

steag

STEAG state
power inc.



The POWER to CARE

Rising up to the challenges of COVID-19



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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About Us

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

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

SPI is majority-owned by Steag GmbH, one of Germany's largest electric power producers and a pioneer in highly efficient and reliable power plant operations. Two leading Filipino companies --- Aboitiz Power Corporation (AP) and La Filipina Uygongco Corporation - own the rest of the company.

With solid technical know-how and expertise plus about 200 dedicated and competent personnel, SPI fulfills its mandate of providing 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.

15^{years} of efficiency, reliability, and responsibility

20

Billion kWh generated energizing the equivalent of >0.5 million households in Mindanao

Zero

occupational and work-related illnesses reaffirming our commitment to employees' health and well-being

100%

Compliant, fulfilling at least 118 local and national regulatory requirements, licenses, and permits

89%

Availability and unplanned outage rate of only 1.64% --- truly one of the best in the Philippine power industry

Zero

lost-time due to accident with >12.75 million safe man-hours

100%

consistent achievement of the designed net power output with zero indication of the generators' capacity deterioration as attested regularly during the annual guarantee and efficiency tests

36%

Efficiency makes our power relatively more affordable and environment-friendly

Zero

security incident in the workplace with >4.9 million secured man-hours

>600

long-term jobs created and sustained through our power plant operations and maintenance

Responsibility as an intrinsic part of our being



Responsibility has always been our guidepost and an integral part of the way we do things.

Responsibility has always been our guidepost and an integral part of the way we do things. We believe that businesses must hold specific responsibilities toward the communities, protect and conserve the planet we all share, and build a strong, profitable, sustainable business that adds value to the shareholders, employees, their families, and society.

The COVID-19 pandemic, an unprecedented crisis that grappled us these past years, tested our organizational resiliency and exposed our character and commitment. Indeed, this crisis has become a defining moment for all of us, as an organization and as citizens of our communities.

At SPI, we chose to define the moment rather than be defined by it. We steadfastly commit to being a responsible energy company, even emerging as stronger than ever. Our core values of professionalism, reliability, integrity, safety, team spirit, innovativeness, and efficiency, have constantly directed us as we navigate and steer through this critical period.

As the country recovers from the pandemic, we remain unwavering in our commitment to responsibility. We will sustain our proud history of being a responsible corporate citizen by conducting our business with integrity. We will continue to help power up the economy through the energy that we reliably provide. We will further build on the gains of our comprehensive environmental protection and conservation programs, and support efforts that promote the social well-being and long-lasting prosperity of the people in our surrounding communities.

For almost two decades now, we have kept our commitment to responsibility and sustainability vibrant and strong. We are inspired and delighted to know that our comprehensive Corporate Social Responsibility (CSR) program is making a positive impact on many people's lives.

We thank our CSR partners in the government and private sectors for their continued trust and confidence. And to our program beneficiaries, thank you for the opportunity to help.


DIRK SOHNS

Focusing on what matters the most



For us, nothing stands out more clearly than caring for the people, including those in our communities.

The COVID-19 pandemic has dramatically altered how we carry on with our daily lives. While efforts to stop the spread of the virus have had profound impacts on how we do things, our priorities have not wavered. Our primary concern has always been our employees' safety, health, and well-being while maintaining resilient, reliable, and socially responsible power plant operations.

At the onset of the pandemic, we quickly mobilized our teams to oversee preventive measures at the workplace. We heightened our health, safety, and security protocols and ensured appropriate protection and sanitation.

We also acted swiftly to implement the health guidelines issued by our government authorities and adopted the necessary workplace controls to stop the spread of COVID-19.

We have maintained a highly flexible work arrangement and provided appropriate support and resources to reinforce our commitment to employees' health and well-being. We leveraged technology and digital communication to conduct our human resources development programs, albeit virtually.

As we became more agile in our response to the disruptive effects of the crisis, we still managed to achieve our company targets. We maintained a highly dependable power plant operation while sustaining our record of zero lost time due to accident.

We remained unstoppable in caring for people, including those in our surrounding communities. We are among the first to respond to our front liners' urgent needs for PPEs and medical supplies. We shared our resources in providing food assistance to needy families. We helped our local government units improve their COVID-19 response. We extended help to the learning continuity of school children and supported health and sanitation advocacies. We launched a COVID-19 vaccination program for our workers, their families, and other community beneficiaries.

Indeed, the COVID-19 pandemic has sharpened our focus on what matters most. For us, nothing stands out more clearly than caring for the people, including those in our communities.


CARSTEN EVERS

Becoming one lightens the load on everyone



Despite the challenges of COVID-19, we remained relentless in our desire to help build a brighter future for our communities. We ensure that we are there to help when help is needed the most.

