

IT'S DISCOURAGING EN

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

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

IT'S TIME TO REGENERATE A DAMAGED WORLD.

Table of Contents

I. Introduction	IV. Our Value Creation Story	V. Our Outlook
1 About the Report	58 Our Value Creation Story	166 Our Outlook
3 Certification from the Board	59 Strategic Positioning	
3 Disclaimer on Forward-Looking Statements	66 First Gen Business Model	
4 2022 At A Glance	68 Progress on our Mission	
6 2022 Key Milestones		
	72 Delivering on our Strategy	VI. Our Governance
II. Our Business	73 Financial Capital Performance	173 The Management Approach on Governance
9 Who We Are	79 Manufactured Capital Performance	175 Governance Structure
12 What We Do	95 Human Capital Performance	176 Corporate Policies
16 Organizational Structure	115 Social and Relationship Capital Performance	184 Board Committees
18 Chairman's Message	126 Intellectual Capital Performance	186 Board of Directors
24 President's Message	131 Natural Capital Performance	194 Senior Management
III. Our Operating Context	154 Our Value Creation Diagram	VII. Additional Information
33 The External Environment	156 Our ESG Values	199 2022 Awards
39 Our Material Topics, Standards, and References	159 First Gen's Value Created in Support of the Sustainable Development Goals	200 UA&P Third Party Review Statement
44 Managing Material Risks and Opportunities		208 Content Index
54 Acting on Major Disruptions		220 Acknowledgments



About the Report

This report covers how we carry out our mission of regenerating the planet and society and how we maintain these systems' health and resilience so they can withstand disruptions. As a result, the Company and our stakeholders operate in a more secure business environment.

Scope and Boundary

The First Gen Corporation ("First Gen," "the Company") 2022 Integrated Report (IR) provides the material information on our mission, strategy, business model, risks and opportunities, external environment, the performance of our six capitals (financial, manufactured, human, intellectual, natural, and social and relationship), governance, and outlook. The report also discusses our process of value creation for the Company and its stakeholders. We do this by identifying and assessing environmental, social, and governance (ESG) issues that impact our capital use and presenting the Company's financial and non-financial ESG performance from January 1 to December 31, 2022.

We detail the management of our assets: a) natural gas power plants in Batangas; b) hydropower plants in Nueva Ecija and Bukidnon; c) geothermal plants in Leyte, Negros Oriental, Albay-Sorsogon, and North Cotabato; d) solar power plants in Ilocos Norte, Iloilo, Leyte, Cebu, and Sorsogon; and e) wind power plant in Ilocos Norte. The Portfolio of Assets on page 14 provides the complete list of power plants.

Disclosures and data included in this report were consolidated by First Gen's IR Technical Working Group (TWG). The report was reviewed by First Gen's management and approved by First Gen's Board of Directors (BOD) as advised and assisted by the Board Risk Oversight Committee (BROC). The Certification from the Board is presented on page 3 of this IR.

Reporting Philosophy

This report was prepared in accordance with the guiding principles and content elements of the International Integrated Reporting <IR> Framework of the Value Reporting Foundation (formerly known as the International Integrated Reporting Council). The financial portion of the report was prepared in compliance with the Philippine Financial Reporting Standards (PFRS). The discussion of the non-financial aspects was guided by Memo Circular No.4 of 2019 of the Philippine Securities and Exchange Commission (SEC).

Materiality Approach

We adopted the "Double Materiality" method in assessing our material ESG issues. Consistent with our mission of decarbonization and regeneration, we reviewed the ESG information based on the impacts of the ESG issues on our financial performance, business, planet, people, and economy. We consider the following details in determining First Gen's material issues: a) impact on the Company's financial performance

The Company's analysis of the ESG issues is in reference with the GRI Standards and the G4 Electric Utilities Sector Disclosures, Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), the UN Guiding Principles on Business and Human Rights (UNGP-BHR), and the UN Sustainable Development Goals (SDGs).

An index on the relevant ESG standards and references is presented on pages 208–218 of this report.

and reputation; b) business risks and opportunities, including climate change; and c) effects of our operations on people's ability to survive and on the environment's stability. Our detailed materiality approach, material topics, and the corresponding key indicators are on the Material Topics section on page 39 of this report.

How to Read the Report

This report focuses on our value creation story. It starts with our leadership overview on where we stand in our path towards achieving our mission, and our direction ahead. This tone from the top, with our operating context, influenced how our strategy and business model delivered the mission.

It follows with an analysis of the effects of external environment factors that affect the transformation of our capitals

to products and services and values to stakeholders—our value creation sources. We then translated the values we captured from these capitals into financial and non-financial results to determine our impacts on these precious resources. Lastly, we identified which created values aligned with and contributed to the Sustainable Development Goals.

Assurance

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

About the Cover



The cover for First Gen's 2022 Integrated Report is a departure from the dark, alarming covers we've used in previous years. While the climate crisis remains an urgent matter and addressing it may seem like a daunting task, we should not be discouraged. With solutions in sight, there is still hope but we need to work quickly to secure a livable planet for future generations.

Increasing electrification is one of the ways we can achieve decarbonization, a crucial step in mitigating the effects of climate change. In the Philippines, electric vehicles (EV) are gaining more

acceptance in the market, meeting our mobility needs while cleaning up one of the biggest sources of emissions. First Gen is helping to encourage the increased electrification of the transport sector by providing only clean and renewable energy as more people shift to using EVs.

As different sectors become increasingly electrified, we must ensure that they are powered by clean and renewable energy. With clean energy solutions available, it is encouraging to know that we can regenerate a damaged world.

Disclaimer On Forward-Looking Statements

The report contains forward-looking statements based on the Company's analysis of trends, projections, plans, and other information available during the writing stage of this report. The scenarios presented were not intended to predict likely future events and outcomes. While we believe that the declared expectations may be reasonable, investors and other


stakeholders are cautioned that actual outcomes may differ materially from those expressed or implied, as future situations are difficult to predict and subject to risks and uncertainties beyond the Company's control. Lastly, the ongoing and evolving COVID-19 pandemic during the report's writing stage poses inordinate uncertainties to the Company's outlook.

Certification from the Board

I hereby certify that the 2022 First Gen Integrated Report is a fair presentation of the Company's operations for the period January 1 to December 31, 2022. The report includes material environmental, social, and governance (ESG) issues which are based on accurate information available to the Company for the reporting period.

This certification is being issued pursuant to the March 17, 2021 authorization of the First Gen Board for the annual issuance of an Integrated Report to communicate to the Company's stakeholders its financial and non-financial (ESG) performance, and its designation of the Board Risk Oversight Committee to review and finalize the report.

In preparing the 2022 report, the Management supported the Board through the inter-departmental Technical Working Groups (TWG) from all participating First Gen subsidiaries. Oversight was provided by the President and COO in collaboration with responsible officers from the Quality, Environment, Safety and Health, Enterprise Risk Management, Finance, Operations, Human Resources, Corporate Social Responsibility, Accounting, Legal and Regulatory, Strategy and Planning, and Integrated Corporate Communications groups. The Board Risk Oversight Committee conducted the final review of the report and authorized its release on March 31, 2023.


FEDERICO R. LOPEZ
CHAIRMAN AND CHIEF EXECUTIVE OFFICER
FIRST GEN CORPORATION

2022 at a glance

FINANCIAL CAPITAL

*In USD thousands except per share data

	2022	2021	2020	2019	2018
Revenues	2,666,706	2,166,782	1,830,300	2,151,386	1,978,689
Consolidated Net Income	369,512	354,240	393,734	414,228	319,485
Net Income Attributable to Equity Holders of the Parent	261,390	258,253	275,695	296,208	221,200
Recurring Net Income Attributable to Equity Holders of the Parent	265,446	252,437	252,104	284,410	242,992
Total Assets	5,375,868	5,503,389	5,708,472	5,209,697	5,059,901
Total Liabilities	2,416,251	2,530,186	2,752,421	2,618,198	2,788,974
Equity Attributable to Equity Holders of the Parent	2,413,980	2,438,010	2,423,481	2,124,979	1,855,146
Non-Controlling Interests	545,637	535,193	532,570	466,520	415,781
Basic/Diluted Earnings Per Share for Net Income Attributable to Equity Holders of the Parent (in USD/share)	0.071	0.070	0.073	0.078	0.055

MANUFACTURED CAPITAL

3,501.4MW
installed capacity

22,352.4GWh
of power generated in 2022

INTELLECTUAL CAPITAL

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

43
information technology solutions implemented to date

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

NATURAL CAPITAL

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

0.30 tCO₂e/MWh
emission intensity

10,140 hectares
of forest reforested

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

127,608 hectares
of natural forest protected in geothermal reservations

SOCIAL AND RELATIONSHIP CAPITAL

550 students
supported with scholarships

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

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

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

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

PHP 22 million net revenues generated
from livelihood projects and contracts for host communities



HUMAN CAPITAL

Net hire ratio of 0.84
indicates the workforce decreased.

82% of recruits are millennials and Gen Z

Diversity, Equity, and Inclusion

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

Employee Engagement Index of 67%
Significantly above the Philippines Norms by +10%

Issuance of new policies

- On internal recruitment and employee development,
- Special leave for women, and leave for victims of violence against women and their children (VAWC)

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

Human rights due diligence

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

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

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

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

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

2022 Key Milestones

First Gen made significant strides for 2022, such as the construction, continued operations, and maintenance of our power plants. Despite challenges, we forged and secured financing for our ongoing projects. We are determined to persevere in our mission of building a better future for the next generation, one step at a time.

JANUARY

- Commencement of the Green Energy Options program (GEOP), wherein GEOP end-users, GEOP Renewable Energy Suppliers and Distribution Utilities (DU) can register to participate in the program.
- First Gen paid cash dividends of PHP3,8904 per share on the 52.85 million outstanding Series "G" preferred shares, and PHP0.38904 per share on the 13.75 million Series "G" preferred shares issued to First Philippine Holdings Corporation.
- First Gen paid cash dividends of PHP0.02 per share on outstanding Series "B" preferred shares.
- First Gen paid cash dividends of PHP0.01 per share on outstanding Series "E" preferred shares.

FEBRUARY

- First Gen repurchased 1.26 million shares of its Series "G" preferred shares.

MARCH

- First Gen launched an integrated electric vehicle (EV) pilot project called GreenWheels. Its fast and solar-powered EV charging station was constructed inside the First Gen Clean Energy Complex in Batangas City.



- First Gen switched its first set of GEOP end-users in the market, supplying nine customers with full RE supply from our geothermal capacities.
- EDC refinanced its USD50 million Mizuho Bank, Ltd. loan and availed loans totaling PHP3 billion from Bank of the Philippine Islands and UnionBank of the Philippines.

APRIL

- First Gen won two awards at the 7th Asia Integrated Reporting Awards: Silver in the category of Asia's Best Integrated Report in Integrated Thinking and Bronze for Asia's Best Integrated Report in Value Creation for its 2020 Integrated Report. EDC also won Bronze in Asia's Best Integrated Report in Integrated Thinking category for its 2020 Integrated Report.



- EDC inaugurated its 3.6-MW Mindanao 3 (M3) binary geothermal power plant, expanding its existing Mount Apo geothermal facility with an additional supply of clean, reliable and stable power in Mindanao.



- EDC secured a PHP2.6 billion loan from Security Bank Corporation.

MAY

- ERC approved EDC's application to develop a point-to-point power transmission line that will connect its 3.6-MW power plant near Mount Apo to the Mindanao grid.



- EDC received the Department of Energy's (DOE) approval to conduct system impact studies (SIS) for the 100-MW Burgos 4 wind power project in Burgos, Ilocos Norte, and the 100-MW Burgos 3 wind power project in Burgos and Pasuquin, Ilocos Norte.



- First Gen declared cash dividends of PHP0.35 per share to its common shareholders.

JUNE

- FGP Corp. drew the remaining USD158 million of its USD308 million term loan facility with Banco de Oro, Bank of the Philippine Islands, Philippine National Bank, and Sumitomo Mitsui Banking Corporation.
- EDC secured a PHP1.5 billion loan from CTBC Bank Corp.

JULY

- First Gen fully redeemed the outstanding 65.34 million Series "G" preferred shares at face value.
- First Gen paid cash dividends of PHP3,8904 per share on the 51.59 million outstanding Series "G" preferred shares, and PHP0.38904 per share on the 13.75 million Series "G" preferred shares issued to First Philippine Holdings Corporation.

SEPTEMBER

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



- EDC availed loans totaling PHP4.0 billion from China Banking Corporation and Banco de Oro.

OCTOBER

- First Gen signed a memorandum of understanding (MOU) with the Batangas City LGU for the development of the Batangas City Eco-Park & Wildlife Rescue Center. The center is a project of the Batangas City LGU under its tagline: "Magkatuwang Tayo", which enjoins public-private partnerships. The eco park is designed for the improvement of health, economy, eco-tourism, and environmental (flora and fauna) upholding of Batangas City.



NOVEMBER

- EDC secured a grant from the US Trade and Development Agency (USTDA) for a feasibility study on a planned geothermal power project in Mindanao.



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

DECEMBER

- First Gen resumed its face-to-face Customers Appreciation Night (CAN) attended by over 250 power supply customers from retail and wholesale segments.



- EDC launched the Geo 24/7-powered vehicle. EDC's electric vehicles are fueled by steam energy from the charging station in the Tongonan Geothermal Power Plant, Kananga, Leyte.





OUR BUSINESS

Who We Are

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

The Lopez Credo and Values guide our decision-making processes at all times. As a power generation company,

we are committed to acting in the best interest of our stakeholders to ensure equitable benefits for all. While we sustain consistent collaboration across all levels to achieve our decarbonization and regeneration goals, we maintain our mission to prioritize the welfare of our customers, employees, suppliers, contractors, the environment, communities, and investors.

THE LOPEZ CREDO AND VALUES

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

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

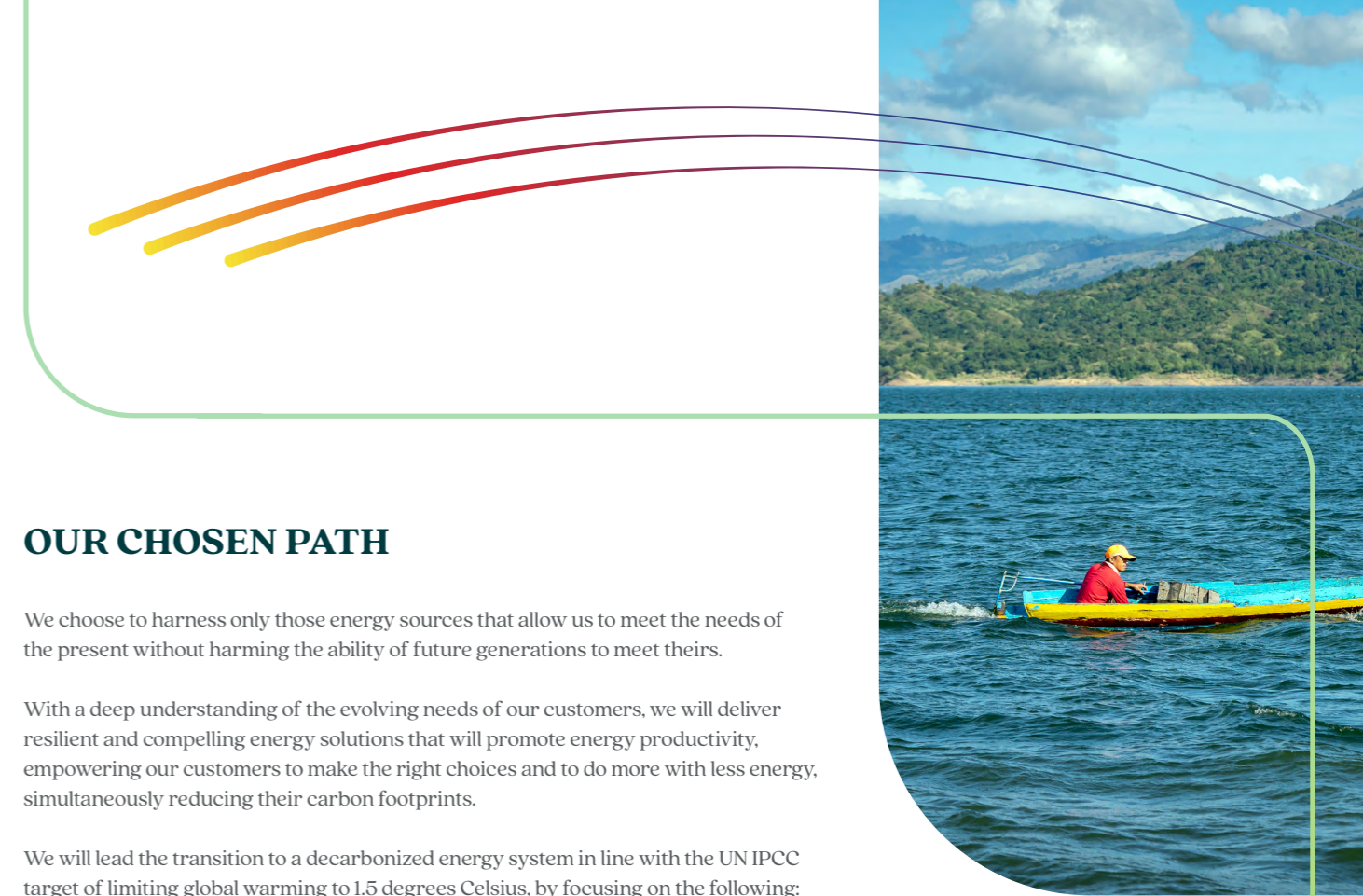
We will be responsible stewards of all our resources, and conscious of our obligation to present and future generations.

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

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

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

We know from generations of experience that it is by living according to these values that a company can be built to last.



OUR MISSION

To forge collaborative pathways for a decarbonized and regenerative future.

OUR PURPOSE

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

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

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

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

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

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

OUR CHOSEN PATH

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

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

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

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

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

What We Do

First Gen is a player in the energy industry with 31 operating power plants strategically positioned in each of the three major island grids in the Philippines. The Company is one of the biggest Independent Power Producers (IPP) in the nation with a total installed capacity of 3,501.4 megawatts (MW).

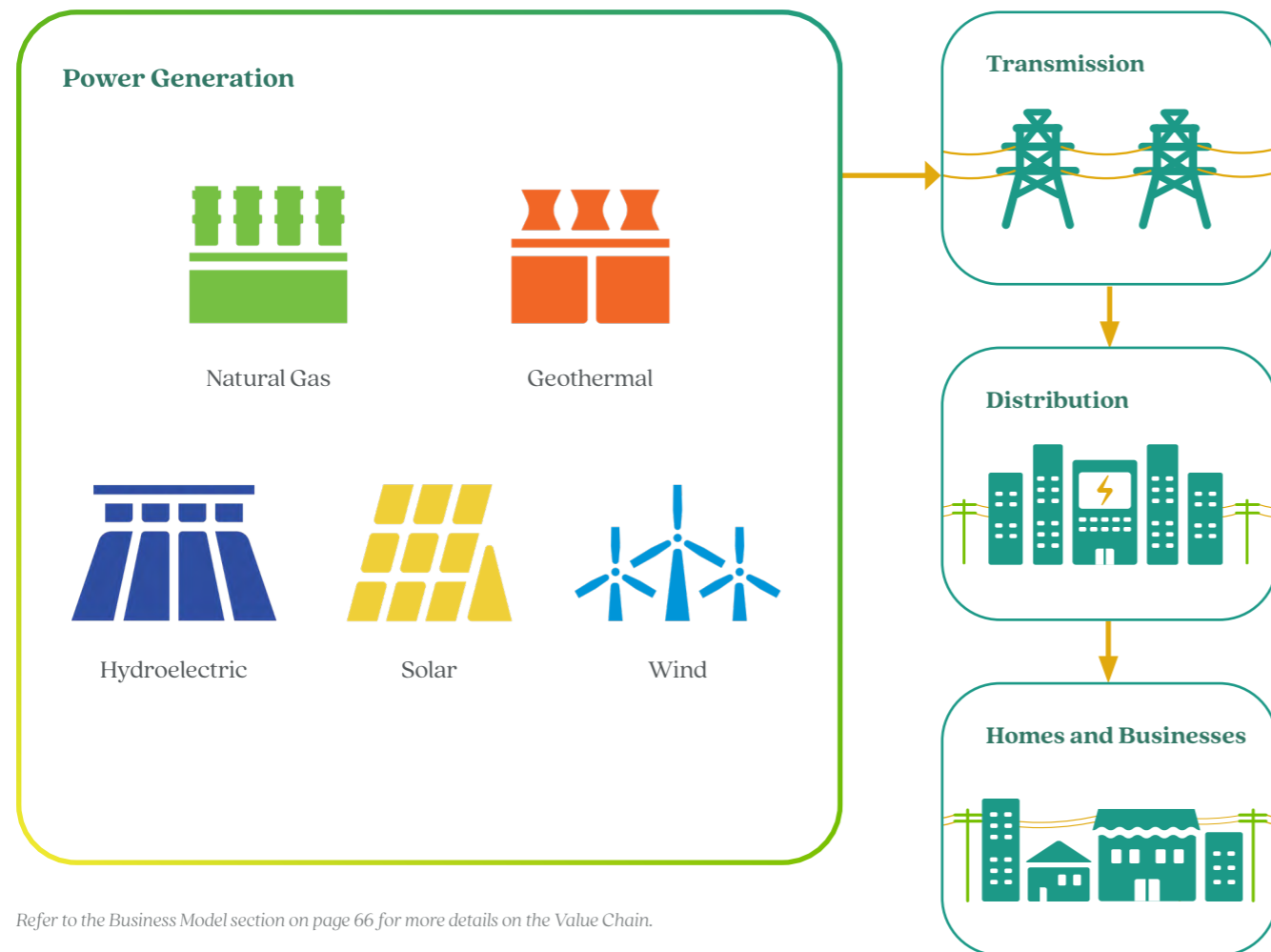
First Philippine Holdings Corporation (FPH), one of the largest and oldest conglomerates in the Philippines, is the majority shareholder of First Gen. FPH

has significant investments in power generation, real estate, manufacturing, construction, and engineering.

First Gen's power facilities produce electricity using a variety of fuels and renewable resources, including natural gas, geothermal steam, hydroelectricity, wind, and solar energy. The electricity generated is primarily sold to privately-owned distribution utilities (DU) such as Meralco, National Power Corporation (NPC), electric cooperatives, large

commercial and industrial clients through its Retail Electricity Suppliers (RES), the National Grid Corporation of the Philippines (NGCP), under long-term Power Purchase Agreements (PPAs), Power Supply Agreements (PSAs), Power Supply Contracts (PSCs), Feed-In Tariff (FiT), Ancillary Service Procurement Agreements (ASPA), and the Wholesale Electricity Spot Market (WESM). Thereafter, distribution services and transmission lines deliver the electricity to customers.

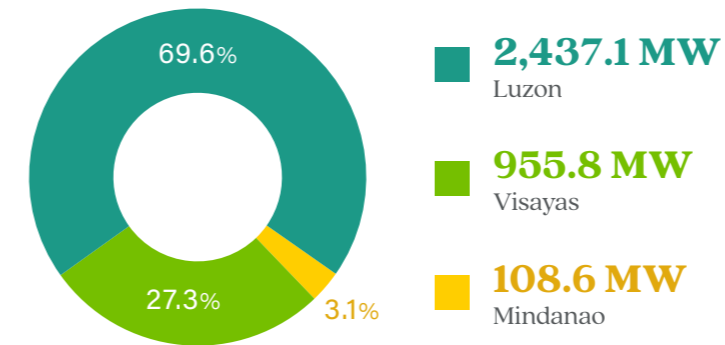
First Gen's Energy Value Chain



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

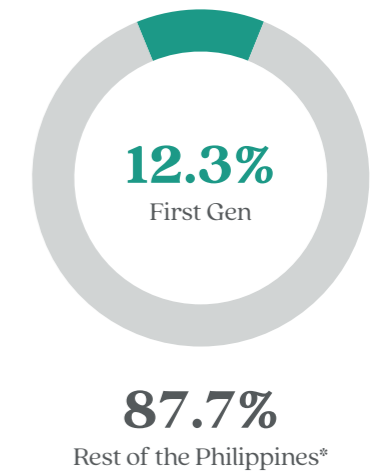
First Gen Installed Capacity per Island Group

(as of Dec 31, 2022)



Total Installed Capacity Share of First Gen vs. Total Installed Capacity of the Philippines

(as of Nov 30, 2022)



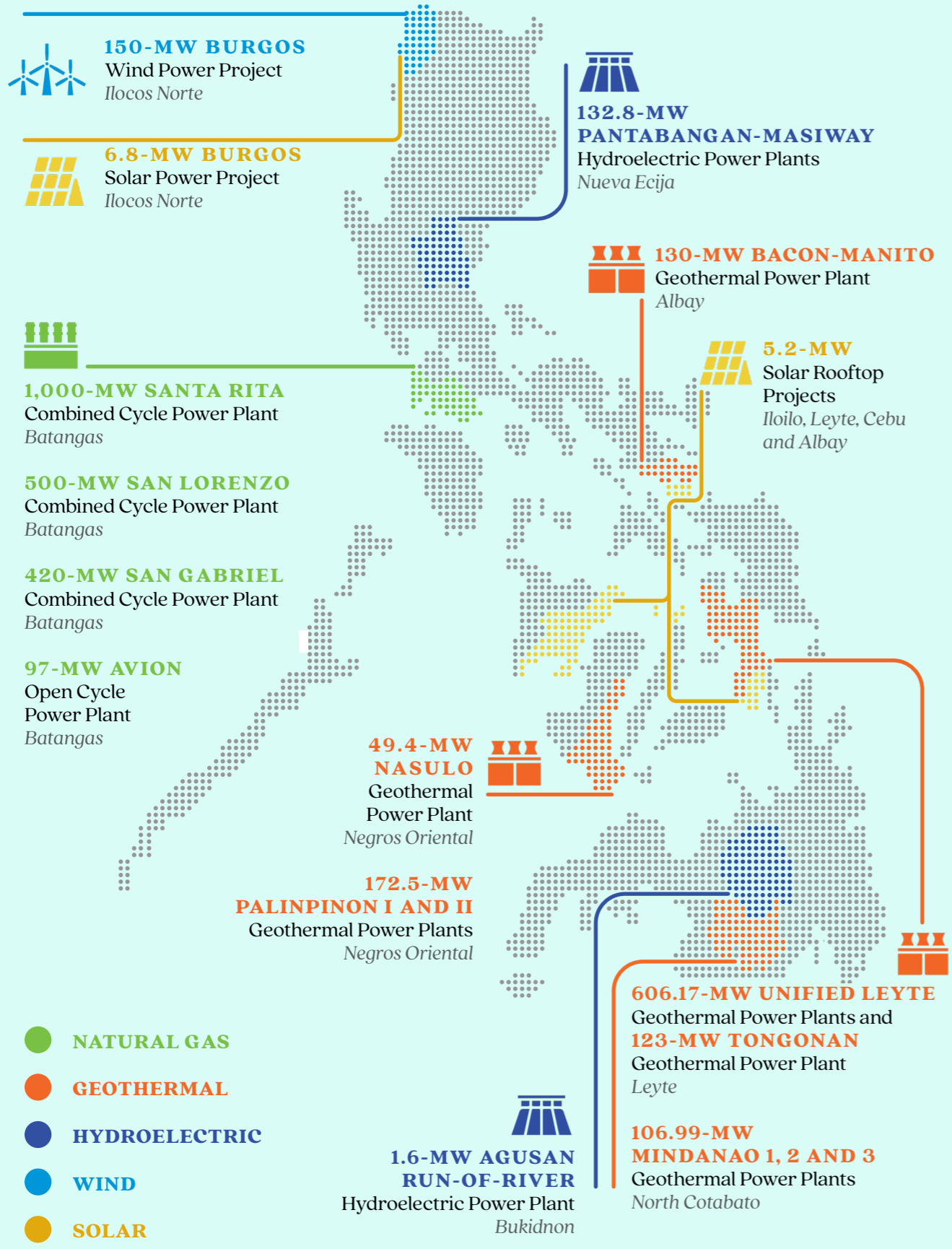
First Gen Total Power Generated (GWh)



*Source: DEPARTMENT OF ENERGY LIST OF EXISTING POWER PLANTS (GRID-CONNECTED)



Portfolio of Assets

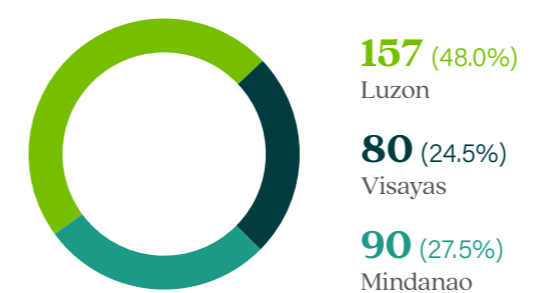


The Philippine Power Industry in Numbers

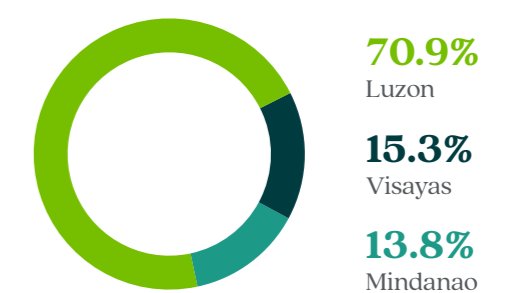
Currently, First Gen exclusively serves the Philippine market. There are 357 power stations in the nation as of November 2022, totaling 28,358 MW of generating capacity. As of 31 December 2022, there are 119 retail power suppliers and 3,089 customers in the Luzon and Visayas region who are eligible for contestability. We present the important details of the Philippine Power Industry to put First Gen's national contribution and the available opportunities into context.



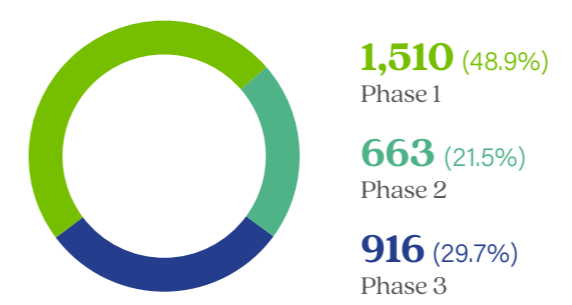
Total Power Plants in the PH
(as of Nov 2022)*



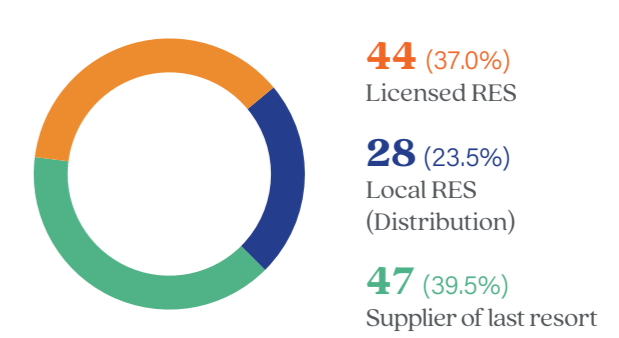
Total Gross Generating Capacity in the PH
(as of Dec 2021)



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



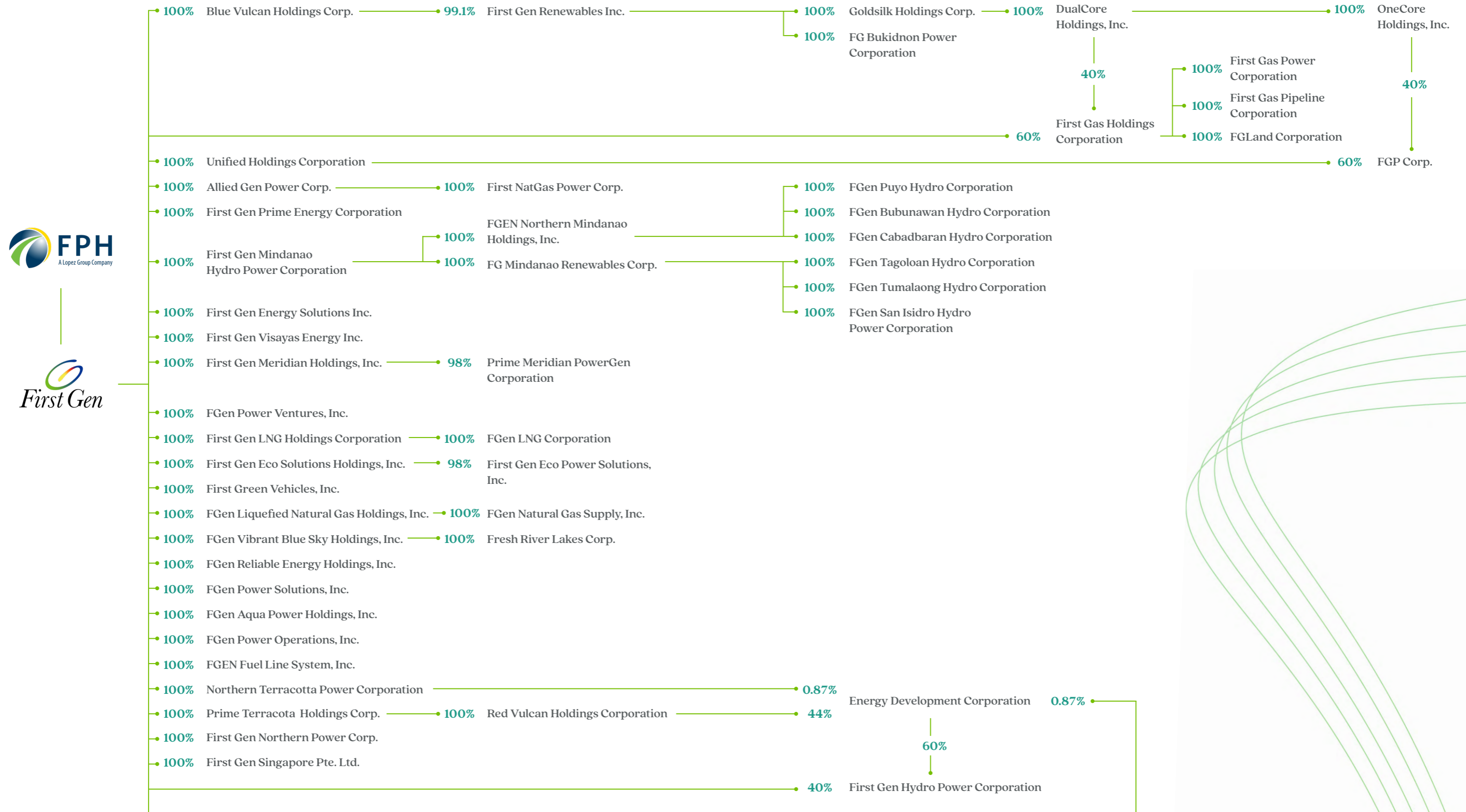
No. of Retail Electricity Suppliers by Segment
(as of Dec 31, 2022)



*Source: 2022 List of Existing Power Plants per Grid

Organizational Structure

First Gen is a subsidiary of the First Philippines Holdings (FPH) Corporation. As of December 31, 2022, our corporate structure, including our subsidiaries and ownership is as follows:





Chairman's Message

Today it's undeniable that the climate emergency being faced by humanity is real and in urgent need of action. In the last few years, we've employed various platforms, venues, and forums, including our integrated report covers, to highlight the existential threat posed by the climate crisis. Now it feels so much more encouraging as we see a myriad of sectors of society weaving threads from their respective fields into a tapestry of solutions that aims to bring carbon emissions down to zero by 2050. While the challenge is still daunting, we know that, with the right focus, countless solutions will come to light.

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



The journey to Net Zero will involve three phases that need to be executed within a limited timeframe.

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

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



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

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

However in **PHASE THREE** by 2050, we must begin the arduous task of reducing the concentration of greenhouse gases in the atmosphere. We must get to what is called **NET NEGATIVE EMISSIONS**. This is best described in the words of NASA climate

scientist James Hansen: "If humanity wishes to preserve a planet similar to that on which civilization developed and to which life on Earth is adapted...CO₂ will need to be reduced... to at most 350ppm."

For reference, pre-industrialization carbon dioxide levels were at 280ppm and we sailed past 350ppm in 1986. We continued to blow through 400ppm in 2013, the same year Super Typhoon Yolanda, the most powerful typhoon on earth to ever make landfall, announced to the world, through the suffering of millions of Filipinos, that climate change is here and that we better get our acts together now. While the COVID-19 pandemic has given the world a short respite, today emissions are on the rise again and Paris COP 21 targets still aren't being met.

We now need to realize Phases One, Two and Three within the rapidly diminishing timeframe of the next 27 years. Failing to do this over the limited period will trigger irreversible tipping points, the effects of which we are already seeing in news reports from all over the world every day. The clock ticks as we speak. Winning this war and solving climate change will mean staying laser-focused on strategies, tactics and accelerating technologies that are likely to scale within this very critical timeframe of the next 27 years.

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

For now at the FPH Group, our efforts remain focused largely on helping to reduce the carbon intensity of the electricity grid and then ultimately to decarbonize it. We’re making it our mission to shepherd the energy transition to Net Zero.

From a global perspective, we need to clean up the electricity grid’s generation sources with the intent of progressively

lowering carbon intensity per kwh. This is done through a combination of renewable energy sources, storage (e.g., batteries or pump hydro), and other complementing low-carbon energy sources. This alone is a complex balancing act. For our country, adding more 24/7 renewable energy sources like hydro and geothermal power to the grid should be encouraged as no-regret options. However, what needs to be done thoughtfully is the addition of more renewable energy sources like solar and wind. Their variable and intermittent nature though necessitates

■ ■

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



that we match them with more grid capacity and storage to account for the fact that they’re not there when night falls or on cloudy or windless days. However, batteries are only capable of running 3-4 hours and thus fall short of fully providing power for the 10-12 hours before the sun rises or the stretches of cloudy or windless days or even weeks. As such, there is need for a low carbon emission fuel like natural gas to act as the bridge fuel that’s technically more suited for complementing the variable nature of renewable energy.

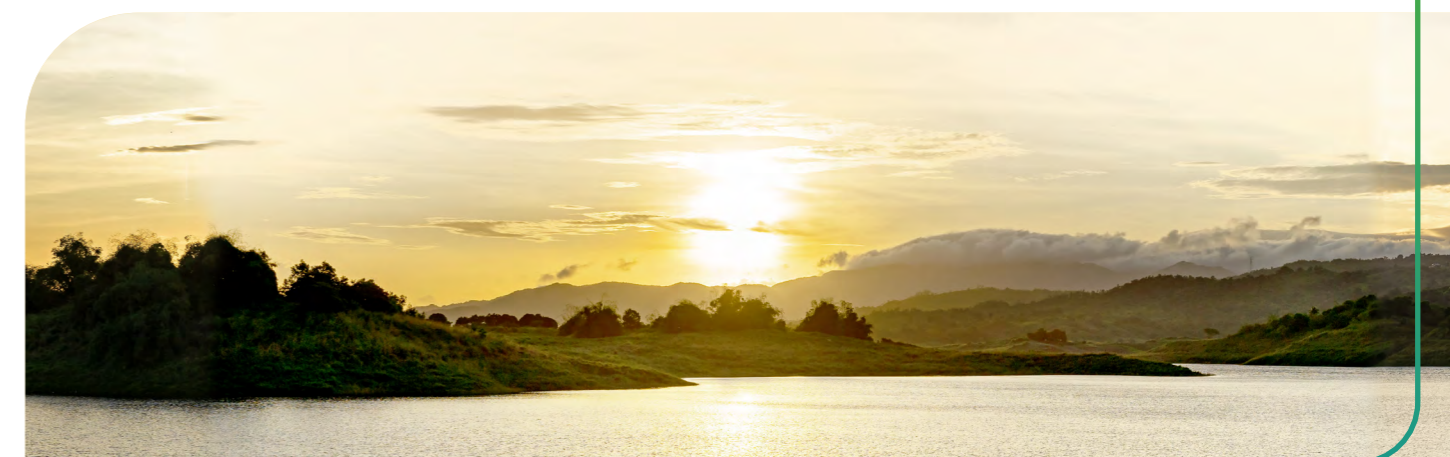
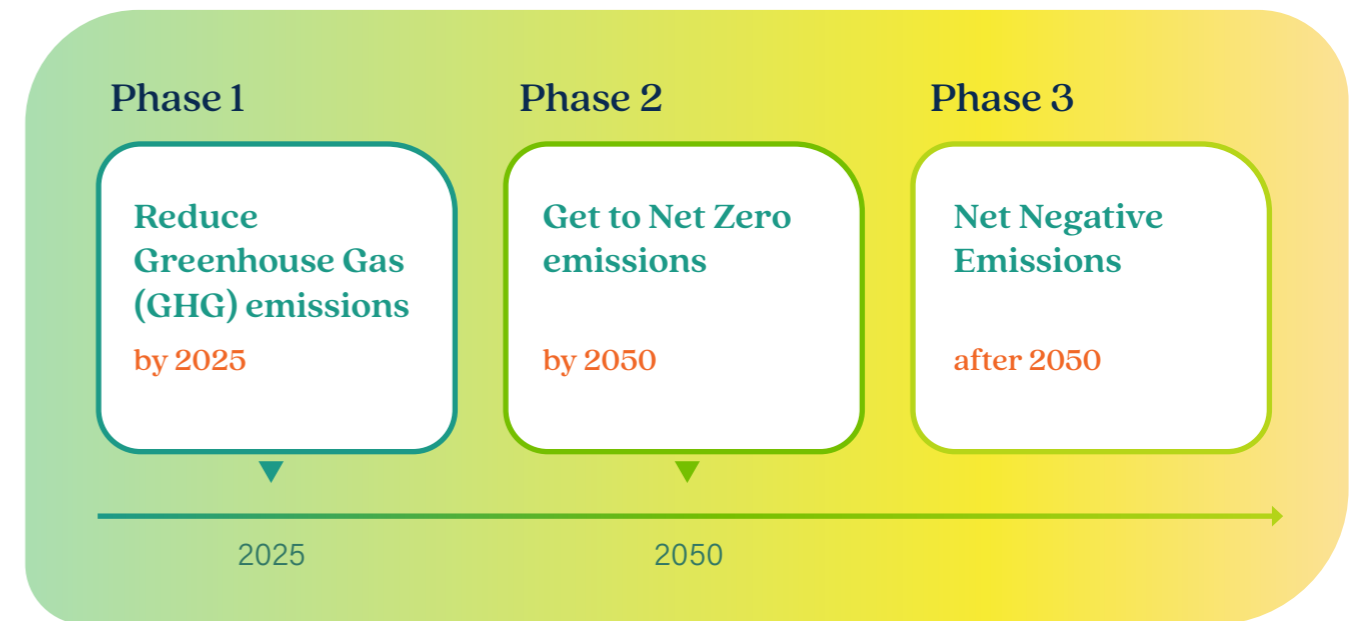
We view First Gen’s diverse portfolio of clean and renewable energy sources as a key enabler to a greener electricity

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

As we clean up our energy grid, we must also move towards scaling up energy efficiency as the “first fuel” and encourage its use everywhere.

Today these efforts are still sparse and fragmented but they have great potential. They are the lowest hanging fruit to reduce carbon emissions and are no-brainers because they also bring real cost savings and enhance the bottom lines of our customers.

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





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

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

hunger, poverty, and the other pressing Sustainable Development Goals of our time. Trying to solve those will be futile if we don't build for the resilience we need and if we don't ultimately "solve the climate emergency".

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

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


FEDERICO R. LOPEZ
Chairman and Chief Executive Officer
First Gen Corporation





President's Message

Dear Stakeholders,

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

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

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

Since our declared commitment to stay away from coal in 2016, I am proud to say that we have persisted in our mission to make a clean and sustainable

impact as a major player in the energy industry, especially in the midst of a compounding climate crisis.

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

In recent years, the government has made positive steps and declared a moratorium on the construction

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





■ ■ **First Gen aims to move towards our net zero target, by further expanding our clean energy portfolio through investments in natural gas and renewables.**

■ **Staying in focus: Moving beyond where we've begun**

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

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

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



■ ■ **We are diligently working towards significantly growing our portfolio to 13GW by 2030, aiming for a majority of this capacity to be powered by renewables.**

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

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

The country's ambitions for a cleaner energy mix are contingent on increased clean energy capacity. The DOE's Philippine Energy Plan (PEP), for instance, illustrates a massive capacity in natural gas and renewable capacity in the near future. As a response to this need, we are diligently working towards significantly growing our portfolio to 13GW by 2030, aiming for a majority of this capacity to be powered by renewables.

Financial Highlights

First Gen's Recurring Net Income (RNI) attributable to equity holders of the Parent totaled USD 265.4 million, a 5.2% increase from the previous year's RNI. This growth was primarily due to EDC's augmented geothermal revenues from higher average selling prices and higher generation volumes, resulting in a greater income contribution. Additionally, San Gabriel's income contribution increased as there were fewer outage days in 2022.

FG Hydro incurred lower replacement power costs because of lower volumes resulting in a higher income contribution. However, Avion had a lower income contribution driven by higher average fuel prices, as well as higher interest expenses from

the PHP 2.8 billion loan it availed in December 2021. San Lorenzo likewise had a lower income contribution due to higher interest expenses from its USD 158 million loan drawdown in 2022, while the Santa Rita plant's income contribution decreased due to increased depreciation expenses from newly installed turbine blades.

Our financial management strategies prioritize selecting projects that are aligned with our principles, maintain our competitive edge while operating responsibly and profitably. First Gen has successfully attracted investors who appreciate our dedication to implementing environmentally, socially, and governance (ESG)-compliant initiatives in our business.

Our financial management strategies prioritize selecting projects that are aligned with our principles, maintain our competitive edge while operating responsibly and profitably.



Operational Highlights

Due to the depletion of the Malampaya gas field, natural gas supply remained constrained, resulting in gas restrictions at our gas plants in FGCEC. However, Santa Rita, San Lorenzo, and Avion were able to provide electricity to customers and the grid by having the flexibility to operate using liquid fuel. And once LNG is available, these three plants will have the capability to run on Malampaya, imported LNG, and liquid fuel thereby addressing the key issue of energy security. We are keen to advance the development of the 1,200-MW Santa Maria Combined Cycle Gas Project. With the LNG Terminal in place soon, fuel supply issues should be a thing of the past.

