



Empowering communities,
transforming lives.

steag

STEAG state
power inc.

2017 CORPORATE SOCIAL RESPONSIBILITY (CSR) BOOKLET

Our Vision

We are a world-class energy provider, a trustworthy partner to the nation’s quest for progress.

Our Mission

We are committed to:

- Help provide solutions to the expanding energy demands of the country;
- Conduct our business with honor, integrity and professionalism in the best interest of all our stakeholders;
- Ensure optimum efficiency, reliability and safety in our operations through state-of-the-art technology and innovative processes in a culture of continuous improvement;
- Meet the growth needs and aspirations of our people in a productive and collaborative team-environment;
- Preserve mother-earth and help build self-reliant communities to uplift the quality of life of the people.

Our Values

Professionalism, Reliability, Integrity, Safety, Team Spirit, Innovation, Efficiency (PRISTInE)



Empowered. Enabled. Transformed.



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The power company

STEAG State Power Inc. (SPI) is a world-class energy company and a leader in advance coal-fired power generation technology. It was organized to own, finance, build, operate and maintain the first coal thermal power plant in Mindanao.

The power plant is located at the PHIVIDEDEC Industrial Estate in Villanueva, Misamis Oriental and has a capacity of 232 MW. It started commercial operations in November 2006 and since then, it has been reliably providing additional electric power needed to sustain the island's economic growth and progress.

SPI is majority owned by Steag GmbH which is one of the largest producers of electric power in Germany. With 80 years of extensive experience, Steag GmbH is a pioneer in highly efficient and reliable power plant operations in Germany. The other SPI shareholders include two leading Filipino companies --- Aboitiz Power Corporation (AP) and La Filipina Uygongco Corporation.

With solid technical know-how and expertise plus a workforce complement of about 200 dedicated and competent personnel, SPI fulfils its mandate of helping provide solutions to the growing energy needs of the country and lives up to its vision of becoming a trusted partner for progress and development. Through the years, it has established a reputation as a highly efficient, reliable and responsible electric power producer in Mindanao.

Apart from the power that it brings, SPI also undertakes numerous community development and environmental conservation programs and projects that are benefitting the people in its host communities in Mindanao.

A decade of efficiency, reliability and responsibility

>15.5 billion kWh

generated and delivered to the Mindanao grid since the start of its operations in 2006.

90% Availability

This is considered as one of the highest ratings in the power industry. The superior plant performance points to the quality of management and maintenance strategies undertaken by SPI over the years.

36% Efficiency

The efficiency rating is higher than the global average. At this rate, SPI uses a relatively lesser amount of fuel to produce the same amount of power and thereby reducing its carbon footprints.

100% Compliant

ZERO violation of all applicable local, national and international environmental rules and regulations.

92% employee engagement rating

SPI employees are among the most engaged workers in the industry. For them, SPI is not just a place to work, but a shared platform that nurtures their growth and development.

>6 million safe man hours

The health and safety of the employees is a top priority. For a decade now, SPI sustained a ZERO lost time due to accident, ZERO occupational-related illnesses, and ZERO security incidents.



A company of many firsts



The 1st in Mindanao

SPI's coal-fired power plant is the first in Mindanao. It pioneered the use of state-of-the-art coal thermal power generation technologies that enabled it to sustain a highly efficient, reliable and responsible electric power plant operations.



The 1st in on-line monitoring

SPI is a pioneer in an on-line Continuous Emission Monitoring System (CEMS). For the first time in the country, government environmental regulators have access to real-time emissions monitoring. This pioneering initiative reaffirms SPI's commitment to environmental accountability and transparency.



The 1st to build from ash

SPI is the first to utilize coal-ash by-products for several construction projects such as housing, schools, commercial and industrial buildings. The use of coal-ash as cement replacement improves material durability at the same time, it reduces construction costs.



The 1st Carbon Sink

SPI pioneered in Mindanao a 1,200 hectare Mapawa Carbon Sink Project in Cagayan de Oro City. The project includes the afforestation of 500 hectares of denuded land, timber stand improvement of an existing 500 hectare forest plantation, and the protection of another 200 hectare natural forest.



Enabling people to succeed

When I took over the stewardship of SPI eight years ago, I made it my mission to carry on the company's commercial success. I knew that in fulfilling my mandate, its track record for safety, efficiency, and social responsibility had to be maintained.

Since then, this record has not only been preserved but even enhanced due to the fact that SPI is driven by professionalism, competence, environmental awareness, and social consciousness. The exceptional service we provide recognizes the undeniable reality that conducting any business carries with it corresponding obligations to the investors, our employees, and their families. More importantly, SPI is a company that understands the symbiotic relationship between industry and the environment and individuals that it affects.

Consistent with this appreciation of our place in the greater scheme of things, we have made it our mission to literally empower our stakeholders by making them our community partners. This is the essence of CSR. By observing its ideals, by employing the best practices around the world, SPI has actually improved people's lives, enabling them to accomplish something rewarding, while in the same breath contributing to regional and national development.

From time to time, it is good to look back and recall the milestones we have reached in this journey of teamwork. This booklet showcases such high points and is a firm reminder of how a business should be run, that is, with corporate social responsibility as one of its core guiding principles.

Having witnessed the consistent dedication of our people and their commitment to the public that they serve, I am confident that we can continue this wonderful relationship toward an even more sustainable power generation in Mindanao.


