



Building a Resilient Future

Integrated Report 2024

**Isla Norte Power Corporation -**  
The sole power provider in Bantayan Island, Cebu

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### ABOUT THE COVER

The cover of Vivant's 2024 Integrated Report reflects the conglomerate's vision of "Building a Resilient Future," with an upward road symbolizing progress and opportunities ahead. Elements like rivers, trees, and renewable and conventional energy sources highlight its commitment and pragmatic approach to sustainability and innovation. Evolving from its roots in abaca trade and shipping, Vivant has grown into a leading investment company, dedicated to inclusive development and excellence in a changing world.

### Company Information

For stakeholder general inquiries, Vivant welcomes inquiries from its stakeholders

Governance	corporatesecretary@vivant.com.ph
Sustainability	risk@vivant.com.ph
Career	careers@vivant.com.ph
Media	corpcomm@vivant.com.ph
Investor Relations	investors@vivant.com.ph

For stakeholders services, any inquiry regarding dividend payments, change of information details (address) and account status, reporting of lost or damaged stock certificates, please contact:

**STOCK TRANSFER SERVICE, INC.**  
34-D Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City  
Tel. no. (02) 8403 2410 and (02) 8403 2412  
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Vivant's full audited financial statements and SEC reports are available on the Vivant website [www.vivant.com.ph](http://www.vivant.com.ph)

# ABOUT THE REPORT

Vivant Corporation's (Vivant or the Company) 2024 Integrated Report (IR or the Report) features the Company's performance for the year, including financial, operational, environmental, social, and governance highlights, as well as the impact of Vivant's businesses on its stakeholders.

The Report contains extensive discussions about the Company's efforts and accomplishments as it continues its journey toward a resilient and sustainable future. The Report also provides an overview of Vivant's sustainability goals and associated metrics that measure the Company's performance in 2024.

The Report is the result of the collaborative efforts of the various units across the Vivant group. The Company's Risk and Sustainability team reviewed all information in the Report. The Board of Directors of Vivant granted approval for the publication of the Report with proper endorsement from the Board Risk and Sustainability Committee.

## Reporting Scope

The Company's strategic business units (SBUs) included in the IR are as follows:

- Vivant Corporation as a holding company and provider of corporate and shared services;
- Vivant Energy Corporation (Vivant Energy or Energy) as a holding company that owns and manages the investment portfolio of the Company in the power industry; and
- Vivant Infracore Holdings, Inc. (Vivant Water or Water) as a holding company that owns and manages the non-power infrastructure investment portfolio of the Company, currently with exposure in the water industry segment.

The Report covers Vivant's unlisted subsidiaries and joint venture companies that have material impact on the Company's operating and financial performance. The companies that are not included in the Report are: those which the Company holds minority investments in and have minimal control/influence on, those which are not yet operational, and those that are part of the portfolio of other listed companies in the Philippine Stock Exchange (the PSE).

## Reporting Standard

Vivant remains committed to regularly review and align its sustainability reporting framework with the evolving interests and concerns of its stakeholders. The Company determines the disclosure topics in accordance with the Global Reporting Initiative (GRI) Standards.

Using the guiding principles of the Integrated Reporting <IR> Framework, the Report presents discussions that articulate the Company's capacity to create value for its stakeholders by utilizing the following resources: financial capital, human and intellectual capital, and social capital.

## External Assurance

The discussions on financial performance are based on the audited consolidated financial reports of Vivant. SyCip Gorres Velayo & Company (SGV & Co.), a member firm of Ernst & Young International Ltd., is the external auditor of the Company's financial statements. Ms. Margem A. Tagalog is the partner-in-charge in the 2024 audit engagement and has been the principal handling the Company's account for five (5) years. The audit partner that leads and handles the audit of the Company's account is rotated every seven (7) years in compliance with the revised regulation issued by the Securities and Exchange Commission and the Code of Ethics for professional Certified Public Accountants (CPAs).



Isla Mactan Cordova Corporation - The First Utility-scale Seawater Desalination Plant in the Philippines

## STATEMENT FROM THE BOARD



**Francis A. Garcia**
  
 Chairman, Board of Directors

**Laurence R. Rogero**
  
 Chairman, Board Risk and Sustainability Committee

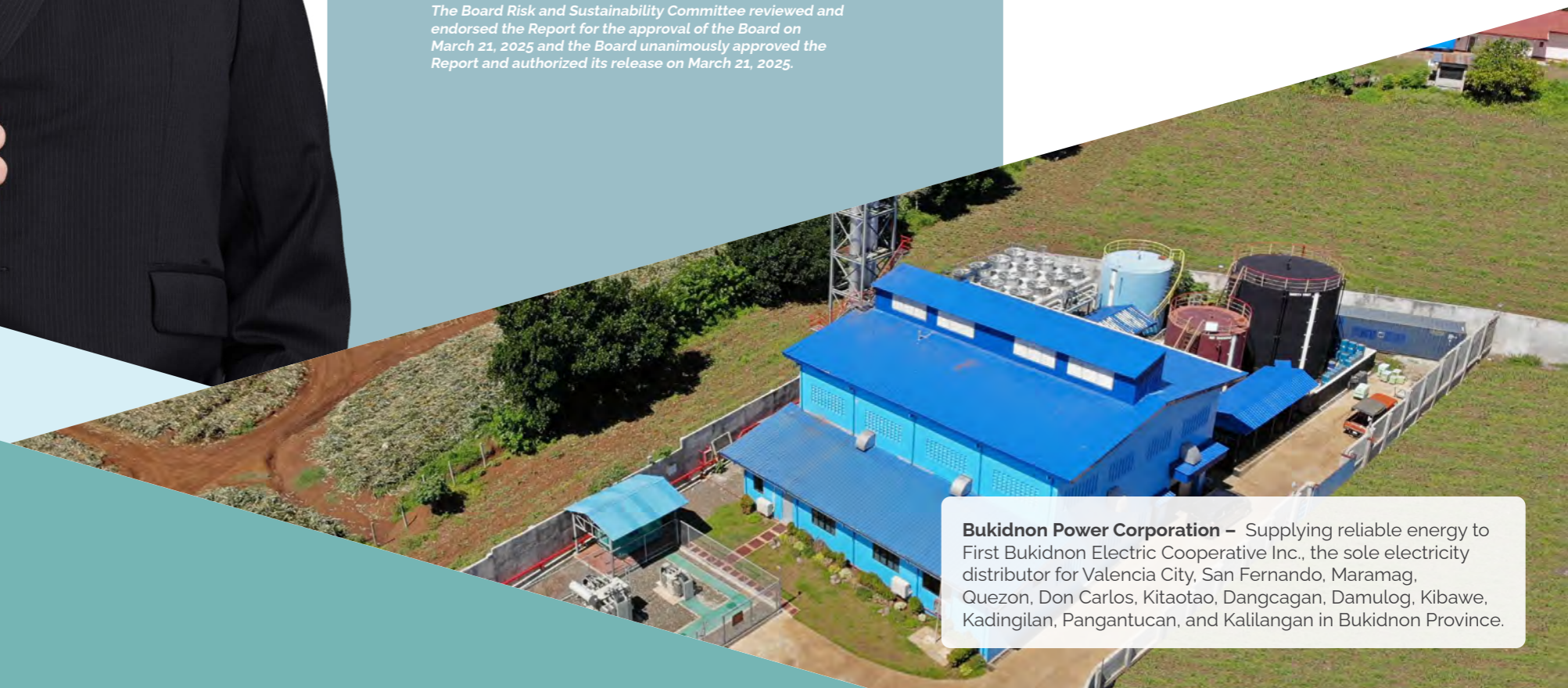
The Board reaffirms its commitment to ensuring the integrity and transparency of **Vivant's 2024 Integrated Report (IR or the Report)** and confirms that the Report provides a fair and balanced representation of the Company's performance and impact for the period **January 1 to December 31, 2024**. In fulfilling this responsibility, the Board exercised general oversight.

A cross-functional team, led primarily by the **Corporate Communications Department**, worked in close collaboration with the **Risk and Sustainability Department** and other internal teams across various business units under the supervision of the **Chief Risk Officer**. This collective effort played a pivotal role in the **review and validation process**, ensuring that disclosures adhered to relevant frameworks and standards. Convene ESG supported this process by providing the digital platform for data collection, storage, and best practices in reporting.

The Report contains **forward-looking statements** based on certain assumptions and perspectives. These statements are inherently subject to known and unknown risks, uncertainties, and external factors beyond the Company's control. Shareholders and other readers are advised to exercise caution and not to place undue reliance on these statements when interpreting and utilizing the information contained in the Report.

*The Board Risk and Sustainability Committee reviewed and endorsed the Report for the approval of the Board on March 21, 2025 and the Board unanimously approved the Report and authorized its release on March 21, 2025.*

“
 The Report provides a fair and balanced representation of the Company's performance and impact for the period of **January 1 to December 31, 2024**. In fulfilling this responsibility, the Board exercised general oversight.
 ”



**Bukidnon Power Corporation** – Supplying reliable energy to First Bukidnon Electric Cooperative Inc., the sole electricity distributor for Valencia City, San Fernando, Maramag, Quezon, Don Carlos, Kitaotao, Dangcagan, Damulog, Kibawe, Kadingilan, Pangantucan, and Kalilangan in Bukidnon Province.

# VIVANT AT A GLANCE

## Portfolio

### ENERGY



#### Electricity Distribution

Investment in the 2nd largest distribution utility in the country, Visayan Electric Company (VECO).

**3,933 GWh**

Total electricity distributed in four (4) cities and four (4) municipalities in Cebu as of end 2024.



#### Power Generation

Investments in On Grid and Off Grid generation facilities with an attributable capacity of **451 MW** as of end 2024.

**4,565 GWh**

Total energy sold by On Grid assets as of end 2024.

**1,069 GWh**

Total Ancillary services provided by On Grid assets as of end 2024.

**269 GWh**

Total energy sold by Off Grid assets as of end 2024.



#### Retail Electricity

Participation in Retail Electricity Supply (RES) through 100%-owned entity, Corenergy.

**256 GWh**

Energy sold to 30 retail customers nationwide as of end 2024.

Investments in Solar Rooftop.

**7 GWh**

Solar energy generated and sold to 20 customers as of end 2024.

Vivant is a holding company that is publicly listed in the Philippine Stock Exchange (PSE). The Company's portfolio primarily consists of investments in companies engaged in the energy and water infrastructure businesses.

The Garcia-Escano family of Cebu collectively owns approximately 76% of the outstanding capital stock of Vivant.

### WATER



#### Waste Water

**822.3 mn liters**

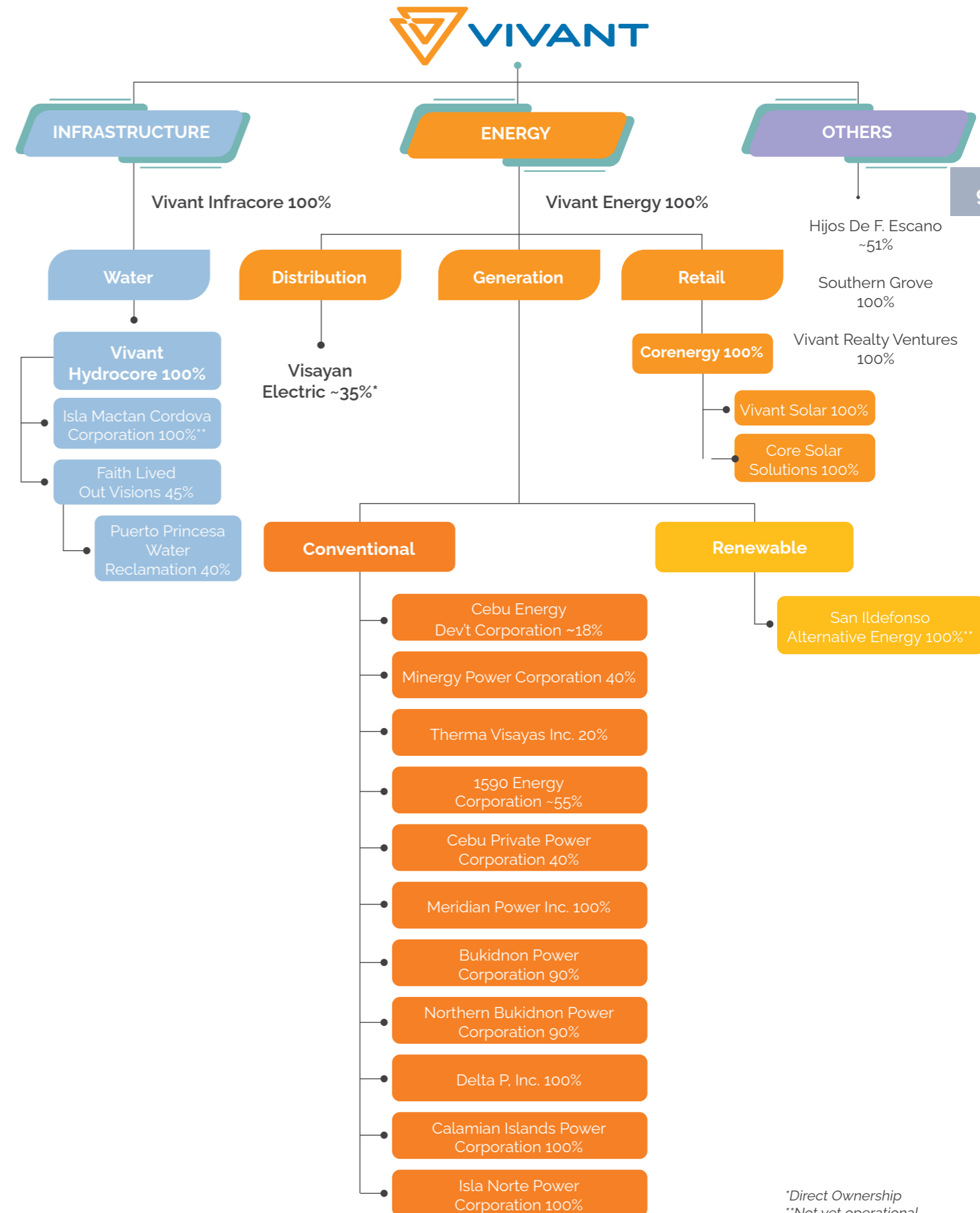
Total volume of water treated as of end 2024 by a Septage and Sewage Treatment Plant in Puerto Princesa, Palawan.



#### Bulk Water

100% equity investment in Isla Mactan Cordova Corporation (IMCC), a project company that will operate a 20 Million Liters per Day (MLD) seawater desalination plant in the Municipality of Cordova, Cebu.

## ORGANIZATION STRUCTURE



\*Direct Ownership  
\*\*Not yet operational



## GEOGRAPHICAL FOOTPRINT

- E1: 1590 Energy Corporation (1590 EC)
- E2: San Ildefonso Alternative Energy Corporation (SIAEC)\*\*
  
- E3: Calamian Islands Power Corporation (CIPC) – Busuanga
- E4: Calamian Islands Power Corporation (CIPC) – Coron
  
- E5: Delta P. Incorporated (DPI)
- E6: Therma Visayas Incorporated (TVI)
- E7: Visayan Electric Company (VECO)
- E8: Isla Norte Power Corporation (INPC)
  
- E9: Cebu Energy Development Corporation (CEDC)
- E10: Cebu Private Power Corporation (CPPC)
- E11: Meridian Power Incorporated (MPI); Corenergy Incorporated (CI); Vivant Solar Corporation (VCS); Corenergy Solar Solutions Corporation\*
- E12: Minergy Power Corporation (MPC)
- E13: Bukidnon Power Corporation (BPC)
- E14: Northern Bukidnon Power Corporation (NBPC)
  
- W1: Isla Mactan-Cordova Corporation (IMCC)\*\*
- W2: Puerto Princesa Water Reclamation & Learning Center (PPWRLC)

**Legend**

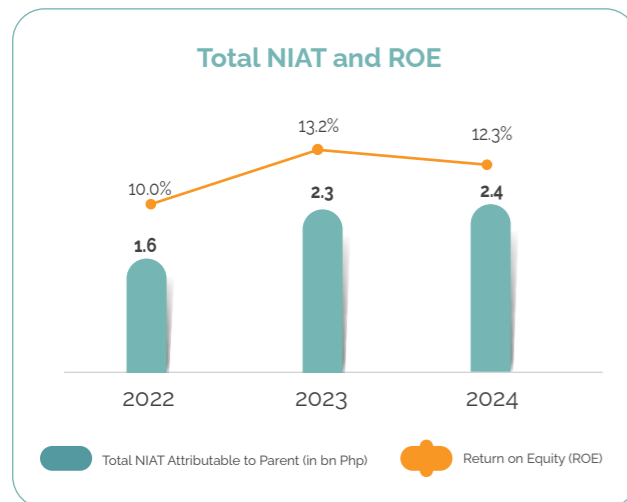
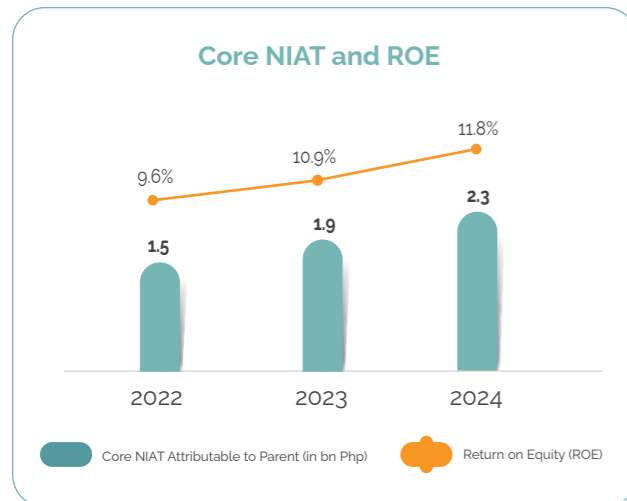
- Energy
- Water

\*Head Office location only  
 \*\*Not yet operational; construction underway.

## FINANCIAL PERFORMANCE

2024 Core Net Income Attributable to Parent amounted to Php 2.3 bn, recording a 20% Year-on-Year (YoY) expansion. Taking into account non-core items, Vivant closed the year with a Net Income Attributable to Parent of Php 2.4 bn, up 3% YoY. The Energy SBU continued to shore in the lion's share of earnings, with the generation business accounting for 64% of total income contribution by business segments for the year.

### Profit and Return Profile



## 2024 YEAR IN REVIEW



## MESSAGE FROM THE CEO

Another year has come and gone and Vivant continues to succeed in this post-pandemic world. Despite spending more this year to future-proof our organization, the Company's core net income in 2024 still surpassed previous year's performance from Php 1.9 bn to Php 2.3 bn.

Because of this, I am excited for the future of Vivant. Of course, all this is made possible by the continued support of our stakeholders, both internal and external. Your trust in Vivant and our leaders has allowed us to reach greater heights. Allow me to share with you a few of our achievements and highlights in 2024 that helped bring us closer to our vision of becoming a major conglomerate by 2040.

We started 2024 with a renewed sense of purpose. In the 2023 strategic planning meetings, the Board reaffirmed our 2030 strategy to expand and grow in the energy and water industries. The key strategies remain to be anchored on our commitments to promote and contribute to the country's nation-building efforts.

In Energy, we are taking a balanced approach in growing our portfolio as we stay mindful of the country's power development plans and the current infrastructure landscape. While we remain focused on growing our Renewable Energy (RE) pipeline to achieve 30% of our total generation portfolio by 2030

(30 by 30), we continue to take a pragmatic stance on conventional generation. The additional capacities and the ongoing transformation of our Retail Electricity Supply (RES) company are seen to help get the energy to our customers. We are equally determined to continue our commitment to lead and serve the Off Grid market. The Off Grid Solutions (OGS) group was officially formed to give more focus on the Small Power Utilities Group (SPUG) market. In Water, we aim to support the communities that we serve as an innovative new entrant in seawater desalination. In support of all these, the Vivant Board passed the largest budget in the Company's history, which centered on increasing our resources, including manpower complement enterprise-wide.

So let us take a look at our highlights in 2024.

The Energy business saw both distribution and generation segments posting robust bottomline contributions. Visayan Electric Company (VECO) saw electricity sales for the year growing by 11% from 2023 and a steady annual growth of 3% in customer base since 2019. The generation business benefitted from the long-awaited Reserve Market having four registered participants with a combined attributable revenue of Php 1.7 bn recorded during the year. As led by the OGS group, our off-grid investments closed a number of Power Supply Agreements (PSAs) in 2024 allowing it to continue providing stable and reliable earnings and cash flow for the Company.

We also remain committed towards a more sustainable future for power. In 2024, we invested in the construction of the interconnection facility required to energize the 22 MW solar plant that was acquired in 2023. Completion of works is expected by the end of the first half of 2025. We also intend to hybridize our plants in the SPUG areas supplementing the current supply with solar energy and preserving the pristine natural beauty of these islands.

I would now like to turn to our gaps in 2024, particularly in our strong push for RE. Since we committed to grow this portfolio segment, we have faced a number of challenges that hampered our progress. Strong competition, regulatory changes and the long gestation period of these projects have resulted to a less desired development pace. Adding to this was the limited internal manning resource. The high competition for talent and the limited pool of technical experts resulted to a 20% shortfall in our hiring efforts in 2024. Nevertheless, we affirm our 30 by 30 goal and have tasked Vivant's People Function to address this gap in 2025, not just for Energy, but on an enterprise-wide basis.

All in all, despite our challenges, income from the Energy group hit a new record of Php 3.5 bn in 2024, a 13% increase from the previous year.

“ We are taking a balanced approach in growing our portfolio as we stay mindful of the country's power development plans and the current infrastructure landscape. ”

On the Water side, the story is one of steady and continuing expansion. We grew our team from 20 Bais in 2023 to 29 Bais in 2024, a 45% increase. With a stronger team in place and supported by Vivant's engineering team, Isla Mactan Cordova Corporation (IMCC), the country's first utility-scale seawater desalination plant, made significant progress celebrating its first water ceremony in May 2024. However, as of year-end, IMCC has yet to finalize the agreement with its off-taker. While this has temporarily slowed down our expansion into the space, we are optimistic about the project's potential. In 2025, we are confident that we will secure the necessary approvals and finalize agreements that will unlock a steady revenue stream, allowing this investment to start delivering returns for Vivant.

To date, we have made investments in wastewater treatment and in desalination technology paving the way for more investments in what we believe is a space with vast potential. However, our Water arm still has a long way to go before it can stand on its own.

We have been in this industry for almost 5 years now and both our knowledge and team continue to grow. We are confident that in time, the value this industry holds will unfold as we strive to continue with our mission of bringing excellence to a new industry that undoubtedly can improve everyday living for our fellow Filipinos.

2024 loss from the Water investments amounted to Php 8.9 Mn.

Our parent company, Vivant Corporation, also had major wins in 2024. On its second consecutive year, Vivant was given the Two Golden Arrows Award by the Institute of Corporate Directors as it recognized the Company's commitment to good governance and transparency.

Significant strides on the people side of the business were also made in 2024. Several programs were rolled out by the People Function that paved the way for growth and opportunity, promote work-life balance, and recognize and award performance.



In 2024, we also saw the need to transform our work culture to one that is more appropriate to the changing times. For Vivant to stay competitive in the future, it is essential to lay a strong foundation rooted in an exceptional work culture. As a company, we embarked on a journey of introspection, identifying the qualities that define our success and eliminating those that no longer support our vision. Several initiatives are underway to work on the identified gaps that need to be addressed. Like our work culture, the Company's systems and processes need to be streamlined and improved. Efforts on this front will be focused on developing an enterprise architecture designed to support and enable our teams across the group to achieve our goals.

We likewise strategically realigned our investments to strengthen the Company's core businesses, optimize resources in areas where we can deliver the most value, and position Vivant for long-term growth. We took decisive steps to enhance our focus on our core operations by divesting from engineering, procurement and construction (EPC)-related businesses.

Lastly, in 2024, Vivant Foundation celebrated its 10th-year anniversary marking a decade of corporate social responsibility in the communities we serve.



It truly was an eventful year for Vivant and we are just getting started. With the growing team that we have and with the continued support of our stakeholders, Vivant is poised to take on a larger role in the country's progress. Our mission of bringing excellence to industries that improve everyday living remains to be the north star that guides our way and continues to drive the strategies that we develop for the future.

Thank you for all the support and as always,

Kumbati, Bai!

  
**Arlo Angelo G. Sarmiento**  
 Chief Executive Officer

## IN FOCUS:

### CEO Caravan: Strengthening Connections, Empowering Frontliners

Leadership at Vivant Corporation goes beyond boardrooms and offices. It thrives on direct engagement with employees at operational sites. This commitment is embodied in the CEO Caravan. In 2024, CEO Arlo G. Sarmiento visited Vivant's energy and water facilities to connect with frontline employees. More than a leadership initiative, the caravan strengthened a culture of inclusion under One Vivant.

The first leg of the CEO Caravan took place in May 2024 in Pangantucan and Lantapan, Bukidnon. The team visited Bukidnon Power Corporation and North Bukidnon Power Corporation. These facilities are vital in powering rural communities, sustaining local economies, and ensuring essential services. During plant tours, the CEO engaged directly with operators, recognizing their contributions and reaffirming Vivant's commitment to improving everyday living.

In July 2024, the caravan continued to Palawan with a visit to Calamian Island Power Corporation in Coron and Busuanga. The visit provided an opportunity to engage with plant operators responsible for maintaining power reliability in island communities. Discussions focused on operational challenges, innovations, and areas for continuous improvement. The visit underscored Vivant's commitment to delivering essential services through collaboration, resilience, and adaptability in a changing world.



The final leg of the caravan took place in November in Bantayan, Cebu. The visit also coincided with the third anniversary of Isla Norte Power Corporation (INPC). The engagement highlighted Vivant's expanding role in sustainable development. The CEO emphasized the company's integrated approach to service delivery and also underscored the importance of strategic investments and workforce development in ensuring the sustainability of these operations.

Through the CEO Caravan, Vivant Corporation reaffirmed its commitment to its employees and operational excellence. By engaging with frontliners, he reinforced a leadership culture that prioritizes direct involvement, continuous improvement, and workforce empowerment. As Vivant continues to expand its impact, it remains dedicated to investing in its people, driving innovation, and improving everyday living through sustainable energy and water solutions.

Vivant's first CEO Caravan kicks off in May 2024, engaging communities in Pangantucan and Lantapan, Bukidnon

# BUSINESS REVIEW

## CORPORATE

### Financial Performance

The year 2024 was characterized by a resilient economy brought about by improving inflation and interest rate numbers. The rate of price increases in food and electricity slowed down which brought average inflation at 3.2% and within the government's target for the year. Consequently, the Bangko Sentral ng Pilipinas (BSP) began the monetary easing cycle with three (3) consecutive benchmark rate cuts starting August.

However, the impact of El Nino, which was observed through the first five months of 2024 led to agricultural damage and water shortages in various regions of the country. Furthermore, weather disturbances visited the archipelago in the latter part of the year, which caused significant damage to personal property, public and private infrastructure, and agriculture. Collectively, these put upward pressure on commodity prices, tempering the economic recovery.

Additionally, the Philippine Peso (PHP) struggled against the US Dollar (USD) ending 2024 at Php 58.014, four percent higher since the start of the year. Despite these challenges, the Philippines posted a 5.6% annual GDP growth, slightly better than the 5.5% recorded in 2023.

Similarly, Vivant navigated through the headwinds that persisted during the year and built on the momentum from the prior year. The Company ended 2024 with a 20% YoY expansion in its consolidated core net income for the year, from Php 1.9 bn to Php 2.3 bn.

Vivant recognized Php 89.7 mn in non-core income, mainly from gains resulting from the recognition of the fair value of some of its investments, booked insurance proceeds by associates, one-time service fees of a subsidiary and a reversal of prior year's accrued charges. Considering the one-off items, Vivant's consolidated net income for the year amounted to Php 2.4 bn, 3% higher than previous year.

The Energy SBU drove the financial performance of the Company in 2024 with a total income contribution of Php 3.5 bn, up by 13% YoY. The power generation segment was the largest earnings contributor with Php 2.2 bn, representing 64% of the Energy SBU contribution, followed by the electricity distribution segment accounting for Php 1.2 bn or 35% and Retail Energy with Php 22.3 mn or 1%.

Electricity consumption, being a key indicator of economic performance, recorded healthy growth rates in 2024. Peak demand in major grids grew, with Luzon, Visayas, and Mindanao recording YoY increases of 11.7%, 9.1% and 10.9%, respectively. In off-grid locations, business activities, which are mostly anchored to the tourism sector, spurred the economic recovery in the island communities.

Meanwhile, the Water SBU performance, while showing an improvement from last year, still recorded a negative income contribution of Php 8.9 mn. Largely still in its investment phase, Vivant expects the business to positively contribute to the bottom-line in the medium term.

### Financial Condition

As of December 31, 2024, the Company's consolidated assets amounted to Php 32.0 bn, posting a 6% YoY increase. The expansion was mainly attributable to higher current assets driven by improved operations and the asset acquisition and project development initiatives of Vivant and its business units.

Total current assets grew by 12% to Php 8.2 bn largely driven by the combined effect of higher inventories (up by 63% YoY) as a result of higher fuel purchases, increase in trade and other receivables (up by 9% YoY) mainly from the participation in the Wholesale Electricity Spot Market (WESM) and Reserve Market of certain plants, offset by lower prepayments and advances to associates. Cash balances increased by 9% to

Php 4.8 bn, attributable to cash generated from operating and investing activities, partially offset by debt repayments made during the period.

Total non-current assets increased by 5% YoY to Php 23.8 bn. This was primarily driven by the increase in fixed assets to Php 9 bn, which is 7% higher from the previous year level. Vivant's asset acquisition and the expansion initiatives of both the Energy and Water SBUs accounted for this growth.

Vivant's total consolidated liabilities as of end 2024 amounted to Php 10.4 bn, marginally higher than last year. Current liabilities were down by 18%, and stood at Php 3.4 bn, while non-current obligations grew by 13% YoY to Php 7.0 bn. The Energy SBU made a partial drawdown from the loan facility acquired in 2023 to refinance its short term loan.

Another subsidiary likewise drew from its long term loan facility, which was offset by the loan amortizations of the Company and other operating units of the Energy SBU. Total equity attributable to equity holders of the parent rose to Php 20.1 bn from Php 18.3 bn, reflecting a 10% increase as a result of the income generated in 2024.

Vivant's current ratio as of year-end stood at 2.40x (versus 1.76x in 2023), while debt-to-equity ratio saw an improvement at 0.49x (from 0.53x in 2023).

### 2024 Cash Dividends

With the Company's performance in 2023 and following its dividend policy, Vivant declared a cash dividend of Php 0.5580 per share on May 24, 2024, which was paid on June 21, 2024. This amount represents 25% of the Company's total earnings per share in 2023.

“ Resource management is vital particularly in times of uncertainty. In 2024, Vivant's prudent fiscal management and strong financial position allowed us to continuously support our operations and growth aspirations. As we look ahead, we believe that this shall remain our strength as we continue to work on our processes and advance our risk and investment management practices to better equip the Company in addressing potential headwinds in 2025 and in the future. ”



**Minuel Carmela N. Franco**  
 Executive Vice President &  
 Chief Corporate Officer

## ENERGY

Vivant's Energy SBU strengthened its commitment to foster and promote inclusive growth with the establishment of the OGS group. Having dedicated resources that focus on the requirements of the SPUG markets, the Energy SBU is able to expand existing operations and explore new markets. In 2024, the OGS group successfully participated in two Competitive Selection Processes (CSPs) and secured power supply contracts.

- DPI was declared as the winning bidder in the CSP conducted by the Palawan Electric Cooperative (PALECO) in August 2024. The Notice of Award was issued in September 2024 and the 15-year Power Supply Agreement (PSA) for a 40 MW supply was signed in November 2024.

- CIPC was declared as the winning bidder in the CSP conducted by the Busuanga Island Electric Cooperative (BISELCO) in November 2024. The Notice of Award was issued in February 2025. The Notice to Execute PSA shall be issued upon completion of review by the National Electrification Agency.

The unit's **30 by 30** initiatives saw marked progress in 2024. Business development initiatives during the year involved pre-development works on various solar and wind projects with potential capacity of over 750 MW. The construction of connection facilities for its 22 MW solar facility in Bulacan started and initiatives on hybridizing existing facilities have been initiated.

2024 was a record year for the Energy SBU. A new market coupled with robust demand and prudent cost management paved the way for the Energy SBU to end the year strong with an income contribution of Php 3.5 bn, up by 13% YoY. The power generation and electricity distribution comprised majority of the profits for the year accounting for 64% and 35%, respectively.

“ Our **30 by 30** initiative is shaping up with the progress of Vivant Energy's business development initiatives. Collectively, teams across Vivant are working on a pipeline that could more than double the Company's **attributable capacity** and meet our 2030 target. Such a major undertaking will not keep us from **continuing our efforts in the Off Grid and RES businesses**. We remain focused on our **commitment to promote inclusive growth** and shall **continue to pursue initiatives** that will ensure more Filipinos gain access to reliable and reasonably priced electricity. ”

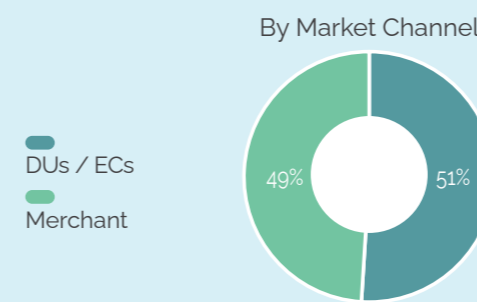
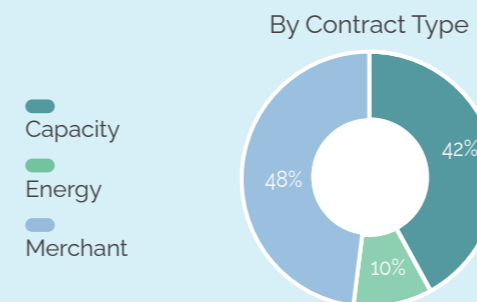
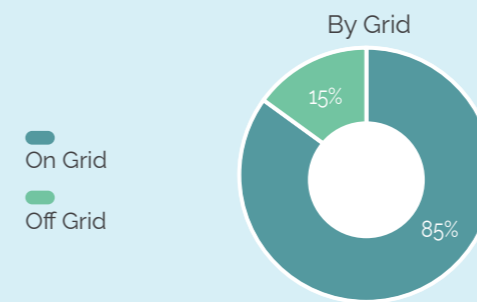
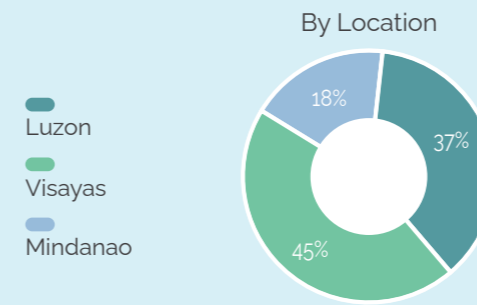


*Emil Andre M. Garcia*  
Emil Andre M. Garcia  
President, Vivant Energy Corporation

## Generation

The power generation business, which owns and operates a portfolio of power plants with a total attributable capacity of 451 MW, brought in a total income contribution of Php 2.2 bn versus previous year's Php 2.0 bn. The healthy bottomline was mainly driven by the On Grid assets, which brought in Php 2.1 bn in earnings for the year, recording a 19% YoY expansion.

### 2024 Power Generation Portfolio; Total Attributable Capacity of 451 MW



In January 2024, the Department of Energy (DOE) launched the full commercial operations of the Reserve Market, as well as extended the operations of the WESM to the Mindanao region. These developments bode well for Vivant's portfolio of conventional power plants given the access to new markets for its energy.