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

The 100-MW Aya Pumped-Storage Hydro Power Project is scheduled to start construction in the third quarter of 2023. The project will supply ancillary services to the grid and is designed to pump water from its reservoir to its upper reservoir for storage when there is excess electricity at low cost. The stored water is then



released back to the lower reservoir to generate electricity when demand increases. We are also undertaking pre-development activities for our run-of-river projects, including the 32-MW Bubunawan, 33-MW Tagoloan, 30-MW Puyo, and 39-MW San Isidro projects.

Currently, we are developing our first three battery energy storage systems (BESS) adjacent to our geothermal sites in Bacman, Southern Negros, and Tongonan, and our fourth BESS in Northern Negros will follow shortly after. Once completed, these BESS projects will optimize the existing geothermal resources and also provide ancillary services to the grid.

First Gen intends to pursue opportunities in wind and solar. The construction of 1-GW of existing on-shore wind concessions shall begin after planned grid developments by the NGCP are completed, while the 3-GW off-shore wind concessions in the Guimaras-Iloilo-Negros Occidental area is expected to be done by 2030. Moreover, the potential for a 100-MW solar farm in the Leyte geothermal sites and a 30-MW wind farm in the Burgos site is being studied.

We also secured two RE service contracts for solar and wind from the DOE at the end of 2022. In 2023, we have further secured 14 more service contracts. We will focus on pursuing the activities we committed to under our agreed work program with the DOE.



Believing in a sustainable and regenerative future

The transition towards a decarbonized world is an important and urgent initiative that requires collaboration among all stakeholders, including the government, private sector, civil society, and the general public.

This critical transition is where First Gen's identity and mission has always been rooted and, throughout the years, we simply anchored ourselves to this commitment. We are pleased that many in the industry are joining us in our mission.

I am honored and grateful to all of the people who have remained confident in our chosen path, and have given unwavering support to us in the dedicated pursuit of our mission. I continue to enjoin others to embark on this critical journey with us towards a decarbonized and regenerative future.

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

OUR OPERATING CONTEXT

The External Environment

The analysis of social, environmental, technological, and political contexts is vital in addressing external environment-related issues as they have an impact on how well an organization generates value in the short, medium, and long term. These circumstantial elements can have a direct or indirect

impact on the organization by affecting the accessibility, value, and affordability of the organization's capitals. These variables exist in the context of the specific organization, the industry or region in which it operates, and the larger social or global context.

Navigating Local and Global Constraints

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Geopolitical Conflicts and the COVID-19 Pandemic

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

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



Implication to First Gen:

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

The Philippine Energy Sector

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

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



Implication to First Gen:

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

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

One of the crucial projects that is already underway is the LNG Terminal. Through utilizing liquefied natural gas (LNG), for instance, First

Gen is directly addressing the Malampaya resource depletion and ensuring fuel flexibility. This transition to LNG ensures the long-term use of natural gas—which, in turn, is crucial to support an increased dependence on renewable energy. Moreover, First Gen is developing several clean and renewable power projects to help propel this clean energy transition, all while maintaining our assets' resilience and dependability.

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

Social Environment



Implication to First Gen:

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

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

More and more, businesses are tasked with the responsibility to think beyond the bottomline and integrate sustainability and stakeholder value into their strategies. The power sector, with its utilization and contribution to various capitals, is definitely not exempt from this reality.

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

Across various industries, businesses are increasingly becoming aware of their emissions. This awareness has increased in scope, as businesses aren't just concerned about their own ("Scope 1") emissions, or even limited to their

direct inputs ("Scope 2"), but increase all the way up their value chain to consider "Scope 3" emissions—which includes where businesses ultimately source their power from. In fact, sourcing renewable energy is one of the most affordable and readily available ways of greening supply chains. As such, various companies and industries have also targeted to disclose their Scope 3 emissions—showing how critical it is for companies to consider how to green their entire supply chain¹.

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

¹ Carbon Disclosure Project, Eco-Business, Microsoft, Airbus

Environmental and Planetary Context

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

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

Implication to First Gen:

In response, First Gen is committed to strengthening its clean and renewable energy portfolio. We continuously work to ensure our portfolio resilience as we also pursue growth.

As its effects intensify, climate change continues to pose a risk to the Company's operations and assets. First Gen continues to strengthen the

Moreover, government agencies have established priorities to respond to the risks of climate change:

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

measures taken to mitigate the effects of landslides, flooding, typhoon winds, and other effects of inclement weather. Some examples of these are Earthquake Mitigation, Flood and Storm Surge Mitigation, and Volcanic Eruption Mitigation. These all ensure that our power plants continue to be reliable, even considering the significant impact of climate change and other natural occurrences.



Political and Regulatory Environment

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

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

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



Implication to First Gen:

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

Technological Advancement

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

Implication to First Gen:

- First Gen continues to monitor key technological advancements, including:
- Keeping abreast on the commercial viability and local market opportunities of technologies that can address the gaps in RE systems, i.e. battery and energy storage technologies;
 - Efforts to increase efficiency and decrease carbon intensity, such as high efficiency gas turbines
 - Close monitoring of the development of emerging technologies such as Hydrogen and Carbon Capture that, while nascent, have long-term potential to decarbonize power generation; and
 - Efforts to decarbonize our own operations, including energy efficiency initiatives, solar panel installation, and electrification projects to lower our fleet emissions



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

Our Material Topics, Standards, And References

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

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

- 1 The potential for creating favorable or unfavorable financial and sustainability impacts was then assessed for the universe of ESG issues using the following standards and references:
 - SASB, TCFD, ESG standards of credit rating agencies, and performance standards of our investors and lenders for our financial materiality review; and
 - The FPH environmental and social safeguards policies, GRI, the UN Guiding Principles on Business and Human Rights, and the UN Sustainable Development Goals for our impact materiality review.
- 2 The Steering Committee, which consists of representatives from various corporate departments, prioritized and approved the materiality list.

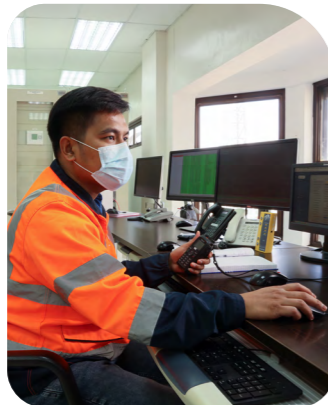
Our approach consisted of two sub-elements:

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

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

The COVID-19 Pandemic Recovery and Hybrid Set-Up

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



In addition, employees continued to receive COVID-19 vaccines while following existing health protocols. Our online workforce have also increasingly transitioned into a hybrid set-up as government restrictions eased. In 2022, the gradual reopening of the head office in Rockwell Business Center and the

transition to a hybrid set-up was achieved through new workplace technologies and telecommuting systems. This progression towards the new normal also allowed us to start ramping up our community activities, which helped us in creating stakeholder value.



It is part of our mission to urgently prioritize decarbonization as a critical component of regeneration. We believe that First Gen is in a strong competitive position in the growing renewable energy market thanks to our clean energy portfolio of zero carbon renewable energy and adaptable natural gas facilities. As long as we are committed to contributing to the restoration of societal and environmental systems, we support a world that is healthy, resilient, and adaptable to current and future upheavals.

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

Material Topics	Key Indicators	Current Impact on Value Creation	Timeframe of Impact
3. Water Use and Management	<ul style="list-style-type: none"> Total water withdrawal Total water discharged Total water consumption Compliance with regulatory requirements 	May be positive or negative	Short to Medium Term
4. Waste Management and Circularity	<ul style="list-style-type: none"> Total waste generated Total waste diverted from disposal Total waste disposed and treated 	Both positive and negative	Short to Medium Term
5. Environmental Policy and Management Systems	<ul style="list-style-type: none"> Number of incidents of non-compliance with environmental permits, standards, and regulations Number of operations implementing an environmental management system Number of operations certified to ISO 14001:2015 Environmental policy 	Positive	Short to Long Term
6. Greenhouse Gas Emissions	<ul style="list-style-type: none"> Gross direct greenhouse gas (GHG) emissions (Scope 1) Gross energy indirect GHG emissions (Scope 2) Gross other indirect (Scope 3) GHG emissions GHG emissions intensity ratio Amount of GHG emissions reductions 	Negative	Short to Medium Term
7. Pollution Reduction	<ul style="list-style-type: none"> Programs that reduce, eliminate, or prevent pollution at its source Amount of nitrogen oxides (NOx), sulfur oxides (SOx), and particulate matter (PM), carbon monoxide (CO) and other significant air emissions NOx, SOx, CO and PM emission intensity 	Both negative and positive	Short to Medium Term
8. Conservation of the Natural World/ Resource Efficiency	<ul style="list-style-type: none"> Weight of materials used, whether renewable or nonrenewable 	May be positive or negative	Short to Medium Term
9. Climate Risk and Strategy	<ul style="list-style-type: none"> Long- and short-term strategy or plan to manage Scope 1 emissions Strategies or plans to address air emissions-related risks, opportunities, and impacts 	Positive	Short to Long Term
10. Opportunities in Renewable Energy	<ul style="list-style-type: none"> Renewable capacity as percentage of total capacity Total electricity generation by energy source Planned capacity 	Positive	Medium to Long Term
11. Energy Efficiency	<ul style="list-style-type: none"> Energy consumption within the organization Reduction measures on energy consumption Generation efficiency 	Positive	Short to Medium Term

SOCIAL			
Material Topics	Key Indicators	Current Impact on Value Creation	Timeframe of Impact
1. Health and Safety (Employees and Communities)	<ul style="list-style-type: none"> Number and rate of fatalities Lost time incidents Near miss frequency rate Recordable incident rate Occupational Safety and Health (OSH) audits conducted List of OSH training conducted for employees and contractors Amount invested for implementation of OSH Programs List of CESHM activities and outcomes 	Both positive and negative	Short to Medium Term
2. Gender equality and diversity	<ul style="list-style-type: none"> Percentage of employees per category, by gender and age group Total number of incidents of discrimination and corrective actions taken Percentage of women in leadership positions Employee male to female ratio by rank and age group 	Both positive and negative	Short to Medium Term
3. Human rights due diligence	<ul style="list-style-type: none"> Employee training and number of hours of training on human rights policies List of initiatives and outcomes Number of Collective Bargaining Agreement (CBA) negotiations closed 	Positive	Short to Medium Term
4. Human Capital Development	<ul style="list-style-type: none"> Total number and rate of new employee hires and turnover Total and average hours of training per employee Percentage of employees receiving regular performance reviews 	Both positive and negative	Short to Medium Term
5. Community Relations	<ul style="list-style-type: none"> Number of operations with local community engagement, impact assessments, and development programs Number of operations with significant actual and potential negative impacts on local communities Amount invested to community per category 	Positive	Medium to Long Term
6. Supplier Programme	<ul style="list-style-type: none"> Number of suppliers that were screened using environmental and social criteria Percentage of suppliers identified as having significant actual and potential adverse environmental and social impacts 	Positive	Short to Medium Term
7. COVID-19 mitigation for Employees	<ul style="list-style-type: none"> Number of vaccine doses administered to employees and household members 	Positive	Short to Medium Term
8. COVID-19 mitigation for Partner Communities	<ul style="list-style-type: none"> Number of LGUs and vaccines reallocated to the community Number of PPEs reallocated to the community Number of COVID-19 mitigation programs implemented 	Positive	Short to Medium Term
9. Employee Satisfaction	<ul style="list-style-type: none"> Employee satisfaction rating on values and working conditions Overall engagement index 	Positive	Short to Medium Term



Material Topics	Key Indicators	Current Impact on Value Creation	Timeframe of Impact
10. Anti-corruption/ Bribery	<ul style="list-style-type: none"> Percentage of operations assessed for risks related to corruption Percentage of the organization's governance bodies and employees that have been informed on its policies and procedures Total number and nature of confirmed incidents of corruption 	Positive	Short to Medium Term
11. Social License to Operate	<ul style="list-style-type: none"> Feedback from stakeholders 	Positive	Short to Medium Term
12. Power Supply Availability	<ul style="list-style-type: none"> Number of hours of planned and forced outage 	Both positive and negative	Short to Medium Term
13. Stakeholder Engagement	<ul style="list-style-type: none"> Frequency of engagement by type and by stakeholder group List of stakeholder group List of stakeholders' concerns List of engagement channels 	Positive	Short to Medium Term
14. Investor Relations	<ul style="list-style-type: none"> Programs on investor relations mentioned in First Gen's website Investor communication objectives and channels 	Positive	Medium to Long Term
15. Cybersecurity	<ul style="list-style-type: none"> Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations Total number of complaints concerning customer privacy 	Positive	Short to Medium Term
16. Access and Affordability	<ul style="list-style-type: none"> Number of customer accounts Customer satisfaction rating 	Positive	Short to Medium Term

GOVERNANCE			
Material Topics	Key Indicators	Current Impact on Value Creation	Timeframe of Impact
1. Board and Governance Structure	<ul style="list-style-type: none"> Percentage of individuals within the governance bodies by gender and age group Expertise of governance body including ESG Composition of the highest governance body and its committees Board meeting attendance 	Positive	Medium to Long Term
2. Governance Policies and Programs/ Corporate Behavior	<ul style="list-style-type: none"> Established governance policies and mechanism Whistleblower protection Oversight for ethics issues 	Positive	Short to Medium Term
3. Economic Performance	<ul style="list-style-type: none"> Revenues per platform Consolidated net income Net income attributable to equity holders of the parent Recurring net income attributable to equity holders of the parent 	Positive	Short to Medium Term
4. Business Model Resilience	<ul style="list-style-type: none"> Plans on preventing disruption of resources and processes 	Positive	Short to Medium Term
5. Systemic Risk Management/ Critical Incident Risk Management	<ul style="list-style-type: none"> Description of key impacts, risks, and opportunities Mitigating actions on risks 	May be positive or negative	Short to Long Term
6. Innovation and Digital Transformation	<ul style="list-style-type: none"> Initiatives developed and implemented, business units that benefitted, and their corresponding outcomes 	Positive	Short to Medium Term



Managing Material Risks and Opportunities

Our Risk Management Process

To accomplish the Company's strategic goals, First Gen identifies and analyzes risks and opportunities in value creation and develops and implements action plans to address these risks. We involve important stakeholders from business divisions, project teams, and support groups to ensure that these risks are included in their risk registers. Along with the Enterprise Risk Management (ERM)

group, these various groups conduct risk analyses based on the likelihood, impact, and determination of risk ownership, as risk owners are involved in creating mitigating measures. In addition, the Company monitors these risks through frequent updates, conversations with Senior Management, and presentations to the Board Risk Oversight Committee (BROC) to ensure the effectiveness of the risk management process and attendant mitigating measures.

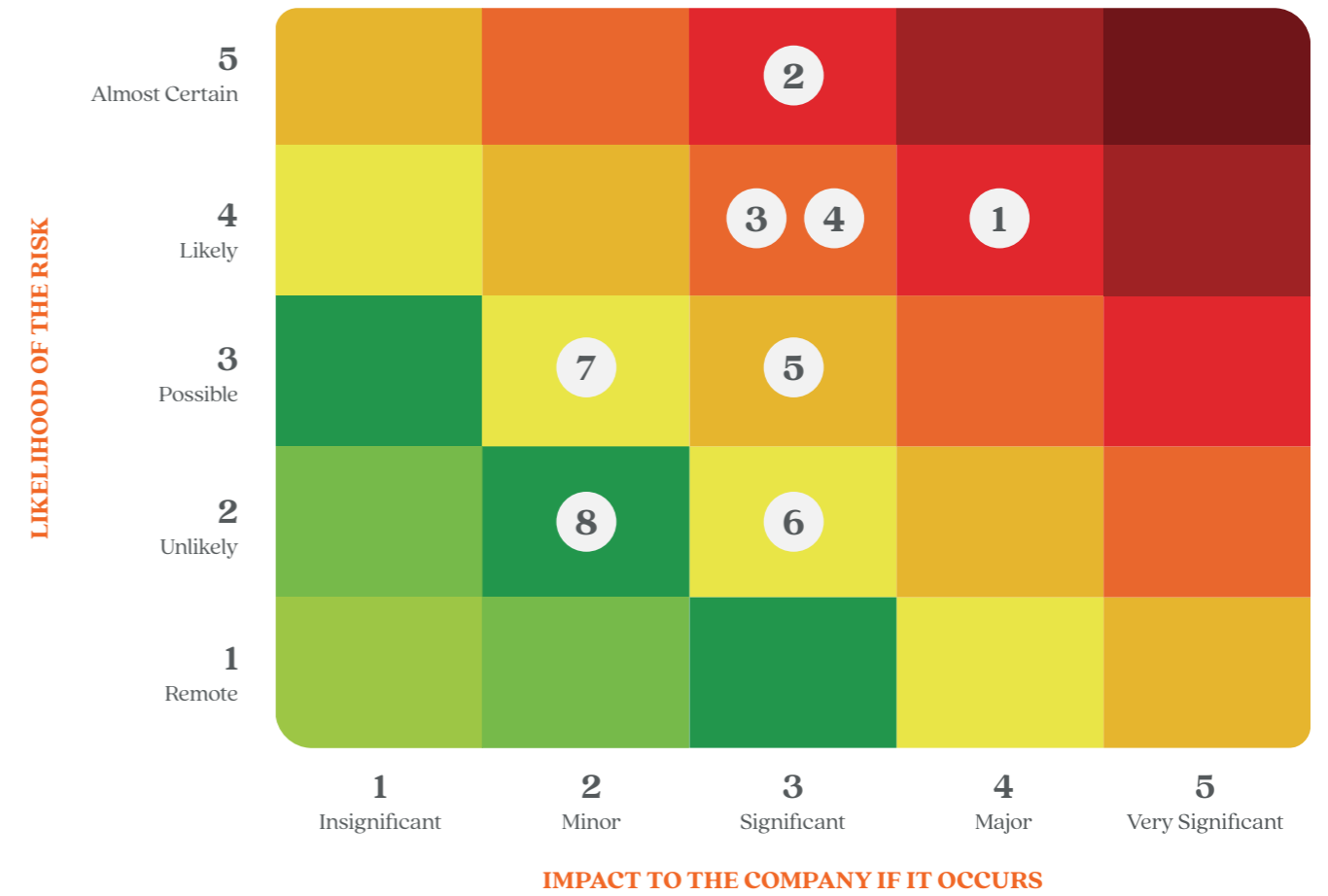
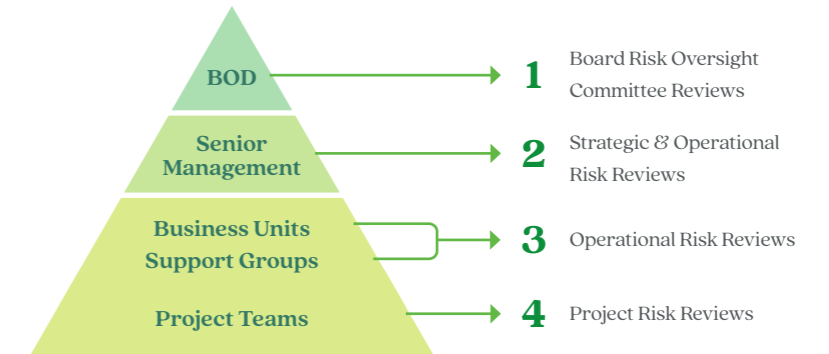


We Manage Risks in Four Levels

ERM is treated as part of strategy execution.



KEY RISKS ARE IDENTIFIED, ANALYZED, PRIORITIZED, AND MANAGED IN FOUR LEVELS



The ratings indicated correspond to the risks discussed in the next pages.

Our Risks Mitigating Measures

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

Legends:

Stakeholders

	Employee
	Customer
	Competitor
	Regulator
	Financial Institutions
	Suppliers
	Contractors
	Community
	Planet
	Investors

Capitals





	Financial Capital
	Human Capital
	Intellectual Capital
	Manufactured Capital
	Natural Capital
	Social and Relationship Capital

External Risks & their Direct Effects on the Strategic Objectives & Key Targets	Mitigating Measures	
<p>1 - Market Risk</p> <ul style="list-style-type: none"> The expiration of our key contracts in 2024, 2025, and 2027, is putting about 2,000 MW of our capacity at risk of being uncontracted. 	<p>The Company has:</p> <ul style="list-style-type: none"> Discussed with customers about contracting these capacities; and Explored strategies to contract some of these capacities in other market segments. 	<p>Risk time horizon*: Short to Long term</p> <p>Stakeholders directly affected: </p> <p>Capitals affected by the risk: </p> <p>Likelihood: Possible Impact: Very Significant</p>
<p>2 - Political and Regulatory Risks</p> <ul style="list-style-type: none"> The invasion of Ukraine by Russia caused supply disruption and price shocks leading to overall higher operational cost for the company. The local regulatory landscape in the energy industry is challenging due to the delays or changes of various regulatory issuances and amendments, affecting the timeliness and the financial viability of our growth projects. 	<p>The Company has:</p> <ul style="list-style-type: none"> Identified procurement options to minimize the impact of supply disruptions and high fuel prices; Engaged various regulators and local government officials in the energy sector; Participated in Technical Working Groups (TWG) with various regulations in the development; Closely coordinated with regulatory groups and institutions to aid the progress of key issues; and Collaborated with like-minded organizations, customer groups, and individuals to collectively push regulations that promote clean and renewable energy advocacy. 	<p>Risk time horizon*: Short to Long term</p> <p>Stakeholders directly affected: </p> <p>Capitals affected by the risk: </p> <p>Likelihood: Likely Impact: Major Impact</p>
<p>3 - Climate Risk and Exposure to Natural Catastrophes</p> <ul style="list-style-type: none"> Climate change effects, such as drought, super typhoon, and flooding, increase the probability of operational disruption, customer service, and property damage for First Gen. 	<p>The Company has:</p> <ul style="list-style-type: none"> Conducted various natural calamity studies (e.g., typhoon, flood, tsunami, earthquake, etc.) and explored additional data providers to ensure that climate risk related information is sufficient and updated; Continuously modified plant design and implemented various weather-proofing and resilience initiatives to safeguard against the effects of natural disasters; Regularly inspected earthquake risk-mitigating measures, such as installing seismic monitors at strategic locations on-site; Continuously improved the emergency response and business continuity management plans and conducted drills; and Obtained and maintained natural catastrophe insurance covers for various sites. 	<p>Risk time horizon*: Short to Long term</p> <p>Stakeholders directly affected: </p> <p>Capitals affected by the risk: </p> <p>Likelihood: Almost Certain Impact: Significant Impact</p>



External Risks & their Direct Effects on the Strategic Objectives & Key Targets	Mitigating Measures	
<p>4 - Fuel Supply Risk</p> <p>The depletion of the Malampaya gas field and our steam supply challenges may affect our production and cash flow. Operations are highly dependent on:</p> <ul style="list-style-type: none"> • The consistent availability of the plants' required fuels, particularly natural gas; • The expertise of the natural gas field operator; • The existence of a valid Gas Supply Purchase Agreement (GSPA) before the depletion of resources; and • The availability of steam as a geothermal resource in commercial quantities. <p>The invasion of Ukraine by Russia in early 2022 also increased our exposure to the supply disruption and price shocks of key commodities, including oil and natural gas.</p>	<p>Natural Gas Plants The Company has:</p> <ul style="list-style-type: none"> • Maintained its proposed LNG project to develop an Interim Off-shore Terminal which can service the requirements of a Floating Storage and Regasification Unit (FSRU) in anticipation of the expiry of the service contract of the Malampaya Gas Field in the next three years. This is will be on-stream by the fourth quarter of 2022, and the Company has signed agreements with premier EPC and OE contractors, FSRU and Tugboat providers, and an O&M adviser; • Used dual-fired plants (except for San Gabriel) in the absence of natural gas; • Ensured the availability and adequacy of liquid fuel; and • Identified procurement options to minimize the impact of supply disruptions and high fuel prices. <p>Geothermal Plants The Company has:</p> <ul style="list-style-type: none"> • Maximized modern technology to optimize steam extraction from the wells; • Undertook continuous drilling and non-drilling workovers to ensure steam supply; • Addressed steam decline through lower impact distribution of reinjection, scaling prevention initiatives, and targeted infill injection for pressure support; and • Employed a more comprehensive well development planning, improved well design and predictive modeling tools, intensive monitoring of production lines, debottlenecking activities, and fortifying vulnerable wells and surface facilities. 	<p>Risk time horizon*: Short to Medium term</p> <p>Stakeholders directly affected: </p> <p>Capitals affected by the risk: </p> <p>Likelihood: Likely Impact: Significant Impact</p>

External Risks & their Direct Effects on the Strategic Objectives & Key Targets	Mitigating Measures	
<p>5 - Competition & Technology Risk</p> <ul style="list-style-type: none"> • Industry competitors are aggressively pursuing the same set of customers (new and expiring contracts for renewal), which may impact our revenue generation and cash flow. • Technology advancements in traditional, and renewable energy, and increased interest from foreign players to enter the Philippine market, also contributes to competition. 	<p>The Company has:</p> <ul style="list-style-type: none"> • Instituted a systematic and targeted customer acquisition strategy while improving customer stickiness through data-driven analytics; • Expanded the client coverage to ensure contracts are closed with various customer segments (electric cooperatives, distribution utilities, contestable customers, GEOP customers, and ancillary service markets) and minimize exposure to low WESM prices; • Improved plant flexibility to cater to different contracts or energy demands; • Launched communication campaigns, such as the First Gen Energy Solutions, to increase awareness and differentiate the brand and its services from its competitors; • Increased efforts to establish and strengthen the Group's brand as a pioneer in clean and renewable energy; • Ensured competitiveness through portfolio optimization, attractive pricing, plant flexibility, premier client servicing, and constant participation in Competitive Selection Process activities to ensure client retention; and • Continuously monitoring the technological advancements in the global energy industry while improving internal technical capability. 	<p>Risk time horizon*: Short to Medium term</p> <p>Stakeholders directly affected: </p> <p>Capitals affected by the risk: </p> <p>Likelihood: Likely Impact: Significant Impact</p>
<p>6 - Cybersecurity Risk</p> <p>The modernization and interconnection of our assets and Information Technology (IT) infrastructure increased our operation efficiency, but also exposed us to cybersecurity risks.</p>	<p>The Company has:</p> <ul style="list-style-type: none"> • Continuously conducted IT and Operational Technology (OT) vulnerability assessment studies and prioritized implementing recommended mitigation plans; • A high-level committee that oversees information security activities for both IT and OT initiatives; • Acquired IT Security Governance and IT Security Operations services; • Launched information security, technology risk, and data privacy programs to manage and reduce information security risks and ensure compliance with the Data Privacy Act; and • Developed related frameworks and policies for cascading and implementation to the whole organization. 	<p>Risk time horizon*: Short to Long term</p> <p>Stakeholders directly affected: </p> <p>Capitals affected by the risk: </p> <p>Likelihood: Possible Impact: Significant Impact</p>

External Risks & their Direct Effects on the Strategic Objectives & Key Targets	Mitigating Measures	
<p>7 - Financial Risks</p> <ul style="list-style-type: none"> The COVID-19 pandemic may affect our access to funding, disrupt our financing plans, and delay our growth projects. In 2022, the Ukraine invasion by Russia caused high inflation and interest rates. The Philippine currency also experienced its worst depreciation since 2008 against the US dollar, as the peso weakened by 9.3% in 2022. 	<p>The Company has:</p> <ul style="list-style-type: none"> A predictable cash flow due to the majority of its capacity being contracted; Continued and timely paid debt through the Company's deleveraging program; Explored and formed partnerships for new projects; Interest Rate Risk - a mix of fixed and floating-rate loans; Liquidity Risk - prepayment of loans; refinancing bulky maturities to smoothen or extend the repayment profile; and Foreign Exchange (FX) Risk - the Finance and Treasury Group closely monitors FX rates to determine hedging opportunities; Senior Management is regularly informed/updated on FX risk exposure and mitigation plans. 	<p>Risk time horizon*: Short to Long term</p> <p>Stakeholders directly affected: </p> <p>Capitals affected by the risk: </p> <p>Likelihood: Possible Impact: Significant Impact</p>
<p>8 - Pandemic Risk</p> <p>The ongoing COVID-19 pandemic affects the Company's operations, workforce, customers, market, and earnings. It may impact our revenue generation, cash flow, and delay our growth projects.</p>	<p>The Company has:</p> <ul style="list-style-type: none"> Developed and continuously improved extensive health and safety strategies and modified work-from-home and shelter-in-place set-ups, rigorous health screening protocols, physical and mental wellness programs, and information campaigns; Developed a return-to-work program (RTW) through hybrid work environments; Developed and promoted vaccination and booster programs for all employees; Actively supported local and national health programs through donations of testing equipment and accommodations for frontline workers and returning OFWs; and Engaged industry players and business partners on pandemic preparedness and response through information sharing and supporting competency development programs. <p><i>The comprehensive responses on pandemic risk are discussed under Human Capital Performance on page 109 and Social and Relationship Capital Performance on page 123.</i></p>	<p>Risk time horizon*: Short to Medium term</p> <p>Stakeholders directly affected: </p> <p>Capitals affected by the risk: </p> <p>Likelihood: Unlikely Impact: Minor Impact</p>

* Short term (1-5 years), Medium term (5-10 years), Long term (10 or more years) risk.

Our Opportunities

To respond to the changing energy market and external trends, First Gen continuously evaluates the conceivable opportunities that support value generation and seized the opportunities consistent with our mission, purpose, strategy, and capabilities.

First Gen used a number of procedures, such as the Strategies and Synergies Planning (SSP), Business Unit (BU) Planning Sessions, and various research initiatives, such as those of the Engineering Services Department (ESD) and Business Units, to identify key opportunities and direct strategy and planning.

The proceeding table outlines the opportunities and significant trends, surrounding context, strategies, relevant capitals, stakeholder impacts, and benefits to the organization in the short, medium, and long terms. These were identified and analyzed by the Execom, Senior Management, and secretariat staff by facilitating the numerous presentations and creating research and materials through the SSP process.



External & Internal Opportunity	Opportunity Context	Working Strategy	Contributing Capitals	Impact to Stakeholders	Organizational Benefits
<p>External:</p> <p>The Philippine ambition to pursue the clean energy transition is led by Renewable Energy and Natural Gas</p>	<p>The DOE's Philippine Energy Plan (PEP 2040) highlights the country's ambition to significantly increase Renewable Energy (RE) and Gas, while decreasing dependence on coal. Pursuing this ambition emphasizes the need for further development of RE options and natural gas plants.</p> <p>Aside from highlighting the opportunity to build new power plants, this recognizes the role of natural gas as a crucial complement to enabling renewable energy. As such, there is a larger directive towards a more complementary fuel mix led by gas and renewables.</p> <p>This ambition is supported by government programs that aim to increase the opportunities for developing RE and clean energy systems.</p>	<p>First Gen continues to operate among the biggest RE capacity in the Philippines and has the largest natural gas capacity—all while staying true to the zero coal stance it has taken since 2016.</p> <p>As such, the Company aims to be a leader in the clean energy transition—a viewpoint consistent with the country's ambition towards a cleaner and more resilient fuel mix.</p> <p>By leveraging our diverse and complementary portfolio, First Gen will take a portfolio approach in marketing and developing its assets.</p> <p>Our investment in the LNG Terminal, for instance, helps actualize this ambition by enabling us to expand our gas capacity and increase our ability to support RE investment.</p>	<ul style="list-style-type: none"> Supports the construction of new assets and maintenance of current assets Funds the development and commercialization of clean energy assets 	<ul style="list-style-type: none"> Supports potential developments in RE Lowers the dependence on coal and supports the transition to a decarbonized future Creates access to cleaner, reliable, and cost-competitive energy sources 	<p>This will create long-term benefits as it encourages financial support and public demand for our clean energy and natural gas projects.</p>
<p>External & Internal:</p> <p>Increasing interest in decarbonized and regenerative business models</p>	<p>Global and local financing and commercial institutions have increasingly focused on sustainability. An example is the BSP's launch of the Sustainable Investment Framework, as well as other sustainability frameworks from various financial and commercial institutions.</p> <p>This support is only rising as the public awareness about sustainability grows. Based on Pulse Asia's latest survey on renewable energy, 89% of the 1800 nationwide respondents are in favor of increased RE use. In line with this, industries worldwide are increasingly targeting to decarbonize their supply chains.</p> <p>Interest in decarbonization has influenced the development of decarbonized technologies, such as electrification (i.e. EV's), energy efficiency, carbon capture, and hydrogen.</p>	<p>First Gen can leverage this interest by working with regenerative partners who will support the clean energy transition. This will help us secure markets and pathways towards our shared regenerative future.</p> <p>In line with this, First Gen continues to monitor the development of key technologies that support our decarbonization journey, as well as those of our partners.</p>	<ul style="list-style-type: none"> Executes the responsibilities of a retail salesforce Increases our reach to customers Investigates use cases and commercial opportunities of these technologies Funds the development and utilization of these technologies 	<ul style="list-style-type: none"> Provides clean energy options for clean energy demand Increases the diversity of their investments and support investor clean energy advocacies 	<p>In the long-term, the Company will benefit through increased access to the burgeoning retail market.</p> <p>Emerging regenerative business can also contribute to decarbonizing our assets and business models.</p>
<p>External & Internal:</p> <p>Development & preparation for new/emerging electricity markets</p>	<p>With the Retail Customer and Open Access (RCOA) and Green Energy Option Program (GEOP), new markets have emerged. These markets provide end-users with energy source options.</p> <p>RCOA also continues to progress with dropping thresholds, ultimately driving towards household eligibility.</p>	<p>First Gen is developing retail capabilities and holistic service capabilities to cater to the needs of the retail market.</p>	<ul style="list-style-type: none"> Supports the expansion into the retail market; should be further scaled up to address additional markets and growth Bolsters interest in clean energy and other future projects 	<ul style="list-style-type: none"> Creates additional options for power investment off-take and more investment incentives in clean and renewable energy Develops emerging markets provide customers with additional options on power sources 	<p>RCOA and GEOP will create short to long term benefits because of increased markets for our RE Portfolio.</p> <p>RCOA will revolutionize the industry towards increased customer centricity and more democratized power markets.</p>
<p>External:</p> <p>National need for additional clean energy supply to support growth</p>	<p>As economic activity grows, the Philippines will increasingly require new power capacity. This need must be filled by clean energy capacity, given the decreased interest in coal and regulations such as the coal moratorium. As such, the growing economic demand creates the need for new clean energy supply—a key opportunity for power plant developers.</p> <p>The aforementioned PEP 2040 highlights the need for growth, while adding that the additional capacity is expected to come primarily from renewable energy and natural gas.</p> <p>This need for additional clean and renewable energy capacity must be served—which creates an opportunity for power generators.</p>	<p>In line with this opportunity, First Gen is pursuing significant growth.</p> <p>As the company grows, First Gen will also aim to continue to diversify its portfolio by increasing the proportion of natural gas—while also continuing to grow natural gas, growing only via natural gas and renewables, without investing in coal.</p> <p>As we grow, we will continue pursuing initiatives that improve the resilience of our asset operations and ensure the reliability of our power generation.</p>	<ul style="list-style-type: none"> Supports the construction of new assets and maintenance of current assets Provides monetary resources for the development and commercialization of clean energy assets 	<ul style="list-style-type: none"> Increases opportunity to earn returns from new power plant capacity Increases availability of clean energy sources Increases options to source power from clean energy supply Additional economic activity can be securely powered by clean energy 	<p>The need for more energy is only increasing. This increases the value of both our existing and potential growth power plant assets, by ensuring that there is enough demand for our continued growth in the industry.</p> <p>As such, this opportunity creates a significant pathway for growth—especially for a clean and renewable energy company such as First Gen.</p>

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

Acting on Major Disruptions

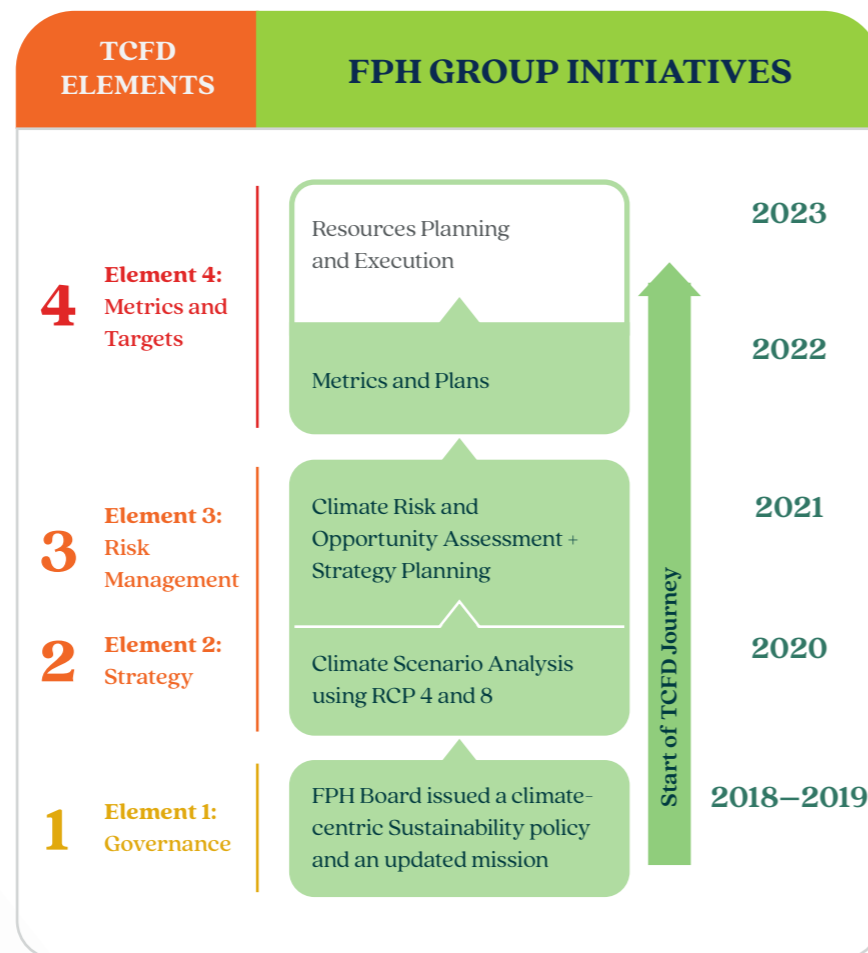


Climate Change and Implementation of TCFD

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

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

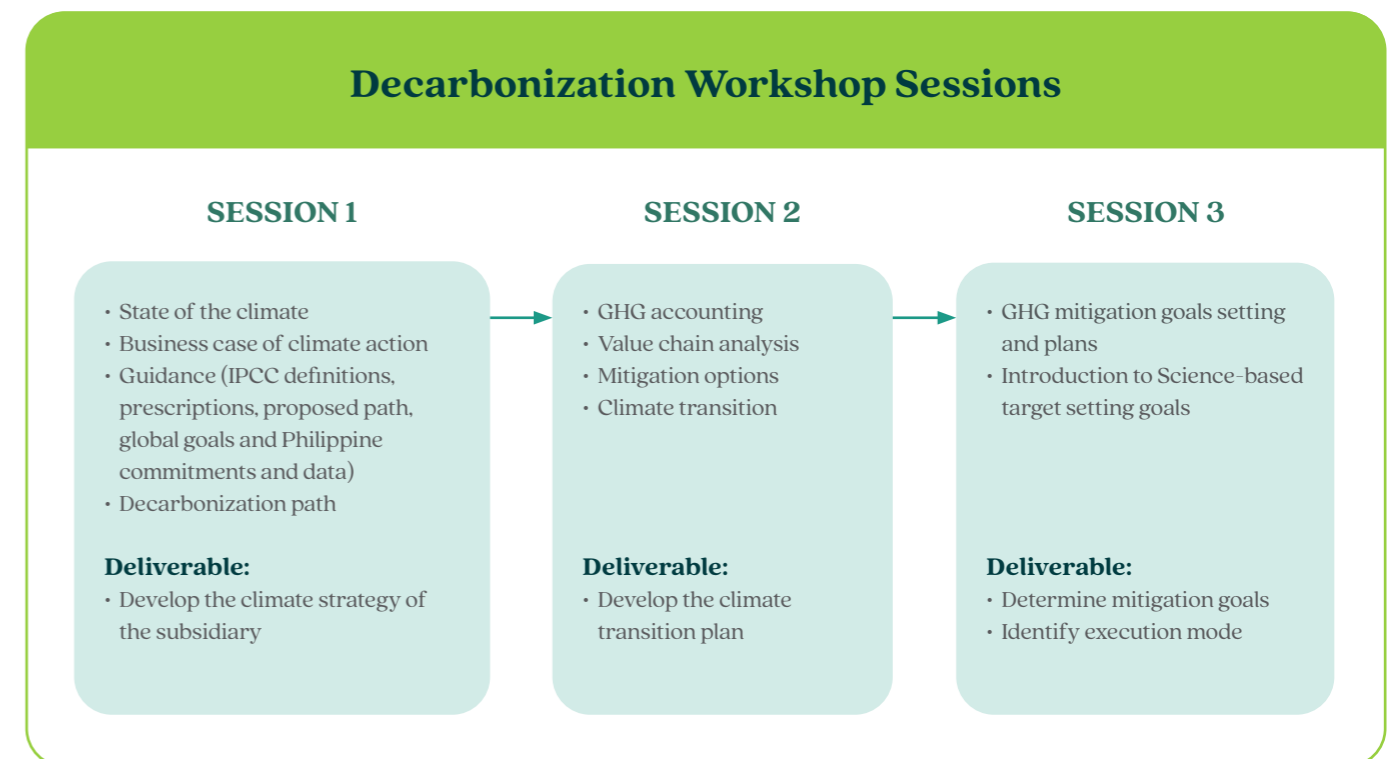
First Gen's roadmap adopting the TCFD recommendations



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

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

The figure below describes the workshop content and process:



To ensure the accuracy of our climate change plans, we examined the numerous climate principles, the related definitions, and the nuances of the IPCC recommendations and the Philippine climate obligations in its Nationally Determined Contribution (NDC). Our growing understanding of these decarbonization requirements

enable us to be more cautious with our commitments. We understand that our mitigation plans are challenged by the current lack of commercial scale and affordable GHG removal technologies. Hence, we decided to continuously improve our plans as new technology solutions became available, subject to other factors dependent

on the conditions of the group. The planning and workshop processes spanned four months, inclusive of the internal consultations and plan reviews by the parent company. First Gen's consolidated climate strategies and decarbonization road map are further discussed on page 70.



Social Issues

In 2021, we identified social issues as emerging concerns across the world, further triggered by the pandemic and human rights issues. As such, we maintain our commitment to protect our stakeholders, and improve the inclusivity of our operations. In last year's Integrated Report, we disclosed the results of the human rights impact assessment of our

subsidiaries across their value chains. By 2022, we completed the remaining requirements of the human rights due diligence, namely: a) the formulation of management measures for the potential human rights issues that the subsidiaries identified in 2021; and b) the development of a Grievance Redress Mechanism.

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


Potential Human Rights Risk	Management Measures
Labor issues	<ul style="list-style-type: none"> Respect labor and union rights and consistent implementation of labor policies Transparency in Department of Labor and Employment (DOLE) reportorial submissions and audits
Physical and social displacement	<ul style="list-style-type: none"> Early consultation and relocation assistance for lost properties, livelihood and amenities
Environmental impacts on stakeholders	<ul style="list-style-type: none"> Environmental impact assessment and mitigation, consultation with stakeholders, regular performance monitoring, and reporting
Priority hiring concerns	<ul style="list-style-type: none"> Installation of a local hiring process with due consideration of local regulations and hiring standards
Health and safety of workforce and communities	<ul style="list-style-type: none"> Implementation of health and safety programs through OSH management systems Workers participation in health and safety processes: risk assessment, hazards reporting, incident reporting and investigations Health and safety mandatory training, toolbox meetings, and culture programs
Delivery of quality product and services	<ul style="list-style-type: none"> Established business processes through our management systems Compliance to applicable laws and regulations Feedback mechanism and constant communication with customers to address their concerns Implementation of secured and digitized solutions
Equitable benefit sharing	<ul style="list-style-type: none"> Stakeholder profiling, community consultations, and regular social acceptability surveys
Bribery and corruption	<ul style="list-style-type: none"> Vendors code for responsible sourcing and robust grievance redress mechanism
Cultural issues	<ul style="list-style-type: none"> Free and prior consent and continuous engagement of IP communities throughout the project life



In addition, we provided additional information for performance evaluation and monitoring. For each potential human risk, the following were identified: responsible group, baseline information, indicator, data verification, collector, and method of collection. In 2022, we prioritized embedding human rights topics under our Wellness Programs by expanding the subjects of learning sessions to cover social topics, such as promoting gender inclusiveness in the workplace and safe working spaces (identifying and addressing workplace bullying).

Recognizing that our operations may potentially harm others, we completed the Grievance Redress Mechanism (GRM) in 2022. The GRM is tailored to First Gen's operating companies and project needs. This mechanism enables various stakeholders (employees, customers, host communities, and other affected entities) to raise their concerns about our business and operations, and seek resolution when they perceive a negative impact arising from our business activities. Ultimately, a GRM aims to provide remedy that will restore the situation of individuals and

groups that have been harmed. The GRM accounted for the entire process, which included a variety of methods for gathering concerns, conducting an inquiry, and monitoring grievances. In 2022, we went beyond the human rights mechanism to protect our stakeholders by working on other factors that would promote a regenerative community. The details of our regeneration road map is discussed in the Progress on our Mission section on page 68.



OUR VALUE CREATION STORY

Strategic Positioning

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

We continuously refine the objectives through annual Strategy and Synergies Planning (SSP) activities, Risk Management, and other related strategic planning processes. These exercises transform our objectives into strategies for our day-to-day operations. The SSP process provides us with a holistic view of our external environment (i.e., market trends, opportunities, risk, and community impact) and internal context (i.e., organization needs, budget, and capabilities). These planning processes are also aligned with the company's budgeting procedure to ensure consistency between resources

and strategies. Moreover, our Risk Management Process provides an assessment of various threats that we must mitigate and adapt to. The processes involve key stakeholders, including senior management, and considers the inputs of various groups and departments who, in turn, interact with various other stakeholders outside the company. As such, we aim to create strategies that provide value to all stakeholders within the organization.