DR. BODO GOERLICH



Becoming better citizens in the community

“How do we become a world-class power plant?” “How do we create an impact to our community?”—The answer lies in how we develop our people.

In SPI, we make things happen. That is why creating a pleasant environment for our employees is the secret to create momentum. Momentum makes everything easier. When people feel valued, trusted and challenged, productivity is high and they deliver good results. Over the years, we’ve worked hard to keep our momentum that has allowed us to function in our highest capacity.

We want to create a workplace that brings life to every employee and use that very potential to benefit a larger community. Doing something of high value is one of the greatest achievements in life. And that is what we want our employees to experience at SPI.

Our team is composed of a pool of experts and specialists who run the elaborate operations of SPI every day. We have kept our word in bringing efficient, reliable power to Mindanao while fulfilling our social responsibility and commitment to preserve Mother Earth. An example of this commitment is reducing our carbon footprint which mutually benefits the company and society.

CSR will always be a part of who we are. It is what gives meaning to our work, the driving force of our productivity, and the inspiration to realize our vision. CSR allows us to be transparent and honest in the way we do things.

Here, we strive to encourage our people to not just be better employees, but be better citizens. We want to create a culture where caring for others becomes second nature to us. We do this by developing socially conscious employees.

Understanding why we do things is important for us. Through our CSR efforts, we’re more than just generating electricity. We’re providing limitless opportunities by going into our communities and touching the lives of people we meet. Through this, we contribute significantly to the country’s development agenda—helping one another to succeed together.


DR. CARSTEN EVERS

Sustainability is everyone's priority

Today's world is developing at a dizzying pace, with the most momentum focused on information, communications technology, manufacturing, and their attendant infrastructure. None of these, however, would move forward without power.

In this country which is enjoying an unprecedented growth faster than any other Asian economy, I am proud of the role that SPI is playing in efforts to maintain an effective and dependable power framework. I am prouder still that this is being done without shirking from the company's CSR commitments which we have upheld from the very start.

We recognize the fundamental necessity of balancing the demands and objectives of business with its concomitant responsibilities to the environment and to the community. It is this unwavering adherence to policies consistent with ethical and responsible industry practices that allow us to stand out among a plethora of power companies in Mindanao and other parts of the Philippines, as well.

Staying true to our slogan of *empowering communities, transforming lives*, we have consistently involved the people that we serve by devising and maintaining a multi-pronged and innovative CSR program. Inevitably, this results in close cooperation with our main stakeholders which, in turn, ensures the sustainability of SPI's activities.

To borrow from former US First Lady and State Secretary Hillary Rodham Clinton, it does take a village – every man, woman, and child together with their partners in development – to make life truly sustainable for future generations.

I would like to commend all the individuals who have been making this partnership work, and I hope that this 2017 CSR Booklet will serve as a reminder of SPI's commitment to the community and nation that it serves.


ATTY. JOY BALTAZAR-PAMINTUAN

Beyond providing power

Steag State Power Inc. (SPI) goes far beyond providing efficient and reliable electric power to Mindanao. Apart from sustaining responsible business operations and adhering to the ethical standards of safety, environment, and good corporate governance, SPI actively contributes to the achievement of sustainable development goals by undertaking numerous social development programs to help address a wide array of local community concerns.

For more than a decade now, SPI shared its time, resources and expertise in helping secure a more prosperous and developed communities. SPI helped foster greater community collaboration by partnering with various development institutions.

SPI's commitment to help bring about the development of its host communities is expressed through its various Corporate Social Responsibility (CSR) programs, focusing on the following areas of concerns:

- *Improving Education* through the Social Empowerment through Education **(SEEd)** Program
- *Improving Income* through the Livelihood and Economic Enterprise Development **(LEED)** Program
- *Improving Health* through the Water, Sanitation and Health **(WaSH)** Program
- *Improving Governance* through the Enhancing Governance in Local Development **(EGoLD)** Program
- *Improving Access to Electricity* through the Fostering Rural Electrification and Energization **(FREE)** Program
- *Improving Quality of the Environment* through the Environmental Conservation **(ECe)** Program
- *Inspiring people* to excel through a continuing Information, Education and Communications **(IEC)** Program

The stories in this booklet provide a glimpse on how these programs and projects helped improve the quality of lives of the people at the same time inspire and empower them to pursue and realize their dreams.





Water containers for sitio Binacalan

Since 2007, SPI's Water, Sanitation, and Health (WaSH) Program has been successful in providing access to a reliable supply of potable water to many families and communities in Villanueva. A big part of the municipality now enjoys a steady water supply because of the continuing partnership between SPI and the Local Government Unit on various water system projects.

This time, SPI reached out to a community whose solution to getting potable water came in handy containers distributed to families in the area.

Sitio Binacalan is the farthest community in Villanueva and a home to 45 families that rely on a communal deep well for their water supply. During the dry season, going as far as 4 kilometers to get drinking water could only be the option. Rainwater channeled in bamboo funnels is also being utilized by resourceful residents.

Through a public consultation, community dwellers saw that they would spend millions to put up a water system project and the cost is deemed too high for a tiny community like theirs. So in the meantime, the residents laid down an alternative solution: a water container for every household.

