

**steag**

STEAG state  
power inc.



# Empowering the Future

2019 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, Innovativeness, Efficiency (PRISTInE)

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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 Mindanao's first coal-fired power plant.

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 fulfills 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.

## 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 enables it to sustain a highly efficient, reliable and responsible electric power plant operations.



### The 1st in on-line monitoring

SPI is the first to use an on-line Continuous Emission Monitoring System (CEMS) that allows government regulators to do round-the-clock and real-time monitoring of environmental compliance.

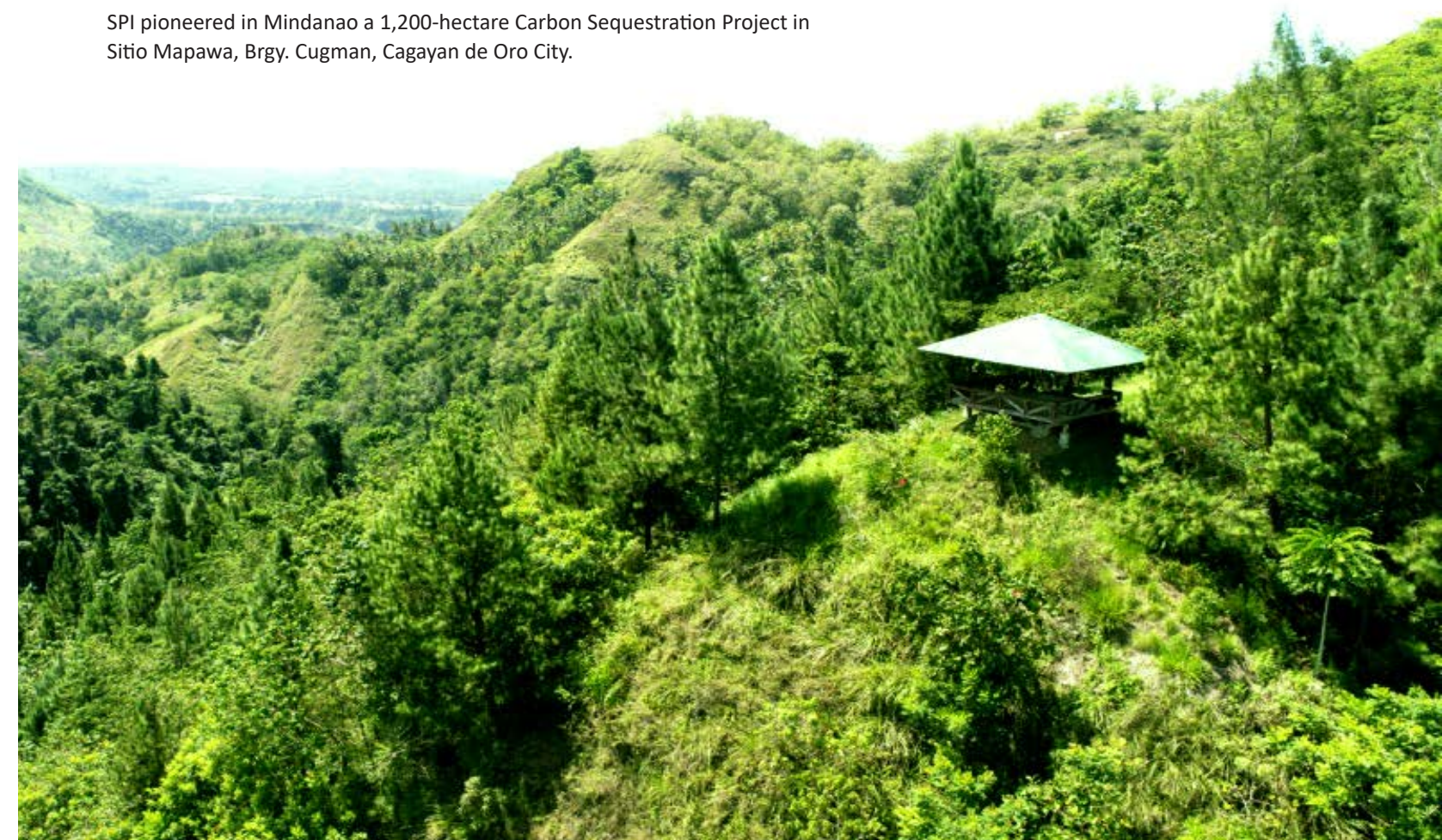


### The 1st to build from ash

SPI is the first to use coal-ash in making hollow blocks, bricks, pavers and other concrete cement application for building houses, schools, and other commercial and industrial construction projects.