In times of crisis, a sense of unity and belonging is vital for any community. This is a time to come together, help, support, and show kindness and oneness to each other. We need to make sure that people will not feel and think that they are isolated, left out, deprived, or ignored, especially in difficult situations.

We in SPI spared no effort in reaching out to those who needed help, letting them feel that they are not alone and that we are one with them during this most trying time.

In response to the community's most pressing needs, we ensured that our CSR interventions are addressing the more urgent priority needs of saving lives and livelihood.

We extended help to cushion the adverse impact of the pandemic, especially to the most vulnerable members of society. We aided our government frontliners who tirelessly risked their lives in managing the spread of the virus. We continue to work with our partners in the government and the private sector to help communities bounce back and even emerge stronger than before.

In this edition of our CSR booklet, allow us to share some stories of our journey to helping one another and making a positive difference in people's lives. Despite the challenges of COVID-19, we remained relentless in our desire to help build a brighter future for our communities. We ensure that we are there to help when help is needed the most.


ATTY. JOY BALTAZAR-PAMINTUAN

Beyond providing power

At SPI, we go beyond providing efficient and reliable electric power to Mindanao.

Apart from sustaining a responsible business operation and adhering to the standards of safety, environment, and good corporate governance, we also actively contribute to achieving sustainable development goals by undertaking social development programs aimed at helping address a wide array of local community concerns.

For almost two decades now, we have shared our time, resources, and expertise in helping secure more prosperous and developed communities. We also helped foster greater community collaboration by partnering with various development institutions, both in the government and private sectors.

Our commitment to helping bring about the development of our neighboring communities is expressed through the following Corporate Social Responsibility (CSR) programs:

Social Empowerment through Education (SEEd)
Water, Sanitation, and Health (WaSH)
Livelihood and Economic Enterprise Development (LEED)
Environmental Conservation (ECo)
Fostering Rural Electrification and Energization (FREE)

Amid the raging threats and crippling effects of the COVID-19 pandemic, we remained steadfast in pursuing community development programs and responding to the urgent needs of our communities.

Beyond providing power, we empower.

21
projects
implemented

24
institutional
partners

>21,000
beneficiaries

92
employee-
volunteers

>24,000
volunteer
man-hours





SPI believes in the power of education to transform lives. For nearly two decades now, SPI has been implementing the Social Empowerment through Education (SEEd) Program designed to help improve the quality of public education and provide developmental opportunities for young Filipinos to achieve their full potential.

138

cadet engineers
trained

131

power students
granted scholarship
assistance

19

public schools
assisted

1,853

learners benefitting
from the School-in-a-
Soundbox Project

Bridging the Distance

The School-in-a-Soundbox Project

The COVID-19 pandemic exposed numerous challenges in the public education system, one of which is digital connectivity. In Villanueva, a DepEd survey revealed that 3 out of 10 distance learners are digitally not abled (DNA), belonging mainly to the economically-challenged sector of society. This means that they do not own any suitable electronic gadgets nor have the means of accessing digital communications that would allow them to participate in the blended learning modality using digital tools and networks.

Responding to this challenge, SPI initiated the School-in-a-SoundBox project as an innovative and practical means of helping bridge the digital divide and improving learning-teaching effectiveness in the “new normal.”

The 1,150 portable radio speakers with MP3 players distributed in 18-recipient public schools helped the DNA learners to participate

more effectively in the DepEd’s blended learning modality. It enabled them to listen to podcast-type pre-recorded audio lessons provided by their respective teachers.

The project enhanced the teaching-learning experience of the teachers and learners. It also helped increase the level of confidence on the part of teachers knowing that with the proper use of the radio, the students will learn more effectively through cognitive listening rather than simply reading through the modules provided to them.

The School-in-a-Soundbox Project brought to life the spirit of Bayanihan, with SPI and its partners in the community coming together to respond to the pressing need to ensure learning continuity amid the pandemic. It reaffirmed a collective understanding that it takes the whole village to educate a child.



A school for young and promising power plant engineers

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 the Cadet Engineers Training (CET), a program that provides a motivating atmosphere in the wide-ranging plant operations and maintenance responsibilities. Completers face no shortage of career opportunities. Several are now working full-time at SPI, some in various companies and related industries.



"It is our way of helping develop a reliable pool of fully-trained power plant engineers and highly-skilled workforce in Mindanao."
- Leah Tadena, HR Manager

Something I cherish for the rest of my life

I was asked to share my thoughts, feelings, and experiences about "how SPI's CET program made me realize my dreams."

The question made me ponder how I could even begin my memoir with all the positive experiences I had during my stint as a trainee. Then, one occasion stood out. It was about being asked to share our daily learnings every time we had a group shift turnover at the central control room.