Without hesitation, SPI responded and each family was provided with large water containers for their use. The LGU Villanueva refills and delivers the water on a regular basis right on their doorsteps. Erlinda Acero of sitio Binacalan shares *"Our heartfelt thanks for helping us. Now, we have enough storage for our daily consumption."*

The WaSH Program is committed to not leave a single community secluded from its efforts and initiatives, no matter how remote and far-flung it is. Providing water containers to as far as sitio Binacalan signifies how SPI values every people in its host communities. Everyone deserves to be heard and be given attention to, even if that means going the extra mile.

Fighting child wasting

According to a recent report of the United Nations Children's Fund (UNICEF), nearly half of all deaths in children under five are attributable to undernutrition. It puts children at greater risk of dying from common infections, increases the frequency and severity of such infections, and contributes to delayed recovery. Poor nutrition in the early days of a child's life can also lead to stunted growth, which is irreversible and associated with impaired cognitive ability and reduced school and work performance.

Just a few walks away from SPI is the neighboring barangay of San Martin where cases of child malnutrition and wasting have been identified. In San Martin Elementary School, 187 wasted and 26 severely wasted pupils from the last school year, needed proper attention and help.

In response to this, SPI sponsored a school-based feeding program where these children are fed and monitored in a span of 120 days. Before classes start, children receive the full load, nutritious meal to ensure a great head start for the day.

Studies have shown how going to class with an empty stomach can affect the school performance of a child. This has been prevented because of SPI's intervention.

"We're very happy to report that we achieved zero percent case of severely malnourished and wasted children. In fact, we have one beneficiary who topped the class... the feeding must have made an impact," says School Principal Mrs. Ma. Theresa L. Delegencia.

The school also received a durable weighing scale from SPI to facilitate accurate data recording, as well as financial support to put up a feeding hub where children comfortably take their meals.

"Every child must gain at least two kilos. We involve the parents to sustain the child's development. We're thankful to Steag for being a good neighbor to us. They have done their Corporate Social Responsibility and made a difference in the lives of the children."

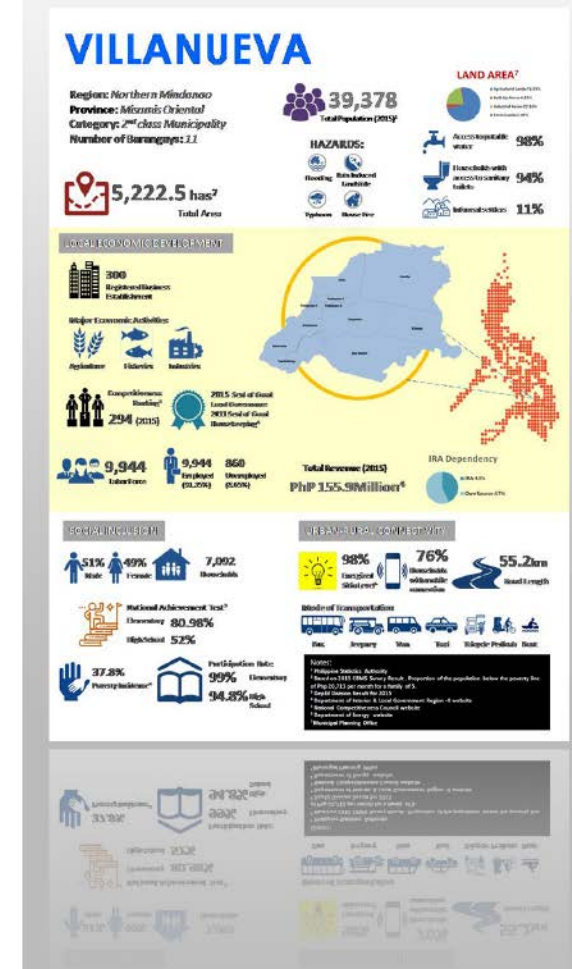
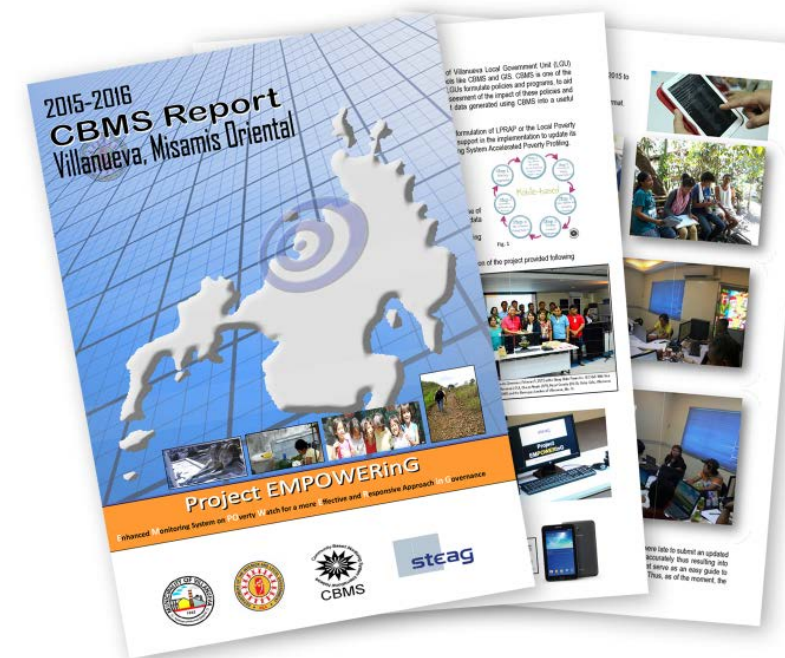
Malnutrition and child wasting are pressing concerns that require immediate action and cooperation from every stakeholder in the community. As part of its commitment, SPI will continue to be a helping neighbor, working hand in hand with the school administrators, teachers and other stakeholders to stop hunger and promote good health for better, healthier communities.





