

alternergy

WeRISE

2024 Sustainability Report



CONTENTS

Access to Our Reports

2-24



In line with our efforts to be paperless, it is intended for the 2024 Sustainability Report to be distributed digitally. Scan the QR Code to access the Report, the Green Finance Framework and DNV's Second Party Opinion.

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Alternergy would like to thank its sustainability consultants, Raoul Pérez, a GRI Certified Professional, and Ryan Bestre, for their guidance in the 2024 Sustainability Report.

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In this Sustainability Report

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This is Alternergy Holdings Corporation's second Sustainability Report as a publicly-listed company. Our aim is to transparently communicate the three pillars of sustainability: **PEOPLE, PLANET,** and **PROFIT**, covering the financial year from July 1, 2023 to June 30, 2024. Alternergy Holdings Corporation, with all its subsidiaries and affiliates, is a **PIONEER** in renewable power development.



Reporting Frameworks

Alternergy has prepared this report in accordance with the requirements of the **Global Reporting Initiative Standards 2021 (GRI)** and in compliance with the **Securities and Exchange Commission (SEC) Memorandum Circular No. 4 Series of 2019**, Sustainability Reporting Guidelines for Publicly-Listed Companies.

This report also includes **our first Impact Report as Alternergy issued its first green finance instrument, the PHP 2.0 billion Green Corporate Loan on May 29, 2024.** This is in compliance with Alternergy's Green Finance Framework.

We have also included **our contributions to all 17 United Nations Sustainable Development Goals (UN SDGs).**

The Company has also considered the applicable national and local laws, rules and regulations for calculating and disclosing environmental, social and safety performance standards. No external assurance was used.

Name of Organization

Alternergy Holdings Corporation

Entities Included in the Organization's Sustainability Reporting

Alternergy Holdings Corporation and its subsidiaries and affiliates

Location of Operations

Levels 3 & 3B, 111 Paseo de Roxas Bldg., Paseo de Roxas Avenue corner Legazpi Street, Legazpi Village, 1229 Makati City, Philippines

Business Model

Alternergy Holdings Corporation (ALTER) is a renewable energy holding company that has a diversified Triple Play Portfolio of investee companies that embarked on different renewable energy projects particularly wind, solar, run-of-river hydro, commercial rooftop, and battery energy storage power projects.

Reporting Period

July 1, 2023 to June 30, 2024

Highest Ranking Person Responsible for this Report

Vicente S. Pérez Jr.
Co-Founder & Chairman of the Board

Publicly-Listed Company

Alternergy Holdings Corporation debuted at the Philippine Stock Exchange (PSE) as the first initial public offering (IPO) in March 2023.

ALTER was added to the Industrials Index of the PSE Sector Indices in August 2024.

PSE Ticker Code: ALTER. For additional information, please refer to our website at www.alternergy.com.

A message from the CHAIRMAN

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We are on a momentum. Pushing forward, fast. There has not been any time in the past when we were building these many projects all at the same time. Right now, two of our run-of-river (ROR) hydropower projects are in the thick of development plus we have issued notices to proceed to construct three more projects, the biggest to date in our pipeline, bringing to five our projects under construction.

Amidst the magnitude and timelines, we are mindful of our DNA, our commitment to sustainability. Under our Quadruple Bottom Line Philosophy, the metrics we use are to measure our impact on our host communities, on the environment, on society at large and on our employees.

As the 19th century orator and activist Robert G. Ingersoll said: we rise by lifting others. We rise when our work and growth is driven intently with sustainability and inclusivity. For our 2024 Sustainability Report, we take stock of these efforts.

Sustainability at our core operations

In June 2022, we made a commitment to be a pure renewable energy company, that the company's projects will only be on clean, renewable, sustainable technologies—solar, wind and ROR hydro or what we call Triple Play Portfolio. Since then, we have aspired for more. From 86 MW capacity by end 2023, we target a total of 500 MW by end 2026, almost 500% increase in three years. About 300 MW of which is expected to be operational by end 2025.

The increase in capacity is a big step to rally all our available resources—capital, human resources, time. But we also see this as our contribution to the national goal of increasing the share of renewable energy to 35% in 2030 and 50% in 2040. We are one with the government in accelerating energy transition. It is a collective effort, and we are a partner in it.

Our push for 500 MW capacity is also a strong push to drive progress in the localities where we operate. Our transformation as a company is also a transformation of our host communities. We have seen this happen. There was increased tourism, mushrooming of new establishments, more local employment. The impact of our projects will ripple to six host municipalities and nearby barangays that will host the transmission lines and access roads.

Sustainability: Intentional and deep-dive

In the pursuit of this target, we ensure that every facet of our development process adheres strongly to our commitment to sustainability. From the selection of our contractors and suppliers to the equipment and materials to be used and how these are supplied, to how the projects are to be funded, we do a deep dive that sustainability is considered highest and put to good practice.

Our suppliers and contractors are fully vetted that their supply chain holds to environmental, social, and governance standards, that the solar panels or wind

We rise by lifting others. We rise when our work and growth is driven intently with sustainability and inclusivity. For our 2024 Sustainability Report, we take stock of these efforts.

turbines are manufactured bereft of any forced labor exploitation issues.

As we expand, we exercise meticulous screening process for potential project sites. The process may be painstaking. Our target 500 MW capacity is expected to result in almost a million (918,052) tons of avoided carbon emissions. We are committed to ensuring that this will be achieved with sustainability as a cornerstone.

This year, we reached a major milestone. Funding for our Triple Play Portfolio is fueled by sustainable finance. Supported by the Asian Development Bank (ADB) and fully vetted by second party opinion from DNV, we issued our Green Finance Framework which follows principles by the International Capital Market Association's Green Bond Principles, the Association of Southeast Asian Nation's Capital Markets Forum's Green Bond Standards and the Asia Pacific Loan Market Association, the Loan Market Association and the Loan Syndications and Trading Association's Green Loan Principles. The Framework was key to attracting a total of PHP 15.3 billion in sustainable project finance that paved the way to accelerate our project

construction. Moving forward, our project financing activities will be within this Framework.

Sustainability inspired and felt

Sustainability is closely felt by our people—our employees, and our communities. This year, we implemented a company-wide salary standardization plan based on a study by global consulting agency, Mercer.

Our #RenewWell health and mental wellness program involves mental wellness talks to sports activities to creativity day.

We opened a new office that lessens the carbon footprint. The new office also houses a meditation room, a quiet room, and a huddle area for any after-office hour activities. For us, sustainability also means we take care of the driving force of the company—our people and the workspace each one occupies on a daily basis.

For us, sustainability is inclusive. Our teams actively engaged through consultations with local communities. We opened local offices and hired local staff. We engaged with local municipalities to undertake community livelihood programs. We partnered with

schools by painting classrooms and providing school supplies and health and hygiene kits. The smiles on the faces of the school children are priceless.

This and more, are all because we believe sustainability is inclusive. It is rooted in our company, inspired and felt by our own people and our communities.

As we rise, we are called upon and are emboldened to act, do more for sustainability and inclusivity.

Vicente S. Pérez Jr.

Chairman, Alternergy Holdings Corporation
Chairman, Sustainability Committee



About ALTERENERGY

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We are a **renewable energy** pioneer developing **wind, solar, and run-of-river power projects** in the Philippines and the Pacific region. We are a publicly-listed renewable energy company listed since March 2023 and added to the Industrials Index of the Philippine Stock Exchange (PSE) Sector Indices on August 2024.





The first movers and RE pioneer in the country

- Recipient of some of the first contracts from the Department of Energy (DOE) for wind energy in 2008.
- First non-recourse project financing without corporate guarantee for Alternergy Wind One Corporation (AWOC)'s Pililla, Rizal wind

project. Recognized with a Sustainable Finance award by the International Finance Corporation.

- First bilateral solar contract approved by Energy Regulatory Commission (ERC) for KSEC solar project.
- First battery energy storage in the Western Pacific. Alternergy developed the

first solar Photovoltaic (PV) and battery energy storage hybrid project in the Republic of Palau, the largest solar hybrid project in the Western Pacific.

Diversified Triple Play RE portfolio of wind, solar, run-of-river hydro, battery storage, and offshore wind

- Triple Play Portfolio became the main message of the company in promoting the IPO, to distinguish it from the other listed renewable energy companies on the PSE that only had solar

projects. Alternergy had wind and hydro in addition to solar, and its Triple Play Portfolio became the catchphrase for the company in the lead-up to the PSE listing.

- This allows for a diversified mix of complementary power generation revenues.



Financially viable and attractive RE projects

- All of the Group’s operating RE projects were able to avail of long-term power sale agreements comparable to FIT rates.
- Our customers consist of high-quality off-take institutions, high credit-rated private distribution utilities, electric cooperatives, and key commercial customers.

Reputable and experienced management team with complementary backgrounds

- The management team is comprised of a pioneering group of RE advocates who were involved in the development of the 33 MW Bangui Bay wind farm in Ilocos Norte.
- After the completion of the Bangui Wind farm in 2005, Knud Hedeager and Gerry Magbanua came together with former Department of Energy Secretary Pérez to form Alternergy, applying

what they learned at Bangui Bay to break new ground on more RE projects.

- Seasoned investment and executive banker, Eduardo Martinez Miranda is an experienced finance executive with a global career that spans almost every form of banking including his stint as the Senior Investment Officer and Hub Leader for IFC in the Philippines. Eduardo Martinez Miranda joined to lead Alternergy’s run-of-river portfolio, together with Annette Rafael,

former assistant secretary at DOE and DENR.

- Vice President and Corporate Counsel Atty. Janina C. Arriola co-founded Winnergy Holdings that built the first-ever pilot floating solar farm in the Philippines.
- Alternergy also owns majority of Solar Pacific Energy Corporation, co-founded with Michael Lichtenfeld, who has extensive experience in solar power projects as a Director of Utility Project Development at SunEdison USA.

- Carmen Diaz, formerly with ADB and Vice President for Sustainable Finance and Risk Management in RCBC, is a an international commercial and development banker with 25 years of experience and is the Group’s Chief Financial Officer and Chief Sustainability Officer.

- Similarly, the senior management also maintains proactive engagement with energy policy and regulatory officials through active participation and leadership in private sector renewable industry associations.



Alternergy at a GLANCE

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Renewable energy PIONEER in the Philippines since 2005

Poised to become a LEADING renewable energy firm in the country

11
Operating assets

5
Projects under construction

2
Projects in Pre-development

Diversified TRIPLE PLAY Portfolio of investee companies in wind, solar, hydro, battery storage, and offshore wind

86_{MW}
Capacity of operating assets as of 2023

225_{MW}
Additional capacity from four projects for completion in 2025

191_{MW}
Additional capacity from two projects in pre-development and one project for completion

502_{MW}
Total operating capacity in the next two years

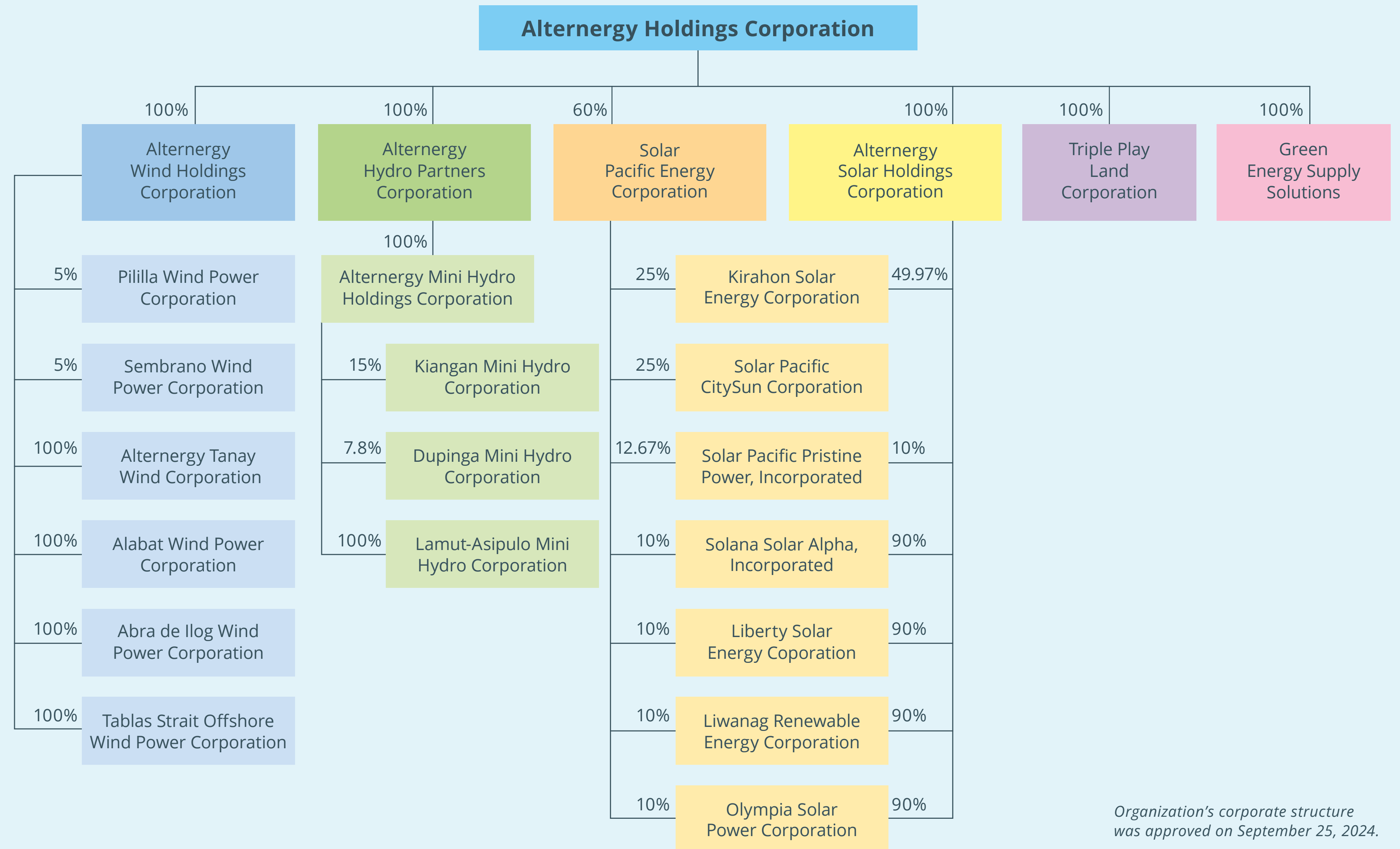
Our ORGANIZATION

2-2

Alternergy has six sub-holding companies which are majority-owned: 1) Alternergy Wind Holdings Corporation, 2) Alternergy Hydro Partners Holdings Corporation, 3) Solar Pacific Energy Corporation, 4) Alternergy Solar Holdings Corporation, 5) Triple Play Land Corporation and 6) Green Energy Supply Solutions (GESS, our retail energy supply company).

These sub-holding companies are consolidated into Alternergy through several steps to ensure accurate financial reporting.

- Identify Percentage in Ownership and Control
- Prepare consolidated balance sheet, income statement and cash flow statement via: 1) merging the financial statements of Alternergy and sub-holding companies; 2) eliminate intercompany transactions and 3) adjusting for non-controlling interests
- Compliance with relevant IFRS and GAAP Accounting Standards



Organization's corporate structure was approved on September 25, 2024.

Our JOURNEY

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2005

June 2005
The 25 MW Bangui Bay wind farm—the first wind farm in Southeast Asia—starts commercial operation. Four of Bangui Bay’s project partners will later come together to form Alternergy



August 2008
Alternergy established

December 2008
Alternergy awarded three wind Pre-Commercial Contracts by the Department of Energy to explore wind resources in Rizal, Laguna, and Mindoro



October 2009
Alternergy awarded three additional Wind Energy Service Contracts, making Alternergy the most active wind developer in the Philippines

March 2011
Alternergy partners divest their 50% stake in Bangui Bay wind farm

December 2011
Alternergy received its first bank loan

January 2013
Solar Pacific set up to bring solar power to off-grid islands

February 2013
Alternergy Mini Hydro signs joint development agreement for Dupinga mini hydro project

May 2014
Partnership with Equis Funds for Pililla wind project



July 2014
Pililla wind project receives first non-recourse local bank project financing for wind



January 2015
AES founder Roger Sant’s family foundation partners with Solar Pacific

February 2015
12.5 MWp Kirahon solar farm receives first non-recourse local bank project financing for solar



April 2016
Partnership with Markham Resources for Dupinga hydro project

April 2016
Singapore-based InfraCo Asia commits to co-developing Ifugao run-of-river hydro portfolio

May 2015
ERC approves the country’s first-ever bilateral solar PPA for Kirahon

June 2015
54 MW Pililla wind farm comes into commercial operation on schedule and within budget

September 2013
Alternergy Mini Hydro acquires development rights for seven mini hydro projects from Enerhighlands

November 2013
Solar Pacific signs first bilateral solar contract with CEPALCO

December 2014
Solar Pacific forms joint venture with Mindanao Energy Systems

December 2017
Solar Pacific receives first non-recourse local bank financing for CitySun solar rooftop portfolio



April 2007
Former Energy Secretary Vince Pérez invests in Bangui Bay wind farm



December 2008
Renewable Energy Act comes into law, aimed at accelerating the development of renewable energy by increasing renewable energy-based installed capacity from 5,438 MW in 2010 to about 15,304 MW by 2030

June 2018
Partnership with Vena Energy for Sembrano wind project

July 2018
Phase I of CitySun, first multi-rooftop solar portfolio in the Philippines, comes into commercial operation



August 2019
Dupinga Mini Hydro project signed PHP 660 million project financing with DBP

September 2019
Solar Pacific acquired Solana Solar Alpha Inc.'s project in Hermosa, Bataan

December 2019
Alternergy Tanay Wind Corporation awarded Wind Service Contract for Alabat Island in Quezon Province

May 2019
Solar Pacific CitySun's solar rooftops began operations on two more CityMalls



October 2018
Lamut-Asipulo Mini Hydro project obtained DOE Amended Hydro Service Contracts and Certificate of Commerciality



May 2020
Solar Pacific selected First Ranked Bidder after competitive bidding with Palau Public Utilities Corporation, Alternergy's first project outside the Philippines

June 2020
Groundbreaking of Dupinga Mini hydro project in Gabaldon, Nueva Ecija



June 2020
Energy Regulatory Commission issued Retail Electricity Supplier (RES) license for GESSI



September 2020
Solar Pacific signed Term Sheet for project financing with Australia Infrastructure Financing Facility for the Pacific (AIFFP)

October 2020
Lamut-Asipulo Mini Hydro project obtained ECC from DENR

April 2021
Solar Pacific signed PPA with Palau Public Utilities Corporation for its Palau Solar and Battery Storage Project

April 2021
Renova Renewables of Japan and Sta. Clara International signed Investment agreement for Kiangon Mini Hydro project



August 2021
National Commission on Indigenous Peoples approved MOA with Indigenous Peoples of Asipulo and Lamut for Lamut-Asipulo Mini Hydro project

December 2021
In Palau, Australia Trade Minister Marise Payne announces funding for Solar Pacific Pristine Power

February 2022
Nueva Ecija Electric Cooperative Area 2 signed 4.6 MW PSA with Dupinga Mini Hydro Corporation

March 2022
Exeter Portofino signed Investment Agreement with Lamut-Asipulo Mini Hydro Corporation



April 2022
Solar Pacific Pristine Power reach financial close with Export Finance Australia and DFAT for its Palau Solar Battery Project

June 2022
DBP approved PHP 1 billion loan facility for Lamut-Asipulo hydro project

June 2022
Alternergy acquire majority ownership of Kirahon Solar Energy Corporation

August 2022
Alternergy increases ownership in Solar Pacific

September 2022
Alternergy's 4.6 MW Dupinga Mini Hydro Project secured power supply deal with Nueva Ecija Electric Cooperative II-Area 2

September 2022
Joint venture in offshore wind with Shell Overseas Investments



February 2023
PACO bags three additional wind service contracts from the Department of Energy for the Tablas Strait Offshore Wind Project

March 2023
Alternergy debuted at the Philippine Stock Exchange raising PHP 1.6 billion from its initial public offering—it is the first IPO for the year



July 2023
Solana Solar Alpha, Inc. cement power supply agreement with Kratos RES, a subsidiary of Prime Asset Ventures, Inc. (PAVI) of the Villar Group



June 2023
SPEC launched the Republic of Palau’s first solar and battery energy storage (BESS project in Ngatpang state on Babeldoab Island— The largest of its kind in the Western Pacific region and one of the most significant foreign direct investments in the island nation with a total project cost of USD 29 million

June 2023
Solar Pacific Energy Corporation appoints DNV, a Norwegian construction company, as I as Owners Engineer for the 15.3 MW solar power and 12.9 MWh battery in its solar project in Palau in the Western Pacific

July 2023
Alternergy won all three RE projects with 208 MW gross installed capacity which it bid at the Green Energy Auction 2 initiated by the DOE



December 2023
Alternergy’s 15.3 MW solar power plant with 12.9 MW battery energy storage system in the Republic of Palau became operational

February 2024
Received favorable Second Party Opinion from DNV GL, allowing the “Green Labelling” of Alternergy bonds, loans, and other financing instruments

March 2024
Listed PHP 100 mn Perpetual Preferred Shares in the Philippine Stock Market at PHP 14.50/share



May 2024
64MW Alabat Wind Project broke ground in Alabat Island, province of Quezon

June 2024
Alabat Wind Power Corporation secured PHP 5.3 billion project finance with RCBC Capital Corporation to fund the 64 MW Alabat Wind Project



July 2024
Solana Solar Alpha Inc. held groundbreaking ceremonies for the 28 MW Solana Solar Project in Hermosa, Bataan



August 2023
In commemoration of its 15 years, Alternergy organized a team-building activity to create a stronger and more cohesive unit who will work efficiently and harmoniously towards a common goal

November 2023
Secured PHP 1.45 bn private placement with a large local pension fund through the sale of 100 mn Perpetual Preferred Shares

May 2024
ADB provided technical assistance to Alternergy, through its Asian Bond Markets Initiative, to support Alternergy’s First Green Corporate Loan



May 2024
Alternergy and BDO Unibank obtained a PHP 2 billion Green Corporate Loan



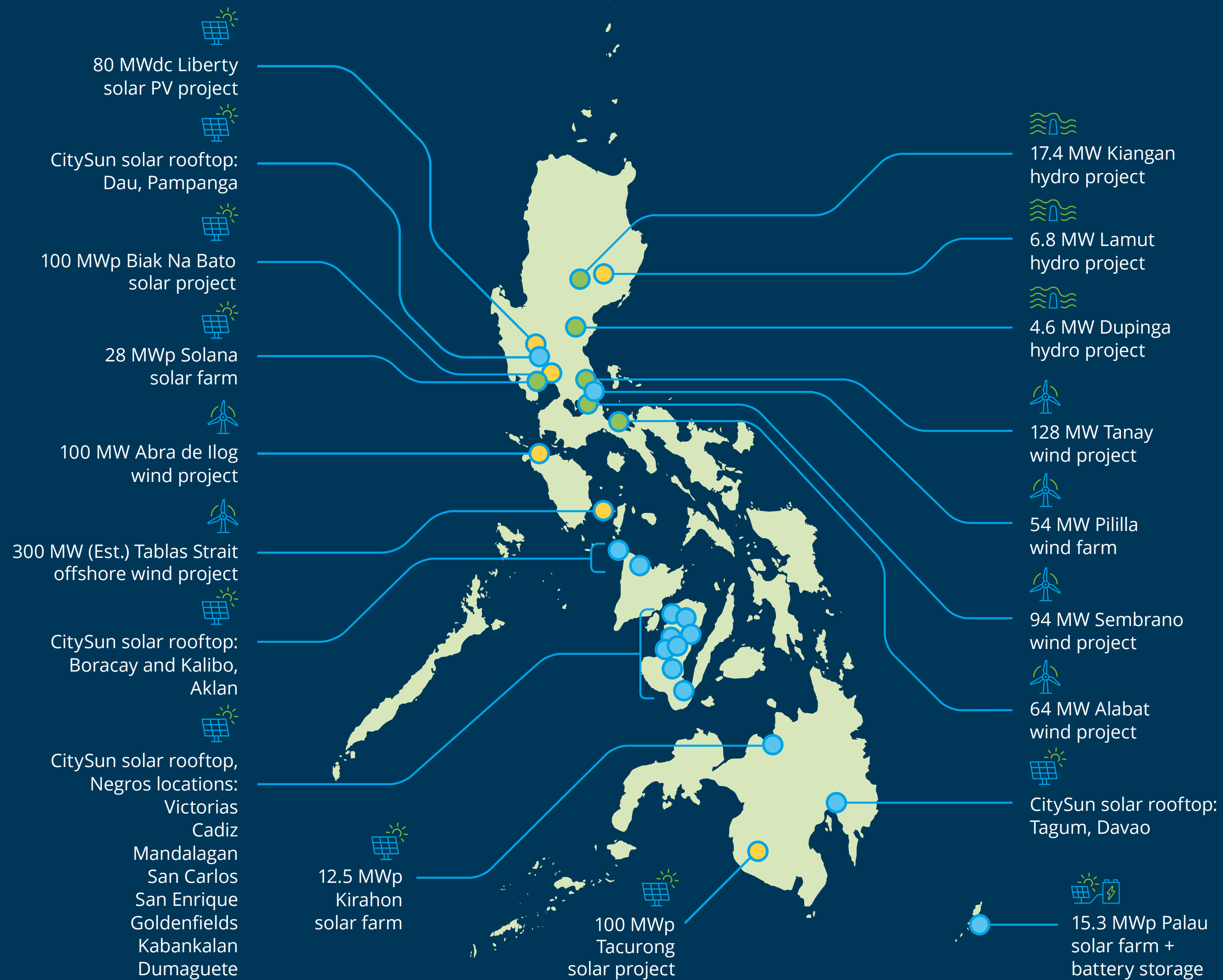
June 2024
Groundbreaking ceremony for the Tanay Wind Project was held in host community Barangay San Isidro, Tanay, Rizal

➤ **500MW**
in **2026**

Our FOOTPRINT

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- Operational
- Under Construction
- Pre-Development



Palau Solar and BESS, first foray outside the Philippines, the largest solar and battery energy storage in the Western Pacific. Energized in December 2023.

Our VISION

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To be a **pioneering, renewable power company** in the Philippines

Vince S. Pérez Jr.
Alternergy Co-Founder
and Chairman



“A pioneer is one who knows the way, goes the way, and shows the way.”