Our shift leader would ask random questions related to our experiences and what we have learned during our shift. This setup, which I am not quite used to, made me uneasy at first. The questions about engineering principles and theories and how these are applied in the power plant operations were thought-provoking. As a newbie who aspires to become a full-fledged plant engineer someday, I wanted to ensure my answers were correct. Such an experience drove me to be prepared and pushed me to learn more effectively.

As I was about to complete the training, I realized that those tough questions were meant to prepare me to face the world of power plant engineering with more confidence. Being taught by our leaders with such respect greatly influenced my life. They would always let me figure it out on my own. Still, when they took the time to go the extra mile, I knew it was more of a challenge meant to keep me to stay on course. I am currently employed by SPI, the company that helped me become who I am and work with the people who mentored me. Indeed, this is a dream come true, something I will cherish for the rest of my life, and I am happy to be working with my newfound colleagues.

A company that genuinely cares

The CET program has taught me everything I need to know about a power plant, from the maintenance department to the plant's operations. I acquired the primary skills and knowledge required to maintain and troubleshoot equipment problems. I was also exposed to the processes and routines of the plant.



I learned about principles and their application that I could use to analyze problems and how to prevent them. As a cadet engineer, I dreamed of becoming a regular employee. I witnessed how the company takes care of its people. Aside from being generous, SPI ensures a healthy work-life balance and shows appreciation and recognition of the importance of every employee.

I am now a regular employee of SPI. I can say with utmost gratitude how privileged I am to be working in a company that genuinely cares about its people.

Fostering academic excellence and leadership

Not everyone who excels academically is a good leader. Neither does a good leader excel academically. But this proves somewhat different for Raymond, who is outstanding in academics and leadership.

Raymond Primor Sabang is a college Power Student from Villanueva National High School who is currently taking up a Bachelor of Science in Electrical Engineering at Xavier University - Ateneo de Cagayan. He is one of the recipients of the Steag Power Students Award Program.

"I have been a Power Student of SPI for five years. And I am so grateful for that", he said with pride.

He was a consistent honor student in high school and had also been part of the SSG organization. This experience, alongside the leadership training and seminars spearheaded by SPI, has helped him hone his capabilities as a leader and as a model student.

He is now part of the Board of Directors of Xavier University - Association of the College of Engineering Students and is also the President of the Institute of Integrated Electrical Engineers of the same institution.

"SPI has offered a lot of training and seminars in leadership programs, and I am so honored to be part of it all. They

have really helped me become an effective leader. I was also able to apply it in my current situation in college", he added.

He also narrated how despite being one of the least populated Engineering departments, they still emerged as the victor in the recently concluded Engineering General Assembly 2021 garnering various awards and the most coveted overall champion title.

"I am so happy because I was able to push my colleagues to come out of their comfort zones and engage in various activities expected of us by the school," he said.

Raymond's story has been an inspiration to other Power Students to broaden their horizons and to continue pushing through their limits in reaching out for their dreams.



Making dreams happen

Education has always been a fundamental right of every Filipino citizen. Its importance goes beyond just transforming lives and promoting individual freedom and empowerment.

Over the years, SPI has been very supportive of this right to education among its community stakeholders. Through its SEEd Program, many top-performing students in the community are now enjoying the benefits of being a Power Student Scholar.

Gia Gales, a licensed electrical engineer, also started her journey as a Power Student. She had been with the program for eight years, starting in her high school days.

When asked how she fared through her journey,



she only smiled and recalled how she almost couldn't go to college.

"I could still remember my conversation with my father after high school. Due to our financial difficulties, I was crying and uncertain about my college education." Gia recounted. She then described how SPI had become her symbol of hope in reaching out for her dreams.

"SPI has contributed a great impact in my life, not just financially but also emotionally and spiritually, for they were able to conduct many seminars that have helped us become more knowledgeable in dealing with different circumstances in life", Gia added, referring to the various seminars she attended at SPI.

Currently, she is teaching at San Martin Senior High School. Even as a young professional, her gratitude for SPI remains immense and unparalleled. She reckoned that had it been not for SPI, she wouldn't become the person she is today.

Engr. Gia Gales is one of the Power Students whose life is changed forever by SPI through its continuous effort to support education. Her success story is a reminder that everything is possible if one just believes in the beauty of their dreams and works hard to achieve it.

Empowering the frontliners of education

SPI believes that the quality of education is influenced mainly by teachers who are at the forefront of orchestrating instructional interactions with and between learners.

That is why throughout the almost two decades of assisting various education programs, SPI has put a premium on enhancing their capability as education frontliners.

Aside from the numerous teachers' trainings and seminars conducted in the past, SPI also extends help in providing the tools and materials to help them perform more effectively.

During the pandemic, SPI recognized the teachers' challenges regarding how they could perform their duties under a new way of delivering education. Foremost of all is their safety and well-being. SPI provided facemasks when the



supply was scarce and installed mobile handwashing stations in some schools.