Empowering communities, transforming lives.

There will always be a right tool for the right job. SPI believes that CBMS will greatly help the LGU in solving a wide array of poverty issues in society. As part of Villanueva, SPI seeks to see its community free from poverty, and this is achieved by continuously partnering with the government in pursuing a common vision—a more progressive Villanueva and a better life for its people.



Winning the war against poverty

The heart of any problem lies in the details. Without details, we cannot see the big picture, we cannot get the puzzle right. In reducing poverty, details fill the gap in order to solve issues at the macro level.

The CBMS or the Community-Based Monitoring System has been helping communities in the Philippines diagnose poverty at the grassroots level in order to formulate appropriate interventions through evidence-based data. This tool has been found useful in many parts of the country, and

recently, this was made available in Villanueva.

"I'm very happy and thankful because we need tools and useful data. In my first term as Mayor, I have to know the baseline. And CBMS helped me identify the problems of the community and come up with informed decisions," says municipal mayor, Jennie Rosalie T. Uy.

"I have been able to put projects into priority, not because I want those projects, but because these are what the community needs. Steag helped me establish that."

The implementation of CBMS has enhanced the LGU's capacity in local governance and poverty monitoring. It helps the government identify key issues, allow policy makers to formulate targeted programs, and monitor them effectively. It is a system that every local government unit should have.





From a power student to a power engineer

“When I was a Power Student, I used to think about the distance of the power plant whenever I entered the gates of SPI. But now I got used to it coming every day as a cadet engineer.”

Armonds Blue B. Pantallano started working with a service contractor of SPI in October 2016 right after passing the Electrical Engineering Board Exam.

He is the first Power Student who graduated from college with SPI's scholarship grant given to top students in Villanueva. He says the level of support he felt was overwhelming.

“SPI would just surprise me with some great news. First, when I got my scholarship. Second, when they shouldered my expenses for the review, and recently when they invited me to explore opportunities to train and work in the power plant.”

“I felt I was chosen among all the young people in Villanueva for these blessings.”

For nine years, Armonds has been acquainted on the safety precautions during plant educational visits. Now, he has internalized this more.

“I learned that safety is so important. Our protocol instructs us to go around by twos.”

Armonds admits that joining as an engineer puts a lot of pressure on him. *“I felt anxious at first. There was an instance when my supervisor asked me to hand over a tool, and I was totally clueless! I'm glad*

my colleagues were there to assist me. We're serious when it comes to work, but the bonding is priceless.”

SPI may be considered a totally different environment now for Armonds, yet according to him, it's the same family that encourages him to reach for his dreams and now to be his best in the workplace.

The Social Empowerment through Education (SEEd) Program has transcended its mission this time, not only giving this young engineer the opportunity to reach his dream through education but providing him a good start towards a successful career.

Armonds has reached another milestone after making it to the Cadet Engineering Training (CET) Program of SPI. This former Power Student bested hundreds of applicants in a rigid examination and screening process. For seven months, the CET Program provides Armonds the best training as Cadet Engineer, while earning at the same time.

Being the eldest of six, Armonds says he will continue to build a good future for himself and his family.

Success perhaps is not the absence of life's troubles, but rising above challenges and overcoming difficulties.

SPI is pleased to be part of the fulfillment of those dreams and ambitions, for Armonds and the rest who are willing to embark on this journey.



Planting the seeds of quality education

SPI believes in the power of education to transform lives. That is why, for over a decade now, SPI has been working with various community stakeholders in helping improve the quality of public education so that young Filipinos will have the opportunities to develop and realize their potentials.

SPI's continuing advocacy for accessible quality education covers not only the granting of scholarships and direct assistance to students but also the overall improvement in the quality of learning by implementing programs and projects that benefit the public schools and educators.

Together with its partners in the government and non-government sectors, SPI continues to plant and nurture the “seeds” of quality education by investing material, financial and technical support through the following programs, projects, and activities:

A Chair for Every Child

5,558

school chairs provided

Educational TV (ETV)

18

multi-media package turned-over to 18 schools

English Reading Proficiency

9,573

student workbooks distributed

Annual Schools Improvement

6

classrooms constructed

Project SKILLS (Strengthening Knowledge in Life Long Skills)

321

techvoc students trained

247

employed

Steag Power Students Award

210

scholarships granted

Alternative Learning System

270

dropouts mainstreamed back to school

Annual Teachers Enrichment Program

250

teachers trained



Not just an “ALS passer”

Remelyn M. Abaco left school when she was 14. Having finished only second year high school, she was saddled by the responsibility of looking after her younger siblings when her parents separated. “We’re miserable” she said, forcing her to meet the demands of life so she had to quit school.

She met her husband at age 19, had three children, and still was striving to make both ends meet for the family. Remelyn strived to make a living with her bare hands. She made wooden crates, hammering piles of wood boxes. She also accepted laundry from neighbors, only to get a few pesos at the end of the day.

