

2023 ANNUAL AND SUSTAINABILITY REPORT

# Reimagining Our Shared Purpose



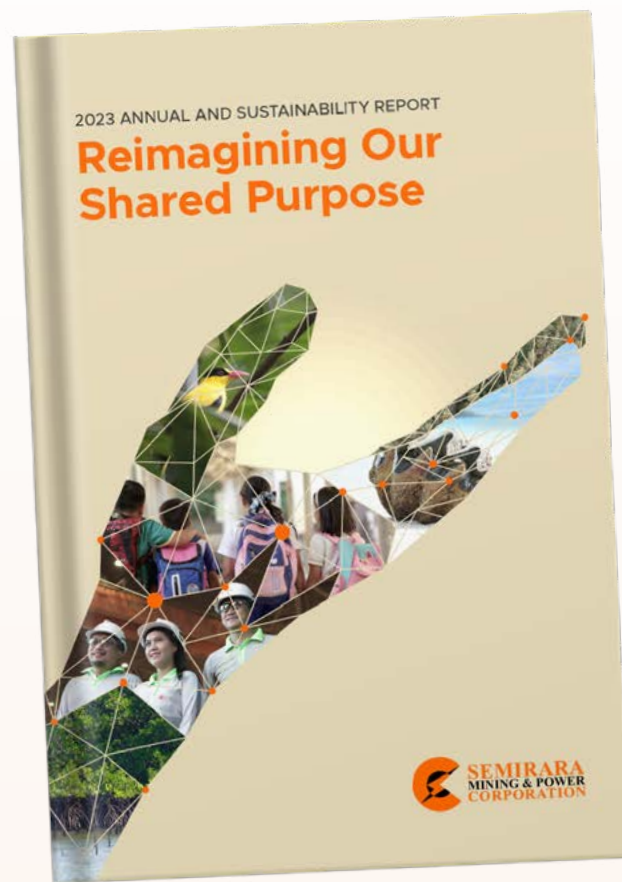


## About the Report

2-2, 2-3

“Reimagining Our Shared Purpose” is Semirara Mining and Power Corporation’s (SMPC) 2023 Annual and Sustainability Report (ASR). This encapsulates our journey towards greater heights while staying true to our commitment to create meaningful, positive impact in the lives of our stakeholders. We provide in detail our performance, practices, risk management, and inclusive progress across key areas in the economic, environmental, social, and governance domains.

This report is prepared referencing the Global Reporting Initiative (GRI) Standards for the period January 1 to December 31, 2023, and the Philippine Securities and Exchange Commission (SEC) Sustainability Reporting Guidelines for Publicly-listed Companies.



## About the Cover

This year's cover reveals a story of interconnectedness, resilience, and shared success. At its heart is a stylized stretched hand. Within its contours, glimpses of humanity are found: faces, landscapes, and nature. This tapestry of images, connected by geometric lines, represents our collective fabric, woven together by purpose.

From the palm, a radiant glow emanates, symbolizing our Chairman's philosophy of "spreading the sunshine." This signifies sharing success beyond boardrooms and balance sheets, illuminating paths for communities, nurturing growth, and ensuring no one is left behind. Every positive action, no matter how small, creates a ripple effect that extends far beyond our offices into communities and the society.

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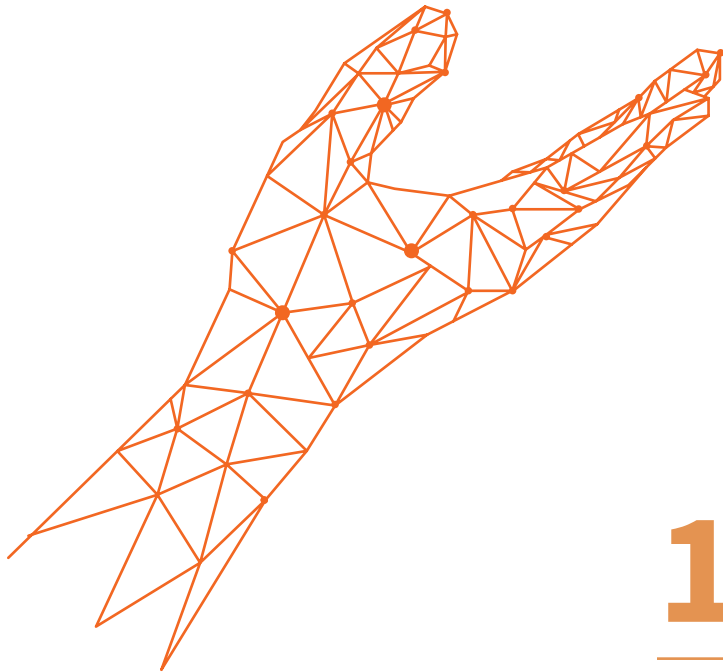
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## Scaling New Heights: Message from the Chairman and CEO

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In recent years, our commitment to sustainability has become an integral part of our business. Rather than treating it as a mere checkbox, we have woven sustainability into the very fabric of our operations in recognition of the inseparable link between financial success and broader societal impact.

This year, I am especially pleased to spotlight our upward trajectory as a vertically-integrated company, marked by historical highs in both our coal and power segments. These milestones not only serve as a testament to our financial growth, but they also set a standard of excellence in our mission to being a conscious, sustainable business.

### Reaching Record Highs

Our apt anticipation of changes amidst notable energy market shifts in 2023 enabled us to strategically manage internal factors and secure our profitability. Net income reached PHP 27.9 billion, the second-highest in our corporate history, translating to PHP 6.57 in earnings per share.

Notably, we distributed a dividend of PHP 7.00 per share, totaling PHP 29.8 billion, setting yet another all-time high for SMPC. Additionally, our government royalties reached PHP 10.7 billion, the second-largest amount since 1997.

Our coal segment remained our primary revenue driver, contributing PHP 18.0 billion, or 64% of consolidated earnings. We attribute our second-best financial performance to improved operational efficiency amid normalized energy markets.

We also highlight the contribution of our power segment, which bounced back stronger than ever by delivering its record-breaking performance to date. Net income reached a historic high of PHP 6.0 billion, a 55% upturn from the prior year. This is mainly due to the full year operation of SEM-Calaca Power Corporation's (SCPC) Unit 2 and an immense reduction of total outage days from 552 to 279 days in 2023.

Our strategic pivot to spot sales, efficient fuel management, and sustained operations coupled with the growing level of the country's demand for electricity has led to the surge of our power segment's contribution to consolidated earnings from 19% in 2022 to 35% in 2023.

Anticipating a 5% average annual growth in energy demand, our current capacity management strategy involves balancing bilateral contract quantities (BCQ) and market prices based on plant availability. To achieve this, we are looking at contracting around 50% of SCPC and SLPGC dependable capacity as the most optimal approach.



## Solid Governance for Sustainable Growth

Embracing corporate sustainability as part of our shared purpose demands a bedrock of responsible governance.

In 2023, we bagged the Silver Award in Finance Asia's Best Managed Companies Poll—a prestigious benchmark featuring Asia's top-performing companies.

We also received the coveted 3 Golden Arrow recognition from the Institute of Corporate Directors (ICD) for being among the best governed publicly listed companies in the Philippines.

In 2023, we progressed in our long-standing commitment towards empowering an inclusive work environment where all employees feel safe and heard. For the third year in a row, SMPC has been included in the Bloomberg Gender-Equality Index—a distinction shared by only four companies in the Philippines. Additionally, we published our maiden Diversity, Equity, and Inclusion (DEI) Report which underscores our commitment to transparency in DEI efforts.

## Pursuing Our Shared Purpose

While we anticipate growth opportunities in our core business, we maintain prudent risk management. This includes balancing power generation reliability with energy efficiency and environmental sustainability. Looking forward, we seek to grow our business in a synergistic manner and unlock value creation in our environmental, social and governance (ESG) strategies in the years to come.

As we stand at the cusp of a global transformation that puts emphasis on sustainable development, we will calibrate a sustainability roadmap that drives an organization-wide synthesis supporting our country's just energy transition. We are fully prepared to expand our business footprint while remaining steadfast in our determination to do this the responsible way.

**We are fully prepared to expand our business footprint while remaining steadfast in our determination to do this the responsible way.** ”

I would like to thank our esteemed stakeholders for your trust and strong partnership that made our remarkable progress possible. We look ahead to pursuing our shared purpose and generating greater value for both our business and society.



**ISIDRO A. CONSUNJI**

Chairman and Chief Executive Officer







## Building Resilience: Message from the President and COO

2-22

In a year marked by unique challenges and opportunities, I am honored to report yet another exceptional year for SMPC in terms of achieving operational and sustainability milestones.

Succeeding as a vertically integrated business was just a bold ambition back then. The hard work, fortitude, and sacrifices of our people allowed us to overcome headwinds and become a major force in the Philippine energy sector.

”

**The hard work, fortitude, and sacrifices of our people allowed us to overcome headwinds and become a major force in the Philippine energy sector.**

This is a testament to our very legacy - one that is built with resilience, innovation, and a commitment to serving our community.



## Operational Milestones

For two years in a row, our coal production reached 16 million metric tons (MMT), the maximum allowable capacity stipulated in our Environmental Compliance Certificate (ECC). We also concluded 2023 with record-breaking coal shipments of 15.8 MMT (+7%), owing to historic high exports and elevated internal sales.

Accounting for our strong performance was the simultaneous operation of Molave and Narra mines, with total production nearly evenly split at 51% and 49%, respectively. Exports were up by 14% from 7.1 MMT to 8.1 MMT driven by strong China demand. While domestic sales remained flat at 7.7 MMT due to high sulfur content in some commercial grade coal, weaker sales to external domestic customers was cushioned by the improved overall availability of SMPC-owned power plants, with a 38% surge in internal sales from 2.6 MMT to 3.6 MMT.

Last year was also a landmark period for our power segment. After a challenging start and multiple setbacks, our power business has undergone a major transformation and set new records across key metrics including plant availability (81%), gross generation (4,890 GWh), and sales volume (4,515 GWh). This stellar achievement was mainly due to reduced outage days and the commercial operations of Sem-Calaca Power Corporation (SCPC) Unit 2 in October 2022.

Power segment revenues climbed by 20% from PHP 20.4 billion to PHP 24.4 billion on improved plant availability, while net income jumped by 55% from PHP 3.9 billion to PHP 6.0 billion on the back of higher gross generation and sales volume amid normalizing market prices.

We emphasize the groundbreaking performance of SCPC, which stood out this year with its highest-ever net income of PHP 4.9 billion, an impressive 63% increase from the PHP 3.0 billion generated profit in 2022. Likewise, Southwest Luzon Power Generation Corporation (SLPGC) demonstrated a growth of 25%, with earnings rising from PHP 865.4 million to PHP 1.1 billion. The significant rise in power contributions blunted lower coal revenues due to decrease in average selling prices, and underscores our growth potential as a leading vertically integrated energy enterprise.

## Fostering Sustainability from Within

In 2023, we expanded our workforce and firmed up our talent management strategy to reinforce our bench strength and ensure our people are well-equipped to advance our business. We also made headways in our digitalization journey by continually building our data science and analytics capabilities to operate more efficiently and prudently, while providing strategic insights for organizational development and value expansion.

Recognizing that our business growth plan comes with higher operational risks, we take health risks and safety incidents seriously and continue to put emphasis on building a robust safety culture. We remain vigilant in our commitment to workplace safety and compliance—protecting not only our company’s legacy but more importantly, each other’s safety.

## Building Sustainable Communities

Beyond utilizing our indigenous resources to support the country’s energy transition, we are committed to balancing energy needs with environmental responsibility and community development.

To protect the Semirara shoreline following the Mindoro oil spill in February 2023, our Emergency Response Team (ERT) devoted over 8,500 man-hours to recover more than 51,000 kilos of oil-contaminated debris from the sunken ship. We also offered on-site medical assistance and spearheaded relief operations to the affected households in Semirara Island and Liwagao Island of the Caluya Municipality.

To help create a sustainable future for our host communities, we provide non-mining livelihood opportunities such as equipping residents with tools and training to be able to launch micro-enterprises. Our investments in upskilling the local workforce also provide employment opportunities in heavy industries such as steel fabrication, container van recycling, and ship repair facilities. Furthermore, we are progressing our agri-fishery livelihood programs geared towards island food security and self-sufficiency.



## Forging Ahead

Investments on environmental compliance, social inclusion, good governance, and resource efficiency have always been a part of our financial decision-making. But recent years have seen us add another layer of research into our investment decisions, meticulously assessing social and environmental impacts alongside traditional cost-benefit analyses.

Considering the inherent nature of our business and our journey so far, integrating ESG into our operations has been a formidable task. We are the largest coal producer in the Philippines hosting 900 MW coal power plants, and 100% of our fuel source is dependent on carbon. Striking the delicate balance between positive ESG impact

and business growth remains an ongoing endeavor. Yet, we remain steadfast in our commitment.

Our journey continues despite the challenges, guided by our closely held values and a holistic vision that transcends financial gains. Our intensified focus on ESG integration, cost rationalization and operational efficiencies reinforce our resolve.

As we navigate this path, we extend our gratitude to our stakeholders for their unwavering trust and support. Together, we will forge ahead toward a more sustainable future.



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



## Charting Our Path: Message from the CFO

In acknowledgment of our unwavering dedication and resilience, I am immensely proud to share another outstanding year for SMPC, marked by impactful financial and sustainability achievements.

### Going Above and Beyond

Our financial performance in 2023 was not bereft of hurdles - however, we worked hard towards addressing them to sustain and improve our business sustainability. Remarkably, we achieved this without external loans, relying solely on internal funding for operational needs, capital expenditures, cash dividends, and loan amortizations.

One of the continual challenges we face is an annual increase in insurance premiums ranging from 15% - 25%, for companies for whom carbon usage is high. To manage this, we conducted several roadshows and fostered proactive engagement with regional insurers and reinsurers to optimize increased rates at the lower average range. Fuel prices, too, averaged at around PHP 40 per liter in 2023. While lower in comparison to 2022, fuel prices today are still much higher than pre-pandemic prices. However, through continuous monitoring of generation cost at our coal power plants and by using an optimal coal blend, we saved around PHP 2.6 billion pesos in 2023 on fuel costs.

Forex losses also occurred in 2023, since 51% of our coal sales are exports, and our import purchases are transacted in US dollars or Japanese Yen. Our efforts on monitoring forex rates and our diligent cash management practices helped us manage the volatile currency rates. Despite the odds, we managed to achieve our second-highest revenue and net income in our history.

Even with our record-high dividends and second-largest government share, we maintained a healthy cash balance of PHP 18.9 billion. Our company is also in a net cash position, effectively protecting our business from the challenges of a high interest rate environment. Return on equity in 2023 reached 44%, the highest among listed energy peers in the Philippines. Moreover, despite market fluctuations and inflation, we are able to maintain our financial performance because of cost rationalization efforts across the organization. This, too, and intelligent cost management is the approach we seek to embrace in the future.

## Our Outlook

In the coming years, our focus remains on maximizing revenue across both the coal and power segments, even amidst normalized coal and electricity prices. We aim to sustain our margins through continuous cost rationalization and operational efficiencies.

Clearing our loan balances promptly and avoiding substantial new loans for operations are integral to our financial strategy.

However, our vision extends beyond short-term gains. We aim to channel investments and funding into new mining assets and other related businesses where we can achieve more synergies, thus laying the groundwork for long-term prosperity.

We will continue charting our course forward as we strive for excellence and positive impact.

With the unwavering support of our stakeholders, we are optimistic we can stay on the path of sustainable value creation and forge an even better future for all.



**CARLA CRISTINA T. LEVINA**

Vice President and Chief Finance Officer

## PHP 77 billion

Our FY2023 Generated Revenues

## PHP 60 billion

Royalties to Government since 1997

## PHP 7 per Share

All-Time High 2023 SCC  
Cash Dividends per Share

# About Semirara Mining and Power Corporation

2-1, 2-2, 2-6, 3-1

Since DMCI Holdings acquired Semirara Mining and Power Corporation (SMPC), formerly Semirara Coal Corporation (SCC) in 1997, our company has transformed from a coal mining company to a leading vertically integrated energy enterprise in the Philippines.

Currently, SMPC accounts for 99% of the country's coal production and is the only Philippine power producer that owns and mines its own fuel source (coal). Our company

supplies coal to power plants, cement plants, and small boiler users in the food, textile, and cement industries.

Our subsidiaries—Sem-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC)—provide baseload power to the national grid.

Our shares are listed and traded on the Philippine Stock Exchange under the symbol “SCC.”



# Brief History

1980

Semirara Coal Corporation (SCC) was incorporated

1988

SCC commences commercial operations



1997

DMCI Holdings, Inc. (DMCI HI) acquires a 40% interest in SCC Common shares

1998

DMCI HI gains controlling interest in SCC

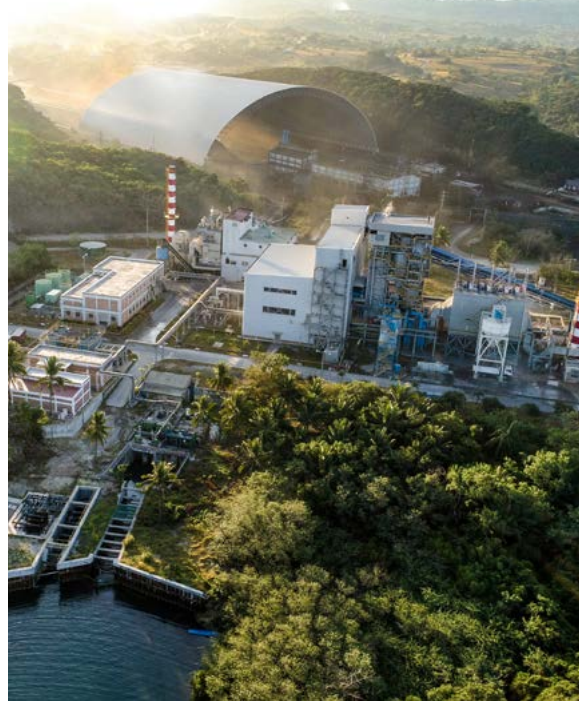


1999

SCC changes its name to Semirara Mining Corporation (SMC)

2009

DMCI HI acquires the 600MW coal-fired power plants from the National Power Corporation (NPC) and assigns its rights over the plant to SMPC



2014

SMC is renamed as Semirara Mining and Power Corporation (SMPC), becoming the only vertically integrated power generation enterprise in the country

# Business Overview

2-2, 2-6





## Vision

Semirara Mining and Power Corporation is a reliable, responsible, vertically integrated energy enterprise contributing towards inclusive growth.



## Mission

- To operate in all sites responsibly and efficiently

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- To empower host communities, contributing to their sustainability

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- To nurture and uphold environmental stewardship

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- To ensure equitable returns to all stakeholders

## Core Values



### Commitment

We are highly focused on realizing our mission without compromising the environment, safety and health of our stakeholders.



### Excellence

We set high standards for ourselves and for our Company and then strive to consistently exceed them.



### Professionalism

We use our skills, competence, and character to deliver value to our stakeholders.



### Teamwork

We work together and support each other to achieve our shared goals.



### Integrity

We act in a fair, honest, ethical, and responsible manner.



### Loyalty

We put a premium on personal commitment over self-interest.

## Corporate Objectives



Business Sustainability



Value Maximization

## Primary Activities

### Coal Mining

SMPC conducts surface open cut mining operations in Semirara Island, Antique. Our coal is classified as sub-bituminous-B for use in a wide range of combustion facilities. We supply coal to local power plants, cement plants, paper mills, textile dyeing plants, canneries, and food factories. In 2007, SMPC successfully forayed into the export market with its maiden shipment to China. Since then, it has expanded its market base to include Brunei, Cambodia, India, Hong Kong, Japan, South Korea, Taiwan, Thailand and Vietnam.

### Power Generation

Through our wholly-owned subsidiaries, SMPC operates four units of coal-fired power plants in Calaca, Batangas. We acquired two 300-megawatt (MW) pulverized-coal (PC) fired thermal power plant units from the Philippine government in 2009 and later completed two 150-MW Circulating Fluidized Bed (CFB) power plants under SLPGC. At present, all four (4) units now run on 100% Semirara coal with a total 900 MW installed capacity. An expansion capacity project is in the pipeline to further increase our installed capacity to an additional 700 MW under St. Raphael Power Generation Corp. Our continued investments have translated to strong organic growth, allowing us to supply much-needed power to the national grid.



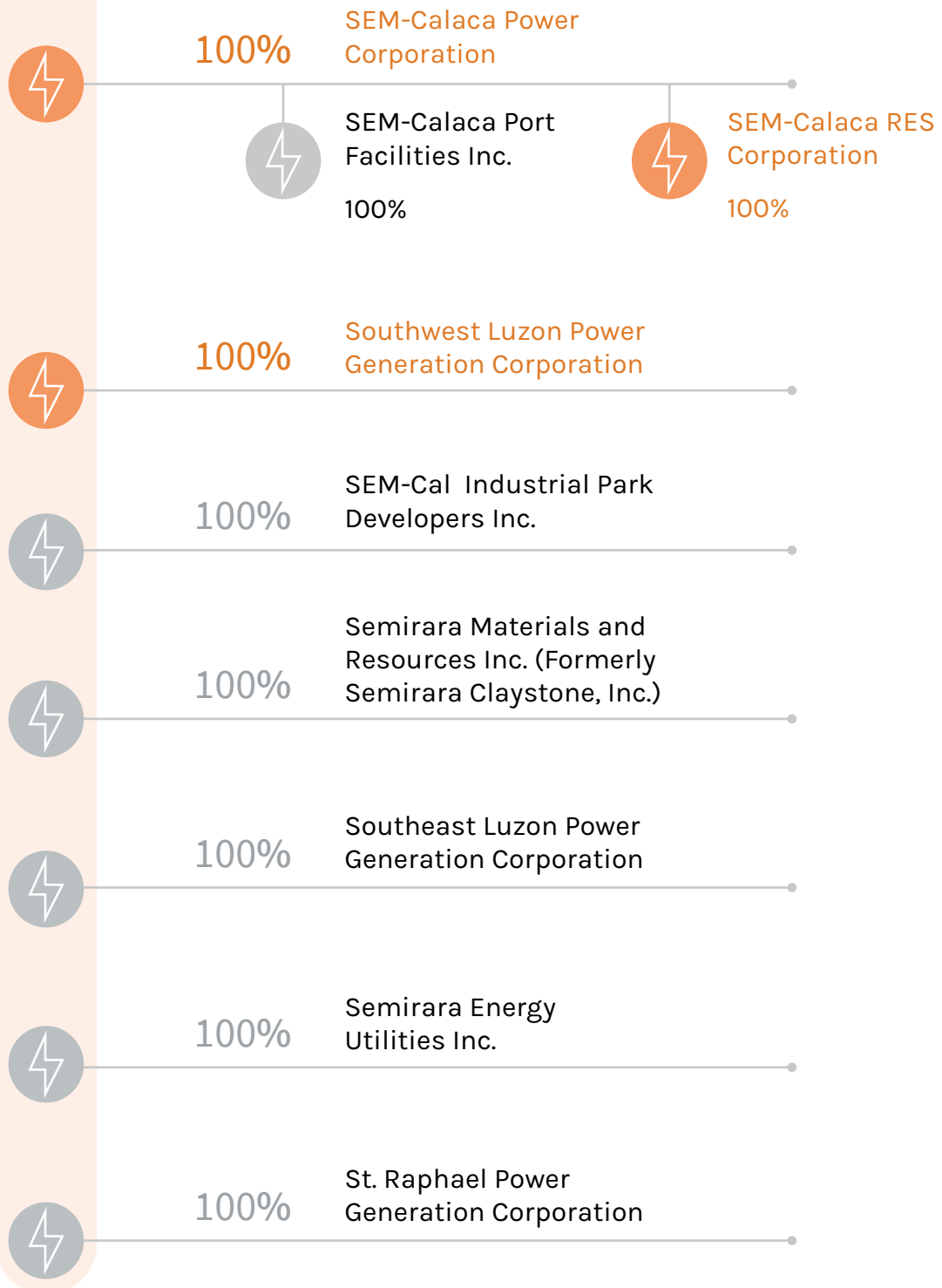
# Business Structure

2-1, 2-2, 2-6



## Semirara Mining and Power Corporation

- Operational
- Non-Operating Entities



## Business Footprint

### Semirara Island, Antique Province

Semirara is one of three major islands in the Caluya archipelago of Antique. In 1940, under Proclamation No. 649, Semirara Island was officially declared a coal mining reservation site by then President Manuel L. Quezon. In a bid to secure affordable energy and reduce the country's reliance on fuel imports, the Philippine government sought to explore indigenous energy resources. Following this, former President Ferdinand E. Marcos, Sr. issued Presidential Decree No. 972, also known as the "Coal Development Act of 1976," designating Semirara Island as a coal region. This allowed for the issuance of Coal Operating Contracts (COCs) in Semirara Island to SMPC, with its COC expiring on July 14, 2027. Today, the island continues to be the largest known coal reserve and operational coal mine in the country.



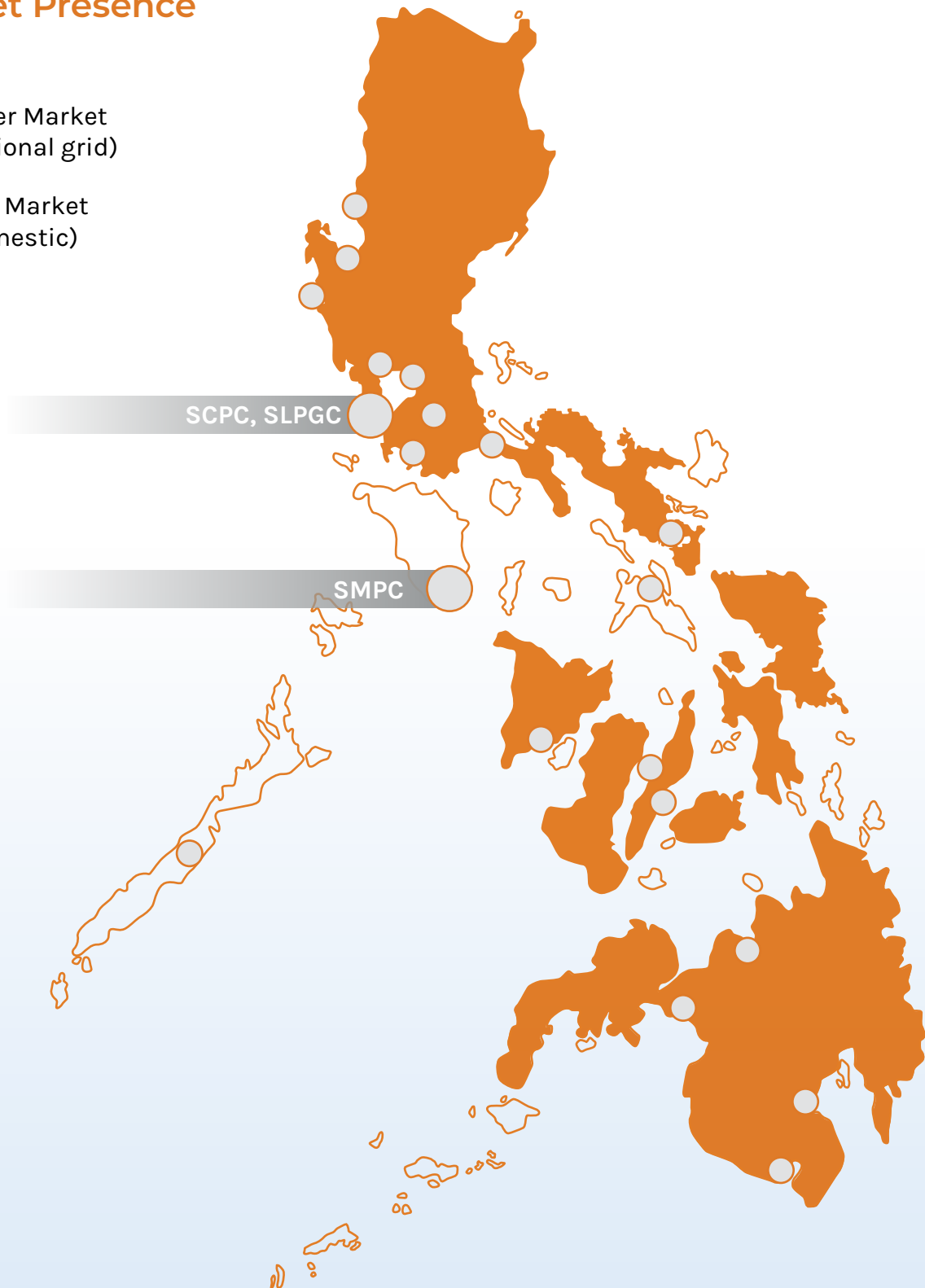
### Calaca, Batangas Province

Calaca is a coastal city of the northwestern Batangas Province. Its primary economic activities include agriculture, service manufacturing, and tourism. The city is home to SMPC's coal-fired power plants, owned by subsidiaries Sem-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC). SCPC operates two 300-MW PC power plants, while SLPGC runs two 150-MW CFB power plants.



## Market Presence

- Power Market (national grid)
- Coal Market (Domestic)



We export to:



# Awards and Recognition



## 2022 ASEAN Corporate Governance Scorecard (ACGS) Awards by the Institute of Corporate Directors

Three Golden Arrow Award



## FinanceAsia's Best Managed Companies Poll for 2023

Silver Award





**2023 Anvil Award**  
**"Ano'ng Kwentong Semirara Mo?"**  
**("What's Your Semirara Story?")**  
 Social development video docuseries  
**Silver Award - Multi-Media Tools Category**



**Top 5 Taxpayers of 2022**  
**in the City of Calaca Batangas**  
**SCPC and SLPGC**

**Indices**

**Philippine Stock Exchange (PSE)**

- PSE Index (PSEI)
- Dividend Yield Index

**Bloomberg Gender-Equality Index for the third straight year**



# Setting New Milestones

## Financial and Operational Highlights



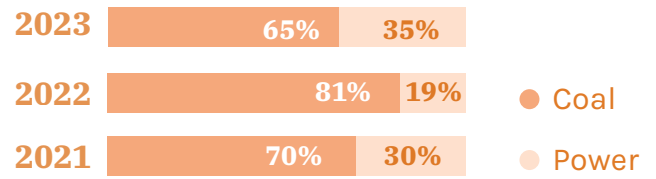
2023 marked a year of both financial resiliency and operational excellence. Our power segment's record-breaking performance and our coal segment's all-time-high sales reaffirm our commitment to inclusive development. We continue to navigate the market's 'new normal' conditions by exploring opportunities for sustainable growth and by expanding our global reach.