At Alternergy, we rise as a **pioneering, purely renewable power company** in the country since 2008. Our **Triple Play Portfolio** of wind, solar,

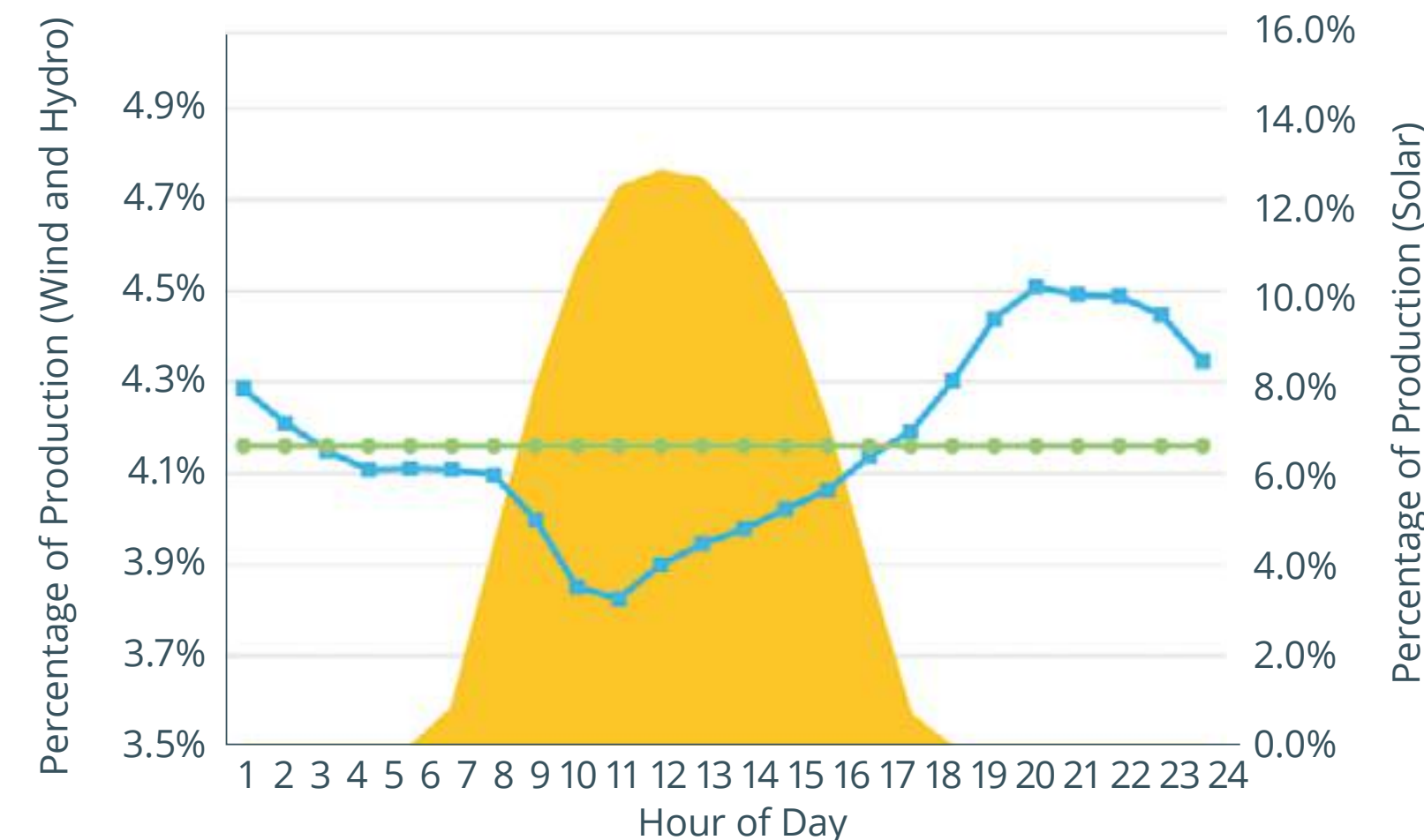
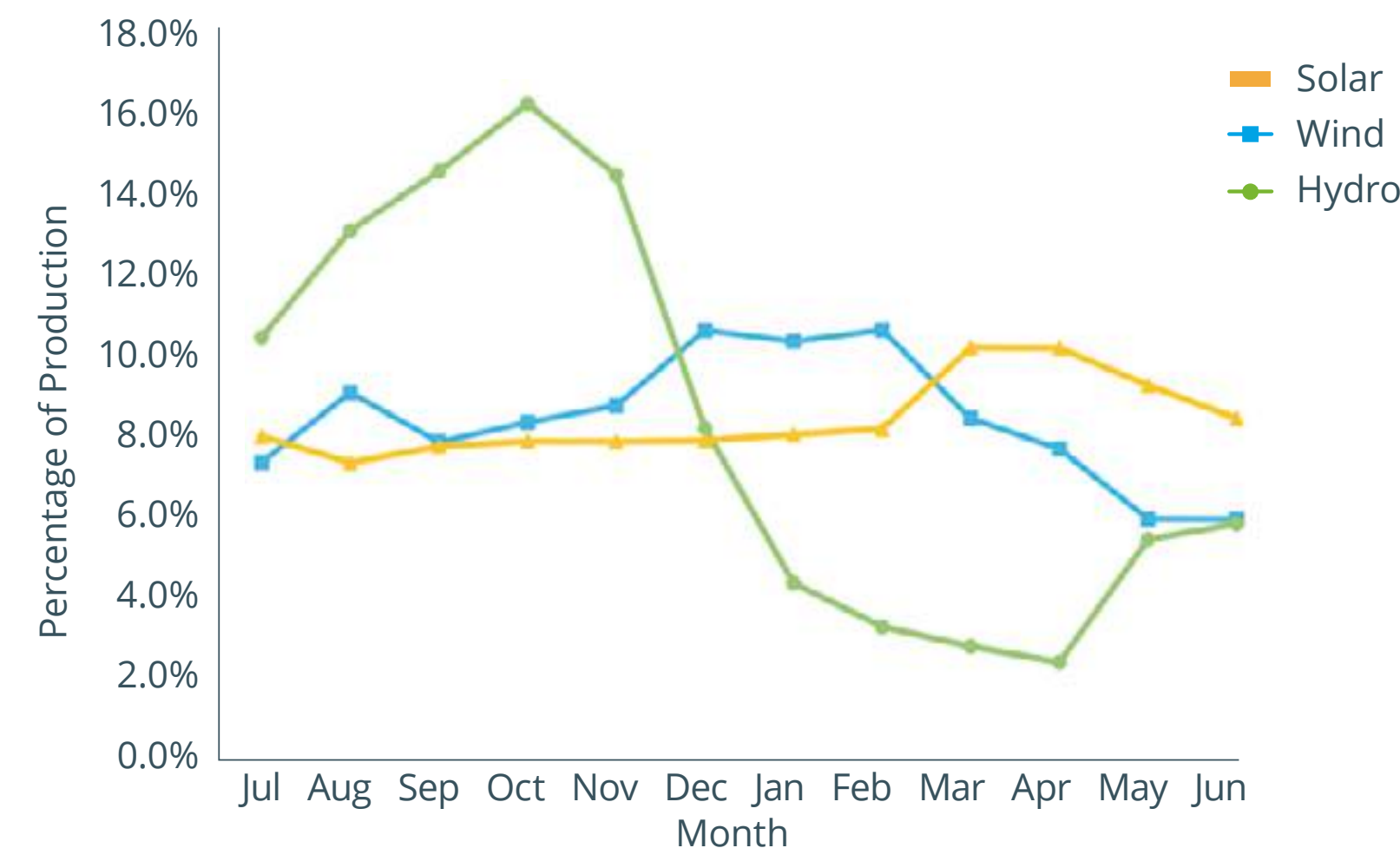
and hydro projects complement each other seasonally. These three RE technologies will provide a **steady cash flow** for loan obligations, recurring development costs, and dividend payouts.

The Triple Play Portfolio has set us apart in the RE sector.

Our projects complement each other seasonally so that electricity consumers could count on wind, solar, and hydro on windy, rainy, or sunny months.

Most of all, these renewable projects contribute to **carbon reduction and help address the climate crisis.**"

Complementary seasonal generation of the Triple Play renewable energy portfolio



Our VISION

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“Currently, there are **five projects under construction**, two from wind, two run-of-river hydro power and one solar, which will be completed in two years and bring our total operating capacity from **86 MW to 500 MW in 2026**. We are always looking

for opportunities and preparing for it to see which projects in our portfolio can be bid in for the upcoming green energy auction programs.

We are gradually rising, expanding our horizon to venture beyond the confines of challenges.”

Gerry P. Magbanua
Alternergy Co-Founder
and President



Our COMMITMENT

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To develop clean power projects throughout the country, and to **strictly focus on renewable power** and not invest in fossil fuel generation such as coal, fuel oil, natural gas, or nuclear power.



“We are one with the Department of Energy in its program in accelerating the energy transition. Alternergy is doing its part of accelerating the deployment of renewable energy so that we could also accelerate the transition to more sustainable energy source.

We are committed to develop projects targeting a total of 500 megawatts by 2026. This is really a golden moment for the deployment of renewable energy power in the country and Alternergy is here to capitalize on these opportunities that we have in front of us.

We rise by uplifting humanity’s way of life and serving the nation with our RE projects.”

Gerry P. Magbanua

Our VALUES

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A company's values are the foundation of its identity, shaping how it makes decisions and interacts with others. These values show the company's commitment to the environment, ethics, accountability, and lasting success. Staying true to these values not only strengthens the company from within but also supports steady growth and positive impact not only to society but also to the environment, helping it stay flexible and adaptive in a changing world.



Love for the Environment

- We are committed to doing business that is good for the planet.
- We use the best technology to make sure our work helps preserve the only planet we know.
- We want to be a good partner to the communities where we work.



Act with Integrity

- We believe that nothing is more important than our reputation and behaving with integrity is a big part of who we are.
- We believe in being clear and honest in our business practices, which leads to more business in the future.
- We say what we mean, match our behaviors to our words, and take responsibility for our actions.



Be Accountable for Decisions, Actions, and Results

- We take personal responsibility by knowing our duties and committing to do our part.
- We are dependable, reliable, and we go above and beyond to make things happen.
- We are proud of our work as a reflection of our pursuit of excellence.



Determination

- We are determined to deliver these projects better, faster, and within budget.
- We have seen that persistence leads to positive things happening.
- Every day we come to work excited to make an impact through our determination and passion.



Respect Underpins Everything We Do

- We listen to opinions and new ideas, even if they are different from our own.
- We work hard to keep that trust to our business partners, lenders and investors by doing what we promised.
- We provide our employees with health and medical benefits, training, and opportunities for recognition.



Enthusiasm for Learning

- We try to learn and use the latest and best technology to advance our projects.
- We are not afraid in developing new forms of renewable projects.
- We are a group of skilled, enthusiastic, and curious people who are always willing to learn, who want to excel at what we do, both on our own and as a team.



Teamwork

- We share the right information to help us work well together and meet deadlines.
- Those of us who are good at getting things done quickly help others. If one person struggles, someone else helps.
- Being a good team player means focusing on what is best for the company's success, not just on our own personal tasks to do.

Our VALUE CHAIN

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WIND

- Viable wind resource measured over time
- Transport logistics feasible to transport wind turbine components to site
- Land tenurial rights (lease, purchase) over wind farm site and transmission line access
- Height clearance from Civil Aviation Authority of the Philippines
- Available uncongested interconnection to national grid
- Long term power purchase agreement



Overcoming challenges on the Height Clearance Permit issue for the Tanay Wind Farm location, 35 kms in the flight path of Runway 6 of Ninoy Aquino International Airport (NAIA)

“Perseverance is one of the values of Alternergy. We had an expert from abroad to do a survey of whether any airports around the world had allowed a wind farm nearby with some slight adjustment.

We had an Aviation Standards Review compiled by DNV GL, a German consulting company, that showed there have been airports in the U.S. and Canada that have allowed a wind farm adjacent to the airport. We conducted a virtual public consultation through MIAA

with all major local airlines in May 2022 that operate out of NAIA, on whether or not they felt our wind farm location was an aviation threat, and the conclusion of the chief pilots was no, it’s so far and so low that it was not going to affect their flight procedures. On that basis, with the recommendation of this aviation expert in January 2023, the CAAP gave us a height clearance permit for all our towers.

We rise above these storms and find the sunshine.”

Knud Hedeager
Alternergy Co-Founder and
Wind Group President

Our VALUE CHAIN

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SOLAR

- Land tenurial rights (lease, purchase)
- Land not subject to flood risk, geohazard risk, shadow effect, high wind speed
- Land zonal classification (not agricultural); requires special Department of Agrarian Reform conversion order
- Available uncongested interconnection to national grid
- Long term power purchase agreement

On creativity and flexibility

“It’s one of the things that I think is really one of the strengths of Alternergy and Solar Pacific. We’re just the right size and we’re very close as a management team, especially, but as a company overall. We can easily and quickly make decisions, we can be flexible, we can get creative. Without growth in our solar portfolio and progress such words as improvement, achievement, and success have no meaning.

The more we do projects, the more we anticipate what might come up to bite us on the next projects. So for every new project, we now understand what are some of the most key factors we should look at first.

That might be everything from quickly assessing our interconnection strategy early in the process so that it doesn’t become a problem later, or talking to contractors and suppliers to get pricing early on so we know what the economics will be like.

Solar energy is a flexible technology that allows us to deliver electricity to more remote places, especially island communities that are not connected to the main grid.”

Michael J. Lichtenfeld
President and CEO
Solar Group



Our VALUE CHAIN

2-6

RUN-OF-RIVER HYDRO

- Hydrology resource measured over time
- Geohazard geotechnical studies
- Consent from indigenous peoples ancestral domain
- National Water Regulatory Board permit to tap water resource without affecting irrigation (which has priority)
- Selection of experienced civil works contractor
- Available uncongested and not too distant interconnection to national grid
- Long term power purchase agreement



On hydro as the oldest form of renewable energy and highest social impact

“Hydro generation is basically available 365 days of the year, unlike wind that is seasonal or solar that is only daytime. Because it is a resource that is available year round, hydro has a special place in renewables.

In addition, we are protecting the watershed through tree planting and reforestation. We employ a lot of employees from the indigenous people during the construction period.

We rise and lift our host communities in Gabaldon, Nueva Ecija and Kiangan, Ifugao by improving their quality of life and providing reliable, cheap, clean, environmentally friendly electricity.”

**Eduardo
Martinez Miranda**
President
Hydro Group

MATERIALITY Process

3-1

Addressing the Department of Energy's (DOE) Philippine Energy Plan (PEP) 2030-2040 is a material topic with significant impact on the economic growth, environmental protection, and social benefits not just for Alternergy but for our country as well.

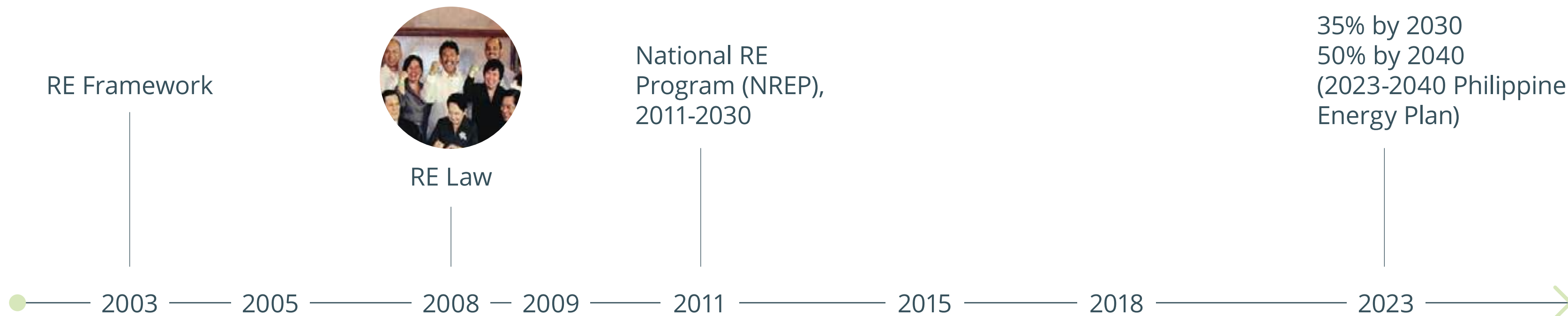
In determining materiality for the period covered July 2023 to June 2024, we conducted several roundtable discussions and embarked on comprehensive assessments on issues which influenced management decisions, impacting economic performance, environment control, and our social relationships. This exhaustive exercise ensured compliance with the SEC Circular on Sustainability Reporting, the GRI

Standards, and reviewed against our Quadruple Bottom Line Philosophy (QBL).

The QBL is the Company's sustainability framework which forms the basis for its roadmap aligned to vital environmental, social, and corporate governance aspects. Since the establishment of the company in August 2008, the QBL has been the backbone of each decision and action that the management makes. This framework has guided and substantively impacted our ability to create value over the short, medium and long-term. We keep track of our progress on the material topics most important to our stakeholders and assess the effect of our activities on the economy, the environment and society. The framework considers the expectation

Regulatory and Policy Support: Setting Aspirations and Establishing Targets

PHILIPPINE GOVERNMENT ACTION:



ALTERNERGY RESPONSE:



Bangui Bay Wind Farm



Pililla Wind Farm, Kirahon Solar Farm



Solar Pacific Rooftops

of its stakeholders to design its growth strategy and follows a course correction by maintaining an ongoing formal stakeholder engagement process.

The DOE's Philippine Energy Plan (PEP) 2030-2040 is crucial for economic growth, environmental protection, and social benefits. Frequent power alerts in Luzon, Visayas, and Mindanao highlight the need for stable energy. The PEP promotes using renewable energy sources like hydropower, solar, and wind to enhance energy security, reduce fossil fuel reliance, and support sustainable development.

The objective is to have a strategic direction towards an affordable and accessible energy to all Filipinos soon. Energy security is a pressing issue in the country especially with the frequent yellow and red alerts encountered during the year which indicate potential power shortages.¹ These alerts highlight the need for a stable and reliable energy supply to avoid disruptions that can impact daily

¹Yellow Alerts are issued when the power supply is tight but still sufficient to meet demand, while Red Alerts indicate a more severe situation where the demand exceeds the available supply, leading to potential power outages



life and economic activities. Per DOE, the Luzon and Visayas grids alone have experienced 13 red alerts and 40 yellow alerts, respectively, while the Mindanao grid recorded 2 yellow alerts in 2023 and 2024. These alerts signify tight power supply conditions.

The National Renewable Energy Program (NREP), based on the Renewable Energy Act of 2008, sets a strategic framework for driving renewable energy initiatives in the Philippines, aiming for improved energy security and cleaner energy access.

In 2022, the NREP increased the Renewable Portfolio Standards (RPS) for on-grid areas, requiring utilities to boost their renewable energy use by 2.52% annually, aiming for 35% RE by 2030 and 50% by 2040. Utilities comply by either sourcing renewable energy or purchasing Renewable Energy Certificates (RECs).

In support of PEP’s thrust on energy security and economic growth, we are expanding our renewable energy portfolio through wind, solar, and hydro power projects, enhancing grid reliability and resilience. In 2023, we also participated and secured two wind projects under the DOE’s Green Energy Auction Program, with commercial operations set for 2025.

We are investing in energy infrastructure by developing RE plants and transmission lines to improve the reliability and capacity of the energy grid. Given these huge capital expenditures, we access debt and equity capital to fund our project pipeline. These measures aim to create a more resilient energy system capable of withstanding various challenges and ensuring a steady supply of electricity for all Filipinos.

In February 2024, DOE announced Green Energy Auction Round 3, focusing on non-FIT eligible technologies like geothermal and hydro. It aims to further increase renewable energy capacity, with a launch scheduled for Q3 2024.

DOE announced Green Energy Auction Round 4 in July 2024, featuring Integrated Renewable Energy and Energy Storage Systems (IRESS) to improve energy storage and grid stability, ensuring consistent power supply. It will launch in Q4 2024.

Bullish on Philippine Renewable Energy



Department of Energy (DOE) Strategic Investment Priority Plan

- RE Sector in the PH subject to regulations and policies supporting the transitions to clean energy
- DOE increased Renewable Portfolio standards (RPS) for on-grid areas from 1% to 2.52% effective 2023



National Renewable Energy Program (NREP) 2020-2040

- RE in PH power generation mix to increase 35% by 2030 and 50% by 2040
- National electricity consumption has grown by a CAGR of 4.4%



Growing Electricity Demand

- Extremely hot temperature as heat index peaked at 53°C last April 24, 2024 is dangerous, at this level, there is a high risk of heat-related illness such as heat exhaustion and heat stroke
- Energy security is a pressing issue with the frequent yellow and red alerts in 2024 which indicate potential power shortages

List of MATERIAL TOPICS

3-2



1) Economic Performance

a) Direct economic value generated and distributed: This is a positive impact of our activities due to the direct economic value generated and distributed to our stakeholders and calculated on a fiscal year basis.

b) Financial implications and other risks and opportunities due to climate change: Climate change can affect the natural resources we use for generating our renewable energy. However, climate change also provides us with opportunities as demand for renewable energy grows due to climate change concerns. We are aware of the various risks connected with climate change.

2) Indirect Economic Impact

a) Significant indirect economic impacts: Due to our operations, local communities gain access to electricity to be used for economic activities. Also, certain projects like the Pililla Wind Farm have become local tourist destinations leading to the emergence of small entrepreneurial ventures catering to these tourists.

3) Emissions

a) Emissions avoided: This is a significant positive impact as the generation of renewable energy displaces CO₂ emissions generated from fossil fuel. The amount of emissions displaced is tracked and calculated on a regular basis. For this report, we obtained the amount of emissions avoided by multiplying each plant's annual net generation (in MWh/year) by an emission factor (in t-CO₂/MWh). The tCO₂e mitigated are estimated using the Philippines' Department of Energy National Grid Emission Factor (NGEF). The NGEF was derived from the 2015-2017 power statistics where 0.6836 t-CO₂/MWh and 0.7859 t-CO₂/MWh were used respectively for the Luzon-Visayas and Mindanao Solar and Wind projects (i.e., one MWh of electrical output is equivalent to 0.6836 and 0.7859 t-CO₂ mitigated).

As a pure renewable company, we measure the annual tons of carbon dioxide emissions displaced and avoided by the clean power generated from our projects.

b) Direct (Scope 1) GHG emissions:

Scope 1 Emissions are obtained by getting the GHG emissions of our company owned vehicles for the entire fiscal year through official receipts that showed the amount of diesel purchased. This was then converted into kilograms of CO₂ using a conversion rate of 2.68 kilograms of CO₂ per liter of diesel.

Our GHG emissions under Scope 1 is not significant primarily because this is offset by the Company's emissions avoided.

c) Energy indirect (Scope 2) GHG emissions:

Scope 2 emissions are obtained by recording the amount of electricity consumed in our Makati head office and in our Kirahon Solar plant. Other operational plants, Pililla (operated by Vena Energy), CitySun (administration is under the CitySun Malls), and Palau are not included in this report.

Our GHG emissions under Scope 2 are not significant primarily because this is offset by the Company's emissions avoided.

4) Water and Effluents

a) Interaction with water as a shared resource: This could potentially be a negative impact to the host community

if its water source is affected by our run-of-river hydro operations. Such negative impact is avoided through environmental and social assessments, strong engagement with the local communities, and adherence to environmental laws.

5) Biodiversity

a) Significant impacts of activities, products and services on biodiversity: Another potential negative impact on the environment. We avoid such negative impacts via stringent environmental and biodiversity assessment per project along with strict adherence to obtaining of environmental permits and consistent publishing of environmental monitoring reports.

6) Local Communities

a) Operations with local community engagement, impact assessment, and development programs: We have a positive impact on local communities through our outreach and development programs. However, there could be potential negative impacts. However, this is avoided through our continuous engagement and relations with the local communities.

7) Rights of Indigenous Peoples

a) Incidents of violations involving rights of indigenous peoples: This could be a potential negative impact but mitigated by getting Prior Consent from the indigenous peoples per project as well as continuous positive engagement with them.

8) Employees

a) Benefits provided to full-time employees that are not provided to temporary or part-time employees: This is a positive impact for full-time employees but could be a potential negative impact for non-full-time employees.

9) Training and Development

a) Programs for upgrading employee skills and transition assistance programs: This is our core focus which has a positive impact for employees.

10) Diversity and Equal Opportunity

a) Ratio of basic salary remuneration of women to men: The company has a policy on promoting diversity and gender equality and has several female employees in the Board, management

and rank and file earning comparable salaries to men.

11) Supplier Environmental Assessment

a) This can have a potential negative impact if not done and it could lead to a negative environmental impact: We avoid negative impacts by doing an Environment Impact Assessment before starting a project. The Palau solar project also applied the Equator Principles which includes an assessment on environmental and social impacts.

12) Supplier Social Assessment

Same as above but with respect to the social aspect of the project.

13) Anti-Corruption

We are regulated by several government agencies and is thus exposed to a lot of risks of corruption.

We have a strong policy against corruption as mentioned in our Policy on Business Conduct and Ethics as well as a Whistleblower Policy which strongly encourages employees and external partners to report any concerns about business conduct.

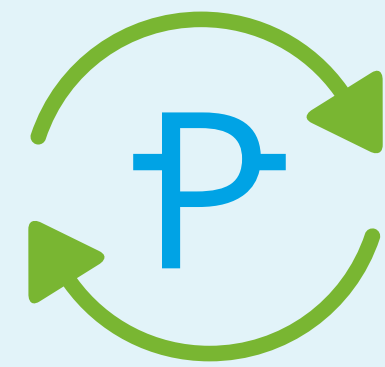
Our FRAMEWORKS

[2-22](#) | [2-23](#) | [2-24](#) | [2-27](#)

Quadruple Bottom Line Philosophy

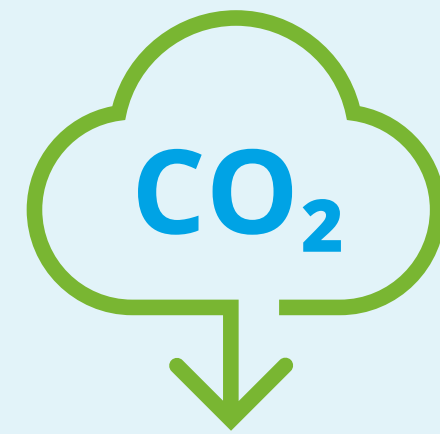
We go beyond money to include people and the environment in the equation. We espouse a Quadruple Bottom Line Philosophy as part of our core values, **monitoring not only profitability in terms of cash flow but also ensuring that our projects benefit host communities and that our employees are fulfilled in their jobs.** It has shown that financial growth is possible while improving people's lives and contributing to the clean energy goals of the Philippines.

We established supply contracts through bilateral partnerships with distribution utilities and private customers, and offtake agreements with the government, making our projects attractive and financially viable. Our diversified renewable energy portfolio allows it to have a mix of complementary power generation revenues. Our competitive strengths result in our success in project development and execution, and ability to secure new opportunities for growth in our country and the Pacific Islands.



Financial Profitability

We determine profitability based on annual cash flow, which comes from the sale of generated power to offtakers.



Climate Change Mitigation

We measure the annual tons of carbon dioxide emissions displaced by the clean power generated from our projects. We also support non-governmental organizations that educate the public on the impact of climate change.

In June 2022, we publicly committed to strictly focus on renewable power and no longer invest in fossil fuel generation (e.g., coal, fuel oil, natural gas, or nuclear power).



Host Community Benefits

We strive to be a partner to the host communities of our projects. Community benefit programs focus on activities that make a positive impact on the environment, livelihoods, health, and education of local people.



Employee Satisfaction

Our family-like corporate culture nurtures and supports our team members, who are our biggest asset, with health and medical benefits, training, and plenty of moments for recognition and celebration.



“At Alternergy, we are guided by our Quadruple Bottom Line Philosophy with greater focus on climate impact when it comes to protecting the environment. Our balance sheet includes more than just finances, using four measures to benchmark its success. The philosophy centered on four principles: profitability, carbon reduction, community benefits and employee fulfillment.”

As we rise to success, we have to have our hearts in our business and our business in our hearts... our passion in renewable energy reflects our compassion for the environment and the community.”

Vince S. Pérez Jr.