“It was impossible to get a good paying job for someone like me who did not even finish high school.”

In 2009, Remelyn grabbed the opportunity to enroll in the Alternative Learning System (ALS) in Villanueva in which SPI has been a consistent partner too.

After attending the series of ALS classes, Remelyn passed the Accreditation & Equivalency (A&E) test on that same year, granting her a high school diploma. She made it all the way in the Project SKILLS (Strengthening Knowledge in Lifelong Skills) program of SPI as a scholar and finished a three-year course in Hospitality Management and Services at the Cagayan de Oro Bugo School of Arts and Trade (COBSAT).

It was an arduous task for Remelyn, balancing family and student life, but her eye is on the prize. Just recently, Remelyn finished the Ladderized Program at the University of Science and Technology



of Southern Philippines (USTSP), completing a bachelors degree in Technical Teacher Education.

Remelyn is now back in the ALS program... but this time, as a teacher.

“Every day I give my best for my students. I don’t want others to look down on them saying they’re “just ALS passers”. No, they are ALS graduates. They should be proud.”

Right now, Remelyn is employed by the local government as teacher aide. Passing the teachers board exam is her next target.

“My experience is the best inspiration I can give to my students. They too can become successful someday.”



Investing in education

Villanueva National High School (VNHS) sits on a slope in the uphill Barangay Looc where soil erosion was seen as a serious threat. In 2010, a protective riprap was constructed to address the problem. School principal Mr. Resurrecion C. Padon recalls how this project, with SPI’s funding, built a strong foundation not just on the physical structure of the school, but on its steadfast partnership with SPI.

“SPI is an active partner in various schools improvement projects. They helped us put-up a concrete quadrangle utilizing a mixture of cement and coal fly ash. Our electrical installations are now more compliant with the safety standards through SPI’s technical and material support. We feel much safer now with the rip rap retaining wall project. All these, we cannot initiate and accomplish on our own.”

SPI believes that access to quality public education in its host community is essential for such community to achieve overall development. That is why through the Social Empowerment through Education (SEEd) Program, SPI extends various support to education by whatever means it can to provide ease and better opportunities for learning.

“We’re able to attend SPI’s Teachers Enrichment Trainings. Our students learn from the Leadership and Journalism Seminars that they provide... The Power Students Program in our school utilizes healthy competition among our students who want to stay in the program until the next awarding. It



develops their diligence and boosts their confidence to be called POWER Students.”

Education is the key to hone the skills of budding professionals so they may become productive citizens in the community. SPI stays committed to lend a helping hand and be a reliable partner in school development, because education builds the foundation for the success of every individual, thus building a strong human resource for the community and country.





A family that works together

Every day, Adela Balo and husband Antonio wake up before sunrise to prepare for the day's work. Instead of bidding each other goodbye, both of them take the same route and head on to SPI to start their day. But not only that, their daughter Jennifer also prepares for her shift as one of the support staff of SPI's security service contractor manning the power plant's personnel access processing center.



Since 2004, Adela works as a crew member of Villa Kusina (VK) multi-purpose cooperative assigned at SPI's canteen. VK is one of the livelihood projects assisted by SPI. From a small kitchenette venture, VK evolved into a thriving enterprise and ancillary service provider responsible for SPI's ground upkeep.

In 2006, two years after Adela started working at VK, her husband also joined VK as ground maintenance worker.

"I asked the VK management if we could let our family members become members of the coop so that they too, can work for SPI. They said there's no problem considering that the nature of every coop is helping one another, so I was overjoyed," Adela said.

With no other means of income, but from VK's,

Adela was able to send Jennifer, or "Jen-jen", as she is fondly called, to study and finish Information Technology at the Tagoloan Community College in 2010. Right after graduation, the opportunity to work for SPI came for Jennifer.

"There are three parents like me at VK whose children have finished college and by God's grace, are now employed. Having Jennifer here is a blessing."

Over the years, SPI has been a part of their family's hopes and dreams according to Adela.

"Because of our work, we were able to acquire a small rice field. We also got our house renovated."

Every family has a story to tell, and for Adela, Antonio, and Jennifer, have this to say, *"A family that works together, stays together."*

The making of a dreamer

Shielah A. Cablinda gained an important realization in her journey towards becoming a full-time entrepreneur.

"If they can do it, I can do it too."

From a handful of women in Villa Kusina's (VK) catering services in 2004, Shielah now leads a growing multi-purpose cooperative. This cooperative started with small, baby steps, and now it is unstoppable in seizing every opportunity to grow.

Food catering, manpower services, upcycling project---VK is not an ordinary service provider anymore. The latest upcycling project is in full swing and generating income and opening up a lot of opportunities.

"Just recently, we were able to deliver a bulk order of kits for a huge corporate gathering. I am so proud of our accomplishments. That experience enlarged my vision for our coop."

SPI's dream for VK, for Shielah, and the rest of the members are evidently reaching its realization. Shielah started with absolutely nothing but only willful determination to learn every skill, one step at a time.

"SPI inspired me to explore possibilities and to keep learning. The seminars and training they provided taught us to diversify and always innovate. SPI constantly cheers us up and believes that we can do it."

If there's one thing that Shielah can attest from her experiences, it is that nothing grows in the

comfort zone.

"I want our members to overcome their fears and insecurities just as I did. This whole experience taught me how to take risks and accept challenges."