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

Our Strategic Objectives and Long Term Vision

Our long-term vision is to become a decarbonized energy provider with a Net Zero portfolio by 2050. We aim to maximize the use of renewable energy sources while providing secure

and resilient energy. Collectively, our objectives on decarbonization, growth, and stakeholder value embody our mission, purpose, and chosen path.



1. Grow by Expanding our Clean Energy Portfolio

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

Being a leader in Clean and Renewable Energy, First Gen can support the country's energy security and energy sustainability goals.

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

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

We will grow our investments in low carbon natural gas to complement

the growing demand for clean and renewable energy. As we expand our use of renewable energy, natural gas will continue playing a crucial role in energy security. At the same time, we will closely monitor decarbonizing technologies that can help us progress towards our Net Zero ambition. We also aim to develop a larger portion of renewables in our portfolio to diversify our platform, including growth projects in various renewable platforms such as Hydro, Geothermal, Solar, and Wind. By complementing renewable energy growth with expansion in natural gas, we aim to provide a stable and reliable supply of energy for customers while meeting the demands for cleaner and renewable energy sources.

2. Spur Decarbonization by Collaborating with Regenerative Partners

In line with our mission to forge collaborative pathways with our stakeholders, our decarbonization objective reflects our goal of empowering regenerative partners in the energy transition, consisting primarily of current and potential customers and partners. As the public increases its ability to choose clean energy, the opportunity to work with regenerative partners will also increase significantly. Currently, our efforts to expand our retail readiness and increase customer focus are examples of how we

are making progress towards this goal. We continue making strides to cater to like-minded organizations who can be partners towards the clean energy transition.

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

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

3. Go Beyond Shareholder Value by Creating Stakeholder Value

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

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

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

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

Our long-term vision for a regenerative future includes elevating everything within our reach. We focus on environmental integrity and social equity by closely tracking our footprint in various areas, including waste discharge, water usage, community development, and employee wellness. We continuously monitor and adopt best practices to balance our impact among all stakeholders. In the long run, we hope to spur inclusive development and growth for our organization and stakeholders.



To summarize the preceding discussions, the following table details our strategic objectives and their corresponding timeline, target stakeholders, capitals, resource allocation, strategic initiatives, outcomes, and impacts:

Strategic Objectives	Target Horizon	Target Stakeholders	Affected Capitals	Resource Allocation Plans	Initiatives	Target Outcomes	Impact on Strategic Goal
Grow by expanding our Clean Energy Portfolio	Short to Long term	<ul style="list-style-type: none"> Investors - growing the portfolio will increase both the returns for investors and financing requirements Co-creators - Coordinating requirements Customers - meeting increased energy demands Earth—growth will come largely from low carbon and renewable energy sources, improving national carbon intensity 	<ul style="list-style-type: none"> Financial Capital - funding requirement to develop new projects Manufactured Capital - development of new plants and/or enhancing existing plants Intellectual - adapting new technologies for portfolio growth Human Capital - enhance ability to lead growth-enabling projects; need to scale up multi-project development ability Natural Capital - increased requirement for plant inputs as capacity is added 	<ul style="list-style-type: none"> Capital Fund Raising for Growth Projects Selection of suppliers and partners Allocation of human capital for growth projects 	<ul style="list-style-type: none"> Developing the organization and employee skills to support rapid growth and best practices from agile methodology (agile multi-project development) Continued effort to maintain assets and increase efficiency of existing plants (resilient asset management) Selection of potential suppliers, partners, and locations for new project development 	<ul style="list-style-type: none"> Grow our portfolio to 13 GW by 2030, 9 GW of which powered by RE Short-Term: Development of LNG Terminal by 2023 –to sustain current and potential gas projects [on-track], as well as develop additional RE projects Medium Term (2025-2030): Grow through higher efficiency gas turbines and expanding our current RE portfolio Long Term (2030 Onwards): Grow through increased share of Renewable Energy Capacity 	By closely monitoring the progress of our current and future projects, we will increase our portfolio's clean energy capacity.
Spur Decarbonization by Collaborating with Regenerative Partners	Short to Long term	<ul style="list-style-type: none"> Customer- increase customers with cleaner energy solutions; support our customers' decarbonization efforts Earth - reduce the nation's energy carbon footprint by enabling the switch to renewable and cleaner energy options Community - mitigate climate change impacts to the community; provide cleaner energy options Investors - clean energy solutions will give investors resilient investments against climate change effects Co-creators - source low carbon inputs across the entire supply chain 	<ul style="list-style-type: none"> Financial - fund investments to achieve decarbonization targets Natural - increase inputs from renewable sources Human capital - internalize the organization's goal to decarbonize and align operations; scale up capability to provide decarbonized value to customers Manufactured- increase development of cleaner assets and technologies; explore non-kWh solutions Intellectual - quickly adapt new technologies and best practices on decarbonization Social and relationship capital - collaborate with customers, community,, regulatory bodies, suppliers, and competitors to decarbonize the nation's energy grid 	<ul style="list-style-type: none"> Scale up human capital allocated to creating value for regenerative partners Investing in new technologies and systems to enhance values to customers and partners 	<ul style="list-style-type: none"> Explore and scale emerging business models for the clean energy transition and support decarbonization Collaborate with current and prospective customers and partners to advance regenerative principles 1. Initiatives that educate the public on the importance of the clean energy transition 2. Development of key projects that reduce our carbon (i.e., BINHI) 3. Create platforms for sharing information across industries, i.e. Net Zero Carbon Alliance (NZCA) 	<ul style="list-style-type: none"> Increase customers supplied with clean energy Develop and market beyond kWh products & services Sustain low carbon footprint for power assets Sustained availability and reliability and increased efficiency of existing plants 	<p>Monitoring these milestones ensures that the organization will provide value to many customers and decarbonized partners.</p> <p>Through serving multiple partners, we will support the country's transition to renewable energy by providing a reliable power portfolio of clean and renewable energy sources.</p>
Go Beyond Shareholder Value by Creating Stakeholder Value	Short to Long term	<ul style="list-style-type: none"> Customers - Assure customers that their products are from decarbonized and regenerative sources Investors - Support investors' sustainability & decarbonization objectives Community - increase employment opportunities and improve community relations Earth- Support decarbonization and regenerative efforts for the environment Co-Creators: Provide co-creators with opportunities to collaborate towards decarbonization; Collaborate with co-creators towards decarbonized business models 	<ul style="list-style-type: none"> Social and relationship capital - understand stakeholder needs to forge loyalty and synergy Human capital -develop a more holistic approach towards the five stakeholders 	<ul style="list-style-type: none"> Investment in key stakeholder activities (i.e. Binhi, Nature Based Solutions, etc.) Investment in education activities for key internal and external stakeholders 	<ul style="list-style-type: none"> Enhance our touchpoints and relationships with communities and stakeholders: 1. Development of community-related activities to ensure development of partners 2. Continuously monitor performance and environmental impact of our assets and operations 	<p>Progress and stakeholder value priority will be measured through ESG Pillars:</p> <p>Environment: Decarbonizing our assets/ lowering carbon intensity, and supporting our nearby ecosystems</p> <p>Social: Creating an safe and capable environment for our employees, communities, and co-creators</p> <p>Governance: Progressing the organization towards our Mission and Purpose</p>	Enhancing stakeholder value will increase credibility in collaborative pathways towards a decarbonized and regenerative future.

Crafting a Capability-driven Strategy to Pursue Our Objectives

First Gen is one of the country's leaders in producing clean and renewable energy. Our diverse fuel mix, including natural gas, geothermal, solar, and wind, allows us to manage various risks and reduce our environmental impact. We also developed technical expertise by continuously improving our operations and enhancing our portfolio. We have also maintained steady profits and strong balance sheets. We leverage these unique organizational strengths to create an edge against competitors.

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

1. Solutions-based engagement:

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

2. Clean energy advocacy leadership:

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

3. Dynamic adaptation of regenerative businesses:

We will localize and scale emerging business models that support decarbonization. We leverage our ability to learn, experiment, and replicate successful net zero business models to make more products available to the market.

4. Agile multi-project development:

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

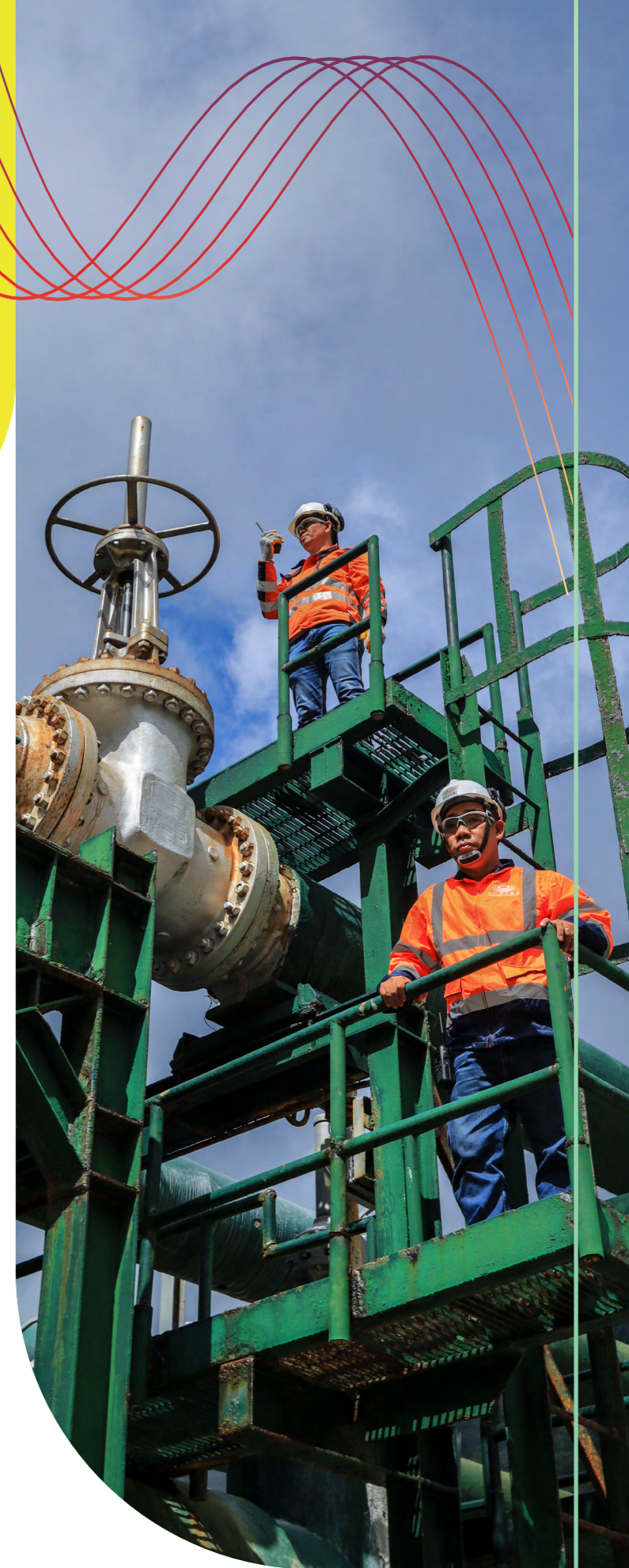


5. Resilient asset management:

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

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

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



First Gen Business Model

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

By fostering collaboration and trust, we aim to influence our various stakeholders in our mission to create regeneration and decarbonization pathways through:
a) generation of low-carbon and renewable power;
b) transmission of power to the grid; and
c) distribution of power to customers and businesses.

Power Generation

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



Natural Gas Power

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



Geothermal Power

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



Hydroelectric Power

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



Wind Power

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



Solar Power

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

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

Transmission

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

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



Distribution

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

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



Progress on our Mission

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

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

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

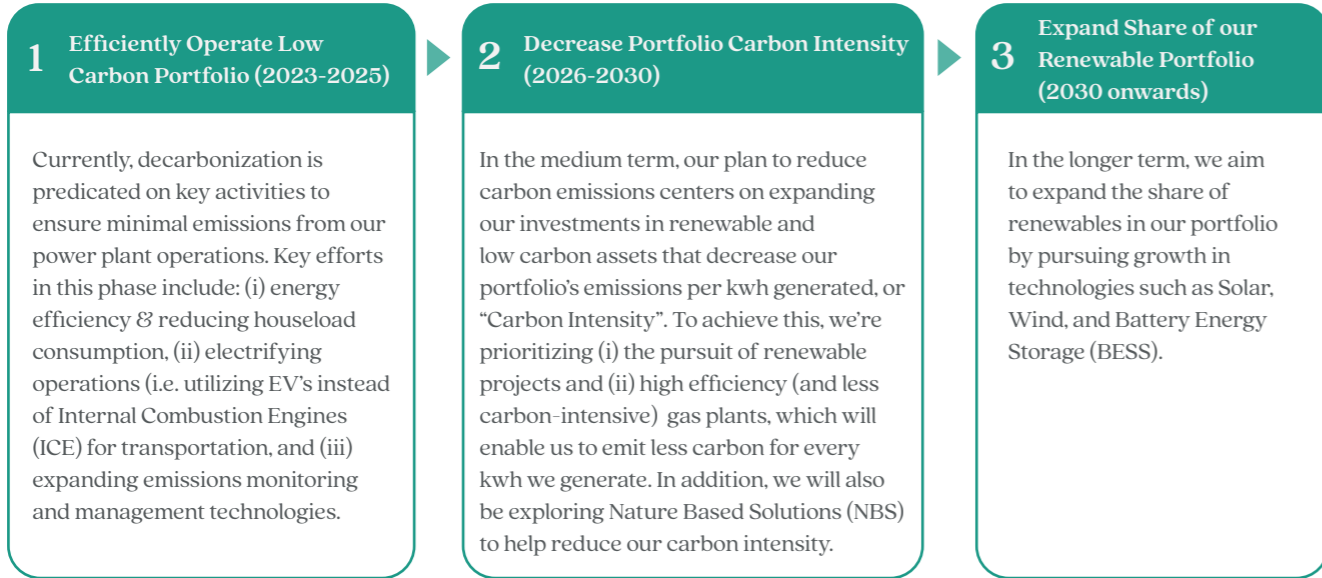
FPH Group Mission Pillars	Outputs of FPH Subsidiaries	Outputs of First Gen
1.0 Governance Pillar		
1.1 Governance Pillar	Adoption of the unified FPH mission. Subsidiaries were given the flexibility to modify the mission to fit their operation.	<p>We adopted the mission 'forging collaborative pathways to a decarbonized and regenerative future' and established our strategic objectives to produce and offer clean and sustainable energy solutions:</p> <ul style="list-style-type: none"> a. Grow by expanding our clean energy portfolio b. Spur decarbonization by collaborating with regenerative partners c. Go beyond shareholder value by creating stakeholder value <p>The Company's mission and goals are embedded into the organization's planning processes—which help ensure that First Gen's strategies are aligned with our Mission, Purpose, and Chosen Path.</p>
2.0 Environmental Pillar		
2.1. Energy efficiency	Energy audits guided by Republic Act 11285 (Energy and Conservation Act of the Philippines)	Energy audits were conducted on the four power plants in the First Gen Clean Energy Complex (FGCEC), three from EDC and two from FGHydro. All other plants are scheduled to undergo energy audits in 2023. Further, we continue the implementation of initiatives to reduce energy consumption.
2.2. Waste management	Waste management plan	<p>We established waste management by implementing guidelines on proper handling, waste storage and disposal according to regulatory requirements. As a result, almost 50% (941.35 tonnes) of our wastes were diverted from the landfill. As a result of the capacity building with FPH, we developed Waste Management Enhancement Plans. Furthermore, we partner with organizations such as ABS-CBN Lingkod Kapamilya Foundation-Bantay Kalikasan to recycle waste oil, lead, and plastic casing of batteries. Further, we minimize waste generation through proper and timely maintenance of our equipment, spill prevention measures, use of appropriately-sized materials, paper recycling, and paperless transactions. We will revisit a more robust waste management plan.</p>

FPH Group Mission Pillars	Outputs of FPH Subsidiaries	Outputs of First Gen
2.0 Environmental Pillar		
2.3. Decarbonization	<p>Climate risk and opportunity analyses across the value chain</p> <p>Preliminary decarbonization plan (to be continuously refined as new measures become available)</p>	<p>In early 2022, we determined the physical and transition climate risks and opportunities and existing mitigating measures. We continue to implement the measures on climate risks and opportunities and monitor their effectiveness.</p> <p>Our decarbonization plans include:</p> <ul style="list-style-type: none"> • Growing our low-carbon portfolio through increased renewables and higher efficiency gas turbines, ultimately aiming to expand the proportion of renewables in our portfolio • Exploring the use of nature-based solutions and storage technology to complement our efforts in increasing renewables • Closely monitoring emerging decarbonizing technologies such as Carbon Capture and Storage, as well as Hydrogen to supplement natural gas • External assurance on our Scope 1 and Scope 2 GHG emissions
2.4. Biodiversity	Biodiversity conservation and monitoring program for subsidiaries with major dependency on nature	We maintained our biodiversity programs such as the BINHI: A Greening Legacy—a broadscale reforestation and biodiversity initiative, and the Project Center of the Center (Project CoC) which involves marine conservation work of the Verde Island Passage with local communities.
3.0 Social Pillar		
3.1. Human rights	Human rights due diligence across the value chain (potential human rights impact assessment, measures, and Grievance Redress Mechanism)	We developed the first Human Rights Management and Monitoring Plan across the First Gen value chain based on priority risks identified in the Human Rights Impact Assessment (HRIA), and identified systems for Grievance Redress Mechanism that cater to FGen's stakeholders.
3.2. Gender equality and diversity	Gender gap analysis was conducted while the focused strategies are being developed.	We conducted a gender gap analysis with concerned groups to develop strategies.
3.3. Values for communities	Corporate Social Responsibility (CSR) objectives and strategies were aligned with the new mission	We sustained various CSR and community relations projects on the: 1) environment, 2) education, 3) community health and safety, 4) livelihood, 5) sociocultural, and 6) disaster response and relief.
4.0 Embedding Regenerative Mindset		
4.1. Employees	Playbook for employee embedding	We embedded ESG principles in our culture through HR policies and programs (e.g. Internal Recruitment Policy, gender-inclusive recruitment strategy, the use of Gender Equality and Diversity (GED) language and perspectives in our internal communications)
4.2. Supply chain	<p>Piloted in 2022:</p> <ul style="list-style-type: none"> • Vendors' code for responsible sourcing in the power segment, specifically in First Gen • Engagement of vendors on ESG in the non-power segment, specifically in First Balfour 	<p>We established the vendors' code for responsible sourcing in the power segment.</p> <p>We influenced our vendors through the inclusion of ESG criteria in our vendor accreditation process</p>

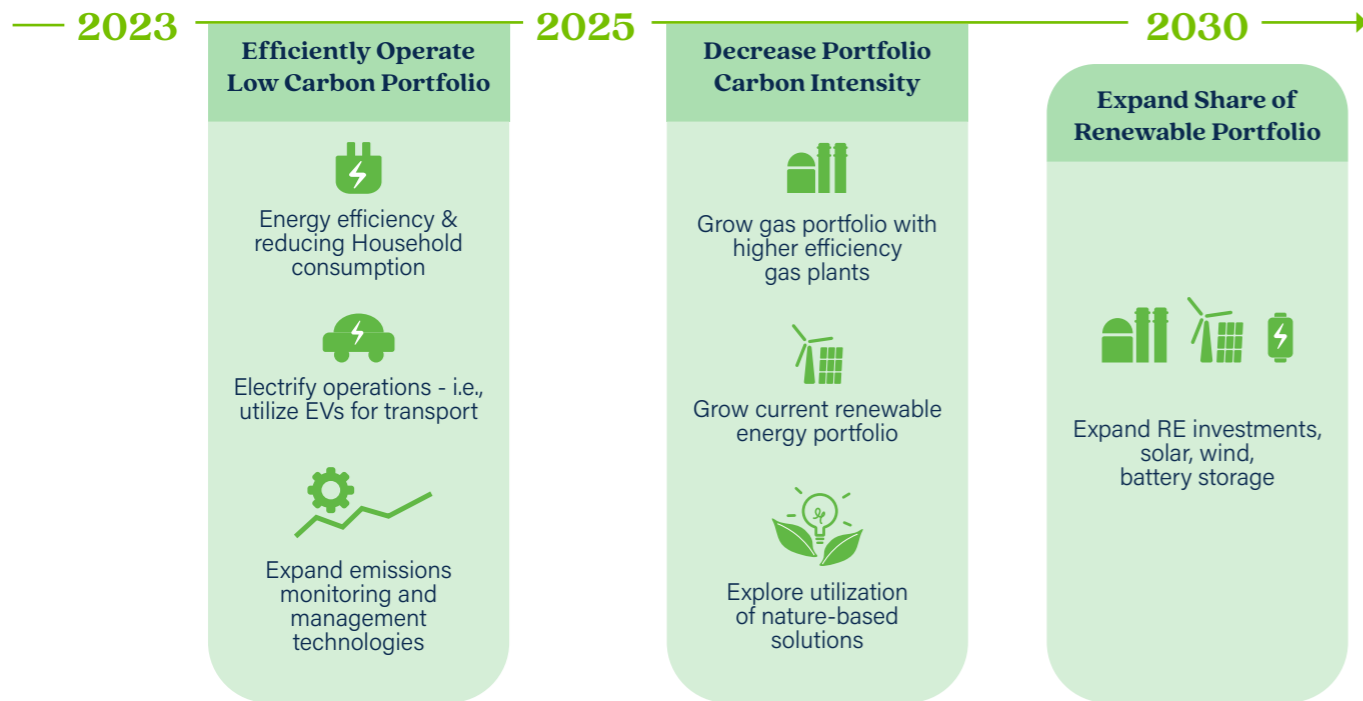
Road Maps to Realize Our Mission

Decarbonization road map

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



First Gen Decarbonization Journey



Regeneration road map

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

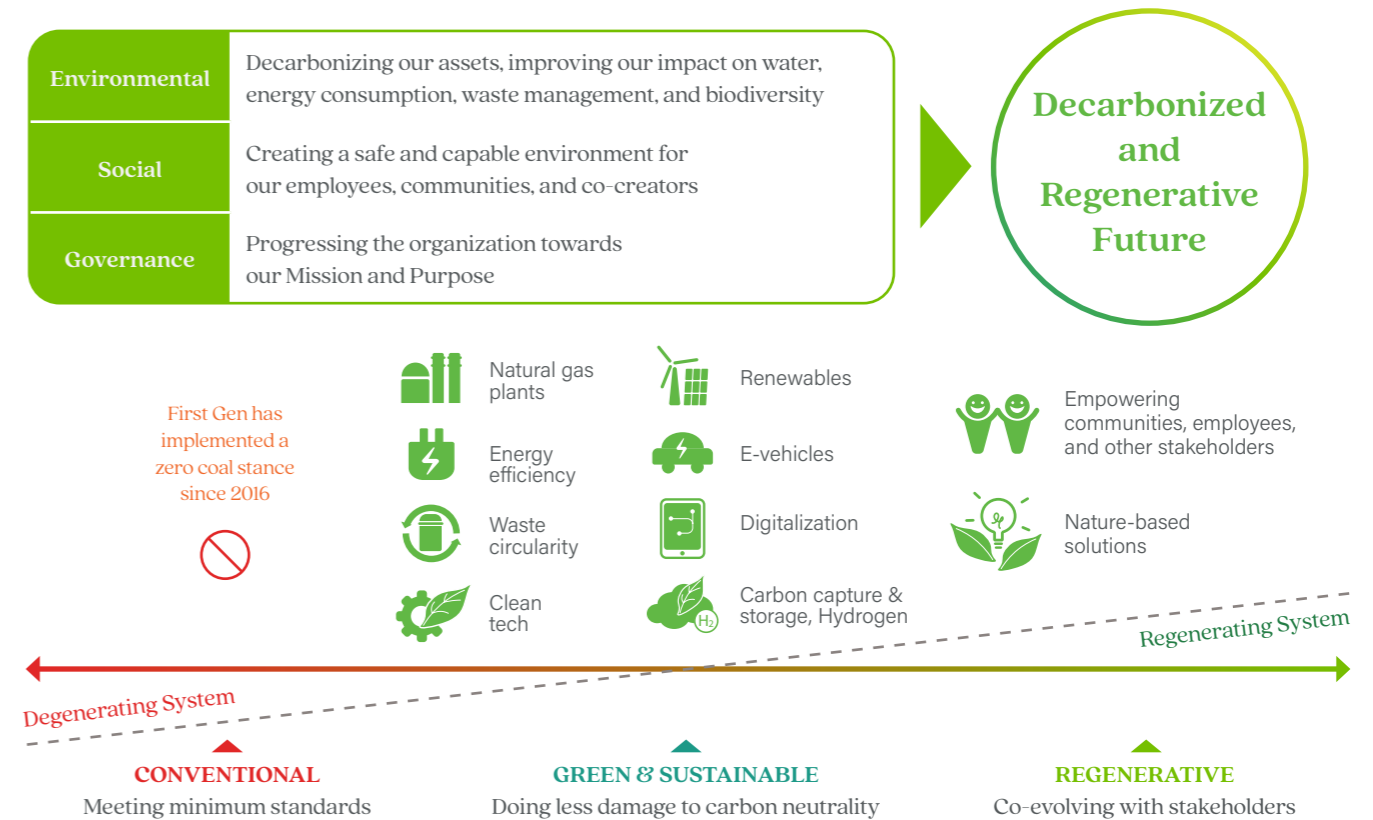


Our regenerative journey is a transition from a (i) Conventional System, which meets minimum standards, to our current (ii) Green and Sustainable System, which improves carbon footprints, and ultimately to a (iii) Regenerative System, which co-evolves with stakeholders.

We already consider First Gen as "Green and Sustainable" due to our low-carbon portfolio and ongoing efforts in energy efficiency, waste management, digitalization, and clean technology exploration. Our ultimate goal is to advance towards a regenerative system by empowering stakeholders, and building on our current activities and metrics.

First Gen Regenerative Journey

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



Adopted from B. Reed (2007). Shifting from sustainability to regeneration. Retrieved from <https://www.tandfonline.com/doi/full/10.1080/09613210701475753>

Delivering on our Strategy



Financial Capital Performance

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

Financial Capital Management

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

We utilize financial models to determine the cash and income generated by our subsidiaries and the Company as a whole, and to evaluate potential returns on new projects against the Company's hurdle rates. The company negotiates

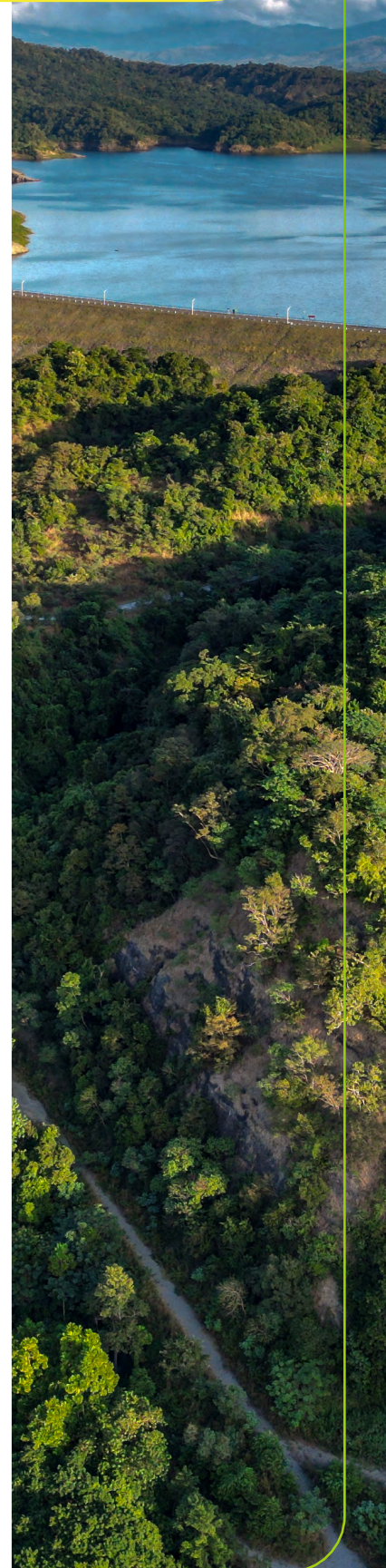
with lenders to secure debt with favorable terms tailored to our needs, while meeting leverage ratios and debt service coverage ratios to ensure our ability to meet debt obligations.

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

Investor Relations

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

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



Financial Highlights & Capital Usage

Financial Capital Distribution (in USD Millions)

Direct Economic Value Generated, Distributed, and Retained	2022	2021
Economic Value Generated	2,677.7	2,205.1
Economic Value Invested	2,523.7	2,400.6
Economic Value Retained	154.0	(195.4)

Capital	2022	2021	2020
Manufactured	357.3	316.1	1,845.5
Natural	1,616.1	842.4	65.2
Intellectual	8.2	10.3	36.0
Human	123.1	111.4	94.6
Social and Relationship	19.2	7.6	5.8

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

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

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

In addition, we invested 16.8% of operational costs and investments in manufactured capital. This was used for constructing the LNG Interim Offshore Terminal (IOT) Project to address the depletion of the Malampaya gas field, building the Palayan Bayan, Mindanao 3, and Tanawon geothermal plants, procuring and installing new equipment, operating and maintaining power

plants, improving buildings towards resiliency, and enhancing shelter-in-place programs. EDC inaugurated the 3.6-MW Mindanao 3 binary plant on April 27, 2022, while the LNG IOT is set to be completed in 2023 to ensure grid security.

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

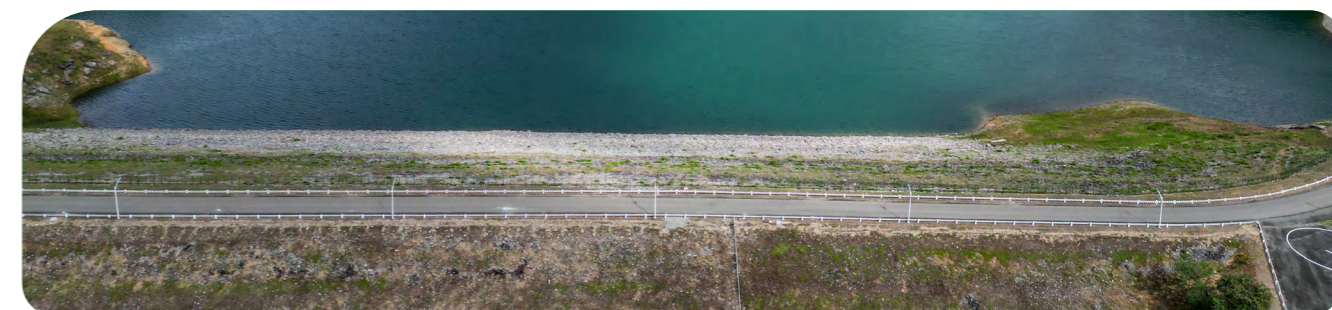
First Gen also invests 0.9% of its total operational costs and investments in social and relationship capital to strengthen its relationships with local communities and other stakeholders. The company adheres to community and LGU regulations, conducts CSR activities, donates to social causes, networks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

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

Financial Outcomes

In 2022, First Gen reported a Recurring Net Income Attributable to Equity Holders of the Parent of USD 265.4 million, USD 13.0 million or 5.2% higher than the previous year. This was primarily driven by the geothermal platform's increased revenues from higher average selling prices and higher generation volumes. Consolidated revenues also increased by 23.1% to USD 2.7 billion in 2022 due to increased sales volumes from the natural gas platform resulting from higher electricity production. However, a lower revenue contribution from Burgos Wind partially offset the growth.

Financial Capital Highlights (in USD Thousands)* *except per share data	2022	2021	2020
Revenues	2,666,706	2,166,782	1,830,300
Consolidated Net Income	369,512	354,240	393,734
Net Income Attributable to Equity Holders of the Parent	261,390	258,253	275,695
Recurring Net Income Attributable to Equity Holders of the Parent	265,446	252,437	252,104
Total Assets	5,375,868	5,503,389	5,708,472
Total Liabilities	2,416,251	2,530,186	2,752,421
Equity Attributable to Equity Holders of the Parent	2,413,980	2,438,010	2,423,481
Non-Controlling Interests	545,637	535,193	532,570
Basic/Diluted Earnings Per Share for Net Income Attributable to Equity Holders of the Parent (in USD/share)	0.071	0.070	0.073



Hydro

Pantabangan-Masiway's revenues decreased by 17.7% or PHP 0.9 billion to PHP 4.1 billion in 2022, compared to PHP 4.9 billion in 2021. This decline is attributed to reduced revenues from power supply agreements. In particular, FG Hydro transferred its contract with Meralco to EDC in August 2022 as part of a previous arrangement. There were also decreased revenues from WESM

and ancillary services caused by a decline in generation resulting from low reservoir elevation. This decline in revenues was partially offset by less purchases of replacement power from the WESM, due to lower volumes required by the contract with Meralco. This resulted in a higher operating income of PHP 356.1 million in 2022, a 19.9% increase from the same period last year.

FG Bukidnon's revenues decreased by 16.3% to PHP 42.6 million in 2022 from PHP 50.9 million in 2021. This is due to lower dispatch at 10.6 MWh in 2022, compared to 12.2 MWh in 2021, resulting from lower actual water inflow. The decline in revenues from FG Bukidnon resulted in a higher net loss.

	Pantabangan-Masiway BU (in PHP Millions)			Agusan BU (in PHP Millions)			Total		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Revenues	4,061.4	4,937.2	2,068.4	42.6	50.9	40.8	4,104.0	4,988.1	2,109.2
Operating Income (Loss)	356.1	296.8	139.9	(7.4)	(0.2)	(5.8)	348.6	296.6	134.1
Net Income (Loss)	381.7	281.5	112.0	(7.1)	(1.2)	(5.5)	374.6	280.3	106.5

Geothermal

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

Geothermal BU (in PHP Millions)	2022	2021	2020
Revenues	42,677.0	34,157.7	31,094.7
Operating Income (Loss)	15,002.8	9,777.0	10,043.2
Net Income (Loss)	10,554.2	7,521.3	8,764.6



Natural Gas

The natural gas platform reported a decrease in net income by 8.7% or USD 17.3 million from USD 199.3 million in 2021 to USD 182.0 million in 2022, despite an increase in operating income. This was due to Avion's lower income contribution resulting from higher fuel cost driven by higher average fuel prices, as well as higher interest expenses from the Php 2.8 billion loan it availed in December 2021. However, San Gabriel's net income increased due to better net dependable capacity and fewer forced outages in 2022.

Natural Gas BU (in USD Millions)	2022	2021	2020
Revenues	1,756.7	1,297.2	1,072.3
Operating Income (Loss)	259.2	258.7	258.1
Net Income (Loss)	182.0	199.3	187.2



Wind & Solar

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

in 2021 to PHP 44.0 million in 2022, due to lower generation sales and lower FiT rates in 2022.

EDC Siklab's net income increased by 5.6% or PHP0.4 million from PHP7.1 million in 2021 to PHP7.5 million in 2022. This increase was attributed to the higher volume of generated sales.

Wind BU (in PHP Millions)	2022	2021	2020
Revenues	2,917.2	3,941.8	4,295.3
Operating Income (Loss)	1,314.7	2,419.8	2,764.6
Net Income (Loss)	578.0	1,822.0	2,011.6

Burgos Solar BU (in PHP Millions)	2022	2021	2020
Revenues	102.7	109.9	124.9
Operating Income (Loss)	56.8	63.0	78.7
Net Income (Loss)	44.0	50.9	64.4

Solar Rooftop (in PHP Millions)	2022	2021	2020
Revenues	32.2	31.4	33.6
Operating Income (Loss)	8.7	8.1	12.5
Net Income (Loss)	7.5	7.1	10.0

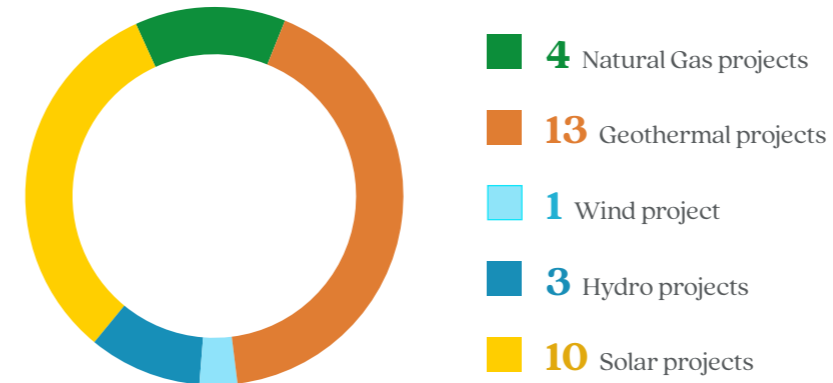
Manufactured Capital Performance

First Gen uses clean and low-carbon sources to consistently deliver reliable power with minimum negative impact. The Company's manufactured capital comprises 31 power projects with a combined installed capacity of 3,501.4 MW distributed across the Philippines. In 2022, First Gen generated a total of 22,352.4 GWh of electricity.

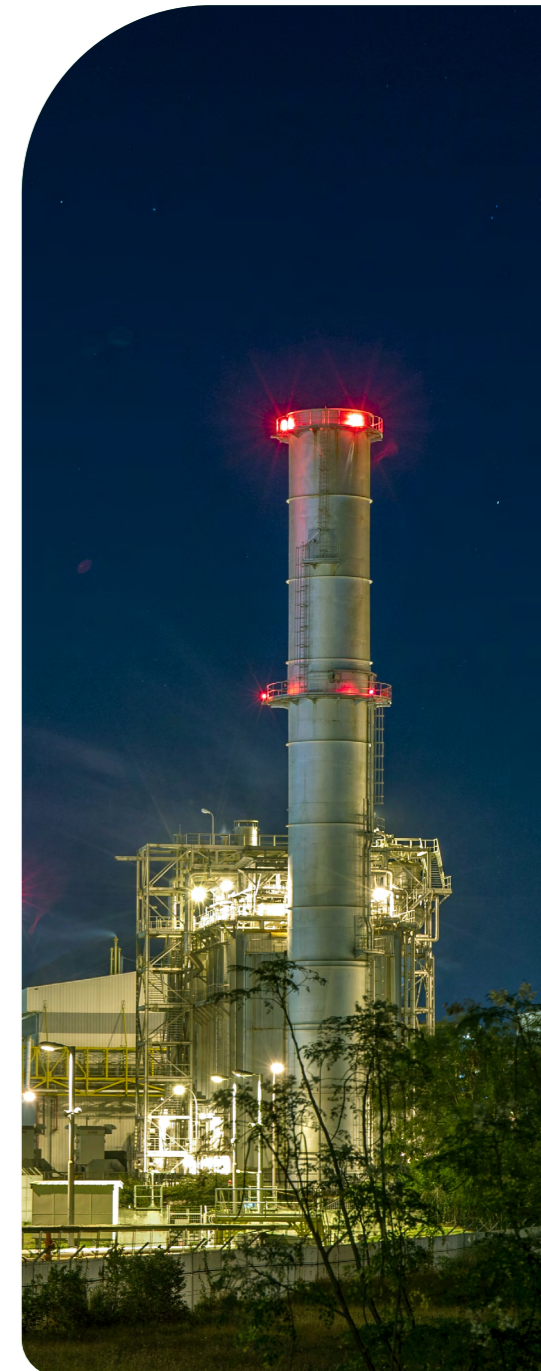
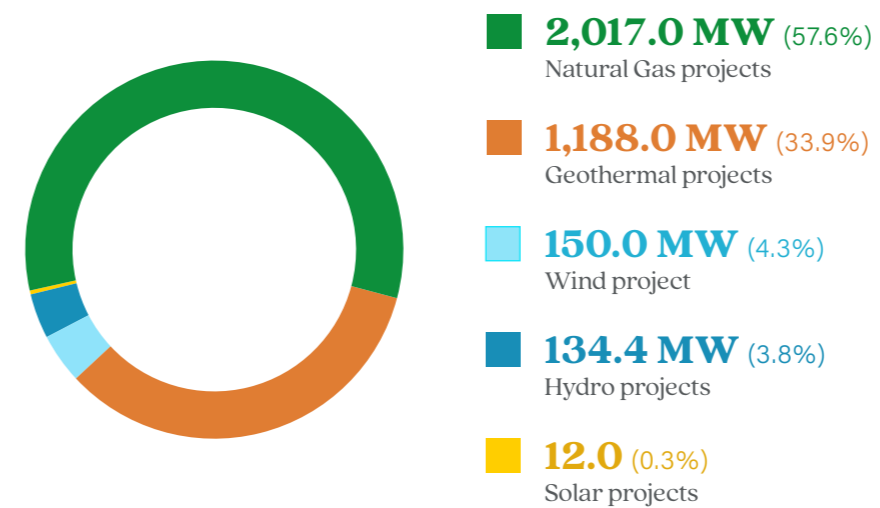
To know more how First Gen's Financial Capital is contributing to the effort to forge collaborative pathways for a decarbonized and regenerative future, please see pages 62–63.

Where We Progressed in 2022	Impact Materiality	Financial Materiality
<ul style="list-style-type: none"> • Increase in RNI • Increase in common dividends declared 	Financial capital increased as First Gen benefitted from servicing the energy supply issues in the market that led to higher electricity prices	

No. of Power Projects



Total Installed Capacity





Operational Highlights

Natural Gas

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

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

Malampaya's natural gas supply continued to be constrained as a result of the gas field's depletion. We experienced several gas restrictions in

2022, until supply to the First Gen Clean Energy Complex (FGCEC) improved towards the latter part of the year. In spite of this, the gas power plants continued to supply electricity to the customers and the grid, with Santa Rita, San Lorenzo, and Avion operating using liquid fuel to ensure consistent operations, contributing significantly to First Gen's revenue. In addition, our contracts helped preserve financial stability in spite of significant market and industry volatility.

	Santa Rita			San Lorenzo			San Gabriel			Avion		
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
Actual Energy Generation (GWh)	7,812.4	6,500.2	6,539.3	3,875.6	3,687.0	3,434.6	2,630.7	1,484.6	1,425.7	372.1	333.2	122.0
Net Capacity Factor (%)	80.6	67.7	68.6	79.1	75.5	69.4	72.3	48.9	38.3	47.9	42.9	14.8
Availability (%)	93.1	86.3	93.1	87.0	94.5	93.7	89.6	81.9	60.3	86.8	84.9	91.7
Reliability (%)	96.3	95.3	97.5	96.4	97.5	96.3	94.3	79.7	70.6	87.9	86.3	82.0
Planned Outage (in hours)	734.2	2,765.9	1,306.6	1,625.1	92.8	139.8	384.1	50.5	1,366.5	218.4	237.7	63.4
Unplanned Outage (in hours)	1,024.4	1,839.7	927.0	482.2	874.5	966.9	251.5	1,268.4	2,112.8	2,083.5	2,389.8	340.0
Generation Efficiency (%)	53.6	52.6	52.9	54.4	53.7	55.2	56.8	56.1	55.8	32.5	31.9	30.1

*2020 Actual Energy Generation for San Lorenzo and 2020-2021 generation efficiency for Santa Rita and San Lorenzo were corrected to reflect calendar year data

*2020 and 2021 unplanned outages were corrected due to revised scope including other outages

Geothermal

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

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

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

	Bacman			Unified Leyte			Tongonan		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Actual Energy Generation (GWh)	1,014.1	970.4	1,025.1	2,927.2	2,949.3	3,389.8	885.8	918.1	929.9
Net Capacity Factor (%)	88.4	87.1	87.6	58.2	58.2	67.6	89.6	93.7	93.8
Availability (%)	96.0	94.3	95.7	93.8	88.2	93.4	92.4	95.8	95.7
Reliability (%)	98.6	96.4	96.4	94.0	90.8	94.2	96.7	99.1	96.4
Planned Outage (in hours)	584.2	432.0	431.9	2,600.7	2,578.8	575.8	1,241.6	904.2	213.3
Unplanned Outage (in hours)	561	806.1	963.9	15,409.6	19,500.7	12,411.6	647.7	224.3	1,078.4

	Palinpinon			Nasulo			Mindanao		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Actual Energy Generation (GWh)	1,195.8	1,054.3	1,110.2	375.2	266.9	320.9	625.2	587.3	693.8
Net Capacity Factor (%)	84.0	75.7	83.0	95.0	70.2	82.6	68.5	66.1	79.0
Availability (%)	92.0	90.8	89.6	100.0	85.8	99.8	95.7	97.6	99.5
Reliability (%)	95.0	94.4	90.3	100.0	85.8	99.8	97.0	99.6	99.5
Planned Outage (in hours)	3,012.4	1,934.1	288.6	0.0	0.0	0.0	0.0	339.9	0.0
Unplanned Outage (in hours)	1,682.5	1,270.5	3,999.3	21.7	1,227.2	21.5	2,460.6	77.2	74.5



Hydroelectric

First Gen Hydro Power Corporation (FGHPC)

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

We briefly benefited from Pantabangan's 120 MW capacity in January of 2022. By the end of December 2022, the Pantabangan reservoir's water level rose to only 200.6 masl, which is equivalent to 105MW of reliable capacity. At the beginning of 2022, this was one of the lowest water elevations observed. It is projected that this low height may impact the 2023 generation.

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

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

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

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

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

With our focused asset management system and conformity with the requirements of ISO 55001:2014, as well as the implementation of energy efficiency and conservation management in compliance with RA 11285, we consistently ensure that we optimize our physical assets throughout their operational life.

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

FG Bukidnon Power Corporation (FG Bukidnon)

Being a run-off river plant, the FG Bukidnon generation's profits and availability of water input are both immediately impacted. The plant's input was low in 2022, particularly in the first half, which led to a 15.7% drop in net generation from 2021.

