the impacts of its operations by providing manpower and logistical support to the Local Government Units of the host communities to access the benefits under the Department of Energy's Energy Regulation No. 1-94 (ER 1-94), which stipulates that host communities will get a share of one centavo for every kilowatt-hour produced by power generation plants. It also engages Non-Government Organizations with expertise on a particular Key Result Area like Health, Education, Engagement or Biodiversity.

In addition, TeaM Energy Foundation has other areas of engagement where they provide social development programs for electrification, education, engagement, and environment. TEFI's areas of engagement do not only cover TeaM Energy's host communities, but also other communities outside of Quezon and Pangasinan like Northern Samar, Oriental Mindoro, and Metro Manila during the reporting period.

TeaM Energy conducts an Environment, Health, and Social Economic Monitoring for the host communities. In 2016, for Sual, 55.9% of the surveyed households expressed awareness on the presence of TeaM Energy's community programs focusing on education, livelihood, and health. While 77% of the respondents shared that most of the programs are being implemented at the barangay level. Likewise, 94% of them mentioned that the programs have a great impact on the development of their families. Thus, 99.2% want the programs be sustained specifically on education, livelihood, and health.

In Pagbilao, the highest rating was accounted for this variable with a total of 88% responded that the CSR programs are appropriate for the communities while a total of 79% found the CSR programs implemented to be adequate. The satisfaction level was between four to six or a mild dissatisfaction to mild satisfaction.

204-1

Proportion of spending on local supplies

"Local" means site-based and Manila -based suppliers and contractors.

The company has no specific policy preferring locally-based suppliers. The company implements as practice to source locally made goods and avail local services if it is advantageous to acquire the same in terms of cost, delivery lead time and has the level of quality as required.

Fisc	al Year 2016	*2.		
Percentage	Pagbilao	Sual	Corporate	TEFI
% Local goods and supplies purchased	23%	29%	1%	58%
% local contractors	52%	41%	23%	42%
% of Local Purchases per company	75%	70%	24%	100%
Amount (in USD)	Pagbilao	Sual	Corporate	TEFI
Local goods and supplies purchased	8,051,278	12,185,813	592,900	378,362
Local contractors	18,179,435	17,429,981	10,453,343	277,113
Total Local Purchases per company	26,230,713	29,615,794	11,046,243	655,475
Total Purchases	34,976,689	42,147,072	45,913,992	655,475
Fisc	al Year 2017			
Percentage	Pagbilao	Sual	Corporate	TEFI
% Local goods and supplies purchased	20%	25%	2%	68%
% Local contractors	54%	41%	18%	31%
% of Local Purchases per company	74%	66%	20%	99%
Amount (in USD)	Pagbilao	Sual	Corporate	TEFI
Local goods and supplies purchased	9,186,002	12,143,163	587,855	446,176
Local contractors	24,718,701	20,080,342	6,939,810	202,491
Total Local Purchases per company	33,904,703	32,223,505	7,527,665	648,667
Total Purchases	45,865,588	48,717,040	38,352,603	656,221

Operations assessed for risk related to corruption

TeaM Energy submitted itself to a Validation Process, being a signatory to the Integrity Pledge. The Validation was conducted by 3rd Party Validators sent by Integrity Initiative/ Makati Business Club.

One hundred percent (100%) of our operations are assessed for risks related to corruption. An integrity risk assessment was done at one of the Management Committee meetings during the reporting period. This assessment was done with representatives from all departments of the company present.

TeaM Energy took the initiative to develop an initial risk assessment, based on the Integrity Management Model of the UN Global Compact's "A Guide for Anti-Corruption Risk Assessment."

The MANCOM, composed of the Executive Committee and functional heads of the company, underwent this process which was facilitated by Strategic Planning in partnership with TeaM's Compliance Officers. During the MANCOM Meeting , the MANCOM underwent the following:

- Were given updates on the Integrity Pledge and TeaM's involvement
- Were informed of key features in Integrity Risk Assessment
- Were informed of the 6 steps of Integrity Risk Management
- Reviewed key terms (corruption, bribery, conflict of interest, gifts) and kinds of integrity risks
- Identified and rated Integrity Risks related to their areas of responsibility

MANCOM members were provided with a questionnaire where they noted the stakeholders they interacted with and where they identified integrity risks with corresponding definitions, and were given time to reflect on their function's/department's possible exposure to integrity risks.

The Risk Register is a summary which captures the following:

a) The list of kinds of integrity risks presented during the learning session

b) Each department's identification of what integrity risks may be exposed to

c) Each department's self-assessment on the level of exposure (i.e. low, some, high) for each risk noted in (b)

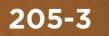
d) A comparison between the total number of risks naturally inherent in the department. The latter is based on risks normally associated with stakeholders that groups may be exposed to and is identified by Strategic Planning. This ratio or percentage in noted as Risk Awareness, i.e., the level of awareness the group knows itself to be exposed to for integrity risks.

e) Department/Group Risk: A comparison of the department's total weighted score for its identified risks vs. the total product of the department's identified risks.

205-2

Communication and training about anti-corruption policies and procedures

All TeaM Energy employees across sites are aware of TeaM Energy's anti-corruption policies and procedures. The Code of Ethics training is part of the on-boarding process for all employees.



Confirmed incidents of corruption and actions taken

There was a whistle blowing incident which resulted in the reorganization of one unit of the organization and the separation of several employees.



Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

The congress of the Philippines - both the Senate and the House of Representatives made separate inquiries on alleged anti-competitive behavior, after six (6) power plants had simultaneous shutdowns which led to the spikes in the prices of electricity on July 27, 2016.

TeaM Energy explained that it is not in the company's best interest to collude with other generating companies, considering that the bulk of the capacities are already contracted out with the government. Further it also has bilateral contracts with customers where in some agreements, TeaM guarantees back-up power.

The plants are paid and incentivized based on availability and performance. Thus, when plants are down, outside of the allowed downtime/outage allowance, TeaM is not fully paid the revenues under its agreement with the government. Also, TeaM Energy will be constrained to source back-up power from the WESM at a higher cost, just to comply with our contractual obligations with its bilateral contracts. Therefore, shut-down translates to actual revenue loss for the companies of TeaM Energy.

TeaM also explained that during the covered period, there were valid technical reasons why the plants shut down. The Pagbilao Power Plant was on approved outage from May 17 to August 7, under preventive maintenance outage, while the Sual Power Plant was on emergency shutdown on July 27, 2016 due to some condenser tube leak issues. In both instances, the Energy Regulatory Commission "ERC" dispatched its investigation team and our company submitted detailed technical reports including timelines and photos of the damaged equipment to validate the cause of the outages. For both shutdowns, protocols were observed and authorizations/approvals were secured from the relevant agencies like the Department of Energy, National Power Commission and the ERC.

These support a finding that TeaM Energy was not a party to any collusion with other generation companies nor did it engage in any anti-competitive act.

There was no follow-up investigation on the matter, and no anti-competitive behavior was proven nor any penalties meted out on TeaM Energy.



Aler

NAPP



Materials used by weight or volume.

		SU	AL	PAGBI	LAO
Materials	Units	April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 to March 2017
	1	NON-RENEWABLE M	IATERIALS	181 100	
Coal	MT	2,682,771.00	2,847,022.00	2,159,712.77	2,071,175.9
HFO	m ³	2,032.03	2,852.29	n/a	n/a
LFO	m ³	85.19	193.39	2,137.43	2,426.2
		OTHER MATER	IALS		وتراجع ليتجرز والترا
Oil Products for Maintenance	m³	148.98	117.42	n/a	n/a
Sea Water	m ³	3,497,227.29	3,594,952.09	2,084,832.08	1,583,767.5
Fresh Water	m ³	n/a	n/a	342,583.76	452,191.0
Limestone	MT	5,530.80	5,059.00	n/a	n/a
Bulk Chemicals	m ³	452,292.06	261,749.98	130,262.11	141,367.3

Under the ECA, fuel (coal, HFO, and LFO) is procured and supplied to SPS and PPS by the Independent Power Producer Administrator "IPPA" and previously by the National Power Corporation. Sea water is extracted with necessary dues and permits secured from the National Water Resources Board. Other inputs to power generation, such as, oil products for maintenance, limestone, and chemicals for water treatment, are all purchased from external suppliers.

Data are sourced from direct measurements.

Coal is mainly sourced from Indonesia and Australia; secondary fuels HFO and LFO as well as oil products for maintenance, limestone, and bulk chemicals are purchased locally.

301-2

Recycled input materials used

Pagbilao Power Station and Sual Power Station do not make use of recycled input materials in their operations.



Reclaimed products and their packaging materials

TeaM Energy's products, components, or materials are not converted into materials for new production processes. Reclaimed products and packaging materials are not applicable in the business process of TeaM Energy which is power generation.



Energy consumption within the organization.

		SUAL		PAGBILAO		CORP	ORATE
Materials Units	Units	April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 to March 2017
		N	ON-RENEWABLE ENE	RGY SOURCES			
Coal	GJ	69,202,560.99	74,205,341.49	50,150,784.07	48,104,658.59	n/a	n/a
HFO	GJ	85,085.01	119,431.15	n/a	n/a	n/a	n/a
LFO	GJ	3,311.48	7,517.47	82,152.05	93,251.76	n/a	n/a
Gasoline	GJ	1,753.44	1,890.48	692.07	537.04	3,156.49	2,952.89
Diesel	GJ	16,256.78	19,112.86	11,851.27	12,156.27	2,157.34	2,302.15
LPG	GJ	822.89	708.95	456 38	451.37	n/a	n/a
TOTAL	GJ	69,309,790.60	74,354,002.39	50,245,935.84	48,211,055.03	5,313.83	5,255.04
	ويتر المراجع					1000	
		RENE	WABLE ENERGY SOU	RCES (BIOFUELS)			
thanol (blended with gasoline)	GJ	135.16	145.72	53.35	41.40	243.31	227.61
Coco Methyl Ester (with diesel)	GJ	306.55	360.40	223.47	229.22	40.68	43.41
TOTAL	GJ	441.70	506.12	276.82	270.62	283.99	271.02
			ELECTRICITY CONS				<u> </u>
Purchased electricity	GJ	11,417.38	25,558.30	120,478.41	124,371.00	2,694.20	2,475.08
			2,00				
			ELECTRICITY	OLD			
Net Generation (sold)	GJ	24,472,306.80	26,440,041.60	16,976,920.81	16,491,614.89	n/a	n/a
TOTAL (per site)	GJ	44,849,342.88	47,940,025.22	33,389,770.26	31,844,081.76	8,292.01	8,001.14
TOTAL Energy Consumption for April 2015 to March 2016	GJ			78,247	,405.15		1
TOTAL Energy Consumption April 2016 to March 2017	LD			79 797	2,108.12		and the second

Fuels:

Coal is the main fuel used to fire up the boilers. Light fuel oil (LFO) and heavy fuel oil (HFO) are secondary fuels used only during unit start-up. Gasoline and diesel are used in stand-by gensets, fuel-fired equipment, heavy equipment and company-issued vehicles. LPG is used in the canteens within the plant sites as well as in company-owned accommodation areas.

Methodology:

Volume of materials were directly measured, but their energy equivalents (GJ) were derived using available heating values and conversion factors. Total energy consumption within the organization is computed by deducting self-generated electricity from the sum of non-renewable fuel, renewable fuel, and purchased electricity consumption.

Assumption:

Under the Biofuels Act of 2006, Section 5 mandates the use of biofuels blended liquid fuels for all vehicles. It was assumed that gasoline and diesel consumed contain 10% Ethanol and 2% CME, respectively, per government regulations.

Higher heating value (HHV) of coal, HFO, and LFO were obtained from the monthly data sheet of actual deliveries.

HHV of pure diesel (138,490 BTU/gal), CME (127,960 BTU/gal), pure gasoline (121,848 BTU/gal), Ethanol (84,530 BTU/gal), and LPG (50.152 MJ/kg) are from Appendix A: Lower and Higher Heating Values of Gas, Liquid and Solid Fuels, Biomass Energy Data Book, 2011. http://cta.ornl.gov/bdb Conversion factors from Units and Conversions Fact Sheet, Massachusetts Institute of Technology. http://web.mit.edu/mit_energy

302-2

Energy consumption outside the organization

In Sual, energy consumed outside the organization is due to fuel consumption of rented cars during official business travel, rented service vehicles to transport employees to and from work, and rented courier service; transport of purchased fuels by IPPA; and transport of wastes (ash hauling).

In Pagbilao, available data of energy consumption outside the organization is only from rented courier service, transport of purchased fuels by IPPA, and transport of wastes.

At the Corporate Office, energy consumed outside the organization is due to fuel consumption of rented cars during official business travel and rented service vehicles to transport employees to and from work

	Materials Units	SU	JAL	PAGE	BILAO	CORP	ORATE
Materials		April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 to March 2017
		NON-	RENEWABLE ENERGY	SOURCES			
Gasoline	GJ	n/a	n/a	n/a	n/a	165.26	278.25
Diesel	GJ	8,441.71	10,864.81	322.87	353.65	1,387.23	2,005.66
Bunker fuel	GJ	70,200.00	161,803.35	54,387.02	121,886.00	n/a	n/a
TOTAL	GJ	78,641.71	172,668.16	54,709.89	122,239.65	1,552.49	2,283.91
		RENEWA	ABLE ENERGY SOURCE	S (BIOFUELS)			
Ethanol (blended with gasoline)	GJ	n/a	n/a	n/a	n/a	12.74	21.45
Coco Methyl Ester (with diesel)	GJ	159.18	204.87	6.09	6.67	26.16	37.82
TOTAL	GJ	159.18	204.87	6.09	6.67	38.90	59.27
TOTAL(per site)	GJ	78,800.89	172,873.03	54,715.98	122,246.32	1,591.39	2,343.18
TOTAL Energy Consumption for April 2015 to March 2016	GJ			135,1	08.26		
TOTAL Energy Consumption April 2016 to March 2017	GJ	1 Topological		297,4	62.52		

Methodology:

Volume of materials were directly measured, but their energy equivalents (GJ) were derived using available conversion factors.

Assumption:

Under the Biofuels act of 2006, Section 5 mandates the use of biofuels blended liquid fuels for all vehicles. It is assumed that that gasoline and diesel consumed contain 10% Ethanol and 2% CME, respectively, per government regulations.

Sources:

* HHV of pure diesel (138,490 BTU/gal) and CME (127,960 BTU/gal), pure gasoline (121,848 BTU/gal, and ethanol (84,530 BTU/gal) are from Appendix A: Lower and Higher Heating Values of Gas, Luquid and Solid Fuels, Biomass Energy Data Book, 2011. http://cta.ornl.gov/bdb

* HHV of bunker fuel (0.15 mmBTU/gal) is from the 2014 Center of Corporate Climate Leadership, US EPA

* Conversion factors from Units and Conversions Fact Sheet, Massachuettes Institute of Technology. http://web.mit.edu/mit_energy

Energy intensity

		SUAL		PAGBILAO	
Materials	Units	April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 to March 2017
	ENERGY CO		THE ORGANIZATI	ON	
Coal	GJ	69,202,560.99	74,205,341.49	50,150,784.07	48,104,658.59
HFO	GJ	85,085.01	119,431.15		
LFO	GJ	3,311.48	7,517.47	82,152.05	93,251.76
Gasoline	GJ	1,753.44	1,890.48	692.07	537.04
Diesel	GJ	16,256.78	19,112.86	11,851.27	12,156.27
LPG	GJ	822.89	708.95	456.38	451.37
Ethanol (blended with gasoline)	GJ	135.16	145.72	53.35	41.40
Coco Methyl Ester (with diesel)	GJ	306.55	360.40	223.47	229.22
Purchased electricity	GJ	11,417.38	25,558.30	120,478.41	124,371.00
TOTAL	GJ	69,321,649.69	74,380,066.82	50,366,691.07	48,335,696.65
		ELECTRICITY PR	ODUCED		
Gross generation	MWh	7,404,344.00	7,981,226.00	4,927,301.50	4,778,858.90
ENERGY INTENSITY RATIO*	GJ/MWh	9.36	9.32	10.22	10.1

Energy intensity includes only energy consumed within the organization (sources are specified in 302-1) required to produce one (1) MWh of electricity.

302-4

Reduction of energy consumption.

	Unit	SUAL			BILAO
		April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 to March 2017
Amount of reduction in energy consumption	GJ	•	451,794.31	-	194,967.7
Types of energy included	-	Co	bal	C	bal
Energy reduction initiative implemented	~	Plant HRI Program		Plant HRI Program	

Energy Reduction Initiative:

TeaM Energy's most significant initiative to reduce energy consumption is the Plant Heat Rate Improvement (HRI) Program. As indicated in the Energy Conversion Agreement (ECA), the Official Heat Rate Test shall be conducted annually after each unit's anniversary dates and that a net heat rate better than the guaranteed heat rate shall be compensated with a heat rate bonus for both Sual and Pagbilao Power Stations. Better heat rate means consuming lesser amount of coal to generate the same amount of energy. Heat rate improvement positively impact preservation of the environment by way of reducing resource extration, minimal carbon dioxide and other coal by-product emissions.

No coal savings were realized in both SPS and PPS in 2015-2016 when compared to the consumption in the previous fiscal year due to lower quality of coal delivered throughtout the year. Lower quality coal means more fuel is needed to produce electricity, hence the lack of coal savings. In FY 2016-2017, HRI Program efforts have paid off as coal savings were accomplised, bringing about lower fuel rates for both SPS and PPS.

Baseline and methodology:

SPS and PPS compute the fuel rate for coal every year. Fuel rate represents the total amount of coal consumed to generate electricity for one whole year. The fuel rate (MT/MWh) from the previous year is compared to the actual gross generation output (MWh) of the current year to estimate how much coal would have been used given the previous year's fuel rate. The resulting projected amount of coal is then compared to the actual weight of coal consumed for the current year, and the difference between the two denotes the fuel savings for the current year. The equivalent energy (in GJ) of the fuel saved is finally computed and reported here.

Source:

Conversion factor from Units and Conversions Fact Sheet, Massachusetts Institute of Technology. Http://web.mit.edu/mit_energy

302-5

Reductions in energy requirements of products and services

In 2013, TeaM Energy initiated the Energy Consumption Reporting and Conservation Program but is yet to establish a baseline or base year as reference for energy consumption reduction activities. Hence, no data can be provided for this disclosure as of the reporting period.

Water withdrawal by source

Sources		April 2015 to March 2016	April 2016 to March 2017	How was this computed? (estimated, modelled or	
	Name of water body	m ³ m ³		sourced from direct measurements?)	
		PAGBILAO			
Process sea water	Pagbilao Bay	2,084,832.08	1,583,767.53	Direct measurements using flow meter	
Process fresh water (River)	Locohin River	342,583.76	452,191.03	Direct measurements using flow meter	
Cooling water	Pagbilao Bay	846,805,708.80	844,492,032.00	Estimated based on pump capacity and intake designed	
BVA Domestic Use (Water utilities)	Quezon Metro Water District	50,117.00	53,710.00	Water consumption billing	
		SUAL			
Total SeawaterWithdrawal for process and domestic use)	Pao Bay	3,497,227.29	3,594,952.09	Direct measurements using flow meter	
Cooling water	Cooling water Pao Bay		1,766,016,000.00	Estimated based on pump capacity and intake designed	
	c	ORPORATE OFFICE			
Domestic Use (Water utilities)	Maynilad (Water utilities)	3,219.00	3,374.00	Water consumption billing	
The second s	OTAL	2,623,638,087.93	2,616,196,026.65		

BVA is the accommodation complex of Pagbilao Power Station. It is located outside the plant; hence, it sources its water from the local water utility.

For Sual Power Station, seawater is extracted from Pao bay of Lingayen Gulf. Necessary dues and permits are secured from the National Water Resources Board for this activity.

303-2

Water sources significantly affected by water withdrawal

		Why is water withdrawal from this source significant?	
Name of Water Body	Designation as protected area	Biodiversity Value	Biodiversity Value
Locohin River Pagbilao, Quezon	As per DENR- Memo Circular 2015-01 - Class B (Upstream) - Class C (Bridge to mouth river)	Locohin River is a tributary of the Binahaan River, which is part of the Binahaan River Watershed Forest Reserve, established under the Proclamation 735. An online database shows 12 species of amphibians and 42 species of mammals in the Binahaan River WFR. The following species are listed under the IUCN Red List: - Golden-capped fruit bat - Endangered - Visayan hornbill - Endangered - North Philippine dwarf-kingfisher - Vulnerable - North Philippine Gwarf-kingfisher - Vulnerable - Philippine Deer - Vulnerable - Rufous coucal - Near threatened Sources: http://www.protectedplanet.net/sites/Binahaan_River_Watershed_Forest_Reserve/species http://portal.calabarzon.denr.gov.ph/ecotourism/Protected_BRWFR.html	Locohin River is the main water source of the local community of Binahaan, Pagbilao, Quezon. Pagbilao Power Station has an existing Compromise Agreement with the local community for the permission to draw water from the Locohin River. In the Agreement, the farmers and the locals are given priority in using freshwater from the Locohin River, especially during dry season.