When others see impossibility, entrepreneurs see opportunity. Once again, Shielah steps up the game as VK engages into another business venture: providing shuttle services.

"At this point, my whole perspective just changes about new opportunities that cross my way. I didn't have this mindset before. I was timid and content with the simple life I had, but now I have big dreams to chase."

SPI's Livelihood and Economic Enterprise Development (LEED) Program is committed to helping people realize their true potentials and aspirations, thereby empowering them to uplift the quality of their lives.

With VK's momentum today, it is not surprising to witness great success unfolding in a matter of time.





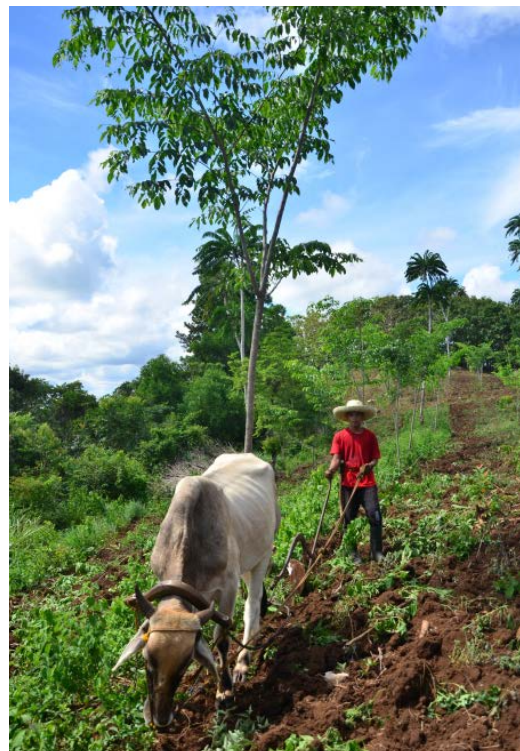
Unseen stewards of the environment

Edmundo and his wife, Elsa Gabito, call themselves social cultivators. Inside the vast woodland of Mapawa, there are a hundred and forty of them stationed in different areas. The couple manages a cornfield, about 3 hectares together with other 20 families. Aside from the farm, they have one more priority: to care and protect the trees planted in their area.

Social cultivators are tapped by SPI's project partner, the E. Pelaez Ranch, Inc. (EPRI) to secure the maintenance of trees planted within the 1,200 hectares Steag Carbon Sink Project in Mapawa, Brgy. Cugman, Cagayan de Oro City. In this arrangement, social cultivators are allowed to use a portion of land for their farming activities, while making sure the trees within their vicinity, grow well.

For nine years, Elsa and Edmundo witnessed the growth of trees planted. They see to it that trees survive even in toughest seasons while they grow their crops and make a living.

"EPRI does not ask, not even a single peso as share from our income during harvest time. As long as we perform our duties to grow and protect the trees, we can freely till the land and benefit from its bounty," says Edmundo.



1,200 hectares
developed, maintained
and protected.

>130,000
endemic tree species grown

140
long-term jobs created

4 barangays
benefit from water
supply source



"Without the SPI carbon sink project, we have nothing to maintain, we cannot farm, and hence, there will be no social cultivators like us."

Wilfredo Gabito grows cassava on his small farm... *"If we fertilize our crops, we make sure the trees are fertilized too."*

Every year, social cultivators also plant 100 trees as part of their commitment to the environment. *"They're a big help to us because we cannot accommodate the maintenance of the whole area. We rely on them in making sure they look after the trees within their perimeters and that forest fires are prevented,"* says Ramon Ihong, social cultivators coordinator

The 25-year partnership of SPI and EPRI is also a partnership with the social cultivators working behind the scenes. Ramon says SPI is halfway towards the completion of the project. A lot has still to be done in the coming years.

Elsa shares, *"Without SPI's carbon sink project, we have nothing to maintain, we cannot farm, and hence, there will be no social cultivators like us."*

Mangroves - a wealth of life today and for the next generations

For a coastal province like Misamis Oriental, one of the best ways to protect the environment is to push for the rehabilitation and development of these so called “protectors” — the mangroves. These salt-tolerant trees provide the people with a broad range of benefits.

Since 2005, SPI began rehabilitating mangrove areas in Villanueva, Gingoog, Sugbongcogon, Balingasag, El Salvador and Gitagum covering a total area of 16.4 hectares. By providing seedlings and planting materials, leading coastal clean ups and mangrove planting activities, SPI has been at the forefront of restoring mangrove forests for a healthier marine environment.

“We’re glad that SPI has extended support on mangrove rehabilitation. It’s a huge undertaking, that’s why having stakeholders like SPI is a big help to us. Among all other partners, SPI has always been the one who’s consistent,” says Jocito Nick Tilos from the Provincial Environment and Natural Resources Office.

Aside from being buffers between the land and the sea, mangroves help clean the water by absorbing impurities, and also serve as an effective carbon storage, helping fight global warming and climate change.

Most of all, the impact of mangroves on food security is crucial. Degradation of mangroves directly translates to reduced fish reproduction and food supply.



Mr. Tilos said the mangroves planted through SPI’s initiatives are already full grown now and is benefiting the people in the area especially the fisherfolks.

Mangroves play a vital role in protecting many coastal communities in Misamis Oriental. By helping restore more mangrove areas, SPI helps ensure that the future generations can count on the efforts that it started today.