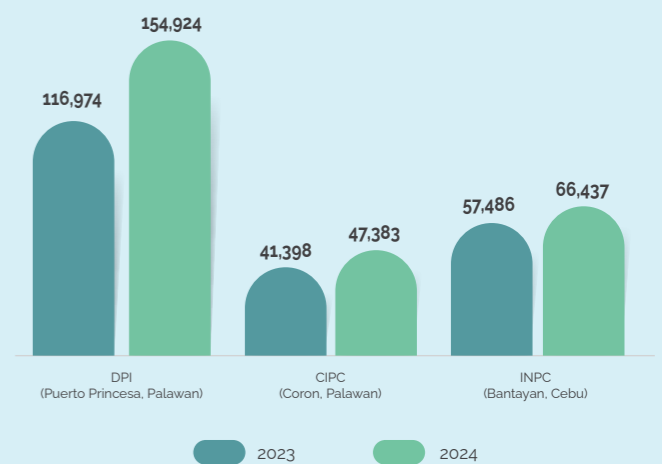
Vivant's coal portfolio contributed earnings of Php 1.2 bn in 2024, 24% higher than the previous year. The main driver for the increase was the robust earnings growth of TVI (+86% YoY) and CEDC (+13% YoY). Both plants participated in the Reserve Market by offering capacities as contingency reserve and generated fresh revenues amounting to Php 2.3 bn (or Php 447.0 mn attributable). The WESM operations in Mindanao allowed 40%-owned MPC to operate its Unit 3 and generate revenues that mitigated the impact of the termination of its contract in 2023.

The Company's oil portfolio also contributed significantly with Php 716.1 mn, which is more than double the level in 2023.

On Grid oil assets accounted for 89% of total with an income contribution of Php 637.1 mn, up 212% YoY. The jump in contribution from these assets was largely due to 1590 ECs and MPI's participation in the Reserve Market as both offered capacities as dispatchable reserve and generated combined revenues of Php 1.8 bn (or Php 1.2 bn attributable).

Meanwhile, the Off Grid oil assets recorded a profit contribution of Php 79.0 mn in 2024, posting a 41% YoY decline. Gains posted by DPI (+175% YoY) and INPC (+9% YoY) were partially offset by the incurred losses by CIPC, which was a result of the two months delay of the implementation of its interim supply contract with BISELCO. Nonetheless, all three markets served showed robust energy volume sales.

### Off Grid Energy Sales (in MWh)

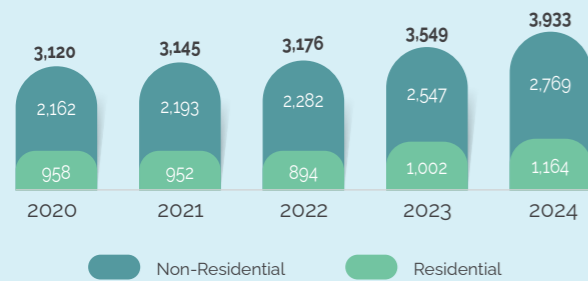


## Distribution

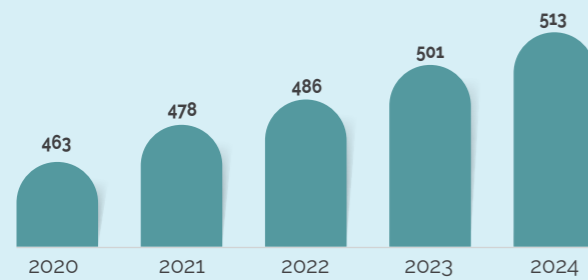
35%-owned VECO ended the year with an income contribution of Php 1.2 bn in earnings for the year, posting a 22% YoY increase from Php 1 bn in 2023. This was on the back of an 11% surge in electricity sales for the year, with both residential and non-residential segments posting significant growth in consumption.

Energy sales reached 3,933 GWh, majority of which are from industrial and commercial customers, which accounted for 70% of total. Customer accounts totaled 513,491 with the bulk or 91% represented by residential customers. Peak demand for the year reached 678 MW, recording a 10% increase from 615 MW in 2023.

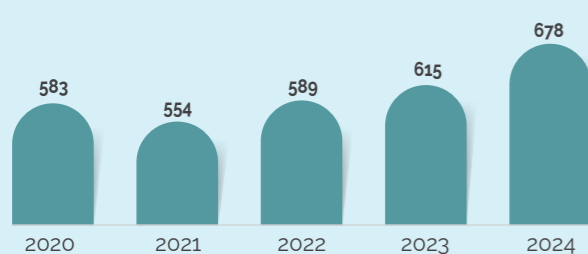
### Electricity Sold (in GWh)



### Customer Count (in '000)



### Peak Demand (in MW)



## Retail Electricity

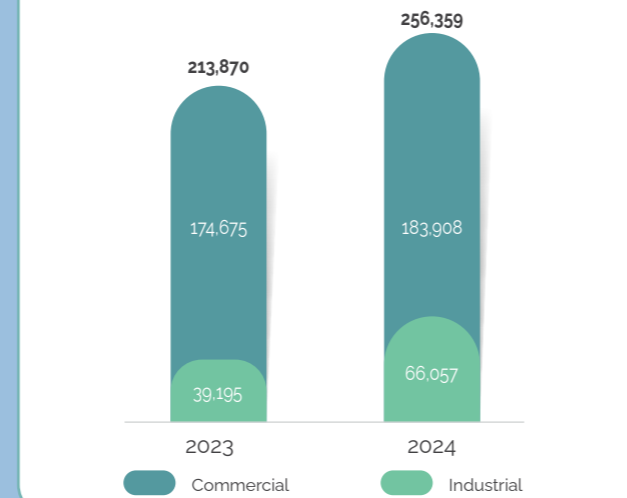
The Retail Electricity Supply (RES) and the solar rooftop businesses contributed a combined income of Php 22.3 mn in 2024.

In preparation for the eventual lowering of contestability thresholds in the Competitive Retail Electricity Market (CREM), the unit's RES operations focused on growing 100% owned Corenergy, while the group began to slowly transition out of its associate RES. This caused the decline in overall RES volumes for the year. However, on a stand-alone basis, Corenergy's energy sales grew by 20% in 2024.

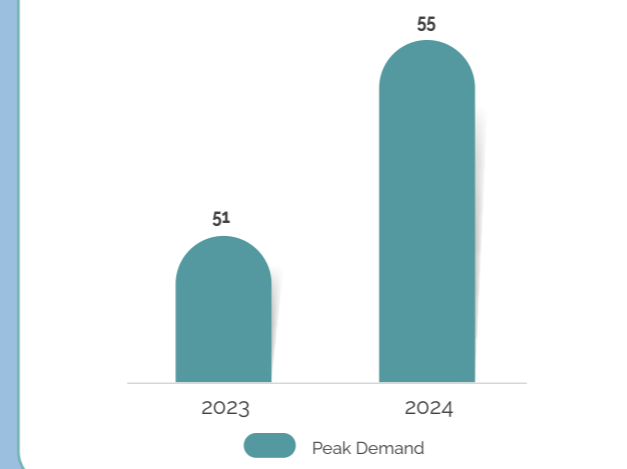
	Customers Count		Electricity Delivered (in MW)	
	2023	2024	2023	2024
Core Solar Solutions	11	12	3,456	3,536
Corenergy, Inc.	5	7	1,624	2,403
Vivant Solar Corp	1	1	943	703

The solar rooftop business is positioned to serve as a value-added service for our contestable customers, enabling end-users to manage their electricity consumption and expenses. In 2024, electricity delivered from our rooftop business grew by 10% amounting to 6,642 MWh.

### Corenergy - Energy Sold (in MWh)



### Corenergy - Peak Demand (in MW)



## WATER

Still in its investment phase, the Vivant Water SBU ended the year with a negative contribution of Php 8.9 mn in 2024, albeit an improvement of 43% from the prior year.

Efforts in 2024 were focused on the development and construction of Vivant's 20 MLD desalination plant in Cordova, Cebu. The plant was able to achieve its first water in May 2024 and ended the year with the facility's four 5 MLD skids undergoing Testing and Commissioning (T&C). As of end 2024, the plant is 99% completed and is expected to be commercially operational in 2025. This project, which will address the water requirements of approximately 20,000 households, is Vivant's contribution to providing a sustainable solution to Cebu's water crisis.

“ True to our mission of improving everyday living, Vivant Water was formed to help address the water crisis that Cebu has been facing. Our early years were beset with a number of challenges as we navigated our way through a new industry. The continued hard work and collaboration within the Vivant group led to significant progress in 2024. The completion and operation of IMCC in 2025 shall mark a significant milestone for the Company as a provider of sustainable water solutions. This project is a first for Vivant, and even a first for the country, with IMCC being the first utility-scale seawater desalination facility. ”

Jess Anthony N. Garcia
   
 President, Vivant Water





**Puerto Princesa Innovative Economical Septage and Sewage Treatment Plant (PPieSSTP)** – Water treatment plant that processes 2M liters of sewage & 70m<sup>3</sup> of septage daily in Puerto Princesa

The Water SBU's investment in wastewater treatment continued to provide steady results. In 2024, total treated wastewater was at 822.3 million liters, 2% higher than the prior year. The business was able to contribute Php 9.6 mn in income, recording a 13% YoY improvement.

Vivant Water continues to refine its business strategies to prepare itself for future growth. Identification of key segments of the water value

chain was part of this endeavor and resulted to a recalibration of initiatives. As a result, the Water SBU divested its majority stake in a water engineering and construction firm in the fourth quarter of 2024. This move enables the Water SBU to focus on intensifying existing growth initiatives and explore new opportunities across the segments of the water infrastructure sector.

## LEADERSHIP AND GOVERNANCE



Celebrating the first flow of water from the Philippines' first utility-grade desalination plant in Cordova, Cebu on June 2024.

## BOARD OF DIRECTORS

Vivant strongly advocates for integrity, accountability, and stakeholder protection in all aspects of its business and adopts corporate governance best practices.

These governance practices are principally contained in its Articles of Incorporation, By-Laws, and Manual of Corporate Governance (the MCG), supported by Board and Board Committee Charters, corporate policies, and its Culture Code.

The Company continuously strives to enhance shareholder value through strategic priorities rooted in its core values of **honor, relationships, and excellence**. To this end, the Board of Directors (the Board), as the highest governing authority, provides strategic oversight ensuring that its governance framework evolves to support sustainable growth and promote stakeholder interests. To secure this function, the Board maintains such number of Directors with complementary expertise suitable for substantial discussions while delegating the operational execution of its business to the Management team.

In accordance with internal controls, the Board deliberates on matters concerning fundamental principles and policies relating to risk management, value maximization, and good governance. Regular meetings of the Board are held every other month and special meetings whenever deemed necessary. For the Fiscal Year 2024, a total of eighteen (18) Regular and Special Board meetings were held where the Board carried out major work on the following key operational and ESG related topics:



Focus Area	Matters Reported
 <p>Project Investments</p>	<ul style="list-style-type: none"> <li>Financial viability and sustainability of its projects and investments including:                             <ul style="list-style-type: none"> <li>Performance metrics of subsidiary operations, both financial and non-financial</li> <li>Acquisition, addition, or initiation of assets in greenfield solar and wind projects</li> <li>Operational readiness of a subsidiary investment in the first ever utility scale seawater desalination plant in Cebu</li> <li>Enhancements to existing partnership agreements</li> <li>Terms and Conditions relative to Power Supply Agreements entered into by the Company via the OGS group</li> </ul> </li> </ul>
 <p>Business Operations</p>	<ul style="list-style-type: none"> <li>Macroeconomic overview and other assumptions in support of revenue projections and budgets</li> <li>Budget allocation to improve performance of existing assets, enhance customer value, growth of portfolio size for One Vivant, improvements to existing systems and technology</li> <li>Quarterly financial performance of the Company, its subsidiaries, business units, including year-to-date financial dashboards</li> <li>Cash flow statements, latest thinking forecasts, and cost savings for the Company and business units</li> <li>Debt financing at subsidiary levels to partly fund projects and investments for 2024-2025</li> <li>Fiscal study on capital expenditures through investments in power generation particularly on potential risks, returns, and valuation</li> <li>Creation of specialized teams to head strategic priority areas such as real estate, engineering services, and off-grid solutions;</li> <li>Updates on the risk landscape of both energy and water sectors</li> <li>Updates on the enterprise risk and mitigation plans</li> <li>Acquisition of office space</li> </ul>
 <p>Corporate Governance Matters</p>	<ul style="list-style-type: none"> <li>Dividend declarations</li> <li>Approval of external auditor for 2024</li> <li>Evaluation criteria and effectiveness of board assessment processes including identifying opportunities for continued improvements</li> <li>Revisions to the Corporate Governance Committee Charter</li> <li>Results of the Integrated Annual Corporate Governance Report (I-ACGR) for 2023 and endorsement to the Corporate Governance Committee</li> <li>Changes to the Executive Leadership Team, including appointment of new officers</li> <li>Updates to the Company's limits of authority framework</li> <li>Retirement fund management</li> <li>Adoption of Board Committee, Board, and Annual Shareholders' meeting/s schedules, including special events planned throughout the year such as strategic planning sessions and board development initiatives, ensuring alignment with corporate governance best practices and regulatory requirements</li> </ul>

## BOARD COMMITTEES

In arriving at its decisions, the Board is aided by six (6) advisory committees:

Executive Committee

Finance Committee

Audit Committee

Risk and Sustainability Committee

Related Party Transactions Committee

Corporate Governance Committee

The Board Committees' responsibilities are two-fold: support the Board of Directors in its deliberations and assist in the decision-making through its recommendations. In 2024, the Board Committees deliberated and endorsed the following strategic initiatives to the Board:



**TOP ROW (L-R)**  
Francis Damasus A. Garcia, Chairman  
Jose Marko G. Sarmiento, Member  
Charles S.A. Garcia, Member  
Ramontito E. Garcia, Member

**BOTTOM ROW (L-R)**  
Emil Andre M. Garcia, Member  
Arlo A.G. Sarmiento, Member  
Brigette Cecile N. Garcia, Member

## EXECUTIVE COMMITTEE

**Number of Meetings in 2024** 10

**Purpose** Serves as a recommendatory and endorsing body that handles urgent or strategic matters, particularly on key operational decisions, risk management, financial oversight, and corporate governance.

**Frequency** 6 times a year and as often as may be required

### Main Agenda Items

- Project Investments
  - Financial viability and sustainability of its projects and investments including rebalancing of its portfolio and divestment strategy
  - Acquisition, addition, or initiation of assets in greenfield solar and wind projects
  - Operational readiness of a subsidiary investment in the first ever utility scale desalination plant in Cebu
  - Enhancements to existing partnership agreements
  - Terms and Conditions relative to Power Supply Agreements entered into by the Company via the OGS group
- Business Operations:
  - Macroeconomic overview and other assumptions in support of revenue projections and budgets
  - Budget allocation to improve performance of existing assets, enhance customer value, growth of portfolio size for One Vivant, improvements to existing systems and technology
  - Financial and capital allocation requirements of its subsidiaries and investments
  - Debt financing at subsidiary levels to partly fund projects and investments for 2024-2025
- Corporate Governance Matters
  - Dividend declarations
  - Endorsement of external auditor for 2024 to the Audit Committee and the Board of Directors for final approval
  - Evaluation criteria and effectiveness of board assessment processes including identifying opportunities for continued improvements
  - Revisions to the Corporate Governance Committee Charter
  - Results of the I-ACGR for 2023 and endorsement to the Corporate Governance Committee
  - Updates to the Company's limits of authority framework
  - Retirement fund management
  - Adoption of Board Committee, Board, and Annual Shareholders' meeting/s schedules, including special events planned throughout the year such as strategic planning sessions and board development initiatives, ensuring alignment with corporate governance best practices and regulatory requirements



**TOP ROW (L-R)**  
Laurence R. Rogero, Chairman  
Jose Marko G. Sarmiento, Member  
Francis Damasus A. Garcia, Member

**BOTTOM ROW (L-R)**  
Carmelo L. Bautista, Member  
Jose Carlitos G. Cruz, Member

## FINANCE COMMITTEE

**Number of Meetings in 2024** 8

**Purpose** The Finance Committee (FinCom) is primarily responsible for overseeing the Company's financial governance, except for financial reporting, which falls under the Audit Committee. It guides the development and execution of Vivant's financial policies and strategies, including capital structure, dividend policy, and capital allocation decisions requiring Board approval.

**Frequency** 4 times a year and as often as may be required

### Main Agenda Items

- Project Investments
  - Financial viability and sustainability of its projects and investments including rebalancing of its portfolio and divestment strategy
- Financial planning, capital allocations, and financial performance of the Company, its subsidiaries, business units including year-to-date dashboards
- Debt financing at subsidiary levels to partly secure projects and investments for 2024-2025
- Corporate matters including dividend declarations and funding requirements including requests for cash and capital calls of its business units and wholly owned subsidiaries



(L-R)  
 Jose M. Layug, Jr., Member  
 Jose Marko G. Sarmiento, Member  
 Laurence R. Rogero, Chairman

## RISK AND SUSTAINABILITY COMMITTEE

Number of Meetings in 2024	5
Purpose	The Risk & Sustainability Committee (RSCoM) oversees risk governance and enterprise sustainability. It ensures the effective implementation of the Board-approved Enterprise Risk Management (ERM) policy, covering risk management, regulatory compliance, and ethical standards. Additionally, the RSCoM guides the development of a sustainability framework, focusing on governance as well as environmental and social responsibility.
Frequency	4 times a year and as often as may be required
Main Agenda Items	<ul style="list-style-type: none"> <li>• Analysis of natural and climate change-related risks and vulnerabilities affecting the energy and water sectors, including the financial and operational impacts of natural catastrophes</li> <li>• Establishment of a 2024 risk profile for One Vivant and a framework for monitoring risk evolution and integrating the outlook into corporate strategic planning</li> <li>• Identification and prioritization of top risks for FY 2024</li> <li>• Assessment of project-related risks for prioritized projects in FY 2024 and development of risk response plans and oversight mechanisms for high-impact projects</li> <li>• Evaluation of current risks in corporate partnerships and Investments</li> <li>• Evaluation of risk exposure in planned capital expenditures for greenfield energy and water projects</li> </ul>



TOP ROW (L-R)  
 Jose Carlitos G. Cruz, Chairman  
 Charles S.A Garcia, Member  
 Jose Marko G. Sarmiento, Member

BOTTOM ROW (L-R)  
 Jose M. Layug, Jr., Member  
 Laurence R. Rogero, Member

## AUDIT COMMITTEE

Number of Meetings in 2024	4
Purpose	The Audit Committee (AuditCom) supports the Board in its oversight of the financial reporting process, internal control systems, and audit procedures. It also monitors compliance with applicable laws, regulations, and compliances reinforcing ethical business practices and corporate governance standards.
Frequency	4 times a year and as often as may be required
Main Agenda Items	<ul style="list-style-type: none"> <li>• Financial Reporting and Compliance                         <ul style="list-style-type: none"> <li>▪ Oversight of financial statements and regulatory compliance, including the 2023 Annual Financial Statements and 2024 quarterly reports</li> </ul> </li> <li>• Audit Oversight and Evaluation                         <ul style="list-style-type: none"> <li>▪ Supervision of internal and external audit processes, including unplanned audit engagements, auditor performance, and audit budget endorsement</li> </ul> </li> <li>• Governance and Best Practices                         <ul style="list-style-type: none"> <li>▪ Strengthening audit governance through the approval of a revised Audit Committee Charter and assessment of One Vivant's financial performance</li> </ul> </li> </ul>



(L-R)  
 Jose M. Layug, Jr., Chairman  
 Jose Carlitos G. Cruz, Member  
 Laurence R. Rogero, Member

## CORPORATE GOVERNANCE COMMITTEE

Number of Meetings in 2024

2

Purpose

The Corporate Governance Committee (CGCom) ensures the Company's adherence to best practices in corporate governance, ethical business conduct, and regulatory compliance. It oversees the development and implementation of governance policies, Board performance evaluation, directors nominations and ensures compliance with disclosure and transparency standards

Frequency

4 times a year and as often as may be required

Main Agenda Items

- Corporate Governance and Compliance
  - Nomination and Selection of Directors including evaluation of nominees for the Board in accordance with the Company's Nomination and Elections Policy and applicable SEC regulations
- Annual Corporate Governance Report Review
  - Assessed the I-ACGR to ensure compliance with governance standards
- Regulatory Compliance Oversight
  - Reviewed and monitored the Company's adherence to corporate governance requirements under SEC rules
- Performance and Governance Evaluation
- Corporate Governance Scorecard Assessment
  - Evaluated Vivant Corporation's corporate governance performance based on the annual scorecard and historical data
- Board and Committee Performance Review
  - Conducted assessments of governance structures and decision-making effectiveness
- Policy and Charter Enhancements
  - Amended the Charter to incorporate best practices, process improvements, and closer alignment with SEC regulations



(L-R)  
 Jose M. Layug, Jr., Chairman  
 Ramonito E. Garcia, Member  
 Jose Carlitos G. Cruz, Member

## RELATED PARTY TRANSACTIONS COMMITTEE

Number of Meetings in 2024

2

Purpose

The Related Party Transactions Committee (RPTCom) is responsible for reviewing and approving transactions between the Company and related parties to prevent conflicts of interest and ensure fairness and transparency. It evaluates the terms of RPTs, ensures compliance with regulatory requirements, and upholds the Company's integrity in financial and business dealings.

Frequency

4 times a year and as often as may be required

Main Agenda Items

- Review of related party transactions to be disclosed as part of the Information Statement (SEC Form No. 20-IS)
- The Company's reports on the implementation of regulatory compliance measures concerning related party transactions, and reviews implementation strategy with Management
- Enhancements to the RPTCom Charter to include process improvements, best practices, and to adhere closer to SEC rules and regulations



## BOARD STRUCTURE

The Board's Corporate Governance Committee rigorously evaluates and pre-screens nominees at the start of each year, ensuring consistency with the qualifications outlined in Vivant's Corporate Governance Manual. The Company's vision of its medium and long-term goals guides deliberations on Board composition.

### Diversity

Eleven (11) Board members are elected by the shareholders at Vivant's Annual Shareholders Meeting (the ASM) held on the third Thursday of June. Board Members serve for a term of one (1) year or until their successors are duly elected and qualified by Vivant's By-Laws. Of the 11 Board members, four (4) are Independent Directors (the IDs), one of whom is appointed as the Lead Independent Director (the LID), four (4) are Non-Executive Directors (the NEDs), and three (3) are Executive Directors (the Eds) thereby safeguarding objectivity and independence in the decision-making processes.

Further, in line with its corporate value of *excellence*, Vivant aims to have a Board membership composition that corresponds to its operational activities, strategic directions, and future challenges. By having members whose experience, skills, and expertise are in alignment with its corporate goals and values, this allows the Board to make decisions that enhance its long-term growth strategy. Complementary competencies and diverse backgrounds foster balanced perspectives, enhance discussions, and facilitate informed forward-thinking decisions reflective of stakeholder interests within the Vivant Board.

BOD	Position	Attendance
<b>Francis Damasus A. Garcia (FDAG)</b>	Chairman of the Board Chairman of the Executive Committee Member of the Finance Committee	Board: 100% Executive Committee: 100% Finance Committee: 100%
<b>Ramontito E. Garcia (REG)</b>	Vice Chairman of the Board Vice Chairman of the Executive Committee Member of the Related Party Transactions Committee	Board: 85% Executive Committee: 80% Related Party Transactions Committee: 50%
<b>Arlo Angelo G. Sarmiento (AGS)</b>	Member of the Board Member of the Executive Committee Chief Executive Officer	Board: 100% Executive Committee: 90%
<b>Emil Andre M. Garcia (EMG)</b>	Member of the Board Member of the Executive Committee President	Board: 85% Executive Committee: 90%
<b>Charles Sylvestre A. Garcia (CAG)</b>	Member of the Board Member of the Executive Committee Member of the Audit Committee Member of the Risk and Sustainability Committee <sup>1</sup>	Board: 100% Executive Committee: 100% Audit Committee: 75% Risk and Sustainability Committee: 60% <sup>1</sup>
<b>Jose Marko Anton G. Sarmiento (JGS)</b>	Member of the Board Member of the Executive Committee Member of the Finance Committee Member of the Audit Committee Member of the Risk and Sustainability Committee	Board: 85% Executive Committee: 90% Finance Committee: 100% Audit Committee: 100% Risk and Sustainability Committee: 100%
<b>Brigette Cecile N. Garcia (BNG)</b>	Member of the Board Member of the Executive Committee Senior Assistant Vice President	Board: 100% Executive Committee: 100%

<sup>1</sup> Member of the Committee until June 20, 2024

BOD	Position	Attendance
<b>Laurence R. Rogero (LRR)</b>	Lead Independent Director Chairman of the Finance Committee Chairman of the Risk and Sustainability Committee Member of the Audit Committee Member of the Corporate Governance Committee	Board: 100% Finance Committee: 100% Risk and Sustainability Committee: 100% Audit Committee: 100% Corporate Governance Committee: 100%
<b>Carmelo Maria L. Bautista (CLB)</b>	Independent Director Member of the Finance Committee <sup>2</sup> Directorship in other listed companies: GT Capital Holdings Incorporated	Board: 100% Finance Committee: 16% <sup>2</sup>
<b>Jose Carlitos G. Cruz (JGC)</b>	Independent Director Chairman of the Audit Committee Member of the Finance Committee Member of the Related Party Transactions Committee Member of the Corporate Governance Committee Independent Directorship in other listed companies: SM Prime Holdings, Inc.	Board: 100% Audit Committee: 100% Finance Committee: 100% Related Party Committee: 100% Corporate Governance Committee: 100%
<b>Jose M. Layug, Jr. (JML)</b>	Independent Director Chairman of the Related Party Transactions Committee Chairman of the Corporate Governance Committee Member of the Risk and Sustainability Committee Member of the Audit Committee Independent Directorship in other listed companies: Citicore Energy REIT Corp.	Board: 85% Related Party Transactions Committee: 100% Corporate Governance Committee: 100% Risk and Sustainability Committee: 100% Audit Committee: 100%

<sup>2</sup> Appointed as Member on June 20, 2024

### Board Skills Matrix

Diversity and independence are further reinforced by the specialized expertise of the Company's Independent Directors, as reflected in the Board's skills matrix.



Laurence R. Rogero *Independent Director* | Carmelo Maria L. Bautista *Independent Director* | Jose Carlitos G. Cruz *Independent Director* | Jose M. Layug, Jr. *Independent Director*

- Power Industry Knowledge and/or Experience
- Water Industry Knowledge and/or Experience
- Corporate and Investment Strategy
- Executive Leadership
- Finance, Investment Banking
- Legal and Regulatory
- Risk and/or Audit
- Other Industry Knowledge and/or Experience

	Laurence R. Rogero	Carmelo Maria L. Bautista	Jose Carlitos G. Cruz	Jose M. Layug, Jr.
Power Industry Knowledge and/or Experience	★	★	★	★
Water Industry Knowledge and/or Experience	★			
Corporate and Investment Strategy	★	★	★	★
Executive Leadership	★	★	★	★
Finance, Investment Banking	★	★	★	★
Legal and Regulatory	★			★
Risk and/or Audit	★	★	★	★
Other Industry Knowledge and/or Experience	★	★	★	★

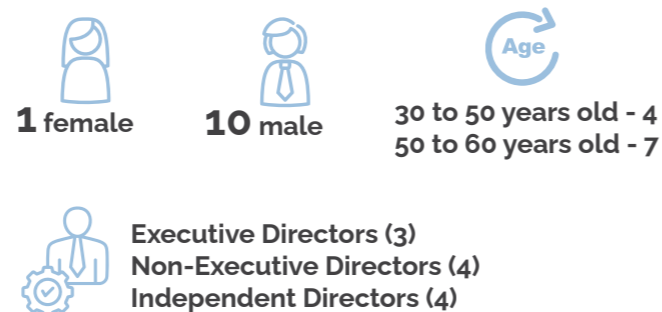
Alongside professional expertise, representation across gender, tenure, and generational diversity, make up the composition of the Board and reflect the Company's commitment to inclusivity and equity.

## Diversity Graph

Name	Nationality	Gender	Current Positions	Date Of Appointment	Length Of Service <small>(As of year end - 2024)</small>	Age <small>(As of 2024)</small>
Francis Damasus A. Garcia (FDAG)	Filipino	Male	Chairman	June 15, 2023	1 year; 6 months & 16 days	66
Ramontito E. Garcia (REG)	Filipino	Male	Vice Chairman	February 24, 2003	21 years; 10 months & 7 days	67
Charles Sylvestre A. Garcia (CAG)	Filipino	Male	Non-Executive Director	September 30, 2004	20 years; 3 months & 1 day	64
Jose Marko G. Sarmiento (JGS)	Filipino	Male	Non-Executive Director	June 19, 2008	16 years; 6 months & 12 days	46
Arlo Angelo G. Sarmiento (AGS)	Filipino	Male	Executive Director	June 15, 2017	7 years; 6 months & 16 days	49
Emil Andre M. Garcia (EMG)	Filipino	Male	Executive Director	June 18, 2009	15 years; 6 months & 13 days	47
Brigette Cecile N. Garcia (BNG)	Filipino	Female	Executive Director	June 16, 2022	2 years; 6 months & 15 days	37
Laurence R. Rogero (LRR)	Filipino	Male	Lead Independent Director	June 17, 2021 (appointed) - Feb 28, 2022 (resigned) - June 15, 2023 - re-appointed	2 years; 2 months & 27 days	52
Jose Carlitos G. Cruz (JGC)	Filipino	Male	Independent Director	June 17, 2021	3 years; 6 months & 14 days	64
Carmelo Maria L. Bautista (CLB)	Filipino	Male	Independent Director	June 15, 2017	7 years; 6 months & 16 days	67
Jose M. Layug, Jr. (JML)	Filipino	Male	Independent Director	March 18, 2022	2 years; 9 months & 13 days	53

## Independence

Vivant maintains a strong commitment to independence, where NEDs and IDs, each comprise thirty six percent (36%) of the Board. This balanced structure ensures objectivity and impartiality in corporate decision-making while protecting stakeholder interests through sound governance practices.



## Lead Independent Director

Selecting a strong and empowered LID is a critical element of Vivant's corporate governance framework. The LID is elected annually and assumes the role of bridging discussions amongst the independent directors and management, ensuring that independent perspectives are adequately represented in discussions and Board activities are aligned with sustainability and corporate goals. The role of the LID further contributes to the Company's sustainability goals through:

- Governance Excellence.** By ensuring sustainability considerations are prioritized alongside financial and operational performance, the LID role promotes balanced and ethical decision-making.
- Risk Oversight:** Through the identification and discussions of ESG related risks, the LID ensures that the Company adapts to and remains resilient amidst evolving regulatory and market demands particularly in the areas of renewable energy and sustainable water management.

The LID's functions are enumerated in Vivant's MCG, which comprises among others: (a) serving as intermediary between the Chairman and the other directors, as may be necessary; (b) convening and chairing meetings of non-executive directors; and (c) as may be required, contributing to the Chairman's performance evaluation.

## Past four (4) years lead Independent Director of Vivant

2023-2024

**Atty. Laurence R. Rogero**

2022-2023

**Mr. Jose Carlitos G. Cruz**

2021-2022

**Atty. Laurence R. Rogero**

2020-2021

**Atty. Jesus B. Garcia, Jr.**

## Board and Board Committee Memberships and Attendance

The Office of the Corporate Secretary assists the Board in setting the Board Calendar before the start of each fiscal year. Approvals for the Board Calendar is sought at the prior year's year-end Board meeting before an official advisory is sent to all Board members and the Senior Management Team. In scheduling the Board meetings, several considerations are taken into account, including adequate time allotment for substantive discussions, the Company's yearly strategic planning timelines, and regulatory compliance requirements. Additionally, the Board accommodates the review of emerging business opportunities and project developments enabling the Company to respond proactively. Consideration is also given to stakeholder engagement and transparency, to ensure timely disclosures and adherence to governance best practices. This structured approach supports effective corporate governance, strategic agility, and long-term value creation for Vivant.

For 2024, attendance rate on average was at 98.3% which is more than compliant with good corporate governance minimum attendance rate of 75% with IDs average attendance rate at 98.6%. The following is a record of attendance during the 2024 fiscal year:



### Vivant Finance Committee Meetings 2024

Name	Position	2024 January 16	2024 May 16	2024 May 30 Joint VVT-VEC RS/FinCom	2024 August 14	2024 Sept. 13	2024 Nov. 30 Joint VVT-VEC RS/FinCom	Total
LRR	Chairman	1	1	1	1	1	1	6
FDAG	Member	1	1	1	1	1	1	6
JGS	Member	1	1	1	1	1	1	6
JGC	Member	1	1	1	1	1	1	6
CLB	Member	0	0	-	1	0	0	1

### Vivant Audit Committee Meetings 2024

Name	Position	2024 March 15	2024 May 10	2024 August 12	2024 November 12	Total
JGC	Chairman	1	1	1	1	4
CAG	Member	1	1	0	1	3
JML	Member	1	1	1	1	4
JGS	Member	1	1	1	1	4
LRR	Member	1	1	1	1	4

### Vivant Corporate Governance Committee Meetings 2024

Name	Position	2024 March 7	2024 November 8	Total
JML	Chairman	1	1	2
JGC	Member	1	1	2
LRR	Member	1	1	2

### Vivant Related Party Transactions Meetings 2024

Name	Position	2024 March 7	2024 December 6	Total
JML	Chairman	1	1	2
JGC	Member	1	1	2
REG	Member	1	0	1

### Vivant Risk & Sustainability Committee Meetings 2024

Name	Position	2024 February 6	2024 May 16	2024 May 30 Joint VVT-VEC RS/FinCom	2024 August 14	2024 November 15	Total
LRR	Chairman	1	1	1	1	1	5
CAG	Member	1	1	1	-	-	3
JGS	Member	1	1	1	1	1	5
JML	Member	1	1	1	1	1	5

### Board Performance and Assessment

The effectiveness and performance of the Board is evaluated on an annual basis. In 2024, the Compliance Officer assisted the Board in the conduct of its annual self-assessment through a questionnaire, which measured the effectiveness and efficiency of the Board, Board Committees, Individual Members, and the Chairman.

The self-assessment questionnaires contain the following criteria, which reflect leading good corporate governance practices:



#### Company

- Board Composition
- Board Efficiency and Performance
- Board Meetings and Participation



#### Board Committees

- Board Committee Performance
- Board Committee



#### Independent Directors

- Independence
- Participation
- Expertise
- Character
- Fiduciary Duty
- Innovation



#### Chairman and Key Officers

- Leadership
- Integrity
- Diligence
- Corporate Governance
- Entrepreneurial Mindset
- Stewardship

This self-assessment methodology is in line with the Company's Board Assessment policy which is on its fifth (5th) year of implementation. An external third-party assessment will be conducted every three (3) years with the last external assessment having been conducted with the assistance of the Institute of Corporate Directors (ICD) in 2023.





## Continuing Development and Board Training

The Company actively provides opportunities to its Directors to deepen their knowledge of the industry and the Company through Learning & Development (L&D) sessions tackling market or regulatory updates and sustainability trends. Additionally, immersive experiences such as plant visits or study tours provide first-hand exposure to operational processes, among others. These initiatives ensure that Directors remain well-informed, enabling them to make data-driven decisions.

Likewise, Vivant conducts its annual corporate governance training for all Directors, alongside key officers. Topics relevant to the Company's strategic goals are taken into account in order to support the Board's and Management's, continuing professional development particularly in areas deemed to play a pivotal role in the Company's strategic direction. In 2024, the Company engaged ICD to conduct its in-house



Corporate Governance Training on the following topics which were identified critical to Vivant's growth and sustainability development goals:

- **Artificial Intelligence (AI) basics for Directors**
- **AI Use and Culture Build for Risk Management**
- **Outsourcing Cybersecurity Operations**
- **Cyber Risk Management**
- **Customer Centricity**

In today's rapidly evolving business landscape, the Company seeks to explore the transformative potential of AI, particularly in areas such as risk management, cybersecurity, and customer centricity. The Company recognizes the potential benefits of technology and software-assisted tools which may contribute to more effective risk identification and response time to emerging challenges. Engaging consultants with specialized expertise is also seen as a way to navigate the growing complexity in the area of data protection. These topics are building blocks in fostering a culture that leverages on technology innovation to drive long-term success.

## Board Remuneration

To further safeguard the integrity and independence of the Board and its decision-making process, only NEDs and IDs are eligible to receive a per diem for every meeting and L&D session conducted by the Company under Vivant's remuneration structure for its Directors. Any special or follow-up meeting uses the same rate adjusted accordingly based on the duration of a session. In 2024, there were no changes to the remuneration structure which was implemented as of 2022.

Engagement	Chairman	Member
Board Meeting	Php 150,000	Php 100,000
Committee Meeting	Php 75,000	Php 50,000
In-house Training/ Workshop	Php 75,000	Php 50,000
Strategic Planning	Php 150,000	Php 100,000

## SENIOR MANAGEMENT TEAM

Vivant's organizational framework is designed to foster leadership and operational effectiveness, while ensuring accountability that is grounded in the core values and culture that define Vivant.