### The 1st Carbon Sink

SPI pioneered in Mindanao a 1,200-hectare Carbon Sequestration Project in Sitio Mapawa, Brgy. Cugman, Cagayan de Oro City.





Message from the President and CEO

## Igniting a brighter future for everyone

We live in a rapidly changing world grappled by social problems that call for more business participation in creating sustainable solutions.

Gone are the days that societal concerns are relegated as something that must be addressed by the government sector alone. The role of business has transcended beyond creating shareholder value to an elevated position of helping secure a sustainable world.

Corporate Social Responsibility (CSR) is nothing new to us. It has been ingrained in our company DNA and has become part of our culture and how we do things.

Along with responsible business practices, we will continue to respond to the needs of the time, offer solutions, and help bridge the social gaps where we can.

We acknowledge that these increasingly diverse social challenges are opportunities to leverage our strengths in providing services and support as a manifestation that, indeed, we are a company that cares.

As we help build a better tomorrow, we will continue to provide efficient and reliable electric power that drives economic development, illuminate homes, and continue to ignite dreams of a brighter future for everyone.

Guided by our corporate philosophy and values, we aim to contribute to people's well-being and happiness and society's growth as a whole.

For more than a decade now, we, as SPI, have been part of people's lives in such a natural way by powering everyday activities and boosting society's productivity. But more than generating electric power, we will continue to be a trusted community development partner, as well.

We will work together with all stakeholders to pursue programs and projects that would create a long-lasting positive difference in people's lives --- now and in the future.

  
DIRK SOHNS



*Corporate Social Responsibility (CSR) is nothing new to us. It has been ingrained in our company DNA and has become part of our culture and how we do things.*







“

*Our commitment to providing electric power in a socially responsible manner remains our top priority. Together with our partners, we will move closer to fulfilling a shared aspiration of a much better and enjoyable society.*

Message from the Power Plant Manager

## Ensuring sustainability as an indispensable contribution to a promising future

SPI has consistently provided highly efficient and reliable electric power to Mindanao since its operations in 2006. Back then, we created a vivid picture of what we would like to become, a world-class energy provider, a trustworthy partner to the nation's quest for progress.

By crafting that vision, we hold ourselves accountable to deliver in the long-term. Thirteen years later, we can say we have achieved concrete results and made a positive difference.

Since then, we have generated more than 18 billion kWh of electricity, energizing half a million households in Mindanao and driving economic growth.

In our operations, we have logged nine-million safe-man-hours of zero lost-time due to accident and zero occupational and work-related illness by prioritizing employees' safety and well-being.

We are a trusted and friendly neighbor of choice, having 100% compliance with local and national regulatory requirements, licenses, and permits. We have also maintained an operational efficiency of 36%, thereby minimizing our carbon footprints and providing a relatively more affordable electric power.

Sustaining these standards fulfills our vision to become a world-class energy provider. How we manage our operations responsibly and uphold the highest standards actualize our vision of becoming that 'trustworthy partner.' These milestones speak for themselves, and we will continue to meet sustainability goals consistently in facing the future.

We have used our time wisely over the last thirteen years, and we can say we made the right decisions in the past just by looking at our present achievements. SPI shows no signs of slowing down, contributing meaningful change, and still creating innovative solutions today.

Sustainability, in keeping with innovation, is how we future-proof SPI. Our commitment to providing electric power in a socially responsible manner remains our top priority. Together with our partners, we will move closer to fulfilling a shared aspiration of a much better and enjoyable society.

*C. Evers*  
DR. CARSTEN EVERS



Message from the CFO

## A business that cares for the future

We take our corporate ~~citizen~~ role seriously. We believe that beyond the business of generating electricity and creating value for our customers and shareholders, we are also in the business of caring for the communities where we belong.

It is very clear from the beginning that our company exists to serve our customers, shareholders, employees, and society.

Fulfilling our social responsibility as a company is not just a matter of obligation but also a noble mission to help create a much better world for future generations.

Through the years, we, as SPI, have won the trust and goodwill of our communities. And as we progress and pursue further our shared and collective social development goals, we will nurture a relationship based on trust with all our stakeholders, i.e. customers, shareholders, employees, business partners, and local communities.

We will remain mindful of every management decision that we make by considering the impact of all our actions.

We care about the future of our children and the world they will inherit. That is why we stay committed to fulfilling our corporate mission of preserving mother-earth and building self-reliant communities that uplift the people's quality of life.