Green Finance Framework

In February 2024, we issued our Green Finance Framework through the support and guidance of Asian Development Bank (ADB). The Green Finance Framework articulates our governance and reporting systems and ensures strict adherence with the following standards and principles (collectively the “Principles”) International Capital Market Association’s (ICMA) Green Bond Principles (GBP), the Association of Southeast Asian Nations (ASEAN) Capital Markets Forum’s Green Bond Standards (AGBS) and the Asia Pacific Loan Market Association, the Loan Market Association (LMA), and the Loan Syndications and Trading Association’s (LSTA) Green Loan Principles.

We commit to providing information with transparency, accuracy and integrity according to the five key pillars set out in the framework:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

ADB provided technical assistance to support project selection, bond framework development, and capacity building through the Asian Bond Markets Initiative, which is an initiative of the governments of ASEAN, the People’s Republic of China (PRC), Japan, and the Republic of Korea to develop local currency bond markets. The PRC Poverty Reduction and Regional Cooperation Fund financially supports this technical assistance program. This is part of ADB’s overall effort to catalyze sustainable bond issuances across Southeast Asia.

External Review

In February 2024, we engaged DNV (Thailand) Co., Ltd. (DNV) to complete a Second Party Opinion (SPO) on our Framework and confirm alignment with the ICMA GBP (2021), ACMF AGBS (2018) and the APLMA, LMA and LSTA GLP (2023).

Reporting

The Green Finance Framework together with DNV’s SPO are published in our website, www.alternergy.com

“As a pure-play renewable company, Alternergy is keen to attract sustainability-minded investors with a well-designed funding framework vetted by a second party. We are grateful to ADB for its valuable advice in designing our Green Finance Framework along global standards. With the establishment of this Framework, we expect our future capital raising activities to be under the same mechanism as the market for sustainability investments continues to grow.

We continue to rise through teamwork and collaboration toward a common vision. Our Green Finance Framework will guide our pathway to strengthen corporate governance, achieve social justice, protect the environment, and generate profit.”

Carmen G. Diaz
Chief Financial Officer and
Chief Sustainability Officer





ADB provided technical assistance to support project selection, bond framework development, and capacity-building through the Asian Bond Markets Initiative

"This transaction demonstrates our commitment to mobilizing green finance for sustainable development in the Philippines. Renewable energy developers like

Alternergy can play a critical role in replacing carbon-intensive energy sources, which would significantly reduce global warming emissions and simultaneously provide employment

and education to the host communities of its projects."

Satoru Yamadera
ADB Economic Research and Development Impact Department Advisor

Our Green Finance Framework will guide our pathway to strengthen corporate governance, achieve social justice, protect the environment, and generate profit.

Impact Report 2024

ADB's technical assistance in crafting the Green Finance Framework opened new opportunities for Alternergy's capital raising activities. It has boosted confidence among sustainability investors to support our growth as a pure-play renewable energy company. In May 2024, we successfully issued our first Green Corporate Loan which was secured under our Green Finance Framework.

On May 31, 2024, Alternergy issued PHP 2 billion (USD 34.4 million) Green Corporate Loan with BDO Unibank Inc. as the sole lender and BDO Capital as

the mandated lead arranger. This Green Corporate Loan was issued to support the development of Alternergy's renewable energy projects by 128 MW Alternergy Tanay Wind Power Corporation (ATWC), 64 MW Alabat Wind Power Corporation (AWPC), 28 MW Solana Solar Alpha Inc. (SSAI) and the run-of-river hydro projects, the 4.6 MW Dupinga Mini Hydro and 17.4 MW Kiangan Mini Hydro. ATWC and AWPC are both 100% owned subsidiaries of Alternergy Wind Holdings Corporation which in turn is 100% owned by AHC; SSAI is 90% owned by Alternergy Solar Holdings Corporation while Dupinga and Kiangan are affiliates with 7.8% and 15%, respectively.

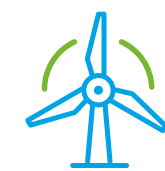
**IMPACT REPORT 2024**

Eligible Projects	No. of Projects	Amount	%	Description	Location	Impact
Alternergy Tanay Wind Corporation	1	PHP 1,005,619,490	50.28%	<ul style="list-style-type: none"> Up to 128 MW, 16 WTGs Largest wind turbine in the Philippines Construction started in June 2024 COD in November 2025 	Tanay, Rizal	Up to 269,000 MWhr/year equivalent to 26.4% capacity factor
Alabat Wind Power Corporation	1	PHP 694,380,510	34.72%	<ul style="list-style-type: none"> 64 MW, 8.5 WTGs, largest wind turbine in the Philippines Highest wind resources in the Philippines facing northeast monsoon winds Construction started in April 2024 COD in November 2025 	Alabat Island, Quezon	Up to 216,530 MWhr/year, equivalent to 38.5% wind capacity factor
Solana Solar Alpha, Inc.	1	PHP 300,000,000	15.00%	<ul style="list-style-type: none"> 28 MW, 16 WTGs Construction started in September 2, 2024 COD on May 30, 2025 	Hermosa, Bataan	Up to 44,900 MWhr/year, equivalent to 18.3% solar capacity factor
	TOTAL	PHP 2,000,000,000	100.00%			



Tanay Wind Power Project

Up to 128 MW (16 WTGs)



Location: Tanay, Rizal

Construction Start: June 4, 2024

Offtake: 20-year REPA with TransCo under GEAP II auction PHP 5.30 (USD 0.10)

COD: November 27, 2025

Annual Gen (est): up to 296,000 MWhr/year equivalent to 26.4% wind capacity factor

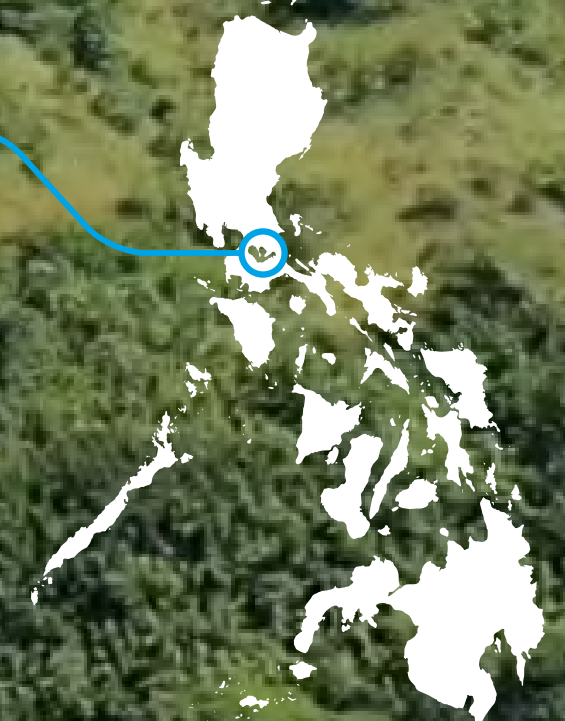
Project Financing: BPI and Security Bank for PHP 8 bn (USD 145 mn)

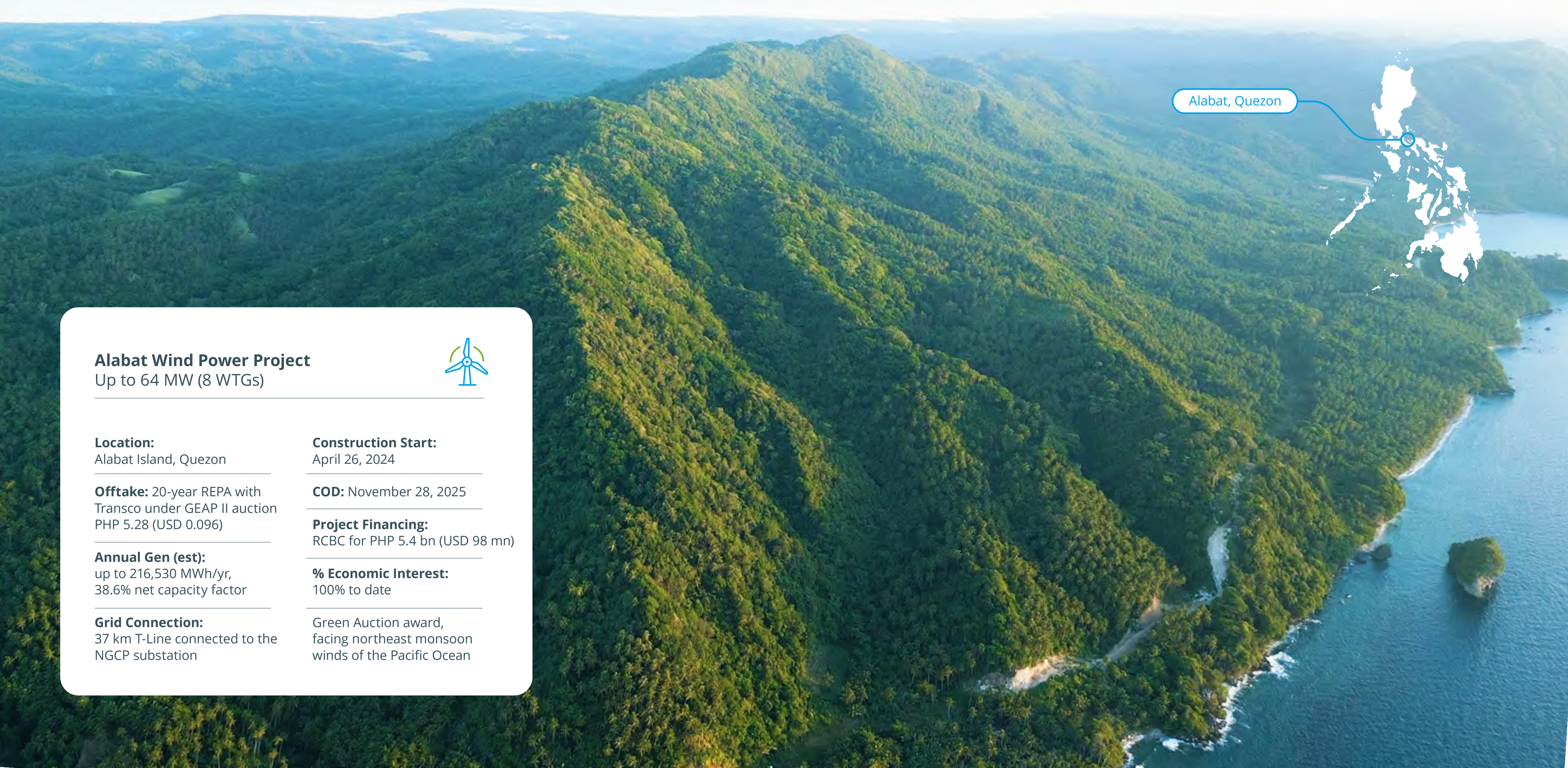
% Economic Interest: 100% to date

Grid Connection: 2 km T-Line connected to the NGCP substation

Green Auction award adjacent to Pililla in partnership in Rizal Province, leasing 44 hectares

Tanay, Rizal





Alabat, Quezon

Alabat Wind Power Project

Up to 64 MW (8 WTGs)



Location:

Alabat Island, Quezon

Construction Start:

April 26, 2024

Offtake: 20-year REPA with Transco under GEAP II auction
PHP 5.28 (USD 0.096)

COD: November 28, 2025

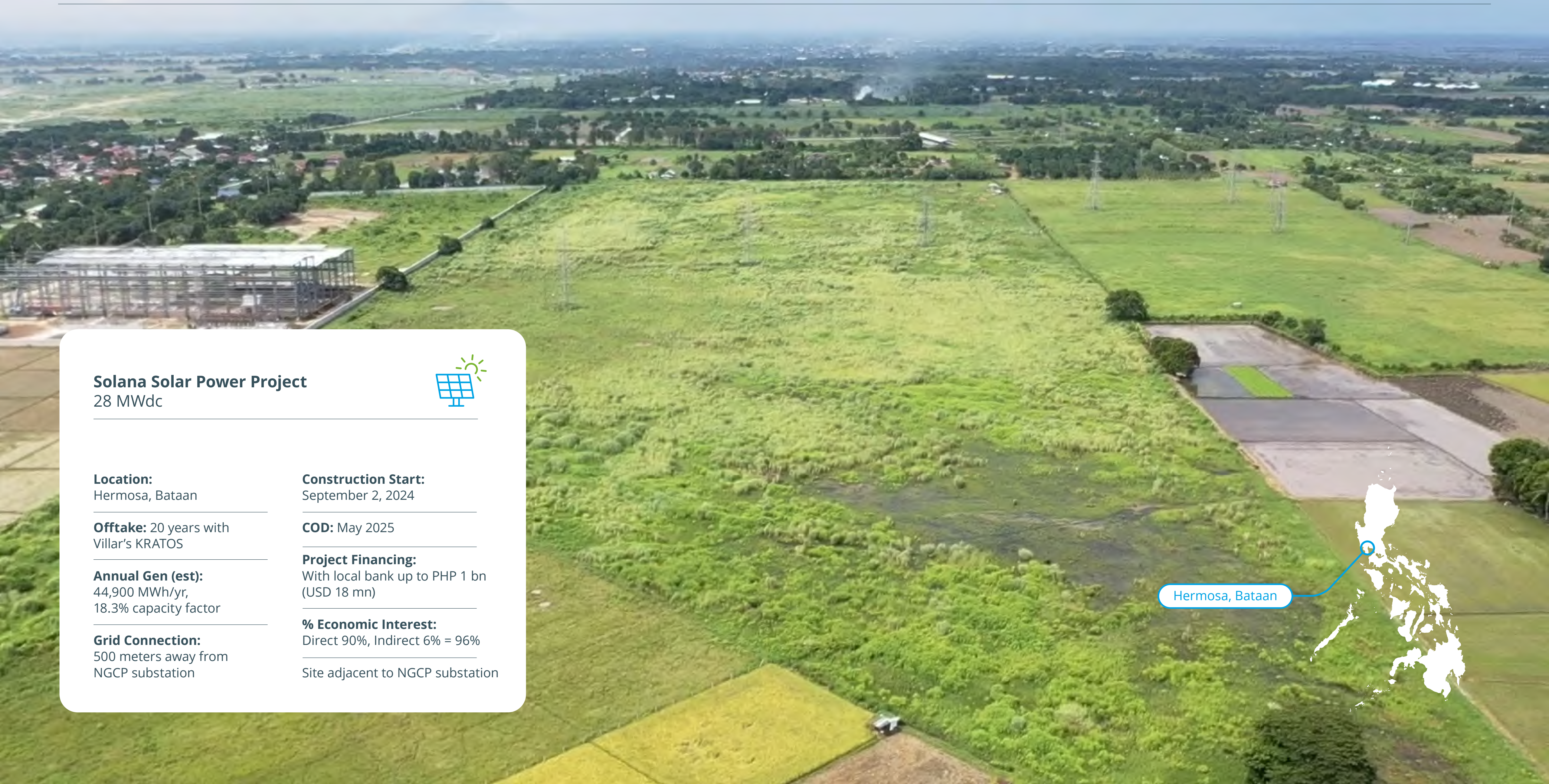
Project Financing:
RCBC for PHP 5.4 bn (USD 98 mn)

Annual Gen (est):
up to 216,530 MWh/yr,
38.6% net capacity factor

% Economic Interest:
100% to date

Grid Connection:
37 km T-Line connected to the NGCP substation

Green Auction award,
facing northeast monsoon winds of the Pacific Ocean



Solana Solar Power Project

28 MWdc



Location:

Hermosa, Bataan

Construction Start:

September 2, 2024

Offtake: 20 years with Villar's KRATOS

COD: May 2025

Annual Gen (est): 44,900 MWh/yr, 18.3% capacity factor

Project Financing:

With local bank up to PHP 1 bn (USD 18 mn)

Grid Connection:

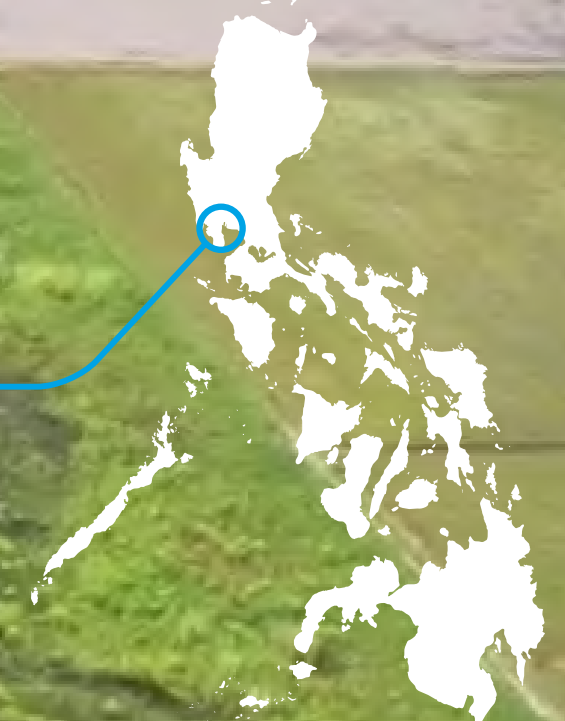
500 meters away from NGCP substation

% Economic Interest:

Direct 90%, Indirect 6% = 96%

Site adjacent to NGCP substation

Hermosa, Bataan



Eligible Green Project Category and SDG Alignment**Sub-Categories****Eligibility Criteria****ASEAN Taxonomy Alignment**

Renewable Energy SDG 7

Solar Energy

Development, construction, installation and maintenance of solar facilities (Photovoltaic or concentrated solar plants including floating solar with less than 15% usage of non-renewable energies as backup power)

351 (021) Electricity generation using solar photovoltaic technology

Wind Energy

Development, construction, installation and maintenance of wind facilities (onshore and offshore projects including floating wind turbines)

351 (030) Electricity generation from wind power

Hydropower

Development, construction, installation, and maintenance of hydroelectricity production facilities (run-of-river sites without artificial reservoirs) and with GHG emissions intensity <100g CO_{2e}/kWh

351 (040) Electricity generation from hydropower

Energy Transmission and Distribution

Transmission, distribution and support infrastructure for renewable energy systems

351 (071) Transmission and distribution (T&D) of electricity

Energy Storage

Energy management, control, and storage for solar energy, wind energy, and hydropower

352 (030) Storage of renewable and low-carbon gases

Sustainability Reporting Process

Our reporting process described in four steps below are in line with the GRI Reporting Principles of Materiality, Sustainability Context, Stakeholder Inclusiveness and Completeness.

- **Sustainability Awareness**
Awareness of the importance of sustainability strategy and impact through training across all levels.
- **Identification of Material Topics**
Identification of impact areas by a sustainability working group across the company's value chain and evaluation of operations and management approaches.
- **Gathering Data**
Collection of data and accomplishments to support action on material topics.
- **Management Review**
Management's review and acceptance of material topics and collected information.

SUSTAINABILITY Pillars

2-22

We undertook detailed internal and external stakeholder engagements as a guide for the development of a strong strategy aimed at increased value creation over the medium term. This report captures how we conducted the determination process to arrive at the list of material topics culled accordingly under: **PROFIT** through economic performance and corporate governance; **PLANET** through environmental control and protection and **PEOPLE** through employee satisfaction and social responsibility. Our thrust is to have sustainable growth which will have a significant economic (Profit), environmental (Planet), and social (People) impact on Alternergy.

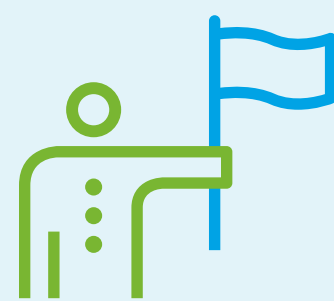
Our PROFIT

Profit Through Economic Performance and Corporate Governance

Our strong commitment and support for the DOE's strategic investment priority plan for the RE sector is aligned with Alternergy's thrust in climate change mitigation as demonstrated by our Three P's of Strengths. We pride itself for being PIONEER of renewable power

in the Philippines. Our credentials and achievements speak of our PROVEN capability to successfully complete projects. With all these, we recognize the value of PARTNERSHIPS that help us achieve our goals in promoting sustainable and clean energy.





PIONEERING

The co-founders of Alternergy have impeccable knowledge on energy policy, extensive experience in power development and pioneering capability in wind power. In June 2005, the 25 MW Bangui Bay wind farm, the first wind farm in Southeast Asia, started its commercial operations. The success of the project can be attributed to the technical expertise of four of Bangui Bay's project partners who became the co-founders of Alternergy. This flagship paved the way for future renewables growth. We pride ourselves with fundamental achievements with extensive list of "firsts" in clean energy development in the country which will be expounded in this report.



PROVEN

As a trusted partner, we have cultivated a long period of successful partnerships to bring our RE projects into reality. Our policy to create a more sustainable future for the next generation is anchored on our Triple Play Portfolio. Alternergy covers most of the key RE resources in solar, wind, run-of-river hydro, and battery storage plants. The ingenuity of Triple Play allows for a diversified mix of complementary power generation revenues. The different seasonality of solar, wind and hydro power energy resources, produce a steady cash flow for Alternergy. In addition, Triple Play can provide a 24-hour clean energy supply to green option customers.



PARTNERSHIPS

Our well-planned and cost-effective RE projects are a true testament of our capabilities. From securing power supply agreements, to working with permitting government agencies, lenders, and local and international equity partners, all are secure with our track record. Since 2008, Alternergy has developed 86 MW of operating assets in wind and solar and a potential installed capacity of up to 500 MW of renewable energy in 2026.

3Ps of Alternergy

**PIONEERS IN RENEWABLE POWER:
Precedent-setting wind, solar,
and run-of-river power projects**

As part of NorthWind, three Alternergy's founding partners (Vince, Knud, and Gerry) developed **Bangui Bay Wind Farm**:

- First commercial wind farm in Southeast Asia developed in 2005
- Local bank financing paved the way for future project finance facilities for RE development



Earliest awarded wind contracts from the Department of Energy in 2008 to explore six potential wind sites in Luzon



First non-recourse project financing for Pililla wind project without corporate guarantee received Sustainable Finance Award from IFC in 2024



First bilateral solar contact approved by ERC for Kirahon solar project in 2025



First multi-site solar rooftop portfolio under one project financing facility for CitySun in 2018



First floating solar pilot project over Laguna Lake by one of Alternergy's senior team members



First and largest solar hybrid and battery energy storage in Western Pacific for the Republic of Palau in 2023

Tanay and Alabat wind projects are GEA-2 awardees

2-22

In July 2023, we won two wind projects it bid for in DOE's GEA 2 Program and among those that secured offtake contracts from the government to supply cleaner energy, one of the initiatives aimed at accelerating the use of renewable nationwide. The Alabat and Tanay wind projects started construction in April and June 2024, respectively. Scheduled for completion by November 2025. These two wind projects will be our biggest EBITDA drivers starting in 2026.

The Tanay wind project is our second wind project in Rizal province with the first one being the 54 MW Pilila wind farm project which began commercial operations in 2015. While the Alabat wind project is in the Quezon province particularly located on the eastern seaboard of the Luzon Island facing the Pacific Ocean. With its strategic location, the Alabat project has the highest wind resource with a capacity factor of 38.6% in the country.

We will build an additional total capacity of up to 225 MW contracted capacity by end 2025 and another estimated 191 MW the following year to reach a 500 MW of renewable energy capacity by end 2026. These green projects will directly benefit the host communities through the creation of jobs and positively impact public health and the environment. Our aim is to pursue sustainable growth and development to help the local community, boost tourism in their respective provinces and directly contribute to reaching the country's target of a 35% energy mix by 2030 and 50% by 2040. Our total operating capacity is vital towards reaching the Philippines' ambitious RE targets.



Groundbreaking for three projects (220 MW) to be completed in 2025



Broke ground for the GEA-winning 64 MW Alabat Wind Power Project in May 2024

- Highest wind resource with a capacity factor of 38.5%, significantly above the average range for wind projects in the Philippines
- Facing northeast monsoon winds of the Pacific Ocean
- The 8 WTGs are the largest wind turbine size in the Philippines

Start of Construction:	April 26, 2024
Ceremonial Groundbreaking:	May 9, 2024
Commercial Operations:	November 28, 2025



Broke ground for the GEA-winning 128 MW Tanay Wind Power Project in June 2024

- High wind resource with a capacity factor of 28.3%
- Tanay wind project is connected to the NGCP via a 2 km transmission line
- The 12 WTGs are the largest wind turbine size in the Philippines

Start of Construction:	June 4, 2024
Ceremonial Groundbreaking:	June 4, 2024
Commercial Operations:	November 27, 2025



Broke ground for the 28 MW Solana Wind Power Project in July 2024

- Private PSA offtake with Villar Group's Retail Electricity Supply, Kratos
- Solana solar power project is connected to NGCP via a 350 m transmission line

Start of Construction:	September 2, 2024
Ceremonial Groundbreaking:	July 31, 2024
Commercial Operations:	May 2025

Capital raised of up to PHP 20 billion in 15 months since the IPO

2-22

We have successfully secured PHP 20 billion in fresh capital over a period of 15 months since becoming a listed entity. This is way ahead of the PHP 20 bn 5-year CAPEX Plan set in 2027, announced by management in March 2023. We celebrate this significant milestone which underscores our commitment to advancing sustainable energy projects.

The financing institutions have embraced our innovative funding solutions. In May 2024, we signed two major deals: i) the PHP 2 billion Green Corporate Loan with BDO Unibank and ii) the PHP 8 billion club deal with the Bank of Philippine Islands and Security Bank for financing the Tanay Wind Project. In June 2024, we signed the PHP 5.3 billion term facility with RCBC for financing Alabat Wind

Project. These loans are under our Green Finance Framework, crafted under the supervision of Asian Development Bank (ADB), while our inaugural IPO had been successful even amidst volatile market sentiments," Magbanua said.

We have been securing funding from various financial institutions and investing communities to fund our robust expansion in the next two years. Despite high interest costs, we were able to accelerate capital raising as we have been assessed as a valuable and sustainable entity. First, we present a compelling investment opportunity mainly due to our **pioneering leadership in the RE industry, our proven track record as developers** for the last 16 years, and seasoned management complement the



PHP 8bn

Loan agreement with BPI Capital Corp. and SB Capital Investment Corp.

On May 27, Alternergy, BPI, and Security Bank signed the loan agreement for PHP 8 billion (USD 137 million) with BPI Capital Corp. and SB Capital Investment Corp. acted as joint lead arrangers for the 128 MW Tanay Wind Project. BPI and Security Bank are new lenders of Alternergy.



PHP 2bn

Green Corporate Loan with BDO Unibank

On May 29, Alternergy and BDO Unibank signed the first tranche of the Green Corporate Loan amounting to PHP 2 bn (USD 34.4 mn). Full drawdown was made on May 31.



PHP 5.3bn

Loan agreement with RCBC Capital Corporation

On June 11, Alternergy and RCBC signed the loan agreement for PHP 5.3 bn (USD 90.3 mn) with RCBC Capital Corporation as the Mandated Lead Arranger for the Alabat Wind Project. This is the largest financing facility provided by RCBC to Alternergy since 2014.

bullish rise of the RE industry.

Second is our projected capacity growth of more than 5x from 86 MW up to 500 MW in 2026. Alternergy stands out as an attractive investment especially at its current hyper growth stage. Lastly, **we present an opportunity for investors seeking to align their portfolios with environmental- sustainable initiatives and green-focused enterprises.**

We are particularly appealing to investors pursuing growth and stability within the green investment space; highlighted by our unique Triple Play Portfolio.