Each member of the Management Team brings specialized expertise in critical areas of the Company's operations. Through a shared commitment to its corporate values, the team works cohesively to steer the organization toward long-term success. After the Company's ASM, the relevant results of the Organizational Board Meeting (OBM) and which includes key officer appointments are disclosed to regulators. The following are the members of the Management Team, whose leadership shapes the direction and growth of Vivant under the supervision of the Company's Chief Executive Officer (CEO).



**Arlo  
Angelo G.  
Sarmiento**

*Chief  
Executive Officer*

*Member,  
Board of  
Directors*

*Member,  
Executive  
Committee*



**Emil  
Andre M.  
Garcia**

*President*

*Member,  
Board of  
Directors*

*Member,  
Executive  
Committee*



**Minuel  
Carmela N.  
Franco**

*Executive  
Vice  
President &  
Chief  
Corporate  
Officer*

*Group Chief  
Finance  
Officer*

*Chief Risk  
Officer*

*Treasurer*



**Jess  
Anthony N.  
Garcia**

*Senior  
Vice  
President -  
Infrastructure*



**Mark  
D. Habana**

*Vice  
President -  
Subsidiary  
Management*



**Maila  
De Castro,  
JD, MBA**

*Vice  
President -  
Legal*

*Corporate  
Secretary*

*Data  
Protection  
Officer*



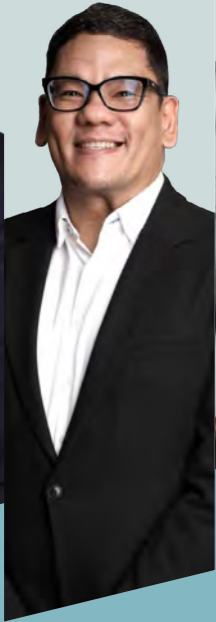
**Peter C.  
Buenaseda**

*Chief  
Human  
Resource  
Officer*



**Shem Jose W. Garcia**

*Vice President - Foundation*



**Allan A. Cuevas**

*Vice President - Corporate Communications*



**Brigitte Cecile N. Garcia**

*Senior Assistant Vice President - Corporate Planning*

*Member, Board of Directors*

*Member, Executive Committee*



**Catherine S. Bringas**

*Senior Assistant Vice President - Legal and Compliance*

*Asst. Corporate Secretary*

*Compliance Officer*



**Ronnel Vergel E. De Leon**

*Senior Assistant Vice President - Treasury*



**Carlos F. Bargamento, Jr.**

*Assistant Vice President - Real Estate*



**Dyan Ramona S. Olegario**

*Assistant Vice President - Accounting*



**Denise Mae D. Blanco**

*Assistant Vice President - Human Resources*



**Nilo M. Arribas, Jr.**

*Assistant Vice President - Information Technology*

*Chief Information Officer*



**Debbie C. Artiaga-Arradaza**

*Assistant Vice President - Treasury and Operations*



**Rhesel Joan R. Tompong**

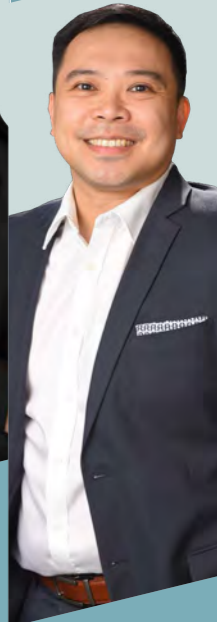
*Assistant Vice President - Corporate Planning*



**Myla D. Lumibao**

*Assistant Vice President - Internal Audit*

*Chief Audit Executive*



**Randwil Dinbo U. Macaranas**

*Assistant Vice President - Investor Relations*



**Joan A. Giduquio-Baron**

*Assistant Corporate Secretary*

Senior Management Team	Role	Department	Date of Appointment
Arlo Angelo G. Sarmiento	Chief Executive Officer	Executive	2022 February 1
Emil Andre M. Garcia	President Energy Business Unit Head	Executive	2022 February 1
Minuel Carmela N. Franco	Executive Vice President & Chief Corporate Officer Group Chief Finance Officer Chief Risk Officer Treasurer Corporate and Shared Services Business Unit Head	Corporate Services	2022 February 1
Jess Anthony N. Garcia	Senior Vice President – Infrastructure Water Business Unit Head	Infrastructure	2019 January 1
Shem Jose W. Garcia	Vice President	Foundation	2024 January 1
Mark D. Habana	Vice President	Subsidiary Operations	2017 April 17
Maila Lourdes G. De Castro	Vice President – Legal Corporate Secretary Data Protection Officer	Legal	2023 February 20
Allan A. Cuevas	Vice President – Corporate Communications	Corporate Communications	2024 January 16
Peter C. Buenaseda	Chief Human Resource Officer	People Function	2024 February 1
Brigitte Cecile N. Garcia	Senior Assistant Vice President	Corporate Planning	2020 November 15
Catherine S. Bringas	Senior Assistant Vice President – Legal and Compliance Asst. Corporate Secretary Compliance Officer	Legal	2022 January 1

Senior Management Team	Role	Department	Date of Appointment
Ronnel Vergel E. De Leon	Senior Assistant Vice President	Treasury	2023 January 1
Carlos F. Bargamento, Jr.	Assistant Vice President	Real Estate	2020 January 1
Dyan Ramona S. Olegario	Assistant Vice President	Accounting	2020 January 1
Denise Mae D. Blanco	Assistant Vice President	People Function	2021 January 1
Nilo M. Arribas, Jr.	Assistant Vice President Chief Information Officer	Information Technology	2023 January 1
Debbie C. Artiaga-Arradaza	Assistant Vice President – Treasury and Operations	Treasury	2023 January 1
Rhesel Joan R. Tompong	Assistant Vice President – Corporate Planning	Corporate Planning	2023 January 1
Myla D. Lumibao	Assistant Vice President Chief Audit Executive	Internal Audit	2023 December 4
Randwil Dinbo U. Macaranas	Assistant Vice President	Investor Relations	2024 September 2
Joan A. Giduquio-Baron	Assistant Corporate Secretary		2024 October 1
Patrick Joel M. Cinco <sup>1</sup>	Assistant Vice President	Risk and Sustainability	2023 June 26

<sup>1</sup> Mr. Patrick Joel M. Cinco resigned from the Company effective September 27, 2024

Strategy formulation and execution are the primary accountabilities of the CEO with the support of the Company's Business Unit (BU) heads in Energy, Water, and Corporate and Shared Services and other Senior Management Team.

Critical in-depth discussions on business and financial performance, strategic initiatives, capital allocation, operational efficiencies, risks, and remediation measures, as well as key updates on operational issues and industry trends happen at the operations and Management Committee (Mancom) level.

Meanwhile, an added layer of discussion occurs at sub-committees which mirrors the functions of some Board Committees. These discussions lead to management recommendations that have been carefully reviewed at multiple levels before being presented to the Board Committees and the Board itself. Operations meetings are held at least once a week, Departmental meetings at least twice (2x) a month, Mancoms at least once a month, and respective SBU or leadership huddles at least once a month.

## Sub-Committees

The following sub-committees assist the CEO prior to agenda items being elevated and endorsed to the respective Board Committees or Board:

- The **Management Finance Committee**, chaired by the Group Chief Finance Officer (CFO), has direct oversight over the formulation and implementation of Vivant's financial policies and strategies. Approved proposals on enterprise-wide initiatives and financial reports, including project-related approvals are then brought to the Board Finance Committee and the Board, and when applicable to the Board Audit Committee.

Number of Meetings in 2024	10										
Frequency	Quarterly or as often as may be required										
Main Agenda Items	<ul style="list-style-type: none"> <li>Financial performance review of the company and its subsidiaries</li> <li>Business portfolio review</li> <li>Funding requirements and capital structure of the company and its subsidiaries</li> <li>Gating of investment opportunities and projects</li> <li>Updates on regulations (e.g. BIR, SEC)</li> </ul>										
Composition and Role	<table border="0"> <tr> <td>Chief Corporate Officer (CCO)</td> <td>Chairman</td> </tr> <tr> <td>CEO</td> <td>Members</td> </tr> <tr> <td>BU Heads – Corporate and Shared Services, Energy and Water</td> <td></td> </tr> <tr> <td>BU CFO or its equivalent</td> <td></td> </tr> <tr> <td>Heads of Treasury, Accounting and Corporate Planning</td> <td></td> </tr> </table>	Chief Corporate Officer (CCO)	Chairman	CEO	Members	BU Heads – Corporate and Shared Services, Energy and Water		BU CFO or its equivalent		Heads of Treasury, Accounting and Corporate Planning	
Chief Corporate Officer (CCO)	Chairman										
CEO	Members										
BU Heads – Corporate and Shared Services, Energy and Water											
BU CFO or its equivalent											
Heads of Treasury, Accounting and Corporate Planning											
Secretariat	Treasury										

- The **Management Risk Committee**, chaired by the Chief Risk Officer (the CRO), holds an advisory and recommendatory role on matters relative to risk management and sustainability policies and strategies, enterprise, project, and investment risks and regularly reviews the Company's Board approved risk management framework.

Number of Meetings in 2024	7														
Frequency	Quarterly or as often as may be required														
Main Agenda Items	<ul style="list-style-type: none"> <li>2024 risk landscape</li> <li>Enterprise risks for Vivant and its subsidiaries</li> <li>Risk transfer programs</li> <li>Project gating and portfolio risk assessment for energy and water projects and subsidiaries</li> </ul>														
Composition and Role	<table border="0"> <tr> <td>Chief Risk Officer – Parent</td> <td>Chairman</td> </tr> <tr> <td>CEO</td> <td>Members</td> </tr> <tr> <td>BU Heads – Corporate and Shared Services, Energy and Water</td> <td></td> </tr> <tr> <td>Chief Risk Officer, per BU</td> <td></td> </tr> <tr> <td>Chief Compliance Officer</td> <td></td> </tr> <tr> <td>Group CFO</td> <td></td> </tr> <tr> <td>Heads of Accounting, Legal, Internal Audit and Corporate Planning</td> <td></td> </tr> </table>	Chief Risk Officer – Parent	Chairman	CEO	Members	BU Heads – Corporate and Shared Services, Energy and Water		Chief Risk Officer, per BU		Chief Compliance Officer		Group CFO		Heads of Accounting, Legal, Internal Audit and Corporate Planning	
Chief Risk Officer – Parent	Chairman														
CEO	Members														
BU Heads – Corporate and Shared Services, Energy and Water															
Chief Risk Officer, per BU															
Chief Compliance Officer															
Group CFO															
Heads of Accounting, Legal, Internal Audit and Corporate Planning															
Secretariat	Risk and Sustainability Group														

- The **People Strategy Committee** is a decision-making body responsible for providing strategic direction and oversight for the People Function for Vivant and its managed corporate entities. The committee is responsible for ensuring the alignment of People initiatives with the overall business strategy and goals and provide guidance on key People decisions and priorities.

Number of Meetings in 2024	7												
Frequency	Monthly or as often as may be required												
Main Agenda Items	<ul style="list-style-type: none"> <li>Strategic workforce plans including talent acquisition updates</li> <li>Learning and growth programs</li> <li>Employee events, engagements and wellbeing efforts</li> <li>Review of people metrics such as headcount growth, attrition and performance data</li> <li>PF guidelines, policies and change management plans</li> </ul>												
Composition and Role	<table border="0"> <tr> <td>Chief Corporate Officer (CCO)</td> <td>Chairman</td> </tr> <tr> <td>CEO</td> <td>Members</td> </tr> <tr> <td>BU Head, Energy</td> <td></td> </tr> <tr> <td>BU Head, Water</td> <td></td> </tr> <tr> <td>Chief People Officer (CPO)</td> <td></td> </tr> <tr> <td>Head, Legal</td> <td></td> </tr> </table>	Chief Corporate Officer (CCO)	Chairman	CEO	Members	BU Head, Energy		BU Head, Water		Chief People Officer (CPO)		Head, Legal	
Chief Corporate Officer (CCO)	Chairman												
CEO	Members												
BU Head, Energy													
BU Head, Water													
Chief People Officer (CPO)													
Head, Legal													
Secretariat	People Function												



- A **Retirement Committee** the primary purpose of which is to ensure the prudent administration and operation of the Retirement Plan. It assesses investment management parameters, recommends decisions, and monitors compliance with applicable laws and regulations in the fulfillment of its fiduciary duties.
- A **Disclosure Committee**, chaired by the Head of Legal, ensures the observance of ethical conduct and practices and promotes integrity, transparency, and accountability within the Company. It is tasked with the critical responsibility of implementing Vivant's Whistleblowing Policy, including oversight of the investigation process of whistleblowing reports and has a recommendatory power for the disposition of reports. The DC holds meetings as needed. In 2024, it primarily focused on crafting the framework for handling and disposition of issue matters.



VALUE  
CREATION

# VALUE CREATED IN 2024

Resources used in 2024	How resources were managed in 2024	Value delivered in 2024
<p><b>Harnessing and extracting value for Vivant's various stakeholders were made possible with its mindful use of the following resources:</b></p> <p><b>Financial Capital</b></p> <ul style="list-style-type: none"> <li>Robust financial condition</li> <li>Steady operating cash flows and healthy dividend income stream</li> <li>Good track record supports credit availability</li> <li>Continued access to capital markets</li> </ul> <p><b>Human and Intellectual Capital</b></p> <ul style="list-style-type: none"> <li>Collective experience and knowledge on the power industry</li> <li>Developed and acquired skills and talent in support of new strategic initiatives, particularly in the water space</li> <li>Knowledge banking for new industries/businesses</li> <li>Dynamic, agile and engaged workforce</li> <li>One Vivant culture backed by core competencies</li> </ul> <p><b>Social Capital</b></p> <ul style="list-style-type: none"> <li>Enhanced corporate governance and stakeholder management practices</li> <li>Corporate and employee-driven CSR initiatives</li> <li>Vivant brand hinged on core values of Honor, Relationship and Excellence</li> </ul>	<p><b>Financial and non-financial strategies were executed during the year to maximize value generated out of the available resources.</b></p> <p>Review and enhancement of strategic initiatives to incorporate roadmaps based on studies conducted.</p> <p>Continued business development initiatives in the Energy and Water units, guided by existing capital allocation framework and evaluated using the investment gating process.</p> <p>Portfolio review, covering operating and financial performance, resulted to investment rationalization in both the Energy and Water units.</p> <p>Continued monitoring of funding requirements and compliance requirements.</p> <p>Wholistic approach in people development as frameworks on Learning and Growth and Wellness were rolled out in 2024. Key partnerships with leading experts in the field of executive development and physical wellness.</p>	<p><b>The management of resources allowed Vivant to deliver value to our stakeholders despite the challenges faced during the year.</b></p> <ul style="list-style-type: none"> <li>Robust core earnings growth in 2024 with consolidated core net income attributable to parent (NI) expanding by 20% YoY at Php 2.3 bn, while total NI rising by 3% YoY to Php 2.4 bn</li> <li>Return on Equity of 12%</li> <li>30% increase in available credit facilities of close to Php 30 bn provide flexibility and ensure liquidity position</li> <li>Group's blended borrowing rate at 5.99%, while parent stood at 4.3%</li> <li>Healthy project pipeline involving renewable and off grid energy projects</li> </ul> <p>Engaged and capable workforce of over 440 across Vivant and its managed subsidiaries</p> <ul style="list-style-type: none"> <li>Continued talent development supported by robust programs covering functional and core competencies</li> <li>Strong push and support for overall wellness via workplace enhancements, wellness programs, support group creation and other initiatives</li> <li>Developing bench of future leaders</li> <li>Identified potential centers of excellence</li> </ul> <p>Vivant continues to be recognized as a reliable and trusted partner</p> <ul style="list-style-type: none"> <li>Sustained recognition for governance practices by the Institute of Corporate Directors</li> <li>Established good working relations with existing business partners and developed new or potential partnerships for future business collaborations</li> <li>Developed network in the public and private sectors in aid of business and community services</li> </ul>

## Outlook

2024 provided a robust foundation with a healthy economic growth. Controlled inflation likewise paved the way for improved policy rates by year-end.

2024 average inflation stood at 3.2%, well within the government's target and significantly lower than 6% in 2023. The government actively managed prices of both food and non-food commodities by implementing a combination of policy and regulatory measures to shield consumers from price surges.

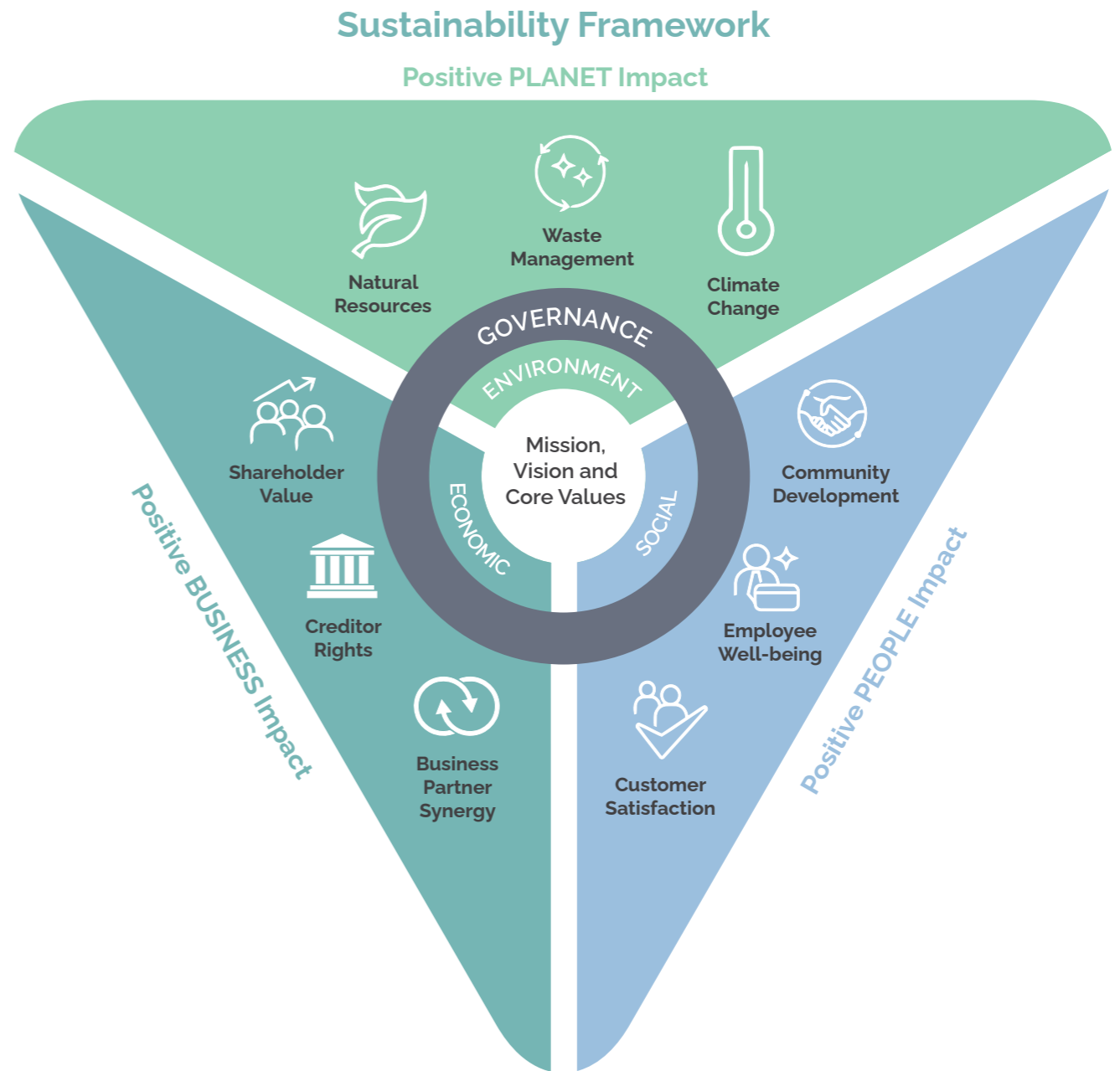
Import tariff adjustments on food, particularly rice, managed to offset the adverse impact of climate-related events to food prices, i.e. El Nino in the first half of the year and successive typhoons in the months of October and November. Logistics and production costs were likewise considered with regulatory agencies

deferring price adjustments. The local central bank also contributed to the government's inflation mitigating measures as it became the first in the ASEAN to implement its monetary easing as it reduced policy interest rates by a total of 75 basis points (bps) and the reserve requirements across all financial intermediaries by 100 to 250 bps.

Against this backdrop, the local economy fared well with GDP posting a robust growth rate of 5.6% in 2024. Local consumption maintained its resiliency, albeit at a slower pace versus the prior year. Industries and services were the key sectors that showed expansions during the year.

# STRATEGY AND VALUE CREATED IN 2024

Vivant remains true to its commitment of bringing excellence to industries that improve everyday living. Driven by this purpose, Vivant aims to fulfill this by truly understanding and acknowledging the needs of its various stakeholder groups. Creation and delivery of shared value with its stakeholders remain to be the core objective of the Company's strategies as it works toward a sustainable future.



## Capitals



## How value is created:

### Financial Strategies

- Strategic business planning and development
- Capital allocation and portfolio management
- Balance sheet management

### Non-Financial Strategies

- People development and management
- Corporate governance
- Risk management
- Stakeholder management

# FINANCIAL STRATEGIES

## Strategic Business Planning and Development

Capital Employed	Stakeholder/s
Financial, Human & Intellectual	Shareholders, Customers, Employees

The Company's long term goals are rooted in its mission and vision. Each year, Vivant undergoes a review of its strategies to ensure that any change in the business environment is considered.

In 2024, as Vivant moves closer to its 2030 goals and 2040 vision of becoming a major conglomerate, the Company initiated a value chain study for its energy business. The objective of this initiative is to assess its current portfolio against evolving market trends and customer needs. Valuable insights from the exercise were integrated into the strategic planning, which further refined Vivant's strategies to achieve its long term objectives. Strategic roadmaps for key focus markets were developed, which outlined critical milestones to guide the Company's efforts and initiatives on business sustainability.

A similar exercise was done for the water business, albeit, less exhaustive. The focus was mainly on determining key entry points to the industry, which included business segments and markets. Resulting output was used to further refine the initiatives of the Company's water arm. A more thorough study will be conducted in 2025.

## Capital Allocation and Portfolio Management

Capital Employed	Stakeholder/s
Financial, Human & Intellectual	Shareholders, Business Partners

As a holding company, Vivant has to ensure an optimal financial resource allocation for its businesses to support its strategic endeavors. The Company, with the assistance of a third-party consultant, worked on enhancing its capital allocation framework. The objective of this exercise is to develop an improved project prioritization tool that will optimize Vivant's investment portfolio. Guidelines will be developed on three key decision areas: evaluating the strategic fit of investments, both current and potential, assessing the acceptability of financial returns and the determination of stop-loss limits in line with the identified risk tolerance metrics.

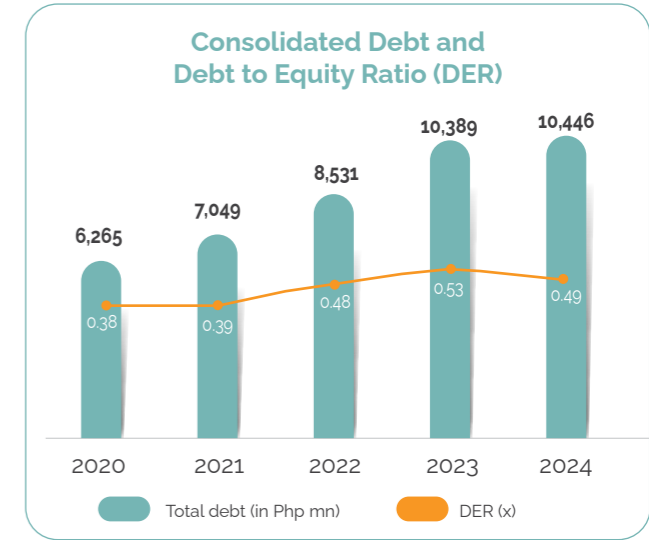
Investment monitoring is an ongoing undertaking of the Company and its business units. Financial performance review, coupled with the assessment of the Company's core competencies and its strategic initiatives, resulted to two divestment activities in 2024. In September, Vivant Energy divested its equity stake in a company that develops and constructs solar rooftop projects. In October, Vivant Water disposed its shareholdings in a company that provides engineering, procurement and construction services for bulk water and treatment facilities. These sale transactions allow for both capital recycling and reallocation of non-financial resources to other projects of Vivant.

## Balance Sheet Management

Capital Employed	Stakeholder/s
Financial, Human & Intellectual	Shareholders, Creditors, Business Partners (Suppliers)

The Company's active and prudent fiscal management ensures that Vivant's balance sheet remains strong to readily support investment initiatives and business expansion. The Company's finance committees, both at Management and Board levels, constantly monitor the capital structure, debt capacity thresholds, liquidity positions and cost of capital to ensure a healthy financial position.

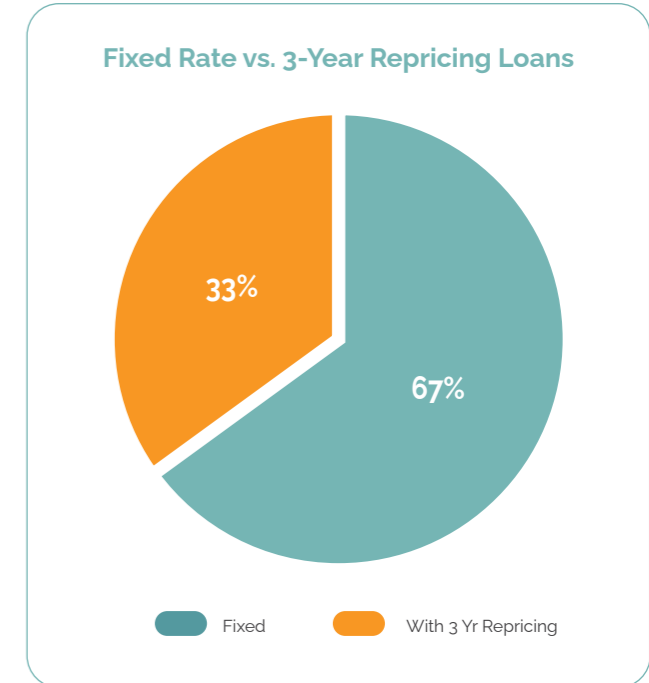
Vivant ended the year with total consolidated debt at Php 10.4 billion, 65% or Php 6.8 bn of which are interest bearing. Consolidated debt to equity ratio improved to 0.49x as of year-end, which is well within the Company's internal threshold and compliant with the Company's existing loan covenant. Vivant's consolidated net debt to equity ratio stood at 28% at the end of 2024, suggesting that the Vivant group still has room to acquire more debt capital to bankroll its investments. In terms of capacity to service its loan obligations, debt service coverage ratio improved to 1.7x at the end of 2024 from 1.5x at the end of 2023.



The Company likewise exhibited a good liquidity position with year-end consolidated current ratio and quick acid ratio at 2.4x and 1.9x, respectively.

Vivant, through its Treasury team, actively manages its loan portfolio. Continuous monitoring of the macro conditions allowed it to make informed decisions on debt structuring, which involves rate structure, tenor and prepayment among others. Initiatives were taken to ensure that financial risks, such as but not limited to liquidity, repricing, refinancing and concentration risks are considered and addressed.

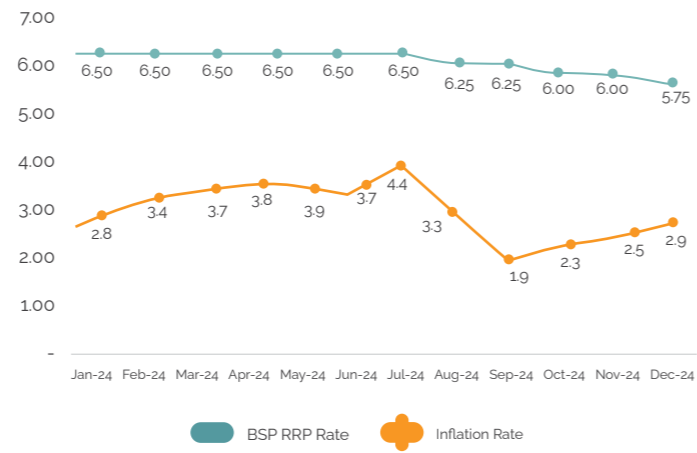
As of end 2024, fixed-rate borrowings mostly comprised Vivant's consolidated long-term loan portfolio at 67% of total. The balance are loans with repricing structures that provide flexibility to the borrowing entities to take advantage of any improvements in the interest rate environment. Loan tenors range from five (5) years to fifteen (15) years thus spreading out the maturities.



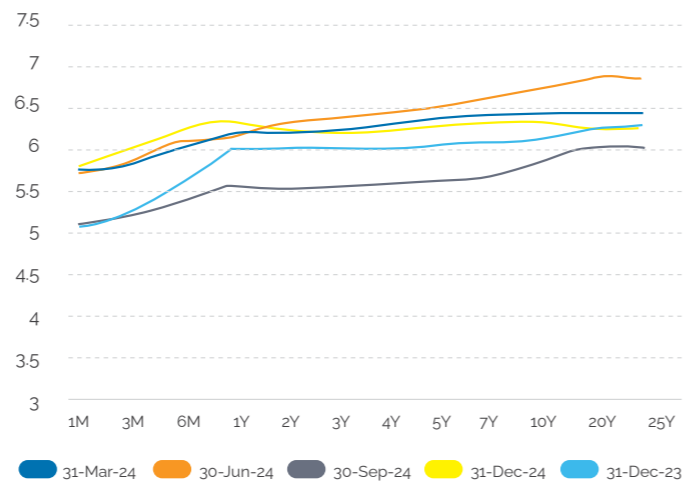
One Vivant contingent at the 11th PICPA Summit in Cebu City last July 11, 2024.

Meanwhile, average cost of borrowing for the group and the parent company stood at 5.99% and 4.30%, respectively. With inflation falling within the Philippine central bank's target range of 2 to 4 percent in 2024, the Bangko Sentral ng Pilipinas (BSP) commenced its easing cycle in August 2024 with policy rate cuts totaling 75 bps at the end of 2024. As a result, interest rates at the secondary market also dropped by an average of 76 bps across the yield curve quarter-on-quarter by the end of September 2024. Events towards year-end, however, pushed rates higher by an average of 51 bps quarter-on-quarter.

BSP Policy Rate vs. Inflation Rate (%)



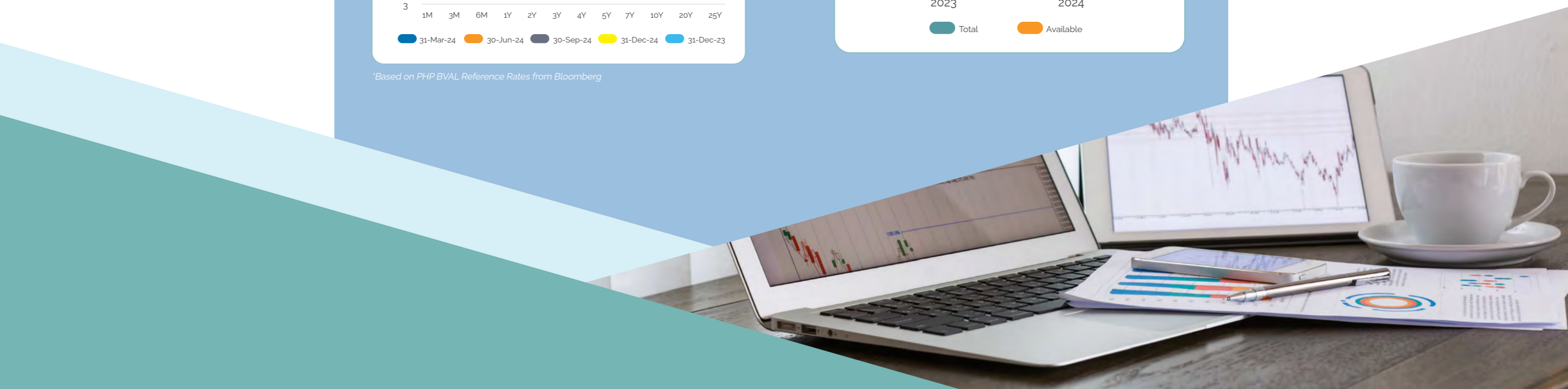
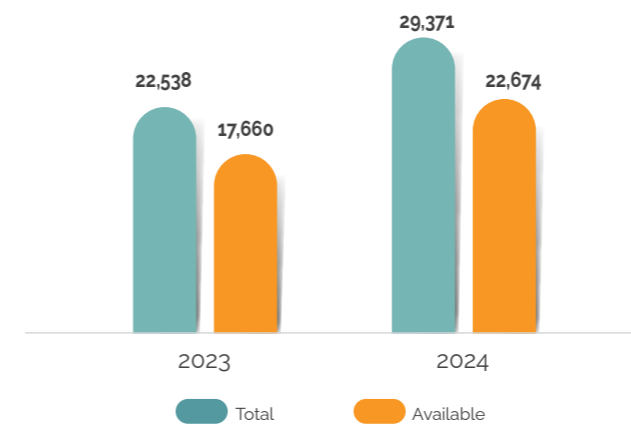
Php Yield Curve\* (%)



\*Based on PHP BVAL Reference Rates from Bloomberg

Ensuring a good and stable liquidity position is important to Vivant. Internal thresholds for minimum cash balances are set, which consider the Company's operating expenses, debt service, dividend payments and other foreseen financial obligations. To support any unexpected requirement, the Company, through its Treasury team, continues to develop and maintain credit facilities with various partner banks. As of end 2024, the group's total short term facilities with various partner banks amounted to Php 29.4 billion (up 30% YoY). Php 22.7 billion of which remained undrawn. Meanwhile, cash buffers are placed in a diversified portfolio of short term investment instruments to maximize interest income and minimize negative carry.

Vivant Group Short Term Facilities (in Php mn)





Senior Leadership Team assembles in Singapore for high-level discussions on culture transformation.

## NON-FINANCIAL

### Human Resources (HR) Development and Management

Capital Employed	Stakeholder/s
Human & Intellectual, Social and Relationship, Financial	Employees, Shareholders

In 2024, Vivant's Human Resources Department underwent a significant transformation, officially evolving into the People Function. This shift is a business imperative aimed at transitioning from being a service provider to a value creator, aligned with the organization's growth ambitions. The transformation reflects the Company's commitment to deliver solutions that positively impact both the employee experience and business outcomes.

As part of this change, Business People Partners and People Advisors were assigned to specific Business Units, while Practice Leaders drove initiatives and programs related to their respective practices and centers of excellence. This new approach shall allow Vivant to further strengthen its focus on becoming an Employer of Choice.

Several initiatives were introduced in 2024 that addressed key components of the Company's Employee Value Proposition (EVP) that was launched in 2023.

To support and effectively execute the Company's strategic goals, a strong and supportive culture is essential. Strengthening Vivant's culture of honor, excellence and integrity, a Culture Transformation initiative was initiated in 2024. Based on a thorough assessment of Vivant's corporate culture, a roadmap was developed with a series of workstreams that involve people and processes. Key initiatives were identified and designed to streamline processes within One Vivant, thus reinforcing a unified and high-performance culture.

*Further discussion on these can be found in Vivant's Sustainability Journey: Positive People Impact.*

### Corporate Governance

Capital Employed	Stakeholder/s
Human & Intellectual	All

Guided by its core value of Honor and principles of Integrity, Fairness, and Trustworthiness, Vivant continuously strive to improve its governance processes. As stewards of the Company, the Board continues to work towards optimizing performance and accountability to ensure sustainable value creation for all its stakeholders. Efforts to build and maintain an effective governance infrastructure continue as it adopts best practices provided in the ASEAN Corporate Governance Scorecard.

The Board's breadth of knowledge and experience has worked well for the Company. Active participation and healthy discussions with different perspectives allowed for informed corporate decision making. Availability of functional expertise further strengthened the Board's oversight capabilities in the key areas of finance, audit and risk management among others.

The Board's good working relationship with Management is a key success factor for Vivant. Their symbiotic relationship allows for a cohesive drive to develop Vivant's organizational performance. Initiatives involving people, processes and systems were undertaken in 2024 in preparation for the growth track set for the medium (2030) and long term (2040).