As the DepEd implemented the blended distance learning modality, SPI launched the school-in-a-soundbox project to aid teachers in delivering lessons to digitally-not-abled learners. SPI also provided school supplies to augment the limited resources needed to produce self-learning modules.

Villanueva Public Schools District Supervisor Ms. Daylinda O. Vequezo expressed her deep gratitude to SPI for its continuing support even during the pandemic.

"SPI has always been a good partner of the District of Villanueva and the whole of Misamis Oriental," Vequezo said.



Tagoloan Schools District Supervisor Ms. Nilda M. Mejos shared the same impression, citing the numerous help received from SPI in her district.



"Thank you for your love. I appreciate your support. Thank you for your generosity in these challenging times. You have never stopped extending your blessings to us," Mejos said.



Boosting the training needs of the future guardians of the coast

SPI's support for education also extends to help improve the capability of learning institutions to hone the skills of young Filipinos in other essential aspects of nation-building, such as maritime search and rescue, maritime law enforcement, maritime safety and security, and marine environmental protection.

SPI was among those who responded to and supported the Philippine Coast Guard (PCG) in constructing a bunkhouse and a multi-purpose hall for its trainees at the PCG Regional Training Center in Laguindingan, Misamis Oriental.

SPI is proud to be part of the project, mainly so that the training center successfully produced its first batch of graduates. About 309 trainees completed a three-month

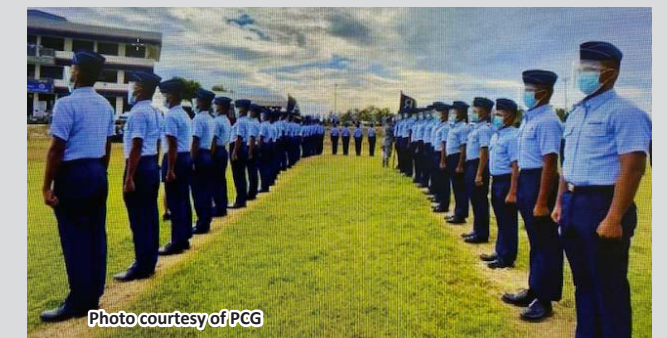


Photo courtesy of PCG

comprehensive non-officer coast guard training course.

During the graduation ceremony, Commodore Agapito Bibat, the district commander of PCG Northern Mindanao, lauded the benefactors for helping build the training center, which is an essential infrastructure for meeting the growing coast guard training requirements.



Through the years, SPI has been supporting efforts to help protect and improve public health through its wide array of programs and projects on water, sanitation and nutrition improvement.

When COVID-19 hit the world, SPI was among those who responded by providing local health frontliners, government law enforcers and emergency responders with the much-needed PPEs, alcohol, and disinfectants. During the pandemic, SPI ensured that its interventions were able to help address the more pressing concern of helping contain the spread of COVID-19.

21

electronic mobile
hand-washing
stations installed

>3,500

doses
of AstraZeneca
COVID-19 vaccines
deployed

10

health centers and
hospitals provided
with medical supplies
and equipment

> 4,600

face masks,
face shields and
coverall lab gowns
distributed

Helping achieve herd immunity

The COVID-19 pandemic is one of the most dangerous crises in our lifetime. Such an unprecedented problem also requires an unprecedented response by all sectors of society. SPI is among those who responded quickly by providing the much-needed help to curb the transmission of the virus.

Aside from providing PPEs, alcohol, and medical supplies, SPI extended help by donating AstraZeneca COVID-19 vaccines to support the government's vaccination program.

Dr. Marybelle A. Linog, Municipal Health Officer of Villanueva, thanked SPI for its generosity and for helping the LGU prevent the spread of the virus.

"The people of Villanueva are very grateful to SPI for generously extending help during the pandemic, especially for the donated vaccines that help us achieve herd immunity and the



Dr. Marybelle A. Linog
Villanueva Municipal Health Officer

PPEs that boosted our municipality's infection prevention and control measures," Dr. Linog said.

Villanueva has reportedly achieved the COVID-19 herd immunity status by the end of 2021, a positive indicator that the community is heading toward winning the war against the virus.

Promoting a culture of handwashing

If there is one crucial lesson COVID-19 is teaching the world, it is the value and importance of proper handwashing. Aside from helping prevent the COVID-19 transmission, handwashing with soap could also stop the spread of other diseases.

Recognizing its importance to public health, SPI, with partners from the local government and the Institute of Electronics Engineers of the Philippines (IECEP), launched the Clean Hands-Safe Hands Campaign.