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

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

	Pantabangan			Masiway			Agusan		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Actual Energy Generation (GWh)	259.3	264.4	255.2	41.4	44.7	39.6	10.2	12.1	9.7
Net Capacity Factor (%)	24.8	25.2	24.2	39.5	42.5	37.6	72.7	86.1	68.9
Availability (%)	92.5	85.6	89.6	95.4	90.1	90.0	92.6	94.6	99.1
Reliability (%)	100.0	100.0	99.9	100.0	99.9	100.0	95.6	99.7	99.8
Planned Outage (in hours)	1,295.4	2,423.2	1,654.5	393.9	848.1	2,169.5	276.9	445.7	58.8
Unplanned Outage (in hours)	2.3	94.7	169.4	2.1	14.2	277.2	375.8	25.2	18.4



Wind & Solar

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

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

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

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

	Burgos Wind			Burgos Solar			Solar Rooftop		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Actual Energy Generation (GWh)	311.9	416.3	367.0	10.2	10.6	10.2	5.2	5.2	5.6
Net Capacity Factor (%)	23.7	31.7	27.9	17.1	17.8	17.0	11.6	11.5	12.3
Availability (%)	97.5*	96.8*	97.9*	PR**=71.9	PR**=74.5	PR**=74.9	PR**=73.6	PR**=73.6	N/A
Reliability (%)	99.9	99.9	99.9	97.4	98.8	98.5	99.3	99.2	N/A
Planned Outage (in hours)	34.3	32.8	28.8	33.6	0.0	0.0	0	66.5	0.0
Unplanned Outage (in hours)	6.2	5	13.4	459.5	194.3	362.8	530.1	618.9	567.7

* Energy-based availability

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



COVID-19 Adjustments

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

We continuously modify methods for testing, case management, disinfection, ventilation, and PPE requirements in light of the local pandemic scenario and modifications to the regulatory standards. To boost protection, effective COVID immunization campaigns and Carbon Dioxide Level Assessment ventilation studies were conducted in

our work sites. Moreover, we developed online booking and payment options for disinfection fees. Carbon dioxide sensors were procured to evaluate the ventilation in all meeting rooms as part of the ongoing endeavor to improve infection prevention procedures in the workplace. This initiative complies with DOLE 224-21, "Guidelines on Ventilation for the Workplaces and Public Transport to Prevent and Control the Spread of COVID-19," which establishes a maximum threshold of 1000 parts per million (ppm) of carbon dioxide as the limit for a room to be deemed safe and adequately ventilated.

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

We completed significant maintenance tasks for both units of the San Lorenzo

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

We also conceptualized and implemented a project to operate our hydroelectric plants in 2022 remotely. It was determined that our plants must run whether or not the required personnel physically report to the plant sites to assure company continuity and resilience. In order to install WESM in Mindanao before its commercial operation begins in January 2023, FG Bukidnon began purchasing real-time monitoring equipment in 2022. The equipment installation is planned for the first quarter of 2023.





Future-Proofing Measures

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

In November 2022, the stone masonry construction along the access road going to Wind Farm East drive was

completed. Through this construction, we mitigated soil erosion and saved PHP1.5 million in costs and 588 hours in manpower.

Although the building of the stone masonry wall is not covered under the Civil Works Contract, we collaborated with the W&S Civil Works Contractor (FBI) to arrange for them to supply labor for the stone masonry wall construction as part of their 2022 activity. EBWPC supplied and delivered all of the materials required for the construction.

Gas supply remained inadequate during the first half of 2022. As a result, many deliveries of condensate fuel and diesel were made to ensure the continuous

operation of Santa Rita, San Lorenzo, and Avion. The second half of 2022 saw an improvement in FGCEC's gas supply. As a result, the FGCEC power plants ran more consistently in the second part of the year.

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

Resiliency Plans

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

The latest emergency response programs and measures were reported to enhance infrastructure, and the power plants continue to carry out all the reported projects and programs. In addition, the Company implemented various emergency response management initiatives at its headquarters, geothermal plants,

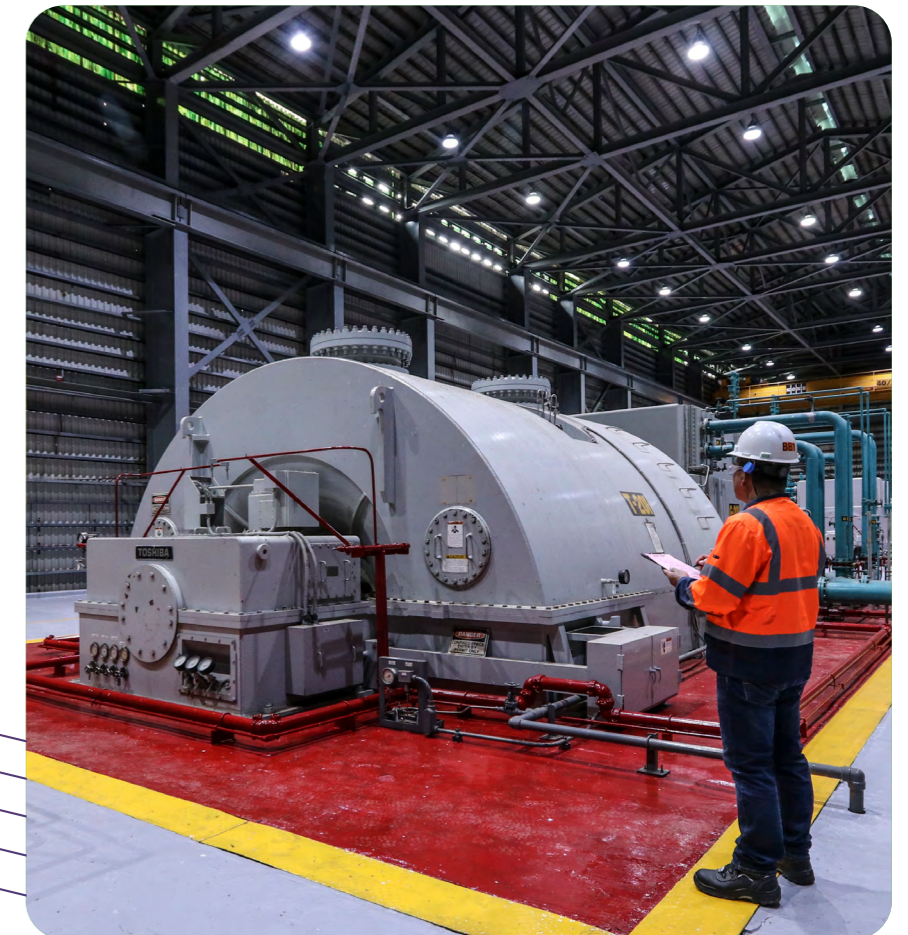
and other locations. These initiatives involved emergency response drills and training, stocking up supplies in case of disasters, and revising relevant protocols.

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

As part of the company's Burgos W&S Natural Catastrophe Resiliency Projects, we completed the Burgos Earthquake

recording instrument installation and the stone masonry wall canal construction beside the substation perimeter fence as a permanent mitigation strategy against soil erosion. The company also continued with engineering controls like building retrofitting projects and Leyte cooling tower replacements, examining the structural problems of buildings constructed in the 1990s.

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



Project Updates

Natural Gas

Interim Offshore LNG Receiving Terminal Project

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

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

Meanwhile, cable pulling is progressing throughout the site, both onshore and on the jetty. The next stage of the project is mechanical completion, followed by commissioning. The tugboats supplied by Svitzer, which will be used to manage the safe arrivals and departures of the FSRU and LNG carriers, are in Batangas Bay and are scheduled to undergo acceptance tests in the second quarter of 2023.

Santa Maria Power Plant

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

Innovations & Sustaining Programs

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

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

According to this program, the flow rate of recorded CH₄ gas leaks in 2022 was considerably less than the 6 cu. ft./hr standard based on the US Methane Standards of 2016. The overall amount of fugitive methane emissions at the FGCEC was 132 tons CO₂eq, which was 98.09% less than the baseline for 2019. The complex's first natural gas leak survey, which will be done twice a year, was completed in December 2022.

FGCEC installed solar PV panels on its properties to significantly reduce the

GHG emissions caused by household power demand. The solar PV panels fall under the category of "change in fuel or power technology" and have been installed at the FGCEC Admin Building and the San Gabriel Warehouse.

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

Similarly, the solar PV panels installed at the San Gabriel Warehouse were installed in 2021 and supply the electricity requirement of the warehouse. These panels generated 280.3 MWh of electricity in 2022 with an equivalent GHG reduction of 100.9 tons.

FGCEC is maintaining its 10-hectare mangrove area at the complex, which has a carbon sequestration potential of approximately 88.4 tons/Ha. We also conducted a pilot project on using seashells as raw materials to produce pavers for the Forest Tree Nursery Driveway in December 2022.



Geothermal

Palayan Binary Project (28.9MW)

For FCRS, the brine piping supply to the binary plant and Fluid Collection & Reinjection System (FCRS) Construction were completed, while the Connection Asset (CA) Construction and Balance of Plant (BOP) Construction were completed at 98% and 88% respectively. In addition, the fencing for the control building was installed for the CA. Overall, the project logged 4.9 million safe working hours without a lost time incident as of December 2022.

Mindanao 3 Binary Project (3.6MW)

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

20-MW Tanawon Geothermal Power Plant

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

28-MW Mahanagdong Geothermal Brine Optimization Plant

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

Innovations & Sustaining Programs

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

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



Project Updates

Hydroelectric



First Gen Hydro Power Corporation (FGHPC)

We formalized our Key Result Area (KRA) for energy efficiency and conservation initiatives for 2022 in compliance with RA 11285 and its implementing rules and regulations according to the DOE DC 2019-11-0014. Our initial target is to reduce our energy

consumption by four percent from our baseline data (PHEP, MHEP, and Housing Compound) or about 52,381.3 kWh. We exceeded our target with an actual reduction of energy consumption of 73,194.46 kWh.

FG Bukidnon Power Corporation (FG Bukidnon)

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

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

Other Project Developments

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

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

Wind & Solar

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



Streamlining Strategies

First Gen pursues operational excellence by ensuring that our targets are streamlined according to the Company goals, capabilities, and ways to play.

Natural Gas

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

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

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

Geothermal

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

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

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

EDC invested PHP 127.0 million in 2022 on its CSR programs across project sites, including initiatives that address the local needs of communities and stakeholders, improve the well-being and promote the culture of indigenous peoples, and improve disaster preparedness and emergency response systems.



Hydroelectric

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

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

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

Our goal is to achieve First Gen's growth objectives through our financial and operational targets, while also progressing in the Aya project construction, which will transform our economic model and increase our overall capacity. We also aim to achieve decarbonization or regenerative partners and customers by partnering with affiliates to increase our BINHI programs' budget.

Wind & Solar

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



Where We Progressed in 2022	Impact Materiality	Financial Materiality	Our Plans
<ul style="list-style-type: none"> Launched various projects to promote decarbonization in its operations Development of projects, plans and activities for the next few years are progressing significantly Met contractual requirements through reliable power generation 	<ul style="list-style-type: none"> Due to COVID-19 impacts and force majeure incidents, First Gen's manufactured capital was slightly compromised. However, some segments managed to sustain and increase their capital. 	<ul style="list-style-type: none"> Due to the delays in project activities and incoming revenue, cash flow was tightened. Accordingly, each business unit controlled and addressed these delays under the direction of FPH. 	<ul style="list-style-type: none"> Continue to work on the maintenance and optimization of our facilities and assets to improve efficiency, reliability and resiliency Expand our clean energy capacity and renewable energy portfolio to further provide reliable and low-carbon power to the grid and our customers Explore and monitor emerging decarbonization technologies

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



Human Capital Performance

In 2022, organizations faced diverse challenges globally, including economic uncertainty and new responses to COVID-19. These circumstances caused changes in the preferences of leaders and talent, creating new potential risks to engagement, culture, and productivity. In the face of these challenges, First Gen prioritized its employees by implementing innovative measures to enhance its employer value.

We emphasized organizational capability and effectiveness through talent, work environment, and change management. We are dedicated to providing our employees with a productive work environment that allows them to be at their best and achieve a healthy work-life balance in the face of ongoing changes in the new normal.



Composition of Workforce

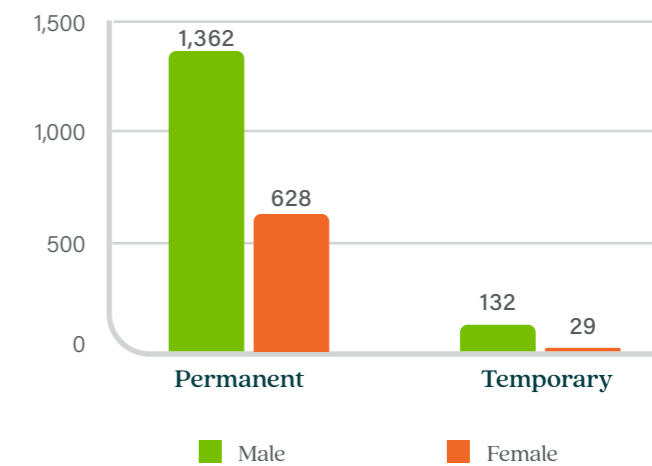
Share of Employees by Gender



69% (1,494)
Male

31% (657)
Female

Share of Employees by Employment Contract

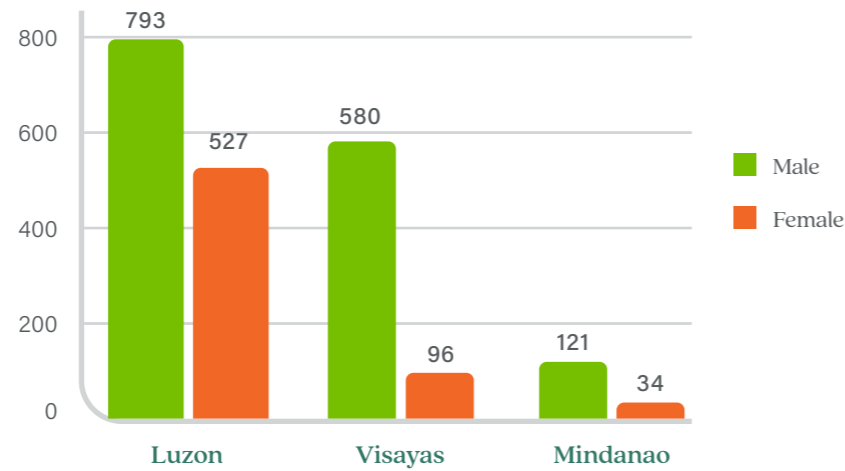




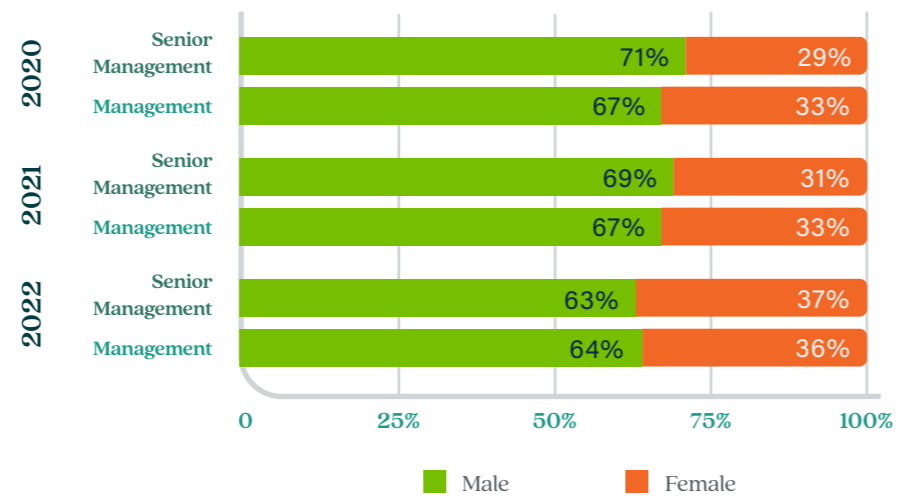
Recruitment

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

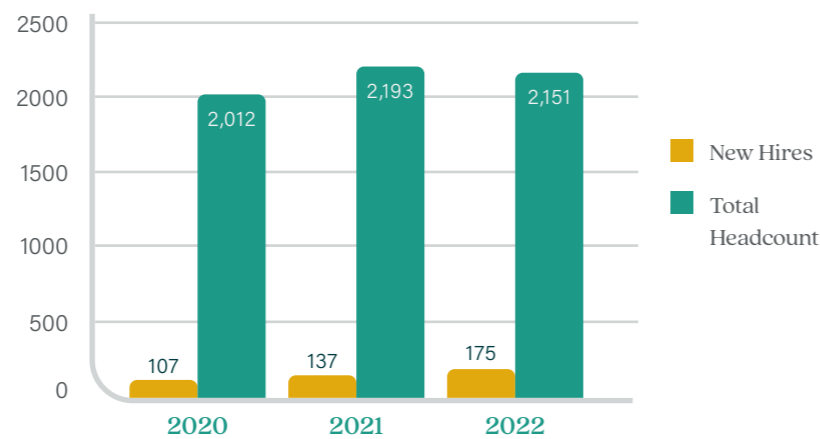
Share of Employees by Location



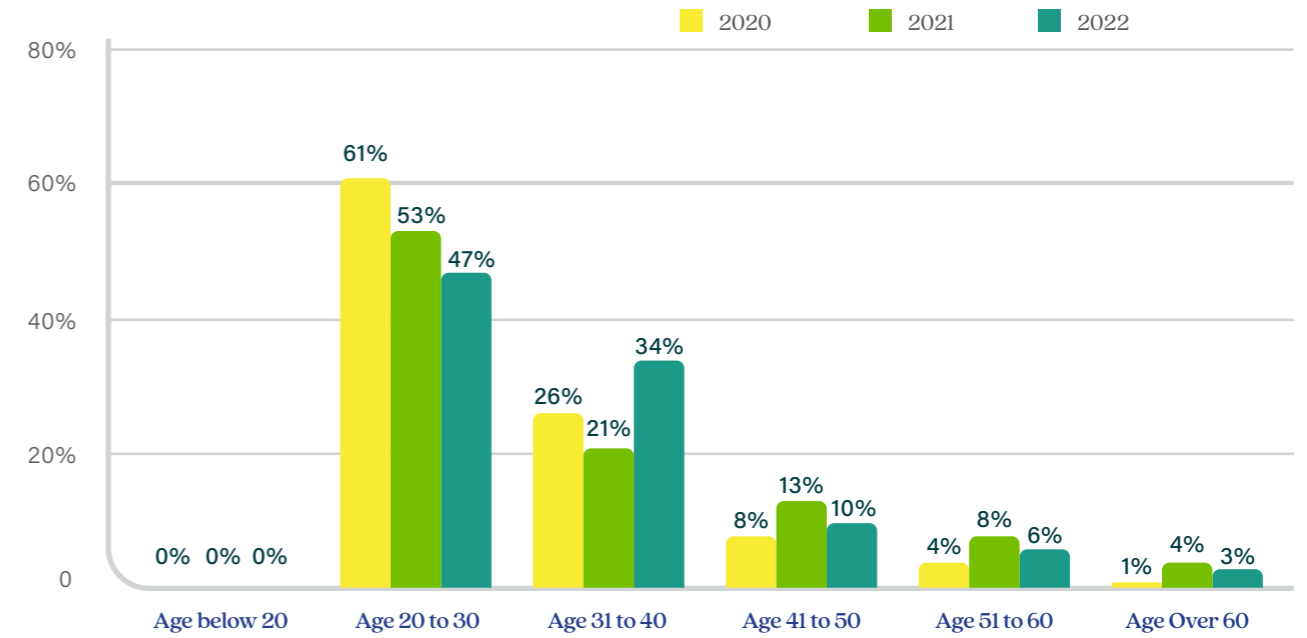
Share of Women by Management Level



New Hires vs. Total Headcount



Percentage of New Hires by Age Group



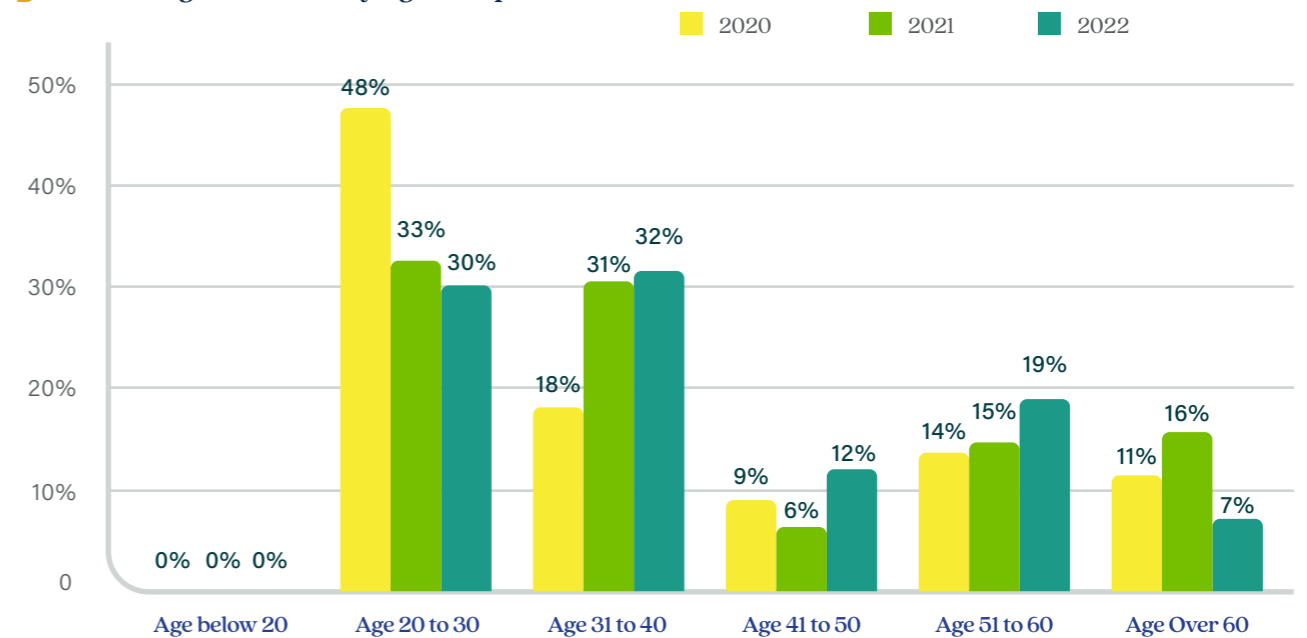
Churn Rate

In 2022, First Gen observed a higher number of workers leaving, which coincided with the current trend of shifting employee preferences and resulting in organizational phenomena like "The Great Resignation" and "Quiet Quitting." The Company recorded a churn rate of 10 percent for the year, which approximates the pre-pandemic rates.

Sixty percent (60%) of separations were voluntary, while 40% were involuntary, mostly cases of end of term contracts and retirements. The top three reasons cited for voluntary exits were career opportunities outside of the Company, personal reasons, and pursuing further studies. 62% of leavers belonged to the age group of 18-40 years old, and 25% were female.

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

Percentage of Leavers by Age Group



Advancing our Diversity and Inclusion Agenda

Our Vision and Targets

The Company ensures that all our employees are paid fairly and have equal opportunities to learn, thrive, grow, and contribute, regardless of their age, sex, and gender. We provide a welcoming, respectful, and safe environment that maximizes our collective potential and cultivates our strong sense of community. We take steps to evaluate and improve various aspects of our workplace.

Area	Target
Corporate Culture and Leadership	<ol style="list-style-type: none"> 1. Seek approval of action plans by management 2. Make Gender Equality and Diversity (GED) and unconscious bias training mandatory, with 100% of employees trained
Attraction and Talent Outreach	<ol style="list-style-type: none"> 1. Increase the proportion of female applicants 2. Develop more First Gen brand/career ambassadors
Recruitment	<ol style="list-style-type: none"> 1. Increase the representation of females in technical positions 2. Incorporate gender balance in the candidate evaluation process

Gender Equality and Diversity (GED)

In 2022, we defined our Gender Equality and Diversity targets for the next three years, focusing on the areas of Corporate Culture and Leadership, Attraction and Talent Outreach, and Recruitment.

We partner with various entities to support our continuing journey. First Philippine Holdings (FPH), First Gen's parent company, signed the UN Women Empowerment Principles (WEPs) in 2022. This enabled access to tools, best practices, and guidance on gender equality and diversity (GED) from the experts in UN Women and UN Global Compact Network. The WEPs are a set of Principles that guide businesses on promoting gender equality and women's empowerment in the workplace, marketplace, and local communities.

In October 2022, FPH received a UN Women Empowerment Principles award from the UN Women and the Philippine Business Coalition for Women Empowerment. FPH achieved the second runner-up spot in the Gender Responsive Marketplace Category. It was recognized for its policies on social safeguards, which encompass

human rights, gender equality, diversity, anti-sexual harassment, and grievance mechanisms for both our employees and stakeholders. First Gen contributed to the achievement as part of the FPH group.

The Company also pursued its collaboration with USAID on the Enhancing Equality in Energy for Southeast Asia (E4SEA), an initiative



designed to promote gender balance and inclusivity in the industry. Under E4SEA, First Gen has been able to enhance its GED capabilities through training, best practice sharing, and coaching support. Several employees underwent the USAID: Engendering Industries: Workforce Gender Equality Accelerated Course Program, equipping them with skills such as:

- Identifying gender equality gaps in our organization;
- Taking targeted, tangible, and strategic action, grounded in assessment, to increase gender equality in our organization;
- Strengthening leadership, change management skills, and exercising more influence to create an equitable and diverse workplace; and
- Effectively engaging both male and female leaders within our organization in support of desired change.

Embedding DEI in people practices

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

- Diversity, Equity, and Inclusion (DEI)-sensitive information collected from both employees and applicants are now optional. Survey forms that collect our workers' gender information now include an option to abstain from disclosure, and job candidates are no longer asked for their gender and age in their application forms.
- The Special Leave for Women and Leaves for Victims of the Violence Against Women and Children (VAWC) Policies were formalized. Although these were already enforced and practiced in the



organization since the enactment of the laws, the policies were instituted to further communicate our commitment to our female employees and our compliance with the law.

- The eligibility of common-law and same-sex partners as dependents for the purpose of medical insurance was recognized and implemented.
- Prescriptions for acceptable office attire have been revisited and expanded for a more gender-neutral and safe work environment.

Employees were trained on Cultivating Psychological Safety in the Workplace and Promoting Gender-Inclusive Workplaces.

- International Women's Month has been celebrated annually in the Company (through events and communications) since 2021.
- We created a Diversity dashboard in Workday, First Gen's HR information system, which provides metrics and insights to HR and people managers on key demographic information of their groups such as gender, age range, years of service, and job levels, and provides other metrics such as internal movements and turnover rates of demographic cuts.
- Engagement survey findings are analyzed according to the various demographic groups such as gender, age group, tenure band, job class, job level, location, and functional group, in order to tailor interventions if needed.

These embedding efforts bore fruit and are appreciated by employees. In the 2022 engagement survey, 91% of the respondents answered favorably in the statement targeting diversity and inclusion, "People in my organization respect diversity and uniqueness of individuals," up by +4% from the 2020 results.



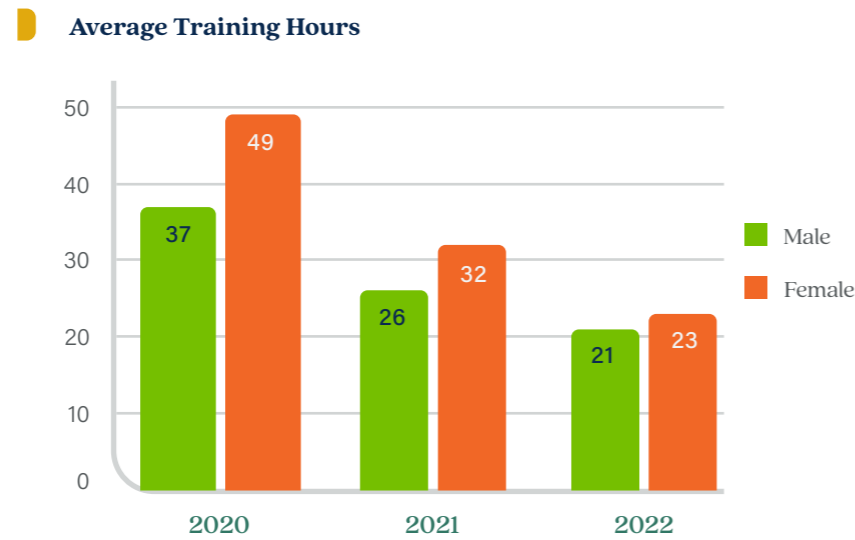
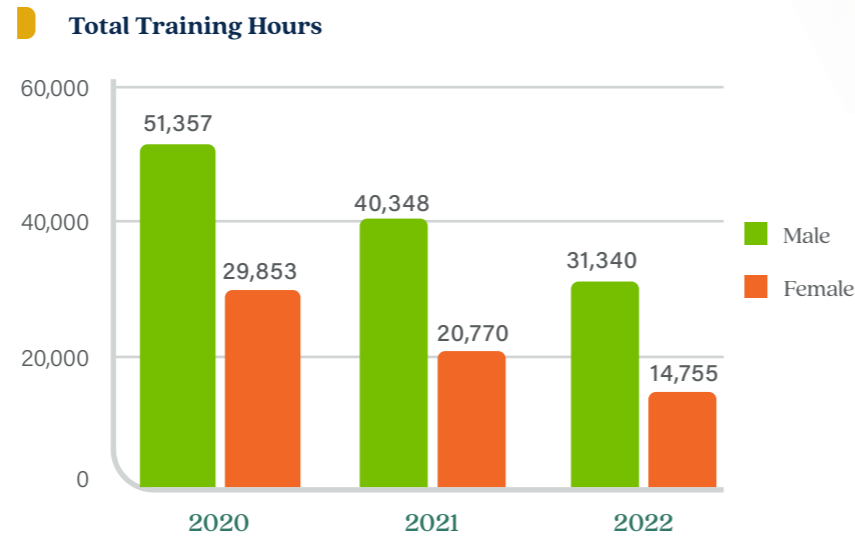
People Training and Development

We provide a work environment that promotes the cultivation of adaptive and lifelong learning. We provide curated learning solutions that help build key capabilities to achieve our growth ambitions and business priorities.

Given the new and evolving business environment, First Gen continues to develop talent by:

- Enabling flexible learning at the speed of need;
- Developing people managers and our future leadership bench;
- Accelerating talent mobility by honing skills for career development; and
- Enabling employees to take charge of their development by providing guidance and access to various modes of learning and development.

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



Learning at the speed of need

The current business landscape requires prompt learning and the application of new skills. In 2022, we continued scaling up "learning delivery at the speed of need" by creating more digital content and increasing access to our learning-on-demand platform. This allowed employees to:

- Access learning content at their time of need and preference;
- Learn at their own pace and immediately practice new skills while in the flow of work;
- Personalize the courses according to their specific needs; and
- Share and get recommended training in an online learning community.

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



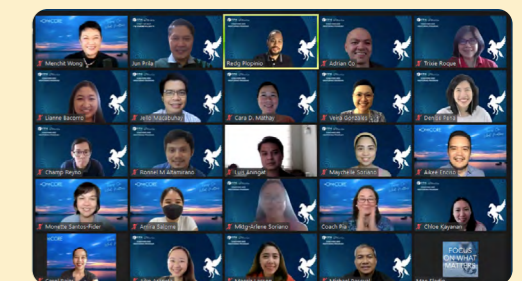
Friday Drop Everything and Learn (DEAL)



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

Coaching and Mentoring

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

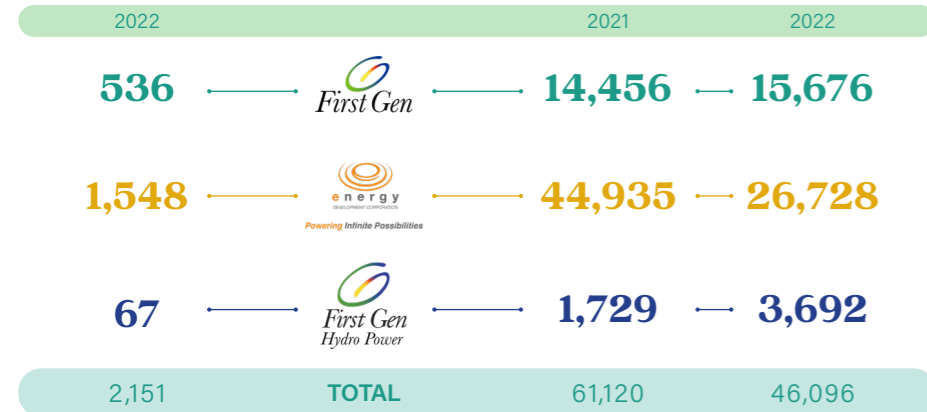


Headcount

First Gen Business Unit



Training Hours



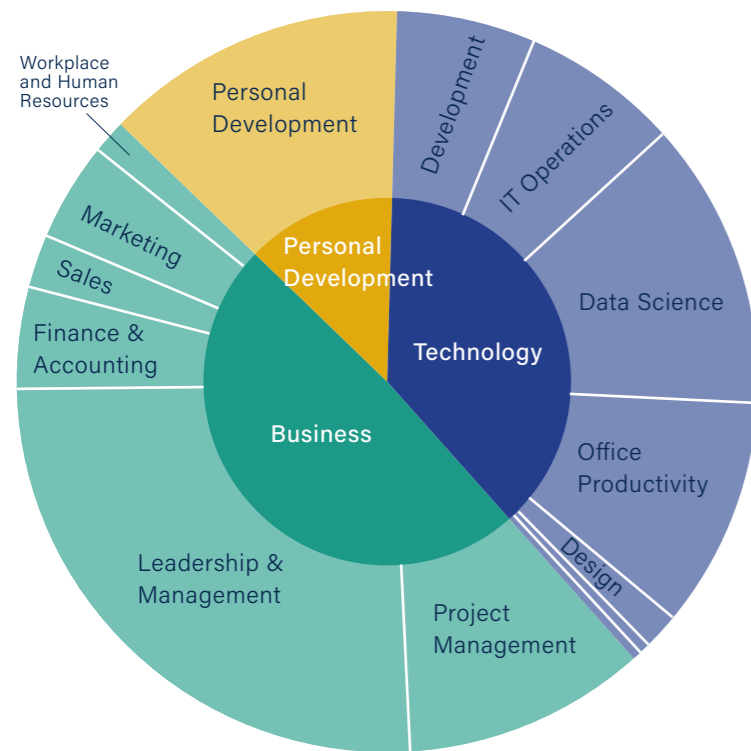
A host of mixed training programs were offered to support the varying needs of our workforce in the areas of leadership development, career development, technical training, and self-help or life skills.

Employee ownership of development

In 2022, a new Employee Development Policy was created to provide a framework and a shared language for employee development, promote employee ownership and initiative in learning and development, and support people managers in facilitating continuous learning and growth. We believe that knowledge goes beyond

the classroom and includes on-the-job training, learning from peers, and both formal and on-demand training. This new policy promotes talent mobility by empowering employees to expand their horizons and prepare themselves to explore possibilities beyond their current roles.

Skills Insights



48.8%

Business Skills

38%

Technology Skills

13.2%

Personal Development



Performance management and individual development plans

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

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



Our commitment to human rights

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

Human Rights Management and Monitoring Plan

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

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



To establish a detailed Human Rights Management and Monitoring Plan, each corporate function conducted a risk assessment within their respective areas of responsibility. The resulting action plans and corresponding timelines were developed to provide a structured framework for implementation and guidance.

Grievance Redress Mechanisms

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

Unaddressed or unacknowledged grievances can result in dissatisfaction and distrust within the organization.

To help prevent these situations, the Workplace Issues Resolution policy and procedure were created to have a fair, rational, efficient, and practical resolution to work-related grievances. The policy covers three actionable issues:

- Concerns involving compliance with interpretation, implementation, or application of company policies, procedures, terms and conditions of employment, and personnel actions, including concerns on salaries and benefits;

- Concerns about working conditions and/or environment; and
- Other work-related issues that give rise to perceived unfairness, disrespect, indignity, arbitrariness, or other similar experiences.

The policy ensures that employee grievances are heard, evaluated, and resolved in a timely manner with their immediate supervisor.



Ensuring compliance with labor standards

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

New policies

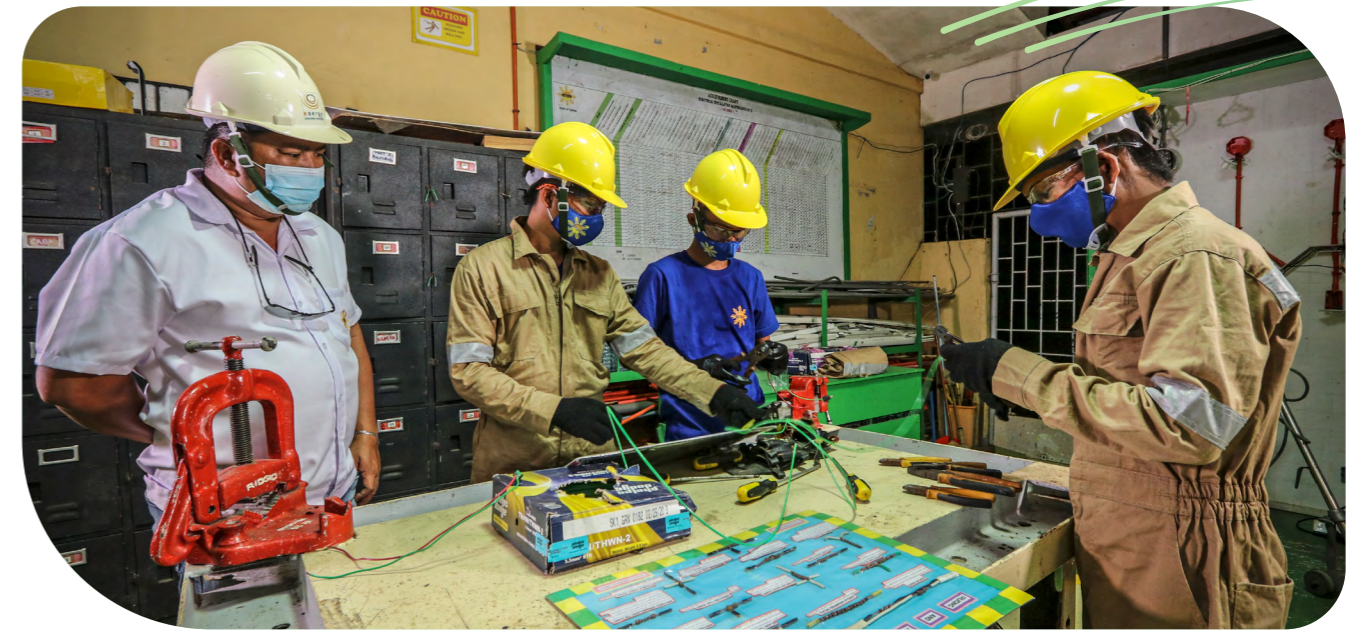
We remain committed to implementing and upholding policies that are designed to facilitate the seamless operation of our business. Specifically, we have taken a strategic approach towards establishing policies prioritizing labor practices, non-discrimination, anti-sexual harassment, occupational safety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

Freedom of association and collective bargaining

In 2022, we concluded 11 Collective Bargaining Agreements (CBA) with 11 Unions across the fleet. Instead of giving out tokens or memorabilia to commemorate the conclusion of the CBAs, both the management panel and union panels agreed to plant trees through the EDC Binhi CommuniTREE and donated a portion of the savings

No to forced labor and child labor

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



Company Remuneration

Employees

Strategy and compensation

At the core of First Gen's compensation philosophy lie three principles:

- Ensuring that compensation programs and policies support the delivery of the corporate strategy and create long-term sustainable shareholder value;
- Pay for performance;
- Keeping our competitive market position in relation to total rewards (base pay, variable compensation, and benefits)

Our compensation philosophy seeks to attract people to join the organization, retain key talent and reward high-performing individuals, and motivate employees to develop their skills and competencies based on the changing demands of their jobs and of the business. The policy applies to the Company's senior management and to the overall workforce.

Our compensation and benefits programs contribute to our business success by balancing market competitiveness and affordability based

on a total compensation approach. These are performance driven, flexible, legally compliant, and are absent of any gender-discriminatory pay practices. The key elements of our compensation structures are annual base salary, fixed bonuses, variable compensation based on annual targets, and employee benefits.

Pay and benefits practices

We ensure regular reviews of pay equity within the organization and the external labor market through the benchmarking of practices. We design our salary structure and benefits package taking into consideration the needs and preferences of our target employee and candidate groups, and, at the minimum, legal requirements. An Employee Benefits Pulse Survey was conducted in 2022 to gather our employees' views on the existing benefits program of the Company, its market competitiveness, and how it can support the future of work in the hybrid environment. The results highlighted the benefits that are important to and appreciated by our employees.

Directors

Directors of the Company receive a standard per diem for attendance at each board meeting and bonuses. Under the Company's By-laws, directors do not receive any stated salary for their services, but per diem in the amount determined by the board of directors may be allowed for attendance at each meeting. A resolution was likewise passed by the stockholders of the Company fixing the maximum annual compensation of the board of directors at a certain percentage of the Company's net income before income tax for the preceding year.

Code of conduct and ethical standards for employees

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



Strengthening our Health and Safety Performance and Wellness Programs



0.14 TRIR

vs. 0.18 TRIR target

0.46 near miss frequency rate

for employees and workers



20 OSH awards received



3084 audits and inspections



30 OSH trainings conducted

130 emergency drills conducted

92% employees completed

the 8-hour Mandatory Health and Safety Seminar for Workers



USD11.6 million

investment on OSH



First Gen received 20 awards and citations from various Occupational Safety and Health (OSH) agencies, which are listed in the Awards section on page 199. The Company's efforts to consistently strengthen the implementation of health and safety practices and programs resulted in zero fatality, with a 0.14 Total Recordable Incident Rate (TRIR) for 2022, surpassing the target of 0.18 TRIR. Two lost time incidents were incurred, and these were reported to Department of Labor and Employment (DOLE) as part of our monthly reportorial submissions, investigated, and addressed with appropriate corrective actions.

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

- a. Developing measurable leading and lagging OSH indicators, with periodic monitoring;
- b. Identifying and assessing OSH hazards and risks planning for mitigating measures using hierarchy of controls, monitoring and appraising the effectiveness of mitigating actions;
- c. Providing OSH training and awareness programs to all employees to help them perform their functions safely;

- d. Complying with OSH regulations and promptly submitting reports;
- e. Integrating OSH programs and safe work practices into operations through the Permit to Work (PTW) system for medium to high-risk works;
- f. Determining and using of appropriate Personal Protective Equipment (PPE) for various tasks, and installing safety and emergency control systems in different areas of operations;
- g. Empowering the employees to report hazards, risks, and incidents to prevent injuries and ill-health; and
- h. Implementing and cascading tools for incident investigation and root cause analysis.

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

First Gen endeavors to comply with the OSH laws and regulations. Lapses in complying with the requirements of Rule 7, Section 33 of the DOE Circular

No. 2012-11-0009 on the validity of safety personnel's permit resulted into a fine of PHP1,220,000.00 by EDC. These incidents were acted upon and addressed. Further, our compliance obligation monitoring process was also revisited and improved.

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

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



At the same time, the Company focuses on enhancing employees' skills and abilities to ensure they can carry out their roles efficiently and safely. The Company sponsored specific training sessions on Occupational Safety and Health listed below, which consumed a total of 4,024 employee hours.

OSH Work-related Training

List of Training	Training Hours
Mandatory OSH Seminar for Employees	520
New Employee OSH Orientation	196
Standard First Aid Training and Basic Life Support with AED Training	1,328
Basic Occupational Safety and Health	920
Drug Assessment Team Training	12
Incident Investigation for Safety and Health Committee Training	144
Loss Control Management Training	80
Hazard Identification, Risk Assessment, and Control (HIRAC) Training	8
Maritime Security Training for Port Facility Personnel	56
Port Facility Security Officer Course (PFSO)	216
Scaffolding Training	176
Authorized Gas Tester Training	204
Lessons Learned Management	9
Manual Handling	9
Driving Safety	11
Compressed Gas Cylinder Safety	6
Behavior Based Safety	9
Critical Eqpt. & Measuring Eqpt.	14
Signals Management	5
Confined Space Safety	11
Lifting Operations	8
Diving Operations	7
Isolations and LOTO Procedure	11
Permit to Work	10
Safety Inspections and Observations	10
Marine Terminal Management	7
ISPS Code Requirements	7
Risk Assessment Methodology	11
Environmental Inputs	11
Safety Systems	8

Emergency Preparedness

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

- Development of the LNG Emergency Response Plan and the Coordinated Emergency Response Plan document to include considerations for the LNG facility in FGCEC
- Finalized the National Energy Contingency Plan (NECP) and Department Circular for the "Big One Scenario" in collaboration with the Department of Energy (DOE)

- Use of Workday Learning on Demand Family Preparedness Videos Releases (5 Modules) – accessible to all employees for knowledge and guidance

Moreover, FPH and First Gen jointly initiated the FPH Emergency Operations Center (EOC) in 2022, a designated primary physical facility with provisions for virtual and hybrid arrangements depending on the circumstances of the emergency event. The EOC activation is triggered by events classified as serious or major that may affect the FPH Group business units. Depending on the scale of the event, the EOC serves as the Central point where information is coordinated, received, analyzed, tracked, distributed, and stored. The determination of enterprise response priorities, development of strategies, and allocation of critical resources to business unit operations occur within the EOC, which also serves as the primary hub for stakeholder coordination and collaboration. Various modes of communication are considered for briefings, information dissemination, and releases. Ongoing EOC capacity-building initiatives are aimed at improving and testing response capabilities and organizational efficiency for a coordinated, effective, and efficient emergency response.

COVID-19 response and regular OH programs

With COVID-19 cases starting to decline in 2022, First Gen adapted the FPH Group and Lopez Affiliates Risk-Based Guide in the Prevention and Control of COVID-19 Outbreak which serves as a playbook for all companies on managing risks until the outbreak is declared endemic. To prevent infections, we continue to use health declaration questionnaires, follow minimum public health standards, offer OH teleconsultation, and vaccination programs to employees and their families. A total of 4518 vaccine booster doses were administered to employees, contractors, and family members.