Capital Raising Since the March 2023 IPO (2023 to 2024)

	Amount (in PHP bn)	Amount (in USD mn)
IPO Proceeds, March 2024	1.62	28.88
GSIS Preferred Perpetual Shares, November 2023	1.45	25.85
Alternergy Tanay Wind Corp. Project Finance with BPI and Security Bank, May 2024	8.00	142.60
First Tranche Green Corporate Loan with BDO Unibank, May 2024	2.00	35.65
Alabat Wind Power Corp. Project Finance with RCBC, June 2024	5.33	95.01
Solana Solar Project Finance with Local Bank, Est 3Q 2024	1.00	17.83
EST. TOTAL CAPITAL RAISED	19.40	345.82

Medium and Long-Term Strategic Priorities

2-22

We will continue to participate in market mechanisms and interventions to drive further growth in our RE portfolio. Additional capacity markets through Feed-in-Tariff (FIT), Green Energy Auction Programs (GEA), Bilateral Contracts and Offtake Agreements. Markets to scale up Variable Renewable Energy (VRE) penetration and integration are as follows:

1) DOE's GEA 3

- Notice of Auction to be issued first quarter of 2025

2) DOE's GEA 4

- About 8,200 MW of unsubscribed GEA 2 capacity to be bid out, including projects with **integrated renewable energy**

storage system (IRESS) technologies and liquefied natural gas

- Notice of Auction to be issued fourth quarter of 2024
- Target Committed Delivery Period: 2026-2029

3) Offshore wind capacity auction proposed for 2025

All Projects Are Fully Contracted with Long-Term Offtake Agreements



2006: Bangui Wind

PSA
20-year supply agreement with a local electric cooperative at a fixed price and a discount to consumers ensures offtake market and social acceptance at a time when RE was still at a nascent stage

Embedded to an electric coop



2015: Pililla Wind

FIT
20-year FIT agreement at a fixed price with adjustments with adjustments enticed private sector investments

National grid



2015: Kirahon Solar

PSA
25-year bilateral supply agreement with a private DU at a fixed price with adjustments based on FIT Rules

Embedded to a private DU



2018-2019: Solar Rooftop Portfolio

PSA
25-year agreement to supply directly to eight malls across the country at a price pegged under DU rate

Direct supply to malls



2023: Palau Solar

Palau PV and BESS
20 year long supply agreement at fixed price in US dollars, with option to extend to 25 years

Embedded in the local DU (PPUC)



2024: Tanay and Alabat Wind

GEA 2
20-year long-term supply agreement under GEA 2 at a fixed price

National grid



2024: Solana Solar

PSA
20-year supply agreement with a Retail Electricity Supplier

Contestable customers via RES using grid connection

Governance Structure and Composition

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We are committed to observing the best practices of good governance. Hence, the Board of Directors approved and adopted the Company’s Manual on Corporate Governance on June 21, 2022, incorporating therein the corporate governance standards of the SEC with respect to publicly-listed companies. The Manual is a supplement to the Company’s Amended By-Laws and shall serve as a guide to the Company and its various stakeholders on the Company’s continued commitment to good corporate governance.

In keeping with this commitment, we welcomed two women to its Board in 2023, veteran CPA and GRI professional Marivic C. España and energy and electricity industry lawyer Janina A. Bonoan, improving the Board’s gender ratio to 1:2 from 1:6 in the previous year.

Alternergy Board Composition

	2022	2023
Female	1	3
Male	6	6



Board of Directors

Main responsibility is the overall governance of Alternergy. In addition to setting the policies for the accomplishment of corporate objectives, it has the duty to provide an independent check on the Management. The Board is mandated to attend its regular and special meetings in person or through teleconferencing. The Company's board's independent directors are aware of their duties and are expected to look after the interests of minority shareholders. Compliance with the SEC Rules on Corporate Governance and adoption of good practices on corporate governance to enhance Alternergy's value for its shareholders.

Diverse boards bring a variety of perspectives and experience, leading to a more comprehensive and well-rounded decision-making. Alternergy continues to enhance stakeholder relationships with the increase of female directors which will improve the company's reputation and

stakeholder trust. We believe that more women on board committees contribute to greater innovation and creativity, challenging the status quo and encouraging new ideas. Female leaders will become role models and inspire other women in Alternergy to step-up and encourage talent development and retention.

Ms. Maria Victoria C. España (former Board Adviser) and **Atty. Janina C. Arriola** (Alternergy's General Counsel) were both elected as Directors of Alternergy Holdings Corporation for the year 2023-2024 during the Annual Stockholders' Meeting on December 13, 2023. To date, three out of nine Board Directors are women.

- Ms. Marivic España was appointed as Head of Audit Committee. She is also a GRI Certified Sustainability Professional.
- Atty. Janina Arriola is a member in the following committees: Corporate Governance, Audit, and Related Parties Transaction.

Alternergy has created specialized committees spanning from Audit, Corporate Governance, Related Party Transaction, and Risk Oversight chaired by our Independent Directors who are experts in their respective fields.²

We also have our Executive and Sustainability Committees which are non-Board level, but both are presided by the Chairman of the Board, Vicente S. Pérez Jr. This ensures that Sustainability is always included in management discussions. Our aim is to enhance good governance which will foster a culture of informed decision-making and effective oversight. These structures have worked in our favor allowing members to work together productively to serve Alternergy's best interest and at the same time address any shareholder concerns.

Executive Committee

Headed by the Chairman of the Board, composed of five directors and two senior executives who are responsible for the day-to-day management of the Company. The two senior executives are the VP & General Counsel and the Chief Financial Officer, who is also the Chief Sustainability Officer.

The EXCOM meetings are conducted every Mondays. The corporate governance role of the Executive Committee is to ensure that the company is managed effectively and efficiently. The committee is responsible for setting the Company's strategic direction, making key decisions,

and overseeing the implementation of policies and procedures. Moreover, EXCOM ensures that the Company complies with legal and regulatory requirements as well as safeguards that policies and procedures are in line with best practices. In addition, the EXCOM is responsible for managing and identifying risks within the company and developing strategies to mitigate those risks.

Audit Committee

Headed by Independent Director

Ms. Marivic España. Tasked to enhance the Board's oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. It is responsible for the setting up of Internal Audit and for the appointment of the independent external auditor who reports directly to the Audit Committee. It monitors and evaluates the adequacy and effectiveness of the internal control system. The Audit Committee is composed of three non-executive directors, the majority of whom, including the chairperson, are independent directors. The Audit Committee meets with the Board without the presence of the CEO and periodically meets with the head of the internal audit and with the external auditor.

²Ms. Maria Theresa Marcial/CEO of BPI Wealth; Mr. Gregory L. Domingo/former Trade Industry Secretary, Ms. Maria Victoria C. España/CEO of P&A Grant Thornton, and Atty. Ephyro Luis B. Amatong/former SEC Commissioner

Board Committees	Chairman	Members
Board of Directors	Vicente Pérez	Gerry Magbanua - Director, President Knud Hedeager - Director Eduardo Martinez Miranda - Director Mike Litchenfeld - Director Atty. Janina Arriola - Director
Corporate Governance	Greg Domingo	Marivic España Atty. Janina Arriola Mike Lichtenfeld
Audit Committee	Marivic España	Theresa Marcial Eduardo Martinez Miranda
Related Parties Transaction	Theresa Marcial	Marivic España Atty. Janina Arriola
Risk Oversight	Theresa Marcial	Greg Domingo Gerry Magbanua Knud Hedeager
Non-Board Committees	Chairman	Members
Executive Committee	Vicente Pérez Gerry Magbanua - Co-Chair	Knud Hedeager Eduardo Martinez Miranda Mike Litchenfeld Atty. Janina Arriola Carmen Diaz
Sustainability Committee	Vicente Pérez Gerry Magbanua - Co-Chair Carmen Diaz - Co-Chair	Martha Garay - Human Resource Manager Francesca Amatong - Investment Specialist and Treasury Officer Beatrice Bathan - Investment Relations Officer Louie Pangilinan - Treasury Officer Rowena Olano - Corporate Services and Office Manager

Corporate Governance

Headed by Independent Director

Mr. Greg Domingo. Tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to the nomination and remuneration committee. It is composed of three directors, the majority of whom are independent directors, including the chairperson.

Related Party Transaction

Headed by Independent Director Ms. Maria

Theresa Marcial. Tasked to review all material related party transactions of the company. It is composed of three members, two of whom are independent directors including the chairperson of the committee. Pursuant to the Company's core values to uphold investors trust and confidence through transparency and prudent management of resources, and in compliance with SEC Memorandum Circular No 10- 2019, the Board of Directors adopts this group-wide material RPT polity encompassing all entities within the group, taking into account its size, structure, risk profile, and complexity of operations.

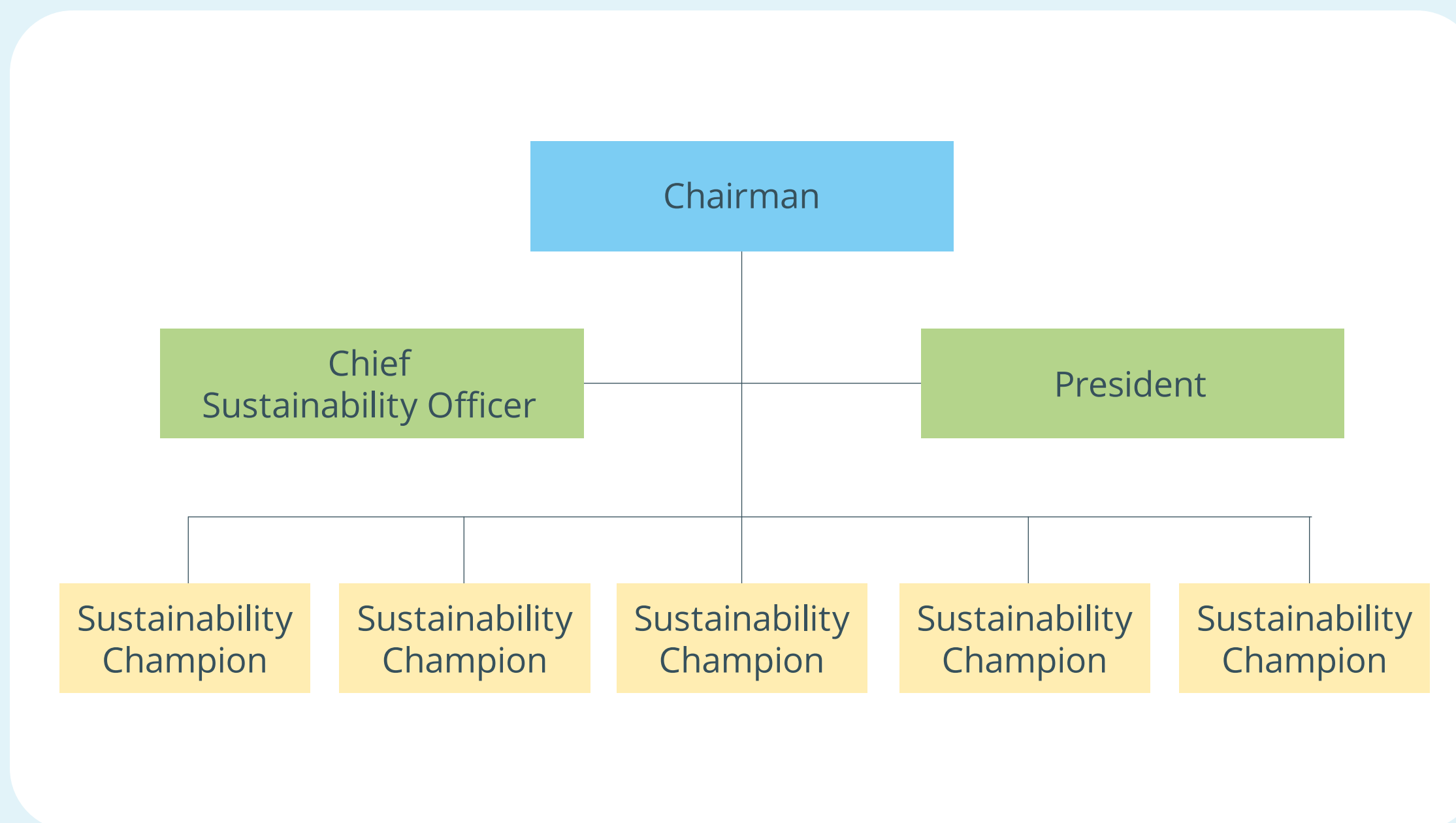
Risk Oversight

Headed by Independent Director Ms. Maria

Theresa Marcial. Tasked to oversee the Company's Enterprise Risk Management system to ensure its functionality and effectiveness.

Sustainability Committee

Formed in 2023 headed by the Chairman of the Board, vice chaired by the Chief Sustainability Officer and the President and includes five Sustainability Champions from various verticals: Human Resources, Treasury, Administration, Investments, and Investor Relations. Eligible projects will be included in the Green Financing Projects Register (GFPR) to be established by the company. The aim is to operationalize and implement the key decisions related to the environmental, social, and governance issues of the company through its Quadruple Bottom Line Sustainability Framework and its renewable projects. While the Chair heads the Sustainability Committee, making sure that its key responsibilities are properly performed is the primary task of the Chief Sustainability Officer.



Roles of the Sustainability Committee

1. Develop and monitor the implementation of the sustainability strategy
2. Monitor and evaluate performance of company against sustainability targets
3. Review, select, and validate the eligible green portfolio based on the Alternergy Green Finance Framework (AGFN)
4. Validate annual reporting for investors
5. Monitor the ongoing evolution related to sustainable capital markets, in terms

- of disclosure and reporting, to align with market best practices; and
6. Review the AGFN to reflect any changes with regard to Alternergy’s strategies and initiatives

Project Review Process

Projects shortlisted by the three core businesses (hydro, solar, wind) of Alternergy are presented to the Sustainability Committee for review and approval.

Any project considered as an eligible project in accordance with this framework, with a look back period of not more than three years, is earmarked for the use of proceeds of a green finance instrument. The composition of the Sustainability Committee is subject to a periodic review and may be changed as necessary. In 2023, the number of Sustainability Champions was reduced from seven to five in order to have a lean team for strategic and operations reasons.



Maria Carmen G. Diaz

Chief Financial Officer and Chief Sustainability Officer

Carmen is a seasoned international commercial and development banker with over 25 years of experience in sustainable finance, risk management with Environment Social Governance (ESG) concentration, credit risk on debt and equity transactions, and investor relations. Prior to joining Alternergy in 2023, she has held various positions with different local and foreign banks some of which were Assistant Vice President of Corporate Banking at Mizuho Bank Ltd., Risk Department Head at French investment bank Calyon Credit Agricole, Senior Risk Management Officer at Asian Development Bank (ADB), and Vice President and Sustainable Finance Officer at Rizal Commercial Banking Corporation. In 2024, while raising more than PHP 20 billion in project funding for Alternergy, Carmen also developed Alternergy’s Green Finance Framework which, with the assistance of ADB, enabled the company to issue its first Green Corporate Loan with BDO.

Policy Commitments

2-23 | 2-24 | 2-25 | 2-26

For more information on Alternergy's Corporate Governance policies, please visit www.alternergy.com/corporate-governance

Whistleblowing Policy

Employees are often the first ones to realize that something is seriously wrong with Alternergy's dealings. However, some may not be able to express their concerns because of fear that they might become victims of harassment, isolation or retaliation. The Whistleblowing policy is intended to encourage and enable Associates and even those external to Alternergy to raise concerns rather than overlooking a problem or blowing the whistle outside.

Typical disclosure required from an employee or a concerned third party includes, without limitation, the following:

1. Failure to comply with statutory obligations;
2. Unlawful acts or orders involving violation of law, gross waste, abuse of authority, mismanagement, and substantial danger to public health or safety;
3. Corruption;
4. Fraud;
5. Misconduct;
6. Coercive Practices;
7. Collusive practices;
8. Any other activity which undermines Alternergy's operations

We are in the process of further improving our grievance mechanism process.

Conflict of Interest Policy

The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/ or his related interests. If an actual or potential conflict of interest may arise on the part of a Director, he should fully and immediately disclose it and should not participate in the decision-making process. The Company fully respects the employee's private life. However, it is expected that an employee would avoid situations that could result in a conflict between their personal interests and those of the Company

Business Conduct and Ethics Policy

It is the duty of a Director to conduct fair business transactions with the Company and avoid any personal bias with respect to Board decisions. Every employee must perform his duties in accordance with the highest ethical and professional standards of the Company.

Insider Trading Policy

As a publicly-listed company, Alternergy is subject to various laws and regulations regarding securities trading, in particular the compliance with the Securities Regulation Code under Section 3.8, Republic Act 8799 on Insider Trading Policy.

This Policy was created to assist the Company, its subsidiaries, and its Associates in complying with these laws and regulations. The Company depends upon the diligence and integrity of its Associates, both in their personal and professional capacities, to ensure compliance with this Policy.

Related Party Transaction (RPT) Policy

Identify Material RPTs either individually, or in aggregate over a twelve (12)-month period with the same party, amounting to ten percent (10%) or higher of Company's Total Assets based on its latest Audited Financial Statement (AFS). Exemptions. Exempt Related Party transactions shall not require RPT review and approval but may require regular reporting to the Board of Directors. The following type of transactions are considered

Exempt RPTs:

1. Transactions between the Company and its wholly-owned subsidiaries in connection with the funding of operation of the Company's business units and projects, or other transactions with the objective of providing shared services or other services for operational efficiency.
2. Transactions in the ordinary course of business or recurring transactions that do not exceed the threshold amount for significance and materiality.

Sexual Harassment Policy

To address sexual harassment issues in the workplace, and to provide the procedure for the resolution, settlement and/or disposition of sexual harassment cases and in compliance with the provisions of Section 4, Republic Act No. 7877, entitled “An Act Declaring Sexual Harassment Unlawful in the Employment, Education or Training Environment and For Other Purposes”. The Company will not tolerate any behavior that amounts to sexual harassment and any employee found to have committed sexual harassment shall be subjected to disciplinary action, up to and including dismissal. The Company is responsible for taking immediate corrective action to stop sexual harassment in the workplace and for promptly investigating any allegations of work-related sexual harassment

Policy and Data Relating to Health, Safety and Welfare of Employees, Including Company Sponsored Trainings

All regular employees are required to undergo an annual physical examination, free of charge. The Company shall comply with the programs of the government on the following:

1. Implementation of a Drug-Free Workplace Policies and Programs (Department of Labor and Employment Department Order No. 53-03, Series of 2003);

2. Implementation of HIV and AIDS Prevention and Control in the Workplace Program (Department of Labor and Employment Department Order No. 102-10, Series of 2010);
3. Implementation of a Workplace Policy and Program on Hepatitis B (Department of Labor and Employment Department Advisory No. 05, Series of 2010); and
4. Tuberculosis treatment through the TB-DOTS Package of the PhilHealth.

Enterprise Risk Management

A separate and effective enterprise risk management function to identify, assess and monitor key risk exposures. The risk management function involves the following activities, among others:

1. Defining a risk management strategy;
2. Identifying and analyzing key risk exposures relating to economic, environmental, social and governance (EESG) factors and the achievement of the organization’s strategic objectives;
3. Evaluating and categorizing each identified risk using the Company’s predefined risk categories and parameters;
4. Establishing a risk register with clearly defined, prioritized and residual risks;
5. Developing a risk mitigation plan for the most important risks to the Company, as defined by the risk management strategy;
6. Communicating and reporting significant

- risk exposures including business risks (i.e., strategic, compliance, operational, financial and reputational risks), control issues and risk mitigation plan to the Board Risk Oversight Committee; and
7. Monitoring and evaluating the effectiveness of the Company’s risk management processes.

The Company also has an independent internal audit function that provides independent and objective assurance, and consulting services designed to add value and improve the company’s operations.

Sustainability Practices

A memo on energy efficiency and waste reduction measures in the workplace was duly approved by the Chairman and President of Alternergy on September 11, 2023:

1. **“No Single-Use Plastics” (NSUP) Policy** which includes water bottles, packaging, service wares, straws, and utensils. These are plastic products designed to be used once before being discarded. Continue using corporate eco-bags provided to all employees and purchase bond paper from our existing supplier, Paper One, which uses 100% renewable fibres. The aim is to reduce single-use plastic pollution or plastic waste. **The NSUP policy was approved by the Executive Committee on July 10, 2023. The policy was enforced on the same date.**

2. Use less paper: change the printing setting mode of all computers; monitor bond paper consumption of all SPV companies; use scratch papers; continue incorporating a green email signature environmental footer.
3. Secure cloud-based storage using Google Drive for a centralized filing system.
4. Enforce proper waste management.
5. Reduce purchase of individually packed condiments.
6. Donate old scrap papers, unused paper stock, newspaper, old books to recycling solution companies;
7. Sustainable business practices such as quarterly collection of electronics waste (ie. mobile phones, cables, computer monitors, etc.), and send them to companies engaged in proper e-waste management
8. Optimize the use of digital or electronic signature approvals.
9. Energy efficiency measures: replace incandescent lights with Light Emitting Diode (LED lights, liquid crystal display (LCD) monitor, unplug equipment that drains energy when not in use.
10. Have energy saving competitions every Christmas party to encourage employees to think of practical and creative ways to save energy and reduce waste. Recognize and award employees with incentives
11. Raise awareness on energy efficiency in the office to adopt sustainable practices which will be cascaded by the Sustainability Champions of the Company.

Compliance with Laws and Regulations

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We are devoted to going above and beyond regulatory compliance to provide real, meaningful returns to all its stakeholders, both internal and external. We are highly regulated and require several licenses, approvals, registrations, consents, and permits to execute and operate our renewable energy projects in the Philippines. The process flow for the registration of Renewable Energy power projects involves the following stages and requires the submission of documentary requirements and or approvals from the relevant government agencies.

REGISTRATION AND APPLICATION

Department of Energy (DOE)	Certificate of Endorsement, Wind Energy Service Contract
Securities and Exchange Commission (SEC)	Certificate of Registration
Bureau of Internal Revenue (BIR)	Certificate of Registration
Local Government Units (LGUs)	City or Municipal Business Permit/ Barangay Clearance
Others	Letter of Intent, Application and Processing Fees, Application documents, Signing Fee and Posting of Performance Bond

PRE-DEVELOPMENT

Department of Energy (DOE)	RE Service or Operating Contract, Certificate of Endorsement for other agencies
Department of Environment and Natural Resources (DENR)	Certificate of Non-Overlap/Environmental Compliance, Distribution Unit (DU)/ Electric Cooperative (EC) Distribution Impact Study, Distribution Asset Study, Power Supply Agreement
National Commission on Indigenous Peoples (NCIP)	Certificate of Non-Overlap/Certificate of Pre-Condition
Department of Agrarian Reform (DAR)	Land Use Conversion
Local Government Unit (LGU)	Resolution of Support
Board of Investments (BOI)	Project Registration /Importation Authority
Bureau of Customs (BOC) and Bureau of Internal Revenue (BIR)	Availment of Incentives
National Water Resource Board (NWRB)	Water Permit/Water Rights
Department of Public Works and Highways (DPWH)	Right-of-way
Civil Aviation Authority of the Philippines (CAAP)	Height Limitation Clearance
Protected Area Management Board (PAMB)	Resolution and Clearance
National Grid Corporation of the Philippines (NGCP)	Interconnection and location of substation
National Commission on Indigenous Peoples (NCIP)	Certificate of Non-Overlap

Rizal Provincial Government Resolution for Wind Resource Assessment (RPG)	Land Rights Acquisition
The Philippine Institute of Volcanology and Seismology (PHILVOLCS)	Clearance on Earthquake Hazard Assessment Conversion
Department of Energy (DOE)	Declaration of Commerciality and Application for Conversion, Certificate of Confirmation of Commerciality Development
Department of Energy (DOE)	RE Service Contract, Certificate of Endorsement
Local Government Units (LGU)	Building Permit, Electrical Permit, Locational Permit, etc.

CONVERSION

Department of Energy (DOE)	Declaration of Commerciality and Application for Conversion, Certificate of Confirmation of Commerciality Development
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DEVELOPMENT

Department of Energy (DOE)	RE Service Contract, Certificate of Endorsement
Local Government Units (LGU)	Building Permit, Electrical Permit, Locational Permit, etc.
National Grid Corporation of the Philippines (NGCP)	Connection Agreement, Transmission Service Application
Energy Regulatory Commission (ERC)	Certificate of Compliance, FIT Eligibility
Wholesale Electricity Spot Market (WESM)	WESM Registration
National Transmission Corporation (TRANSCO)	Renewable Energy Payment Agreement
Distribution Unit (DU)/ Electric Cooperatives (EC)	Power Purchase Agreement, RE Supply Agreement
Department of Labor and Employment (DOLE)	Occupational Safety and Health Standards Monitoring

MONITORING

Local Government Units (LGUs) National Grid Corporation of the Philippines (NGCP) Energy Regulatory Commission (ERC)	National Transmission Corporation (TRANSCO) Board of Investments (BOI) Department of Energy (DOE)
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Wikimedia/Emmanuel Barrameda



Climate Risks, Exposure, Vulnerability, and Opportunities

201-2

PHYSICAL RISKS

Acute Weather Hazards

High Risk: An average of 20 typhoons enter the Philippines annually, with the most intense coming between July and October; each one could bring damaging floods and landslides. The increasing frequency and intensity of extreme weather events such as floods, typhoons, landslides and drought due to climate change cause property damage to the project's equipment and infrastructure and disrupt our pre-development and operations leading to long down times and cost overruns.

According to the Global Climate Risk Index 2023, the Philippines remains one of the most vulnerable countries to climate-related risks. The country has consistently ranked high at 17th in the world as the most affected country from extreme weather events. Note that Typhoon Mangkhut (Ompong), a category 5 super typhoon which made landfall in Cagayan province in 2018 is the most powerful typhoon

recorded worldwide in 2018. Extreme weather events cost the Philippines an average of USD 3.2 billion per year during the period or a rank of 8th in the index.

Chronic Weather Hazards

These are persistent and long-term weather-related risks that can have significant impacts on project infrastructure, business operations environment and public health.

Heat (High Risk): Reduces solar photovoltaic (PV) efficiency. Given that the output of solar cells is temperature dependent, changing climatic patterns, and rapidly rising temperatures can negatively impact operations resulting in reduced efficiency and performance of solar power plants. Note that the efficiency of solar PVs modules reduces by 0.5% for every 1°C rise above a standard temperature of 25°C. Thus, increasing temperature can result in lower solar PV efficiency, lowering power output and revenues.

These are persistent and long-term weather-related risks that can have significant impacts on project infrastructure, business operations environment and public health.

Water Stress (High Risk): Water is an essential resource required during the operation and maintenance phase of solar power plants. Water is used in the process of cleaning and cooling solar panels. Cleaning the panels with water can help remove this debris and restore their efficiency, Water shortages will impact operations resulting to higher capital expenditures, required to adopt water efficient/conservations measures, or higher operational expenditures, due to higher water prices.

Change in Temperature and Wind Speed (High Risk): Wind energy potential is directly proportional to air density. Hotter temperatures can reduce air density resulting to decreased power output from wind turbines hence declining wind speed. Ocean warming reduces output of wind turbines can impact the efficiency of wind projects as the speed of the wind decreases, the amount of electricity also decreases.

Sea Level Rise (High Risk): Given that a number of wind projects are located along the coastline of the Philippines, these projects are exposed to rising sea levels which might have an impact on their operations.