The project deployed hands-free mobile handwashing stations in strategic public areas, government offices, and local health centers. Its advocacy motto of *"Your future lies in your hands;*



Mayor Jennie Rosalie T. Uy-Mendez
Villanueva, Misamis Oriental

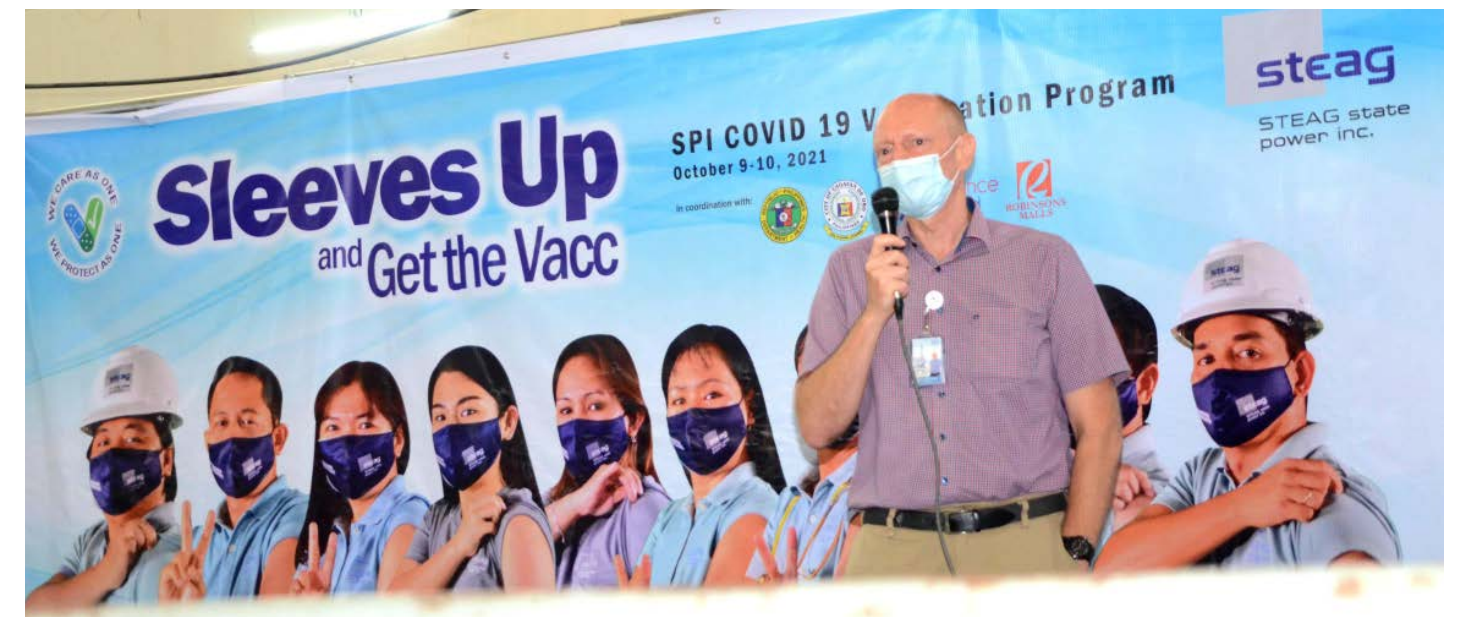
please keep them clean" is a fitting reminder of a fundamental practice in hygiene that, if observed with discipline, could protect everyone from a wide range of infectious diseases.

Keeping the workforce healthy and protected

Following a rigorous acquisition process, SPI launched a workplace vaccination program dubbed “Sleeves up and Get the Vacc,” using the AstraZeneca COVID-19 vaccines. The program covered all SPI employees and their dependents, business partners, and community members as beneficiaries.

In a situation full of uncertainties, a COVID-19 vaccination program certainly provided a ray of hope. It ushered so much optimism about the path ahead and was truly a huge step in bringing the pandemic under control. SPI is beyond words in expressing thanks to the scientific community for the significant breakthrough of developing the vaccine in record time. SPI is also grateful to the GoNegosyo team for helping in the acquisition of the highly in-demand vaccines through its Dose of Hope initiative.

As one of Mindanao’s major energy players, SPI is strategically positioned in the nation’s economic recovery. That is why SPI ensures that every member of its team is protected and remains healthy to serve and render uninterrupted service to their fellow countrymen.



In his message to all employees during the launching of the vaccination program, Plant Manager Dr. Carsten Evers underscored the importance of having a fully vaccinated workforce.

“We believe that a vaccinated workforce will enable us to significantly contribute to keeping the Philippine economy thriving and helping the community’s immunity efforts,” Dr. Evers said.

“Beyond the added personal protection, getting vaccinated will have far-reaching

positive consequences, benefitting many people who depend on us. Therefore, let us help our communities achieve herd immunity so that everyone can soon return to a normal or even better life,” he added.