Water recycled and reused

Per compilation protocol definitions/requirement, this disclosure is not applicable since we use once-through circulating water system (for both Pagbilao and Sual). Both our power plants do not reuse process water.

304-1

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

Pagbilao Power Station Isla Grande, Brgy. Ibabang Polo, Pagbilao, Quezon **Position in Relation** Type of Size of **Biodiversity value outside the** Biodiversity value characterized by listing of protected status to the Protected Area Operation protected area (terrestrial, operation (km2) freshwater, or maritime The Quezon Protected Landscape (QPL) ecosystem); is a 983.0765-hectare area classified under "Very High" Priority for A tropical rainforest, the QPL spans five barangays in Quezon biodiversity conservation by the DENR-PAWB, UP Center for Integrative Southwest of Production 1.5 sq. km. province, namely Silangang Quezon National Park - no direct impact Malicboy in Pagbilao, barangays and Development Studies, and Sipa and Hinguiwin in Padre Burgos and barangays Sta. Catalina and Malinao Ilaya in Conservation International-Philippines due to its rich biodiversity. Quezon National Park in QPL is also classified as Atimonan. an Important Bird Area (IBA) Eastern side of Pagbilao Production -1.5 sq. km. Marine ecosystem and an Pagbilao and Tayabas Bay is classified as and Tayabas Bay Extractive (water important bird area (IBA) an Important Bird Area (IBA); One of the requirements) Mangrove Swamp Forest most diverse in Mangrove species: Some parts of Tayabas Bay were proclaimed as Reserve a Mangrove Swamp Forest Reserve by virtue of Proclamation No. 121 on 29 Dec. 1981 Southwest of Binahaan Production -1.5 sq. km. Watershed forest (freshwater) **Binahaan River Watershed Forest River Watershed Forest** Extractive (water Reserve established under Proclamation Reserve requirements) 735 but not yet proclaimed as Protected Area under the National Intergrated Protected Areas System (NIPAS). Additionally, DENR-Memo Circular 2015-01 classifies its upstream portion as Class B water body and from the bridge to mouth of river as Class C water body.



Sual Power Station operates within 282 hectares (142 hectares power plant complex, 140 hectares ash disposal area) total land area. There are no critical habitats, national parks, or conservation forests within and in the immediate vicinities of the power station. In terms of the marine environment, there is no adjacent protected area to the power station. Its terrestrial community, however, consists largely of grasslands (65%). Smaller portions are forest lands and agricultural lands planted to crops, various cash crops, and fruit bearing trees.

Java sparrow (Padda oryzivora) and Philippine duck (Anas luzonica) have been documented within SPS. They are assessed as "Vulnerable" in the 2016 IUCN Red List of Threatened Species. The Philippine duck has been classified as vulnerable both under the 2016 IUCN Red List of Threatened Species and DENR Administrative Order (DAO) 2014-15 Philippine Widlife Resources and Conservation Act.

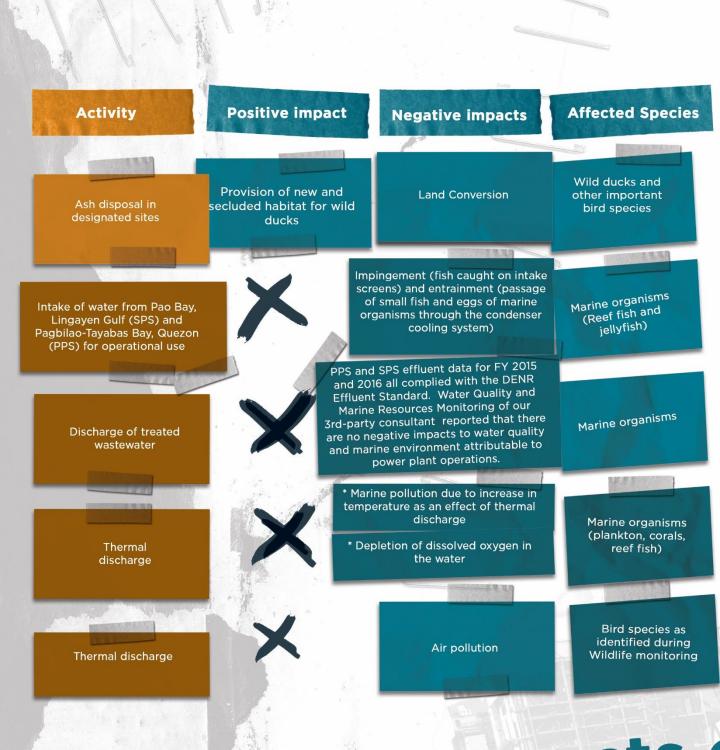
304-2

Significant impacts of activities, products, and services on biodiversity

With a combined installed capacity of 1953 MW, Sual and Pagbilao Power Stations are the Philippines' largest base-load, coal-fired, electricity-generating plants. Major impacts normally associated with coal-fired power plant operations include resource depletion due to use of coal and seawater, air pollution due to generation of stack emissions, and water pollution due to discharge of wastewater and thermal discharges.

Consequently, species thriving in the impacted areas may also be affected by power plant operations.

However, TeaM Energy upholds responsible citizenship and ensures that appropriate controls are in place to mitigate our operations' environmental impacts.



Significant impacts products, and servic Biodiversity



Sustainability started from an idea and it grew and flourished into our work.



Habitats protected or restored

Project	Project Description	Size and Location of Protected/Restored Area	Was the restoration measure approved by independent external professionals?	Partnerships with third parties	Status/Condition at the Close of the Reporting Period
		SUA	L		
Sioasio East Upland Rehabilitation Project	Reforestration of upland forest	 60 hectares Brgy Sioasio East, Sual Pangasinan 	No	Sioasio East Forest Developers Association, Inc. (SEFDA)	 Average survival rate was recorded to be 94%. This is above the acceptable 85% survival rate of the Department of Environment and Natural Resources (DENR) for its National Greening Program The once barren grassland is now filled with Agoho, Alibangbang, Narra, and Duhat
Logolog Riverbank Rehabilitation Program	 Sual Power Station's response to DENR's "Adopt-A-River Program" which aims to establish environmental awareness and community support for environmental protection initiatives through riverbanks rehabilitation Rehabilitation Program involves riverbank clean-up, slope erosion protection, and improvement of irrigation facilities at nearby irrigation canals 	• 1 hectare • Logolog River, Brgy. Pangascasan and Brgy. Baybay Sur	DENR EMB	None	 Slope protection measures phase 1 completed Tree planting along riverbanks was completed last February 2014. Improvement of irrigation facilities will still be conducted in coordination with National Irrigation Authority
		PAGBIL	.AO		
Community Carbon Pool Program	Implementation of the worldwide effort on REDD+ by providing forest dependent communities (Agta-Dumagat-Remondato tribe) with alternative livelihoods (i.e. sustainable honey harvesting) and capacitate them to conduct carbon stock and biodiversity assessment. * REDD+ (Reducing Emissions from Deforestation and Degradation, conservation and enhancement of carbon stocks, and sustainable management of forests)	 144,000 hectares of forest ecosystem Southern Sierra Madre, General Nakar, Quezon 	No	 SAGIBIN-LN (Samahan ng mga Katutubong Agta/Dumagat- Remontado na Binabaka at Ipinagtatanggol ang Lupaing Ninuno) Pigteponen Livelihood Center, Inc. 	 Constructed the Pigteponen Livelihood Center, Inc. at Infanta, Quezon The Center was established to become the consolidating mechanism and structure for all livelihood projects of the Agta-Dumagat-Remontado in Northern Quezon Venturing on almaciga resin as an additional non-timber forest product of Pigteponen
Carbon Sink Initiative	From 2003 to 2008, upland forest and mangrove forest were rehabilitated in preparation for carbon stock assessment and monitoring for sustainable and resilient mangrove and forest ecosystems.	 150 hectares of upland forest and 150 hectares of mangrove forest Padre Burgos and Pagbilao, Quezon 	No	University of the Philippines Los Baños Foundation, Inc. (UPLBFI)	 Measured the carbon sequestration potential of the project site Analysis of gathered data still ongoing
Adopt-a-River: Locohin River	 Pagbilao Power Station's response to DENR's "Adopt-A-River Program" Aims to maintain the quality of water in the Locohin River where the station extracts fresh water for its service water requirements 	One kilometer portion of the total 3.36 km stretch of Binahaan River located at Brgy. Binahaan Pagbilao, Quezon with geographic coordinates of 130 57' 58"N 1210 45' 00"E to 130 59' 16.11"N 121045' 00"E;	DENR EMB	AECOM - 3rd party monitoring of terrestrial ecosystem PAMB (Binahaan) DENROs/ Binahaan Protection Group KasamaKa Quezon Inc.	 Regular desilting activities implemented River clean up and tree planting conducted Sustained water quality analysis in downstream of Locohin River near pumping station IEC conducted on river classification and river protection Semi-annual terrestrial monitoring fo vegetation and wildlife (avifauna)



IUCN Red List species and national conservation list species with habitats in areas affected by operations

Species	Total Number	Habitat Area	Level of Extinction	
N	Children and			
	SUAL		ANS STOR	
Brahminy kite (Haliastur indus)	2015 SA1 = 1 2015 SA2 = 10 2016 SA1 = 5 2016 SA1 = 11 Asian Waterbird Census last January 2017 by Wild Bird Club of the Philippines - 5	Sual, Pangasinan		
Phillippine duck (Anas luzonica)	2015 SA1 = 0 2015 SA2 = 3 2016 SA1 = 5 2016 SA1 = 0 Asian Waterbird Census last January 2016 by Wild Bird Club of the Philippines - 171 Asian Waterbird Census last January 2017 by Wild Bird Club of the Philippines - 144	Sual, Pangasinan		
Java Sparrow (Padda oryzivora)	2015 SA1 = 27 2015 SA2 = 84 2016 SA1 = 11 2016 SA1 = 80	Sual, Pangasinan	Vulnerable	
Chinese egret (Egretta eulophotes)	2015 SA1 = 18 2015 SA2 = 0 2016 SA1 = 0 2016 SA1 = 0	Sual, Pangasinan	Vulnerable	
	0		Pro-	
	PAGBILAO			
Phillippine duck (Anas luzonica)	2015 SA1/SA2 = 7 2016 SA1 = 0 2016 SA1 = 0	Pagbilao, Quezon	Vulnerable	
Chinese egret (Egretta eulophotes)	2015 SA1 = 0 2015 SA2 = 19 2016 SA1 = 0 2016 SA1 = 8	Pagbilao, Quezon	Vulnerable	
Rufous night heron (Nycticorax caledonicus)	2015 SA1 = 0 2015 SA2 = 0 2016 SA1 = 3 2016 SA1 = 0	Pagbilao, Quezon	Least Concern	

Anas Luzonica is categorized as Vulnerable based on the 2016 IUCN Red List of Threatened Species and the Philippine Wildlife Act of 2001 as stipulated in DENR Administrative Order 2004-15 (RA 9147 and DENR AO 2004-15).

The number of recorded individuals of this species fluctuated across monitoring surveys and may be attributed to food availability and partly to occasional earth moving activities. The presence of these threatened species suggests that SPS provides protection and sanctuary for some threatened species.

Direct (Scope 1) greenhouse gas (GHG) emissions

						CORPORATE		
		SU	AL	PAGE	ILAO	CORPO		
Emission Source	Units	April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 to March 2017	
Stationary combustion	tons CO ₂ e	6,174,311.48	6,622,956.70	4,475,835.58	4,328,822.33	0.229	0.229	
Mobile Combustion	tons CO ₂ e	n/a	n/a	810.20	798.66	399.90	395.59	
Fugitive Emissions	tons CO ₂ e	447.43	470.60	1,119.65	919.36	n/a	n/a	
Subtotal	tons CO ₂ e	6,174,758.91	6,623,427.30	4,477,765.42	4,330,540.35	400.13	395.82	
Total Scope 1 Emissions for April 2015 to March 2016	tons CO ₂ e			10,652,	924.46			
Total Scope 1 Emissions for April 2016 to March 2017	tons CO₂e			10,954,	363.46			

Gases included:

Gases included for all sites are CO₂, CH₄, and N₂O. Additionally, hydrofluorocarbous (HFCs) included for Sual is R-22 and for Pagbilao are R-22 and R-134A.

Emission Sources:

Stationary emission sources in SPS are the Unit 1 and Unit 2 boiler furnaces and turbines (coal) and auxiliary boilers (HFO and LFO). Its fugitive emission source includes refrigerant R-22 (HFCs).

Stationary emission sources in PPS are the Unit 1 and Unit 2 boiler furnaces and turbines (coal), auxiliary boiler (LFO), stand-by generator sets (diesel and biodiesel), fuel-fired equipment (diesel, biodiesel, gasoline and ethanol), and LPG used for cooking. Mobile emission sources include heavy equipment and company-issued vehicles (diesel, biodiesel, gasoline and ethanol), company-owned ferry boats used as service vehicles of employees (diesel and biodiesel), and security patrol boat and jetski (gasoline and ethanol).

Its fugitive emission source includes refrigerants (HFCs).

In the Corporate Office GHG inventory, stationary emission sources include stand-by generator sets and fuel-fired equipment (diesel and biodiesel) used in TPEC sites.

Its mobile emission sources include heavy equipment used in TPEC sites and company-issued vehicles (diesel, biodiesel, gasoline and ethanol).

Consolidation approach:

TeaM Energy implements the "operational control" approach wherein the inventory only includes GHG emissions from sources over which TeaM Energy has direct operational control and has full authority to introduce and implement operating policies.

This is also the preferred approach because it offers ease in collecting data that is readily available and accessible.

Baseline Year:

On 11 September 2014, TeaM Energy issued CCOP-019 GHG Inventory Program in response to the growing need to act against global warming. It was only then that TeaM Energy started to establish a system for compiling GHG emissions using WRI and WBCSD "GHG Protocol Corporate Accounting and Reporting Standard" and other documents from the IPCC. By enacting CCOP-019 in 2014, TeaM Energy assured a uniform calculation methodology and accurate emission factors and activity data.

As such, TeaM Energy designated FY 2015-2016 as the baseline year which will provide a basis for tracking emission trends for possible mitigation initiatives.

Methodology, Emission Factors, and GWP:

GHG computation is based on the Corporate GHG Accounting and Reporting Guide, World Resources Institute (WRI) and The World Business Council for Sustainable Development (WBCSD).

Emission factors were gathered from Volume 2: Energy, 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the 2014 The Climate Registry.

Conversion Factors:

- * Biomass Energy Data Book 2011 http://cta.ornl.gov/bedb
- * http://mitenergyclub.org/sites/default/files/Units_ConvFactors.MIT_ EnergyClub_Factsheet.v8.pdf

Energy indirect (Scope 2) greenhouse gas (GHG) emissions

		SU/	AL	PAGB	ILAO	CORPC	DRATE
Emission Source	Units	April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 to March 2017
Purchased Electricity	tons CO₂e	1,544.03	3,594.08	17,368.97	17,930.15	388.41	356.82
Total Scope 2 Emissions for April 2015 to March 2016	tons CO ₂ e			19,30)1.41		
Total Scope 2 Emissions for April 2016 to March 2017	tons CO₂e			21,88	1.05		

Gases included:

Only CO₂.

Emission Sources:

In SPS, purchased electricity is used in start-up/stand-by transformer. In PPS, purchased electricity is used in reserve auxiliary transformer (RAT) consumption and in Bayview Accomodation (BVA). Corporate Office electricity is purchased from Meralco.

Methodology, Emission Factors, and GWP:

GHG computation is based on the Corporate GHG Accounting and Reporting Guide, World Resources Institute (WRI) and The World Business Council for Sustainable Development (WBCSD). Emission factor from the Luzon and Visayas National Grid Emission Factor, Department of Energy.

Conversion Factors:

http://mitenergyclub.org/sites/default/files/Units_ConvFactors.MIT_EnergyClub_Factsheet.v 8.pdf



Other indirect (Scope 3) greenhouse gas (GHG) emissions

		su	AL	PAGE	BILAO	CORPO	DRATE
Emission Source	Units	April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 to March 2017
Employee business travel through car rentals	tons CO₂e	Data not available	Data not available	Data not available	Data not available	21.99	72.64
Rented buses/vans used as service vehicles of employees to and from work	tons CO₂e	Data not available	Data not available	Data not available	Data not available	95.41	100.06
Rented courier service	tons CO ₂ e	Data not available	Data not available	19.24	19.96	n/a	n/a
Transportation of purchased fuels by IPPA	tons CO₂e	Data not available	Data not available	8,114.57	8,699.17	n/a	n/a
Transportation of wastes	tons CO ₂ e	Data not available	Data not available	0.0085	6.80	n/a	n/a
Subtotal	tons CO₂e			8,133.82	8,725.93	117.40	172.6
Total Scope 3 Emissions for April 2015 to March 2016	tons CO₂e			8,25	1.22		
Total Scope 3 Emissions for April 2016 to March 2017	tons CO₂e			8,89	8.62		

Gases included:

CO₂, CH₄ and N₂O.

Emission Sources:

SPS does not monitor Scope 3 emissions.

In PPS, Scope 3 emissions cover diesel and biodiesel from rented courier service and transportation of wastes. Transportation of purchased fuels by IPPA uses bunker fuel.

At the Corporate Office, Scope 3 emissions cover diesel, biodiesel, gasoline, and ethanol from employee business travel via car rentals. Diesel and biodiesel used by rented service vans of employees to and from work are likewise included in Scope 3 emission sources of the Corporate Office.

Consolidation approach:

TeaM Energy implements the "operational control" approach wherein the inventory only includes GHG emissions from sources over which TeaM Energy has direct operational control and has full authority to introduce and implement operating policies.

This is also the preferred approach because it offers ease in collecting data that is readily available and accessible.

Baseline year:

On 11 September 2014, TeaM Energy issued CCOP-019 GHG Inventory Program in response to the growing need to act against global warming. It was only then that TeaM Energy started to establish a system for compiling GHG emissions using WRI and WBCSD "GHG Protocol Corporate Accounting and Reporting Standard" and other documents from the IPCC.

By enacting CCOP-019 in 2014, TeaM Energy assured a uniform calculation methodology and accurate emission factors and activity data.

As such, TeaM Energy designated FY 2015-2016 as the baseline year which will provide a basis for tracking emission trends for possible mitigation initiatives.

Methodology, Emission Factors, and GWP:

GHG computation is based on the Corporate GHG Accounting and Reporting Guide, World Resources Institute (WRI) and The World Business Council for Sustainable Development (WBCSD).

Emission factors were gathered from Volume 2: Energy, 2006, IPCC Guidelines for National Greenhouse Gas Inventories and the 2014 The Climate Registry.

Conversion Factors:

Biomass Energy Data Book 2011 – http://cta/ornl.gov/bedb http://mitenergyclub.org/sites.default'flies/Units_ConvFactors.MIT_EnergyClub_Factsheet.v8.pdf



Greenhouse gas (GHG) emissions intensity

		SU	AL	PAGB	ILAO
Materials	Units	April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 t March 2017
GHG EMISSIONS					
Scope 1 Emissions	Tons CO ₂ e	6,174,758.91	6,623,427.30	4,477,765.42	4,330,540.
Scope 2 Emissions	Tons CO ₂ e	1,544.03	3,594.08	17,368.97	17,930.
	ELE	CTRICITY PRODU	JCED		
Gross generation	мwн	7,404,344.00	7,981,226.00	4,927,301.50	4,778,858.9
EMISSIONS INTENSITY RATIO*	Tons CO₂e/MWh	0.834	0.830	0.912	0.9

Gases included:

Scope 1 : CO₂, CH₄, N₂O, and HFCs Scope 2: CO₂

*Emissions intensity only includes Scope 1 (305-1) and Scope 2 (305-2) GHG emissions per MWh of electricity generated.