In 2023, the Philippine Climate Change Commission (CCC) reported that the sea levels in the country have been rising at a rate of 5.7 to 7.0 millimeters per year from 1993 to

2015, which is approximately double the global average. This trend is expected to continue, with projections indicating a rise of about 20 centimeters by the end of the 21st century under high greenhouse gas emission scenarios. CCC highlighted the urgent need for action to protect the Philippines' coastal communities which house more than 60% of the country's population, and its significant impacts on infrastructure and ecosystem altogether.

TRANSITION RISKS

Policy

Changes in government regulations could impact the profitability of renewable energy projects and create uncertainty for investors such as:

- Changes in feed-in tariffs or net metering policies could impact the financial viability of solar power
- Lack of a comprehensive regulatory framework for solar power projects. This can create uncertainty for investors and make it difficult to navigate the regulatory landscape.
- High upfront costs associated with solar power projects. While the cost of solar panels has decreased significantly in recent years, the upfront costs associated with installing solar panels can still be a barrier to entry for many individuals and businesses.

“The Philippines needs to intensify steps to bolster community resilience against the effects of climate change and extreme weather to minimize economic disruption and sustain inclusive growth. In addition, the government needs to improve the efficiency, transparency, and inclusive use of public resources in climate adaptation, mitigation, response, and rehabilitation.”

The current El Niño phenomenon exemplifies the severe disruptions that extreme weather events, intensified by climate change, can cause. These disruptions include impacts on educational services, reductions in farm yields, and constraints on water and electricity supplies. Proactive measures to bolster community resilience against such climatic challenges are crucial and can significantly mitigate their adverse effects on the country's growth outlook.”

Source: World Bank, PHILIPPINES: Bolstering Resilience Against Climate Change Key to Sustaining Inclusive Growth, June 4, 2024

- Stricter policies on water withdrawal and consumption, land acquisition as well as environmental standards for reducing air and water pollution. Given the rapidly booming solar energy markets and potentially hazardous nature of waste generated at the end of useful cycle of solar PV modules, regulations dedicated towards management of solar PV waste are likely to be introduced in the Philippines.

This could have financial implications on Alternergy in the form of increased capital expenditure and operational costs required for adopting measures to comply with these regulations although the risk is limited near term given that Alternergy's assets are in the early part of their life cycles.

Legal liability wherein Alternergy could fail to perform obligations in the loan agreement with lenders and the green energy auction under the DOE will entail an event of default and penalties.

Consumer Market

- Changing demand due to consumer preference, conflict, international trade, restrictions on source of supply, and other limitations.
- Shifts in prices attributed to structural changes, interest rates, exchange rates, and supply shocks.



- Additional cost pressures attributed to increase in capital expenditure (from import restrictions, rising price of equipment, and offtaker risk) and declining tariffs coupled with enhanced market competition will directly impact Alternergy's financial health

Technology

- The RE sector is witnessing rapid technological changes in terms of upcoming clean energy technologies (such as green hydrogen, biomass) as well as improving efficiency of existing technologies (such as larger and taller turbines, bi-facial solar etc.). New technology impacts capital depreciation and increased investment. Moreover, new and efficient technologies may be developed that make existing technologies obsolete.
- However, there are also opportunities associated with technological advancements

in the RE sector. For example, advances in battery storage technology could help to address the issue of intermittency associated with solar and wind power which Alternergy has taken into account in some of its solar energy projects.

Reputation

Any adverse impacts due to the operations in terms of land acquisition and management, negative impact on biodiversity, environment (failure to adequately dispose waste), and neighboring communities (due to sound produced by turbine rotor blades) can damage our market reputation as well as impact the standing with investors and customers.

Negative news on any RE stakeholders regarding forced labor, child labor, gender inequality, and other social injustice can change the course of investments and negotiations.

OPPORTUNITIES

Transition towards clean energy and low-carbon economy. Alternergy aims to help the government achieve the country's RE targets. We support other businesses that decarbonize the grid and caters to the greening requirements of Commercial and Industrial (C&I) consumers through the

development of wind, solar and run-of-river hydro power projects. We develop, build and deliver well-planned and cost-effective RE projects.

Alternergy will adopt and purchase advanced technologies to monitor real-time performance of projects as well as exploring a range of measures to reduce the impacts of changing climatic patterns on our business operations:

- In-house Operations and Maintenance and Engineering (O&M)
- In-House Engineering, Procurement, and Construction (EPC) Use of turnkey contracts or have a fixed price on civil works and equipment
- Cost efficiency and Digitalization Measures to offset financial losses that might occur due to decrease in wind, solar, and hydro load factor.
- Insurance coverage on damages and delays due to extreme weather events and natural catastrophes

Capacity Markets. Long-term Corporate Power Purchase Agreements (PPA) and offtake contracts from the government have gained traction in the and boosted the RE sector in the Philippines. These capacity markets and attractive and sustainable pricing structures continue to rally strong private sector support and capital flows.

of the energy system, enabling a more consistent and efficient supply of power

Floating Solar/Offshore.

Wind alternative service offerings such as floating solar and offshore wind will likely be low-level opportunities as regulatory, technical feasibility and commercial viability issues persist. However, with developments in such offerings and policies (offshore wind policy and solar-wind hybrid policy), the potential for the service offerings can be tapped further by Alternergy in the medium and long-term.

Regulatory and Policy Frameworks.

DOE's guidelines will serve as backbone in further accelerating the commerciality of variable renewable energy integration (solar and wind) and energy transition. Strengthening policies and regulations to support faster project approvals and implementation which include incentives for RE projects and penalties for delays.

Innovative and sustainable financing.

These need to be expanded and accessible to RE developers.

Public-Private Partnerships.

Encouraging collaborations between the government and private sector can bring the necessary investment and expertise to upgrade the transmission network.

Hybrid Solutions. Alternergy will participate in the DOE's upcoming GEA-4 which will include projects with integrated renewable energy storage system (IRESS) technologies and liquefied natural gas. IRESS is a comprehensive energy solution that combines renewable energy technology with energy storage systems (ESS). It involves the integration of renewable energy sources with energy storage technologies like batteries, flywheel or pumped storage hydropower systems. This integration allows renewable energy plants to optimize their operations by storing excess energy generated during peak production periods and utilizing it when needed, thereby reducing the required capacity from the grid. By combining renewable energy (RE) and energy storage, IRESS enhances the stability and reliability



National Grid Corporation of the Philippines (NGCP) issues.

Grid system and infrastructure need to keep up and at pace with the variable renewable energy growth. Must focus on critical transmission projects to accelerate timely connection of RE projects. Furthermore, investment in upgrades and expansions are urgently needed to accommodate higher capacities and integrating smart grid technologies will improve efficiency, reliability and manage the intermittent nature of RE.

Economic Value

201-1

Financial profitability is measured by annual cashflow generation in terms of per megawatt installed or invested capital. We are able to generate economic value which benefits the overall economy and other stakeholders such as suppliers, employees, consumers, host communities, lenders, government regulators and providers of capital. **Compared to last year, our Direct Economic Value Generated was 79% higher amounting to PHP 441 mn** with PHP 307 mn in Economic Value Distributed and Economic Value Retained at PHP 134 mn.

2024 Economic Value (in PHP)

Year ended June 30, 2023

Year ended June 30, 2024

Direct Economic Value Generated (Revenue)	246,263,889	441,013,295
Direct Economic Value Distributed		
a. Operating Costs	92,621,363	185,630,919
b. Employee Wages & Benefits	7,663,197	11,689,251
c. Dividends given to stockholders and interest payments to loan providers	88,019,114	97,263,954
d. Taxes given to government	4,961,997	8,395,084
e. Investments to community (e.g. donations, CSR)	5,508,318	4,175,795
Economic Value Distributed	198,773,989	307,155,003
Economic Value Retained	47,489,900	133,858,292

Revenues - includes sale of electricity and equity in net earnings of associates

Operating Costs - include cost of sales of electricity and general & administrative expenses

Payments to suppliers, other operating costs - included in operating costs

Payments to Providers of Capital - cash dividends and interest payments

Payments to Government - taxes and royalties paid

Community Investments - CSR expenses to communities

Significant Indirect Economic Impacts

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Our projects demonstrate how renewable energy initiatives can drive significant indirect economic benefits, transforming host communities into thriving local economies.



Our commitment to renewable energy extends beyond power generation; it also catalyzes economic activity in the communities surrounding our project sites. Currently, we operate 11 renewable energy facilities, comprising 8 solar rooftops (CitySun Malls), a ground-mounted solar farm (Kirahon Solar PV), a solar PV with Battery Energy Storage System (Palau Solar and BESS), and a wind farm (Pililla Wind Farm). Among these, our Pililla Wind Farm uniquely stands out as a site accessible to the public, transforming the landscape into a vibrant hub of tourism and local entrepreneurship.

Pililla Wind Farm: A Catalyst for Local Business

Since its establishment, the Pililla Wind Farm has become a popular tourist destination, attracting approximately 358,000 visitors annually to its scenic landscape and the Pililla Visitor Center. The influx of tourists, including bikers, sightseers, and eco-enthusiasts has spurred the growth of various small businesses in the area, contributing to the local economy and providing income opportunities for residents.

The presence of the wind farm has led to the development of 10-15 small enterprises, including souvenir shops, handicraft sellers, snack stalls, and bike rest stops, directly benefiting from the steady stream of visitors. These businesses not only support local families but also preserve and promote traditional crafts and local products, creating a unique cultural experience for tourists.

Indirect Economic Benefits

The economic ripple effects of the Pililla Wind Farm extend beyond direct business creation. The project has also boosted the hospitality sector, with local restaurants and cafes experiencing increased patronage from visitors exploring the wind farm. Transport services, from tricycle rides to organized tours, have also flourished, further expanding economic opportunities in the community.

Our projects demonstrate how renewable energy initiatives can drive significant indirect economic benefits, transforming host communities into thriving local economies. By fostering sustainable tourism and supporting local entrepreneurs, our operations contribute to inclusive economic growth, underscoring our commitment to making a positive impact beyond clean energy generation.

Our PLANET

Planet through Environmental Protection

We are a company dedicated to making the planet central to its business mission.

As pioneers in the country's renewable energy sector, we strive to lead in the vital task of environmental conservation. We ensure that every facet of our operations aligns with our commitment to protecting

the planet by complying with and supporting environmental laws, conserving biodiversity, and taking proactive steps to address climate change.

We leverage technology to monitor and measure the impact of our sustainability initiatives, enabling us to identify areas for improvement and set data-driven goals.





Environmental Metrics

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CLIMATE CHANGE MITIGATION

We measure our contribution to climate change mitigation through the annual reduction or avoidance of carbon dioxide emissions. In June 2022, we pledged to remain focused exclusively on renewable energy and to refrain from investing in fossil fuel-based generation, including coal, fuel oil, natural gas, and nuclear power. When feasible, carbon credits will also be generated from each renewable energy project.

To manage environmental risks, we ensure we have a skilled team in place to comply with environmental regulations and develop programs to adapt to regulatory changes efficiently. Our portfolio and project pipeline, consisting of solar, wind, and hydro plants, also act as a hedge against risks from evolving

environmental regulations. As part of our commitment to sustainability, we model the tons of carbon dioxide equivalent (tCO₂e) avoided through our renewable energy projects, compared to a business-as-usual scenario for the power sector.

EMISSIONS DISPLACED

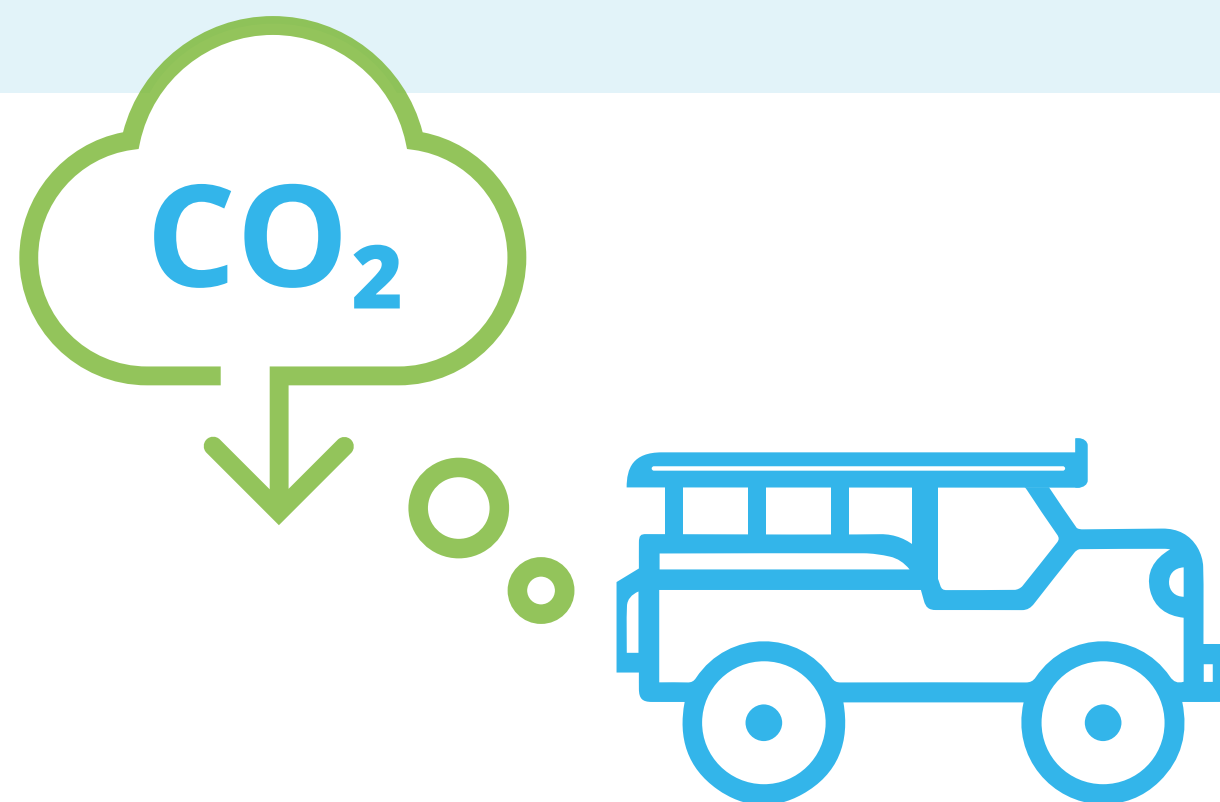
Our ultimate measure of success at Alternergy is the impact we make on future generations. The energy generated from our operational wind and solar jeepneys from our roads. We restated the figures of equivalent number of jeepneys removed from roads in 2023 from 4,566 to 6,975 due to the use of a more updated conversion factor from the University of the Philippines Center for Integrative and Development Studies.

Since we rely on renewable resources like solar, hydro, and wind, our operations are closely tied to climate conditions, weather seasonality, and long-term climate change patterns. To address this, we have

strategically invested in a mix of these three renewable energy sources, ensuring their seasonality and diurnal patterns complement each other for more consistent electricity generation throughout the day and year.

Measuring Our Carbon Footprint

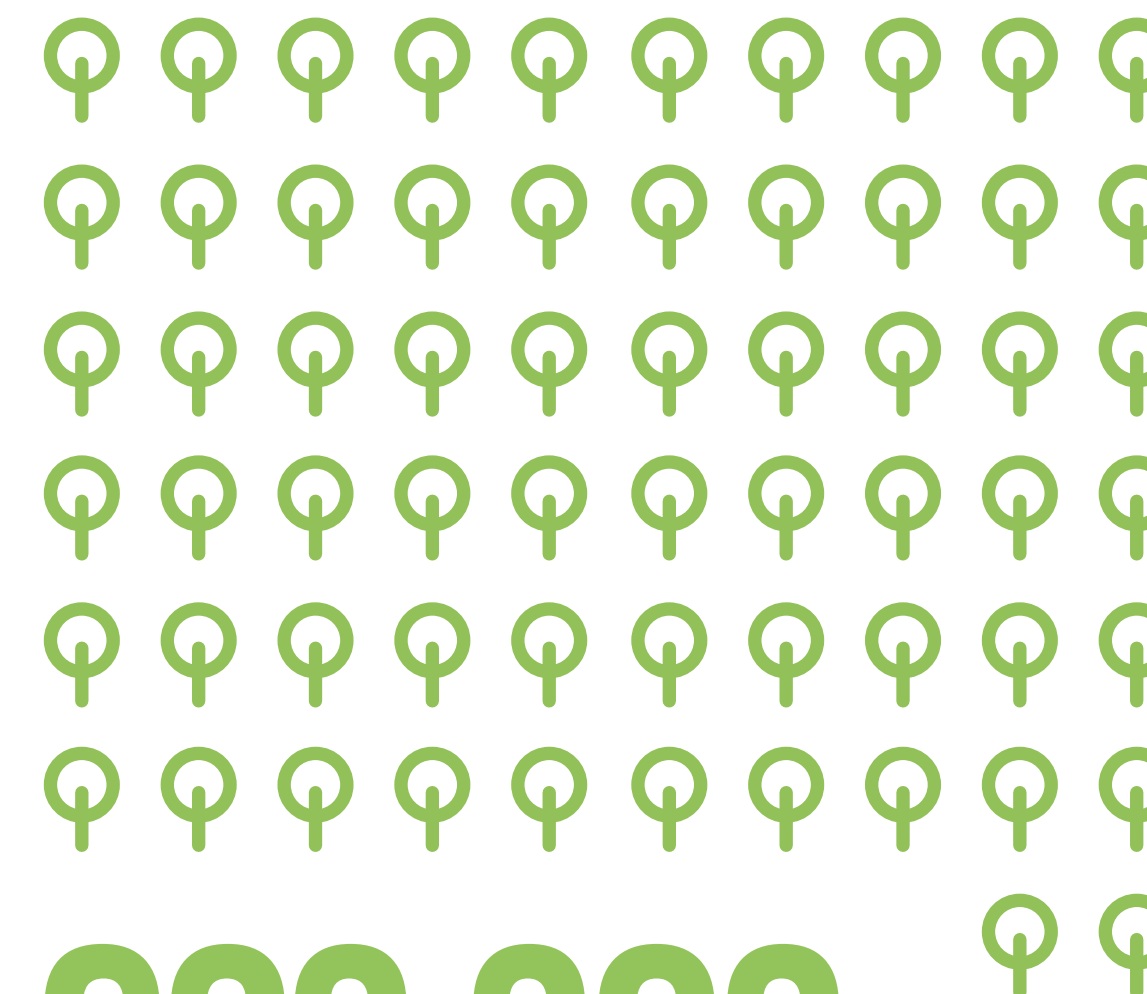
In line with our commitment to environmental sustainability, we at Alternergy have modeled the tons of carbon dioxide equivalent (tCO₂e) mitigated through our renewable energy installations, compared to a business-as-usual scenario for the power mix. We use a conservative grid emissions factor of 50%, meaning that one MWh of electricity output is equivalent to 0.5 tCO₂e mitigated.



122,878

tons of CO₂ emissions avoided, equivalent to 8,533 jeepneys off the streets.

A 22.3% increase from 2023 due to the operations of our Palau Solar Plant.



623,303

Trees planted to date

= 100,000 Plantings



83,401

Equivalent households energized each year.

With the electrification of the Palau solar plant, the number of households electrified increased to 83,401 this period compared to 74,730 households last year.

Air Emissions: Scope 1

As a pure-play renewable energy developer, we recognize the significance of tracking and managing our greenhouse gas (GHG) emissions, which result from our daily business operations. The majority of our emissions come from mobile combustion associated with company-owned vehicles.

Air Emissions: GHG

Disclosure	Quantity	Unit
Direct (Scope 1) GHG Emissions (company vehicles' emissions)		kg CO ₂ e
● Jul 2022 - Jun 2023	• 1,699	
● Jul 2023 - Jun 2024	• 9,386	

Stakeholders Affected

Stakeholder	Issues that influence their assessments and decisions (in relation to energy consumption)
Management	Managing and adhering to the company's pillar of sustainability and conservation of the environment
Stockholders	Compliance with environmental laws and regulations—potential reputational impact that may lead to divestment
Community, Environmental NGOs, Government	<ul style="list-style-type: none"> ● Compliance with environmental laws and regulations ● Reduction of environmental impacts ● Concern for environmental protection
Public, Media	Reduction of environmental impacts and concern for environmental protection—potential reputational impact

What is the impact and where does it occur? What is the organization's involvement in the impact?	The impact for Scope 1 is directly on the environment as our company-owned vehicles are emitting GHGs. The organization is directly involved as it uses these vehicles for its usual business operations.
Management Approach to Impact	Management recognizes the GHG emissions from its company vehicles and tries to offset this this the production of clean energy as its primary product. The company can offset its GHG emissions from the renewable energy it puts out in the market in place of coal or other non-renewable sources of energy.
Risks Identified	The release of greenhouse gas emissions during the production of electricity is a significant factor in driving global warming and influencing climate patterns. Inefficient management of energy use can lead to the risk of higher operating costs. Another risk is the negative and conflicting effects to Alternergy's core business of reducing GHG in the environment.
Management Approach to Risks	The Management put up a Sustainability Committee led by Sustainability Champions that monitor, enforce, and promote the benefits of being mindful of sustainability practices. These include guidelines on containing operating expenses through commitments on environmental responsibility and resource efficiency.
Opportunities Identified	An opportunity identified would be to invest in electricity-powered vehicles in the future. A cost savings model could show the prospective savings the company could achieve versus utilizing diesel-powered vehicles.
Management Approach to Opportunities	Alternergy is committed to operational efficiency leading to the conservation of energy. A Sustainability Committee has been set up to ensure the office and its employees are being reminded and regulated in being energy efficient.

Energy Consumption: Scope 2

We present data on fuel and energy consumption at Alternergy’s head office and the Kirahon Solar Plant in Mindanao. It is worth noting that as Alternergy continues to grow, it is anticipated that energy consumption may rise because of business expansion.

Despite this expected increase in resource consumption, we are committed to implementing strategies aimed at minimizing our energy and water usage, as well as reducing our overall carbon footprint.

As part of our commitment to transparency, the following tables present our resource consumption data for the fiscal year.

Energy Consumption Within the Organization Scope 2

Disclosure	Quantity		Unit
	Jul 2022 - Jun 2023	Jul 2023 - Jun 2024	
Energy Consumption (Electricity)			kWh
Makati Head Office	9,014	9,858	
Kirahon Solar Energy Corp Electricity Consumption	98,000	100,103	

Stakeholders Affected

Stakeholder	Issues that influence their assessments and decisions (in relation to energy consumption)
Management	Efficiency of managing resources
Stockholders	Profitability of the organization, efficiency of managing resources
Community, Environmental NGOs, Government	Extent of energy consumption alongside scarcity of supply
Public, Media	Extent of energy consumption alongside scarcity of supply – potential reputational impact

What is the impact and where does it occur? What is the organization’s involvement in the impact? Efficient energy consumption within Alternergy’s operations can translate to energy savings. This, in turn, can contribute to possible reduction in the country’s significant reliance on fossil fuel-based energy along with its positive impact in the company’s profitability in its internal cost savings.

Management Approach to Impact Head office’s transition to LED lighting: the new office employed the usage of LED lights and energy-efficient appliances (i.e. inverter refrigerators) as we continuously find ways to increase efficiency in our energy consumption.

Risks Identified The release of greenhouse gas emissions during the production of electricity is a significant factor in driving global warming and influencing climate patterns. Inefficient management of energy use can lead to the risk of higher operating costs. Another risk is the negative and conflicting effects to Alternergy’s core business of reducing GHG in the environment.

Management Approach to Risks The Management put up a Sustainability Committee led by Sustainability Champions that monitor, enforce, and promote the benefits of being mindful of sustainability practices. These include guidelines on containing operating expenses through commitments on environmental responsibility and resource efficiency. The initiatives in support of these guidelines include switching to LED lighting systems and the application of energy-saving mechanisms in the office.

Opportunities Identified An opportunity identified is the redesigning of the office to further promote energy efficiency practices and using more energy efficient furnishings in the new office (LED lights, energy efficient refrigerators, etc.) Another is information dissemination among employees and consistent reminders on minimizing energy usage (turning off appliances when not in use, unplugging appliances and gadgets, etc.)

Management Approach to Opportunities Alternergy is committed to operational efficiency leading to the conservation of energy. A Sustainability Committee has been set up to ensure the office and its employees are being reminded and regulated in being energy efficient. The HR department’s Sustainability Champion is tasked in designing the new office and ensuring it has energy efficient appliances in place.

Water Stewardship

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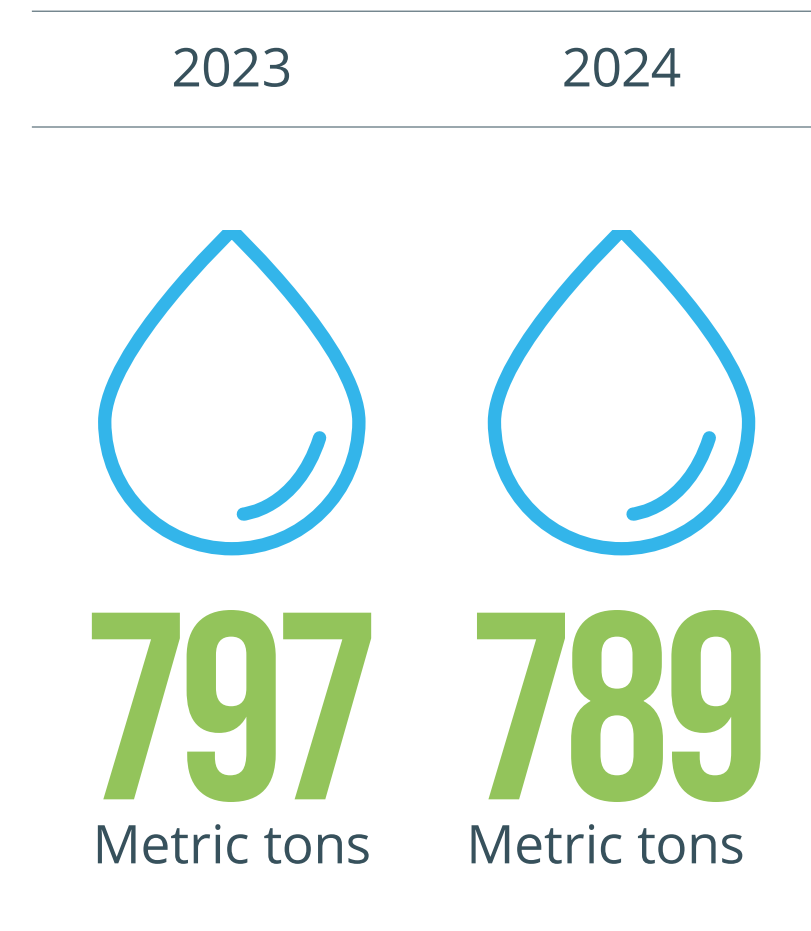
We recognize water as a vital life-sustaining resource at the heart of our business, especially within our Ifugao run-of-river mini hydro power plants. Water plays an essential role in supporting the local ecosystem, from the rich biodiversity to the livelihoods of the surrounding communities. While run-of-river mini hydro power plants are among the safer and more sustainable power generation options, we acknowledge that their construction and operation can impact the natural and social environment, both upstream and downstream.