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

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

Wellness

First Gen's rapid development and expansion can be attributed to the valuable contributions of our talented personnel. However, growth naturally entails increased effort, ranging from heightened workloads to the acquisition of novel skills. In order to attend to our staff's well-being and efficiency, we continued to provide wellness programs and services for the entire company. Despite the easing of health restrictions, we continued to deliver these wellness

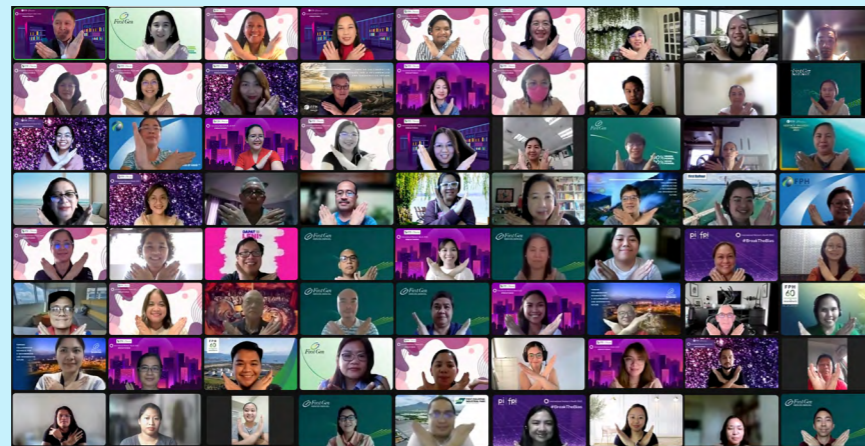
programs and services virtually. The efficacy of these virtual activities, as well as the high level of participation, have confirmed the escalating need for dependable support programs and lessons on self-help and life skills.

The Wellness Wednesdays Program (WWP) that began in 2020 provides monthly education and awareness sessions that promote holistic wellness.

It takes a comprehensive approach to total well-being, including hard skills, soft skills (such as assertiveness, listening, and gender sensitivity), and life skills such as financial management. In 2022, a total of 23 WWPs were conducted, with 479 unique participants attending various learning sessions. Participants responded positively, giving the program an average rating of 3.7 out of 4 for the year.



2022 Wellness Wednesdays Program



Life's WINNING POINTS
December 14, 3:00-5:00 PM

Session Outline:

I. Seven (7) Winning Points

1. Count what you have instead of longing for the things you don't have.
2. Enjoy the mid-life experience and relish the second half of our life.
3. Enjoy the greatest reward with your family, celebrating life victories and triumphs with the most important people in your life.
4. Feed your mind with good thoughts.
5. Be kind to people.
6. Look at the mirror and laugh.
7. Fly high but know where you land!

II. Cultivate an Attitude of Gratitude

Speaker Profile
Francis Kong is one of the most respected business speakers in the country. He sits as an independent director of the Board of Primer Holdings, Incorporated and Mabuhay Vinyl Corporation; held a segment in radio program called "Business Mothers" on DZFE-FM 98.7; columnist for the Philippine Star; author of 24 books and counting, and has garnered several awards for excellence.

Life's WINNING POINTS
DECEMBER 14, 3:00-5:00 PM

SESSION OUTLINE:

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II. Cultivate an Attitude of Gratitude

Francis Kong
SPEAKER

- One of the most respected business speakers in the country
- An entrepreneur, a broadcaster, a columnist and an author
- Has garnered several awards for excellence
- Ranked no. 1 in LinkedIn's list of Top Filipino Professionals to follow for learning and inspiration* three years in a row. In 2021, he was inducted a Hall of Fame Award and in 2022, he is ranked no. 1 in the Philippines' Top 50 Leaders on LinkedIn.

Make Your Self-Care Products
September 28 | 3:30-5:00PM

Speaker: Bernadette Lim
Certified fragrance specialist and perfumer. Owner of BC Fragrance and Founder of Scentrepinoy.

Make Your Self-Care Products
September 28, 3:30 - 5:00 PM

Outlines:

1. Importance of self-care
2. Essential Oils, the self-care (Modes of Use)
3. Safety & Precautions (Sensitivities, Considerations, Risks)
4. Live Demonstrations
 - 4.1 DIY Exfoliating & Moisturizing Face Scrub
 - 4.2 DIY Yarn Candles
 - 4.3 DIY Mood-Boosting Room Mint

Speaker: Bernadette Lim
Certified fragrance specialist and perfumer. Owner of BC Fragrance and Founder of Scentrepinoy.

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

While the Reach Out initiative was well established, we investigated additional avenues to provide support. This led to the development of the Here4U program, which offers employees the opportunity to have mental health check-ins with trained volunteer employees (confidants). The confidants undergo certification and continuous training as psychological first-aiders.

This program aims to create a more accessible and relaxed environment for conversations, as employees are made aware that they have colleagues they can trust and turn to for support during

times of difficulty arising from work, family, relationships, or other personal matters. As of December 2022, 21 psychological first-aiders completed the training, composed of employees from First Gen and companies within the Lopez group.

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

Understanding the 'Voice of our People'

First Gen's Employee Engagement Survey

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

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

- The Engagement Index remains significantly above the Philippines Norms by +10%.
- Engagement Index by gender were at 73% (male), 62% (female), and 41% for (other gender/prefer not to say). A third gender category, "I prefer not to say," was introduced in 2022.
- Company culture, values and care for employees are what employees like best about working at First Gen

	2018	2020	2022	Change from previous survey
Engagement Index	59%	72%	67%	-5
Participation Rate	91%	97%	98%	+1

- Commitment to the vision and mission and responsible corporate citizenship are widely admired by employees
- Many employees value the hybrid / work-from-home scheme and want it retained

- Highest scoring organizational climate statements relate to the Company's care for the community, employee well-being, and health and safety
- 91% of the respondents answered favorably in the statement targeting diversity and inclusion

Pulse Survey

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

Employee Communications

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

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

Our New Ways of Working

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

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

norms is unique and is reflective of the best and most effective work practices from each department.

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

Company business processes have evolved significantly to maximize digital tools. Accounting and procurement processes are enabled by apps and automation, as are various approval, documentation, and customer management processes. HR operations

have primarily operated through virtual means, encompassing recruitment, employee benefits, onboarding, and a majority of training sessions conducted through digital channels. Additionally, the Company employs digital and multimedia channels to ensure employees are informed effectively and efficiently.

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



Our Sustainability Highlights in 2022 and Plans for 2023 and beyond

Where We Progressed in 2022	Impact Materiality	Financial Materiality	Our Plans
<ul style="list-style-type: none"> Signing of the UN Women Empowerment Principles (WEPs) and receiving an award from the UN Women and the Philippines Business Coalition for Women Empowerment were key steps to embracing gender equality and diversity into our culture Gaining ground in the human rights front with the crafting of plans and action steps to mitigate potential risks identified in the value chain Passage of new policies and practices for a more inclusive workforce Bringing to life the hybrid work principles that guide employees on approaches to our new ways of working Solid employee engagement scores related to diversity, health and safety, employee wellness, and learning and professional development Improved training statistics as a result of continuous offering of on-demand training programs Loss of employee headcount (net hire ratio below 1) Reduced overall training hours and average training hours per employee Decline in Employee Engagement Index, but still above the Philippine Norms 	<ul style="list-style-type: none"> Most of the human capital sustainability areas that are material to our business were created and preserved in 2022. 40% of those who left the company were mostly cases of end of contract and retirements. On the other hand, the rate of new hires was +8%. We believe it continues to preserve value for the business. Though the use of the on-demand training platform was for a specific business of First Gen, it generated a significant increase in training hours for the BU. 	<ul style="list-style-type: none"> If the trend of voluntary attrition or the “Great Resignation” continues, the cost of hiring to replace vacant positions may increase Deployment of retention strategies and programs to keep our key talents and high potentials may impact the company’s financials. 	<ul style="list-style-type: none"> Allocation of human capital for growth projects Scale up human capital allocated to creating value for regenerative partners

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

Social and Relationship Capital Performance

Collaborative Effort to Create Value with Stakeholders

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

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

In line with the Company’s mission of decarbonization and regeneration, First Gen maintains its dedication to sharing value creation with its stakeholders through ongoing engagements and partnerships. The Company develops programs with the goal of fostering stakeholder collaboration in the development of future-proof and climate-resilient solutions while positively influencing its stakeholders.

Results of Stakeholder Engagements

Stakeholder Group	Concerns/Challenges raised	Engagement channels	Ways to address the concerns/challenges	Outcomes
Employees	<ul style="list-style-type: none"> Employee’s safety, health and well-being Impact of COVID-19 to the business Suitable work processes 	<ul style="list-style-type: none"> Active communication channels Employee engagement surveys Virtual town halls 	<ul style="list-style-type: none"> Adapted to a hybrid workforce and to new ways of working Holistic approach on implementation of well-being programs Massive, rapid workplace vaccination program Safeguarding of decent working conditions and fair employment 	<ul style="list-style-type: none"> Zero fatality 67% Employee Engagement Index
Customers	<ul style="list-style-type: none"> Power supply availability and reliability Value-added services 	<ul style="list-style-type: none"> Yearly customer feedback survey Customer support 	<ul style="list-style-type: none"> Quick response and resolution to customer concerns Diverse and enhanced value-added services 	<ul style="list-style-type: none"> Increase in number of customers from 157 to 297 42% availment of VAS in 2022
Suppliers and Contractors	<ul style="list-style-type: none"> Professional business partnership Health and safety of contractors’ workers at First Gen’s premises 	<ul style="list-style-type: none"> Vendor accreditation and post-accreditation processes Regular contractor meetings 	<ul style="list-style-type: none"> Enhanced the vendor accreditation process to include ESG criteria in accrediting suppliers and contractors Work-in-progress audits to ensure compliance to ESH requirements Continued implementation of stringent COVID-19 protocols at work sites 	<ul style="list-style-type: none"> Zero fatality Healthy and safe workplace

Table continued on next page

Stakeholder Group	Concerns/ Challenges raised	Engagement channels	Ways to address the concerns/ challenges	Outcomes
Regulatory Bodies	<ul style="list-style-type: none"> Compliance with regulations and reportorial requirements 	<ul style="list-style-type: none"> Regulatory reports (monthly, quarterly, and annual) Participation in organized online dialogues and consultations 	<ul style="list-style-type: none"> Ensured timely submission of required reports Continued compliance to regulatory requirements including new laws and regulations 	<ul style="list-style-type: none"> Compliance with regulatory requirements 92% of completion to the 8-hour Mandatory OSH training
Communities	<ul style="list-style-type: none"> Assistance to community Water and waste management impacts to communities Communication and information 	<ul style="list-style-type: none"> Partnerships and livelihood programs Regular dialogues with partner community organizations 	<ul style="list-style-type: none"> Invested in community development and livelihood programs Disaster response and relief operations COVID-19 management assistance Waste management and responsible use of water 	<ul style="list-style-type: none"> 550 scholars supported 23 livelihood projects generating PHP 22 million net revenues and labor contracts PHP 201.9 million worth of investments in CSR activities 67,020 doses of COVID-19 vaccines donated to 14 LGUs
Investors	<ul style="list-style-type: none"> Return on investment Information and updates on the Company 	<ul style="list-style-type: none"> Annual Stockholder Meeting Company Website ESG disclosures and reports 	<ul style="list-style-type: none"> Reliable business operations Disclosures of useful information about the Company 	<ul style="list-style-type: none"> Timely response to surveys and queries of investors



Building A Decarbonized Future with Customers

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

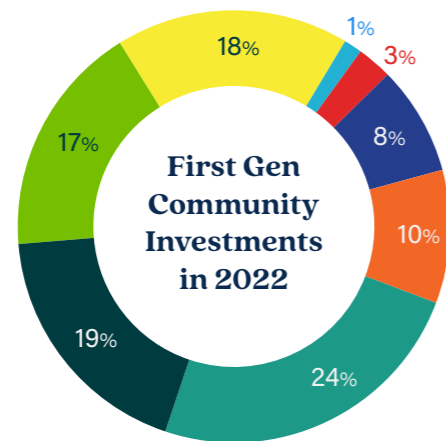
These resulted in 297 customers in 2022, with a 47% increase of customers

from 2021. This yielded significant growth on contestable customers, Green Energy Option Program (GEOP) end users and distribution utilities/electric cooperatives.

The Company enhanced its customized value-adding services (VAS) by increasing its VAS projects to 221% in 2022 compared to the previous year. The services provided to customers include, but are not limited to, energy

management services like energy audits, system loss reduction, thermographic inspections, and transformer testing; sustainability programs like green branding partnerships, CSR activities, RE power plant tours, and APX register; and capability building services like lineman training, succession planning, and business continuity seminars. Out of the 297 clients served in 2022, 108 received VAS.

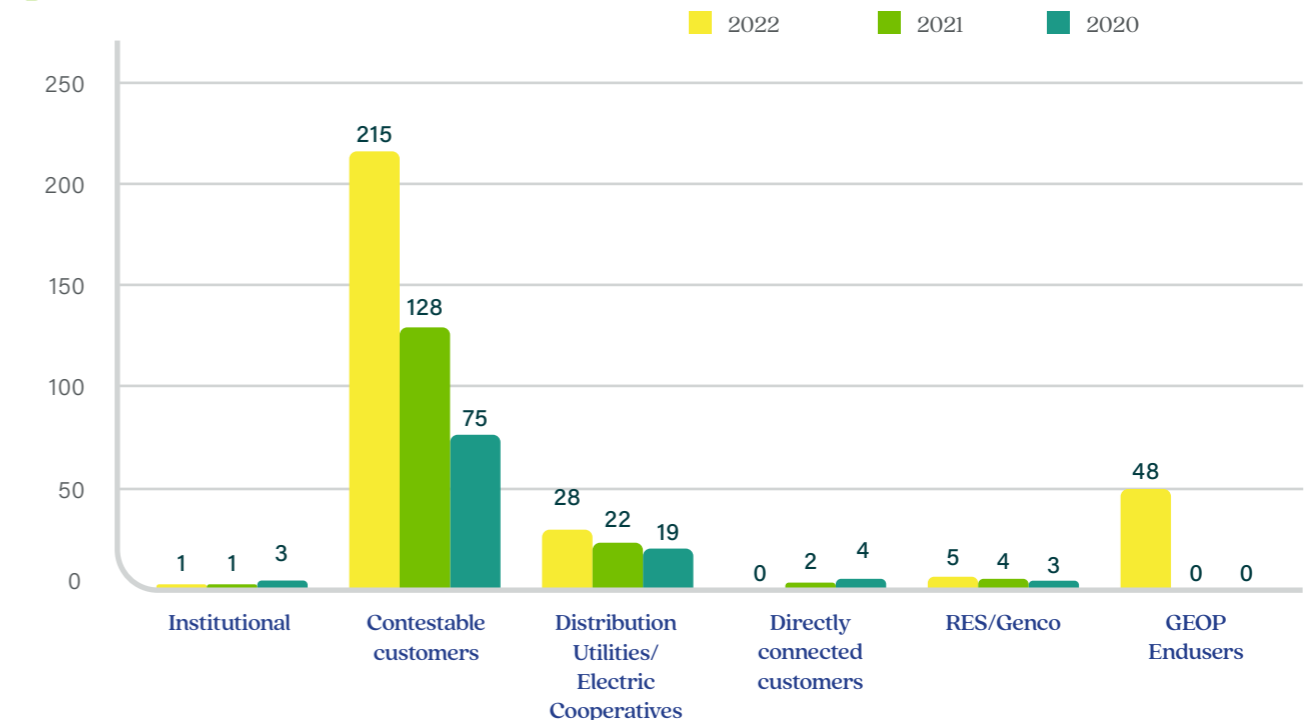
In 2022, First Gen and its subsidiaries invested PHP 201.9 million (USD 3.62 million) in CSR programs to support its decarbonization and regeneration mission. These prioritized education, livelihood, environment, community health and safety, disaster relief and response, and local culture.



Through social acceptability, support, and cooperation from its stakeholders, First Gen's social and relationship capitals have indirectly added value to the Company's operations. First Gen continues to build and protect values for its stakeholders by providing reliable and clean power while ensuring their access to safety, health, well-being, and opportunities to improve their quality of life.

Education	PHP 35.2 million	Emergency Response and Relief	PHP 20.1 million
Environment	PHP 35.2 million	Livelihood	PHP 16.5 million
IP Upliftment Initiatives	PHP 37.5 million	Health	PHP 5.3 million
Stakeholder Engagement and Institutional Development	PHP 49.2 million	Employee Volunteerism	PHP 2.7 million

Number of Customers in 2020 to 2022



Growing Together With Partner Communities

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

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



Brigada Eskwela



Brigada Eskwela

Continued Access to Education

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

In 2022, First Gen provided 30,849 students and teachers with school supplies, assisted 89 schools for blended/modular learning, and assisted 51 scholars with their education.

Meanwhile, EDC supported 499 scholars across its project sites through its banner education program SIKAT in 2022. EDC provided financial assistance and mentoring support to students who are mainly from the most disadvantaged youth groups and

indigenous communities. Aside from the financial support for its scholars, EDC also engages and empowers them to become passionate and values-driven advocates of regenerative development. The scholars engaged in a variety of environmental projects, advocacy campaigns, community involvement and voluntary activities, and action research initiatives to assist address various environmental concerns in their communities. EDC also continued its bi-monthly webinar series called SIKATalks which serves as a platform for coaching and mentoring of the current SIKAT scholars by EDC employees and SIKAT

graduates. It aims to help the scholars with their holistic development.

EDC continues to partner with education institutions, local government units, and education foundations to implement scholarship programs and other initiatives that benefit EDC's host communities in Mt. Apo, Leyte, and Ilocos Norte. Through Keitech Educational Foundation, Inc. (Keitech), a technical-vocational training institute established by EDC, 203 scholars were provided with technical training in 2022. In addition, EDC continued to support the Mt. Apo Foundation,

Inc. (MAFI) by providing scholarship grants to 22 deserving students from Mindanao. In Ilocos Norte, EDC donated a mobile school called "School on Wheels" equipped with laptops, printers, and internet connection. This reached out to students and supported their distance learning programs under the Department of Education. EDC also partnered with LiteHaus International to provide laptops to 20 elementary schools in Kidapawan City giving technology access to students from an indigenous community.



Enabling Community Development

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

First Gen, together with its partners SEARCH Foundation and the Maraiging Mamanwa Farmers Skilled Workers Association (MAMAFASWAS), successfully implemented a 2,000 square meter pilot farm in Barangay Maraiging, Jabonga, Agusan del Norte. During its launch in August 2022, members of the MAMAFASWAS and their guests harvested various vegetables including ampalaya, kalabasa, talong, sitaw, bell pepper, and tomatoes. The pilot farm is part of the community-building initiative Mamanwa Agroforestry Social Enterprise Development Plan (MA-SEDP).





First Gen continued to partner with Connected Women in the implementation of the Elevate AIDA (Artificial Intelligence and Data Annotation) Program which aims to accelerate women empowerment in the digital age, by building their own economic resilience through technology skills, communication, and remote work which will provide equal opportunity for women and improve their overall quality of life including their families. Twenty women from First Gen host

communities graduated in 2022 from this program.

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



Enhancing Resilience of Communities

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

Building a Climate-Resilient Future

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

three schools and various external stakeholder groups.

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

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

to aid them in preparing their Local Climate Change Action Plans (LCCAP). The training on emergency and disaster preparedness focused on actual exercises and tested the participants' analytical and practical understanding in an emergency situation. This was participated by individuals from nine municipalities including Lobo in Batangas, Jabonga in Agusan del Norte, Pantabangan and Carranglan in Nueva Ecija, Alfonso Castaneda in Nueva Vizcaya, Maria Aurora in Aurora, Manolo Fortich and Impasug-ong in Bukidnon, and Caramoan.

In September 2022, First Gen signed a Memorandum of Understanding (MOU) to support the Batangas City local government in the rehabilitation of a two-hectare dumpsite and its development into an Eco-Park, an eco-friendly facility for the local residents and a sanctuary for wildlife in the city. First Gen continues to collaborate with

local government units, agencies, and local community members to protect the environment through the BINHI program which involves reforestation of denuded areas and protection of terrestrial and marine biodiversity,

while providing the host communities and organizations with alternative sources of income. In 2022, four farmer associations and peoples' organizations were awarded with PHP 7,191,522 worth of labor contracts.



Preparing and Responding to Disasters

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

In partnership with the local governments of Sorsogon City, Ormoc City, Kidapawan City, Kananga, and Valencia, EDC conducted a three-day training exercise "All Hazard Community Emergency Response & Austere Environment Rescue" to enhance the community's emergency preparedness and response.

EDC also signed a memorandum of agreement with the Sorsogon City Disaster Risk Reduction Management Office (CDRRMO) for the installation of a very high-frequency repeater

system at the EDC radio tower facility to strengthen and improve the radio communications within the 64 barangays of Sorsogon City.

In Ilocos Norte, EDC partnered with the Office of the Municipal Disaster Risk Reduction and Management to conduct its third Municipal Rescue Olympics which aimed to enhance the capabilities of rescue volunteers to respond more effectively during emergencies. This activity was participated in by volunteers from Emergency Rescue Teams from 11 barangays of Burgos.

First Gen conducted several operations to provide relief assistance amounting to PHP 2,010,000 to 3,620 disaster-stricken families in Nueva Ecija and Nueva Vizcaya who were affected by Super Typhoon Karding. Meanwhile during the first quarter of 2022, EDC and its employees extended financial assistance worth PHP 2.79 million to two barangays and nine municipalities in Leyte who were affected by Typhoon Odette. A few months later, Leyte was impacted by tropical cyclone Agaton prompting EDC to provide relief assistance amounting to PHP 1.2 million to affected communities.



CREATE FOR THE CLIMATE
ENGAGE · EDUCATE · EXPRESS · ECONOVATE

Strengthening Local Health Programs

First Gen understands that community health is a key driver of economic development and a key component in realizing the Company's regenerative goals. As a result, First Gen conducted clinics in 189 communities, offered medicines and healthcare supplies to 91 barangays and 5,629 people, and supported 10 children through a feeding program through its various health programs.

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



In May 2022, EDC donated medical supplies, equipment, and furniture worth PHP 262,000 to two newly-constructed health centers in Brgy. Nagotgot, Manito, Albay and dental equipment to the Dental Health Unit in Kananga, Leyte. This provided safe dental services to 23 barangays within the municipality.

In Ilocos Norte, EDC partnered with Barangay Poblacion to implement a 30-day supplemental feeding program for underweight children. In addition, the Company donated supplies and equipment to 11 Barangay Health Units in Burgos, Ilocos Norte.



Continuing COVID-19 Response

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

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



Creating A Safe Workplace and Community Environments

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

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



CESHM Activities

CESHM Pre-Qualification Evaluation	<p>A total of 19 identified contractors for Pre-Qualification were monitored and evaluated by ESH representatives.</p> <p>All contractors were assessed on the environmental and social criteria set in the CESHM guidelines and checklist.</p> <p>About 52% of the contractors were assessed to have potential social and environmental impacts due to insufficient compliance with the DOLE and DENR requirements. Non-compliant contractors were given a reasonable timeline to comply and provide regulatory requirements documentation.</p>
Work-In-Progress Audits	<p>ESH representatives conduct Work-In-Progress (WIP) Audits to verify compliance and ensure implementation of First Gen ESH requirements on site.</p> <p>19 WIP Audits were conducted for 15 identified contractors for First Gen</p>
Post-Project Evaluation	<p>Collaboration among Procurement, Corporate QES, site ESH focals, and project proponents.</p>

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

LNG Terminal Project:

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

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



First Gen Clean Energy Complex – GKK Awards Regional Winners

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



Where We Progressed in 2022	Impact Materiality	Financial Materiality	Our Plans
We increased our customers, our primary regenerative partners, through improved value adding services that cater to individual customer needs.	By increasing the customers we serve, we support the country's transition to renewable energy.	Increase in our net revenues	We will continue to enhance our value-adding services (VAS) through various VAS projects to provide our customers more opportunities to contribute to our decarbonization and regeneration efforts.
We formed and maintained synergistic relationships with the communities through our CSR initiatives that provide them continued access to education, enable community development, and enhance their resilience.	Through continued collaborations towards regeneration and decarbonization, we promote a shared prosperity for a better and regenerative future with the communities.	CSR initiatives and other key stakeholder activities entail operational costs and investments.	We will continue to embark on initiatives that will make our host communities resilient such as livelihood projects, emergency response capability-building and IEC.

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

Intellectual Capital Performance

First Gen consistently accounts for the intangibles that equip and enhance its mission and credibility, such as digitization, data security, organizational systems, and related practices. In 2022, processes involved in utilizing our intellectual capitals were improved based on risk assessments, technology development, and hybrid employee work arrangements.

Maintaining Sustainable Practices

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

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

First Gen Subsidiaries	Scope of IMS
FGPC/FGP/FNPC	Asset management of Santa Rita, San Lorenzo, and San Gabriel natural gas power plants
PMPC	Operations and maintenance of Avion Power Plant
EDC	Development and maintenance of geothermal resources and operations and maintenance of the FCRS, power plants, and switchyard of EDC's geothermal facilities, including all support processes of EDC Green Core Geothermal Incorporated (GCGI), and Bacman Geothermal Incorporated (BGI).
FGHPC	Operation and maintenance of Pantabangan and Masiway Hydroelectric Plants
FGBPC	Operation and maintenance of 1.6-MW Hydroelectric Plant

- ✓ Certified to ISO 9001, ISO 14001 and ISO 45001
- ✓ Annual internal audits
- ✓ Annual corporate audits
- ✓ Annual third party audits

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

Maintaining the management systems and alignment of sustainable processes and practices enabled the organization's

efficient and safe operations, reliable power delivery to customers, and compliance with regulatory requirements while preserving the environment and maintaining good relations with the community.

Upgraded Digital Solutions to Meet Challenges and Demands

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

Since information security or cybersecurity is one of the Company's identified risks, we are integrating the mitigating and preventive programs into our BCM. The Company gives due importance to the protection of information, systems, and infrastructures and the continuity of its

operations in the event of a cyberattack or other security breaches.

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

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

Data privacy policies and information security management system (ISMS) procedures, standards, and guidelines are developed to test and update existing processes in order to match the demands of an evolving threat landscape, which include regular



penetration testing and vulnerability scanning, and updating of software and systems which ensure protection against known security vulnerabilities.

In summary, First Gen's information security and business continuity programs are essential components of its overall continuity plan and

help to protect information, systems, and infrastructures and ensure the continuity of operations in the event of a cyberattacks or other security breaches. It includes risk assessments, the implementation of various security measures, incident response procedures, employee education

and training, and regular testing and updating.

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

Stakeholders	Manner of engagement	Frequency of engagement	Concerns/Challenges raised	Ways to address the concerns/challenges	Outcomes
Employees	Joint Business Plans, project engagements, service requests and incidents, general advisories and communication, customer satisfaction surveys	Weekly	Technical / digital tools to build business capabilities to meet strategic goals, project management requirements and guidance, tech issues and concerns	<ul style="list-style-type: none"> Formal processes to identify priorities (Joint Business Plan) Weekly cadences Management of lights on incidents and requests Initiating IT solutions/ programs/project management 	<ul style="list-style-type: none"> Efficient delivery of outputs
			Operational Technology Infrastructure – infrastructure reliability and capacity becomes a challenge with the number of new system tools and applications being implemented	<ul style="list-style-type: none"> Procurement of additional IT devices and improved network connectivity through enhanced WIFI connection 	<ul style="list-style-type: none"> Improved network reliability Less connectivity downtime
IT Vendors and Suppliers	Regular service reviews, consultations and/ or deep-dive sessions to look into business requirements, and project execution cadence.	Weekly	Capturing ongoing requirements, meeting support and maintenance of Service Level Agreements, contracting, project execution cadence.	<ul style="list-style-type: none"> Formal service reviews Project cadences Incident management/ problem management/change management processes 	<ul style="list-style-type: none"> Improvement and timeliness in contracting and delivery processes
Regulatory agencies	Meetings for rollout and clarification of new rules, regulations, and procedures	As needed	Compliance	<ul style="list-style-type: none"> Compliance monitoring 	<ul style="list-style-type: none"> Compliance

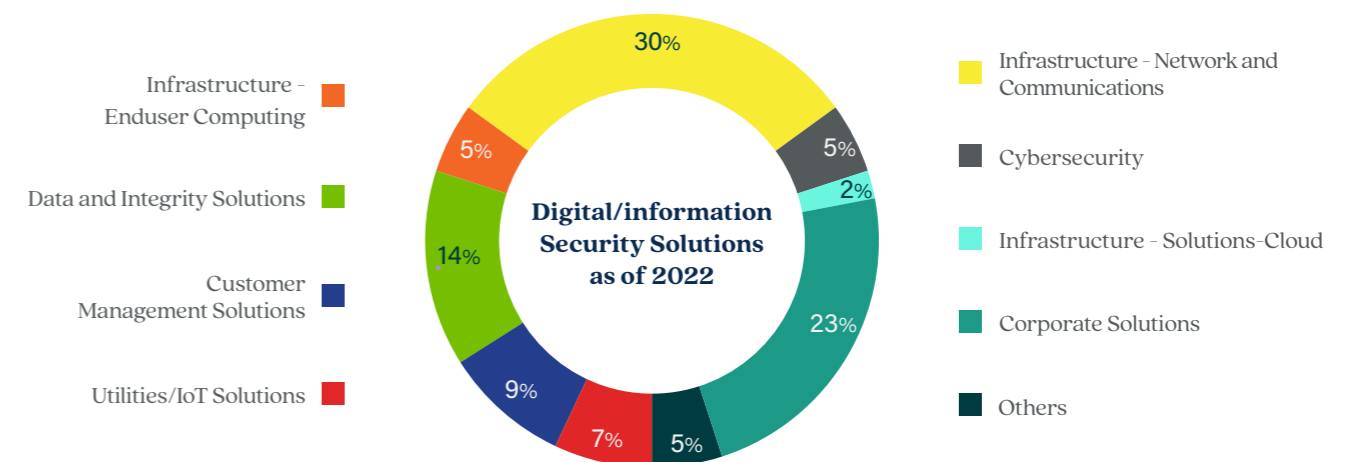
With the results of stakeholder engagements, risk assessments and challenges brought about by the hybrid work arrangements, cyberattacks, and systematic data management, several information technology (IT) or information security (infosec) programs

added to the Company's digital solutions in 2022. The cost of investment in IT and cybersecurity software, tools and systems in this reported year amounted to USD 5.3 million, having a minimal decrease from the USD 5.6 million investment in 2021. These

solutions aim to address the following: 1) cybersecurity/infosec risks that surmised during risk assessments; 2) process improvement and efficiency; 3) compliance; 4) stakeholder value; 5) process safety; and 6) culture transformation.

SOLUTIONS	STAKEHOLDER VALUES						STAKEHOLDERS IMPACTED
	Risk Detection/ Mitigation	Process Improvement & Efficiency	Regulatory Compliance	Stakeholder Relationship	Process Safety	Culture Transformation	
1. Records Management System (RMS)		X				X	<ul style="list-style-type: none"> Management Employees Operating sites - Head Office (HO), FGCEC, FGHydro
2. RBC Refresh Project		X				X	<ul style="list-style-type: none"> Management Employees Visitors Operating sites - HO, FGCEC, FGHydro
3. IT Managed Security Operations	X		X				<ul style="list-style-type: none"> Management Employees Operating sites - HO, FGCEC, FGHydro Customers Regulatory agencies
4. SAP Road mapping	X		X	X			<ul style="list-style-type: none"> Operating sites - HO, FGCEC, FGHydro
5. Road to Retail Readiness		X	X	X		X	<ul style="list-style-type: none"> Power Marketing Customers
6. Alarm Management System				X	X		<ul style="list-style-type: none"> Operating sites - EDC
7. Process Safety Management Dashboard		X		X	X		<ul style="list-style-type: none"> Operating sites - EDC
8. Work Management System Dashboard		X		X		X	<ul style="list-style-type: none"> Operating sites - EDC
9. Electronic Shift Log (E-Shift Log)		X		X		X	<ul style="list-style-type: none"> Operating sites - EDC Customers
10. Digipad ODR applications		X				X	<ul style="list-style-type: none"> Operating sites - EDC
11. Maximo Enterprise Asset Management System		X			X		<ul style="list-style-type: none"> Operating sites - EDC Finance Supply Chain Management

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



Offering Decarbonization Solutions

Anchored on First Gen's mission of decarbonization, regeneration, and the 2050 Net-Zero goal, the Company seeks to deliver value to customers beyond the kWh while consistently elevating decarbonization solutions. With the industry transitioning towards a more retail and customer-centric market, First Gen broadened its strategies on value delivery to its customers. Hence, we conducted touchpoints with our customers and other stakeholders to supplement our understanding of their needs and expectations. These were carried out through the constant collaborations among our First Gen Energy Solutions (FGES) and customers and feedback collection through annual customer



surveys. Beyond clean power delivery, we developed various value-added services (VAS) and influenced our customers to utilize and patronize the use of clean and renewable energy. Refer to Social and Relationship section on page 117 for the list of VAS offered to and availed by the customers.

As mandated in the Philippine Energy Plan, First Gen's natural gas facilities serve as a transition fuel and the first

step to the country's path towards decarbonization, while we expand the Company's portfolio of renewable energy. We continuously explore other sources of clean fuels and technologies such as Hydrogen that could possibly replace natural gas as fuel for its natural gas-fired power plants, and other RE sources and related technologies, such as Carbon capture and storage.

Upskilling Our People

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

Summary of Outcomes, Values and Plans For Intellectual Capital

Where We Progressed in 2022	Impact Materiality	Financial Materiality	Our Plans
<ul style="list-style-type: none"> Increase in digital and cybersecurity solutions and awareness programs Crafting of policies and guidelines related to information and cybersecurity Capitalized on management systems to for process improvements 	Preserved and improved on our intellectual capital through digitization, information security solutions and management systems that contributed to the Company's performance, adaptability of hybrid work arrangements and value creation for other capitals.	The transformation of our culture to digitalization and tightening our security from cyberattacks affected the rise of cash flows but these were managed by concerned groups.	<ul style="list-style-type: none"> Continue to implement and initiate programs to maintain the security and integrity of our systems, data and information Monitor on technologies that will enable us to meet our our Net Zero ambition

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

Natural Capital Performance

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

As we continue to develop, grow, and build on our platform of renewable and low-carbon energy assets, our way of play will continuously involve the responsible utilization and preservation of our natural resources for the welfare of our current and future generations. Our mission, our way of play and

our Environment, Safety and Health Policy are the guiding directions as we continue to create value in our energy portfolio for both our manufactured and natural capital.

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

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



Emissions

The Greenhouse Gas (GHG) emissions of First Gen were generated from using natural gas as the primary fuel for First Gen's combined cycle gas turbine (CCGT) power plants and other renewable energy technologies, such as hydropower, geothermal, solar, and wind. These emissions affect various sectors of the economy and energy supply security.

Total Carbon Emissions



Figure 1: Total Carbon Emissions (in Tonnes CO₂e)

Note: The Scope 1 Emission for 2021 was changed from 6,405,277.20 to 6,032,939.2 due to the corrections made in the 2021 generation data of San Gabriel and Avion Natural Gas Plants.

The natural gas platform in First Gen Clean Energy Complex (FGCEC) makes up the 84% of First Gen's Scope 1 emissions. The observed increase in total emissions from 2021 to 2022 in Figure 1 is due to the increase of our Scope 1 emissions, affected by the increasing activity of the various industries of the economy as it recovers from the

pandemic and resulting in continuous energy demand. Furthermore, due to the decreasing supply of natural gas from the Malampaya Gas Field, the power plants in FGCEC have relied on liquid fuel as a supplement, thus resulting in increased emissions given the innate properties of liquid fuel. The ongoing construction and eventual operations

of the FGEN LNG Interim Offshore Terminal (IOT) shall mitigate these emissions by ensuring a constant supply of natural gas thereby significantly decreasing the use of liquid fuel. The IOT also has the potential of enabling other natural gas industries in boosting our national transition to decarbonization.

Natural Gas

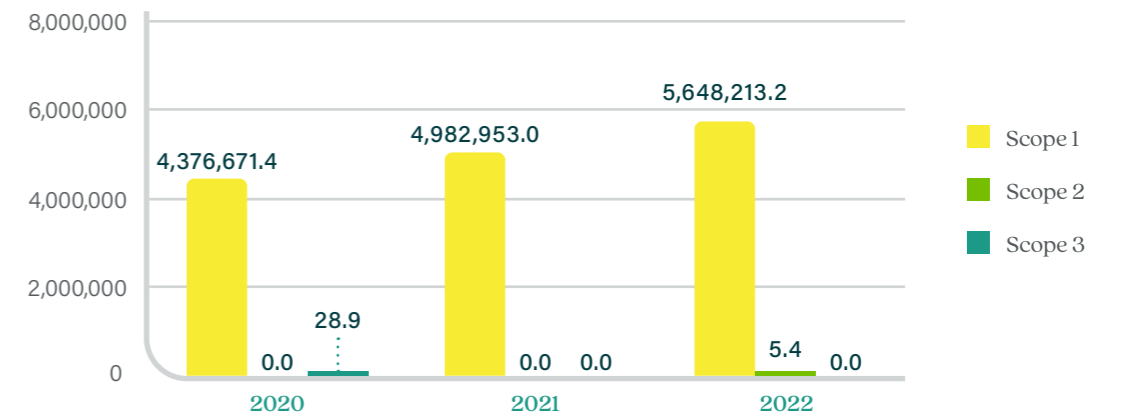


Figure 2: Natural Gas Carbon Emissions (in Tonnes CO₂e)

Note: The Scope 1 Emission for 2021 was changed from 5,355,433.40 to 4,982,953.0 due to the corrections made in the 2021 generation data of San Gabriel and Avion Natural Gas Plants.

Hydro

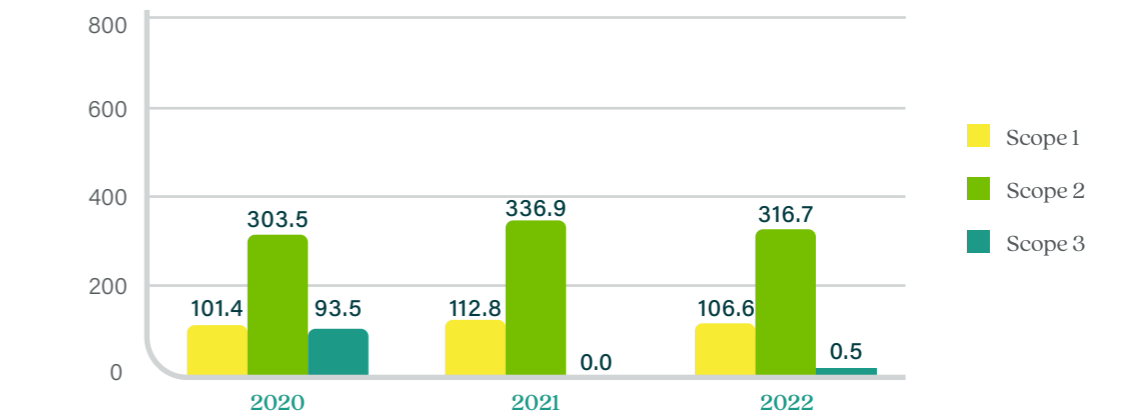


Figure 3: Hydro Carbon Emissions (in Tonnes CO₂e)

Geothermal/Solar/Wind

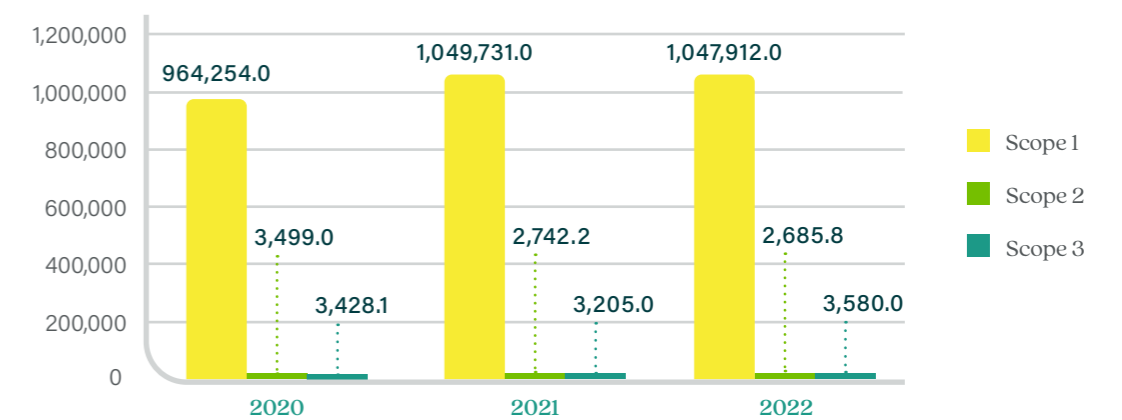


Figure 4: Geothermal/Solar/Wind Carbon Emissions (in Tonnes CO₂e)

First Gen's emission intensity in 2022 was 0.30 compared to the 2021 emission intensity of 0.31 as shown in Figure 5. This reduction was contributed by the decrease in the GHG emission intensity of FGCEC in 2022 compared to 2021, primarily due to the decrease in liquid fuel consumption and more available natural gas in its operation in the 2nd half of 2022 when the natural gas supply was reallocated to FGCEC.

For our 2022 natural capital performance, the amount of carbon emissions generated from producing the same amount of energy of 22,352.42 GWh is 63% lower than a coal-fired power plant. Moreover, producing power using our clean and renewable energy, prevented the release of 11,629,336.3 tonnes of greenhouse gas emissions (tCO₂e), equivalent to the

removal of approximately 2,505,764 gasoline-powered passenger vehicles in one year. We are constantly monitoring updates on emerging technologies that

can further decarbonize our gas plants, such as carbon capture technology and using alternative fuels such as hydrogen, batteries, and other clean energy options.

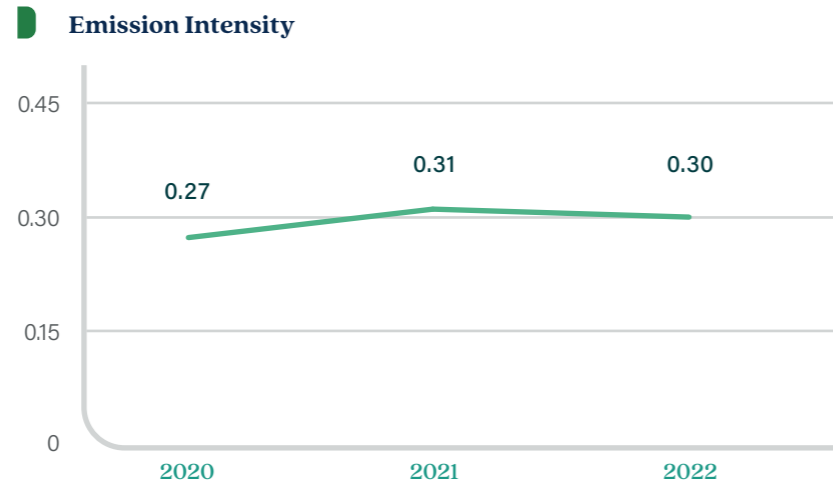


Figure 5: First Gen Overall Emission Intensity

Other Emissions Affecting Air Quality

Aside from GHG, we consistently monitor our other emissions to comply with regulatory standards. The measured concentrations of these pollutants were significantly lower than the emission limit values set under RA

8749 (Philippine Clean Air Act) due to the dry-low NOx technology, embedded in the plants' combustion systems. The total emissions and the emission intensity are shown in the table below.

Table 1: Other Significant Air Emissions

Emission	Weight in Tonnes		
	2022	2021	2020
Carbon Monoxide (CO)	615.8	849.1	878.3
Nitrogen Oxides (NOx)	3642.3	2945.3	2,477.1
Sulfur Oxides (SOx)	355.3	623.0	98.1
Particulate Matter (PM)	147.1	341.7	79.6
Emission	Emission Intensity in tonnes CO ₂ e per Gigawatt hour (Tonnes/GWh)		
	2022	2021	2020
Carbon Monoxide (CO)	0.04	0.07	0.08
Nitrogen Oxides (NOx)	0.25	0.24	0.21
Sulfur Oxides (SOx)	0.02	0.05	0.01
Particulate Matter (PM)	0.01	0.03	0.01

Decarbonization Initiatives Implemented

Methane Fugitive Emission Management Program

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

FGCEC Fugitive Emissions Management Performance

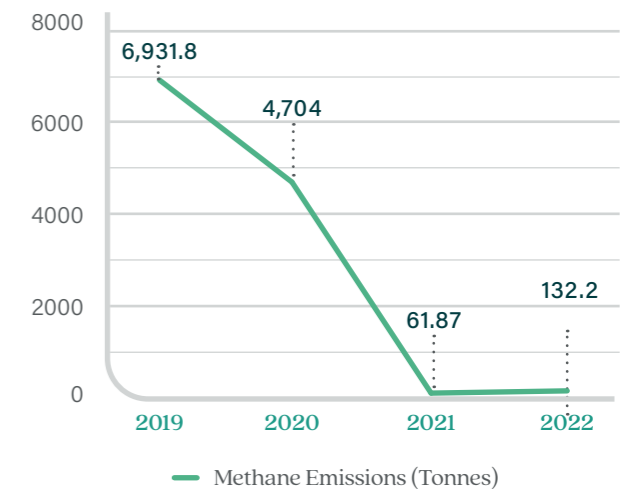


Figure 6: FGCEC Methane Fugitive Emissions Reduction Performance

*The 2019 value indicated in Figure 6 is the average of estimated fugitive methane emission from 2015-2019



FGCEC Electric Vehicle



EDC Electric Vehicle

Electric Vehicle (EV) Initiative

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

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



Energy Efficiency

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

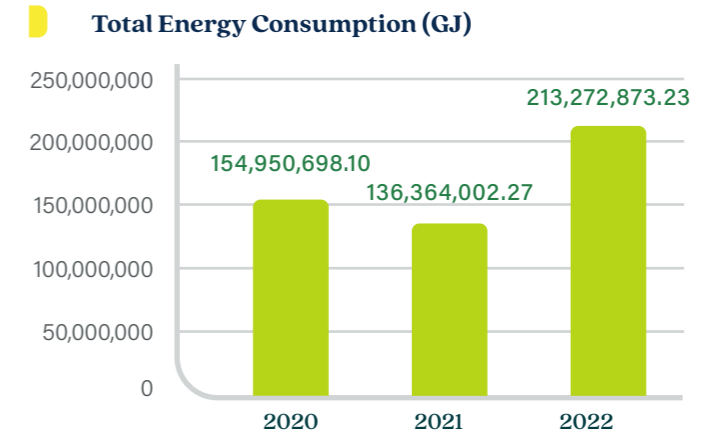


Figure 7: First Gen Overall Energy Consumption

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

Table 2: Energy Efficiency Initiatives

FGEN Facility	ENERGY EFFICIENCY INITIATIVES IN 2022	
	Initiative	Energy Savings (KWh)
FGCEC	Solar PV Panel Installation at Administration Building	48,310.00
San Gabriel	Sinag Solar PV panels at SG Warehouse	280,250.00
FGHPC	Installation of energy meters at Masiway Hydroelectric Plant	73,194.46

FGCEC installed solar PV panels on its properties to significantly reduce the GHG emissions caused by house load power demand. The solar PV panels fall under the category of "change in fuel or power technology" and implemented the following efforts:

- The Solar PV panels installed at FGCEC administration building generated electricity for the use of the said building amounting to 48.3 MWh of electricity with an equivalent GHG reduction of 17.4 tonnes in 2022.
- Solar PV panels installed at the San Gabriel Warehouse supply the electricity requirement of the warehouse which generated 280.3 MWh of electricity with an equivalent GHG reduction of 100.9 tonnes in 2022.