*Further discussion on governance can be found in Vivant's Leadership and Governance and Vivant's Sustainability Journey: Positive Business Impact.*



## Risk Management

Capital Employed	Stakeholder/s
Human & Intellectual	All

As it endeavors to progress in the 4-level risk maturity scale, Vivant continued to work on building its risk management capabilities by focusing on enhancing internal processes, fostering a culture of risk awareness across the subsidiaries and ensuring the effective identification and mitigation of potential risks. The following highlights key actions taken by the Company in 2024.



### Implementation of Revised Impact & Likelihood Criteria

In the latter part of 2023, Vivant reviewed and updated the Impact and Likelihood criteria for assessing risks across the organization. This update aims to provide a more structured approach to assessing and prioritizing risks in the 2024 Risk Assessment Cycle and beyond. The revised criteria enhanced the ability of risk owners to evaluate the potential consequences and the probability of their risks, offering a clearer framework for decision-making.

### Enhancing Project Risk Review

As Vivant continues to manage a wide array of projects, the Company acknowledges the need to enhance its project risk assessment process to ensure the effective management of project risks. In 2024, Vivant focused on strengthening the risk review process for all ongoing and upcoming projects. By revisiting and refining project risk assessments, Vivant aims to improve the identification, evaluation, review and mitigation of risks throughout the project lifecycle.

### Cascading Risk Management to the Subsidiaries

In alignment with the risk management process at Vivant, the Risk team conducted a series of risk assessment workshops across all the managed operating subsidiaries of Vivant Energy. These workshops were designed to cascade the importance of risk management down to the plant, ensuring that employees across the organization are equipped with the tools and knowledge to identify and address risks within their respective areas of operation.

### Defining Risk Tolerances for Improved Decision-Making

Recognizing the importance of embedding a risk-based approach in the Company's strategic decisions and as a follow up from the previous year's initiative, Vivant, with the assistance of a consultant, worked on setting risk tolerance limits using identified key risk metrics for each of Vivant's top risks. Once finalized and operational, this initiative should provide a crucial foundation for more informed and consistent decision-making across the organization.

In addition to strengthening its risk management processes, Vivant also focused on identifying and addressing the key risks that could impact the achievement of our aspirational goals and targets. Below sets forth the top risks identified by Vivant and its SBUs in 2024.

Risk	2024 Situationer	Potential Impact	Action Plan	Rating Beg   End
<p>Regulatory - Energy</p>	<ul style="list-style-type: none"> <li>• Uncertainty in the implementation of existing regulations (e.g. public offer rule)</li> <li>• Regulation of electricity rates to maintain affordability to consumers</li> </ul>	<ul style="list-style-type: none"> <li>• Non-compliance to regulatory requirements may result to sanctions, reduced / delayed revenue, and reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>• Constant monitoring and coordination with regulatory bodies</li> <li>• Strengthening relationships with key regulatory personnel</li> <li>• Active participation in regulatory discussions relative to Vivant</li> <li>• Close coordination with the relevant departments and business units to ensure compliance to regulatory requirements</li> </ul>	<p>●   ●</p>
<p>Regulatory - Water</p>	<ul style="list-style-type: none"> <li>• Complexity in the implementation of laws and regulations (i.e. new PPP law)</li> </ul>	<ul style="list-style-type: none"> <li>• Significant delays in project timeline thus adversely affecting project returns</li> </ul>	<ul style="list-style-type: none"> <li>• Onboarding of an industry expert</li> <li>• Ensure controls are in place for project-specific risks</li> <li>• Ensure compliance to regulatory requirements</li> </ul>	<p>●   ●</p> <p>Onboarding of an industry expert addressed this risk</p>
<p>Competition</p>	<ul style="list-style-type: none"> <li>• Less competitive valuation offer compared to our competitors</li> <li>• Varying preferences of customers</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunity losses and possible financial losses</li> </ul>	<ul style="list-style-type: none"> <li>• Engagement of consultants to increase capacity</li> <li>•enchmarking against similar transactions</li> <li>• Peer review / conduct of various valuation methodologies</li> </ul>	<p>●   ●</p>
<p>Market Volatility</p>	<ul style="list-style-type: none"> <li>• Merchant capacity exposed to market price volatility</li> <li>• Reserve Market (RM) suspension</li> </ul>	<ul style="list-style-type: none"> <li>• Unpredictable revenues</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen market monitoring and analysis</li> <li>• Use of energy market modeling and forecasting tools</li> <li>• Participation in the various markets and securing of contracts to hedge against market price volatility</li> <li>• Proactive risk management to continuously monitor and react to changing market conditions</li> </ul>	<p>●   ●</p> <p>Resumption of RM operations and reduced market exposure with signed supply contract</p>
<p>Human Resource</p>	<ul style="list-style-type: none"> <li>• Inadequate manpower due to:</li> <li>• Competition over limited talent pool</li> <li>• Attrition</li> <li>• Poaching</li> <li>• Delay in hiring</li> <li>• Inability to attract the right talent</li> </ul>	<ul style="list-style-type: none"> <li>• Delays or non-completion of initiatives, ultimately impacting Vivant's ability to achieve its strategic goals</li> </ul>	<ul style="list-style-type: none"> <li>• Employee pulse checks and surveys</li> <li>• Review and updating of employee compensation and benefits</li> <li>• Utilization of headhunters and online job posting platforms</li> <li>• Implementation of the Employee Value Proposition</li> <li>• Launch of employee programs on wellness, learning and growth</li> <li>• Succession Planning</li> </ul>	<p>●   ●</p> <p>Increased manpower requirement due to strategic initiatives</p>

Risk	2024 Situationer	Potential Impact	Action Plan	Rating Beg   End
<p>Reputation</p>	<ul style="list-style-type: none"> <li>Increased visibility in the public sphere due to our energy and water operations and projects</li> </ul>	<ul style="list-style-type: none"> <li>Increased public scrutiny</li> <li>Political exposure</li> <li>Controversies leading to reputational issues affecting future projects</li> <li>Negative publicity / perception</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen stakeholder relationships</li> <li>Build a strong brand image</li> <li>Closer monitoring of reputational risk, even at the project level</li> </ul>	<p>●   ●</p>
<p>Project Financing</p>	<ul style="list-style-type: none"> <li>ESG regulations/targets to reduce banks' appetite for traditional energy projects</li> <li>Business environment risks</li> </ul>	<ul style="list-style-type: none"> <li>Missed investment opportunities</li> <li>Low project returns due to inefficient project capitalization</li> <li>Refinancing risk</li> </ul>	<ul style="list-style-type: none"> <li>Develop and maintain banking relationships</li> <li>Exploration of alternative financing options</li> </ul>	<p>●   ●</p> <p>Availability of credit facility and credit lines addressed this risk</p>
<p>Information Security Risk</p>	<ul style="list-style-type: none"> <li>Lack of/dated policy and/or weak implementation thereof</li> <li>Lack of awareness on proper handling of company information</li> </ul>	<ul style="list-style-type: none"> <li>Reputational damage</li> <li>Opportunity losses</li> <li>Loss of intellectual property</li> <li>Operational disruption</li> </ul>	<ul style="list-style-type: none"> <li>Regular review and checking of disclosures</li> <li>Awareness campaigns on information security</li> <li>Establishment of Information Security policies and procedures</li> </ul>	<p>●   ●</p> <p>Newly identified risk</p>

● Extreme, score of 20-25   ● High, score of 15-16   ● Moderate, score of 8-12   ● Low, score of 1-6   ● No rating

As part of its risk management initiatives, Vivant employs several risk transfer programs to cover any potential losses due to personal risks, physical/property risks, liability risks and business interruption risks. Studies (e.g. Risk Engineering Surveys) are likewise conducted to continually assess potential risks associated with the Company's and its subsidiaries' assets.

Further discussion on risk management can be found in [Vivant's Sustainability Journey: Positive Business Impact](#).

## Stakeholder Management

Capital Employed	Stakeholder/s
Financial, Human & Intellectual, Social and Relationship	All

Leveraging on Relationships as one of its core values, Vivant endeavors to develop a fair and inclusive value proposition through commitments made as shown in its sustainability framework. Shared value creation further drives the symbiotic relationship between the Company and its stakeholders. As most of them stand as resource providers of the company, below outlines the initiatives taken by the Company as it continued to promote cooperation with and transparency to its stakeholders.

## Our Shareholders and Investors

**Key Strategy:** Timely dissemination of relevant and accurate information through various channels to allow informed investment decisions

Engagement Channels and Regular Initiatives	2024 Concerns and Our Response
<ul style="list-style-type: none"> <li>Annual Stockholders Meeting (virtual)</li> <li>PSE Edge Disclosures</li> <li>SEC Reports – 17A, 17C, 20-IS (Information Statement)</li> <li>Media releases</li> </ul>	<ul style="list-style-type: none"> <li>Impact of macro forces, both local and international, to operating and financial performance                             <ul style="list-style-type: none"> <li>Close monitoring of market developments to determine potential impact to operations and projects, both ongoing and for development</li> <li>Prudent fiscal management policies implemented</li> </ul> </li> <li>Climate-related risks and impact to operations                             <ul style="list-style-type: none"> <li>Enhancements in Business Continuity Management processes</li> <li>Exploration of potential risk transfer programs to address financial risk</li> </ul> </li> <li>Impact of operations to environment                             <ul style="list-style-type: none"> <li>Business development initiatives towards growing renewable portfolio to 30% by 2030</li> <li>Exploration of hybridization efforts</li> <li>Tree growing initiative (biodiversity project)</li> </ul> </li> <li>Business sustainability, strategy execution and capital allocation                             <ul style="list-style-type: none"> <li>Value chain study for the energy business</li> <li>Project prioritization and risk tolerance studies</li> <li>Conduct of periodic portfolio review</li> <li>Roll out of sustainability framework</li> </ul> </li> <li>Governance                             <ul style="list-style-type: none"> <li>Benchmarking exercise with 'best in class' corporations</li> <li>Culture transformation, which included people and process reviews</li> <li>Key talent review and succession planning</li> </ul> </li> </ul>





### Our Business Partners\*

Key Strategy: Develop and maintain relationships through fair, transparent and professional dealings

Engagement Channels and Regular Initiatives	2024 Concerns and Our Response
<ul style="list-style-type: none"> <li>• Regular meetings (Board, Management, Executive levels)**</li> <li>• Strategic planning sessions**</li> <li>• Project team / committee meetings**</li> <li>• Informal dialogues / meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic alignment and governance                             <ul style="list-style-type: none"> <li>▪ Focused on provision of timely and relevant information</li> <li>▪ Maintained open communication channels</li> <li>▪ Maintained professionalism and work ethics</li> </ul> </li> <li>• Financial position and performance given challenging macro forces                             <ul style="list-style-type: none"> <li>▪ Continued support from various units within the Vivant group (including Corporate and Shared Services) to optimize operating and financial performance</li> <li>▪ Prudent fiscal management to ensure timely settlement of payables</li> <li>▪ Process and systems improvements involving Procure to Pay</li> </ul> </li> </ul>

\*Including joint venture partners, suppliers and contractors  
 \*\*For joint venture partners

### Our People

Key Strategy: Develop and promote overall wellness by providing opportunities for growth, work-life balance and merit recognition.

Engagement Channels and Regular Initiatives	2024 Concerns and Our Response
<ul style="list-style-type: none"> <li>• Learning programs</li> <li>• Wellness initiatives</li> <li>• Information cascade through emails and messaging apps</li> <li>• Townhalls, small group huddles (e.g. CEO Connect, Manager Huddles, Kitakits)</li> <li>• 1-on-1 performance discussion between employee and direct report</li> <li>• Employee surveys / pulse checks</li> <li>• Engagement activities</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation and benefits, improvements due to higher cost of living                             <ul style="list-style-type: none"> <li>▪ Review of compensation and benefits</li> <li>▪ Merit increases and salary adjustments</li> </ul> </li> <li>• Corporate's environment and social footprint                             <ul style="list-style-type: none"> <li>▪ Corporate green initiatives</li> <li>▪ Employee-led cause-oriented initiatives</li> </ul> </li> <li>• Professional growth and development                             <ul style="list-style-type: none"> <li>▪ Learning and growth framework</li> <li>▪ Use of IT-enabled training platforms for flexibility, i.e. LinkedIn Learning</li> <li>▪ Promotion of coaching culture at Vivant</li> </ul> </li> <li>• Working conditions                             <ul style="list-style-type: none"> <li>▪ Continued hybrid work set up</li> <li>▪ Office and work station management app to enable hot desking</li> <li>▪ Construction of new/upgrade of existing office facilities</li> </ul> </li> <li>• Manpower-related issues                             <ul style="list-style-type: none"> <li>▪ Design and conduct of activities to improve camaraderie within and across teams</li> <li>▪ Review/update and issuance of policies</li> </ul> </li> <li>• Health and wellness                             <ul style="list-style-type: none"> <li>▪ Well Vivant initiative – Thrive 2.0</li> <li>▪ Review/update and issuance of policies</li> <li>▪ Increased engagement activities, e.g. Recognition Night</li> </ul> </li> </ul>





### Our Creditors and Banking Partners

Key Strategy: Develop and maintain good relations with partners by maintaining integrity, transparency and reliability with the timely dissemination of relevant and accurate information

Engagement Channels and Regular Initiatives	2024 Concerns and Our Response
<ul style="list-style-type: none"> <li>• Regular meetings</li> <li>• Plant visits</li> <li>• Written (formal and email correspondences)</li> <li>• Company disclosures to the PSE/SEC</li> <li>• Company website</li> <li>• Bank briefing</li> <li>• Virtual ASM</li> <li>• Policy on Safeguarding Creditor Protection</li> </ul>	<ul style="list-style-type: none"> <li>• Project financing                             <ul style="list-style-type: none"> <li>▪ Regular updates on projects in the pipeline during meetings</li> <li>▪ Issuance of Requests for Proposals</li> </ul> </li> <li>• ESG strategy and impact of transition risk to portfolio                             <ul style="list-style-type: none"> <li>▪ Communicated strategic plans to develop renewable portfolio and industry need for traditional generation facilities</li> </ul> </li> <li>• Balance sheet and debt servicing capacity                             <ul style="list-style-type: none"> <li>▪ Regular internal monitoring of debt covenants</li> <li>▪ Timely discussion on relevant updates, if any</li> </ul> </li> </ul>

### Our Customers\*

Key Strategy: Understand customer concerns, particularly in the areas of product availability, reliability, quality and affordability

Engagement Channels and Regular Initiatives	2024 Concerns and Our Response
<ul style="list-style-type: none"> <li>• On the ground monitoring by Industry Affairs and Business Development groups</li> <li>• Engagement with local government units</li> <li>• Meetings with customers, existing and potential</li> <li>• Website and customer portal (Coreenergy)</li> </ul>	<ul style="list-style-type: none"> <li>• Pricing sensitivity due to inflation                             <ul style="list-style-type: none"> <li>▪ Design of rate structure</li> <li>▪ Leverage on supplier/vendor relationship to secure favorable input pricing</li> </ul> </li> <li>• Timely project completion                             <ul style="list-style-type: none"> <li>▪ Regular project coordination meetings (internal)</li> <li>▪ Regular project updates with the customer</li> <li>▪ Dedicated team to oversee regulatory requirements affecting project delivery</li> </ul> </li> <li>• Plant availability and outages                             <ul style="list-style-type: none"> <li>▪ Conduct of regular maintenance</li> </ul> </li> </ul>

\*These are the customers of the operating companies under the Energy and Water SBUs of Vivant





### Our Communities

Key Strategy: Enhance and develop relationship with existing and new communities, respectively, by understanding and addressing their needs

Engagement Channels and Regular Initiatives	2024 Concerns and Our Response
<ul style="list-style-type: none"> <li>• Direct engagements with communities and concerned LGU/NGO/government agency</li> <li>• Focus group discussions, public consultations, hearings</li> <li>• Corporate Social Responsibility initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Access to good education                             <ul style="list-style-type: none"> <li>▪ Initiatives to improve school facilities, e.g. Brigada Eskwela, construction of school building and other facilities</li> <li>▪ Solar electrification via equipment donation, upgrade of facilities</li> <li>▪ Continued scholarship program and support to the Regional and Science Technology Fair</li> <li>▪ STEM support and donation of library packages to served communities</li> </ul> </li> <li>• Environment initiatives                             <ul style="list-style-type: none"> <li>▪ Green initiatives in served communities, both by corporate and operating subsidiaries</li> <li>▪ Adopt a City program</li> </ul> </li> <li>• Disaster response/assistance                             <ul style="list-style-type: none"> <li>▪ Disaster relief initiatives spearheaded by Vivant Foundation, e.g. distribution of relief food packs, kitchen and health kits</li> </ul> </li> </ul>

### Government Agencies and Regulators

Key Strategy: Develop and maintain good relations by keeping open communication lines

Engagement Channels and Regular Initiatives	2024 Concerns and Our Response
<ul style="list-style-type: none"> <li>• Meetings with relevant government agencies</li> <li>• Roundtable discussions, public consultations and conferences</li> <li>• Submission of structured reports</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations                             <ul style="list-style-type: none"> <li>▪ Conduct of regular updates on new or updated regulations</li> <li>▪ Inclusion in annual corporate governance training, if applicable</li> <li>▪ Updating or issuance of company policies</li> </ul> </li> <li>• Completeness, accuracy and protection of data                             <ul style="list-style-type: none"> <li>▪ Periodic review of financial data and reports</li> <li>▪ Review of processes, coordination of timelines</li> <li>▪ Review and upgrade of security measures</li> <li>▪ Updating or issuance of company policies, if applicable</li> </ul> </li> <li>• New policies                             <ul style="list-style-type: none"> <li>▪ Participation in policy dialogues and reviews</li> <li>▪ Through industry organizations, submission of position papers on proposed policy reforms</li> <li>▪ Updating or issuance of company policies, if applicable</li> </ul> </li> </ul>





# SUSTAINABILITY JOURNEY

## Other Stakeholders

Key Strategy: Utilize and maximize various media channels to improve reach while maintaining data accuracy

Engagement Channels and Regular Initiatives	2024 Concerns and Our Response
<ul style="list-style-type: none"> <li>• Direct engagements – 1-on-1 meetings, email correspondences or phone calls</li> <li>• Virtual ASM</li> <li>• Media briefings</li> <li>• Company website and social media</li> <li>• Company disclosures to the PSE/SEC</li> </ul>	<ul style="list-style-type: none"> <li>• Company developments, financial performance                             <ul style="list-style-type: none"> <li>▪ Prepared statements aligned with company disclosures made to ensure accuracy of information</li> </ul> </li> <li>• Change in industry regulations and impact to operations                             <ul style="list-style-type: none"> <li>▪ Updates provided during media briefing and/or through Corporate Communications' use of internal media channels</li> </ul> </li> <li>• Initiatives to address environmental issues                             <ul style="list-style-type: none"> <li>▪ Updates provided during media briefing and/or through Corporate Communications' use of internal media channels</li> </ul> </li> </ul>

# SUSTAINABILITY JOURNEY

**Bringing excellence to industries that improve everyday living** has always been at the core of what Vivant does. Driven by its mission, guided by its vision and supported by its core values, the Company remains committed to a sustainable future as it recognizes and accepts its responsibility to its stakeholders. Knowing and understanding the needs of its stakeholders are vital to Vivant and its businesses as it aims to achieve inclusive growth. The Company aims to carry this out by adhering to responsible and ethical business practices where business profits are attained alongside investments in social development and responsible resource use.

Vivant's commitments are clear: **Positive Planet Impact. Positive People Impact. Positive Business Impact.**

Through its businesses and its corporate- and foundation-led initiatives, Vivant supports and contributes to twelve (12) out of the seventeen (17) interlinked Sustainable Development Goals (SDGs) of the United Nations. Presented here is a discussion on the Company's sustainability commitments in 2024 and the results of initiatives undertaken.

## POSITIVE PLANET IMPACT

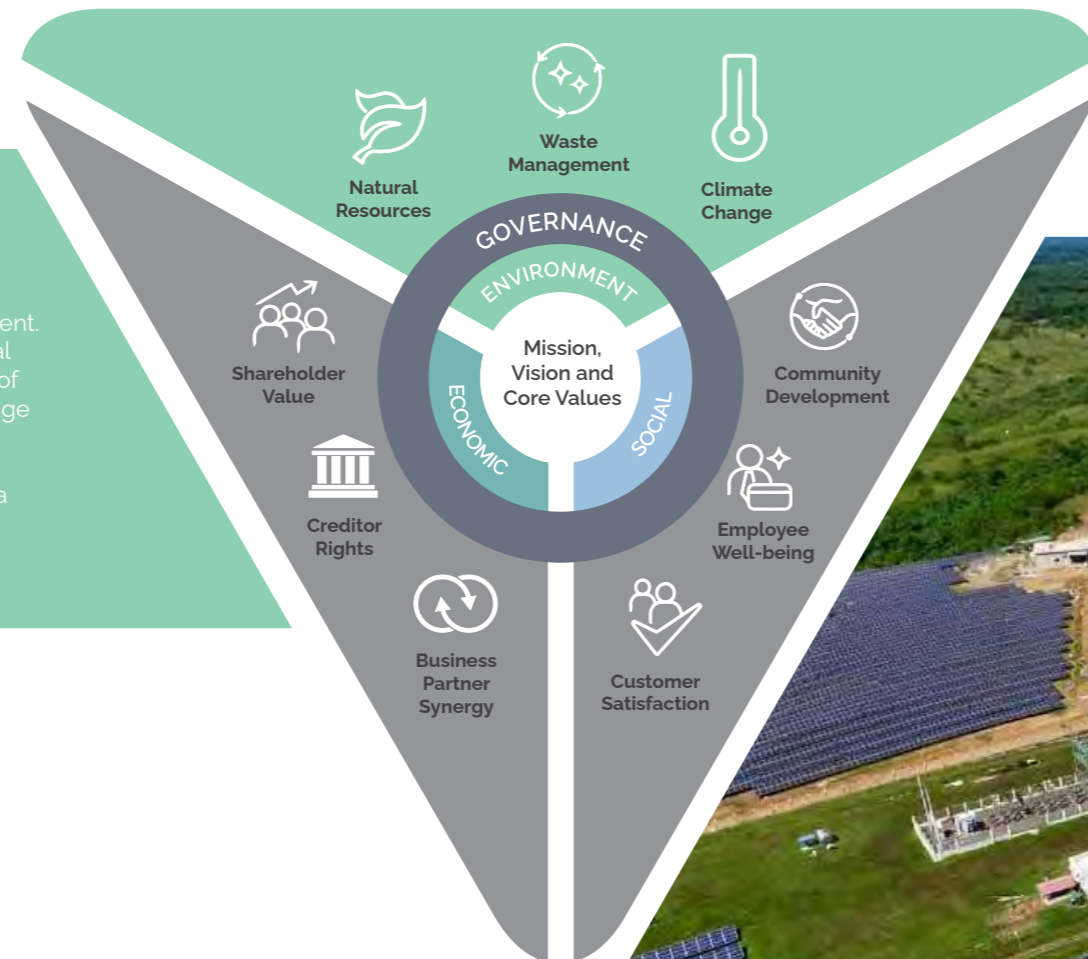
- Take actions to combat climate change and minimize our negative environmental impact through mindful resource use and proper management of our waste and carbon footprint



- Climate Action
  - Manage Carbon Footprint
  - Waste Management
  - Resource Efficiency and Consumption Reduction

*Mindful Resource Use  
Mastering Change Agility*

Vivant recognizes and acknowledges the impact its businesses have to the environment. Commitments to address the environmental issues were made, which resulted to plans of action that involved various means to manage the Company's impact to the planet. These include responsible consumption, biodiversity restoration and investments in a green portfolio.



### 2024 Highlights

#### Corporate

#### Water

#### Energy



Responsible consumption

- Continued implementation of mindful resource consumption with the promotion of sustainable practices



Waste management

- Waste segregation and recycling initiatives
- Cascade of E-waste disposal policy (for implementation in 2025)



Biodiversity Protection

- Over 2,000 Mangrove propagules planted in Cebu
- Over 4,500 seedlings planted by operating units
- 5,000 seedlings planted and geotagged in 2 out of 10 hectares of the Kan-Irag Ecosystem Biodiversity Project
- Coastal clean-up in Cebu and Manila collecting over 1,600 kg of waste



Investment portfolio to support a sustainable future – clean energy, safe and clean water

- 99% completion of 20 MLD seawater desalination plant in Cebu
- 822.3 MLD treated water (septage and sewage) in Puerto Princesa

- ~7 MWh of solar energy generated
- Ongoing works for the connection of the 22-MW solar project in Bulacan
- Healthy pipeline of solar and wind projects



**San Ildefonso Alternative Energy Corporation**  
A 22 MW solar power plant in Bulacan

## Contributed to the SDGs

**6** CLEAN WATER AND SANITATION




**7** AFFORDABLE AND CLEAN ENERGY




**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**14** LIFE BELOW WATER

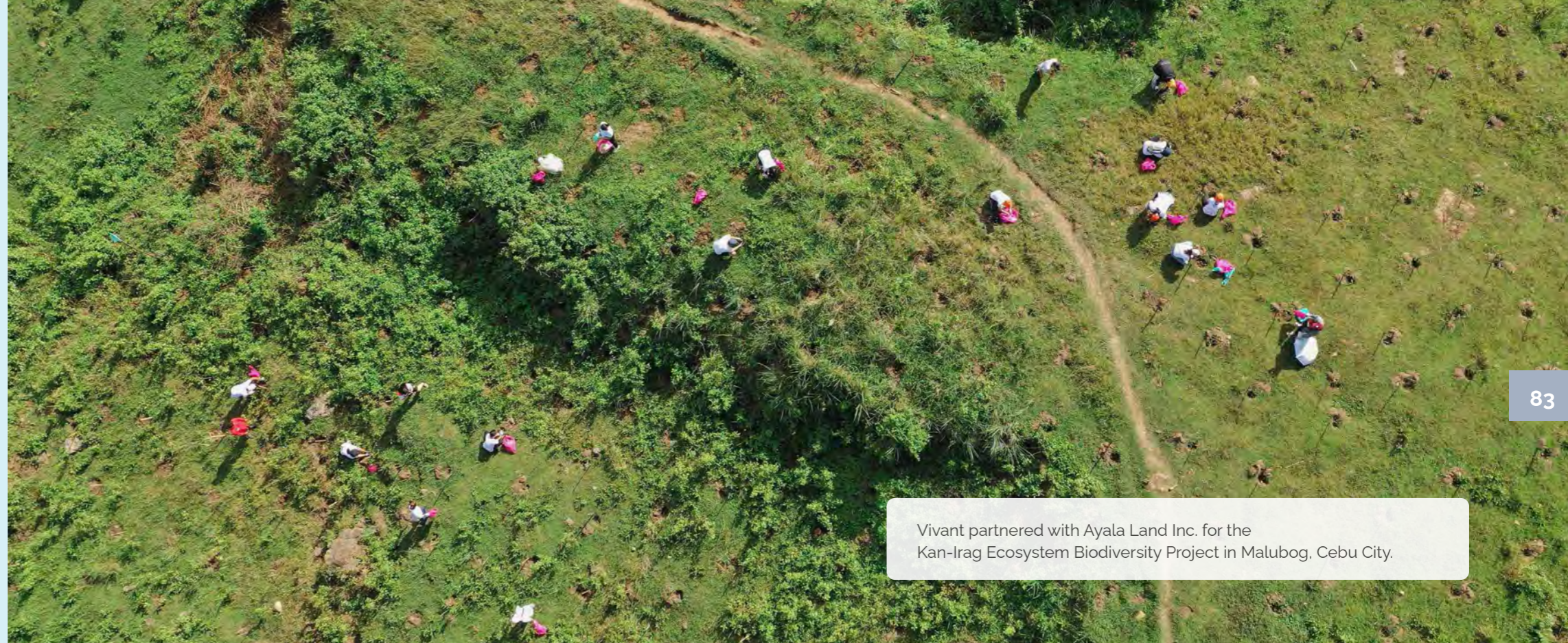


**15** LIFE ON LAND



**Indicators / Material Disclosures**

- Energy consumption
- Water usage
- Emissions
- Waste management



Vivant partnered with Ayala Land Inc. for the Kan-Irag Ecosystem Biodiversity Project in Malubog, Cebu City.

Vivant is very much aware of its responsibility as a good corporate citizen to ensure that sustainable practices in the organization are observed. To preserve the current shared resources for the future, imbuing mindful actions on **responsible consumption** was an initiative that the Company started through its Green Office Policy. Increased awareness through continued promotion of sustainable practices has resulted to positive metrics on the Company's resource use (i.e. electricity, water, paper) and waste management (e.g. segregation and recycling). The Company's Administration team has finalized its E-waste disposal policy and has identified and accredited a certified E-waste recycler. This policy has been rolled out and shall be implemented in 2025.

Initiatives to **restore and protect biodiversity** were continued in 2024. The Vivant EcoBais, together with the operating units, continued to spearhead a number of initiatives that addressed both land and water restoration needs.

- The EcoBais returned to Brgy Cotcot, Liloan, Cebu in August 2024 for its second Mangrove Planting activity. The group of 60 participants planted 2,100 propagules. This initiative was in coordination with the Municipal Environment and Natural Resources Office and the barangay's women's association.
- Energy operating units, namely 1590 EC, CIPC, DPI, INPC, NBPC, BPC and Corenergy planted over 4,500 seedlings in their respective locations.

- EcoBais in both the Cebu (in collaboration with IMCC) and Makati offices conducted simultaneous coastal clean-up in September 2024. Party of over 200 was able to successfully collect over 1,600 kg of waste in Barangays Catarman and Buagsong, Cordova, Cebu and Baseco Beach, Port Area in Manila.

In May 2024, Vivant, through its Foundation, signed a Memorandum of Agreement with Ayala Land, Inc. (Ayala Land) for the Kan-Irag Ecosystem Biodiversity Project. This project involves the rehabilitation and management of a 10-hectare property situated in Barangay Malubog, Cebu City. The **ecological regeneration** process will be done over a five-year period, which started in September 2024 when 5,000 seedlings were planted in a 2-hectare section of the project site. This initiative is in partnership with the Soil and Water Conservation Foundation, Inc., which provided and geotagged the seedlings.

Vivant has been purposeful in its endeavors as it continues to develop and enhance the sustainability of its investment portfolio. With the awareness of the need to balance both profit and impact to the planet, the Company has developed strategies for both its energy and water businesses incorporating the current landscape of both industries.

The Company continues to support the nation's energy transition journey. More than an answer to regulatory shifts, Vivant has taken a proactive move with its 30 by 30 course, given the natural events manifesting the planet's call for action. The Company, through its Energy unit, is working to increase its renewable energy capacity to reach 30% of its total portfolio by 2030. Business development initiatives are geared towards this and have resulted to the following:

- The construction of the 22-MW solar facility in Bulacan is ongoing and is expected to be completed within the second quarter of 2025
- Healthy pipeline of solar and wind projects in varying stages of development
  - Over 320 MW of solar projects in Visayas and Mindanao, with ~53 MW covered with service contracts
  - Over 480 MW of wind projects in Visayas, with 350 MW covered with service contracts

Vivant's solar rooftop business ended the year 2024 with a portfolio of facilities with total operating capacity of 8.4 MW, serving twenty (20) commercial and industrial customers.

Vivant's 20 MLD **seawater desalination plant** in Cordova, Cebu started testing and commissioning (T&C) one out of four skids in April 2024. First water of the facility was achieved the following month and T&C continued with the rest of the units. Pipelaying activities were completed in August, while connection to the water district's network was done in November 2024. As of year-end, the plant reached a 99% completion rate while under T&C mode.

40%-owned PPWRLC's operation of its waste water treatment facility in Puerto Princesa, Palawan continues to improve the water condition in the Puerto Princesa Bay. In 2024, the facility treated a total of 822.3 million liters, both septage and sewage.

### One Vivant's Consumption Scorecard

	2023		2024	
	Total Consumption / Collection	Consumption / Collection per employee	Total Consumption / Collection	Consumption / Collection per employee
Paper (in reams)	790	3.67	649	2.48
Water (in cu m)	701.7	3.26	750.0	2.86
Electricity (in kWh)	249,747	1,161.61	300,358	1,146.40
Waste* (in kg)	484.7	2.25	655.5	2.50

\*Scrap waste (PET bottles, cardboard boxes, shredded paper, aluminum cans)



## IN FOCUS:

### Vivant Foundation's Green Initiative for Resilient Ecosystems

As part of its commitment to environmental stewardship, Vivant Foundation Inc. (VFI) has spearheaded a large-scale biodiversity initiative in Cebu's highlands, planting 5,000 endemic trees to restore forest cover and support long-term ecological balance. This initiative, developed in partnership with Ayala Land Inc., the University of San Carlos - Biology Department, and the Soil and Water Conservation Foundation, Inc., exemplifies the foundation's dedication to sustainable development and community resilience.

Spanning 9.7 hectares of forestland, the project focuses on native tree species such as Narra (*Pterocarpus indicus*), Molave (*Vitex parviflora*), Dao (*Dracontomelon dao*), White Lauan (*Shorea contorta*), and Ilang-Ilang (*Cananga odorata*)—all chosen for their role in enhancing biodiversity, improving soil stability, and supporting local wildlife. The inclusion of endemic trees ensures that the reforested areas will sustain a diverse ecosystem while preserving the Philippines' natural heritage.

#### Environmental and Climate Benefits

The tree-growing initiative addresses critical environmental challenges, particularly deforestation and biodiversity loss. Reforesting vulnerable highland areas helps regulate water cycles, reducing surface runoff and minimizing flood risks in downstream communities. Additionally, restoring forest cover strengthens local ecosystems, providing habitats for native species and enhancing overall environmental resilience.

### Community Engagement and Livelihood Opportunities

A key component of the initiative is the active involvement of local communities, fostering a sense of ownership and responsibility for environmental conservation. Training programs in sustainable forestry and ecological restoration equip participants with valuable skills that extend beyond the project, creating long-term livelihood opportunities tied to environmental sustainability.

### Research-Backed Conservation Strategies

To maximize the project's impact, Vivant Foundation collaborates with the University of San Carlos - Biology Department to implement research-backed conservation strategies. These include identifying optimal planting seasons and locations to improve tree survival rates, as well as conducting regular biodiversity assessments to monitor progress. The initiative has achieved an impressive 96% tree survival rate, reflecting the foundation's commitment to high-impact reforestation efforts.

### Expanding the Reach of Sustainability

Following the success of this initiative, Vivant Foundation plans to replicate the model in other critical areas across Cebu and surrounding provinces. The next phase aims to plant 25,000 trees over the next three years, further expanding the foundation's environmental impact while promoting sustainable ecosystems in other vulnerable regions.

## International Coastal Clean Up Day: Saving our Seas

Vivant took part in International Coastal Clean-Up Day, reinforcing its commitment to sustainability and environmental stewardship. This initiative reflects Vivant's dedication to improving everyday living by protecting marine ecosystems, engaging communities, and addressing the growing challenge of ocean pollution.

The event brought together 59 volunteers from Vivant and IMCC Bais, alongside local residents and fishermen from Brgy. Buagsong and Brgy. Catarman in Cordova. United by a shared goal, participants worked together to remove waste from the coastline, contributing to cleaner and healthier marine environments.

### Building Partnerships for Greater Impact

Vivant recognizes that environmental sustainability thrives through collaboration. Working with local communities and partner organizations, the company aims to strengthen its role in environmental protection. These partnerships help amplify the impact of clean-up drives and encourage long-term community involvement in sustainable practices.

### Expanding Sustainability Efforts

Beyond this initial clean-up, Vivant Corporation is exploring more ways to contribute to sustainability. Future initiatives may include waste reduction programs, educational campaigns on marine conservation, and continued participation in clean-up activities to reinforce the company's commitment to environmental responsibility.



### A First Step Toward Long-Term Sustainability

This clean-up marks an important milestone for Vivant Corporation as it integrates coastal conservation into its sustainability initiatives. By directly participating in environmental efforts, the company takes a proactive role in protecting natural resources that coastal communities depend on.

### Creating Solutions for a Changing World

By participating in International Coastal Clean-Up Day, Vivant Corporation demonstrates its commitment to creating solutions for a changing world. The initiative highlights the company's dedication to sustainability and reinforces the importance of collective action in protecting the environment. Through continued engagement, Vivant Corporation aims to inspire a culture of environmental stewardship that benefits both communities and ecosystems.