Potential environmental impacts include alterations to the natural state of host ecosystems and shared water resources with local indigenous communities. At Alternergy, we are deeply committed to preventing negative social and environmental impacts through rigorous adherence to

environmental standards, comprehensive Corporate Social Responsibility (CSR) initiatives, and transparent engagement with local communities.

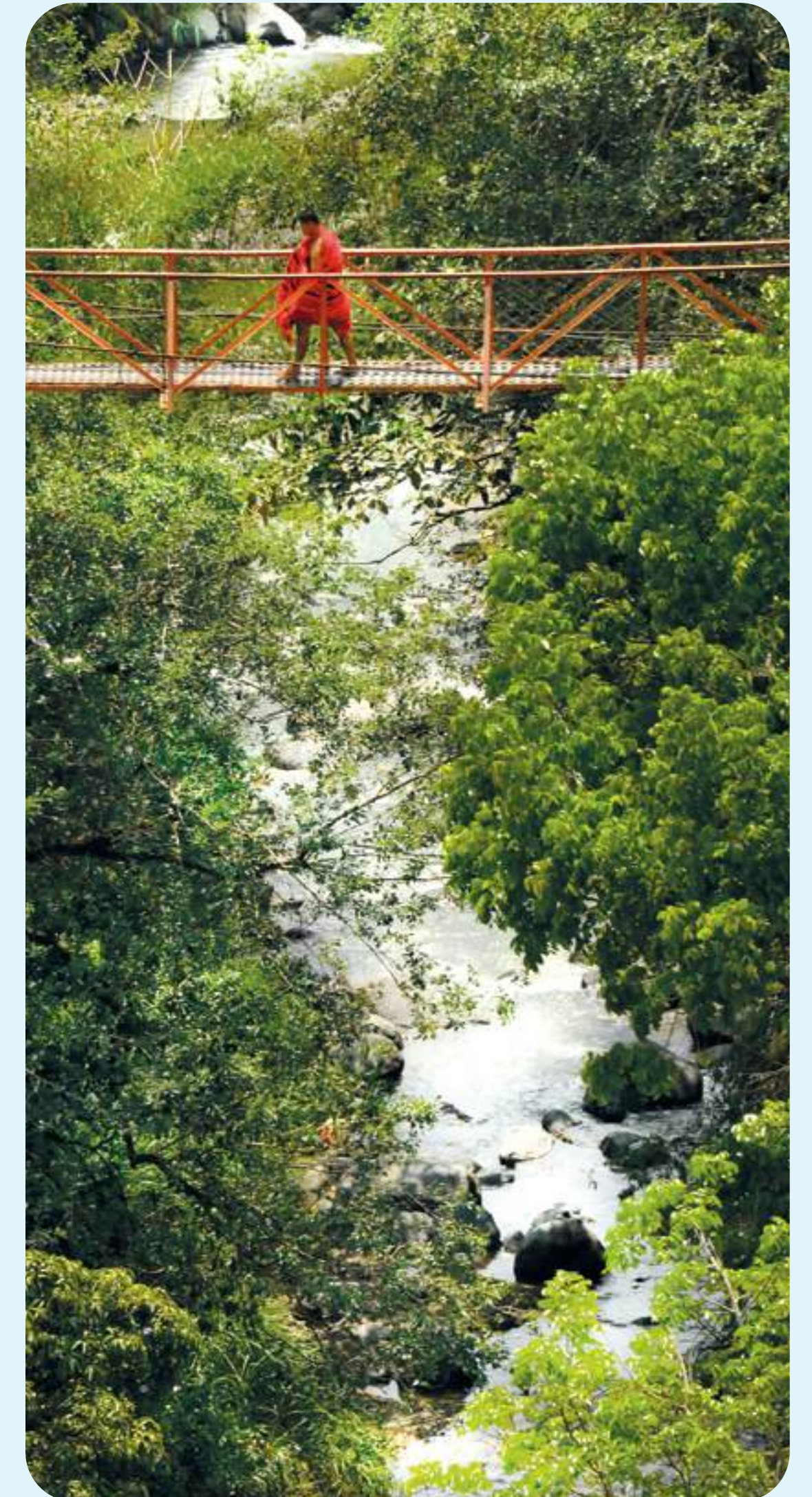
We prioritize open dialogue and regular discussions with indigenous peoples (IPs) to ensure their voices are heard and their concerns addressed. Our community officers on the ground facilitate these conversations, ensuring continuous and meaningful engagement.

Before embarking on any run-of-river hydro project, we secure a Free, Prior, and Informed Consent (FPIC) certificate from the National Commission on Indigenous Peoples (NCIP). This certification ensures that all affected IPs have been consulted and have given their consent, reflecting our commitment to respecting their rights and maintaining harmony within the community.



Water Consumption from 2023 to 2024

Our water consumption data is limited to the Makati Head Office. The data saw a 1% decrease from the previous year's recording period despite the increase in employee headcount and the expansion to another floor. Moving forward, the scope of the company's water consumption will include majority owned office sites like the Kirahon, Tanay, and Alabat offices.



Biodiversity Conservation

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Our project sites honor the natural beauty and biodiversity of their surroundings. From the outset, we conduct thorough wildlife and ecological assessments, adhering to best practices to ensure our developments coexist harmoniously with the environment. A key focus is protecting the watersheds of rivers utilized for energy generation through run-of-river hydro projects, which avoid the negative impacts of traditional damming, such as upstream flooding.

As a clean energy provider, we prioritize minimizing disruption and damage to the areas where we operate. For every project, we develop detailed Ecological and

Sustainability Plans to ensure responsible development. For our run-of-river hydro plants, these plans assess environmental impacts while ensuring sustainable power generation. Factors like water quality, ambient temperature, dissolved oxygen levels, and sediment concentration are closely monitored. Though run-of-river plants are considered safe in the industry, we acknowledge that construction and long-term operation can affect ecosystems both upstream and downstream. To mitigate these effects, we follow National Water Resources Board standards designed to minimize potential environmental damage. Studies of our Dupinga and Kiangang Mini-

Hydro projects have concluded that they are sustainable, providing clean energy without significant harm to the environment. Recommendations from Oasis Renewables include a rehabilitation program with tree-planting initiatives and the establishment of a monitoring team to combat illegal logging and hunting in the riparian ecosystem. Our on-site community officers play a crucial role in implementing these recommendations.

In developing our Palau Solar and Battery Storage plant, we conducted a comprehensive biodiversity study led by Dr. Guy Dutson, an expert from Australia and New York State University. This study, which included a Critical Habitat Assessment and Biodiversity Action Plan, was essential because the site is located within an Important Bird Area (IBA) identified by the IUCN. Fortunately, the project is situated in a savannah area with no endangered species, allowing us to proceed. Additionally, a survey on Pacific land snails and ants, led by Dr. Rebecca Rundell and Dr. Jesse E. Czekanski-Moir, confirmed the absence of endangered native snail species at the site. The solar and battery storage plant became operational in July 2023.



TREES PLANTED

As part of our group's Corporate Social Responsibility (CSR) initiatives, community officers stationed at our Run-of-River facilities, including those at Pililla, Sembrano, and Palau plants, are tasked with implementing a tree-planting program. This initiative, which began in 2018, has made significant progress over the years. To date, an impressive total of 623,303 trees have been successfully planted with an additional 471,750 trees planted in the last fiscal year, contributing to environmental conservation and enhancing biodiversity in the areas surrounding these plants. The ongoing tree planting efforts reflect the group's long-term commitment to sustainability and reforestation as part of its broader environmental stewardship goals.



Supplier Environmental Assessment and Screening Process

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At Alternergy, responsible sourcing is a cornerstone of our commitment to sustainable development. As we expand our portfolio across solar, wind, hydro, and battery energy storage technologies, we prioritize working with EPC (Engineering, Procurement, and Construction) contractors and suppliers who uphold rigorous environmental, social, and governance (ESG) standards. Our supplier screening process is designed to ensure that all partners align with our sustainability values and comply with international best practices. We screened two new EPCs during this reporting period.

Supplier and EPC Contractor Evaluation

Our approach to selecting EPC contractors and suppliers is comprehensive, integrating environmental assessments at every stage of the evaluation process. Key criteria include:

- **ISO Certification:** We prioritize suppliers who have obtained ISO certifications, particularly ISO 14001 for environmental management, as it demonstrates their

commitment to minimizing environmental impacts and adhering to internationally recognized management standards.

- **Track Record and Experience:** Prospective contractors are evaluated based on their industry experience, past performance, and proven capabilities in delivering similar projects with minimal environmental disruption.
- **Technical Capabilities:** We assess technical proposals for their method statements, ensuring that environmental and social considerations are embedded in their approach to project management.

Detailed Environmental and Social Assessment

Before becoming eligible to bid, all EPC contractors must present a detailed technical proposal that includes their Health, Safety, Security & Environment (HSSE) and ESG practices. Specific requirements include:

- **Method Statements and Environmental Management:** Contractors must demonstrate their ability to manage environmental impacts through clear, structured work methodologies that align with the DENR's Environmental Compliance Certificate (ECC) and other regulatory permits. Proposals must include specific measures for environmental protection, waste management, and resource efficiency.
- **Compliance with International Standards:** Selected contractors and subcontractors

are mandated to adhere to a Environmental, Health, and Safety (EHS) Plan, which integrates the IFC Performance Standards. These standards ensure that environmental and social risks are managed consistently and transparently throughout the project lifecycle.

- **Labor and Ethical Compliance:** All contractors are advised to comply with the Department of Labor and Employment (DOLE) guidelines in their labor procurement processes. For solar PV projects, we enforce a strict Anti-Forced Labor Policy Statement, particularly targeting PV module suppliers to ensure ethical labor practices.

Specific Screening for Wind, Solar, and Hydro Projects

- **Run-of-River Mini Hydro Projects:** EPC contractors for hydro projects are screened rigorously on their environmental management capabilities. Their proposals must exhibit a deep understanding of the ecological sensitivity of river systems, including sustainable water use practices and measures to protect local biodiversity. Selected contractors are required to continuously monitor and report on their environmental performance in alignment with our EHS Plan.
- **Solar PV Projects:** For solar developments, we emphasize ethical sourcing, particularly concerning PV modules. All suppliers must commit to our Anti-Forced Labor Policy, ensuring that their manufacturing

processes uphold human rights and environmental integrity.

- **Wind Projects:** Our wind technology projects adhere to a similar evaluation methodology, with additional emphasis on compliance with our contract's Code of Conduct. This code, embedded in all legal project documents, obligates contractors to enhance energy efficiency, minimize CO₂ emissions, and responsibly manage natural resources in compliance with relevant environmental legislation.

Code of Conduct and Continuous Improvement

All EPC contractors and suppliers are required to sign Code of Conduct, which sets stringent environmental and climate protection standards. This Code mandates that contractors:

- Use natural resources responsibly and minimize environmental pollution.
 - Implement effective energy management systems to reduce consumption and emissions.
 - Continuously improve their environmental performance in line with ISO 14001 or the EMAS Directive of the European Union.
- Through this comprehensive supplier environmental assessment process,

Alternergy ensures that all partners contribute to our overarching goal of responsible and sustainable renewable energy development.

Our PEOPLE

People through Employee Satisfaction and Social Responsibility

Sustainability is deeply rooted in the founders of Alternergy, who have successfully instilled this mindset throughout the company. As a result, sustainability is now an integral part of our culture, ingrained in our employees and internal processes. Driven by this sustainability-focused culture, we strive to create a sense of purpose among our employees, ensuring that we work together toward a shared goal.

Led by former Philippine Energy Secretary Vince Pérez, Alternergy's senior partners bring extensive experience and expertise across all stages of the development process. As pioneers in wind, solar, and run-of-river hydro power development in the Philippines, we have a strong background in energy policy, land tenure acquisition, project debt financing, and navigating permitting and regulatory requirements.



Members of the Board



Vicente S. Pérez Jr.

Chairman

Vince is the Founder and Chairman of Alternergy. He was Philippine Energy Secretary from June 2001 to March 2005. He promoted clean indigenous energy and crafted a ten-year renewable energy policy framework. Vince played a key role in President Arroyo's economic diplomacy, by forging strategic energy partnerships with several Asian countries, the UK, and USA. He served briefly in early 2001 as Undersecretary at the Department of Trade and Industry. Prior to his government service, Vince had 17 years' experience in debt restructuring, capital markets, and private equity in emerging markets. He joined Mellon Bank in Pittsburgh in 1983 as Latin American credit analyst and Mexico desk officer. In 1987, Vince joined Lazard Brothers' debt trading team in London. The following year he moved to Lazard Frères in New York and formed its emerging markets team. At 35, he became the first Asian General Partner at Lazard Frères. He was Managing Director of Lazard Asia Singapore from 1995 to 1997. Vince founded Next Century Partners in 1997, a private equity firm, and launched the Philippine Discovery Fund and the Asian Conservation Company. He assisted several investee companies with their Singapore Stock Exchange listings.

He was also Chairman of Merritt Partners, an energy advisory firm focused on Asia and was Vice Chairman of National Renewable Energy Board from 2009 to 2010. He has served as independent director of Energy Development Corporation and SM Investments and is currently an independent director of Banco de Oro Universal Bank, Double Dragon Properties, and non-executive director of ST Telemedia. He is on the advisory boards of Pictet Clean Energy Fund and Yale Center for Business in the Environment. He was Chairman of WWF-Philippines and trustee of WWF-International. Vince obtained an MBA from the Wharton Business School of the University of Pennsylvania and a degree in Business Economics from the University of the Philippines. He was a World Fellow at Yale University, where he lectured an MBA class on renewable energy in emerging countries. He is currently Honorary Consul for the Kingdom of Bhutan.



Gerry P. Magbanua

Director

Gerry is Co-Founder and President of Alternergy. Prior to joining the company in June 2007, Gerry spent nine years with InterGen, a leading global green-field power developer with plants in Australia, Mexico, Netherlands, Philippines, Singapore and UK. Gerry worked as Commercial Manager for InterGen in the Philippines for four years, responsible for financial modeling and planning, asset management, and contracts management. He also served as Controller responsible for accounting, tax and treasury. Before joining InterGen, he spent 4 years with SGV, an affiliate company of Ernst & Young, as an auditor for the power, oil, and gas industry. Gerry completed his degree in Accountancy at the Philippine School of Business Administration and is a Certified Public Accountant. He served briefly as CFO of NorthWind in 2008 and 2009.

**Knud Hedeager**

Chairman

Knud is a Co-Founder of Alternergy and President and CEO of Alternergy Wind Holdings Corporation, Alternergy's wind sub-holding company. Prior to joining Alternergy in January 2007, he gained extensive experience in management and has worked in the wind industry for 11 years initially as Senior Vice President in NEG Micon, one of the world's leading wind turbine manufacturers, with responsibility for its business in Southeast Asia and its worldwide hybrid power business (combining diesel and wind turbines in off-grid applications). In 2004, when he took up residence in Manila, Knud founded the Moorland Group investing in renewable energy projects primarily in Asia. Until March 2011, Moorland had a 28% equity stake in NorthWind Power which successfully developed, built, and operated the first commercial wind farm in Southeast Asia in northern Philippines. He also developed a 1.8 MW mini hydro project for Smith Bell Mini Hydro Corporation. Knud graduated with a degree in Mechanical Engineering from Aarhus Technical University in Denmark.

**Michael J. Lichtenfeld**

Director

Mike is Co-Founder of Solar Pacific, Alternergy's solar energy business holding company, where he is also President and CEO. Since 2012, he has been responsible for growing Alternergy's solar power capabilities and capacity. His work at Solar Pacific has been defined by firsts, including conceptualizing and developing the 12.5 MW Kirahon Solar Power Project—the first large-scale solar photovoltaic (PV) project in the Philippines to be built under a bilateral power supply agreement with a local utility, and the first bilateral solar agreement to be approved by the country's Energy Regulatory Commission. Mike has managed a portfolio of over 300 MW of solar development assets, and has closed more than USD 250 million in solar project financing. Prior to Alternergy, he served as Director of Utility Solar Development at SunEdison, LLC until 2012. He has also held leadership positions in U.S. solar company MMA Renewable Ventures and Spanish solar firm IPP Fotowatio SL (FRV).

He started out in the financial industries, working in investment banking at UBS, private equity investing at Blue Wolf Capital Management in New York, and conservation finance at The Nature Conservancy - Indonesia. He holds an MBA and Masters of Environment Management from Yale University. He has resided in the Philippines since 2013.



**Eduardo
Martinez-Miranda**
Director

Eduardo is the President of Alternergy Mini Hydro Holdings Corporation, Alternergy’s subsidiary responsible for the development and management of the company’s hydro portfolio. Eduardo focuses his work at Alternergy on creating hydro power assets that are socially, environmentally, and economically sound, benefitting both local citizens and lenders for the long term. Eduardo is an experienced finance executive with a global career that spans almost every form of banking. His finance posts include serving as Director and Head of Corporate Finance for Merrill Lynch Securities Philippines, Managing Director and Head of Philippine Investment Banking operations at Macquarie Securities Philippines, and Senior Investment Officer and Hub Leader for IFC in the Philippines.



Janina C. Arriola
Director

Janina is Vice President and General Counsel of Alternergy and as such acts as internal legal, regulatory, and contractual advisor to the Company. Her experience and expertise span all stages of power plant project development, as well as energy and electric power industry regulation. Ina started her career as an associate at Puno Law Offices and then went on to work as in-house counsel (Assistant Vice President) at First Gen Corporation and the First Gas Group of Companies, where she also served as Corporate Secretary. She was later seconded to Energy Development Corporation after its acquisition by First Gen in 2007. Janina established an independent consultancy after her stint at EDC, advising clients engaged in developing and operating natural gas, geothermal, hydro, wind, and solar power plants. Prior to joining

Alternergy in May 2021, she was Legal Group Head at Federal Land, Inc., one of the largest real estate developers in the country, and co-founded Winnergy Holdings Corporation, the renewable energy company that built and operated the first ever floating solar farm in the Philippines.



**Maria Theresa
Dela Peña Marcial**
Independent Director

Maria Theresa is a seasoned banker and has 27 years of experience in banking and finance. She is President & CEO of BPI Asset Management & Trust Corporation, providing a wide range of investment, trust and wealth management solutions to corporate, institutional, high net worth, mass affluent and retail client segments. Maria Theresa has held senior leadership positions in BPI. From April 2017 to May 2022, she served as BPI's Chief Finance Officer, responsible for driving the bank's strategic planning and budget process, performance management, capital structure, and sustainability agenda, and was concurrent Chief Sustainability Officer of the bank. She is currently a Board Director of BPI Europe Plc. Prior to her banking career, Maria Theresa worked at the Agricultural Policy Credit Council and the National Economic and Development Authority. In 2014, she was recognized as one of the Top 25 Most Influential Women in Asset Management in Asia by Asian Investor, Most Outstanding Alumnus of the University of the Philippines Los Baños in 2006, and received the CEM Centennial Outstanding Alumni Award from the University of the Philippines Los Baños in 2019. Maria Theresa is an advocate of marine conservation and renewable energy. She is a Trustee and Treasurer of WWF Philippines, a member of WWF Asia Pacific Council, a Board Director of Philippines Inter-Island Sailing Federation

and a fellow of the Foundation for Economic Freedom. She obtained the Royal Yachting Association Skipper Certification in Sydney, Australia in 2015. In 2018, she participated in the Rolex Middle Sea Race, a 606-nautical mile Category 2 offshore yacht race around Sicily organized by the Royal Malta Yacht Club. Maria Theresa obtained her master's degree in economics from the University of the Philippines Diliman in 1994 and graduated cum laude with a Bachelor's Degree in Economics from the University of the Philippines Los Baños in 1990. She completed the Advanced Management Program at Harvard Business School in 2010 and the CFA Institute Investment Management Workshop at the Harvard Business School in 2006.



Gregory L. Domingo
Independent Director

Gregory served as Department of Trade and Industry (DTI) Secretary of the Republic of the Philippines from July 2010 to December 2015 and previously was the DTI Industry and Investments Group Undersecretary and Board of Investments Managing Head from May 2001 to April 2004. Gregory is currently Senior Adviser to SM Investments Corporation and is an independent director of BDO Private Bank and a few other companies. He has served as director of Belle Corporation, Pico de Loro Beach & Country Club, Pampanga Sugar Development Company, Carmelray JTCI Corp, and Manila Electric Company. Gregory has a distinguished banking career for over 15 years, with Chase Manhattan Bank (Manila), Chemical Bank (New York), and other financial institutions in Philadelphia, Pittsburgh, and New York including First Boston, Drexel Burnham Lambert, and Mellon Bank. He finished his Bachelor of Science in Management Engineering at the Ateneo de Manila University, graduated with distinction at the Asian Institute of Management (AIM) with his Masters in Business Administration, and completed his diploma for Master of Science in Operations Research at the Wharton School at the University of Pennsylvania. To better understand digitalization, in 2016 he took a 12-week data science bootcamp in New York.

**Marivic C. España**

Independent Director

Marivic is a Certified Public Accountant, a Certified Management Accountant and a Certified GRI Sustainability Professional. Her wide range of expertise covers the fields of accounting, audit and risk management, change management, corporate strategy and governance. Marivic first joined Punongbayan & Araullo in 1997 and was admitted to the partnership in 1999. She was appointed COO in 2009 and became Chair and CEO in 2011 until her retirement from the accounting firm in June 2023. She has worked with the Department of Finance, Senate of the Republic of the Philippines, and Atlantic, Gulf & the Pacific. Marivic completed her Masters in Accountancy at the Polytechnic University of the Philippines and had attended various executive programs at the Asian Institute of Management, Wharton Business School of the University of Pennsylvania, and the Said School of Business at Oxford University. She was also former Governor of the Management Association of the Philippines and Grant Thornton International Ltd., Chair of Financial Executive Institute of the Philippines (FINEX) and National Director of the Philippine Institute of Certified Public Accountants (PICPA) for the Public Practice. Aside from being an Independent Director of ALTER, Ms. España is also a member of the Board of Trustees of St. Paul University Philippines.

**Ephyro Luis B. Amatong**

Board Advisor

Ephyro is a corporate and securities lawyer, sustainable finance advocate, and former regulator. From May 2014 to March 2022, Ephyro was Supervising Commissioner of the Markets and Securities Regulation Department and the Economic Research and Training Department of the Philippine Securities and Exchange Commission (SEC). He was also the Philippine SEC's representative to the ASEAN Capital Markets Forum (ACMF), the high-level grouping of capital market regulators of the Association of Southeast Asian Nations (ASEAN). He participated in the development of the Roadmap for ASEAN Sustainable Capital Markets (2020); and was part of the ASEAN Sustainable Finance Taxonomy project, which resulted in the creation of the ASEAN Taxonomy Board and the issuance of Version 1 of the ASEAN Taxonomy for Sustainable Finance in 2021. As Supervising Commissioner of the Markets and Securities Regulation Department, he led the finalization of 2015 Implementing Rules and Regulations (IRR) of the Securities Regulation Code (SRC), the development of the SEC's Sustainability Reporting Guidelines for Publicly-Listed Companies, the revision of the Implementing Rules and Regulations (IRR) for Real Estate Investment Trusts (REITs)

and the development of the SEC's Crowdfunding Rules to improve access to financing for SMEs. Currently, Ephyro is a consultant for the World Bank Group, particularly the Sustainable Banking and Finance Network (SBFN). He is also Advisor to the Chair of the ACMF, and a consultant for the Government Securities Roadmap project of the Bureau of Treasury (BTr). He is also a Professorial Lecturer with the LL.M. Program of the University of the Philippines College of Law, a Trustee of Andres Bonifacio College, an Independent Director of Asialink Finance Corporation, Global Dominion Finance Corporation, South Asialink Finance Corporation, Citicore Renewable Energy Corporation, and Filinvest Land Incorporated. Ephyro completed his Bachelor of Laws degree at the University of the Philippines and obtained his Master of Laws with International Finance concentration from Harvard Law School.

Management Team



Vicente S. Pérez, Jr.

Chairman of the Board



Gerry P. Magbanua

President



Knud Hedeager

President and CEO, Alternergy Wind Group



Michael J. Lichtenfeld

President and CEO, Alternergy Solar Group



Eduardo Martinez Miranda

President and CEO, Alternergy Hydro Group



Janina C. Arriola

Vice President and General Counsel



Maria Carmen G. Diaz

Chief Financial Officer and Chief Sustainability Officer



Annette M. Rafael

Vice President for Government Affairs and Hydro



Luisito S. Pangilinan

Treasurer



Anna Melissa R. Lichaytoo

Corporate Secretary



Sherleen Lourds R. Macatangay

Assistant Corporate Secretary

Approach to Stakeholder Engagement

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Our **Sponsors** collaborate with Alternergy, driven by a shared commitment to advancing clean energy, reducing reliance on fossil fuels, and uplifting host communities through sustainable investments. Our partners include project lenders who support the shift towards sustainable financing, host communities who have granted their approval for Alternergy to implement sustainable initiatives in their areas, and our employees who are dedicated to working with a company that actively addresses climate change.

Our **Lenders** are instrumental in bringing the domestic banking market to the renewable energy sector. Our projects are financed

through non-recourse project funding, and in our collaboration with banks, we work to build confidence in our management expertise. We aim to strike a balanced approach to risk-sharing between lender and borrower, based on market-driven financing terms and conditions. We emphasize the long-term financial benefits of renewable energy and create the necessary frameworks to secure the support of lending institutions. In every Alternergy project, we provide lenders with access to world-class technical analysis, ensuring confidence in the project's technical design while equipping them with knowledge and benchmarks for future renewable energy investments.



Our **Employees** are highly skilled in their respective fields and deeply committed to environmental causes, especially in combating climate change. Our corporate values foster trust and enhance morale within the workforce. We emphasize the importance of healthy lifestyles and teamwork, encouraging collaboration across various units and teams. We are also dedicated to promoting inclusion and gender equality in the workplace.

We actively engage with the **Communities** surrounding our operational sites.

Stakeholder	Their Value	How We Engage	Concerns	Our Response
Co-investors/ Shareholders	Provide resources and oversight	<ul style="list-style-type: none"> ● Annual stockholders meeting ● Meetings with investors 	Business performance	Timely and transparent disclosures
Off-takers/Clients	Buyers of energy generated	Regular meetings	Downtime level of service	Ensure proper maintenance of renewable energy systems
Financiers/Creditors	Provides capital to support business	Regular communications and business updates	<ul style="list-style-type: none"> ● Financing additional projects ● Governance and business ethics 	Comply with financing terms and agreements
Equipment/ Service Suppliers	Provider of wind and water turbines, solar panels, technical consulting, contractor expertise	<ul style="list-style-type: none"> ● Regular communications ● Supplier accreditation 	Governance and business ethics	Practice supplier accreditation and ethical procurement policies
Government Regulator	Policy maker and implements regulations which govern sector	<ul style="list-style-type: none"> ● Scheduled and unscheduled audits ● Regular communications ● Proactive consultation 	<ul style="list-style-type: none"> ● Compliance with legal and regulations ● Governance and business ethics 	<ul style="list-style-type: none"> ● Follow rules and regulations ● Provide timely and accurate reports
Host Communities	Host of renewable energy equipment	Regular dialogue and consultation with host community regarding project implementation and concerns	Involvement of community	Partner in implementation of projects and community benefit programs
Employees	Implement company objectives and represent company	<ul style="list-style-type: none"> ● Regular townhall meetings ● Performance appraisals 	Employee welfare and benefits	Ensure work-life balance, good working environment and employee fulfillment
Media/ Capital Markets	Accurate reporting on company performance	Media and analysts' briefings	<ul style="list-style-type: none"> ● Business performance ● ESG Impacts 	Provide timely, transparent and accurate updates on the business

Employee Satisfaction



Compensation

In 2024, we implemented a company-wide salary standardization plan. It covered 38 unique positions of the company. This was based on the results of a study conducted by Mercer, a global consulting agency on career solutions, to keep our existing salary structure at par with market standards. After implementation, all qualified employees received an increase in salary.