305-5

Reduction of greenhouse gas (GHG) emissions

Energy Reduction Initiative:

TeaM Energy's most significant initiative to reduce energy consumption is the Plant Heat Rate Improvement (HRI) Program. As indicated in the Energy Conversion Agreement (ECA), the Official Heat Rate Test shall be conducted annually after each unit's anniversary dates and that a net heat rate better than the guaranteed heat rate shall be compensated with a heat rate bonus for both Sual and Pagbilao Power Stations. Better heat rate means consuming lesser amount of coal to generate the same amount of energy. This results in lower energy cost.

Heat rate improvement positively impacts preservation of the environment by way of reducing resource extraction, and helping to minimize carbon dioxide and other coal by-product emissions.

No coal savings were realized in both SPS and PPS in 2015 due to lower quality of coal delivered throughout in that year.

	Units	su	JAL	PAGBILAO		
Details		April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 to March 2017	
Energy reduction initiative implemented		- 	Plant HRI Program (302-4)	-	Plant HRI Program (302-4)	
Types of energy included			Coal (Scope 1)	-	Coal (Scope 1)	
Reduction in GHG emissions based on coal savings	tons CO ₂ e	-	104,024.51		48,557.56	
Total GHG Emissions Reduction for April 2015 to March 2016	tons CO₂e		0.0	00		
Total GHG Emissions Reduction for April 2016 to March 2017	tons CO₂e		152,58	92.07		

Gases included:

CO₂, CH₄ and N₂O.

Baseline and methodology:

On 11 September 2014, TeaM Energy issued CCOP-019 GHG Inventory Program in response to the growing need to act against global warming. It was only then that TeaM Energy started to establish a system for compiling GHG emissions using WRI and WBCSD "GHG Protocol Corporate Accounting and Reporting Standard" and other documents from the IPCC. By enacting CCOP-019 in 2014, TeaM Energy assured a uniform calculation methodology and accurate emission factors and activity data.

As such, TeaM Energy designated FY 2015-2016 as the base year which will provide a basis for tracking emission trends for possible mitigation initiatives.

Reported in this indicator are GHG emissions reduction (in tons CO₂e) based only on fuel savings (302-4).

Reduction in GHG emission:

Reduction in GHG emission affects coal consumption, which is covered under direct (Scope 1) emissions.

Methodology, Emission Factors, and GWP:

GHG computation is based on the Corporate GHG Accounting and Reporting Guide, World Resources Institute (WRI) and The World Business Council for Sustainable Development (WBCSD). Emission factors were gathered from Volume 2: Energy, 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the 2014 The Climate Registry.

Conversion Factors:

- * Biomass Energy Data Book 2011 http://cta.ornl.gov/bedb
- * http://mitenergyclub.org/sites/default/files/Units_ConvFactors.MIT_ EnergyClub_Factsheet.v8.pdf



Emissions of ozone-depleting substances (ODS).

SPS and PPS have been phasing out ODS in accordance with the phase-out schedule in DENR AO 2013-25 (Revised Regulations on Chemical Control Order for ODS). DAO 2013-25 is aligned with the Montreal Protocol and strengthens the implementation of the Philippine National CFC Phase-out.

To date, the remaining CCO-covered substance in SPS and PPS is the refrigerant R-22, phase-out schedule of which is in 2040.

		su	AL	PAGB	ILAO
Materials	Units	April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 to March 2017
R-22	MT CFC-11 equivalent	0.0136	0.0143	0.0337	0.0275
Total ODS emissions for April 2015 to March 2016	MT CFC-11 equivalent		0.04	1731	
Total ODS emissions for April 2016 to March 2017	MT CFC-11 equivalent		0.04	1177	الأقير

Standards, methodology, and assumption:

Weight of ODS was obtained based on the number of cylinders consumed for the period. Each cylinder specifies weight (in kg) of ODS contained. Total kg of ODS is converted to MT CFC-11 equivalent using ODP value of R-22 as published by the US EPA.

Source of emission factor:

Montreal Protocol as published by US EPA http://www.epa.gov/ozone/science/ods/classone.html (updated Nov 7, 2014)

Source of conversion factor:

http://mitenergyclub.org/sites/default/files/Units_ConvFactors.MIT_EnergyClub_Factsheet.v 8.pdf

305-7

NOx, SOx, and other significant air emissions

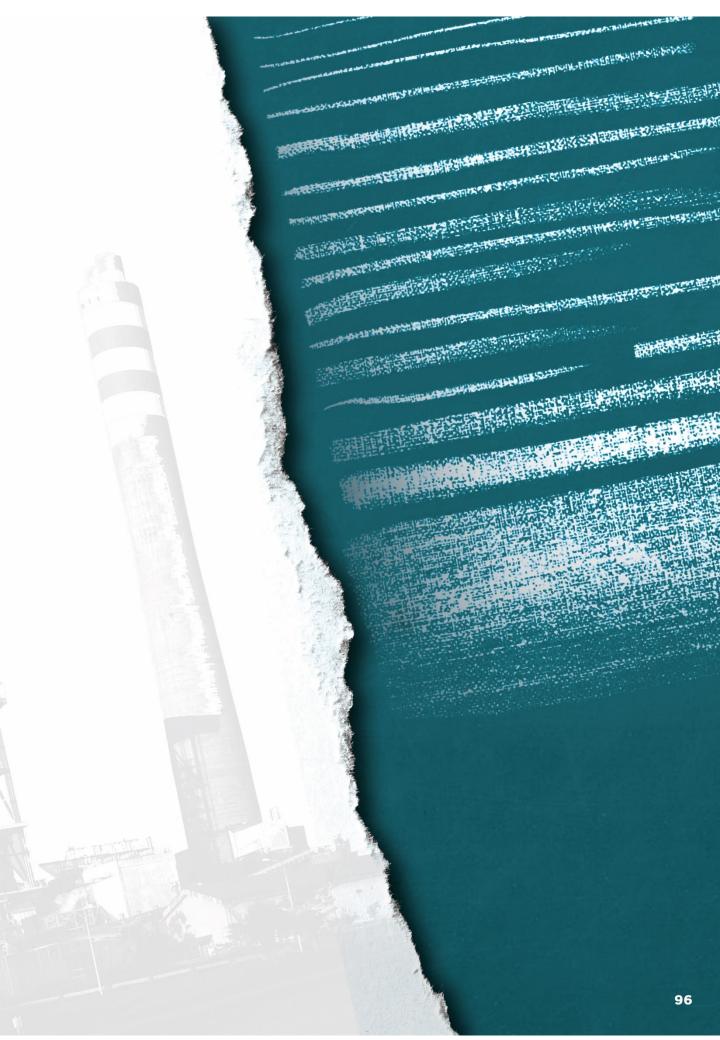
		SU	AL	PAGBILAO		
Emissions	Units	April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 to March 2017	
Sulfur Dioxide	kg	21,856,090.98	21,531,205.65	15,722,160.79	13,077,373.85	
Nitrogen Oxide	kg	8,735,412.90	9,365,385.62	8,034,588.88	7,739,009.64	
Particulate Matter	kg	298,554.05	270,846.40	284,761.51	272,857.14	

Standards, methodologies and assumptions:

Amount of air emission is directly quantified using Continuous Emissions Monitoring System (CEMS) installed in the chimneys of SPS and PPS to monitor sulfur oxides (SO₂), nitrogen oxides (NOx) and opacity in the flue gas 24 hours a day, 7 days a week.

Source of emission factor:

No emission factors were used in the computation.



Water discharge by quality and destination

Volume		COMPANY NO STREET, CONTRACTOR
aed		
aed		ent Quality.
	Temp Increase	BOD
	°C	mg/L
89,193.82	0.80	3.50
6,473.00	(0.09)	(0.09)
03,610.09	0.03	6.76
6,000.00	1.97	(0.09)
3,734.88	(0.65)	6.12
9,664.40	0.44	(0.09)
	max 3°C increase	100
59	59,664.40 ischarge	59,664.40 0.44 ischarge max 3°C

· 如何是 · 如果是 · 如何 · 如何 · 如何 ·		April 2015 to March 2016				
Discharge Point/		Total Annual Volume	Effluent Quality.			
Type of Water Discharge	Treatment Method	Discharged	Temp Increase	BOD		
		m ³	°C	mg/L		
Outlet No. 1: STP Discharge from Domestic Wastewater	Sewage Treatment Plant	35,870.13	n/a	17.71		
Cooling water	Non-contact / Once-through	846,805,708.80	1.95	n/a		
DENR Standa	Allowable discharge volume based on DP	max 3°C increase	100			

Standards:

SPS and PPS comply with the effluent standards specified in DENR DAO 2016-08 Water Quality Guidelines and General Effluent Standards (GES) of 2016 and quarterly reports effluent monitoring results to DENR.

Methodologies:

Effluent quality results specified above were computed by averaging the monthly effluent monitoring result for the given fiscal year. Effluent analyses are carried out by a third-party DENR-accredited laboratory.

			April 2016	to March 2017			친구는 모양 방법 사람
(Annual Average)		Total Annual Volume	Eff	luent Quality (#	e)		
TSS	рН	Discharged	Temp Increase	BOD	TSS	рН	Discharge Destination
mg/L		m ³	°C	mg/L	mg/L	•	
9.92	7.90	942,304.86	0.86	NA as per new GES	8.49	7.88	Pao Bay
10.74	7.97		(0.66)	(0.09)	5.64	7.99	Baquioen Bay
13.56	7.41	287,566.22	(1.01)	5.31	10.53	7.48	Baquioen Bay
(0.09)	7.91	1,766,016,000.00	1.98	(0.09)	(0.09)	7.76	Baquioen Bay
6.37	7.53		(1.34)	NA as per new GES	9.93	7.38	Pao Bay
2.34	7.84	4,597,013.88	0.46	(0.09)	3.50	7.64	Pao Bay
100	6.0 - 9.0	Allowable discharge volume based on DP	max 3°C increase	100	100	6.0 - 9.0	

			April 2016	to March 2017			
(Annual Average)		Total Annual Volume Effluent Quality (Annual Average)					
TSS	pН	Discharged	Temp Increase	BOD	TSS	рН	Discharge Destination
mg/L		m ³	°C	mg/L	mg/L		
9.55	7.46	12,648.62	n/a	9.83	10.22	7.53	Pagbilao/ Tayabas Bay
2.50	8.19	844,492,032.00	1.98	n/a	2.71	8.06	Pagbilao/ Tayabas Bay
100	6.0 - 9.0	Allowable discharge volume based on DP	max 3°C increase	100	100	6.0 - 9.0	

Waste by type and disposal method

Waste Disposal Method		SU	AL	PAGBILAO		
	Units	April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 to March 2017	
HAZARDOUS WASTES		1.18				
Composting	MT	18.00	18.00	n/a	n/a	
On-site Storage	MT	0.00300	0.00300	0.00409	0.00218	
Off-site Treatment	MT	198.19	147.76	85.14	64.84	
Total Hazardous Wastes	МТ	216.19	165.76	85.14	64.84	
NON-HAZARDOUS WASTES						
Recycling	MT	10,241.79	9,973.26	0.91	37.04	
Composting	MT	7.59	14.35	6.62	7.72	
Landfill	MT	211,159.50	261,594.39	n/a	n/a	
Municipal Dumpsite	МТ	n/a	n/a	0.10	1.398	
Total Non-Hazardous Wastes	МТ	221,408.88	271,582.00	7.63	46.16	
TOTAL WEIGHT OF WASTE	МТ	221,625.07	271,747.76	92.77	110.99	
TOTAL Weight of Waste for April 2015 to March 2016	МТ	221,717.84				
TOTAL Weight of Waste for April 2016 to March 2017	МТ	271,858.76				



Significant spills

Site	No. of spills	Volume of spills m ³	Material of spill Oil/Chemical/ Fuel	Location of Spill	Significant Impacts
Corporate Office	n/a	n/a	n/a	n/a	n/a
Pagbilao	0	n/a	n/a	n/a	n/a
Sual	0	n/a	n/a	n/a	n/a

Classification Protocol:

Under Corporate Code of Practice (CCOP)-009: EHS Incident Reporting and Investigation Procedure, oil/petroleum spills are considered environmental incidents if any quantity is discharged to water or any sensitive environment, or if \geq 25 gallons (or 100 liters) is discharged or released to the ground unless it was spilled into an area designed as secondary containment for oil spillage.

Chemical spills, regardless of volume, are considered environmental incidents if these are released to a receiving body of water, outside the containment wall, unpaved areas which may potentially be released to a groundwater or nearest water body, or any sensitive environment.

Environmental Guarantee Fund:

TeaM Energy maintains an Environment Guarantee Fund (EGF) amounting to P10 Million for rehabilitation/restoration of affected areas in the event of an oil/chemical/fuel spill.

TeaM Energy likewise upholds responsible citizenship by allocating a budget for environment-related expenses, including those made to mitigate impacts of our operations.

306-4

Transport of hazardous waste

This indicator is not applicable to us as the disclosure is not material to our business. All hazardous wastes of the company are being treated locally by DENR-accredited treaters. As such, no waste is exported, imported, transported/ treated/ shipped internationally by TeaM Energy.

Water bodies affected by water discharges and/or run-off

PARAMETERS

SUAL

PAGBILAO

Pagbilao and Tayabas Bay- 121° 43.00' East 13°

55.00' North

Water bodies significantly affected by water discharges

Information on size of

cubic meters

receiving water body in

The discharge points of Sual Power Station are within the Lingayen Gulf - Pao Bay and Baquioen Bay.

Sual Power Station is located at the southwestern section of the Lingayen Gulf. The gulf is located between 16° to 17° N latitude and 119° to 121° E longitude, covering an area of 2,100 km2 with a coastline of 160km that extends from Cape Bolinao in Pangasinan to Poro Point in La Union. The gulf has an average depth of 46m. Its maximum depth of about 200m is along the gulf's northern portion. (based on EIS)

Pagbilao Power Station is at the Eastern side of Pagbilao and Tayabas Bay. Based on the profile of BirdLife International, the Pagbilao and Tayabas Bay spans 10,000 hectares. This includes about 700 hectares patch of mangrove areas in the Delta of the Palsabangon River and its tributaries in the Pagbilao Bay.

Information on whether the receiving water body is designated as a protected area

Pao Bay and Baquioen Bay are not designated as protected areas.

Pagbilao and Tayabas Bay are not designated as protected areas. However, BirdLife International considers the area as an Important Bird Area (IBA) as it serves as an Important wintering area for migratory herons, egrets, and shorebirds.

Information on biodiversity value in receiving water body

Biodiversity Information based on 2016 2nd Semi-Annual Marine Resources Monitoring Report by AECOM:

Coral reefs surrounding the Sual Power Station remained to be in poor condition with live coral cover ranging from 0% to 6%. Coral cover remained to be nil live in Sisay and highest in Bangar. The poor coral cover in the monitoring stations might be attributed to the continuously increase levels of total suspended solids and nutrients sourced from the adjacent fish cages. Genera of hard corals that were identified in the monitoring stations were similar to the previous monitoring periods (i.e. Acropora, Euphyllia, Favites, Goniopora, Turbinaria, Plerogyra, and Porites).

Reef fish species, abundance, and biomass increased. The appearance of fairly large species during the time of survey has resulted in the large increase in biomass. More species and more individuals were observed and may probably have been due to the aggregation of fish around or near the fish cages. In this case, the fish cages serve as Fish Attraction/Aggregating Device (FAD) and trophic or food source for other fishes or wild stocks. Biodiversity Information based on October 2016 Marine Resources Monitoring Report by AECOM: 1) Overall mean live coral cover of 5 stations was

32.10% which generally indicates that corals surrounding the power station are in fair condition. Capas-capas (43%), Mag-asawang Bato (34%) & Outfall (32%) all are in fair condition while both Panambo (17%) and Banlisan (16%) were in poor condition. At least 22 coral genera were identified.

2) 54 reef fish species, with abundance of 903. No. of species and abundance increased from previous monitoring periods. The estimated total biomass likewise increased from the previous survey of 16.97 kg/500m2 (equivalent to 6.49tons/km2) to 28.13 kg/500m2 (equivalent to 10.75tons/km2).

3) 6 seagrass species were observed. The estimated total seagrass shoot count was 3,286 shoots (mean shoot count of 657) and is higher compared to the previous sampling. This may be due to the clear water conditions of the sampling stations. Lipata had the highest shoot count (2,231 shoots) while Tubahin had the lowest (86 shoots).

Biodiversity Information based on October 2016 Terrestrial Resources Monitoring Report by AECOM: A total of 81 bird species was noted for the 2016 monitoring. Of the 81 bird species, 32% are forest birds; 28% each are forest to forest dwelling birds and wetlands birds; while 12% are limited forest associated birds.



Non-compliance with environmental laws and regulations

and that it is a

Site	Value of significant fines (PHP)	Total No. of non-monetary sanctions	Case through dispute resolutior mechanisms
Corporate	-	ο	ο
Sual	-	ο	2
Pagbilao	-	ο	0

For FY 2015-16 and FY 2016-17, both SPS and PPS maintained their ISO 14001 Certification, and no nonconformities resulting from failure to comply with legal and other requirements were cited.

No Notice of Violation resulting in significant fines and non-monetary sanctions was received by the organization from any environmental regulatory agency.

Notes on Pagbilao:

CASE 1:

DENR Audit was performed in July 2016 following directive of DENR Secretary to audit coal fired power plants. There were findings on SO₂ exceedances during the conduct of Heat Rate tests, and the non-submission of monitoring data for carbon monoxide.

These were resolved through Technical Conference, in which TEC-Pagbilao committed to submit requirements and mitigate the noted activities that could lead to non-compliance.

CASE 2:

Complaint to DENR of Mr. Adriano Atay regarding alleged environmental damages caused by station. This was resolved through a Technical Conference dated December 19, 2016.

DENR performed sampling for verification and closure of the issue in latter months. No adverse findings against TeaM Energy.

Percentage of new suppliers that were screened using environmental criteria

All potential suppliers undergo a general accreditation process in order to be able to be invited to biddings for company requirements. Included among the documents/information to be submitted are the company profile (includes company background, list of clients/projects undertaken, summary of core competencies/capabilities, table of organization, etc.), and safety, health and environment compliance procedures and guidelines.

These are all taken into consideration in accreditation.

During the reporting period, the Materials Management Depart (MMD) has come up with proposed revised accreditation guidelines including specific and more detailed environmental criteria.

SUSTAINING PARTNERSHIP PROGRAM

An area for improvement identified in the sustainability agenda of the company is the accreditation process for suppliers critical to our business. In response to this, the leader of the MMD together with the Legal Group and Learning & Development designed the Sustainable Partnership Program. This aims to educate both the MMD team and the critical suppliers on the direction of the organization to deal with suppliers who reflect the sustainability goals of TeaM Energy.

308-2

Significant actual and potential negative environmental impacts in the supply chain and actions taken

TeaM Energy revised its procurement procedure to include the compliance self-assessment, and supplier screening environmental impacts. In addition, TeaM Energy in all its transactions and contract provisions includes a requirement for all materials to adhere to environmental, health and safety requirements, including chemical content, formulas and handling procedures where relevant which are also included in the contract provision.

TeaM Energy performs an on-going basis validation of material quality, conformance to regulatory requirements and compliance self-assessment to all its Supplier-applicants and accredited suppliers, and are subject to audits/investigations for violations/discrepancies at any time as determined by TeaM Energy.

TeaM Energy does not accredit suppliers or contractors who do not submit their compliance self-assessment during the initial or renewal of process of the accreditation.

In 2016, the company accredited 614 suppliers and contractors, 50% of whom are local. In 2017, 239 more were accredited, 87% being local suppliers or contractors. As of this writing, TeaM Energy has 853 total accredited suppliers, 518 or 61% being local.

All of these local suppliers and contractors have submitted their compliance self-assessment.

Validation in suppliers self-assessment is made by Supplier Management during the initial accreditation through occular check with representatives from Integrated Management Systems and Occupation Safety and Health to oversee and confirm that the supplier adheres to legal and regulatory requirements related to environmental and social responsibilities.