Our dedication to being a responsible corporate steward of our communities continues. We will be unswerving on our promise to become a valuable development partner in our communities.

May the stories featured in this CSR booklet continue to inspire and remind us that, in the end, the overarching goal of business, and every citizen, for that matter, is to take care of one another and help build a brighter and sustainable future for all.

  
ATTY. JOY MARIA SOCORRO B. PAMINTUAN



*Fulfilling  
our social  
responsibility  
as a company is  
not just a matter  
of obligation  
but also a  
noble mission  
to help create  
a much better  
world for future  
generations.*







## 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 social development programs aimed at helping address a wide array of local community concerns.

For more than a decade now, SPI has shared its time, resources and expertise in helping secure more prosperous and developed communities. SPI has 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 (**ECo**) Program
- Inspiring people to excel through a continuing Information, Education and Communication (**IEC**) Program

In 2019, SPI worked together with various government and non-government organizations to help address the priority development needs of its communities.

The company is grateful for being part of these development endeavors.

35

PROJECTS

220

VOLUNTEERS

6,892

BENEFICIARIES

2,773

VOLUNTEER  
MAN-HOURS





## SOCIAL EMPOWERMENT THROUGH EDUCATION (SEEd) PROGRAM

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.

286

### POWER STUDENTS

granted scholarship and educational assistance

904

### GRADE ONE PUPILS

attended the Reading Proficiency & Comprehension Program

65

### INDIGENT LEARNERS

provided with school supplies and materials through SPI's "Project Aklat"

10

### PUBLIC SCHOOLS

received support for various schools improvement needs

55

### SCHOOL TEACHERS

trained on public service excellence

17

### CADET ENGINEERS

trained on power plant operations and maintenance, bringing in a total of 126 trainees since 2010

### Cadet Engineering Training (CET) Program

## Transforming the future with a highly-trained workforce

SPI is committed to shaping the careers of promising engineers by offering its workplace to train talented, competent, and highly motivated young Filipino engineers who aspire for professional and personal growth. This is done through SPI's Cadet Engineers Training (CET) Program.

The 14-month training consists of two seven-month modules that offer a motivating atmosphere of wide-ranging and challenging responsibilities in power plant operations and maintenance.

SPI's expertise in training these engineers begins with a meticulous process of selection, reviewing hundreds of applicants every year for a world-class training opportunity.

Danica Tacbas is one of those accepted into the cadetship program. After passing the board exam and randomly sending out resumés to companies, she found herself at a job fair that would change her life.

"I handed my only resume to SPI..., and it came out to be a great blessing," she said.



Every applicant knows the pressure and challenge of passing the series of examinations, assessments, and interviews to be on board finally. And Danica took hold of her once-in-a-lifetime opportunity.

"During my cadetship, I have proven that what I have now is more than what I have prayed for. I consider SPI as a library that provides many avenues to learn and gain knowledge. And what I appreciate most is the mentorship I have received. They support you as long as you are eager to learn." Danica is genuinely grateful for a fulfilling and enjoyable cadetship

in SPI. She was eventually hired as a technical office staff. She now can apply more confidently the skills and expertise acquired during her cadetship.

"SPI gave me a place to learn and the experience to become a more effective engineer."

The CET provides young engineers a wealth of opportunities and the springboard to an exciting career.

Engineers who have completed their cadetship in SPI face no shortage of career opportunities. Quite a number of them are now working full-time at SPI. The rest found gainful employment in other companies and related industries.

SPI is committed to developing a reliable pool of fully-trained engineers who will contribute to Mindanao's highly-skilled workforce.





### Steag Power Students

## The crowning jewels of SPI

Investing in the education of young people is one of the priority social development agenda of SPI. Enabling promising and talented students to access quality education is part of its long-term strategy of developing valuable citizens of the country.

Over the years, SPI has offered scholarships to well-deserving students who show good academic performance, a right attitude, and a strong motivation to achieve a better life.

Immanuel Cahig was one of the top 3 highest scorers when he took the scholarship qualifying exam during his second year as a junior high school student.

*"Being called a 'Power Student' raised expectations from teachers, classmates, family, and friends. But the benefits I received outweighed my fears and anxieties. The financial assistance helped me cope with the rising cost of education, school fees, and even essential commodities at home. SPI's support was indeed a blessing!"* said Immanuel.

The young dreamer finished high school with flying colors graduating as class valedictorian in 2015. Inspired by his acquaintance with SPI, he continued his journey as a Power Student up to

college, where he took up a course in Electrical Engineering.