Villanueva’s firebrick house, the first of its kind

Just when you thought that brick structures are so archaic, in Barangay Tambal, Villanueva, Enrique Flores’ firebrick house is a showcase of why firebricks could be a good option in building a dream house.

Stylish, cozy and durable. This is how Enrique describes his home. *“A firebrick-made house is cost-effective because we no longer need finishing and paint. When it comes to durability, this house has gone through earthquakes and I’ve seen no cracks at all. It’s also naturally cool inside, there’s no need for air conditioning,”* he shares.

The firebricks is one of the products of the SPI-assisted LGU enterprise venture called *Villanueva Reinforced Firebricks and Blocks Making Project*. It utilizes coal fly-ash as cement replacement and

additive material for concrete blocks. Fly-ash - reinforced firebricks save up to 50% on cement and 40% of total construction cost. They are five times stronger than pure sand hollow blocks and are resistant to termites. Use of these bricks gives the house a unique aesthetic appearance.

Visiting Enrique’s house also lets you time travel in the past because of his antique collections and memorabilia displayed in every corner. The firebricks complemented well in the overall interior design.

Imagine taking your rest and having your favorite meals inside a museum-type of home... must be a different experience. How about entering a comfort room made of rugged brick walls instead of the usual shiny tiles? A cool thing, too.

Enrique is happy about what he’s built. It’s the best place he could give for himself and his family. With a firebrick house standing strong and beautiful like Enrique’s, more firebrick houses are expected to rise, attesting to its advantages. At the end of the day, a firebrick house is what Enrique and his family call their *“home, sweet home.”*





Nurturing trees, nurturing communities

>44,000
Seedlings propagated

>29,000
Seedlings distributed

15 barangays
benefitting from the project

Walking along the road of Barangay Mohon, Tagoloan under the scorching heat of the sun is very inconvenient. Thanks to the line of trees in the area, exhausted residents can take refuge in its long-stretching branches that create a cool shade.

The trees are products of the Tagoloan Urban Forestry Project (TUFPP), a joint undertaking of SPI and the local government of Tagoloan.

Since 2004, SPI has been supporting the operation of the TUFPP that aims to produce seedlings which the community can use for its reforestation efforts and urban greening activities. The seedlings are free of charge. A permit from the municipal hall is all that you need to ask.

Since 2004, thousands of seedlings are requested and released every year, even other municipalities secure their seedlings from the nursery project.

One of its frequent patrons are the local officials of Barangay Mohon.

"The Ilang-Ilang trees you can see are eight years old now since we got them from the TUFPP nursery. Today, they're already full grown, providing



shade and beauty to our community," says Kagawad Cirilo Taban.

Various trees species were also grown in the neighborhood. With the onset of the rainy season, the local officials will resume their tree-growing planting activities.



Mohon Elementary School, which SPI helped put up in 2007, is also enjoying the benefits of mahogany trees planted inside the campus.

"With the construction of the classrooms in 2007 also came the planting of trees. This was once an empty lot, but with the school and the trees around, there's so much life in Mohon now," shares school principal Imelda Emano.

SPI is more than happy to hear that the Tagoloan Urban Forestry Project is exhibiting ripples of benefits in Mohon, and other areas where these trees are planted. This is part of SPI's commitment to help improve the quality of the environment through its Environmental Conservation (ECo) Program.

FREE

Fostering Rural
Electrification and
Energization
Program

An energized barangay Kimaya

SPI is all about empowering Mindanao with the energy it brings. This means even reaching out to the farthest communities that have no access to electricity. According to the National Electrification Administration (NEA), three out of ten families in Mindanao live without electricity. These families are at a disadvantage in nearly every aspect of their lives.



Most of these families live in rural areas, such as in the far-flung barangay of Kimaya in Villanueva. Through SPI's Fostering Rural Electrification and Energization (FREE) Program, power was recently made available in this small community.

Barangay Chairman Celso S. Yagma shares how electricity has helped his community and constituents. *"Our barangay roads are now safer because they are brighter at night. With TV and radio, we are now in contact with the outside world. We can now use our cellphones all the time because we can already recharge the batteries."*

Education has also been improved with the availability of electricity. *"It's a big help in the learning of our schoolchildren because we can already use our facilities and equipment that need electric power such as the E-TV tools that Steag have provided to all schools in Villanueva,"* says school principal, Mr. Edwin V. Amparo.



>P30 million
worth of projects

38 sitios
energized

>2,000 households
connected

"We are very grateful because our children can now comfortably study at night," says Mr. Yagma.

Shaira Laban shares how electricity has improved her performance in school. *"When there was no electricity yet, I had little time to study and I get low scores in the tests. Now that we have electricity, I have more time to study and my school performance improved."*

Sally Sabay who owns a sari-sari store and vulcanizing shop, appreciates the impact of electricity on her small business. *"Our income from the vulcanizing shop increased. We can now even sell cold drinks to our customers."*

The FREE Program aims to empower more communities like barangay Kimaya, with not just electricity, but the wonderful opportunity of families and community people to get ahead in life and achieve their dreams.



IEC

Information, Education
and Communication
Program



Our CSR Vision

We envision a CSR program that communicates a company that cares because social responsibility is embedded in our core business, in our values and in the way we do things.

Our CSR Mission

We are committed to implement programs that uplift and enhance the living condition of our employees and the people in our communities.