# Business Performance

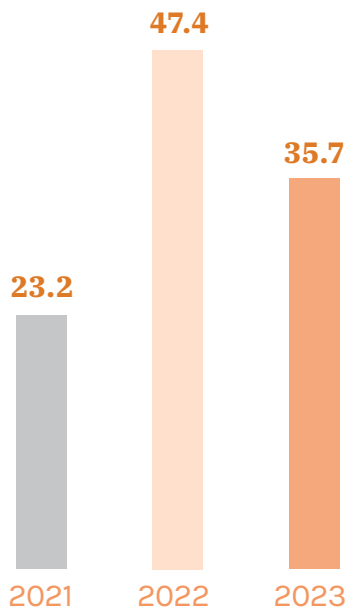
Revenues (In PHP Billion)



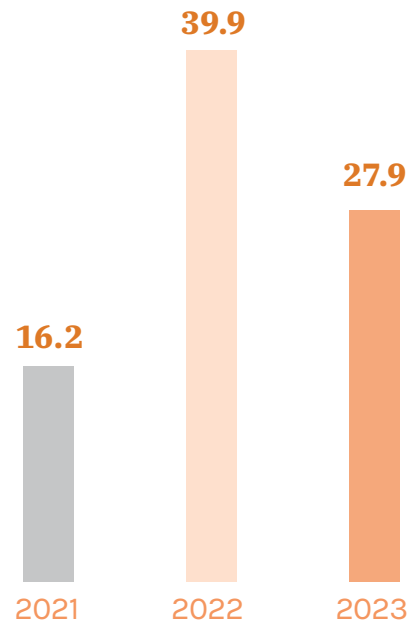
Net Income by Segment



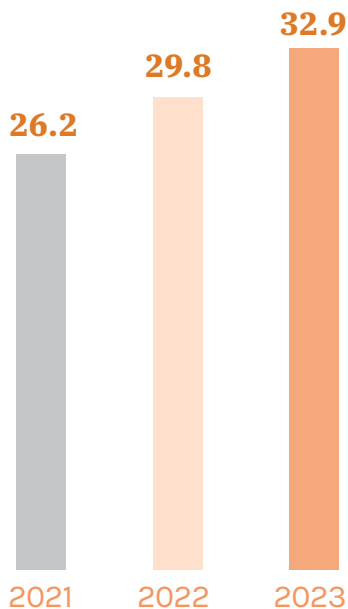
Core EBITDA (In PHP Billion)



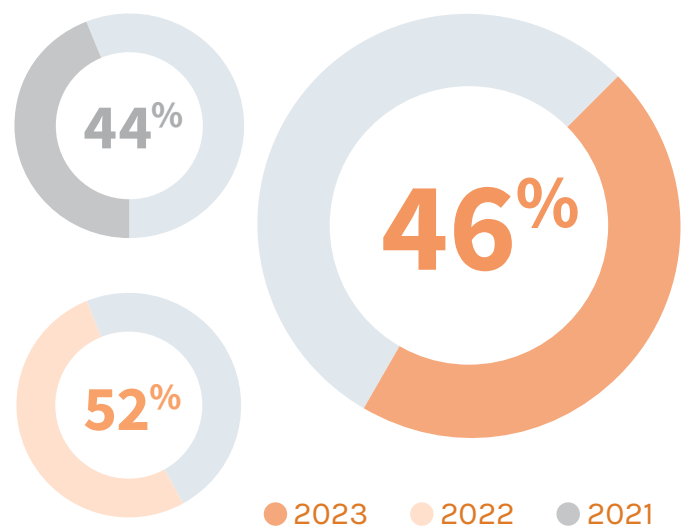
Net Income (In PHP Billion)



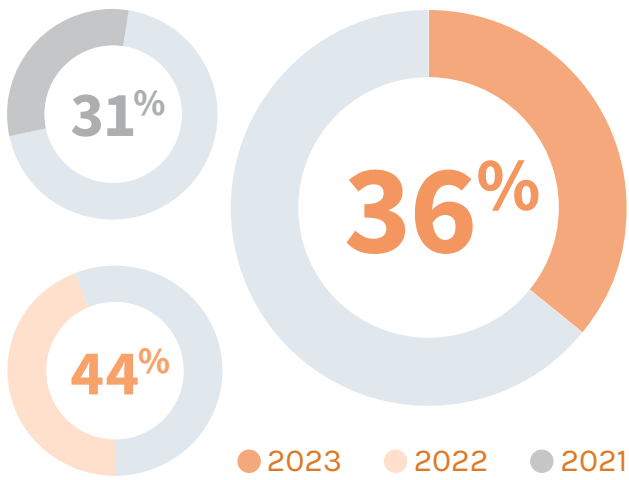
Cost of Sales (In PHP Billion)



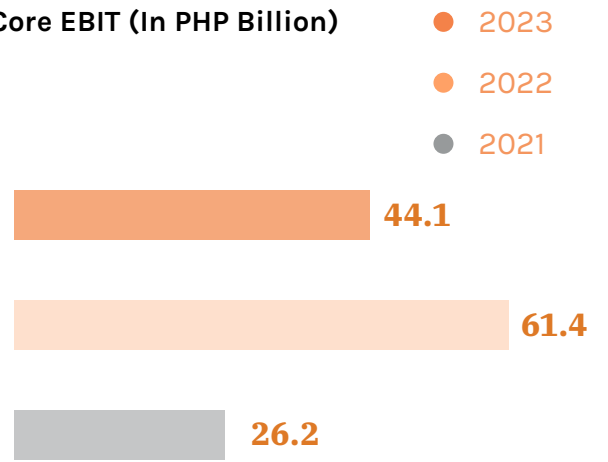
Core EBITDA Margin(%)



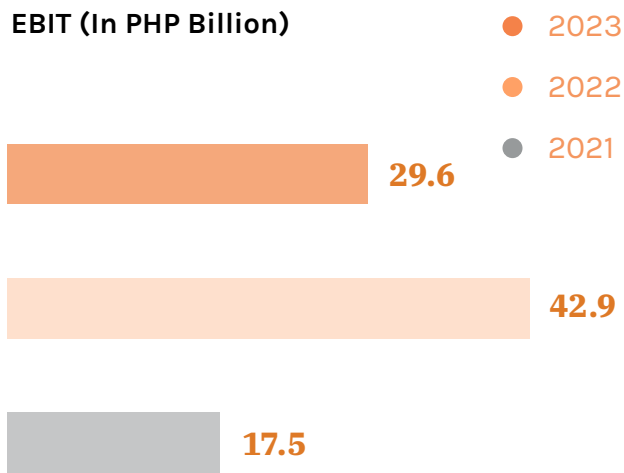
### Net Profit Margin (%)



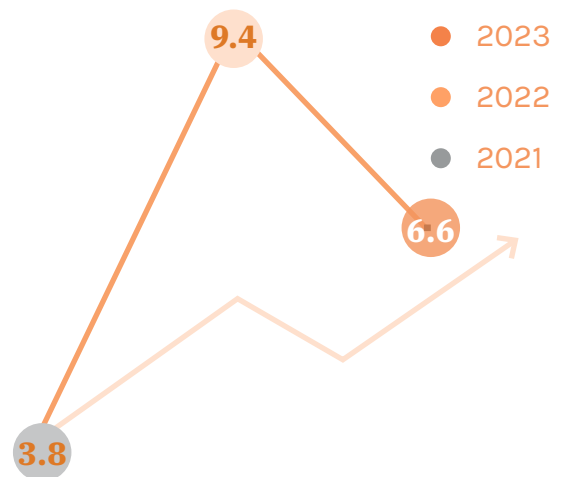
### Core EBIT (In PHP Billion)



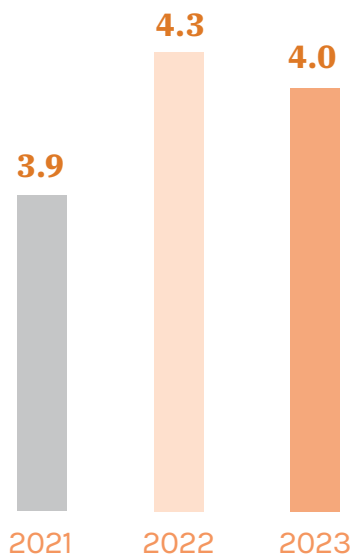
### EBIT (In PHP Billion)



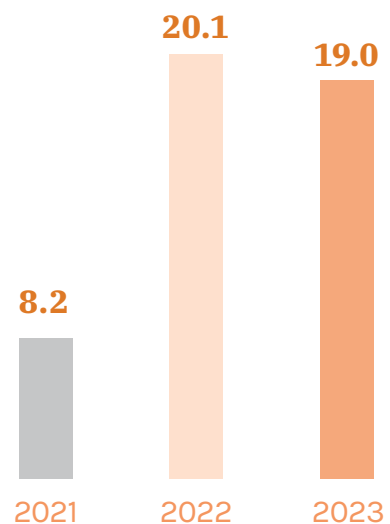
### Earnings Per Share (In PHP)



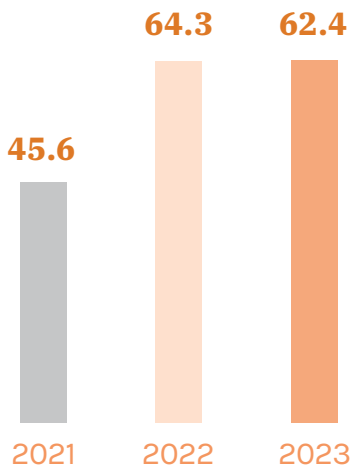
### Capital Expenditures (In PHP Billion)



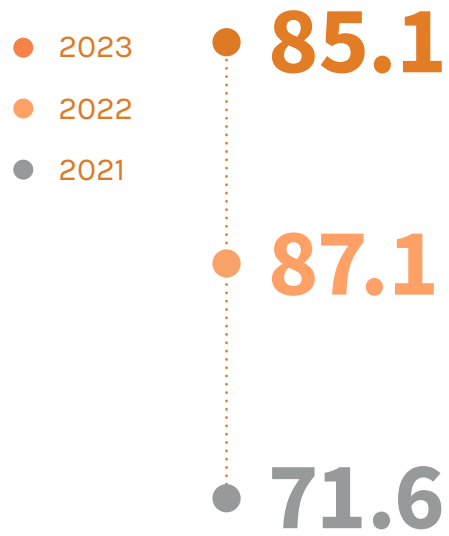
### Cash and Cash Equivalents (In PHP Billion)



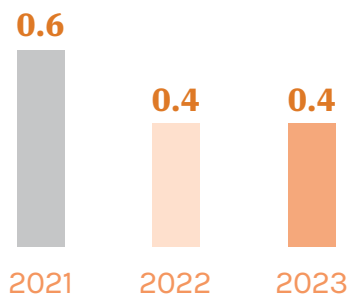
### Total Equity (In PHP Billion)



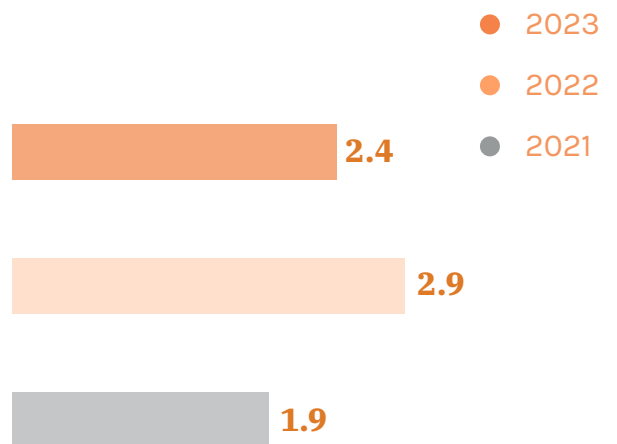
### Total Assets (In PHP Billion)



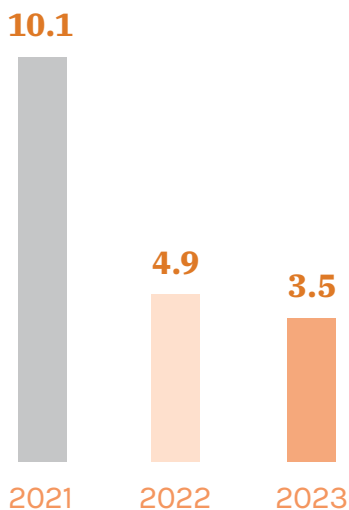
### Debt to Equity Ratio



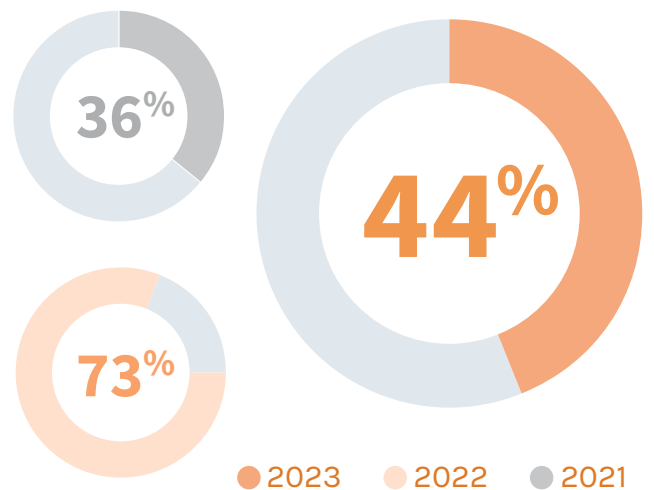
### Current Ratio



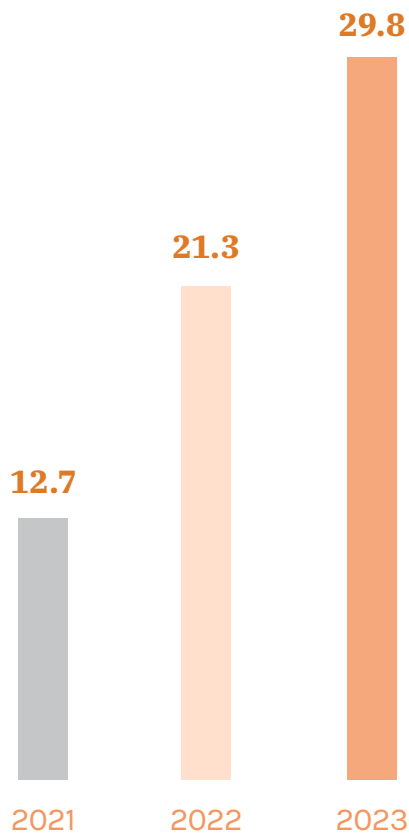
### Loan Payments (In PHP Billion)



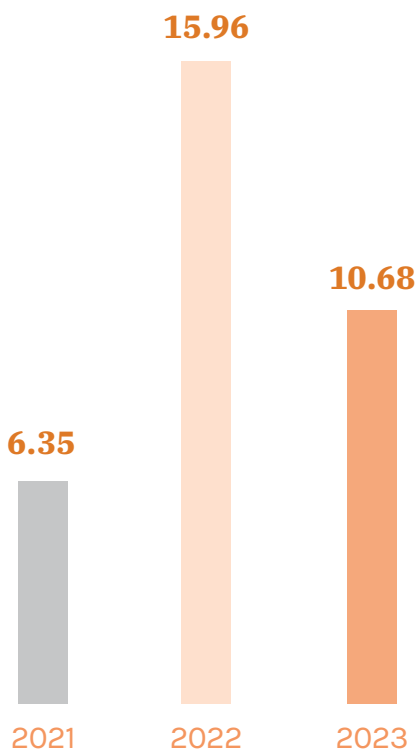
### Return on Equity (%)



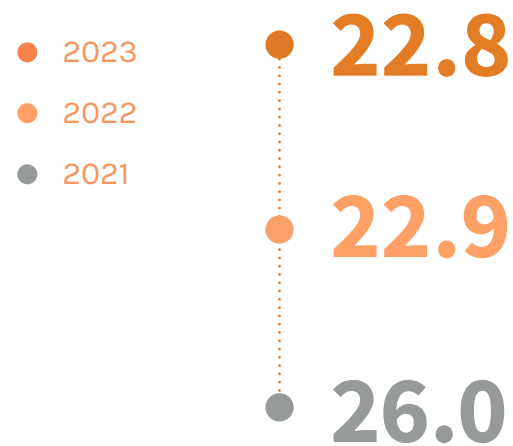
### Dividend Payments (In PHP Billion)



### Royalties to Government (In PHP Billion)

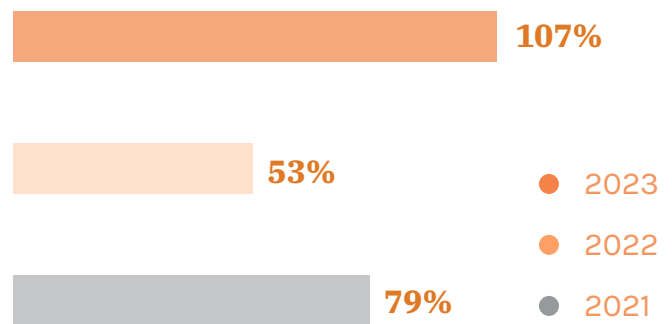


### Total Liabilities (In PHP Billion)



### Dividend Payout (%)

\*Based on current year net income



### Navigating Challenges, Cultivating Growth

2023 sets the highest record yet on SMPC's historic dividend payout at PHP 7/share or PHP 29.8 billion. We also proudly acknowledge our all-time high shipments, which soared to 15.8M MT on the back of strong exports.

The year 2023 stands as a testament to a strong operating and financial performance. Notably, we achieved our second-best net income, robust revenues, a strong cash balance, impressive spot sales, and substantial gross generation. Although there was a decline in overall net income compared to 2022, sustained year-long operations in our SCPC plants and coal segment propelled our annual earnings. These accounted for 28% and 65% of our total earnings, respectively.

## Outstanding Performance

**Php 7  
per share**

All-Time High  
Cash Dividend

**15.8 MMT**

Highest-Ever Coal  
Shipments

**Php 77  
billion**

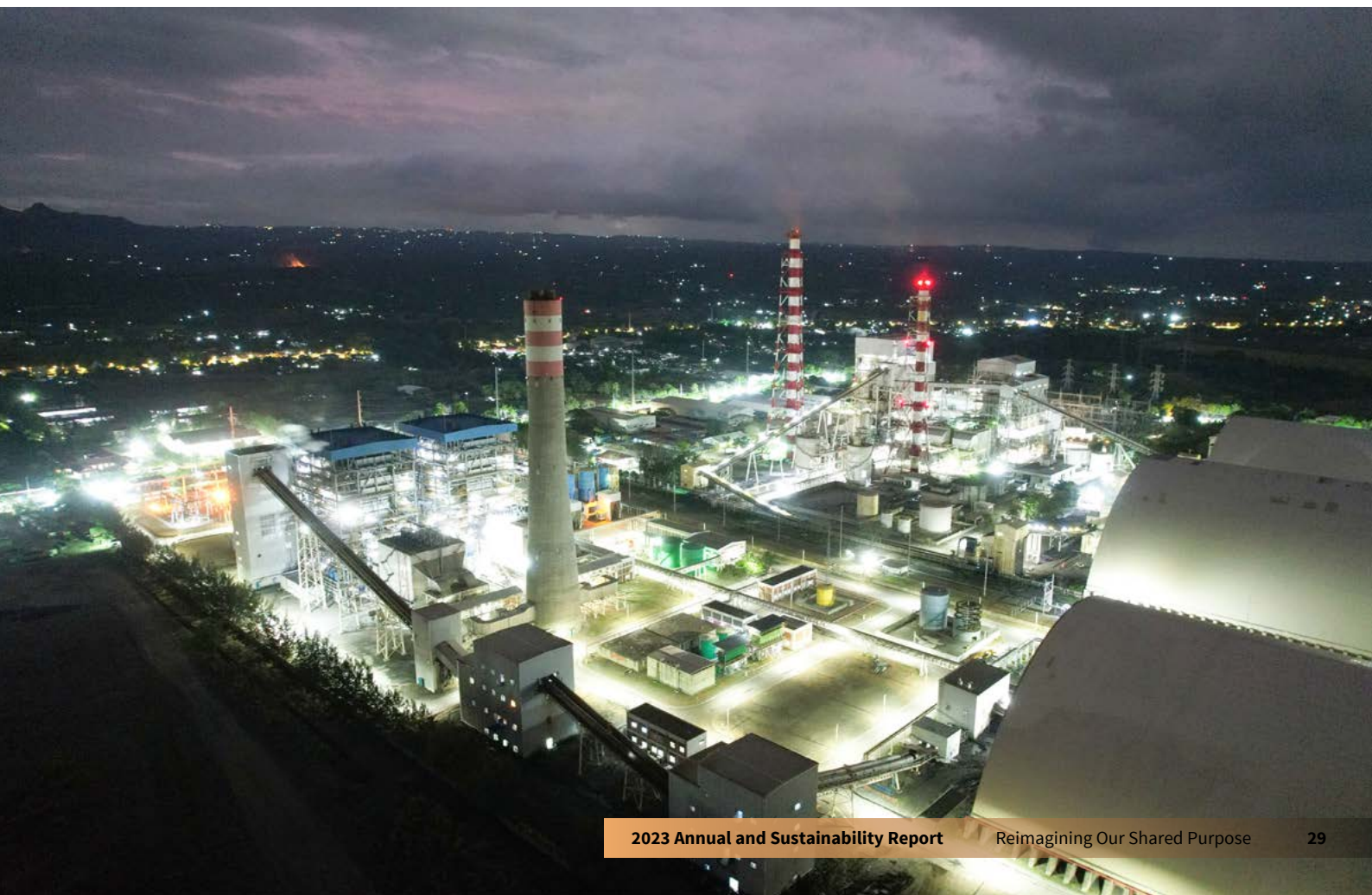
Revenues

**Php 28  
billion**

Net Income

**Php 19  
billion**

Cash Balance



## Adapting to the ‘New Normal’: Optimizing Market Insights

In 2023, the global energy market shifted its focus towards stabilizing the supply chain, following disruptions caused by geopolitical and regulatory events in the previous year.

Significant events that shaped the coal market this year include high China and Europe stockpiles, winter stocking and increased Indian demand, and Indonesia mining approval suspension. Towards the 4th quarter, market prices remain to be much lower than that of 2022. However, we are beginning to see stabilizing “new normal” prices that mimic and surpass pre-pandemic market prices, attributed to growing Asian demand. These events and trends underscore the significance of coal in driving the energy transition, fulfilling baseload energy requirements, and addressing industrial demand.

Coal indices also witnessed substantial drops compared to 2022. The average Newcastle (NEWC) index experienced a significant decline from the

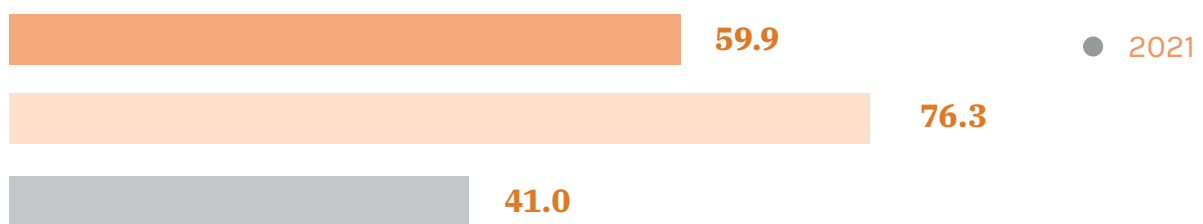
1st to the 2nd quarter, followed by a more gradual decrease from the 2nd to the 4th quarter. Overall, the NEWC index plummeted from \$360.2 in 2022 to \$173.0 in 2023. Similarly, the Indonesian Coal Index 4 followed a comparable trajectory, falling from \$85.9 last year to \$63.2 by 2023.

Meanwhile, electricity prices during the first half of 2023 remained at an elevated level owing mainly to supply-demand constraints. The Malampaya outage during the first quarter of the year also caused spikes in spot prices in the Wholesale Electricity Spot Market (WESM). However, normalized fuel costs coupled with the reintegration of a major baseload plant and additional capacity from Mindanao’s connection in the national grid during the second half of 2023 has pulled down the average electricity prices for the year.

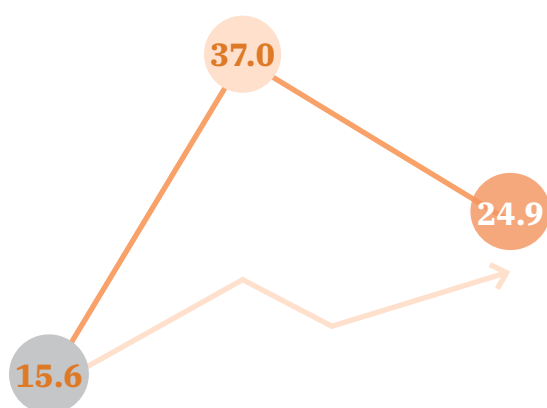
As we steer this dynamic landscape, adaptability and strategic foresight remain our compass.

### Coal Segment Standalone Highlights

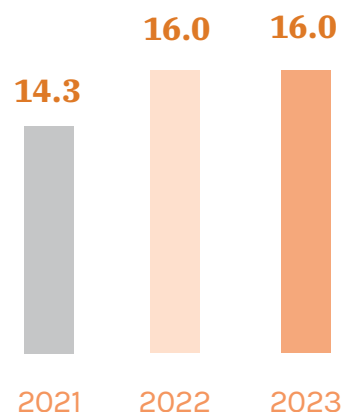
#### Revenues (In PHP Billion)



#### Net Income (In PHP Billion)



#### Production (In MMT)

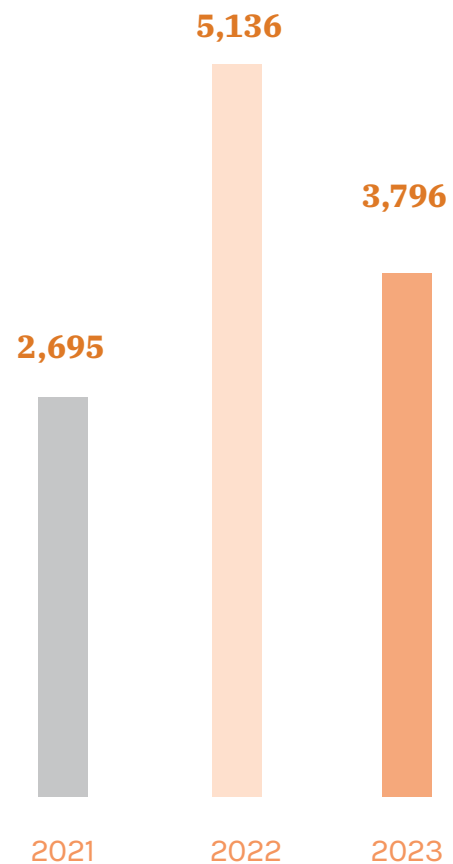




Sales Volume (In MMT)



Average Selling Price (In PHP per MMT)



## Coal Segment Reaches Record-High Sales Volume

Despite formidable challenges in the coal market this year, impacting our revenues, we proudly showcase exceptional performance with an all-time high sales volume. Looking ahead, we anticipate more stable operations as coal prices find equilibrium next year—a consequence of the evolving economic landscape under the “new normal.”

Strip ratio increased to 32% as a result of resumed operations at Narra mine during the 4th quarter of 2022, as well as low-base effect resulting from the near-depletion of Molave mine. Production was sustained at 16MMT, which is the maximum allowable volume under our Environmental Compliance Certificate.

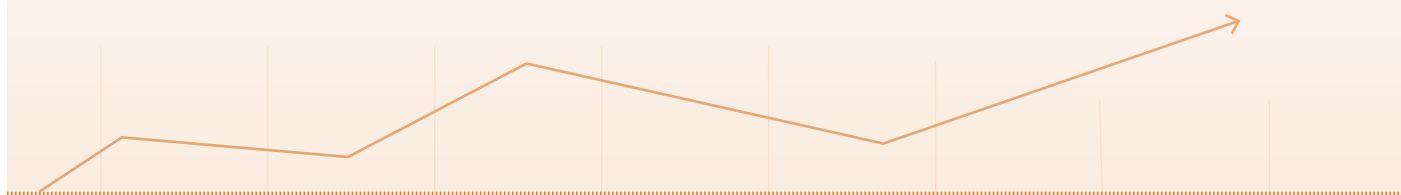
This year, we mark a historic milestone as our shipments soar to a record high, with exports surging by an impressive 14%. China dominated exports, accounting for 65%, followed by South Korea (27%), Brunei (4%), Japan (2%), India (1%) and Vietnam (1%). Our record-breaking exports highlight our global reach, and sets the tone for further diversifying our market presence to countries such as South Korea and Brunei.

# 16.0 MMT

Production

# 15.8 MMT

Sales Volume



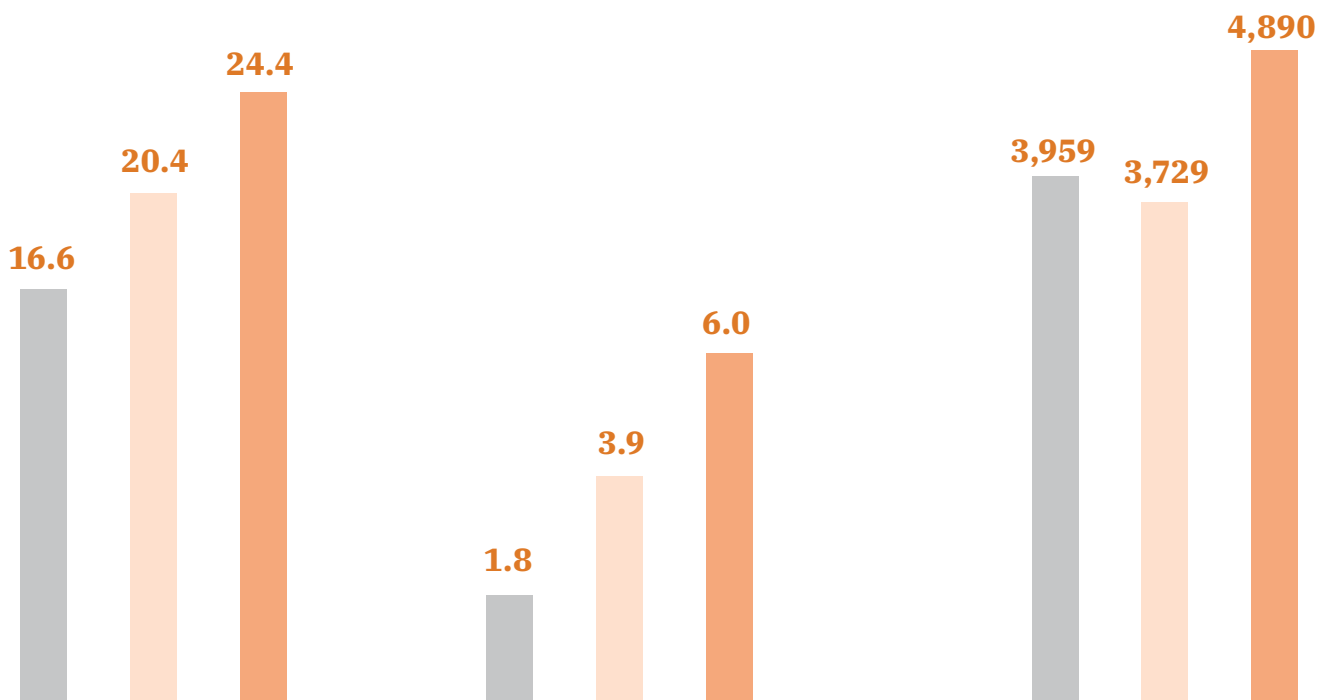
## Power Segment Standalone Highlights

● 2023 ● 2022 ● 2021

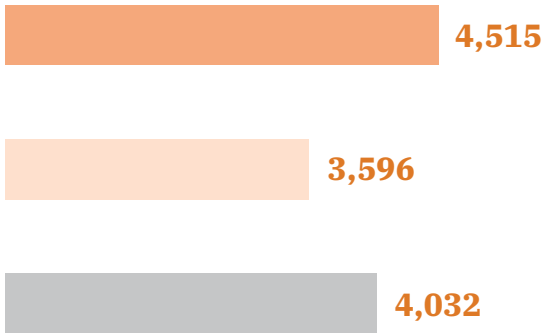
Revenues (In PHP Billion)

Net Income (In PHP Billion)

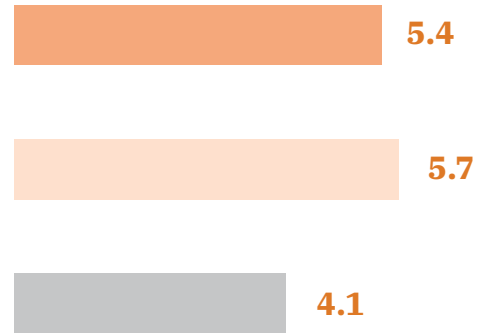
Gross Generation (in GWh)



### Sales Volume (in GWh)



### Average Selling Price (In PHP/KWh)



## Power Segment Surges to New Heights with Best-Ever Earnings

In 2023, SMPC achieved a historic milestone in its power segment by reaching its best-ever annual power earnings of PHP 24.4 billion and all-time high net income of PHP 6.0 billion. This remarkable feat represents a 20% increase from the prior year, owing to increased plant availability and sales in SCPC. Moreover, the fiscal year witnessed a remarkable surge in net income contribution of the power segment by 33%, accounting for 35% of consolidated earnings, signifying SMPC’s growing stature and enhanced presence in the power segment.

This year marks a noteworthy turnaround of our plant availability, average capacity, and gross generation, fueled by an impressive reduction in overall outage days across our power plants

from 552 days last 2022 to 273 days in 2023. This enabled our plant availability to rise from 62% to 81%, with the majority of downtime coming from SLPGC. Gross generation increased from 3,735 GWh to 4,890 GWh brought about by improved operations in SCPC.

Overall, heightened plant availability allowed for strong power cashflow this year. Total sales from the segment accelerated by 22% from 900 GWh to 1,097 GWh following improved plant output for 2023. Average selling prices jumped by 17% from PHP5.30/KWh to PHP 6.22/ KWh owing to higher contracted prices and pivot to spot sales.

**PHP 24.4 billion**

All-Time High Power Revenues

**PHP 6.0 billion**

Highest Ever Power Net Income





## SCPC Achieves Historic Earnings from Strong Operational Recovery

SCPC has successfully navigated the operational headwinds experienced in previous years, particularly in its Unit 2 generator. In 2023, the Company substantially reduced its downtime from 411 to 68 days. This led to the double-digit growth (26%) of electricity sales, with the majority (68%) being sold to the spot. Moreover, the remarkable performance of its units has muted the impact of lower electricity prices following improved supply-demand margins and easing fuel costs and enabled SCPC to reach its all-time high revenue of PHP 16.9 billion and net income of PHP 4.9 billion.

During the year, the Company has secured additional contracted capacities bringing the total to 127MW (31% of dependable capacity) as of December 31, 2023. Out of the total contracted, 35% (45 MW) will expire starting 2030, while the remaining 82 MW will end within 2024. Additionally, 20% of the contracted capacity has fuel passthrough provision.

## SLPGC Transforms Challenges to Opportunities

Operational challenges brought by Unit 1's high axial displacement incident in June 2023 and occasional deration in both units had resulted to a 16% decline in gross generation and a 19% drop in electricity sales. Sales to bilateral contract quantities (BCQ) still comprise majority (66%) of total volume sold in 2023 but spot sales ratio seen to pick-up due to expiration of certain Power Supply Agreements (PSA) towards the end of 2022. Despite the setbacks, SLPGC managed to deliver 25% growth in net income owing to the combined effect of higher electricity prices to BCQ, pivot to spot sales, lower generation costs and replacement power.

As of December 31, 2023, SLPGC contracted capacity stood at 111.2 MW (37% of dependable capacity). These contracts have no fuel passthrough and are set to expire within 2024.



# Unlocking ESG Value

Sustainability Highlights

## Driving Inclusive Advancement

Our business is deeply committed in attaining sustainable economic development, and ensuring inclusive growth that provides long-term stability for all our stakeholders.

**Php 14.3 billion**

Government Payments

**Php 38.3 billion**

Goods and Services Spend

**Php 3.5 billion**

Wages and Benefits

**Php 67.8 million**

Environmental and Community Spend





## Scaling Climate-Nature Stewardship

We spearhead climate-nature solutions that enhance environmental sustainability and resilience of our communities and ecosystems.

### Green Carbon Offset

**2.15M**

Surviving Trees  
Planted to Date

### Blue Carbon Offset

**623K**

Surviving  
Mangroves  
Planted to Date



### Habitats Protected or Restored

**1.67K**

Hectares

### Biodiversity Offset

**186K**

Vulnerable Giant  
Clams Propagated  
to Date

## Cultivating Collective Progress

We drive continuous development and well-being of our employees and host communities to achieve our shared goals and purpose.

Jobs Generated

**4.65K**

Employees

Social Development Program

**113K**

Impact Beneficiaries

Local Hire

**54%**

From Host Communities

Training

**78**

Average Training Hours per Employee







## Upholding Strong Governance

We uphold standards of responsibility, accountability and transparency among our people for effective and meaningful engagement with our stakeholders

### Good Governance

**105.87** pts.

2022 ASEAN  
Corporate Governance  
Scorecard Run



### Board Diversity

**27%**

Female  
Directors

### Ethics and Conduct

**100%**

Employees  
Trained

### Shareholder Welfare

**100%**

Proportional  
Voting Rights

# Calibrating Our Sustainability Approach

2-2

## Stakeholder Engagement

2-1, 2-2, 2-26, 2-29

Sustainable practices thrive when stakeholders are actively engaged, and their perspectives are valued. Hence, our core business strategy considers our stakeholders’ needs and expectations first. Adopting a focused sustainability strategy has helped us further prioritize our key ESG impacts and respond to issues and concerns in a timely manner.

Stakeholder engagement serves as the cornerstone of forging meaningful connections, cultivating trust, and meticulously integrating the diverse needs of all individuals invested in the company’s success.

### Stakeholder engagement sessions per stakeholder group

	SC	IMS	MMT	IHW	FGD	TM	IAS	SVT	CM	IEC	IC	OCS	SM	IBC	ASM	EQ	CSS
<b>Employees</b>	SC	IMS	MMT	IHW	FGD	TM	IAS			IEC	IC	OCS	SM				
<b>Suppliers, Contractors, and Business Partners</b>	SC			IHW	FGD	TM		SVT	CM								
<b>Regulators and Government Agencies</b>			MMT	IHW	FGD		IAS	SVT	CM								
<b>Local Government Units</b>			MMT	IHW	FGD		IAS	SVT	CM	IEC							
<b>Customers</b>				IHW	FGD			SVT	CM					IBC	ASM	EQ	CSS
<b>Investors, Banks and Shareholders</b>				IHW										IBC	ASM	EQ	
<b>Host Communities and Non-Government Organizations</b>			MMT	IHW	FGD		IAS	SVT	CM	IEC			SM				
<b>ESG Rating Agencies</b>									CM							EQ	

## Legend

**ASM** - Annual Stockholders' Meeting

**CM** - Consultations, Meetings

**CSS** - Customer Satisfaction Survey

**EQ** - ESG-related Questionnaires

**FGD** - Focus Group Discussions, Consultations

**IAS** - Impact Assessment and Studies

**IBC** - Investor Briefings, Conferences

**IC** - Internal Communication  
(Postman email and text blast)

**IEC** - Information, Education,  
and Communication programs

**IHW** - Integrity Hotline and Whistleblowing

**IMS** - Integrated Management System  
(IMS) meetings

**MMT** - Multi-partite Monitoring Team

**OCS** - Organizational Climate Survey

**SC** - Safety Committee meetings

**SM** - Social Media

**SVT** - Site Visits, Tours, and Inspections

**TM** - Toolbox Meetings, Town Halls

## Materiality

2-14, 3-1, 3-2, 102-40, 102-42, 102-43, 102-44, 102-47

We recently assessed the potential and actual impacts of our material topics on the economy, environment, and society with reference to the revised GRI standards. Our approach involved engaging with both key internal and external stakeholders to identify these impacts, which significantly contributed to the compilation of our priority material topics. These topics were carefully aligned with our overarching sustainability strategy.