# POSITIVE PEOPLE IMPACT

- Continue developing our people, not just to cover intellectual and technical competencies build up, but also on the overall welfare of the employees – prioritizing on the health, safety, wellbeing and rights of our people
- Engaging with our internal and external stakeholders to better understand how we can continuously improve our sustainability initiatives and contribute to a more sustainable world

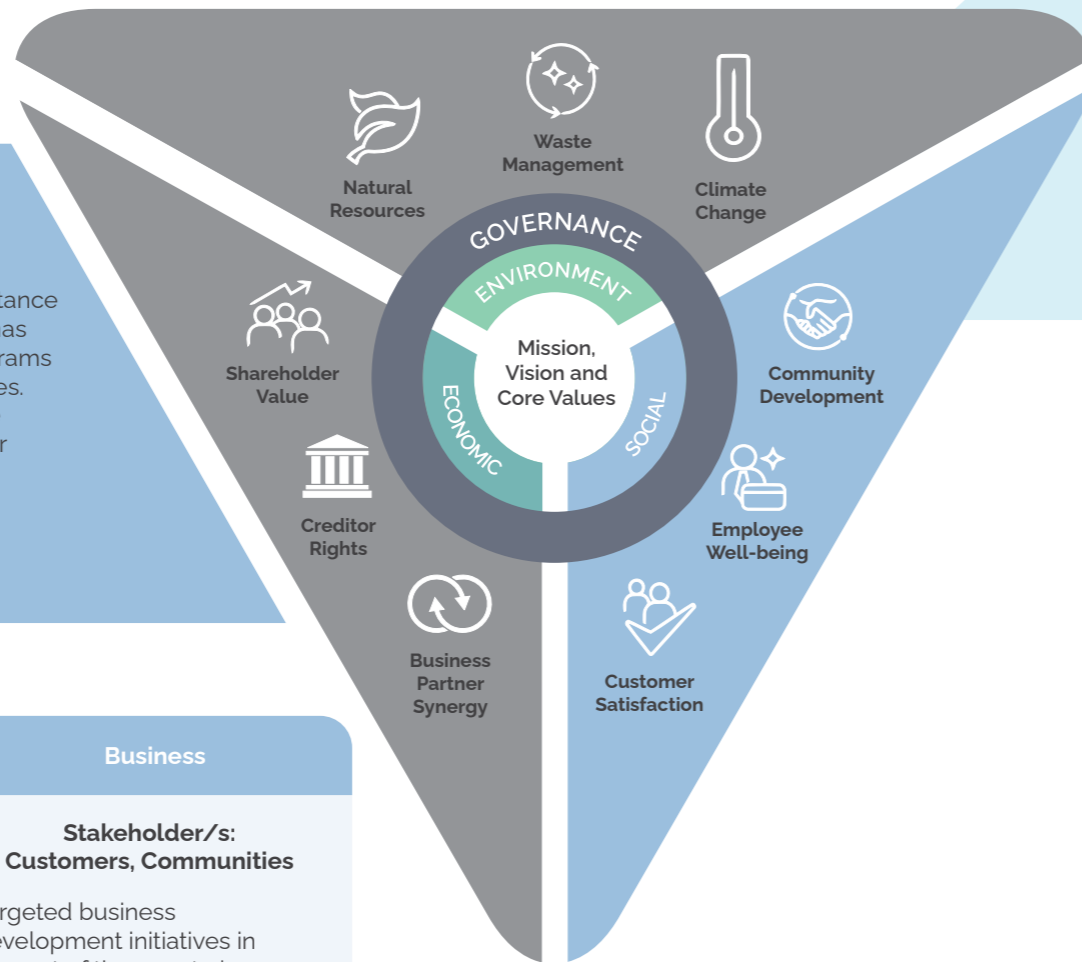


Health & Safety and Well-being

- Employer of Choice
- Great place to work
- Established Safety Culture
- Diversity, Equity and Inclusion
- Community Relationships

*Fostering Synergistic Collaboration*

Inclusive growth is of paramount importance when it comes to sustainability. Vivant has deliberately set out to advance its programs involving its people and the communities. Through its Energy and Water units, the Company continues to deliver customer solutions that improve everyday living.



## 2024 Highlights

Corporate	Business
<p><b>Stakeholder/s: Employees</b></p> <p>Year-end total headcount at <b>393</b> across One Vivant* and managed corporates, up <b>22%</b></p> <p>Over <b>8,900</b> training hours for Vivant and managed subsidiaries</p> <p>Community projects that are deliberate in addressing people needs</p>	<p><b>Stakeholder/s: Customers, Communities</b></p> <p>Targeted business development initiatives in support of the country's nation-building efforts through the Energy and Water units</p> <p>Promoting and supporting economic growth in the islands with the continued supply of stable and reliable energy to Off Grid areas</p> <p>Contributing to grid security with the provision of ancillary services via the Reserves Market</p> <p>Community projects that are deliberate in addressing people needs</p>

\*Vivant, Vivant Energy, Vivant Water, Corenergy, Vivant Foundation

# Contributed to the SDGs



## Indicators / Material Disclosures

- Employment
- Training and education
- Diversity and equal opportunity
- Local communities
- Indirect economic impacts

## Our People

Behind the success of every company is its people. Cognizant of this, Vivant has been more intentional in developing its people programs. Taking a holistic approach and using its **Employee Value Proposition** as cornerstone for program design, the Company gained ground on this front in 2024 with the following initiatives.

### Nurtures opportunities for growth

A Learning and Growth approach was established that aims to foster continuous learning and personal growth by providing the employees (the Bais) with the interventions and opportunities they need to excel in their present and future roles.

### Promotes work-life balance

**Well Vivant**, a holistic approach to wellness, aims to embed a wellness mindset to the employees and provide support mechanisms to enable them to thrive throughout their different life and career stages.

### Rewards merit and performance

A Total Rewards Philosophy was finalized in 2024, which shall serve as the guiding principles to attract, retain and engage a diverse and talent pool. The comprehensive total rewards strategy shall ensure the alignment with Vivant's organizational values, culture and business goals.

## Nurtures Growth and Opportunity

As part of the Company's commitment to providing employees with the resources they need for success, an updated Learning and Growth (L&G) framework was launched in 2024. This framework was designed to foster continuous learning and personal growth by providing the Vivant Bais with interventions and opportunities that promote continuous learning and professional development across the organization. Both core and functional competencies have been identified and defined across levels.

Core competencies are the five behavioral manifestation of Vivant's core values: **Doing Right things Right, Fostering Synergistic Collaboration, Managing Change Agility, Achieving Beyond Expectation, Mindful Resource Use**. Embedding these in the Company's L&G framework shall help ensure that every Bai can contribute to a culture of excellence, integrity, continuous improvement and collaboration. Various learning initiatives shall ensure that these values are not only upheld but also translated to behaviors that create value to the business and its stakeholders.

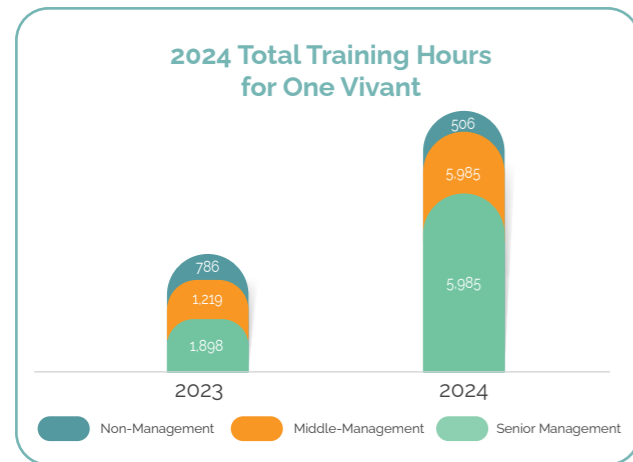


Integrated Human Resource and Information System

An assessment of the functional competencies within One Vivant was conducted in 2024. Job families were identified using specific knowledge, skills and abilities required to perform the tasks and activities related to a particular role and job function as bases. Programs focusing on functional competency development and embedding functional competencies for job families shall be designed to ensure that the Vivant Bais, at every level, can perform their roles efficiently by applying domain knowledge and technical know-how to contribute effectively to the organization's goals. A Learning Champion Circle was created after Vivant Bais were given time to volunteer to become learning champions for the identified job families.

Vivant likewise updated its learning modalities using the Dave Ulrich 50-30-20 model where employee development will be done through a combination of experiences, i.e. 50% from learning through direct work experiences, 30% from learning through relationships and feedback, and 20% from formal training and education.

To improve the learning experience of the Vivant Bais, the Company partnered with **LinkedIn Learning** in 2024. This online platform provides a wider breadth of learning resources and flexibility for the Bais as courses can be taken at their own pace and availability. The application and approval of learning initiatives of each Bai are also done in **iHRIS**, Vivant's online HR information system. This allows for proper monitoring of each Bai's learning journey throughout the year.



Additionally, to strengthen leadership capabilities in managing performance, leaders were equipped with essential tools such as the **SBI Feedback Model** and the **GROW Coaching Model**, which are designed to support effective feedback and coaching practices.

Promotes Work-Life Balance

The People Function introduced and launched **Well Vivant** in 2024, a holistic approach to embed a wellness mindset among the Bais. This program provides support mechanisms that enable them to thrive throughout challenges, crossroads and experiences at their different life and career stages. The objective is for Vivant to have **Well People, Well Leaders** and a **Well Culture**.

## Rewards Merit and Performance

**Well Vivant** touches on five dimensions: Physical, Financial, Professional, Family and Social and Emotional. Each dimension impacts the whole person and the programs help to develop a Vivant Bai who is healthy, stable, growing, balanced, feeling safe and engaged across different aspects of his work and his life.

### Wellness Dimensions and Touchpoints

#### Physical



#### Financial



#### Professional



#### Family



#### Social and Emotional



In 2024, a number of noteworthy initiatives were introduced and undertaken by the **People Function** under the **Well Vivant** program. These are:

- **Thriving at the Top (or Thrive) 2.0**, a two-pronged program for the Vivant Leaders that focuses on performance and wellness coaching.

A partnership with the **Asian Institute of Management** was entered into in May 2024 for the 7-month Executive Coaching for Business Leaders. The objective was for leaders to grow as individuals and effectively lead the organizational success of the teams they are managing. After careful evaluation, Cebu-based Epic was selected for the Wellness Coaching for Business Leaders, a program designed to enhance the overall well-being of executives through personalized guidance on nutrition, fitness and stress management. Thrive 2.0 had three batches in 2024: June, August and October.

- **Employee Assistance Program (EAP)**

The EAP was launched and made available to all employees and family members living in the same household. In partnership with **Intellicare** and **CompPsych**, they will have 24/7 access to counseling and crisis intervention for various issues relating to behavioral health, wellness, legal and financial matters. The EAP is designed to address any life challenge a Vivant Bai is facing and prevent it from adversely affecting home life as well as work performance.

- **Employee Resource Group (ERG)**

In an attempt to further strengthen and improve overall wellness and promote an inclusive workplace in Vivant, employee resource groups were established in 2024. Purely on a voluntary basis, the **Women's ERG** and the **Vivant Pride ERG** were formed to provide the venue to connect with one another, and have an open dialogue about the issues or challenges faced by these communities. To help the conversations start, executive sponsors were identified to champion these ERGs.

In 2024, the first **Vivant Kumbati Awards** was held in November to honor the individuals and teams that exemplified outstanding performance and impactful projects that reflect One Vivant's core competencies and values. A nomination period was held to allow the Vivant Bais to submit their personal nominees for the following awards:

- **Noble Award** was given to individuals and teams that consistently demonstrated exemplary behavior and work ethic in their dealings with both internal and external stakeholders. The awardee embodied the core values of Integrity, Fairness and Trustworthiness.
- **Excellence Award** was bestowed to individuals and teams that demonstrated grit and efficiency in achieving ambitious goals despite insurmountable odds, circumstances and barriers.
- **Synergy Award** was presented to individuals and teams who delivered outstanding results through collaborative efforts, both within their teams and across business units.
- **Catalyst Award** was given to individuals and teams that introduced innovative ways of working, new product features, or impactful service deliveries that have made a game-changing difference to the team, business unit or One Vivant as a whole.
- **Stewardship Award** recognized individuals and teams that demonstrated an unwavering commitment to utilizing resources efficiently to achieve their team, business unit or company goals.
- **Grand Kumbati Award** represents the pinnacle of excellence and honored individuals that stood out as the best among the best. The recognition was awarded to those who set new standards of achievement, serving as role models of unparalleled success through their dedication, hard work and passion.

Vivant aims to continue this as recognizing and celebrating employee achievements are crucial to fostering an engaged workforce.

Competition in the talent market is another challenge that Vivant faces. Talent acquisition and retention initiatives are continuously reviewed and enhanced to ensure that the Company is able to acquire and maintain a high-quality workforce. In 2024, a market competitiveness assessment was conducted, with particular focus on benefits and other people practices. This exercise resulted to a number of proposed enhancements, which shall be for implementation in 2025.

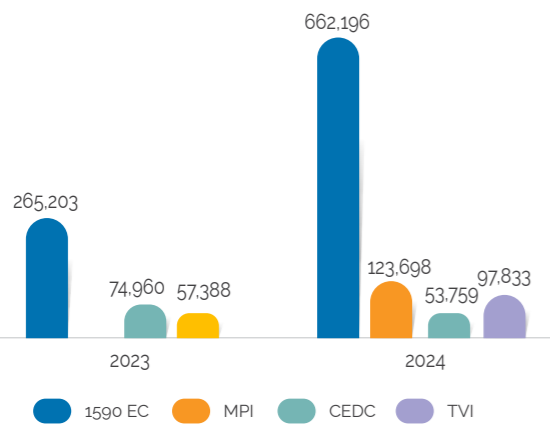
As a result of the above initiatives, Vivant continues to earn the trust and belief of its employees as a **Great Place to Work**. The Company was last certified in 2023. A survey was conducted in December 2024 and results shall be used to validate the effectiveness of the programs and assess lingering gaps which shall be used in designing new and enhancing existing people programs.

## Our Customers

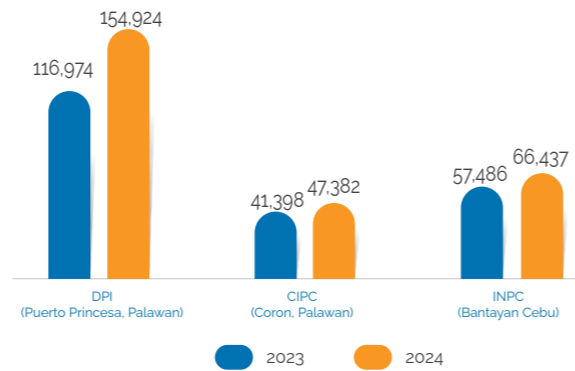
As a testament to its mission and in line with its sustainability efforts, Vivant continues to explore and provide solutions in the energy and water space that support the country's nation-building and inclusive growth initiatives.

Providing the power infrastructure that are key to energy security and grid stability has been the Company's contribution to the government's energy transition program. Both On Grid and Off Grid assets continue to be instrumental in ensuring stable and reliable power are delivered, thus promoting and supporting economic growth across the nation. On Grid assets likewise took part in ensuring the stability of the Luzon and Visayas grids as it provided ancillary services through the Reserves Market.

Total Ancillary Services (in MWh)



Off Grid Energy Sales (in MWh)



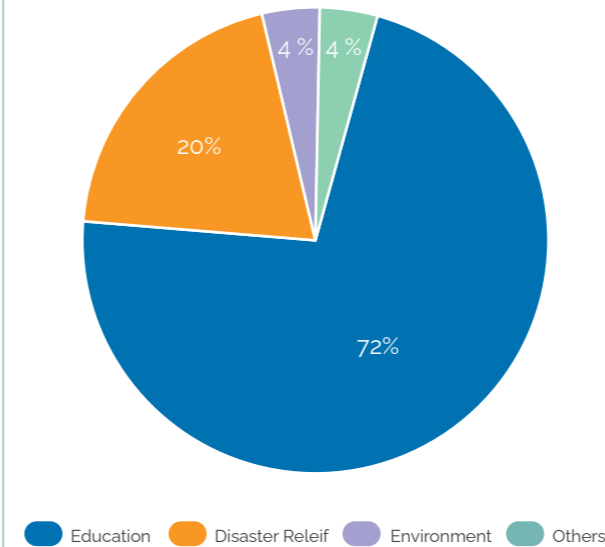
Improving access to clean water is another endeavor that Vivant has started in promoting and improving social welfare. Addressing supply scarcity issues and sanitation requirements are currently the core initiatives of Vivant's Water unit. The completion of the 20 MLD seawater desalination plant in Cebu should improve potable water supply of the highly urbanized cities of the island. In the meantime, the continued operations of the Company's wastewater treatment facility in Puerto Princesa should sustain the city's environmental recovery program for the Puerto Princesa Bay that likewise benefits the communities with improved quality of life.



## Our Communities

Upliftment of lives remains to be the purpose of Vivant even when it comes to community work. Through its corporate foundation, subsidiaries and the Vivant Bais, a number of projects were identified and rolled out in 2024 amounting to PhP 13.5 million.

2024 CSR Projects



Projects involving the upgrade of school facilities (solar electrification, electrical rewiring, maintenance work, repainting) and construction of school amenities (classrooms, handwashing facilities) were continued. Initiatives to further promote education were likewise pursued. These included scholarship programs, sponsorships of STEM/Science & Technology fairs and donation of library packages.

The Foundation continues to advocate for disaster resiliency as it implemented the Adopt-A-City program in 2024. In partnership with VECCO, the flagship program of the National Resilience Council (NRC) shall be implemented in the City of Mandaue (Cebu) to reduce its vulnerability and exposure to climate and disaster risks. The city faces significant challenges, including saltwater intrusion, urban sprawl and flooding due to poor drainage. The 3-year program will focus on five core areas: human development, local economy, infrastructure, environment and human security. Through this adoption, the Foundation and NRC will work with the city's local government officials, academic partners and local communities to:

- Implement science and technology-driven solutions tailored to the city's specific resilience needs
- Strengthen local governance and leadership in risk management
- Foster partnerships between the public, private and academic sectors to build a robust, sustainable and resilient community.

In support of the Company's environmental initiatives, Vivant Foundation entered into a Memorandum of Agreement with Ayala Land for the Kan-Irag Ecosystem Biodiversity Project. This project involves the rehabilitation and management of a 10-hectare property situated in Barangay Malubog, Cebu City. The ecological regeneration process will be done over a five-year period, which started in September 2024 when 5,000 seedlings were planted in a 2-hectare section of the project site. This initiative is in partnership with the Soil and Water Conservation Foundation, Inc., which provided and geotagged the seedlings.



## IN FOCUS:

### Vivant Foundation: A Decade of Impact

“ Celebrating ten years of transformative contributions, Vivant Foundation Inc. (Vivant Foundation) has embarked on a remarkable journey defined by innovation, resilience, and community empowerment. ”

Over the past decade, the foundation has driven progress across education, environmental stewardship, and disaster resilience, solidifying its role as a changemaker in the pursuit of a sustainable and inclusive future.

#### Empowering Communities Through Education

At the heart of Vivant Foundation's mission is the commitment to advancing education by transcending traditional boundaries. Project Liadlaw stands as a hallmark of this mission, bringing solar energy to off grid schools and fostering reliable learning environments in remote areas. This initiative has provided uninterrupted access to electricity for students in isolated communities, expanding their educational horizons. Since its inception, Project Liadlaw has powered five off grid schools and four senior high schools nationwide.

Building on this success, the Renewable Energy for Livelihood and Youth (Project RELY) was introduced in 2019 through a 2.2-million-euro grant from the European Union. This program has energized 16 off-grid schools and supported five senior high schools in Cebu, Palawan, and Bohol, furthering the foundation's impact in remote regions. VFI's investments in STEM laboratories, classroom resources, technical-vocational (TechVoc) courses, and scholarship grants continue to nurture critical thinking, skill-building, and resilience in students, enabling them to meet the demands of an evolving world.

#### Championing Environmental Stewardship

In the pursuit of sustainable development, Vivant Foundation has implemented a biodiversity initiative in Cebu's highlands, planting over 5,000 endemic trees. This program, undertaken in collaboration with Ayala Land Inc. and ecological experts, employs science-based methods to enhance ecological value and support long-term conservation. By creating solutions that extend beyond tree planting, the initiative underscores VFI's dedication to fostering ecosystems that thrive in tandem with human progress.

Through research-backed approaches, Vivant Foundation has set a benchmark for sustainable environmental practices, contributing to the preservation of natural resources in the face of global ecological challenges.

#### Strengthening Disaster-Resilient Communities

Following the devastation of Typhoon Odette, Vivant Foundation strengthened its Adopt-A-City partnership with the National Resilience Council (NRC). This collaboration transformed schools in Mandaue City into urban disaster response hubs equipped with solar-powered water systems and charging stations. These facilities now play a vital role in supporting communities during emergencies. Plans to replicate this disaster resilience model in other cities are already underway, reflecting the foundation's commitment to strengthening community adaptability in the face of climate-related crises.

#### Innovating for a Changing World

As Vivant Foundation looks to the future, it continues to scale its impact through new initiatives. Expansion plans for Project Liadlaw aims to bring solar power to additional off-grid schools, while further investments in STEM education include the establishment of a second science laboratory in Puerto Princesa. Additionally, a new livelihood program focused on water security is being developed, introducing plumbing courses in TechVoc schools to provide job opportunities and enhance sustainable water solutions.

Each initiative is a testament to Vivant Foundation's unwavering commitment to crafting meaningful and sustainable progress. Its tenth anniversary stands not only as a celebration of milestones but also as a reaffirmation of its mission to uplift communities, safeguard the environment, and foster resilience, ensuring a future where individuals and communities can thrive, regardless of the challenges ahead.



## IN FOCUS:

### Brigada Eskwela Supporting Education Through Action

Vivant Foundation continues to demonstrate its commitment to improving everyday living through its active participation in Brigada Eskwela, a nationwide school preparation program aimed at fostering collaboration between the private sector and local communities.

“ This annual initiative underscores VFI's dedication to education and community development by improving school facilities and ensuring students have a conducive environment for learning. ”



Since its inception in 2018, Brigada Eskwela has grown into a cornerstone of VFI's corporate social responsibility efforts. The program began with its first beneficiaries, Consuelo NHS, Jomgao ES, Vicenta Manreal ES and SPED Marilao, and has since expanded its reach through partnerships. These collaborations amplify the project's impact, enabling VFI to provide essential resources and improve learning spaces for underserved schools across the country.

#### A Year of Impactful Engagement in 2024

This year, the Brigada Eskwela initiative reached 5 schools, enhancing classrooms, and other facilities to support students and teachers alike. The program's total budget for 2024 amounted to Php600,000.00, reflecting VFI's sustained commitment to educational development.

With these efforts, the foundation has now benefited a total of 22 schools across Metro Manila and Metro Cebu since the program began. These contributions are a testament to Vivant Foundation's dedication to creating lasting change in communities through education.

#### Expanding Horizons for 2025

Looking ahead, VFI is set to extend Brigada Eskwela's reach to an additional 4 schools, furthering its mission to uplift communities through education. This ensures that more underserved schools gain access to the resources and support they need to thrive.

#### A Legacy of Support and Progress

Since the beginning of the project, VFI has contributed a total of 1.8M to Brigada Eskwela, providing tangible improvements in school facilities and empowering

communities to take an active role in education. By addressing gaps in educational infrastructure, Vivant Foundation ensures that students and teachers have the tools they need to succeed in a rapidly evolving world.

#### Creating Solutions for a Changing World

Through Brigada Eskwela, Vivant Foundation exemplifies its ethos of creating solutions for a changing world. The initiative not only improves learning environments but also fosters community involvement, strengthening the bond between schools and the neighborhoods they serve. As the foundation continues to expand its efforts, it remains steadfast in its commitment to building a brighter, more equitable future for all.



## IN FOCUS:

### Enabling Remote Education Through Solar

Vivant Foundation, in collaboration with Vivant Energy's retail electricity arm Corenergy, continues to break barriers in education through its solar electrification projects. In a significant milestone, the foundation powered Gamot Integrated School in Sitio Gamot, Barangay Sta. Filomena, Quezon, Bukidnon, with a rooftop solar system worth PHP 2.2 million. Implemented alongside Bukidnon Power Corporation (BPC) and North Bukidnon Power Corporation (NBPC), this initiative responds to the Department of Education's call for private sector support in modernizing the educational landscape in the Philippines.

As Vivant Foundation's first solar-powered mountain school and its second Indigenous People (IP) barangay to benefit from the program, this project underscores the foundation's commitment to bridging the digital divide in underserved communities. The initiative, part of Project Liadlaw, addresses the challenges faced by off-grid schools by providing reliable, renewable energy that powers modern educational tools and internet connectivity.

“ this project underscores the foundation's commitment to bridging the digital divide in underserved communities. ”



The solar rooftop system at Gamot Integrated School generates 12.1 kilowatts peak (KWp) of power—enough to supply the school's energy needs throughout the day. With consistent access to electricity, the school also received free internet service through the Department of Information and Communications Technology's (DICT) Starlink program. This connectivity unlocks new learning opportunities and equips students with digital resources previously inaccessible due to geographical constraints.

Project Liadlaw's impact extends beyond electrification. To date, 21 off-grid schools across the Philippines have benefited from the program, with plans for continued expansion to reach more remote communities. In addition, Vivant Foundation is collaborating with the Department of Education and the Technical Education and Skills Development Authority (TESDA) to enhance the Electrical Installation and Maintenance (EIM) curriculum. By incorporating solar technology, this curriculum upgrade aims to ensure the long-term sustainability of the solar projects and equip students with valuable technical skills for the future.

By integrating innovative solutions in education, Vivant Foundation reaffirms its ethos of creating solutions for a changing world. Through initiatives like Project Liadlaw, the foundation not only provides essential infrastructure but also empowers communities to thrive in the digital era, making strides toward a more inclusive and resilient society.



## IN FOCUS:

# People at the Core of Progress

Vivant Corporation continues to foster a workplace where employees feel valued, supported, and equipped to excel. In 2024, the company reinforced its commitment to well-being, leadership development, and cultural transformation through strategic people initiatives.

### Enhancing Employee Well-being and Growth

Vivant invests in employee well-being through Well Vivant, SkillUp 2024, and the Kumbati Awards. Well Vivant promotes holistic wellness across five key dimensions: Physical, Financial, Professional, Family, and Social & Emotional. Employees benefited from HMO coverage, annual checkups, mental health support, gym subsidies, financial wellness programs, and career development initiatives.

To strengthen workforce adaptability, SkillUp 2024 provided employees with training workshops, mentorship programs, and digital learning platforms. The program focused on upskilling and reskilling, ensuring that employees remain agile in a rapidly evolving business environment.

Recognizing excellence, Vivant introduced the Kumbati Awards, the company's first formal recognition program. The awards celebrated employees who exemplified innovation, high performance, and commitment to company values. By acknowledging outstanding contributions, Vivant reinforces a culture of meritocracy and continuous improvement.

### Developing Leaders and Transforming Culture

Leadership development and cultural transformation are key to sustaining Vivant's long-term growth. Thrive 2.0: Thriving at the Top, developed in partnership with the Asian Institute of Management, equipped executives with coaching, mentoring, and wellness support. The program enhanced leadership effectiveness by strengthening self-awareness, communication,



emotional intelligence, and strategic thinking. Among this year's graduates were Ronnel de Leon, Erickson Omamalin, Maila de Castro, Joseph Lua Jr., A.D. Villaos, Macky Padullo Jr., Debbie Artiaga, and Haidee Escriba.

In addition, Vivant launched a Culture Transformation initiative to streamline internal processes, improve agility, and reinforce leadership accountability. Employees played an active role in shaping these changes through town halls and open discussions. A second wave of projects will be introduced in 2025, reinforcing Vivant's commitment to efficiency, innovation, and a high-performance culture.

### Fostering a High-Trust Workplace

Vivant's dedication to workplace excellence was reaffirmed through its recertification as a Great Place to Work. The certification was validated by an X% employee response rate, reflecting confidence in the company's commitment to trust, engagement, and career development. Employees highlighted leadership accessibility, professional growth opportunities, and an inclusive work culture as key strengths.

### Building a Future-Ready Workforce

Through Well Vivant, SkillUp 2024, Kumbati Awards, Thrive 2.0, Culture Transformation, and Great Place to Work, Vivant continues to create solutions for our changing world and improve everyday living. These initiatives ensure that Vivant remains an employer of choice, equipping its people with the skills, leadership, and workplace culture necessary to drive innovation and long-term success.

# POSITIVE BUSINESS IMPACT

- Focus on creation of shared value between us and our stakeholders in our sustainability journey
- Strengthening our core business' operations to assure continuity of business to be able to support the growth of the economy and the development of the communities in which we operate
- Actively integrating sustainability into our strategies, our initiatives and our ways of doing business
- Through our sustainability commitments, it is crucial that we meet regulatory expectations and requirements to ensure protection and create a positive impact value to its stakeholders enabled by a Good Corporate Governance.



## Economic

- Operational Efficiency
  - Profitability
  - Portfolio Management
  - Innovation
- Mindful Resource Use
- Mastering Change Agility
- Achieving Beyond Expectations



## Governance

- Good Corporate Governance
  - Regulatory Compliance
  - Business Ethics
  - Risk Management
  - Data Integrity and Security
  - Standard Business Processes and Systems

Doing Right Things Right

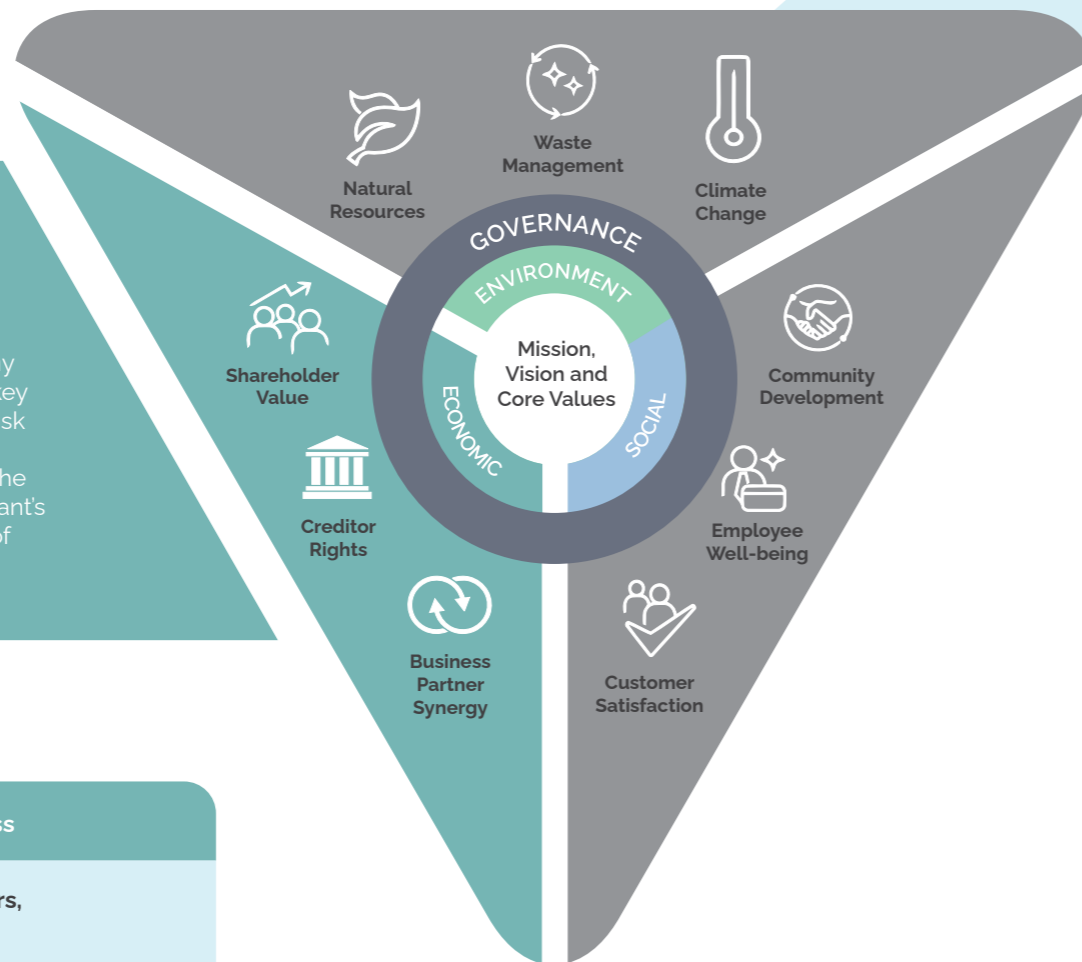
Corporate governance is essential to the success of a company. In Vivant, the continuous drive for improvement has been a mandate that both the Board and Management take seriously. The Company continues to explore ways on improving key areas of strategy, investment execution, risk management and operational efficiency. Alongside this, and equally important, is the ongoing efforts on further developing Vivant's culture to enable the sustained delivery of value to all its stakeholders.

### 2024 Highlights

#### Corporate and Business

**Stakeholder/s: Shareholders, Creditors, Business Partners**

Php 1.6 bn economic value generated at parent  
 Php 12.2 bn economic value generated at group (consolidated)  
 Activation of the Investor Relations office  
 Two Golden Arrows Award (based on 2023 assessment)



## Contributed to the SDGs



### Indicators / Material Disclosures

- Business ethics
- Board performance assessment
- Stakeholder rights protection
- Economic value generation and distribution

Vivant undertook initiatives in 2024 to further improve its capital allocation framework. As a holding company, it is imperative to determine an optimal resource allocation for the Company's portfolio of businesses. With the assistance of an external consultant, Vivant worked on an investment prioritization tool that is designed to facilitate informed decision-making by providing a robust and objective assessment of the potential impact of identified projects to its portfolio. Included in the evaluation is the determination of stop-loss limits in line with the identified risk tolerance metrics of the Company.

As it continues to improve its risk management maturity, Vivant, together with an external consultant worked on defining the risk tolerance limits of each risk appetite statement that was set in 2023. The exercise aims to translate and relate those statements to quantifiable metrics and set thresholds based on the appetites that were set.

Vivant endeavors to keep up with the rapid changes in the business environment by improving internal systems and processes. Multi-functional teams were set up to perform process reviews and systems analysis. In 2024, the implementation of process enhancements based on a study conducted in 2023 was started. The initiative covered the Procure to Pay and Record to Report processes used across the Vivant group. The improvements effected used a combination of policy creation and updates, system upgrades and automation of certain sub-processes. As of year-end, this project was 89% completed.

Vivant sees the value of information technology as a key business enabler. In 2024, the Company's IT team initiated an assessment of existing digital technology being used across the group to identify duplication or underutilization of resources. Processes were likewise checked to determine possible use cases for advance technology, such as Generative AI. The Company commits to invest in the development of its enterprise architecture to advance its digital transformation that will support the business.



2024 saw the groundwork for the creation of Centers of Excellence in the Vivant group. Having identified the job families within the group and assessing the requirements of the business, Vivant commenced the work on setting up One Engineering, or 1E. The idea of consolidating the collective talent, knowledge and experience across the group into 1E is seen to benefit the Vivant Group through cost effective and quality driven implementation of projects. It should likewise facilitate and provide an improved learning and development platform for the engineers given the exposure to both water and energy cases.

Cascade and operationalization of several policies were done during the year. Among these are the Policy on Safeguarding Creditor Protection, Treasury Risk Management Policy and the Vendor Code of Ethics. Internal stakeholder management initiatives were likewise rolled out during the year. As a shared services provider to its business units, Vivant conducted a customer satisfaction survey to determine and understand areas for improvement. A series of internal roadshows by units in the shared services group were done during the year to cascade, update and explain policies, processes and initiatives undertaken.

Vivant held its 9th annual Accounting conference in September. A total of 62 participants from Vivant and its various subsidiaries attended the 2-day event, providing the venue for continuous learning and sharing of best practices. The program was centered on the theme 'Excellerate: Future Proofing Accountants for Our Changing World'. Subject matter experts from leading accounting firms were invited to share their insights on identified topics deemed relevant for the function and the business. An accounting workshop was likewise conducted to ensure understanding and the appropriate application of new and updated standards.

Culture and strategy are very much interlinked. To support and effectively execute a company's strategic goals, a strong and supportive culture is essential. In 2024, Vivant initiated a culture transformation to ensure that the shared vision and motivation are consistent across the group. The exercise involved the development of a roadmap that involved workstreams designed to address bureaucracy, talent management and organizational effectiveness.