Other Energy Efficiency Initiatives Implemented

Conduct of Baseline Energy Audits

In compliance with DOE's Department Circular 2019-11-0014, the Implementing Rules and Regulations of RA 11285 Energy Efficiency and Conservation Act, First Gen facilities engaged the services of Pi Energy Inc. as an accredited DOE Energy Service Company (ESCO) to perform a baseline energy audit. The energy audit also served as an enabling activity to identify the energy consumption improvement areas of First Gen facilities that can aid in the development of applicable energy management and efficiency programs.

Preparatory works for the GHG Readiness Assurance Project – External Limited Assurance of GHG

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

QESH implemented an internal baseline assessment for its facilities to prepare for the planned engagement of a third-party consultant's readiness assessment of its GHG monitoring and reporting systems. The internal baseline assessment adapted the six basic steps of the GHG Protocol Framework and established baseline information of the current state of our GHG monitoring and reporting process. This can streamline and efficiently manage the data information requests and engagement activities between the First Gen Technical Working Group and the third-party consultant during the readiness assessment. The GHG Project readiness assessment is expected to be completed by the second quarter of 2023.

Clean Energy Advocacy

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

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

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

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



Water and Wastewater Management

Water Use

Water is a vital resource for First Gen since it serves as a primary source of power generation in its hydroelectric plants, with secondary operational use as a coolant for its natural gas and geothermal plants. It also provides the domestic water needs for

all its assets. All First Gen power plants regularly monitor water withdrawal to ensure compliance with the extraction rate limits set by the National Water Resources Board (NWRB) for groundwater and seawater.



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

Facility	Extraction in Megaliters (ML)			Discharge in Megaliters (ML)			Consumption in Megaliters (ML)		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Santa Rita	603,700.10	553,403.19	597,613.05	603,518.70	553,023.13	597,144.87	181.4	380.06	468.18
San Lorenzo	255,111.20	287,627.82	279,517.01	254,939.90	287,111.30	278,870.48	171.3	516.52	646.53
San Gabriel	166,563.70	204,985.83	242,677.52	166,539.30	204,959.50	242,607.72	24.4	26.33	69.80
Avion	142.7	342.92	331.49	13.7	40.83	130.88	129	302.09	200.61
RBC Head Office	0	0.49	0.65	0	0	0	0	0.49	0.65
Agusan	48,654.40	60,914.97	43,650.85	48,654.40	60,914.97	43,650.13	0	0	0.72
*Pantabangan-Masiway	1,916,435.00	1,578,684.79	1,666,687.98	1,916,435.00	1,578,684.70	1,666,685.39	2	3.7	2.59
EDC	2,014.70	1,548.02	1,179.38	0	0	0	2,014.70	1,548.02	1,179.38
Total	2,992,621.80	2,687,508.03	2,831,657.93	2,990,101.00	2,684,734.43	2,829,089.47	2,522.80	2,777.21	2,568.46

Water Consumption

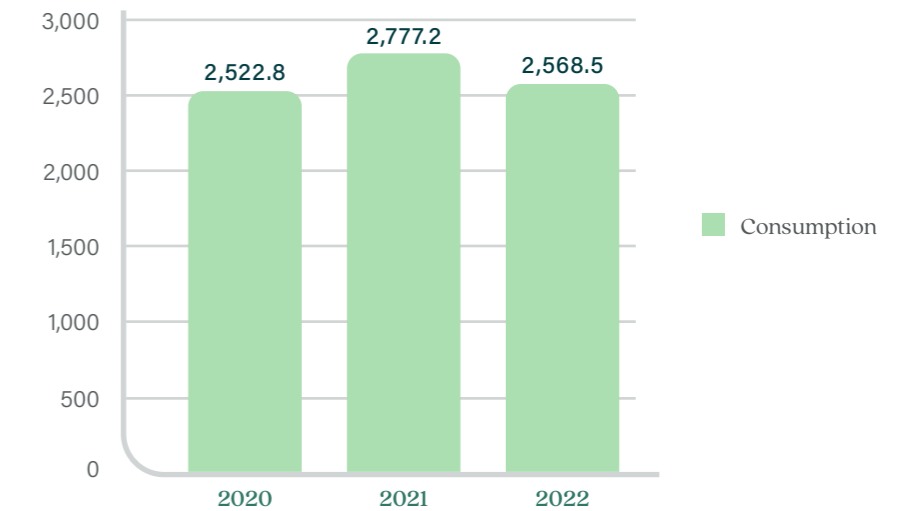


Figure 9: First Gen Overall Water Consumption (in Megaliters)

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

Water Extraction and Discharge

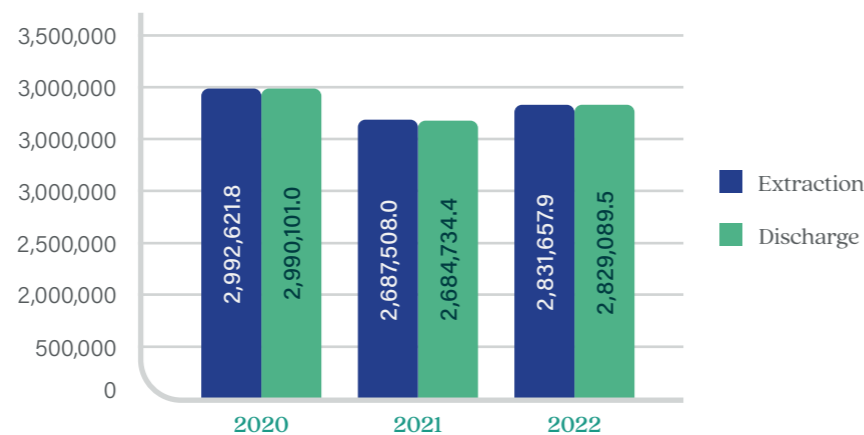
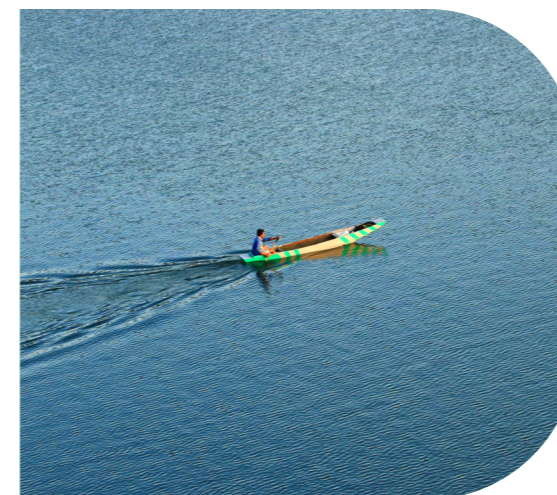


Figure 8: First Gen Overall Water Extraction & Discharge (in Megaliters)



Water consumption figures show relatively consistent values with a slight decrease in 2022 due to minimal well related activities (e.g., workover, quenching and drilling) for our geothermal plants in EDC.

First Gen ensures that all wastewater generated by the assets are properly treated before discharged into the environment. Wastewater treatment facilities yield effluents compliant with quality standards before their release

into receiving bodies of water. Moreover, effluent quality is regularly monitored for its compliance with DENR Department Administrative Order 2016-08, 2021-19, and the Philippine Clean Water Act of 2004.

These efficient water consumption practices and proper wastewater management systems contribute to First Gen's consistent efforts to minimize the environmental impacts of its operations.

Table 4: Management of Water as a Shared Resource

Facility	Areas of operation and value chain where water is used and how it is used	Water source	Point of discharge and how effluents are managed
Santa Rita	Groundwater (deep well) is used as feed water for the HRSG boilers, and domestic purposes. Seawater is used for a one-pass process as cooling water to condense steam from HRSG. The condensate (water) is returned to the boilers for steam generation.	Groundwater - two dedicated deep wells each for Santa Rita and San Lorenzo Power Plants	Used water is treated in neutralization systems, oil-water separators, and sewage treatment plants (SBR) before being discharged to Batangas Bay. Quality of effluents are being monitored and analyzed in the in-house laboratory every other week by the O&M Contractor and quarterly by a third-party service provider recognized by the Department of Environment and Natural Resources-Environmental Management Bureau (DENR-EMB). No heavy metals are detected in SR, SL, and SG effluents. A cooling water system is a once-through non-contact system, where seawater for cooling is returned to Batangas Bay upon passing through the condenser. Temperature change is monitored by getting the temperature difference between the daily temperature logs from the outfall and the intake. The physicochemical quality of seawater intake and discharge are being monitored every other week by the O&M Contractor and quarterly by a third-party service provider recognized by DENR-EMB. It is good to note that the cooling water discharges have no pollution load. No heavy metals are also detected from the cooling water discharge.
San Lorenzo		Seawater - from Batangas Bay for once-through cooling	
San Gabriel		Groundwater - one dedicated deep well for San Gabriel Power Plant Seawater - from Batangas Bay for once-through cooling	
Avion	Groundwater (deep well) is used in the cooling tower, for NOx control, and for domestic purposes.	Groundwater - two dedicated deep wells for Avion Power Plant	Used water is treated at the water treatment plant and discharged to the two retention basins for settling before final discharge. Oily wastewater is treated at the oil-water separators. The final effluents are discharged to the Cabubulag River and eventually to Batangas Bay. The quality of effluents is monitored and analyzed monthly by a third-party service provider recognized by DENR-EMB.
Agusan	The plant is a run-of-river consisting of two 800-kW turbine generators that use water from the Agusan River to generate electricity.	The Agusan mini-hydro plant is located in Damilag, Manolo Fortich, Bukidnon, 36 km southeast of Cagayan de Oro City in Northern Mindanao. Aside from power generation, the river also serves as a source for the irrigation system, especially in the upstream areas.	The diverted water that runs the plant of two 800-kW turbine generators is being returned back to the river.
Pantabangan-Masiway	Water is the main fuel for power generation. Water is sourced from the impounded water of the Pantabangan reservoir (NIA-owned). Water released from PHEP from its tail water is the main source of fuel for power generation of MHEP, the facilities being cascading plants.	Water is sourced from the Pantabangan reservoir. The tributaries of the reservoir are 56 percent from Upper Pampanga and Carranglan River, 36 percent water discharge from Casecan Hydroelectric Power, and 8% from Canili-Diayo dams. Water is primarily sourced from the water discharged from the PHEP. Water is impounded via the Masiway reservoir and is capable of storing 6 million cubic meters of water.	Water discharged from the power plants through its tailrace goes directly to the Masiway reservoir. On the other hand, water discharge utilized for domestic use in the power plant passes through our Sewage Treatment Plant (STP) to ensure that our effluents are still within the prescribed environmental limits. Quarterly monitoring is being conducted upstream (Pantabangan reservoir) and downstream (Masiway reservoir) to ensure that the quality of our water being discharged is still within limits.
EDC Geothermal (BacMan, Leyte, Southern Negros, Mt. Apo)	For its operation, EDC uses geothermal condensate for cooling but makeup freshwater is drawn as needed. Freshwater is also used for domestic purposes.	EDC withdraws freshwater from river systems in the vicinity of the geothermal facilities, as well as from local water districts and water concessionaires.	EDC follows the zero discharge system for its geothermal fluid collection and reinjection system (FCRS) to maximize recharge to the geothermal system. Minimal treated domestic wastewater is discharged, leading to the river system.
EDC Burgos	Freshwater is used for domestic purposes	Freshwater is withdrawn from local water districts and water concessionaires	Domestic wastewater is subjected to sewage treatment facilities before being discharged
EDC Head Office			
RBC Head Office			

Table 5: Management of Water Related Impacts

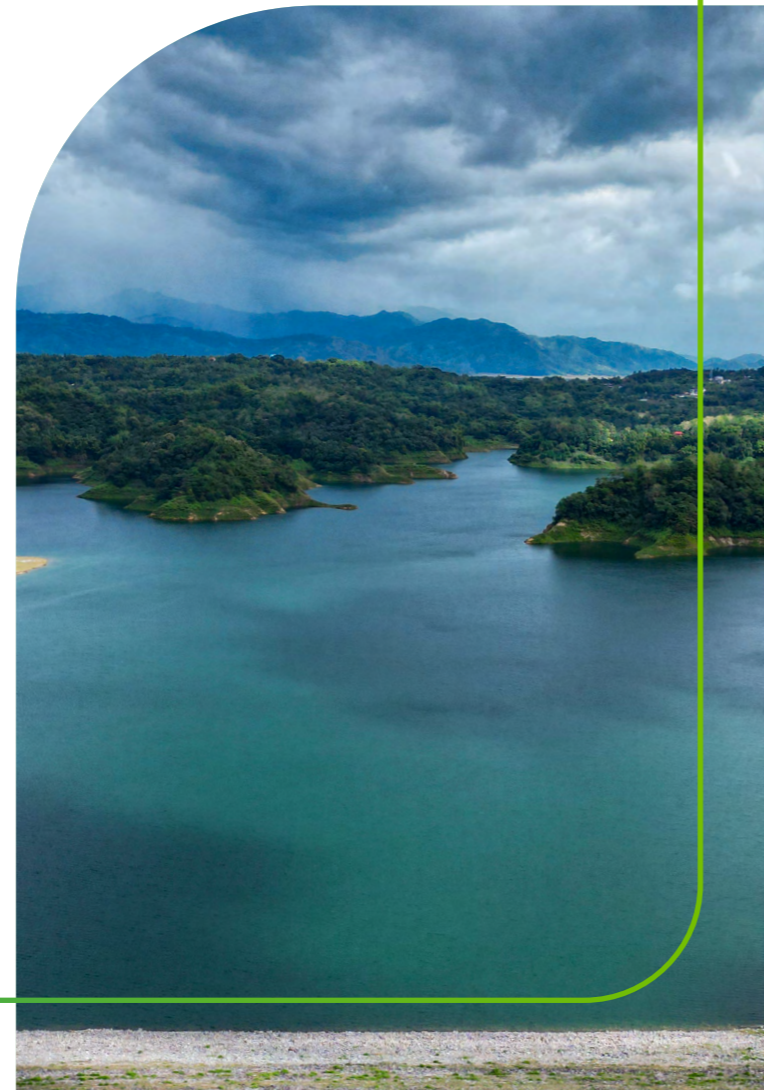
MANAGEMENT OF WATER-RELATED IMPACTS	
FACILITY	Minimum standards for quality of effluents discharged
Santa Rita	The effluent quality of wastewater discharges follows the DENR, Administrative Order (DAO) 2016-08 and DAO 2021-19 Standards for Class SC Water. Initial parameters were identified in the Environmental Impact Statement, and additional priority parameters were added based on the prescribed parameters per industry classification in DAO 2016-08.
San Lorenzo	
San Gabriel	
Avion	The effluent quality of wastewater discharges follows the DAO 2016-08 and DAO 2021-19 Standards for Class SC Water.
Agusan	FG Bukidnon follows the Effluent standards prescribed parameters per industry classification in DAO 2016-08 and DAO 2021-19. FG Bukidnon also conducts and applies the DENR Approved Method of Analysis (Method of Standards) in its regular water testing at the plant to verify and ensure that the water passes the set water quality (e.g., pH, color, TSS, Oil and Grease, and BOD). FG Bukidnon has also secured a discharge permit under Republic Act 9275 also known as the Philippine Clean Water Act of 2004.
Pantabangan-Masiway	FGHPC follows the general effluent standards indicated in the DAO 2016-08 and DAO 2021-19
EDC Geothermal (BacMan, Leyte, Southern Negros, Mt. Apo) & EDC Burgos	EDC follows the general effluent standards indicated in the DAO 2016-08 and DAO 2021-19.

Water Management Initiatives Implemented in 2022

FG Bukidnon – Water Meter Installation

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

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



Waste and Hazardous Materials Management

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

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

Waste Generation

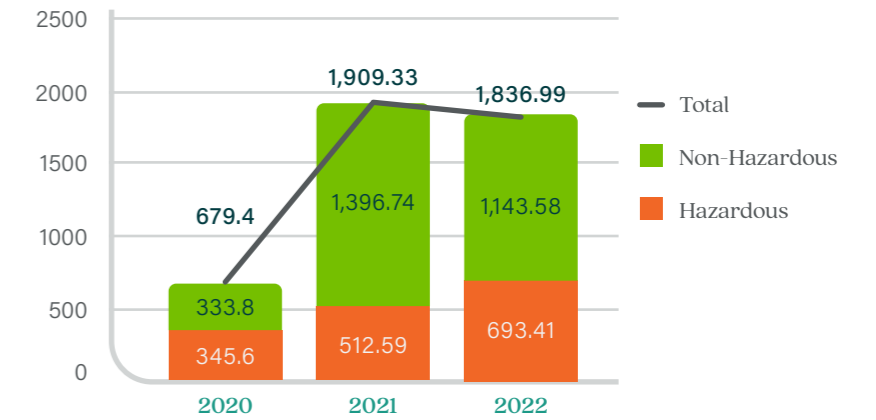


Figure 10: Total Weight of Waste Generated – Hazardous and Non-Hazardous (Tonnes)

Waste Diverted and Disposed

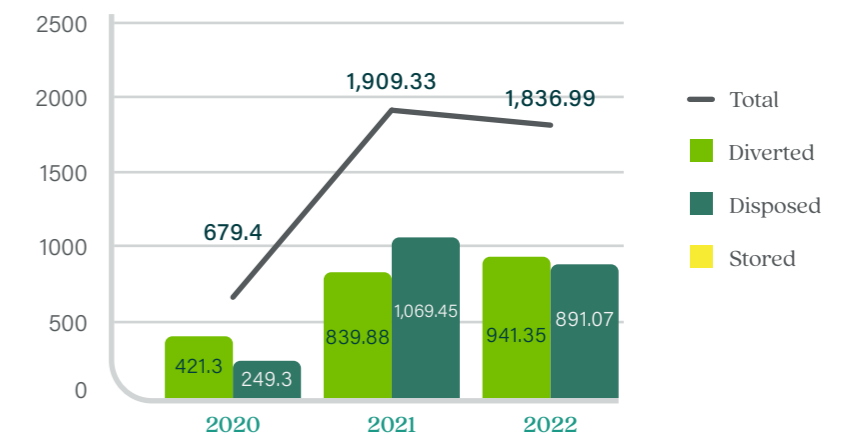


Figure 11: Total Weight of Waste Diverted and Waste Diverted (Tonnes)

Table 6: Management of Waste Related Impact

MANAGEMENT OF SIGNIFICANT WASTE-RELATED IMPACTS			
Activity / Process	Waste Management	Impact Management	Outcome
Hazardous and Non-hazardous Wastes generated from Company operations	<p>Storage: Hazardous wastes are labeled, segregated, and stored in hazardous wastes storage building.</p> <p>Transport and Disposal: Hazardous wastes are transported by the DENR accredited transporter and delivered to DENR accredited treatment storage and disposal (TSD) facility for proper treatment. Non-hazardous wastes are disposed of through the Local Government Unit.</p> <p>Waste Minimization: To minimize waste generation, use of materials are optimized through proper maintenance, spill prevention measures, use of appropriate-sized materials, paper recycling, and paperless transactions.</p>	<ul style="list-style-type: none"> Established guidelines on proper handling, storage, and disposal of wastes Prevented spills that may potentially contaminate storm drains and water bodies Utilized the Company's in-house neutralization system Complied to fire safety requirements Monitored weekly the condition of the hazardous waste storage building Conducted due diligence audit of transporter and TSD facilities Partnered with ABS-CBN Lingkod Kapamilya Foundation - Bantay Kalikasan for recycling of waste oil, lead and plastic casing of batteries 	<ul style="list-style-type: none"> Complied with legal and regulatory requirements No spill incidents resulting in release to environment

Participation in FPH Capacity Building Sessions

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

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

Information Education Campaigns

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

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

<p>September 2022: CSR Stories – The Adventures of Betty the Bote</p>	<p>April 2022: Earth Eats: jumpstart with a healthy diet that is also climate-friendly</p>
<p>June 2022: Ready, set, race for climate action! The Zoom-tacular Race for Climate Action</p>	<p>March 2022: Avoiding a Climate Lockdown: A Briefing on the Intergovernmental Panel on Climate Change Assessment Report 6 Working Group 2 (IPCC AR6)</p>
<p>May 2022: It's Month of the Ocean!</p>	<p>February 2022: World Wetlands Day: Communities depend on mangroves, vice versa.</p>

Protecting Nature's Integrity and Biodiversity

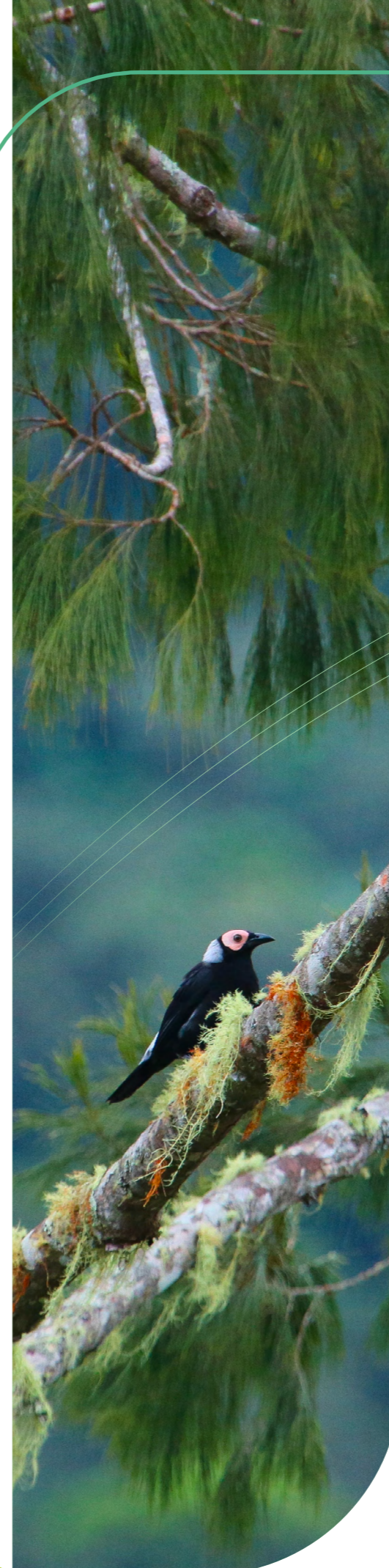
First Gen is committed to safeguarding and enhancing the environment and the ecosystems where we operate our business since we depend on the resources provided by nature to achieve growth and ongoing value creation by providing clean and renewable energy to support our country's energy security.

2022 Initiatives

FGCEC - Mini - Mangrove Forest

Located within the host barangays of Sta. Clara and Sta. Rita Aplaya of Batangas City, FGCEC maintains its 10-hectare mangrove area at the complex that has a carbon sequestration potential of approximately 88.4 tons/Ha.

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





Use of Seashells as Raw Materials for Paving Blocks

In 2021, a pilot project on the use of seashells as raw materials in the production of pavers was launched. The pilot project confirmed that seashells, which were previously disposed to sanitary landfills, could be used as aggregates in the production of pavers. In 2022, approximately 17,073 kg of seashells were used as aggregates in the production of 19,700 pieces of pavers and installed at the Forest Tree Nursery Driveway. This resulted to a reduction of 5.1% in the amount of non-hazardous residual wastes that was being dumped in sanitary landfills through its diversion as a useful aggregate in the production of a new product.

FGCEC - Adopt-a-River/ Water Body Program

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

FGCEC - Bantay Dagat

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

BINHI PROGRAM

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

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

protect biodiversity outside its work sites.

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

- EDC and its local partners completed 3004.55 km of foot patrols and drone patrols within the identified focus conservation areas in 2022.
- Forest patrols in 2022 resulted in eight apprehensions with the DENR, including the capture of five Agarwood (*Aquilaria malaccensis*) gatherers, and the confiscation of three hunting guns in Leyte.
- With the contribution of EDC's strict implementation of forest protection activities in cooperation with Task Force Bantay Kabtangan (TFBK), three cases on illegal forest activities, including illegal cultivation at the protected forestland were filed in EDC's host municipality of Valencia in Negros Oriental.
- No forest fires were reported within the geothermal reservations with the help of purposive forest patrols and increased patrol visibility to prevent forest fire occurrences.
- Through EDC's initiatives to protect the watersheds within the geothermal reservations, the forests and other land covers were enabled to sequester over 1.7 million tonnes of carbon dioxide equivalent (tCO2e) each year from the atmosphere.



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

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



Partners tending to the Philippine native tree seedlings in the BINHI Vegetative Material Reproduction Nursery in Valencia, Negros Oriental as part of the forest reforestation program.

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





Protected Species

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

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

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



Vertebrate fauna species studied during the biodiversity monitoring activities in BGMP



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



Katmon Bayani (*Dillenia megalantha*),
Tongonan Geothermal Project, Leyte



Philippine Warty Pig (*Sus philippensis*),
Tongonan Geothermal Project, Leyte



Visayan Hornbill (*Penelopides panini*),
Northern Negros Geothermal Project,
Negros Oriental

EDC also continued in 2022 the series of IEC and advocacy campaigns to promote awareness of the flora and fauna conservation as part of its Flagship Species Initiative (FSI).

Table 8: 2022 EDC Biodiversity Information Education Campaigns

Project Site	Activity/Initiative	Inclusive Dates
BMGP	Watercolor Workshop featuring the Mapilig	June 3
SNGP/NNGP	Watercolor Workshop featuring the Red Lauan	June 9
EBWPC	Watercolor Workshop featuring the Igem-dagat	June 14
MAGP	Watercolor Workshop featuring the Almaciga	June 17
TGP	Watercolor Workshop featuring the Katmon Bayani	June 23
Head Office	Launch of Virtual Art Exhibit of the Watercolor Workshop Submissions on EDC BINHI's Facebook Page	June 25
BMGP	Alay sa Buhay-Ilang: Plushies for Wildlife Conservation	June 29
TGP	Leyte BINHI Ambassadors: Out in the Wild	Nov 7-9
BMGP	Bacman BINHI Ambassadors: Out in the Wild	Nov 10 & 12
MAGP	Mt. Apo Ambassadors: Out in the Wild	Nov 29, Dec 1, Dec 2
MAGP	Alay sa Kalikasan: Launch of Apo's Brew & Diwa the Apo Myna Plush Toy	Dec 5
Head Office	BINHI website update includes Biodiversity Conservation and Flagship Species section	Dec 8
Head Office	BINHI Henyo of the Week	Oct - Dec
Head Office	Exhibit booth during 30th Annual Philippine Biodiversity Symposium	Dec 6-9
Head Office	Virtual launch of the UPIB-EDC Biodiversity Hub on EDC BINHI's website and during the Philippine Biodiversity Symposium	Dec 8



Apo Myna
(*Goodfellowia miranda*),
Mt. Apo Geothermal Project,
Cotabato

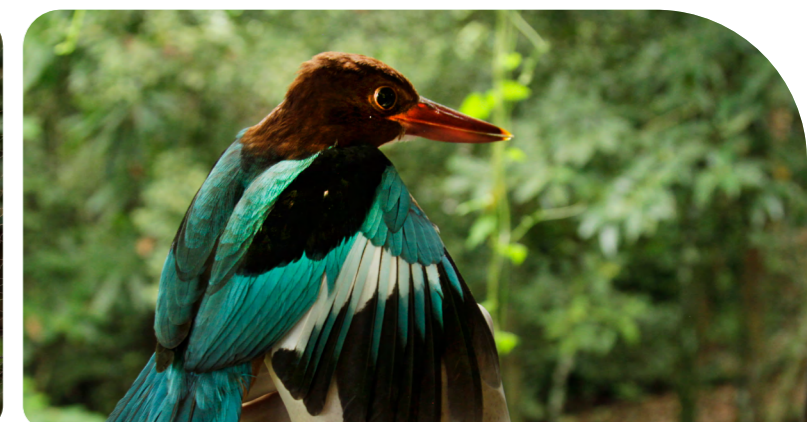


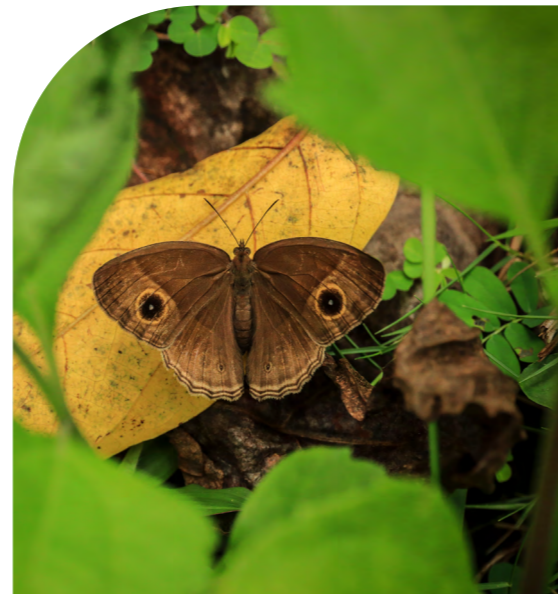


Table 9: 2022 List of fauna, flora and mangrove species in the IUCN Red List in First Gen's clean and renewable energy project operational areas (FGCEC and EDC)

Species Monitored	Total 2022	Critically Endangered	Endangered	Vulnerable	Near Threatened	Least Concern	Not Evaluated	Data Deficient
Bird	330	1	9	21	29	270	0	0
Fish	34	0	0	0	0	11	23	0
Bat	36	0	2	2	5	27	0	0
Reptiles	49	0	0	3	1	45	0	0
Amphibians	44	0	0	4	4	36	0	0
Small Mammals	19	0	1	0	1	17	0	0
Medium Mammals	6	0	0	3	0	3	0	0
Mangrove	33	0	0	1	2	19	11	0
Flora	0	0	0	0	0	0	0	0
Total	551	1	12	33	42	429	34	0

As First Gen continues to move towards energy transition, we will continue to protect and create value for the planet with the decision to retain our zero-coal portfolio and develop more low carbon and renewable energy solutions with our natural gas power plants supporting

our RE platforms. Our programs and initiatives on reforestation, protecting the biodiversity areas, and internal low carbon and energy savings mechanisms will be pursued to realize our mission of decarbonization and regeneration.



Where We Progressed in 2022	Impact Materiality	Financial Materiality	Our Plans
<p>GHG Emissions</p> <ul style="list-style-type: none"> Increased in absolute value of Scope 1 Emissions Decreased emission intensity. Decreased volume of methane fugitive emissions Completed the baseline information of current GHG accounting and monitoring practices. Selected the 3rd Party Entity to assist FGEN for the readiness assessment of conducting GHG Assurance in 2023. Initiated the crafting of the high level decarbonization road map 	<p>Planet</p> <ul style="list-style-type: none"> Decrease in natural capital due to the use of natural gas (fossil fuel) as a transition fuel. Improvement in the emission intensity due to the increased contribution in generation from renewable energy sources Increase in the natural capital due to the effective management and reduction of methane fugitive emissions. <p>Employees/Subsidiaries</p> <ul style="list-style-type: none"> Increase in knowledge and understanding regarding the necessity and need for external assurance of GHG data <p>Investors & Government</p> <ul style="list-style-type: none"> Initiated steps to prepare and comply with TCFD requirements on external assurance of GHG data 	<p>Investors</p> <ul style="list-style-type: none"> Increase in the manufactured and financial capital due to the increase in generation. 	<ul style="list-style-type: none"> Conduct readiness assessment to prepare for an external limited assurance of our GHG accounting and monitoring processes. Continue monitoring updates on emerging technologies that can further decarbonize our gas plants. Continue the development of our decarbonization road map using science-based targets. Continue monitoring the development of compliance requirements for climate strategy on management of carbon emissions. Continue feasibility studies in the pre-development of future renewable energy projects
<p>Energy Efficiency</p> <ul style="list-style-type: none"> Use of Solar Panels for House Load Energy Consumption Pilot testing of electric vehicles and installation of charging stations Implementation of energy audits. 	<p>Planet</p> <ul style="list-style-type: none"> Increase in the natural capital due to the utilization of RE sources for house load and electronic vehicles. <p>Investors</p> <ul style="list-style-type: none"> Increase in the manufactured capital due to higher generation with optimized fuel and energy consumption 	<p>Investors</p> <ul style="list-style-type: none"> Decrease in cash flow due to the associated investment costs for solar panel installation and purchase of electric vehicles 	<ul style="list-style-type: none"> Continue identification of opportunities to improve house load and efficiency of plant equipment to generate more energy at lower fuel consumption. Develop strategies at the plant level to address improvement opportunities identified from the energy audit. Develop and establish energy efficiency and reduction targets

Where We Progressed in 2022	Impact Materiality	Financial Materiality	Our Plans
<p>Water Utilization</p> <ul style="list-style-type: none"> Decrease in water consumption. <p>Wastewater Management</p> <ul style="list-style-type: none"> Continuous compliance of water discharge quality to DENR effluent standards 	<p>Planet & Host Communities</p> <ul style="list-style-type: none"> Increase in natural capital – availability of water. Preservation of the quality of water bodies due to compliance of water discharge to effluent standards <p>Government</p> <ul style="list-style-type: none"> Sustainment of compliance with legal and regulatory requirements 	<p>Investors</p> <ul style="list-style-type: none"> Increased manufactured and financial capital due to the increase in generation for the use of water resource. Preservation of financial capital – no fines and no remediation costs due to zero environmental related incidents 	<ul style="list-style-type: none"> Identify and establish the appropriate water management utilization targets. Sustain compliance of our water discharge properties to DENR effluent standards
<p>Waste Management</p> <ul style="list-style-type: none"> Decrease in total volume of waste generated. Increase in total volume of waste diverted. Wastes generated are disposed in compliance to DENR standards and requirements. Enhancement of Waste Management Plans 	<p>Planet</p> <ul style="list-style-type: none"> Reduction of wastes disposed through sanitary land fill. No spill incidents resulting in release to environment. <p>Government</p> <ul style="list-style-type: none"> Sustainment of compliance with legal and regulatory requirements <p>Employees/Subsidiaries</p> <ul style="list-style-type: none"> Increase in the knowledge, understanding and incorporation of circularity model in the enhanced waste management plans. 	<p>Investors</p> <ul style="list-style-type: none"> Preservation of financial capital – no fines and no remediation costs due to zero environmental related incidents Decrease in cash flow due to the associated costs needed for the transportation and disposal of hazardous wastes 	<ul style="list-style-type: none"> Identify and establish the appropriate waste management and reduction targets. Sustain compliance of our waste management processes to applicable DENR standards.
<p>Conservation of the Natural World</p> <p>Sustainment of FGCEC's Programs</p> <ul style="list-style-type: none"> Mini Mangrove Forest Adopt-a-River Program Bantay Dagat <p>Sustainment of EDC Programs</p> <ul style="list-style-type: none"> Binhi Biodiversity Conservation & Monitoring Program 	<p>Planet & Host Communities</p> <ul style="list-style-type: none"> Preservation of the natural capital resources – flora and fauna Preservation of our social license to operate within our areas of operation. <p>Investors</p> <ul style="list-style-type: none"> Increase in the social and relationship capital due to the sustainment of initiatives that are aligned with First Gen's mission <p>Government</p> <ul style="list-style-type: none"> Stronger relationship and partnership with the government due to the collaboration efforts in the protection of forest and water habitats. 	<p>Investors</p> <ul style="list-style-type: none"> Decrease in cash flow due to the associated costs to implement the various biodiversity programs for the protection of flora and fauna in both forest and water habitats. Preservation of the manufactured capital due to attainment of social license to operate from the host communities and collaboration with the government in the protection of natural resources 	<ul style="list-style-type: none"> Sustainment of biodiversity programs of First Gen and EDC facilities.
<p>Implementation of Capacity Building</p> <ul style="list-style-type: none"> Waste Management Energy Efficiency Decarbonization Workshops <p>Sustainment of Information Education Campaigns for Employees on the impact of Climate Change</p>	<p>Employees/Subsidiaries</p> <ul style="list-style-type: none"> Increase in the knowledge and understanding of First Gen key personnel who are involved in the development and implementation of ESG programs and initiatives. Increase in the knowledge and understanding of employees for the appreciation and understanding of the company's mission to abate the impacts of climate change 	<p>Investors</p> <ul style="list-style-type: none"> Decrease in cash flow due to the associated costs to implement the necessary studies, training activities and development of information education campaign materials. 	<ul style="list-style-type: none"> Continue implementing employee capacity building initiatives and information education campaigns

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

Our Value Creation Summary

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

The Value Creation Diagram illustrates how each component of the First Gen capitals, risks and opportunities and the external environment contributes to the development of the essential values for our Company and its stakeholders. Our capitals were incorporated in our business model which were transformed into outputs and outcomes that either create, preserve or erode value to the Company and the stakeholders over short, medium and long terms.



Our Value Creation Diagram



MISSION
To forge collaborative pathways for a decarbonized and regenerative future.

STRATEGY

STRATEGIC OBJECTIVES

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

CAPABILITIES

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

OUR OUTLOOK

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

STAKEHOLDERS

- 👤 Customers
- 👥 Employees/Suppliers/Partners
- 🌍 Planet
- 👏 Host Communities
- 🏠 Investors
- 🏛️ Government
- 🏢 Subsidiaries

INPUTS

FINANCIAL CAPITAL

- USD 2.1 billion in retained earnings
- USD 686.2 million equity invested by common shareholders
- USD 227.2 million equity invested by preferred shareholders
- USD 1.6 billion debt provided by lenders

MANUFACTURED CAPITAL

- 4 Natural gas projects (2,017.0 MW)
- 13 Geothermal projects (1,188.0 MW)
- 1 Wind project (150.0 MW)
- 3 Hydro projects (134.4 MW)
- 10 Solar projects (12.0 MW)

INTELLECTUAL CAPITAL

- USD 5.3 million investment on cybersecurity and information security/technology enhancement
- Risk-based and stakeholder-focused processes through integrated management systems
- 100% subsidiaries certified to ISO 9001, ISO 14001 and ISO 45001
- 43 information technology solutions implemented to date

HUMAN CAPITAL

- 2,151 employees, 2.27:1 male to female ratio
- 37% women in senior management positions
- 46,096 hours of employee skills training
- 3,394 hours training related to human rights
- 513 employees trained on human rights issues
- 175 new hires
- 4,518 COVID-19 vaccine booster doses administered to employees, contractors, and family members

NATURAL CAPITAL

- 2,831,657.93 ML of water withdrawn
- 213,272,873.23 GJ of energy consumed
- 65,593,443.57 tons of renewable materials
- 2,358,108.66 ton of non-renewable materials

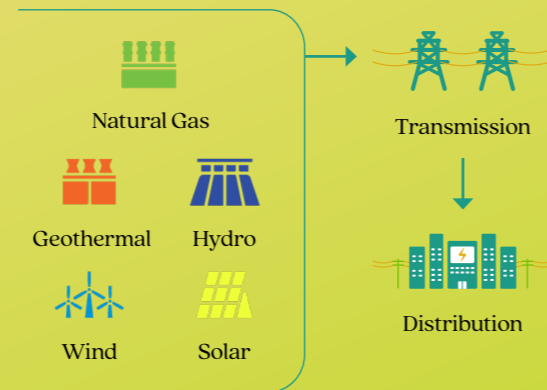
SOCIAL & RELATIONSHIP CAPITAL

- USD 3.62 million community investment
- Partnership with 43 local government units and 237 host communities in areas of business operations
- 221% increase in Value Adding Services (VAS) projects
- Health and safety management protocols extended to contractors
- Continuing COVID-19 management support to partner communities
- Compliance with government regulations

EXTERNAL ENVIRONMENT

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

VALUE CHAIN



RISKS

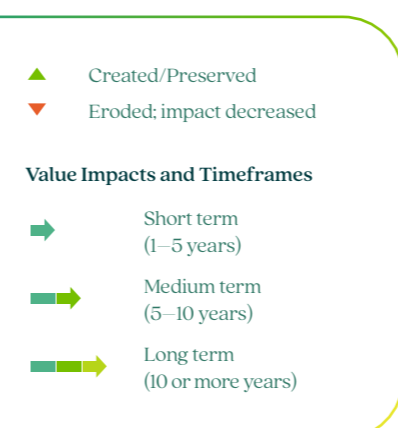
- Pandemic risk
- Competition and technology risk
- Political and regulatory risks
- Fuel risk
- Climate risk exposure
- Market risk
- Cybersecurity risk
- Financial risks

OPPORTUNITIES

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

PERFORMANCE

- **USD 2.7 Billion** Direct value generated (Revenue from sale of electricity)
- **0.003 tCO₂e/USD** emission intensity
- **0.30 tCO₂e/MWh** emission intensity
- **22,352.4 GWh** of clean and renewable energy
- **6,696,641.8 tCO₂e** of Scope 1 emissions
- **3,007.91 tCO₂e** of Scope 2 emissions
- **2,829,089.47 ML** of water discharged
- **759.74 tons** of non-hazardous wastes disposed
- **131.3 tons** of hazardous wastes treated and disposed



OUTCOMES

FINANCIAL CAPITAL

- ▲ Attributable net income of USD 261.4M
- ▲ Cash generated from operations of USD 634.0M
- ▲ Declared PHP0.77 in dividends per common share
- ▼ 39.17% decrease in share price

MANUFACTURED CAPITAL

- ▲ Provided 12.3% of the Philippines' total installed capacity as of November 30, 2022
- ▲ Provided baseload, mid-merit, and peaking energy that promote grid stability
- ▲ Climate-resilient infrastructure

INTELLECTUAL CAPITAL

- ▲ Compliance with cybersecurity standards and regulations
- ▲ Process improvement and efficiency
- ▲ Culture transformation to digitalization

HUMAN CAPITAL

- ▲ 21 hours of training (average hours per employee)
- ▲ 8% rate of new hires
- ▼ 10% attrition rate
- ▲ 67% Employee Engagement Index*
- ▲ 98% EEI organization climate dimension on working conditions
- ▲ Compliance with DOLE's general labor and OSH standards
- ▲ 26,461,905 man-hours worked
- ▲ 0.14 total recordable incident rate
- ▲ Zero fatality

* scores still above PH Norms

NATURAL CAPITAL

- ▲ Adaptation to climate change
- ▲ Resilience to future carbon regulation
- ▲ GHG avoided (tCO₂e) vs. Coal: 11,629,336.3**
- ▲ Forest protected: 127,608 hectares
- ▲ Areas of forest restored: 10,140 hectares
- ▲ 518 species of fauna and 33 species of mangrove monitored

** reduction of GHG emissions

SOCIAL & RELATIONSHIP CAPITAL

- ▲ 550 students supported through scholarships
- ▲ 165 schools provided with learning materials and school supplies
- ▲ 47% increase in customers served
- ▲ 67,020 doses of vaccines donated to 14 LGUs
- ▲ 23 social enterprise and livelihood projects supported to augment sources of income of host communities
- ▲ PHP 22 million net revenues generated from livelihood projects and contracts for host communities

Stakeholders Affected | Value Creation Timeframes

Category	Stakeholders Affected	Value Creation Timeframes
FINANCIAL CAPITAL	👤, 🏠, 🌍	Short term, Medium term, Long term
MANUFACTURED CAPITAL	🏛️, 👤, 🌍	Short term, Medium term, Long term
INTELLECTUAL CAPITAL	👤, 🏠, 🌍	Short term, Medium term, Long term
HUMAN CAPITAL	👤, 🏠, 🌍	Short term, Medium term, Long term
NATURAL CAPITAL	🌍, 🏠, 👤	Short term, Medium term, Long term
SOCIAL & RELATIONSHIP CAPITAL	👤, 🏠, 🌍	Short term, Medium term, Long term

Our ESG Values

The integration of ESG practices created and preserved values for First Gen and all of our stakeholders. Our strategic investment in the six capitals generated both immediate and long-term values, while our

steadfast commitment to protecting the environment and prioritizing stakeholder interests were instrumental in fostering positive impacts to our stakeholders and the communities we serve. Moreover, our careful

management of intangible assets has served to preserve and enhance our capitals while mitigating any potential ESG-related risks. As a result, we've achieved a pattern of steady growth throughout 2022.