New employee hires and employee turnover

Fie	A cal Year 20	2016)	
Corporate Office	Total	No. of Males (%)	No. of Females (%)
Managerial	64	40 (63%)	24 (37%)
Professional/Technical	42	15 (36%)	27 (64% <mark></mark>)
Rank and File	90	44 (49%)	46 (51% <mark>)</mark>
Pagbilao Power Station			
Managerial	45	44 (98%)	1 (2%)
Professional/Technical	32	31 (97%)	1 (3%)
Rank and File	204	171 (84%)	33 (16%)
Sual Power Station			
Managerial	47	42 (89%)	5 (12%)
Professional/Technical	31	30 (97%)	1 (3%)
Rank and File	222	195 (88%)	27 (12%)

Fis		LL EMPLOYEES 17 (April2016 - March :	2017)
Corporate Office	Total	No. of Males (%)	No. of Females (%)
Managerial	65	42 (65%)	23 (35% <mark></mark>)
Professional/Technical	42	15 (36%)	27 (64% <mark></mark>)
Rank and File	94	46 (49%)	48 (51%)
Pagbilao Power Station			
Managerial	47	43 (91%)	4 (9%)
Professional/Technical	31	30 (97%)	1 (3%)
Rank and File	231	195 (84%)	36 (16%)
Sual Power Station			
Managerial	48	43 (90%)	5 (10%)
Professional/Technical	33	31 (94%)	2 (6%)
Rank and File	220	195 (89%)	25 (11% <mark>)</mark>

New employee hires and employee turnover

Fis		ANENT EMPLOYEES 16 (April2015 - March 2	2016)
Corporate Office	Total	No. of Males (%)	No. of Females (%)
Managerial	61	38 (63%)	23 (38% <mark>)</mark>
Professional/Technical	37	14 (38%)	23 (62% <mark>)</mark>
Rank and File	88	42 (48%)	46 (52% <mark>)</mark>
Pagbilao Power Station			
Managerial	45	41 (91%)	4 (9%)
Professional/Technical	29	28 (97%)	1 (3%)
Rank and File	192	162 (84%)	30 (16% <mark>)</mark>
Sual Power Station			
Managerial	47	42 (89%)	5 (11%)
Professional/Technical	31	30 (97%)	1 (3%)
Rank and File	224	195 (87%)	29 (13%)

Fis	PERM. cal Year 20	2017)	
Corporate Office	Total	No. of Males (%)	No. of Females (%)
Managerial	62	40 (65%)	22 (35% <mark>)</mark>
Professional/Technical	37	14 (38%)	23 (62% <mark>)</mark>
Rank and File	91	44 (49%)	47 (52% <mark>)</mark>
Pagbilao Power Station			
Managerial	47	43 (91%)	4 (9%)
Professional/Technical	28	27 (96%)	1 (4%)
Rank and File	194	161 (83%)	33 (17% <mark>)</mark>
Sual Power Station			
Managerial	48	43 (90%)	5 (10%)
Professional/Technical	33	31 (94%)	2 (6%)
Rank and File	223	193 (87%)	30 (13%)



New employee hires and employee turnover

Fis	TEMP cal Year 20	2016)	
Corporate Office	Total	No. of Males (%)	No. of Females (%)
Managerial	3	2 (67%)	1 (33%)
Professional/Technical	5	1 (20%)	4 (80%)
Rank and File	2	2 (100%)	-
Pagbilao Power Station			
Managerial	-	-	-
Professional/Technical	3	3 (100%)	-
Rank and File	12	9 (75%)	3 (25%)
Sual Power Station			
Managerial	-	-	-
Professional/Technical	1	1 (100%)	-
Rank and File	2	-	2 (100%)

TEMPORARY EMPLOYEES Fiscal Year 2017 (April2016 - March 2017)

Corporate Office	Total	No. of Males (%)	No. of Females (%)
Managerial	3	2 (67%)	1 (33%)
Professional/Technical	5	1 (20%)	4 (80%)
Rank and File	3	2 (67%)	1 (33%)
Pagbilao Power Station			
Managerial	-		
Professional/Technical	3	3 (100%)	-
Rank and File	37	34 (92%)	3 (8%)
Sual Power Station			
Managerial	-		-
Professional/Technical			
Rank and File	1	1 (100%)	-



Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation

FISCAL YEAR 2016 APRIL 2015 - MARCH 2016

	1000			
	-	Full Time Regular	Full Time Probationary	Full Time Contract
I3th Month Pay	- 22	Y	Y	Y
l4th Month Pay	1993	Y	Y	N
Monthly Rice Allowance	1989	Y	Y	N
Off base Allowance	6632	Y	N	N
Off base Meal Allowance	13/31	Y	Y	N
Overtime and Holiday Premium	1263	Y	Y	Y
Performance Based Short Term Incentive	1323	Y	N	N
Extended Work Allowance	100	Y	Y	N
Annual Merit or Negotiated Increase	Const -	Y	N	N
Service Awards	Park -	Y	N	N
Medical and Hospitalization Benefits for Employee and Dependents	1222	Y	Y	N
Annual Physical Exam for Employee and Dependents	1699	Y	Y	N
Medicine Allowance	203	Y	Y	N
Optical Allowance	C.C.	Y	Y	N
Dental Coverage	10.02	Y	Y	N
Maternity Assistance	1037	Y	Y	N
Retirement Benefits	1820	Y	Y	N
Paid Time Off	1833	Y	Y	N
Permanent or Group Life Insurance	1381	Y	Y	N
Shuttle Service	1200	Y	Y	Y
Free meal while on duty	1973	Y	Y	Y
OT Transport and Meal	1922	Y	Y	Y
Housing for qualified employees / employee + family	-	Y	Y	Y
Free uniform / personal protective equipment	13.03 -	Y	PPE Only	PPE Only
Separation Pay for Redundancy, Resignation, Health Reasons, Sale of Company	-	Y	Y	N
Career Development Programs	11/12	Y	Y	N
Performance Management	(P.2)	Y	Y	N
Learning Management	200	Y	Y	N
Family Welfare Programs	62	Y	Y	Y
Paid Time Off for Family	-	Ý	Ŷ	Ý
Sportsfest	- 10 A	Y	Y	Y
Family Visits	E (E)3 -	Ý	Ŷ	Ň
Summer Development Program for Children	349	Ý	Ý	Ŷ
Summer Youth Camp - Power plant Fundamentals for Teens	-	Ý	Ŷ	Ý
Family Day	-	Ý	Ŷ	Ý
Christmas Party	-	Ý	Ŷ	Ý
Eucharist Celebrations	-	Y	Y	Y

FISCAL YEAR 2017 - APRIL 2016 - MARCH 2017

	Full Time Regular	Full Time Probationary	Full Time Contract
3th Month Pay			
4th Month Pay	Y Y	Y	Y
Ionthly Rice Allowance		Y	N
Iff base Allowance	Y Y	Υ	N
Iffbase Meal Allowance	Y	N	N
Induse Field Allowance		Y	N
erformance Based Short Term Incentive	Y Y	Y N	Y
xtended Work Allowance	Y		N
nnual Merit or Negotiated Increase		Y N	N
ervice Awards	Y	N	N
edical and Hospitalization Benefits for Employee and Dependents	Y Y		N
nnual Physical Exam for Employee and Dependents		Y	N
edicine Allowance	Y	Y	N
pptical Allowance	Y	Y	N
ental Coverage	Y	Y	N
aternity Assistance	Y	Υ	N
etirement Benefits	Y	Y	N
aid Time Off	Y	Y	N
ermanent or Group Life Insurance	Y	Y	N
huttle Service	Y	Y	N
ree meal while on duty	Y	Y	Y
T Transport and Meal	Y	Y	Y
ousing for qualified employees / employee + Family	Y	Y	Y
ree uniforms / personal protective equipment	Y Y	Y	Y
eparation Pay for Redundancy, Resignation, Health Reasons, Sale of Company	Y	PPE only	PPE only
areer development Programs	Y	Y	N
erformance Management	Y	Y	N
earning Management	Y	Y	N
amily Welfare Programs	Y		N
aid Time Off for Family	Y	Y	Y
portsfest	Y	Y	Y
amily Visits	Y	Y	N N
ummer Development Program for Children	Y		
umer Youth Camp - Power plant Fundamentals for Teens	Y	Y	Y
amily Day	Y		
hristmas Party	Y	Y	Y
ucharistic Celebrations	Y Y	Y	Y Y

401-3

Parental leave

DATA GROUPED AS FISCAL YEAR 2016 and 2017

FISCAL YEAR 2016 APRIL 2015 - MARCH 2016 Total Employees Total Employees Male Female % of Male % of Female Corporate Managerial 64 40 24 100% 62% 38% Professional/Technical 42 15 27 100% 36% 64% **Rank and File** 90 44 46 100% 49% 51% Pagbilao Managerial 48 44 4 100% 92% 8% Professional/Technical 38 37 1 97% 3% 100% **Rank and File** 195 162 33 83% 17% 100% Sual Managerial 100% 89% 11% 47 42 5 Professional/Technical 31 30 100% 97% 3% 1 **Rank and File** 222 195 27 100% 88% 12%

Total number of employees that took parental leave, by gender

	+ + +			sano, sy genasi		1 1 1	
Corporate	Total	Male	Female	No of Employees that took parental leave (Male)	% of Male	No of Employees that took parental leave (Female)	% of Female
Managerial	64	40	24	-	0%	1	4%
Professional/Technical	42	15	27		0%	2	7%
Rank and File	90	44	46	1	2%	7	15%
Pagbilao							
Managerial	48	44	4	1	2%	1	25%
Professional/Technical	38	37	1	4	11%	-	0%
Rank and File	195	162	33	4	2%	6	18%
Sual	1000						
Managerial	47	42	5	-	0%	-	0%
Professional/Technical	31	30	1	-	O%	-	0%
Rank and File	222	195	27	6	3%	7	26%

Total number of employees who returned to work after parental leave ended, by gender

	-	Male				N C	AL
	Total	Male	Female	No of Employees that took parental	% of Male	No of Employees that took parental	% of Female
Corporate				leave (Male)		leave (Female)	
Managerial	64	40	24	-	0%	1	4%
Professional/Technical	42	15	27		0%	2	7%
Rank and File	90	44	46	1	2%	7	15%
Pagbilao							
Managerial	48	44	4	1	2%	1	25%
Professional/Technical	38	37	1	4	11%	-	0%
Rank and File	195	162	33	4	2%	6	18%
Sual							
Managerial	47	42	5	-	0%	-	0%
Professional/Technical	31	30	1		0%	-	0%
Rank and File	222	195	27	6	3%	7	26%

Total number of er	nployees who
returned and stayed	twelve months
after their parental	leaves ended

				inter reaves enable.			
Corporate	Total	Male	Female	Number of Male employees whoreturned and stayed twelve months after their parental leaves ended.	% of Male	Number of Female employee whoreturned and stayed twelve months after their parental leaves ended.	% of Female
Managerial	64	40	24	-	0%	1	4%
Professional/Technical	42	15	27		0%	2	7%
Rank and File	90	44	46	1	2%	7	15%
Pagbilao							
Managerial	48	44	4	1	2%	1	25%
Professional/Technical	38	37	1	4	11%	-	0%
Rank and File	195	162	33	4	2%	6	18%
Sual							
Managerial	47	42	5	-	0%	-	0%
Professional/Technical	31	30	1	-	0%	-	0%
Rank and File	222	195	27	6	3%	7	26%

	FISCAL YEAR 2017 APRIL 2016 - MARCH 2017						
	Total Employees	Male	Female	Total Employees	% of Male	% of Female	
Corporate							
Managerial	65	42	23	100%	65%	35%	
Professional/Technical	42	15	27	100%	36%	64%	
Rank and File	94	46	48	100%	49%	51%	
Pagbilao							
Managerial	47	43	4	100%	93%	7%	
Professional/Technical	31	30	1	100%	97%	3%	
Rank and File	231	195	36	100%	84%	16%	
Sual							
Managerial	48	43	5	100%	90%	10%	
Professional/Technical	33	31	2	100%	94%	6%	
Rank and File	220	195	25	100%	89%	11%	

Total number of employees that took parental leave, by gender

	Total	Male	Female	No of Employees that took parental	% of Male	No of Employees that took parental leave (Female)	% of Female
orporate				leave (Male)		leave (Female)	
Managerial	65	42	23	1	2%	1	4%
Professional/Technical	42	15	27	-	0%	4	15%
Rank and File	94	46	48	3	7%	4	8%
agbilao							
Managerial	46	43	3	-	0%	1	33%
Professional/Technical	31	30	1	-	0%	-	0%
Rank and File	231	195	36	7	4%	4	11%
ual	1						
Managerial	48	43	5	1	2%	-	0%
Professional/Technical	33	31	2	3	10%		0%
Rank and File	220	195	25	4	3%	9	36%

Total number of employees who returned to work after parental leave ended, by gender

Corporate	Total	Male	Female	No of Employees that took parental leave (Male)	% of Male	No of Employees that took parental leave (Female)	% of Female
Managerial	65	42	23	1	2%	1	4%
Professional/Technical	42	15	27		0%	4	15%
Rank and File	94	46	48	3	7%	4	8%
Pagbilao							
Managerial	47	43	4		0%	1	25%
Professional/Technical	31	30	1	-	0%	-	0%
Rank and File	231	195	36	7	4%	4	11%
Sual							
Managerial	48	43	5	-	0%	-	0%
Professional/Technical	33	31	2	1	3%	-	0%
Rank and File	220	195	25	8	4%	6	24%

Total number of employees who returned and stayed twelve months after their parental leaves ended.

Corporate	Total	Male	Female	Number of Male employees whoreturned and stayed twelve months after their parental leaves ended.	% of Male	Number of Female employees whoreturned and stayed twelve months after their parental leaves ended.	% of Female
Managerial	65	42	23	1	2%	1	4%
Professional/Technical	42	15	27	-	0%	4	15%
Rank and File	94	46	48	3	7%	4	8%
Pagbilao							
Managerial	47	43	4	-	0%	1	25%
Professional/Technical	31	30	1	-	0%	-	0%
Rank and File	231	195	36	7	4%	4	11%
Sual							
Managerial	48	43	5		0%	-	0%
Professional/Technical	33	31	2	1	3%		0%
Rank and File	220	195	25	8	4%	6	24%

Minimum notice periods regarding operational changes, including whether these are specified in collective agreements

For both Fiscal Year 2016 (April 2015 - March 2016) and Fiscal Year 2017 (April 2016 - 2017), as provided by law, 30 days notice is required for management initiated separations. Other than for management initiated separations, there are no prescribed notice periods for any significant operational changes.

For Pagbilao and Sual Power Stations, the notice period and provisions for consultation and negotiation are specified in collective agreements. This is not applicable for the Corporate office.

403-1

Workers representation in formal joint management-worker health and safety committees

All health and safety committees are registered with the Department of Labor and Employment (DOLE). The committee regularly conducts monthly meetings and submits minutes of the meeting to DOLE on a quarterly basis.

Fiscal Year 2016 (April 2015 - March 2016)

	Corporate	Pagbilao	Sual	Total
Total No. of Employees	196	281	300	777
No. of health & Safety	14	32	37	83
Commitee Members				
Percentage	7%	11%	12%	11%

Fiscal Year 2016 (April 2015 - March 2016)

Corporate	Paghilao	Sual	Total
corporate	Faybilao	Juai	TOtal
201	309	301	811
13	32	37	82
6%	10%	12%	10%
	13	201 309 13 32	201 309 301 13 32 37



Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities

	Parameters		SUA		
			15- MAR 16	APR 16-	
		Male	Female	Male	Female
L	Number of Work-related Fatalities Number of Lost-time Injuries	0	0 0	0	0
,7	Number of Medical Attention Cases	0	0	0	0
N.	Number of First Aid Cases	3	õ	2	õ
C S S	INJURY RATE (IR)				
	By site		0.74	0.4	9
	By gender	0.74	0.00	0.49	0.00
	LOST DAY RATE (LDR) By site		0.00	0.0	0
· ·	By gender	0.00	0.00	0.00	0.00
AL	OCCUPATIONAL DISEASES				
	By site		0.00	0.0	0
in the	By gender	0.00	0.00	0.00	0.00
	ABSENTEE RATE (AR)				
	By site				
	By gender				
		_[11			
1	Parameters	1924	SL	JAL	
	Farameters	AF	PR 15- MAR 16	APR 16	6- MAR 17
		Male	e Female	Male	Female
5.0	Number of Work-related Fatalities	0	0	1	0
	Number of Lost-time Injuries	1	0	0	0
	Number of Medical Attention Cases	6	0	8	0
N	Number of Medical Attention Cases Number of First Aid Cases		0 0	8 6	0
N.		6			
Lo.	Number of First Aid Cases INJURY RATE (IR) By site	6		6	
No.	Number of First Aid Cases INJURY RATE (IR)	6	0.84	6	0
No.	Number of First Aid Cases INJURY RATE (IR) By site By gender LOST DAY RATE (LDR)	62	0.84 0.00	6	0 .15 0.00
NO.	Number of First Aid Cases INJURY RATE (IR) By site By gender LOST DAY RATE (LDR) By site	6 2 0.84	0.84 0.00 0.10	6 1.15 0	0 .15 0.00
No.	Number of First Aid Cases INJURY RATE (IR) By site By gender LOST DAY RATE (LDR) By site By gender	62	0.84 0.00 0.10	6	0 .15 0.00
No.	Number of First Aid Cases INJURY RATE (IR) By site By gender LOST DAY RATE (LDR) By site By gender OCCUPATIONAL DISEASES	6 2 0.84	0.84 0.00 0.10 0.00	6 1.15 0.08	0 .15 0.00 .08 0.00
	Number of First Aid Cases INJURY RATE (IR) By site By gender LOST DAY RATE (LDR) By site By gender OCCUPATIONAL DISEASES By site	6 2 0.84 0.10	0.84 0.00 0.10 0.00	6 1.15 0.08	0 .15 0.00 .08 0.00
No.	Number of First Aid Cases INJURY RATE (IR) By site By gender LOST DAY RATE (LDR) By site By gender OCCUPATIONAL DISEASES By site By gender	6 2 0.84	0.84 0.00 0.10 0.00	6 1.15 0.08	0 .15 0.00 .08 0.00
KO Y	Number of First Aid Cases INJURY RATE (IR) By site By gender LOST DAY RATE (LDR) By site By gender OCCUPATIONAL DISEASES By site By gender ABSENTEE RATE (AR)	6 2 0.84 0.10 0.00	0.84 0.00 0.10 0.00 0.00 0.00	6 1.15 0.08 0.00	0 .15 0.00 0.00 0.00
KO N	Number of First Aid Cases INJURY RATE (IR) By site By gender LOST DAY RATE (LDR) By site By gender OCCUPATIONAL DISEASES By site By gender	6 2 0.84 0.10 0.00	0.84 0.00 0.10 0.00	6 1.15 0.08 0.00 0.00	0 .15 0.00 .08 0.00

System for recording and reporting accident statistics:

TeaM Energy implements the company-wide CCOP-009: EHS Incident Reporting and Investigation Procedure as the standard protocol for reporting, classifying, documenting, investigating and analyzing environmental, health and safety incidents. CCOP-009 is enforced across all sites to determine factors that caused the occurrence of incidents, identify and implement corrective and preventive actions, perform investigations in a timely manner, and document results of investigations.

400.15	PAGBIL		MAD 17
		APR 16-	
Male		Male	Female
0	0	0	0
1 0	0	0	0
1	0 0	2	0
	0	-	U
О.	60	0	.52
0.60	0.00	0.52	0.00
			-
0.	00	0	.00
0.00	0.00	0.00	0.00
	00		.00
0.00	0.00	0.00	0.00

1111	100		
	CORPO	ORATE	
APR 15	- MAR 16	APR 16	- MAR 17
	Female	Male	Female
0	0	0	0
0 0 4	0 0	o	õ
4	9	8	4
6.	12	4	.98
1.88	4.24	3.32	1.66
_			
0.0			.00
0.00	0.00	0.00	0.00
_			
0.0	00	0	.00
0.00	0.00	0.00	0.00
Construction of the			

	PAGBIL		
APR 1	5- MAR 16	APR 16-	MAR 17
Male	Female	Male	Female
0	0	0	0
0	0	1	0
0		1	0
9		7	1
	.41	1	.01
1.16	0.26	0.90	0.11
0	.00	(0.11
0.00	0.00	0.11	0.00
			2
0	.00	0	.00
0.00	0.00	0.00	0.00
the total da	le data on ays worked ntractors	the total da	ele data on ays worked ntractors

	CORPC	RATE	
APR 1	5- MAR 16	APR	16- MAR 17
Male	Female	Male	Female
0	0	0	0
0	0	0	0
0	0	0	0
2	0	2	4
NI-	labla data		
	ilable data		4.43
	total time ed by all	4.43	0.00
WORK	eu by an		
No ava	ilable data		0.00
on the	total time	0.00	0.00
work	ed by all		
No ava	ilable data		0.00
	total time	0.00	0.00
work	ed by all		
	ble data on		lable data on
	days worked		l days worked
by all co	ontractors	by all	contractors

118

Injury Rate includes incidents classified as medical attention and first aid by TeaM Energy.