During the materiality assessment, we identified a total of 20 material topics based on their high severity and likelihood impacts. In 2023, we reaffirmed the significance of these material topics and aligned our sustainability initiatives and programs to address them effectively. This commitment ensures that we continue to extend our positive impact while maintaining transparency and accountability in our stakeholder communication.

### Environmental Sustainability

Materials

Energy

Water and Effluents

Biodiversity

Emissions

Waste

Supplier  
Environmental  
Assessment

Mine Rehabilitation

### Social Inclusion

Employment

Occupational Health and  
Safety

Diversity and Equal  
Opportunity

Security Practices

Local Communities

Emergency Response  
and Disaster Resilience

Labor/Management  
Relations

Training and Education

Customer Health and Safety

### Economic Development

Economic  
Performance

Market Presence

Indirect Economic  
Impacts

# Our Contribution to the United Nations



- Improvement of livelihood
  - Local employment opportunities
  - Non-mining livelihood and entrepreneurship projects
- Local procurement



- Agro model farm
- Backyard farming program
- Poultry model farm



- Workplace occupational safety and health program
- Pit safety program
- Employee COVID-19 and flu vaccination program
- Community health programs and capacity-building support
- SMPC infirmary services
- COVID-19 response program
- LGU partnerships on community health workers training
- Medical mission programs



- Undergraduate scholarships
- Postgraduate scholarships for teachers
- Blended school learning materials and equipment support
- E-learning support
- Free private school education for mine site employee dependents through SMPC-established Divine Word School of Semirara Island, Inc.
- Free technical-vocational courses through SMPC-established Semirara Training Center, Inc.



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



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



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



- Infirmary infrastructure repairs and upgrades in Semirara Island
- Construction of schools and classrooms in Semirara Island and nearby islands
- Community access to the company it network infrastructure



- Out-of-School Youth skills training and job opportunities for graduates
- Social development projects for women and marginalized groups
- Social protection programs for vulnerable groups



- Social protection programs after end of mine life
- Transport and community infrastructure projects such as airport, shipping port, and construction and maintenance of road networks
- Multi-stakeholder emergency response team in Semirara Island
- Construction and maintenance of wet and dry market facilities
- Construction and maintenance commercial center hub



- Water resource management
- Emissions, waste, and effluents management
- Energy efficiency management
- Responsible sourcing and ESG criteria for suppliers
- Bottom ash and fly ash repurposing
- Solid waste management program through prevention, recycling, reduction and reuse
- Used container vans repurposing



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



- Giant clams propagation and reseedling
- Coral and seagrass transplantation
- Partnerships for marine protected areas in Semirara Island, Antique and Balayan, Batangas
- Adopt-a-River program partnership with the Department of Environment and Natural Resources (DENR)
- Coastal cleanup program



- Panian mine rehabilitation and restoration of terrestrial ecosystems
- Semirara Biodiversity Conservation Center
- Adopt-a-Forest Program with the DENR



- Community dialogues, consultations, and issue resolutions
- Zero child and forced labor violation
- Whistleblowing and stakeholder grievance redress system
- Code of conduct and ethics



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



# Driving Inclusive Advancement



Our commitment to long-term profitability has consistently centered around fostering holistic development for key stakeholders within our ecosystem. The integration of sustainability as a central pillar at SMPC in recent years has further strengthened our enduring strategy of collective progress. In addition to generating local employment and contributing to the regional economy through our core business activities, we actively seek ways to elevate social conditions in the areas where we operate.

## Shared Value

201-1

At SMPC, we hold the conviction that promoting inclusive and sustainable economic growth while pursuing shared goals enables us to champion the well-being of our stakeholders with unwavering dedication. Consequently, our financial performance assumes critical significance as it directly contributes to overall inclusive growth.



### Recognition in 2023's Asia's Best Managed Companies' Poll

In the 2023 Asia's Best Managed Companies Poll conducted by Finance Asia, SMPC garnered recognition as one of the top energy companies in the Philippines. The company was honored with the Silver Award, signifying its exceptional performance and commendable corporate behavior throughout the preceding year. This prestigious accolade underscores SMPC's commitment to excellence and its significant contribution to the energy sector in Asia.

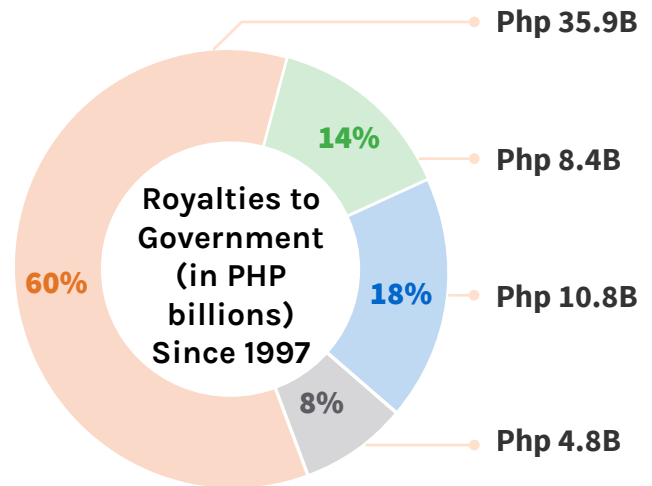
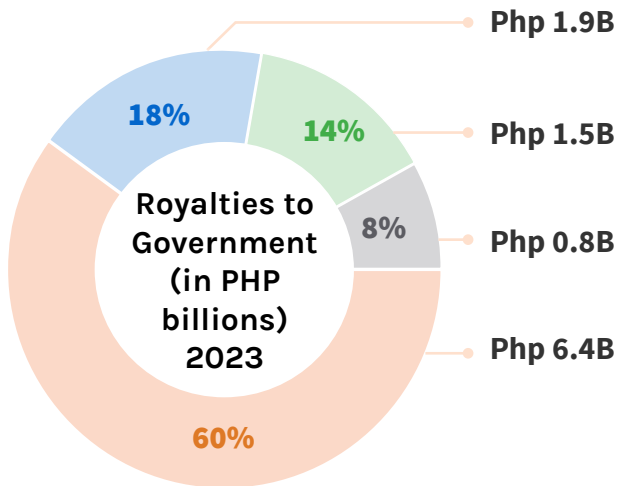
## Our Economic Value Contribution

3-3

<b>Direct Economic Value Generated &amp; Distributed (in PHP millions)</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Direct Economic Value Generated	78,723	91,730	52,680
Revenue	76,782	91,068	52,423
Interest Income	1,180	412	21
Other Income	761	251	235
<b>Economic Value Distributed</b>	<b>76,926</b>	<b>69,449</b>	<b>42,473</b>
Operating cost	28,823	25,309	18,926
Employee benefits and wages	3,544	3,019	2,655
Payment to providers of capital	30,228	22,150	13,615
Payment to government	14,262	18,886	7,165
Community investments	68	85	112
<b>Economic Value Retained</b>	<b>1,798</b>	<b>22,280</b>	<b>10,207</b>

## Royalties

- Philippine Government
- Municipality of Caluya
- Barangay Semirara
- Province of Antique



Beyond providing key baseload power to support the energy transition plan of the Department of Energy (DOE), our timely remittance of the government's share in national wealth through royalties also meaningfully contribute to economic and social progress.

The Philippine Government Code mandates that 80% of the royalty share from energy operations be used for programs reducing electricity costs, while the remaining 20% is for community development programs, ensuring a just energy transition.

These royalties are subsequently distributed to the provincial and municipal governments of Antique and Caluya, as well as our host barangay local government unit (BLGU) of Semirara. This allocation has significantly contributed to the progress and development of these host communities over time.

### Caluya, Antique

#### 1st Class

Municipality Since 2007

#### 4th Place

Among the Top 10 Municipalities with Highest Amount of Revenue in 2022

Source: 2022 Annual Financial Report, Commission on Audit



## BLGU Semirara Energization Projects Utilized from its Share in Royalties

### Electricity Subsidy

PHP 500 monthly subsidy per registered consumer

### Solar Street Lights

2,767 units

### Solar-Powered Facilities

1 Disaster Operations Center Building

1 Multi-Purpose Barangay Hall and Gymnasium

1 Barangay Hall Building

5 Day Care Center Classrooms

### Solar-Powered CCTV System

108 units

### Solar Kits with Radio and Rechargeable Fans

4K Households

### Solar-Powered Water Tank System

2 x 50K Liter Units

### Solar-Powered Tanod Outposts

3 units

Under Energy Regulations No. 1-94 (ER 1-94), a portion of the revenue from electricity generated by power plants is allocated to host communities to finance their development projects.

**PHP 4.4 million**

ER 1-94 Remittances in 2023

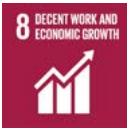
**PHP 347.3 million**

ER 1-94 Remittances to Date

## Industry Partnerships

We have consistently worked towards nurturing relationships with our industry peers by actively participating in key industrial associations in the Philippines. We believe that these collaborative partnerships significantly contribute to the comprehensive growth of the energy sector in both the Philippines and other ASEAN nations.

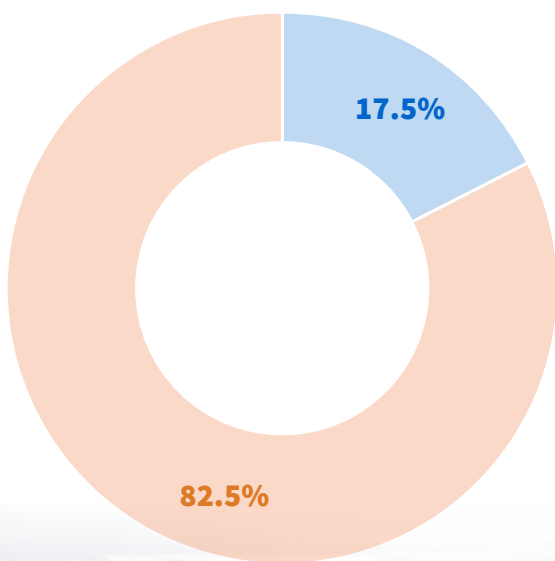
- ASEAN Forum on Coal (AFOC) National Committee of the Philippines, Inc.
- The Philippine Chamber of Coal Mines, Inc.
- Philippine Independent Power Producers Association (PIPPA) (which promotes reliable and affordable energy in the Philippines by advancing related public policies and legislation).



## Local Procurement

We promote local procurement of goods and services in the region and host communities where we operate. This allows us to foster local economic growth and create job opportunities while improving our supply chain resilience against climate-related, geopolitical, and associated risks.

- Local Suppliers
- Foreign Suppliers



## Socio-Economic Compliance

2-27, 413-2

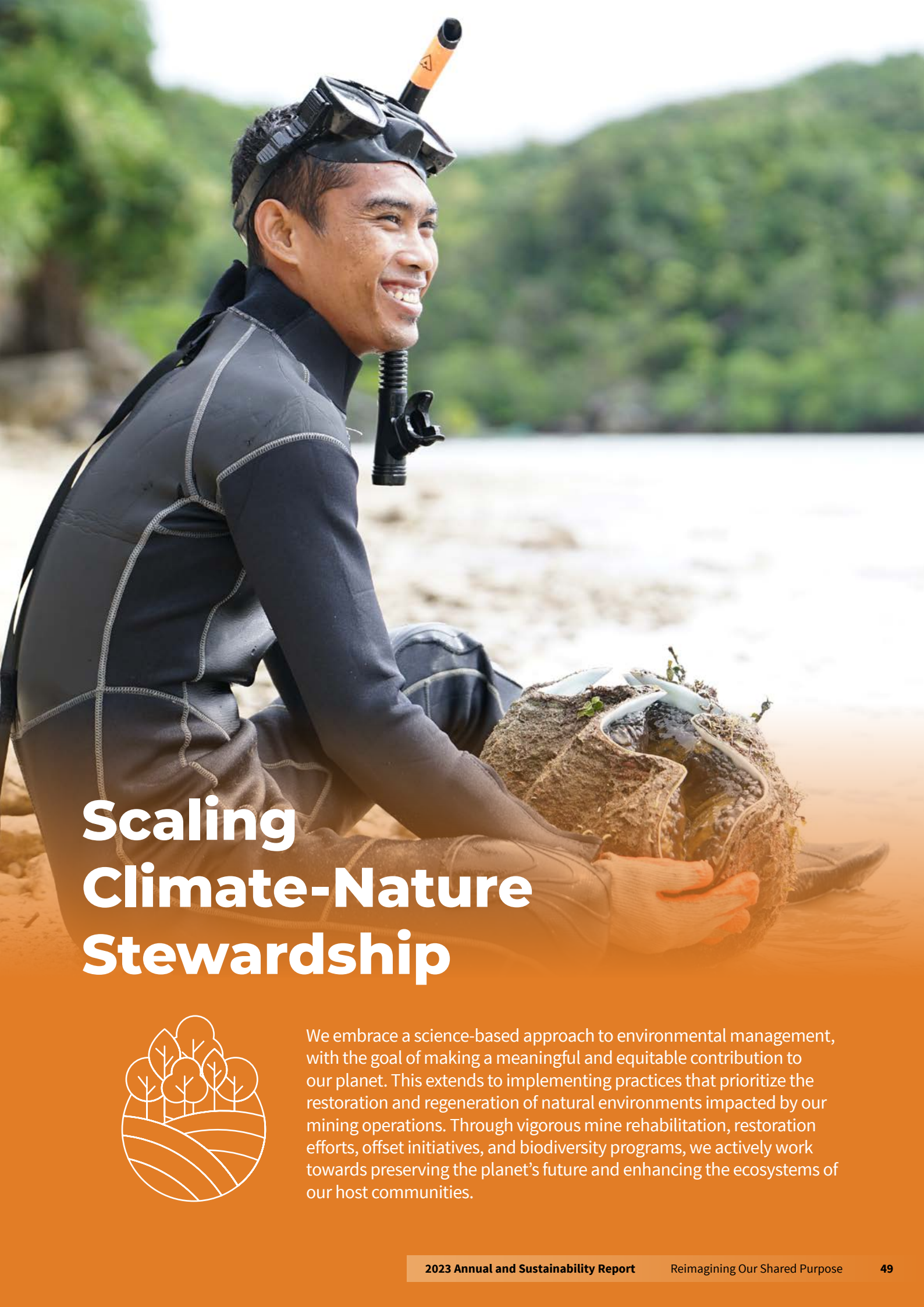
Fairness and transparency are integral components of our daily operations. As a business, we recognize our responsibility in understanding and meeting the needs and expectations of our stakeholders. To adhere rigorously to all relevant socio-economic rules and regulations, we employ a dual approach.

• **Internal Focus:** We monitor our economic, environmental, and social performance internally. This drives improved results in our external compliance efforts.

• **External Compliance Commitment:** Our dedication to meeting external mandates sharpens our internal focus on overall business performance.

We have established a robust Governance, Risk, and Compliance (GRC) framework to uphold this commitment. Regular stakeholder consultations through our Multi-partite Monitoring Teams (MMT) engagement and submission of annual and quarterly reports to the Department of Energy (DOE), Energy Regulatory Commission (ERC), and other regulators ensure that we maintain the highest standards of corporate governance, ethics, and transparency.





# Scaling Climate-Nature Stewardship



We embrace a science-based approach to environmental management, with the goal of making a meaningful and equitable contribution to our planet. This extends to implementing practices that prioritize the restoration and regeneration of natural environments impacted by our mining operations. Through vigorous mine rehabilitation, restoration efforts, offset initiatives, and biodiversity programs, we actively work towards preserving the planet's future and enhancing the ecosystems of our host communities.



# Climate Action Progress

2-14, 3-3

Climate change is undeniably shifting global temperatures and climatic patterns at an unprecedented rate. Recognizing both strategic and business risks posed by the warming landscape to our business operations, we designed a climate and sustainability roadmap to consider and analyze the future outlook, performance, and position of the company. Our roadmap is guided by the Task Force for Climate-related Financial Disclosures (TCFD) Recommendations and leverages existing sustainability plans while considering long-term solutions to increase climate resiliency.

## Our Climate and Sustainability Roadmap

2-23, 201-2

### TCFD Pillars

2017-2022



#### Governance

- Approval of Climate Change Policy
- Creation of a Board Strategy and Sustainability Committee
- Amendment of the Risk Committee and Corporate Governance Committee charters for the integration of climate-related, ESG, and sustainability oversights to risk evaluation
- Establishment of a cross-functional Corporate ESG Sustainability team and TCFD working group



#### Strategy

- Appropriation of Php1.5B retained earnings for new climate-related investments and projects.
- Establishment of water resource management initiatives
- Development of energy efficiency plans and Programs
- Continuing business development for growth opportunities that support a low carbon economy
- Decommissioning of 2 x 25 MW gas turbine units



#### Risk Management

- Update of Group Enterprise Risk Management (ERM) policy and Risk Register for the integration of climate and TCFD Recommendations
- Climate capacity building on climate risk awareness, identification, and assessment



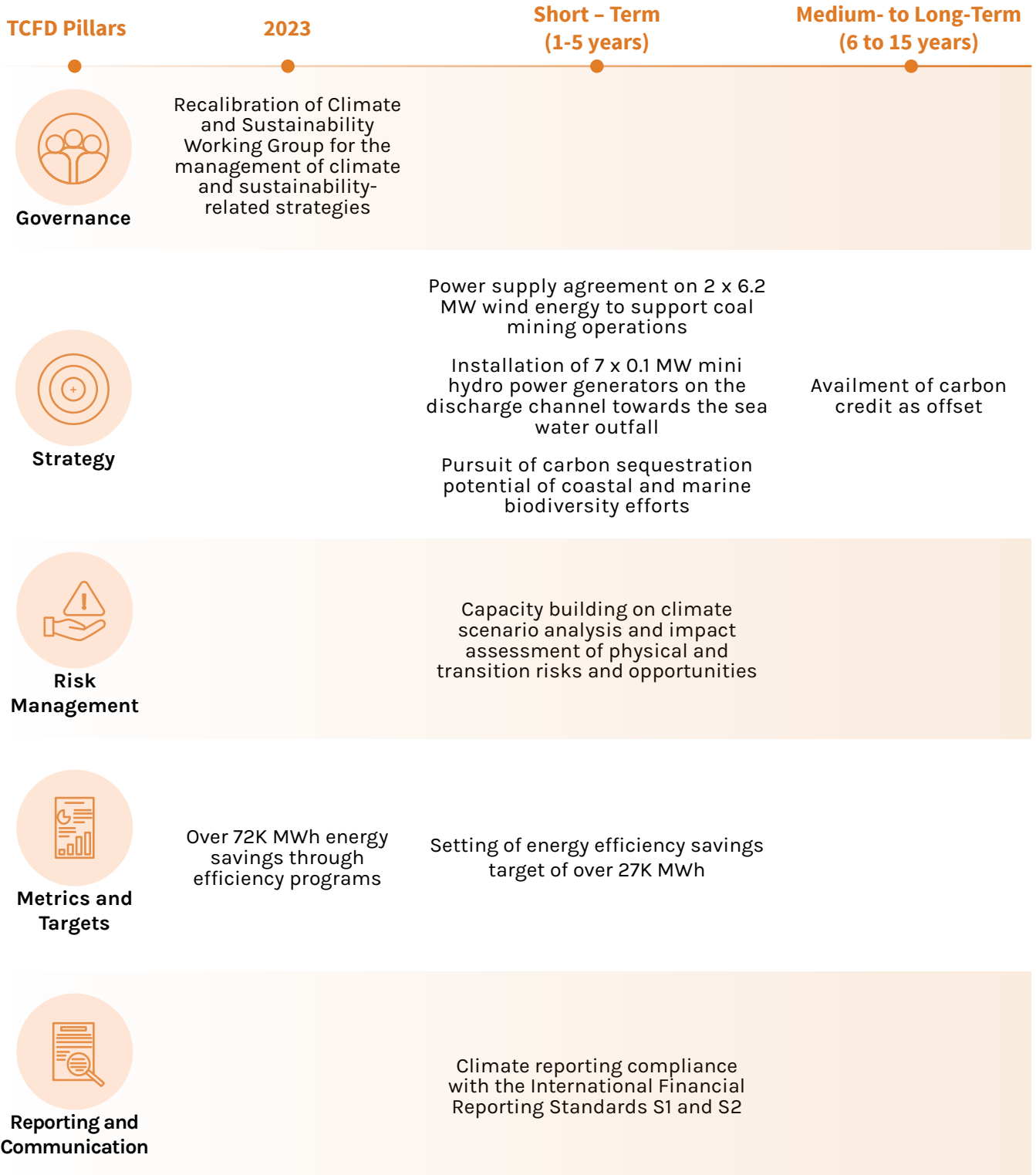
#### Metrics and Targets

- Accounting of Scope 1, 2, and 3 GHG emissions based on accepted methodologies



#### Reporting and Communication

- Disclosure of Scope 1, 2, and 3 GHG emissions based on accepted methodologies



## Strategy and Sustainability Committee

Aids the Board in formulating climate strategies and crafting a sustainability roadmap for a low-carbon economy. It contemplates climate change implications, ESG trends, and stakeholder expectations, guiding management's major actions. In 2023, it reviewed proposals for green energy and energy conservation

## Corporate Governance Committee

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

## Audit Committee

Reviews the outcomes of an audit conducted on our integrated management system. This system encompasses various aspects, including environmental compliance, significant climate reporting, and sustainability. Their oversight involves assurance reports to assess the adequacy and effectiveness of our integrated systems in terms of ESG governance. The committee plays a crucial role in ensuring transparency and accountability in these critical areas

## The Board

Our Board Committees play a crucial role in climate oversight. They ensure that climate-related issues, risks, and opportunities are included in meeting agendas.

## Risk Committee

Oversees our company's climate-related risks and opportunities. This includes assessing emerging risks and trends. Their focus extends to management reports that delve into climate risk assessment, the approach taken, and our response to climate-related risks. Specifically, they scrutinized the risk management approach concerning climate-related factors that impact our operations, as well as those stemming from emerging initiatives, policies, and regulations



## The Management

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### Chief Executive Officer

Bears ultimate responsibility for steering our company's course in managing climate-related strategies, assessing risks, and seizing opportunities. These actions are critical as we navigate toward an inclusive and equitable energy transition

### President and Chief Operating Officer

Directs cross-functional Corporate ESG Sustainability Group in advancing our climate strategies and enhancing our capacity building efforts

### Chief Risk Officer

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

### Chief Finance Officer

Identifies and reports the financially material climate-related risks and opportunities, evaluates their financial impact to the organization and aligns our financial resource allocation to our low carbon strategy

### Chief Business Development Officer

Spearheads the exploration and evaluation of potential opportunities and partnership to sustain growth and competitive advantage and consider their climate-related impacts to the relevant stakeholders

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## ESG Sustainability Group

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

Sub-Group	Responsibility
<b>Climate and Sustainability</b>	Champions climate capacity building, develops a carbon transition plan with strategic milestones and targets, pursues potential partnerships to expand carbon offsets, and ensures the coordination of resources for an effective integration of sustainable Environmental, Social and Governance (ESG) practices
<b>Environmental and Energy Efficiency</b>	Oversees, manages, and reports on key climate and nature programs and performance metrics, including carbon emissions, carbon intensity, water intensity, biodiversity, and energy efficiency
<b>Supply Chain</b>	Collaborates with key business partners to pursue technological opportunities across the supply chain for enhancing energy efficiency and waste reduction, reuse, and recycling
<b>Human Resources Occupational Safety and Health Social Development</b>	Works closely with key stakeholders to promote our climate action and ESG focus areas



## Climate Strategy

Our climate action focuses on mitigation through offsets, energy-efficient technology, and conservation. We enhance restoration efforts and manage ecosystems through partnerships for nature-based solutions.

Our long-term carbon transition roadmap is under development to track relevant climate-related trends, technology, and legislation. We track our total GHG emissions to manage our carbon performance and identify reduction opportunities.

## Climate Risk Management

We've integrated climate-related risk identification and assessment into our Enterprise Risk Management (ERM) framework, incorporating these risks into our risk taxonomy, categories, types, and continuity plan. We monitor climate reporting changes affecting risk management and scale capacity building to proactively respond to significant climate and sustainability related risks and opportunities.

## Climate Metrics and Targets

We consistently track and report our Scope 1, 2, and 3 GHG emissions, water use, and energy efficiency. We set internal targets in our energy efficiency programs. In 2023, we partnered with a third-party firm to enhance capacity and awareness on sustainability reporting changes and trends.

## Climate Reporting and Communication

Our annual and sustainability report transparently discloses our GHG emissions and carbon footprint. We consistently update our carbon offsets, biodiversity, and ESG performance through various communication channels.





## Energy Use

3-3

Our energy management strategy revolves around responsible energy consumption, which includes heavy equipment, power generation facilities, and other resources. A dedicated team maintains meticulous records and monitors energy data closely, utilizing key performance indicators (KPIs) to assess our performance.

### Energy consumption within the organization

302-1

Energy Source - Consolidated (In millions, Giga Joule GJ)	2023	2022	2021
Renewable	-	-	-
Non-Renewable (Includes gasoline, diesel, bunker fuel, coal and oil)	28.38	23.38	24.53
Electricity Consumption	1.49	1.17	1.34
Electricity Sold	16.27	12.96	14.54
Net Total	13.60	11.58	11.33

Our power segment witnessed a 30% increase in consolidated operating hours, owing to better plant availability especially with a full year operation of Unit 2 in 2023. This resulted in a substantial 4.17 million GJ surge in total power generated. Additionally, due to a 51.7 million BCM rise in total material moved compared to 2022, our coal segment accounted for a 14% increase in diesel demand to fuel our trucks and heavy equipment. This rise in diesel consumption corresponds to approximately 1 million GJ of energy when burned.

### Energy consumption outside of the organization (In millions, Giga Joule GJ)\*

302-2



\*Based on the purchased electricity for resale to market

## Energy Intensity

302-3

Energy intensity (GJ/Billion revenue)	2023	2022	2021
Consolidated	177,095	127,067	216,164

Energy intensity (GJ/Ton)	2023	2022	2021
Coal	0.67	0.62	0.71

Energy intensity (GJ/MWh)	2023	2022	2021
Power	0.58	0.45	0.30

### Power Segment Installed Power Plant Capacity by Source

Unit	Source	Installed Capacity (MW)
1	Coal	300
2	Coal	300
3	Coal	150
4	Coal	150
<b>Total</b>		<b>900</b>

### Electricity Delivered (MWh)

Our commitment to energy efficiency is evident in the consistent efforts to optimize energy use across various segments. The installed power plant capacity stands at 900 MW, contributing to a total of 4.89 million MWh generated. Our energy produced serves a diverse range of customers across residential, commercial, and industrial sectors, reflecting our dedication to providing sustainable power solutions to stakeholders.

## 4.89 M MWh

Gross Generation



## Energy Savings

302-4

# 71.82M KWh

Energy savings

We implemented cost-efficient energy saving initiatives aimed to optimize energy consumption in our operations.



### SMPC

- Boiler combustion improvements for the mine site power plants
- Continued LED lighting upgrade
- Phased installation of solar-powered lighting
- Phased replacement of aging motors
- Conventional to inverter type Air Conditioning Units (ACU)
- Rainwater collection

### SCPC

- Unit 1 Low Vacuum Economizer (LVE)
- LED street lighting retrofit
- Condenser flood test

### SLPGC

- Boiler water conditioning
- Rehabilitation of high-energy insulations
- Furnace refractory reduction



## Emissions Management

3-3

We have integrated climate consciousness into our emission management framework, reflecting a calibration of sustainable practices and environmental stewardship. Our ongoing efforts remain focused on balancing energy needs with environmental responsibility.

### Coal

305-7

To meet the energy demands of operating the largest open pit mine in the country and serving nearby communities, we manage three thermal power plants and two generator sets. Stationary pollution sources include these power plants, coal stockyards, and mining equipment. Mitigation measures include controls and best practices in air quality monitoring.

Our mining operations necessitated an additional 30.83 million liters of diesel compared to the previous year. This diesel consumption fueled both power generation and the operation of mining equipment, resulting in an increase of over 93 thousand tCO<sub>2</sub>e of Scope 1 emissions.

Pollutant	Prevention at source	Air emission control	Air quality monitoring
SO <sub>x</sub>	Circulating Fluidized Bed (CFB) technology Low sulfur fuel	Flue gas desulfurization Limestone injection	Continuous Emissions Monitoring System (CEMS)
			Stack Emission Monitoring
NO <sub>x</sub>	CFB technology		Ambient Air Quality Monitoring
Particulate matter (including fugitive dust)	Covered coal yard and conveyor lines <sup>1</sup> Water sprinkler <sup>1</sup> Mobile water trucks <sup>1</sup> Atomizers	Filter bags Cyclone separator Electrostatic precipitator	Data Acquisition and Handling System (DAHS)
			CCTV Monitoring

<sup>1</sup>For coal stockpiles, conveyor lines, haul roads and access roads

## Power

305-7

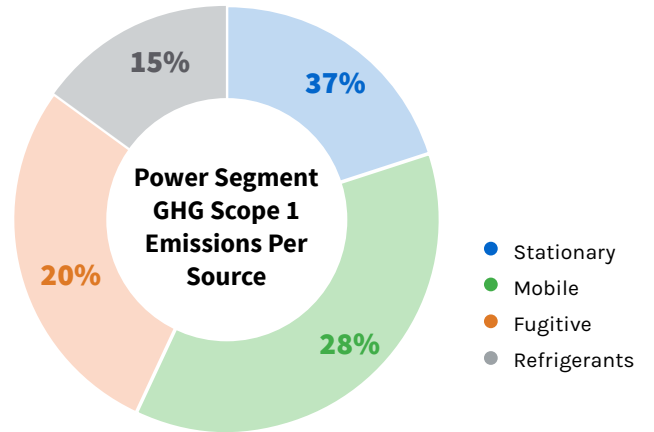
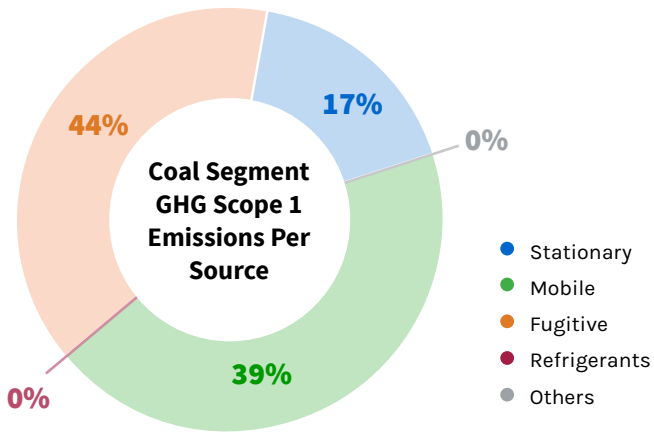
Through timely communication, we inform our host communities of our power plant start up schedules, potential impact, and mitigation measures. We also conduct facility inspections and dialogues with key stakeholders to address community concerns.

Pollutant	Prevention at source	Air emission control	Air quality monitoring
SOx	<sup>5</sup> Circulating Fluidized Bed (CFB) technology Low sulfur fuel	Flue gas desulfurization <sup>1</sup> Limestone injection	Continuous Emissions Monitoring System (CEMS) <sup>6</sup> Stack Emission Monitoring Ambient Air Quality Monitoring Data Acquisition and Handling System (DAHS)
NOx	<sup>5</sup> Circulating Fluidized Bed (CFB) technology <sup>3</sup> Using low NOx burners <sup>4</sup> Tangential firing system		
Particulate matter (including fugitive dust)	Covered coal yard and conveyor lines. <sup>2</sup> Using low ash coal	Electrostatic precipitator	

<sup>1</sup>SLPGC Units 3 and 4, <sup>2</sup>SCPC Units 1 and 2, <sup>3</sup>SLPGC Unit 2, <sup>4</sup>SCPC Unit 1, <sup>5</sup>SLPGC Units 3 and 4, <sup>6</sup>Affected by maintenance activities for Units 3 and 4 but rescheduled in December



Consistent with its higher generation, our power segment's GHG Scope 1 emission surged by 32% in 2023, attributable to the improved availability and reliability of power plants in Calaca. Consequently, this requirements led to a significant 76% decrease in purchase electricity requirements during the period.

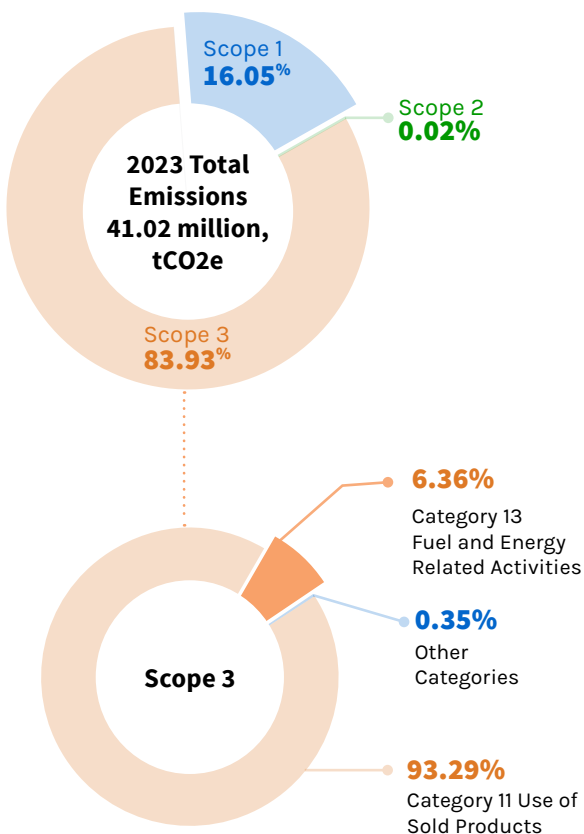




## GHG Emission Accounting

Our GHG emission quantification follows accepted methodologies from ISO 14064-01:2018, Greenhouse Gas (GHG) Protocol, IPCC Guidelines, and Ambient and Source Emissions Standards. Emission factors and global warming potential (GWP) rates are sourced from IPCC’s Fifth Assessment Report, GHG Protocol, and U.S. Environmental Protection Agency. This ensures reasonable estimates of our organizational carbon footprint and value chain.