Beating COVID-19 requires the concerted effort of all. As no one is safe until everyone is safe, SPI joins the global community in defeating COVID-19, winning the battle against the virus at the workplace, then radiating into the neighboring communities, the nation, and the whole world.



Fighting an invisible enemy through information and education

Because of the many unknowns, the world was surprised and was caught unprepared. Not only that, many nations across the globe had to confront an infodemic that caused confusion and risk-taking behaviors that unnecessarily undermined the safety and health of people.

The World Health Organization (WHO) repeatedly warned that the information crisis could lead to mistrust in health authorities and undermine the public health response. It could further intensify or lengthen outbreaks when people are unsure about what they need to do to protect their health and those around them.



To address the concern and help manage the risks, SPI launched a comprehensive and continuing information, education, and communication (IEC) drive for its employees, contractors, service providers, and the communities.

Aside from providing the mechanism to listen to community concerns and questions, the campaign promoted shared understanding through evidence-based analysis and health expert advice. It helped build resilience to misinformation and fake news and engaged stakeholders to take positive action.

Crucial to effectively enforcing safety and health protocols was having a shared understanding and buy-in of all stakeholders. Understanding the why was as crucial as knowing the what. SPI's Resiliency, Environment, Health, Safety and Security (REHSS) Department Manager Neil Quijano could attest to that.

"The task of enforcing the safety protocols at the workplace, such as frequent handwashing and hand sanitizing, thermal scanning, health declaration, physical distancing, and wearing the facemask, becomes more manageable and effective with the correct understanding and attitude."

People will simply cooperate and follow the protocols amid some inconveniences because they understand their importance.

Wilfredo Nacasabog Jr., a service contractor supervisor at SPI, was among those who participated in the IEC activities. He found it very helpful amid the proliferation of much confusing information, especially on social media.

"I apply the guidelines and protocols I learned from the IEC activities conducted by SPI in my work routine. Also, my entire family adopts those health protocols for our protection."

On her part, Janel May Baja, safety



officer of Villa Oro Maritime General Services, Inc., another SPI contractor, also reaffirmed the effectiveness of the IEC drive in preventing the spread of the virus and managing the disease.



"Some of our personnel were quarantined or isolated for contracting the virus, which has adversely affected our operations. The IEC drive was a big help as it guided us on what to do, especially during the height of the pandemic."

Indeed, confronting an invisible enemy like the COVID-19 requires proper knowledge and attitude.

In this famous book, The Art of War, Sun Tzu emphasized the strategic importance of knowledge and knowing the enemy. He said: *"If you know the enemy and know yourself, you need not fear the result of a hundred battles. If you know yourself but not the enemy, for every victory gained you will also suffer a defeat. If you know neither the enemy nor yourself, you will succumb in every battle."*

SPI believes that to succeed in every endeavor, it must begin with the proper perspective and correct information upon which a shared and collective understanding is built. It will then develop into a co-ownership of the strategies and interventions, resulting in effective and well-coordinated actions by the stakeholders concerned.





Aside from the more than 600 jobs created and sustained through its power plant operations and maintenance, SPI is also helping create livelihood opportunities for local residents through its Livelihood and Enterprise Development (LEED) Program.

Among those assisted are the VK General Services Multi-Purpose Cooperative and the San Roque Handmade Paper Products Multi-Purpose Cooperative. VK has evolved from a small kitchenette project to one of SPI's ancillary service providers. On the other hand, San Roque produces creative handmade products for souvenirs and corporate giveaways. It is also making industry-grade rags supplied to various industrial plants.

With the economic disruptions caused by COVID-19, VK and San Roque navigated through the uncertainties with the support of benefactors like SPI. From providing health-boosting food supplements, food relief assistance, disinfectants, etc., to keeping the businesses by patronizing their products and services, SPI has been there, reaching out to help them cope with the crisis and become more resilient.

>P1.4M

gross sales from
business repurposing
and other ventures

92

jobs kept and
sustained

> 3,400

face masks and
face shields
produced

Saving lives and livelihood

At the onset of the COVID-19 crisis, one urgent problem was the shortage of critical supplies such as face masks and face shields, exacerbating further the risks and anxieties of contracting the deadly virus due to an increasing rate of local transmission. But what was supposedly a problem turned out to be an opportunity to help by opening a new product line.

VK responded quickly by venturing into producing trendy, reusable, washable face masks through its upcycling project. At the same time, San Roque, for its part, also made hand-crafted face shields.



With orders from SPI, VK and San Roque made thousands of face masks and face shields, which were then distributed to community-based frontline health workers, law enforcers, and emergency responders.

The ability to repurpose some of their business activities addressed the urgent concerns of helping save both lives and livelihood. The timely production of these much-needed protective gear helped address the supply shortage while sustaining



livelihood activities that provided income to VK and San Roque workers.