Lost Days Rate:

Lost Days Rate includes incidents classified as lost time and fatalities by TeaM Energy.

Formula used for GRI/G4:

IR	=	(Total number of first aid and medical attention injuries x 200,000)/total hours
		worked

- LDR = (Total number of lost days and fatalities x 200,000)/total hours worked
- ODR = (Total number of occupational diseases x 200,000)/total hours worked

*200,000 hours in the formula represents the equivalent of 100 employees working 40 hours per week, 50 weeks per year, and provides the standard base for incidence rates.

403-3

Workers with high incidence or high risk of diseases related to their occupation

	SUAL	SUAL PAGBILAO CORPORA		PAGBILAO		ORATE
Parameters	April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 to March 2017
Occupational Diseases	0	o	o	0	0	o

In compliance with government regulations, TeaM Energy implements the following programs per site:

- * Policy on Hepatitis B
- ensures that employees are protected from the risk of Hepatitis B transmission and that Hepatitis B-positive workers are not discriminated against

* Policy and Program on Tuberculosis (TB) Prevention and Control in the workplace

 ensures that employees are protected from the hazards of TB through proper prevention and control

* Policy and Program on HIV and AIDS Prevention and Control in the Workplace - ensures that employees are given adequate knowledge and information regarding HIV/AIDS, including information and guidance on the diagnosis, treatment, and prevention of HIV/AIDS in the workplace

AR = Total number of missed (absentee) days over the period/total days worked by the total workforce

Health and safety topics covered in formal agreements with trade unions

Formal agreements with trade unions (Collective Bargaining Agreements of both the Pagbilao Power Plant and the Sual Power Plant) cover health and safety.

- * MEMBERSHIP IN JOINT MANAGEMENT-EMPLOYEE HEALTH AND SAFETY COMMITTEES
- * PROVISION OF PERSONAL PROTECTIVE EQUIPMENT
- * PARTICIPATION OF WORKER REPRESENTATIVES IN HEALTH AND SAFETY INSPECTIONS, AUDITS AND ACCIDENT INVESTIGATIONS
- * TRAINING AND EDUCATION
- * COMPLAINTS MECHANISM
- * RIGHT TO REFUSE UNSAFE WORK
- * PERIODIC INSPECTIONS

Screen grab below is a provision from the most recent CBA wherein it was agreed to create a Work Improvement Committee (WIC). Health and Safety matters are discussed in this committee, among other issues.

ARTICLE X WORK IMPROVEMENT COMMITTEE

The Parties agree to create a Work Improvement Committee ("WIC") composed of representatives from the COMPANY and three (3) representatives from the UNION. Subject to operational requirements, the WIC shall meet once every quarter of the year exclusively for the purpose of discussing and improving productivity and work efficiency, with the view to advancing the interest and improving the competitiveness of the COMPANY. The creation of the WIC is not intended to duplicate the efforts and functions of existing to committees of the COMPANY.



The blank portraits represent the future generation – the reason why we strive for sustainability

Nabi Sabi solve solve what we hope to find Sustainability for Next generations

Average hours of training per year per employee

	CORPOR FY 2015 -			
Employee Category and Gender		Number	Total	Average
Managerial - Male		39	638	16
Managerial - Female		24	693	29
Professional/Technical - Male		14	723	52
Professional/Technical - Female		23	834	36
Rank & File - Male		43	1,213	28
Rank & File - Female		46	1,097	24
	TOTAL	189	5,198	28

		CORPOR/ FY 2016 - 2				
	Employee Category and Gender		Number	Total	Average	
	Managerial - Male		42	479	11	
	Managerial - Female		23	417	18	
-	Professional/Technical - Male		14	569	41	
	Professional/Technical - Female		23	608	26	_
	Rank & File - Male		45	767	17	
	Rank & File - Female		47	970	21	
		TOTAL	194	3,810	20	

	PAGBIL FY 2015 -			
Employee Category and Gender		Number	Total	Average
Managerial - Male		41	2,658	65
Managerial - Female		4	216	54
Professional/Technical - Male		28	1772	63
Professional/Technical - Female		1	16	16
Rank & File - Male		162	11,560	71
Rank & File - Female		30	642	21
	TOTAL	266	16,864	63

PAGBILAO	
EV 2016 - 2017	

Employee Category and Gender		Number	Total	Average
Managerial - Male		43	2,803	65
Managerial - Female		4	128	32
Professional/Technical - Male		27	2,150	80
Professional/Technical - Female		1	36	36
Rank & File - Male		161	13,610	85
Rank & File - Female		33	964	29
	TOTAL	269	19,691	73

	SUAL FY 2015 -			
Employee Category and Gender		Number	Total	Avera
Managerial - Male		43	1,906	44
Managerial - Female		5	108	22
Professional/Technical - Male		29	4,985	172
Professional/Technical - Female		1	46	46
Rank & File - Male		195	11,586	59
Rank & File - Female		29	234	8
	TOTAL	302	18,865	62

SUAL FY 2016 - 2017

Employee Category and Gender		Number	Total	Average
Managerial - Male		42	1,516	36
Managerial - Female		5	112	22
Professional/Technical - Male		30	1,772	59
Professional/Technical - Female		2	40	20
Rank & File - Male		198	11,008	56
Rank & File - Female		30	269	9
	TOTAL	307	14,717	48

-		DIE			
	Employee Category and Gender		Number	Total	Average
	Managerial - Male		123	5,202	42
	Managerial - Female		33	1,017	31
	Professional/Technical - Male		71	7,480	105
	Professional/Technical - Female		25	896	36
-	Rank & File - Male		400	24,359	61
	Rank & File - Female		105	1,973	19
		TOTAL	757	40,927	53

		MPANY WI 2016 - 20			
	Employee Category and Gender		Number	Total	Average
	Managerial - Male		127	4,798	38
	Managerial - Female		32	657	21
/	Professional/Technical - Male		71	4,491	63
2	Professional/Technical - Female		26	684	26
	Rank & File - Male		404	25,385	63
	Rank & File - Female		110	2,203	20
		TOTAL	770	38,218	50

Programs for upgrading skills and transition assistance programs

TeaM Energy implements the use of Individual Development Plans (IDPs) throughout the organization, and these are submitted in time with the Performance Management Plans so that training programs can be appropriately provided. Our development programs exist in various forms and with multiple specializations. The categories of learning and development programs we implement include:

• **Compliance Trainings** – These trainings are provided for all employees, to instruct them on the company ideals for health and safety, environmental compliance, as well as security and regulatory practices.

• **Technical Trainings** – Employees who work in our power plants receive sufficient technical training to ensure the safety of themselves and of others. Before they are allowed to operate any machinery or equipment, they undergo a rigorous training procedure that will give them the skills and knowledge needed to execute their duties with great care and efficiency.

• **Functional Trainings** – Employees from the Shared Services Group who provide the necessary support to the power plants and those who handle the Business Development, Energy Supply Business and Energy Trading are provided with trainings to dispense their roles successfully.

• Leadership and Management Development Programs – Employees in management level undergo development programs to enable them to perform their jobs to maximum capacity, by giving them the skills necessary to facilitate the development of a positive work culture that adheres to the vision and goals of the organization.

• Cadetship Program for Pagbilao Expansion - With the expansion project in Pagbilao, Quezon, we were faced with the daunting task of hiring for specialized skills to run and maintain the additional power plant unit. After an inventory of sources of these skills vis-à-vis the talent strategy, Management decided to expand the Cadetship Program of the company. The intake of cadets allowed us to take board exam passers without work experience and train them extensively to increase their level of competence that they become readily employable for TeaM Energy or for other power generation companies. Between May 2016 to March 2017, 3 Batches of cadets were taken in and a total of 54 received the intensive training and 49 or 90.74% were hired directly by TeaM Energy while the rest are employed by other power companies.

• Organized Technical Competitions for Skill Upgrade - Between February and March 2016, 2 major skills competitions were held in Sual Power Plant and in Pagbilao Power Plant. In February 24, 2016, The Skills Improvement in Control Analysis Tournament or SICAT was held in Sual Power Station. This is participated in by 4 Operations teams where they solve operational problems and scenarios using the simulator installed in the Training Room. The tournament highlights the level of skills, knowledge and teamwork of the Operations team to analyze faults and to safely and efficiently respond to any operational challenge.

In March 10, 2016, the Enhancing Maintenance Performance through Optimization, Workmanship Expertise and Reliability or EMPOWER Competition was held in Pagbilao Power Station. The competition aims to showcase the level of skills, knowledge and attitude of the Maintenance team. Focus is given on the level of analysis as applied in Engineering practice to ensure application of correct maintenance and repair activities on plant equipment.

An essential part of the competition is the feedback given to all teams on their performance. The competition is recorded in video format to help review the performance of the teams and is a rich source of data, both on strength areas of the teams and further areas for improvement. The competition content and guidelines were vetted by engineering training experts of Tokyo Electric Power Co. (TEPCO). The competition judges are from TEPCO, Japan and by the senior management of TeaM Energy.

TeaM Energy values Responsible Citizenship and believes that its employees are in a position to continue being productive members of society even beyond their employment with the organization. We believe that a good preparation and acquisition of the right mindset is key in helping our employees transition into a life after employment with the company.

Our Human Resources launched the Golden Circle Club Program, to assist our employees in securing their financial well-being before the end of their careers. The primary purpose of the Golden Circle Club is to provide employees with a venue to plan well and to prepare for a life of retirement. The program itself consists of a series of trainings and visits to successful businesses or enterprises that employees may be interested to emulate.

The preparatory program is called "Retire from Work, not from Life: Fulfilling One's Purpose and Destiny." This module discusses the Eight Principles of Effective Retirees, and participants leave the program with a blueprint of steps they can take to be able to retire in comfort.

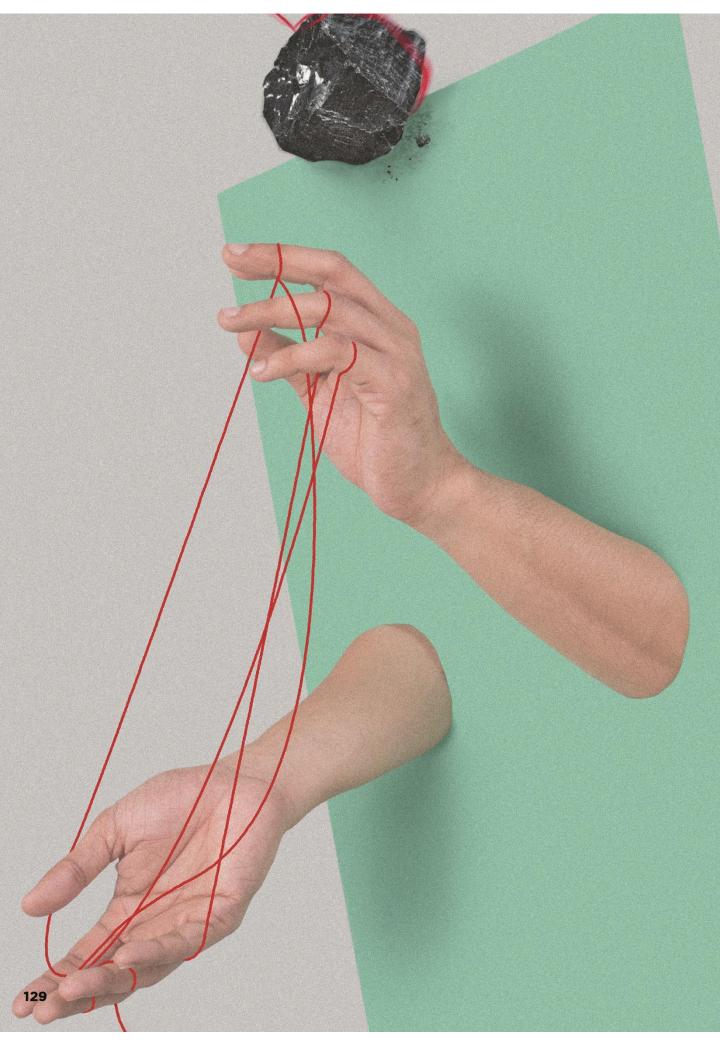
Aside from the Retire From Work, not from Life program, our HR also conducted health and wellness programs. The first batch was conducted last March 21, 2016 with seven participants, while the second batch was conducted the following day with nine participants.

Percentage of employees receiving regular performance and career development reviews

	2015 - March			
	Corporate	Pagbilao	Sual	Total
Total No. of Regular	196	281	300	777
Employees				
No. of Regular Employees	196	281	300	777
completing PMP				
Percentage	100%	100%	100%	100%

Fiscal Year 2017 (April 2016 - March 2017)

	Corporate	Pagbilao	Sual	Total
otal No. of Regular	201	309	301	811
mployees				
lo. of Regular Employees ompleting PMP	201	309	301	811
	100%	100%	100%	1000/
ercentage	100%	100%	100%	100%



Weaving partnerships to attain sustainability – we create partnerships to achieve our sustainability goals better.

kishin-denshin)

-Sincere partnership spark responsible practice towards future's hope

Diversity of governance bodies and employees

Governance bodies:

shall comprise TeaM Energy's Executive Committee and the Management Committee

Employee categories:

APRIL 2 MARCH

Managerial shall be employees in JG 11-16 with title of Manager, Asst Manager and Supervisor.

Professional/Technical shall be employees in JG11-15 with title of Officer, Engineer, Sr Analyst, Sr Control Operator, Analyst

Rank and File employees shall be employees in the JG10 and below

		Total Employees	Male	Female	% of Male	% of Female	
	Executive Committee	6	6	-	100.00%	0.00%	
	Management Committee	37	22	15	59.46%	40.56%	
	Corporate	25	10	15	40.00%	60.00%	
	Pagbilao	6	6	-	100.00%	0.00%	
	Sual	6	6		100.00%	0.00%	
	300		~				
-		Total			AGE GROUI		
		Total Employees	<24	25-34	35-44	45-54	55-64
	Executive Committee	6	-	-	1	4	
	Management Committee	37			15	9	
	Corporate	25	-	2 <u>0</u> -	10	7	
	Pagbilao	6	-	13.5	-	4	
	Sual	6	-	1.1	1	2	
			and the second se	Station of the local division of the local d	5-11- 2-92/	A State State	2011/1
				11.12	Care at the	THE AND TRACE	and the party
	فالصبيط فعند اعتبطا تتلقي	Total Employees					
	Corporate						
	Managerial	26	13	13	50.00%	50.00%	
	Professional/Technical	37	14	23	37.84%	62.16%	
	Rank and File	89	43	46	48.31%	51.69%	
	Pagbilao						
	Managerial	45	41	4	91.11%	8.89%	
	Professional/Technical	32	31		96.88%	3.13%	
	Rank and File	204	171	33	83.32%	16.18%	
	Sual	204	171	33	83.3270	10.1076	
		47	10	-		10 6 400	
-	Managerial	47	42	5	89.36%	10.64%	
	Professional/Technical	31	30	1	96.77%	3.23%	
	Rank and File	224	195	29	87.05%	12.95%	
		T-1-1			AGE GROUI		
		Total Employees	<24	25-34	35-44	45-54	55-64
	Corporate						
	Managerial	26		2	9	12	
1.00	Professional/Technical	37		11	17	8	
	Rank and File	89		24	30	26	
	Pagbilao						
	Managerial	45		3	3	20	
	Professional/Technical	32	<u></u>	4	13	7	
-	Rank and File	204	9	30	67	64	
	Sual						
-	Managerial	47			7	30	
	Professional/Technical	31			18	9	
	Professional/ rechnical	224			10	3	

			D	ERCENTAGE				
65+	Total Employees	<24	25-34	35-44	45-54	55-64	65+	
	100%	0%	0%	17%	67%	17%	0%	
	100%	0%	0%	41%	24%	35%	0%	
			00%	40%	28%	32%	0%	
-	100%	0%	0%	40%	2070	0270		
-	100% 100%	0% 0%	0%	67%	0%	33%	0%	

all and a start of the	AR BEING DE COMMENSE		191				
1	1	1 I	_	()			
				_	 		
							1
	and the second se						

				PERCENTAGE			
65+	Total Employees	<24	25-34	35-44	45-54	55-64	65+
-	100%	0%	8%	35%	46%	12%	0%
-	100%	0%	30%	46%	22%	3%	0%
-	100%	1%	27%	34%	29%	9%	0%
	100%	0%	7%	35%	44%	42%	0%
-	100%	0%	13%	46%	22%	25%	0%
-	100%	4%	15%	34%	31%	17%	0%
	100%	0%	2%	15%	64%	19%	0%
-	100%	0%	0%	58%	29%	13%	0%
-	100%	0%	15%	39%	33%	12%	0%

APRIL 2016 -MARCH 2017

	Total Employee	es	Male	Female		% of Male	% of Female	
Executive Committee		5	5		-	100.00%	0.00%	
Management Committee		39	29	10	0	74.36%	25.64%	
Corporate		27	17	10	0	62.96%	37.04%	
Pagbilao		6	6		-	100.00%	0.00%	
Sual		6	6		-	100.00%	0.00%	
						AGE GROUP		
	Total Employee	s	<24	25-34		35-44	45-54	55-64
Executive Committee		5				1	4	
Management Committee	j j	39		-		10	16	
Corporate	1	27	-	5.3-		9	10	
Pagbilao		6	-	-3.5-		-	4	
Sual		6				1	2	

	Total Employees	Male	Female	% of Male	% of Female	
Corporate						
Managerial	27	15	12	55.56%	44.44%	
Professional/Technical	37	14	23	37.84%	62.16%	
Rank and File	91	44	47	48.35%	51.65%	
Pagbilao						
Managerial	41	37	4	90.24%	9.76%	
Professional/Technical	31	30	1	96.77%	3.23%	
Rank and File	231	192	36	84.42%	15.58%	
Sual						
Managerial	42	37	5	88.10%	11.90%	
Professional/Technical	33	31	2	93.94%	6.06%	
Rank and File	222	192	30	86,49%	13.51%	

					AGE GROUP		
		Total Employees	<24	25-34	35-44	45-54	55-64
	Corporate						
	Managerial	27	-	-	13	11	3
	Professional/Technical	37	-	12	18	6	1
	Rank and File	91		27	23	28	12
	Pagbilao		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				
	Managerial	41		2	4	18	17
	Professional/Technical	31	S 8	4	15	3	8
	Rank and File	231	21	45	62	67	36
	Sual		1				
	Managerial	42		-	8	26	8
	Professional/Technical	33	-	1	17	10	5
-	Rank and File	222	1	30	81	79	31

1		_			-	_	
-		_	-				
-		_		_			
-	-		_				
			P	ERCENTAGE			
65+	Total Employees	<24	25-34	35-44	45-54	55-64	65+
	100%	0%	0%	20%	80%	0%	0%
-	100%	0%	0%	26%	41%	33%	0%
-	100%	0%	0%	33%	37%	30%	0%
-	100%	0%	0%	0%	67%	33%	0%
_	100%	0%	0%	17%	33%	50%	0%

_	 	 	 	-	 	 	

			P	PERCENTAGE			
65+	Total Employees	<24	25-34	35-44	45-54	55-64	65+
-	100%	0%	0%	48%	41%	11%	0%
-	100%	0%	32%	49%	16%	3%	0%
-	100%	1%	30%	25%	31%	13%	0%
-	100%	0%	5%	10%	44%	41%	0%
1	100%	0%	13%	48%	10%	26%	3%
-	100%	9%	19%	27%	29%	16%	0%
-	100%	0%	0%	62%	62%	19%	0%
-	100%	0%	3%	30%	30%	15%	0%
-	100%	0%	14%	36%	36%	14%	0%



Ratio of basic salary and remuneration of women to men

FISCAL YEAR 2016 APRIL 2015 - MARCH 2016

Report the ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.

Corporate	
Managerial	109%
Professional/Technical	100%
Rank and File	123%

Ratio

Pagbilao	
Managerial	85%
Professional/Technical	94%
Rank and File	91%

Sual	
Managerial	95%
Professional/Technical	96%
Rank and File	85%

Report the definition used for 'significant locations of operation'.