### GHG Emissions (In million, tCO<sub>2</sub>e)



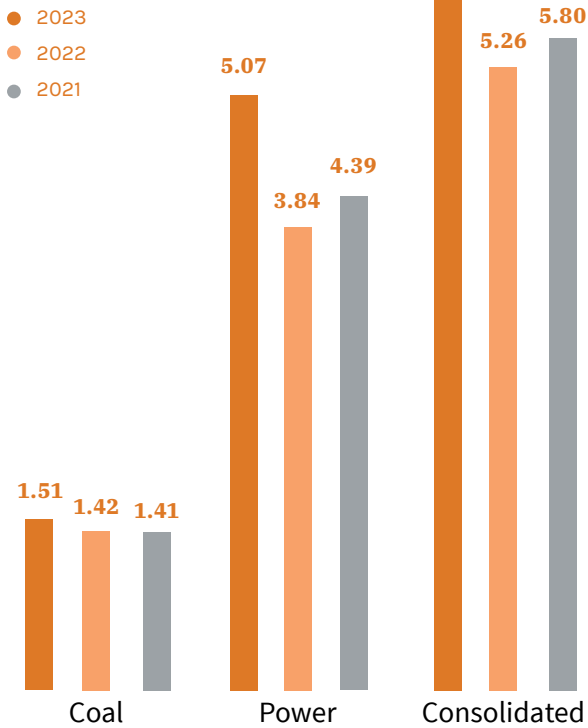
In 2023, our Scope 1 emissions increased due to the continuous operations of our power plants. As such, we reduced reliance on externally-sourced power during downtimes. This led to a significant 76% decrease in Scope 2 emissions compared to the previous year. Gases included in the computation of Scope 1 and 2 are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and hydrofluorocarbons (HFCs).

Scope 3 gases included CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. This basis conforms with the operational control approach as defined in ISO 14064-1 and the GHG Protocol. In 2023, the 11% increase in Scope 3 emissions was mainly accounted by an approximate 2.62 million tCO<sub>2</sub>e increase in the Use of Sold Products category.



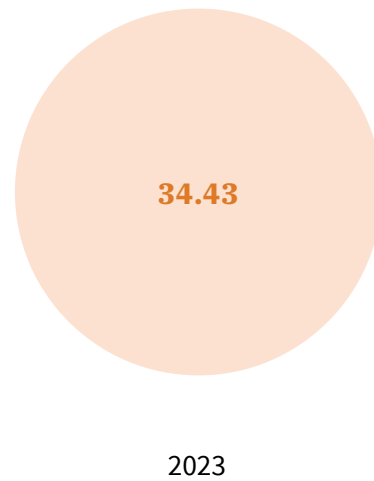
**Direct (Scope 1)  
GHG Emissions  
(in million tCO<sub>2</sub>e)**

305-1



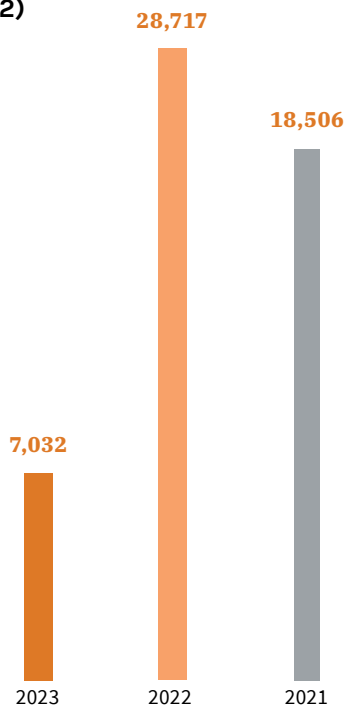
**Other Indirect  
(Scope 3) GHG Emissions  
(In million tCO<sub>2</sub>e)**

305-3



**Indirect (Scope 2)  
GHG Emissions  
(tCO<sub>2</sub>e)**

305-2



**Legend**

**Scope 1** - Direct GHG emissions from sources that are owned or controlled by SMPC, including emissions generated by own power plants, coal stockyards, and mining equipment.

**Scope 2** - Indirect GHG emissions from purchased electricity.

**Scope 3** - All indirect emissions not included in Scope 2 that occur in SMPC's value chain, including both upstream and downstream emissions.

In pursuit of our objective to initiate climate scenario analysis and timely adoption of the IFRS Sustainability Disclosure Standards, SMPC is committed to expanding its GHG accounting procedures. Specifically, we will include Hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6), and nitrogen trifluoride (NF3) in our emissions calculation. This aligns with our pursuit to enhanced climate reporting. We also anticipate a new baseline can be expected in the succeeding years covering the 7 constituent GHG emissions under the Kyoto Protocol.

### GHG Emissions Intensity

305-4

tCO2e / Billion revenue / sales	2023	2022	2021
Consolidated	85,832	57,491	110,915

tCO2e / Ton of coal produced	2023	2022	2021
Coal	0.09	0.09	0.10

tCO2e / MWh produced	2023	2022	2021
Power	1.04	1.03	1.11



**Reduction  
of GHG Emissions**

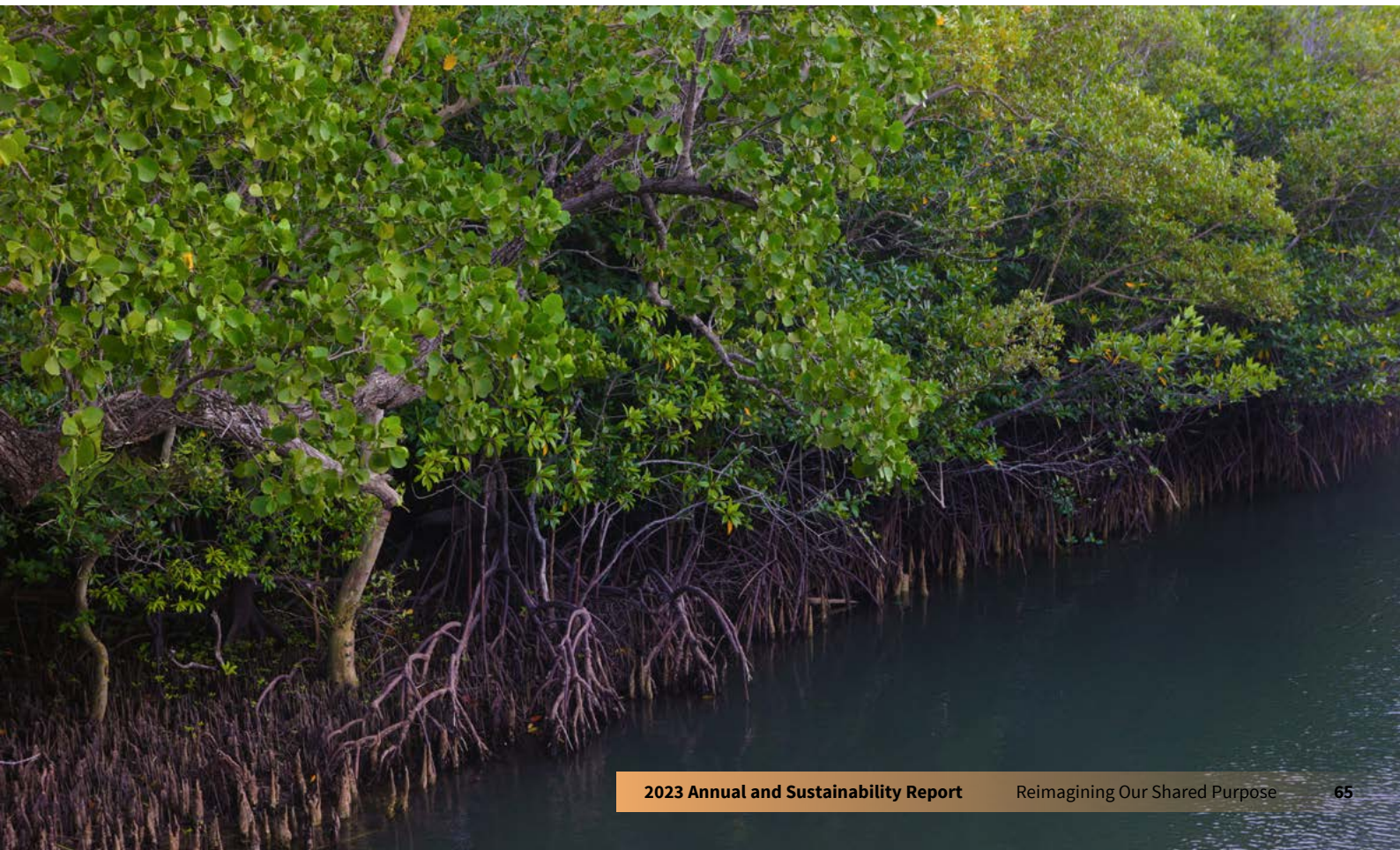
305-5

**157K**  
**tCO<sub>2</sub>e**

Since 2022

Effective Energy Efficiency and Conservation (ECC) projects initially implemented in the power segment's thermal power plant units are replicated for implementation in the coal segment's plant units. This is coupled with phased upgrades of aging motors, air conditioning units, solar and LED lights. Collectively, these efforts resulted in a reduction of over 48K tCO<sub>2</sub>e in greenhouse gas emissions.

Another Effective Energy Efficiency and Conservation (ECC) project is a low vacuum economizer (LVE) in SCPC Unit 1. This has successfully yielded a reduction of 33,527 tCO<sub>2</sub>e attributed to its LVE installation, and we anticipate more positive results in GHG reduction for Unit 1 in the future.





## Water and Effluents Management

303-1,303-2, 3-3

We are committed to responsible water management to minimize our impact on shared water resources. Our practices ensure equitable access to water supply in the areas of operation. We monitor and test water resources regularly to validate the effectiveness of our sustainability practices. Data on water usage is meticulously recorded and monitored. We adhere to rules and regulations governing water use, ensuring compliance with Republic Act No. 9275 (Clean Water Act) and DENR Administrative Order No. 2016-08.

### Water Source

303-3

We source water from diverse outlets, including adjacent rivers, desalination plants, and rainwater collection systems. This approach ensures equitable access and sustainable use.

### Semirara Mine Site

To manage and reduce our freshwater, we tap into alternative water sources. These sources include the desalination plant and impounded water in Sanglay, which support our operational and administrative needs at the mine site.

The increase in groundwater withdrawal is primarily due to the proximity of Fresh Water Well No. 6 to our current operational sites. It's operationally and environmentally prudent to withdraw water from the nearest source rather than expending significant energy to pump from a distant alternative source.

## Water Withdrawal (In Megaliters)

	2023	2022	2021
<b>Surface Water</b>			
Bunlao Spring	118.69	193	98
Sanglay Spring	1,293.97	1,304	1,202
Sanglay Lake	559.20	559	549
Rainwater collection system	0.42	2.16	3
<b>Ground Water</b>			
Puntod Deep Wells	-	51	58
Unong Deep Wells	-	-	-
Fresh Water Well No. 6	123.69	57	-
<b>Sea Water</b>			
Ilugao Bay	33,559	36,123	36,876
<b>Third-Party Providers*</b>	1.50	1.46	1.32
<b>TOTAL</b>	<b>35,656</b>	<b>38,291</b>	<b>38,787</b>

\*Includes withdrawal from the corporate office

### Desalination plant production (In Megaliters)



### \*Total fresh water withdrawn (In Megaliters)



\*Includes surface and groundwater



## Calaca Power Plant Site

In 2023, our water withdrawal increased by 48%, aligning with the growth in gross generation and operating hours. Notably, we successfully prevented major water leaks for the second consecutive year. Our commitment to internal water leak audits ensures efficient and responsible utilization of this vital resource.

### Water Withdrawal (In Megaliters)

	2023	2022	2021
<b>Surface Water</b>			
Dacnanlao River	712	1,291	1,790
<b>Ground Water</b>			
Groundwater	53	52	42
<b>Sea Water</b>			
Balayan Bay*	1,140,977	770,852	893,991
<b>Third-Party</b>			
Total	1,141,743	772,195	895,823

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

### Water Consumption (In Megaliters)

303-5

	2023	2022	2021
Coal	1,740	2,366	2,348
Power	766	1,344	1,823
Total	2,505	3,709	4,171

### Freshwater Withdrawal Intensity (In Megaliters per production/generation)

In Megaliters / ton of coal produced	2023	2022	2021
Coal	0.000131	0.000136	0.000134

(In Megaliters / MWh produced)	2023	2022	2021
Power	0.000157	0.000360	0.000460

\*Includes surface water and groundwater withdrawals

## Water Consumption Intensity

Megaliters/ton of coal produced	2023	2022	2021
Coal	0.00011	0.00015	0.00016

Megaliters/MWh produced	2023	2022	2021
Power	0.00016	0.00036	0.00046

## Effluents Management

303-2

We mitigate water impacts by using pollution control facilities compliant with the Clean Water Act (Republic Act No. 9275) and Water Quality Guidelines (DENR Administrative Order No. 2016-08), ensuring responsible water management.

Impact	Effluent control	Water quality monitoring
Siltation	Pocket sumps <sup>2</sup> , settling ponds, and sedimentation ponds	Effluent Quality Monitoring Ambient Water Quality Monitoring
Oil contaminated effluents	Oil-water separators	
Chemically contaminated effluents	Neutralization pond <sup>1</sup>	
Sanitary and domestic wastewater	Septage treatment plant	

<sup>1</sup>Applicable to the power segment, <sup>2</sup>Applicable to the coal segment only



In 2023, we successfully conducted all third-party ambient and effluent quality monitoring activities. Our commitment to environmental stewardship extends to our water management practices:

• **Water Return Rates**

From Balayan Bay, Batangas, we effectively return approximately 95% of the withdrawn water.

From Ilugao Bay, Semirara Island, we achieve a return rate of 92%.

The remaining small percentage of unreturned water is primarily due

to factors like condensation and unaccounted water use during activities such as cleaning and fire hydrant usage.

• **Effluent Assessments**

We conduct monthly monitoring and assessment of effluent quality.

A DENR-accredited third party performs quarterly assessments of our effluents, with no exceedances having been reported.

Results are meticulously validated by a Multi-partite Monitoring Team (MMT).

Water Discharge (in Megaliters) 303-4	Discharge	Location	2023	2022	2021
			Coal Operations	Sea Water	Ilugao Bay
Power Operations	Sea Water	Balayan Bay	1,140,977	770,852	894,000
Total			1,174,240	806,779	930,440

FEATURE STORY

# Creating Climate Resilient Communities

In 2023, SMPC partnered with 16 schools in Caluya, Antique for the turnover and installation of 80 units of 1,000-liter bulktrainers for rainwater collection. These bulktrainer units allow rainwater to be repurposed for general use, thereby providing steady access to water to over 6,000 students and teachers. Through this initiative, SMPC underscores its commitment to promoting sustainable water management and emergency preparedness to local communities.







## Beneficial Land Use

3-3

In our commitment to responsible land use practices, we prioritize careful mine rehabilitation and restoration, strategic land resource management, and efficient overburden handling.

To achieve our targets for land function and biodiversity restoration, we adopt a science-based approach and spearhead wildlife species propagation. Through careful planning, strategic sustainability partnerships, close monitoring, and rigorous assessment, we work toward longevity, ensuring that our actions contribute to the social and environmental sustainability of our host community.

Following the Panian pit's closure in 2016, we completed the largest and fastest open pit mine rehabilitation in the Philippines. The remarkable accelerated rehabilitation of the South Panian pit under two years instead of the original 10-year plan has earned SMPC the ASEAN Energy Awards in 2021.

**Mine Rehabilitation and Restoration Overburden management**  
(In million, Bank Cubic Meters, BCM)

# 502 hectares

Mine Area Rehabilitated

	2023	2022	2021	Total
Waste generated (i.e., Volume of overburden removed)	209.49	157.65	157.16	524.30
Waste diverted from disposal (i.e., In-pit, road resurfacing, sea barrier)	179.82	129.43	123.80	433.05
Waste directed to disposal (i.e., North Panian)	29.68	28.22	33.36	91.25



## Material Efficiency

3-3

Our commitment to sustainability hinges on efficient material use. In this section, we delve into our primary raw materials, their sources, usage strategies, and our data monitoring practices related to material efficiency.

Under the DOE’s Coal Operating Contract No. 5, we are authorized to prudently explore, develop, and extract coal resources on Semirara Island. In addition, our power plants utilize gasoline and diesel as additional support to operational and the electricity needs of the communities.

To ensure safe material storage, our power segment adopts a strategy of maintaining the minimum amount of coal required to meet market demands. This approach minimizes hazards, prevents spontaneous

combustion, and controls waste. Diesel and gasoline are stored at our restricted fuel depot on Semirara Island, supporting operational needs and mitigating supply chain disruptions.

Our non-renewable materials usage in tons and liters increased by 34% and 15%, respectively. Crucial inputs for power plant operations such as coal, oil, and limestone grew by around 956 thousand metric tons consistent with its improved availability and reliability.

With a 31% increase in total material moved coupled with the full year seepage control activities, consolidated diesel consumption of the coal segment saw a 14% increase which is more than 30.83 million Liters as compared to last year.

Materials Used by Weight or Volume	Unit	Description	2023	2022	2021
301-1					
Renewable	metric tons / liters	None	-	-	-
Non-Renewable	In million metric tons	Coal, light and heavy oil, limestone, hydrazine hydrate, and liquefied petroleum gas (LPG)	3.7	2.8	2.8
	in millions, liters	Diesel and gasoline	255.4	221.8	225.6



## Waste Handling

3-3, 306-1, 306-2

Our waste management program centers around circularity, sustainable resource use, and responsible waste disposal. The process covers waste generation, segregation, collection, and disposal.

The power segment efficiently manages and repurposes coal fly ash and bottom ash, contributing to a circular economy. Through these practices, we strive to minimize our ecological footprint and promote a more sustainable future.

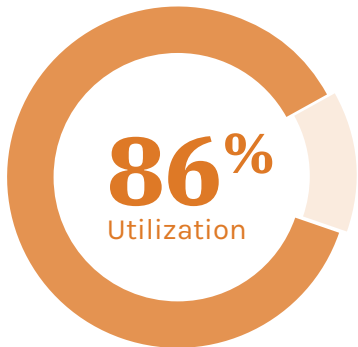
### Waste generation and significant waste-related impacts

#### Waste Management Strategies:

#### Coal Fly Ash Utilization for Beneficial Use

Generated:

**1.06 MMT**



#### Workplace Waste Management



Coded trash bins promote waste segregation



Recyclables are collected in Materials Recovery Facilities (MRF) and sold to recyclers



Composting facility for biodegradable materials

### Management of significant waste-related impacts

#### Utilization of Waste Materials



##### Oil:

Used as start-up fuel for power plant units



##### Fly Ash:

Used by a third party as a cement admixture

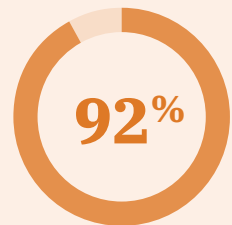


##### Bottom Ash:

Used in concrete block (CHB) making, asphalt for road projects, and donated for livelihood projects.

Generated:

**251K MT**



Total CHB Produced: **123,350** ADHIKA cooperative

# One Block at a Time

To repurpose waste and boost the local economy, we replicated our successful concrete hollow block (CHB) making project in Barangay Tinogboc, Caluya in 2023. The project aims to bring renewed purpose to Panian sand and coal bottom ash waste materials from our business operations. Eight residents received start-up resources inclusive of 2 CHB fabricating machines, 2,000 steel pallets, 35 sacks of cement, construction materials, and a truckload of Panian sand and coal bottom ash. By embracing the principles of circular economy, waste materials are transformed into valuable resources, thus minimizing environmental impact while providing livelihood to 21 fabricators and fostering micro-entrepreneurship. To date, our CHB livelihood projects in Semirara Island have produced more than 353,000 CHB units.



## Coal

306-3, 306-4, 306-5

### Waste by composition, in metric tons (MT)

Waste composition	Waste generated	Waste diverted from disposal	Waste directed to disposal
Hazardous	2,507	2,604	-
Non-hazardous	2,083	1,220	862

### Waste diverted from disposal by recovery operations, in metric tons (MT)

	Onsite	Offsite	Total
<b>Hazardous waste</b>			
Preparation for reuse	0	0	0
Waste oil	2,464	0	2,464
Recycling	0	0	0
Other recovery options	0	0	0
<b>Total</b>			<b>2,464</b>
<b>Non-hazardous waste</b>			
Preparation for reuse	0	0	0
Recycling	387	0	387
Other recovery options	834	0	834
<b>Total</b>			<b>1,220</b>
		<b>Waste prevented</b>	<b>3,685</b>

### Waste directed to disposal by disposal operations, in metric tons (MT)

	Onsite	Offsite	Total
<b>Hazardous waste</b>			
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	0	0
Landfilling	0	0	0
Other disposal operations	0	0	0
<b>Total</b>			<b>0</b>
<b>Non-hazardous waste</b>			
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	0	0
Landfilling	862	0	862
Other disposal operations	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>862</b>
		<b>Waste prevented</b>	<b>862</b>

## Power

306-3, 306-4, 306-5

### Waste by composition, in metric tons (MT)

Waste composition	Waste generated	Waste diverted from disposal	Waste directed to disposal
Hazardous	37.67	7.82	5.18
Non-hazardous	19.11	4.41	96.00*

\*In cubic meters

### Waste diverted from disposal by recovery operations, in metric tons (MT)

	Onsite	Offsite	Total
<b>Hazardous waste</b>			
Preparation for reuse	0	0	0
Recycling	0	0	0
Other recovery options	0	7.82	7.82
<b>Total</b>	<b>0</b>	<b>7.82</b>	<b>7.82</b>
<b>Non-hazardous waste</b>			
Preparation for reuse	0	0	0
Recycling	0	4.41	4.41
Other recovery options	0	0	0
<b>Total</b>		<b>4.41</b>	<b>4.41</b>
		<b>Waste prevented</b>	<b>12.23</b>

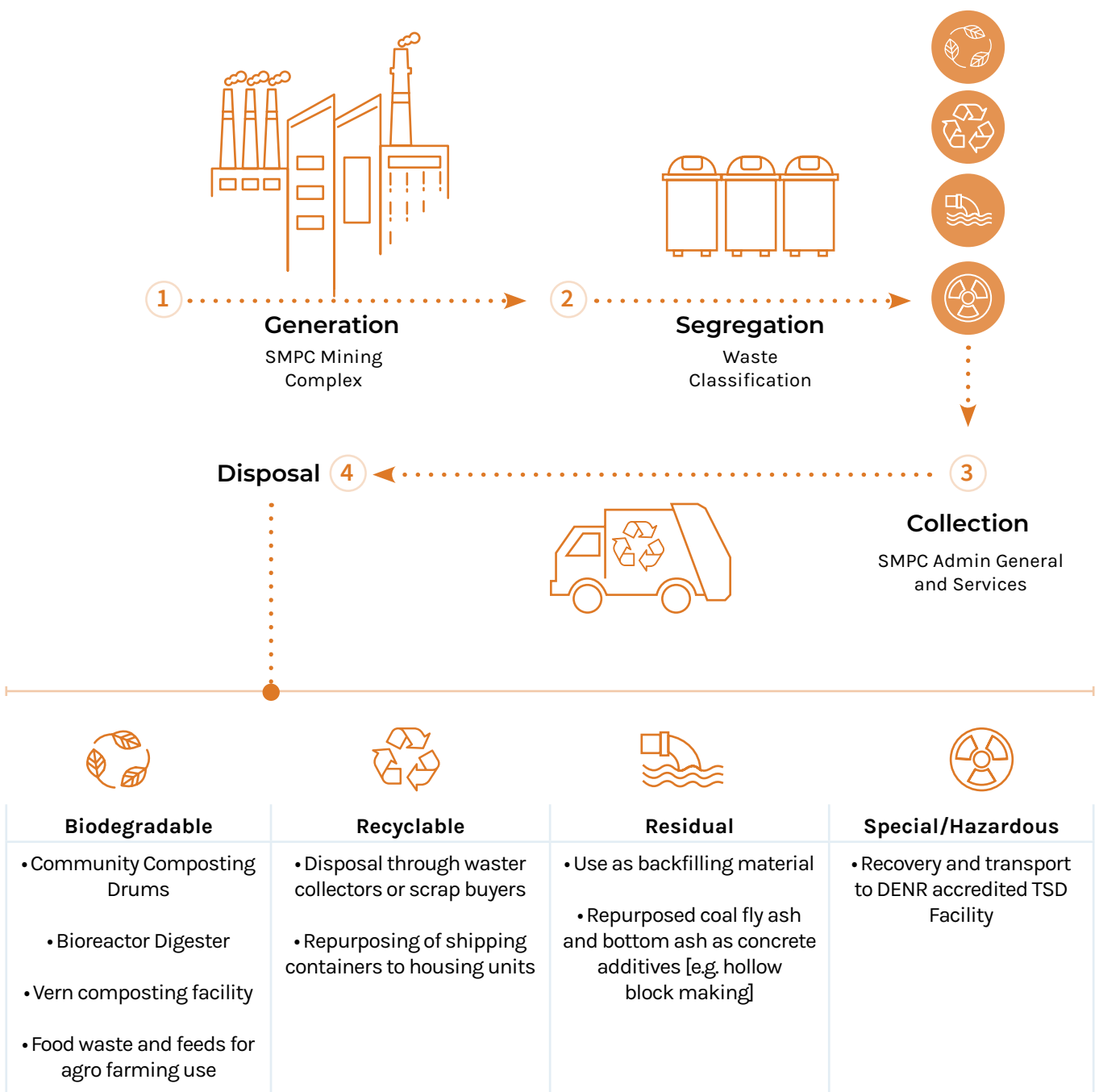
### Waste directed to disposal-by-disposal operations, in metric tons (MT)

	Onsite	Offsite	Total
<b>Hazardous waste</b>			
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	0	0
Landfilling	0	5.18	5.18
Other disposal operations		0	0
<b>Total</b>		<b>5.18</b>	<b>5.18</b>
<b>Non-hazardous waste*</b>			
Incineration (with energy recovery)	0	0	0
Incineration (without energy recovery)	0	0	0
Landfilling	0	96	96
Other disposal operations	0	0	0
<b>Total</b>	<b>0</b>	<b>96</b>	<b>96</b>
		<b>Waste prevented</b>	<b>96</b>

\*In cubic meters

# Adopting the four Rs (Reduce, Reuse, Repurpose, Recycle)

Our commitment to sustainable business practices is exemplified through our comprehensive waste management programs and practices. SMPC highlights the importance of circularity, ensuring that solid materials are not only disposed of correctly but may be repurposed. By intertwining our use of locally available materials, particularly coal fly ash and bottom ash, with responsible environmental strategies, SMPC actively contributes to a more sustainable and circular economy within the power and mining industries.





## Restoration Beyond Compliance

3-3, 304-1, 304-2

Our commitment to biodiversity conservation extends to both land and sea, where we diligently work toward the preservation and restoration of various species.

In our pursuit of climate action, we engage in several critical activities that drive reforestation, afforestation, vegetation restoration, and active monitoring of areas affected by mining activities. Guided by science-based methodologies and extensive research, we collaborate with environmental consultants, communities, and local government units for a strategic approach to our sustainability programs.

### Carbon Offsets

Our efforts encompass planting mangroves for carbon sequestration and coastal community protection. We also extend protection projects beyond mining sites, focusing on preserving mangrove areas. These resilient ecosystems play a crucial role in maintaining coastal biodiversity and safeguarding against natural disasters.

### Our Reforestation Milestones

**1.10M**

Surviving trees planted within the mining complex

**1.05M**

Surviving trees planted outside the mining complex

**623K**

Surviving mangrove trees planted since 2002

**48K**

Trees planted in Batangas province since 2017



## Conservation Status of Tree Species

The conservation status of diverse tree species propagated on Semirara Island undergoes regular monitoring. Noteworthy statistics for 2023 encompass:

IUCN Red List Category <sup>1</sup>	Common Name	Scientific Name	2023	2022	2021
Vulnerable <sup>5</sup>	Narra	<i>Pterocarpus indicus</i>	100,239	99,801	100,206
Vulnerable <sup>5</sup>	Mahogany	<i>Swietenia macrophylla</i>	3,208	3,418	3,484
Vulnerable <sup>5</sup>	Mangkono	<i>Xanthostemon verdugonianus</i>	67	67	71
Vulnerable <sup>5</sup>	Supa	<i>Sindora supa</i>	17	17	17
Vulnerable <sup>5</sup>	Balisayon	<i>Terminalia microcarpa</i>	19,013	19,678	19,275
Vulnerable <sup>5</sup>	Ipil	<i>Intsia bijuga</i>	568	568	568
Least concern	Molave	<i>Vitex parviflora</i>	166,868	159,389	130,386
Not evaluated	Dau	<i>Dracontomelon dao</i>	4,898	4,898	4,898
<b>Total</b>			<b>294,878</b>	<b>287,836</b>	<b>258,905</b>

National Conservation List <sup>2</sup>	Common Name	Scientific Name	2023	2022	2021
Endangered <sup>3</sup>	Mangkono	<i>Xanthostemon verdugonianus</i>	67	67	71
Endangered <sup>3</sup>	Molave	<i>Vitex parviflora</i>	166,868	159,389	130,386
Endangered <sup>3</sup>	Supa	<i>Sindora supa</i>	17	17	17
Vulnerable <sup>4</sup>	Narra	<i>Pterocarpus indicus</i>	100,239	99,801	100,206
Vulnerable <sup>4</sup>	Ipil	<i>Intsia bijuga</i>	568	568	568
Vulnerable <sup>4</sup>	Dau	<i>Dracontomelon dao</i>	4,898	4,898	4,898
Not listed	Balisayon	<i>Terminalia microcarpa</i>	19,013	19,678	19,275
Not listed	Mahogany	<i>Swietenia macrophylla</i>	3,208	3,418	3,484
<b>Total</b>			<b>294,878</b>	<b>287,836</b>	<b>258,905</b>

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

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

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

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

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

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

IUCN Red List	Common Name	Scientific Name
Least Concern	Agoho	<i>Casuarina equisetifolia</i>
Least Concern	Molave	<i>Vitex parviflora</i>
Least Concern	Kalingag	<i>Cinnamomum mercadoi</i>



## Biodiversity Offsets

The Semirara Biodiversity Conservation Center (SBCC) plays a pivotal role in advancing biodiversity conservation. It contributes significantly to SMPC’s environmental and social endeavors.

SBCC actively engages with the local community through wildlife and biodiversity awareness campaigns, educational tours of its Aviary, and offering technical support for poultry and livestock livelihood projects. Additionally, it serves as a rehabilitation facility for rescued wildlife, extending its impact beyond the Western Visayas region.

80

Progenies Born  
in SBCC (2023)

## Species with Habitats in Areas Affected by Operations

### Conservation Status of Important Animal Species in Semirara Island

IUCN Red List	Common Name	Scientific Name
Vulnerable	Philippine Duck	<i>Anas luzonica</i>
Least Concern	Philippine Hanging Parrot	<i>Loriculus philippensis</i>
Near Threatened	Long-tailed Macaque	<i>Macaca fascicularis ssp. philippensis</i>

## Conservation Status of Species in Semirara Biodiversity Conservation Center

National Conservation List*	Common Name	Scientific Name	2023	2022	2021
Endangered (EN)	Philippine Eagle-Owl	<i>Bubo philippensis philippensis</i>	8	7	7
Vulnerable (VU)	Mantanani Scops-Owl	<i>Otus mantananensis romblonis</i>	7	7	7
Vulnerable (VU)	Philippine Duck	<i>Anas luzonica</i>	8	7	6
Critically Endangered (CR)	Blue-naped Parrot	<i>Tanygnathus lucionensis ssp.</i>	7	6	2
Endangered (EN)	Nicobar Pigeon	<i>Caloenas nicobarica nicobarica</i>	2	2	2
Other Threatened Species (OTS)	Mindoro Monitor Lizard	<i>Varanus (marmoratus) bangonorum</i>	4	4	5
Other Threatened Species (OTS)	Philippine Box Turtle	<i>Cuora amboinensis</i>	54	34	25
Other Threatened Species (OTS)	King Cobra	<i>Ophiophagus hannah</i>	3	3	1
Endangered (EN)	Large Flying Fox	<i>Pteropus vampyrus</i>	0	0	2
<b>Total</b>			<b>93</b>	<b>70</b>	<b>57</b>

IUCN	Common Name	Scientific Name	2023	2022	2021
Vulnerable (VU)	Philippine Eagle-Owl	<i>Bubo philippensis philippensis</i>	8	7	7
Near Threatened (NT)	Mantanani Scops-Owl	<i>Otus mantananensis romblonis</i>	7	7	7
Vulnerable (VU)	Philippine Duck	<i>Anas luzonica</i>	8	7	6
Near Threatened (NT)	Blue-naped Parrot	<i>Tanygnathus lucionensis ssp.</i>	7	6	2
Vulnerable (VU)	Mindoro Hawk Owl	<i>Ninox mindorensis</i>	1	1	1
Near Threatened (NT)	Nicobar Pigeon	<i>Caloenas nicobarica nicobarica</i>	2	2	2
Endangered (EN)	Southeast Asian Box Turtle	<i>Cuora amboinensis</i>	54	34	25
Vulnerable (VU)	King Cobra	<i>Ophiophagus hannah</i>	3	3	1
Near Threatened (NT)	Island Flying Fox	<i>Pteropus hypomelanus</i>	6	3	1
Near Threatened (NT)	Large Flying Fox	<i>Pteropus vampyrus</i>	0	0	0
Near Threatened (NT)	Streaked Shearwater	<i>Calonectris leocomelas</i>	1	0	0
<b>Total</b>			<b>97</b>	<b>70</b>	<b>52</b>

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



## Reef and Coastal Restoration

Underwater biodiversity conservation plays a crucial role in our commitment to environmental stewardship. This includes reseeded of giant clams, transplanting coral and seagrass, implementing standard operating procedures (SOPs), and continuously monitoring fish and marine life to aid in the restoration of marine ecosystems.

Established in 2010, our Semirara Marine Hatchery Laboratory (SMHL) leads pioneering work in marine biodiversity with a focus in coral reef rehabilitation. It is the only private facility out of four in the country to propagate giant clams, spawning and breeding eight species which are considered keystone species to the coral reef ecosystem. Our efforts were recognized through the ASEAN Energy Awards in 2015.

Collaborating with local government units, agencies, and communities, we actively contribute to marine life conservation efforts in protected areas of Semirara Island and surrounding regions. Through on-site campaigns and marine ecology assessments, we engage stakeholders and monitor the impact of our activities on marine ecosystems.

We have been conducting river and coastal clean-ups since 2012 in partnership with the Department of Environment and Natural Resources and local communities.

6

River Clean-ups

4

Coastal Clean-ups

## FEATURE STORY

# Expanding Coastal Horizons

In celebration of Earth Day 2023, SMPC led the charge towards a greener future by planting 1,500 mangrove seedlings in Barangay Semirara, Caluya, Antique.

Recognizing the ecological importance of mangrove forests, the initiative aimed to promote climate resilience among the community against storm surges, floods, and rising sea levels. Over 150 individuals participated in the event, comprising SMPC staff, Philippine Coast Guard members, and local residents.

This collaborative endeavor, conducted in partnership with the Department of Energy (DOE) and the Department of Environment and Natural Resources (DENR), underscores SMPC's steadfast commitment to a more sustainable future for all.