Creating opportunities for learning

Information empowers people. That is why for SPI, promoting learning is one of its priorities to create an empowered community—for everything begins with the right and useful knowledge at hand.

Almost every week, different groups coming from a wide range of people converge at SPI for various seminars and organized plant tours in which SPI has been doing for more than a decade now. For each visit, guests understand how SPI goes beyond mere power generation.

"I am impressed by the company's initiatives to put the community as one of its priorities," says Engr. Aldren A. Caralde of the Institute of Electrical Engineers (IIEE) on their visit at SPI.



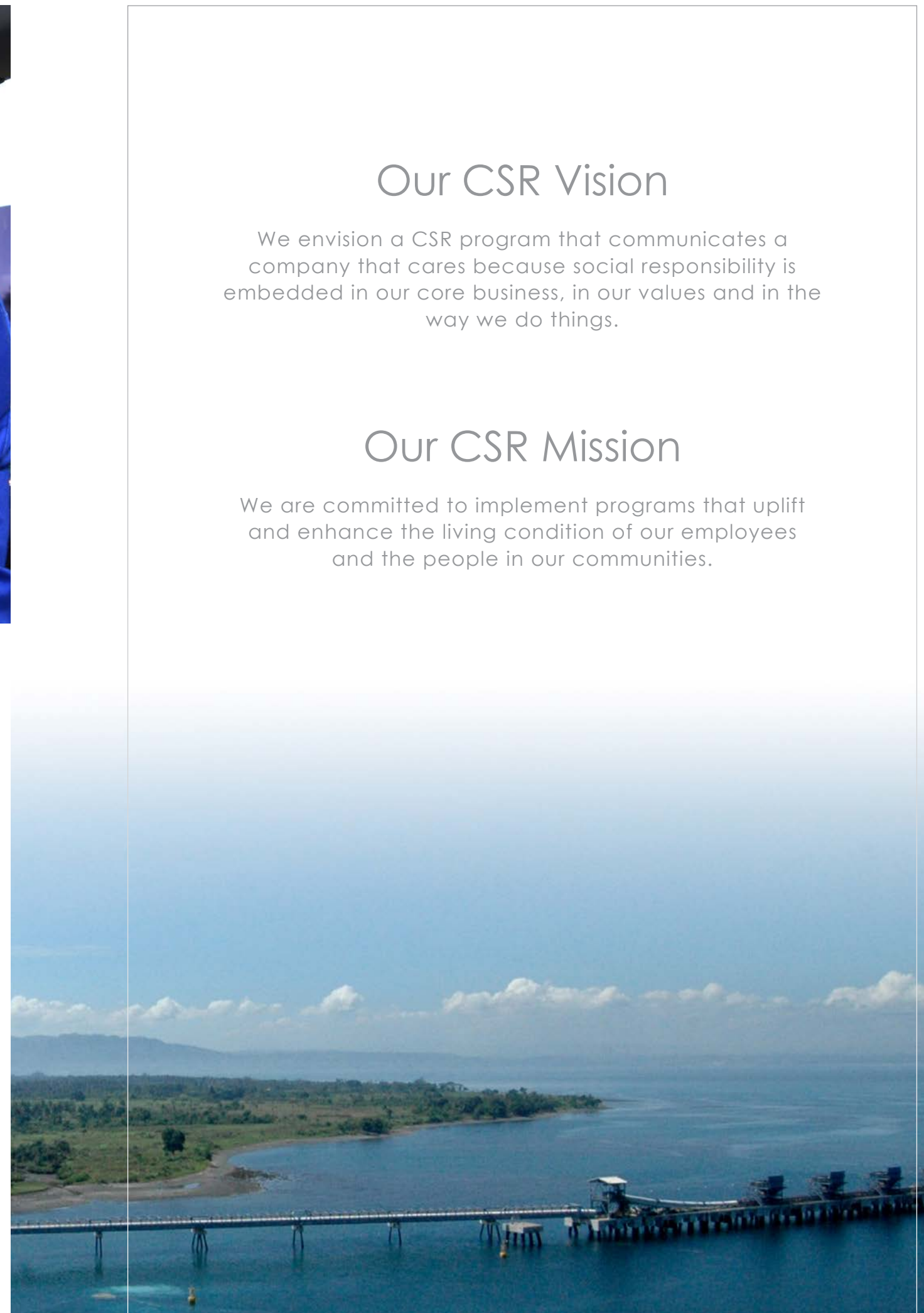
The Information, Education and Communication (IEC) Program provides the avenue to discuss relevant topics like social development, safety, responsible business practices, environmental conservation, and professional development that inspire organizations and individuals to make better decisions and informed choices.

Power student Gia A. Gales shares how attending seminars at SPI helped her become a better person. *"I'm always excited every time I get to attend every learning session conducted by SPI. They teach us life lessons that guide and motivate us to become successful individuals."*



Every person who visits SPI says that there are always new things to learn. Most pledge to return, bringing newcomers for a one of a kind learning experience—and it continues to spread, reaching more people getting acquainted with SPI and its important role in the community.

Someone said, *"what you learn is as important as from whom you have learned it"*. SPI has become an institution where people gain knowledge and wisdom. And because learning does not stop, SPI will continue to welcome visitors to host meaningful discussions and make a positive influence in their lives.



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EMPOWERING MINDANAO. EMPOWERING **YOU**.