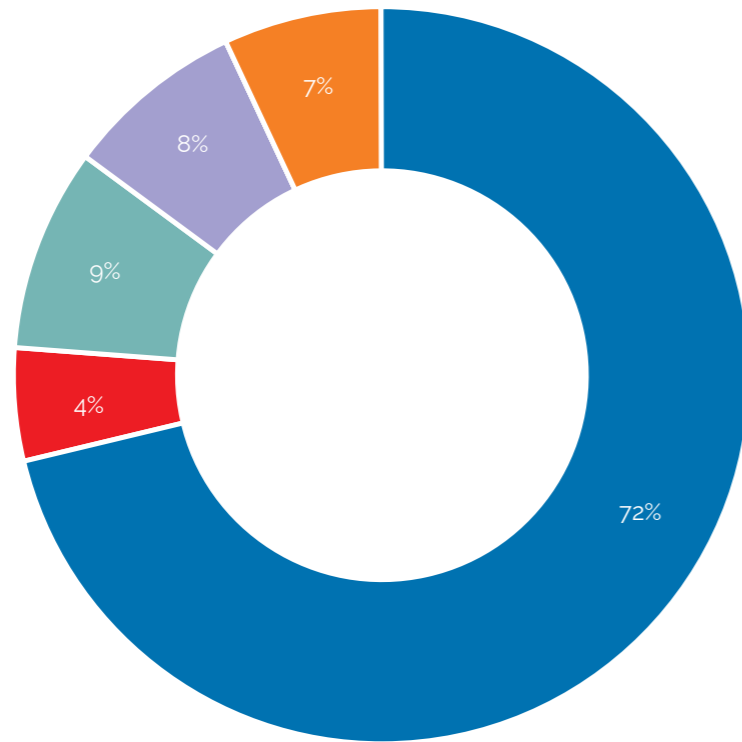
Once again, Vivant was awarded the Two Golden Arrows Award by the Independent Corporate Directors (ICD) based on its 2023 assessment results. This recognition is a testament to the Company's efforts in advancing corporate governance as it garnered a higher score of 95.05 (vs. previous year's 91.71). This serves as an encouragement to Vivant to continue with its plans and programs aimed to develop and strengthen relationships with its stakeholders.

“ This recognition is a testament to the Company's efforts in advancing corporate governance as it garnered a higher score of 95.05 (vs. previous year's 91.71). ”



Value created in 2024 was a product of Vivant's effective corporate governance practices. Proving to be another banner year for the Company, Vivant's consolidated economic value generated in 2024 amounted to PhP 12,201,703,051 bn, which was 47.4% higher than the previous year. The expansion was a result of the robust performance of the Energy SBU and the impact of Vivant's growth initiatives. Value created for its stakeholders was distributed as operating costs (Suppliers), wages and benefits (Employees), payments to providers of capital (Shareholders and Creditors), and payments to the government (Taxes to national and local government).

### 2024 Economic Value Generated (Php 12,202 Mn)



- Operating Cost
- Payments to Employees
- Payments to Providers of Capital
- Payment to Government
- Community Investments
- Retail Economic Value



## IN FOCUS:

### Navigating Change, Strengthening Communities: How Vivant is Future-Proofing Finance

As the energy and water sectors evolve, finance professionals must do more than manage numbers—they navigate risks, regulations, and strategic investments that shape the future. At Vivant, financial resilience is not just about protecting profits; it is about driving growth, creating opportunities, and delivering lasting value to communities.

To support this mission, Vivant gathered 62 finance and accounting professionals for **Excellerate 2024: Future-Proofing Accountants for Our Changing World**—a conference designed to enhance expertise, foster collaboration, and prepare teams for an increasingly complex landscape.

#### Beyond Numbers: The Evolving Role of Finance

At **Excellerate 2024**, professionals from accounting, finance, business development, portfolio management, and IOM came together to reinforce their role in maintaining financial stability, ensuring compliance, and driving strategic planning to sustain and grow Vivant's energy and water infrastructure.

The conference covered topics such as artificial intelligence for efficiency, evolving accounting and tax standards, and investment risk assessment. Beyond technical expertise, the event also emphasized resilience, highlighting the importance of mental well-being in high-pressure finance roles. More than just balancing numbers,

Vivant's finance teams play a crucial role in making responsible and sustainable investments that directly impact the communities the company serves.

#### Strength in Collaboration, Impact in Action

Excellerate 2024 reinforced the power of teamwork, helping participants build stronger connections across business units. Through shared insights and solutions, they strengthened cross-functional collaboration, aligning financial strategies with business goals. These partnerships ensure that Vivant's projects are not only ambitious but also financially sound and built for long-term success.






#### Investing in People, Building a Resilient Future

At its core, Excellerate 2024 reflects Vivant's commitment to its people—recognizing that an empowered workforce drives innovation and resilience. Investing in professional development, leveraging new technologies, and fostering collaboration ensures that Vivant remains agile and future-ready.

By equipping its teams with the right knowledge and tools, Vivant reinforces its dedication to delivering reliable energy and water solutions—not just today, but for generations to come. Excellerate 2024 is another step forward, strengthening not just financial resilience but also a future where Vivant's people, projects, and the communities it serves thrive together.

# MATERIAL AND REPORTING SCOPE



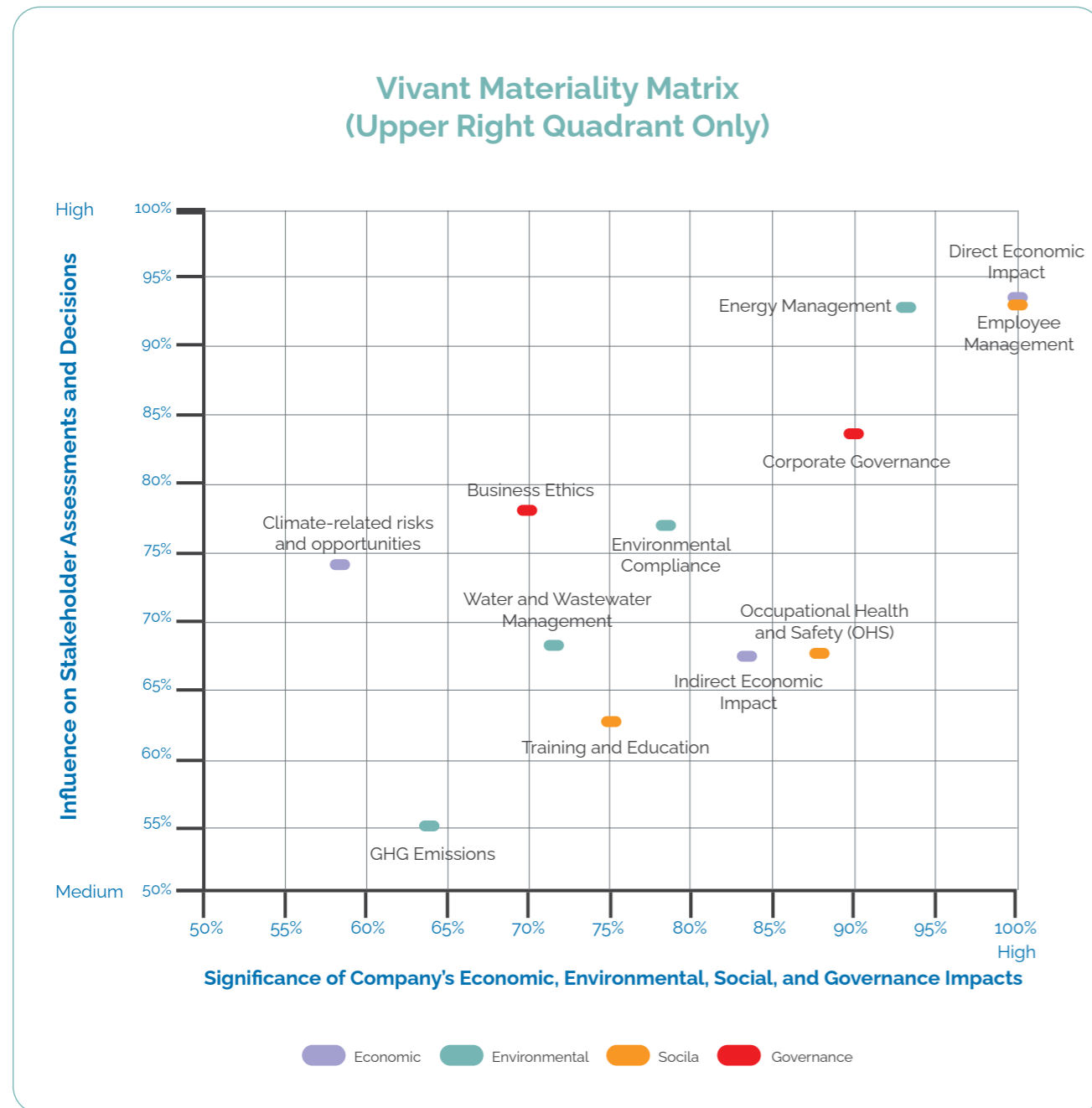
-  Value Chain Analysis
-  Identification
-  Prioritization
-  Validation
-  Review

In 2024, the determination of the disclosure topics started with the assessment of the materiality of each topic. The following criteria were used in the process.

- Impact of the topic to Vivant's value creation over the short, medium and long term
- Impact of Vivant's business activities to the topic, and vice versa
- Impact of subsidiaries' business activities to the topic, and vice versa
- Impact of products/services to the topic
- Impact of the topic to Vivant's stakeholders
- Information that substantively influences the assessments and decisions of stakeholders about the Company, including investors.

Using the Company's sustainability framework, an assessment of the concerns or interests of each stakeholder was conducted. This stakeholder analysis, coupled with the prior year's report, the review of the global and local risk landscape where Vivant and its core businesses of power and water operate in, including the sustainability issues concerning its businesses and the assessment of the impact to the value creation of the Company, resulted in the **identification** of preliminary disclosure topics.

The impact to Vivant's businesses and its stakeholders remains as the main consideration for the **prioritization** of the topics. Internal discussions, peer benchmarking and using the results of the materiality survey conducted in 2023 allowed for the **validation** of the relevance and materiality of each disclosure topic.



<sup>1</sup> An internal review was conducted to assess the impact of each disclosure topic on the Company's and its subsidiaries' operations and stakeholders, considering the Economic, Environmental and Social (ESS) implications of each issue and their influence on stakeholders' evaluations and decisions.

The **review** of the material disclosure topics was done at both the management and Board levels. With the endorsement of the Board Risk and Sustainability Committee, the Vivant Board of Directors approved the material disclosure topics as presented below.

## Material Disclosure Topics

### Economic

GRI Topic	GRI Disclosure	Materiality Consideration	Reporting Company
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	This is the direct impact our business has to the economy	Vivant
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported 203-2 Significant indirect economic impacts	This refers to the projects and initiatives undertaken through the Company's foundation and its subsidiaries' CSR projects that provide support to help build capability, improve lives and community resiliency.	Vivant Foundation Vivant Energy Corenergy 1590 EC CIPC DPI INPC MPI

### Environmental

GRI Topic	GRI Disclosure	Materiality Consideration	Reporting Company
GRI 302: Energy	302-1 Energy consumption within the organization 302-2 Energy consumption outside of the organization	This considers the energy we utilize, in the form of both electricity and fuel, to support our operations and ensure the delivery of products and services to our customers.	Vivant Vivant Energy Vivant Infracore Corenergy 1590 EC BPC NBPC CIPC DPI INPC MPC MPI PPWRCL WMP
GRI 303: Water and Effluents	303-3 Water withdrawal 303-4 Water discharge 303-5 Water consumption	This takes into account the environmental impact of our operations through water consumption.	Vivant Vivant Energy Vivant Infracore Corenergy 1590 EC BPC NBPC CIPC DPI INPC MPC MPI PPWRCL

## Environmental

GRI Topic	GRI Disclosure	Materiality Consideration	Reporting Company
305: Emissions	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions	This considers the greenhouse gas (GHG) emissions from our operations and business travels.	Vivant Vivant Energy Vivant Infracore Coreenergy 1590 EC BPC NBPC CIPC DPI INPC MPC MPI PPWRLC WMP
306: Waste	306-3 Waste generated 306-4 Waste diverted from disposal 306-5 Waste directed to disposal	This takes into account the impact of the waste generated by our operations and our methods of disposal.	Vivant Vivant Energy Vivant Infracore Coreenergy 1590 EC BPC NBPC CIPC DPI INPC MPC MPI

## Social

GRI Topic	GRI Disclosure	Materiality Consideration	Reporting Company
GRI 401: Employment	401-1 New employee hires and employee turnover 401-3 Parental leave	This highlights Vivant's ability to attract and retain a diverse pool of qualified talent through various employee benefits and programs.	Vivant Vivant Energy Vivant Infracore Coreenergy Vivant Foundation 1590 EC BPC NBPC CIPC DPI INPC MPC MPI SIAEC IMCC PPWRLC WMP

## Social

GRI Topic	GRI Disclosure	Materiality Consideration	Reporting Company
GRI 403: Occupational Health and Safety	403-5 Worker training on occupational health and safety 403-6 Promotion of worker health 403-9 Work-related injuries 403-10 Work-related ill health	This reflects Vivant's focus on promoting employee health, safety, and overall well-being.	Vivant Vivant Energy Vivant Infracore Coreenergy Vivant Foundation 1590 EC BPC NBPC CIPC DPI INPC MPC MPI
GRI 404: Training and Education	404-1 Average hours of training per year per employee 404-2 Programs for upgrading employee skills and transition assistance programs 404-3 Percentage of employees receiving regular performance and career development reviews	This reflects Vivant's commitment to fostering continuous learning and development for all employees.	Vivant Vivant Energy Vivant Infracore Coreenergy Vivant Foundation 1590 EC BPC NBPC CIPC DPI INPC MPC MPI
405: Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	This considers how diverse backgrounds, knowledge, and experiences drive innovation and business growth to Vivant.	Vivant Vivant Energy Vivant Infracore Coreenergy Vivant Foundation 1590 EC BPC NBPC CIPC DPI INPC MPC
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	This involves engaging with the local community to foster sustainable development.	Vivant

The companies that are not included in this IR are as follows:

- those with minority investments and minimal control/influence (BEI)
- those that are still not operational (CREC, LPEC, NMCWC), and
- those that are part of the portfolio of companies listed in the local stock exchange (VECO, CPPC, CEDC, TVI, PRISM Energy)

# CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024	2023 (Restated)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 6)	₱4,789,149,921	₱4,382,540,776
Trade and other receivables (Note 7)	1,799,335,635	1,647,660,999
Advances to associates and stockholders (Note 16)	104,097,107	162,204,796
Inventories - at cost (Note 8)	595,840,474	364,692,217
Prepayments and other current assets (Note 9)	907,115,027	778,251,105
<b>Total Current Assets</b>	<b>8,195,538,164</b>	<b>7,335,349,893</b>
<b>Noncurrent Assets</b>		
Investments in associates (Note 10)	11,219,286,328	10,595,855,907
Property, plant and equipment (Note 11)	9,025,459,481	8,400,675,915
Right-of-use assets (Note 24)	108,776,076	24,539,068
Investment properties (Note 12)	1,102,959,000	1,045,469,800
Deferred income tax assets - net (Note 20)	33,273,899	30,485,788
Other noncurrent assets (Note 13)	2,281,352,455	2,606,014,376
<b>Total Noncurrent Assets</b>	<b>23,771,107,239</b>	<b>22,703,040,854</b>
<b>TOTAL ASSETS</b>	<b>₱31,966,645,403</b>	<b>₱30,038,390,747</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Current portion of trade and other payables (Note 14)	₱1,938,829,128	₱1,942,183,948
Current portion of long-term notes payable (Note 15)	229,522,887	210,300,979
Current portion of lease liabilities (Note 24)	21,466,995	17,928,869
Short term notes payable (Note 15)	1,076,000,000	1,963,546,959
Advances from related parties (Note 16)	50	2,350,050
Income tax payable	147,939,807	34,696,280
<b>Total Current Liabilities</b>	<b>3,413,758,867</b>	<b>4,171,007,085</b>
<b>Noncurrent Liabilities</b>		
Long-term notes payable - net of current portion (Note 15)	5,499,482,910	4,838,054,596
Lease liabilities - net of current portion (Note 24)	95,492,294	11,912,090
Pension liability (Note 19)	247,729,738	185,506,597
Deferred income tax liabilities - net (Note 20)	328,533,671	337,662,925
Other noncurrent liabilities - net of current portion (Notes 14 and 23)	861,499,544	844,587,453
<b>Total Noncurrent Liabilities</b>	<b>7,032,738,157</b>	<b>6,217,723,661</b>
<b>Total Liabilities</b>	<b>10,446,497,024</b>	<b>10,388,730,746</b>
<b>Equity Attributable to Equity Holders of the Parent</b>		
Capital stock - ₱1 par value (Note 21)		
Authorized - 2,000,000,000 shares		
Issued - 1,023,456,698 shares	1,023,456,698	1,023,456,698
Additional paid-in capital	8,339,452	8,339,452
Other components of equity:		
Share in remeasurement losses on employee benefits of associates (Note 10)	(125,169,500)	(125,169,500)
<i>(Forward)</i>		

	December 31	
	2024	2023 (Restated)
Remeasurement gain (loss) on employee benefits (Note 19)	(₱95,882,899)	(₱79,876,405)
Unrealized valuation gain on financial assets at fair value through other comprehensive income (FVOCI)	4,643,039	51,053,039
Equity reserves (Note 21)	(30,252,298)	(30,252,298)
Retained earnings (Notes 10 and 21):		
Appropriated for business expansion	7,767,262,174	7,354,810,254
Unappropriated	11,507,811,991	10,089,924,381
<b>Equity Attributable to Equity Holders of the Parent</b>	<b>20,060,208,657</b>	<b>18,292,285,621</b>
<b>Equity Attributable to Non-controlling Interests (Note 21)</b>	<b>1,459,939,722</b>	<b>1,357,374,380</b>
<b>Total Equity</b>	<b>21,520,148,379</b>	<b>19,649,660,001</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱31,966,645,403</b>	<b>₱30,038,390,747</b>

See accompanying Notes to Consolidated Financial Statements.

## STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2024	2023 (Restated)	2022
<b>REVENUE</b>			
Revenue from contracts with customers:			
Sale of power (Note 23):			
Generation	<b>₱8,036,164,300</b>	₱3,954,062,040	₱2,813,298,456
Retail electricity supply	<b>1,436,457,998</b>	1,112,675,663	633,488,002
Ancillary services	<b>9,231,211</b>	467,544,939	952,967,736
Management and service fees (Notes 16 and 23)	<b>202,900,000</b>	545,976,930	86,781,813
Engineering service income	<b>38,700,715</b>	17,208,763	30,887,803
	<b>9,723,454,224</b>	6,097,468,335	4,517,423,810
<b>EQUITY IN NET EARNINGS OF ASSOCIATES</b> (Note 10)	<b>2,305,656,054</b>	2,044,341,881	1,941,357,383
<b>INTEREST INCOME</b> (Notes 6 and 16)	<b>172,592,773</b>	123,006,939	60,071,043
	<b>12,201,703,051</b>	8,264,817,155	6,518,852,236
<b>COSTS OF SERVICES</b>			
Generation costs (Notes 17 and 23)	<b>7,294,064,274</b>	4,478,178,345	3,684,022,986
Engineering service fees (Note 17)	<b>29,871,786</b>	52,472,919	24,844,346
	<b>7,323,936,060</b>	4,530,651,264	3,708,867,332
<b>OPERATING EXPENSES</b>			
Salaries and employee benefits (Notes 18 and 19)	<b>639,889,951</b>	414,809,133	390,186,858
Outside services	<b>256,683,812</b>	102,578,608	19,760,683
Professional fees (Note 16)	<b>192,819,317</b>	100,068,964	167,109,166
Taxes and licenses (Note 12)	<b>137,813,727</b>	101,499,369	78,756,067
Depreciation and amortization (Notes 11, 13 and 24)	<b>74,127,507</b>	63,488,151	54,012,303
Travel	<b>68,147,869</b>	47,517,479	29,627,897
Management fees (Note 16)	<b>23,844,444</b>	43,843,882	29,219,324
Communication and utilities	<b>16,486,017</b>	13,208,805	13,405,697
Rent and association dues	<b>12,566,598</b>	5,286,490	6,465,080
Representation	<b>10,964,589</b>	14,949,673	14,883,489
Other operating expenses (Note 17)	<b>167,052,568</b>	102,031,954	89,483,412
	<b>1,600,396,399</b>	1,009,282,508	892,909,976
<b>INCOME FROM OPERATIONS</b>	<b>3,277,370,592</b>	2,724,883,383	1,917,074,928
<b>OTHER INCOME (CHARGES)</b>			
Finance costs on loans (Note 15)	<b>(431,396,575)</b>	(363,678,611)	(259,880,671)
Rent income (Notes 11, 16 and 12)	<b>84,172,352</b>	14,147,457	2,453,687
Unrealized Gain on fair value measurement of investment properties (Note 12)	<b>57,489,200</b>	121,433,200	60,394,600
Loss on disposal of a subsidiary (Note 1)	<b>(36,910,784)</b>	–	–
Finance costs on lease liabilities (Note 24)	<b>(8,500,565)</b>	(1,108,626)	(10,826,959)
Unrealized Foreign exchange gains (losses) - net	<b>2,855,387</b>	(9,673,851)	53,842,288
Gain on fair value measurement of associates (Note 13)	–	69,189,016	–
Gain on bargain purchase (Note 13)	–	36,325,297	–
Other income - net (Notes 11, 12 and 17)	<b>58,720,467</b>	(13,104,163)	31,230,724
	<b>(273,570,518)</b>	(146,470,281)	(122,786,331)

(Forward)

	Years Ended December 31		
	2024	2023 (Restated)	2022
<b>INCOME BEFORE INCOME TAX</b>	<b>₱3,003,800,074</b>	₱2,578,413,102	₱1,794,288,597
<b>PROVISION FOR INCOME TAX</b> (Note 20)	<b>380,140,242</b>	172,870,310	89,561,479
<b>NET INCOME</b>	<b>2,623,659,832</b>	2,405,542,792	1,704,727,118
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
Items that will not be reclassified to profit or loss in future periods:			
Remeasurement gain (loss) on employee benefits (Note 19)	<b>(20,806,050)</b>	(104,392,805)	11,157,022
Income tax effect	<b>4,262,556</b>	16,390,977	(2,511,242)
	<b>(16,543,494)</b>	(88,001,828)	8,645,780
Unrealized valuation gain on financial assets at FVOCI (Note 13)	–	28,865,324	25,734,676
Income tax effect	–	(4,329,799)	(3,860,201)
	–	24,535,525	21,874,475
Share in the remeasurement gains (losses) on employee benefits of associates, net of tax (Note 10)	–	(31,585,867)	–
<b>OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>	<b>(16,543,494)</b>	(95,052,170)	30,520,255
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱2,607,116,338</b>	₱2,310,490,622	₱1,735,247,373
<b>NET INCOME</b>			
Attributable to:			
Equity holders of the parent	<b>₱2,355,018,369</b>	₱2,295,804,486	₱1,595,263,961
Non-controlling interests	<b>268,641,463</b>	109,738,306	109,463,157
	<b>₱2,623,659,832</b>	₱2,405,542,792	₱1,704,727,118
<b>TOTAL COMPREHENSIVE INCOME</b>			
Attributable to:			
Equity holders of the parent	<b>₱2,339,011,875</b>	₱2,201,753,746	₱1,624,319,369
Non-controlling interests	<b>268,104,463</b>	108,736,876	110,928,004
	<b>₱2,607,116,338</b>	₱2,310,490,622	₱1,735,247,373
<b>EARNINGS PER SHARE</b>			
Basic and diluted, for net income for the year attributable to equity holders of the parent (Note 22)	<b>₱2.301</b>	₱2.243	₱1.559

See accompanying Notes to Consolidated Financial Statements.

## STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2024	2023 (Restated)	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	<b>₱3,003,800,074</b>	₱2,578,413,102	₱1,794,288,597
Adjustments for:			
Equity in net earnings of associates (Note 10)	<b>(2,305,656,054)</b>	(2,044,341,881)	(1,941,357,383)
Depreciation and amortization (Notes 11, 13, and 24)	<b>638,596,730</b>	537,675,565	430,230,964
Finance costs on loans (Note 15)	<b>431,396,575</b>	363,678,611	259,880,671
Interest income (Note 6)	<b>(172,592,773)</b>	(123,006,939)	(60,071,043)
Unrealized Gain on fair value remeasurement of investment properties (Note 12)	<b>(57,489,200)</b>	(121,433,200)	(60,394,600)
Pension expense (Note 19)	<b>47,994,586</b>	22,261,768	20,731,159
Loss on disposal of a subsidiary (Notes 1 and 10)	<b>36,910,784</b>	—	—
Finance costs on lease liabilities (Note 24)	<b>8,500,565</b>	1,108,626	10,826,959
Gain on disposal of property and equipment (Note 17)	<b>(3,782,805)</b>	(650,300)	(639,207)
Unrealized foreign exchange loss (gains)	<b>(2,855,387)</b>	9,673,851	(53,842,288)
Gain on fair value remeasurement of associates (Note 13)	—	(69,189,016)	—
Gain on bargain purchase (Note 13)	—	(36,325,297)	—
Non-cash donation expense (Note 11)	—	—	8,482,143
Operating income before working capital changes	<b>1,624,823,095</b>	1,117,864,890	408,135,972
Decrease (increase) in:			
Trade and other receivables	<b>(217,418,124)</b>	477,966,796	(510,762,517)
Inventories	<b>(225,003,766)</b>	26,802,524	(25,045,097)
Prepayments and other current assets	<b>(138,020,687)</b>	(238,018,513)	(121,272,673)
Increase (decrease) in trade and other payables	<b>290,360,409</b>	(780,116,821)	376,164,748
Net cash generated from operations	<b>1,334,740,927</b>	604,498,876	127,220,433
Interest paid	<b>(435,993,704)</b>	(262,129,493)	(281,763,405)
Income taxes paid	<b>(274,677,597)</b>	(133,301,800)	(94,273,379)
Contributions to the retirement fund (Note 19)	<b>(6,200,962)</b>	(6,718,787)	(6,755,102)
Benefits paid out of operating funds (Note 19)	—	(327,000)	(83,571)
Net cash flows from (used in) operating activities	<b>617,868,664</b>	202,021,796	(255,655,024)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received from associates (Note 10)	<b>1,682,225,633</b>	1,788,544,553	1,375,935,658
Additions to property, plant and equipment (Note 11)	<b>(1,210,204,558)</b>	(1,678,727,744)	(2,610,405,413)
Proceeds from:			
Disposal of financial assets at FVOCI (Note 13)	<b>355,809,875</b>	—	—
Disposal of property, plant and equipment (Note 11)	<b>4,794,331</b>	650,300	1,960,320
Increase in other noncurrent assets	<b>(201,525,537)</b>	(595,496,058)	(58,417,375)
Interest received	<b>180,656,575</b>	111,720,696	56,534,070
Cash in subsidiary whose control was lost (Note 1)	<b>(30,447,472)</b>	—	—
Additional investments and advances to associates (Note 10)	—	(251,169,255)	(68,400,000)

(Forward)

	Years Ended December 31		
	2024	2023	2022
Net cash outflow from business combinations (Note 13)	<b>₱—</b>	(₱3,035,775)	₱—
Additions to financial assets at FVOCI (Note 13)	—	—	(270,000,000)
Net cash flows used in investing activities	<b>781,308,847</b>	(627,513,283)	(1,572,792,740)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from loans (Note 15)	<b>963,154,790</b>	1,785,384,762	1,663,345,070
Payments of:			
Loans (Note 15)	<b>(1,179,140,432)</b>	(1,450,528,534)	(353,477,270)
Cash dividends (Note 21)	<b>(794,232,899)</b>	(401,876,299)	(451,479,873)
Lease liabilities (Note 24)	<b>(33,786,786)</b>	(17,474,599)	(76,233,373)
Net proceeds (payments) of advances from related parties	<b>48,581,574</b>	73,466,973	(12,254,278)
Acquisition of noncontrolling interests (Note 21)	—	(64,623,415)	—
Additional investments and deposits for future stock subscriptions of non-controlling interests of a subsidiary (Note 21)	—	—	248,037,487
Net cash flows from (used in) financing activities	<b>(995,423,753)</b>	(75,651,112)	1,017,937,763
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>403,753,758</b>	(501,142,599)	(810,510,001)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>2,855,387</b>	(9,673,851)	53,842,288
<b>TOTAL CASH AT BEGINNING OF YEAR</b>			
Cash and cash equivalents (Note 6)	<b>4,382,540,776</b>	4,893,357,226	5,650,024,939
Restricted cash (Notes 9 and 13)	<b>2,003,880</b>	2,003,880	2,003,311
	<b>4,384,544,656</b>	4,895,361,106	5,652,028,250
<b>TOTAL CASH AT END OF YEAR</b>			
Cash and cash equivalents (Note 6)	<b>4,789,149,921</b>	4,382,540,776	4,893,357,226
Restricted cash (Notes 9 and 13)	<b>29,242,364</b>	2,003,880	2,003,880
	<b>₱4,818,392,285</b>	₱4,384,544,656	₱4,895,361,106

See accompanying Notes to Consolidated Financial Statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEAR 2024

Management uses the following key performance indicators for the Company and its investee companies:

- (i) **Equity in Net Earnings (or Loss) of Associates.** Equity in net earnings or (loss) of associates is the Company's share in the income or loss of associates, or investee companies accounted for under the equity method. It indicates the profitability of the associates and measures their contribution to the profitability of the parent.
- (ii) **Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA).** EBITDA is calculated by taking operating income and adding back to it interest, depreciation, and amortization expenses. Since EBITDA eliminates the effects of financing and accounting decisions, it can provide a relatively good comparison of the performance of the Company with other players in the industry. It also provides a good measure of the Company's ability to generate cash from operations to cover financial charges and income taxes.
- (iii) **Cash Flow Generated.** Cash flow generated indicates the ability of the Company to generate enough cash for operating, investing, and financing activities.
- (iv) **Debt-to-Equity Ratio (DER).** DER gives an indication of the Company's leverage position and is computed by dividing total liabilities with total stockholders' equity.
- (v) **Current Ratio.** Current ratio is computed by dividing current assets with current liabilities. This indicates the liquidity of the Company in the short term and measures the peso amount of current asset available to cover a peso amount of current liability.

As disclosed in the SEC 17A report for calendar year 2023, the Company, through its three wholly owned subsidiaries, acquired all of the shareholdings of the joint venture partner in CIPC, DPI, LPEC, CREC and Isla Norte. Consequently, the equity stake in these subsidiaries went up to 100% effective June 1, 2023.

As allowed by Philippine Financial Reporting Standards (PFRS) 10, Consolidated Financial Statements, the assets and liabilities assumed as of end-December 2023 were based on the provisional assessment of the fair value. The fair values are subject to change within one (1) year measurement period after the acquisition date, i.e., June 1, 2023. Upon the review and finalization of the valuation report, below are the resulting investment values as of end-December 2024:

1. Final fair value of property plant and equipment of Php 1,167.3 mn, an increase of Php 142.2 mn over the provisional value;
2. Fair value of intangible assets from customer contracts was determined to be at Php 53.5 million (mn);
3. As a result of the fair value adjustments, deferred income tax liabilities increased by Php 41.3 mn, goodwill decreased by Php 12.2 mn, and gain on bargain purchase decreased by Php 28.4 mn.

The end-December 2023 comparative consolidated financial statements are restated to reflect the adjustments to the provisional amounts. Moreover, the Company's financial statements starting June 1, 2024, account for the full consolidation of the CIPC, DPI, LPEC and CREC in the consolidated statement of financial position, consolidated statement of comprehensive income and consolidated statement of cash flows. On the other hand, equity share in the net earnings (losses) of these four investee-companies were taken up in the consolidated statement of comprehensive income until end-May 2023.

The acquisition of the additional 35% equity stake in Isla Norte did not affect the accounting for this investment, i.e., PFRS 10, Consolidated Financial Statements.

The table below shows the comparative figures of the key performance indicators for the years 2024 and 2023.

Key Performance Indicators Amounts in Php '000, except for ratios	2024	2023
Equity in Net Earnings of Associates and Joint Ventures	2,305,656	2,044,342
EBITDA	4,058,860	3,263,602 <sup>1</sup>
Cash Flow From / (Used in)	403,754	501,143
Net cash flows from (used in) operating activities	617,869	201,964
Net cash flows from (used in) investing activities	781,309	(627,513)
Net cash flows from (used in) financing activities	(995,424)	(75,651)
Debt-to-Equity Ratio (x)	0.49	0.53 <sup>2</sup>
Current Ratio (x)	2.40	1.76 <sup>2</sup>

The Company's share in the net earnings of associates and joint ventures as of end 2024 amounted to Php 2.3 billion (bn), representing a 13% year-on-year (YoY) increase from Php 2.0 bn as of end-December 2023. This was a result of the following:

1. VECO, the Company's electricity distribution utility, posted Php 1.2 bn<sup>3</sup> in income contribution as of end 2024, 16% higher YoY. This strong showing was mainly attributed to the 11% YoY increase in the volume of electricity sold. Moreover, a one-time revenue for the recovery of pass-through charges covering 2021 to 2023 was recognized as a result of the utility's change in the recognition of said costs.
2. 20%-owned TVI recorded an 86% growth in its income contribution to Php 515.2 mn as of end 2024 from Php 277.4 mn as of end 2023. This growth was primarily driven by the 129% YoY increase in earnings from ancillary services, following the implementation of its ASPA in September 2023. Also, TVI booked profits from participating in the reserves market<sup>4</sup> beginning in February 2024 which further enhanced its earnings contribution during the year in review. However, this was tempered by an 8% YoY decline in volume sales to its RES offtakers and the WESM.
3. 40%-owned AHI posted Php 469.7 mn in income contribution during the year in review, an increase of 13% from the period end-December 2023. This was driven by the increase in profitability of its associate, CEDC. CEDC's entry into the reserves market in August 2024 mainly drove the income growth. This was despite posting lower profits from its bilateral contracts (down by 18% YoY) and WESM sales (dropped by 30% YoY), and the non-renewal of a contract for ancillary services during the year in review.
4. 45%-owned FLOWS, through its 89.6%-owned subsidiary, PPWRLC, shored in an income contribution of Php 9.6 mn during the year in review, up by 13% YoY. PPWRLC's higher earnings from septage, and sewage operations and reduced operating costs contributed to the profit expansion during the year in review.

The above improvements in earnings contributions were tempered by the following:

1. 40%-owned MPC brought in an earnings contribution of Php 176.0 mn as of end 2024, 28% lower vis-à-vis Php 243.0 mn as of end 2023. During the year in review, MPC recorded a 14% YoY drop in gross profit, primarily due to the termination of the PSA involving Unit 3<sup>5</sup> of its plant facility. This was offset by earnings generated from the sale of its available capacity to the WESM starting April 2024, as well as a non-recurring revenue resulting from the reversal of prior years' transmission charges.

<sup>1</sup> Reported as Php 3,270 mn in the SEC 17A for FY 2023. The change is attributed to the final fair values resulting from the business acquisition, as described above.

<sup>2</sup> DER and current ratio were reported at 0.52x and 1.80x, respectively, in the SEC 17A for FY 2023. The changes are attributed to the final fair values resulting from the business acquisition, as described above.

<sup>3</sup> Beginning in the second quarter of 2024, VECO adopted a new method for recognizing pass-through costs in its financial statements. Under this approach, operating revenue for the period includes pass-through costs incurred during the same period. Any difference between the operating revenue recognized and the amount billed to customers, subject to an ERC-approved mechanism, is recorded as a trade and other receivable in VECO's statement of financial position. In contrast, as of the end of December 2023, VECO saw a timing difference between the period it incurred these costs and the recovery from customers.

<sup>4</sup> On March 25, 2024, the ERC issued an order directing PEMC and IEMOP to 'suspend the implementation of the Section 8 of the PDM Manual on the Billing and Settlement under the promulgated Interim Relief dated 24 August 2023,' and provides that 'the suspension will cover the March 2024 billing period and will remain in effect until otherwise lifted by the Commission. This order resulted to the non-booking of revenues by TVI covering the period February 26, 2024, to March 25, 2024 (March 2024 billing month). On May 9, 2024, the ERC issued an order allowing the settlement of 30% of the amounts for payment for trading transactions made in the Reserve Market for the March 2024 billing month.