Remuneration Policies

2-19

The levels of remuneration of the Company should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors is based on corporate and individual performance.

The Company's annual reports and information and proxy statements include a clear, concise, and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and top four (4) management officers during the preceding fiscal year.

Long-term Employee Incentive Plan 201-3

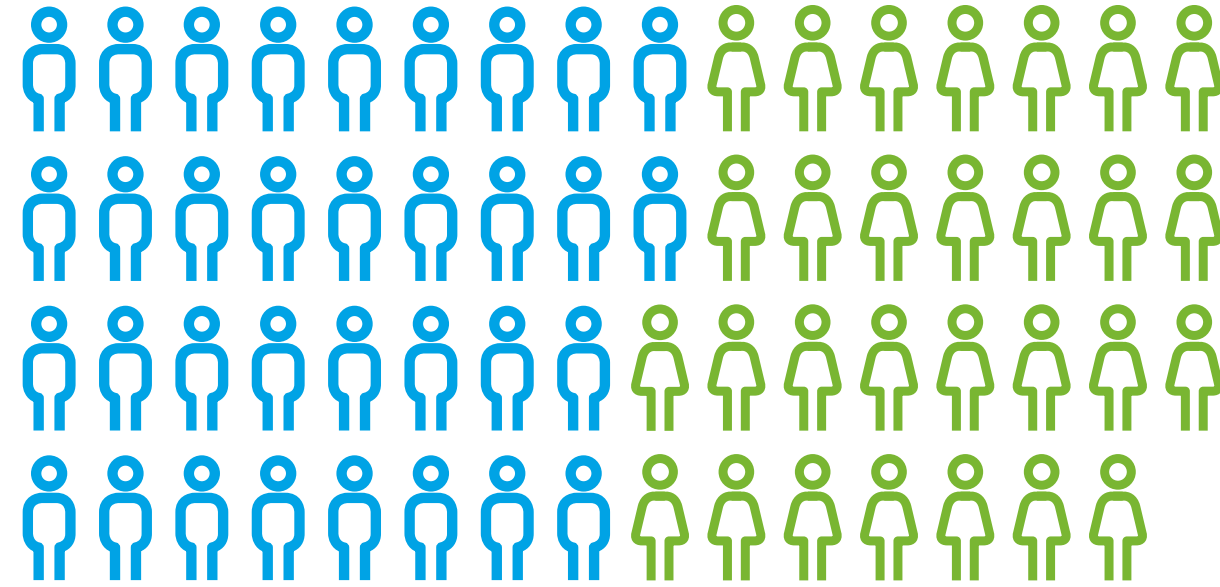
In 2022, AHC issued 45,083,179 Common Shares at par value to BDO Trust as the trustee and funded by the Company for the select officers, employees and consultants (the "Beneficiaries") of the Company who will be covered by the Employees' Incentive Plan, currently being formulated. Under the Trust Agreement between the Company and BDO Trust executed on September 1, 2022, the Company (through its Board of Directors or a third-party administrator appointed by the Board) intends to grant or issue notional shares to the Beneficiaries which may be redeemed on the relevant vesting dates. BDO Trust, through the plan administrator, shall cause the sale of an equivalent number of shares in the stock exchange. The proceeds will thereafter be delivered to the Beneficiaries.

EMPLOYMENT

401

63

Total number of employees: 34 male, 29 female



Employees by category of work

	Female	Male
Employees	29	34
Permanent employees	18	28
Temporary employees	10	6
Part-time employees	1	-

Employees by region

	NCR	Region III	CAR	Region IV-A	Region X	Palau
Number of employees	37	3	8	14	1	-
Number of permanent employees	27	3	2	13	1	-
Number of temporary employees	9	0	6	1	0	-
Number of part-time employees	1	0	0	0	0	-

Workers who are not employees

2-8

Type of Worker	Contract Type	Work Performed
Accounting Assistant	Contractual	Bookkeeping
Project Management	Contractual	Site project management
Community Relations	Contractual	Community affairs
Security Advisor	Contractual	Security matters
Janitorial/Messengerial	Contractual	Housekeeping and messengerial

Total number of new employee hires during the reporting period

Age Group	Male	Female
Under 30 years old	1	5
30-50 years old	4	2
Over 50 years old	-	-

Benefits provided to full-time employees 401-2

Medical Insurance Coverage

- Health care extension for two (2) qualified dependents upon hire
- Medical reimbursement of PHP 10,000 per employee and qualified dependents under the HMO program

Group Life Insurance Coverage

- Total and Permanent Disability Benefit
- Accidental Death and Disablement Benefit

Leaves

- Emergency Leave/ Bereavement Leave
- Sick Leave
- Maternity Leave of 105 days (SSS+ALTER)
- Vacation Leave

Financial Assistance

- Bereavement Assistance
- Employee Salary Loan

Additional salary benefits

- Discretionary Performance Bonus
- Communication Allowance
- Food and Transportation Allowance

Others

- Team Building Activities
- Birthday celebrations
- Free meals
- Sports Day
- Mental Health Program
- Vaccination Program
- #RenewWell Wellness Program: Mind Check from Mindscapes, Casual Conversations with Dr. Gang Badoy, Project Team Steady

Benefits provided to temporary employees 401-2

Medical Insurance Coverage

Leaves

- Sick Leave
- Maternity Leave of 105 days (SSS)
- Vacation Leave

Additional Salary Benefits

- Discretionary Performance Bonus
- Communication Allowance
- Food and Transportation Allowance

Others

- Team Building Activities
- Birthday celebrations
- Free meals
- Sports Day
- Mental Health Program
- Vaccination Program
- Wellness Program

Occupational Health and Safety

403

Occupational Health and Safety Management System

403-1

Pursuant to the enactment of the Renewable Energy Act of 2008, the DOE issued Circular No. DC-2012-11-009, or the Renewable Energy Safety, Health, and Environment, Rules, and Regulations of 2012 (RESHERR), which outlines the pertinent rules and regulations applicable to all RE employers, employees, contractors, and other entities engaged in RE operations in the Philippines. The RESHERR covers all activities related to exploration, development, and utilization of RE resources and manufacturing, fabrication, and suppliers of locally-produced RE machinery, equipment, components, and parts.

All persons employed in the practice of occupational safety in the Philippine RE industry are required to be duly qualified

and accredited by the Renewable Energy Management Bureau. In addition, the RESHERR likewise establishes minimum occupational safety and health requirements for RE facilities. Non-compliance with the provisions of the RESHERR may result in fines and/or suspensions of operations. As of end-June 2024, Alternergy and all its projects are RESHERR compliant.

Safety Officer	Project
1	Tanay
1	Alabat
1	Solana
1	Palau
1	Kirahon

Occupational Health Services

403-3

Here's a description of our occupational health services functions that contribute to the identification and elimination of hazards and minimization of risks:

- **Hazard Identification and Assessment:** Workplace inspections, risk assessments, and health surveillance are regularly conducted to identify hazards in the corporate office and project sites.

- **Risk Minimization:** Preventive and control measures, such as safety equipment and safe work practices are recommended to reduce exposure and mitigate risks.
- **Health Monitoring and Surveillance:** Regular health checks and monitoring are done regularly to help detect early signs of work-related illnesses, enabling prompt intervention to prevent further harm.
- **Health Promotion:** The Company promotes overall worker health and well-being through a comprehensive wellness program offered to all employees.



Worker participation, consultation, and communication on occupational health and safety

403-4

Communication of Critical Concerns

2-16

Communication between management and employees are kept open and updated through regular consultations and quarterly Town Hall meetings, usually conducted virtually, to allow employees in the various project sites to participate.

We keep ourselves in check in terms of employee satisfaction by actively engaging them in various regular sessions to discuss both business- and worker-related issues.

- **Worker Participation:** Workers are encouraged to participate in identifying hazards, reporting unsafe conditions, and suggesting improvements in on-site and off-site meetings. Their firsthand knowledge of the work environment makes them invaluable in recognizing risks that may be overlooked.
- **Consultation:** Regular consultations with workers are held regarding health and safety measures. This involves a series of discussions on policies, risk assessments, and control measures with human resources and the relevant committee.



- **OHS Committees:** We have created an Occupational Health and Safety Committee consisting of worker and employer representatives. Its role is to oversee occupational health and safety matters, conduct inspections, review incident reports, and ensure compliance with safety regulations. This committee meets regularly to discuss and address workplace safety concerns, ensuring that both management and workers collaborate in creating safer conditions.

Promotion of Worker Health

403-6

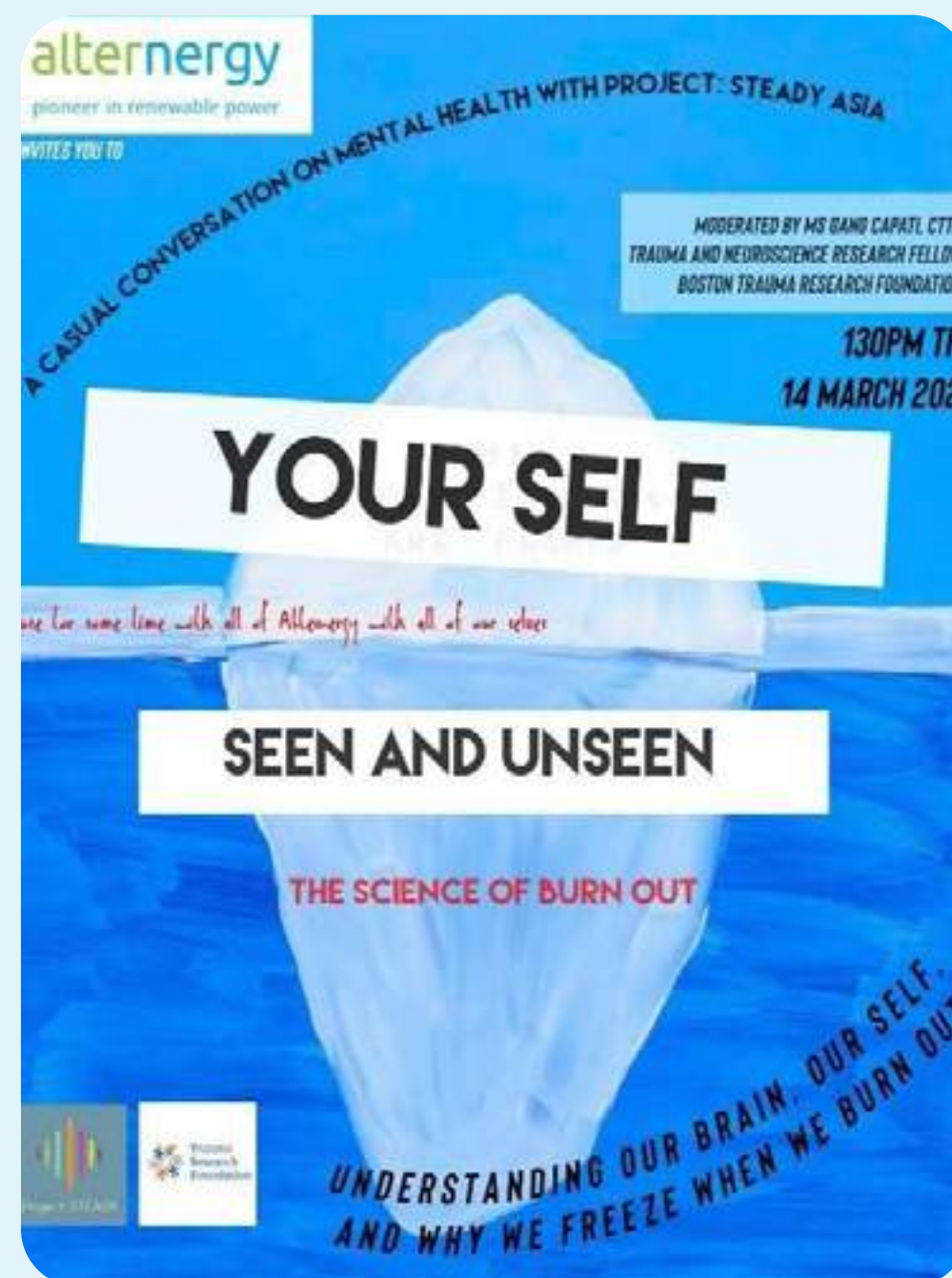
The health and wellness of its employees is a key priority of the company. The following are medical and accident insurance benefits provided to all regular employees:

- **Health Insurance Plans:** Medical, dental, and vision coverage are offered to all employees and their families. Coverage includes preventive care, hospitalizations, and specialist visits under the HMO program
- **Wellness Programs:**
 - Health Screening (e.g. blood pressure check-up) aimed at promoting healthier lifestyles
 - #RenewWell Wellness Program which includes Mind Check from Mindscapes, Casual Conversations with Project Team Steady with Dr. Gang Badoy

Training and Education

404

- Free meals – Lunch on Mondays, birthday cake, unlimited water, coffee, and tea
- **Mental Health Support:** We offer free access to online counseling services, through its Employee Assistance Program or EPA, which provides confidential support for personal or work-related challenges to all its employees.
- **Vaccination Programs:** Every year, we offer free flu shots to help prevent illness and promote public health within the workforce. All employees are encouraged to take advantage of this free medical assistance.
- **Telemedicine Services:** We provide employees with 24/7 access to virtual consultations with doctors or healthcare professionals for non-emergency medical advice and prescriptions thru the its HMO program.
- **Fitness Facilities and Activities:** We have plans to build an on-site mini gym to encourage physical activity and exercise.



We recognize the importance of continuous workplace learning, both internal and external, as well as other developmental interventions to ensure that everyone is equipped with the necessary competencies or to prepare them for higher positions within the company. In determining these, we plan to undertake a Training Needs Analysis (TNA) together with the annual performance review. Identified training and development programs shall be implemented by conducting an in-house program or sending the participant/s for external training. Requests for training were processed in accordance with Company Policy and Procedures. We may, at our sole discretion, impose conditions relative thereto, such as a Training Bond, and the like, as a guarantee for a fair “return on investment.”

Employees	Female	Male
Enrolled in undergraduate course	1	
Enrolled in post-graduate course	3	1

Programs for upgrading employee skills and transition assistance programs 404-2

1. Post-SONA Philippine Economic Briefing
2. IIEE Metro Manila Regional Conference
3. Annual National Convention for Electrical Engineering professionals in the Philippines
4. Bureau of Customs Orientation
5. Compensation Management Workshop
6. NGCP Transmission Development Plan
7. Preparation Workshop: Financial Statements
8. Implementing Rules and Regulations (IRR) on Ease of Paying Taxes (EOPT) Act
9. Best Practices Seminar: For Engineers
10. RE Market Governance and Updates
11. 2nd Philippines ESG Investors Summit
12. Corporate Governance virtual seminar
13. Pollution Control Officer Managing Head Training
14. Online Training for Basic Training Course for Pollution Control Officer

Diversity and Equal Opportunity

405

In 2024, we implemented a company-wide salary standardization plan. It covered 38 unique positions of the Company. This was based on the results of a study conducted by Mercer, a global consulting agency on career solutions, to keep the Company's existing salary structure at par with market standards.

To safeguard confidential salary information of its employees, we outsource our regular payroll processing to Prople BPO, an independent Philippine-based business solutions provide, with expertise and experience in the areas of Finance, Accounting, Tax Services, Human Resources/ Payroll, and Data Management Services.

Ratio of basic salary and remuneration of women to men

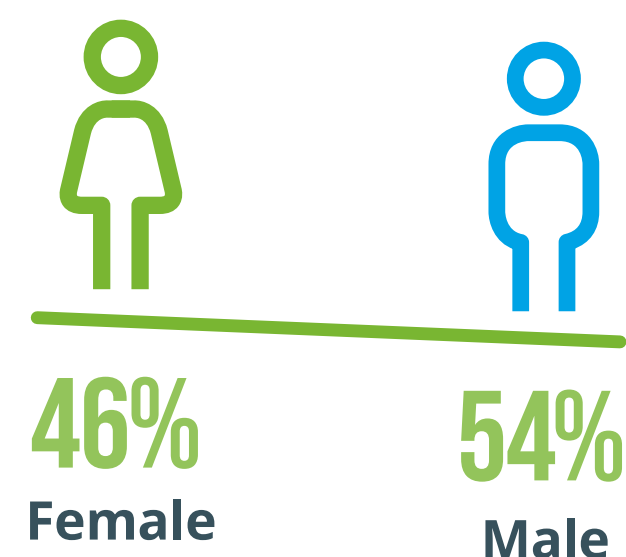
405-2

We proactively promote gender equality by hiring based on qualifications and not on gender. We uphold pay parity where employees in the same job are paid fairly regardless of gender or ethnicity.

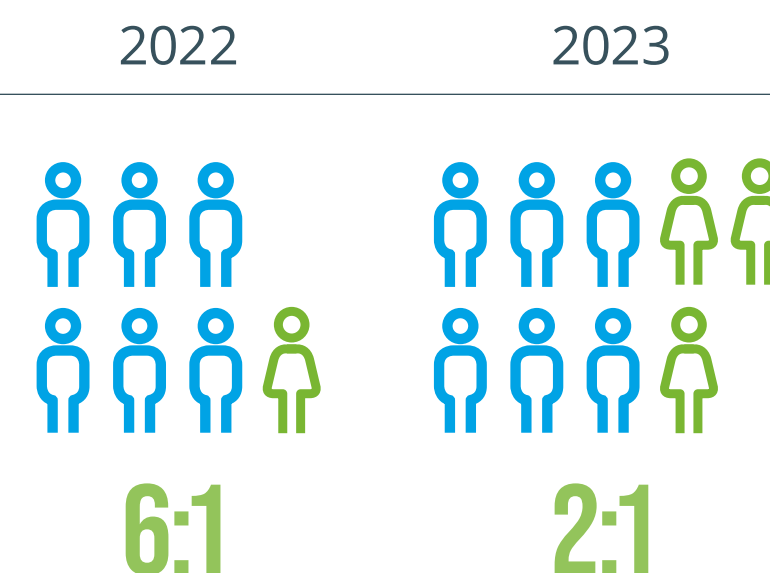
Diversity of governance bodies and employees

405-1

Percentage of individuals within the organization by gender



Alternergy Board composition



Percentage of individuals within the organization by age

	Female	Percentage	Male	Percentage
Under 30 years old	8	28%	2	6%
30 to 50 years old	16	55%	20	59%
Over 50 years old	5	17%	12	35%
TOTAL EMPLOYEES	29	100%	34	100%

Non-discrimination

406

We do not tolerate any form of discrimination or harassment in the workplace on the basis of race, color, religion, sex and sexual orientation. We strictly adhere

to the provisions of Republic Act No. 7877, otherwise known as the Anti-Sexual Harassment Act of 1995 and its implementing rules and regulations.

Any employee who experiences discrimination or sexual harassment

at work by anyone, including fellow employees, supervisors, clients or visitors, should bring the problem directly to the attention of the Chairman and President. All complaints will be investigated promptly and will be kept confidential to the extent possible.

Anyone who discriminates against or harasses another employee is subject to strict discipline, including dismissal in appropriate cases.

Freedom of Association and Collective Bargaining

407

There is no formalized union among the employees of the Company.

Child Labor

408

We do not have an explicit child protection policy or risk assessment tools on this issue, nor do we explicitly train staff. None of our existing co-investments employ child labor and we do not have such employees.

Forced or Compulsory Labor

409

We do not employ forced labor.

Local Communities

413

Operations with local community engagement, impact assessments, and development programs

413-1

A Commitment to Indigenous Rights and Sustainable Development Highlighting Free, Prior, and Informed Consent (FPIC):

Free, Prior, and Informed Consent (FPIC) is a critical framework that ensures Indigenous Peoples' rights are respected when projects are proposed on their traditional lands, particularly when natural resources like water are involved. For companies like Alternergy, which develop run-of-river hydro power plants in areas inhabited by Indigenous Peoples (IPs), securing FPIC is not just a regulatory requirement but a core commitment to ethical business practices, social responsibility, and sustainable development.

In addition to the FPIC process, we conduct multiple Information and Education Campaigns (IECs) designed to build mutual understanding and trust with the IPs. We emphasize that our projects are undertaken as respectful guests on their land and that the shared water resources will be managed responsibly, safeguarding their livelihoods and way of life.

We ensure substantial compliance with the principles enunciated in the Indigenous Peoples Rights Act (IPRA) as well as to the technical/procedural compliance with the legal requirements of the NCIP and FPIC Guidelines, which include, among others, the conduct of the field-based investigation (FBI); other pre-FPIC activities; FPIC mandatory activities; and post-FPIC activities, including the signing and implementation of the Memorandum of Agreement (MOA).

Our approach to water management and community relations exemplifies our commitment to promoting peaceful and inclusive societies for sustainable development, aligning with our broader environmental and social governance principles.



Host Community Benefits

2-8 | 203-2

The third component of our QBL is delivering benefits to host communities.

Households Powered: One measurement is by the number of households powered each year. Currently, this equals 83,401 households (up from 74,730 last year). We view the community’s role as a “social fence” in power projects in developing countries. We are committed to funding beyond the mandatory PHP 0.01/kWh as required by DOE Regulation 1-94. Additionally, we voluntarily allocate a portion of net income for the benefit of host communities.

Infrastructure Development: Renewable energy projects, especially in rural or indigenous areas, contribute significantly to local infrastructure improvements. New access roads are opened in previously remote regions, and bridges and farm-to-market roads are constructed, not



only facilitating project logistics but also improving mobility for residents. Our CSR efforts also support the rehabilitation of water systems, installation of hand-washing stations, public toilets, and e-community centers to enhance living conditions.

Benefits from Memorandum of Agreement (MOA): Local governments and indigenous communities receive royalties from energy projects, which they can use

for local development initiatives. In addition to these royalties, we allocate annual CSR funds at each project stage. These projects are identified through surveys and discussions with community stakeholders and local officials to ensure maximum impact and community support.

Local Employment Opportunities:

We prioritize hiring local residents with the necessary qualifications at all stages of the project lifecycle—from public consultations and permitting during pre-development to construction and ongoing operations. We offer specialized training to equip locals with the skills needed for various roles, increasing their employability. Our CSR teams consist of qualified local residents, and in Palau, around 60% of workers during the construction of our solar project were locals.

Boosting Local Economies: Renewable energy projects, especially in remote areas, often become major taxpayers, stimulating economic activity. New business centers, restaurants, and accommodations emerge, and with improved roads, the movement of local products and goods increases.

Support for Indigenous Peoples’ Organizations (IPOs): Energy projects within ancestral domains help indigenous

communities organize into legal entities to empower and guide their development programs. Royalties serve as seed capital, and we assist in forming and accrediting IPOs, as well as funding the creation of Community Royalty Development Plans (CRDP) and Ancestral Domain Sustainable Development and Protection Plans (ADSDPP).

Compensation for Affected Properties:

We respect the rights of indigenous peoples and ensures compensation for any affected property or assets, such as land, crops, or trees, during construction and operations. Sacred areas, such as ancestral burial grounds, are also respected and avoided.

Land Leasing/Rent: We offer competitive leases or rents for land used within project sites. We engage third-party realty consultants to conduct

Corporate Sustainability and Responsibility (CSR) Program:

We have developed a comprehensive CSR program, created in partnership with host communities, focusing on five key areas: environment, education, health, livelihood, and disaster risk reduction. The program is designed to address the community’s needs throughout the project’s lifecycle.

Our Corporate Social Responsibility Programs:

Alternergy Tanay Wind Corporation

- DENR, National Arbor Day
 - 3,000 seedlings planted in Barangay Cuyambay, Tanay, Rizal
- Support in the form of donation for the event
- Alternergy representative hosted the event
- Christmas Outreach 2019 - Barangay San Andres
- Tanay Hane Fiesta - support in the form of donation

Alabat Wind Power Corporation

- Brigada Eskwela - 1,000 recipients in the town of Alabat, Quezon province

- Nyogyugan Provincial Fiesta - support in the form of donation - Quezon, Quezon
- Barangay Villa Norte, Alabat Fiesta - support in the form of donation
- Barangay Agoho, Calauag Fiesta - support in the form of donation

Liberty Solar Energy Corporation

- Barangay San Isidro, Paniqui Fiesta - support in the form of donation
- Sponsored summer basketball league

Solar Pacific Pristine Power, Inc. (Palau)

- Donation of 46 headsets to Aimeliik Elementary School worth over USD \$1,000



Membership Associations

2-28

Alternergy is part of major RE associations which can provide several benefits, such as access to industry-specific resources, networking opportunities, roundtable discussions and professional development programs. Alternergy takes advantage of these associations as these provide a platform for members to share their knowledge and expertise with others in the RE industry which can help them stay up to date with the latest trends and best practices. This also serves as an advocate for members' interests and provides a unified voice on issues that affect the RE industry.

Developers of Renewable Energy for AdvanceMent, Inc. (DREAM) is the national umbrella organization for all renewable energy associations in the Philippines DREAM was

launched in January 2019. Its core objective is to push for policy reforms to be taken by the Philippine government for more efficient delivery of services, and to help attain the country's RE targets.

DREAM unifies all RE industry associations, and provides them with a broader platform to advance the cause of RE mainly through policy advocacy and knowledge sharing. It counts as institutional members six (6) RE associations, namely:

- National Geothermal Association of the Philippines (NGAP);
- Biomass RE Alliance (BREA);
- Confederation of Solar Developers of the Philippines (CDSP);
- Philippine Solar and Storage Energy Alliance (PSSEA);
- Philhydro Association, Inc. (Philhydro); and

- Wind Energy Developers Association of the Philippines (WEDAP).

Philippine Hydro Association (Philhydro) is a non-profit organization that aims to promote the development of hydropower in the Philippines. The association provides a platform for stakeholders in the hydropower industry to share knowledge and expertise, collaborate on projects, and advocate for policies that support the development of hydropower in the Philippines. The following are the objectives:

- Promoting the use of hydropower as a sustainable and renewable energy source
- Encouraging investment in hydropower projects
- Advocating for policies that support the development of hydropower in the Philippines

- Providing a forum for stakeholders to share knowledge and expertise
- Supporting research and development in the field of hydropower

Wind Energy Developers Association of the Philippines (WEDAP) is a non-profit organization that aims to promote the development of wind energy in the Philippines. The association provides a platform for stakeholders in the wind energy industry to share knowledge and expertise, collaborate on projects, and advocate for policies that support the development of wind energy in the Philippines. The following are the objectives:

- Promoting the use of wind energy as a sustainable and renewable energy source
- Encouraging investment in wind energy projects

- Advocating for policies that support the development of wind energy in the Philippines
- Providing a forum for stakeholders to share knowledge and expertise
- Supporting research and development in the field of wind energy

Philippine Solar and Storage Energy Alliance (PSSEA) is a non-profit organization that aims to promote the development of solar and energy storage technologies in the Philippines. The alliance provides a platform for stakeholders in the solar and energy storage industry to share knowledge and expertise, collaborate on projects, and advocate for policies that support the development of these technologies in the Philippines. The following are the objectives:

- Promoting the use of solar and energy storage technologies as sustainable and renewable energy sources
- Encouraging investment in solar and energy storage projects
- Advocating for policies that support the development of solar and energy storage technologies in the Philippines
- Providing a forum for stakeholders to share knowledge and expertise Supporting research and development in the field of solar and energy storage

Philippine Rural Electric Cooperatives Association, Inc. (PHILRECA) is the national organization representing all electric cooperatives and allied organizations in the Philippines. PHILRECA has been advocating for the

empowerment of electric cooperatives for over four decades, focusing on rural electrification, ensuring quality and reliability, and enhancing the global competitiveness of these cooperatives.