Immanuel's college years also brought meaningful memories to him, meeting fellow Power Students and learning from their stories of ardor and diligence.

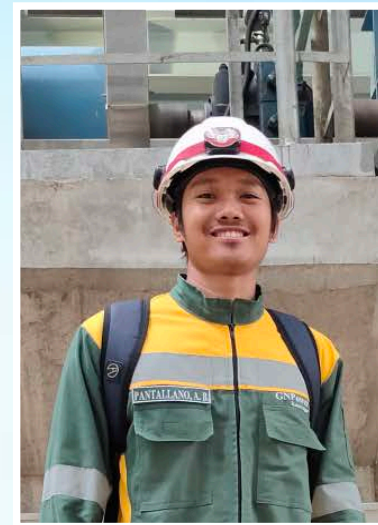
*"I thank Steag for extending their whole-hearted support, even during my review for the board exam in Cebu. I couldn't ask for more!"*

Today, Immanuel is already a licensed electrical engineer who has a heartwarming message for SPI.

*"I am truly grateful to the Lord for having SPI as part of my success."*

Witnessing Power Students reach their full potentials keep SPI inspired to help young individuals overcome their obstacles and use education as a stepping stone to improve their lives.

Immanuel and other Power Students who are now employed in various sectors of society are what SPI considers as its crowning jewels for their achievements and becoming the best they could be.



*From a Power Student now a licensed electrical engineer*

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

**< Engr. Armonds B. Pantallano**

*From a Power Student now a professional licensed teacher*

**"Now, I am living my dreams and it wouldn't be all possible without your support. Please continue spreading power until everyone is illuminated."**

**Jovelyn B. Armamento >**



*From a Power Student now a civil servant*

**"Thank you so much Steag for the opportunity and in believing that I can make it, and Yes, I made it!"**

**< Kurt Marche L. Cabiluna**



*From a Power Student now a licensed electrical engineer*

**"I am truly grateful to the Lord for having Steag as part of my success."**

**Engr. Immanuel Y. Cahig >**





### True Love Waits Seminar

## Helping the youth understand sexual purity

Today's youth is currently living in a fast-changing electronic culture where media and technology can easily influence them about almost anything, including distorted messages about love and romantic relationships.

In a vulnerable phase where young people seek connection and intimacy, it is easy to fall on flippant relationships and reckless decision-making that can take a toll on their future. Premarital pregnancy can be a huge setback.

According to the Population Commission, 24 babies are born to teenage mothers every hour in the Philippines. The increasing adolescent pregnancy cases consequently host a wide array of related societal problems like child wasting, malnutrition, and poverty.

For this reason, SPI has partnered with the Youth Ministry of the Golden City Alliance Fellowship



(GCAF) and the Department of Education for a one-day enrichment session titled True Love Waits (TLW).

The activity aims to protect young people, especially its Power Students, from the twisted notions of love, dating, and sex, and help them understand these issues through the scripture's lens.

In a world where hook-up culture and overly-romanticized love are the latest norms, it is essential to put things back into the right perspective. SPI endeavors to guide the youth in these ever-changing times.

*"We are pleased to partner with Steag in helping the young people take the right path in following God's wonderful plan for their lives. Steag is doing a good job of guiding the young take hold of that bright future ahead of them,"* said Pastor Cyrus Bianan, GCAF Salay minister.

Parents, educators, and the broader community have an essential role in the growth and development of its young people. As the lovely African proverb says: "It takes a village to raise a child," the younger generation needs the wisdom and support of their community.

As part of its commitment, SPI will continue to positively influence young people's lives, even with the matters of the heart.

### Teachers Enrichment Seminar

## Rekindling the passion for excellent service

Over the years, SPI has been advocating for quality education by leading various programs and initiatives that improve public education quality.

SPI acknowledges that one of the critical factors influencing quality education is the quality of instruction, and teachers are at the frontlines of making this happen.

The question is, how are we helping teachers become effective? Are we developing compassionate, servant leaders who will help our children become the best they can be?

SPI influences educators to assume roles as servant leaders in the classroom who are not just academically skilled but are empathetic, dedicated, and committed to people's growth.

Each year, public school teachers attend an enrichment seminar sponsored by SPI to rekindle their passion for service.

Many teachers struggle to fight what is known as "teachers' burnout" due to work-related pressures.

*"For 33 years as a teacher, I have been receiving technical trainings. But this seminar conducted by Steag was different; it touches on spirituality and is filled with encouragement. Teachers with relationship problems with their colleagues were reconciled, some even cried their hearts out,"* said Daylinda Vequezo, Villanueva Public Schools District Supervisor.