SPI, through its safety and health department, also provided assistance in ensuring that the materials were compliant with the government health and safety standards.

"The project helped us augment our income at the same time enabled us to help others too," said VK Chairperson Shielah A. Cablinda.

Aside from these initiatives, SPI continues its patronage of VK and San Roque products and services, thereby securing jobs and protecting the livelihood of workers, especially during the most trying times of a health crisis and economic hardship.



Building blocks, building peace



Joseph Abao, a former member of the New People's Army, recounted his difficult life before turning himself back to mainstream society. As a teenager, he joined the rebel movement and served as a political instructor for five years in what is considered the world's longest-running communist insurgency.

"I could vividly recall our difficult life in the mountain and the terrifying encounters with the military."

Joseph is among the 309 former rebels who recently abandoned the armed movement. Through the Philippine government's reintegration program,



he benefits from the various government support and assistance on health and other social services, including livelihood opportunities.

Aside from working as an officer of the Citizen Armed Force Geographical Unit (CAFGU) of the Philippine Army, Joseph is augmenting his income by making hollow blocks in Sitio Magbanday in Claveria, Misamis Oriental, through a livelihood project jointly undertaken by the PA 58th Infantry Battalion, the Department of Trade and Industry (DTI), the local government of Claveria, and SPI.

The project utilizes coal-ash from SPI's power plant as an additive material to make high-quality hollow blocks. The reduced use of cement due to coal-ash replacement cuts production costs while maintaining quality and compressive strength, thereby increasing profitability.

First Lieutenant Vincent Mark Maddul, 58th IB's

Civil-Military Operations Officer, said the project is a big help in the government's rebel returnees reintegration program aimed at helping alleviate poverty.

"We want our rebel returnees to become economically productive citizens and partners in nation-building."

Large quantities of hollow blocks have already been produced for a National Housing Authority (NHA) project.

"The hollow block production has not only generated income for the rebel returnees but



has also helped them build their own house with the material they produced," said 58th IB Executive Officer Major Hermilando Corvera Jr.

Beaming with hope, Joseph describes his decision as life-changing when he chose the path of peace instead of war.

"Now, I know I have a brighter future."

Joseph is now waging a new war, but this time, the fight against poverty through economic productivity.





According to the Department of Energy (DOE), about 1.055 million households in the Philippines are without access to electricity. Most of them reside in rural areas.

Without electricity, communities become literally and figuratively powerless, thus isolating them from the benefits of mainstream socioeconomic development.

SPI is helping solve this problem through its FREE program. It works closely with electric cooperatives, distribution companies, and the DOE 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.

6

projects completed

39

villages energized

>3,300

households connected

Lighting-up rural communities for everyone

The town of Villanueva in Misamis Oriental has finally achieved a 100% sitio-level rural electrification following the recent completion of the SPI-funded PHP 1.8 million electrification project in the remote barangay of Kimaya.

Misamis Oriental 2nd District Representative Juliette T. Uy cited the project as an important milestone in the government's rural electrification program, especially in Villanueva, where she once served as Municipal Mayor.

"I thank our partners, especially Steag, for helping us in these efforts," Rep. Uy said during a ceremonial switch-on activity in Brgy. Kimaya.

The Kimaya electrification project, consisting primarily of installing a 1.78-kilometer distribution line, is part of SPI's Fostering Rural Electrification and Energization (FREE) Program utilizing the DOE ER



1-94 fund allocation. At least sixty households are benefitting from the project.

The successful energization of Kimaya through the collaborative partnership between the DOE, the LGU of Villanueva, and electric



distribution company CEPALCO, is a step forward into narrowing the gap in the country's rural electrification.

"Our people are truly grateful that finally, electricity has come into our community," Kimaya Barangay Chairman Celso Yagma said.

The electrification project in Kimaya is a welcome step forward to closing the gap in the rural electrification program and helping the government achieve its goal of energizing all communities in the country.



SPI has been undertaking a comprehensive environmental protection and conservation program for almost two decades now with its government and private sector partners. This is being sustained through the following flagship projects:

1,200
hectares
Mapawa Carbon
Sink Project

1,000
hectares
Urban Forestry
Project

16.4
hectares
mangrove
development and
rehabilitation project

Conserving the rainforest of the sea

Mangroves, seagrass beds, and coral reefs are symbiotically considered the keystones of a vibrant and healthy coastal ecosystem. They work in synergy. Mangrove trees trap sediments and pollutants that would otherwise flow out to the sea, while seagrass beds provide additional barriers and filters to silt and mud that could flow out further and destroy the coral reefs. In return, the reefs shield the seagrass beds and mangroves against ocean waves. Without the mangroves, this wonderfully designed ecosystem would collapse.