PHILRECA provides support to its members through policy development, representation to government and energy agencies, capacity building trainings, webinars and conventions. The association also works to protect the rights and interests of its member cooperatives, their consumer-owners, and allied organizations.

Additionally, PHILRECA has a political arm, the PHILRECA Party-list, which represents the interests of its member cooperatives in the House of Representatives.

Management Association of the Philippines (MAP)

a prominent organization dedicated to promoting management excellence for nation-building. Established over 68 years ago, MAP comprises more than 1,000 members, including CEOs, COOs, and top management practitioners from various local and multinational companies operating in the Philippines

MAP's mission is to enhance management practices through sharing best practices, benchmarking with international counterparts, networking with other business organizations, and providing educational activities and training programs². They also advocate for reforms that contribute to the country's development.

Makati Business Club (MBC)

which is a prominent non-profit business association in Makati. The MBC serves as a forum for constructive ideas and a vehicle for the business sector to help build a competitive, job-creating economy, and a democratic, inclusive, and sustainable society. MBC aims to provide the business sector with constructive ideas and a global outlook, helping to build a competitive economy and a democratic society.

Financial Executives Institute of the Philippines (FINEX)

is a professional organization composed of top-level financial executives from various sectors, including banking, insurance, manufacturing, and services. FINEX aims to promote financial literacy, good governance, and ethical standards in the

financial community. The organization provides a platform for its members to exchange ideas, enhance their professional skills, and stay updated on the latest trends and developments in finance. FINEX also engages in advocacy work, representing the interests of financial executives in policy discussions and regulatory matters.

Our contribution to all 17 UN SDGs

[2-22](#) | [2-23](#) | [2-24](#) | [2-27](#)

We have aligned our business initiatives in alignment with the United Nations Sustainable Development Goals (UN SDGs) and its respective targets. Collectively, our activities and business operations contribute to ALL 17 UN SDGs.

Core SDGs



SDG 1: No Poverty

We empower our host communities through entrepreneurship and livelihood opportunities. We comply with the Energy Regulation No. 1-94 (ER 1-94) which was enacted to make sure that host communities get a reasonable share of the profit from power plants operating in their area. The policy guidelines fall under the Department of Energy Act of 1992 in conjunction with the Electric Power Industry Reform Act of 2001 (EPIRA).

Our operating projects provide financial benefits to host communities which are entitled to one-centavo per kilowatt- hour (P0. 01/ kWh), from the electricity sales of the Generating Companies (GenCos), in line with the ER-1-94 program.



SDG 2: Zero Hunger

We have a project inclusion priority employment of residents that is, **we give priority employment to local residents with sufficient qualifications throughout the life cycle of the project**—from pre-development during public consultations and engagements and permitting to construction stage all the way to operations and management. Special training courses are offered to interested individuals to better equip them with knowledge and skills necessary for the required jobs and increase their employability.

We encourage and fund our employees' participation in training programs such as: SGV Excel Training Programs, attendance to annual conventions, Institute of Electrical Engineers for our engineers, Defensive Driving Skills Assessments at the A1 Driving School for our company drivers, seminars on Financial and Tax Reporting, Income

Taxes, Implementing Rules and Regulations on Ease of Paying Taxes, SGV Sustainability Seminars, Seminars on Climate Change Awareness. We send our staff to regular trainings and seminars provided by SGV and other third-party advisors which will hone their bookkeeping and accounting knowledge and skills while keeping up-to-date with the ever-evolving regulations and best practices in the field of accounting.



SDG 3: Good Health and Well Being



For FY 2023-2024, **we spent more than PHP 2.8 million in health benefits for our employees and their qualified dependents.**

For each of our 64 total employees, the average “well-being” investment for the fiscal year was PHP 43,800, an increase of nearly 25% from the previous fiscal year. All medicines prescribed by the doctors to our employees can be reimbursed subject to set limits by the HMO provider. We have a group



SDG 4: Quality Education

life insurance coverage provided by a leading life insurer in the Philippines, First Life Financial Co. Inc. Etiqa Philippines, a multinational insurance company majority owned by Etiqa International Holdings (EIHSB) Malaysia covers the HMO coverage of employees. All employees are provided with medical, group life and business travel insurance programs. Other benefits include accidental death and disablement, total and permanent disability coverages. The HMO coverage includes two (2) qualified dependents.

In the interest of employee wellness while at work, special purpose rooms, such as the Meditation Room which doubles as a Nursing Area, a Quiet Room where an employee could stay for “quiet time,” and a “phone booth” which allows privacy when taking personal calls, were built in the new office.

We have in place an official internship program for university undergraduates. We also have an existing partnership with The Asia New Zealand Foundation for internship programs. This is an official partnership with a signed Memorandum of Agreement that allows us to train senior undergraduates from New Zealand.

We regularly participate in Brigada Eskwela with the donation of school supplies to school children.

In its most recent participation, a total of 1,020 schoolchildren in Grades 1 and 2 in six (6) elementary schools and kindergarten children in 19 Day Care Centers were given a package of school supplies. The Alternergy Team also conducted repainting of the building of the Office of the District Superintendent of the Department of Education (DepEd). With education as one of the pillars of the Alternergy Group’s corporate social responsibility program, the Alternergy Group regularly engages in the Brigada Eskwela to support the schools and students in



the company’s host communities for the incoming school year. Brigada Eskwela is an annual school maintenance program that urges students, teachers, parents, and other staff to contribute their time and resources to ensure that schools are ready for class opening.



SDG 5: Gender Equality



Two female directors were appointed to the Board during the Annual Stockholders' Meeting in December 2023 namely, Ms. Maria Victoria C. Españo and Atty. Janina C. Arriola. Currently, there are three out of nine Board Directors are women.

We have a balanced gender mix of 46% female and 54% male that promotes inclusivity. We proactively promote gender equality by hiring based on qualifications and not on gender.



SDG 6: Clean Water and Sanitation

We recognize and appreciate water as a life-giving resource that is central to our core business. Water is also the center of civilization in our Ifugao run-of river plants; essential to the entire ecosystem of the area, from the Ifugao wildlife to the communities' livelihoods. Thus, in all our hydro projects, we obtain the National Water Regulatory Board (NWRB) permit to tap water resource without affecting irrigation (which has priority). We make sure that our projects will not have any adverse impact on the physical environment and the communities who reside and will benefit from our hydro projects.

As a company policy, we do not discharge any effluents as all hydro plants are complete and compliant in their studies conducted and permits obtained for their development of run-of-river mini hydro power plants. The hydro plants in development (Kiangan, Dupinga, and Lamut) submit semi-annual Compliance

Monitoring Reports that ensure continued adherence with the DENR's requirements for the ECC (Environmental Compliance Certificate) and the EMP (Environmental Management Plan). By conducting best-practice wildlife and ecological assessments at the start of each project, we take every possible step to ensure what we develop is in harmony with the environment.

We aim to protect watersheds of rivers we tap for energy through run-of-river hydro projects that do not create a negative footprint from damming of rivers which flood upstream terrain. In our CSR program for the Dupinga Run of River Mini Hydro Project, we provide water systems to improve the supply of potable water in our host communities. Likewise, hand washing system, public toilet facility and e-community centers are some infrastructures that were funded and are being used to date. Through our CSRs, water systems are also being rehabilitated to improve the supply of potable water in our host communities.

In all our hydro projects, we obtain the National Water Regulatory Board (NWRB) permit to tap water resource without affecting irrigation (which has priority).



SDG 7: Affordable and Clean Energy

The Tanay Wind Project is our third wind project in Rizal Province (first the existing 54 MW Pililla Wind Farm and the upcoming 93.75 MW Sembrano Wind Project).

The Tanay and Alabat Wind Projects are expected to be ready for operation by the end of 2025. **These green projects will boost the Philippines' energy supply and contribute to achieving the Department of Energy's National Renewable Energy Program target of 35% in the power mix by 2030.**

Investing in renewable energy will have a positive impact on the country's economy and environment. Our two wind projects will increase the support the share of the clean energy generation mix through our climate change mitigation business operations.

The Tanay wind project is considered a viable alternative energy source, particularly given its proximity to the primary power demand center in Luzon. Tanay's highland terrain has made it a strategic location for the development of a new wind farm, leading to a partnership with the Rizal Provincial Government.



Both Tanay and Alabat wind projects aim to provide a dependable supply of clean energy, contributing to Rizal's and Quezon's economic growth.

We aim to develop 500 MW of pure green energy capacity in the next two years or in 2026. Our entire business model demonstrates our commitment to supporting the government's renewable energy targets.



SDG 8: Decent Work and Economic Growth

We help create local employment opportunities in and around its operational sites and has created jobs directly and indirectly through its operations as of FY 2023-24. Tanay Wind together with Sembrano Wind will become a landmark destination like the Pililla Wind Project which will become a choice of school field trips, educational excursion and tourist attraction. Like Pililla, we are confident that Tanay will boost local business activities surrounding the wind farm. We have witnessed how post construction of Pililla that it led to the emergence of small entrepreneurial ventures catering to local and international tourists alike. i.e.. refreshment stands, food and coffee shops, and souvenir stalls. The development of the Pililla Wind Farm brought an increase of tourists in the area and as a result, small local stores have been getting an influx of tourists.

An estimated 358,000 tourists pass through our visitor centers each year so we are confident it will have the same impact on our upcoming wind projects, Tanay and Sembrano.

Like Pililla, our commitment is the inclusion for priority employment to local residents with sufficient qualifications throughout the life cycle of the project—from pre-development during public consultations and engagements and permitting to construction stage all the way to operations and management. Like what we did in Pililla, we will provide special training courses to interested individuals to better equip them with knowledge and skills necessary for the required jobs and increase their employability.

Our CSR Teams in the Kiangan and Dupinga Run-Of-River hydro projects are composed of qualified local residents. While our Palau Solar Project, about 60% of the employed personnel during the construction of our solar project were locals.



SDG 9: Industry, Innovation and Infrastructure

We have been a pioneer and a leader in the RE space not just in the country but in the entire Southeast Asian region. After developing the first wind farm in Southeast Asia back in 2005, the company only adheres to world class energy technological advancements as it continues to blaze a trail in RE space. **Most recently, we developed the BIGGEST solar PV and battery energy storage system in the ENTIRE Western Pacific region, with the operations of our Palau Solar PV and Battery Energy Storage Plant; we could not have done this without employing and utilizing the world’s leading technology in the Solar Energy space.**

One of our biggest endeavors as a company would be the development and construction of our GEA-winning Alabat Wind Plant. This wind farm stands out as an innovative and technological feat: it is



the inaugural project of Quezon, faces the Pacific Ocean—a first for the region—and boasts the **LARGEST RATED CAPACITY PER TURBINE IN THE COUNTRY, AT 8 MW**. The Alabat Wind Project has started construction and will come on stream by end-2025.



SDG 11: Sustainable Cities and Communities

Our project development process includes a mandatory Information and Education Communication (IEC) campaign conducted with host communities for every new project.

Discussing ESG and sustainability topics to our investors is innate in our business operations being an RE company. During project development, we implement procedures that minimize social and environmental impact. In particular, we regularly conduct Information and Education Communication (IEC) campaigns to our host communities to raise awareness and promote sustainable energy practices. The campaigns focus on renewable energy benefits, energy security, climate change mitigation and improved access to clean energy.

Teaching Programs for Host Communities: Our projects also conduct special training courses for interested individuals to better equip them with the knowledge and skills necessary for the required jobs and increase

their employability. We also developed programs with the aim of uplifting the livelihood of surrounding communities.

We donated significant resources for disaster preparedness to ensure safety and survival during emergencies to our host communities in Alabat, Quezon Province.



SDG 13: Climate Action

Aligned with our vision, we work towards Carbon Neutrality or Net Zero and environmental protection through our RE technologies. **In June 2022, we publicly committed to strictly focus on renewable power and not invest in fossil fuel generation such as coal, fuel oil, natural gas, nuclear power.** Our ultimate measure of success is our impact on the next generation. The power created from our wind and solar farms in operation displaces 126,751 tons of carbon emissions per year (from 104,444 tons reported last year) that would have otherwise been created through fossil fuel generation. This is equal to 8,533 less jeepneys plying our roads. The main driver of the increase in carbon emissions displaced is the energization of Palau and along with our usage of the streamlined Department of Energy National Grid Emission Factor (NGEF) figures.

Since we are relying on renewable resources such as solar, hydro and wind, we are highly dependent on the climate, on seasonality of weather, and on the long-term patterns of climate change.



SDG 14: Life Below Water

We have an official written policy on “No Single-Use Plastics (NSUP)” which was approved by the Executive Committee on July 10, 2023. We aim to reduce plastic waste, protecting ecosystems and wildlife from harmful plastic debris. This includes packaging, service ware, water bottles, wrappers, straws, utensils. We also note that reducing single-use plastics can lead to cost savings in waste management and create innovation in sustainable product design and recycling technologies.



SDG 15: Life on Land

For our Tanay Wind Project, we joined and sponsored the Philippine Arbor Day Nationwide Tree Growing Activity on June 25, 2024. This is to commemorate the significant environmental event led by the Department of Environment and Natural Resources. **We, together with 1,543 volunteers, participated in the event which took place across 205 sites nationwide. More than 90,000 tree seedlings were planted, covering 200 hectares of land.** The seedlings included native species like narra, apitong and molave, as well as fruit-bearing trees such as guyabano. The activity spanned across the protected environmental areas in the Kaliwa River Forest Reserve, Upper Marikina River Basin and Marikina River Watershed. Our aim is to be part of the Philippines’ efforts to combat deforestation, promote a healthy ecosystem and contribute to global climate change mitigation.





SDG 16: Peace, Justice, and Strong Institutions

We promote peaceful and inclusive societies for sustainable development by cultivating strong relationships with the indigenous peoples by obtaining clearances and consents from the National Commission on Indigenous People (NCIP).

We promote peaceful and inclusive societies for sustainable development by cultivating strong relationships with the indigenous peoples by obtaining clearances and consents from the National Commission on Indigenous People (NCIP). This is a certificate of compliance to the Free and Prior Informed Consent (FPIC) process and certifying that the Kalaguya, Ayangan and Tawali Indigenous Communities have given its Consent to our hydro projects.

There are on-going protests for two wind projects in Rizal Province urging these projects to relocate the planned wind farm to protect the fragile ecosystem from degradation and encroachment.

Our Tanay Wind Project which is located in Tanay, Rizal Province is not affected by the environmentalist’s protest as we made sure that our location is not within and further away from the proximity of the Masungi area. In fact, we were able to do

our groundbreaking ceremony successfully last June 4, 2024. For good measure, we obtained the necessary documents years ahead of the start of construction:

- **Environmental Permits:** Prior to proceeding with the wind resource gathering and assessment, the Project secured the necessary clearance from the DENR’s Protected Area Management Board (PAMB) given that the Project is located inside the KWFR multiple zone use. The PAMB Clearance allowed the Project to install the 80-meter met mast and conduct wind resource campaign in the area. In September 2020, the PAMB issued a resolution allowing the Company and its consultant, Geosphere Technologies, to conduct an Environmental Impact Assessment (EIA) Study and Information, Education and Communication (IEC) Campaign for the Project. The said study and campaign were completed in 4th Quarter of 2020. In December 2021, the DENR issued the Environmental

Compliance Certificate (ECC) for up to 100 MW installed capacity and its ancillary transmission connection and substation. On 3 July 2023, the PAMB Clearance was issued for the entire Project to proceed with the construction phase.

- **Clearance from Indigenous Communities:** On 24 August 2018, the Project was issued a Certificate of Non-Overlap (CNO) by the National Commission on Indigenous Peoples (NCIP) declaring the absence of any indigenous cultural communities at the site of the met mast to be installed. This gave the go signal for the conduct of the wind resource gathering and assessment. To advance further to the development phase, the NCIP Region IVA Office constituted on January 25, 2021 a Field Based Investigation (FBI) to further assess presence of any indigenous cultural communities within the entirety of the Project site. On December 7, 2023, the NCIP-CNO was issued for the entire Project.

Contingent SDGs



SDG 17: Partnership for the Goals

Our senior management collaborates with the Philippine Government and maintains proactive engagement with energy policy and regulatory officials through active participation and leadership in private sector renewable industry associations.

We are a leader in multiple Renewable Energy associations such as: Developers of Renewable Energy for Advancement, Inc. (DREAM), Philippine Hydro Association (Philhydro), Wind Energy Developers Association of the Philippines (WEDAP), and Philippine Solar and Storage Energy Alliance (PSSEA). Our commitment and leadership in these associations allow us to continually be up to date with the latest developments, technologies, and innovations in the Renewable Energy field.

We are the pioneer in promoting bank loans for renewable projects in the Philippines: ADB and the Government of Japan funded the feasibility grants for Alternergy’s wind projects in October 2019; BDO provided a bank loan to Alternergy in December 2011; BDO, RCBC and China Bank funded our Pillila wind project in July 2014; our Kirahon solar project received the first non-recourse project finance facility from RCBC; Singapore-based InfraCo Asia committed to co-developing the Ifugao run-of-river hydro portfolio in April 2016; and our Solar CitySun project received its first non-recourse project finance facility for solar rooftop portfolio from RCBC.



SDG 10: Reduced Inequalities

Our inclusive approach to campus recruitment guarantees that individuals from various backgrounds are provided with an equitable chance to contribute to the company’s mission. This approach fosters inclusivity and diminishes disparities.

We proactively promote gender equality by hiring based on qualifications and not on gender. We uphold pay parity where employees in the same job are paid fairly regardless of gender or ethnicity.



SDG 12: Responsible Consumption and Production

We are focusing on enhancing our supply chain management framework from an ESG and sustainability perspective. Proactively, to address potential environmental and social risks within its supply chain.



Awards and Recognitions



Investment House Association of the Philippines (IHAP) Award for Best Equity Deal, 2024

Recognizing the success of Alternergy Holdings Corporation’s (ALTER) initial public offering (IPO) on March 24, 2023. ALTER was listed at the Philippine Stock Exchange (PSE) as it raised PHP 1.61 billion by offering 1.15 billion primary common shares and 115.00 million overallotment shares at PHP 1.28 per share. The proceeds were allocated to fund renewable energy projects. Despite global market challenges during the fund raise period, the deal was strategically positioned to align with investor demand and to emphasize the long-term benefits of sustainable energy and strong stakeholder support.

The IHAP Awards recognize notable investment banking deals and outstanding investment houses that contribute to the growth of Philippine companies, the economy, and the capital markets. The Deal of the Year and Best Equity Deal awards in the Small-Mid Cap category highlight transaction size, innovation, complexity, and their impact on issuers, investors, and financial markets.

IHAP Award for Best Advisory Deal, 2024

Best Advisory Deal for the PHP 1.45 billion Preferred Shares offering and subscription by GSIS, with Investment & Capital Corporation of the Philippines (ICCP) as Alternergy’s Financial Deal Advisor and Placement Manager

IHAP Award for Deal of the Year for Small-Mid Cap, 2024

Alternergy won the Deal of the Year (Small-Mid Cap) for the successful Initial Public Offering (IPO) in March 2023, with ICCP serving as the Financial Advisor, Sole Issue Coordinator, Joint Issue Manager, and Lead Underwriter.

Philippine Stock Exchange (PSE) Industrial Index, 2024

Alternergy Holdings Corporation (ALTER) has been added to the Industrials Index of the Philippine Stock Exchange (PSE) Sector Indices starting 12 August 2024. Based on the PSE barometers for the Industrial Index, Alternergy qualified in all the requirements for the sector indices inclusion: i) Alternergy is among the top companies in terms of liquidity; ii) Alternergy has a free float level of at least 20% of its outstanding shares and iii) Alternergy is adherent to PSE’s financial criteria.

“We are thrilled to be added to the PSE’s Industrial Index after just one year of being a publicly-listed company. While market conditions have been challenging, we have remained focused on delivering results and steadily increasing our company’s value.”

We rise above the challenges, accelerate our project pipeline, and as more of our projects come online, we are confident in our continued growth and success.”

Gerry P. Magbanua
Alternergy Co-Founder and President

PSE’s Industrial Index ensures that market barometers feature the most qualified stocks based on the set criteria.”

Ramon S. Monzon
PSE President and CEO



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[Appendix](#)

[Recognitions](#)

[GRI Index](#)

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GRI Content Index

**Statement of use:**

Alternergy Holdings Corporation has reported the information cited in this GRI content index for the period July 1, 2023 to June 30, 2024 in accordance to the GRI Standards.

GRI 1 used:

GRI 1: Foundation 2021

GRI 2: General Disclosures 2021

2-1 Organizational details	
2-2 Entities included in the organization’s sustainability reporting	4,
2-3 Reporting period, frequency and contact point	4, 106
2-4 Restatements of information	62 (emissions displaced segment)
2-5 External assurance	No external assurance was used
2-6 Activities, value chain and other business relationships	7, 12-15, 21-23
2-7 Employees	78
2-8 Workers who are not employees	79
2-9 Governance structure and composition	47-50, 70-75
2-10 Nomination and selection of the highest governance body	Page 5 Manual on Corporate Governance
2-11 Chair of the highest governance body	Page 7-8 Manual on Corporate Governance
2-12 Role of the highest governance body in overseeing the management of impacts	50, Page 24 of Manual on Corporate Governance
2-13 Delegation of responsibility for managing impacts	50
2-14 Role of the highest governance body in sustainability reporting	50, Page 24 of Manual on Corporate Governance
2-15 Conflicts of interest	51
2-16 Communication of critical concerns	80



2-17 Collective knowledge of the highest governance body	48, 50, 70, 74
2-18 Evaluation of the performance of the highest governance body	Page 21 of Manual on Corporate Governance
2-19 Remuneration policies	78, Page 15 of Manual on Corporate Governance
2-20 Process to determine remuneration	78, Page 15 of Manual on Corporate Governance
2-21 Annual total compensation ratio	Information unavailable
2-22 Statement on sustainable development strategy	5-6, 24, 29, 38, 46
2-23 Policy commitments	51-52, website
2-24 Embedding policy commitments	51-52, website
2-25 Processes to remediate negative impacts	51-52, website
2-26 Mechanisms for seeking advice and raising concerns	51-52, website
2-27 Compliance with laws and regulations	53
2-28 Membership associations	87
2-29 Approach to stakeholder engagement	76-77
2-30 Collective bargaining agreements	83
GRI 3: Material Topics 2021	
3-1 Process to determine material topics	24, 27-28
3-2 List of material topics	27-28
GRI 201: Economic Performance 2016	
3-3 Management of material topics	27-28
201-1 Direct economic value generated and distributed	58
201-2 Financial implications and other risks and opportunities due to climate change	54-57

**GRI 203: Indirect Economic Impacts 2016**

3-3 Management of material topics	27-28
203-1 Infrastructure investments and services supported	12, 59, 86
203-2 Significant indirect economic impacts	12, 59

GRI 205: Anti-corruption 2016

3-3 Management of material topics	27-28
205-1 Operations assessed for risks related to corruption	none
205-2 Communication and training about anti-corruption policies and procedures	51
205-3 Confirmed incidents of corruption and actions taken	none

GRI 303: Water and Effluents 2018

3-3 Management of material topics	27-28
303-1 Interactions with water as a shared resource	65
303-2 Management of water discharge-related impacts	65, None
303-3 Water withdrawal	None
303-4 Water discharge	None
303-5 Water consumption	65

GRI 304: Biodiversity 2016

3-3 Management of material topics	27-28, 66, 68
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	66
304-2 Significant impacts of activities, products and services on biodiversity	28
304-3 Habitats protected or restored	66
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	66

**GRI 305: Emissions 2016**

3-3 Management of material topics	27-28
305-1 Direct (Scope 1) GHG emissions	63
305-2 Energy indirect (Scope 2) GHG emissions	63
305-3 Other indirect (Scope 3) GHG emissions	Information unavailable/incomplete. Still working on Scope 3 calculation.
305-4 GHG emissions intensity	None
305-5 Reduction of GHG emissions	62
305-6 Emissions of ozone-depleting substances (ODS)	None
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	None

GRI 308: Supplier Environmental Assessment 2016

3-3 Management of material topics	28, 68
308-1 New suppliers that were screened using environmental criteria	68
308-2 Negative environmental impacts in the supply chain and actions taken	28

GRI 401: Employment 2016

3-3 Management of material topics	27-28
401-1 New employee hires and employee turnover	79
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	79
401-3 Parental leave	79

**GRI 404: Training and Education 2016**

3-3 Management of material topics	27-28, Page 2 of Policy on Health & Wellness and Training
404-1 Average hours of training per year per employee	Information not available yet after IPO
404-2 Programs for upgrading employee skills and transition assistance programs	82
404-3 Percentage of employees receiving regular performance and career development reviews	Information not available yet after IPO

GRI 405: Diversity and Equal Opportunity 2016

3-3 Management of material topics	27-28
405-1 Diversity of governance bodies and employees	47-48, 83, 92
405-2 Ratio of basic salary and remuneration of women to men	83

GRI 413: Local Communities 2016

3-3 Management of material topics	27-28
413-1 Operations with local community engagement, impact assessments, and development programs	84
413-2 Operations with significant actual and potential negative impacts on local communities	none

GRI 414: Supplier Social Assessment 2016

3-3 Management of material topics	27-28, 66, 68
414-1 New suppliers that were screened using social criteria	68, Two new EPC suppliers were screened
414-2 Negative social impacts in the supply chain and actions taken	none



Shareholder Information

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Annual Stockholders' Meeting

December 11, 2024 or every second Wednesday of December

Stock Listing

Philippine Stock Exchange (PSE) debut on March 24, 2023 with the stock symbol ALTER. The Company raised PHP 1.6 billion from an initial public offering (IPO).

Number of Shares of Common Stock

3,933,840,480 Shares for the fiscal year ending June 30, 2023

Number of Shares of Preferred Stock for the fiscal year ending June 30, 2024

370,398,637 Perpetual Preferred 1
100,000,000 Perpetual Preferred 2
– Series A (Listed at the PSE)

Shareholders

The number of common shareholders of record as of June 30, 2024 was 986

Major Shareholder

Vespers Holdings Corporation with 43.24% shareholder stake
Nationality: Filipino

Investor Relations

Located at the principal office of the Company, with contact details as follows:

✉ beatriz.bathan@alternergy.com
☎ +632 7759 4327

Contact Us

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Alternergy Holdings Corporation

📍 Levels 3 & 3B, 111 Paseo de Roxas Bldg.,
Paseo de Roxas Avenue corner
Legazpi Street, Legazpi Village,
1229 Makati City, Philippines

☎ +632 8813 4678
✉ contact@alternergy.com
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For more information about the Company, you may access www.alternergy.com. A copy of the Preliminary Prospectus of the Company is available at www.alternergy.com/company-disclosures. The Preliminary

Prospectus contains the information required to be stated in any notice, circular, advertisement, letter or other forms of communication that will be published or transmitted to any person after a registration statement has been filed under Rule 8.3.1 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code of the Philippines.

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