According to a recent study by De La Salle University, Manila, the five most common sources of stress for teachers are: (1) having too much paperwork (52%); (2) high cost of living (51%); (3) insufficient salary and other money concerns (46%); (4) oversized classes (43%); and (5) being too busy (32%).



It is necessary to recognize and uphold the well-being of our teachers by providing them the avenue to de-stress, recalibrate, and reflect. SPI seeks to become the catalyst in sustaining a burning passion for teaching and reminding them of the noble role in bringing forth quality education to young Filipinos.

The Teachers' Enrichment Seminars held at SPI has become a motivation booster for our beloved teachers as they jump-start into a new school year with a renewed passion for service and a commitment to excellence.





## WATER, SANITATION & HEALTH (WaSH) PROGRAM

55

**RURAL HEALTH CENTERS  
EQUIPPED WITH SALTER SCALES**

100

**PARENTS TRAINED ON  
CHILDREN NOURISHMENT**

750

**SCHOOLCHILDREN BENEFITTING  
FROM HANDWASHING & DENTAL  
TROUGH FACILITIES**

### Handwashing and Dental Trough

## Supporting initiatives to promote hygiene and oral health

Since 2007, SPI has been spearheading interventions on improving health outcomes through its Water, Sanitation, and Health (WaSH) Program. In partnership with the local government and with various stakeholders from the community, SPI has undertaken several projects to facilitate access to water, sanitation, and hygiene facilities, which are crucial to improving health, longevity, and prosperity of people living within their communities.

This time around, SPI has prioritized an often neglected aspect of overall health by reaching out to the most vulnerable sector of the society where a suitable intervention should start: children and the promotion of good oral hygiene.

The 2006 National Oral Health Survey done in Philippine public elementary schools revealed the alarming status of oral health among Filipino children. Data shows that 97.1% of six-year-old children suffer from dental caries or tooth decay, while 78.4% accounts for twelve-year-old children. Toothache is a common ailment among schoolchildren and is the primary cause of absenteeism from school.

In general, tooth decay and gum diseases can weaken bodily defense and serve as portals of entry to other more severe and potentially dangerous systemic diseases and infections. Severe conditions include arthritis, heart disease, endocarditis, gastrointestinal diseases, and ocular-skin-renal diseases.

But with good dental care and oral hygiene behaviors, these oral health-related diseases could be prevented.

Recently, SPI supported the establishment of a dental trough and handwashing facilities at the Mohon Elementary School in Tagoloan, Misamis Oriental. The facility can accommodate 60 pupils at a time when having their regular tooth brushing and handwashing activities in school.

SPI believes that such a partnership with the education sector will reinforce the right knowledge and behavior among children regarding proper oral hygiene and promote better oral health as part of their overall wellness. With this undertaking, SPI seeks to keep our young ones from the detrimental effects of oral disease, so they can give their healthy, bright smile as they face the future.







## LIVELIHOOD & ENTERPRISE DEVELOPMENT (LEED) PROGRAM

For more than a decade now, SPI has helped organized local women in sustaining their livelihood enterprises. This is done through the SPI-assisted VK General Services Multi-Purpose Cooperative and the San Roque Multi-Purpose Cooperative. In 2019, the following are the significant combined milestones of these two enterprises:



### Villa Kusina (VK) Livelihood Project

## Empowering women, realizing dreams

Since the establishment of SPI in 2003, the aim to uplift the quality of lives among individuals and families within its host communities also began by spearheading opportunities to empower people through SPI's Livelihood and Economic Enterprise Development (LEED) Program.

One of them is Orsalina Ando, who works as a sweeper of VK General Services Multi-Purpose Cooperative. This SPI-assisted livelihood project provides ancillary services responsible for SPI's grounds upkeep.

For 13 years, she has served SPI to keep its surroundings clean and orderly, consequently providing a steady income source to support the family and her husband, who works as a habal-habal driver.

The story of Orsalina is a story of women empowerment who never lets gender roles impede her productivity, contribute to household income, and help realize her family's aspirations.

Today, two of Orsalina's children are licensed teachers in Villanueva.

*"I am grateful to God for Steag and VK... because of my employment, our living conditions have improved, and my children are also helping our family financially,"* Orsalina said.

SPI is investing in women's economic empowerment by employing them, at the same time, closing gender gaps in the labor force and improving household income.



Orsalina is determined to continue her journey to reach one last feat for the family.