"Significant locations of operations" refers to the Corporate Office and the Sual Power Plant and the Pagbilao Power Plant.

FISCAL YEAR 2017 APRIL 2016 - MARCH 2017

Report the ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.

	Ratio
Corporate	
Managerial	109%
Professional/Technical	114%
Rank and File	134%
Pagbilao	
Managerial	87%
Professional/Technical	99%
Rank and File	86%
Sual	
Managerial	112%
Professional/Technical	78%
Rank and File	101%

Report the definition used for 'significant locations of operation'.

"Significant locations of operations" refers to the Corporate Office and the Sual Power Plant and the Pagbilao Power Plant.

406-1

Incidents of discrimination and corrective actions taken

For the reporting period, there was no recorded incident of discrimination.

Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk

SITE	OPERATIONS AT RISK
	NONE
PAGBILAO POWER STATION	NONE
SUAL POWER STATION	NONE

The management supports the right to freedom of association through CBA and attending to issues and concerns of the union.

Report on management mechanisms to address the right to organize, right to bargain and right to strike or instances of lock out, given the context of the industry's need to ensure continuous provision of essential services. Where the right to strike does not exist or is limited, report on remedial measures such as binding arbitration.

Where freedom of association or expression are limited or prevented by regulatory regime, report on mechanisms and processes that exist for getting employee input on conditions of employment.

408-1

Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor

No operations and suppliers have been identified as having significant risks for incidents of child labor during the reporting period.

The company ensures that its standard template contracts with suppliers contain provisions on compliance with labor laws. Furthermore, where applicable, suppliers are required to submit copies of their accreditation with the Department of Labor and Employment.

Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor

For the reporting period, no operation and suppliers have been indentified as having significant risk for incidents of forced or compulsory labor.

The company ensures that its standard template contracts with suppliers contain provisions on compliance with labor laws. Furthermore, where applicable, suppliers are required to submit copies of their accreditation with the Department of Labor and Employment.

410-1

Security personnel trained in human rights policies or procedures

100% percent of security personnel have received formal training in the organization's human rights policies or specific procedures and their application to security. This training requirements is also applied to third party organizations providing security personnel.

412-1

Operations that have been subject to human rights reviews or impact assessments

Reviews particularly on human rights are not conducted. However, observance of human rights in its many varied forms is integrated in all TeaM Energy Company policies and regulations and they are reviewed periodically to ensure that they remain updated and consistent with all laws and regulations in the country.

412-2

Employee training on human rights policies or procedures

In the span of the reporting period, no training specifically on human rights policies or procedures was done. However, the company has provided training in the roll out of the code of ethics and business conduct, which includes respect for human rights. There is a regular roll out process to cover new employees.

Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

While our standard template agreements with our partners (vendors/contractors, customers, community and other stakeholders) do not specifically have human rights clauses, they generally have clauses which require compliance with all relevant laws and regulations. Human rights laws are among the relevant laws and regulations that must be complied with.

In our service contracts with our vendors/contractors, these specifically have provisions requiring compliance with standard labor laws and regulations.

Before we enter into any agreements with our partners, they undergo screening. While the screening is not particularly on human rights, it includes checking on the reputation, past performance, other projects and creditworthiness, among others, and involves site visits, when deemed necessary. Through such screening, we are able to filter and determine whether a prospective partner has committed a prior violation of laws and regulations, including human rights violations, if any.

"Significant investment agreements" refer to agreements with our vendors/ contractors, customers, community and other stakeholders.

413-1

Operations with local community engagement, impact assessments, and development programs

TeaM Energy makes sure that key stakeholders and members of the host communities of our two generating power plants are engaged and consulted. We guarantee that the impacts of our business are properly assessed and monitored to ensure safety, efficiency and sustainability. We implement development programs to positively affect our host communities.

Our commitment to both our stakeholders and the community is engrained in Significant Social Contribution "SSC", which is one of the four pillars of our Vision. Along with other key performance disclosures, the achievement of our SSC is reflected in our corporate scorecard to assess the fulfillment of our commitments and engagements with our stakeholders and program partners. The results of the environmental and social impact assessments and surveys carried out are publicly disclosed through bulletin boards and focus group discussions.

Should there be any community or stakeholder concerns, we implement a local community grievance process to ensure that these concerns are addressed.

PROGRAM	APPROA	СН	ACTUAL F	PROJECTS	20	
	Describe the communi approach of the comp description of the prog include discussions of elements (minimum):	any. The gram should	References: 1. Enviromental impa ongoing monitori8r	act assessments and ig (copy of MMT repo	orts)	7
COMMUNITY ENGAGEMENT	-Strategy for determin community needs;	ing local	2. Public disclosure and social impact as public Bulletin Boar	of results of environm sessments (photos o ds and FGDs)	nental f MMT	A
PROGRAMS	-Mapping of stakehold -Representation proce including vulnerable ar groups in the consulta	sses for nd marginalized	3. Works councils, o committees and oth	ccupational helath an er employee represer impacts (SSO/SCOP (nd safety ntation on	
	working committees; -Processes for resolvin community grievances	g local	4. Formal local com (SSO 030 - External SCOP 010 - Emerge	munity grievance pro Communication (Sua ncy Preparedness and	cesses al) and d	
IMPACT ASSESSMENT	Describe the impact asse in the site. The descriptic assessment the site. The	n of impact description of	Procedures (Pagbila	and External Commur o) and SCOP 009 - dness and Response)		
PROGRAMS	impact assessment shoul following elements (mini		5. Significant Social	Contribution Scorece	ards	
	F	TYPES OF ASSESSMENT	ELEMENT	DISCLOSURE	EMPLOYEE PARTICIPATION	COMMUNITY GRIEVANCES
				Describe mechanisms	Describe bodies, commitees, health and	Describe mechanisms for dealing and resolving
С., 		SOCIAL IMPACT ASSESSMENT (SIA)	SIA+how gender consideration are incorporated	and strategies to disclose and communicate to the public the results of assessment	safety councils and other employee representation to help deal and mitigate the impact	with local grievances

Operations with significant actual and potential negative impacts on local communities

Both the Pagbilao and Sual Power Stations are coal-fired thermal power plants with potential actual and significant environmental and social impacts. Pagbilao Power Station's host communities are Barangay Ilayang Polo (host barangay of the resttlement site), Barangay Ibabang Polo in Pagbilao, the Municipality of Pagbilao, the Province of Quezon, and Region IV-A. While Sual Power Station's host communities are Barangay Pangascasan in Sual, the Municipality of Sual, the Province of Pangasinan, and Region 1.

TeaM Energy manages the impacts of its operations by providing manpower and logistical support to the Local Government Units of the host communities to access the benefits under the Department of Energy's Energy Regulation No. 1-94 (ER 1-94) which stipulates that host communities will get a share of one centavo for every kilowatt-hour produced by power generation plants; and also by engaging Non-Government Organizations with expertise on a particular Key Result Area like Health, Education, Engagement, and Biodiversity.

In addition, TEFI has other areas of engagement where they provide social development programs for electrification, education, engagement, and environment. TEFI's areas of engagement do not only cover TeaM Energy's host communities, but also other communities outside of Quezon and Pangasinan like Northern Samar, Oriental Mindoro, and Metro Manila during the reporting period.

TeaM Energy conducts an Environment, Health, and Social Economic Monitoring for the host communities. In 2016, for Sual, 55.9% of the surveyed households expressed awareness on the presence of TeaM Energy's community programs focusing on education, livelihood, and health. While 77% of the respondents shared that most of the programs are being implemented at the barangay level. Likewise, 94% of them mentioned that the programs have a great impact on the development of their families. Thus, 99.2% wants the programs be sustained specifically on education, livelihood, and health.

In Pagbilao, the highest rating was accounted for this variable with a total of 88% responded that the CSR programs are appropriate for the communities while a total of 79% found the CSR programs implemented to be adequate. The satisfaction level was between four to six or a mild dissatisfaction to mild satisfaction.

414-1

New suppliers that were screened using social criteria

TeaM Energy is committed in engaging and partnering with suppliers that abide by applicable laws and regulation on social human rights. Supplier's conformance to TeaM Energy's responsible purchasing is measured through the completion of the compliance self-assessment. TeaM Energy ensures that all of its accredited suppliers and supplier applicants comply with the labor standards.

TeaM Energy requires all supplier-applicants, accredited suppliers and service providers to conduct self-assessment of their operations on an annual basis.

414-2

Negative social impacts in the supply chain and actions taken

TeaM Energy monitors social performance in our suppliers management process. In order to do this, supplier-applicants and accredited suppliers are required to conduct an initial and annual compliance self-assessment to ensure that they and their employees, workers, and representatives conform to legal and regulatory requirements related to social responsibility. TeaM Energy performs an ongoing basis validation of material quality, conformance to regulatory requirements and compliance self-assessment of all its supplier-applicants and accredited suppliers; these are subject to audits/investigations for violations or discrepancies at any time as determined by TeaM Energy.

415-1

Political contributions

No financial and in-kind contributions during the reporting period were made to political parties, politicians and related institutions for political purposes.

Requirements for product and service information and labeling

There are no applicable requirements for product service information and labeling for the electricity the company produces for NPC/PSALM, electric cooperatives, private utilities and contestable customers.

417-2

Incidents of non-compliance concerning product and service information and labeling

TeaM Energy did not have incidents of non-compliance with regulations and voluntary codes concerning product and service information during the reporting period in view of the generic nature of the commodity that it provides.

417-3

Incidents of non-compliance concerning marketing communications

For the reporting period, TeaM Energy complied with all regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship. TeaM Energy did not have incidents of non-compliance with such regulations and voluntary codes.

418-1

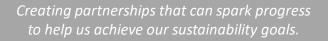
Substantiated complaints concerning breaches of customer privacy and losses of customer data

None.

419-1

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

There were no complaints recorded during the reporting period.





Installed capacity, broken down by primary energy source and by regulatory regime

	FISCAL YEAR 2016	FISCAL YEAR 2017
	APRIL 2015-MARCH 2016	APRIL 2016-MARCH 2017
Pagbilao Power Station		
Installed Capacity in MW	764 MW	764 MW
Fuel Type	Coal	Coal
Sual Power Station		
Installed Capacity in MW	1,294 MW	1,294 MW
Fuel Type	Coal	Coal
TOTAL	2,058 MW	2,058 MW

EU-2

Net energy output broken down by primary energy source and by regulatory regime

		FISCAL YEAR 2016	FISCAL YEAR 2017
		APRIL 2015-MARCH 2016	APRIL 2016-MARCH 201
	Pagbilao Power Station		
	Net Generation in GWh	4,716 GWh	4,581 GWh
+	Sual Power Station		
	Net Generation in GWh	6,798 GWh	7,344 GWh
	TOTAL	11,514 GWh	11,925 GWh

Number of residential, industrial, institutional and commercial customer accounts

Main customer (institutional) : National Power Corporation pursuant to long-term Energy Conversion Agreements

FISCAL YEAR 2016 APRIL 2015-MARCH 2016

CUSTOMERS OF THE ENERGY SUPPLY BUS	SINESS (INDUSTRIAL/ COMMERCIAL)	
NAME OF CLIENT	LOCATION	CLASSIFICATION
Benguet Electric Cooperative, Inc.	South Drive, Baguio City	Electric Cooperative
Ecozone Power Management, Inc. Isuzu Philippines Corporation	Laguna Technopark, Biñan, Laguna Biñan, Laguna	Reatail Electricity Supplier Contestable Customer
La Union Electric Company, Inc. Liberty Flour Mills, Inc.	San Fernando, La Union Mandaluyong City, Metro Manila	Private Distribution Utility Contestable Customer
Manila Electric Company (for Sunpower)	Biñan, Laguna	Private Distribution Utility
Petron Corporation	Mariveles, Bataan Mariveles, Bataan	Lease of TPEC Facilities Lease of TPEC Facilities
Philex Mining Corporation Philippine Economic Zone Authority (for BCEZ)	Padcal, Tuba, Benguet Loakan Road, Baguio City	Contestable Customer Public Distribution Utility
Philippine Resins Industries, Inc.	Mariveles, Bataan	Lease of TPEC Facilities
Pilipinas Shell Petrolium Corporation	Tabangao, Batangas	Contestable Customer
Solid Development Corporation	Mataas na Parang, San Ildefonso, Bulacan	Contestable Customer

FISCAL YEAR 2017 APRIL 2016-MARCH 2017

NAME OF CLIENT	LOCATION	CLASSIFICATION
Benguet Electric Cooperative, Inc.	South Drive, Baguio City	Electric Cooperative
Bonifacio Landmark Realty and Development Corporation	Bonifacio Global City, Taguig City	Contestable Customer
Ibiden Philippines, Inc.	Sto. Tomas, Batangas	Contestable Customer
International Electric Wires Phils. Corp.	San Miguel, Tarlac City	Contestable Customer
Isuzu Philippines Corporation	Biñan, Laguna	Contestable Customer
JMS Health Care Phl, Inc.	Tanauan City, Batangas	Contestable Customer
La Union Electric Company, Inc.	San Fernando, La Union	Private Distribution Utility
Liberty Flour Mills, Inc.	Mandaluyong City, Metro Manila	Contestable Customer
Linde Philippines (South), Inc.	Balamban, Cebu	Contestable Customer
Manila Electric Company (for Sunpower)	Biñan, Laguna	Private Distribution Utility
Manta Energy, Inc.	Ortigas, Pasig City	Reatail Electricity Supplier
NPC Alliance Corporation	Mariveles, Bataan	Lease of TPEC Facilities
Pepsi-Cola Products Philippines, Inc.	Tunasan, Muntinlupa City	Contestable Customer
Petron Corporation	Mariveles, Bataan	Lease of TPEC Facilities
Philex Mining Corporation	Padcal, Tuba, Benguet	Contestable Customer
Philippine Economic Zone Authority (for BCEZ)	Loakan Road, Baguio City	Public Distribution Utility
Philippine Resins Industries, Inc.	Mariveles, Bataan	Lease of TPEC Facilities
Philippine Savings Bank	Makati City	Contestable Customer
SM Prime Holdings, Inc.	Mall of Asia Complex, Pasay City	Contestable Customer
Solid Development Corporation	Mataas na Parang San Ildefonso, Bulacan	Contestable Customer

Length of above and underground transmission and distribution line by regulatory regime

TeaM Energy does not handle transmission and distribution for electricity supplied to the NPC under the ECA.

For the excess capacity sold by TPEC through our Energy Supply Business ("ESB"), below are the details:

a. SDC: Approximately 7Km, 1x69kV transmission line from Cruz-na-Daan Service Station up to SDC

b. BCEZ: Approximately 7.702Km, 1x69kV transmission line from Itogon Service Station to Texas Instruments compound

c. NPC Alliance (formerly BPC): Approximately 10km, 2x230kV transmission line from NGCP tower tapping point up to PNOC-AFC compound

EU-5

Allocation of CO₂e emissions, allowances or equivalent, broken down by Carbon Trading Framework

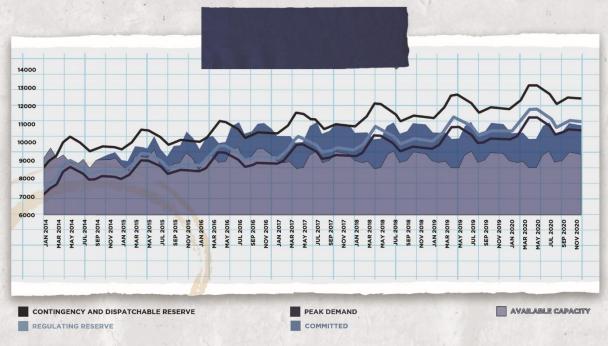
The Philippines has yet to adopt a regulatory framework in connection with the Kyoto Agreement on the reduction of CO₂e emission targets and carbon trading. As such, TeaM Energy has yet to observe emission allowances for this purpose.

EU-10

Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime.

TPEC Holdco owns 50% of Pagbilao Energy Corporation ("PEC"). PEC will own and operated the 3rd unit at the (coal fired) Pagbilao Power Station which is being constructed and which is expected to be operational in late 2017. The 3rd unit's capacity is 400MW.

TeaM is also looking at other potential projects, including investments in renewable projects.



Below is the Luzon Power Demand Outlook as provided by the Department of Energy in its website (accessed on August 25, 2015)

EU-11

Average Generation Efficiency of thermal plants by Energy source and regulatory regime.

	FISCAL YEAR 2016 APRIL 2015 - MARCH 2016	FISCAL YEAR 2017 APRIL 2016 - MARCH 2017
PAGBILAO POWER STATION AVERAGE NET THERMAL EFFICIENCY	33.93%	34.36%
SUAL POWER STATION AVERAGE NET THERMAL EFFICIENCY	35.26%	36.48%
	1	STOCKED STOCKED IN
AVERAGE NET THERMAL EFFICIENCY	34.05%	34.01%
PAGBILAO POWER STATION UNIT 2 AVERAGE NET THERMAL EFFICIENCY	33.82%	34.81%
SUAL POWER STATION UNIT 1	35.43%	35.55%
AVERAGE NET THERMAL EFFICIENCY		
SUAL POWER STATION UNIT 2 AVERAGE NET THERMAL EFFICIENCY	34.88%	35.41%

Transmission and distribution losses as a percentage of total energy

This indicator is not applicable to TeaM Energy as transmission and distribution losses are being maintained by the National Grid Corporation of the Philippines.

EU-13

Biodiversity of offset habitats compared to the biodiversity of the affected areas

Coral transplantation in Pagbilao (2015-2016)

The relocation of corals near the Pagbilao Power Station is implemented as a research project by DLSU Br. Alfred Shields FSC Ocean Research Center in cooperation with TeaM Energy and their consultants. This effort has been focused on the following activities grouped in four (4) phases:

- 1. The transfer of specific corals tagged for experiments from the impact site to cement paving blocks and natural substrate at the relocation site in Pagbilao.
- 2. The transfer of tagged vulnerable species from the impact site to cement paving blocks and natural substrate at the relocation site in Pagbilao.
- 3. The transfer of large coral colonies from the impact site to natural substrate at the relocation site.
- 4. The transfer of the bulk of live corals (especially those > 10 cm in size) from the impact site to both paving blocks and natural substrate at the relocation site.

Between 13 November and 20 November 2015, Phase 1 (transfer of corals involved in the experiment) was completed, with approximately 550 corals belonging to two selected coral genera transferred to cement paving blocks and natural substrate. The relocation area is less than 100 meters from the center line of the proposed intake pipe that is to be built. This fact precludes any deviations from the original plans for the intake pipe design and location. By 21 November, the removal and transfer of vulnerable species had been initiated, along with those of large coral colonies that were to be transferred to natural substrate. Attachment of corals at the relocation site has kept up satisfactorily with removal from the impact site, despite the large number of corals that need to be transported.

Activities planned in the near future concern the monitoring of the experiments (specifically the growth of the transplants and control colonies), as well as the the fate of the corals of vulnerable species, and the other transplanted corals. Initial observations suggest the transplants on the pavement blocks are showing fewer signs of regrowth and self-attachment.

This could be because these paving blocks are lower and closer to the sand substrate, and thus affected more by movements of sediment.

Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region

			- YEAR 2016 5 - MARCH 2016			
	% Retira	ble in the ne	ct 5 years	% Retirable	in the next	10 years
	Corporate	Pagbilao	Sual	Corporate	Pagbilao	Sual
Management	7.9500%	100.0%	83.3%	12.5%	100.0%	100.0%
Managerial	6.3%	84.6%	82.9%	9.1%	89.7%	92.7%
Professional Technical	5.1%	48.3%	40.0%	10.2%	75.9%	90.0%
Rank and File	19.3%	49.0%	42.0%	27.8%	71.4%	66.5%

			YEAR 2017 - MARCH 2017			
	% Retira	ble in the ne	ct 5 years	% Retirable	in the next	IO years
	Corporate	Pagbilao	Sual	Corporate	Pagbilao	Sual
Management	8.8%	100.0%	83.3%	13.7%	100.0%	100.0%
Managerial	7.7%	80.5%	81.0%	10.4%	90.2%	95.2%
Professional Technical	3.9%	35.7%	42.4%	9.9%	64.3%	93.9%
Rank and File	22.0%	50.0%	53.6%	29.1%	70.9%	85.6%

		ble in the ne		76 Retirable	in the next 1	o years
C	orporate	Pagbilao	Sual	Corporate	Pagbilao	Sual
Operations		21.9%	23.4%		25.9%	27.6%
Maintenance		19.3%	22.0%		19.0%	24.3%
Technical Support		9.1%	4.3%		11.0%	5.9%
Administrative Support		13.5%	7.6%		15.6%	10.9%
Finance/Legal/HR/Corporate Services	21.1%			27.4%		
Operations	12.1%			11.1%		
BD and Commercial Affairs	15.3%			17.4%		
OTP/CAT	1.6%			4.7%		

EU-17

Days worked by contractor and subcontractor employees involved in construction, operation and maintenance activities

Services	No. of Contractors (%)	Contract Terms
Ash handling/hauling & Disposal services	0.5%	
Building/Ground/Facilities Maintenance	3.8%	
Boiler Cleaning/Maintenance	0.2%	
Building Services	0.5%	
Controls & Instrumentation Services	5.9%	
Cleaning Services	1.4%	
Coal Unloading	0.7%	
Communication Services	0.2%	
Computer Related Maintenance	3.8%	
Construction Services	3.6%	Long term contracts for
Crane/Hoist Installation & Repair	0.5%	these services usually are 1-2 years; renewed or
Disposal of Hazardous Materials	0.7%	re-bid before each contract expiration.
Electrical System Maintenance & Repair	11.5%	Other works performed
Elevator Maintenance	1.4%	by contractors were
Emissions Testing & Maintenance	0.5%	routine outage works per plant outage
Engineering Consulting	5.2%	schedules.
Environmental Consulting	2.0%	
Equipment Repair & Maintenance	15.2%	
Fire System Maintenance	1.1%	
Mechanical System Maintenance & Repair	13.1%	
Safety & Health Services	1.6%	
Security Services	1.1%	
Transportation (Employee) Services	0.9%	
Water Treatment System Maintenance	0.5%	
Other Operation & Maintenance Services	24.2%	

Jobs are performed by contractors and subcontractors:

Janitorial services, security services, housekeeping activities at the Main Plant, auxiliary systems, offices, and accommodation site, Routine maintenance support services, Air conditioning services, Outage-related activities, Lighting repairs at Main Plant, including perimeter lights, equipment calibration, machining works, services for the unloading activities of the ship vessel, Services for Engineering activities, Cooperatives for annual BGFM contracts, heat rate and capacity testing, pulverized coal sampling and combustion testing, WWTP operation, Monitoring and dosing of Cooling Water System, Consultant for third-party ECA, EMS audits, environmental compliance monitoring

Percentage of contractor and subcontractor employees that have undergone relevant health and safety training

	SU	AL	PAGBILAO		
	April 2015 to March 2016	April 2016 to March 2017	April 2015 to March 2016	April 2016 to March 2017	
Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	100%	100%	100%	100%	

TeaM Energy implements CCOP-017 Contractors Management Program for Environment, Health, Safety and Security (EHSS) to prevent EHSS-related incidents involving contractors, ensure contractors' compliance to EHSS regulations, reduce contract costs associated with redundant submission of EHSS requirements, and speed-up the processing of EHSS requirements for contractors for their immediate mobilization and demobilization.

CCOP-017 specifies that contractors are required to undergo EHSS orientation and submit necessary EHSS requirements corresponding to the work that they will render prior to mobilization. The program ensures that contractors and subcontractors are aware of occupational risks and operational controls that they may encounter while working inside PPS and SPS.

EU-22

Number of people physically or economically displaced and compensation, broken down by type of project

Project Type	No. of peopl	e displaced	No. of people co	mpensated
	Pagbilao	Sual	Pagbilao	Sual
Plant expansion	0	0	0	0
New Project/Plant	0	0	0	0
New Facilities	0	0	0	0
Others	0	0	0	0

Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases

For the reporting period, there have been no reports of Injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases

EU-26

Percentage of population unserved in licensed distribution or service areas

This indicator is not applicable to TeaM Energy. We are not into electricity distribution.

EU-27

Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime

This disclosure is not applicable to TeaM Energy. We are not into electricity distribution.

EU-28

Power Outage – is a short or long-term state of electric power loss in a given area or section of a power grid.

System Operator – is responsible for coordinating electricity supply and demand in real time in a manner that avoids fluctuations in frequency or disruption of supply.

		ear 2016 March 2016	Fiscal Year 2017 April 2016 - March 2017		
Pagbilao Power Station Number of trips	Unit 1	Unit 2 O	Unit 1	Unit 2 O	
Equivalent No. of Days	9.49	ŏ	1.50	ŏ	
Equivalent No. of Hours	227.66	0	35.98	0	
Sual Power Station					
Number of trips	2	4	4	10	
Equivalent No. of Days	3.74	3.92	5.31	16.16	
Equivalent No. of Hours	83.30	94.07	127.40	387.87	

PAGBILAO

	FY2016: Unit 1 = 7 incidents	Off-Line	On-Line	HRS
	Forced outage due to Boiler Tube leak	5/15/15 11:19	5/20/15 15:00	123.68
	Forced outage due to Boiler Tube leak	5/29/15 15:15	5/30/15 0:01	8.77
	Tripped due to Boiler Drum Level caused by tripping of both Boiler Feed Pumps	1/4/16 22:38	1/5/16 3:34	4.93
	Emergency shutdown due to failure of Remote Module 18 caused by water intrusion from Condenser Inlet Pipe leak	1/8/16 20:06	1/10/16 3:49	31.72
	Tripped due to Drop 4/54 and Drop 7/75 Controller failure	2/4/16 22:12	2/5/16 22:18	24.10
	Tripped due to BWCP differential low-low (Drum level lo-lo)	2/6/16 2:07	2/6/16 14:09	12.03
	Emergency shutdown due to failure of Submerged Flight Conveyor	3/1/16 17:34	3/2/16 16:00	22.43
		Total (hrs) =		227.67
-		(da	iys) =	9.49
	FY2016: Unit 2 = 0 incident	Off-Line	On-Line	HRS
6				0.00
-			the state of the s	0.00
		Total (hrs) =		0.00
		(da	iys) =	0.00
	FY2017: Unit 1 = 1 incident	Off-Line	On-Line	HRS
-		OIL-FILLO	OIL-FILLO	TINO
	Emergency shutdown for repair of broken Submerged Flight Conveyor (SFC) Chain	1/13/17 17:16	1/15/17 5:15	35.98
			1/ 10/ 11 0/10	0.00
		Tota	l (hrs) =	35.98
		(days) =		1.50
	FY2017: Unit 2 = 0 incident	Off-Line	On-Line	HRS
-		1775 18 A.		0.000
			l (hrs) =	0.000
	(days) =			0.000



	FY2016: Unit 1 = 2 incidents	Off-Line	On-Line	HRS	
	Tripped due to Generator Transformer Earth fault	10/2/15 7:28	10/5/15 8:55	73.45	
	Tripped due to explosion of Current Transformer XCT-102A of Bay 1	1/12/16 15:17	1/13/16 1:08	9.85	
			l (hrs) =	83.30	
		(days) =			
	FY2016: Unit 2 = 4 incidents	Off-Line	On-Line	HRS	
	Tripped due to Bearing #9 vibration				
	ripped due to bearing #5 vibration	12/17/15 21:31	12/19/15 19:46	46.25	
	Tripped due to Stator Water Low flow	12/19/15 22:43	12/20/15 3:38	4.92	
	Emergency shutdown due to Boiler Tube leak				
		12/29/15 10:54	12/30/15 22:20	35.43	
	Emergency shutdown due to ruptured Generator Hydrogen Cooler vent pipe	1/5/16 17:16	1/6/16 0:44	7.47	
		and the second	l (hrs) =	94.07	
		<u>(da</u>	ays) =	3.92	
	FY2017: Unit 1 = 4 incidents	Off-Line	On-Line	HRS	
	Tripped due to fault at Turbine Speed Signals	6/8/16 21:30	6/9/16 12:18	14.80	
	Emergency shutdown due to Boiler Tube leak	6/11/16 11:58	6/15/16 5:12	89.23	
	Tripped at Furnance Pressure Low-low due to stucked-up ID Fan inlet valve at 100%	9/1/16 0:38	9/2/16 0:00	23.37	
	Emergency shutdown due to Condenser Tube leak	2/6/17 10:15	2/13/17 10:15	170.87	
1			l (hrs) =	127.40	
	-	<u>(da</u>	ays) =	5.31	
	FY2017: Unit 2 =10 incidents	Off-Line	On-Line	HRS	
	Tripped due to Diffential Fault caused by defective CT	3/26/16 0:36	3/28/16 4:23	51.78	
	Emergency shutdown to repair Boiler Feed Pump 2A discharge valve excessive leak.	4/8/16 23:23	4/10/16 1:03	25.67	
	Tripped due to Boiler Drum Level low-low caused by APA 2A tripping	4/11/16 15:11	4/11/16 19:24	4.22	
	Tripped due to Furnace Pressure high-high	7/25/16 4:23	7/25/16 8:09	3.77	
	Emergency shutdown due to Condenser Tube leak	7/27/16 22:11	7/31/16 12:47	86.60	
	Emergency shutdown due to Condenser Tube leak	10/7/2016 4:38	10/11/2016 16:03	107.42	
	Tripped due to false activation of Turbine Manual Trip button	10/21/16 17:08	10/21/16 23:05	5.95	
	Trripped due to loss of Air Heater A & B caused by speed sensor fault	1/27/17 6:19	1/27/17 17:50	11.52	
	Emengency shutdown due to Condenser Tube leak	2/2/17 15:48	2/6/17 5:21	85.55	
	Tripped due to Boiler Drum Level low-low caused by loss of pumping while scoop control of running feed pumps were held on manual mode.	2/18/17 17:53	2/18/17 23:17	5.40	
22		and the second	l (hrs) =	387.87	
1		(da	ays) =	16.16	



Average Power Outage Duration

	FISCAL YEAR 2016 April 2015 - March 2016		FiSCAL YEAR 2017 April 2016 - March 2017	
	UNIT 1	UNIT 2	UNIT 1	UNIT 2
Pagbilao Power Station				
Average Power	32.52	0.00	35.98	0.00
Outage Duration				
Pagbilao Power Station				
Average Power	41.65	23.52	31.85	38.79
Outage Duration				

Notes:

Power Outage Duration refers to the period of time from the beginning of time interruption until power is restored.

Average plant availability factor by energy source and by regulatory regime

	FISCAL YEAR 2016	FISCAL YEAR 2017	
	APRIL 2015 - MARCH 2016	APRIL 2016 - MARCH 2017	
PAGBILAO POWER STATION	90.91%	86.28%	
AVERAGE PLANT AVAILABILITY FACTOR			
SUAL POWER STATION			
AVERAGE PLANT AVAILABILITY FACTOR	82.24%	83.02%	
PAGBILAO POWER STATION UNIT 1 AVERAGE PLANT AVAILABILITY FACTOR	87.03%	95.28%	
PAGBILAO POWER STATION UNIT 2			
AVERAGE PLANT AVAILABILITY FACTOR	94.79%	77.28%	
SUAL POWER STATION UNIT 1	90.54%	76.05%	
AVERAGE PLANT AVAILABILITY FACTOR			
SUAL POWER STATION UNIT 2	73.93%	00.000/	
AVERAGE PLANT AVAILABILITY FACTOR	/3.93%	89.99%	

Notes:

Availability Factor is the fraction of given operating period in which a generating unit is available without any outages.







Materiality Process

The process for defining report content begins with various consultation sessions with the stakeholders of Sual and Pagbilao Power Stations. These consultations were initiated by TeaM Energy through the University of Asia and the Pacific Center for Social Responsibility (UA&P - CSR). TeaM Energy selected the stakeholder representatives while UA&P served as the facilitators. The process included the reintroduction of the GRI framework of Sustainability Reporting, to make sure that the concerns and interests of stakeholders were going to be included in the report. Questionnaires were used as the primary survey instrument, which assessed the influence and impacts of the groups on the company's goals and, conversely, the company goals and operations on the groups' interests and well-being Three consultation visits were conducted in the following sites: Sual, Pagbilao, and the Corporate Office. Aside from this, some questionnaires were accomplished and returned by those who were unable to go to the consultations. There were also briefings with TeaM Energy employees across sites.

TeaM Energy identified material aspects through a questionnaire. We set a threshold of 40% as the standard for considering GRI disclosures that are truly material to the external stakeholders. In other words, only those disclosures that were chosen by at least 40% of the respondents can be considered as material.

201

GRI 201: Economic Performance 2016

The topic is material because:

- a) there is a law and policy which should be complied with;
- b) it influence the company's operating expense and financial strategies;
- c) it may influence employee attraction, retention and motivation;
- d) it is a hot topic for the union.

The organization manages the impact by:

- a) setting implementing guidelines for the consistent application of the policy;
 b) allocating budget for benefits and salary increases;
 c) monitoring employee satisfaction and reasons why employees leave;
- d) trying to manage union expectations
- d) trying to manage union expectations.

GRI 203: Indirect Economic Impacts 2016

How the topic is material and and how the organization managed the impact:

please see discussion on page 53

205

GRI 205: Anti- Corruption 2016

TeaM Energy adheres to the highest ethical standards consistent with one of the corporate core values - Integrity. As TeaM Energy is owned by foreign entities, it must follow strict international anti-corruption policies. It demonstrates the Company's adherence to integrity, governance and good business practices as expected by the marketplace, international norms, and stakeholders.

The Company has a strong anti-corruption policy communicated to all its employees. It continues to strengthen its compliance programs to monitor and prevent corruption within and outside the organization.

There are available channels wherein corruption can be reported so that they can be immediately addressed.

Business partners are also required to sign an integrity pact not to engage in corrupt activities. It is an undertaking contained in all contracts with the Company.

206

GRI 206: Anti-Competitive Behavior 2016

Anti-competitive behavior is against one of the core values of the Company which is Integrity. The Company believes that the best way to compete is through fair means, without the need for artificial controls to gain a bigger market share. Also, as a socially responsible citizen, it must follow laws including prohibitions on monopolies and cartels and abuse of market position.

It pertains to legal actions initiated under national or international laws designed primarily for the purpose of regulating anti competitive behavior, anti-trust, or monopoly practices.

Legal action indicates a situation in which the market actions or status of the organization have reached a sufficient scale to merit concern by a third party.

The Company follows strict ownership limitations and other regulations on anti-competitive behavior set by regulators/government agencies.

All employees adhere to the Code of Ethics and Business Practicies, and related policies.

301

GRI 301: Materials 2016

The topic is material because:

- a) Materials have corresponding costs, which translates to profitability.
- b) Some materials are regulated in terms of purchase, manufacture, handling/use, and transport.
- c) Materials being used at the plant sites have also been associated with risks to workers, product/service quality, and the environment.

The organization manages this impact by conducting monthly station meetings, annual Integrated Management Systems (IMS) reviews, and internal and external audits.

Also by conducting resource management under IMS - i.e. fuel management, chemical handling, warehouse procedures. Material handling and Identification of environmental aspects and impacts under Hazard-Aspect-Identification, Risk Assessment and Determining Controls (HAIRADC) using the life-cycle perspective.

302

GRI 302: Energy 2016

Energy is the primary business of the company. Our primary input is an energy source and the output is also energy. How efficiently we use the energy sources in the business also translates to financial goals and operational goals.

We are also mandated to report Greenhouse gas emissions which are largely from our use of fuel.

The organization manages this impact by conducting annual Integrated Management Systems (IMS) review and planning, and through the station scoreboard and corporate board.

Also through implementing Energy efficiency programs such as Heat Rate Improvement, Combustion tuning, and monitoring of in house energy consumption.

By having fuel management in our sites, to ensure proper handling of fuel to prevent losses from spillage, spontaneous combustion, and maintaining the quality of the fuel.

303

GRI 303: Water 2016

Aside from fuel, water is another primary input in terms of volume. Millions of cubic meters are being consumed by plant operations on a daily basis.

Water withdrawal is also regulated by the National Water Resources Board (NWRB) under the Water Code of the Philippines.

The company manages this through conducting Site Management Review, annual Environment Compliance Audits, Significant Social Contribution core team planning and meetings, and monitoring of compromise agreement.

Impacts of water withdrawal are reflected in the EIA and the HAIRADC.

Compliance obligations are determined, risks are determined, and controls to mitigate impacts are defined.

304

GRI 304: Biodiversity 2016

AThe impact on biodiversity is one of the environmental impacts, associated with coal fired power plants. Based on both Pagbilao and Sual's Environmental Impact Assessment documents potential impacts to air, land, and water that affects biodiversity. Hence TeaM Energy allots resources to monitor biodiversity and implement interventions and enhancements needed. TeaM Energy implements extensive monitoring program for biodiversity on water and land. Guided by environmental quality performance limits (EQPL), we watch out for signs and signals of negative impacts on biodiversity. When monitoring data indicate the need for intervention, these are acted upon by the organization.

Enhancements, on the other hand, are mostly handled by the TeaM Energy Foundation through: preserving the remaining forests and rehabilitating degraded forests in the host provinces; by engaging Peoples Organization, Non-Government Organizations and Government Agencies who are on the ground and with expertise necessary to achieve the objectives of the projectand by providing financial support for the maintenance of the areas and awareness building on environmental conservation.

305

GRI 305: Emissions 2016

Emission is one of the major aspects of a coal-fired power plant that has compliance obligations. It has impact on generation and operational efficiency.

The organization manages this through the installation of pollution control device; by including emissions in the Plant Performance monitoring

And coming up with protocols to address exceedances (Codes of Practice), coal management, blending strategies; conducting internal, external, and environmental compliance audits, and management reviews.

306

GRI 306: Effluents and Waste 2016

Effluent/Wastewater discharge is one of the major aspects of a coal-fired power plant that has compliance obligations. It has impact to generation and operational efficiency.

The organization manages this through the installation of pollution control device; including emissions in the Plant Performance monitoring

And come up with protocols to address exceedances (Codes of Practice), coal management, blending strategies; conducting internal, external, and environmental compliance audits, and management reviews.



GRI 307: Environmental Compliance

Operating coal-fired power plants requires the company to follow all required environmental compliance by the government to continue operations.

Both the Sual and Pagbilao Power Plants maintained their ISO 14001 certification during the reporting period.



GRI 308: Supplier Environmental Assessment 2016

TeaM Energy ensures that it operates in an environmentally sustainable way, and that includes acquiring materials from environmentally compliant suppliers.

Supplier-applicants and accredited Suppliers are required to conduct an initial and annual compliance self-assessment to ensure that they and their employees, workers, and representatives conform to legal and regulatory requirements related to social and environmental responsibility.

401

GRI 401: Employment 2016

TeaM Energy employees are the driving force of the company. The company wants to make sure that it maintains a minimal turnover rate as a high turnover affects business continuity. This topic is material as it provides a measure of the company's investment in human resources and the minimum benefits it offers its full-time employees. It also offers an indication of the relative investment in different parts of the workforce.

The organization manages the impact by:

- a) manpower planning;
- b) compliance with HR code of practice;
- c) monitoring of turnover and knowing reasons why employees leave the company

GRI 402: Labor and Management Relations 2016

The topic is material because it indicates ability of a company to maintain employee satisfaction and motivation while implementing significant changes to operations.

The organization manages the impact by ensuring that policies and programs are applied consistently.

403

GRI 403: Occupational Health and Safety 2016

This is material because monitoring of injuries and diseases absenteeism, relates to employees availability and productivity which affects the plants operations.

TeaM Energy implements the company-wide CCOP-009: EHS Incident Reporting and Investigation Procedure as the standard protocol for reporting, classifying, documenting, investigating and analyzing environmental, health and safety incidents. CCOP-009 is enforced across all sites to determine factors that caused the occurrence of incidents, identify and implement corrective and preventive actions, perform investigations in a timely manner, and document results of investigations.

404

GRI 404: Training and Education 2016

Training and Education is material to the company because it deals with the provision, continuous improvement and preservation of necessary knowledge, skills and behaviors of all employees. This enables the organization to meet its goals and objectives which contribute to the economic, social and environmental impact of the company.

The organization has a dedicated section that implements training and education that is in charge of the management of impacts.

The economic impact had to do with the employment of local residents near or within the plant location.

On the social aspect, mutual respect and acceptance of each employees and among other workers and residents in the area is established through observance of proper conduct and behavior.



GRI 405: Diversity and Equal Opportunity 2016

This is material because it provides a quantitative measure of diversity (i.e. equal opportunity and team diversity) within an organization and can be used in conjunction with sectoral or regional benchmarks.

There is only one compensation policy that applies to all employees regardless of gender. A performance management program is also implemented across sites. Distinctions across ranks are also implemented according to HR policies.