Recognizing its critical and beneficial role in the grand scheme of human life, SPI has been actively supporting the worldwide crusade to restore and protect the mangroves in its host province of Misamis Oriental.



From an initial area of 1.4 hectares in Villanueva, SPI's support for the mangrove restoration efforts expanded to cover more fishing villages in Misamis Oriental, totaling 16.4 hectares.



In Sugbongcogon town, SPI adapted an additional 2.2 hectares as part of its environmental conservation commitment.

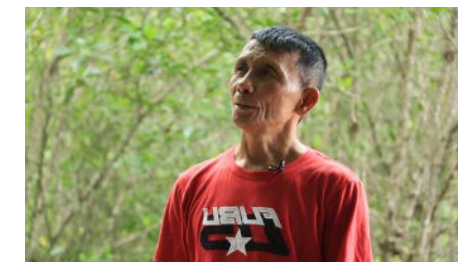
Sugbongcogon Municipal Agriculture Officer Johny Sumaylo expressed gratitude for SPI's mangrove projects in his town.

"We are very thankful to SPI for including our town in its mangrove rehabilitation project."

With the project in Sugbongcogon, Sumaylo is hopeful that apart from

the protective nature of mangroves against storm surges, it will also help increase fisheries production, which redounds to improved income among the fishermen at the same time ensuring local food security.

On his part, Daniel Guro, local fisherfolk leader, shared the same optimism.



"This is a big help to us fishermen, especially nowadays that fish catch is dwindling."

The project also provides financial support to fisherfolks like Guro, who is directly involved in the project as a caretaker.





Building a community of environmental enthusiasts

Aside from integrating sustainability practices in all aspects of the power plant operations and maintenance, SPI also encourages its employees to be actively involved in various environmental conservation and protection activities, whether as a collective corporate initiative or as individual members of their respective communities.

Regularly, SPI organizes activities that would develop among its employees the love and passion for taking good care of the planet.

SPI employees and contractors take some time out of their workplaces to participate in coastal clean-up drives and in tree-growing activities. Aside from encouraging support and participation in the continuing workplace and community greening program, the exercise

helps develop individual consciousness of the importance and benefits of environmental conservation.

SPI believes that the company is also into helping build a more sustainable world, which could only be realized when everyone is involved.





Since the start of its power plant operation in 2006, SPI has already set aside more than PHP200 million to fund various community development programs and projects. This is pursuant to the ER 1-94 of the Department of Energy (DOE), which mandates the allocation of one centavo for every kWh of electricity sales to LGUs and communities hosting energy-generating facilities.

During the pandemic, more than PHP38.5 million have been released to various local government units in keeping with the DOE guidelines rationalizing the use of the funds to help LGUs combat the spread of COVID-19 and alleviate the deprivations of their constituencies.

Beyond fulfilling its obligation, SPI's support through ER 1-94 is a reaffirmation of its commitment to help communities in any way, especially during these challenging times.

18
projects
implemented

6
LGUs
assisted

>10,000
project
beneficiaries

Enabling LGUs to respond more effectively during the public health emergency

The global health crisis that afflicted everyone necessitated a collective and synergized response at all levels of society. Local government units were at the forefront of emergency response, and the swiftness and effectiveness of their actions spelled a big difference. It became imperative to consolidate resources and prioritize the more pressing health and socioeconomic priorities.

Pursuant then to a DOE circular, the utilization of funds set aside under the ER 1-94 program was expanded to include those that would respond to the public health emergency.

LGUs in Villanueva were among the first to optimize the use of the ER 1-94 funds allocated to them by SPI. These were used to procure PPEs and disinfectants, emergency response vehicles, and



multi-purpose vehicles to improve local health workers' mobility, establish COVID-19 isolation centers, and provide social amelioration and emergency food relief assistance to thousands of families in various communities.

Barangay Katipunan was one of the beneficiaries of the ER 1-94 funds. Barangay Chairman Julio Cabatu Jr. expressed his gratitude for the timely release of the financial support that enabled his barangay to put up a 20-bedroom COVID-19 isolation center. Over a year into the pandemic, thousands of COVID-19 patients in Katipunan and neighboring areas have used the facility.

"Barangay Katipunan is genuinely grateful to SPI for the timely assistance. It really helped us a lot in this time of the pandemic."



Summary of Assistance

Establishment of COVID-19 Isolation Facilities



Procurement of heavy equipment, garbage trucks, ambulance, rescue and multi-purpose vehicles



Provision of PPEs, disinfectants, and emergency food relief



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.

We dedicate this edition of our CSR Booklet in memory of **Ms. Ma. Teresa R. Alegrio (1963-2021)**, COMREL Manager and one of the pioneering champions of SPI's CSR Program.

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