## IUCN Red List for Giant Clams

304-4



### Giant Clams

	2023	2022	2021
Semirara Island, Antique			
Propagated	186,305	182,598	170,349
Reseeded	77,225	70,388	69,424
IUCN Red List	2*	2*	2*
Balayan Bay, Calaca, Batangas			
Surviving	45**	149**	149**

\*T. gigas and T. derasa listed as Vulnerable, \*\*Visual observation only, third-party survey not conducted in 2022

Habitats Protected or Restored	Area (in hectares)
<b>Semirara Island, Antique</b>	
Marine Protected Area, Barangay Tinogboc	49.77
Marine Protected Area, Barangay Alegria	87.95
Marine Protected Area, Barangay Semirara, Caluya, Antique	150.00
Semirara Marine Hatchery and Laboratory	2.00
Semirara Biodiversity Conservation Center	4.00
Mangrove Sanctuary, Magtang River, Barangay Harigue, Sibay Island, Caluya Antique	1123.09
SMPC Reforested Areas	192.32
Mangrove Forests, Semirara Island	
Total	<b>1,609.13</b>
<b>Calaca and Balayan, Batangas</b>	
*Dacanlao and Cawong Rivers	0.16
Marine Protected Area, Barangay Carenahan	6.57
Brgy. Patugo, Balayan, Batangas under our “Adopt-a-Forest” program	50
Total	<b>56.73</b>
<b>Grand total</b>	<b>1,665.86</b>

\*Approximate area as the adopted riverbank is three kilometers

## Sustainable Supply Chain

3-3

Our dedication to sustainability guides our supplier accreditation process, with a strong focus on environmental scrutiny. We meticulously evaluate waste reduction, procurement practices, and energy-saving initiatives, all aimed at promoting environmental stewardship.

By actively engaging with our partners, we exchange best practices and work collaboratively to adopt sustainable business approaches. This ensures compliance and contributes to positive outcomes, reinforcing our pledge to responsible and climate-conscious practices.

# 4

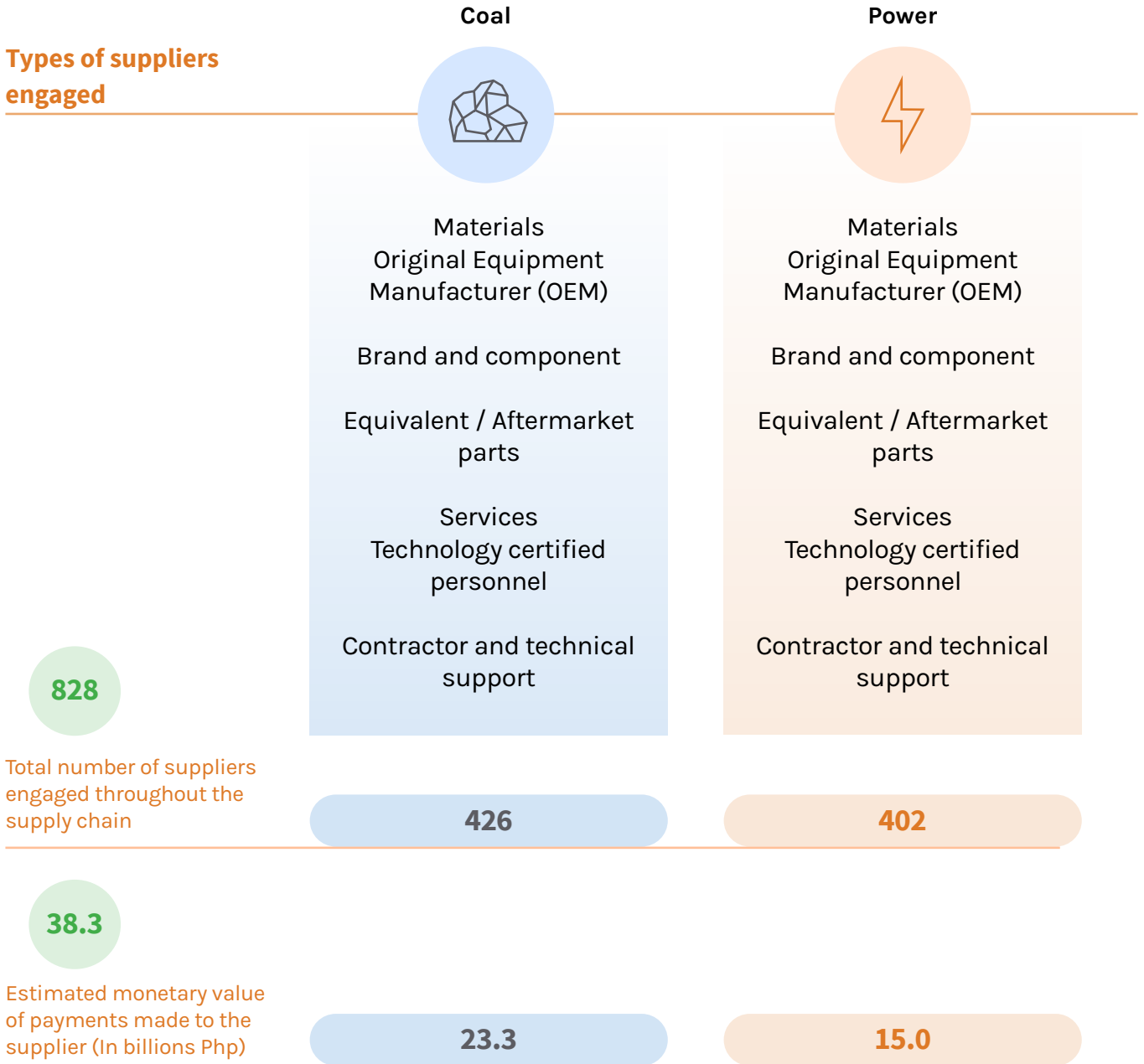
New Suppliers Screened  
Using Environmental  
Criteria

308-2



# New suppliers assessed with green criteria

308-1



828

Total number of suppliers engaged throughout the supply chain

38.3

Estimated monetary value of payments made to the supplier (In billions Php)





## FEATURE STORY

# Repurposing Shipping Containers Into Homes

Instead of occupying landfill space, old container vans (convans) in our mine site in Semirara Island, Antique found a practical use by being repurposed into housing facilities.

Out of 520 shipping containers upcycled in 2023, 100 have been used as employee housing units in the island. To promote circularity and responsible resource management, the houses were built using a hybrid of upcycled convans and repurposed Semirara clay bricks made of waste materials from mine stripping operations. Each home has a living space, toilet and bathroom, dining and kitchen area, and two bedrooms.

Furthermore, the convan upcycling project has so far provided skills training and employment to 100 island residents. This initiative is a testament to our commitment to preserving the environment and creating an inclusive, resilient and sustainable future for our host communities.

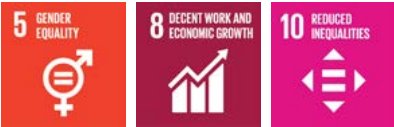




# Cultivating Collective Progress



At the heart of our endeavors lie our people, their welfare, and the vibrant communities surrounding our operations. By collaborating collectively and engaging actively with both employees and communities, we aim to foster long-term value, build resilience, and drive sustainable initiatives for an inclusive and prosperous future.

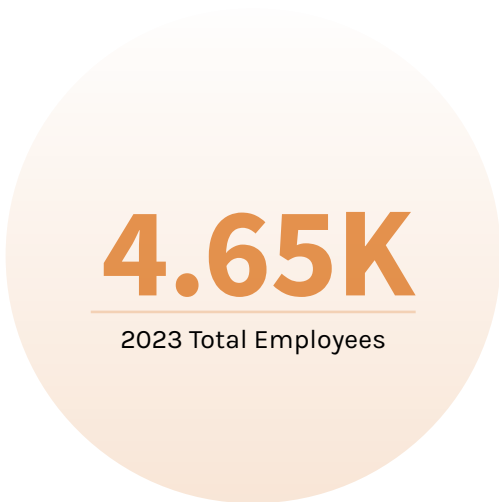


## Diversity, Equity and Inclusiveness

3-3

The growth and well-being of our employees have been the key drivers of our economic, environmental, and social performance over the years. We maintain a work culture that fosters innovation, adaptability, and continuous skill development for our employees. To achieve this, we prioritize safety, diversity, equality, and inclusion, ensuring that all employees receive fair treatment.

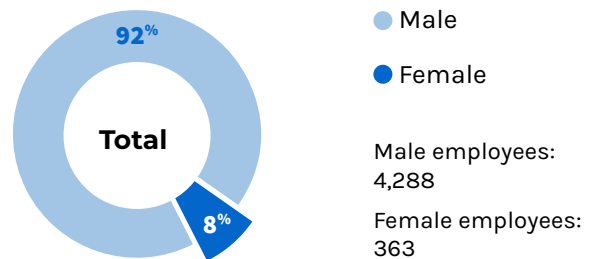
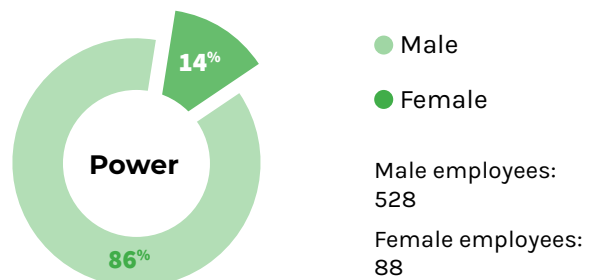
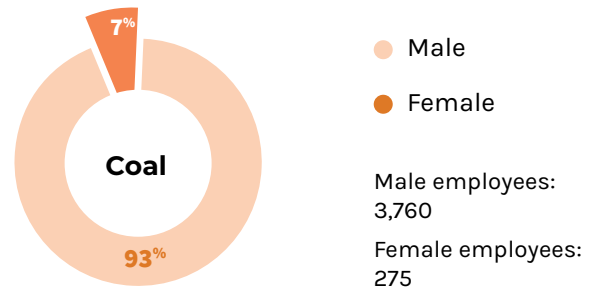
In 2023, new plantilla positions on Tax and Compliance, Marketing, Business Development, and Data Science functions were created and filled towards improving our ESG performance.



	2023	2022	2021
Direct Employees	4,651	4,381	3,943
Indirect Employees	1,161	1,057	1,488

### By Segment and Gender

2-7



We uphold a firm stance against workplace discrimination, diligently working to prevent it at every step of the employee journey—from recruitment and onboarding to ongoing engagement and eventual separation. Our unwavering commitment extends to fostering a diverse and inclusive company culture that practices belongingness, creativity, and innovation.

## By Age

405-1

Age group	Coal		Power		Total	
	%	Number	%	Number	%	Number
Under 30 years old	30%	1,229	21%	132	29%	1,361
30 to 50 years old	64%	2,560	59%	363	63%	2,923
Over 50 years old	6%	246	20%	121	8%	367
Total	100%	4,035	100%	616	100%	4,651

## By Level

405-1

Age group	Coal		Power		Total	
	%	Number	%	Number	%	Number
Executive	0.3%	11	0.2%	1	0.3%	12
Managerial	0.9%	38	5.2%	32	1.5%	70
Professional - Technical	7.0%	283	14.1%	87	8.0%	370
Supervisory	5.3%	214	15.1%	93	6.6%	307
Rank and File	86.5%	3,489	64.4%	403	83.7%	3,892
Total	100.0%	4,035	100%	616	100.0%	4,651

In 2023, we recorded zero incidents of discrimination. Furthermore, our workforce expanded significantly, with a 6% increase in the number of employees compared to 2022. The majority of these new positions were established in departments related to operations, maintenance, geology, and additional mining and support equipment.

## Recruitment 401-1



Coal

New hires

Employee turnover

Hiring rate

Turnover rate

664

417

1%

1%



Power

53

50

1%

1%

**Total**

**717**

**467**

**2%**

**2%**

### News hires breakdown

By Age	Coal	Power	Total
Under 30 years old	409	32	441
30-50 years old	252	20	272
Over 50 years old	3	1	4
<b>Total</b>	<b>664</b>	<b>53</b>	<b>717</b>

By Gender	Coal	Power	Total
Male	587	39	626
Female	77	14	91
<b>Total</b>	<b>664</b>	<b>53</b>	<b>717</b>

By Region	Coal	Power	Total
Luzon	124	53	177
Visayas	334	0	334
Mindanao	206	0	206
<b>Total</b>	<b>664</b>	<b>53</b>	<b>717</b>



### Retention Rate

<b>98%</b>	<b>90%</b>	<b>98%</b>
2023	2022	2021

### Employee Turnover

401-1

Turnover breakdown	Coal	Power	Consolidated
<b>By Age</b>			
Under 30 years old	204	19	223
30-50 years old	183	15	198
Over 50 years old	30	16	46
Total	<b>417</b>	<b>50</b>	<b>467</b>
<b>By Gender</b>			
Male	370	44	414
Female	47	6	53
Total	<b>417</b>	<b>50</b>	<b>467</b>
<b>By Region</b>			
Luzon	102	50	152
Visayas	196	0	196
Mindanao	119	0	119
Total	<b>417</b>	<b>50</b>	<b>467</b>

## Local Hire

3-3, 202-1, 202-2

SMPC is committed to providing equal opportunities to employees from the local regions where it operates. About 31% of our mine site employees are from Aklan, Antique, Capiz, Iloilo, and Mindoro. In our power segment, 48% of our employees originate from Batangas. These employees fill crucial positions in our operations, such as engineers and safety inspectors.

### Ratios of standard entry level wage by gender compared to local minimum wage

2023	2021	2021
1:1	1:1	1:1

### Proportion of senior management hired from the local community in 2023

Management positions from the local community	Aklan, Antique, Capiz, Iloilo, & Mindoro	Batangas
Coal	31%	-
Power	-	48%



## Gender Equality

Fostering a workplace culture in which our women feel heard, safe, and comfortable is of top priority for us. Like the global community, we acknowledge the necessity of providing equitable opportunities for women, ensuring they have access to the same platforms as their male counterparts.

Location	Coal		Power		Total		Total
	Male	Female	Male	Female	Male	Female	
Luzon	527	95	510	88	1,037	183	1,220
Visayas	1,834	138	10	-	1,844	138	1,982
Mindanao	1,399	42	8	-	1,407	42	1,449
Total	3,760	275	528	88	4,288	363	4,651

### FEATURE STORY

## Women in Focus



“Mining is a male-dominated industry and commonly referred to as a ‘man’s world’. In the present generation, women continue to thrive not just in mining but even across other industries. Who and what we are today is the result of our giant leap towards breaking barriers and stereotypes in the society.”

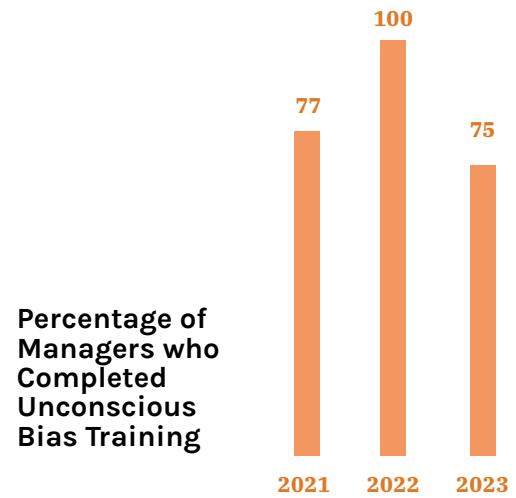
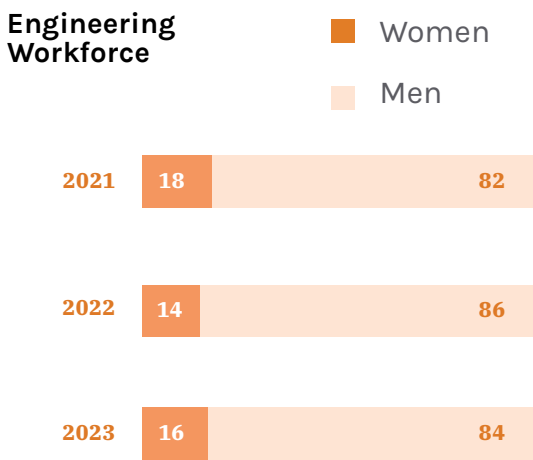
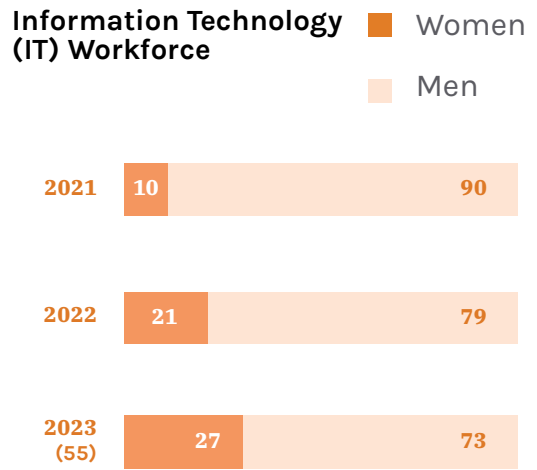
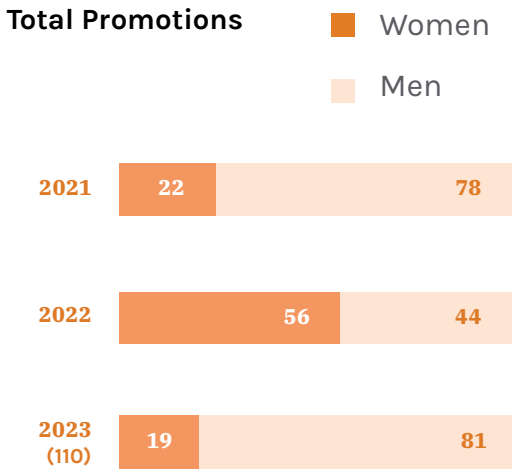
**Alona Noguera,**  
Senior Mine Planning Engineer  
Rank 6, Board Examination for Mining Engineers



“Do not belittle yourself. You are not ‘just’ a woman. You are a woman full of passion, potential and determination which will make you excel in your craft.”

**Resa Palapo,**  
Electrical Section Foreman  
Certified Energy Manager – Top 1, Certified Energy Manager (CEM) Examination





## FEATURE STORY

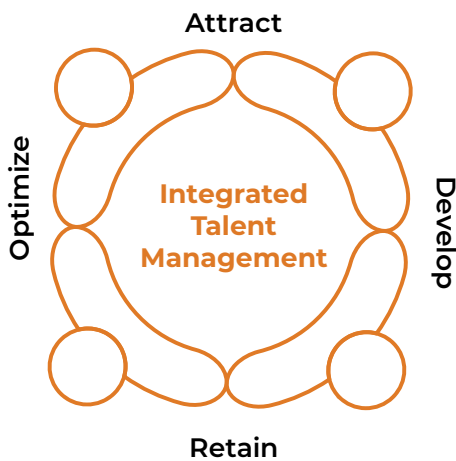
### Soaring High

For the third consecutive year, our unwavering commitment to gender equality has earned us a spot on the prestigious Bloomberg Gender Equality Index (GEI). This index recognizes public firms that are transparent about their efforts to support gender equality through policy development. In 2023, we stood proud as one of only four Philippine listed companies, alongside our parent company DMCI Holdings, Inc., to be included in the GEI's roster of 484 companies spanning 45 nations and regions. This achievement underscores our dedication to fostering an inclusive and equitable workplace.



## Equity

Our integrated talent management framework is structured around four key objectives: attraction, development, optimization, and retention of employees. We seek to help employees combine their personal career goals with their learning and development at the company.



We adopt a two-pronged approach to nurturing talent that includes continuous upskilling and a reward system. We offer regular training and skill-building programs to empower our workforce. Additionally, we recognize and reward outstanding performance, fostering motivation and a positive work environment.

## Competitive Benefits

405-2

At SMPC, we firmly believe that employee engagement significantly enhances organizational efficiency. To achieve this, we have crafted competitive salary and benefits packages, aligning them with industry norms and current labor market standards. Our compensation decisions are rooted in individual contributions to the company, regardless of gender.

We adhere to the Department of Labor and Employment (DOLE) guidelines, ensuring fair and equitable pay for all employees. Notably, our annual salary increments typically surpass the industry average of 5.5%

Annual Salary Increase:

# 8 to 22%

### List of Benefits

401-2



SSS



PAG-IBIG



PhilHealth



Magna Carta for Women



Retirement Plan



Bereavement Leave



Vacation Leave



Sick Leave



Relocation



Paternity Leave



## Talent Development

3-3

We constantly strive to provide employees with an environment that enables them to enhance their skills while also growing in their roles. In addition to improving employees' performance in their respective roles, we offer a unique combination of training programs that drive individual career growth, help unleash their potential, and support adaptation to business needs and market conditions.

### How we ensure training effectiveness:

#### Evaluation

Training needs assessment; integration of individual training development plan reviews into annual performance assessment

#### Execution

Sustenance of training hours during pandemic through online training; self-paced learning through learning management system

#### Enablement

Leadership training for transition to senior roles; regular talent reviews and impact assessment of employee development programs; continuous improvements to performance management system

# 78 hrs

Average Training per Employee

### Employees Receiving Performance Reviews

404-3

#### By Gender

404-3

	Male	Female	Total
Coal	93%	7%	100%
Power	87%	13%	100%
<b>Total</b>	<b>92%</b>	<b>8%</b>	<b>100%</b>

## Average Training Hours Per Employee

404-1

	Employees	Training	Average training hours per employee
Coal	4,035	319,030	79
Power	616	42,728	69
Consolidated	4,651	361,758	78

## Total Training Hours Per Category

404-2

Training category	Coal	Power	Total
Behavioral	43,462	7,405	50,867
EHS	218,794	14,584	233,378
Leadership	6,246	2,000	8,246
Professional and technical development	32,302	13,677	45,979
Quality management	17,862	4,914	22,776
Climate-related	364	148	512
Total	<b>319,030</b>	<b>42,728</b>	<b>361,758</b>

## Average Training Hours By Gender

	Male	Female
Coal	77	102
Power	66	86
Consolidated	76	98

## Average Training Hours By Level

	Executive	Managerial	Supervisory	Proftech	Rank and File
Coal	23	104	87	96	77
Power	128	58	87	83	64
Consolidated	32	83	87	93	76

## Average Training Spend Per Segment

	Coal	Power	Total
No. of Employees	4,035	616	4,651
Total Training Spend (in PHP)	12,106,731	705,863	12,812,594
Average Training Spend per Employee (in PHP)	3,000	1,146	2,755



## Workplace Culture

3-3, 402-1, 403-6

Our commitment to employee wellbeing, crucial to a vibrant workplace culture, has intensified post-pandemic. We believe that employees’ physical, interpersonal, and emotional health significantly contributes to a wholesome work environment.

We are very particular about maintaining an active communication channel. We regularly disseminate company news to ensure that all employees are informed and aligned with the latest updates. A week’s notice period is provided (post consultation) before implementing significant organizational changes. This is in compliance with DOLE regulations to ensure sufficient adjustment time.

### Parental leave

401-3

Male							
	Entitled to Parental Leave	Employees who took Parental Leave	Employees who returned to work after parental leave ended	Employees who returned to work after parental leave ended who were still employed twelve months after their return to work	Return to work rate	Retention rate	
Coal	1903	121	121	107	100%	181	
Power	525	20	20	20	100%	286	
<b>Total</b>	<b>2428</b>	<b>141</b>	<b>141</b>	<b>127</b>	<b>100%</b>	<b>192</b>	

Female							
	Entitled to Parental Leave	Employees who took Parental Leave	Employees who returned to work after parental leave ended	Employees who returned to work after parental leave ended who were still employed twelve months after their return to work	Return to work rate	Retention rate	
Coal	267	12	11	8	92%	114	
Power	74	6	6	6	100%	300	
<b>Total</b>	<b>341</b>	<b>18</b>	<b>17</b>	<b>14</b>	<b>94%</b>	<b>156</b>	



## Safeguarding Rights

2-30, 402-1, 407-1, 408-1, 409-1

Our policies on protecting employees' fundamental rights align with the International Labor Organization's conventions. We steadfastly oppose child and forced labor, valuing freedom of association, promoting diversity, and ensuring equal opportunities and fair treatment for all.

**1,161**

Total number of workers who are not employees in 2023

2-8

**0**

Child and Forced Labor Violation



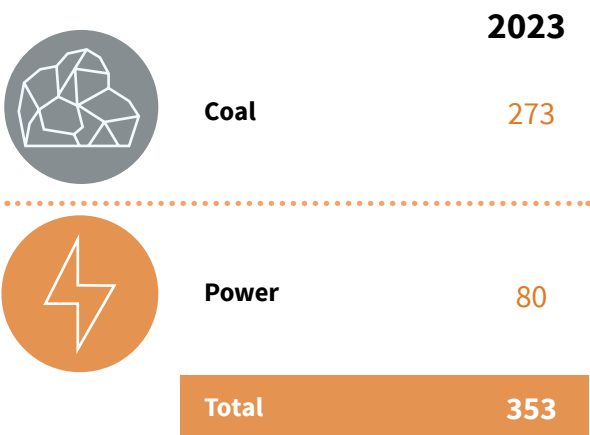
# Safety Imperative

3-3, 403-1, 403-8

At SMPC, both the coal and power segments adhere to the ISO 45001:2018 Occupational Health and Safety (OHS) Management System. This helps us improve our OHS performance on a continuing basis, and ensure safety for employees and business partners. Our Environment, Health and Safety (EHS) Committee meets on a monthly basis to review EHS programs and share best practices.

Our Coal segment has been ISO-certified for Quality, Environment, and OHS management systems for 15 years. We sustained this in 2023. Our Power subsidiaries, SEM-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC), continue to be ISO 45001:2018-certified in 2023. Over the past seven years, SCPC and SLPGC also continued to adhere to international standards on Quality and Environmental management systems.

## EHS committee members



External assurance of OHS management system

Engagement of worker representatives on OHS decision-making

Regular hazard identification, risk assessments, control mechanisms

Learning from employee insights on effectiveness and relevance of existing controls

Personal protective equipment/equipment to prevent fumes, dust noise



# Prevention and Mitigation of OHS impacts (Business Relationships)

403-2

- Engineering controls to mitigate onsite risk
- Implementation of the principle of shared responsibility
- Prequalification process to assess contractors' performance and compliance to OHS management system at SMPC
- Clear mention of OHS performance expectations, audit and reporting requirements and consequences of non-compliance in contracts
- Participation, feedback of contractors in EHS committee meetings



## Employee Health and Wellness

403-3

We prioritize the health and well-being of our employees, recognizing that a healthy workforce contributes to increased productivity and fosters happier families. Throughout the year, we provide our employees with 24/7 health services:

**15-bed**  
Infirmary with physicians, nurses, other medical professionals

**18-bed**  
Isolation facility maintained for workers and host community

**100%**  
Employees who completed annual physical examination



### Medical Personnel

Physicians
Nurses
Dentist
Medical technologist
Radiologic technologist
Nursing aids
Midwife

	Coal	Power
Physicians	6	1
Nurses	12	4
Dentist	1	1
Medical technologist	5	-
Radiologic technologist	1	
Nursing aids	4	
Midwife	2	



To mitigate noise hazards, we adjust work shifts, provide PPE like earmuffs and earplugs, and conduct regular audiometric testing. We also assess ergonomic hazards, offer continuous training on tool usage, and encourage early reporting of discomfort or MSD signs. These measures aim to ensure a safer, healthier work environment.

### OHS Training

403-5

A diverse team of Occupational Health and Safety (OHS) professionals, employee representatives, and HR practitioners collaborates, pooling their varied expertise to assess, design, and execute relevant OHS training programs for our people.

To enhance the effectiveness of our training programs, we partner with DOLE-accredited consultants and organizations specializing in providing training on safety.

Our web-based application, aptly named “The Learning Hub”, provides employees with on-demand access to a curated selection of courses.

### Number of OHS Trainings

Locations	2023	2022	2021
Coal	54	42	54
Power	30	32	45
Total	84	74	99

## Number of OHS training hours

	2023		2022		2021	
	Coal	Power	Coal	Power	Coal	Power
Total Training Hours	31,456	6,470	182,272	10,104	41,654	8,162
Average OHS Training Hours Per Employee	8	3	4	3	4	3



## Contractor Safety

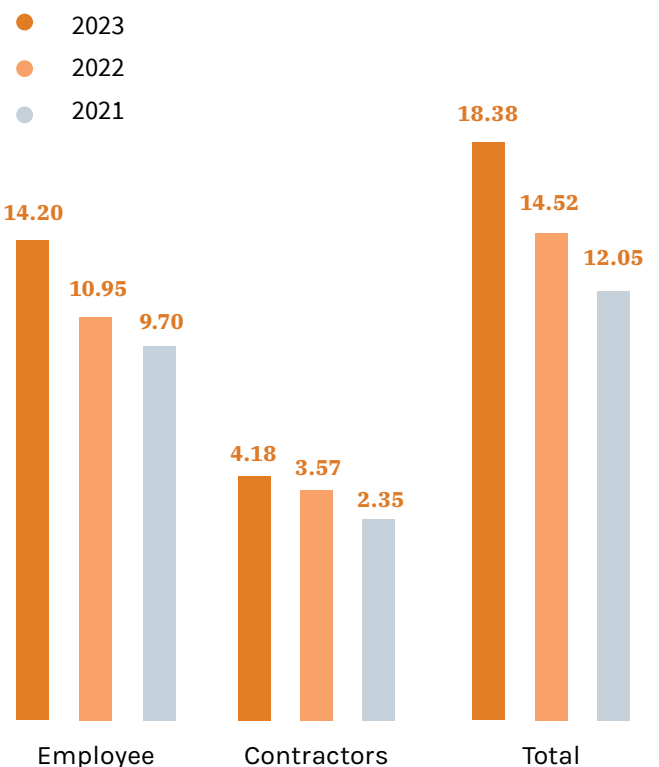
We are committed towards ensuring the highest safety standards for our contractors. Our focus on plant reliability has led to a consistent decrease in contractor man-hours. In 2023, they fell by 36% compared to 2022. Our power plant recorded one Lost Time Incident to a contractor and 4 work-related injuries to our employees. Our mine site contractor man-hours, however, increased by 17% in 2023 compared to last year.

## Occupational Health and Safety

We prioritize identifying and addressing potential risks to uphold the safety of our employees. Our ongoing efforts in OHS underscore our commitment to minimizing incidents and prioritizing the well-being of our workforce, while continuously learning from past occurrences to strengthen our safety measures.

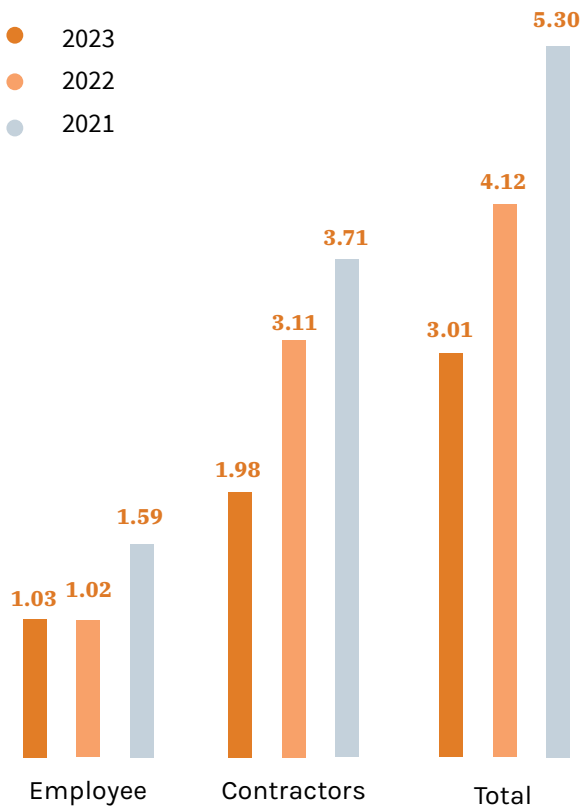
### Coal

Number of hours worked (In millions)



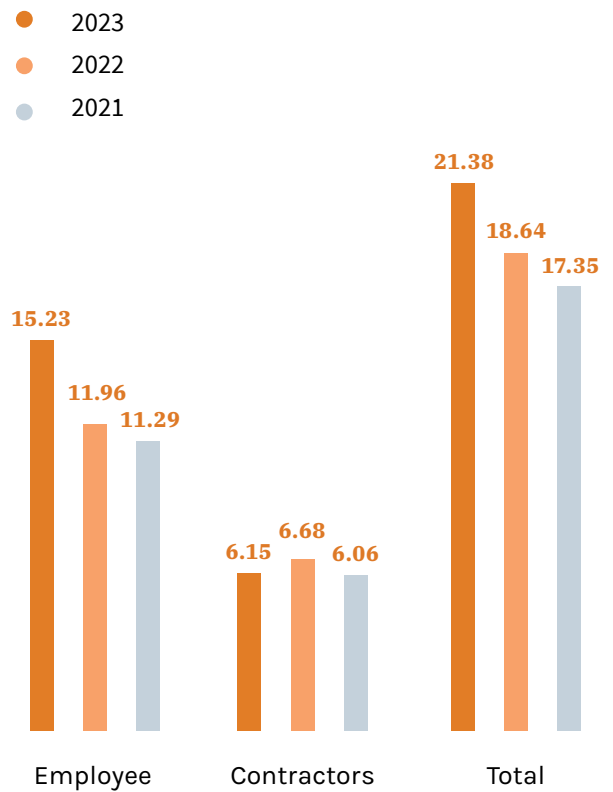
### OHS Data - Power

Number of hours worked (In millions)



### OHS Data - Consolidated

Number of hours worked (In millions)



## Our Safety Performance

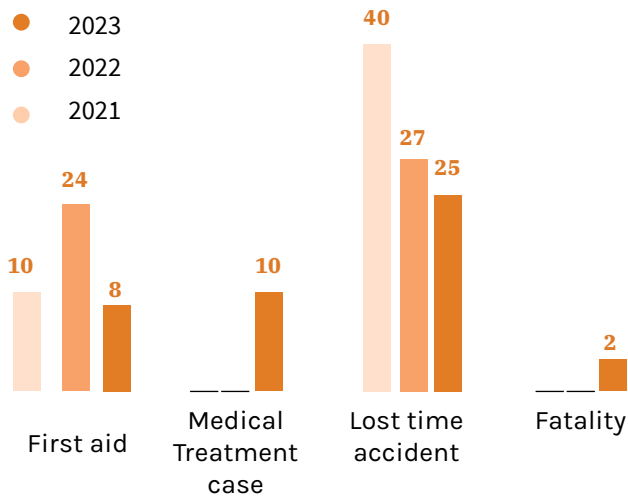
403-7

In pursuit of operational excellence, safety in our workplace stands as an uncompromising priority. Sadly, we recorded two work-related fatalities at our operations in 2023. We have extended our deepest sympathies and offered immediate assistance to the affected families. Each of these incidents were thoroughly investigated. The findings and lessons learnt were shared and acted upon through implementation of corrective measures to prevent further recurrences.