406

GRI 406: Non-discrimination

This topic demonstrates effective monitoring system to ensure compliance with anti-discrimination policy throughout the reporting company's operations.

The HR and Legal Departments are given authority to ensure that reported incidents are addressed.



GRI 407: Freedom of Association and Collective Bargaining 2016

The topic is material because: a) the company is bound by legal obligations b) it recognizes the employees' rights to freedom of association c) would like to show that it is a responsive employer.

The organization duly recognizes the existence of the Union and dutifully abides by its responsibilities according to the CBA and other labor laws or regulations. The HR and Legal Departments are authorized to address Union issues.

GRI 408: Child Labor 2016

Determines the presence and effective implementation of policies on child labor as a basic expectation of socially responsible conduct.

The organization manages the impact by ensuring that policies and programs are applied consistently; commitment to abide by the Labor Code of the Philippines and other applicable laws, rules and regulation, and the CBA.

409

GRI 409: Forced or Compulsory Labor 2016

Indicates the reporting company's challenges in contributing to the abolition of forced and compulsory labor in business operations and in its supply chain.

The HR and Legal Departments are given authority to ensure that reported incidents are addressed.

410

GRI 410: Security Practices 2016

Human rights violations in the performance of corporate security implementation may affect the success of Team Energy's short and long-term goals and operations.

Quarterly and Annual Performance Evaluation of the Security Service Provider.



GRI 412: Human Rights Assessment 2016

The topic is material because it is consistent with one of the Company's core values which is "People Oriented". Also, as a responsible corporate citizen, the Company must adhere and respect basic human rights of its employees and those of the people where their operations exist.

It offers insight into the Company's capacity to implement its human rights policies and procedures in business operations and supply/outsourcing networks.

Measures the extent to which human rights are integrated in the Company's economic decisions especially if the Company operates within or ventures in areas where the protection of human rights is of significant concern.

All employees adhere to the Code of Ethics and Business Practicies, and related policies, including the Employee Manual.

The organization keeps tracks of human rights obligations and ensures that compliance is monitored.

413

GRI 413: Local Communities 2016

It enables us to monitor current social impacts and manage these in a sustainable manner through identification of feasible / appropriate community engagements. Also, it ensures maintenance of transparency of and public trust in the company relative to the results of impact assessments arising from plant operations.

By initiating, developing and implementing appropriate community development programs with program partners; and formalizing through agreements ie Memorandum of Agreement, etc.

By conducting project/program evaluation with partners and depending on the result of the evaluation, projects/programs and/or strategies are revised to ensure attainment of sustainable results.

By participating in the semi-annual Socio-Economic monitoring with the Multi-Partite Monitoring Team.

By conducting Envi Health and Socio-Economic Monitoring every 2 or 5 years and results are being shared to concerned communities (barangays and municipality) and the Multi-Partite Monitoring Team.

GRI 414 Supplier Social Assessment 2016

TeaM Energy is committed in engaging and partnering with suppliers that abide by applicable laws and regulation on social human rights.

TeaM Energy requires all supplier-applicants, accredited- suppliers and service providers to conduct self-assessment of their operations on an annual basis.

415

GRI 415 Public Policy 2016

TeaM Energy is committed in engaging and partnering with suppliers that abide by The topic is material because the Company operates two of the largest power plants in the country and thus is a significant player in the power industry.

As a corporate citizen, the Company is subject to public policies which may affect its operations. Therefore, it may be prone to influence of policymakers through lobbying and political contributions.

It demonstrates the scale of engagement in political funding and ensure transparency in political dealings and relationships with the reporting Company.

The Company is prohibited from making political contributions pursuant to its Code of Ethics and related policies.

All business expenditures must be covered by the proper forms for monitoring of the business purpose of every expense especially those relating to government and business partners.



GRI 418: Customer Privacy 2016

The topic is important because the Company supplies electricity to customers such as large industries and distribution utilities who may have information which must be kept private.

It exhibits an evaluation of the success of company management systems and procedures relating to customer privacy protection.

The Company executes non-disclosure agreements or contracts with confidentialy provisions with its customers.

The Company appointed an Internal Control Officer who will also act as Data Privacy Officer in compliance with the data privacy regulations.

419

GRI 419: Socio-Economic Compliance

The topic is important because of the nature of the Company's operations which puts it at risk for violations and sanctions. These in turn expose the Company to potential fines or closure leading to disruption in its operations.

It demonstrates the ability of company management to ensure that operations conform to certain performance parameters to help reduce financial risks that occur either directly through fines or indirectly through impacts on reputation.

Monitors compliance with laws and regulations in the social and economic area.

All employees adhere to the Code of Ethics and Business Practicies, and related policies.

GRI 204 Local Suppliers 2016

The company contributes to the economic development in the local areas or communities where it operates.

The organization manages this impact by allowing for local hires. Though there is no policy on the prioritization of workers from the local site, most of the employees come from nearby provinces.

417

GRI 417 Marketing and Labeling 2016

There are no particular requirements for product service information and labeling for the electricity the company produces for NPC/PSALM, electric cooperatives, private utilities, and contestable customers.

CASE STUDY

TeaM Energy: Powering sustainability in the Philippines by GRI Global Reporting Initiative

In 2020 the Securities and Exchange Commission (SEC) of the Philippines will require publicly listed companies to report on their environmental, social and governance (ESG) performance to regulators, or explain why they have failed to do so. This comply or explain' regulation will encourage many companies in the Philippines to report on their ESG impacts for the first time, bringing them into alignment with the global trend of corporate responsibility and transparency.

Also known as sustainability reporting, reporting on ESG performance helps companies to be transparent about their external impacts, and to demonstrate how they address and mitigate them. This transparency helps to build trust with the company's stakeholders - such as customers, employees, investors and community members - and helps the company to address these complicated issues in a responsible and structured way.

The best practice process of sustainability reporting – promoted by reporting frameworks like the GRI Standards – begins by consulting with stakeholders to establish where the company has the most significant, or material, impacts on ESG issues. Once this is identified, a company sets up systems to monitor, evaluate, report, and improve on these material issues going forward. This structured approach can also translate into a more mature management of an organization's operations, often improving efficiencies and realizing cost savings in various parts of the business.

Organizations monitor and report on this sustainability information in various ways, depending on their industry, resources and reporting maturity. This case study examines the sustainability journey of TeaM Energy – a power utility company which has been reporting on their ESG impacts in the Philippines since 2009. Although TeaM Energy is not a publicly listed company, it still finds preparing a sustainability report to be a useful exercise – both for internal and external stakeholders. Exploring how TeaM Energy addresses its sustainability impacts and reporting, as well as what costs and benefits they perceive will be of interest to new reporters as they begin their own sustainability journeys.

About TeaM Energy

TeaM Energy is one of the largest independent power producers in the Philippines providing over 2,000 megawatts (MW) of installed generating capacity to regions including Quezon, Pangasinan and Batangas. Reporting on their sustainability since 2009, they are original signatories to the Integrity Initiative, a private sector-led campaign to promote common ethical and acceptable integrity standards in the Philippine business community. TeaM Energy has been recognized on the national level for their ethical business practices, and they undertake corporate social responsibility (CSR) programs in the areas of education, health, economic development and environmental protection.

Sustainability at TeaM Energy

TeaM Energy began the process of reporting on ESG topics in 2008, at the bidding of then CEO Frederico Puno, who saw sustainability as an integral part of a healthy business. This direction from the top of the organization incorporated sustainability into the organization's vision and mission, creating an environment where ESG challenges are investigated, monitored and addressed in a systematic way.

Structurally, TeaM Energy includes data owners from various departments as members of the Technical Working Group (TWG), who are appointed by the CEO, and jointly carry the responsibility of creating the organization's sustainability report in addition to their primary duties.

The reporting process

Reporting occurs every two years at TeaM Energy, and the process begins when the TWG meets to assess any necessary updates to their stakeholder list, which includes groups such as internal employees, customers, investors, community members and related government agencies.

Once this stakeholder list is finalized they turn to a sustainability consultant, UA&P (University of Asia and the Pacific), to conduct the stakeholder assessment for the reporting cycle. U&AP organizes and conducts focus groups and surveys to evaluate the impacts that concern these stakeholders. They then consult with TeaM Energy to reconcile this feedback with existing reporting metrics to adjust the material topics covered by the report, if necessary.

Once these material topics are finalized, the TWG manages the process of collecting and consolidating the necessary data, a task that is streamlined by the fact that the TWG members are also data owners. This individual ownership at the department level helps to reduce data bottlenecks and silos - contributing to a smoother metric monitoring process throughout the organization.

Once the final data is collected and consolidated, TeaM Energy passes it on to a consultant who writes the sustainability report. This outsourcing saves on internal employee effort, but elevates consulting costs for the project. The TWG continues to be involved throughout the writing process, helping to draft the message and vision, as well as reviewing drafts and communicating the message to their stakeholders.

TeaM Energy has also worked with the design team Drink to develop a creative means to effectively communicate this sustainability information to their stakeholders. For instance, in their 2013-2015 report, TeaM Energy worked with an illustrator to weave the most important messages from their full report into a manga-style comic. This version was quite effective at educating employees and community members about the company's sustainability journey.

Costs and benefits of reporting

With a significant amount of experience monitoring and reporting on ESG impacts, TeaM Energy finds both costs and benefits to implementing its sustainability programs.

As TeaM Energy can attest, implementing such programs does require investment. Engaging with stakeholders, setting up and implementing metric monitoring systems, and writing the report require both employee and consultant resources. In addition, being a long-time reporter TeaM Energy works to continue to tell its story in creative and effective ways, which can consume effort and resources. However, although costs do occur, TeaM Energy finds that these are outweighed by the benefits they received.

Cost savings of reporting

TeaM Energy has also found that if the process is undertaken diligently and carefully there is potential to find, implement and maintain significant cost savings. Whether or not a company's operations run sustainably ties back to the organization's strategic planning and management - which can, in turn, lead to long-term benefits for the company.

For example, when reviewing metrics in the procurement department, TeaM Energy identified inefficient purchasing policies which had led to excess inventory and overpriced contracts. With subsequent reorganization, the company was able to reduce these costs using procurement planning, supplier and contract validation, and consignment purchasing, which led to cost savings and well as reductions in potential corruption or abuses.

Although sustainability reporting does not directly lead to these sorts of cost savings, the process of assessing the metrics and trends does provide a useful overview.

'[Sustainability reporting] serves as your guideline. The challenges you encountered in the previous period, you will not encounter them again now. You can see that while you are preparing the sustainability report. We do not repeat the same kind of mistake,' says Rechelle Romulo, a data analyst for Strategic Sourcing at TeaM Energy.

Helping to address reputational risk

TeaM Energy also finds that sustainability reporting can help to address its reputational risk as a largely coal powered energy company by promoting transparency and systematically addressing their areas of negative impact. The report gives them a means to publicly disclose its environmental pollutant metrics and mitigation activities to ensure that it is complaint with environmental regulations. 'The sustainability report, and being one of the pioneers in the energy industry that initiated sustainability reporting with GRI Standards, strengthen[s] the company's transparency and integrity as one of the dedicated companies in the energy industry that [does] what we say and that [has] nothing to hide,' says Jesusa Calaunan the External Affairs Supervisor of Sual Power Station at TeaM Energy.

TeaM Energy also finds that looking at impacts through a sustainability lens has encouraged them to stay ahead of the curve with requirements and regulations. For instance, they found it easy to comply with greenhouse gas reporting requirements of the DENR because they had already been disclosing them in their sustainability report.

Increased transparency and credibility with stakeholders such as customers, union members, community members and regulators

TeaM Energy has also experienced improved relationships with stakeholders as an outcome of their sustainability reporting.

Although openly reporting on metrics gives stakeholders access to information they might not otherwise have, they find that the benefits of this transparency outweigh the negatives. TeaM Energy found, for instance, that publishing a sustainability report helped their employees and unions see the business more transparently.

They found that although unions did question the published revenues and costs as related to union member compensation, being transparent about the numbers led to an honest understanding of the organization's financial reality for all stakeholders.

TeaM Energy also finds that customers appreciate the quality of service that they cultivate through their management and sustainability programs.

'As I am presenting to [plant customers], when they are doing plant familiarization about where they will get their electricity, their eyes never failed to lightup...whenever I show the slide that we are publishing SR using GRI standards,' says Jesusa Calaunan, the External Affairs Supervisor of Sual Power Station for TeaM Energy.

Sustainability matters to investors

TeaM Energy also finds that their sustainability reporting also draws the attention of global investors and creditors, who take their commitment to the process as an indication of a solid investment.

'Fortunately in our case, our shareholders are listed companies...[and] they put value in sustainability. I guess it's already ingrained in their culture. So it's not a big stretch...These guys are large, established old corporations that value [sustainability reporting],'says John Alcordo, the former CEO of TeaM Energy

TeaM Energy has been into sustainability reporting since 2009. Our sustainability efforts, which are established and well-documented have been openly shared with our stakeholders. This Sustainability Report will be our final one as our company moves toward the successful completion of our Build Operate and Transfer (BOT) agreement with the national government in the coming years.

Secrets for success

When asked about the most important ingredients of a successful sustainability program, employees throughout the organization were in agreement: smart data monitoring, collection process and team structure, as well as external assurance, are essential to its success.

Smart data monitoring, collection, processes and team structure

In general, TeaM Energy finds that a successful sustainability program hinges on the quality of the processes and systems set up to monitor and improve on sustainability metrics, and the organization's ability to execute this.

'That is where the bulk or the hard part is, in gathering data,' says Melissa Meneses, the Environmental Management Officer of Sual Power Plant for TeaM Energy.

'Making the actual reports, artist, writers, you can outsource [this]. But what the company will really have to do is to gather the data. So they have to integrate that into their current system, like for environment, every one has a Pollution Control Officer. So they just have to create a system wherein every month, they will log the data requirements for the [sustainability report], and then after a year, you would already have a summary of the data. I think once they have already a system of data gathering, it [is] easier...to come up with the report,' she adds.

TeaM Energy also finds it important to select committed, excellent and enthusiastic team members for the TWG, thus ensuring a streamlined and well-oiled process.

Seeking external assurance

TeaM Energy also finds the process of seeking external assurance to be important in the success of their sustainability reporting – improving the credibility of the report in the eyes of its stakeholders.

"Our local stakeholders are in awe, it seems that we were the only ones producing an assured sustainability report. Especially in Pangasinan, though there is the San Roque Power Corporation, but we are the first to have a sustainability report using GRI Standards," says Jesusa Calaunan, External Affairs Supervisor of Sual Power Station for TeaM Energy.

While we see the value of having our report externally assured, we chose to make do without this added step for this report.

TeaM Energy has already produced our past three reports using GRI Standards. These past reports have also been externally assured, familiarizing us with the process and the certain 'checks' our external assurers do, which we chose to implement in this latest report.

We are confident that we have proven the credibility of our reporting process in our past three externally-assured Sustainability Reports.

In short

Throughout their sustainability reporting journey TeaM Energy has developed a mature management and reporting system that leads them to be more efficient in their operations and credible with their stakeholders, while working to proactively address their ESG impacts.

While they do commit resources to the program, they also receive significant benefits, including cost savings and improved relationships with stakeholders from customers and community members to investors.

'[P]roducing a [sustainability report], technically, in the long haul, will sustain your business,' says Jesusa Calaunan. 'It will also make your programs in the communities or with the interested parties sustainable in a way that it is not going to be a dole out...If you do a [sustainability report], you are committed, you will sustain the good that you have started, you will improve on the weakness that you have identified or disclosed in the [sustainability report] so that in the next [sustainability report] you will be reporting a more sustainable one, and it will make the operations of the company you are working for also sustainable.'

Overall these efforts help TeaM Energy to be a more responsible corporate citizen meeting global best practices in corporate reporting while still making healthy returns for their shareholders. It is hoped that this example can guide new reporters in the Philippines as they begin to report on their own ESG impacts going forward.

Workshop Questions:

The following are potential discussion questions to be used during workshops with listed companies in the Philippines who do not yet issue a sustainability report. They are designed to facilitate discussion of the 'company specific' case study about TeaM Energy above, while encouraging participants to evaluate the implications of the lessons for sustainability reporting in their own company.

1. Which of TeaM Energy's organizational characteristics help them to be successful when reporting their ESG impacts? Which make it more difficult? Does your company share any of these characteristics? What would this mean for the potential success of your sustainability program?

2. TeaM Energy has created a Technical Working Group (TWG), which includes members from many parts of the organization working on the sustainability report on an ad hoc basis. Do you see this as a viable option for your company? Why or why not? If so, how would you approach creating such a team? If not, what other approach might you use to run a sustainability program? 3. TeaM Energy demonstrates a number of costs and benefits of implementing sustainability monitoring and reporting in their organization. What benefits stand out as likely or desirable for your organization? What challenges do you anticipate arising and why? Are there ways to address these challenges head on when implementing your sustainability reporting process?

4. TeaM Energy gives examples of significant cost savings created through their sustainability reporting process. Where might you anticipate cost savings to arise when monitoring and improving on ESG metrics in your company?

5. TeaM Energy finds positive results from improving their transparency with customers, communities and investors. How would you anticipate your various stakeholders to react to a report on ESG issues, both positively and negatively?

6. What are the features of a successful sustainability reporting program as demonstrated by TeaM Energy? What strengths could you build on to develop a successful program in your organization? What challenges to you foresee arising and how would you address them?

7. TeaM Energy finds strong, organization-wide systems and processes to be important for the success of their sustainability reporting initiatives. How do you anticipate incorporating sustainability reporting into your existing organizational structure? Who will be responsible for data monitoring/collection and how will it be performed? What about writing the report content? What about motivating the sustainability reporting and improvement process in the organization?

8. TeaM Energy finds external assurance of their report to be important for supporting the credibility of their sustainability report and programs. They also find that it holds them to a high standard of excellence in their operations. Would you seek to gain external assurance for your sustainability report? Why or why not?

THE FUTURE TREE

It is the age of the Internet, the rise of social media, the peak of information. Everyone became bearers and sharers of news. Everyone became creators and curators of content.

Everyone consumes and is consumed in what seemed to be an endless online scrolling.

Information has never been so readily available and overwhelming.

It is the age of the Internet, with the rise of social media and the peak of information – there is a question of social responsibility and accountability, there is a pressing need to filter through fake news and disinformation.

In this age, we are reminded to work even harder to report our truths and to be socially responsible.

TeaM Energy's Sustainability Report is a canvas, a painting of our sustainability efforts – drawn with hard data. We emphasize the importance of being data-driven in a time where the flood-gates of information have been opened and unguarded.

TeaM Energy's Sustainability Report is a testament of how our generation has planted the seeds of sustainability. We strive to capture and preserve our truths that it may serve as a reference for our future generations.

We aim to inspire discourse, influence behavior, and spark sustainable efforts. We plant these seeds of sustainability and together, we hold the responsibility to ensure that they flourish — so that our future children may harvest the fruits of our efforts.

> "A society grows great when old men plant trees whose shade they know they shall never sit in."

> > - Greek Proverb

2015 - 2017 Sustainability Report Technical Working Group

John P. Virgino, Chairperson

Angela R. Rebueno, Vice-Chairperson

Mitsuhiro Kojima Officer in Charge John V. Alcordo Former Chairman and CEO **Toshiro Kume** Former Officer in Charge

Istainability

Grou

Leandro S. Amante Wanda Fe L. Astilla Nestor S. Banga Ellen G. Bauto Joyce O. Bellas Arnel D. Bueza Hazel C. Abustan Jesusa C. Calaunan August D. Castro Dorcas M. Crooc Maria Anna F. Delos Reyes Rosalie F. Factor Mae Lina Jalipa-Codilla Mary Jay G. Jayme Maria Teresa C. Lopez

Ruben H. Licerio Santiago S. Malacca Juan Francisco T. Mapa Hilarion C. Medrano Narcisa S. Mendoza Melissa M. Meneses Ethel S. Osio Carmela B. Palaganas Frolian Gregory H. Romualdez III Rechelle A. Romulo Mary Rose C. Roxas Rodolfo N. Roxas Princess D. Sy Rica Matute Tamayo Taryn F. Uberita

Editorial Team

Contributors, Sustainability Working Group

Jorge Henryk, Illustrator

Jenry Harriz Vivar, Artist

Miguel Gangoso, Art Director

Trina Enriquez, Writer

Consultants

University of Asia and Pacific Colin Legarde Hubo Mia Villanueva





www.teamenergy.ph