Values Created for First Gen and Its Stakeholders

Stakeholder	Values for the Stakeholder	Values for First Gen
1. Customers	<ul style="list-style-type: none"> Continued delivery of clean and renewable energy solutions and provision of value-adding services 	<ul style="list-style-type: none"> Stable revenues from loyal customers and additional revenues from new customers
2. Co-creators (employees, suppliers, and partners)	<ul style="list-style-type: none"> Stable livelihood sources Development of skills and well-being Safe and healthy working conditions Respect for human rights; fair and just dealings 	<ul style="list-style-type: none"> Attraction and retention of employees/talents and like-minded partners Cooperation and good relations with stakeholders
3. Planet	<ul style="list-style-type: none"> Renewal of critical ecosystem functions in our work sites 	<ul style="list-style-type: none"> Continued supply of raw materials from natural resources Physical protection of employees and assets
4. Host communities	<ul style="list-style-type: none"> Education and livelihood opportunities Improved local economy from First Gen's distributed income Emergency response readiness 	<ul style="list-style-type: none"> Granted a social license to operate
5. Investors	<ul style="list-style-type: none"> Lower ESG risks on capital, which meant stable investments and long-term values from First Gen assets 	<ul style="list-style-type: none"> Continued access to capitals
6. Government	<ul style="list-style-type: none"> Contribution of First Gen to the government's sustainable development agenda and to the national economic recovery 	<ul style="list-style-type: none"> Government support

To measure our investments in protecting the six capitals, we used a financial tagging tool introduced in 2021. This tool captured our operational costs and investments for each capital. Unlike the previous year, we improved our reporting by considering only the

expenses that protected the capitals from potential harm or generated new value. Thus, our ESG investments presented below are not directly comparable to the previous year's figures.

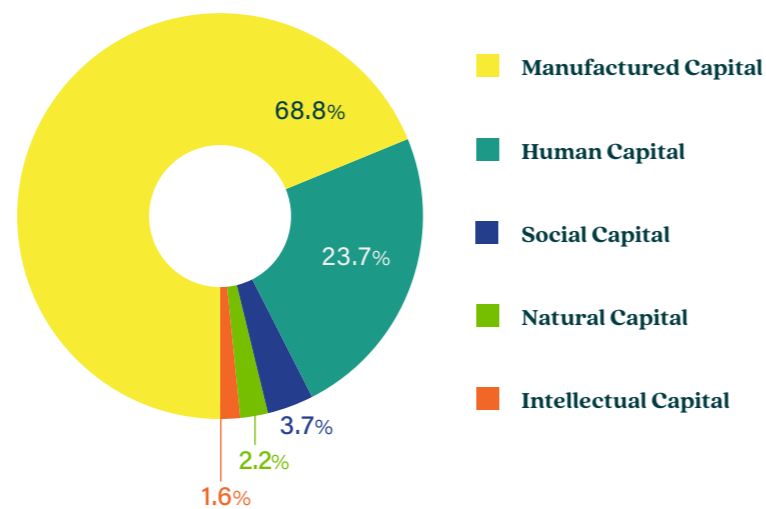
Investments in Protecting our Capitals

Capital	Composition of Expenses and Investments	Amount (USD millions)	Percentage
Manufactured	<ul style="list-style-type: none"> Construction, acquisition, maintenance and improvement of buildings, facilities and infrastructure Procurement, installation, and maintenance of equipment Asset resiliency Shelter-in place infrastructure 	357.3	68.8%
Human	<ul style="list-style-type: none"> Compensation and benefits Retirement funds Skills development Vaccination program Employee engagement and well-being activities 	123.1	23.7%
Social	<ul style="list-style-type: none"> Corporate social activities Customer relations Investor relations Memberships, partnerships, and conferences Permitting/compliance to regulatory requirements from communities and the LGU 	19.2	3.7%
Natural	<ul style="list-style-type: none"> Land acquisition and maintenance Energy efficiency and conservation projects Water efficiency and research Permitting/compliance to environmental regulatory requirements Biodiversity and environmental CSR projects and activities 	11.3	2.2%
Intellectual	<ul style="list-style-type: none"> Intellectual property IT software, systems, and tools Cybersecurity programs Maintenance of management systems and business models 	8.2	1.6%
TOTAL		519.1	100%





ESG Expenses and Investments in 2022



The manufactured capital received the largest share of our investment allocation at 68.8%, primarily attributed to building acquisition, construction, equipment purchase, and maintenance. Our human capital, which encompasses employee compensation and benefits, skill development, capability building, medical, vaccination, and well-being programs, comprised 23.7% of our total ESG expenses. Meanwhile, social capital, which includes community and investor relations, stakeholder engagement, and collaborations, accounted for 3.7% of the ESG allotment. Our natural capital received 2.2% of the ESG expenses and investments, covering environmental community projects, regulatory compliance, energy efficiency, water and waste management efficiency programs. The remaining 1.6% of

ESG expenses and investments went to intellectual capital, which includes intellectual property, IT and cybersecurity solutions, management systems, and product research.

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

First Gen's Value Created in Support of the Sustainable Development Goals

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

the integrity of our environment and natural resources.

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



core sustainability areas: People, Planet, Prosperity, Peace, and Partnerships.

Throughout 2022, First Gen's operations and initiatives directly and indirectly contributed to all 17 SDGs, impacting 35 targets. We remain committed to supporting the government in achieving the UN Global Goals. We collaborate with various agencies to pursue our environmental and social empowerment programs, while ensuring that our business activities positively impact the Philippine economy.



Pillar	SDG Goals	SDG Targets	Impacts
People		1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters	<ul style="list-style-type: none"> 3,620 families in Nueva Ecija and Nueva Vizcaya affected by Super Typhoon Karding were given relief assistance Strengthened the emergency and disaster response capacity of the host communities in Batangas through the Humanitarian Emergency Assistance Response Training (HEART)
		2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment	<ul style="list-style-type: none"> 23 livelihood projects generating PHP 22 million net revenues and labor contracts for First Gen's host communities 2,000 households across EDC project sites benefitted from the livelihood projects of EDC-supported community organizations and farmer's associations
		3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	<ul style="list-style-type: none"> No cases of work-related illness with the implementation of OH programs mentioned on page 109
		3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	<ul style="list-style-type: none"> All employees provided with medical support through: <ul style="list-style-type: none"> annual physical examinations and medical reimbursements online consultations with our OH team physical and mental health information campaigns COVID-19 infection testing vaccination programs on influenza and COVID-19 4,518 employees, contractors, and family members administered with vaccine booster shots 91 barangays and 5,629 people assisted in 189 community clinics, and provided with medicine and healthcare supplies 2 new health centers in Manito, Albay provided with medical supplies, equipment, and furniture 23 barangays in Kananga, Leyte received dental services and dental equipment donations through the Dental Health Unit 14 LGUs and 2 institutions benefitted from the 67,020 COVID-19 vaccine doses Support to Negros Oriental Chambers of Commerce, Inc. for vaccination programs in Negros Oriental
	4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes	<ul style="list-style-type: none"> 30,849 students and teachers provided with school supplies 89 schools assisted in blended/modular learning 51 students received scholarships 12 schools provided with construction materials benefitting 7,453 students under First Gen's Brigada Eskwela program 499 students maintained scholarships through EDC's banner education program SIKAT Launched "School on Wheels", a mobile school equipped with laptops, printers and internet connection to support distance learning program of the Department of Education in Ilocos Norte 	





Pillar	SDG Goals	SDG Targets	Impacts
People		4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university	<ul style="list-style-type: none"> 203 scholars provided with technical training by the Keitech Foundation, Inc., EDC's technical-vocational training institute 25 women from First Gen host communities graduated from Elevate AIDA (Artificial Intelligence and Data Annotation) training 12 college scholars, 7 Grade II and 5 Grade 12 scholars supported in partnership with Batangas State University, 3 Grade II and 5 Grade 12 scholars in partnership with the Lyceum of the Philippines University - Batangas, and 5 Grade 12 scholars in partnership with the University of Batangas
		4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations	<ul style="list-style-type: none"> 20 elementary schools in Kidapawan City's indigenous communities granted laptops, in partnership with LiteHaus International 22 students in Mindanao received scholarships through the EDC-supported Mt. Apo Foundation, Inc.
		5.1 End all forms of discrimination against all women and girls everywhere	<ul style="list-style-type: none"> No complaints from women personnel and workers with the enforcement of the Gender Equality and Diversity policy
		5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	<ul style="list-style-type: none"> 36% of managerial positions and 37% of senior leadership positions held by women
	10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	<ul style="list-style-type: none"> No complaints from the employees and the community regarding inequality and discrimination following the implementation of the Human Rights, Gender Equality and Diversity policies 	


Pillar	SDG Goals	SDG Targets	Impacts
Planet		6.2 By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations	<ul style="list-style-type: none"> 3,100 households benefitted from the iWash Program that provides access to water, sanitation, and hygiene facilities for communities in Caloocan, Marikina, Malabon, and Batangas cities 750 households in Bohol affected by Typhoon Odette received 75 water filters to access potable water
		6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	<ul style="list-style-type: none"> No grey water footprint (water needed to dilute polluted water) since effluent was treated and ensured to be within the DENR DAO 2016-08 and DAO 2021-19 standards Regular water quality monitoring and cleanup activities to protect the Cabubulag River in Batangas City through the Adopt-a-River/Water Body Program with DENR
		7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	<ul style="list-style-type: none"> 7,797.64 GWh Net Electricity Generated from RE sources comprises 34.85% of total power generated from our portfolio 6.2 GWh Mindanao 3 Binary Project operations translated to a 43% increase of the RE portfolio, from 42.3% in 2021 Ongoing expansion of our RE portfolio through the construction of RE-sourced plant facilities: Aya Pumped-Storage Hydro Power Project (100-120 MW), Palayan Binary Project (28.9 MW), Mindanao 3 Binary Project (3.6 MW), Mahanagdong Geothermal Brine Optimization Plant (28 MW), and Tanawon Geothermal Power Plant (20 MW); and the pre-development activities of our run-of-river projects: Bubunawan (32 MW), Tagoloan (33 MW), Puyo (30 MW), and San Isidro project (49 MW)


Pillar	SDG Goals	SDG Targets	Impacts
Planet	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	<ul style="list-style-type: none"> 941 tonnes diverted, and 891 tonnes disposed and treated from the 1,837 tonnes of waste generated Partnered with ABS-CBN Lingkod Kapamilya Foundation – Bantay Kalikasan for recycling of waste oil, lead, and plastic casing of batteries
		12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	<ul style="list-style-type: none"> Adoption of sustainable practices and integration of sustainability information in our IR and websites
	13 CLIMATE ACTION	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	<ul style="list-style-type: none"> Conducted various natural calamity studies (e.g., typhoon, flood, tsunami, earthquake, etc.) and explored additional data providers to ensure that climate risk related information is sufficient and updated Continuously modified plant design and implemented various weather-proofing and resilience initiatives to safeguard against natural disasters Regularly inspected earthquake risk-mitigating measures, such as installing seismic monitors at strategic on-site locations Continuously improved the emergency response and business continuity management plans and conducted drills Obtained and maintained natural catastrophe insurance covers for various sites
		13.2 Integrate climate change measures into national policies, strategies and planning	<ul style="list-style-type: none"> Capacitated our organization to build on our decarbonization plans. Our roadmap can be found on page 70. 4 webinars conducted through our Create for the Climate program to capacitate partner communities on climate change impacts 750 participants attended First Gen's "What's Heating Up?" webinar on climate change 6 climate action projects implemented by employees and students from partner schools through First Gen's Ideathon 2021: Innovate for the Climate, which aimed to fund and support climate adaptation and mitigation projects
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	<ul style="list-style-type: none"> 337 individuals from 3 schools and external stakeholder groups educated on climate change mitigation and adaptation through our Create for the Climate program 5 host municipalities participated in the First Gen-sponsored capacity-building sessions on Climate and Disaster Risk Assessment, Greenhouse Gas Inventory, Climate Expenditure Tagging, and the People's Survival Fund for their Local Climate Change Action Plans (LCCAP) preparation 	
	14 LIFE BELOW WATER	14.5 By 2020, conserve at least 10 percent of coastal and marine areas, consistent with national and international law and based on the best available scientific information	<ul style="list-style-type: none"> Continuous support for Bantay Dagat operations to protect the Verde Island Passage through the Center of Center, in partnership with partner local communities and local government agencies

Pillar	SDG Goals	SDG Targets	Impacts
Planet	15 LIFE ON LAND	15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements	<ul style="list-style-type: none"> 127,608 hectares of natural forests protected in Geothermal Reservations to maintain carbon sequestration capacity Over 10,000 hectares of forest restored Apprehension and capture of illegal capture of Agarwood gatherers, and confiscation of hunting guns in Leyte as a result of the forest and drone patrols within the conservation areas, together with DENR
		15.3 By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world	<ul style="list-style-type: none"> 272,443 quality seedlings of Philippine native tree species generated in 2022 First Gen employees and families' participation in the Lopez Group Arbor Day at the La Mesa Watershed 152 mangrove seedlings planted through the Mangrove Planting in Lobo, Batangas
		15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species	<ul style="list-style-type: none"> 551 threatened to endangered species protected and monitored: 330 species of birds, 36 species of bats, 25 small- to medium-sized mammals, 44 species of amphibians, 49 species of reptiles, 33 species of mangrove, and 34 species of fish

Pillar	SDG Goals	SDG Targets	Impacts
Prosperity	8 DECENT WORK AND ECONOMIC GROWTH	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	<ul style="list-style-type: none"> 2,151 employees provided with just compensation, decent work, benefits, safe work conditions, gender equality, and respect for human rights 175 jobs generated PHP 22 million net revenues generated from 23 supported livelihood projects for the IP communities, coastal communities, farmers' associations, and community organizations PHP 37 million allotted for IP upliftment initiatives PHP 11,394.00 income for MAMAFASWAS through vegetable farming in the 2,0000 sq. m. pilot farm in Jabonga, Agusan Del Norte 107 IP community members from the MAMAFASWAS benefited from 4 training sessions on vegetable farming production training, financing, marketing, and product development on buri (hat) handicrafts
		8.a Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries	<ul style="list-style-type: none"> USD 767.8 million spending from local suppliers comprised 71.1% of the Company's total purchases
		8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	<ul style="list-style-type: none"> 175 new employees comprised of 110 male and 65 female, of which 61% belongs to age range 20 to 30, provided with decent work

Pillar	SDG Goals	SDG Targets	Impacts
Prosperity	 8	8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	<ul style="list-style-type: none"> • OSHMS TRIR of 0.14 from the 26,461,905 man-hours maintained • Enforcement of respect to human rights and secured working environment following the established policies and guidelines related to Human Rights, Gender Equality and Diversity, Cultural Heritage and Indigenous People, OSH Policy and the Business Code of Ethics and Standards that resulted in no grievance related to the human rights violation
	 9	9.c Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020	<ul style="list-style-type: none"> • All employees given internet access support through the Flexible Communication Allowance program
	 10	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	<ul style="list-style-type: none"> • Continued partnership with Connected Women in the implementation of Artificial Intelligence and Data Annotation (AIDA) to accelerate women empowerment in the digital age through technology skills, communication and remote work
		10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	<ul style="list-style-type: none"> • No reported human rights discrimination • Enforcement of policies on social safeguards, which encompass human rights, gender equality, diversity, anti-sexual harassment, and grievance mechanisms for both employees and stakeholders
 11	11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage	<ul style="list-style-type: none"> • Preservation of cultural heritage within our operation sites through the Cultural Heritage and Indigenous Peoples Policy 	

Pillar	SDG Goals	SDG Targets	Impacts
Peace	 16	16.5 Substantially reduce corruption and bribery in all their forms	<ul style="list-style-type: none"> • Zero cases of bribery and corruption reported under the Anti-corruption Bribery policy
		16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements	<ul style="list-style-type: none"> • All II EDC CBAs negotiated in good terms in 2022
		16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all	<ul style="list-style-type: none"> • Completed Human Rights Due Diligence activities in 2022 • No reported cases of sexual and gender-based violence against women
		16.b Promote and enforce non-discriminatory laws and policies for sustainable development	<ul style="list-style-type: none"> • Implementation of Workplace Issues Resolution Policy for fair, rational, and practical resolution of work-related issues

Pillar	SDG Goals	SDG Targets	Impacts
Partnership	 17	17.6 Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism	<ul style="list-style-type: none"> • FGCEC's continued partnership with the Bureau of Fire Protection (BFP) and the Batangas LGU through the Advance Local Emergency Response Team (ALERT) Center to strengthen capacities of local community on disaster preparedness (fire and climate change) • Transparency of ESG efforts through our Company website, ESG profile website, Integrated Reports, and disclosures in the CDP portal



Our Outlook

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

Key Themes	Implications & Opportunities	Our Response
Transition towards Retail Markets	<p>Increased democratization of the PH Power Industry</p> <ul style="list-style-type: none"> • Need to scale up and adapt organization for retail readiness • Increasing need to develop options to cater to specific customer needs 	<p>Capitalize on retail market by developing more customer-centric solutions</p> <ul style="list-style-type: none"> • Scale up ability to deliver customer value • Deliver value beyond kWh • Scale up Retail Readiness- development of First Gen's front, back, and middle office
Clean Energy Transition: Long-Term Net Zero Ambitions	<p>Increased Support and Awareness for Decarbonization</p> <ul style="list-style-type: none"> • Increasing support for Renewable Energy • Increasing awareness on role of natural gas in the energy transition • Advancement in regenerative and decarbonized business models 	<p>Enable the industry's clean energy transition</p> <ul style="list-style-type: none"> • Embark on our Decarbonization Journey—consistent with our Decarbonization Roadmap • Support RE with natural gas throughout the transition
Need for Rapid Project Development	<p>Significant Growth needed in Clean and Renewable Energy Capacity</p> <ul style="list-style-type: none"> • Need to develop projects at a faster pace • Race to supply clean energy demand 	<p>Capitalize on growth opportunities</p> <ul style="list-style-type: none"> • Pursue growth in Gas and Renewables • Expedite project development through agile approaches • Formation of meaningful long term partnerships

Key Theme: Transition Towards Retail Markets

Context

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

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

Opportunities

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

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

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

Our Response

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

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



Key Theme: Clean Energy Transition - Long-Term Net Zero Ambitions

Context

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

As mentioned in the External Environment, businesses are also becoming increasingly aware of Scope 3 Emissions, as companies globally are looking to green their respective supply chains. As the call for climate action becomes more urgent, we believe that industry's demand for greener supply

chains will rapidly ramp up, as well. As such the call for greener ways of doing business—which translates to cleaner sources of energy—will be a prevailing industry theme for the long run.

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

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



Opportunities

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

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

Our Response

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

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

Our portfolio of gas and renewable assets already provide the grid with lower carbon options compared to alternatives like coal. While we already have a low carbon portfolio, we have taken several steps to keep abreast, and eventually adapt technologies to decarbonize our portfolio, as they become viable. Ultimately, we aim to elevate the transition towards clean energy by understanding, localizing, and scaling clean energy emerging technologies and business models, while expanding our portfolio of natural gas and renewable energy assets. Moreover, technologies such as Carbon Capture and Hydrogen, while nascent, can further decarbonize our energy portfolio moving forward. These technological advancements are supplemented by developments in our intellectual capital, namely our efforts to understand decarbonized business models as we also continuously scale our decarbonization efforts.

While this transition will take time, future developments are supportive of a cleaner energy future, as advancements in technological capacity support the increased viability of clean energy sources. This suggests promising growth in financial, intellectual, and operational capitals coming from clean energy investments. Globally, various renewable and sustainable energy sources have increasingly become crucial, especially with the decreased capital costs of solar and wind power development. This not only increases the economic feasibility of future capital ventures, but also allows us to maintain our commitment to a zero-coal energy portfolio and serve our growing consumer base.

Key Theme: Need for Rapid Project Development



Context

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

Guided by this, we foresee an industry that will be growing rapidly, particularly in the fields of Natural Gas and Renewable Energy. For such growth to occur, power projects must

be completed in rapid succession, as well. The significant need for additional power capacity, as well as the changing market conditions, creates opportunities for project developers that are able to provide the needed growth.

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

Opportunities

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

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

Our Response

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

First Gen aims to develop assets in line with key market and industry trends, adopting agile principles to

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

Moreover, First Gen continues to prioritize the resilience of its various assets to address both predictable and fortuitous events. As the industry continues to transition, we also continue to strive for excellence and reliability with regards to our asset management.



OUR GOVERNANCE



Corporate Governance

The Management Approach on Governance

First Gen understands the importance of good corporate governance in fostering the Company's long-term success and securing sustained competitiveness in the energy industry. The Company remains steadfast in its commitment to finding resilient and regenerative solutions to mitigate the worsening effects of climate change. First Gen ensures that it strictly complies with corporate governance regulations and continuously improves

its corporate governance structures to comply with and even perform beyond global best practices. The Company's governance structure is detailed in its Manual on Corporate Governance, available on the Company's website. Details of the Company's governance practices are found in its Integrated Annual Corporate Governance Report, which is likewise posted on the Company's website.

First Gen's approach to corporate governance is guided by the Lopez Values, adherence to the SEC's issuances on governance, respect for human rights, and our commitment to environmental, social, and governance (ESG) safeguard principles. Our structure, policies, programs, and protocols ensure the following:

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

Creating Value Through Governance

Through the Company's governance framework, the Company is able to ensure the proper implementation of its value creation aspirations. The illustration below shows how the Company's strategic objectives are

aligned with and support its mission of forging a collaborative pathway for a decarbonized and regenerative future. A more detailed discussion of the foregoing is provided in Our Value Creation Story section on page 58.

Mission	Strategic Objectives
Decarbonize	<ul style="list-style-type: none"> • Expansion of RE-sourced power projects • Management of risks and opportunities • Compliance with environmental parameters set by relevant regulatory bodies • Increased number of customers availing themselves of clean energy
Regenerate	<ul style="list-style-type: none"> • Sustained Biodiversity programs: BINHI and Center of the Center (COC) • Availability of human rights mechanism/grievance redress mechanism • Sustainable programs and campaigns promoting our mission of a decarbonized and regenerative future

Governance Structure

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

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

determining material issues that have to be raised to these decision-making bodies. Once a decision has been made, these are cascaded through the following process:



Corporate Policies

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

Legend:



Human Capital



Financial Capital



Intellectual Capital



Social and Relationship Capital



Manufactured Capital



Natural Capital



ANTI-BRIBERY AND CORRUPTION POLICY

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

**For 2022, no incidents involving violation of the Anti-Bribery and Corruption Policy were reported.*



POLICY ON INSIDER TRADING

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



POLICY ON CONFLICT OF INTEREST

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



WHISTLEBLOWER POLICY

The Company's Whistleblower Policy was established to promote a culture that encourages internal accountability and communication without fear of retaliation. Under the Policy, the identity of the Whistleblower and the information disclosed shall be kept confidential. Moreover, no retaliatory action against the Whistleblower shall be entertained nor tolerated by the Company. Furthermore, the Company shall take disciplinary action against any member who violates the confidentiality of any disclosure including the identity of the Whistleblower, or is found to have committed, initiated, or was otherwise involved in the commission of any retaliatory action against the Whistleblower. The Company shall also take disciplinary action, which may include employment termination, against any person found to have

maliciously made a false or misleading disclosure. A Whistleblower may make a disclosure on any act that:

- a.** is contrary to law and Company rules, regulations, policies, or values;
- b.** adversely affects Company image and reputation;
- c.** is unreasonable, unjust, unfair, or discriminatory;
- d.** has an undue or improper exercise of powers and prerogatives; or
- e.** has similar actions which are against Company interest or contrary to Company values.

The Policy provides a mechanism to address reports on said acts and grievances of any whistleblower. The Company's Whistleblower Policy is available on the Company's website.



MATERIAL RELATED PARTY TRANSACTIONS POLICY

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



RESPONSIBLE ASSET PROTECTION POLICY

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

- a. the complainant's confidentiality;
- b. a thorough assessment of the credibility and severity of the allegation or incident; and
- c. implementation of appropriate corrective actions, if needed. The Responsible Asset Protection Policy is available on the Company's website.



QUALITY POLICY

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

- a. providing quality service that ensures customer satisfaction;
- b. enhancing competitiveness by meeting the requirements of international standards and going beyond compliance with legal requirements;
- c. participating in shaping energy industry policies;
- d. adopting the best technology in the power generation industry;
- e. managing the business risks and capitalizing on opportunities; and
- f. implementing consistent best management practices.

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



ENVIRONMENTAL, SAFETY, AND HEALTH POLICY

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

- a. complying with all applicable laws and regulations in the country and setting internal ESH standards;
- b. providing and equipping its personnel with required resources, knowledge, and skill to effectively carry out their functions in a safe manner;
- c. assessing and managing environmental impacts and occupational safety and health risks using appropriate technologies; and
- d. carrying out its ESH programs to ensure the safety and well-being of its employees in the workplace, with efficient resources use.

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



CSR POLICY

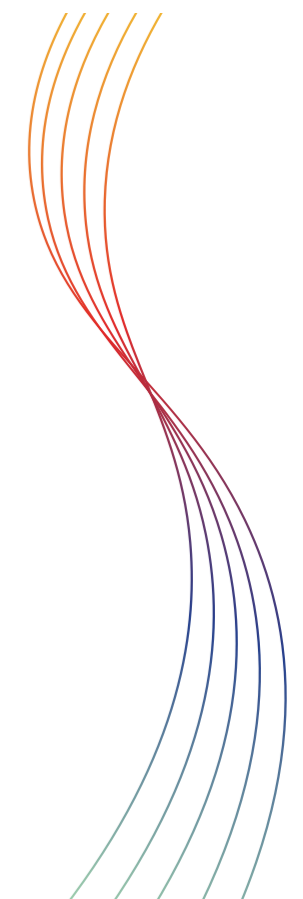
The Policy includes a stakeholder feedback and grievance mechanism. Through the said mechanism, the Company can document concerns of stakeholders and monitor the actions taken by the Company to address such concerns. The Policy was cascaded across the subsidiaries, new employees, and external stakeholders.

First Gen's CSR department and the ComRel teams of relevant subsidiaries have a stakeholder map, issue and risk map, stakeholder engagement plan, CSR Plan, and Impact and Risk Monitoring. The CSR Policy is available on the Company's website.

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

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

- a. stakeholder management, a process that manages the relationship and participation of stakeholders throughout the life of the project;
- b. CSR and ComRel programs, which detail the process of developing, implementing, monitoring, and evaluating the impacts of the CSR programs;
- c. donations and sponsorships, which cover the criteria for the donations and sponsorship requests to pass; and
- d. employee volunteerism, which supports the volunteer activity planning process, the actual volunteer work, and the documentation of contributions and pertinent data by the CSR department.





CULTURAL HERITAGE AND INDIGENOUS PEOPLES (IP) POLICY

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

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



GENDER EQUALITY AND DIVERSITY POLICY

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

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

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



HUMAN RIGHTS POLICY

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

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

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

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



ANTI-SEXUAL HARASSMENT POLICY

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

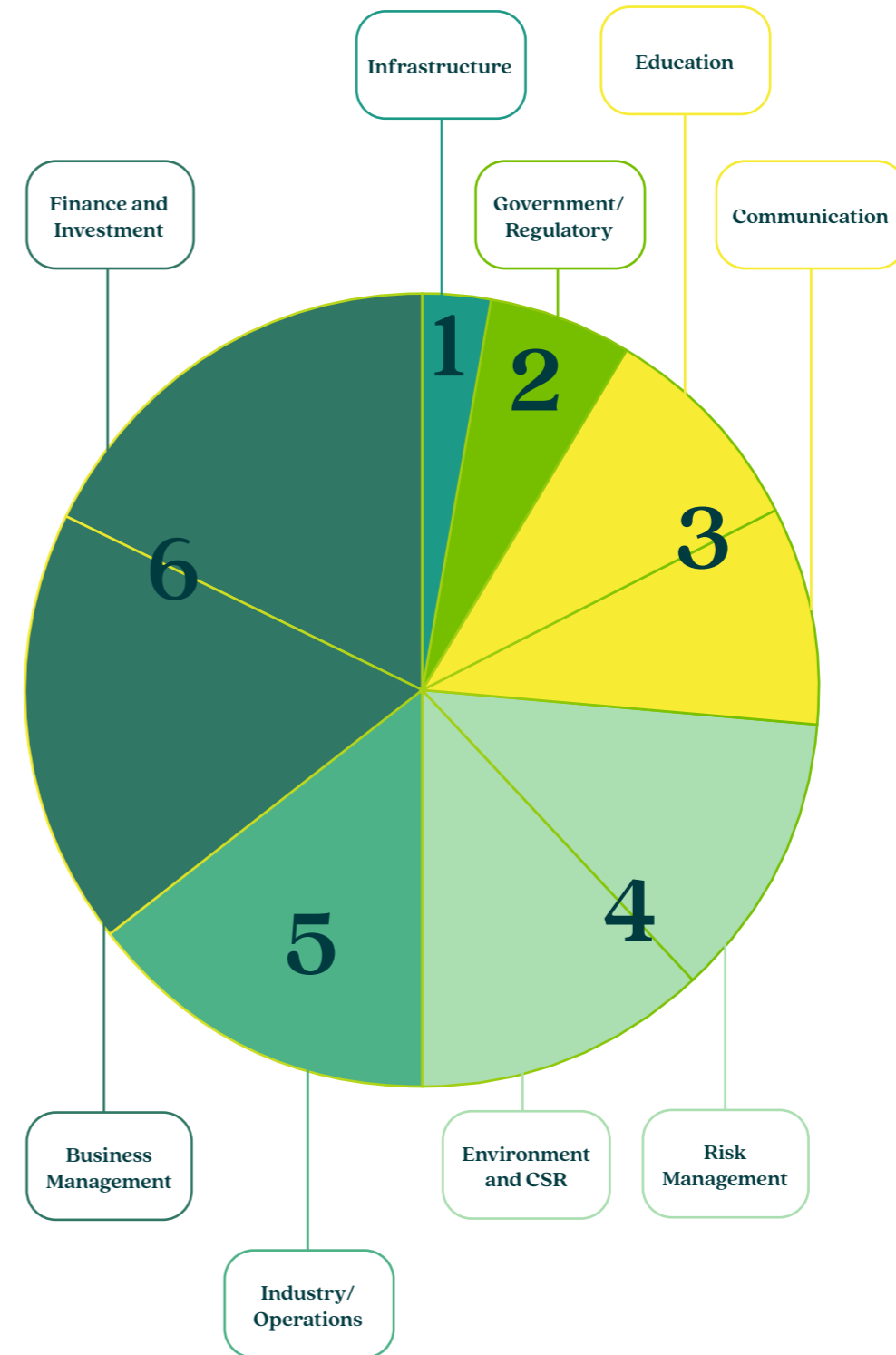
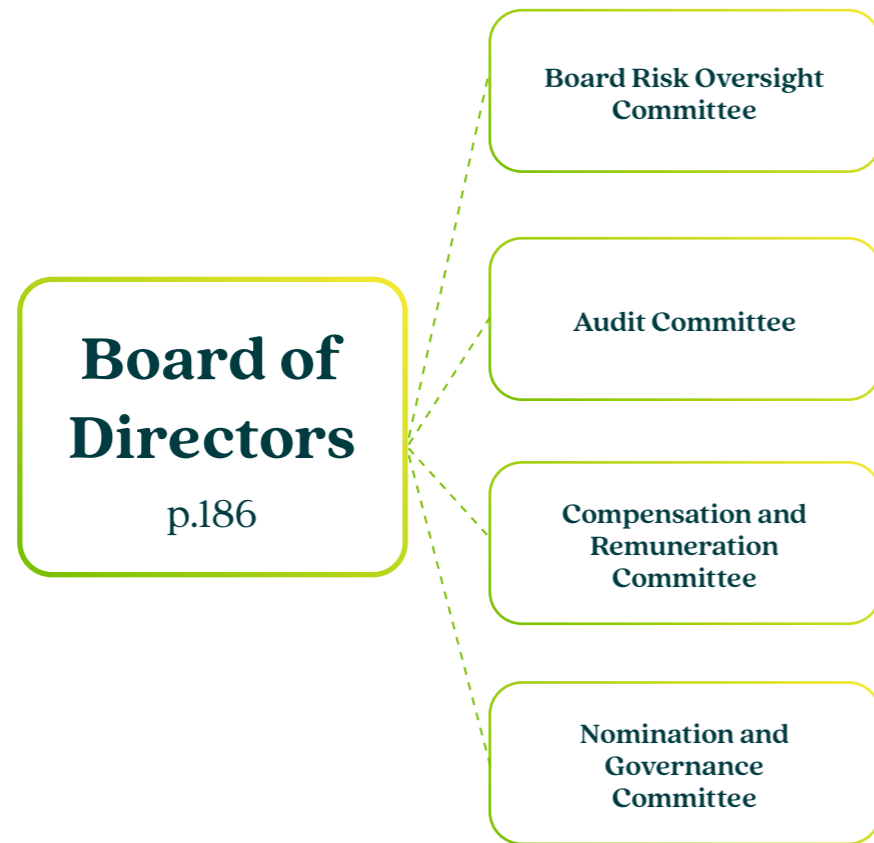
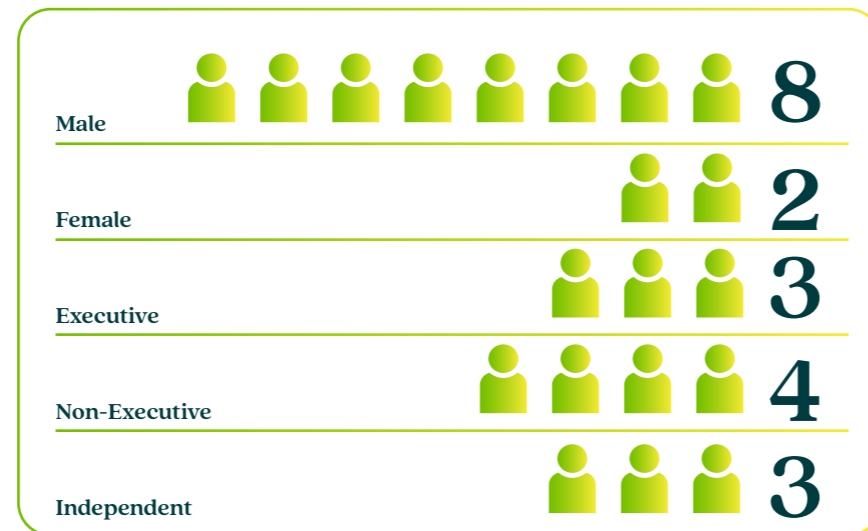
Code Of Business Conduct And Ethics

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

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

Board Composition

Board Expertise



Board Committees

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

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

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

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

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

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

	Feb 3	Mar 18	May 18	May 26	Jun 14	Jul 14	Sep 27	Nov 28	
Federico R. Lopez									8
Francis Giles B. Puno									8
Richard Raymond B. Tantoco									8
Peter D. Garrucho Jr. ¹			N/A	N/A	N/A	N/A	N/A	N/A	2
Manuel L. Lopez Jr.									8
Elvira L. Bautista									5
Manolo Michael T. De Guzman ²	N/A	N/A							6
Rafael L. Lopez ³	N/A	N/A	N/A	N/A	N/A				3
Cielito F. Habito									8
Alicia Rita L. Morales									8
Edgar O. Chua									8
	R	S	O	R	S	R	R	R	

Legend: ■ = Present, □ = Absent, N/A = Not Applicable, R = Regular, S = Special, O = Organizational

¹ Served as Director until May 18, 2022

² Elected as Director on May 18, 2022

³ Elected as Director on May 18, 2022 and assumed the position on July 12, 2022 upon SEC approval of the Company's amended articles of incorporation increasing the number of directors from 9 to 10

Principal Activities of the Board

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

Among the pertinent topics discussed by the BOD during their meetings are: asset performance, status and operations; regulatory and finance

updates; project development; market situation; health and safety programs due to the pandemic; and other issues and concerns as may be raised by the directors and management.

The present BOD of First Gen consists of ten members, including three Independent Directors. All of the directors were elected by the Company's qualified stockholders during the annual general meeting held on May 18, 2022; however Director Rafael L. Lopez assumed his position on July

12, 2022 upon the Securities and Exchange Commission's approval of the Company's amended articles of incorporation increasing its directors from nine to ten. Independent Directors Cielito F. Habito, Alicia Rita L. Morales and Edgar O. Chua have neither interest nor relationship with First Gen that may hinder their independence from the Company or its management or interfere with their exercise of independent judgment in carrying out their responsibilities.

Board of Directors

LEGEND

- NG Nomination & Governance Committee
- CR Compensation & Remuneration Committee

- RO Board Risk Oversight Committee
- AU Audit Committee



FEDERICO R. LOPEZ

Chairman & CEO

Tenure: On his twenty-fifth term

Committees: NG CR

Federico R. Lopez, born August 5, 1961, Filipino, has been a member of the Board since December 1998. He is Chairman and CEO of publicly-listed companies First Gen and FPH. He is also Chairman and CEO of Energy Development Corporation (EDC) which was officially delisted from the Philippine Stock Exchange, Inc. effective November 29, 2018. He is a Director of ABS-CBN Corporation, Vice Chairman of Rockwell Land Corporation (Rockwell), and Chairman and CEO of Lopez Holdings Corporation, which are also listed companies. Mr. Lopez is Chairman of the Oscar M. Lopez Center for Climate Change Adaptation and Disaster Risk Management Foundation (OML Center) and the Sikat Solar Challenge Foundation, and Chairman of Ang Misyon, Inc. He is a member of the Board of Trustees of the Philippine Disaster Resilience Foundation, and Teach for the Philippines. Mr. Lopez is a member of the New York Philharmonic International Advisory Board, Asia Business Council, World Presidents' Organization, Chief Executives Organization, ASEAN Business Club, Management Association of the Philippines, Philippine Chamber of Commerce and Industry, European Chamber of Commerce of the Philippines, and Makati Business Club. Mr. Lopez is a graduate of the University of Pennsylvania with a Bachelor of Arts degree double major in Economics and International Relations (cum laude, 1983).

FRANCIS GILES B. PUNO

Director, President & COO

Tenure: On his eighteenth term

Committees: RO

Francis Giles B. Puno, born September 1, 1964, Filipino, was first elected to the Board in August 2005. He is President and COO of First Gen and FPH. He sits in the Boards of publicly-listed companies FPH and Rockwell, and is the President of First Philippine Industrial Park. He is also a member of the Board of Directors of EDC. Mr. Puno sits in the Board of Trustees of the Philippine Business for Social Progress, Oscar M. Lopez Center for Climate Change Adaptation and Disaster Risk Management Foundation, Inc., Lopez Group Foundation, Inc., and Eugenio Lopez Foundation, Inc. He has a Bachelor of Science in Business Management degree from Ateneo de Manila University (1985) and a Master's degree in Business Administration (MBA) from the Kellogg Graduate School of Management of Northwestern University (1990).

RICHARD RAYMOND B. TANTOCO

Director & Executive Vice President

Tenure: On his eighteenth term

Committees: NG

Richard Raymond B. Tantoco, born October 2, 1966, Filipino, has been a Director of the Company since August 2005. He is a Director and Executive Vice President of the Company, Executive Vice President of FPH, President and Chief Operating Officer of EDC, and Independent Director of Cebu Air, Inc. First Gen, FPH and Cebu Air Inc. are publicly-listed companies. Mr. Tantoco is President and Trustee of Business for Sustainable Development Foundation and Oscar M. Lopez Center for Climate Change Adaptation and Disaster Risk Management Foundation, Inc., and member of the Board of Trustees of the Eugenio Lopez Foundation, Inc. He is also a member of the Young Presidents Organization. He has a Bachelor of Science degree in Business Management from Ateneo de Manila University where he graduated with honors (1988). He also has an MBA in Finance from the Wharton School of Business of the University of Pennsylvania (1993).

PETER D. GARRUCHO JR.

Director

Served as Director until May 18, 2022

Tenure: Twenty-four terms

Committees: CR AU RO

Peter D. Garrucho Jr., born May 4, 1944, Filipino, has been a member of the Board since the Company's incorporation in December 1998. He is a member of the Board of Directors of listed company FPH. Mr. Garrucho is also a Director and Vice Chairman of the Franklin Baker Company of the Philippines, a manufacturer and exporter of assorted coconut products such as desiccated coconuts and coconut water. Until his retirement in January 2008 as Managing Director for Energy of FPH, Mr. Garrucho held the positions of Vice Chairman and CEO of First Gen. Mr. Garrucho served as Secretary of Tourism and Secretary for Trade & Industry during the administration of President Corazon C. Aquino. He was also Executive Secretary and the Presidential Advisor for Energy Affairs under President Fidel V. Ramos. In 2017, he was elected Chairman of the Board of Trustees of the Asian Institute of Management. Mr. Garrucho has an AB-BSBA degree from De La Salle University (1966) and an MBA from Stanford University (1971).

Board of Directors

LEGEND

- NG Nomination & Governance Committee
- CR Compensation & Remuneration Committee

- RO Board Risk Oversight Committee
- AU Audit Committee



MANUEL L. LOPEZ JR.

Director

Tenure: On his third term

Committees: AU

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



ELVIRA L. BAUTISTA

Director

Tenure: On her second term

Committees: RO

Elvira Lopez Bautista, born July 15, 1960, Filipino, was elected regular director of the company in May 2021. She is the co-founder, President and Executive Director of the Knowledge Channel Foundation, Inc. (KCFI), a non-profit organization which operates the first and only TV, online and offline media tandem with produced and acquired content focused on the Philippines' PK-12 curriculum. Its teaching and learning ecosystem includes building capacities of teachers, child development center workers, parents and other stakeholders of education, and awarding schools and education leaders on innovation. She sits on the Boards of Lopez Inc., Philippine Business for Education, Southeast Asian Foundation for Children and Television, and Lopez Group Foundation, Inc., and the Asia Philanthropy Circle. She is the Immediate Past President of the Rotary Club of Makati Premier District and co-founder and Lead Convener of the Building Bridges Leadership Journey. With her father, Oscar M. Lopez, Ms. Bautista's work with the Knowledge Channel was recognized and personally cited by former US President Bill Clinton at the Clinton Global Initiative Asia 2008. She is the recipient of several awards, including: Ulirang Mandaleño by the Municipality of Mandaluyong in 2017; Lasallian Achievement Award for Distance Learning

from De La Salle Alumni Association in 2008; Woman of Style and Substance by People Asia in 2008; Parangal Lingkod Sambayanan by the Ateneo de Manila University in 2006; Award for Advocacy in Child's Education by Rustan's Essences in 2006; Peace Builder International Hall of Fame Award by the Chicago Filipino-American Via Times in 2006; Manuel L. Quezon Award in Communications and Distance Learning by the Federation of Catholic Schools Alumni/ae Associations in 2006; Peace Award for Literacy Rotary International District 3780 in 2006; and CEO Excel Award of Excellence by IABC Philippines in 2005. Ms. Bautista holds a Bachelor of Arts degree in Psychology from De La Salle University (1981) and a Master of Arts degree in Learning Technologies from Pepperdine University (2016).



MANOLO MICHAEL T. DE GUZMAN

Director

Elected Director on May 18, 2022

Tenure: On his first term

Committees: RO

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

Board of Directors

LEGEND

- NG Nomination & Governance Committee
- CR Compensation & Remuneration Committee

- RO Board Risk Oversight Committee
- AU Audit Committee



RAFAEL L. LOPEZ

Director

Elected Director on May 18, 2022

Tenure: On his first term

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



CIELITO F. HABITO

Independent Director

Tenure: On his seventh term

Committees: CR AU RO

Cielito F. Habito, born April 20, 1953, Filipino, was elected Independent Director of the Company in May 2016. An accomplished economist, Dr. Habito is a Professor of Economics at the Ateneo de Manila University and is also Chairman of Brain Trust Inc. and Operation Compassion Philippines. He also writes the weekly column "No Free Lunch" in the Philippine Daily Inquirer. He is an Independent Director at Sun Life Financial and a member of the Board of Governors of the Management Association of the Philippines, Board of Trustees of the Ramon Magsaysay Award Foundation, Advisory Committee of the Japan International Cooperation Agency (JICA)-Philippines, and CSO Advisory Group of World Bank Philippines, among others. At the international level, he is Chairman of the Governing Board of the Jakarta-based Economic Research Institute for ASEAN and East Asia, and Editor in Chief of the Asian Journal of Agriculture and Development. He served in the Cabinet of former President Fidel V. Ramos throughout his presidency in 1992-1998, as Secretary of Socioeconomic Planning and Director-General of the National Economic and Development Authority (NEDA). Dr. Habito is the recipient of numerous awards including the Presidential Award (2019) and Most Outstanding Alumnus Award (1993) from the University

of the Philippines-Los Baños (UPLB) Alumni Association, Philippine Legion of Honor (1998), The Outstanding Young Men (TOYM) Award (for Economics) in 1991, and the Gawad Lagablab (Outstanding Alumnus Award) of the Philippine Science High School in 1991. He holds a Bachelor of Science degree in Agriculture (Major in Agricultural Economics), Summa cum laude (1975) from the University of the Philippines; a Masters degree in Economics from the University of New England (1978); and a Master of Arts (1981) and Ph.D. in Economics (1984) from Harvard University.



ALICIA RITA L. MORALES

Independent Director

Tenure: On her fifth term

Committees: NG AU

Alicia Rita L. Morales, born June 25, 1962, Filipino, was elected Independent Director of the Company in May 2018. She is the Managing Director of John Clements Consultants, Inc., principally for its talent development and leadership institute division. She was instrumental in obtaining the partnership with Harvard Business Publishing, a wholly-owned subsidiary of Harvard Business School, from 2007 to 2019. Ms. Morales has created leadership development programs for over 10,000 high potentials and senior leaders from leading multinationals and regional conglomerates in Southeast Asia. She is an Independent Director of BPI Securities Corporation. She was previously President of RCBC Securities, Inc., Director of the Securities Clearing Corporation of the Philippines and PCIB Securities, Inc., President of the Harvard Business School Club of the Philippines, and Member of the Board of Trustees of the Harvard Club of the Philippines Global. Ms. Morales was the youngest Chairman of the PSE, a position she held for two terms. She garnered The Outstanding Women in Nation's Service (TOWNS) award for the category 'Business-Stock Exchange' in 2004, and the Triple A Award from Maryknoll/Miriam College in 2014. She is a member of the International Coach Federation, a certified coach of Zenger Folkman, and a certified discussion leader of the Harvard Business School. Ms. Morales is a certified public accountant with a Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines (1984) and an MBA from the J.L. Kellogg Graduate School of Management, Northwestern University, with a triple major in Finance, Marketing and Economics (1990). She is also a graduate of the Advanced Management Program from the Harvard Business School (2014).