<sup>5</sup> The PSA of Unit 3 of MPC was among the contracts affected by the Decision issued by the Supreme Court in the case filed by Alyansa Para Sa Bagong Pilipinas against the ERC, DOE, MERALCO and other generation companies (GR No. 227670 (May 3, 2019)). As a result of the said Decision and pursuant to an Order issued by the ERC, CEPALCO and MPC were directed to desist from implementing PSA. MPC filed a motion for reconsideration of the said Order which remains pending with the ERC.

2. 40%-owned Prism Energy, a RES company, posted a net loss contribution of Php 6.8 mn as of end 2024 from Php 853.00 as of end 2023. Prism Energy saw a 100% YoY decline in the volume of energy sold due to the non-renewal of customer contracts.
3. 40%-owned CPPC reported Php 5.1 mn in loss contribution as of end-December 2024 vis-a-vis Php 66.8 mn in income contribution as of end-December 2023. CPPC saw a 98% YoY reduction in the volume of energy sold to the WESM. A one-time income from the collection of additional compensation for WESM sales in 2023, and a 74% YoY reduction in total generation and operating expenses partially cushioned the revenue contraction.
4. 100%-owned DPI and CIPC are fully consolidated starting June 1, 2023. Thus, there are no equity earnings contribution recognized for the period in review. This compares to the equity earnings contribution of Php 15.8 mn and Php 23.7 mn from DPI and CIPC, respectively, as of end-May 2023.

EBITDA as of end 2024 rose by 24% YoY to Php 4.1 bn from Php 3.3 bn. This was mainly the result of the 48% YoY expansion in revenues, which stemmed from:

1. Sale of power rose to Php 9.5 bn from Php 5.5 bn, which was primarily driven by the improved revenue contribution of the Company's investments in oil-fired power plants, RES and solar rooftop businesses.

#### **Oil-fired Power Plants**

- 55.2%-owned 1590 EC recorded a 54% YoY increase in energy sales revenue. This was driven by the company's participation in the reserves market, which yielded fresh revenues amounting to Php 2.8 bn as of the year in review.
- Wholly owned DPI brought in a revenue contribution of Php 2.1 bn. The increased electricity demand in the island of Palawan resulted to a 30% YoY increase in the volume of energy sold as of end 2024. Prior to June 1, 2023, DPI was not consolidated and was accounted by the Company through its equity share in net earnings.
- 100%-owned CIPC yielded a revenue expansion of 63% YoY to Php 711.2 mn, during the year in review. Its volume of energy sold was 15% higher YoY owing to greater electricity demand in the islands. The Company started to consolidate CIPC in its books on June 1, 2023.
- 100%-owned Isla Norte contributed a revenue of Php 939.0 mn (up by 15% YoY), which was driven by a 16% YoY increase in the volume of energy sold due to higher demand as of end 2024.
- 100%-owned MPI shored in fresh revenue contribution of Php 1.2 bn coming from its energy sales to the WESM and participation in the reserves market starting February 2024.
- 90%-owned BPC posted a revenue contribution of Php 107.0 mn as of end 2024, recording a 27% YoY rise. This was primarily due to an increase in dispatched volume (up by 770% YoY).

On the other hand, the following offset the revenue expansion:

- 90%-owned NBPC's topline revenue declined by 22% YoY to Php 57.9 mn as of end 2024. Despite getting dispatched (up by 485% YoY) and selling to the WESM starting May 2024, energy billings to its customer were adjusted to account for the downtime of one engine due to repairs starting in May 2024.

#### **Retail Electricity Supply (RES)**

- 100%-owned Corenergy showed higher RES revenue, up by 29% YoY as of end 2024. This was a result of a 20% YoY increase in energy sales volume backed by an improved customer base.

#### **Solar Rooftop**

- The solar rooftop business of 100%-owned Corenergy contributed revenue of Php 14.5 mn, up by 65% YoY. This was mainly attributed to the 51% YoY rise in volume sold on the back of increased number of customers.
- Meanwhile, wholly owned VSC saw a decline in revenue contribution to Php 3.8 million from Php 5.1 million since one of its inverters underwent repair. Similarly, the wholly owned CSSC's revenue contribution declined marginally to Php 21.0 million due to meter malfunction, which stalled the billing in fourth quarter of the year under review.

2. Engineering service income rose to Php 38.7 mn as of end 2024 from Php 17.2 mn as of end 2023. The topline contribution of Corenergy's engineering solutions business was higher by 183% YoY, booking Php 18.0 mn in revenues from technical service contracts during the year in review. Meanwhile, WMP shored in a revenue contribution amounting to Php 10.9 mn<sup>6</sup> (up by 47% YoY) from service engineering contracts with non-related parties.
3. 13% YoY growth in equity earnings as income contributions from four associates went up as of end 2024. This was offset by the decline in equity earnings of three associates and the change in the take-up of income contributions of DPI and CIPC as a result of the change in accounting for these investments from associates to subsidiaries<sup>7</sup> starting June 2023.
4. Interest income increased to Php 172.6 mn from Php 123.0 mn, driven by higher cash balance and interest rates for short-term money market placements.

The 43% YoY decline in engineering service fees for the year in review to Php 29.9 mn, contributed to the EBITDA expansion. This was a consequence of lower direct costs<sup>8</sup> incurred by WMP (down by 50% YoY) for its third-party service contracts, and lower materials and supplies cost incurred by Corenergy (down by 30% YoY) during the year in review.

However, the expansion in EBITDA was tempered by the following:

1. Management and service fees was 63% lower YoY at Php 202.9 mn as of end 2024. This was mainly due to the consolidation of two subsidiaries starting on June 1, 2023, which resulted to a change in accounting for the service billings to these entities. As of end 2024, the service billings were eliminated for financial reporting purposes while as of end 2023, only five months' worth of service billings were taken up as service fee revenue in the statement of comprehensive income. Further, the decline in the service fees to two customers also contributed to the revenue contraction.
2. Generation cost rose by 63% YoY to Php 7.3 bn as of end 2024 from Php 4.5 bn as of end 2023 due to the following:

#### **Oil-fired Power Plants**

- Take-up of the full year generation costs of DPI and CIPC in the amount of Php 938.2 mn and Php 356.6 mn, respectively, as of the year in review. This was a result of the acquisition of the 50% equity stake of the joint venture partner in both investee companies.
- 55.2%-owned 1590 EC's generation cost grew by 25% YoY to deliver the kilowatt hour commitment under its bilateral contract with a third party.
- 100%-owned Isla Norte incurred a 15% YoY increase in its generation costs, driven by a 16% YoY rise in energy sales volume.
- 100%-owned MPI recognized generation costs of Php 723.1 mn given its energy sales in the WESM starting February 2024.
- 90%-owned BPC recorded a 50% YoY increase in generation cost on the back of a 770% YoY rise in the volume of energy sold.
- 90%-owned NBPC incurred higher generation cost (up by 23% YoY), mainly on repairs and maintenance since one of its engines went offline for a major repair since May 2024.

#### **Retail Electricity Supply**

- Increased volume sales of Corenergy's RES business (up by 29% YoY) led to higher cost of purchased power (up by 35% YoY).

<sup>6</sup> This revenue take-up of WMP is prior to the sale of a wholly owned subsidiary's 60% equity stake in WMP on October 11, 2024

<sup>7</sup> Under PFRS 10, Consolidated Financial Statements, consolidated financial statements pertain to the financial statements of a group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity. Like items of assets, liabilities, equity, income, expenses and cash flows of the parent are combined with those of its subsidiaries.

<sup>8</sup> Covering the period from January 2024 up to the sale of a subsidiary's equity stake in WMP.

### **Solar Rooftop**

- The solar rooftop operations of Corenergy and 100%-owned CSSC booked higher depreciation expense as of end 2024. This was on account of the solar facilities that began operating in the fourth quarter of 2023 to serve additional customers.

On the other hand, 100%-owned VSC recorded a 5% YoY reduction in property taxes and royalties for the year in review.

3. Operating expenses rose by 59% YoY.

Before considering the effect of changes in the foreign exchange rates, the Company ended the period 2024 with a net increase in cash and cash equivalents in the amount of Php 403.8 mn, a reverse from the net cash outflow of Php 501.1 mn as of end 2023. The Company generated a net cash inflow from operating activities of Php 617.9 mn and from investing activities of Php 781.3 mn as of end 2024. The increase in the cash level was offset by the net cash used for financing activities in the amount of Php 995.4 mn.

Operating activities showed a net cash inflow of Php 617.9 mn as of end 2024, 206% higher than the net cash inflow of Php 202.0 mn as of end 2023. The significant increase was primarily driven by the 45% YoY rise in the operating results before working capital changes. The timing in the settlement of trade payables (mainly of MPI and DPI due to fuel purchases) also contributed to the retention of cash. However, outflows pertaining to the timing of collection of trade and other receivables (by 1590 EC and MPI from IEMOP coming from the reserves market operations), purchase of inventories by MPI, CIPC, 1590 EC and Isla Norte, increased debt servicing (drawdowns by Vivant Energy, Corenergy and CIPC, finance cost from DPI and higher interest rates of short term loans by 1590 EC) and increased income tax payments by MPI and 1590 EC offset the operating cash inflows during the year in review.

The period in review ended with a net cash inflow of Php 781.3 mn from investing activities, which was mainly on account of the dividends received from five associates, and the proceeds from the sale of a financial asset. This was offset by the capital requirements for various investments during the period in review: (1) development costs by IMCC for the construction of a seawater desalination facility; (2) acquisition cost related to real properties for office space; (3) acquisition cost related to real properties purchased by wholly owned subsidiaries for future projects; and (4) the acquisition cost for solar panels by Corenergy to service new contracts. On the other hand, the Company posted a net cash outflow of Php 627.5mn as of end 2023, which was mainly due to Vivant Energy's investment in a solar plant facility in Bulacan and acquisition initiatives for its on-grid and off-grid generation business segments.

Financing activities as of end 2024 showed a net cash outflow of Php 995.4 mn. This was attributed to the principal amortization of the Company's fixed rate corporate note (FRCN), principal amortization of the long-term loans of DPI, Isla Norte, BPC and NBPC, and payment of the short-term loans of Vivant Energy, 1590 EC and CIPC. Moreover, dividend payments by the Company and finance lease payments by the Company, WMP<sup>9</sup>, DPI, CIPC and MPI contributed to the use of cash as of end 2024. These were tempered by the proceeds from the following loans:

1. Vivant Energy's long-term loans;
2. Corenergy's long-term loan; and
3. CIPC's short-term loans.

On the other hand, the Company's net cash outflow for financing activities as of end 2023 was lower at Php 75.7 mn.

### **Financial Ratios**

Debt-to-Equity ratio declined to 0.49x as of end 2024, vis-à-vis as of end 2023 level of 0.53x<sup>10</sup>. Total equity increased by 10%, which was mainly attributed to the earnings, net of the dividends declared by the Company as of end 2024. The marginal rise of total liabilities by 1%, stemmed from the following:

1. Long-term loans drawn by Vivant Energy net of the full settlement of its short-term loan;
2. Accrual of income taxes by seven subsidiaries;
3. Finance lease liability owing to the lease agreements of two subsidiaries and the lease extension of the Company for office space;
4. Short-term loan drawn by CIPC;
5. Long-term loan drawn by Corenergy;
6. Accrued pension booked by the Company, and six wholly-owned subsidiaries;
7. Payment of working capital advances by a subsidiary to its minority shareholders.

<sup>9</sup> Prior to the divestment in WMP last October 11, 2024.

<sup>10</sup> Reported at 0.52x in the SEC 17A for FY 2023. The change is attributed to the final fair values resulting from the business acquisition, as described above.

These additions were offset by the principal amortization payments made by the Company, Isla Norte, DPI, NBPC and BPC, as well as the short-term loan payment of 1590 EC.

The Company's current ratio went up to 2.40x as of the year in review from the year-end 2023 level of 1.76x<sup>11</sup>. Current assets increased by 12%. This was attributable to the receipt of the partial proceeds and recording of a non-trade receivable related to the sale of a non-current financial asset, the increase in trade receivables on the back of improved operations (mostly stemming from the reserves market operations of 1590 EC and MPI, and the retail supply business of Corenergy), purchase of inventories (mostly by MPI) and prepayments (attributed to the increase in input VAT and creditable tax withheld (CW/Ts) by two subsidiaries, along with the increase in Corenergy's creditable tax withheld). Moreover, current liabilities decreased by 18%, mainly due to the payment of short-term loans by three subsidiaries.

### **Material Changes in Line Items of Registrant's Income Statement**

As of end 2024, the Company's total revenues amounted to Php 12.2 bn, recording a 48% YoY rise from Php 8.3 bn. The topline performance was attributable to the following:

1. Sale of power rose to Php 9.5 bn from Php 5.5 bn, which was primarily driven by the improved revenue contribution of the Company's investments in oil-fired power plants, RES and solar rooftop businesses.

#### **Oil-fired Power Plants**

- 55.2%-owned 1590 EC recorded a 54% YoY increase in energy sales revenue. This was driven by the company's participation in the reserves market, which yielded fresh revenues amounting to Php 2.8 bn as of the year in review.
- Wholly owned DPI brought in a revenue contribution of Php 2.1 bn. The increased electricity demand in the island of Palawan resulted to a 30% YoY increase in the volume of energy sold as of end 2024. Prior to June 1, 2023, DPI was not consolidated and was accounted by the Company through its equity share in net earnings.
- 100%-owned CIPC yielded a revenue expansion of 63% YoY to Php 711.2 mn, during the year in review. Its volume of energy sold was 15% higher YoY owing to greater electricity demand in the islands. The Company started to consolidate CIPC in its books on June 1, 2023.
- 100%-owned Isla Norte contributed a revenue of Php 939.0 mn (up by 15% YoY), which was driven by a 16% YoY increase in the volume of energy sold due to higher demand as of end 2024.
- 100%-owned MPI shored in fresh revenue contribution of Php 1.2 bn coming from its energy sales to the WESM and participation in the reserves market starting February 2024.
- 90%-owned BPC posted a revenue contribution of Php 107.0 mn as of end 2024, recording a 27% YoY rise. This was primarily due to increase in dispatched volume (up by 7 YoY).

On the other hand, the following offset the revenue expansion:

- 90%-owned NBPC's topline revenue declined by 22% YoY to Php 57.9 mn as of end 2024. Despite getting dispatched (up by 485% YoY) and selling to the WESM starting May 2024, energy billings to its customer were adjusted to account for the downtime of one engine due to repairs starting in May 2024.

#### **Retail Electricity Supply (RES)**

- 100%-owned Corenergy showed higher RES revenue, up by 29% YoY as of end 2024. This was a result of a 20% YoY increase in energy sales volume backed by an improved customer base.

#### **Solar Rooftop**

- The solar rooftop business of 100%-owned Corenergy contributed revenue of Php 14.5 mn, up by 65% YoY. This was mainly attributed to the 51% YoY rise in volume sold on the back of increased number of customers.
- Meanwhile, wholly owned VSC saw a decline in revenue contribution to Php 3.8 million from Php 5.1 million since one of its inverters underwent repair. Similarly, the wholly owned CSSC's revenue contribution declined marginally to Php 21.0 million due to meter malfunction, which stalled the billing in fourth quarter of the year under review.

<sup>11</sup> Reported as 1.80x in the SEC 17A for FY 2023. The change is attributed to the final fair values resulting from the business acquisition, as described above.

2. Engineering service income rose to Php 38.7 mn as of end 2024 from Php 17.2 mn as of end 2023. The topline contribution of Corenergy's engineering solutions business was higher by 183% YoY, booking Php 18.0 mn in revenues from technical service contracts during the year in review. Meanwhile, WMP shored in a revenue contribution amounting to Php 10.9 mn (up by 47% YoY) from service engineering contracts with non-related parties.
3. The Company's share in net earnings of associates and joint ventures as of end 2024 amounted to Php 2.3 bn, representing a 13% YoY increase from Php 2.0 bn. This was a result of the following:
  - VECCO, the Company's electricity distribution utility, posted Php 1.2 bn in income contribution as of end 2024, 16% higher YoY. This strong showing was mainly attributed to the 11% YoY increase in the volume of electricity sold. Moreover, a one-time revenue for the recovery of pass-through charges covering 2021 to 2023 was recognized as a result of the utility's change in the recognition of said costs.
  - 20%-owned TVI recorded an 86% growth in its income contribution to Php 515.2 mn as of end 2024 from Php 277.4 mn as of end 2023. This growth was primarily driven by the 129% YoY increase in earnings from ancillary services, following the implementation of its ASPA in September 2023. Also, TVI booked profits from participating in the reserves market beginning in February 2024 which further enhanced its earnings contribution during the year in review. However, this was tempered by an 8% YoY decline in volume sales to its RES off-takers and the WESM.
  - 40%-owned AHI posted Php 469.7 mn in income contribution during the year in review, an increase of 13% from the period end-December 2023. This was driven by the increase in profitability of its associate, CEDC. CEDC's entry into the reserves market in August 2024 mainly drove the income growth. This was despite posting lower profits from its bilateral contracts (down by 18% YoY) and WESM sales (dropped by 30% YoY), and the non-renewal of a contract for ancillary services during the year in review.
  - 45%-owned FLOWS, through its 89.6%-owned subsidiary, PPWRLC, shored in an income contribution of Php 9.6 mn during the year in review, up by 13% YoY. PPWRLC's higher earnings from septage, and sewage operations and reduced operating costs contributed to the profit expansion during the year in review.

The above improvements in earnings contributions were tempered by the following:

  - 40%-owned MPC brought in earnings contribution of Php 176.0 mn as of end 2024, 28% lower vis-à-vis Php 243.0 mn as of end 2023. During the year in review, MPC recorded a 14% YoY drop in gross profit, primarily due to the termination of the PSA involving Unit 3 of its plant facility. This was offset by earnings generated from the sale to the WESM starting April 2024, as well as a non-recurring revenue from the reversal of prior years' transmission charges.
  - 40%-owned Prism Energy, a RES company, posted a net loss contribution of Php 6.8 mn as of end 2024 from Php 853.00 as of end 2023. Prism Energy saw a 100% YoY decline in the volume of energy sold due to the non-renewal of customer contracts.
  - 40%-owned CPPC reported Php 5.1 mn in loss contribution as of end-December 2024 vis-a-vis Php 66.8 mn in income contribution as of end-December 2023. CPPC saw a 98% YoY reduction in the volume of energy sold to the WESM. A one-time income from the collection of additional compensation for WESM sales in 2023, and a 74% YoY reduction in total generation and operating expenses partially cushioned the revenue contraction.
  - 100%-owned DPI and CIPC are fully consolidated starting June 1, 2023. Thus, there are no equity earnings contribution recognized for the period in review. This compares to the equity earnings contribution of Php 15.8 mn and Php 23.7 mn from DPI and CIPC, respectively, as of end-May 2023.
4. Interest income increased to Php 172.6 mn from Php 123.0 mn, driven by higher cash balance and interest rates for short-term money market placements.
5. Management and service fees was 63% lower YoY at Php 202.9 mn as of end 2024. This was mainly due to the consolidation of two subsidiaries starting on June 1, 2023, which resulted to a change in accounting for the service billings to these entities. As of end 2024, the service billings were eliminated for financial reporting purposes while as of end 2023, only five months' worth of service billings were taken up as service fee revenue in the statement of comprehensive income. Further, the decline in the service fees to two customers also contributed to the revenue contraction.

Total cost of services and operating expenses as of end 2024 went up by 61% YoY to Php8.9 bn from Php 5.5 bn.

1. Total cost of services rose by 62% YoY to Php 7.3 bn. This was mainly attributed to the following:
  - a. Generation cost rose by 63% YoY to Php 7.3 bn as of end 2024 from Php 4.5 bn as of end 2023 due to the following:
 

**Oil-fired Power Plants**

    - Take-up of the full year generation costs of DPI and CIPC in the amount of Php 938.2 mn and Php 356.6 mn, respectively as of the year in review. This was a result of the acquisition of the 50% equity stake of the joint venture partner in both investee companies.
    - 55.2%-owned 1590 EC's generation cost grew by 25% YoY to deliver the kilowatt hour commitment under its bilateral contract with a third party.
    - 100%-owned Isla Norte incurred a 15% YoY increase in its generation costs, driven by a 16% YoY rise in energy sales volume.
    - 00%-owned MPI recognized generation costs of Php 723.1 mn given its energy sales in the WESM starting February 2024.
    - 90%-owned BPC recorded a 50% YoY increase in generation cost on the back of a 770% YoY rise in the volume of energy sold.
    - 90%-owned NBPC incurred higher generation cost (up by 23% YoY), mainly on repairs and maintenance since one of its engines went offline for a major repair since May 2024.

**Retail Electricity Supply**

    - Increased volume sales of Corenergy's RES business (up by 29% YoY) led to higher cost of purchased power (up by 35% YoY).

**Solar Rooftop**

    - The solar rooftop operations of Corenergy and 100%-owned CSSC booked higher depreciation expense as of end 2024. This was on account of the solar facilities that began operating in the fourth quarter of 2023 to serve additional customers.

On the other hand, 100%-owned VSC recorded a 5% YoY reduction in property taxes and royalties for the year in review.
  - b. The 43% YoY decline in engineering service fees for the year in review to Php 29.9 mn, contributed to the EBITDA expansion. This was a consequence of lower direct costs incurred by WMP (down by 50% YoY) for its third-party service contracts, and lower materials and supplies cost incurred by Corenergy (down by 30% YoY) during the year in review.
2. Salaries and employee benefits went up by 54% YoY to Php 639.9 mn from Php 414.8 mn. The increase in headcount, merit adjustment and employee training and engagement activities accounted for the cost expansion.
3. Outside services rose by 150% YoY to Php 256.7 mn. This was mainly attributable to business process review and implementation of digital transformation initiatives. Increased costs from third party providers of various services (e.g., manpower sourcing, administrative tasks) incurred by the Company and its two wholly owned subsidiaries, along with expenses for security services and outsourced personnel incurred by three power operating subsidiaries, contributed to the cost expansion.
4. Professional fees increased by 93% YoY to Php 192.8 mn from Php 100.1 mn. This was mainly attributable to higher project development cost, and the take up of costs incurred by DPI and CIPC as a result of the business combination.
5. Taxes and licenses increased by 36% YoY to Php 137.8 mn. The Company, through Vivant Energy, incurred higher local business taxes due to the inclusion of taxes incurred by DPI and CIPC as a result of business combination, and real property tax incurred by MPI.

6. Depreciation and amortization were 17% higher YoY at Php 74.1 mn. This can be mainly attributed to the depreciation of newly purchased fixed assets during the year in review. Also, the Company took up the full year depreciation and amortization costs of DPI, CIPC and MPI during the year in review. This is in contrast to the costs recorded as of end 2023, which included seven months' worth from DPI and CIPC, and four months' worth from MPI.
7. Travel costs went up by 43% to Php 68.1 mn from Php 47.5 mn. The cost expansion was driven by more frequent business trips for meetings with partners and stakeholders, as well as site visits for project development. Additionally, fuel expenses for fleet vehicles went up given the increase in the number of vehicles, frequency of fieldwork, and fuel costs during the year in review.
8. Management and directors' fees decreased by 46% YoY to Php 23.8 mn. The non-renewal of a management consultancy service and the lower number of meetings during the year contributed to the decline in cost.
9. Communication and utilities rose by 25% YoY to Php 16.5 mn. This was attributed to the increased communication costs and utilities consumption by the Company, and two holding subsidiaries on account of increased headcount. The take-up of the communication and utilities expense of two operating subsidiaries resulting from the business combination further contributed to the cost expansion during the year in review.
10. Rent and association dues were higher by 138% YoY to Php 12.6 mn, which was driven by a subsidiary's foreshore lease, common use service area (CUSA) fees for newly acquired condominium units and escalated CUSA fees incurred by the Company for its offices as of end-December 2024.
11. Representation expenses were posted at Php 11.0 mn, 27% lower YoY resulting to reduced spending during the year in review.
12. Other operating expenses was at Php 167.1 mn as of end 2024, a 64% increase vis-à-vis Php 102.0 mn as of end 2023. This increase was mainly attributed to the following: (1) higher insurance premium by 1590 EC; (2) higher costs of subscriptions to work management and communication tools; and (3) increased consumption of office supplies from increased headcount. The take up of expenses of three subsidiaries furthered the cost expansion.

Vivant booked Php 273.6 mn in other charges as of end 2024, recording an 87% increase from last year's Php 146.5 mn<sup>12</sup>. This was an outcome of the following account movements:

1. Finance costs on loans was higher by 19% YoY at Php 431.4 mn. This is attributed to the following:
  - a. Long-term loans drawn by Vivant Energy and Corenergy in January 2024 and April 2024, respectively.
  - b. Take up of DPI's finance costs resulting from business combination.
  - c. Higher interest rates upon refinancing 1590 EC's short-term loans.
  - d. Short-term loan drawn by CIPC for working capital requirements.
2. The Company, through a wholly owned subsidiary, incurred a loss of Php 36.9 mn that resulted from the disposal of its 60%-equity stake in WMP in October 2024.
3. Finance costs on lease liabilities rose to Php 8.5 mn from Php 1.1 mn. The rise is due to the lease agreements entered by two subsidiaries during the year in review.
4. Restated one-off gains as of end 2023 that pertain to the acquisition of additional 50% equity stake in DPI and CIPC:
  - a. Gain on increase in the fair value remeasurement of investment in associates amounting to Php 69.2 mn; and
  - b. Gain on bargain purchase of Php 36.3<sup>13</sup> mn.

The increase in other charges were offset by the following:

1. Unrealized foreign exchange gain stands at Php 2.9 mn as of end 2024, a reversal of the unrealized foreign exchange loss of Php 9.7 mn as of end 2023. This pertains to the translation of the US Dollar and Euro cash balances of the Company and its subsidiaries.

<sup>12</sup> Reported as 186.8 mn in the SEC 17A FY 2023. The reduction to Php 146.5 mn is due to the recognition of the gain on fair value remeasurement on investment in associates amounting to Php 69.2 mn and the downward adjustment of gain on bargain purchase to Php 36.3 mn from Php 64.7 mn resulting from the finalization of the purchase price allocation for the acquisition of DPI & CIPC in compliance to PFRS 3, Business Combination.

<sup>13</sup> Reported as Php 64.7 mn in the SEC 17A FY 2023. The reduction of Php 28.4 mn resulted from the finalization of the purchase price allocation for the acquisition of additional stake in DPI & CIPC in compliance to PFRS 3, Business Combination.

2. Other income-net went up to Php 142.9 mn from Php 1.0 mn, which is on account of the following:
 

Taking all of the above into account, the Company recorded a total net income of Php 2.6 bn for the period ending December 31, 2024, which was 9% higher than end-December 2023's net income of Php 2.4 bn. Net income attributable to parent grew by 3% YoY to Php 2.4 bn.

  - a. Ancillary income recognized by Vivant Energy for a third-party lease arrangement involving certain facilities;
  - b. Non-recurring income recognized by a subsidiary related to the reversal of previously accrued operating cost and the recognition of a credit note for fuel purchases; and
  - c. Gain on sale of fixed assets.

3. The gain from the increase in the fair value of investment properties of three subsidiaries amounted to Php 57.5 mn, 53% lower YoY.

As of end 2024, the Company booked a consolidated provision for income tax of Php 380.1 mn, which was 120% higher than previous year's Php 172.9 mn<sup>14</sup>. This was mainly due to the higher taxable income of seven subsidiaries. Deferred income tax from the fair value remeasurement of the investment properties of three subsidiaries also contributed to the expansion in tax expense.

Taking all the above into account, the Company recorded a total net income of Php 2.6 bn for the period ending December 31, 2024, which was 9% higher than end-December 2023's net income of Php 2.4 bn. Net income attributable to parent grew by 3% YoY to Php 2.4 bn.

During the year in review, the Company recognized other comprehensive loss (OCL), net of tax, of Php 16.5 mn (83% YoY lower), coming from the remeasurement loss on employee benefits recorded by the Company and nine subsidiaries. This compares to the Php 95.1 mn in OCL as of end 2023, which mainly pertains to the Company's share in remeasurement losses on employee benefits of an associate.

The total comprehensive income as of end 2024 was at Php 2.6 bn. Out of the said amount, Php 2.3 bn was attributable to the equity holders of the parent, which was 6% higher compared to last year's Php 2.2 bn.

#### **Changes in Registrant's Resources, Liabilities, and Shareholders' Equity**

The Company's total assets grew by 6% to Php 32.0 bn from end 2023 level of Php 30.0 bn<sup>15</sup>. The following are the material movements in the consolidated assets of the Company as of end 2024.

1. Cash and cash equivalents rose to Php 4.8 bn as of end 2024, 9% higher YoY. The increase in cash level was due to cash inflows from investing activities in the amount of Php 781.3 mn and operating activities in the amount of Php 617.9 mn. This was offset by the cash usage for financing activities amounting to Php 995.4 mn.
2. Trade and other receivables went up by 9% YoY to Php 1.8 bn. This was mainly driven by the following:
  - a. Two subsidiaries participated in the reserves market, along with energy sales to the WESM by MPI,
  - b. Non-trade receivable from the sale of a financial asset,
  - c. Non-trade receivable from the disposal of an equity stake in WMP;
  - d. Increased receivables booked by Isla Norte and Corenergy-RES on the back of improved topline performance.
3. Advances to associates, joint ventures, and stockholders declined by 36% YoY to Php 104.1 mn. This was mainly on account of the settlement of an associate's interest-bearing loan with Vivant Energy. Moreover, advances made by WMP to its minority shareholder was derecognized from the Company's books following the sale of a 60% equity stake in WMP by a wholly owned subsidiary effective October 2024.
4. Inventories rose by 63% to Php 595.8 mn as of end 2024. This resulted from increased volume of fuel purchased by four subsidiaries and higher fuel prices.
5. Prepayments and other current assets were higher by 17% to Php 907.1 mn. This was attributed to the increase in input VAT and CWTs by 1590 EC on the back of improved operations and CIPC for the rental of a generator set to support the demand of the islands. Further, Corenergy saw higher CWTs from its retail electricity operations.
6. Investments in associates increased by 6% to Php 11.2 bn brought about by the Company's share in the equity earnings for the period of Php 2.3 bn. This is partially offset by the dividends declared by five associates.

<sup>14</sup> Reported as Php 180.4 mn in the SEC 17A FY 2023. The reduction resulted from the finalization of the purchase price allocation for the acquisition of DPI & CIPC in compliance to PFRS 3, Business Combination.

<sup>15</sup> Reported as 29.9 bn in the SEC 17A FY 2023. The increase resulted from the finalization of the purchase price allocation for the acquisition of additional stake in DPI & CIPC in compliance to PFRS 3, Business Combination.

7. Property, plant and equipment increased by 7% to Php 9.0 bn. This was a result of the following acquisitions during the year in review: (a) Acquisition of condominium units by the Company for office space, (b) development costs by IMCC for the construction of a seawater desalination facility, (c) machineries purchased by MPI during the year, (d) ongoing development costs of Corenergy for solar rooftop projects, (e) construction costs of SIAEC for its solar facility, and (f) land acquisitions by four wholly owned subsidiaries.
8. Right-of-use assets (ROU) went up by 343% YoY to Php 108.8 mn, which was mainly attributed to the lease agreements entered into by two subsidiaries for project sites. This was tempered by the depreciation for the period.
9. Investment properties amounted to Php 1.1 bn, a 5% YoY increase from Php 1.0 bn. This movement is mainly attributable to the gain recorded from the fair valuation of the investment properties by three subsidiaries.
10. Deferred income tax assets increased by 9% YoY to Php 33.3 mn driven by the remeasurement losses on employee benefits recognized during the year in review.
11. Other non-current assets amounted to Php 2.3 bn, 12% lower than end 2023. This was mainly attributed to the sale of a financial asset.

Total consolidated liabilities amounted to Php 10.4 bn as of end 2024, marginally higher by 1% than the previous year's level of Php 10.4 bn. This was mainly attributed to the following:

1. Current and non-current long-term loans grew by 13% YoY to Php 5.7 bn. This was mainly attributed to the long-term loans drawn by Vivant Energy and by Corenergy in January 2024 and April 2024, respectively. However, this was offset by the principal amortization made by the Company, Isla Norte, DPI, BPC and NBPC.
2. Total finance lease liabilities (current and noncurrent portions) amounted to Php 117.0 mn posting a 292% increase YoY. This was mainly attributed to the lease agreements entered by two subsidiaries and the lease extension of the Company's office space. This is partially offset by the derecognition of WMP's finance lease following a shares disposal in the company.
3. Income tax payable rose to Php 147.9 mn showing a 326% YoY expansion. This was mainly from income tax accruals by 1590 EC and MPI on the back of higher revenues during the year in review.
4. Pension liability rose by 34% YoY to Php 247.7 mn. Accrual of pension expenses booked by the Company and nine subsidiaries accounted for the expansion of this account.

The above expansion in consolidated liabilities was offset by the following:

1. Short-term notes payable posted a 45% YoY reduction as a result of repayment by two subsidiaries. This was partially offset by the short-term loan drawn by CIPC during the year in review.
2. Advances from related parties was significantly reduced with the settlement of an associate's interest-bearing loan with a minority shareholder.

Other components of equity declined by 34% YoY to Php 246.7 mn as of end-2024, which can be attributed to the significant movements discussed below.

1. The Company and nine subsidiaries recorded re-measurement loss on the employee benefits in the amount of Php 16.5 mn during the year in review.
2. The Company, through a subsidiary, transferred the accumulated unrealized valuation gain on financial assets at FVOCI to retained earnings, on account of its sale during the year in review. This resulted to a reduction in the unrealized valuation gain on financial assets at FVOCI to Php 4.6 mn, 91% lower YoY.

As a result of the net income generated, net of the dividends declared during the year in review, total stockholders' equity increased by 10% to Php 21.5 bn as of end 2024 from Php 19.6 bn as of end 2023. Meanwhile, equity attributable to parent ended higher by 10% YoY at Php 20.1 bn as of end 2024.

### **Material Changes in Liquidity and Cash Reserves of Registrant**

Cash and cash equivalents were higher by 9% from Php 4.4 bn as of end 2023 to Php 4.8 bn as of end 2024.

Before considering the effect of changes in the foreign exchange rates, the Company ended the period 2024 with a net increase in cash and cash equivalents in the amount of Php 403.8 mn, a reverse from the net cash outflow of Php 501.1 mn as of end 2023. The Company generated a net cash inflow from operating activities of Php 617.9 mn and from investing activities of Php 781.3 mn as of end 2024. The increase in the cash level was offset by the net cash used for financing activities in the amount of Php 995.4 mn.

Operating activities showed a net cash inflow of Php 617.9 mn as of end 2024, 206% higher than the net cash inflow of Php 202.0 mn as of end 2023. The significant increase was primarily driven by the 45% YoY rise in the operating results before working capital changes. The timing in the settlement of trade payables (mainly of MPI and DPI due to fuel purchases) also contributed to the retention of cash. However, outflows pertaining to the timing of collection of trade and other receivables (by 1590 EC and MPI from IEMOP coming from the reserves market operations), purchase of inventories by MPI, CIPC, 1590 EC and Isla Norte, increased debt servicing (drawdowns by Vivant Energy, Corenergy and CIPC, finance cost from DPI and higher interest rates of short term loans by 1590 EC) and increased income tax payments by MPI and 1590 EC offset the operating cash inflows during the year in review.

The period in review ended with a net cash inflow of Php 781.3 mn from investing activities, which was mainly on account of the dividends received from five associates, and the proceeds from the sale of a financial asset. This was offset by the capital requirements for various investments during the period in review: (1) development costs by IMCC for the construction of a seawater desalination facility; (2) acquisition cost related to real properties for office space; (3) acquisition cost related to real properties purchased by wholly owned subsidiaries for future projects; and (4) the acquisition cost for solar panels by Corenergy to service new contracts. On the other hand, the Company posted a net cash outflow of Php 627.5mn as of end 2023, which was mainly due to Vivant Energy's investment in a solar plant facility in Bulacan and acquisition initiatives for its on grid and off-grid generation business segments.