*"I will remain with VK, working for SPI so I can support my youngest child till he finishes school,"* she added.

There have been numerous stories of inspiration from SPI's LEED program who have touched families as they overcome challenging circumstances through livelihood opportunities provided by SPI.

Over the years, VK has generated employment through its manpower services, food catering business, and upcycling enterprise.

Creating these opportunities to improve family income and supporting dreams is one of SPI's goals to develop self-sufficient, healthy, and happier families with women at the forefront of breaking socioeconomic barriers for their family's bright future.

### Dayawan Handmade Paper Project

## Increasing household income one family at a time

SPI is all about making a positive impact on the society where it operates.

Aside from accelerating economic growth through the electric power that it provides, SPI is also creating long-lasting positive change in people's lives through its wide array of CSR programs.

Empowering people is at the core of SPI's Livelihood and Economic Enterprise Development (LEED) Program to increase people's income-generating capacity through sustainable livelihood and job creation.

Elvira Sequino is one of the Dayawan handmade paper workers, an SPI-assisted livelihood project of the San Roque Handmade Paper Multi-Purpose Cooperative.



The small-scale production of handcrafted products has penetrated local and international markets such as Germany and Japan.

With an added income, Elvira can now augment paying expenses from her farming activities, such as buying seeds, fertilizer, and paying tractor rental. She says her job has not only helped her financially but, more so, honed her skills in art and design. One of Elvira's proudest moments was when her output design was chosen by their client in Germany for the latter's Christmas card order.

Increasing household's economic capacity by having a sustainable livelihood income source means improved ability to put food on the table and support the family's basic needs.

SPI helps families rise out of poverty by providing opportunities for livelihood development and employment creation to building self-reliant communities toward economic stability and vitality.





## ENHANCING GOVERNANCE IN LOCAL DEVELOPMENT (EGOLD) PROGRAM

SPI is helping build and strengthen the local government and organized groups, capability in community development, environmental conservation, and rescue and disaster-preparedness efforts.

>600

**EMERGENCY RESPONDERS AND LOCAL ENTREPRENEURS  
EQUIPPED WITH SKILLS AND KNOWLEDGE ON BUSINESS  
CONTINUITY MANAGEMENT**

>200

**COMMUNITY-LEADERS IN FIVE BARANGAYS  
TRAINED ON SOLID WASTE MANAGEMENT**



### Business Continuity Awareness

## Rescue MARCH

An emergency can happen at any time. From fires to natural disasters, illnesses, and accidents, emergency responders and rescuers are real-life superheroes who risk their lives during crises and spread human kindness every day.

During the 2019 Business Continuity Awareness Week (BCAW), SPI showed appreciation for these responders by organizing the first-ever Rescue M.A.R.C.H. (Mass Assembly for Rescue and Care for Humanity).

Breaking away from their exhilarating duties, rescuers executed C.P.R. to the tune of Bee Gees' "Stayin' Alive." Moreover, firefighters showcased their expertise in rescue services as they performed a high angle rope rescue demonstration.

The activity is part of SPI's commitment to improving the emergency and disaster preparedness of its various community partners and stakeholders.

*"I commend Steag for helping enhance its host communities' emergency preparedness and response capability," says Chief Inspector Richard Arbutante of the Bureau of Fire Protection.*



Every year, SPI hosts various training on emergency preparedness and response among its employees and community-based local responders to continually refresh and upgrade their skills in handling emergencies and crises.



*"We are doing this to make sure our company can prepare, mitigate, and respond to any form of business disruptions,"* explains SPI head of security and Business Continuity Manager Neil Quijano.



SPI demonstrates its commitment to employee safety and the protection of its surrounding communities by regularly leading emergency preparedness initiatives that ultimately contribute to realizing a more disaster-resilient future.





## FOSTERING RURAL ELECTRIFICATION & ENERGIZATION (FREE) PROGRAM

Data showed that around 2.8 million households in the Philippines are still without electric power, and half of these are from Mindanao. Without electricity, communities become literally and figuratively powerless, thus isolating them from the benefits of mainstream socioeconomic development.

With this, SPI is contributing to the solution of the problem through its FREE program. It works closely with the power utility companies and the country's Department of Energy in bringing about development in rural areas. SPI believes that energized communities will yield more opportunities for improved quality of life, greater access to essential services, and better infrastructure for rural development.

As of 2019, the FREE program achieved a 99% village-level energization of its host communities in Villanueva, Misamis Oriental.

More villages are up for energization in the coming years as SPI lines-up more electrification projects in the nearby towns.