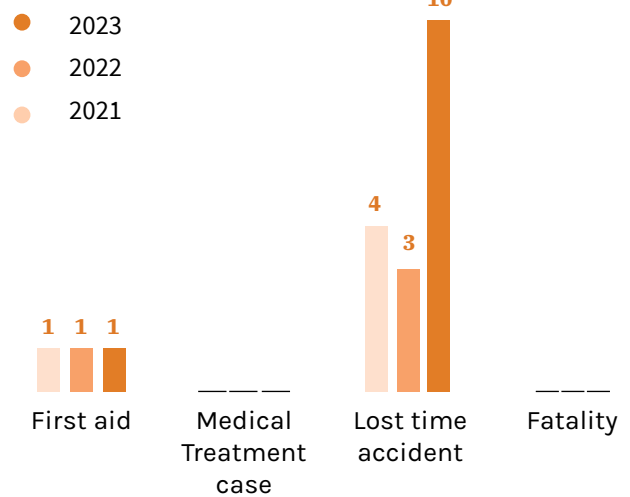
### Recordable work-related injuries

	Number	Rate	
Coal	Employees	45	3.17
	Contractors	11	2.63
Power	Employees	4	3.89
	Contractors	5	2.53

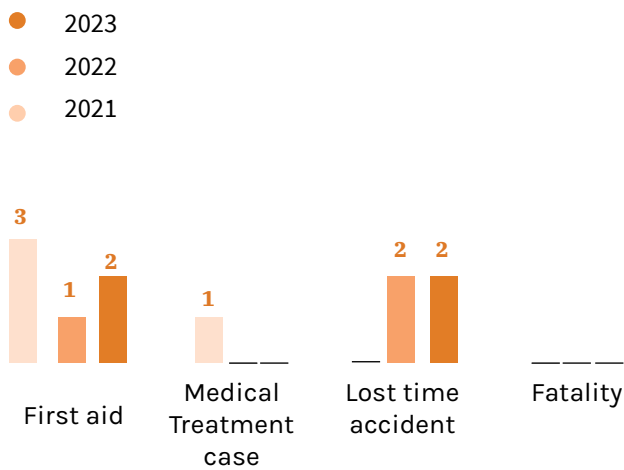
### Employee injuries (Coal)



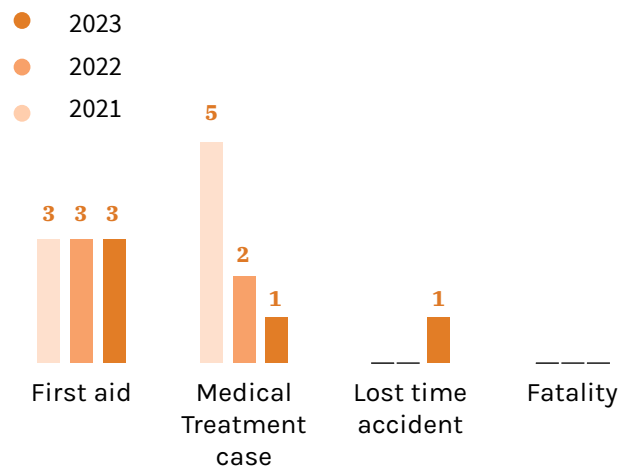
### Contractor injuries (Coal)



### Employee injuries (Power)



### Contractor injuries (Power)



### Safe man-hours (In Millions)

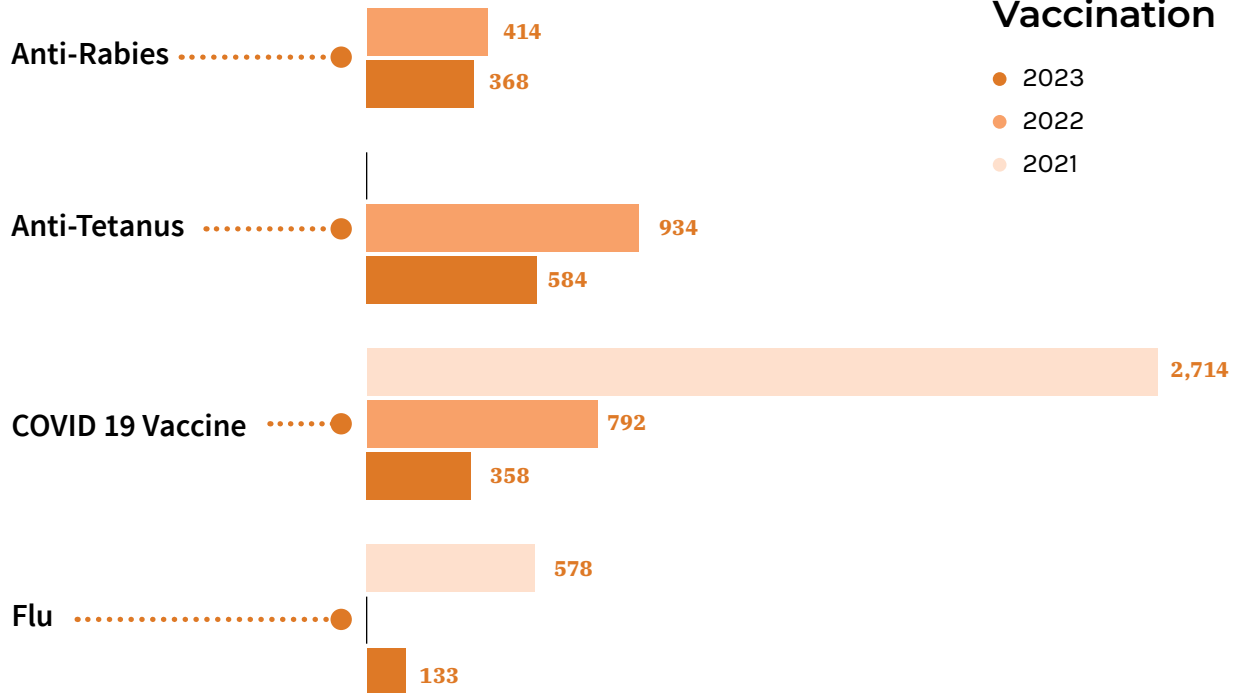
Year	Coal	Power	Total
2023	0.58	1.20	1.78
2022	0.46	4.12	4.58
2021	0.45	5.30	5.74

### Cases of recordable work-related ill health

403-10

Classification	Coal		Power	
	Employees	Contractors	Employees	Contractors
Recordable work-related ill health	19	-	16	-
COVID 19	11	-	-	-
Noise induced hearing loss	-	-	16	-
Musculoskeletal Diseases	8	-	-	-

## Employee Vaccination



## Customer Health and Safety

403-9, 416-1

We organize and facilitate customer site visit and inspection of our facilities, coal production, and loading procedures. All visitors undergo safety orientation and are mandated to wear proper protective equipment at critical operational areas.

To ensure the quality of our coal, we implement stringent controls aimed at preventing foreign contamination and reducing moisture risk. These controls

include the installation of crushers and the use of metal detectors. By managing these risks effectively, we enhance overall company satisfaction. We also provide coal stockyard management orientations to help customers understand how we design, handle, and prevent issues with our coal stockpiles.





## Sustainable Communities

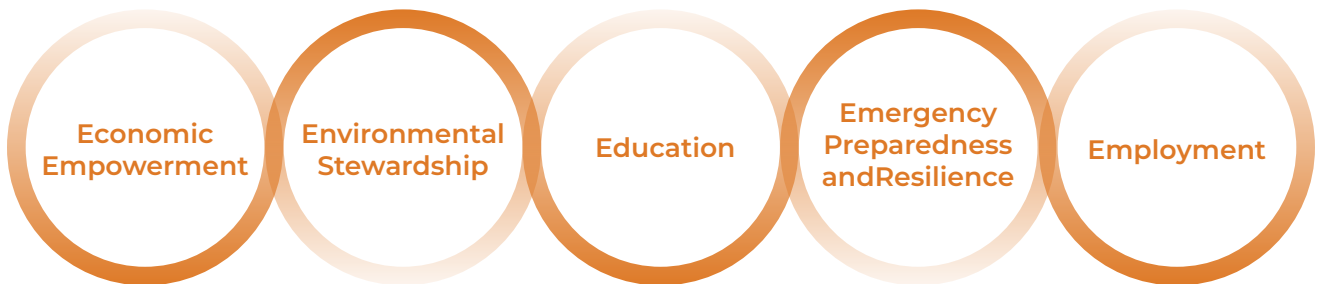
3-3, 403-9, 416-1

Aligned with sustainability principles, we view our business as part of the larger society and prioritize community welfare to create positive social impact.

### 5Es Social Development Program

3-3, 413-1

Our 5Es Social Development Program (SDP) in Semirara Island is the foundation for all our socially inclusive programs. The program is structured based on our approach of enabling communities to operate in a self-sustained manner.



The SDP is aligned with the needs and expectations of our key stakeholders and the Local Government Units (LGUs) to ensure that our program supports and improves implementation of existing sustainability initiatives. Our focus areas include food security, skills training, education, and improvement of family income among fisherfolk, seaweed farmers, and marginalized groups. Our programs are designed for long-term consistency and ongoing support.

#### Community Spend (In PHP millions)

	2023	To date
Education	8.95	637.90
Environmental stewardship	6.21	315.72
Economic empowerment	48.51	548.78
Emergency preparedness and resilience	4.07	158.89
<b>Total</b>	<b>67.75</b>	<b>1,661.29</b>

## Building Connected Communities

203-1

We contribute to enhancing the quality of life of our host communities through building local infrastructures that facilitate connectivity and spur local development.

**51 km**

Roads Built and Maintained

**2 km**

Island Airstrip

**137K**

Passengers Transported by MV Ma. Cristina since 2016





## Roads in Semirara Island

In 2023, we invested in concreting a 4-kilometer road network on Semirara Island spanning Barangays Alegria and Tinogboc.

**2 km**

Bunlao-Alegria Proper

**PHP 29M**

2023 Road Concreting Spend

**2 km**

Alegria - Tinogboc

**7.3K**

Impact Beneficiaries

## Fostering Access to Education

2023-2

Investing in education serves as a cornerstone for securing the future of our communities. All our activities on this front aim to ensure enablement of students in using skills and knowledge gained through these programs in the long term.



**Classrooms  
Built**

**2**

2023

**146**

To date



### **Divine Word School of Semirara Island Inc (DWSSII)**

Established and fully funded by SMPC, DWSSI is the only private institution that offers primary and secondary education to local residents in Semirara Island. Dependents of SMPC employees enjoy free tuition as part of our talent attraction and retention strategy.

### **Semirara Island Balik Eskwela Program: DepEd Alternative Learning System in partnership with DWSSII**

The Balik-Eskwela Program enables out-of-school youths and SMPC employees to pursue secondary education during the weekends. It covers essential subjects and is conducted at DWSSII's classrooms, computer room, and laboratories.

### **SMPC Masteral Degree Scholarships for Teachers**

Since 2018, SMPC has awarded scholarships to public and private school teachers in Semirara to pursue degrees in Master of Arts in Education, facilitating the improvement and effectiveness of their teaching skills and methods.

**4K**

DWSSII Graduates since 2003

**24**

ALS Graduates

**88**

Currently Enrolled

**13**

Masteral Program Graduates since 2018





## SCPC and SLPGC Scholarship Programs

SCPC and SLPGC award academic scholarships to exceptional students from Calaca, Balayan, Quezon, and Occidental Mindoro pursuing bachelor’s degrees in Engineering or Chemistry.

**62**

Graduate Scholars

**55**

Licensed Scholars

**39**

Currently Enrolled Scholars

## 2023 Brigada Eskwela Programs

Coal

Power

Donation of monoblock chairs, school bags, paint, cleaning tools, and labor repairs

Donation of school supplies, paint, and labor repairs

**25 schools**  
in the Municipality of Caluya

**18 schools**  
in impact barangays

**10.8K**  
impact beneficiaries

**8.9K**  
impact beneficiaries

## Celebrating Success Together

In a heartwarming display of commitment to education, a family of three graduated and obtained their junior high school diplomas together through SMPC's ALS program. Rey, Glecya, and Necyl decided to enroll in the ALS program in order to find better job opportunities for their family. Balancing existing responsibilities at home and work with their schooling, all three members successfully graduated in 2023 as Accreditation and Equivalency (A&E) Junior High School level passers. Their journey is of the power of education, demonstrating that with perseverance and hard work, anything is possible.



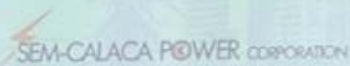
### “Ano’ng Kwentong Semirara Mo?”

(“What’s your Semirara Story?”)

Scan this code to watch our social development docuseries featuring SMPC’s positive impacts on livelihood, education, skills training, and infrastructure development.



# SIGNING OF THE DEED OF DONATION



## FEATURE STORY

### Supporting Tomorrow's Leaders

Reaffirming our commitment to foster engineering excellence in the country, SMPC subsidiaries SCPC and SLPGC donated brand-new Replica Testing and Metal Specimen Sample Preparation Equipment to the Department of Mining, Metallurgical, and Materials Engineering (UP DMMME) of the University of the Philippines College of Engineering (UP-COE) last December 2023 at the DMMME Auditorium in UP Diliman, Quezon City.

**“ This is more than a donation; it’s a symbol of our faith in the future of Filipino engineering ”**

**Christopher Thomas C. Gotianun**  
SMPC Chief Business Development Officer

### Skill Development Towards Self-sufficiency

SMPC seeks to cultivate self-subsistence by providing technical vocational education and skills training programs in the communities where we operate.

#### Semirara Training Centre, Inc. (STCI)

Since 2006, SMPC’s Semirara Training Center, Inc. (STCI) has been offering free technical-vocational courses to the local residents in Semirara and nearby islands to expand their employment and livelihood opportunities.

Accredited by the Technical Education and Skills Development Authority (TESDA), STCI holds responsibility for upgrading the skills portfolio of our workforce as

part of our talent development program. Its beneficiaries include graduates of DWSSII’s Senior High School Technical Vocational Livelihood Track. 595 of STCI graduates are now employed by SMPC or hired by our contractors.

#### Specializations at STCI



Welding



Machining



Industrial electricity



Automotive Servicing

**123**

Graduates in 2023

**1.6K**

Graduates since 2006

**38%**

Employed by SMPC

## SCPC and SLPGC Skills Training Program

In partnership with local government units and TESDA, the skills training program of SCPC and SLPGC helps develop technical vocational skills and increases livelihood opportunities of its impact communities in Batangas.

46

Sessions  
Conducted  
since 2012

1.1K

Community  
Members Trained  
since 2012

49

Graduates  
in 2023

## Strengthening Emergency Preparedness and Resilience

Communities face unique challenges when it comes to emergency and disaster preparedness. Recognizing these inherent vulnerabilities and challenges, we work closely with our host communities and government partner organizations to develop tailored solutions that enhance their disaster readiness and resilience.

### Semirara Island Emergency Action Group (SIEAG) Training

In November 2023, SMPC conducted a 5-day intensive training workshop geared towards disaster and emergency preparedness.

248

Total Participants  
(Company employees, Consignors,  
People Organizations, Barangay  
LGUs)

### SCPC and SLPGC Emergency Response Training Program

Our subsidiaries provide free training covering first aid and basic life support to residents from vulnerable communities in Batangas.

50

Trainees from  
Impact Barangays

### SCPC and SLPGC Blood Donation Drive in Partnership with the Philippine Red Cross

206

Employee Blood  
Donors



## FEATURE STORY

# Protecting the Semirara Shoreline

Beyond the grassroots, we extend our emergency response efforts at a larger scale with our proactive contributions in the Mindoro oil spill cleanup. The oil spill first reached the coastal waters of Semirara Island in March 2023, covering approximately three kilometers of shoreline and affecting over 341 households from local fishing communities. Our Emergency Response Team (ERT) has dedicated over 8,500 man-hours to the oil spill cleanup. As a collaborative effort with multiple stakeholder groups, over 51,000 kilos of oil-contaminated waste have been completely recovered from the affected areas.

Moreover, we provided responders from the Philippine Coast Guard (PCG) and the Department of Health (DOH) with accommodation, land transport services, and protective equipment, along with on-site medics to provide medical health services. We also provided all 341 affected households with relief packs which included food items and produce from our commissary, and agro and poultry model farms.

The Department of Environment and Natural Resources (DENR) lauded SMPC's oil spill efforts during "Para Sa Bayan: Milestones and Pathways to Environmental Sustainability" held in Pasay City last July 31, 2023.

### Response to Mindoro Oil Spill in March 2023

**51K kg**

Oil-Contaminated Wastes Recovered

**8.5K**

Man-Hours Spent by SMPC ERT

**600** food packs

Distributed to Affected Residents

## Community Healthcare

We provide utmost importance to the health and wellness of our employees and community. We cater to our employees and host community members, providing access to free medical services and hosting annual health programs.

We also extend access to healthcare by conducting medical missions in our host communities in partnership with local government units and private institutions.

**190.0K**

Patients Served  
by SMPC Infirmary  
since 2016

**7**

Medical Missions  
Conducted in  
2023

**2.3K**

Patients Served  
in 2023 Medical  
Missions

### SMPC Infirmary

SMPC Infirmary is the only Department of Health (DOH)-licensed infirmary health facility in Semirara island. This 15-bed facility caters to the medical needs of our employees, their dependents, and the residents in the our host communities.

#### • Medical Services and Annual Health Programs

- Regular health check-ups
- Laboratory services
- X-ray services
- Circumcision
- Pharmaceutical services
- Health Awareness Webinars

#### • Specialized Health Services

- Pediatrics
- Dentistry
- Neurosurgeon and Ophthalmologist
- Internal Medicine
- Obstetrics



## FEATURE STORY

# Over 1,400 residents served in SMPC 2023 medical missions

In 2023, we conducted a series of medical missions to nurture the health and wellness of 1,479 residents in our host communities in Semirara Island and Caluya Municipality.

Over 200 patients of Barangay Alegria benefited from free medical checkups, consultations, and distribution of vitamins and prescribed medicines in our first quarterly medical mission last March 3, while 183 residents from the Municipality of Caluya were able to obtain free pediatric, OB-GYN, and internal medicine consultations last July 12 and 13.

We also partnered with Tabang Antique Medical Missions and the Philippine Dental Association (PDA) Quezon City Chapter for a 3-day medical mission last August 2 to 4, serving 1,112 residents from barangays Semirara, Tinogboc and Alegria. They received a wide range of essential medical and dental services including tooth extraction, oral prophylaxis, dental X-ray, pediatric and internal medicine consultations, eye checkup, and free medicines.

“I am very thankful to SMPC for this medical mission because we didn’t have to travel to secure a free medical checkup,” said Wenelyn Escultor, one of the beneficiaries from Alegria.





## FEATURE STORY

# More than 500 patients benefit from SCPC, SLPGC medical mission

SCPC and SLPGC conducted a whole-day medical mission in Barangay Baclaran, Balayan, Batangas last July 28, 2023, providing free consultations and basic healthcare services to 534 residents.

Participants benefited from free medicines, medical consultations, eye checkup, reading glasses, circumcision, x-ray, and dental services. This activity was made possible in partnership with the Philippine Red Cross – Batangas Chapter, Balayan Rural Health Unit, Medical Center Western Batangas, Focus Richman Eye Clinic, Baclaran Elementary School, and Balayan Golden Eagles.



# Poverty Reduction, Inclusivity and Food Security

In partnership with the Department of Energy, we have been making significant strides in social development programs geared towards enabling the self-sufficiency and resilience of our host communities so that they will continue to thrive in a post-mining economy.



## Agri-fishery and Aquaculture

Through our Agro and Poultry Model Farms, we are fortifying the community's long-term capacity through sustainable agriculture for food security, poverty alleviation, and climate resilience especially given Semirara Island's geographic isolation.

### Agro Model Farm

**56K kg**

Produce  
Harvested in 2023

### Hog Raising and Poultry Egg Production

**115**

Piglets  
Distributed in  
2023

**270K**

Chicken and Quail  
Eggs Produced in  
2023

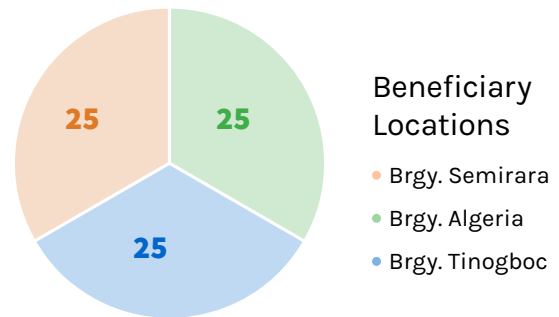
**118**

Family  
Beneficiaries

## Fishing Livelihood

**75**

Beneficiaries with motorized fiberglass boats, fishing implements, and solar kits





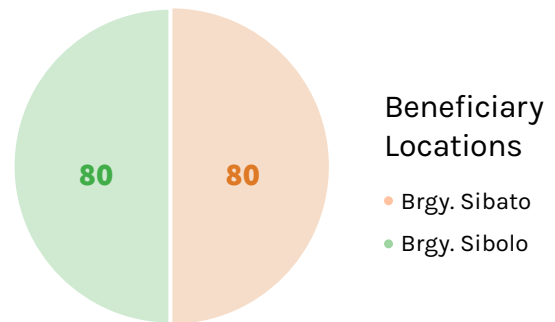
## Seaweed Propagules Distribution

**16K kg**

Seaweed Propagules in 2023

**160**

Seaweed Farmer Beneficiaries



## Micro, Small and Medium Enterprises (MSMEs)

We spearhead community-based workshops for marginalized women and other stakeholder groups, empowering them to operate small businesses. Our current livelihood programs are established with people groups to ensure sustainable governance.

**110**

MSME tenants in Semirara Food Court and Wet & Dry Market



## Dressmaking

23

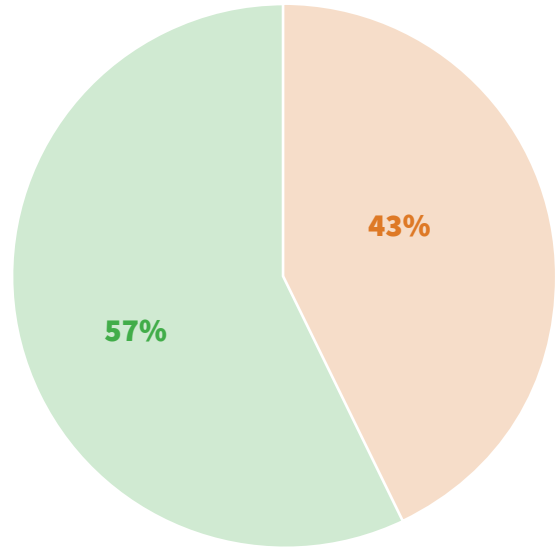
Dressmaker  
Beneficiaries

20

Sewing  
Machines  
Provided

6.9K

SMPC Uniforms Purchased from  
Semirara Women's Organization in 2023



Beneficiary Locations

● Brgy. Semirara ● Brgy. Tinogboc



## Seaweed Chips Production

8

Women Beneficiaries

1

Food Processing Bldg. Constructed



## Concrete Hollow Blocks (CHB) Making - Semirara Island

21

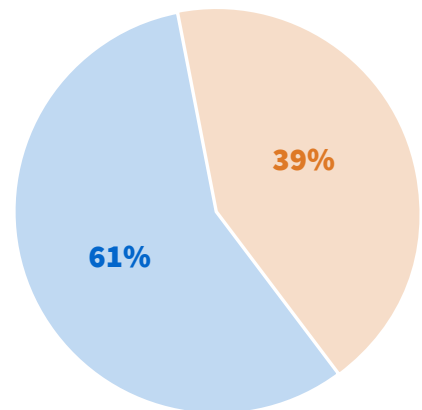
CHB Fabricator Beneficiaries

182.5K

Units Produced in 2023

2

People Associations



Beneficiary Locations

• Brgy. Semirara • Brgy. Tinogboc

## Our Community Partner Organizations

2-28

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

## Our Government Partner Organizations

Bureau of Fisheries and Aquatic Resources-Antique
Department of Agriculture-Caluya, Antique
Department of Education-Calaca, and Balayan Batangas, Caluya, Antique
Department of Trade and Industry-Antique
Municipal Agriculturist Office, Balayan, Batangas
Municipal Environment and Natural Resources Office, Calala and Balayan
Batangas Technical Education and Skills Development Authority
Department of Science and Technology
Cooperative Development Authority
Provincial Cooperative, Livelihood and Entrepreneurial Development Office, Batangas



# Strengthening Risk Management

2-16



Our dedication to risk management entails utilizing our established Enterprise Risk Management (ERM) framework. This enables us to proactively address strategic and significant risks that could impact the growth and sustainability of our company. By prioritizing business resilience, we not only stay ahead of risks but also enhance operational efficiency, thereby maximizing long-term opportunities for success.

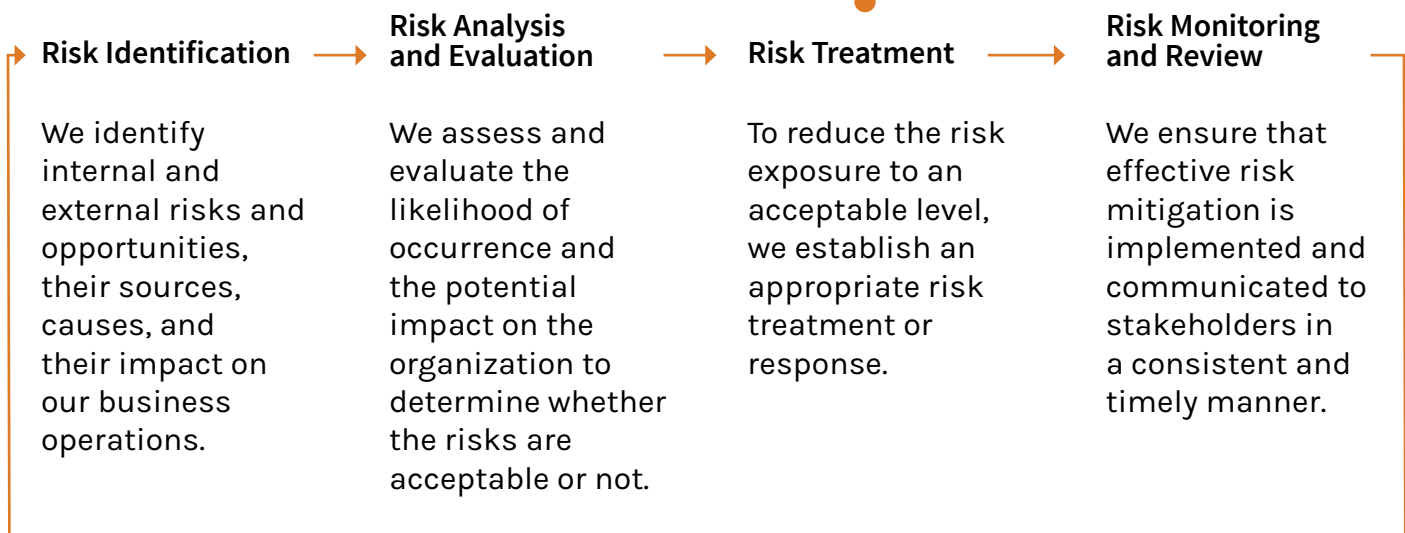


## Risk Process

Our risk management framework centers around 3 pillars: climate risk management, business continuity management, and information technology and operational risk management. Within each of these domains, we apply a proactive strategy to identify, assess, and mitigate risks while seizing opportunities for business improvement. This approach guarantees our readiness in any scenario, ultimately elevating the company’s overall resilience.

Enterprise Risk Management (ERM) within the company is managed by our ERM team, which is composed of the Board of Directors, Risk Committee, and Chief Risk Officer. Together, we continuously evaluate relevant risks specific to SMPC’s operations, aiming to minimize potential impacts and losses. By providing essential risk adaptation and management training to our personnel, we fortify our organizational capacity. As a result, we not only shield the company from potential losses but also optimize resource allocation across departments, enhance stakeholder confidence, and solidify our position in the mining and power industries.

### Risk Oversight by Risk Committee





## Risk Governance

	<b>Responsibilities</b>
<b>Board of Directors</b>	Spearheads our risk governance strategy through definition, analysis, and oversees the approved risk appetite and treatment.
<b>Risk Committee</b>	Monitors risk management effectiveness and reports significant and emerging risks to the Board
<b>Chief Risk Officer</b>	Directs the ongoing enhancement and execution of the ERM framework

## Risk Management Programs

### Climate Risk Management

As a mining company, it is imperative for us to be at the forefront in monitoring climate-related risks. Through our ERM framework, we are able to assess potential negative impacts, integrate risk mitigation in our business strategies, and improve our resilience amid the changing climate.

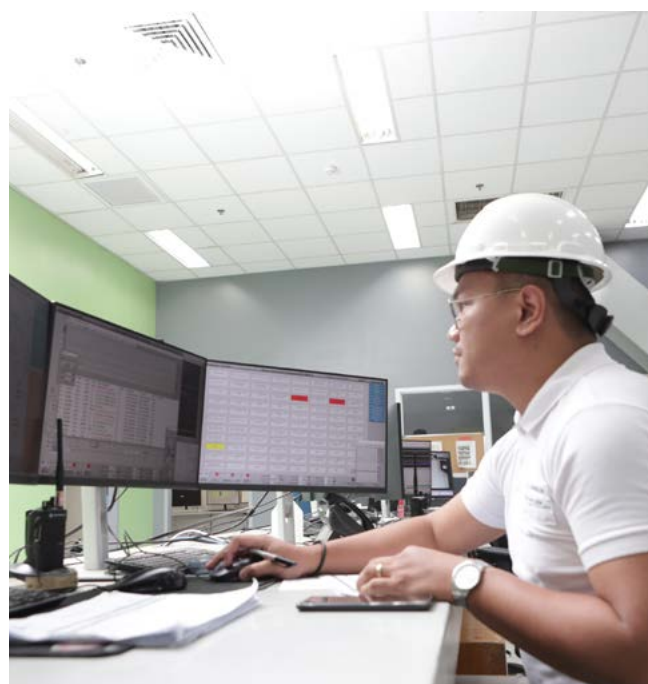
In 2023, we reaffirm our commitment to account for our total greenhouse gas emissions. Moreover, we continue to be conscientious in expanding our climate disclosure capabilities. We have engaged with third-party subject matter experts on climate-related trends, upcoming standards and frameworks, and practices best fitted for our industry.

### Business Continuity Management

Our Business Continuity Management (BCM) program enables us to mitigate the negative impacts arising from physical risks and potentially disruptive events. We calibrate our BCM programs by assessing business-related risk scenarios with our stakeholders, revising our policies and procedures accordingly, and regularly

evaluating the effectiveness of our program. In 2023, we conducted tabletop exercises to assess the knowledge of our personnel on our BCP programs and to identify key areas for improvement. Through these initiatives, we are able to promote a culture of preparedness and resilience that is necessary for our organization.

SMPC recognizes that BCM is vital for optimizing resources and efficient operations to meet customer and stakeholder needs. By continuously enhancing our BCM programs, we minimize downtime in critical business operations, demonstrate resilience, and promote sustainable practices.





## Information Technology (IT) and Operational Technology Risk Management

It is essential for us to oversee and monitor the state of our company's cybersecurity, data privacy, IT infrastructure, operational technology, and other technology-enabled processes.

In 2023, we remained steadfast in our IT backup and disaster recovery plan to safeguard our critical communication systems. We also improved our strategies this year by focusing on Operational Technology Risk Management of our commercial power generation assets and conducting gap assessments to identify and mitigate relevant, technology-related risks. There were no IT security incidents during this year.

## Risk Performance

For the coal segment, Occupational Health, Safety, and Physical Security continue to be the foremost critical risk. This is mainly driven by its significant business impact and the high risk likelihood due to the inherent nature of its extractive activity. We make it a top commitment to improve the health and safety of our employees, and thus we continue to review our safety measures to mitigate future accidents.

In the context of the power segment, Asset Performance emerges as the top business risk. This ranking is influenced by its substantial business impact and likelihood, such as unplanned plant outages attributed to equipment issues. As we move forward, we remain dedicated to improving our asset management and plant reliability for efficient operations.

### Impact Criteria



**Occupational Health and Safety**



**Environmental**



**Financial**



**Operations**



**Compliance**



**Reputation**

#### Key Business Risk:

##### Asset Performance

Inefficient and/or ineffective power asset operations and mine production

#### Impacts:



#### Risk Management:

- Project management
- Proactive equipment audit and modification/improvement
- Power Asset Management Plan

#### Key Business Risk:

##### Climate and Sustainability

Physical impact of extreme climatic conditions and readiness for low carbon economy

Business resiliency on ESG events

#### Impacts:



#### Risk Management:

- Climate and sustainability roadmap
- Organization-wide climate and sustainability capacity building
- Engagement with key stakeholders



**Key Business Risk:**

**Compliance & Reputation**

Inability to adhere and ineffectively manage our compliances obligations

Loss of confidence from investors, customers, communities, and key stakeholders

**Impacts:**



**Risk Management:**

- Regular regulatory compliance monitoring and reporting to management
- Timely resolution of stakeholder concerns
- Community engagement program

**Key Business Risk:**

**Information Technology**


Vulnerabilities and threats to Information Technology (IT) and Operational Technology (OT) leading to operational disruption


**Impacts:**



**Risk Management:**

- Implementation of infrastructure for server virtualization
- Enhanced cybersecurity program, including awareness and technical trainings
- Physical security and access management control

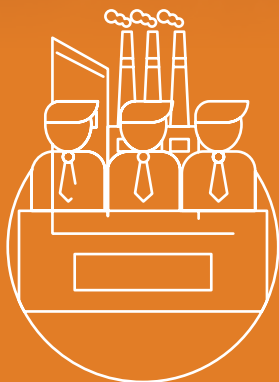
<p><b>Key Business Risk:</b></p> <p><b>Occupational Health and Safety</b></p> <p>Working activities and conditions that can lead to harm, ill-health, injury, illness and death</p>	<p><b>Impacts:</b></p> 
<p><b>Risk Management:</b></p> <ul style="list-style-type: none"> <li>• Calibrated behavior-based OSH program towards safety maturity, focusing on systems and people</li> <li>• Employee health and wellness program</li> </ul>	

<p><b>Key Business Risk:</b></p> <p><b>Price Volatility and Supply/ Demand Balance/ Power Regulations, Competition &amp; Commodity Trading</b></p> <p>Price fluctuation and volatility due to geopolitical factor, energy regulation, supply-side and/or seasonal demand, and financial market</p>	<p><b>Impacts:</b></p> 
<p><b>Risk Management:</b></p> <ul style="list-style-type: none"> <li>• Effective planning through the development of an ICT-based system for coal optimization</li> <li>• Optimize allocation of generation for Bilateral Contract Quantities (BCQ) and Spot</li> </ul>	

<p><b>Key Business Risk:</b></p> <p><b>People and Talent</b></p> <p>Challenges in attracting and retaining the needed talent to support the company's goals and objectives</p>	<p><b>Impacts:</b></p> 
<p><b>Risk Management:</b></p> <ul style="list-style-type: none"> <li>• Improvement of organization's bench strength through talent development program</li> <li>• Succession planning for managers and critical positions</li> </ul>	



# Upholding Strong Governance



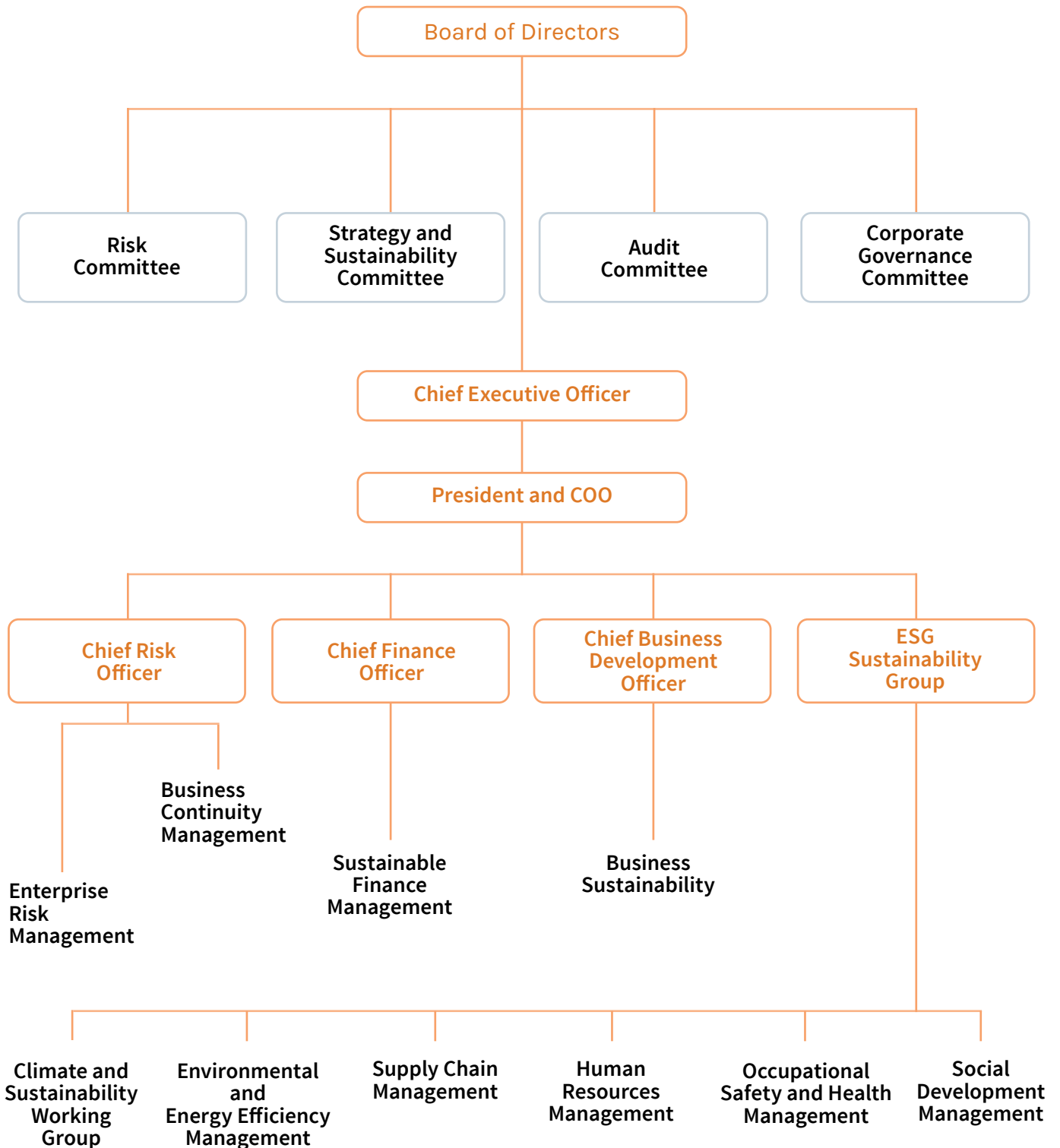
SMPC aligns the values of accountability, transparency, and fairness to our processes, allowing us to achieve the highest performance level. Through our integrated systems for corporate governance, we direct our efforts to promote decision-making in the best interest of our stakeholders and shareholders.