Board of Directors

LEGEND

NG Nomination & Governance Committee
CR Compensation & Remuneration Committee

RO Board Risk Oversight Committee
AU Audit Committee



EDGAR O. CHUA

Independent Director

Tenure: On his second term

Committees: **AU** **RO**

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

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



MARIO LUZA BAUTISTA

Senior Board Adviser



DAVID SIMON LUBOFF

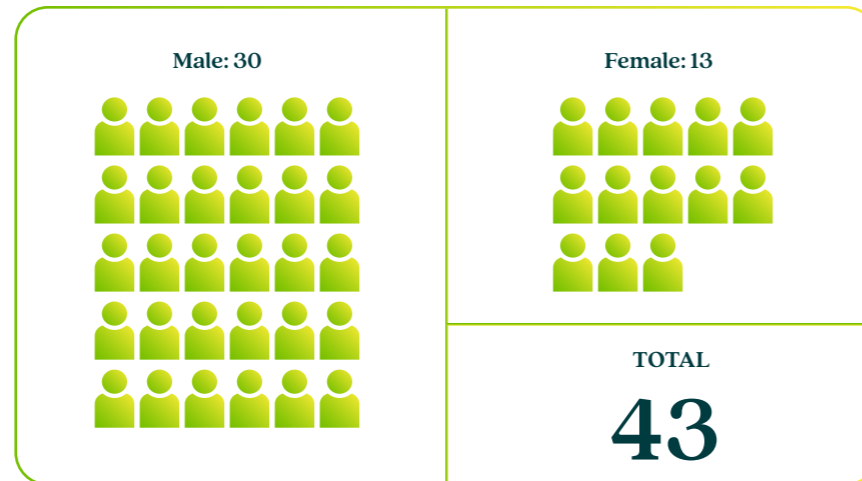
Senior Board Adviser

Served as Senior Board Adviser until May 18, 2022

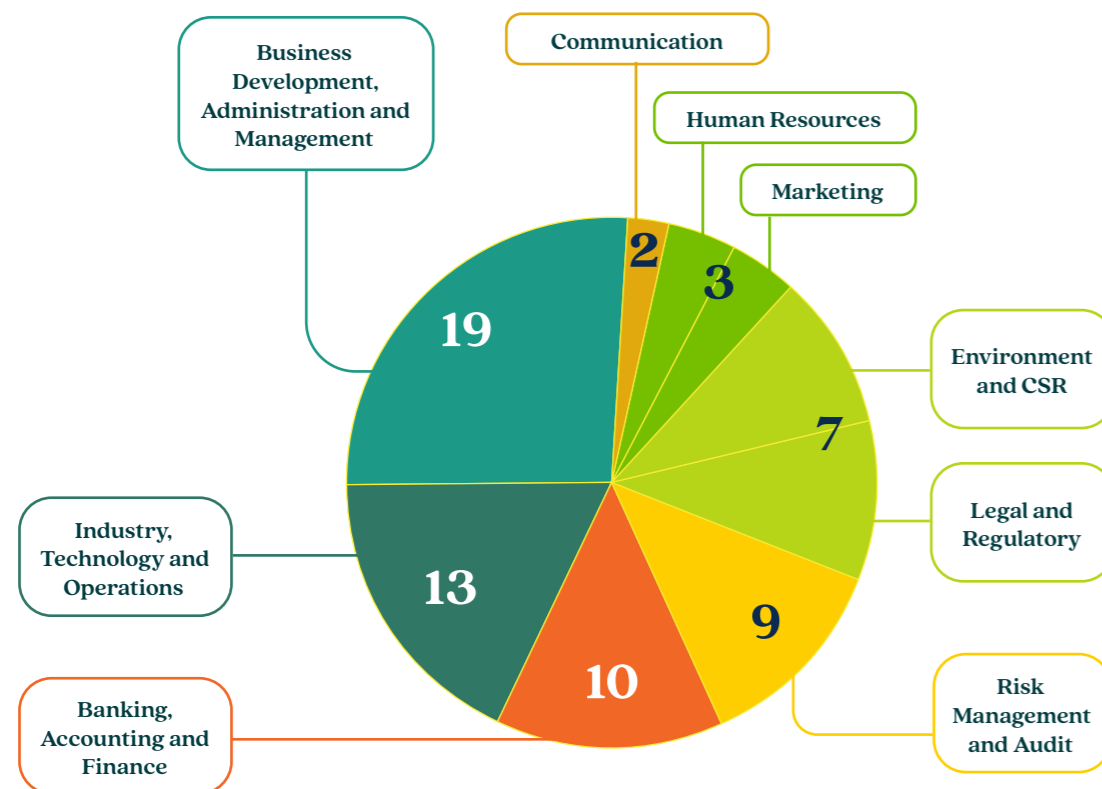
Senior Management

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

Management Composition



Management Expertise



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

Senior Management List

As of December 31, 2022



Oscar M. Lopez
CHAIRMAN EMERITUS



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



Francis Giles B. Puno
DIRECTOR, PRESIDENT, &
CHIEF OPERATING OFFICER



Richard Raymond
B. Tantoco
DIRECTOR & EXECUTIVE
VICE PRESIDENT



Jonathan C. Russell
EXECUTIVE VICE PRESIDENT &
CHIEF COMMERCIAL OFFICER



Victor Emmanuel
B. Santos Jr.
EXECUTIVE
VICE PRESIDENT



Emmanuel Antonio
P. Singson
EXECUTIVE VICE PRESIDENT,
CHIEF FINANCIAL OFFICER,
& TREASURER



Renato A. Castillo
SENIOR VICE PRESIDENT &
CHIEF RISK OFFICER



Anthony Julicer
A. Alvis
VICE PRESIDENT



Ramon J. Araneta
VICE PRESIDENT



Erwin O. Avante
VICE PRESIDENT



Khairuddin Hyatt
V. Basman
VICE PRESIDENT



Ma. Cecilia R. Batalla
VICE PRESIDENT



Jerome H. Cainglet
VICE PRESIDENT

Senior Management List

As of December 31, 2022



Gerald T. Cajucom
VICE PRESIDENT



Ramon A. Carandang
VICE PRESIDENT FOR
CORPORATE
COMMUNICATIONS



Ma. Aurora E. Ceniza
VICE PRESIDENT



Reman A. Chua
VICE PRESIDENT



Shirley H. Cruz
VICE PRESIDENT



Nurjehan Maria D. Dayrit
VICE PRESIDENT



Teodorico R. Delfin
VICE PRESIDENT



**Valerie Gloriana Y.
Dy Sun-Lim**
VICE PRESIDENT,
HEAD OF INVESTOR RELATIONS,
& COMPLIANCE OFFICER



Anna Karina P. Gerochi
VICE PRESIDENT &
HEAD OF HUMAN RESOURCES



**Dennis Michael
P. Gonzales**
VICE PRESIDENT



Rachel R. Hernandez
VICE PRESIDENT &
CORPORATE SECRETARY



Ernie G. Imperial
VICE PRESIDENT AND
CHIEF DIGITAL OFFICER



Ariel Arman V. Lapus
VICE PRESIDENT



Rassen M. Lopez
VICE PRESIDENT

Senior Management List

As of December 31, 2022



**Denise Natalie
F. Mercado**
VICE PRESIDENT



**Bernadette Ann
V. Policarpio**
VICE PRESIDENT



**Peter Jason
D. Samonte**
VICE PRESIDENT



Jay Joel L. Soriano
VICE PRESIDENT AND
HEAD OF STRATEGY AND
PLANNING



Ronaldo B. Tablante
VICE PRESIDENT



Annalyn C. Tayag
VICE PRESIDENT



Maria Carmina Z. Ubaña
VICE PRESIDENT &
COMPTROLLER



Daniel H. Valeriano Jr.
VICE PRESIDENT



Carlos Lorenzo L. Vega
VICE PRESIDENT



Conrado Ernesto C. Viejo
VICE PRESIDENT



Ma. Theresa M. Villanueva
VICE PRESIDENT



Ariel S. Villasenor
VICE PRESIDENT



Vincent Martin C. Villegas
VICE PRESIDENT



Angelo D. Macabuhay
HEAD OF INTERNAL AUDIT



Cara Martha D. Mathay
ASSISTANT CORPORATE
SECRETARY

ADDITIONAL INFORMATION



2022 Awards

First Gen's conscious efforts towards excellence in its ESG activities were nationally and globally recognized in 2022. International and national award-giving organizations acknowledged First Gen and its subsidiaries' initiatives, performance, and contributions to worker and employee health and safety, the community, and environmental preservation.

7TH ASIA INTEGRATED REPORTING AWARDS

CSRWorks International

- Silver Award: Integrated Thinking for First Gen's 2020 Integrated Report
- Bronze Award: Value Creation for First Gen's 2020 Integrated Report
- Bronze Award: Integrated Thinking for EDC's 2020 Integrated Report

CORPORATE GOVERNANCE

Institute of Corporate Directors

- 4-Golden Arrow Recognition at the ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards for First Gen
- Inclusion to the ASEAN Asset Class of 2021 at the 2021 ACGS ASEAN Virtual Awards for First Gen

GREEN BOND PERFORMANCE

The Asset

- Best Local Currency Green Bond at the Triple A Awards 2021 for EDC

PUBLIC RELATIONS PERFORMANCE

Public Relations Society of the Philippines

- Silver Anvil: Public Relations Tool Exhibit and Special Events (Exhibit Exposition) for Seatizen Webinar Series (Seatizen Stories and Seatizen Travels) at the 57th ANVIL Awards for First Gen
- Silver Anvil: Public Relations Programs on a Sustained Basis (Responsible Citizenship) for Employee Power (EMPOWER) Program at the 57th ANVIL Awards for First Gen

ENVIRONMENTAL PERFORMANCE

Department of Environment and Natural Resources - Environmental Management Bureau 5

- Best Environmental Initiatives Award for BacMan Geothermal Power Plant

EDUCATIONAL PROMOTION

Technical Education and Skills Development Authority

- Kabalikat Award-Industry Category: Outstanding private sector partner in strengthening technical vocational education and training (TVET) for EDC's KEITECH Educational Foundation, Inc.

OCCUPATIONAL SAFETY AND HEALTH

Department of Labor and Employment

- 12th Gawad Kaligtasan at Kalusugan National Silver Awardee for First Gas Power Corporation (FGPC)
- 12th Gawad Kaligtasan at Kalusugan National Silver Awardee for FGP Corp. (FGP)
- 12th Gawad Kaligtasan at Kalusugan National Silver Awardee for First NatGas Power Corp. (FNPC)
- 12th Gawad Kaligtasan at Kalusugan National Silver Awardee for Mount Apo Geothermal Project
- 12th Gawad Kaligtasan at Kalusugan Region 4A Occupational Safety and Health (OSH) Champion for FGPC
- 12th Gawad Kaligtasan at Kalusugan Region 4A OSH Champion for FGP
- 12th Gawad Kaligtasan at Kalusugan Region 4A OSH Champion for FNPC

Safety Organization of the Philippines, Inc.

- Award of Excellence for FGPC
- Award of Excellence for FGP
- Award of Excellence for FNPC

Safety Health and Environment Association of the Power Energy Sector

- Titanium Corporate Safety and Health Excellence Award for EDC Burgos Wind Power Corporation
- Titanium Corporate Safety and Health Excellence Award for BacMan Geothermal Inc.
- Titanium Corporate Safety and Health Excellence Award for BacMan Geothermal Project
- Titanium Corporate Safety and Health Excellence Award for Green Core Geothermal, Inc.
- Titanium Corporate Safety and Health Excellence Award for Tongonan I Geothermal Power Plant
- Platinum Corporate Safety and Health Excellence Award for FGPC
- Gold Corporate Safety and Health Excellence Award for FNPC
- Gold Corporate Safety and Health Excellence Award for Prime Meridian PowerGen Corporation (PMPC)
- Gold Corporate Safety and Health Excellence Award for Upper Mahiao Project
- Bronze Corporate Safety and Health Excellence Award for FGP

HUMAN RESOURCES

HR Asia

- Best Company to Work in Asia for EDC

UA&P Third Party Review Statement



UNIVERSITY OF ASIA AND THE PACIFIC
CENTER FOR SOCIAL RESPONSIBILITY

Third-Party Statement on the Internal Review of the First Gen Corporation 2022 Integrated Report

The University of Asia and the Pacific's - Center for Social Responsibility (UA&P-CSR) provided technical assistance to First Gen Corporation (referred to as "First Gen" or "the Company") in conducting an internal review of its 2022 Integrated Report (IR). As a competent and independent practitioner of the International Integrated Reporting <IR> Framework, UA&P-CSR is the only Philippine institution that has provided an <IR>-certified training in the country through its partnership with Singapore-based CSRWorks International. We are also the leading partner-of-choice for several publicly-listed companies in the Philippines, providing technical assistance, content development, and capacity building on sustainability and integrated reporting.

Purpose of the Review

Integrated reporting is a type of corporate reporting that emphasizes a cohesive and effective approach to an organization's value creation over time. The primary objective of integrated reporting is to enhance capital allocation, efficiency, and productivity. As part of its 2022 integrated reporting process, First Gen engaged UA&P-CSR to evaluate the quality and compliance of its report with the guidelines and requirements established by the <IR> Framework. This evaluation is a critical process that ensures the robustness of First Gen's reporting procedures and the IR itself through internal quality control and compliance checks. Furthermore, we examined the report's alignment with other international reporting standards utilized by institutions such as the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI). This assessment further ensures the consistency and credibility of First Gen's IR and its ability to provide accurate and relevant information to its stakeholders.

Methodology: UA&P <IR> Practitioners Scorecard

To evaluate First Gen's 2022 IR, UA&P-CSR designed the UA&P <IR> Practitioners Scorecard. This scorecard provides indicators to assess the Company's information on the <IR> Framework Content Elements and Guiding Principles, as shown in Figure 1. The scorecard also incorporates indicators from the SASB and GRI Standards. However, we cannot assess these indicators yet, as First Gen has not completed the content of its report, including the proper labeling of the GRI and SASB indicators in the report.

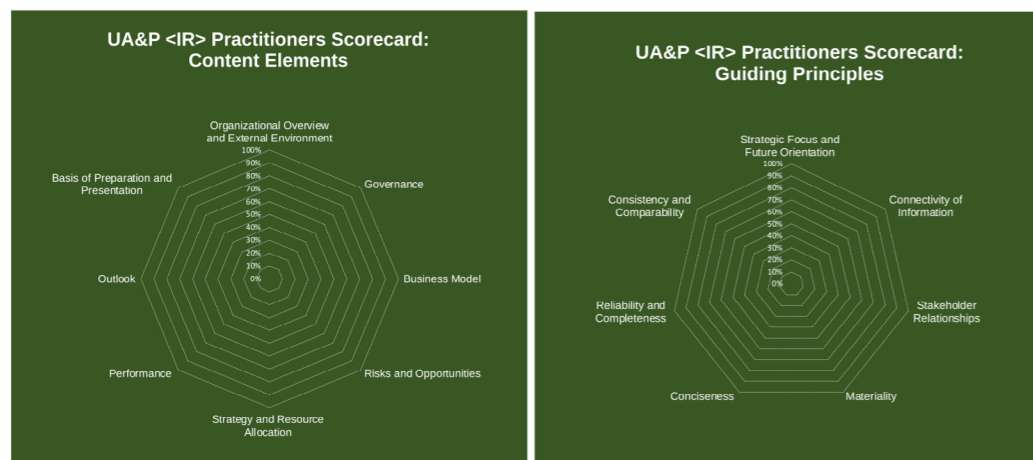


Figure 1. UA&P <IR> Practitioners Scorecard: <IR> Content Elements and Guiding Principles

The UA&P <IR> Practitioners Scorecard was utilized as a formal guidance document to review First Gen's 2022 IR. The scorecard comprises a set of indicators designed to assist the Company in integrating the <IR> Content Elements into its disclosures and embedding the <IR> Guiding Principles throughout its entire report. First Gen submitted two (2) drafts of its 2022 IR on February 7 and March 17, 2023, which UA&P-CSR reviewed and evaluated against the scorecard's indicators. The reports were evaluated both quantitatively, through percentage scores, and qualitatively, using our professional insights and recommendations based on observations of the leading practices of global companies in the integrated reporting environment. However, it is important to note that the results of the review using the scorecard do not establish benchmarks for the <IR> Content Elements, and the recommendations provided should not be regarded as "investment grade" information.

Findings and Recommendations: Assessing the Compliance of First Gen's 2022 IR with the <IR> Framework

Over the years, First Gen has made significant progress in its integrated reporting journey. By adopting the <IR> Framework, the Company's 2022 IR clearly communicated its value creation narrative. Moreover, with the support of its Company leadership, First Gen has strengthened its processes to identify external risks and disruptions, determine strategies to capture opportunities, and fulfill its mission of regenerating the planet and society while contributing to the achievement of the United Nations Sustainable Development Goals (UN SDGs). As a result of these efforts, First Gen has assessed how the abovementioned factors affect its capital transformation and impact the financial and non-financial performance of the Company. Through this assessment, the Company can enhance its resilience and continue to deliver long-term value to its stakeholders.

Figure 2 displays the notable enhancements made by First Gen's report in fulfilling the guidelines and requirements of the <IR> Framework on the Content Elements and Guiding Principles. These improvements were based on our evaluations of the Company's drafts submitted on February 7 and March 17, 2023, respectively. Additionally, Tables 1 and 2 outline our findings and expert recommendations concerning the <IR> Content Elements and Guiding Principles, using the most recent draft that First Gen submitted on March 17, 2023.

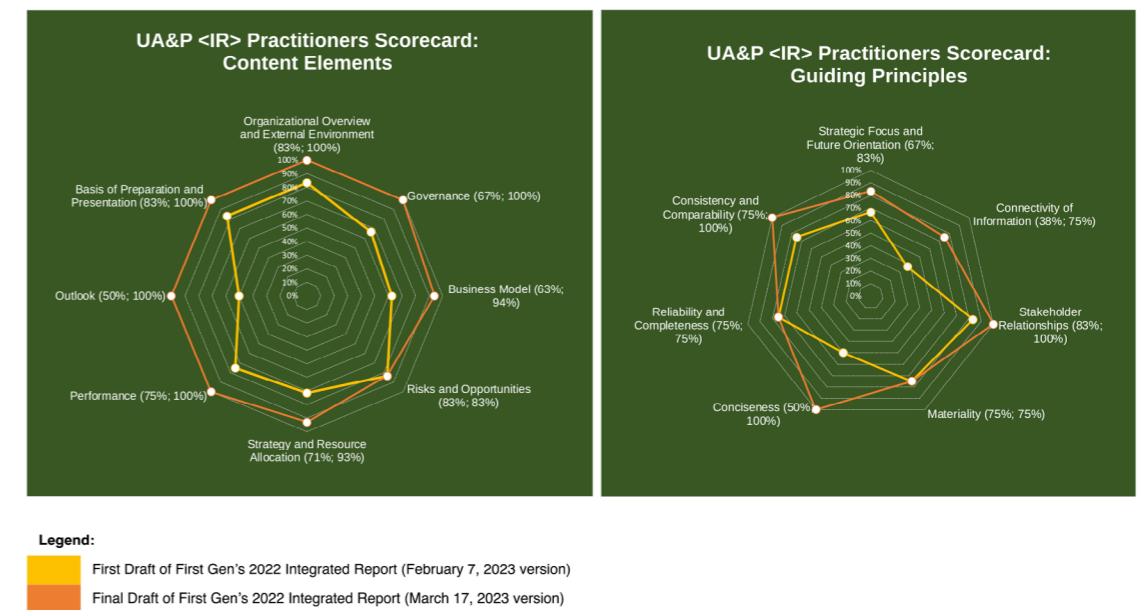


Figure 2. Summary of Scores of the <IR> Content Elements and Guiding Principles of First Gen's 2022 IR

Table 1. Assessment on the <IR> Content Elements of First Gen's 2022 IR (March 17, 2023 version)

<IR> Content Elements	Findings and Recommendations
Organizational Overview and External Environment	<ul style="list-style-type: none"> First Gen provided adequate information in key sections of its report such as "Who We Are," "What We Do," "Organizational Structure," and "Our Operating Context." These sections communicated the Company's profile, operations, and external environment factors that may or currently impact its business, along with its corresponding strategies to address them. Furthermore, the sections "2022 at a Glance" and "2022 Key Milestones" have established the Company's current market position and performance for the reporting period, further enhancing the report's overall transparency and completeness.
Governance	<ul style="list-style-type: none"> First Gen's report featured a comprehensive governance framework that showed its direct impact on the Company's value creation goals. Additionally, it included a remuneration report that demonstrates how compensation is awarded to both employees and directors, outlining the three (3) principles that govern First Gen's compensation policy, and providing insight into the benchmarking process for pay and benefits practices. Furthermore, the Company linked its mission and strategic objectives with its value creation story, emphasizing how its activities and initiatives are aligned with its core values and contribute to its overall performance.
Business Model	<ul style="list-style-type: none"> First Gen's value creation diagram presented the key elements of the <IR> business model, including inputs, business activities, outputs, and outcomes. The report also provided valuable information on the Company's outcomes, specifically value creation, preservation, and erosion, as well as identifying the stakeholders that are affected and the timeframes involved. To further enhance the IR in the next reporting cycle, First Gen may want to consider including additional information related to the availability, quality, and affordability of capitals. This would provide a more comprehensive view of the Company's capital structure and could potentially offer valuable insights for stakeholders.
Risks and Opportunities	<ul style="list-style-type: none"> First Gen provided a concise and clear discussion of its identified risks and opportunities. For risks, it presented the Company's risk management process, specific risks identified, and the corresponding strategic responses or measures to address them. The report also included information on risk time horizons, stakeholders and capitals affected, and the likelihood and potential impact on the Company. On the other hand, First Gen discussed its internal and external opportunities in detail, including the context and existing strategies. It also identified the contributing capitals, impact on stakeholders, and organizational benefits. Additionally, First Gen demonstrated its response to major disruptions such as climate change through the implementation of the Task Force on Climate-related Financial Disclosures (TCFD), as well as its approach to social issues including human rights. To improve the discussion of First Gen's risk management process, it is recommended that the Company consistently provide context on the risks identified in the future. Additionally, it may be beneficial for First Gen to present its Risk Governance Structure, if possible. This will help to provide a clearer picture of how the Company is managing its risks and give stakeholders more confidence in the effectiveness of its risk management processes.

Strategy and Resource Allocation	<ul style="list-style-type: none"> First Gen provided a clear presentation of its strategic direction by expressing its long-term vision and strategic objectives. It showed its roadmap for both its decarbonization and regeneration plans, including specific time horizons over the short, medium, and long term. The Company also indicated its strategies, resource allocation plans, and target outcomes to support its vision. To strengthen its IR in the next reporting period, First Gen may consider further specifying its target outcomes quantitatively for all strategic objectives. This will enable the Company to better monitor its progress over time and assess the effectiveness of its strategies.
Performance	<ul style="list-style-type: none"> First Gen demonstrated a balanced discussion of its current level of performance, including both positive and negative effects on its various capitals. The Company also linked its performance with its outlook, providing an adequate basis for assessing its progress in delivering its management's strategic targets.
Outlook	<ul style="list-style-type: none"> First Gen has identified key themes such as Transition Towards Retail Markets, Clean Energy Transition, and Need for Rapid Project Development as opportunities for the Company. The report presented a sufficient explanation of how the Company will capitalize on these opportunities, including specific actions it will take.
Basis of Preparation and Presentation	<ul style="list-style-type: none"> First Gen presented a comprehensive description of its process for determining the material matters included in its report, as well as how such matters are quantified and evaluated. The Company also presented its key judgements on material topics thoroughly under its Material Topics, Standards, and References section.

Table 2. Assessment on the <IR> Guiding Principles of First Gen's 2022 IR (March 17, 2023 version)

<IR> Guiding Principles	Findings and Recommendations
Strategic Focus and Future Orientation	<ul style="list-style-type: none"> First Gen ensured that its strategic objectives were aligned with various <IR> Content Elements in the report. Aside from the Strategy and Resource Allocation and Outlook sections, the strategy is embedded in the discussion of other content elements such as risks and opportunities, performance, and governance. To improve the report, First Gen may further emphasize the actions and initiatives taken by the Board to achieve its strategic objectives.
Connectivity of Information	<ul style="list-style-type: none"> First Gen demonstrated the interrelatedness of the <IR> Content Elements, despite having yet to complete the other portions of the report (e.g., the Chairman's and President's messages). The Company provided sufficient quantitative and qualitative information to connect financial and nonfinancial performance and present a holistic picture of its performance.

Stakeholder Relationships	<ul style="list-style-type: none"> First Gen used the Pentad Diagram framework to illustrate its engagement with key stakeholders and shareholders. The Company also explained how it manages stakeholder concerns and engagements. Moreover, First Gen included its stakeholders in the strategic positioning of the Company, emphasizing how they would be affected by the Company's long-term vision.
Materiality	<ul style="list-style-type: none"> First Gen utilized the "Double Materiality" process to determine the materiality of its environmental, social, and governance topics. The Company provided a detailed discussion on the material topics resulting from the process. However, the Company may consider elaborating on the negative and positive impacts of the material topics on its value creation aspirations in the next reporting cycle to further enhance its reporting.
Conciseness	<ul style="list-style-type: none"> First Gen demonstrated the conciseness of its report by using plain language that can be easily understood by general readers. The Company also utilized appropriate infographics to complement its narratives and avoided redundancy by using cross-references. Additionally, First Gen used table presentations to show the interconnectivity of various content elements in its value creation process.
Reliability and Completeness	<ul style="list-style-type: none"> First Gen achieved a balanced approach to integrated reporting by presenting all material topics and their impact on the Company's value creation in both positive and negative terms. To further strengthen the reliability and completeness of the report, the sections that need to be completed when the information becomes available include the Messages from the Chairman and President, Third-Party Review Statement, Data Assurance, and the relevant International Standards Content Index. The corresponding numbers and disclosure/code labels should be included on the pages where the discussion of material topics is presented.
Consistency and Comparability	<ul style="list-style-type: none"> First Gen demonstrated comparability of its data with industry peers by utilizing common key performance indicators (KPIs) and baseline information. The Company also maintained consistency in the number of material topics covered in the current reporting period as in the previous one. This reinforces the reliability and relevance of its integrated reporting practice.

Summary of Expert Opinion

The 2022 Integrated Report (IR) of First Gen Corporation adheres to different international disclosure standards such as the GRI Standards (using the electric utilities supplement for power generation), SASB Standards, TCFD Framework, United Nations Guiding Principles on Business and Human Rights (UNGP-BHR), and the UN SDGs – these frameworks are integrated with the International <IR> Framework.

The report addresses the previous year's recommendations. For instance, it now discusses the implications of the deployed capitals on the value creation process, delineating clearly what contributes to the Company's value generation and value recapturing processes. It also presents specific corporate initiatives towards decarbonization (through operational efficiency and variable energy portfolio transition) and regeneration (through environmental and social initiatives, among others). These initiatives are vital as they communicate First Gen's practical pursuit to generate financial returns and resources on the capitals it deploys to sustain its operations, attracting and retaining financial capital while pursuing its mission.

It also highlights the Company's commitment to decarbonization and regeneration in collaboration with its parent company, First Philippine Holdings Corporation. The report details the Company's energy portfolio transition plans as a major supplier of baseload power capacity to the grid. With the nation's projected need to double capacity by 2030, First Gen is aware of the implications of its expansion plans towards renewable energy on the nation's future energy needs. The Company recognizes that natural gas must be one of the key transition energy portfolios to achieve this transition. However, First Gen also keeps a keen interest in advancements in renewable energy technology such as storage and hydrogen power to ensure that baseload power capacity will be available in its growing renewable energy portfolio.

The renewable energy market presents a significant opportunity for First Gen. However, the Company must be mindful of both strategic and systemic risks. Strategic risks, such as securing a market for its supply when contracts expire, are within the Company's control. On the other hand, systemic risks, such as disruptions to the global supply chain and extreme climate events, are beyond the Company's control. The 2022 IR shows that First Gen is aware of these risks and has measures in place to mitigate them. The potential impact on the Company's capital is also well-presented in the report.

The 2022 IR provides a comprehensive picture of First Gen's strategic balancing act as it shifts to an RE portfolio without compromising the nation's energy supply. It highlights the importance of natural gas as a transition portfolio while keeping its mission of decarbonization in mind. It also acknowledges the significant capital needed and the attendant risks involved, including the unpredictable energy policy environment and the need for stability by long-term capital. By addressing all these factors, the 2022 IR assures its pentad of stakeholders that the Company is committed to its mission and plans, despite the uncertainties and volatilities involved. Overall, the report provides valuable insights for stakeholders and readers to understand First Gen's delicate balancing act.

28 March 2023
University of Asia and the Pacific
Center for Social Responsibility



The UA&P-CSR Review Team

Disclaimer

The UA&P-CSR review team possesses the appropriate competencies and qualifications to uphold their independence throughout the review process. It is important to note that their assessment report and review of First Gen Corporation's Integrated Report may yield positive results, but it is not considered an assurance engagement. The review team only provides professional findings and does not express any assurance. Furthermore, it should be clarified that the opinions and viewpoints expressed by the review team are their own and may not necessarily align with the views of UA&P-CSR.

As the undersigned, we have carefully reviewed the 2022 Integrated Report of First Gen Corporation, along with the relevant information provided by the management. In fulfilling our vetting engagement, we conducted thorough procedures to assess whether the information presented in the report is fairly stated, in accordance with the International <IR> Framework, and material in all respects.

As the review team, it is our responsibility to provide a conclusion based on our engagement. We have conducted a thorough evaluation and are pleased to report that in our professional opinion, the information presented in First Gen Corporation's 2022 Integrated Report is fairly stated in all material respects, and is in compliance with the International <IR> Framework.



Dr. Winston Conrad Padojinog is the President of the University of Asia and the Pacific (UA&P) and an associate professor of industrial economics and strategic management. As an expert in the fields of industry dynamics, strategic management, finance, and business sustainability he has externally assured the sustainability reports of various companies in the Philippines. Also, he is a founding member of the Center for School Governance – an NGO aimed at promoting good governance in universities and colleges; sits on the board of the Center for Research and Communication Foundation, Inc. – a think tank that aims to promote inclusive growth and development; and the Jose Jon Tiamsuy Foundation that provides low income student scholarships.

Dr. Winston Conrad Padojinog
President, University of Asia and the Pacific



With 30 years of solid work experience and a robust business network in the Philippines and Southeast Asia, Mr. Colin Legarde Hubo is a distinguished professional in the business sustainability space. He is currently a global ambassador for the International Integrated Reporting Council (IIRC-London) and holds certifications in various standards such as GRI, <IR> Framework, TCFD, SASB Standards and UNGP Business and Human Rights. In 2022, Mr. Hubo was honored as an ESG, Diversity, and Climate Trailblazer by Diligent (New York) and included in the Modern Governance 100 list. He provides advisory services to multiple publicly listed companies (PLCs) in the Philippines for their non-financial reporting. Mr. Hubo's notable accomplishments include integrating sustainability into the curriculum of UA&P and establishing a professional training program on business sustainability that is accredited by the Philippine Securities and Exchange Commission (SEC). He completed the Wharton Executive Education for Leadership and Management and is presently enrolled in UA&P's Strategic Business Economics Program (SBEP). Before his sustainability advocacy, Mr. Hubo was a Fleishman fellow at Duke University and has worked with projects of Control Risks Group (Manila), IFC-World Bank, UK Embassy Manila and Agence Francaise de Developpement.

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TCFD-certified Specialists
UA&P Center for Social Responsibility*

Content Index

<IR>	International Integrated Reporting Framework
GRI	Global Reporting Initiative Standards for Sustainability Reporting
SASB	Sustainability Accounting Standards Board - Infrastructure Sector – Electric Utilities & Power Generators
TCFD	Task Force on Climate-related Financial Disclosures
UNGP-BHR	United Nations' Guiding Principles on Business and Human Rights
UN SDG	United Nations Sustainable Development Goals

Statement of Use

First Gen Corporation has reported the information cited in this GRI content index for the period from 1 January to 31 December 2022 with reference to the GRI Standards.

GRI used

GRI I: Foundation 2021

MATERIAL TOPICS	<IR>	GRI	SASB	TCFD	UNGP-BHR	UN SDG	Page
ENVIRONMENT							
Climate Change	Natural	-	IF-EU-110a.1	Governance Strategy Risk Management Metrics and Targets	-	SDG 7 SDG 13	18 to 21, 52 to 55, 60 to 63, 68 to 71, 154 to 155, 162, 168 to 171, 174
Biodiversity/Nature's Integrity	Natural	304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas 304-3: Habitats protected or restored 304-4: Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	-	-	-	SDG 14 SDG 15	5, 145 to 151, 155, 162 to 163
Water Use & Management	Natural	303-1: Interactions with water as a shared resource 303-2: Management of water discharge-related impacts 303-3: Water withdrawal 303-4: Water discharge 303-5: Water consumption	IF-EU-140a.1 IF-EU-140a.2 IF-EU-140a.3	-	-	SDG 6	138 to 142, 154, 161 to 163
Waste Management & Circularity	Natural	306-1: Waste generation and significant waste-related impacts 306-2: Management of significant waste-related impacts 306-3: Waste generated 306-4: Waste diverted from disposal 306-5: Waste directed to disposal	-	-	-	SDG 12	68, 143 to 144, 152
Environmental Policy & Management Systems	Natural	2-27: Compliance with laws and regulations	-	Strategy	-	SDG 7 SDG 14 SDG 15	126, 131, 179
Greenhouse Gas Emissions	Natural	305-1: Direct greenhouse gas (GHG) emissions (Scope 1) 305-2: Energy indirect greenhouse gas (GHG) emissions (Scope 2) 305-3: Other indirect greenhouse gas (GHG) emissions (Scope 3) 305-4: Greenhouse gas (GHG) emissions intensity	IF-EU-110a.1 IF-EU-120a.1	Metrics and Targets	-	SDG 7 SDG 13	5, 132 to 135, 155
Pollution Reduction	Natural	303-2: Management of water discharge-related impacts 305-7: NOx, SOx, and other significant air emissions	IF-EU-120a.1	-	-	SDG 7 SDG 12 SDG 13	135, 140 to 142, 152, 161
Conservation of the Natural World/ Resource Efficiency	Natural	301-1: Renewable and non-renewable materials used by weight or volume	-	-	-	SDG 14 SDG 15	154
Climate Risk & Strategy	Natural Risks & Opportunities	2-22: Statement on sustainable development strategy 201-2: Financial implications and other risks and opportunities due to climate change	IF-EU-110a.3	Risk Management Strategy	-	SDG 13	47 to 49, 59 to 63, 70 to 71
Opportunities in Renewable Energy	Natural Manufactured	EU1: Installed capacity EU10: Planned capacity	F-EU-000.D	Risk Management Strategy	-	SDG 7	4, 13 to 14, 62 to 63, 79, 88 to 91
Energy Efficiency	Natural	302-1: Energy consumption within the organization 302-4: Reduction of energy consumption EU11: Average generation efficiency	-	-	-	SDG 7	80, 90, 137, 152, 154

MATERIAL TOPICS	<IR>	GRI	SASB	TCFD	UNGP-BHR	UN SDG	Page
SOCIAL							
Health and Safety (Employees & Communities)	Human Social & Relationship	403-1: Occupational health and safety management system 403-3: Occupational health services 403-4: Worker participation, consultation, and communication on occupational health and safety 403-5: Worker training on occupational health and safety 403-6: Promotion of worker health 403-9: Work-related injuries 403-10: Work-related ill health 413-1: Percentage of operations with implemented local community engagement, impact assessments, and development programs 413-2: Operations with significant actual and potential negative impacts on local communities EU16: Policies and requirements regarding health and safety	IF-EU-320a.1	-		SDG 3 SDG 6	4, 5, 50, 56, 106 to 111, 123 to 124, 126, 154 to 155, 164, 179, 217
Gender Equality & Diversity	Human	2-7: Employees 405-1: Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity 406-1: Total number of incidents of discrimination and corrective actions taken	-	-	Non-discrimination Human Rights Grievance Mechanism	SDG 5 SDG 10	5, 95 to 99, 154, 161, 164, 182, 194
Human Rights Due Diligence	Human	2-23: Policy commitment 406-1: Total number of incidents of discrimination and corrective actions taken	-	-	Human Rights Assessment	SDG 5 SDG 10	5, 103, 161, 164, 180
Human Development	Human	401-1: Total number and rates of new employee hires and employee turnover by age group, gender, and region 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation 404-1: Average hours of training per year, per employee, by gender, and by employee category 404-2: Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings 404-3: Percentage of employees receiving regular performance and career development reviews EU15: Percentage of employees eligible to retire in the next 5 and 10 years	-	-	Human Rights Training	SDG 5 SDG 8	5, 96 to 97, 100 to 102, 105, 154 to 155, 161, 163
Community Relations	Social & Relationship	203-1: Development and impact of infrastructure investments and services supported 411-1: Total number of incidents of violations involving rights of indigenous peoples and actions taken 413-1: Percentage of operations with implemented local community engagement, impact assessments, and development programs	-	-	Non-discrimination Human Rights Grievance Mechanism Rights of Indigenous People	SDG 1 SDG 2 SDG 3 SDG 4 SDG 5 SDG 6 SDG 7 SDG 10 SDG 11 SDG 17	5, 62 to 63, 116, 118 to 123, 154 to 155, 160 to 161, 179

MATERIAL TOPICS	<IR>	GRI	SASB	TCFD	UNGP-BHR	UN SDG	Page
Supplier Programme	Social & Relationship	204-1: Proportion of spending on local suppliers at significant locations of operation 308-1: Percentage of new suppliers that were screened using environmental criteria 403-1: Occupational health and safety management system 403-3: Occupational health services 403-4: Worker participation, consultation, and communication on occupational health and safety 403-5: Worker training on occupational health and safety 403-6: Promotion of worker health 403-9: Work-related injuries 403-10: Work-related ill health 414-1: New suppliers that were screened using social criteria	-	-	Labor Practices and Decent Work Forced or Compulsory Labor Child Labor Human Rights Grievance Mechanism	SDG 8	5, 115, 123 to 124, 163 to 164, 179
Covid-19 Mitigation for Employees	Human	403-3: Occupational health services 403-6: Promotion of worker health	-	-	-	SDG 3	5, 50, 85, 109, 154, 160
Covid-19 Mitigation for Partner Communities	Social & Relationship	203-1: Development and impact of infrastructure investments and services supported 203-2: Significant indirect economic impacts, including the extent of impacts 413-1: Percentage of operations with implemented local community engagement, impact assessments, and development programs	-	-	-	SDG 3	5, 50, 85, 109, 115, 123, 154, 160
Employee Satisfaction	Human	-	-	-	-		5, 111 to 112, 155
Anti-corruption/ Bribery	Governance Human	205-1: Total number and percentage of operations assessed or risks related to corruption and the significant risks identified 2-23: Policy commitments	-	-	-	SDG 16	56, 164, 176
Cybersecurity	Intellectual		IF-EU-550a.1	-	-	-	49, 127 to 130, 154 to 155
Stakeholder Engagement	Social & Relationship	2-29: Approach to stakeholder engagement	-	-	Rights of Indigenous People Non-discrimination Human Rights Grievance Mechanism	SDG 17	39, 115 to 116, 179
Social License to Operate	Social & Relationship	2-6: Activities, value chain, and other business relationships 2-27: Compliance with laws and regulations	-	-	Rights of Indigenous People		12, 66 to 67, 117 to 125, 154 to 155, 199
Power Supply Availability	Manufactured	EU30: Average plant availability	-	-	-	SDG 7	80 to 81
Access & Affordability	Manufactured	2-6: Activities, value chain, and other business relationships EU3: Number of customer accounts	IF-EU-000.A	-	-		12, 66 to 67, 117, 154 to 155
Investor Relations	Financial	-	-	-	-	SDG 17	73

MATERIAL TOPICS	<IR>	GRI		SASB	TCFD	UNGP-BHR	UN SDG	Page
GOVERNANCE								
Board & Governance Structure	Governance	2-9: Governance structure and composition 2-10: Nomination and selection of the highest governance body 2-11: Chair of the highest governance body 2-12: Role of the highest governance body in overseeing the management of impacts 2-13: Delegation of responsibility for managing impacts 2-14: Role of the highest governance body in sustainability reporting 2-16: Communication of critical concerns 2-17: Collective knowledge of the highest governance body 2-20: Process to determine remuneration 2-27: Compliance with laws and regulations		-	Governance Risk Management Strategy	Non-discrimination		1, 3, 105, 173 to 175, 182 to 197
Governance Policies & Programs/ Corporate Behavior	Governance Strategy & Resource Allocation Human	2-22: Statement on sustainable development strategy 2-23: Policy commitment 2-27: Compliance with laws and regulations		-	Governance	-		9 to 11, 174, 176 to 181
Economic Performance	Financial	201-1: Direct economic value generated and distributed		-	-	-		4, 74 to 77, 116, 154 to 155, 157 to 158
Business Model Resilience	Business Model Strategy & Resource Allocation	2-22: Statement on sustainable development strategy		-	Strategy	-	SDG 7	59 to 65
Systemic Risk Management/ Critical Incident Risk Management	Risks & Opportunities	2-12: Role of the highest governance body in overseeing the management of impacts 2-22: Statement on sustainable development strategy		-	Risk Management	-		44 to 57, 70 to 71
Innovation & Digital Transformation	Intellectual	-		-	-	-	SDG 9 SDG 13	126 to 130

SASB Content Index

The Content Index is referenced on the Sustainability Accounting Standards Board (SASB) Standards, Disclosures for the Infrastructure Sector - Electric Utilities & Power Generators, published in October 2018, which contains topics that are material to First Gen's business value creation process. This table contains First Gen's ESG data that is aligned with this standard.

SASB Code	Accounting Metric	Response	
Greenhouse Gas Emissions & Energy Resource Planning			
IF-EU-110a.1	(1) Gross global scope 1 emissions (million metric tons)		6.7
	(2) Percentage covered under emissions-limiting regulations	Not Applicable	
	(3) Percentage covered under emissions-reporting regulations	Not Applicable	
IF-EU-110a.3	Description of long-term and short-term strategy or plan to manage scope 1 emissions, emission-reduction targets, and an analysis of performance v. those targets	Refer to page 60 to 65 and 70 to 71	
IF-EU-110a.4	(1) Number of customers served in markets subject to renewable portfolio standards (RPS)		15
	(2) Percentage fulfillment of RPS target by market		100%
Air Quality			
IF-EU-120a.1	Air Emissions	Air emissions (metric tons)	Percentage from facilities within urbanized areas
	(1) NOx (excluding N ₂ O)	3,642.3	100%
	(2) SOx	355.3	100%
	(3) Particulate matter (PM10)	147.1	100%
	(4) Lead (Pb)	0	0%
	(5) Mercury (Hg)	0	0%
Water Management			
IF-EU-140a.1	(1) Total water withdrawn (thousands of cubic meters)	Total	Percentage with high or extremely high baseline water stress
	(2) Total water consumed (thousands of cubic meters)	2,831,657.93	0%
IF-EU-140a.2	(1) Total water withdrawn (thousands of cubic meters)	2,568.46	0%
	(2) Total water consumed (thousands of cubic meters)		
IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	None	
IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Refer to page 142	0%

SASB Code	Accounting Metric	Response
Coal Ash Management		
IF-EU-150a.1	Amount of coal combustion residuals generated (metric tons)	Not Applicable
	Percentage recycled (metric tons)	Not Applicable
Energy Affordability		
F-EU-240a.1	Average retail electric rate for (1) residential	Not Applicable
	(2) commercial	Not Applicable
	(3) industrial customers	Not Applicable
IF-EU-240a.2	Typical monthly electric bill for residential customers o electricity delivered per month	Not Applicable
	(1) 500 kWh	Not Applicable
IF-EU-240a.3	(2) 1,000 kWh	Not Applicable
	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Not Applicable
IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Not Applicable
Workforce Health & Safety		
IF-EU-320a.1	(1) Total recordable incident rate (TRIR)	0.14
	(2) Fatality rate	0
	(3) Near miss frequency rate (NMFR)	0.46
End-Use Efficiency & Demand		
IF-EU-420a.1	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	Not Applicable
IF-EU-420a.2	Percentage of electric load served by smart grid technology	Not Applicable
IF-EU-420a.3	Customer electricity savings from efficiency measures, by market (MWh)	Not Applicable
Nuclear Safety & Emergency Management		
IF-EU-540a.1	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Not Applicable
IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness	Not Applicable

SASB Code	Accounting Metric	Response
Grid Resiliency		
IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	0
IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI)	Not Applicable
	(2) System Average Interruption Frequency Index (SAIFI)	Not Applicable
	Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Not Applicable
F-EU-000.A	Number of customers served (1) residential	297
	(2) commercial	
	(3) industrial	
IF-EU-000.B	Total electricity delivered to: (1) residential	22,352,420
	(2) commercial	
	(3) industrial	
	(4) all other retail customers	
	(5) wholesale customers	
IF-EU-000.C	Length of transmission and distribution lines (km)	Not Applicable
F-EU-000.D	Total electricity generated (MWh)	22,352,420
	Energy Source	% of Total Energy Generated
	Natural Gas	65.72%
	Hydro	1.39%
	Geothermal	31.42%
	Wind	1.40%
	Solar	0.07%
IF-EU-000.E	Total wholesale electricity purchased (MWh)	0



Acknowledgments

First Gen 2022 Integrated Report

- Office of the Chairman and CEO
- Office of the President and COO
- Accounting
- Business Development Groups
- Corporate Social Responsibility
- EDC Corporate Communications
- EDC Investor Relations
- EDC Technical Working Group
- Enterprise Risk Management
- FGCEC Technical Working Group
- FG Hydro Technical Working Group
- FG Bukidnon Technical Working Group
- FPH Corporate Sustainability Group
- Human Resources
- Information Technology
- Integrated Corporate Communications
- Investor Relations
- Legal and Regulatory
- Power Marketing
- Quality Environment Safety and Health
- Strategy and Planning Group

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