5

PROJECTS  
COMPLETED

38

VILLAGES  
ENERGIZED

2,237

HOUSEHOLDS  
CONNECTED

Department of Energy (DOE) ER 1 - 94

## Fighting rural poverty with access to electricity

SPI seeks that no one is left behind in the opportunity to bring electricity, even in hard-to-reach, isolated, areas in Mindanao.

Energizing far-flung villages remains a challenge today. But SPI is determined to help bring progress even in rural Mindanao's distant areas by harnessing private-public sector partnerships and engaging community stakeholders.

SPI's Fostering Rural Electrification and Energization (FREE) Program reached one of the remote settlements in Villanueva — sitio Kirahon, to bring power and promote development.

In collaboration with the Department of Energy and electric distribution utility CEPALCO, the project has improved the living condition of 300 household beneficiaries and has accelerated the socio-economic growth of the community.

Punong Barangay Agustin Sabio underscores the impact of an energized Sitio Kirahon not only on the economic condition of the people in the area, but also on their security and safety.

*"We have seen the improvement of our sitio's peace and order now that we have electricity. Because of the installation of streetlights, there were no more reported crimes, and nightly roving*



*of barangay watchmen have become easier," he said.*

The benefits of rural electrification are wide-range, meeting the essential basic human needs to survive and thrive in life.

*"Residents were delighted and grateful to have access to electricity finally. Even if they live in the hinterland, their quality of life has improved," he added.*

The electrification project is funded under the financial benefits of ER 1-94 with the community's one-centavo share per kilowatt-hour of SPI's electricity sales.

SPI remains optimistic in creating a bright future with its power to help uplift people's lives even in far-flung rural communities.







## ENVIRONMENTAL CONSERVATION (ECo) PROGRAM

SPI, together with its partners in the private and public sectors, is undertaking a comprehensive environmental conservation program. For more than a decade now, it has sustained the efforts through the following flagship projects:

1,200

HECTARE  
MAPAWA  
CARBON SINK  
PROJECT

1,000

HECTARE  
URBAN  
FORESTRY  
PROJECT

16.4

HECTARE MANGROVE  
DEVELOPMENT &  
REHABILITATION  
PROJECT

Since the program launch in 2004, more than 490,000 trees have already been grown. SPI's target is to bring 1.2 million trees back to the forest by 2031.

### Urban Forestry Project

## Ecological protection goes hand in hand with economic and social value

The idea that environmental preservation impedes economic progress and development is a thing in the past. For SPI, Mindanao's natural capital is its greatest asset and a key to creating a sustainable and desirable future for everyone.

With this, SPI has taken concrete steps to ensure that its environmental conservation efforts are well-established, sustainable, and create a long-term impact.

One of them is establishing plant nurseries in Tagoloan and Villanueva in partnership with the concerned local government units to support SPI's reforestation program under its Urban Forestry Project.

Over a decade, SPI has supported its host communities' urban greening initiatives by growing and distributing seedlings of indigenous trees and fruit-bearing trees. Individuals and community people have been encouraged to start planting projects that are now yielding gains and inspiring stories.

Joshua Lee is one of those who came to the plant nursery in 2014 and received coffee seedlings. Today, his 1.8-hectare coffee plantation brings ample harvest and ramping up his farming venture, thus generating additional income for his family. Joshua plans to expand his coffee plantation and is determined to continue planting to scale-up yield and brew more opportunities in the future.



*"I am grateful for the opportunity given me many years ago at the plant nursery, and I will always remember Steag for the benefits that I enjoy today," he said.*

Joshua is among the hundreds of recipients served by SPI's Urban Forestry Project. It shows that ecological protection carries a host of benefits to the environment and the economy, contributing to wealth-creation and sustainable human well-being.







### Mapawa Environmental Youth Camp

## Forming a generation of environmental advocates

Ask any youth today about relevant issues, and they will always have an opinion.

They are innovative, dynamic, creative, and have the ideas and vigor to shape a better world. That is why engaging the youth in environmental protection is strategically crucial in building a more sustainable world.

Every summer, SPI brings together youth leaders in a two-day environmental youth camp at the Mapawa Nature Park in Brgy. Cugman, Cagayan de Oro City.

The annual event enables the youth to create



meaningful and decisive actions to protect and help conserve the environment. During the event, campers learn how to craft environmental advocacies for their schools and respective communities.

*"This activity does not only benefit us and the environment, but the next generations as well. Because if we won't take action today, who will?"* said SPI Power Student Louise Francine Agcol who participated in the youth camp.