# Governance and Sustainability Structure

2-9

SMPC adheres to global practices on good governance, and SEC’s corporate governance guidelines.

We have meticulously defined a structure that guides our actions in managing our economic, environmental, social and governance impacts. This ensures clarity and accountability as we navigate our Board governance and management’s responsibilities.


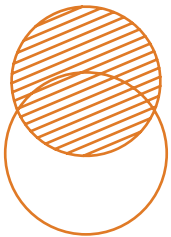






In 2023, we calibrated our Climate and Sustainability Working Group to support our sustainability roadmap with strategic milestones and the coordination of resources for an effective integration of sustainable Environmental, Social and Governance (ESG) practices in the business strategy.

## Corporate Governance Principles

2-9, 2-12

<p><b>Responsibilities of the Board</b></p> 	<ol style="list-style-type: none"> <li><b>1. Long-term vision:</b> A competent, working board fosters the organization’s long-term success in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.</li> <li><b>2. Clear definition of roles:</b> The fiduciary roles, responsibilities, and accountabilities of the Board are known to all directors, shareholders, and other stakeholders.</li> <li><b>3. Monitoring mechanism:</b> Board committees ensure and support the effective performance of the Board’s functions.</li> <li><b>4. Board Effectiveness:</b> Directors devote the time and attention necessary to perform their duties and responsibilities properly and effectively.</li> <li><b>5. Board Independence:</b> The Board endeavors to exercise objective and independent judgment.</li> <li><b>6. Regular performance appraisal:</b> The Board maintains its effectiveness through a regular appraisal process.</li> <li><b>7. Ethics and Integrity:</b> Board members are duty-bound to uphold high ethical standards in the interests of all stakeholders</li> </ol>
<p><b>Disclosure and Transparency</b></p> 	<ol style="list-style-type: none"> <li><b>8. Policy Effectiveness:</b> The Company’s corporate disclosure policies and procedures draw from best practices and adhere to regulatory expectations.</li> <li><b>9. External Audit:</b> The Company has appropriate selection mechanisms for the appointment of an external auditor, and exercises effective oversight of its independence and audit quality.</li> <li><b>10. Materiality:</b> The Company discloses material and reportable non-financial and sustainability issues.</li> <li><b>11. Transparent Communication:</b> The Company maintains a panoramic and cost-efficient communication channel for disseminating relevant information about the company and its impacts for informed decision-making of our stakeholders.</li> </ol>



<p><b>Strong Internal Control and Risk Enterprise management</b></p> 	<p><b>12.</b> The Company has a strong and effective internal control mechanism and an enterprise risk management framework to ensure integrity and transparency in governance.</p>
<p><b>Stakeholder Relations</b></p> 	<p><b>13. Non-Discrimination:</b> The Company treats all shareholders fairly and equitably.</p> <p><b>14. Protection of Rights:</b> The rights of stakeholders established by law, contractual relations, and voluntary commitments must be respected. We are committed to providing stakeholders with the opportunity to obtain prompt, effective redress for the violation of their rights if at all they feel their interests are at stake.</p> <p><b>15. Employee Engagement:</b> A mechanism for employee participation has been established to create a symbiotic environment, realize the Company's goals, and participate in its corporate governance processes.</p> <p><b>16. Collective Development:</b> The Company seeks to be socially responsible in all dealings with communities surrounding our operations. The company strives to ensure that its interactions serve its environment and stakeholders positively and progressively, fully supporting comprehensive and balanced development.</p>

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

Our corporate governance mechanism, situated within the broader context of an Integrated Governance, Risk, and Compliance (GRC) Management Framework, serves as a compass, aligning our management practices with sustainable business objectives. Our Manual on Corporate Governance, alongside the Code of Conduct and Business Ethics, serves as the guiding doctrine for our governance practices. These principles are continuously monitored through independent evaluations, our internal control mechanism, and thorough assessments.

In the reporting year, our Company fully complied with the principles and provisions outlined in our Manual on Corporate Governance. SMPC also continued to be an institutional member of the Shareholders' Association of the Philippines Inc. (SharePHIL), which promotes investor education, shareholder activism, and advocates to safeguard shareholders' rights.

## Our Integrated Enterprise Governance, Risk, and Compliance (GRC) Framework



Education



Growth



Roles



Board oversight



Integration



Risk Management



Transparency



Monitoring



Reporting



Remediation

○ Execution

● Evaluation

## The Board of Directors

2-9

Our Board of Directors comprises a distinguished panel of executives with expertise in engineering, economics, finance, and management in the coal and energy industries. The number of Independent Directors on the Board meets the percentage composition required by the Revised Corporation Code for Corporations vested with public interest.

Their diverse skill sets and experience help SMPC approach business goals with a broad-minded perspective. The presence of multi-faceted opinions enhances decision-making, driving effectiveness and efficiency. We prioritize board diversity as a key part of our commitment to integrating sustainability into our company culture.

### 11 Board Members

2 Executive Directors	6 Non-Executive Directors	3 Independent Directors**
Isidro A. Consunji	Cesar A. Buenaventura***	Ferdinand M. dela Cruz Lead Independent Director
Maria Cristina C. Gotianun	Herbert M. Consunji	Francisco A. Dizon
	Josefa Consuelo C. Reyes	Roberto L. Panlilio
	Jorge A. Consunji	
	Maria Edwina C. Laperal	
	Antonio Jose U. Periquet Jr.	

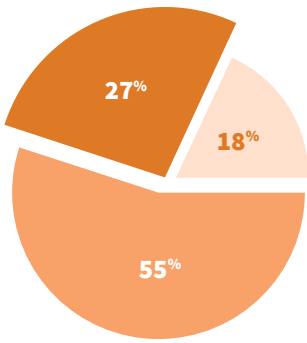
\*Our Executive Directors did not serve on more than two boards of listed companies outside our parent company, DMCI Holdings Inc., during the year.

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

\*\*\* In 2023, our Non-Executive Director, Cesar A. Buenaventura held more than five directorships in publicly listed companies. His concurrent directorships have not affected his effectiveness in exercising his roles and responsibilities.

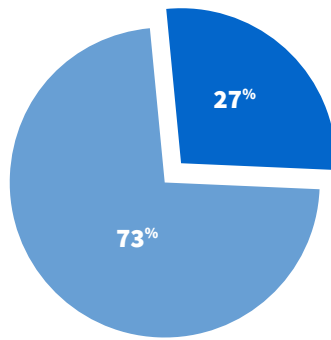
## Board Diversity

By Independence



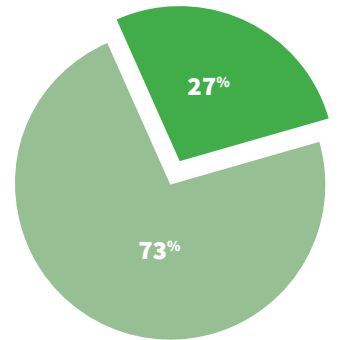
- Non-Executive Directors
- Independent, Non-Executive Directors
- Executive Directors

By Independence



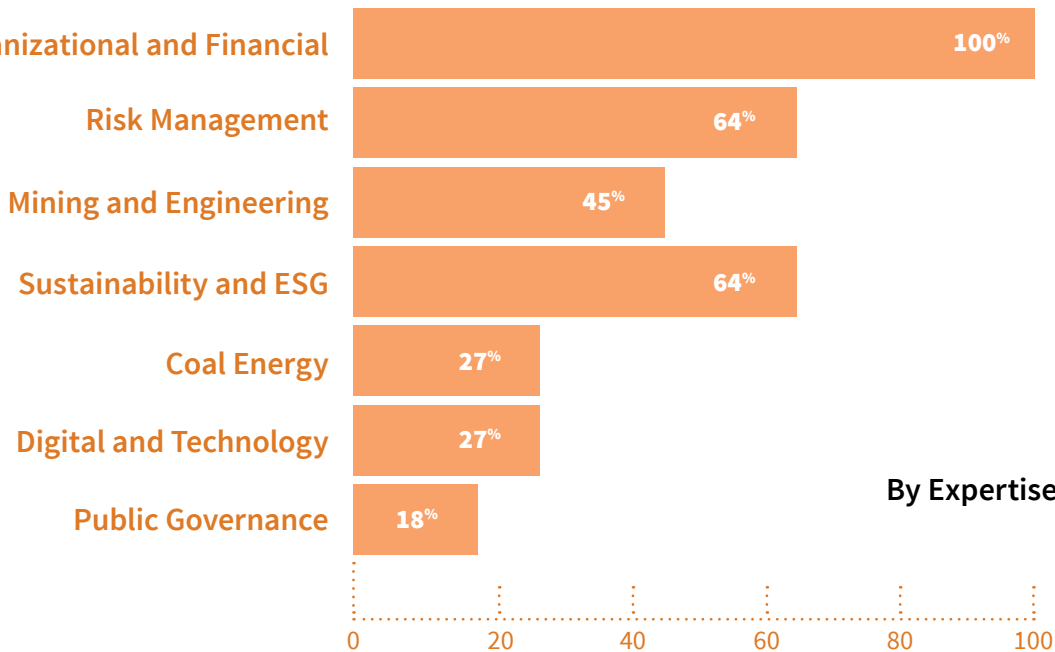
- Male
- Female

By Age



- Over 65 years old
- 51 to 65 years old

## Organizational and Financial



By Expertise



## Nomination and Selection

2-10

The Corporate Governance Committee reviews, nominates, and assesses director candidates based on their knowledge, competencies, experience, and skills relevant to the company's goals. They also resolve conflicts of interest during the appraisal process. Directors are elected or re-elected at the Annual Shareholders' Meeting.

## Attendance and Directorship in Other Boards

405-1

At the start of each year, our Corporate Secretary communicates the meeting schedule of the Board. The Board meets regularly every quarter of the year and may call for a special meeting as needed in accordance with the corporate By-Laws.

In 2023, the Board held a total of eleven (11) meetings, including the organizational meeting. Importantly, we fulfilled the minimum attendance requirement of 50 percent set by the Securities and Exchange Commission (SEC). Our SEC 17-A disclosure provides detailed information on Board and Board Committee attendance.

On May 2, 2023, the Chairmen of our Audit Committee, Risk Committee, and Corporate Governance Committee attended a virtual Annual Shareholders' Meeting to answer potential shareholder queries on Committee topics.

Furthermore, our non-executive directors held a meeting on October 27, 2023 without the presence of our executive directors. The discussion focused on risks related to climate change, and opportunities on green energy such as potential investment and partnership in renewable energy projects.

## Remuneration

2-19, 2-20, 2-21

The Board of Directors' remuneration and any modifications are scrutinized and approved during the annual stockholders' meeting. This remuneration package encompasses a yearly retainer fee, per diem, allowance reimbursements, and, if necessary, a short-term cash incentive for regular Executive Directors.

In accordance with our Manual of Corporate Governance, the Company shall consider remuneration initiatives that may allow certain incentives to be withheld or deferred, should a senior executive or employee fail to meet performance requirements, or be involved in any misconduct, material misrepresentation and given a disciplinary action resulting in suspension or demotion.

**Total Annual Compensation Package Limit** (including bonuses):  
 10% of the Company’s net income before tax during the previous year

**Remuneration Summary**

Executive Director	Non-Executive Director and Independent Director
Fixed Retainer Fee PHP 240,000/annum*	Fixed Retainer Fee PHP150,000/month (or PHP1,800,000/ annum)**
Fixed Meeting Per Diem PHP 20,000/Committee Meeting attended*	Fixed Meeting Per Diem PHP20,000/Committee Meeting attended*

\*Date of Shareholder approval – May 4, 2009

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

Personal loans or extensions of credit to Directors are prohibited under our Board Charter on Good Governance Guidelines unless with Board approval. In 2023, no loans were granted. This commitment ensures transparency and upholds ethical standards within our organization.

**Performance and Evaluation**

2-17, 2-18

Board members, being a part of the highest governing body, are accountable for their performance on effective corporate governance. To enhance their capabilities, we prioritize regular capacity building through the Director Development Program. This comprehensive orientation covers financial, operational, and management aspects, while additional training augments knowledge.

Our Board Performance Assessment rigorously evaluates all facets, including the Board of Directors, Board committees, and individual directors. To ensure transparency and integrity, this assessment is conducted by a third party, specifically the “Castillo Laman Tan Pantaleon and San Jose Law Firm”.

**Succession Planning**

2-17, 2-18

Our Executive Succession Plan is driven by our commitment to a seamless leadership transition. This involves training and development, comprehensive SOPs and guidelines for key position successions, and the integration of sustainability into corporate governance to enhance effectiveness.

## Board Committees

2-9

### Corporate Governance Committee

Members		
<b>Francisco A. Dizon</b>	Chairman	Independent Director
<b>Ferdinand M. dela Cruz</b>	Member	Lead Independent Director
<b>Roberto L. Panlilio</b>	Member	Independent Director

**Main Oversight**

- Nomination and selection process and criteria for directorship
- Board and Director performance and development
- CEO performance evaluation and review of related performance metrics
- Board and executive succession planning
- Key officers' appointment and movement
- Environmental, social and governance (ESG) strategy, framework, programs and performance
- Corporate governance

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

### Risk Committee

Members		
<b>Roberto L. Panlilio</b>	Chairman	Independent Director
<b>Ferdinand M. dela Cruz</b>	Member	Lead Independent Director
<b>Maria Cristina C. Gotianun</b>	Member	Executive Director

**Main Oversight**

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

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

## Audit Committee

Members		
<b>Ferdinand M. dela Cruz</b>	Chairman	Lead Independent Director
<b>Francisco A. Dizon</b>	Member	Independent Director
<b>Roberto L. Panlilio</b>	Member	Independent Director

Main Oversight
<ul style="list-style-type: none"><li>• Financial reporting process and integrity of the financial statements</li><li>• Internal control environment</li><li>• External and internal audit performance</li><li>• Related party transactions</li><li>• Compliance with legal and regulatory requirements</li></ul>

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

## Strategy and Sustainability Committee

Members		
<b>Antonio Jose U. Periquet Jr.</b>	Chairman	Non-Executive Director
<b>Ferdinand M. dela Cruz</b>	Member	Lead Independent Director
<b>Roberto L. Panlilio</b>	Member	Independent Director
<b>Cesar A. Buenaventura</b>	Member	Non-Executive Director
<b>Isidro A. Consunji</b>	Member	Executive Director
<b>Maria Cristina C. Gotianun</b>	Member	Executive Director

Main Oversight
<ul style="list-style-type: none"><li>• Corporate strategic directions, policies, and practices</li><li>• Business sustainability</li><li>• Sustainability development with consideration of climate-related risks and opportunities</li></ul>



## Methodology for Assurance

The Board governance framework at SMPC adheres to best practices on good governance globally, and SEC’s corporate governance guidelines.

We have a clearly specified responsibility matrix for managing our economic, environmental, and social impacts as outlined below.

### Monitoring our compliance to policies and standards

In line with the requirements of the industry that we belong to, we foster utmost discipline in monitoring our company’s adherence to regulatory obligations (in alignment with industry best practices).

#### Internal Audits

Our internal audit process is characterised by regular and frequent surveillance audits to ensure a culture of proactiveness with respect to compliance.

#### External Audits

We regularly invite external assurance parties and regulators to assess our adherence to the following:

Government regulations

Industry guidelines

Internationally recognized standards (some of them which we voluntarily ascribe to)

#### Environmental Monitoring

SMPC has a dedicated environmental unit that monitors the performance of all environmental initiatives on a monthly basis, to drive continuous improvement.

#### Multi-sectoral Monitoring

A Multi-Partite Monitoring Team comprising various stakeholder teams including government representatives assists the company in evaluating SMPC’s compliance to the clauses of the environmental compliance certificate, and other applicable laws and regulations. This monitoring is done on a quarterly basis.

### Compliance with Philippine Regulations

We adhere to the regulations of regional government departments in the Philippines, including the Department of Energy and the Philippine Department of Environment and Natural Resources.

### Conformances to Global Management Standards

Our Coal operations have been ISO-certified for Quality, Environment, and OHS management systems for the past fourteen years and continue to be certified in 2023. Our Power subsidiaries, SEM-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC) have been maintaining standards on international certification on Quality, Environmental, OHS management systems over the previous seven years.



## Communication Beyond Compliance

Beyond mere compliance, we dedicate ourselves to establishing standards in transparency and disclosure. Ensuring compliance to local SEC and PSE rules has certainly helped us hone our approach to communicating our initiatives in a timely, balanced, and detailed manner. However, we are constantly on the lookout for more ways to enhance our reporting practices in alignment with international standards that could improve the effectiveness of our disclosures.

Currently, our company disclosures include the following:

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

To ensure safety and security in information dissemination, we have put in place an Information Policy that protects all our data including financial performance, operational highlights, growth prospects, possible hazards, and non-financial concerns.

## Investor Relations

We recognize that effective investor relations are essential for our success. Therefore, we are dedicated to providing seamless interactions with investors. Our parent company, DMCI Holdings, takes the lead in managing investor relations, fostering trust and transparency.

**Our IR contact information is provided in the email below:**  
[Investor\\_Relations@semirarampc.com](mailto:Investor_Relations@semirarampc.com);  
T +632 8888-3000



## Investor Engagement Platforms

Annual Shareholders' Meeting  
(Virtual Meeting)

May 2, 2023

### Analyst Briefings (Virtual Meetings)

February 28,  
2023

Q4/FY 2022

May 4,  
2023

Q1 2023

August 7,  
2023

Q2/H1 2023

November 3,  
2023

Q3 2023

### Investor Conference

January 12,  
2023

Macquarie Philippine  
Owners Access:  
Mr. Isidro Consunji

January 17,  
2023

Maybank IBG Philippines  
Corporate Day in Kuala  
Lumpur, Malaysia

September 28  
to 29, 2023

Maybank IBG Non-deal  
Roadshow in Singapore

October 12,  
2023

Jefferies and Regis  
Partners Philippines  
Conference

### Investor Tours

March 15,  
2023

Calaca Power  
Complex Tour for  
covering analysts

April 26,  
2023

Calaca Power Complex Tour  
in partnership with Regis  
Partners and PEP

May 24,  
2023

Semirara Island Tour  
in partnership with  
Maybank Securities



## Shareholder Welfare

As a company, we prioritize the protection of minority shareholders from the principal risks posed by controlling shareholders. To ensure this and basic shareholder rights, we have established the “Principles of Corporate Governance.”

## “ One common share, One vote”

### Proportional Voting

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

### Share Repurchase

All shareholders are equitably and fairly treated in matters related to share repurchases.

### Voting Rights

We are committed to upholding our shareholders’ rights to be informed, to participate in, and to vote on important matters during the Annual Shareholders’ Meeting.

## Matters of Fundamental Importance

During shareholder meetings, we deliberate on matters of fundamental importance that shape the company’s trajectory. These critical topics include:

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

These discussions foster a collaborative environment where shareholders actively participate in shaping our corporate journey.

## Annual Shareholders' Meeting

Every first Monday of May, SMPC organizes an Annual Shareholders' Meeting (ASM) that serves as a platform for shareholders to communicate their concerns to the Company. The ASM serves as an enabling tool to effectively integrate shareholders into our core decision-making process.

Due to the pandemic and the need to minimize physical contact, the SEC authorized this year's ASM to be held online. On May 2, 2023, shareholders virtually participated in the meeting. We took precautions and implemented robust systems to ensure shareholder safety during the event.

Notable attendees included:

- Chairman of the Board and Chief Executive Officer
- Board Directors
- President and Chief Operating Officer
- Chief Finance Officer
- Corporate Secretary
- Investor Relations Officer
- Other Key Officers
- External Auditor (Sycip Gorres Velayo and Co., or SGV and Co.)

Their presence ensured that any potential shareholder questions were addressed effectively.

## Agenda of the Meeting

- Approval of the minutes of the previous year's ASM held on May 2, 2022, and rationale thereof
- Approval of Management Report for 2022, and rationale thereof
- Ratification of the acts of the Board and Management in 2022 and until the date of the ASM, and rationale thereof
- Re-appointment of SGV and Co. as independent external auditor, with details of name, qualification, and details thereof
- Election of Board Directors individually, with information on the individual profile of nominees for election to the Board with the following details: age, education, experience, position, type of directorship, other directorships in listed and non-listed companies, Board Committee memberships, beneficial share ownership, and Board meetings attended
- Discussion of other matters





## Poll Voting

We give equal opportunities to all shareholders to vote in person, electronically, or in absentia, in our endeavour towards maintaining shareholder equality.

We adopted the following procedures for the virtual 2023 ASM:

### **Poll Voting:**

Instead of relying on a “show of hands,” we conducted poll voting for all resolutions.

### **Individual Agenda Item Votes:**

Each agenda item received individual votes, ensuring clarity and accuracy.

### **Presentation of Voting Results:**

Participants were informed of the voting outcomes for each agenda item during the meeting.

### **Independent Validation:**

For transparency, we engaged SGV and Co. to independently validate poll votes on agenda items requiring approval or ratification.

## Decision-making

At the ASM, we discussed shareholders’ concerns, including Board nominations and other key issues, ensuring shareholders’ active involvement in shaping the company’s direction.

## Disclosure

The SEC and PSE swiftly disclosed shareholder voting results on all resolutions within five days, available on the Company’s website. The full minutes of the 2023 ASM, including attendance and Certification of Quorum, were also uploaded to our website within the stipulated five-day period post-ASM.

## Shareholders Participation

Following the presentation of the Management Report by Maria Cristina C. Gotianun, President and Chief Operating Officer, shareholders and guests presented their questions on the Management Report and company performance. These valuable interactions were meticulously recorded in the ASM minutes, ensuring transparency and accountability.

# Accountability in Stakeholder Engagement

2-24, 2-25, 2-26

Through our continuous engagement and equitable treatment processes embedded within the corporate governance framework, SMPC embarks on a mission to safeguard the rights of our stakeholders. Our Code of Conduct, Business Ethics and duties define our responsibilities with respect to our stakeholders. We seek to maintain accountability in resolving their concerns, and also to help them grow.

## Code of Conduct

Our Code of Conduct, Business Ethics, and OHS policies cover key areas like anti-harassment, anti-discrimination, labor practices, environmental stewardship, employee welfare, and community engagement. They are designed to uphold human rights in our workplace and communities.

Human rights awareness is created both through internal training and exposure to external forums. Our suppliers and business partners are also expected to uphold responsible and ethical supply chain management practices and corporate citizenship principles including human rights and fair play. We mandate that our suppliers, contractors, and business partners adhere to these clauses and also display proactiveness in taking corrective action in the event of non-compliance; otherwise, our business agreements with them are terminated.

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



Stakeholders / Policies	Description
<b>Employees</b> Safety, Health, and Welfare Policy Training and Development Workplace and Contractor Safety Employee Engagement Programs	We seek to maintain a safe, healthy workplace in which employees thrive and grow. To this end, we have put the above policies in place along with technical and soft skills training.
<b>Customers</b> Customer Welfare Policy	Our customer welfare policy outlines clauses such as right to information, high quality service, responsible marketing, customer privacy, transparency, resolutions, and complaints.
<b>Suppliers and Contractors</b> Supplier and Contractor Policy	Our partnerships with suppliers are characterized by high weightage to sustainability and responsibility, which is reflected in the supplier / contractor policy. Clauses such as sustainability accreditation, monitoring of procurement procedures, and supplier review and selection form a part of this policy.
<b>Creditors and Business Partners</b> Safeguarding Creditors' Rights Policy	Meeting obligations to creditors and business partners on time is a watertight commitment that we seek to adhere to. To ensure this, we implement operational and fiscal management measures to secure our financial status and preserve repayment capability. The policy also outlines guidelines on fair transactions and confidentiality of proprietary information.
<b>Government</b> Integrated Management Policy	We strive to maintain continual engagement with government agencies and foster a working relationship – not only by adhering to government regulations, but also by committing to transparency and continuous collaboration.
<b>Communities and Environment</b> Social Development Program Environmental Policy Climate Change Policy Environmental Stewardship Program	At SMPC, we aim to support self-sustaining communities surrounding our operations. Therefore, we run social and environmental programs that improve access to education, livelihood, and healthy ecosystems. We also seek to maintain an active communication channel with communities on environmental issues resulting from our operations and our efforts on rehabilitation and restoration.

## Transaction Policies

2-15

The subsequent policies exemplify our steadfast dedication to upholding the utmost standards of corporate behavior.

	Coverage	2023 Compliance
<b>Policy on Insider Trading</b>	<p>Prohibits insider trading among Directors, officers, and employees</p> <p>Requires prior Stock-Trading reporting protocol for Directors and officers to notify the Legal Department</p>	<p>There was no insider trading case violation reported.</p>
<b>Related Party Transactions (RPT) Policy</b>	<p>Requires Directors, officers, and key management personnel to notify Audit Committee or Corporate Counsel of an immediate family members' past, present, or potential RPT</p> <p>Requires Independent Director's review of material RPTs</p>	<p>All actual RPTs were conducted in arms-length terms.</p>
<b>Material Related Party Transactions Policy</b>	<p>Requires two-thirds approval vote of the Board with at least a majority of the Independent Directors, of all transactions of SMPC and subsidiaries meeting the materiality threshold of RPTs amounting to 10% or higher of SMPC's Total Consolidated Assets based on its latest audited consolidated financial statement</p>	<p>There was no material-related party transaction that breached the prescribed SEC materiality threshold during the year.</p>





## Our Leadership

**ISIDRO A. CONSUNJI, 75**

*Filipino, Executive Director  
Chairman of the Board and Chief  
Executive Officer*

*2023 Strategy and Sustainability  
Committee, Member*



### **Board Appointment**

First appointment as Chairman  
November 2014

First appointment as a director  
May 2001

Last re-election as a director  
May 2, 2023

### **Present Directorship in Listed Companies**

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

### **Other Directorships**

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

### **Education**

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

Master of Business Management  
Asian Institute of Management

Advanced Management  
IESE School, Barcelona, Spain

BS Civil Engineering  
University of the Philippines-Diliman

**MARIA CRISTINA C. GOTIANUN, 69**  
*Filipino, Executive Director  
President and Chief Operating  
Officer*

*2023 Risk Committee, Member  
2023 Strategy and Sustainability  
Committee, Member*



**Board Appointment**

First appointment as a director  
May 2006

Date of last re-election as a director  
May 2, 2023

**Present Directorship in Listed Companies**

DMCI Holdings, Inc. (within Company Group)

**Other Directorships**

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

**Education**

BS Business Economics  
University of the Philippines-Diliman

**CESAR A. BUENAVENTURA, 94**  
*Filipino, Non-Executive Director*

*2023 Strategy and Sustainability  
Committee, Member*



**Board Appointment**

First appointment as a director  
May 2001

Date of last re-election as a director  
May 2, 2023

**Present Directorship in Listed Companies**

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

**Other Directorships**

Bloomberg Cultural Foundation  
Cavitex Holdings, Inc.  
D.M. Consunji, Inc.  
ICTSI Foundation  
Mitsubishi Hitachi Power Systems Phils Inc.  
Pilipinas Shell Foundation, Inc.  
Semirara Cement Corporation  
The Country Club  
Via Technik Inc.

**Education**

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

BS Civil Engineering  
University of the Philippines-Diliman

**Special Recognition**

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

**JORGE A. CONSUNJI, 72**  
*Filipino, Non-Executive Director*



**Board Appointment**

First appointment as a director  
May 2001

Date of last re-election as a director  
May 2, 2023

**Present Directorship in Listed Companies**

DMCI Holdings, Inc. (within Company Group)

**Other Directorships**

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

**Education**

Advanced Management Program Seminar  
University of Asia and the Pacific

Top Management Program  
Asian Institute of Management

BS Industrial Management Engineering  
De La Salle University

**HERBERT M. CONSUNJI, 71**  
*Filipino, Non-Executive Director*



**Board Appointment**

First appointment as a director  
May 2001

Date of last re-election as a director  
May 2, 2023

**Present Directorship in Listed Companies**

DMCI Holdings, Inc. (within Company Group)

**Other Directorships**

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

**Education**

Top Management Program  
Asian Institute of Management

BS Commerce, Major in Accounting  
De La Salle University

**MA. EDWINA C. LAPERAL, 62**  
*Filipino, Non-Executive Director*



**Board Appointment**

First appointment as a director  
May 2007

Date of last re-election as a director  
May 2, 2023

**Present Directorship in Listed Companies**

DMCI Holdings, Inc. (within Company Group)

**Other Directorships**

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

**Education**

Master in Business Administration  
University of the Philippines

Executive Certificate for Strategic  
Business Economics Program  
University of Asia & The Pacific

BS Architecture  
University of the Philippines-Diliman

**JOSEFA CONSUELO C. REYES, 76**  
*Filipino, Non-Executive Director*



**Board Appointment**

First appointment as a director  
March 2015

Date of last re-election as a director  
May 2, 2023

**Present Directorship in Listed Companies**

Nil

**Other Directorships**

DACON Corporation  
SEM-Calaca Power Corporation  
Southwest Luzon Power Generation  
Corporation

**Education**

Strategic Business Economics Program  
University of Asia and the Pacific

AB Economics  
University of British Columbia  
Vancouver, Canada

**ANTONIO JOSE U. PERIQUET, JR., 63**  
*Filipino, Non-Executive Director*

*2023 Strategy and Sustainability  
Committee, Chairman*



**Board Appointment**

First appointment as a director  
August 2019

Date of last re-election as a director  
May 2, 2023

**Present Directorship in Listed Companies**

Globe Telecom, Inc.  
Max's Group of Companies  
Universal Robina Corporation

**Other Directorships**

AB Capital & Investment Corporation  
Albizia ASEAN Tenggara Fund (Singapore)  
Campden Hill Group, Inc.  
Lyceum of the Philippines University  
The Straits Wine Co. Inc.

**Education**

Master of Science Economics  
Oxford University, UK

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

AB Economics  
Ateneo de Manila University



**FERDINAND M. DELA CRUZ, 57**  
*Filipino, Lead Independent  
Director*

*2023 Audit Committee, Chairman  
2023 Corporate Governance  
Committee, Member  
2023 Risk Committee, Member  
2023 Strategy and Sustainability  
Committee, Member*



**Board Appointment**

First appointment as a director  
May 2021

Date of last re-election as a director  
May 2, 2023

**Present Directorship in Listed Companies**

Nil

**Other Directorships**

Nil

**Education**

Advanced Management Program  
Harvard Business School

BS Mechanical Engineering (Cum Laude)  
University of the Philippines-Diliman

**ROBERTO L. PANLILIO, 69**

*Filipino, Independent Director*

*2023 Risk Committee, Chairman*

*2023 Audit Committee, Member*

*2023 Corporate Governance*

*Committee, Member*

*2023 Strategy and Sustainability*

*Committee, Member*



**Board Appointment**

First appointment as a director

May 2023

Date of last re-election as a director

May 2, 2023

**Present Directorship in Listed Companies**

DMCI Holdings, Inc. (within Company Group),

Independent Director

Lopez Holdings Corporation

**Other Directorships**

Maya Bank, Director

Philippine Association of Securities Brokers  
and Dealers, Inc., Director

Endeavor Philippines, Director

L&R Corporation, President

**Education**

Master in Business Administration and  
International Finance

University of Southern California

Bachelor in Business Management

Ateneo de Manila University

**FRANCISCO A. DIZON, 73**  
*Filipino, Independent Director*

*2023 Corporate Governance  
Committee, Chairman  
2023 Audit Committee, Member*



**Board Appointment**

First appointment as a director  
May 2023

Date of last re-election as a director  
May 2, 2023

**Present Directorship in Listed Companies**

Nil

**Other Directorships**

Sun Savings Bank  
Pacific Northstar Inc.  
Project Quest Corporation  
BPO International  
Sun Star Cebu Publishing, Inc.  
Medical Doctors, Inc.  
Laura Vicuña Foundation  
Phoenix One Knowledge Solutions, Inc.  
Fleetwood Holdings, Inc.  
Capitol Star Development Corporation  
Diz Shorline Holdings Corp.  
Marina Investment, Inc.  
Joyzend Corp.  
Joygrowth Holdings, Inc.