Financing activities as of end 2024 showed a net cash outflow of Php 995.4 mn. This was attributed to the principal amortization of the Company's FRCN, principal amortization of the long-term loans of DPI, Isla Norte, BPC and NBPC, and payment of the short-term loans of Vivant Energy, 1590 EC and CIPC. Moreover, dividend payments by the Company and finance lease payments by the Company, WMP, DPI, CIPC and MPI contributed to the use of cash as of end 2024. These were tempered by the proceeds from the following loans:

1. Vivant Energy's long-term loans;
2. Corenergy's long-term loan; and
3. CIPC's short-term loans.

On the other hand, the Company's net cash outflow for financing activities as of end-2023 was lower at Php 75.7 mn.

### **Financial Ratios**

Debt-to-Equity ratio declined to 0.49x as of end 2024, vis-à-vis as of end 2023 level of 0.53x. Total equity increased by 10%, which was mainly attributed to the earnings, net of the dividends declared by the Company as of end 2024. The marginal rise of total liabilities by 1%, stemmed from the following:

1. Long-term loans drawn by Vivant Energy net of the full settlement of its short-term loan;
2. Accrual of income taxes by seven subsidiaries;
3. Finance lease liability owing to the lease agreements of two subsidiaries and the lease extension of the Company for office space;
4. Short-term loan drawn by CIPC;
5. Long-term loan drawn by Corenergy;
6. Accrued pension booked by the Company, and six wholly-owned subsidiaries;
7. Payment of working capital advances by a subsidiary to its minority shareholders.

These additions were offset by the principal amortization payments made by the Company, Isla Norte, DPI, NBPC and BPC, as well as the short-term loan payment of 1590 EC.

The Company's current ratio went up to 2.40x as of the year in review from the year-end 2023 level of 1.76x. Current assets increased by 12%. This was attributable to the receipt of the partial proceeds and recording of a non-trade receivable related to the sale of a non-current financial asset, the increase in trade receivables on the back of improved operations (mostly stemming from the reserves market operations of 1590 EC and MPI, and the retail supply business of Corenergy), purchase of inventories (mostly by MPI) and prepayments (attributed to the increase in input VAT and CWTs by two subsidiaries, along with the increase in Corenergy's CWT). Moreover, current liabilities decreased by 18%, mainly due to the payment of short-term loans by three subsidiaries.

# BOARD COMMITTEE REPORTS

## REPORT OF THE EXECUTIVE COMMITTEE TO THE BOARD OF DIRECTORS

For the year-ended 31 December 2024

Pursuant to the Amended By-Laws of the Corporation, when the Board of Directors is not in session, the Executive Committee shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation, except with respect to those matters that are exclusively delegated only to the Board of Directors, by law. The Committee had ten (10) meetings in 2024: January 29, February 13, April 3, May 22, June 13, July 16, September 18, October 17, November 19 and December 16.

The Executive Committee deliberated on, and when necessary, endorsed to the Board for its approval, the following matters:

- Project Investments
  - Financial viability and sustainability of its projects and investments including:
    - Rebalancing of Coal Portfolio of Vivant Energy vis-à-vis strengthening its position in conventional energy sources to meet immediate energy demands with reliability and efficiency
    - Expected financial returns on investment, impact on financial position, including associated risks and mitigation measures for proposed capital investments at subsidiary level/s
  - Performance metrics of subsidiary operations, both financial and non-financial
  - Acquisition, addition, or initiation of assets in green field solar and wind projects
  - Operational readiness of a subsidiary investment in the first ever utility scale desalination plant in Cebu;
  - Enhancements to existing partnership agreements;
  - Terms and Conditions relative to Power Supply Agreements entered into via the Company's Off-Grid Solutions group
- Business Operations
  - Financial Planning, particularly:
    - Macroeconomic overview of the assumptions in support of revenue projections and budgets;
    - Budget allocation to improve performance of existing assets, enhancing customer value, growth of portfolio size for One Vivant, and enhance existing systems and augment technology, including:
      - Capital expenditures and operations expenses in line with Base and Bull case scenarios to achieve 2024 the strategic objectives
      - Capital infusion optimization for water and off-grid solutions and capital infusion requirements of various subsidiaries Water and Energy business units
    - Quarterly financial performance of subsidiaries, business units, and consolidated levels including year-to-date financial dashboards
    - Cash flow statements, latest thinking forecasts, and cost savings for the Corporation and business units

- Debt financing at subsidiary levels to partly secure projects and investments for 2024-2025
- Fiscal study on capital expenditures through investments in power distribution particularly on potential risks, returns, and valuation
- Creation of specialized teams to head strategic priority areas such real estate, engineering services, and off-grid solutions;
- Study of the potential risks, returns, and valuation in the participation in energy distribution sector
- Manpower and acquisition of Office Space;
- Corporate Governance Matters:
  - Dividend declarations
  - Endorsement of external auditor for 2024 to the Audit Committee and the Board of Directors for final approval
  - Evaluation criteria and effectiveness of board assessment processes including identifying opportunities for continued improvements
  - Revisions to the Related Party Transactions Committee Charter
  - Results of the Integrated Annual Corporate Governance Report (I-ACGR) for 2023 and endorsement to the Corporate Governance Committee
  - Changes to the executive leadership team, including appointment of new officers
  - Updates to the Company's limits of authority framework
  - Retirement fund management
  - Adoption of Board Committee, Board, and Annual Shareholders' meeting/s schedules, including special events planned throughout the year such as strategic planning sessions and board development initiatives, ensuring alignment with corporate governance best practices and regulatory requirements

December 31, 2024.

**FRANCIS DAMASUS A. GARCIA**  
 Chairman

**ARLO ANGELO G. SARMIENTO**  
 Member

**EMIL ANDRE M. GARCIA**  
 Member

**JOSE MARKO ANTON G. SARMIENTO**  
 Member

**CHARLES SYLVESTRE A. GARCIA**  
 Member

**BRIGETTE CECILLE N. GARCIA**  
 Member

**RAMONITO E. GARCIA**  
 Member

## REPORT OF THE FINANCE COMMITTEE TO THE BOARD OF DIRECTORS

For the year-ended 31 December 2024

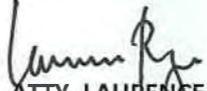
The Finance Committee (the "Committee") assists the Board in fulfilling its oversight responsibilities relating to the formulation and implementation of the Vivant Corporation's (the "Corporation") financial policy and strategy, including capital structure, dividend policy, and capital allocation decisions that may be brought to the Board of Directors for approval.


In 2024, the Committee convened on January 26, May 16, August 14 and September 13 and had joint committee meetings with the Vivant Energy Corporation Finance Committee on May 30, and November 13, during which it reviewed, deliberated on, and endorsed for the Board of Director's approval the following matters:


- Project Investments
  - Financial viability and sustainability of its projects and investments including:
    - Rebalancing of Coal Portfolio of Vivant Energy
    - Divestment of shares in a joint venture company
    - Acquisition of assets in green field solar projects
- Business Operations
  - Financial Planning, particularly:
    - Allocation of budget to achieve the following strategic objectives: improving performance of existing assets, enhancing customer value, growth of portfolio size for One Vivant, and enhance existing systems and augment technology
    - Creation and allocation of budget for specialized teams that will head areas of real estate, engineering for renewable energy projects, and existing and future operations for both power and water segments of One Vivant;
    - Capital Expenditures and Operations Expenses in line with Base and Bull case scenarios to achieve 2024 the strategic objectives
    - Capital infusion optimization for water and off-grid solutions
    - Fiscal study on capital expenditures through investments in power generation particularly on potential risks, returns, and valuations
  - Quarterly financial performance of subsidiaries, business units, and consolidated levels including year-to-date financial dashboards
  - Debt financing at subsidiary levels to partly secure projects and investments for 2024-2025
  - Cash flow statements, latest thinking forecasts, and cost savings for the Corporation and business units
  - Status of projects at the subsidiary and operating units level throughout the year 2024

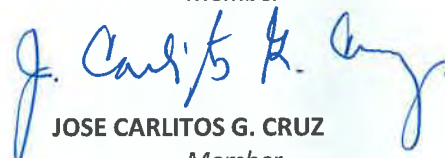
- Corporate Matters:
  - Dividend declarations
  - Funding requirements including requests for cash and capital calls of its business units and wholly owned subsidiaries, and

December 31, 2024.

  
**ATTY. LAURENCE R. ROGERO**  
*Chairman*

  
**JOSE MARKO ANTON G. SARMIENTO**  
*Member*

  
**FRANCIS DAMASUS A. GARCIA**  
*Member*

  
**JOSE CARLITOS G. CRUZ**  
*Member*

  
**CARMELO MARIA L. BAUTISTA**  
*Member*

## REPORT OF THE AUDIT COMMITTEE TO THE BOARD OF DIRECTORS

For the year-ended 31 December 2024

The Audit Committee assists the Board in fulfilling its oversight responsibility relating to the financial reporting process, the system of internal control, the audit process and the Company's process for monitoring compliance with laws and regulations and the code of conduct.

In compliance with its mandates under the Audit Committee Charter, Committee confirms that majority of the Audit Committee members are Independent Directors, including its Chairman.

In 2024, the Audit Committee convened on March 15, May 10, August 12, and November 12, during which it:

- **Approved the Revised Audit Committee Charter** – Updated the charter to align with best practices, strengthen audit oversight, and ensure compliance with regulatory and corporate governance standards.
- **Reviewed 2023 Annual Financial Statements** – Evaluated compliance with financial reporting standards, discussed key audit findings, and endorsed the financial statements for Board approval.
- **Evaluated 2024 Quarterly Financial Reports** – Assessed financial performance, ensured compliance with regulatory requirements, and reviewed financial trends and variances.
- **Monitored Audit Engagements and Compliance Issues** – Reviewed internal audit findings, monitored corrective actions, and assessed unplanned audit engagements.
- **Reviewed Internal Audit Reports and Systems** – Assessed internal audit findings, evaluated the effectiveness of internal controls, and recommended improvements to risk management and governance.
- **Assessed External Auditor Performance and Fees** – Evaluated the External Auditor's effectiveness, audit and non-audit services, independence, and endorsed the 2024 audit engagement budget.

December 31, 2024.

**JOSE CARLITOS G. CRUZ**  
Chairman

**CHARLES SYLVESTRE A. GARCIA**  
Member

**JOSE MARKO ANTON G. SARMIENTO**  
Member

**JOSE M. LAYUG, JR.**  
Member

**LAURENCE R. ROGERO**  
Member

## REPORT OF THE RISK AND SUSTAINABILITY COMMITTEE TO THE BOARD OF DIRECTORS

For the year-ended 31 December 2024

The Risk and Sustainability Committee (the "Committee") oversees the formulation and implementation of the Board-approved company-wide Enterprise Risk Management policy, which covers risk management practices, including regulatory and ethical compliance monitoring. This oversight function extends to the establishment of a Sustainability Management Framework covering key areas of Environment, Social and Governance ("ESG"). Overall, the Committee assists the Board in providing strategic advice as to the Company's overall risk appetite, tolerance and strategy.

In 2024, the Risk and Sustainability Committee convened on February 6, May 16, August 14, and November 15 and held joint committee meetings with the Vivant Energy Corporation's Risk Committee on May 30. The following major agenda items were discussed:

- **Natural and Climate Change-Related Risks and Their Impact on One Vivant's Power and Water Projects**
  - Analysis of climate-related vulnerabilities affecting the energy and water sectors, including the financial and operational impacts of natural catastrophes
  - Discussion on regulatory developments related to climate adaptation and One Vivant's preparedness in addressing compliance risks.
- **Establishment of a 2024 Risk Outlook for One Vivant**
  - Definition of key macroeconomic, industry-specific, and operational risk factors expected to influence One Vivant's business environment in 2024.
  - Framework for monitoring risk evolution and integrating the outlook into corporate strategic planning.
- **Identification and Prioritization of Top Risks for FY 2024**
  - Review and ranking of critical risks impacting One Vivant's Power & Infrastructure projects and business units at the start and mid-year.
  - Comparison of the current risk landscape against the previous fiscal year, with an assessment of risk trends, mitigation effectiveness, and shifting risk priorities.
- **Assessment of Project-Related Risks for Prioritized Projects in FY 2024**
  - Risk evaluation for key energy and water infrastructure projects, focusing on construction risks, regulatory challenges, financial viability, and operational uncertainties.
  - Development of risk response plans and oversight mechanisms for high-impact projects.
- **Evaluation of Current Risks in Corporate Partnerships and Investments**

- Risk review of ongoing and prospective corporate partnerships, joint ventures, and investment activities.
- **Risk Assessment of Capital Outlays for Greenfield Projects**
  - Evaluation of risk exposure in planned capital expenditures for greenfield energy and water projects.

December 31, 2024.

LAURENCE R. ROGERO  
Chairman

JOSE MARKO ANTON G. SARMIENTO  
Member

JOSE M. LAYUG, JR.  
Member

## REPORT OF THE RELATED PARTY TRANSACTIONS COMMITTEE TO THE BOARD OF DIRECTORS

For the year-ended 31 December 2024

The Related Party Transactions Committee (the “Committee” or “RPTComm”) plays a pivotal role in evaluating and monitoring relationships and transactions between the Company and its related parties (including directors, executives, subsidiaries, affiliates, and shareholders). Its responsibilities encompass continuous identification and monitoring of related parties and transactions, evaluating transaction terms for fairness and risk management, enforcing disclosure requirements, conducting independent review as may be necessary, and overseeing implementation of systems and processes for identifying, controlling and managing of related party transactions. While the Committee takes on these crucial functions, ultimate approval or disapproval authority for related party transactions typically resides with the Board of Directors, highlighting the committee's role in enhancing governance and mitigating potential conflicts of interest.

In compliance with our mandates under the Related Party Transactions Charter, the Committee affirms that at least two (2) of its members are Independent Directors, including the Committee’s Chairman.

In 2024, the RPTComm convened on March 7 and December 6, during which it:

- **Reviewed Related Party Transactions (RPT) for SEC Form 20-IS** – Evaluated RPTs for proper disclosure in the Information Statement, ensuring accuracy, completeness, and regulatory compliance.
- **Reviewed Regulatory Compliance Measures** – Assessed the effectiveness of RPT compliance strategies, reviewed implementation with Management, and ensured adherence to SEC requirements.
- **Amendment of Committee Charter** – Updated the charter to incorporate process improvements, align with best practices, and enhance compliance with SEC rules and regulations.

December 31, 2024.

JOSE M. LAYUG, JR.  
Chairman

JOSE CARLITOS G. CRUZ  
Member

RAMONTITO B. GARCIA  
Member

## REPORT OF THE CORPORATE GOVERNANCE COMMITTEE TO THE BOARD OF DIRECTORS

For the year-ended 31 December 2024

The Corporate Governance Committee (the “Committee” or “CGComm”) supports the Board in executing its oversight role concerning the implementation of corporate governance and compliance programs, which includes sustainability reporting among others. The CGComm is tasked with defining the procedures for nominating and electing directors for Vivant, formulating a compensation policy for directors, and evaluating candidates nominated for Board of Directors membership.

In compliance with our mandates under the Corporate Governance Committee Charter, the Committee affirms that all its members are Independent Directors, including the Committee’s Chairman.

In 2024, the CGCom convened on March 7 and November 8, during which it:

- **Evaluated Director Nominees** – as part of its mandate, the CGComm conducted a rigorous assessment of director nominees to ensure alignment with the Nomination and Elections Policy, SEC regulations, and the highest corporate governance standards.
- **Reviewed the Integrated Annual Corporate Governance Report (I-ACGR)** – the CGCom undertook a comprehensive evaluation of the IACGR to validate compliance with SEC governance mandates and enhance transparency in corporate disclosures.
- **Assessed Corporate Governance Compliance** – which consisted of an examined Vivant Corporation’s adherence to regulatory requirements, identifying strategic enhancements to governance policies and frameworks.
- **Reviewed the Annual Corporate Governance Scorecard** – wherein it assessed governance effectiveness through a detailed analysis of the scorecard, benchmarking progress against prior fiscal years.
- **Enhanced the Corporate Governance Committee Charter** – through refinements to the committee’s charter to integrate best practices, optimize governance structures, and reinforce compliance with SEC regulations.

December 31, 2024.

JOSE M. LAYUG, JR.  
Chairman

JOSE CARLITOS G. CRUZ  
Member

LAURENCE R. ROGERO  
Member

## Material Disclosure Index

### Economic

GRI Topic	GRI Disclosure	Materiality Consideration	Adhered SDG	Section
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	This is the direct impact our business has to the economy		Vivant at a Glance Vivant's 2024 Year in Review Vivant's Value Creation Vivant's Sustainability Journey: Positive Business Impact Key Performance Metrics
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported  203-2 Significant indirect economic impacts	This refers to the projects and initiatives undertaken through the Company's foundation and its subsidiaries' CSR projects that provide support to help build capability, improve lives and community resiliency.	       	Vivant's Value Creation Vivant's Sustainability Journey: Positive People Impact

## Environmental

GRI Topic	GRI Disclosure	Materiality Consideration	Adhered SDG	Section
GRI 302: Energy	302-1 Energy consumption within the organization 302-2 Energy consumption outside of the organization	This considers the energy we utilize, in the form of both electricity and fuel, to support our operations and ensure the delivery of products and services to our customers.		Vivant's Sustainability Journey: Positive Planet impact Key Performance Metrics
GRI 303: Water and Effluents	303-3 Water withdrawal 303-4 Water discharge 303-5 Water consumption	This takes into account the environmental impact of our operations through water consumption.		Vivant's Sustainability Journey: Positive Planet Impact Key Performance Metrics
305: Emissions	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions	This considers the greenhouse gas (GHG) emissions from our operations and business travels.		Vivant's Sustainability Journey: Positive Planet Impact Key Performance Metrics
306: Waste	306-3 Waste generated 306-4 Waste diverted from disposal 306-5 Waste directed to disposal	This takes into account the impact of the waste generated by our operations and our methods of disposal.		Vivant's Sustainability Journey: Positive Planet Impact Key Performance Metrics

## Social

GRI Topic	GRI Disclosure	Materiality Consideration	Adhered SDG	Section
GRI 401: Employment	401-1 New employee hires and employee turnover 401-3 Parental leave	This highlights Vivant's ability to attract and retain a diverse pool of qualified talent through various employee benefits and programs.		Vivant's Value Creation Vivant's Sustainability Journey: Positive People Impact Key Performance Metrics
GRI 403: Occupational Health and Safety	403-5 Worker training on occupational health and safety 403-6 Promotion of worker health 403-9 Work-related injuries 403-10 Work-related ill health	This reflects Vivant's focus on promoting employee health, safety, and overall well-being.		Vivant's Value Creation: Stakeholder Management Vivant's Sustainability Journey: Positive People Impact Key Performance Metrics
GRI 404: Training and Education	404-1 Average hours of training per year per employee 404-2 Programs for upgrading employee skills and transition assistance programs 404-3 Percentage of employees receiving regular performance and career development reviews	This reflects Vivant's commitment to fostering continuous learning and development for all employees.		Vivant's Value Creation: Stakeholder Management Vivant's Sustainability Journey: Positive People Impact Key Performance Metrics
405: Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	This considers how diverse backgrounds, knowledge, and experiences drive innovation and business growth to Vivant.		Vivant's Leadership and Governance Vivant's Sustainability Journey: Positive People Impact Key Performance Metrics

## Social

GRI Topic	GRI DISCLOSURE	Materiality Consideration	Adhered SDG	Section
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	This involves engaging with the local community to foster sustainable development.	      	Vivant's Value Creation: Stakeholder Management  Vivant's Sustainability Journey: Positive People Impact

## KEY PERFORMANCE METRICS

### Direct Economic Value Generated, Distributed and Retained

Economic Value Generated, Distributed, Retained in millions Php (201-1)			
Year	Generated	Distributed	Retained
2022	6,519	6,052	467
2023	8,265	7,207	1,057
2024	12,202	11,398	804

\*The financial statements for the year ended December 31, 2023 were restated to account for the finalization of the purchase price allocation for the acquisition, in compliance to the Philippine Financial Reporting Standards (PFRS) 3, Business Combination, of two subsidiaries, DPI and CIPC in 2023.

Breakdown of Economic Value Distributed in millions PHP (201-1)			
Economic Value Distributed	2022	2023	2024
Operating cost	4,526	5,472	8,817
Employee wages and benefits	342	370	552
Payments to providers of capital	735	787	1,084
Payments to government	422	556	926
Community investments	27	22	20
<b>Total</b>	<b>6,052</b>	<b>7,207</b>	<b>11,398</b>

### Energy Consumption

Energy Consumption in MWh (302-1)			
Business Unit	2022	2023	2024
HO-CEBU	169	173	209
HO-MAKATI	61	89	97
1590 EC	4,963	4,773	5,436
BPC	37	29	214
CIPC	1,720	2,023	2,112
DPI	3,935	4,903	5,830
INPC	2,750	2,898	3,256
MPC	73,282	86,414	97,776
MPI	-	-	1,224
NBPC	36	26	89
PPWRLC	15	451	362
WMP	19	22	12
<b>Total</b>	<b>86,987</b>	<b>101,801</b>	<b>116,617</b>

Coal Consumption in MT (302-1)			
Business Unit	2022	2023	2024
MPC	382,601	467,781	536,514

### Fuel Consumption within the organization (302-1)

Heavy Fuel Oil (in '000 liters)			
Business Unit	2022	2023	2024
1590 EC	39,227.25	20,433.81	20,538.71
BPC	264.94	27.23	214.80
CIPC	7,063.63	8,692.36	9,451.80
DPI	21,614.07	27,140.34	36,516.75
INPC	12,024.54	13,629.23	14,377.07
MPC	-	-	309.21
MPI	-	-	9,862.70
WMP	-	5.18	-
<b>Total</b>	<b>80,194.43</b>	<b>69,928.15</b>	<b>91,271.03</b>

Light Fuel Oil (in '000 liters)			
Business Unit	2022	2023	2024
1590 EC	1,942.71	1,562.45	1,246.39
BPC	97.18	9.53	338.77
CIPC	586.65	1,551.36	2,310.47
DPI	429.31	530.17	730.33
INPC	96.89	130.39	130.01
MPC	168.45	194.79	-
MPI	-	-	724.47
NBPC	33.10	26.32	145.97
PPWRLC	-	30.30	0.04
WMP	-	12.09	28.11
<b>Total</b>	<b>3,354.29</b>	<b>4,047.40</b>	<b>5,654.56</b>

### Fuel Consumption outside the Organization (302-2)

Gasoline (in '000 liters)			
Business Unit	2022	2023	2024
HO-CEBU	16.04	24.23	43.66
HO-MAKATI	9.73	14.05	25.90
1590 EC	1.63	0.07	10.53
BPC	-	-	7.17
CIPC	0.74	1.08	0.58
NBPC	-	-	0.02
<b>Total</b>	<b>28.14</b>	<b>39.43</b>	<b>87.86</b>

Diesel (in '000 liters)			
Business Unit	2022	2023	2024
HO-CEBU	20.94	26.75	28.46
HO-MAKATI	8.57	13.49	17.06
1590 EC	14.66	12.70	0.01
BPC	5.83	7.29	-
CIPC	8.53	10.47	10.93
DPI	10.41	9.12	7.74
INPC	6.06	7.15	7.65
MPC	42.01	52.57	51.02
NBPC	-	1.47	1.62
<b>Total</b>	<b>117.00</b>	<b>140.99</b>	<b>124.49</b>

### GHG Emissions

Scope 1: Direct GHG Emissions in tco2e (305-1)			
Business Unit	2022	2023	2024
1590 EC	113,454	60,348	59,910
BPC	993	174	1,494
CIPC	21,069	26,633	32,193
DPI	60,783	76,190	102,562
INPC	33,432	35,862	39,961
MPC	869,132	1,028,804	1,214,509
MPI	-	-	29,104
NBPC	89	78	389
PPWRLC	-	81	0.09
WMP	-	46	75
<b>Total</b>	<b>1,098,952</b>	<b>1,228,216</b>	<b>1,480,196</b>

Source of Scope 1 Emission Factors: UK DEFRA

Scope 2: Energy indirect GHG emissions in tco2e (305-2)			
Business Unit	2022	2023	2024
HO-CEBU	118	120	145
HO-MAKATI	42	62	67
1590 EC	3,442	3,310	3,770
BPC	32	25	183
MPC	62,451	73,642	83,325
MPI	-	-	849
NBPC	30	22	76
PPWRLC	10	313	251
WMP	13	15	8
<b>Total</b>	<b>71,967</b>	<b>84,323</b>	<b>96,439</b>

Source of Scope 2 Emission Factors: Department of Energy

Scope 3: Other Indirect GHG Emissions in tco2e (305-3)			
Business Unit	2022	2023	2024
Head Office	195	313	476
1590 EC	44	34	29
BPC	16	19	20
CIPC	25	31	31
DPI	28	24	21
INPC	16	19	20
MPC	113	140	136
NBPC	-	4	4
<b>Total</b>	<b>437</b>	<b>584</b>	<b>737</b>

Source of Scope 3 Emission Factors: UK DEFRA

## Water Consumption, Withdrawal and Discharge

Water Consumption in ML (303-5)			
Business Unit	2022	2023	2024
HO-CEBU	0.10	0.12	0.17
HO-MAKATI	0.41	0.57	0.60
1590 EC	39.09	48.33	47.16
BPC	1.44	0.23	0.23
CIPC	0.02	0.35	0.000460
DPI	7.27	4.66	7.05
INPC	2.16	3.23	3.70
MPC	35.84	41.60	16.99
MPI	-	-	5.87
NBPC	0.12	0.59	0.74
<b>Total</b>	<b>86.45</b>	<b>99.68</b>	<b>82.51</b>

Water Withdrawal in ML (303-3)			
Business Unit	2022	2023	2024
1590 EC	42.19	51.43	0.06
BPC	1.10	0.23	0.23
CIPC	1.05	1.14	0.00145
DPI	7.76	7.05	6.64
INPC	2.16	3.58	4.06
MPC	211,918.40	233,699.00	271,885.81
MPI	-	-	0.29
NBPC	0.12	0.59	0.74
PPWRLC	-	-	797.33
<b>Total</b>	<b>211,972.78</b>	<b>233,763.02</b>	<b>272,695.16</b>

Water Withdrawal by Source in ML (303-3)			
Water Source	2022	2023	2024
Sea Water	211,921.78	233,699.00	271,886.09
Ground Water	49.71	60.91	10.44
Municipal Supply	-	-	1.10
Produced Water	-	0.35	-
Surface Water	-	-	797.33
Others	1.28	2.77	0.20
<b>Total</b>	<b>211,972.77</b>	<b>233,763.03</b>	<b>272,695.15</b>

Water Discharge in ML (303-4)			
Business Unit	2022	2023	2024
1590 EC	3.09	5.22	0.00368
BPC	0.02	-	0.06
CIPC	1.03	0.35	-
DPI	0.27	1.40	1.66
INPC	-	-	2.77
MPC	211,883.21	233,699.00	271,885.81
MPI	-	-	6.12
NBPC	-	0.19	0.66
<b>Total</b>	<b>211,887.62</b>	<b>233,706.16</b>	<b>271,897.08</b>

Water Discharge by Destination in ML (303-4)			
Water Destination	2022	2023	2024
Ground Water	1.04	1.75	0.05
Sea Water	211,921.49	233,704.22	271,887.47
Surface Water	0.27	0.19	-
Municipal Water	-	-	6.12
Others	-	-	3.45
<b>Total</b>	<b>211,922.80</b>	<b>233,706.16</b>	<b>271,897.08</b>

Water Treated in ML	
Business Unit	2024
PPWRLC	797.33

## Waste Generated and Disposed

Hazardous Waste Generated in T (306-3)			
Business Unit	2022	2023	2024
1590 EC	180.85	65.91	103.08
BPC	0.34	-	29.66
CIPC	0.10	131.27	170.84
DPI	324.00	227.50	336.21
INPC	52.98	81.07	167.36
MPC	14.26	15.20	17.02
MPI	-	-	252.69
NBPC	-	-	11.59
<b>Total</b>	<b>572.53</b>	<b>520.95</b>	<b>1,088.44</b>

Hazardous Waste Diverted from or Directed to Disposal in T (306-4, 306-5)			
Disposal or Recovery Operation	2022	2023	2024
Other Disposal Operations	0.05	-	576.97
Sold	-	-	255.80
Stored	69.78	58.04	968.56
Transported	500.22	447.71	-
Treated (Recovery)	2.48	15.20	-
<b>Total</b>	<b>572.53</b>	<b>520.95</b>	<b>1,801.33</b>

Non-Hazardous Waste Generated in T (306-3)			
Business Unit	2022	2023	2024
HO-CEBU	-	0.29	1.37
HO-MAKATI	-	0.19	0.21
1590 EC	52.87	119.76	16.42
BPC	0.47	0.62	0.98
CIPC	0.70	0.12	0.13
DPI	1.51	0.12	1.22
INPC	-	0.37	2.30
MPC	21,570.00	28,034.00	41,512.00
MPI	-	-	16.93
NBPC	0.03	0.94	1.45
<b>Total</b>	<b>21,625.58</b>	<b>28,156.41</b>	<b>41,552.99</b>

Non-Hazardous Waste Diverted from or Directed to Disposal in T (306-4, 306-5)			
Disposal or Recovery Operation	2022	2023	2024
Composted (Recovery)	0.20	1.06	1,610.63
Landfilled (Disposal)	276.67	313.81	528.49
Other Disposal Operations	0.03	27,725.45	41,512.00
Recycled (Recovery)	21,348.67	115.58	180.78
Reusable (Recovery)	-	0.03	0.01
Sold	-	0.47	19.38
<b>Total</b>	<b>21,625.57</b>	<b>28,156.40</b>	<b>43,851.29</b>

## Employment

Total Workforce (401-1)				New Hires (401-1)			
Business Unit	2022	2023	2024	Business Unit	2022	2023	2024
VIVANT	89	95	115	VIVANT	19	25	39
VEC	52	75	92	VEC	12	23	26
VIHI	10	20	29	VIHI	4	11	15
VFI	4	4	4	VFI	1	-	-
COREENERGY	8	21	22	COREENERGY	5	4	5
CORE SOLAR	2	-	-	CORE SOLAR	-	-	-
1590 EC	82	83	86	1590 EC	7	5	8
CIPC	30	28	31	CIPC	6	-	4
DPI	33	31	34	DPI	-	-	10
INPC	25	26	27	INPC	-	2	2
MPC	179	177	179	MPC	14	15	13
BPC	17	16	17	BPC	4	2	2
NBPC	7	5	5	NBPC	1	-	1
PPWRLC	21	16	14	PPWRLC	-	-	3
WMP	33	92	48	WMP	-	2	-
IMCC	-	-	10	IMCC	-	-	8
MPI	-	-	6	MPI	-	-	4
SIAEC	-	-	1	SIAEC	-	-	-
<b>Total</b>	<b>592</b>	<b>689</b>	<b>720</b>	<b>Total</b>	<b>73</b>	<b>89</b>	<b>140</b>

Employee Turnover (401-1)			
Business Unit	2022	2023	2024
VIVANT	16	10	20
VEC	5	4	11
VIHI	2	4	6
VFI	2	-	-
COREENERGY	3	2	4
CORE SOLAR	-	2	-
1590 EC	3	2	2
CIPC	1	5	2
DPI	-	4	7
INPC	2	2	1
MPC	-	-	12
BPC	7	-	1
NBPC	1	-	1
PPWRLC	-	-	7
WMP	-	5	-
IMCC	-	-	-
MPI	-	-	-
SIAEC	-	-	1
<b>Total</b>	<b>42</b>	<b>40</b>	<b>75</b>

## Gender

Total Workforce			
Gender	2022	2023	2024
Male	452	522	514
Female	140	167	206
<b>Total</b>	<b>592</b>	<b>689</b>	<b>720</b>

2024 New Hires	
Gender	Count
Male	81
Female	59
<b>Total</b>	<b>140</b>

2024 Employee Turnover	
Gender	Count
Male	48
Female	27
<b>Total</b>	<b>75</b>

### Age

Total Workforce			
Age Group	2022	2023	2024
< 30 years old	144	153	156
30 - 50 years old	269	463	492
> 50 years old	179	73	72
<b>Total</b>	<b>592</b>	<b>689</b>	<b>720</b>

2024 New Hires	
Age Group	Count
< 30 years old	68
30 - 50 years old	70
> 50 years old	2
<b>Total</b>	<b>140</b>

2024 Employee Turnover	
Age Group	Count
< 30 years old	24
30 - 50 years old	47
> 50 years old	4
<b>Total</b>	<b>75</b>

### Level

Total Workforce			
Level	2022	2023	2024
Non Management	443	574	553
Middle Management	67	57	122
Senior Management	27	58	45
<b>Total</b>	<b>537</b>	<b>689</b>	<b>720</b>

2024 New Hires	
Level	Count
Non Management	118
Middle Management	18
Senior Management	4
<b>Total</b>	<b>140</b>

2024 Employee Turnover	
Level	Count
Non Management	61
Middle Management	11
Senior Management	3
<b>Total</b>	<b>75</b>

### Location

Total Workforce			
Location	2022	2023	2024
Metro Cebu	151	245	240
Metro Manila	45	62	80
Luzon	168	158	166
Visayas	25	26	33
Mindanao	203	198	201
<b>Total</b>	<b>592</b>	<b>689</b>	<b>720</b>

2024 New Hires	
Location	Count
Metro Cebu	59
Metro Manila	34
Luzon	25
Visayas	6
Mindanao	16
<b>Total</b>	<b>140</b>

2024 Employee Turnover	
Location	Count
Metro Cebu	23
Metro Manila	18
Luzon	19
Visayas	1
Mindanao	14
<b>Total</b>	<b>75</b>

### Parental Leaves (401-3)

Male		
Business Unit	Total number of male employees that were entitled to parental leave	Number of male employees that took parental leave
1590 EC	60	-
BPC	16	1
CIPC	30	-
DPI	38	-
INPC	26	1
MPC	155	18
MPI	1	-
NBPC	6	-
SIAEC	2	-
VIVANT	18	-
VEC	24	-
VIHI	7	-
VFI	2	1
COREENERGY	9	1
<b>Total</b>	<b>394</b>	<b>22</b>

## Training

Female		
Business Unit	Total number of female employees that were entitled to parental leave	Number of female employees that took parental leave
1590 EC	1	-
BPC	3	1
CIPC	3	1
DPI	4	-
INPC	2	-
MPC	24	5
MPI	2	-
NBPC	-	-
SIAEC	-	-
VIVANT	83	2
VEC	39	-
VIHI	17	-
VFI	2	-
COREENERGY	9	1
<b>Total</b>	<b>189</b>	<b>10</b>

Training Hours (404-1)		
Business Unit	Training Hours	Average Hours
2022	5,654	10
2023	6,494	9
2024	20,102	26

Training Hours by Company (404-1)	
Business Unit	Total Hours
VIVANT	2,639
VEC	5,554
VIHI	500
COREENERGY	228
1590 EC	3,108
BPC	664
CIPC	168
DPI	600
INPC	1,032
MPC	5,308
MPI	69
NBPC	232
<b>Total</b>	<b>20,102</b>

Training Hours by Level (404-1)	
Business Unit	Total Hours
Non-Management	15,545
Middle Management	3,923
Senior Management	634
<b>Total</b>	<b>20,102</b>

## Performance Reviews by Company

Performance Reviews by Company (404-3)	
Business Unit	Total Hours
VIVANT	100%
VEC	100%
VIHI	100%
VFI	100%
COREENERGY	100%
1590 EC	100%
CIPC	100%
DPI	100%
INPC	100%
MPI	100%
MPC	100%
BPC	100%
NBPC	100%

## Occupational Health & Safety

Worker Training on Occupational Health and Safety (403-5)	
Business Unit	Safety/emergency drills conducted
1590 EC	2
BPC	5
CIPC	1
DPI	6
INPC	4
MPC	1
MPI	15
NBPC	2
<b>Total</b>	<b>36</b>

Work-related Injuries & Illnesses (403-9 & 403-10)	
Business Unit	Work-related Injuries
1590 EC	419,983
BPC	56,708
CIPC	150,614
DPI	210,476
INPC	131,690
MPC	1,194,092
MPI	247,396
NBPC	18,672
<b>Total</b>	<b>2,429,631</b>

Work-related Injuries & Illnesses (403-9 & 403-10)	
Business Unit	Safe Man Hours
1590 EC	-
BPC	-
CIPC	-
DPI	1
INPC	-
MPC	-
MPI	-
NBPC	-
<b>Total</b>	<b>1</b>

\*DPI had a minor work-related incident involving a contractor.



**2024 Vivant Corp. Integrated Report Production Team:**

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