SPI recognizes that environmental preservation requires a holistic approach, thereby engaging the youth and harnessing their potentials in creating innovative, sustainable, ecological solutions.

SPI takes the lead in hosting events that promote environmental literacy, especially to young people, future leaders, and environmental activism torchbearers.

The impact of climate change is real. By raising awareness and taking actions today, young people could become a vital force and active stakeholder in creating a sustainable planet.

As part of its commitment, SPI will continue to campaign for environmental stewardship among the youth in maintaining a healthy environment because, after all, they will be the ones to inherit it.



### Botanical Garden and Tourism Complex

## Boosting eco-tourism through ER 1-94

Misamis Oriental is home to fine beaches, fertile mountains, lush forest reserves, beautiful dive sites, and many more. The local government is determined to position the province as the next leading tourist destination in the country.

Recently, SPI turned over PHP 3.5 million to the provincial government for the establishment of a Botanical Garden and Tourism Complex.



The assistance is part of SPI's PHP 17.8 million financial benefit of the provincial government of Misamis Oriental, representing the LGU share in SPI's electricity sales under the ER 1-94 program of the Department of Energy.

SPI is pleased for the opportunity to be part of the provincial government's effort to bring about progress and eco-tourism development in Misamis Oriental.

The fruitful partnership between SPI and the provincial government has resulted in various development undertakings in the past that include, among others, the PHP 6.6 million Agutayan Watch Tower Project in the town

of Jasaan, and the 16-hectare mangrove development projects in several coastal towns of the province.

Governor Yevgeny Vincente "Bambi" Emano has been thankful for the partnership.

*"Thank you Steag, for the power that you provide to the islands of Mindanao, thank you for the various CSR projects that truly helped our communities, and more importantly, thank you so much for boosting investor confidence in Misamis Oriental and Mindanao."*

SPI is excited to see more progress in Mindanao through the projects and developments funded through the ER 1-94. The program indeed forges a strong partnership between the government and power companies like SPI.



## INFORMATION, EDUCATION AND COMMUNICATION (IEC) PROGRAM

Through the years, SPI has been recognized by the community as one of its partners when it comes to acquiring valuable knowledge, understanding, and inspiration in a wide array of topics and learning discussions on energy, social responsibility, and environmental conservation.

664

**PARTICIPANTS IN VARIOUS COMMUNITY LEARNING SESSIONS**

27

**JUNIOR HIGH SCHOOL TEAMS COMPETED IN THE ANNUAL STEAG ENERGY QUIZ**

35

**YOUTH LEADERS PARTICIPATED IN THE ANNUAL ENVIRONMENTAL YOUTH CAMP**



Moreover, SPI has now become one of the most preferred learning destinations for institutional benchmarking activities in Mindanao, where hundreds of Community Learning Sessions participants gain valuable lessons on current best practices on the company's operational, social, and environmental practices.

For more than a decade now, SPI has been conducting the annual Steag Energy Quiz designed to encourage young people to excel in the fields of science and energy. Similarly, SPI has also organized various youth development activities like the Mapawa Environmental Youth Camp and True-Love-Waits (anti-teenage pregnancy) seminar.





### Steag Energy Quiz

## Bringing out excellence through a friendly competition

The Philippine Science High School - Central Mindanao Campus (PSHC) bagged the championship trophy in the 2019 Steag Energy Quiz--the much-anticipated science competition in the region that showcases students' intellectual prowess in the fields of science and energy.

The long-running energy quiz is now on its 15th year of promoting academic excellence via a friendly, intellectual competition to help develop students' interest, particularly in energy.

PSHC bested twenty-six teams from various private and public secondary schools in Northern Mindanao, defending its title for two consecutive years and dislodging the hall of fame winner.



*"We are very thankful to Steag for hosting this competition. We are learning a lot about the world around us and how it works,"* said Legolas Tyrael Lada of the PSHC team.

They brought home a trophy, gold medals, and a cash prize too.

SPI Plant Manager Dr. Carsten Evers said the annual event endeavors to enhance learning by pushing students to excel and develop grit via a healthy competition.

It forms part of the company's campaign to promote quality education by always striving for excellence.

*"We hope to inspire our students to excel in their academics; who knows, one day they become energy experts and power engineers,"* he said.

SPI, through the Steag Energy Quiz, recognizes the relevance of science, technology, engineering, and mathematics (STEM) in developing Filipino students who will soon become part of the country's pool of scientists and engineers.

## 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.





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