**Education**

Master in Business Management  
Asian Institute of Management

Bachelor of Arts in General Studies  
Ateneo de Manila University

## Key Officers

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**Isidro A. Consunji**  
Chairman of the Board and  
Chief Executive Officer



**Maria Cristina C. Gotianun**  
President and  
Chief Operating Officer



**Carla Cristina T. Levina**  
Vice President,  
Chief Finance Officer



**Christopher  
Thomas C. Gotianun**  
Vice President,  
Chief Business  
Development Officer



**Ruben P. Lozada**  
Vice President,  
Mining Operations and  
Resident Manager,  
and Chief Risk Officer  
for Coal Segment



**Charlie V. Robles**  
Vice President, Power  
Complex Manager,  
and Chief Risk Officer  
for Power Segment



**Jose Anthony T. Villanueva**  
Vice President,  
Marketing for Coal



**Andreo O. Estrellado**  
Vice President,  
Power Market  
Commercial Operations



**Edgar C. Mariano**  
Vice President,  
Supply Chain  
Management



**Atty. John R. Sadullo**  
Vice President,  
Legal, Corporate  
Secretary & Counsel;  
and Corporate  
Information Officer



**Lora Liza S. Dioquino**  
Assistant Vice President,  
Human Resources and  
Organization Development



**Junalina S. Tabor**  
Senior Vice President,  
Chief Risk, Compliance and  
Performance Officer  
\*Retired June 30, 2023

## Statement of Management's Responsibility for Consolidated Financial Statements

The management of SEMIRARA MINING AND POWER CORPORATION ("the Company") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the year ended December 31, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Signed this 27th day of February 2024.



**Isidro A. Consunji**  
Chairman of the Board & Chief Executive Officer



**Maria Cristina C. Gotianun**  
President



**Carla Cristina T. Levina**  
Chief Finance Officer

# Semirara Mining and Power Corporation

## Statement of Board of Directors' Responsibility for Internal Controls & Risk Management Systems

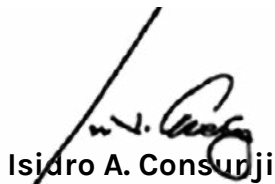
The Board of Directors (“Board”) of SEMIRARA MINING AND POWER CORPORATION is responsible for the internal controls and risk management systems. The Board’s Audit Committee assists in the oversight of the internal controls, financial reporting process, internal audit, external audit and compliance functions,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

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

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

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

February 27, 2024



**Isidro A. Consurji**  
Chairman and Chief Executive Officer



**Ferdinand M. dela Cruz**  
Audit Committee Chairperson



**Roberto L. Panlilio**  
Risk Committee Chairperson

# Semirara Mining and Power Corporation

## Audit Committee Report to the Board of Directors For the Year Ended December 31, 2023

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

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

In 2023, the Audit Committee accomplished the following in compliance with its Charter:

1. The members of the Audit Committee are composed of three (3) Board members, all are Independent Directors.
2. The Chairman of the Audit Committee is an Independent Director.
3. The Committee had six (6) full Committee meetings on February 7, February 23, May 2, August 1, October 26, and November 28, 2023, which included a private session with the external audit SGV Partner on February 23, 2023.
4. Recommended to the Board the reappointment of SGV & Co. as external auditor in 2023 based on SGV’s performance, independence, qualifications and with due regard of Management’s feedback.
5. Discussed with SGV team the audit areas of emphasis, related party transactions, and fraud, if any.
6. Reviewed and approved SGV’s 2023 SGV engagement plan, scope, and fees.
7. Reviewed and approved for pre-concurrence SGV’s list of non-assurance services.



- 8.** Discussed with SGV and Management significant financial reporting issues, audit observations, audit engagement plan and overall quality of the financial reporting process as well as regulatory updates in financial, tax and sustainability reporting.
- 9.** Reviewed, approved and endorsed for Board approval the quarterly unaudited and annual audited consolidated financial statements of Semirara Mining and Power Corporation and its Subsidiaries as of and for the year ended December 31, 2023, ensuring that financial statements are in accordance with the required accounting and reporting standards
- 10.** Reviewed, deliberated and resolved the significant accounting policies and estimates affecting the financial statements.
- 11.** Reviewed significant related party transactions (RPT) are conducted at arms-length and meet the guidelines of the RPT Policy, Material RPT Policy and thresholds per Securities and Exchange Commission (SEC) rules and regulations.
- 12.** Discussed with Internal Audit (IA) in a private session on November 28, 2023 the specific areas of concerns and challenges regarding compliance requirements.
- 13.** Discussed with IA the results of the audit conducted by outsourced auditors on the Company's integrated management system covering the environmental compliances including those that have significant impact to climate change and sustainability reporting.
- 14.** Reviewed and discussed IA's 2022 annual report and results of assurance engagement work done during the period.
- 15.** Reviewed and approved IA's 2023 risk-based Annual Plan for SMPC Group, work activity, budget, resources and continuing professional development plan including subsequent revisions.
- 16.** Reviewed IA's assurance work activities and monitoring of management action plans.
- 17.** Conducted evaluation of the internal audit function and the Internal Audit Head's performance for improvement and effectiveness; and noted the 2022 Attestation of Internal Controls and Compliance and IA's 2022 Organizational Confirmation Independence.
- 18.** Discussed the results of the external quality assessment of the internal audit functions to evaluate if it conformed with International Standards for Professional Practice of Internal Auditing and Code of Ethics.

**19.** Reviewed the adequacy and effectiveness of the internal controls, information technology system, and risk management system based on reports provided internal and external auditors, and from Management’s assessment of internal controls.

**20.** Exercised oversight and review of Management’s governance and compliance issues and updates with potential financial impact.

**21.** Conducted a self-assessment of the Committee’s performance based on SEC’s Guidelines on Audit Committee’s effectiveness and disclosed such assessment results.

**22.** The Committee Chairman and members attended the virtual Annual Stockholders’ Meeting on May 2, 2023.

Based on the reviews and discussions referred to above, and subject to the limitations on the Committee’s roles and responsibilities referred to above, the Audit Committee recommends to the Board of Directors the inclusion of the Company’s audited consolidated financial statements as of and for the year ended December 31, 2023 in the Company’s Annual Report to the Shareholders and for filing with the Securities and Exchange Commission.

February 27, 2024



**Ferdinand M. dela Cruz**  
Chairman, Audit Committee

## Independent Auditor's Report

The Board of Directors and Stockholders  
Semirara Mining and Power Corporation  
2/F DMCI Plaza  
2281 Don Chino Roces Avenue  
Makati City

### Opinion

We have audited the consolidated financial statements of Semirara Mining and Power Corporation and its Subsidiaries (collectively, the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRSs).

### Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### **Estimation of Mineable Ore Reserves**

The Group's coal mining properties with a carrying value of ₱3,751.88 million as of December 31, 2023 are amortized using the units-of-production method. Under this method, management is required to estimate the volume of mineable ore reserves for the remaining life of the mine which is a key input to the amortization of the coal mining properties. This matter is significant to our audit because the estimation of the mineable ore reserves of the Group's coal mines requires use of assumptions and significant estimation from management's specialists.

The related information on the estimation of mineable ore reserves and related coal mining properties are discussed in Notes 3 and 9 to the consolidated financial statements.

#### *Audit response*

We obtained an understanding on management's processes and controls in the estimation of mineable ore reserves. We evaluated the competence, capabilities and objectivity of management's internal specialists engaged by the Group to perform an assessment of the ore reserves by considering their qualifications, experience and reporting responsibilities. We reviewed the internal specialists' report and obtained an understanding of the nature, scope and objectives of their work and basis of estimates, including the changes in the reserves during the year. We also tested the application of the estimated ore reserves in the amortization of mining properties.

### **Presentation and valuation of 2x25 MW Gas Turbine Plant as Asset Held-for-Sale**

The Group disclosed its intention to sell the 2x25 MW Gas Turbine Plant (the Asset) as discussed and approved in the minutes of meeting of the Board of Directors (BOD) held on August 2, 2022. The Group maintains that the carrying amount of the Asset will be recovered principally through a sale transaction rather than through continuing use. In October 2022, the Group has completely secured all relevant clearances from regulatory bodies to disconnect, deregister, decommission, and sell the Asset. In October 2023, upon the completion of the one-year period, the sale of the Asset was not finalized due to circumstances beyond the control of the Group but the commitment to the plan to sell the Asset remains. As of December 31, 2023, the Group has yet to complete the sale of the Asset with a carrying value of ₱713.22 million. The Group assessed that the Asset will be accounted for as asset held-for-sale in accordance with Philippine Financial Reporting Standards (PFRS) 5, *Non-current Assets Held-for-Sale and Discontinued Operations*.

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

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

#### *Audit response*

We obtained management's evaluation on whether the requirements of PFRS 5 have been met, including the events and circumstances that extended the period to complete the sale beyond one year, as regards the proper presentation of the Asset in the consolidated financial statements. We determined whether these events and circumstances are within the exceptions of PFRS 5 requirements. We evaluated whether necessary actions were initiated by management to respond to these events and circumstances, and whether the sale of the Asset is still highly probable to take place by inspecting the agreements and any correspondences with the active buyer.

We determined that the Asset is carried at the lower of carrying amount and fair value less costs to sell. We reviewed the fair value assessment made by management, including assessment of key assumptions applied by comparing the fair value with the information from the agreements and correspondences with the active buyer. We obtained an understanding and reviewed the appropriateness of the nature, scope and basis of estimates of costs to sell the Asset.

#### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

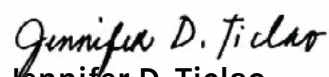
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jennifer D. Ticlao.

SYCIP GORRES VELAYO & CO.



**Jennifer D. Ticlao**

Partner

CPA Certificate No. 109616

Tax Identification No. 245-571-753

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

BIR Accreditation No. 08-001998-110-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10082023, January 6, 2024, Makati City

February 27, 2024

# Semirara Mining and Power Corporation and Subsidiaries

## Consolidated Statements of Financial Position

December 31

	2023	2022
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Notes 4, 28, 29 and 30)	₱18,986,929,983	₱20,056,558,463
Receivables (Notes 5, 17, 28 and 29)	10,766,377,921	10,198,812,587
Inventories (Notes 6, 9 and 19)	14,589,493,550	12,718,105,651
Other current assets (Note 7)	1,079,475,886	1,137,301,624
	45,422,277,340	44,110,778,325
Asset held-for-sale (Note 8)	713,218,205	789,312,800
<b>Total Current Assets</b>	<b>46,135,495,545</b>	<b>44,900,091,125</b>
<b>Noncurrent Assets</b>		
Property, plant and equipment (Notes 9 and 11)	37,517,566,474	40,961,238,063
Right-of-use assets (Note 10)	97,608,500	116,945,402
Deferred tax assets - net (Note 24)	767,660,407	486,751,049
Other noncurrent assets (Notes 11, 28 and 29)	610,112,053	637,757,385
<b>Total Noncurrent Assets</b>	<b>38,992,947,434</b>	<b>42,202,691,899</b>
	<b>₱85,128,442,979</b>	<b>₱87,102,783,024</b>
<b>Liabilities and Equity</b>		
<b>Current Liabilities</b>		
Trade and other payables (Notes 12, 17, 28 and 29)	₱14,857,647,709	₱11,047,187,266
Income tax payable (Note 24)	425,427,270	897,302,520
Current portion of long-term debt (Notes 13, 28 and 29)	4,099,734,888	3,487,809,312
Current portion of lease liabilities (Notes 10, 28 and 29)	13,528,185	15,978,993
<b>Total Current Liabilities</b>	<b>₱19,396,338,052</b>	<b>₱15,448,278,091</b>



**December 31**

	<b>2023</b>	<b>2022</b>
<b>Noncurrent Liabilities</b>		
Long-term debt - net of current portion (Notes 13, 28 and 29)	<b>₱2,626,597,661</b>	₱6,708,378,202
Lease liabilities - net of current portion (Notes 10, 28 and 29)	<b>44,031,883</b>	54,721,853
Provision for decommissioning and site rehabilitation costs (Notes 3 and 14)	<b>353,871,687</b>	315,050,224
Deferred tax liabilities - net (Note 24)	–	124,788,736
Pension liabilities (Note 18)	<b>281,932,125</b>	145,574,979
Other noncurrent liabilities	<b>47,692,881</b>	53,593,031
<b>Total Noncurrent Liabilities</b>	<b>3,354,126,237</b>	7,402,107,025
<b>Total Liabilities</b>	<b>22,750,464,289</b>	22,850,385,116
<b>Equity</b>		
Capital stock (Notes 15 and 28)	<b>4,264,609,290</b>	4,264,609,290
Additional paid-in capital (Note 28)	<b>6,675,527,411</b>	6,675,527,411
Treasury shares (Notes 15 and 28)	<b>(739,526,678)</b>	(739,526,678)
Retained earnings (Notes 16 and 28):		
Unappropriated	<b>45,551,667,126</b>	47,372,204,129
Appropriated	<b>6,800,000,000</b>	6,800,000,000
Net remeasurement losses on pension plans (Notes 18 and 28)	<b>(174,298,459)</b>	(120,416,244)
<b>Total Equity</b>	<b>62,377,978,690</b>	64,252,397,908
	<b>₱85,128,442,979</b>	₱87,102,783,024

See accompanying Notes to Consolidated Financial Statements.

## Semirara Mining and Power Corporation and Subsidiaries Consolidated Statements of Comprehensive Income

Years Ended December 31

	2023	2022	2021
<b>Revenue from Contracts with Customers</b> (Note 31)			
<b>Coal</b>	₱52,268,160,713	₱70,506,120,909	₱35,592,978,667
<b>Power</b>	24,692,254,731	20,622,571,798	16,831,448,267
	76,960,415,444	91,128,692,707	52,424,426,934
<b>Cost of Sales</b> (Notes 19 and 31)			
<b>Coal</b>	23,372,636,968	21,139,699,216	17,324,282,391
<b>Power</b>	9,536,873,419	8,615,452,181	8,915,287,329
	32,909,510,387	29,755,151,397	26,239,569,720
<b>Gross Profit</b>	44,050,905,057	61,373,541,310	26,184,857,214
<b>Operating Expenses</b> (Notes 20 and 31)	(15,117,258,063)	(19,952,229,080)	(9,265,160,273)
<b>Income From Operations</b>	28,933,646,994	41,421,312,230	16,919,696,941
<b>Other Income (Charges) - Net</b>			
<b>Finance income</b> (Notes 22 and 31)	1,187,503,300	413,379,725	22,542,252
<b>Finance costs</b> (Notes 21 and 31)	(589,249,769)	(857,922,894)	(976,358,612)
<b>Foreign exchange gains (losses) - net</b> (Notes 28 and 31)	(175,807,586)	1,003,605,129	339,601,233
<b>Others - net</b> (Notes 23 and 31)	725,624,255	242,561,516	239,739,686
	₱1,148,070,200	₱801,623,476	(₱374,475,441)

Years Ended December 31

	2023	2022	2021
<b>Income Before Income Tax</b>	<b>₱30,081,717,194</b>	₱42,222,935,706	₱16,545,221,500
<b>Provisions for Income Tax</b> (Notes 24 and 31)	<b>2,148,420,857</b>	2,351,777,882	345,124,059
<b>Net Income</b>	<b>27,933,296,337</b>	39,871,157,824	16,200,097,441
<b>Other Comprehensive Income (Loss)</b>			
<b>Item not to be reclassified to profit or loss in subsequent periods</b>			
<b>Remeasurement gains (losses) on pension plan</b> (Note 18)	<b>(71,842,953)</b>	32,116,652	(28,881,397)
<b>Income tax effect</b>	<b>17,960,738</b>	(8,029,163)	7,220,349
	<b>(53,882,215)</b>	24,087,489	(21,661,048)
<b>Total Comprehensive Income</b>	<b>₱27,879,414,122</b>	₱39,895,245,313	₱16,178,436,393
<b>Basic/Diluted Earnings Per Share (Note 25)</b>	<b>₱6.57</b>	₱9.38	₱3.81

See accompanying Notes to Consolidated Financial Statements.

## Semirara Mining and Power Corporation and Subsidiaries Consolidated Statements of Changes in Equity

	Capital Stock (Note 15)	Additional Paid-in Capital	Treasury Shares (Note 15)
<b>Balances as of January 1, 2023</b>	₱4,264,609,290	₱6,675,527,411	(₱739,526,678)
<b>Comprehensive income</b>			
Net income	–	–	–
Other comprehensive loss	–	–	–
Total comprehensive income (loss)	–	–	–
Cash dividends declared (Note 16)	–	–	–
<b>Balances as of December 31, 2023</b>	₱4,264,609,290	₱6,675,527,411	(₱739,526,678)
<b>Balances as of January 1, 2022</b>	₱4,264,609,290	₱6,675,527,411	(₱739,526,678)
<b>Comprehensive income</b>			
Net income	–	–	–
Other comprehensive income	–	–	–
Total comprehensive income	–	–	–
Cash dividends declared (Note 16)	–	–	–
<b>Balances as of December 31, 2022</b>	₱4,264,609,290	₱6,675,527,411	(₱739,526,678)
<b>Balances as of January 1, 2021</b>	₱4,264,609,290	₱6,675,527,411	(₱739,526,678)
<b>Comprehensive income</b>			
Net income	–	–	–
Other comprehensive loss	–	–	–
Total comprehensive income (loss)	–	–	–
Cash dividends declared (Note 16)	–	–	–
Appropriation	–	–	–
<b>Balances as of December 31, 2021</b>	₱4,264,609,290	₱6,675,527,411	(₱739,526,678)

See accompanying Notes to Consolidated Financial Statements.

Retained Earnings		Net Remeasurement Loss on Pension Plan (Note 18)	Total
Unappropriated (Note 16)	Appropriated (Note 16)		
<b>For the Year Ended December 31, 2023</b>			
₱47,372,204,129	₱6,800,000,000	(₱120,416,244)	₱64,252,397,908
27,933,296,337	–	–	27,933,296,337
–	–	(53,882,215)	(53,882,215)
27,933,296,337	–	(53,882,215)	27,879,414,122
(29,753,833,340)	–	–	(29,753,833,340)
₱45,551,667,126	₱6,800,000,000	(₱174,298,459)	₱62,377,978,690
<b>For the Year Ended December 31, 2022</b>			
₱28,753,790,517	₱6,800,000,000	(₱144,503,733)	₱45,609,896,807
39,871,157,824	–	–	39,871,157,824
–	–	24,087,489	24,087,489
39,871,157,824	–	24,087,489	39,895,245,313
(21,252,744,212)	–	–	(21,252,744,212)
₱47,372,204,129	₱6,800,000,000	(₱120,416,244)	₱64,252,397,908
<b>For the Year Ended December 31, 2021</b>			
₱26,807,243,576	₱5,300,000,000	(₱122,842,685)	₱42,185,010,914
16,200,097,441	–	–	16,200,097,441
–	–	(21,661,048)	(21,661,048)
16,200,097,441	–	(21,661,048)	16,178,436,393
(12,753,550,500)	–	–	(12,753,550,500)
(1,500,000,000)	1,500,000,000	–	–
₱28,753,790,517	₱6,800,000,000	(₱144,503,733)	₱45,609,896,807

## Semirara Mining and Power Corporation and Subsidiaries Consolidated Statements of Cash Flows

Years Ended December 31

	2023	2022	2021
<b>Cash Flows from Operating Activities</b>			
<b>Income before income tax</b>	<b>₱30,081,717,194</b>	₱42,222,935,706	₱16,545,221,500
Adjustments for:			
Depreciation and amortization (Notes 9, 10, 19 and 20)	<b>7,043,028,260</b>	5,822,253,636	6,389,313,942
Finance costs (Note 21)	<b>589,249,769</b>	857,922,894	976,358,612
Pension expense (Note 18)	<b>71,676,424</b>	79,442,426	81,390,961
Loss (gain) on sale of equipment (Notes 9 and 23)	–	(423,256)	1,990,583
Write-down of inventories, asset held-for-sale and property, plant and equipment (Notes 6, 8, 9 and 20)	<b>76,094,595</b>	210,752,009	–
Impairment loss on other current assets (Notes 7 and 20)	<b>8,465,289</b>	–	–
Provision for impairment losses on receivable and advances (Notes 5, 7, 11 and 20)	<b>13,687,290</b>	30,987,428	1,041,239
Net unrealized foreign exchange losses (gains)	<b>198,097,226</b>	(1,202,246,647)	(179,861,726)
Finance income (Note 22)	<b>(1,187,503,300)</b>	(413,379,725)	(22,542,252)
Recoveries from insurance claims and claims from third party settlement (Note 23)	<b>(31,884,171)</b>	–	–
Rental income	<b>(5,900,150)</b>	(5,900,159)	(3,441,745)
Reversal of allowance for inventory obsolescence (Note 6)	<b>(79,863,727)</b>	–	–

Years Ended December 31

	2023	2022	2021
<b>Operating income before changes in operating assets and liabilities</b>	<b>₱36,776,864,699</b>	₱47,602,344,312	₱23,789,471,114
<b>Changes in operating assets and liabilities:</b>			
Decrease (increase) in:			
Receivables	<b>(602,215,617)</b>	(3,302,054,947)	(3,168,141,133)
Other current assets	<b>(27,498,662)</b>	(804,773,755)	(235,461,031)
Inventories	<b>(1,528,789,106)</b>	(1,834,800,222)	459,154,535
Increase (decrease) in:			
Trade and other payables	<b>3,873,607,460</b>	179,937,402	1,764,658,017
Provision for decommissioning and site rehabilitation costs	<b>17,084,500</b>	(27,329,512)	36,556,723
<b>Cash generated from operations</b>	<b>38,509,053,274</b>	41,813,323,278	22,646,238,225
<b>Proceeds from rent collected in advance</b>	–	–	62,934,933
<b>Interest received (Note 22)</b>	<b>1,187,503,300</b>	413,379,725	21,364,129
<b>Interest paid</b>	<b>(558,340,720)</b>	(830,275,139)	(875,098,565)
<b>Pension settlement (Note 18)</b>	<b>(7,162,231)</b>	(25,799,804)	(374,664,423)
<b>Income taxes paid, including creditable withholding tax</b>	<b>(2,931,174,352)</b>	(595,740,053)	(200,998,085)
<b>Net cash provided by operating activities</b>	<b>₱36,199,879,271</b>	₱40,774,888,007	₱21,279,776,214

	2023	2022	2021
<b>Cash Flows from Investing Activities</b>			
Additions to:			
Property, plant and equipment (Notes 9 and 30)	(₱4,016,846,153)	(₱4,303,681,458)	(₱3,864,464,580)
Computer software (Note 11)	(29,361)	(449,549)	(7,402,204)
Proceeds from:			
Sale of equipment (Note 9)	–	618,006	–
Insurance claims and claims from third party settlement (Note 23)	31,884,171	–	–
Decrease in other noncurrent assets	24,657,404	266,832,339	133,890,921
<b>Net cash used in investing activities</b>	<b>(3,960,333,939)</b>	<b>4,036,680,662</b>	<b>(3,737,975,863)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from availments of loans (Notes 13 and 30)	–	–	5,304,970,000
Payments of:			
Dividends (Notes 16 and 30)	(29,754,052,759)	(21,252,510,224)	(12,751,642,860)
Loans (Notes 13 and 30)	(3,489,414,286)	(4,901,914,286)	(10,119,384,286)
Principal portion of lease liabilities (Notes 10, 28 and 30)	(17,988,992)	(23,690,307)	(21,747,446)
<b>Net cash used in financing activities</b>	<b>(33,261,456,037)</b>	<b>(26,178,114,817)</b>	<b>(17,587,804,592)</b>
<b>Effect of Exchange Rate Changes in Cash and Cash Equivalents</b>	<b>(47,717,775)</b>	<b>1,283,417,908</b>	<b>174,462,772</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	<b>(1,069,628,480)</b>	<b>11,843,510,436</b>	<b>128,458,531</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>20,056,558,463</b>	<b>8,213,048,027</b>	<b>8,084,589,496</b>
<b>Cash and Cash Equivalents at End of Year (Note 4)</b>	<b>₱18,986,929,983</b>	<b>₱20,056,558,463</b>	<b>₱8,213,048,027</b>

See accompanying Notes to Consolidated Financial Statements.



## Notes to Consolidated Financial Statements:



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## GRI Content Index

GRI Standard	Disclosure	Page	Omissions			GRI Sector Standard Ref. No.
			Requirement/s Omitted	Reason	Explanation	
<b>General disclosures</b>						
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	✓	13, 15, 40			
	2-2 Entities included in the organization's sustainability reporting	✓	2, 13, 16, 19, 40			
	2-3 Reporting period, frequency and contact point	✓	2			
	2-4 Restatements of information	✓	183			
	2-5 External assurance					
	2-6 Activities, value chain and other business relationships	✓	13, 16, 19			
	2-7 Employees	✓	89			
	2-8 Workers who are not employees	✓	100			
	2-9 Governance structure and composition	✓	133, 134, 136, 140			
	2-10 Nomination and selection of the highest governance body	✓	138			
	2-11 Chair of the highest governance body		162			
	2-12 Role of the highest governance body in overseeing the management of impacts	✓	134			
	2-13 Delegation of responsibility for managing impacts	✓	52			
	2-14 Role of the highest governance body in sustainability reporting	✓	50			
	2-15 Conflicts of interest	✓	148, 150			
	2-16 Communication of critical concerns	✓	125			
	2-17 Collective knowledge of the highest governance body	✓	139			
	2-18 Evaluation of the performance of the highest governance body	✓	139			
	2-19 Remuneration policies	✓	138			
	2-20 Process to determine remuneration	✓	138			
	2-21 Annual total compensation ratio	✓	138			
	2-22 Statement on sustainable development strategy	✓	4, 7			

## GRI Content Index

GRI Standard	Disclosure	Page	Omissions			GRI Sector Standard Ref. No.
			Requirement/s Omitted	Reason	Explanation	
<b>General disclosures</b>						
<b>GRI 2: General Disclosures 2021</b>	2-23 Policy commitments	✓	50			
	2-24 Embedding policy commitments	✓	148			
	2-25 Processes to remediate negative impacts	✓	148			
	2-26 Mechanisms for seeking advice and raising concerns	✓	40-41, 148			
	2-27 Compliance with laws and regulations	✓	48			
	2-28 Membership associations	✓	124			
	2-29 Approach to stakeholder engagement	✓	40			
	2-30 Collective bargaining agreements	✓	100			
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	✓	13			
	3-2 List of material topics	✓	41			
<b>Economic performance</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓	45			
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	✓	45			
	201-2 Financial implications and other risks and opportunities due to climate change	✓	50			
	201-3 Defined benefit plan obligations and other retirement plans		See direct answer in "Explanation"			<a href="#">Audited Financial Statement Notes to Financial Statement No. 18</a>
	201-4 Financial assistance received from government		See direct answer in "Explanation"			<a href="#">Audited Financial Statement Notes to Financial Statement No. 24</a>
<b>Market presence</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓	93			
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	✓	93			
	202-2 Proportion of senior management hired from the local community	✓	93			

## GRI Content Index

GRI Standard	Disclosure	Page	Omissions			GRI Sector Standard Ref. No.
			Requirement/s Omitted	Reason	Explanation	
<b>Indirect economic impacts</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓	108			
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	✓	109			
	203-2 Significant indirect economic impacts	✓	110			
<b>Procurement practices</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics				Not applicable	Not identified as material to SMPC
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers				Not applicable	Not identified as material to SMPC
<b>Anti-corruption</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics				Not applicable	Not identified as material to SMPC
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption				Not applicable	Not identified as material to SMPC
	205-2 Communication and training about anti-corruption policies and procedures				Not applicable	Not identified as material to SMPC
	205-3 Confirmed incidents of corruption and actions taken				Not applicable	Not identified as material to SMPC
<b>Anti-competitive behavior</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics				Not applicable	Not identified as material to SMPC
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices				Not applicable	Not identified as material to SMPC

## GRI Content Index

GRI Standard	Disclosure	Page	Omissions			GRI Sector Standard Ref. No.
			Requirement/s Omitted	Reason	Explanation	
<b>Tax</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics				Not applicable	Not identified as material to SMPC
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax				Not applicable	Not identified as material to SMPC
	207-2 Tax governance, control, and risk management				Not applicable	Not identified as material to SMPC
	207-3 Stakeholder engagement and management of concerns related to tax				Not applicable	Not identified as material to SMPC
	207-4 Country-by-country reporting				Not applicable	Not identified as material to SMPC
<b>Materials</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓	72			
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	✓	72			
	301-2 Recycled input materials used			Percentage of recycled input materials used to manufacture the organization's primary products and services	Not applicable	Zero recycled materials used in mining coal, & generating electricity
	301-3 Reclaimed products and their packaging materials			a.) Percentage of reclaimed products and their packaging materials for each product category b.) How the data for this disclosure have been collected.	Not applicable	Zero reclaimed materials used in mining coal, & generating electricity
<b>Energy</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓	56			
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	✓	56			
	302-2 Energy consumption outside of the organization	✓	56			
	302-3 Energy intensity	✓	57			
	302-4 Reduction of energy consumption	✓	58			
	302-5 Reductions in energy requirements of products and services					Energy requirement does not apply to SMPC's products, which are coal and electricity.

## GRI Content Index

GRI Standard	Disclosure	Page	Omissions			GRI Sector Standard Ref. No.
			Requirement/s Omitted	Reason	Explanation	
<b>Water and effluents</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓	66			
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	✓	66			
	303-2 Management of water discharge-related impacts	✓	66			
	303-3 Water withdrawal	✓	66			
	303-4 Water discharge	✓	70			
	303-5 Water consumption	✓	68			
<b>Biodiversity</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓				
<b>GRI 304: Biodiversity 2016</b>	304-1 Operationsites owned, leased, managed in, or adjacent to,protected areas and areas of high biodiversity value outside protected areas	✓				
	304-2 Significant impacts of activities, products and services on biodiversity	✓				
	304-3 Habitats protected or restored	✓				
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	✓				

## GRI Content Index

GRI Standard	Disclosure	Page	Omissions			Restatements of Information	GRI Sector Standard Ref. No.
			Requirement/s Omitted	Reason	Explanation		
<b>Emissions</b>							
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓	59				
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	✓	63			2022 Scope 1 Emissions recalculated from 5.54 to 5.26, based on updated fuel consumption and heating value	
	305-2 Energy indirect (Scope 2) GHG emissions	✓	63			2022 Scope 2 Emissions from 5.54 to 5.26, recalculated based on updated fuel consumption and heating value	
	305-3 Other indirect (Scope 3) GHG emissions	✓	63				
	305-4 GHG emissions intensity	✓	64				
	305-5 Reduction of GHG emissions	✓	65				
	305-6 Emissions of ozone-depleting substances (ODS)				Not applicable	SMPC does not produce, import, and/or export ODS	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	✓	59-60				
<b>Waste</b>							
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓	73				
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	✓	73				
	306-2 Management of significant waste-related impacts	✓	73				
	306-3 Waste generated	✓	74-76				
	306-4 Waste diverted from disposal	✓	74-76				
	306-5 Waste directed to disposal	✓	74-76				
<b>Supplier environmental assessment</b>							
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓	85				
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	✓	85				
	308-2 Negative environmental impacts in the supply chain and actions taken		See direct answer in "Explanation"			None of the 4 new suppliers that were screened using environmental criteria showed that they have significant actual or potential negative impacts in the supply chain.	

## GRI Content Index

GRI Standard	Disclosure	Page	Omissions			GRI Sector Standard Ref. No.
			Requirement/s Omitted	Reason	Explanation	
<b>Employment</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓ 90				
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	✓ 91-92				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	✓ 96				
	401-3 Parental leave	✓ 99				
<b>Labor/management relations</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓ 99				
<b>GRI 402: Labor/Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	✓ 99-100				
<b>Occupational health and safety</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓ 101				
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	✓ 101				
	403-2 Hazard identification, risk assessment, and incident investigation	✓ 102				
	403-3 Occupational health services	✓ 102				
	403-4 Worker participation, consultation, and communication on occupational health and safety	✓ 101				
	403-5 Worker training on occupational health and safety	✓ 103				
	403-6 Promotion of worker health	✓ 99				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	✓ 105				
	403-8 Workers covered by an occupational health and safety management system	✓ 101				
	403-9 Work-related injuries	✓ 107				
	403-10 Work-related ill health	✓ 106				



## GRI Content Index

GRI Standard	Disclosure	Page	Omissions			GRI Sector Standard Ref. No.
			Requirement/s Omitted	Reason	Explanation	
<b>Training and education</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓	97			
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	✓	98			
	404-2 Programs for upgrading employee skills and transition assistance programs	✓	98			
	404-3 Percentage of employees receiving regular performance and career development reviews	✓	97			
<b>Diversity and equal opportunity</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓	90			
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	✓	90, 138			
	405-2 Ratio of basic salary and remuneration of women to men	✓	96			
<b>Non-discrimination</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics				Not applicable	Not identified as material to SMPC
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken				Not applicable	Not identified as material to SMPC
<b>Freedom of association and collective bargaining</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓	100			
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	✓	100			
<b>Child labor</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓	100			
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	✓	100			

## GRI Content Index

GRI Standard	Disclosure	Page	Omissions			GRI Sector Standard Ref. No.
			Requirement/s Omitted	Reason	Explanation	
<b>Forced or compulsory labor</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓	100			
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	✓	100			
<b>Security practices</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓	100			
<b>GRI 410: Security Practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures	✓				
<b>Rights of indigenous peoples</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics				Not applicable	Not identified as material to SMPC
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples				Not applicable	Not identified as material to SMPC
<b>Local communities</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓	108			
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	✓	108			
	413-2 Operations with significant actual and potential negative impacts on local communities					
<b>Supplier social assessment</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics				Not applicable	Not identified as material to SMPC
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria				Not applicable	Not identified as material to SMPC
	414-2 Negative social impacts in the supply chain and actions taken				Not applicable	Not identified as material to SMPC

## GRI Content Index

GRI Standard	Disclosure	Page	Omissions			GRI Sector Standard Ref. No.
			Requirement/s Omitted	Reason	Explanation	
<b>Public policy</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics			Not applicable	Not identified as material to SMPC	
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions			Not applicable	Not identified as material to SMPC	
<b>Customer health and safety</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	✓	108			
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	✓	107, 108			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	✓	See direct answer in "Explanation"		6 Customer complaints concerning product (i.e., coal) health and safety impacts served	
<b>Marketing and labeling</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics			Not applicable	Not identified as material to SMPC	
<b>GRI 417: Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling			Not applicable	Not identified as material to SMPC	
	417-2 Incidents of non-compliance concerning product and service information and labeling			Not applicable	Not identified as material to SMPC	
	417-3 Incidents of non-compliance concerning marketing communications			Not applicable	Not identified as material to SMPC	
<b>Customer privacy</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics			Not applicable	Not identified as material to SMPC	
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data			Not applicable	Not identified as material to SMPC	

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